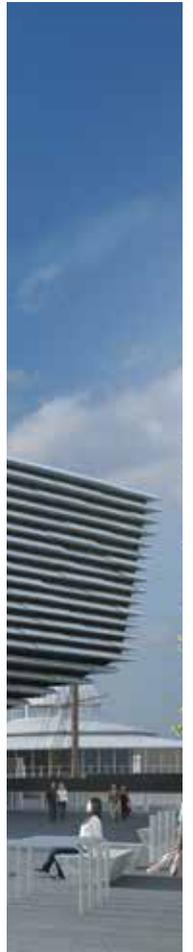


SCOTLAND'S AGENDA FOR CITIES



Our vision:
**A Scotland where our cities and
their regions power Scotland's
economy for the benefit of all.**



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Data sources for city infographics can be found on the cities page of the Scottish Government website



FOREWORD



Our vision, set out in 2011, when we published the Agenda for Cities remains true:

A Scotland where our cities and their regions power Scotland's economy for the benefit of all.

Scotland's Economic Strategy forms the backdrop to Scotland's Agenda for Cities. Our cities and their regions are important players in delivering the priorities of Scotland's Economic Strategy - to increase internationalisation, boost investment and innovation and support inclusive growth.

Our role as Government is to help our cities realise their city visions and strengthen their partnerships. This Agenda sets out what we will do to provide that support so that cities themselves, with their partners, can be in the driving seat.

Our focus on cities delivers wider benefits for city regions and for all of Scotland. In 2012, Perth joined Aberdeen, Dundee, Edinburgh, Glasgow, Inverness and Stirling creating seven distinctive cities and city regions. Good transport connections, affordable housing and local amenities make the regions outside the cities attractive to many city workers, who also enjoy being near to the social and cultural hubs that thrive in cities. Scotland's cities and their regions gain from their easy access to the varied beauty of rural Scotland and in turn, Scotland's cities provide a natural home for research and development, education and international connections that support businesses in rural Scotland. When our cities thrive, the rest of Scotland shares the benefit.

Where inequalities persist, we see them most clearly in our cities. That is why this refresh has a particular emphasis on inclusive growth. A clear focus on growth and a commitment to greater equality, developed collaboratively with and across our cities, will help to strengthen the measures we are taking to tackle disadvantage and to ensure that opportunities are available to all.

The first Agenda set the foundations for the Scottish Cities Alliance. Today, it is a reality - and widely acknowledged as an effective collaborative model. I am particularly pleased that the Scottish Cities Alliance is developing more meaningful links with Europe. By engaging in this way, we can explore new opportunities to influence decisions there, learning from other nations and sharing good practice from Scotland.

This Agenda has been developed collaboratively. It aims to acknowledge significant achievements and progress, and to focus our energies on future opportunities and plans. It aims to embrace innovative technologies that will change our cities in ways we can barely imagine, and to make real our cities' ambitious infrastructure plans more quickly, by attracting new investment from around the world. We want to make Scotland's cities and their regions exemplars in digital and transport connectivity, low carbon approaches and affordable housing. And most importantly, we want to engage Scotland's people in this transformation, opening up new ways of thinking and working together as partners.

Already, Scotland is punching above its weight. This Agenda supports our cities to build on our reputation for innovation, risk-taking and boldness, here in Scotland, Europe and across the world. It provides an enabling framework for action that will benefit all Scotland's people, wherever they live.

I commend this Agenda to you and look forward to continuing our work to help Scotland thrive.

Keith Brown MSP,

Cabinet Secretary for Infrastructure,
Investment and Cities

Introduction



INTRODUCTION

Scotland's cities, together with their regions, are home to some two-thirds of our national economy and over half our population. If our cities and their regions thrive, all Scotland will benefit.

The Agenda for Cities was published in 2011, with a lifespan of over 10 years to deliver its ambitions. With the refresh of Scotland's Economic Strategy, the advent of City Region Deals in Scotland and the

maturing of the Scottish Cities Alliance, this is the right time for a mid-point review. In the context of significant progress since 2011, this refreshed Agenda for Cities sets out the Scottish Government's strategic framework for its future interaction with Scotland's cities.

Throughout this document there are examples of the achievements and highlights of the past four years.

In 2011 we said we would:	In 2016 we now have in place:
<ul style="list-style-type: none"> → Build strong partnerships that are focused on developing collaborative programmes of scale that will attract investment and create jobs across all our city regions 	<ul style="list-style-type: none"> → Scottish Cities Alliance → City Region Deal Partnerships in Glasgow and Aberdeen with more in development
<ul style="list-style-type: none"> → Develop innovative ways of accessing finance, leveraging investment into our cities, delivering infrastructure investment and enhancing a sense of place 	<ul style="list-style-type: none"> → £10 billion Cities' Investment Prospectus → New engagement with Sovereign Wealth Funds → Collaborative work to access EU funds → Growth Accelerator funding of enabling infrastructure in Edinburgh and Dundee

ABERDEEN

EUROPE'S ENERGY CAPITAL AND ONE OF **TOP 5 ENERGY CITIES IN THE WORLD**



2ND HIGHEST BUSINESS BIRTH RATE IN UK



2 WORLD RENOWNED UNIVERSITIES



HOME TO **33 OF SCOTLAND'S TOP 100 COMPANIES**
"INVEST, LIVE, VISIT"

HAS OVER **1,000 BUSINESSES** WITHIN THE ENERGY SECTOR



3.5M PASSENGERS THROUGH ABERDEEN INTERNATIONAL AIRPORT
(14% OF ALL PASSENGERS IN SCOTTISH AIRPORTS)



Setting the Context

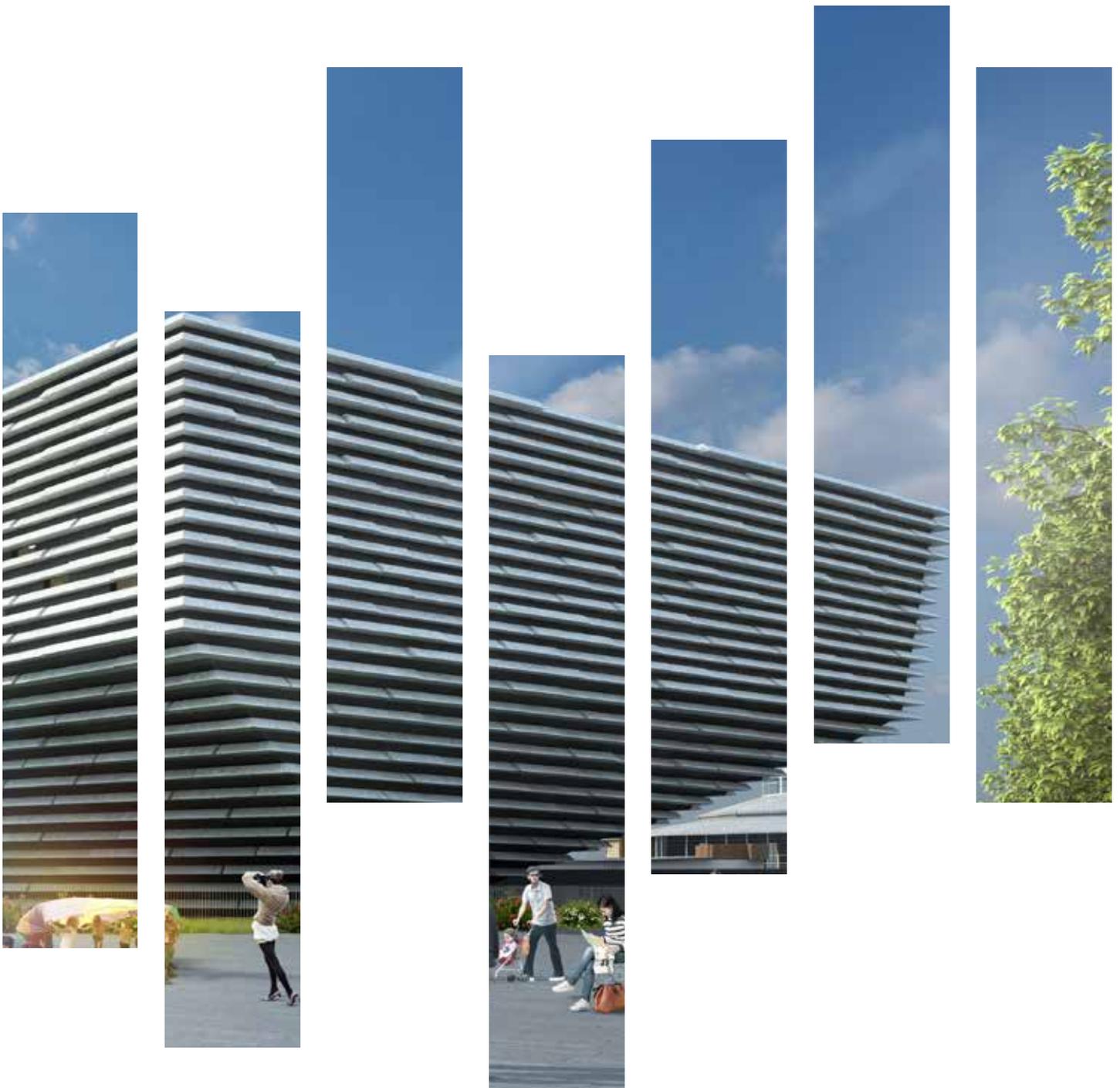


Image of the planned V&A Museum of Design, Dundee

SETTING THE CONTEXT

Our vision is of:

A Scotland where our cities and their regions power Scotland's economy for the benefit of all.

Scotland's Economic Strategy

Creating a fairer society is not only a desirable goal in itself; it is essential to the sustained, long-term prosperity of the Scottish economy. Far from being conflicting priorities, delivering sustainable growth and addressing long-standing inequalities are mutually reinforcing objectives. Scotland's Economic Strategy provides a framework for how the Scottish Government will work with its partners across the public sector to achieve a fairer, more productive and cohesive Scotland. It provides the strategic bedrock for this refreshed Agenda, prioritising four areas:

- maintaining our focus on increasing **internationalisation**
- boosting **investment**
- boosting **innovation**
- supporting **inclusive growth**

Scotland's Economic Strategy aims to deliver more equal growth across the country – creating opportunities across Scotland's cities, towns, rural and island areas. With over a third of Scotland's total population living in the seven city local authority areas¹ and over half in the city regions², it also acknowledges the significant impact of Scotland's cities on

“...the prosperity of any region and indeed nation relies to a great extent upon the growth, economic activity and dynamism of its cities.”

Scotland's Economic Powerhouses: a focus on Scotland's city economies. Fraser of Allander Institute, University of Strathclyde, 2015

the national economy. The size and scale of Scotland's cities drives a concentration of business, and creates a dynamic environment for knowledge-sharing and innovation. Scotland's Economic Strategy also stresses the importance of cities and their regions working together as functional economic geographies.

A strengthened focus on the city region

We have always recognised the importance of cities working in close partnership with their regions, and the city region is a key focus of our National Planning Framework. The advent of City Region Deals means cities are working with their regional partners in new ways and with fresh impetus, to deliver more effective regional economies. We welcome greater collaboration between local authorities, and also wider collaboration within and beyond the public sector which leads to improved coherence between the local authorities, businesses and bodies such as the Scottish Funding Council, Skills Development Scotland and the Enterprise Agencies (Scottish Enterprise and Highlands & Islands Enterprise).

- Cities and their surrounding regions will be a focus for investment
- Cities will be exemplars of low carbon living and a focus for essential energy infrastructure
- Quality of life and resilience in city regions will be supported by green infrastructure
- Cities will be better connected and provide a gateway to the rest of the world

National Planning Framework 3, 2015

¹ Local authority areas: Glasgow City, City of Edinburgh, Aberdeen City, Dundee City, Stirling, Perth & Kinross and Highland.

² City region travel to work areas: Glasgow, Edinburgh, Aberdeen, Dundee, Stirling, Perth, Inverness

Our commitment to subsidiarity and local decision-making

Rebalancing power and achieving greater democratic equality are essential to creating a fairer and more prosperous Scotland. The people who live and work in Scotland's cities and their regions must be given opportunities to influence the society and economy around them. Our commitment to local decision-making will help shape our engagement with Scotland's cities, constantly seeking to support people to participate fully in delivering dynamic places where all can thrive.

An emerging EU Urban agenda

In 2016, for the first time, the European Union will agree an Urban Agenda, another sign of the global recognition of cities and city regions as drivers of growth. It will focus on better regulation, better funding and better knowledge exchange. Its rolling agenda of 12 priority themes will be developed through the formation of Urban Partnerships, involving experts from across Europe. By engaging with the EU, Scotland's cities and the Scottish Government have the opportunity to learn from other nations about what works in their city regions, and the potential to share good practice from Scotland.

Reaffirming the benefits of collaboration

In these days of financial constraints, the added value of collaboration is clear to see: cost effective use of time and resources, sharing talent, improving awareness and mutual understanding. The role for the Scottish Government is to provide strategic support, allowing cities and their regions to work closely with their partners and the people who live and work there to achieve shared economic success – the essence of

community empowerment. Collaboration takes many forms and we support city-city, city-region and city-government relationships; each has a valid contribution to make alongside the national role that government must take.

The Scottish Cities Alliance – a maturing collaboration

Established in December 2011, the **Scottish Cities Alliance** is a unique collaboration between Scotland's seven cities and the Scottish Government, to bring investment and jobs to our cities and to deliver sustainable economic growth. This significant and ground-breaking collaboration has been watched and admired elsewhere in the UK and Europe. With the Scottish Government providing strategic leadership and the cities firmly in the driving seat, the Alliance has been able to speak powerfully with one voice, to benefit from the sharing of expertise and to secure a better place at the table in Europe and beyond. It has increased ambition, garnered successes and given impetus to innovation and fresh thinking. Although our cities will always compete with each other, through the work of the Alliance they have been able to identify areas such as investment promotion where collaboration offers greater opportunities. The current focus of the Alliance's work is on:

- Infrastructure
- Smart Cities
- Low Carbon

The **Scottish Cities Knowledge Centre** has drawn together academic expertise to support the Alliance with a variety of events, workshops, seminars and briefing papers.

“Over the last ten years, Scotland’s three largest cities [Aberdeen, Edinburgh, and Glasgow] have demonstrated that they have the capability to attract investment from all over the world... Each of them has a differentiated proposition but they share transport infrastructure, world renowned universities and cultural and sporting facilities which are the envy of the rest of the UK. So the role of collaborations such as Scottish Cities Alliance will become increasingly important as the agenda for Scottish cities begins to move into the delivery stages.”

Douglas Smith, Executive Director of CBRE Scotland, January 2016

Moving Forward

Scotland’s Agenda for Cities sets out the Scottish Government’s strategic framework for future interaction with Scotland’s cities, reflecting changes in context since the original was published in 2011. It supports inclusive growth and effective place-making, supporting Scottish cities to play

to their strengths, capitalise on investment opportunities and continue to make a strong positive contribution to Scotland’s success.

The following four sections reflect the four priorities of Scotland’s Economic Strategy. Against each of these priorities, we describe achievements to date and plans for the future.

DUNDEE

HIGHEST STUDENT POPULATION RATIO IN SCOTLAND



SELECTED AS ONE OF THE 7 MOST INTELLIGENT COMMUNITIES IN THE WORLD BY THE INTELLIGENT COMMUNITY FORUM



UK’S FIRST AND ONLY UNESCO CITY OF DESIGN

ONE CITY **MANY DISCOVERIES**

HOME TO THE ONLY V&A MUSEUM OUTSIDE LONDON

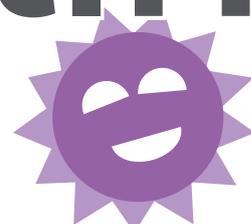


BIRTHPLACE OF SCOTLAND’S COMPUTER GAMES INDUSTRY



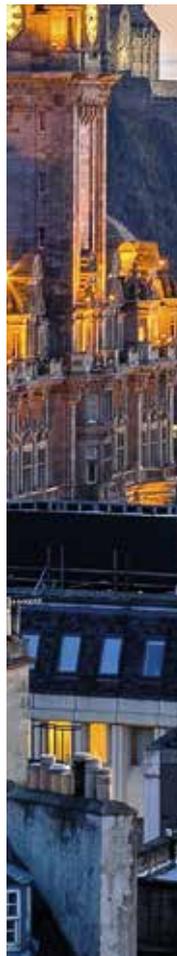
HOME TO THE WORLD’S FIRST COMPUTER GAMES DEGREE

SCOTLAND’S SUNNIEST CITY



Section 1

Increasing Internationalisation



SECTION 1 – INCREASING INTERNATIONALISATION

Scotland's cities perform a symbolic role for the nation, characterising our aspirations, values and confidence. Our cities and their regions have deep cultural roots, global strengths and reach, and they have a key role to play in realising Scotland's ambitions to grow and internationalise our business base.

Our focus will be to:

- promote international trade and investment in Scotland's cities
- capitalise on new and existing EU and global links

1.1 Promoting international trade and investment in Scotland's cities

Already the Scottish Government has recognised the Alliance's proactive role in attracting capital investment to Scotland's cities, including:

- a £10 billion Cities' Investment Prospectus
- an investor event with the First Minister in New York
- bringing a range of Sovereign Wealth Funds to Scotland
- helping to secure £30 million investment in Perth city centre
- supporting the marketing of the £100 million Inverness Campus which opened in 2015

Building on this the Alliance's strategic and joined up approach will continue to generate strong investment propositions which meet investor expectations. As part of a single door approach to attracting capital investment, we will take a lead in adopting a more systematic approach to identifying and engaging with potential investors.

In addition:

- Scottish Ministers will continue to act as ambassadors for investment
- we will use the new Scottish Government Innovation and Investment Hubs, in Dublin and then in Brussels and London once established, as bases to increase cities' reach and make investor engagement easier

1.2 Capitalising on new and existing EU and global links

Scotland's cities are the cultural touchstone for the nation, possessing and displaying a rich heritage and international appeal. This provides a solid foundation on which to build.

Already the Alliance has developed a strategy for our cities to increase their engagement in Europe, with a view to raising the profile of the cities, the Alliance and Scotland itself. Through this strategy, our cities aim to influence EU urban policies, and associated funding sources, to better reflect smaller cities' needs. The Alliance has already been invited to sit on the Urban Partnership for housing which will form part of the emerging EU Urban Agenda.

Building on this with a clear economic development focus aimed at securing investment for Scotland's cities:

- the Alliance will continue to develop a "pitch book" of large-scale investment opportunities for Scotland
- we will work to maximise the opportunities of existing EU and global networks such as GlobalScot and city twinning

The Scottish Cities Alliance breaks new ground at MIPIM – a globally-influential real estate event

The Alliance's £10 billion Cities' Investment Prospectus was first launched at MIPIM UK in October 2014, and then to an international audience at MIPIM Cannes in March 2015.



Keith Brown MSP

Cabinet Secretary for Infrastructure, Investment and Cities at the Alliance's stand at MIPIM UK in October 2015

“With commercial property investment and development becoming increasingly competitive on a global stage, it is important that Scotland's cities are represented at these international gatherings, particularly in light of the well-funded campaigns on display from some other cities in their bids to attract investment..”

Cameron Stott

Director, Jones Lang LaSalle

“We're trying to emulate and rise to the excellence of the Alliance's stand at MIPIM. It's really well done and your information is well presented and co-ordinated.”

Heather Lalonde

Chief Executive of Economic Developers Council of Ontario, Canada

“This week I joined colleagues from Scotland's cities and thousands of investors and developers ... at London's Kensington Olympia for MIPIM UK, the country's biggest property marketplace... to fly the flag for Inverness and Highland, setting out our stall for an investment community which this year includes a large delegation from China. “We wouldn't be here at all if weren't for Scottish Cities Alliance. By working together with Scotland's bigger cities, combining resources and learning from the experience of others, we are making quite an impression on the exhibition floor.

“Days like these secure the future path of a city, and will plant the seeds of investment into projects that we will announce in the years to come.”

Stuart Black

Director of Development and Infrastructure, The Highland Council, in *the Scotsman*, 22 October 2015

EDINBURGH

HOME TO THE WORLD'S LARGEST ARTS FESTIVAL
(THE EDINBURGH FESTIVAL FRINGE)



A WORLD HERITAGE SITE AND UNESCO'S FIRST CITY OF LITERATURE
THE CITY IS **2ND MOST POPULAR TOURIST DESTINATION IN UK**, OVER **4M VISITORS** EACH YEAR

UK'S LARGEST TECH HUB
OUTSIDE LONDON
AND HOME TO 2 OF THE WORLD'S
152 UNICORN START UPS



BEST MID-SIZED EUROPEAN CITY
FOR BUSINESS FRIENDLINESS 2016/17



MORE PEOPLE WITH DEGREE/DEGREE EQUIVALENT QUALIFICATIONS THAN ANY UK CITY OUTSIDE LONDON
46% OF WORKING AGE RESIDENTS



HOTEL OCCUPANCY RATES AMONGST THE HIGHEST IN **EUROPE**



4 **MICHELIN STARRED RESTAURANTS**
MORE THAN ANY UK CITY OUTSIDE LONDON



Section 2

Boosting Investment



George Square and City Chambers, Glasgow

SECTION 2 – BOOSTING INVESTMENT

For our cities to play their full part in delivering Scotland's economic ambitions, they must provide an environment in which business investment and job creation can flourish.

Our focus will be to:

- keep driving forward investment and innovative funding approaches
- ensure our cities can access the best digital infrastructure, and citizens and businesses are well equipped to maximise its benefit
- ensure that investment delivers sustainable and resilient solutions for the long term

2.1 Driving forward investment and innovative funding approaches

Boosting investment has been the main focus of our cities work to date.

Already we have made sure that our cities' needs are explicitly included in strategic documents including Scotland's Economic Strategy, the National Planning Framework, the Infrastructure Investment Plan and the National Transport Strategy (2016).

“The Scottish Government takes a strategic approach to cities and their regions and recognises these are the engines of our economy. Scotland's cities are diverse and full of potential. They are central to Scotland's economic strategy and, as most of our people live in our cities and surrounding areas, they are the target of much of our social infrastructure investment.”

Infrastructure Investment Plan 2015

We have developed the new Growth Accelerator (GA) model, a novel funding approach which builds on our experience of Tax Incremental Financing. It provides cities and regions with a means to invest in the enabling infrastructure to unlock private sector investment. The first GA project, for the St James Quarter in Edinburgh, will provide up to £60 million of public sector investment which in turn will unlock around £1 billion of new retail, leisure, hotel and residential development in the city centre. The second GA, in Dundee, will provide up to £63.8 million for a range of Central Waterfront investments including the station concourse, civic spaces, development of the V&A, world class digital infrastructure and Grade A office space to support economic growth and increase tourism in the area.

In addition we have secured a commitment from Abellio, the current Scotrail franchise operator, to transform the quality of inter-city rail services. They will introduce a fully refurbished fleet of high-speed trains by December 2018 to connect the seven cities. We convened a Cross Border Connectivity conference in Newcastle in February 2016 and signed a Memorandum of Understanding with Transport for the North, which will give the Scottish Government input into the Northern Transport Strategy, part of the UK Government's approach to re-balancing the UK economy.

Building on this we will continue to:

- explicitly consider the needs of our cities and their regions in our strategic thinking, providing opportunities to include city representatives in discussing and testing policy propositions in city contexts
- explore the potential of GA and other innovative funding approaches to support the delivery of suitable infrastructure opportunities in our cities
- use the opportunities afforded by the Memorandum of Understanding with Transport for the North to improve cross-border connectivity

2.2 Ensuring that our cities can access the best digital infrastructure and that their citizens and businesses are well equipped to maximise its benefit

Already we have:

- invested over £410 million, alongside our partners, in the Digital Scotland Superfast Broadband programme, which is extending fibre broadband access across our city regions
- supported Scottish cities to secure over £17.5 million from the UK Government's Urban Broadband Fund
- helped accelerate the rollout of Wi-Fi on trains, prioritising routes between cities
- created a comprehensive map of mobile and fixed infrastructure across Scotland, which will make it easier for the cities to identify their digital infrastructure priorities

Building on this we will continue to support cities to work with the market, to secure cost effective digital infrastructure that meets the needs of their businesses and citizens. This will include work on individual City Region Deals, to determine whether collaboration across the region could offer enhanced benefits. It will also include our World Class Digital Infrastructure programme, which is being developed in partnership with Scottish Futures Trust. We will also work with cities to help them develop a digitally literate and digitally included population.

2.3 Working with our cities to ensure that investment delivers sustainable and resilient solutions for the long-term

We know that our cities are keen to develop and apply:

- sustainable approaches to delivering affordable housing
- a low carbon and renewable energy portfolio and reduce their energy demand
- approaches to sustainable waste management
- smart technology to all appropriate infrastructure investment

Already we have delivered 30,000 new affordable homes across Scotland and we have committed to delivering a further 50,000 in the five years from May 2016. Many of these will be built in Scotland's city regions where there is already good infrastructure and access to job opportunities. Our approach will be strengthened by the Alliance's participation in the EU's Housing Urban Partnership, which concentrates on the supply of affordable housing.

We have worked with Aberdeen and the other Scottish cities to accelerate the rollout of hydrogen-fuelled vehicles. Ten hydrogen-powered buses – Europe's largest fleet – now run on two routes within the city. We will continue to explore the potential for the roll-out of this technology to other Scottish cities.

In addition, the Alliance has commissioned work to identify economically-advantageous low carbon opportunities to improve city resilience. Through the EU-funded STEP-UP Programme, the Alliance has secured support for cities to enhance their Strategic Energy Action Plans and benefit from knowledge exchange and best practice in the development of innovative energy projects.

Building on this we will make best use of the Alliance's engagement with the EU Urban Partnership on Housing.

We will continue our work through the Low Carbon Infrastructure Transition Programme (LCITP) to accelerate the development of investment grade business cases for substantive private, public and community low carbon projects across Scotland.³

We will also:

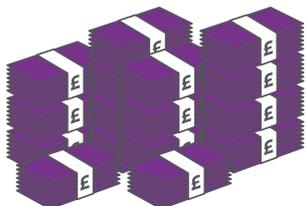
- develop a pipeline of work focusing on large-scale urban opportunities for energy efficiency retrofit, street lighting upgrades and low carbon heat
- promote the sharing of lessons learned and facilitate access to several low carbon knowledge networks that exist, in a bid to attract funding from EU and other sources

GLASGOW

SCOTLAND'S
LARGEST CITY
POPULATION OF
600,000



SCOTLAND'S
**ECONOMIC
POWERHOUSE**

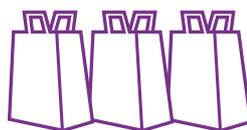


HOME TO
**130,000
STUDENTS**
FROM MORE
**THAN 135
COUNTRIES**



ONE OF
NATIONAL
GEOGRAPHIC'S
**TOP 20
LOCATIONS**
FOR **2016**

2nd LARGEST
SHOPPING
LOCATION



£2.55bn
SPENT EACH YEAR

ROUGH GUIDE'S
**FRIENDLIEST CITY
IN THE WORLD**



³ The LCITP is a partnership between the Scottish Government, Scottish Enterprise, Highlands & Islands Enterprise, Scottish Futures Trust and sector specialists which is supported by the European Regional Development Fund.

Section 3

Boosting Innovation



SECTION 3 – BOOSTING INNOVATION

Scotland's cities sit at the heart of our nation's knowledge economy. They are home to many high-growth and internationally-competitive economic sectors and to world-leading academic institutions. Our colleges and universities are key players in the local and national economies, major employers, creators of new businesses, generators of innovation which leads to business growth, and catalysts for inward investment. As such, they play an important part in city region partnerships.

Our focus will be to:

- seek opportunities for cities to be Smart City early-adopters
- work with our cities to lead can-do public service innovation with businesses and citizens
- ensure that all our decisions are informed by making the best use of data

In doing this, we will seek to build on the knowledge base in our colleges and universities.

3.1 Seeking opportunities for cities to be Smart City early-adopters

The diversity of Scotland's seven cities provides both strength and opportunity. Our smaller cities create a scale that is particularly suited to trying out new ideas, while a collaborative approach allows successful ideas to seed and spread rapidly.

Already we have produced a self-assessment framework which established each city's smart priorities. The results of this work have been used to develop a city-wide **Investment Roadmap**. £10 million of European Regional Development Funding has been allocated to progress a collaborative smart cities programme, and match funding from the cities takes the programme total to £24 million. The Alliance's smart cities work stream uses the knowledge developed by Glasgow's Future City Demonstrator to help all of our cities become smarter.

The potential of Smart Cities

Smart Cities technology has the potential to help improve air quality and traffic flow, cut pollution and give planners new tools and insights into the way cities work. This will allow them to better prepare for the future, which will in turn improve the quality of life for everyone who lives and works in each city, and create opportunities for business innovation.

It has been shown that a Smart City approach makes public services more effective and efficient, and makes cities more attractive to investors. At the same time, it makes significant environmental improvements and helps achieve CO₂ emission reduction targets. **By working together, Scotland's cities are using economies of scale to learn individually, and then share that knowledge collectively, to ensure they are at the cutting edge of Smart City technology and the many benefits that it can bring.**

In doing so, Scotland's cities can strongly position themselves to access investment, accelerate progress through learning, and identify innovations.

Building on this we will:

- seek ways for the cities to be forerunners of approaches that help them deliver their ambitions
- identify new ways to ensure that the Scottish business base has access to the opportunities this presents to test and commercialise new products
- maximise the impact of our public sector procurement, and establish open forums to allow SMEs and young businesses to get the best possible opportunity to capitalise on this emerging market

Having already attracted interest for our Smart Cities work from countries such as China and Italy, our cities are ambitious to be part of a collaboration of world-leading cities in smart technology. Our cities are well on their way to achieving this, using a range of funding initiatives to build the data infrastructure required.

3.2 Leading can-do public service innovation with businesses and citizens

Visionary, inclusive city leadership is a key factor in the success of cities around the world. The most effective leaders will harness the ideas and energy of innovative businesses and citizens. The requirements of city region level partnerships, and national level collaboration through the Alliance, make big demands on our city leaders. Nurturing that leadership has the potential to transform our public services for the benefit of citizens and businesses alike.

“... we will give strong support to the enterprise and innovation that will boost our productivity, increase our economic growth and create the skilled jobs we need for the future. ... But our success won't come just from entrepreneurs or scientists. I want to see a can-do culture define us as a country on every level. ... as well as supporting new business, we will also be innovative in how we equip our public services for the future.”

Nicola Sturgeon, First Minister,
New Year message 2016

Already our city leaders have developed and shared their vision for Scotland's cities, and they are in the vanguard of **exploring** how new powers for local authorities can help deliver better outcomes for businesses and citizens. They have collaborated through the Alliance, and individually have led city region partnerships and worked to secure significant City Region Deals. They have embedded the private sector into city region deals to ensure that this expertise can benefit regional economies.

Building on this we will:

- continue to find ways to support our cities to engage at the most strategic level with the Scottish Government and its agencies
- work, as appropriate, to maximise the effectiveness of both individual and collaborative city engagement with the UK Government and with the EU
- ensure that innovative businesses get opportunities to contribute to regional economies
- explore the **Enabling Collaborative Leadership Pioneer** programme with Workforce Scotland and identify whether it may benefit the Alliance or the cities separately

Scottish cities, and all local authorities, already hold wide ranging powers including the **Power to Advance Well-Being**. However, we know that they seek more powers. We will continue to work with them to understand ambitions which are beyond the scope of their existing powers, and what is needed to support delivery of better outcomes. In committing to this, we recognise that our cities present Scotland with unique opportunities. However, we will balance these alongside the needs of the city regions and the rest of Scotland too – towns, villages, rural and island Scotland – to ensure truly inclusive growth

3.3 Making best use of data

As the world enters an age of “big data”, there is greater potential than ever before to see the big picture, to identify new patterns and explore possible relationships. The science of data analytics, which collects, cleans and uses raw data, can deliver innovative solutions to city problems, like traffic congestion.

Already our cities recognise the opportunity to use open⁴ data, both across local authority boundaries and between different service providers, to:

- drive improved services
- support business innovation
- assist in resilience-building and business transformation within local authorities

Building on this we will:

- work with our cities to provide strategic leadership and encourage more open data sharing. The Alliance’s work on the multi million pound Data Cluster will deliver progress on critical enabling data infrastructure across Scotland. This will include data community capacity building to support greater innovation from data
- use our Open Data Training Pilot to enable capacity building and knowledge transfer across the public sector

“The potential uses for all this information are intriguing. Cities can regulate and improve traffic flows, monitor water resources, or manage a smart electricity grid, all with the information they need readily available in the moment.”

Martine Durand in “Can big data deliver on its promise?” OECD Observer (2012)

INVERNESS



**THE CITY
IN THE HIGHLANDS**
**FASTEST GROWING
CITY IN SCOTLAND**

**ONE OF
THE BEST
UK RETAIL
INVESTMENT
LOCATIONS**



**HOME TO THE
UK'S NEWEST
UNIVERSITY**




**HOME TO
SCOTLAND'S
LARGEST
LIFE SCIENCE
COMPANY
LIFESCAN
SCOTLAND**

**LARGEST
MULTI-
PURPOSE
ARTS
VENUE
IN SCOTLAND**



**HOME
TO ONE OF
WORLD'S
FINEST GOLF
COURSES**

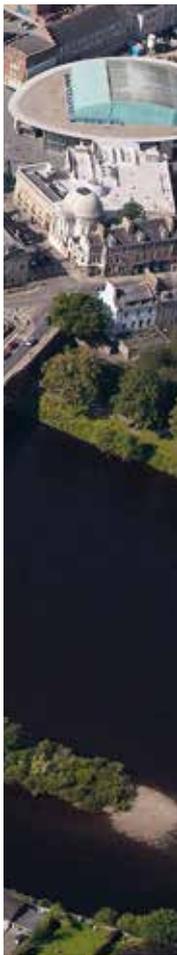
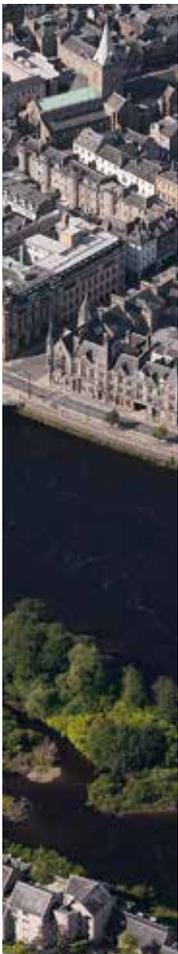



**LARGEST
NATIONAL
PARK IN UK
CAIRNGORMS**

⁴ non-personal and non-commercial data, which is accessible to anyone, via the internet, free of restriction on use and, according to most usages of the term, in a machine readable form.

Section 4

Supporting Inclusive Growth



SECTION 4 – SUPPORTING INCLUSIVE GROWTH

When we talk about inclusive growth, we mean growth that:

- combines increases in prosperity with greater equity
- creates opportunities for all
- distributes the dividends of increased prosperity fairly

As Scotland's economic hubs, our cities have a key role in tackling inequalities and delivering social justice. Cities enable large numbers of people to realise their ambitions and engage positively in the economy and in their communities. However, it is also within our cities that we see some of the starkest inequalities – of income, of health, and of life chances more generally. This is a global pattern, recognised by the OECD in their Inclusive Growth in cities programme.

A clear focus on growth and a commitment to greater equality, shared across all our cities, will help strengthen the measures we are taking to tackle disadvantage and ensure opportunities are available to all. Suitable affordable housing and good transport links within cities are vital components in this mix.

Our goal is to create social and economic value, and to tackle inequality in locally sensitive ways. For example, social enterprise is a model of business which is putting our economic strategy into practice, blending economic growth with social justice.

Our focus will be to:

- maximise the effectiveness of City Region Deals
- develop a better understanding of our economic geography and use this to deliver more inclusive growth
- continue to seek new approaches to delivering inclusive growth

4.1 Maximising effectiveness of City Region Deals

City Region Deals offer the potential for new collaborative regional partnerships, focused on long-term strategic approaches to improving regional economies. The starting point for discussion should always be a clear regional strategic vision for economic development. Deals in Scotland should fit within the overall framework of Scotland's Economic Strategy – making a clear and measurable significant long-term contribution to both prosperity and fairness. We will expect that any deal must operate at a functional economic geography, and be underpinned by robust governance at the regional level that includes key stakeholders from the wider public sector, business and industry.

The £1.13 billion infrastructure investment in the Glasgow City Region City Deal is complemented by a model for supporting 600 very long-term and vulnerable unemployed people, who have been unable to work because of ill-health, back into sustained jobs. A smaller one-year programme will test an innovative model for supporting employees in the traditionally low-paid care sector to increase their earnings through training and development. If successful, the model could provide a template for supporting employees in other low-paid sectors.

Already we have committed to work with any Scottish city considering a City Region Deal. In August 2014, the Scottish Government signed the first deal in Scotland with the UK Government and the eight local authorities making up the Glasgow City Region⁵. In January 2016 the Aberdeen City Region Deal Heads of Terms was agreed, and we expect a further deal for Inverness over the coming months.

We are committed to working with all our cities to unlock investment, whether that is individually or collectively and whether that is through a City Region Deal, one of the Scottish Government's initiatives to stimulate growth and deliver infrastructure investment, or a combination of measures.

Building on this we will support delivery of those deals which are agreed, and we will continue to support those cities seeking a deal. We will aim to embed inclusive growth at the heart of all new deals. In parallel, we will use the 2015 Programme for Government commitment of Regional Partnership Plans to broaden this approach beyond City Region Deals.

4.2 Using our increased understanding of economic geography to influence inclusive growth

Already we have:

- a national planning framework, which is the spatial expression of Scotland's Economic Strategy. It provides a strong and clear basis for planning decisions at city and city region levels. Strategic Development Plans deal with cross boundary spatial matters across four strategic development planning regions in Scotland, incorporating five of our seven cities
- a Regeneration Strategy which supports Scotland's most disadvantaged areas to contribute to and benefit from economic growth. This contributes to the regeneration of communities right across Scotland, including our city regions

- the Town Centre Action Plan, which supports the changing scope of town centres across Scotland. It recognises the inter-relationship between towns and cities and the role each plays in helping to create vibrant, economic places central to community life
- mapped the economic assets for each of Scotland's growth sectors. This has informed economic strategies, land use planning and skills provision at local, regional and national levels

Building on this we will use the information gained to maximise the Scottish offer across key sectors. We will also help our cities understand and capitalise on the role that they could play as a system of cities within our nation.

4.3 Continuing to seek new approaches to delivering inclusive growth

Already we are developing a policy framework for inclusive growth, which recognises the inter-linkage of inclusive growth with investment, innovation and internationalisation. This will help identify contributions, synergies and trade-offs between individual policies and objectives. In November 2015, Scotland's first ever Cities Convention brought citizens and city leaders together to talk about encouraging inclusive growth in our cities.

Building on this we will use the new framework to support the embedding of inclusive growth in our collaborative activities. We will also progress the dialogue started at the Cities Convention, listening to people and engaging in meaningful work together to deliver inclusive growth for our city regions.

5 Formerly Glasgow and Clyde Valley City Deal

The Scottish Government holds its first ever Cities Convention

The Convention brought together young people and community representatives from all of Scotland's cities, Scottish Government Ministers, city leaders and city officials to talk about better ways to achieve inclusive growth in our cities.

Chaired by Eddy Adams, an expert in city innovation, the day included workshops and inspiring speakers, including Gorka Espiau, who spoke about tackling the structural causes of inequality in Leeds, Belfast, Sheffield and Montreal.

Rachael Brown, social entrepreneur and Saltire Fellow, shared her perspectives on innovation and risk-taking and we listened to ideas and challenges from community representatives from all seven Scottish cities⁶.



“Inequality is not a fact; it’s a decision we take.”

Gorka Espiau
Cities Convention
2015



We asked participants about what they enjoyed.

“All the different discussions and opinions... it was great that all the leaders of the different city councils were there.”

“Ministerial attendance and their accessibility”

“The mix of people at the event.”

“Meeting other people and listening to their views and opinions”

“Real views coming through. A positive attitude. Recognition of need for success/wealth to be shared and inclusive.”



Feedback also included:

“Please, please do this again.”

“Please encourage more input from the people – not the already engaged or the willing to engage.... find innovative ways to connect with the workers, the homeless, the disabled, all the people that don’t usually have a say.”

“It’s important to grow the confidence of people in cities, especially those currently disempowered. People make cities!”



⁶ Videos of the presentation can be found on the cities page of the Scottish Government website

Measuring Success



The National Wallace Monument, Stirling

MEASURING SUCCESS

We routinely publish economic data on the cities and their regions, which allows anyone to monitor progress and performance over time. We commit to broadening this with a range of additional social measures, to provide greater insight into inclusive growth. To do this, we will look to models like Understanding Glasgow.

We will continue to work with the Scottish Cities Knowledge Centre, in its new incarnation within Policy Scotland, as well as academia more generally, to:

- help understand the emerging global trends that impact on cities
- evaluate programmes and projects

- facilitate knowledge exchange and innovation, recognising that robust economic and social research remains vital to ensuring the best use of resources

Our cities' approach to open data will increasingly allow more detail to be shared and we will seek to find ways to use this to chart progress.

While it is often difficult to be clear on cause and effect when many actions combine to deliver an outcome, the following table shows that Scotland's cities have performed strongly in the past few years.

Change in Scotland's Cities' Performance⁷

Indicator	Cities 2011	Cities Latest ⁸	Cities Change	Cities % Change	Scotland % Change
Number of businesses	82,800	93,365	10,565	12.8%	10.3%
Private sector jobs	1,086,100	1,178,000	91,900	8.5%	7.3%
Gross value added (£million)	73,477	82,812	9,335	12.7%	12.0%
Foreign-owned businesses	1,510	1,745	235	15.6%	15.2%

In 2011, we said that the Scottish Cities Alliance should monitor the direct impact of its collaborative activity in relation to:

- increased investment
- business growth
- job creation

In investment terms, 2015 was the Alliance's most successful year yet. Its promotional activity made a significant contribution to securing a £30 million private sector investment in Perth. All the indications are that this return on investment will continue to rise as the Alliance's promotional activity bears fruit, with more investments secured and jobs created.

⁷ Source: Number of businesses: Inter-departmental Business Register, 2015, Scottish Government/ONS; Private sector jobs: Business Register and Employment Survey, 2014; GVA: Regional Accounts, 2014, ONS; Foreign-owned businesses: Inter-departmental Business Register, 2015, Scottish Government/ONS.

⁸ The latest data for number of businesses and foreign-owned businesses relates to 2015. The latest data for private sector jobs and GVA relates to 2014.

PERTH

PROJECTED
POPULATION GROWTH OF
25%
OVER NEXT **20 YEARS**

ONE OF UK'S **LEADING CITIES FOR DIGITAL CONNECTIVITY**
100% ACCESS TO SUPERFAST BROADBAND AND 89% ULTRAFAST BROADBAND

LARGEST CONCENTRATION OF **FOOD AND DRINK BUSINESSES IN SCOTLAND**
WORTH £310 MILLION ANNUALLY

61.5%
OF RESIDENTS
QUALIFIED TO
GRADUATE LEVEL

MORE PLACES TO EAT AND DRINK
PER HEAD OF POPULATION
THAN ANY OTHER SCOTTISH CITY

HOME TO LARGEST **UNIVERSITY OF THE HIGHLANDS AND ISLANDS CAMPUS**
WITH OVER 9,000 STUDENTS

STIRLING

RANKED BEST PLACE IN SCOTLAND TO START A BUSINESS AND 8th IN THE UK

THE UNIVERSITY OF STIRLING IS ONE OF THE **UK'S TOP RESEARCH UNIVERSITIES** AND IS **7th IN THE UK** FOR GRADUATE EMPLOYABILITY

HIGHEST % OF **EMPLOYEES 13.4%** WHO ARE **MANAGERS DIRECTORS OR SENIOR OFFICIALS** IN SCOTLAND

SCOTLAND'S **MOST ENTREPRENEURIAL CITY** WITH **100 MORE BUSINESSES PER 1,000 POPULATION** THAN THE UK AVERAGE

INTERNATIONAL **CENTRE OF EXCELLENCE** FOR **AQUACULTURE AND DEMENTIA CARE** | **AND SPORT**

33% OF WORKFORCE ARE **EDUCATED TO DEGREE LEVEL OR ABOVE**



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The National Wallace Monument, Stirling
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Skyline, Edinburgh
Marischal College, Aberdeen
Gallery of Modern Art, Glasgow
Image of the planned V&A Museum of Design, Dundee



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