



University of
Strathclyde
Glasgow

Next steps for city-region policy in Scotland

David Waite (david.waite@glasgow.ac.uk), Graeme Roy, Stuart McIntyre and Niall MacKenzie

University of Glasgow and University of Strathclyde

22 September, 2025

Overview of the first decade of City-region Deals

City-region and growth deals are now widespread across Scotland and have been notable mechanisms for binding UK Government (UKG) and Scottish Government (SG) support behind urban and regional development priorities. Deals have evolved over the last ten years, and we can point to a wide range of projects and interventions agreed for different localities.

In a context of resource challenges and diminishing local authority balance sheets, many deals have been welcomed by local leaders by allowing them to take forward projects and interventions that may have otherwise not progressed (or at the same pace). Additionally, for a number of deals, co-operative working with neighbouring authorities has been advanced through the processes set out to agree then implement a deal. This has led to a resurgent concern for city-region and wider functional economic geographies. Collaboration takes on new vertical dimensions too, with new reporting and governance channels established with both SG and UKG (e.g. at deal gateways).

Despite the progress made to date, there is now a significant question about what comes next.

What has surprised me most since coming into this post is how enthusiastic the deal committees are—I know this from speaking to them—*not only about delivering the current deals, but about what happens next*. They are looking at how they can work more closely together, not just within their own regions but across regions. That is an exciting development when it comes to driving growth in Scotland. (Ian Murray, Economy and Fair Work Committee, 15 January, 2025) [emphasis not in the original]

On the future of deals, *the Government is very open to discussions about what comes next*. We have started conversations with the UK Government on that, and we are aware that it is actively considering that question. The test will be whether each Government can keep the other well informed about its thinking on the next phase of local growth plans. (Kate Forbes, Economy and Fair Work Committee, 5 February, 2025) [emphasis not in the original]

Recognition of the need for a view on what comes next, has similarly been expressed by local leaders and officials. See, for example, the dialogue between Councillor Susan Aitken (SA, Glasgow) and Paul Laurence (PL, Edinburgh)

SA: Our asks of the Scottish Government are to do with powers and levers, skills, enterprise, inward investment, land, development and transport. Our asks of the UK Government are to do with parity with our peer metro regions, which are primarily Greater Manchester and the West Midlands, and a single pot deal. That is what we are asking for and that is what we are talking about with them ... PL: I would say “ditto”, convener. (Economy and Fair Work Committee, 4 December, 2024)

This creates a notable point of contrast with the English context immediately. Whilst deals in England were through a view of devolution as a process, not a one off event (as articulated through the Localism agenda), this process (and underpinning ethos) is yet to clearly take form in Scotland. This is the case despite ad hoc funding agreements such as innovation accelerators, green freeports, and investments zones all adding further resource to the regional development landscape.

Our dialogues with policymakers hinged on a recap, looking back and reflecting on successes and challenges to date; then, looking forward to what is perceived to be needed next. The following section is structured accordingly.

The experience so far

An agreed vision – some respondents noted that an agreed vision for the City Region, as required by the deal, has been useful and has served to deepen – and establish new – relationships within and across local partners. In some cases, a vision of change for the region is now well recognised where it had not been previously, and working through the deal helped to support this. The deals also provided a vehicle and opening for local leaders to step up and make a case for their local areas. There was also recognition of deals helping, at the margin, to enable the marrying of local with national (both UK and Scotland) objectives.

Dispersed funding - One constraint on sticking to an agreed vision, it was remarked though, was the ad hoc, competitive (at times) funding posts that regions have been compelled to respond to (often with short notice and tight deadlines). Such processes are not only inefficient but may inadvertently run counter and undermine efforts to support a long-term regional vision agreed to by local partners. It was noted how this stood in contrast to long-term, and predictable, funding from core local government resources.

Collaborations – Agreeing then delivering on a deal was a driver for stronger partnership working across local authorities, universities, colleges, enterprise agencies, and, increasingly, civil society and business. This has strengthened trust and collaboration, sometimes overcoming political divides and building momentum for more coherent regional policymaking. The most positive legacy, in many instances, is not just in big

ticket projects, but in the relationships and trust established backed up by improved analytical resources. Programme management teams have often played key roles here.

Recognition of Regional Complexity - Deal working has allowed policymakers to acknowledge complex geographies and move to working across administrative boundaries.

Governance - Joint committee structures enrolling elected members have generally worked well, with political leaders increasingly taking ownership of a deal and using it for regional advocacy. Deal-making has shifted focus away from the political cycle – and been resilient to changing political circumstances – opening up the potential to support longer-term thinking.

What needs to change and what could we move toward?

Cooperative tripartite working – the challenges of reporting to both UKG and SG were remarked upon. Where objectives are not aligned across the three-way working, this adds an undoubted complexity to local policymaking.

Parity of focus and outcome - Ensuring equity across a heterogeneous city-region remains a challenge, with ongoing concerns about “getting your share” (for different localities). Regional benefits are easier to see at the strategic level, but harder to demonstrate locally. We also need to be cognisant of the different starting points and capacities of our four major city-regions. This point, in itself, may point to a benefit of asymmetric decentralisation, though there are questions about the overall sight lines for city-region policy for Scottish city-regions (in terms of what comes next).

Cluttered Landscape - The regional economic development landscape is seen as cluttered, with overlapping frameworks (deals, shared prosperity, investment zones inter alia). While this offers opportunity, there’s a need to consider co-ordination. For example, skills development policy is being formulated separately from city deals, in some cases, with little consultation.

Autonomy - There’s a strong wish for more regional autonomy – or regional influence – over national skills, planning, transport infrastructure and enterprise policy as it impacts and aligns with the priorities of the city region. There is also demand for more revenue (not just capital) funding. Institutional capacity, not just funding dished out, is a critical factor. There is appetite for more regional decision-making authority, less centralised reporting/governance, and shorter approval timelines. Bureaucracy and slow processes - especially around infrastructure – are regarded as barriers. There is consensus on the need for a second phase of policymaking focussed upon skills development, for example, and for more revenue-based, regionally controlled/influenced approaches. For infrastructure, more flexible financing tools and joined-up planning with other government bodies is warranted.

Wider constituents - More compelling engagement with the private sector and non-urban communities is needed. The relationship between partners is as important as the relationship with government, some considered.

England comparisons – There is frustration that some English city regions have greater powers and funding (being “top of the Premiership”), while Scottish regions feel “a couple of divisions below”.

Mayors – We did not gauge a huge groundswell of support for a mayoral model, despite the lively narrative about this in Scotland now and a recognition that an evolution in city-region working is required in some form. Nevertheless, some pointed to the merits of having more visible regional leadership (and the confidence this gives to investment communities, for example).

Preliminary recommendations

We are still finishing data collection for this work, so these are our initial (suggestive) recommendations rather than a definitive and final list:

- Moving away from a presumption that a mayor is the solution. City-region working warrants strengthening in some form, but it must fit the unique institutional (tripartite) arrangements in Scotland. Mayors are one model, with advantages and disadvantages; there are other options to consider here too.
- There is a sense of a need to build on the foundations. There was a strong view that whilst tensions and challenges have emerged with city-region working, there is the opportunity to build on the promising steps and new modes of working that have been established for city-regions.
- There is a concern, nevertheless, that Scotland is being left behind in terms of urban and regional policy, with deals being less the start of a process of wider and ongoing regional decentralisation (as we see in places like Greater Manchester, where trailblazer deals now afford wider flexibilities).
- New deals or other follow-on arrangements for the city-regions can conceive of multi-level governance agreements in new ways. This should move away from a top-down imposition of contractual governance to get local authorities to do what the national government wants and/or to plug holes in local funding. Instead, it should be about viewing a ‘deal’ (or like agreement) as a tool that supports regional economic development that local, regional and national government equally input and sign up to. In doing so, it would set out what should be done locally, regionally and nationally; give greater regional autonomy/influence over current national policies (e.g. skills, housing and transport); and give politicians more of a framework to deliver against national ambitions. It would also create an accountability for national government to act in the interests of localities, rather than the other way around predominantly (the locality as supplicant).

Our work will continue through to the end of 2025, in line with the IAA funding window, and dissemination events are being planned with respect to the final, agreed output.

Note from the Authors

Our work on Scottish city-region policy was motivated by a concern, in late 2024, that there was a gap in policymaking for urban and regional policy in Scotland; particularly relating to what comes next. This gap is particularly noticeable considering the steps being made in this same policy domain in England.

In 2025, we engaged with policymakers in the Dundee (Tay Cities), Aberdeen, Edinburgh and Glasgow city-regions to capture **(1) what has been working well to date**, and **(2) what steps for city-region working could usefully come next**. We bring to this work a recognition that outcomes from regionalisation and sub-national decentralisation are uneven across the OECD, with the manner and institutional qualities at play key for achieving effective spatial policy.

The work, which takes forward our long-standing interest in sub-national economic development policy, is predicated on in-depth workshops and other dialogues with key interlocutors. We present this note to provide a view on **emerging points**, yet, in ongoing dialogue with each of the city-region representatives, these are subject to change and revision.

The points above, therefore, should be considered as preliminary and not views held, necessarily, by all participants we have engaged with.

This work is resourced by the ESRC impact Acceleration Account (IAA) distributed by both universities above. We are grateful for the support given here.