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Foreword

The past 12 months have provided both good news and bad for Scotland's economy – economic growth has picked up during 2018, but overall growth remains low. One reason for the low growth is a lack of productivity growth.

This mix of fortunes is also evident in the latest of Deloitte's Power Up reports, Power Up: UK-Wide Growth. It showed that Scotland's economy has only grown at around half the UK average rate and while the country has outperformed the UK average in productivity growth over the last 10 years, productivity growth remains low.

The latest Power-Up report looked at many years of employment and productivity data to help identify where Scotland can maximise opportunities by learning from the past, before combining this with the very real experiences and views of current business leaders, educators, local government officials and other stakeholders.

One of the findings is that Scotland's businesses need to collaborate further with educators and policymakers to develop the vital skills required to harness productivity for regional growth. Another key finding is that Scotland's business leaders will need to remain open and agile to transformational opportunities, as digital strategies and technology innovation continue to influence productivity gains in the short term.

Our report also highlighted that Scotland needs more businesses of scale that are competitively positioned across international markets.

Scotland can grow these businesses. Innovation and entrepreneurialism are embedded in Scotland's roots, standing businesses in good stead to respond to the challenges ahead. This was reflected in the recent Summit Entrepreneurship Awards which Deloitte was proud to sponsor once again.

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Like many before them, this year's finalists demonstrated exceptional leadership skills. Their vision and commitment, combined with ongoing investment in their people, technology and other assets, has ensured they continue to run strong, sustainable businesses which can adapt to ever-changing marketplaces.

As we face the challenges ahead including the continuing uncertainty around Brexit, it is important that business leaders in Scotland continue to plan for the future. Similarly, it is important not to lose sight of the importance of announcements such as the upcoming Scottish Budget, detailing the Scottish Government's spending and tax plans for the year ahead.

The Scottish Government's use of income tax powers has certainly been the main focus of recent Scottish Budgets, and with the announcement in October's UK Budget that the Chancellor intends to raise the higher rate threshold to £50,000, from April next year, it is likely to dominate once again.

Scotland's Finance Secretary, Derek Mackay, has indicated he does not intend to match this for Scottish income tax bands, which apply to earnings and pensions for Scottish residents, and that will result in a noticeable difference in the tax paid between Scotland's higher rate tax payers and those in the rest of the UK.

What impact this will have on investment and growth in Scotland is the subject of much debate. However, it is important that Scotland is seen as an attractive place for people and businesses. We have an ageing population, a shrinking working age population and it is vital for our future that we do not deter people from choosing to come to Scotland.

There are no easy answers to how to improve Scotland's productivity growth, our economic growth or how to balance the nation's books. As the country's business landscape continues to evolve, it will be important for all leaders to think innovatively and plan differently, to identify solutions from which everyone can benefit.

John Macintosh
Tax Partner
Deloitte
December 2018

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The emergence and evolution of City Deals in Scotland

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Abstract

There is a resurgent policy emphasis on the role of city-regions as drivers of economic growth. Officials and leaders in such metropolitan areas, however, are confronted with challenges relating to administrative fragmentation, achieving alignment with national policy objectives, and demonstrating the capabilities to plan, finance and deliver effective policy interventions and investments. As a response to these challenges, policymakers are fashioning new governance arrangements, attached to experimental policy mechanisms, to develop urban policy. Of note, City Deals have recently emerged in the UK, and this paper charts their evolution across the UK, with a focus on the devolved administrations in particular. The paper ends with some reflections and questions about their roll out in Scotland.

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I The UK context

Changing institutional arrangements have been a persistent feature of the urban policy landscape in the UK, as the challenge of addressing uneven economic performance across and within UK city-regions remains (Centre for Cities, 2015; Tyler et al., 2017; McCann, 2016). It is clear that there has been both churn over time in the tools, strategies and approaches set out to address this issue (Jones, 2010; Pike et al., 2015) as well as marked contrasts between England and the now devolved administrations of the UK (Maclennan et al., 2017). A reasoned growth-role for infrastructure projects and programmes has seldom been at the core of national policies for cities, and the fitful nature of infrastructure planning and provision, coupled with questions about prioritisation approaches, reflect long standing policy challenges (NAO, 2016a). However, infrastructure investment, city-region growth and devolution are converging as key policy interests within UK City Deals.

City Deals reflect a novel policy response to issues of sub-national economic development and hinge on the notion that local leaders are in the best position to determine interventions for their areas. Since 2012 – and across two waves, starting with the major cities outside of London – urban areas in England have been signing deals with the UK Government to secure funding packages to support economic growth (Ward, 2017; O’Brien and Pike, 2018). City Deals which are set out across periods up to 30 years, cover a suite of policy areas – including infrastructure investment, business support, employment and welfare interventions (Centre for Cities, 2014) – and have been developed alongside the dismantling of the prior architecture for sub-national economic development in England (the Regional Development Agencies (RDAs))¹⁹. City Deals cut across political differences to some degree, as numerous Labour-led localities in England have now agreed deals with the Conservative-led government in Westminster (Jenkins, 2015).

City Deals, unlike more traditional urban and regional initiatives in the UK, have a distinctive one by one form where localities form agreements with the UK government (and, in some instances, a devolved administration). Proponents see progress on localism through such an incremental approach - where powers and capacities are decentralised in modest steps - as a major attribute. Though evidence for the link between devolution and economic growth is unclear (Pike et al., 2012), the arguments for localism in the UK have gained ground as the impact of central policy orchestration and control on uneven development has been seen to be limited (Travers, 2015; McCann, 2016). Deal-making, in this context, represents a pragmatic stance given the different starting points of localities to take on further responsibilities. It is logical, some have suggested, that cities at the vanguard with demonstrable capacities and competencies should take what opportunities there are to agree decentralising arrangements (Cox et al., 2014). The UK is highly centralised in terms of where revenue and spending powers reside, therefore it is claimed, localities need to exploit the openings for greater local policy design and influence (Harrison, 2015).

The piecemeal nature of the deal-making approach raises interesting questions, however, regarding the nature of policymaking processes; both across the policy system (that spurs deal-making) and within individual deals. Indeed, reflecting an opportunity to firm up the clarity and guidance provided to localities negotiating a deal, some have recommended that an independent body should be formed to set out a clear path for localities to follow (RSA, 2015;

¹⁹ There were eight RDAs in England prior to 2012 (plus the London Development Agency), covering geographies in England such as the North West and East Midlands.

Pike et al., 2016; Blond and Morrin, 2015; Ayres et al., 2016). The UK Government has recently committed to developing a “devolution framework” which may provide some response to this issue (Jeffrey, 2018). At an individual deal-making level, furthermore, others have questioned the manner by which deals are struck, and, more particularly, the nature and extent of citizen and community participation (Prosser et al., 2018).

A series of principles underpin the roll out of City Deals. First, City Deals hinge on a rejection of “one-size-fits-all” policymaking (HM Government, 2016a). The economies of Newcastle and Bristol, for example, differ in terms of the pressures and opportunities they confront, and thus policies need to be tailored to local contexts. Additional housing may be the capital investment priority in one city, whilst in another, a new rail link to open up access to employment sites may be the primary concern. Though individual deals vary in how bespoke they appear - with central government seen to strongly determine the shape and nature of deal development (O’Brien and Pike, 2018; Pike et al., 2016) - one can point to a number of examples, such as proposals for an oil and gas innovation centre in Aberdeen (a city highly dependent on the natural resources sector) that reflect context-sensitive responses (HM Government, 2016b). In our view, the aim to develop bespoke agreements – giving some scope for innovation in policy design - is arguably the strongest feature of the City Deal approach (Cheshire et al., 2014).

Second, robust local governance is central to deal-making, as the UK Government seeks to ensure localities have sufficient structures in place to manage the obligations and risks. A number of City Deals, for example, present an incentivising logic by inserting a payment-by-results mechanism. This requires localities to demonstrate progress on growth objectives at fixed intervals (“gateway” periods) in order to release further capital funding within an infrastructure fund (HM Government, 2014). Forms of governance vary across the deals – depending on the nature and magnitude of the deals at stake, as well as enabling legislation – yet common themes can be identified. In this respect, a requirement for mayors in England has emerged based on more recent devolution deals. Drawing on in-vogue urban public management perspectives (Barber, 2013) - but with their efficacy disputed by others (Pike, 2017) - the impulse for mayors has yet to spread to Scotland or Wales. Additionally, business interests are often closely coupled to governance arrangements, whether formally secured through local enterprise partnership (LEP) associations in England, or new organisations (e.g. Cardiff; HM Government, 2016d) or “regional enterprise councils” (e.g. Edinburgh; City of Edinburgh Council, 2018) being formed in the devolved nation contexts.

Third, devising policy at functional economic geographies reflects a key technical consideration for deal-makers. Central to this idea is that urban policy needs to be shaped to respond to the dominant flows that make up urban systems, notably commuting and transport patterns. For cities such as Glasgow and Manchester, where the central local authority area significantly under-bounds its commuting geography, it is seen to be problematic that urban policy and investment strategies focus solely on the administrative area. In this way, City Deals have given some support to an emergent city-regionalism in the UK (with local authorities working together, and, for follow-on deals in England, mayoral combined authorities being formed) (Beel et al., 2016). Some, however, point to the clamour to cut a deal overriding the coherent demarcation of functional economic geographies (e.g. the North of Tyne devolution deal that excludes Gateshead (Tomaney, 2018)).

Alongside City Deal mechanisms, moreover, there are policy themes linked to the UK's sub-national economic development challenges. Most prominently, spatial rebalancing – and the still widening gap between London and the south-east, and the rest of the UK - is a key focus for the UK Government (Martin et al., 2016). Indeed, processes of industrial restructuring and the clustering of high-growth sectors in the south-east of England present questions, now long-running, about how the economic bases in the rest of the UK can be rejuvenated. Whilst the north-south divide is not explicitly mentioned in City Deal documentation, think-tanks have framed the issue as central to urban policy (Centre for Cities, 2015). Related to this are debates in England about inequalities in infrastructure spending (Overman, 2014; IPPR North, 2017) and the advantages London is seen to enjoy (McCann, 2016). The Northern Powerhouse which broadly seeks to improve linkages across major urban centres in the north of England (Overman et al., 2009), can be seen as a political response to the spatial divide in economic outcomes (MacKinnon, forthcoming). The “Powerhouse” agenda was influenced by the RSA City Growth Commission (2014) and a UK Government strategy has recently been released to give it impetus (HM Government, 2016c). Though clarity is emerging in some respects, others have questioned whether the policy reflects more brand than strategy, and whether aspects of funding are re-packaged rather than new (Lee, 2017; MacKinnon, forthcoming). This new push for pan-Northern co-operation in England (Parr, 2017) – which has yet to spur comparator initiatives in the devolved administrations²⁰ - sits at a cross-regional level going beyond individual, typically city-region focused deals.

²⁰ There have been initial discussions about a “western powerhouse” linking Cardiff to Bristol.

Table 1 – City Deals and the wider evolution of deal-based policymaking in the UK

	2011	2012	2013	2014	2015	2016	2017	2018
City Deals (incl. head of terms)	Proposal for City Deals introduced in “Unlocking growth in cities”	Wave 1 – 8 English Core Cities	Wave 2 begins	Wave 2 – agreements for a further 18 English cities Glasgow		Cardiff Inverness Aberdeen	Swansea Edinburgh	Stirling; Tay Cities (Discussions in progress for Belfast and Derry City)
Growth Deals				First Growth Deals (giving funding for LEPs in England)	Announcement of expansion to deals	Further funding in Budget and then Autumn Statement	Negotiations for North Wales and Scottish Borderlands (in the Autumn statement)	(Ayrshire commitment; Moray negotiation; Mid-Wales discussions)
Devolution Deals				Devolution Deal for Greater Manchester	Devolution deals for Sheffield; North East; Tees Valley; West Midlands; and Liverpool City Region Devolution deal for Cornwall	Devolution deals for East Anglia; Greater Lincolnshire; and West of England	Five updates/ iterations to the Greater Manchester devolution arrangement by 2017. Second devolution deal for the West Midlands.	North of Tyne
Mayoral elections							Held in May for Greater Manchester; Liverpool City Region; Cambridgeshire / Peterborough; West Midlands; West of England; Tees Valley	Sheffield City Region (held in May)
Legislation	Localism Act					Cities and Local Government Devolution Act		
Major strategies/ advocacy positions	Scottish Government – Agenda for Cities	Welsh Government – Haywood task and finish group report on city-regions		RSA City Growth Commission (noting “powerhouses”)		UK Government - Northern Powerhouse Strategy Scottish Government – updated Agenda for Cities	UK Government - Industrial Strategy white paper (references City Deals; notes Transforming Cities Fund for transport in England)	Local industrial strategies being prepared in England

Sources: Ward (2017); Sandford (2017); NAO (2015; 2016b); Gray et al. (2018); authors’ own elaboration

III City Deals in the devolved administrations

Starting with the Glasgow City Deal agreed in the summer of 2014, City Deals have gradually been rolling out across the devolved administrations and are now the preferred mechanisms, it would appear, for supporting sub-national economic development (Table 2 sets out the features of the Scottish deals to date). Writing in this publication previously, the cities policy advocate Greg Clark has suggested that “[city leaders] need to be empowered”, and that, in the Scottish context, City Deals “could have an important impact in increasing urban productivity” (Clark et al., 2016: 7). Coupled with the apparent enthusiasm for deal-making in the Scottish and devolved administration contexts – with deals contributing to what some have described as a “cluttered” economic policy context (Fraser of Allander Institute, 2018: 4) - new political dynamics have emerged.

Deals in Scotland and Wales present a tripartite politics whereby the UK government, the devolved administration and the relevant set of local authorities (for the particular city-region) are bound into negotiation and eventual commitments. Here, local alongside national devolution claims emerge. The former leader of Cardiff Council argued, for example, for greater support and autonomy from the Welsh Government – arguing that Councils have been “held back” and need to “receive a sufficient level of funding and be given the powers [needed] ...” (Bale cited in Silk, 2016). Meanwhile the Secretary of State for Scotland (representing the UK Government) has argued, in criticising the Scottish Government:

“There is a revolution going on in local government across the rest of the United Kingdom, with local areas regaining power and responsibility at an unprecedented rate. Scotland cannot afford to be left behind ... There is now real risk that Glasgow, Edinburgh, Aberdeen, Dundee, and indeed the towns and counties of Scotland as a whole, will be left behind – stuck in a 1990s time-warp of centralised, Holyrood-dominance.” (BBC, 2015)

The Scottish Government’s commitment to further deals across Scotland – indeed coverage across the country is sought (Scottish Government, 2018) – coupled, perhaps, with wider localist developments through the Community Empowerment (Scotland) Act and the ongoing Local Governance Review, may provide alternative perspectives. Of course, debates over funding commitments, through the deal-making negotiations, bring the competing claims on deal-making commitments into sharp relief. The apparently differential UK Government and

Scottish Government commitments for the Tay Cities reflects this (see table 2))(Buchan, 2018); additionally, the Scottish Government point out their £254 million contribution over and above the £125 million match commitment to the Aberdeen deal (Scottish Government, 2016).

A further political consideration is the potential for conflicting, or incommensurable, policy agendas to interface within a deal. In Wales, for example, the Welsh Government's commitment to well-being - given the Well-being of Future Generations (Wales) Act - presents emphases not shared in the same way by the UK Government, where deals are framed as economic growth drivers principally (Waite and Bristow, 2018). As the Welsh Assembly committee into City Deals observed in its final report:

“... there is a clear tension between the GDP-focus of City Deals, and the Welsh Government's broader definitions of prosperity, and wider aspirations set out in the Well-being and Future Generations legislation. While all partners in both the Cardiff City Region and Swansea Bay claim that both can be achieved, it is not 100% clear at this stage whether or how that will be done” (National Assembly for Wales Economy, Infrastructure and Skills Committee, 2017: 19).

A similar position is presented in Scotland given apparent commitments by the Scottish Government to “inclusive growth”²¹, which the Enterprise and Skills review links to City Deals expressly (Scottish Government, 2017: 8). Indeed, testimony to a Scottish Parliament committee enquiry highlights the tension between UK and Scottish government positions (Scottish Parliament Local Government and Communities Committee, 2018: 20).

Politics in a horizontal form is also evident across different regions and localities within a nation. As in England, deal-making has privileged, at least initially, major cities (with cities seen as “engines of growth” (HM Government, 2011)). However, such an approach is meeting resistance from those outwith metropolitan areas. Falkirk Council (2017), in their submission to the Scottish Parliament committee on city-region deals, pointed to the “need to avoid an over-emphasis on the role of cities” while the submission from the Ayrshire Growth Deal (2017) notes the need for non-city-region areas to receive the “same level of attention”. These perspectives, in intimating a city-centrism in policymaking, raise questions of consistency and coherence in spatial policy within the devolved administrations (and it is interesting to observe Fife's position within two City Deals agreed (Edinburgh and Tay Cities)).

²¹ <http://www.inclusivegrowth.scot/about-us/> [retrieved 3/12/2018]

Underlying such political and strategic concerns, at an operational level, a Scottish City-region deal delivery board - which is jointly convened by the Scottish and UK Governments - seeks to: provide guidance on business case development, monitor implementation, and agree “as far as possible, common negotiating positions” for new deals.²² With respect to the latter, it will be interesting to track how and whether this body aligns with, or is steered by, the UK Government’s “devolution framework” which is due to be released in late-2018. Moreover, with “regional economic partnerships” emerging from the Scottish Government’s Enterprise and Skills review (2017), their alignment with new governance arrangements for City Deals may reflect key institutional developments for urban and regional policy.

²² <https://www.gov.scot/groups/scottish-city-region-deal-delivery-board/> [retrieved 3/12/2018]

Table 2 – Overview of City Deals in Scotland

City core	Glasgow (1)	Inverness (2)	Aberdeen (3)	Edinburgh (4)	Stirling (5)	Perth and Dundee (6)
Name of deal	Glasgow City-region City Deal	Inverness and Highland City-region Deal	Aberdeen City Region Deal	Edinburgh and South East Scotland City Region Deal	Stirling & Clackmannanshire City Region Deal	Tay Cities Region Deal
Local authority partners	Glasgow City, Inverclyde, East Dunbartonshire, West Dunbartonshire, East Renfrewshire, North Lanarkshire, South Lanarkshire	Highland	Aberdeen City, Aberdeenshire	Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders, West Lothian	Stirling and Clackmannanshire	Dundee, Angus, Fife and Perth and Kinross
Funding (maximum amounts)	£1.13 billion investment fund – £500 million each from the UK and Scottish governments, plus £130 million from local authorities. 20 year period.	“... the Scottish Government will commit up to £135 million. The United Kingdom Government will commit up to £53 million and the Highland Council and regional partners have committed up to £127 million over 10 years”.	“Over the next 10 years, both Governments are committed to jointly investing up to £250 million. Aberdeen City Council and Aberdeenshire Council and regional partners are committed to investing up to £44 million.”	£300 million each from the Scottish and UK governments. Additionally “regional partners will contribute up to a maximum of £730m” over a 15 year timeline.	£45.1 million each from the UK and Scottish governments (UK government capital contributions will spread over 15 years). “Regional partners will match this investment with up to £123.8 million”.	£150 million each from the Scottish and UK governments (over 10-15 years). <i>Discussion of a further £50 million from the Scottish Government; and calls for a like additional commitment from the UK Government.</i>
Notable initiatives (some subject to business case approval); not an exhaustive list	Infrastructure projects including: Canal and North Gateway; Clyde Waterfront and Renfrew Riverside; Glasgow airport investment area. In innovation, the City Deal supports MediCity and an Imaging Centre of Excellence.	Northern Innovation Hub; Science Skills Academy; assisted living; investment in Inverness Castle for tourism; housing; West Link transport; “land remediation to the east of the A9/A82 Longman junction”.	Oli and Gas Technology Centre; innovation hubs for the food and life sciences sectors; digital infrastructure fund; expansion of Aberdeen harbour.	Data driven innovation (DDI) research; Integrated Regional Employability and Skills (IRES) programme; A720 city bypass; IMPACT centre.	International Environment Centre; Aquaculture Hub; international visitor centre; digital hub; improved transport connections between Stirling and Alloa.	Skills and Employability Development Programme support; Tay biomedical cluster; International Barley Hub; Advanced Plant Growth Centre; Cyber Security Centre of Excellence; Forensic Science Research Centre; advanced plastic reprocessing facility.

Sources:

- (1) HM Government (2014), <http://www.glasgowcityregion.co.uk/article/7626/Projects>;
(2) HM Government (2017), <https://www.gov.scot/policies/cities-regions/city-region-deals/>;
(3) HM Government (2016b);
(4) City of Edinburgh Council (2018);
(5) HM Government (2018b);
(6) HM Government (2018c); Buchan (2018).

IV Future considerations

City Deals across the UK are now beginning to attract international interest and application. In Australia, City Deals have emerged through the Federal Government's Smart Cities Plan (Australian Government, 2016). Broadly following the UK model, City Deals in Australia have been struck for Townsville (Queensland), Launceston (Tasmania), Darwin (Northern Territory) and Western Sydney (NSW); and plans are underway for Geelong²³ (Department of Prime Minister and Cabinet, 2017)). In the Netherlands, stemming from the Dutch Urban Agenda, City Deals reflect thematic policy areas agreed by a number of cities. As exemplified with eight cities signing the "circular economy" City Deal (Circular Economy, 2016), "co-operation within and *between* urban areas" [italicised for emphasis] (Agenda Stad, 2015) marks a distinct difference with the UK variant. Such Dutch deals reflect: "agreements between public and/or private parties to help cities and urban regions address problems and achieve their ambitions ... Cities and other stakeholders determine the form the City Deals take, with central government acting as partner and facilitator" (Government of the Netherlands, 2015). Elsewhere support for City Deals has come from the former head of the US-based Brookings Metropolitan Policy Program. Katz (2014) – who previously pointed to the greater potential for metro-led economic development policy given apparent policy stagnation at the federal level (Katz and Bradley, 2013) - remarks that deals would be usefully considered in the US context:

"... the United States should consider adopting some of the specific vehicles by which the U.K. is devolving power. Central government in Britain is in the process of negotiating a series of "city deals" with eight major metro areas that will grant specific powers and funding to local actors. Manchester provides a shining example of what is possible when a national government places itself in the service of the natural economic geography, the metropolis."

Such international examples illustrate the appeal of the deal-making approach to urban policymakers (courtesy of the promotional work of policy transfer agents (Burton, 2016)). Where tripartite arrangements are in place - such as in Australia - useful opportunities for learning and cross-national communities of practice may emerge (formalised dialogue with officials involved in Welsh deals may also warrant consideration).

²³ <https://www.premier.vic.gov.au/geelong-city-deal-on-the-move-with-key-players-outlining-the-path-forward/> [retrieved 3/12/2018]

City Deals in Scotland also exhibit interesting evolutions as reflected in the varying content of the deals agreed. The Glasgow City Deal - the first deal in any of the devolved administrations - is comprised largely of an infrastructure fund of 20 projects spread across seven local authority areas.²⁴ Transport, land remediation, site assembly and amenity improvements are dominant features within the fund. In contrast, the deal for Edinburgh - which was agreed in full in mid-2018 - places much greater emphasis on innovation activities connected to universities (with the universities engaged at an early point).²⁵ This raises some interesting questions: do the variations in emphasis across the two deals reflect the differences between the economic structures and bases of the cities, and thus effectively prioritise the interventions that will spur growth? Do the different tools and approaches taken to model the urban economies have a bearing? Indeed, whilst Glasgow's infrastructure fund hinged on project prioritisation based on the use of a land use transport integration model²⁶, Edinburgh's deal was informed by the use of a labour market model (Maclennan, 2015). It is intriguing to consider the dimensions of the urban economy that each approach privileges and how that may shape the projects incorporated within City Deals. Additionally, the data-driven innovation initiative which features strongly in the Edinburgh City Deal, follows from a UK Government/BEIS-led Science and Innovation Audit which emphasised the potential of such economic functions (BEIS, 2016). In summary, some consideration of how deal-making cities have arrived at project prioritisation – through technical tools, local economic knowledge bases and partnership formation – may be useful to highlight, and this may reflect, to some degree, the evolution of deal-making as a learning by doing process.

Questions also exist about how new policy initiatives, such as the UK Government's Industrial Strategy, may shape or compel future deal-making. If bidding for funding to higher orders of government is the form through which regional and urban policy is destined to take, cities in Scotland will need to learn to play the game (indeed, will we see local industrial strategies emerge in the devolved administrations? (HM Government, 2018a: 3)). Whilst recognising the Scottish Government's desire for complete spatial coverage, policymakers in some of Scotland's city-regions already with a City Deal – looking at major city-regions in England that boast multiple growth and devolution deals, covering wider investment and service delivery areas –

²⁴ <http://www.glasgowcityregion.co.uk/article/7626/Projects> [retrieved 3/12/2018]

²⁵ <http://www.acceleratinggrowth.org.uk/about-us/> [retrieved 3/12/2018]

²⁶ www.glasgow.gov.uk/Councillorsandcommittees/viewSelectedDocument.asp?c=P62AFQDNT1DXZ3810G [retrieved 3/12/2018]

might understandably question what deal should come next. Indeed, the idea of a follow up deal has been proposed for Aberdeen (Hebditch, 2018). This reflects deal-making as an iterative process that may further deepen asymmetric policy arrangements.

In summary, City Deals contain a number of useful policy innovations and may present a useful channel to consider where policy levers and responsibilities should be located (deal-making as a process not as a “one-off” event (HM Government, 2016)). Questions can nevertheless be raised as to whether this piecemeal approach to policymaking is sustainable in the long run with consequent spatial divides in terms of funding allocations and outcomes likely (Pike et al., 2016; O’Brien and Pike, 2018). Furthermore, the context of Brexit and ongoing local authority budget constraints present challenges for achieving outcomes – beyond the control of local authorities - for even the most well prioritised and implemented deal. At the individual city-level, two additional questions exist: one, will City Deals be able to withstand political change?; two, can we distinguish between the direct economic growth effects attributable to City Deals from longer-term institution and capacity building possibly brought about by deal-making? In terms of the latter, in other words, is it the economic impacts of the deal itself, or, in the long run, the new ways of working that deal-making may bring about that will prove to be most critical?

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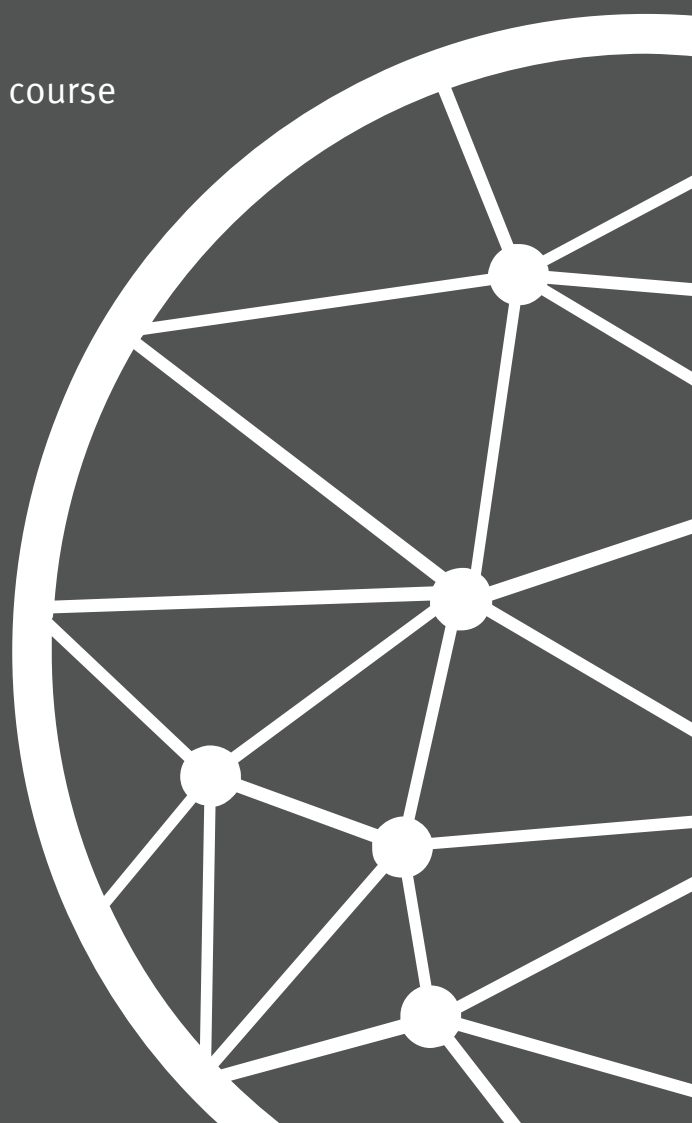
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