



## University of Dundee

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# UNDERSTANDING STAKEHOLDER ENGAGEMENT AND COLLABORATION IN SCOTLAND'S CITY REGION DEALS

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In partnership with:



Economic  
and Social  
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## About the Innovation Caucus

The Innovation Caucus supports sustainable innovation-led growth by promoting engagement between the social sciences and the innovation ecosystem. Our members are leading academics from across the social science community, who are engaged in different aspects of innovation research. We connect the social sciences, Innovate UK and the Economic and Social Research Council (ESRC), by providing research insights to inform policy and practice. Professor Tim Vorley is the Academic Lead. The initiative is funded and co-developed by the ESRC and Innovate UK, part of UK Research and Innovation (UKRI). The support of the funders is acknowledged. The views expressed in this piece are those of the authors and do not necessarily represent those of the funders.

## EXECUTIVE SUMMARY

Over the last decade, collaborative governance and ensuring wider stakeholder policy engagement has gained traction. In recent times, several policies such as City Region Deals, have been introduced with the aim to 'fix' uneven regional development by directing significant investment into the hands of regional and local policy actors. Despite the benefits of such decentralised policymaking, several challenges exist on how to develop effective collaborative governance arrangements to deliver projects and programmes given the investment deliver upon investment. The aim of this report is to shed light on the effective partnerships by undertaking an in-depth exploration of the City Region Deals in Scotland.

We offer a governance capability framework which can provide an explanation of how effective collaboration can be achieved. Specifically, we outline three capabilities, the assurances and affordance that they provide, and the organising practices that can help facilitate their development:

- 1. Administrative alignment** – refers to the ability for collaborations to arrange processes and frameworks for joint working. This ensures integration between partners and access to information. It affords opportunities to co-create a shared vision and a strategic direction for the collaboration. Working groups and committees, formalised agreements, cross-hatching agenda, and integrating IT systems are practices that help to facilitate administrative alignment.
- 2. Relational management** – refers to the ability to draw on strong trust-based relationships to coordinate activity. This ensures transparency and clear communication which can facilitate accountability. It affords opportunities to look for other opportunities for joint working which can maximise value generated in a region. Having change agents and network facilitators can help this coordination and increase stakeholder engagement. Resource sharing and regular partner forums are practices that help to facilitate relational management.
- 3. Community organisation** – refers to the ability to reach and engage local communities. This ensures structures are in place for wider participation in project planning and delivery. Effective community structures can expand the reach of policy projects and can increase the resource capacity of projects. Having strong community representation on committees, volunteering time to engage in wider community projects, having open engagement platforms, and clear communication of policy narratives facilitates community organisation.

However, significant challenges exist which impeded the development of these capabilities. These challenges varied from city-region to city-region and can be explained by two important factors: (i) The capacity of collaborative governance organisations to commit resource to organisation, and (ii) the length of time that had passed for capabilities to be developed. Overall, collaborative governance teams juggled numerous challenges and developed capabilities to deliver on policy projects, including:

- Balancing the inclusion of multiple stakeholders whilst maintaining coherence.
- Balancing efforts to ensure internal organisational efficiency versus delivering quality projects.

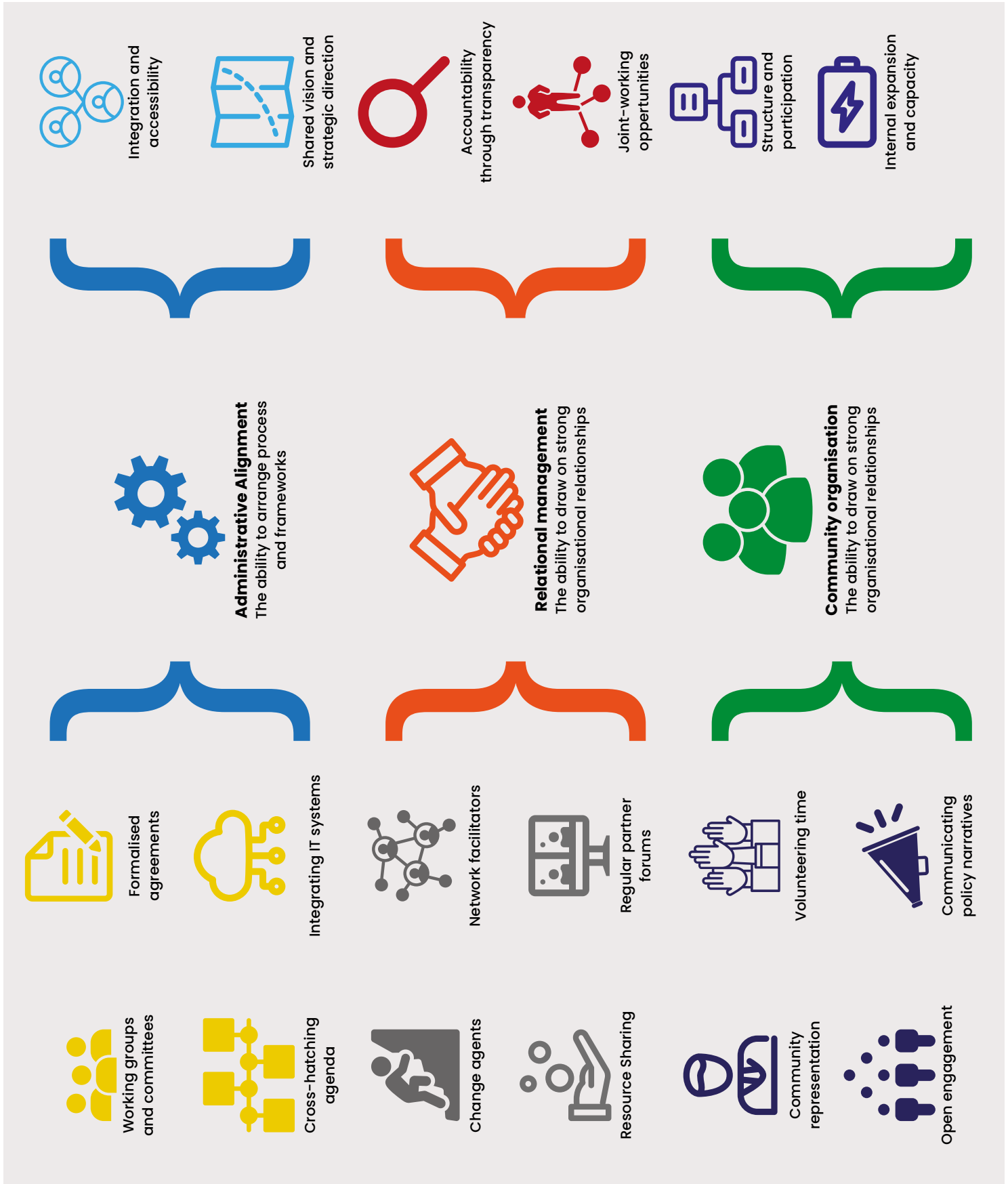
- Balancing individual needs and agendas versus collective needs and agenda.
- Balancing the benefits of specialist technology and innovation projects with inclusive community participation.
- Balancing the agenda and input of national governments versus maintaining regional autonomy.

Based on our findings we provide guidance on how to evaluate and capture the capabilities and practices that we outlined. We highlight three areas for funders, policymakers, and collaborative governance teams to consider:

1. Allow for a 'bedding-in' period for each collaboration to establish administrative procedures, relational working, and community structures before measuring specific project progress.
2. Consider allocating some seed-funding for initial capacity building in certain areas where there is scarcity, typically in regions or localities with fewer anchor institutions.
3. Evaluating proposals that promote collaborative working based on plans for developing governance capabilities that can extend beyond funding periods. Paying specific attention to the organising practices that can facilitate their development.



# VISUAL SUMMARY: DEVELOPING COLLABORATIVE GOVERNANCE CAPABILITIES



# 1. INTRODUCTION

In the UK, various policies at the city-region level have emerged to ‘fix’ uneven development (Etherington & Jones, 2016; Waite & Bristow, 2019). This is particularly the case for cities outside of London and the Southeast of England where economic challenges are typically greater (Vallance et al., 2019). In response to these challenges, increasing focus has been placed on effective leadership and collaboration at sub-national levels (Brooks et al., 2016). Recent regional economic policy has placed emphasis on reshaping city-regions as ecosystems of local governments, third sector enterprise support organisations, universities, and local businesses who collectively drive innovation and entrepreneurship (Huggins & Thompson, 2022).

Effective collaborative governance between these stakeholders can offer several benefits to regions and local places (Ansell, 2012). These can include:

- Incentivising knowledge and resource sharing between actors in a local or regional network.
- Increasing the legitimacy of policies through wider participation, dialogue, and dissemination.
- Encouraging local ownership and shared responsibility for policy formulation and implementation.

However, unlocking these benefits is a long-standing challenge. National governments can constrain local agencies with imposed agendas (Gherhes et al., 2020). Furthermore, different policy actors have different motives and agendas which can reduce the effectiveness of efforts to collaborate (Autio & Levie, 2017; Knox & Arshed, 2022).

The aim of this research report is to investigate the engagement and collaboration between local public policymakers, enterprise support organisations, universities, and local businesses. Our purpose is to develop an understanding of how collaborative governance arrangements are organised effectively, what the conditions for relative success are, the challenges that are faced, and how different governance strategies are utilised in different contexts.

To achieve this, we analysed six case studies of City Region Deals in Scotland. While each region has unique socio-economic challenges, our case studies cover Glasgow and Edinburgh which represent large Deals, Aberdeen and Tay Cities which represent medium-sized Deals, and Inverness and Stirling which represent smaller Deals. Our goal is to uncover similarities and differences present within and across regions to identify a guiding framework that can be helpful embed effective collaborative governance practices into future opportunities.

## 2. BACKGROUND AND CONTEXT

### 2.1 City Region Deals in Scotland

Throughout the UK, city-regions have emerged as the preferred scale to drive economic productivity and competitiveness (Deas, 2014; Etherington & Jones, 2018). They emerged as solutions to several economic development issues faced by the UK, including the unevenness across regions, a means to secure effective governance with more open civil society arrangements, and the desire to promote inclusive growth (Etherington & Jones, 2016; Houston et al., 2021; Martin, 2015).

City regionalism has been embraced in Scotland with six City Region Deals announced (Table 1). There are also a further six Regional Growth Deals covering rural and non-city region areas. These deals mark the delivery of the Scottish Government's commitment to 100% coverage of Scotland (Waite et al., 2018). Each deal varies in terms of size and the number of local authorities that are involved.

City Region Deals are effectively tripartite agreements between local authorities, the devolved Scottish Government, and the UK Government. In many of these Deals, economic development agencies and universities also take on prominent roles. Typically, these deals focus on funding infrastructure and interventions to promote welfare, connectivity, innovation, and enterprise development (Waite, 2016). Throughout these deal areas, the socio-economic challenges that are faced differ, including regional innovation and enterprise performance.

**Table 1: Overview of city-regions in Scotland**

City Region Deal	Glasgow	Edinburgh	Aberdeen	Aberdeen	Inverness	Stirling
<b>Lead city population</b>	612,040	506,520	213,224	148,210	46,870	37,700
<b>No. of local authorities</b>	8	6	2	4	1	2
<b>Approx. deal size</b>	£1.2 billion	£1.3 billion	£550 million	£700 million	£315 million	£215 million
<b>Number of businesses per 10,000 population</b>	275.8	332.7	332.7	333.6	484.5	354.4
<b>Business birth rate per 10,000 population</b>	35.2	37.5	37.5	35.5	41.2	39.9
<b>Business expenditure on R&amp;D per head (£)</b>	94.0	271.8	271.8	133.4	128.4	61.3

Source: Scottish Centre for Regional Inclusive Growth (2019).



## 2.3 Challenges of city–region governance

The City Region Deals represent new governance arrangements where dealmakers have both significant challenges and opportunities for economic development (Waite et al., 2018; Waite & Bristow, 2019). Summarised in Table 2, these challenges typically involve concerns about how different stakeholders, at different levels, are involved in decision-making and how multiple actor coalitions can be structured effectively to deliver upon Deal commitments.

Some critics have highlighted that as each Deal is unique and competitively organised, the potential for them to be inequitable is high, particularly with the exclusion of rural regions (Harrison & Heley, 2015). Furthermore, it has been noted that in some City Region Deals, power and influence have remained central, and that local policymaking only exists in rhetoric (Gherhes et al., 2020). Others argue that city-regionalism offers an alternative to ‘one-size-fits-all’ central government mandates, placing more power in local leaders to make policy decisions that best suit their local contexts (O’Brien & Pike, 2019).

The necessity for city-regions to put robust governance structures in place to manage Deals is also regarded as a key challenge (Miao & MacIennan, 2019). For some critics, City Region Deals represent ‘policy dumping’ where the responsibility for socio-economic challenges is passed on to local authorities who do not have the capacity or infrastructure to deliver (Waite et al., 2013). However, for others, the long-term nature of the deals is regarded as an opportunity for regions to develop new governance capabilities using technology and data to inform decisions (Kitagawa & Vidmar, 2022). This is particularly important considering the importance of developing policy networks to promote innovation and entrepreneurship (Huggins et al., 2018; Knox & Arshed, 2022).

Moreover, the coordination of multiple stakeholders in regional governance arrangements, including third sector, universities, and private sector partners, also creates challenges. The responsibility to coordinate activity is distributed across multiple stakeholders who collectively shape outcomes (Autio & Levie, 2017). However, these actors can co-create public value as they see fit resulting in mutual benefits (Bailey et al., 2020). Important to the realisation is the alignment of stakeholders, who likely have different motives and agendas for participation (Autio & Levie, 2017). While this can create tension between different stakeholders, when managed effectively a common agenda can be achieved, a regional identity formed, and a focus on mutual activities which can drive innovation (Henderson, 2015; Newman & Gilbert, 2022).

**Table 2: Challenges and opportunities to city-region governance**

Challenges	Opportunities
<ul style="list-style-type: none"> <li>• Each deal is uniquely arranged which could lead to asymmetric distribution and the exclusion of rural regions.</li> <li>• Power and influence remain in central government.</li> <li>• A need for robust governance structures to be put in place to manage deals.</li> <li>• The participation of local stakeholders from communities, private, and third sector in decision-making.</li> <li>• The misalignment in the motives and agendas of different stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Offers an alternative to 'one-size-fits-all' policy approaches.</li> <li>• Localised policymaking where local leaders have more power.</li> <li>• The formation of regional policy networks and sharing of resources.</li> <li>• The co-creation of public value within regional policy networks.</li> <li>• The alignment in common agendas to collectively promote a regional identity.</li> </ul>

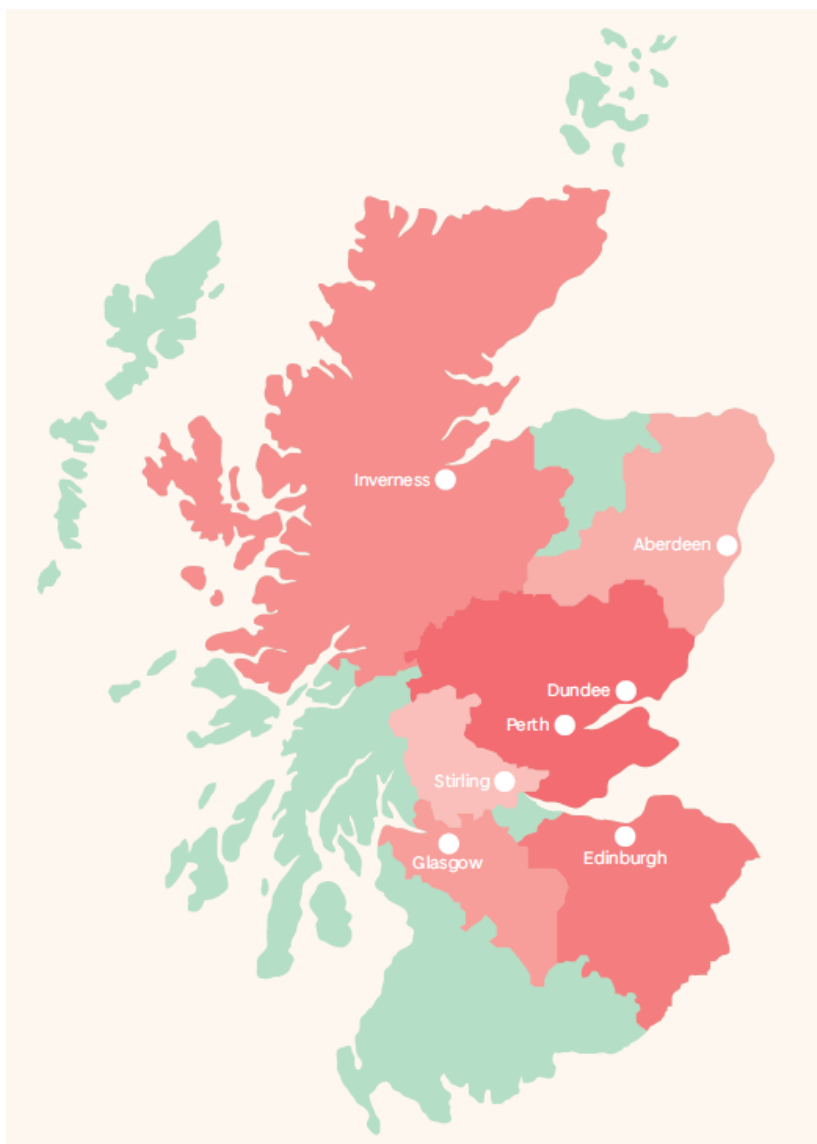
## 3. RESEARCH METHODOLOGY AND CASE REGION OVERVIEWS

### 3.1 Approach and data collection

Our research included conducting six in-depth case studies of the City Region Deal areas in Scotland (Figure 1). These cases were selected as they not only represent all the City Region Deals in Scotland, but also contain both homogenous and heterogenous aspects to the Deals. Homogenous elements include the tripartite arrangements between governments and the integration of the Scottish Government's national agenda, such as the Inclusive Growth agenda (e.g., Waite & Roy, 2022). Heterogenous elements include number of Local Authorities, the size of cities, the year in which deals were signed, and the innovation and entrepreneurship performance as previously outlined. Furthermore, significant differences exist across regions for the socio-economic challenges that are faced and the Deal projects that are being delivered.

**Figure 1: City Region Deal areas in Scotland**

**Source: © University of Dundee 2023.**



To collect data for each case study we utilised semi-structured interviews and document analysis. These methods allowed us to mobilise the perspectives of three main stakeholder groups – National Government, Local Government, and private and third sector enterprise support organisations (ESOs). The case studies were conducted in two different phases. In the first phase between 2018-2020 the GCR, TCR, and SCR cases were completed. In the second phase, between 2022-2023 following the COVID-19 pandemic cases were completed for ECR, ACR, and ICR. Table 3 highlights when the cases were completed and the number of informants that were interviewed in each.

To analyse our data, we first individually examined each case region. We identified, through the document analysis and interview data, the main socio-economic challenges, the aims and objectives of each Deal, the governance arrangements, and the specific projects and activities (in relation to enterprise and innovation). We then moved on to looking for similarities and differences across cases to generate understanding on how collaborative governance are effectively managed. We also looked for the challenges that existing in different contexts. From this cross-case analysis we built our framework. In the sections that follow, we present an overview of each case. In section 4 we outline our framework.

**Table 3: Case study data collection**

City Region	Year completed	Stakeholder	Informants (n)
<b>Glasgow (GCR)</b>	2020	National Government	2
		Local Government	13
		Private and third sector	19
<b>Edinburgh (ECR)</b>	2023	National Government	2
		Local Government	2
		Private and third sector	3
<b>Aberdeen (ACR)</b>	2023	National Government	2
		Local Government	2
		Private and third sector	2
<b>Tay Cities (TCR)</b>	2019	National Government	4
		Local Government	5
		Private and third sector	6
<b>Inverness (ICR)</b>	2023	National Government	1
		Local Government	1
		Private and third sector	2
<b>Stirling (SCR)</b>	2019	National Government	3
		Local Government	5
		Private and third sector	4

### 3.2 Glasgow City Region

In the GCR, policy actors initially viewed the economic and political uncertainty regarding Brexit as the main threat to GCR's position as the largest region economy in Scotland and their competitiveness within the UK and Europe. As such, they viewed the City Region Deal to enhance their economic competitiveness through business growth.

*“What this suggests is that GCR needs to go forward faster, accelerating the City Deal projects and invest more to ensure that we are a leading, competitive city region in the coming years (GCR-Deal Document).”*

Later, the ‘inclusive growth’ narrative was adopted much more readily into City Region Deal communications. They identified wealth and opportunity inequality as an important challenge for the area. The aims of their Deal agenda were to attract and retain talent and enterprises, grow specific sectors that were identified as nationally important to Scotland, increase investment, innovation, export activities, and the proportion of high-growth businesses within the area. The actions they planned to take to achieve this involved developing physical infrastructure (such as, innovation centres) and regulatory reforms for investment, procurement, and public sector enterprise support services.

Their collaborative work involved aligning different stakeholder groups to form a “single and guiding coalition” for the city-region. Each Local Authority was allocated one strategic theme to lead, and extensive work was done to form governance structures, including a Data Intelligence Hub (in partnership with the University of Strathclyde). The city-region has made good progress on Deal commitments and reported that all the innovation and business growth projects were completed on schedule, three years after funding. These projects were delivering outputs, initially on target, however, they were slowed by the COVID-19 pandemic. Additional UK Government funding has been secured for the region, expanding the role of regional governance beyond the City Region Deal.

### 3.3 Edinburgh City Region

The ECR framed the Deal around slowing productivity, skills shortage, and uneven wealth distribution. The policy aims of the Deal were to develop talent through new programmes, expand research activity, adopt data driven approaches in public, private, and third sectors, increase the capacity for data storage, analysis, and access, and enable data-driven high growth businesses. In line with these aims the overall agenda was to increase innovation and skills, creating data innovation capacity.

*“The aim of the Data-Driven Innovation (DDI) Programme is to establish the city region as the Data Capital of Europe (ECR-Deal Document).”*

Data driven decision-making was at the heart of governance processes. This included Deal partners utilising shared platforms and data visualisation to help them curate external partnerships with industry, public bodies, and academia. Within the Deal policy activities included five innovation, research and development sector hubs, commercial collaboration and manufacturing space, investment programmes for neighbouring regions, and regional employability and skills programmes.

Progress on delivery has been good with 18 out of 20 projects currently being implemented, an updated Regional Prosperity Framework agreed with six key themes to drive the region forward, and small adaptations being made to access new funds and align with Scottish Government priority policy.

### 3.4 Aberdeen City Region

The ACR framed the City Region Deal around the Oil and Gas industry downturn and the subsequent loss of jobs and dip in productivity. Their overall agenda, therefore, was to develop economic diversification and rejuvenate their regional competitiveness.

*“The goal is an economy growing across new and traditional industries, supported by an agile highly skilled workforce, open to future opportunities and better able to anticipate and respond to future challenges (ACR- Deal Document).”*

Their governance was focused more on existing relationships as opposed to creating new structures – driven by the long history of collaboration between the two Local Authorities. As such, they reported it was “about how we work together, rather than formal structures”. The aims of their Deal programme were to diversify sectoral focus and retain jobs. Specific projects included developing a world-leading net zero oil and gas technology centre, developing innovation hubs which include office space, incubators, laboratories, and accelerator programmes for digital, food and drink, and life sciences.

The region reported expansion to the size of the Deal through private sector investment, where activity was largely driven by Opportunity North East. They did also manage to attract additional funding from the Scottish Government. The development of projects was reported positively.

### 3.5 Tay Cities Region

The TCR identified high levels of regional unemployment as the main socio-economic challenge that the region faced. Although other challenges, such as Brexit uncertainty were highlighted, business creation, increased connectivity and collaboration were seen as means to increase employment and alleviate poverty across the region.

*“Once in a generation opportunity to ensure everyone in our region can benefit from some significant opportunities over the coming decade that have the potential to improve our economic position (TCR- Deal Document).”*

The main goal of the policy, therefore, was to reduce unemployment across the region. To do this they aimed to develop specific growth sectors, increase business creation and survival, and invest in research, innovation, collaboration, and connectivity. The planned actions for achieving this including investing in infrastructure (such as business and innovation centres), business support programmes (such as co-working spaces, maker labs, incubators, and accelerators) and developing network partnerships to promote trade and investment.

The Tay Cities region has a strong history of partnership working where Local Authorities “already has a long and positive track record of collaboration and economic growth”. Their focus for governance was to concentrate on strengthening these existing relationships and formalising where necessary to deliver on the Deal. Progress on delivering deal projects was slowed during the COVID-19 pandemic where they were granted accelerated access to Deal funding to advance regional benefits.

### 3.6 Inverness City Region

The main socio-economic challenge that the ICR framed their Deal around was the retention of high-skilled young people and connectivity issues. As such, the Deal focus was very much on improving digital innovation and skills development. Through developing digital infrastructure and skills, they aimed to retain young people, create jobs, upskill the labour market, and increase the productivity of businesses.

*“The Highland Council has the ambition to be the best digitally connected rural region in Europe (ICR- Deal Document).”*

As the area was governed by a single Local Authority, several non-governmental organisations played key roles through economic advisory forums, oversight committees, and review panels. This governance structure oversaw several projects including developing digital infrastructure, developing innovation and incubation hubs and networks promoting life sciences and health sectors, STEM/D learning centres, accelerators, training programmes, makers spaces and co-working spaces for tourism, creative, life science, and food and drink sectors, and increasing research and development activity in the University of Highlands and Islands. However, these projects were slowed considerably during the COVID-19 pandemic as governance resource was diverted to other areas.

### 3.7 Stirling City Region

The SCR identified community inequalities as the main socio-economic challenge that they faced. Access and engagement with education was seen as a major barrier to economic participation. As such, policy aimed to improve the 'skills ecosystem' within the region to improve access to skills needed for businesses to be more resilient.

*“Exciting package of investment in innovation, infrastructure and skills that will drive inclusive economic growth throughout the city region” (SCR- Deal Document).”*

The SCR governance focused on development formal relationships between government and education providers and strong community consultation processes. The Deal planned to deliver innovation hubs, research centres, and business incubators, digital community network hubs for students, businesses, academics, and mobile workers, and develop a skills, knowledge, and training ecosystem. Progress on the Deal was slowed considerably during the COVID-19 pandemic where resources were diverted to other priority areas.



## 4. TOWARDS A GOVERNANCE CAPABILITIES FRAMEWORK

Looking across cases, our data indicates that city-regions needed to develop three capabilities to effectively govern collaboration.

1. Administrative alignment – which involves developing homogenous processes and generating clear frameworks for working.
2. Relational management – which involves generating and maintaining strong collegiate working relationships.
3. Community organisation – which involves structuring outreach and engagement.

Table 4 presents a summary of the level of development for each capability in our case regions. The development of each capability created both assurances and affordances for regional governance teams. Assurances refer to certain confidences that governance capabilities provided to City Region Deals. Affordances refer to the qualities or possibilities that governance capabilities were able to provide. Underlying these three governance capabilities were various organising practices which acted to encourage their development. Practices are defined as groups of activities, processes, and routines conducted by policy actors to give structure to their organising efforts.

**Table 4: Summary of governance capabilities in case regions**

City Region	GCR	ECR	ACR	TCR	ICR	SCR
<b>Administrative alignment</b>	✓	✓	✓		✓	
<b>Relational management</b>	✓	✓	✓	✓		
<b>Community organisation</b>	✓	✓		✓	✓	✓

**Key:**

✓ = well developed

✓ = less developed

### 4.1 Administrative alignment

Administrative alignment established the procedures for collective decision-making and how partners functioned together to co-create and co-deliver Deal projects. It involved reevaluating existing contracts, frameworks, data monitoring, and operational procedures to ensure compatibility across partners. It was a particular strong capability that was developed in the GCR and ECR regions.

Developing shared working practices generated specific assurances for governance teams. It ensured the integration of Deal partners could equally contribute to the development of Deal projects and delivery by improving the accessibility of information. This accessibility also generated affordances.



Having an integrated and accessible working system enabled Deal partners to create a shared vision and strategic direction for the region. They discovered areas of commonality, mutual interest, and longer-time areas for development.

*“The greatest evidence of that partnership working bearing fruit is that we’re already progressing a regional delivery and Regional Prosperity Framework and a delivery plan for that. So that’s building entirely on top of the deal... If you look at our governance, it is fearsome, necessarily! (ECR-Interviewee)”*

Underlining administrative alignment was a set of four organising practices that aimed to formalise ways of working between partners. First, working groups and committees were seen as integral to integrate project interest across organisations and acted to structure coordinating efforts. Second, ‘cross-hatching’ agenda enabled the identification of priorities and targets for the region and acted as a functional means to decide upon action areas. Third, documenting was another key practice which helped alignment – for instance business cases – as it acted to structure common approaches, key messages, agreements, and direct future action. The final practice that helped alignment was the utilisation of a shared IT system that enabled access from across Deal partners and the sharing and reporting of information.

## 4.2 Relational management

Relational management determined the ability of policy actors to work collegiately and develop personal connections to facilitate partnership working. It was particularly embedded in ACR and TCR where relational working held precedence over administration and was institutionally embedded. Relational management capabilities were also developed in ECR, and over time in the GCR.

Developing trusting relationships helped to ensure transparency in City Region projects and allow partners to clearly understand what work was being undertaken. By helping to facilitate communication this generated accountability, as each partner would be able to interact to ensure involvement in decision-making. Having strong working relationships afforded greater opportunities to pursue joint-working opportunities out with the City Region Deal. Developing the ability to work together helped governance teams to sense development opportunities and attract funds to the area.

*“It’s galvanized their regional identity... So, when they get funds like the UK Shared Prosperity Fund, they come forward as a region to take it forward... they are kind of aggregating it up to regional level to get bigger scale projects (GCR-Interviewee).”*

Underlying relational management was a set of four practices that acted to foster trust between policy actors. First, change agents were charismatic leaders within partner organisations which motivated others to act and drove certain projects forward. Second, network facilitators acted to glue the ecosystem together by disseminating information throughout the network, coordinating meetings, and facilitating connections between stakeholders. Third, resource sharing was another key practice to help foster trust between organisations, especially the larger organisations who had stronger human resource capacity than other smaller partners. Finally, a common means to share resource was through seconding staff. Regular partner meetings allowed for informal ‘touch points’ with partners, which helped to share and disseminate information, which over time also helped to foster trust.

### 4.3 Community organisation

Community organisation ensured the City Region Deal connected to wider communities in the area. Driving this capability was a strong need to develop a strong sense identity within a region. It was a particular important capability to develop in smaller regions who did not have as much resource capacity as some of the other regions. Furthermore, it was particularly hard for the larger regions to develop community engagement structures which facilitate participation in large City Region Deal projects.

Effective community structures, however, assured community participation in governance. This ensured that local communities not only benefited from Deal projects but had a representative voice in the decision-making. Having strong community engagement structures also afforded city-regions the potential to expand the deal internally. Structures helped to mobilise community resources, expand the reach of benefits, and ensure value was directly realised at community levels.

“It will really realise the benefits of things like community wealth building and opportunities for smaller businesses. So, I think we’re beginning to see at least thinking change around that, people’s eyes beginning to be opened to that and the community benefit is being seen (ECR-Interviewee).”

Underlying community organisation was a set of four practices. First, community representation ensured that there were members of the community sat at discussion tables, offering input into decisions on behalf of various community groups. This engagement occurred laterally, through volunteering time in partner activities (such as board representation or event participation) to ensure that links to communities were built and maintained, and central project management teams were aware of community activities. Second, a key part of engagement was having an effective communication strategy to ensure that wider groups were aware of opportunities for participation and involvement. Third, open forums were particularly useful at engaging communities and enabled co-creation between project teams and inputted into community planning. Finally, the last practice was ensuring clear public communication of policy narratives. Creating consistent messaging in press releases, policy documentation, and promotional material helped policy networks ensure the benefits of projects could be highlighted to wider communities.

## 5. CHALLENGES AND TENSIONS

Multiple challenges existed within each region as actors looked to collaborate to organise Deal activity. This created five different tensions which needed to be managed and ultimately influenced the ability of regions to develop governance capabilities. An overview of the tensions present in each region is presented in Table 5. Underlying the ability to manage these tensions, or explain their prevalence, across regions are two factors: the organising capacity of regional partners and the amount of time passing to allow regions to develop governance capabilities.

**Table 5: Summary of tensions in case regions**

City Region	GCR	ECR	ACR	TCR	ICR	SCR
<b>Munificence versus coherence</b>	✓	✓		✓		
<b>Input efficiency versus output efficacy</b>	✓	✓			✓	✓
<b>Collaboration versus competition</b>	✓	✓			✓	✓
<b>Specialist versus inclusive participation</b>	✓	✓	✓			
<b>Top-down versus bottom-up input</b>			✓	✓	✓	✓

### 5.1 Munificence versus coherence

This tension refers to the balance between having munificent stakeholder involvement versus maintaining organisational coherence. This tension was mainly present in the larger Deals where there were more actors and organisations involved. On one hand, there was an abundance of stakeholders which needed to be considered for Deal activity. They could bring resources and benefits to the table. On the other hand, Deals would need to maintain a sense of coherence in their organising activities to ensure transparency, alignment and prevent mission drift.

### 5.2 Input efficiency versus output efficacy

This tension refers to balancing the procedures and administration required to organise the Deals with the focus on the efficacy of project delivery. This was more clearly present in both the larger Deals and the smaller Deals, but less so in medium-sized Deals. On one hand, having efficient organising process was important to ensure stakeholder alignment. On the other hand, too much focus on organising detracted from delivering projects. For the larger Deal areas aligning multiple stakeholders behind projects took time. For the smaller Deal areas, the resource capacity for organising was more limiting.

### **5.3 Collaboration versus competition**

This tension refers to the balance between individual and collective interests. On one hand, each Deal member would look to protect their own local agenda. On the other hand, collective interests could be best served through collaboration. The propensity towards collaboration between partners was institutionally embedded and had been fostered over potentially decades of working. In the TCR and ACR regions, partnership working was more common. In the GCR and ECR regions this took several years to shift mindsets.

### **5.4 Specialist versus inclusive participation**

This tension refers to the balance between developing specialist technology and innovation activity and ensuring that the benefits and participation in these projects was distributed around the region. On one hand, developing technology, innovation, research and development was viewed as a means to ensure regional competitiveness, attract high-value jobs, skills, and businesses. On the other hand, there were concerns that the benefits of this activity were providing local benefits to communities in the regions. Effectively partners would need to conduct extensive community planning to ensure balance. This was particularly prevalent in the larger sized investment Deals where extensive money was being spent on developing innovation and technology with large innovation centre projects.

### **5.5 Top-down versus bottom-up input**

This tension refers to the balance of input between National Government funders and local or regional autonomy. On one hand, national government had certain procedures and terms which needed to be satisfied with the Deal organisation. They also had national policy agenda that would be needed to be considered by regional teams. On the other hand, Local Authorities were trusted entities with accountability processes and a closer to the ground perception of local needs. Capacity was a key issue here, as local partner resource influenced regional partners ability to administer the Deal with less support from National Government. Time was also a key issue, as it allowed for governance structures and working structures to have the capacity to organise.

## 6. CONCLUSIONS

The findings of this report suggest that effective collaboration can be achieved through the development of three governance capabilities – administrative alignment, relational management, and community organisation. These capabilities can assist in navigating challenges, aligning stakeholders through common agenda, and provide a forward-thinking outlook which can bring further opportunities to collaboration. Furthermore, the development of these capabilities is underlined by numerous organising practices which are important to structure new working arrangements. The report also outlines the challenges and tensions that exist in collaborative governance arrangements which are underlined by two overlapping factors – the capacity of partner organisations and the time needed to develop governance capabilities.

The findings hold relevance to wider collaborative governance arrangements beyond the context of this study – City Region Deals in Scotland. First, other City Region Deals across the UK – both larger and smaller Deals can also benefit from using, and expanding upon, the capabilities framework. Second, current direction of UK economic policy focuses on regional development, the report’s framework has relevance to numerous other initiatives such as Levelling UP, Town Funds, and LPIPs to promote collaborative governance and civic engagement. Finally, the findings also have relevance to other policy networks – such as industry groups and innovation research networks.

Considering this wider applicability, we highlight three areas where further consideration could assist funders in ensuring effective collaborative governance:

1. Allow for a ‘bedding-in’ period for each collaboration to establish administrative procedure, relational working, and community structures before measuring project progress.
2. Consider allocating some seed-funding for initial capacity building in certain areas where there is scarcity and fewer anchor institutions.
3. Evaluating proposals that promote collaborative working based on plans for developing governance capabilities that can extend beyond funding periods. Paying attention to the specific organising practices that can facilitate their development.

More specifically, we offer the following toolkits to help guide evaluating collaborative proposals. Table 6 provides example questions to capture insights into the assurances and affordances that capabilities can generate. Table 7 provides example questions to capture organising practices that can assist capability development.

**Table 6: Assessing or capturing assurances and affordances**

Assurances/affordances		Guiding questions
<b>Assurances</b>	Integration and accessibility	<p>How will you ensure partner organisation are able to share documents, data, and information?</p> <p>How will you ensure that all relevant stakeholders are able to access these working systems?</p>
	Accountability through transparency	<p>How will you share information on activities and progress between partners?</p> <p>How will you report on project spending decisions to wider stakeholders?</p>
	Structure and participation	<p>How will you formalise means to reach wider community stakeholder groups?</p> <p>How will you ensure participation and input from communities into on-going project decisions?</p>
<b>Affordances</b>	Shared vision and strategic direction	How do the proposed activities fit in with the wider development of the locality/region?
	Joint-working opportunities	Through the proposed collaborative work, what future complementary development opportunities exist out with the scope of this project?
	Internal expansion and capacity	During delivery of this project, what scope to you have for increasing engagement opportunities to both direct and in-direct stakeholders within the locality/region?



Capabilities	Capabilities	Guiding questions
<b>Administrative alignment</b>	Working groups and committees	How will you formally structure the governance of the collaboration?  Will you have a central project management team? Senior leadership team? External advisory board?
	Cross-hatching agenda	Which areas of activity will you work on collaboratively and which areas will you work on individually?
	Documenting agreements	How will decisions be documented and disseminated to stakeholders?
	Integrating IT systems	Which IT systems, or project management software, will be used to facilitate work between partners?
<b>Relational management</b>	Change agents	What support do projects have from organisation leaders?  How will they drive stakeholder engagement in projects?
	Network facilitators	Who are the key people that can facilitate connections between stakeholders?
	Resource sharing	What resources, from which organisations, are needed to administer and govern the collaboration?  Where will these resources come from?
	Regular partner meetings	How will you ensure regular contact and efficient passing of information between partners?
<b>Community organisation</b>	Community representation	Who from community organisations will form part of the collaborative governance and why?
	Volunteering time	How will project leaders and members give back to local communities?
	Open engagement	How will project leaders and members ensure on-going interaction with communities?  What forums or events will be put in place to manage this?
	Communicating policy narratives	How will project messaging be designed and delivered to wider stakeholders?

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## UNDERSTANDING STAKEHOLDER ENGAGEMENT AND COLLABORATION IN SCOTLAND'S CITY REGION DEALS