Appendix 2 - Regional Empowerment: key discussion points

What is being proposed

A new regional organisation, created in law and owned by the eight councils. Able to hold funding, own land, borrow, sign long-term contracts and carry risk in its own name. Governed collectively by the eight council leaders, without taking over councils' local services.

One longer-term funding agreement, bringing together budgets held by different organisations. Money for transport, training, business support and investment currently sits across organisations with different responsibilities and budgets. Bringing it together would allow the Region to fund things that need to happen together, such as new homes and transport links, or investment and the training needed to fill the jobs it creates.

One shared programme, agreed by the eight councils. Transport, skills, business support and major developments planned and funded together, with public reporting on who benefits and where.

Why this matters for Scotland, not just GCR

Scotland's performance depends substantially on GCR. A third of the economy, a third of the jobs, a third of the population – and the largest concentration of Scotland's poverty, economic inactivity and poor health. More than one in four children here live in poverty. 231,000 working-age residents are out of the labour market, 114,000 of them because of ill health. National targets on child poverty, inactivity and growth cannot be met without substantial change in GCR.

City regions compete for investment across the UK. Firms choosing where to locate do compare GCR with other parts of Scotland, but also with Greater Manchester, Liverpool and the North East – places that can now commit funding, land and skills in a single conversation. When GCR, or Edinburgh, or anywhere else in Scotland cannot compete at that level, the investment leaves.

How this fits with wider reform

Regional empowerment offers a faster, more focused route to improving outcomes. It could be taken forward with the existing eight councils, without waiting for decisions on wider local government reform, and adapted to whatever follows.

Reorganisation alone will not deliver those improvements. Changing council boundaries does not, on its own, change how services and investment are planned, funded and delivered. Without those changes, reorganisation risks the cost and disruption of transition without securing the benefits.

The case for change

The Region's economy already crosses council boundaries. Around 92% of people buying a home within the Region buy another home within it. Every town examined in the regional evidence sends commuters into Glasgow. Transport, housing, jobs and investment need to be planned across that wider area.

The biggest gains come from joining up investment. City Deal analysis found that planning housing, transport and regeneration together doubled the forecast economic impact. Analysis for an English city region found that planning across the wider economy nearly tripled the forecast impact of a mass transit corridor. Conventional appraisal, looking at each scheme alone, did not capture those gains.

The councils can agree. The Region cannot yet commit as one. On electric vehicle charging, the eight councils agreed the objective and the technical specification without difficulty. Deciding who would receive income, carry liability and bear the consequences of default has required months of separate negotiation, because no regional body can hold those commitments itself. For a ten-year investment programme, that constraint becomes decisive.

What GCR is offering

To take responsibility for regional outcomes that matter nationally. One programme, directed at growth, child poverty, economic inactivity, housing supply and getting people into work – with

GCR accountable for its contribution and reporting publicly on whether it is delivering, including where it is not.

The scale of investment requires more financial firepower. The proposition illustrates a ten-year programme of around £7.5 billion, combining a longer-term government settlement, regional contribution, assumed government match and wider investment. None of this funding has been agreed. Delivering it would require the Region to borrow, make long-term commitments and retain a share of the value its investment creates.

To put regional money in and carry the risk. Any long-term investment programme would include a substantial regional contribution, funded from the value regional investment creates as well as from its block grant, alongside matched government investment reflecting the fiscal return. GCR would borrow, commit over the long term and accept the financial and delivery risk that comes with it.

One counterparty instead of eight. A single body able to hold funding, make commitments and answer for results – reducing the cost and complexity of regional investment for the Scottish Government as much as for GCR, and giving investors, lenders and providers someone who can give them an answer.

To be tested here first. GCR has the partnership, the delivery record and the capacity to prove the model, so that it can then be adapted for other parts of Scotland.

And to accept the accountability that goes with it: scrutiny independent of the leaders taking decisions, with its own staff and budget; published reporting by income, deprivation and council area; each council's maximum financial exposure agreed and published in advance; independent audit; and ministerial powers to intervene or reduce regional discretion if arrangements fail.

The ask

- Agree to begin joint work with GCR now, without waiting for decisions on the council map.
- Establish the existing funding and responsibilities that could form a regional settlement.
- Develop the first regional investment programme and its funding requirements.
- Agree a route towards legislation, alongside changes possible under existing powers.
- Where UK Government agreement is needed, develop a joint approach where we can work together.

GCR is asking ministers to begin developing the arrangements together, not to agree every detail today.