

# Glasgow Commission for Economic Growth: Submission to the Scottish Government's Advisory Group on Economic Recovery

## Structured Areas for Consideration

Please find below answers to some of the questions asked, grouped under the themes in the paper entitled *Structured Areas for Consideration*. Some of the key points made are listed below:

### What the city-region can do:

- Adapt transport systems and the use of public space for new patterns of interaction to emerge from.
- Work with government agencies and the universities to build capacity, e.g. in the use of big data and access to policy expertise, to inform decision making.

### What can be done to enable city-regions to contribute to SG and UKG priorities:

- Pro-active skills policies and the coordination of delivery to reflect local labour market circumstances, needs and impacts.
- Consider new opportunities to support vulnerable groups e.g. young people, women and BME groups; provide the living wage to a greater share of frontline workers.
- Consider use of City Deal like mechanisms – existing deals and potentially further deals - to bolster recovery options.
- Adopt an 'infrastructure in place' approach and expand social housing investment programmes.

### Taking the opportunity to consider new autonomies:

- Take shares of uplift from local infrastructure investments.
- Use the local governance review to reconsider local-central government relationships including the fiscal balance (so those who can respond best to the city-region's needs, can respond more effectively)
- Consolidate and build on collaborative engagement with key anchor institutions in response to the crisis

## Macro/Fiscal

Many of the macro considerations identified reflect areas of possibility rather than probable or likely outcomes. Some considerations may relate to issues of inter-generational inequality and when impacts occur. If the situation deteriorates globally, and that is not unlikely, asset prices and pensions may be quite badly affected and elderly generations, unlike the young, will have little time in which to rebuild their incomes. On the other hand, emerging evidence shows that young people are being sharply impacted more by the lockdown (given wage levels and propensities to work in shutdown sectors)<sup>1</sup>. As a consequence, there is a case to be made to give some targeted form of

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<sup>1</sup> <https://www.resolutionfoundation.org/publications/young-workers-in-the-coronavirus-crisis/>

compensation or support<sup>2</sup>. In city economies, young people gain skills and qualifications, develop human capital and move up wage levels (this is a well-known feature of agglomeration economies)<sup>3</sup>. Where such processes rupture, young people may experience disproportionately impacts. Consideration might be given to what kinds of bridging assistance (e.g. for meeting living /tuition costs while enhancing their skills) to retain and develop capabilities for this group would be most beneficial.

A further consideration regarding taxation is not simply the UK government vs Scottish Government position, but whether there is scope for revenue raising powers to be given to sub-national bodies (most obviously local authorities). It is well rehearsed that local authorities in the UK have very limited powers vis-à-vis municipalities in most other OECD countries; this means local authorities act largely as supplicants to higher tiers of government. There are downsides, here, in that local authorities currently have a limited set of tools to address local issues. A possible upside may be seen where - with a greater range of powers at their disposal - central government chooses to insulate or protect local government. In our report, we highlight both the falling share of Scottish expenditure going to local government as well as the limited matching of Scottish level spending to city regions where the growth pressures on services, including housing and infrastructure, are most acute. The last decade, by virtue of austerity, has seen local authorities sharply suffer from expenditure cutbacks imposed by central government<sup>4</sup> and from being given more responsibilities without matching funding.

As new environmental, wellbeing and inclusion goals are embedded in the national recovery strategy there is a strong case for the Scottish Government to reduce the longstanding vertical fiscal imbalance between central and local government and consider redesigning taxation systems that assist in achieving these goals by raising the tax base of city-regions and local authorities. If there is to be a serious commitment to a green economy in recovery, taxes on environmental 'bads' could be captured and used locally. Similarly, if the SG are to attain their aim of minimal house price inflation system by 2040 there is a case for changing housing taxation, e.g. by giving Land and Buildings Transaction tax to metropolitan/local areas. The taxation aspects of 'affordability' and 'greening' goals and the extent to which these taxes have a local potential are issues that should be considered in thinking about renewal. At the same time, if levelling up agendas are to be realised, long-standing imbalances in the UK (and north of the border between west central Scotland and the east of the country) in health, poverty and growth will need to be addressed<sup>5</sup>. Should local areas have more control of their revenues and hence their own destinies? The Local Governance review appears to have scope to address such issues and a thorough assessment of the pros and cons would be valuable. Other practical steps might involve strengthening dialogue with the SFT to consider the scope and applicability of gain share tools (if the city makes a capital investment and produces a private gain, can it glean an uplift share? (should that uplift emerge)).

How the economy re-boots following the shutdown is the million-pound question facing policymakers, and most lean on the side of caution when suggesting what damage may occur. For a city-region, such considerations rest on how people and businesses view the merits and demerits of scale and density. Will investment and consumption return to cities at previous levels when proximity is managed and regulated? In the short-term the possibility of clicking on the online shopping button as opposed to heading to the shop is decisive but how will that play out in shaping medium and longer-term consumer behaviour change (even if restrictions last for only a limited period of time). The changes required in offices and the potential substitution effects of online

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<sup>2</sup> <https://www.resolutionfoundation.org/publications/class-of-2020/>

<sup>3</sup> See for example – de la Roca and Puga (2017) Learning by working in big cities. *Review of Economic Studies*, 84: 106-142.

<sup>4</sup> See, for example: Gray and Bradford (2018) The depths of the cuts: the uneven geography of local government austerity. *Cambridge Journal of Regions, Economy and Society*, 11(3): 541–56.

<sup>5</sup> <https://voxeu.org/article/how-uk-government-should-respond-unequal-local-economic-impacts-covid-19>

meeting portals for face-to-face meetings is currently exercising the minds of managers (an emerging take away from the academic literature seems that for non-routine activities, such online mechanisms are not a sufficient substitute)<sup>6 7 8</sup>.

As well as benefiting previously from processes enabled by economic mass, cities also thrived as gateways for the global economy. Because cities housed incoming migrants and acted as gateways for trade and investment through the roles of airports, they acted as key spatial nodes for economic growth and globalisation. Set within a context of potential and emerging trade disputes, there are signs that lean global production processes previously favoured by firms might need to be revisited<sup>9</sup>. Will we see, in some sectors, a shift from an ethos of cost first, to capacity first? For the Glasgow city-region, the impact of these changes is largely unknown at this point – something firms may be talking about (perhaps) – but highly uncertain. Some inward reconfiguration of supply chains may be beneficial as services and products are produced locally (not least those that are considered essential for future bio-security); but it may also come with big downsides if export markets dry up, either as a result of trade restrictions or moves towards economic autarchy elsewhere. Arguably these new concerns - about bio-security, the slow demise of ‘market dominated’ perspectives in economic policy, the deteriorating relations between China and much of the West as American economic and power influences decline - may be ushering in not the end of globalism but a new and different meta-framework for economic and social policies.

That Brexit rests as a dialogue waiting to emerge, when the concern for covid-19 abates, is a further grave concern. Indeed, looking at productivity and GDP performance prior to the cataclysm of recent months<sup>10</sup>, we may be tempted to link weak performance in such metrics with investor hesitancy related to the uncertainty of future trading and regulatory arrangements. Such macro trends will be something the Glasgow city-region is hostage to, yet heavily impacted by. If inclusive growth and the carbon emergency remain key goals for the city-region and for Scotland, some dialogue with government about what the city-region can do to begin to steer its own course, to a greater degree, is warranted. City Deals were an initial move towards greater city-region autonomy, yet what emerges next – be it a further deal or a funded industrial strategy, for example – will be important. The cities that thrive will be those that are outward looking, well-led, nimble, clear in their strategic objectives and capacities and that use technologies intelligently. The countries that succeed will be those that best harness this energy and potential.

## Micro/enterprise

Different sectoral and functional exposures to the shutdown have been well rehearsed by a number of commentators. Some stylised factors, which we would assume hold for Glasgow, are as follows. First proximity intensive sectors will take a big hit. Restaurants and the tourist trade (particularly those elements that cater to overseas visits)<sup>11</sup>, sectors where working from home is not viable, are not likely to reopen in the short term, possibly not until the final recovery phase identified by the First Minister. As previously mentioned, this is likely to impact the younger workforce and those on low incomes (who work in these sectors) disproportionately. On the other hand, work for home

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<sup>6</sup> <https://www.centreforcities.org/podcast/city-talks-face-to-face-interaction-and-why-cities-still-matter-in-the-information-age/>

<sup>7</sup> [https://sloanreview.mit.edu/strategy-forum/will-covid-19-make-companies-rethink-cities/?utm\\_source=twitter&utm\\_medium=social&utm\\_campaign=sm-direct](https://sloanreview.mit.edu/strategy-forum/will-covid-19-make-companies-rethink-cities/?utm_source=twitter&utm_medium=social&utm_campaign=sm-direct)

<sup>8</sup> Duranton and Puga (2020) The Economics of Urban Density.

<sup>9</sup> <https://www.ft.com/content/606d1460-83c6-11ea-b555-37a289098206>

<sup>10</sup> <https://fraserofallander.org/scottish-economy/productivity/scottish-productivity-statistics-latest-update-and-longer-term-trends/>

<sup>11</sup> <https://www.ifs.org.uk/publications/14791>

propensities are higher for those with high skills and those working in higher occupational categories (such as managers, professional staff and directors)<sup>12</sup>.

Business growth in the period since 2008 (following the GFC) in Glasgow is largely due to the growth of micro-enterprises<sup>13</sup>. It is these businesses, as several surveys have pointed out, who are most at risk in terms of liquidity/cashflow<sup>14</sup>, the impact of dwindling sales and lack of capital to restart/invest. Those mapping the recovery process need to consider what factors will affect the business climate that will emerge for entrepreneurs and start-ups after Covid. Concerns span from diminished risk appetites to challenges, potentially, in unlocking startup capital (e.g. venture capital)<sup>15</sup>. It is important to consider the foundational economy, and the basic services and provisions that keep us 'safe, sound and civilized'<sup>16</sup>. A stark realisation from the Covid-19 crisis has been that some of the services and activities that have sustained society over this period are also ones where working conditions are precarious and wage levels are low. In addressing this, government should examine how measures such as the real living wage can take effect (NB The Resolution Foundation shows that Scotland already performs better than the rest of the UK on the proportion of care workers who receive the living wage).

The Infrastructure Commission reports released in January<sup>17</sup> may be at risk of being an artefact of a past time rather than a roadmap for the future given the pronounced shocks that are now working through the economy. In the (Glasgow City Region Economic) Commission's futures report we identified practical difficulties and limitations in the Scottish Infrastructure Commission's (SIC's) inclusion of 'natural' assets as infrastructure, and their apparent insistence that net zero carbon goals take precedence over inclusion and growth concerns. In our futures report we recommended that the GCR *uses an expanded, comprehensive definition and understanding of infrastructure (including digital infrastructure and housing assets) and re-emphasises the roles that infrastructure, in creating and connecting places and people within the city-region, plays in shaping key responses to the grand economic, social and economic challenges facing the GCR*. Of course environmental aims need a stronger focus in infrastructure decisions but too narrow a focus on a green 'only' recovery could divert attention from other vital considerations such as the need for a new approach to creating and connecting places, that integrates thinking, and action, and links planning, land markets and infrastructure at the level of the city region.

Recommendations 14 and 15 in the futures report are pertinent:

- *we recommend that consideration is given to developing a vehicle to co-ordinate infrastructure planning and delivery at the level of the city region and link it to land market activity in order to deliver effective, integrated 'infrastructure in place' strategies. A city-region vehicle of this type could be deployed to develop expertise in infrastructure planning and in capturing infrastructure and planning gains in urban development processes (REC 14).*

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<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/coronavirusandhomeworkingintheuklabourmarket/2019>

<sup>13</sup> GCR Regional Strategic Assessment

<sup>14</sup> <https://www.britishchambers.org.uk/page/bcc-coronavirus-business-impact-tracker>

<sup>15</sup> <http://www.benspiegel.com/blog/imagining-entrepreneurial-ecosystems-in-a-post-covid-world-1>

<sup>16</sup> Morgan K (2019) The future of place-based innovation policy (as if 'lagging regions' really mattered). In *Revitalising Lagging Regions: Smart Specialisation and Industry 4.0*. Regional Studies Policy Impact Books.

<sup>17</sup> <https://infrastructurecommission.scot/page/key-findings-report>

- *we further recommend that the GCR lead a step change in local economic development practice by placing the economic drivers and consequences of infrastructure, planning and land market outcomes at the core of policy making (REC 15)*

For Glasgow city-region, infrastructure investment is critical – raising a few issues about the link between national policy and regional strategies. First, what does covid-19 imply for deal-making approaches to urban and regional policy in Scotland? If one area or region is impacted more than another, do deals present a ready mechanism through which governments can support local recovery? Second, for deals already in place, how will we now consider the success of interventions determined five years ago whose impacts and relevance may be more uncertain as a result of Covid? Third, sectoral areas of infrastructure present different issues. There has been much talk about adapting transport infrastructure to manage short term shifts, whilst also securing long term aims<sup>18</sup>. But what if people use their cars more, to avoid personal interactions on public transport? If that trend were to continue it would undermine key environmental aims/policies.

In the city context, support for pop-up active travel<sup>19</sup>, altering work patterns to dampen congestion on transport systems at peak times and basic service changes in PT (such as wearing masks), may all prove to be important in ensuring workers and firms can operate in next few months<sup>20</sup>. At the same time, lower ridership volumes will present financial challenges for operators<sup>21</sup>. For housing, issues range from the impact of mortgage changes and defaults, the cost of renting in the face of diminished or no wages<sup>22</sup>, and the opportunities that may arise from seeing the refurbishment of housing stocks as a way to spur demand for local construction. Also, what spatial patterns of housing will we see across the Glasgow city-region? Will the suburbs come back into fashion as space and distance become prized urban features?<sup>23</sup> We would recommend that social housing investment programmes are expanded so that the homeless who have been removed from the streets and overcrowded, low quality spaces as a result of the Covid-19 emergency, are adequately and permanently housed and otherwise supported. In the medium term, the refurbishment of GCR's pre 1919 housing, to make it energy efficient, digitally connected and linked to tele-health care services, is an outstanding prospect for an effective stimulus investment. Looking to the longer-term, ensuring that housing supply in the GCR is elastic will do much to make the metropolitan area attractive to outsiders and to ensure that resident incomes support local enterprises rather than old bricks and mortar. Digital is of course a key consideration also. If indeed, digital becomes the new urban "sanitisation" as some have suggested<sup>24</sup>, what implications are there for consistency of affordable provision and for the roll out of wider digital services (from health care to municipal provision)?

### **Labour market and inequalities.**

Using a lot of the data generated through the regional strategic assessment, Professor Alan McGregor provided a comprehensive forward look at trends within the Glasgow city region labour force prior to covid-19 in the skills chapter of the futures report. The five recommendations he made, contained in the summary report (recs 1-5), are commended as a basis for urgent action. Many of the weaknesses in the skills system identified in the report have been accentuated by covid-19 and some new issues have come to the fore. Pre-Covid, Glasgow city region had 21% of households deemed 'workless', high youth employment (over 22% of 16-19-year olds), a high proportion of working age residents with no qualifications (13.2%) and 87,000 economically inactive

<sup>18</sup> For example - <http://gmlep.com/news/build-back-better>

<sup>19</sup> <https://www.transport.gov.scot/news/10-million-to-support-pop-up-active-travel-infrastructure/>

<sup>20</sup> OECD – Cities policy responses, 13 May

<sup>21</sup> <https://www.citymetric.com/transport/post-pandemic-risk-public-transport-it-might-never-be-same-4991>

<sup>22</sup> <https://www.resolutionfoundation.org/publications/coping-with-housing-costs-during-the-coronavirus-crisis/>

<sup>23</sup> Batty (2020) The Coronavirus crisis: What will the post-pandemic city look like? *EPB: Urban Analytics and City Science*, 47(4): 547–552.

<sup>24</sup> <https://www.citylab.com/design/2020/03/coronavirus-urban-planning-global-cities-infectious-disease/607603/>

residents due to ill-health. Three of the areas of Scotland worst hit by coronavirus Inverclyde, Clydebank and Glasgow are where multiple deprivation is most concentrated. As well as school leavers, new graduates and others in the 18-24 age group whose prospects of finding work will be adversely affected by Covid, those without work or less skilled or unskilled workers over the age of 50 who, on past evidence, will find it more difficult to secure work, are particularly vulnerable. An equalities sensitive regional focus is required to address these patterns of vulnerability and disadvantage.

The crisis has the potential to do disproportionate damage to women's jobs and incomes. Social distancing restrictions have shut down industries with high proportions of female employees, including non-food retail, culture, accommodation services, and bars and restaurants where the business model depends on gathering people together in confined spaces. It can be anticipated that there will be vertical (sector specific) as well as horizontal effects (across sectors) as a result of Covid. Suspension of activity in a sector affects everyone who works in that sector, not just those on short term contracts or previously deemed most at risk of unemployment. How workplaces will change is determined by the nature of the business concerned and whether effective continuity measures can be taken. It will also depend on consumer attitudes and their receptiveness to the changes that might be introduced to limit health risk, as well as on actions taken by employers and trades unions to agree and implement safe working practices.

Many women who do not work in 'at-risk' industries are struggling to balance work with the additional care responsibilities caused by school and childcare closures. Where women take a greater share of domestic and childcare responsibility, existing gender inequalities will be heightened by home working. Emerging evidence suggests that individuals from BME communities are disproportionately impacted by the health impacts of covid-19<sup>25</sup>. One of the factors that may contribute to this is occupational exposure: BME individuals are over-represented in jobs with increased exposure risks (19.2% of workers in health and social care were from minority ethnic groups). Ethnic minority people are also over-represented in Scotland's distribution, hotels and restaurant industries and are therefore at greater risk of job losses, reduced hours and pay.

Although we do not yet have robust research evidence, it appears that, during the lockdown, those without access to computers and digital connectivity have been further disadvantaged relative to connected households. Tackling digital exclusion should be a priority in considering both recovery and longer-term renewal. As with health effects, there is a concentration of those experiencing digital exclusion in the poorer and most disadvantaged communities in Scotland, 57% of Glasgow city region data zones are in the 15% most deprived in Scotland. Recommendation 18 in the futures report, which calls for the creation of a partnership based, city-region Data and Digital Technology Strategy Board, concerned with increasing the capability of systems within the city region to make more effective use of data and analytics, is particularly pertinent in equipping the city and local partners to tackle some of these issues.

On the question of place-based assets and anchor institutions, the futures report highlights the importance of strengthening collaboration between civic partners and makes a number of recommendations about how this might be done in the Glasgow city region. Community Wealth Building has been advocated by some as a means of protecting jobs and advancing prosperity. However, there are questions about how robust the claims made for positive benefits from CWB are (including whether the most disadvantaged populations and areas do in fact benefit); about what spatial level (if at all) the approach might sensibly be applied; and about a somewhat stark dualism (local communities – good; corporate power – bad) that may come through in some versions<sup>26</sup>.

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<sup>25</sup> <https://www.icnarc.org/Our-Audit/Audits/Cmp/Reports>

<sup>26</sup> <https://cles.org.uk/wp-content/uploads/2018/10/Wealth-for-all-Building-new-local-economies.pdf>

Would adoption of CWB mean that the jobs and investment that large corporate players bring is no longer wanted? Are sceptics right to suggest that CWB is simply a new badge for tools/approaches such as fair pay and more localised procurement that are already being implemented? On the final question highlighted in this section, what policy interventions are working well, there are a number of current and past interventions that work well - the Glasgow Guarantee is an example of the former and Scottish Enterprise's Graduates into Business scheme which ran for a period in the 2000s an example of the latter. As mentioned earlier, a key priority should be the development and implementation of imaginative schemes to help young people transition into work, especially where this might involve retraining or acquiring additional skills, while not forgetting opportunities for older workers to retrain.

### **Wellbeing, inclusive and net zero**

We agree with Professor Graeme Roy that it is frustrating that so much time is devoted to discussing, debating and measuring high-level principles and challenges – 'wellbeing', 'productivity puzzle', 'inclusive growth' and the like – versus how little time and effort goes into transforming this thinking into actual policy delivery<sup>27</sup>. A particular concern is that the notion of a wellbeing economy, like that of inclusive growth, is imprecise and elastic, driven by a desire for *'different, new, better ways of policy thinking that supplants typical concerns for economic policy and established measures of growth and distribution'*. The Commission has led thinking on inclusive growth through its work on how infrastructure projects can be made more inclusive (using the Sighthill city deal project as an example) and in translating the aspirational goals set by Scottish Government and local government into practical advice for practitioners.

We do not agree with those who advocate that growth should no longer be a core aim of government policy, arguing instead that growth and inclusivity (and by extension wellbeing) should be seen as complementary and reinforcing objectives rather than as alternatives. Economic thinking and policy for the wellbeing economy in our view requires not an abandonment of fundamental economic questions but needs a clear definition of the key goals and measures for wellbeing in the polity and how different choices in key economic magnitudes, and the implied trade-offs in the allocation of resources to different purposes, allowing governments and individuals to maximise their wellbeing. Hence our endorsement of the mission-orientated approach associated with Mariana Mazzucato.

Measured by health outcomes, the most disadvantaged areas of the country tend to be closely correlated with those places where covid-19 has had the greatest impact. Health and economic inequalities are intertwined and improving population health should be a key priority, reflected across a range of policies including giving greater priority to physical activity, mental health and community focused health promotion. But it is vital that these initiatives, delivered at neighbourhood and community level, should be accompanied by measures to improve the economic prospects of disadvantaged places which combine targeted local interventions with initiatives at the level of the city region. A shift to net zero and indeed a transition to a wellbeing-orientated, inclusive economy will not happen without a recognition of the trade-offs as well as the complementarities involved and a concerted effort to drive change that links growth objectives and mechanisms to realistic social or environmental objectives.

Covid-19 has had significant short-run effects on the ability and willingness of households to travel, the incidence of the epidemic and its effects on household incomes through differential possibilities for working at home, for example, which mean that new approaches to infrastructure that links

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<sup>27</sup> <https://fraserofallander.org/scottish-economy/not-just-another-advisory-committee/>

homes and jobs are required. More active travel opportunities, more space for work within homes and enhanced digital connections and services may all be new priorities. Attitudes towards residential density and well as travel to work may irrevocably change. Recognising the risks of future pandemics transmitted by human contact will probably alter some household activity patterns permanently and the housing, transport and other infrastructure investments to create the places that best promote wellbeing will need to be revisited accordingly. Stimulus funds may be limited so effective decisions are required and this may involve difficult place prioritisations that balance economic, wellbeing and sustainability goals. We do not concur with the inference in the SIC report that carbon reduction dominates all other considerations. Other existential threats exist to the lives of individuals and the continuation of communities. The need for new approaches to decision-taking for infrastructure, including housing, is again reinforced by the Covid crisis. Improving the carbon efficiency of Scotland's housing system could play an important part in a green recovery, but there are many other reasons why housing should be considered a critical priority and the 'investment in place' approach recommended in the futures report adopted.

### **Government Policy and Delivery**

There is broad agreement that recovery from this crisis needs to protect the vulnerable and tackle inequalities, focus upon supporting young people, prioritise the sectors and regions most impacted, boost productivity, and help the transition to a low carbon economy. But while regulatory and economic policy levers reside at Scottish and UK government levels, delivery - the process of re-emergence from lockdown and the transition, recovery and renewal phases - will in key respects be managed more locally.

As the preface to the futures report stipulates, 'national frameworks must be supportive, but it is primarily within Scotland's city-regions that firms and citizens and institutions will both adapt to and create Scotland's place in the new world'. Glasgow city region is a third of the economy of Scotland. An empowering, place-sensitive, partnership approach is needed, recognising that Scotland's only true conurbation is a complex system which relies on innovative businesses, collaborative institutions, open governance and capable leadership to succeed. In Glasgow, local partners spanning local government, the business community, universities and other key civic partners have been mobilised and are co-ordinating their efforts in response to Covid-19. Their networks, insights, leverage and leadership of the recovery process is vital.

How can these efforts be supported by central government and where are resources most effectively applied? In the Commission's report prepared prior to Covid, we argued that '*Intelligent decision taking in the GCR needs a step change in capacity for economic analysis and infrastructure planning. We recommend that the Scottish Government should address these capacity deficits either by shaping dedicated regional teams in their own analytical services or by considering resource support for the creation of the capabilities required within the GCR*'. Recovery from the Covid crisis makes this both more urgent and more necessary. Delivery as well as flexible and responsive policy thinking requires increased capacity at city region level. However, reductions in local authority funding have left local authorities less well equipped in terms of both staffing and finances than they might previously have been. Accelerating the process of breaking down the boundaries between central and local government through secondments etc., making some new resource available for urgent research, planning and programme development tasks and supporting collaboration between universities, business, local government and other agencies would all be beneficial.

The Fraser of Allander Institute at the University of Strathclyde has made available detailed analysis of economic trends and daily commentary on the impact of Covid <https://fraserofallander.org> and useful data and analysis is also provided by the Urban Big Data Centre <https://www.ubdc.ac.uk> at

the University of Glasgow. Covid linked work has also been undertaken through Policy Scotland <https://policyscotland.gla.ac.uk> including joint work with the city-region's Intelligence Hub e.g. to share and gather information and insights from other UK cities (including Birmingham, Liverpool and Newcastle). Professor Duncan MacLennan has developed a network on Covid and housing that has linked senior colleagues from government, industry and academia in Scotland and the UK with counterparts in Australia and Canada, shaping thinking and promoting lesson learning internationally.

Universities and Colleges face major challenges to their funding and business models as a result of Covid. The Universities of Glasgow and Strathclyde are working together at institutional level to respond to the crisis and both universities are closely involved in the Glasgow Economic Recovery Group. There are a number of projects being set up in response to requests for expert assistance to University partners from local government and public agencies. It would be helpful if mechanisms to support these initiatives could be found, either via the funding council or some other vehicle so that efforts could be coordinated and quickly implemented. At UK level the research councils have made resource available for Covid linked research and Research England is also providing support but so far there has been no equivalent mechanism in Scotland.

Alongside technical decisions where expert advice is needed, the recovery will also pose many ethical and distributional issues that would warrant wider reflection and consideration. How do we live with greater surveillance, for example, and where are limits to be drawn? What form of scrutiny is appropriate and how policy should be shaped are complex and difficult issues. Much has been taken on trust and there has been a strong reliance by politicians on experts to validate and evidence decisions made. However, there are risks on both sides in such circumstances.<sup>28</sup>

### **Lessons/data insights**

Understanding changes to the Glasgow city-region economy as a result of Covid is challenging given the limited, timely data available. For this reason, the Commission is working with the Urban Big Data Centre, along with the intelligence hub within the city-region, to dig out granular data on the changes taking place. There is room for cautious optimism here. For example, data provided by some of the tech giants now allows traffic patterns at local authority areas to be mapped. This provides a useful basis to see the impacts of the lockdown phasing out, and whether pre-crisis trends resume. In relation to the labour market, useful data has been collated by the Institute for Employment Studies, for example, that allows vacancy levels at a local authority level to be tracked. Numerous studies using bank and credit card data now exist, tracking the shutdown process; however, we are yet to see any sub-national applications in the UK context (this does exist in a recent study on Spain).

At Scottish level, data initiatives are fragmented and not as effective as they could be. Much more could be done as part of the recovery process to streamline responsibilities, to advance digital and data analytic capability in government agencies and to tap into technical and policy expertise in the Universities. In the futures report we recommended that the GCR, drawing on private, public and university expertise, should consider establishing a partnership based, city-region Data and Digital Technology Strategy Board, with a requirement to report promptly on key system gaps and develop feasible plans to close them. This recommendation should be fast-tracked, with support from the Scottish Government and its agencies, who already work closely with the Intelligence Hub and the Commission.

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<sup>28</sup> <https://policyscotland.gla.ac.uk/experts-and-politics-in-scotland-and-the-uk/>

The use of new digital technologies and sophisticated data analytics to inform policies and implementation have the potential to significantly change economic management and governance in the city-region for the better. Data gaps have become apparent during the Covid emergency that have adversely affected the capability of different tiers of government and agencies to respond. There is an awareness that while there are excellent staff employed by Councils who do have relevant skills, there are not enough of them and there is a need to draw on the capabilities in other organisations. Covid-19 has highlighted both the need for, and the consequences of, a lack of data analytic capacity – addressing this deficiency would be a particularly valuable strand in developing and monitoring appropriate recovery interventions as well as in providing a necessary tool for longer term renewal. Real time information, for example on patterns of transport use, and data that can be obtained using existing information and repurposed e.g. on pavement widths that can be used to plan pedestrian circulation flows, can be invaluable in enabling planners to respond quickly to changing behavior patterns

It can be anticipated that changes in one sector will affect opportunities and practices in others. In the Glasgow conurbation, issues of safe travel seem likely to be particularly significant, given lower levels of car ownership and reliance on public transport. Inferring the impact of attitudinal changes on behaviour without robust evidence is risky however – in normal circumstances research would be undertaken before attempting to reflect changes in social attitudes in policy. Even if it is difficult to gather data in the short run, we would argue in favour of evidence driven policy wherever possible. Caution is also needed in making assumptions about what the effects of technology might be in the retail sector, in the provision of public services or elsewhere. What little current evidence exists about UK companies that have adopted the latest digital technology suggests that while jobs can be created, including some of higher quality, others are lost.

There is an opportunity to open up some new dialogues, e.g. over the distribution of the health budget between the acute/hospital and community sectors, how we look after vulnerable (and especially older) people, how measures to address health and other forms of disadvantage could be made more effective by linking them with economic interventions etc. Messages that the Scottish Government has provided during the lockdown phase have been very clearly articulated, by the First Minister in particular, and the trust generated has contributed to the willingness of the public to comply. Looking forward, as we move into the phased strategy for coming out of lockdown, the instructions will necessarily become more complex and nuanced, and there will be more questioning of the necessity for some measures by those most affected, especially when decisions have economic or employment implications. The keys to managing that process are transparency and responsiveness, recognising that some of the judgments politicians and senior leaders are obliged to make involve a fine balance between different policy priorities.

It is right that there should be a wider debate about the nature of institutions and civic society that will emerge from the crisis; more particularly, about what institutions and arrangement we currently have versus those we now need. The experience of the lockdown will influence that debate and it will be important to learn lessons from what has happened. But in the next period - the transition and recovery phases before we reach the point of renewal - conventional mechanisms for policy discussion and scrutiny are not fully operational. It is important that we revive our democracy along with our economy and that issues and evidence are properly debated. The lockdown has resulted in government propping up business and centralisation of decision-making to an unprecedented degree. Whether that process can be reversed as we move to a 'new normal' and, if so, how it should be will be vital questions in the coming months.