



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

ECONOMY, ENERGY AND TOURISM COMMITTEE

Wednesday 21 November 2012

Session 4

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ECONOMY, ENERGY AND TOURISM COMMITTEE

31st Meeting 2012, Session 4

CONVENER

*Murdo Fraser (Mid Scotland and Fife) (Con)

DEPUTY CONVENER

*Dennis Robertson (Aberdeenshire West) (SNP)

COMMITTEE MEMBERS

*Marco Biagi (Edinburgh Central) (SNP)

*Chic Brodie (South Scotland) (SNP)

*Rhoda Grant (Highlands and Islands) (Lab)

*Alison Johnstone (Lothian) (Green)

*Mike MacKenzie (Highlands and Islands) (SNP)

*John Park (Mid Scotland and Fife) (Lab)

*David Torrance (Kirkcaldy) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Nicola Sturgeon (Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities)

CLERK TO THE COMMITTEE

Jane Williams

LOCATION

Committee Room 4

Scottish Parliament

Economy, Energy and Tourism Committee

Wednesday 21 November 2012

[The Convener *opened the meeting at 10:00*]

Decision on Taking Business in Private

The Convener (Murdo Fraser): Good morning, ladies and gentlemen. Welcome to the 31st meeting of the Economy, Energy and Tourism Committee in 2012. I remind everyone to turn off their mobile phones and other electronic devices.

Item 1 is a decision on whether to take item 3 in private. Is that agreed?

Members *indicated agreement.*

Cities

10:00

The Convener: Item 2 is evidence from the Scottish Government on the cities strategy. I welcome Nicola Sturgeon, the Cabinet Secretary for Infrastructure, Investment and Cities. She is joined by Morag Watt and John Mason from the Scottish Government. Morag is in charge of cities strategy and John is the director of business.

Before we get into questions, would you like to make an opening statement, cabinet secretary?

The Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities (Nicola Sturgeon): I am happy to do so. Thank you for giving me the opportunity to come along to talk about our cities work. I think that I was last at the committee in June last year. At that time, we were at an early stage of our discussions with cities. It is fair to say that the work is still in its relatively early stages. Nevertheless, much progress has been made since June last year.

We have done a lot of collaborative work with our cities to identify where they felt that there was greatest potential for a coherent national approach to deliver increasing investment and jobs in our cities. In December last year, we published the agenda for cities—“Scotland’s Cities: Delivering for Scotland”—and established the Scottish cities alliance.

The alliance has a leadership strand, a delivery strand and action teams that drive specific projects. It is supported by all our national agencies and a self-funded academic collaboration between the University of St Andrews and the University of Glasgow, and it is facilitated by the Scottish Council for Development and Industry.

In March, we added to the number of cities when we welcomed Perth to the first meeting of the cities alliance leadership group, where we agreed our initial priorities. Those priorities span the four themes of the agenda, which are connectivity, sustainability, knowledge and culture. Those themes are key to the international competitiveness of cities. It is fair to say that they are also the areas in which the Government and the cities see the greatest potential for collaborative investments.

The leadership group last met in late August. There were some new faces around the table following the local authority elections in May, and it was good to hear the cities’ commitment to, and enthusiasm for, collaborative working.

Members will also be aware that the Government is backing the alliance with a cities

investment fund of £7 million. It is important to stress, as I have done before, that that is very much a catalyst fund that is designed to overcome some of the barriers to collaboration and to try to accelerate progress.

The work that we are doing on the cities agenda will not, of course, prevent us from working individually with cities, as we do with all Scotland's local authorities. In that vein, I will be meeting the leader of Aberdeen City Council this afternoon to discuss some issues that are pertinent to Aberdeen.

However, the alliance gives us a unique opportunity for strategic action to enhance our global competitiveness. It gives potential investors a single point of contact to access all of our seven cities. It also provides the framework for the cities to work more effectively with one another and with the Government and national agencies.

The leadership group's initial priorities will be of interest to the committee. The group identified priorities in areas in which it is thought that we can deliver early benefit and value through a collaborative approach. It is considering innovative approaches to increasing investment in cities; using the scale of the cities to improve digital connectivity and ensure that that connectivity provides benefits to citizens, businesses and the economy overall; joining up cities using smarter ticketing; and exploring how best to use the critical mass of cities to capitalise on the green deal, deliver more affordable and warm homes and reduce carbon emissions.

The leadership group was clear about those priorities, but there is also an appetite to do more. Its next meeting will take place in two weeks' time and I would be happy to update the committee on its deliberations in due course.

I am happy to move on to questions.

The Convener: I am sure that members will want to ask you about a range of issues. I will pick up a couple of things that you mentioned in your introduction. Given my local interest, I am delighted that you mentioned that Perth is now a city. Is Perth fully integrated into the strategy, along with the six other cities?

Nicola Sturgeon: Yes, I think that it is. It was entirely coincidental—but it was a good coincidence—that Perth gained, or regained, city status in the early stages of the cities work, so Perth has been involved from an early stage. It is fair to say that it has proven itself to be a worthwhile and enthusiastic participant in the work.

The Convener: You mentioned the £7 million cities investment fund. Is that a per annum funding stream or an initial pot of money that is available?

Nicola Sturgeon: It is a pot of money that we have made available for the cities work.

The Convener: Will you give us a feeling for what that money is likely to be spent on? It would help us to understand the initiatives that it might support.

Nicola Sturgeon: As I said, the money forms a catalyst fund. It is to be used for things that allow the cities to work together more closely than they perhaps would without it and to take down barriers. It might be useful if I give the committee a breakdown of the money that has been allocated from the fund so far. I stress that, although the money has been allocated, not much of it has been spent. We will keep the committee updated on that through the normal channels.

The leadership group has so far approved the allocation of just over £1 million to support the delivery of the priority projects that I spoke about. There is £500,000 for the cities investment work, £326,000 for the digital work, £150,000 for the green deal and £50,000 for integrated energy planning. The allocations are up to those amounts and they are designed to allow the cities alliance to do things such as putting together business cases for work in the different areas. That is all detailed in the normal way, and I am happy to keep the committee updated on the work as it progresses.

The Convener: Thank you—having that update would help the committee.

Rhoda Grant (Highlands and Islands) (Lab): I will ask a wider question. Some of what you talk about as part of the cities strategy and some of the outcomes appear to be things that local authorities should do anyway. What does the strategy bring to the table? What does it add and what is its value? Could we give local authorities access to a pot of money for the work? I am keen to know the purpose of the exercise.

Nicola Sturgeon: It is not an either/or. Local authorities—and city authorities within them—have principal responsibility for a range of the areas of work. The cities alliance's role and purpose are to get cities working together when that is appropriate and when the alliance deems that that could deliver additional benefits, so that cities punch above their weight and operate in a way that is greater than the sum of their parts. Scottish cities are large conurbations in Scottish terms, but they are relatively small in international terms. Even all Scotland's cities taken together do not always match the size of some of the biggest cities south of the border.

The aim is to bring cities together so that they can put forward investment propositions that are on a scale that will attract investors—a scale that cities acting individually do not have. For example,

cities are looking at smart ticketing, which involves a lot of collaboration not just between different parts of Scotland but between public and private sector operations and between transport operators. The intention is to ensure that a collaborative approach is taken.

The alliance is not trying to replace the role of individual cities or local authorities more generally; it is looking at areas in which cities can get more advantage by working together than they would ever get by working separately.

Rhoda Grant: You gave the example of smart ticketing. Do you expect all cities to introduce the same ticketing scheme? If so, would it not be better to introduce that for the whole of Scotland?

Nicola Sturgeon: We are looking to do smart ticketing for the whole of Scotland. A few weeks ago, Transport Scotland announced that it was working on a delivery strategy for smart ticketing. The benefit of the work for our cities—Dundee is in the vanguard of it—is in looking at how cities can get ahead, accelerate introduction and ensure that what they do is complementary and works across cities.

I am clear that the work is not about getting in the way of other things or displacing activity that is best done at local authority level, but about recognising that, if we want our cities to compete globally, they need to look at ways in which to overcome one of their natural disadvantages, which is their relative smallness in an international sense. I strongly believe that they will help themselves to do that by working together.

It will not be collaboration for its own sake, because there will be times when it is right for our cities to work on issues individually and even to compete with each other. However, where it makes sense for them to work together, it is right that the Government encourages that, and that they show the willingness to come together and do it.

Rhoda Grant: I am interested in the £7 million fund and in connectivity. Does that fund include the broadband delivery UK cities connectivity money?

Nicola Sturgeon: No. That is in the separate overall budget for next generation digital broadband, which we are taking forward through the two procurement processes that you will be aware of, so it is not included in the £7 million.

Rhoda Grant: Will that work be part of the cities strategy? Will the cities benefit from it in that way, or will it be done under the infrastructure programme?

Nicola Sturgeon: The cities strategy is focused on ensuring that the cities get the advantage of and benefit from world-class digital infrastructure,

but our digital programme is a programme for all of Scotland. The national fund that is being put together from a variety of sources to support that is designed to benefit all of Scotland.

Rhoda Grant: You talked about connectivity, sustainability, knowledge and culture as some of the aims of the cities strategy. If there is an all-of-Scotland approach to connectivity, I struggle to see what the cities strategy brings to the table.

Nicola Sturgeon: It is getting the cities to look at what they can do differently and more quickly and what they can put together by working collaboratively rather than individually. I guess that, if I was sitting here without the seven cities' buy-in to the strategy, there might be more merit in saying that it will bring no advantage. However, the cities themselves see an advantage to be had from looking at where they can pool experience and expertise and put together projects of a scale that is attractive to potential investors. That is a thoroughly positive thing.

Rhoda Grant: I am not arguing with that, but it would be helpful for the committee to understand that something tangible is coming from the strategy and that the alliance is not just a talking shop in which people exchange information, or just another bureaucracy.

Nicola Sturgeon: I said at the outset that the work is in its early stages. The cities alliance is emphatically not a talking shop. It has a leadership group, which I sit on with the leaders of the cities, and it is given a strategic overview of the alliance's work. There is a delivery group, which is focused through city officials and which takes forward the leadership group's priorities, and there are a number of action teams.

As I said, the work is in its relatively early stages, and I will keep the committee apprised of the detail of that. However, the fact is that we have the cities themselves seeing the benefits. For example, in the investment work, we know that one of the challenges—it exists not just for cities, but perhaps particularly for cities—is to lever in different sources of investment. With public capital being under so much pressure, we are already using tax increment financing, for example, as an innovative way of financing infrastructure development. The cities themselves see a benefit in looking at different potential forms of financing projects and at whether, together, they can put forward investment propositions of a scale that they would not be able to propose individually.

Rhoda Grant: I get all that and it all sounds wonderful, but I still find it hard to see what the work is physically going to deliver. I take on board what you said about it being early days. However, what is the vision? What would you see as a success from the strategy?

Nicola Sturgeon: Over the next period, we will get all our cities to have world-class digital infrastructure, and I hope that the work will lead to cities being more innovative and more at the races in terms of attracting investment into big projects. For example, cities might look at how to put projects together collectively to take advantage of the green deal and use it to increase the energy efficiency of premises in their areas. Those are the tangible outcomes that we will expect to see over time. It is unreasonable to expect that kind of tangible outcome to have been delivered in the timescale that we are talking about, but the preparatory work that is being done will lead to some good, tangible outcomes and I hope that the committee will be able to welcome them in due course.

10:15

Dennis Robertson (Aberdeenshire West) (SNP): Good morning, cabinet secretary. I believe that you have given us a positive statement about the outcomes.

As you are probably very much aware, I am not from a city constituency but from one that lies on the periphery of the city of Aberdeen. Aberdeen and Aberdeenshire collaborate, often through Aberdeen city and shire economic future, or ACSEF. What do you think is positive about having a vibrant city that helps to generate the economy of a peripheral neighbour such as Aberdeenshire? Will the cities strategy work towards doing similar things in other areas of Scotland? For example, when we talk about energy, we tend to talk about Aberdeen being the hub, whereas I always argue that Aberdeen and Aberdeenshire are one and the same when it comes to the energy industry. Do areas that are peripheral to our cities, such as Aberdeenshire, have buy-in to the cities strategy, too?

Nicola Sturgeon: Part of the work of the cities alliance is to make sure that the city regions or the areas around cities that are served by them and which serve them see the importance of the cities work to their objectives and what they are trying to achieve. It is clearly understood that the work under the cities agenda is not just about the cities themselves but about cities as engines of growth for their own benefit and the benefit of the surrounding areas. There is a clear understanding within the framework that we have put together for the cities work that city authorities will liaise, coordinate and communicate with their neighbouring authorities to make sure that they are hooked into that work and understand the benefits for them as well.

The impetus behind our focusing on cities comes from our belief that having successful cities

leads to a more successful country overall. That is fundamental to our focus on our cities work.

Dennis Robertson: Thank you for that, cabinet secretary. As you implied in your final sentence there, we have a successful Aberdeenshire because we have a city at its hub and because it is in the energy sector.

What more can be done? Do you believe that Aberdeen and Aberdeenshire might be an example for other cities to engage with? ACSEF, which I mentioned, might be a model in that it demonstrates the benefits of the city and the shire working together. Would you encourage other cities to look at that example?

Nicola Sturgeon: Absolutely. From what I know of it, it is a good model. It grows out of the understanding that Aberdeen cannot thrive without Aberdeenshire and vice versa, and they well understand the importance of working together. As a model, it will have broader application and I hope that all cities will look at it. Of course, one model will not necessarily fit every other example, but I hope that all cities work in that way with their wider regions. The city that I represent part of in the Parliament—Glasgow—certainly sees its role as being part of the bigger region in which it sits.

John Park (Mid Scotland and Fife) (Lab): Good morning. You said a little about how the cities strategy interlinks with local government. Will you say a little about how it fits with other policies that the Scottish Government is driving, particularly the economic policy and, in your portfolio, the procurement bill, and the work that the Government does with Scottish Enterprise? How do those things fit together?

Nicola Sturgeon: The cities strategy is entirely linked with our broader economic strategy, which is about ensuring that we are doing everything that we can to promote sustainable economic growth. The cities strategy is a subset of that, in that it recognises that, to do that successfully, we need the big engines of growth throughout the country to be performing to their full potential. The strategy focuses on ensuring that they are taking every opportunity to do that.

You mentioned other agencies. The national agencies such as Scottish Enterprise are hooked into the cities work and are integral to it.

On other policy strands, I do not think that it would be correct to say that procurement reform is particular to cities or vice versa. The importance of procurement reform applies throughout the economy, not just in ensuring that our business base can compete successfully for public contracts but in ensuring that we get the best value for the money that we are spending through those public contracts through increased opportunities for training and jobs and paying

people decent wages. Those objectives are not particular to the cities agenda, but as cities are powerhouses of economic activity and growth, it is important that those policies are right for them.

John Park: I am glad that you said that. There are good examples of procurement, particularly in Glasgow and Edinburgh, in relation to skills and training and so on. I hope that you recognise the buying power of cities in that sense.

I am interested in the issue of people who live outwith cities, for example in the south of Fife, where the bridge to Edinburgh represents a physical obstacle. Quite a lot of people commute to Edinburgh from the south of Fife. Will it be a key priority for the alliance to consider people who work in cities but live in their outlying areas? I have discovered that the employment opportunities for quite a lot of the people who live in those outlying areas are not necessarily driven by their local authority's strategy. Is that something that the alliance will look at?

Nicola Sturgeon: I think that it has to be. That brings us back to Dennis Robertson's point about the relationship between cities and their wider regions. You used the example of Edinburgh and Fife, and I can use the example of Glasgow, Renfrewshire and Ayrshire. City growth would not be possible without the labour pool that the wider regions provide. That should be kept in mind when it comes to the economic focus of cities.

Connectivity, whether it is physical, such as transport connectivity, or digital, is crucial in ensuring that people in the wider regions that serve cities can take up opportunities and that cities can rely on that. That is a focus of the cities work and it underlines the importance of the work not just being about cities.

When I came before the committee after we embarked on the work, there was some concern that people outside cities would see the strategy as giving cities some kind of preferential treatment and would feel that it had nothing to do with them. The reality is very much the opposite. The cities work is about seeing what cities—performing as well as they should be, and as well as they can—can provide to the whole economy. It is about seeing cities as catalysts for greater growth and prosperity in the economy as a whole.

Marco Biagi (Edinburgh Central) (SNP): Following on from that, I have a question about the green deal project that you mentioned. As a city member of the Scottish Parliament, I welcome any green deal investment into my constituency. It is a worthy scheme, which needs a bit of institutional support and some public initiatives to get it going.

To defend myself from the allegations of MSPs in neighbouring constituencies, I want to ask what it is specifically about being a city that allows

Edinburgh to take advantage of the green deal in a way that a similarly sized local authority, for example North Lanarkshire or Fife, cannot. What can Edinburgh do to get extra value out of the scheme that those areas cannot?

Nicola Sturgeon: We do not want only cities to benefit from the green deal. We want all parts of Scotland to benefit from it. The green deal is a new way of financing measures to make premises more energy efficient. Clearly, because cities have a high population density and a high density of the kind of properties that will benefit from the green deal, there is an increased ability for people in cities to collaborate and come together and they can achieve a critical mass that makes them attractive for that investment. Cities also stand to benefit from the jobs that will be created through the process if it works in the way that we hope.

One of the pieces of work that the cities alliance delivery group is doing is looking at possible business cases for how the cities can collaborate to maximise investment through the green deal. The committee might be interested to look at that early piece of work in detail as the business case progresses.

Marco Biagi: When is that likely to be published?

Nicola Sturgeon: It is being worked on at present. As I think the committee knows, the notes from the meetings of the leadership group are being published and, as appropriate, the work that flows from that will be published as well for the committee and others to look at.

Chic Brodie (South Scotland) (SNP): Good morning, cabinet secretary, Ms Watt and Mr Mason.

Cabinet secretary, one of the parties to the leadership group is the SCDI. Why was it chosen as opposed to Scottish Enterprise?

Nicola Sturgeon: You will recall that the SCDI was ahead of the game on this work. It was already working to bring the cities together and it had already established a good relationship with them. It had already had an event at which the cities came together, so they had established a bit of rapport and understanding and there was some appetite among the cities to work together. It was therefore felt that the SCDI was the right body to continue to operate in that facilitating role.

Chic Brodie: The reason why I ask is that we are aware that there was a metropolitan strategy previously under the stewardship or leadership of Scottish Enterprise. However, it really aligned only in Glasgow and Edinburgh, and it fell by the wayside. I wonder why, 18 months after the announcement of the Scottish cities alliance, it will not fall by the wayside, too.

Nicola Sturgeon: I do not believe that it will fall by the wayside. I suppose that, in a year or 18 months' time, you can have me back here to demonstrate that it has not and explain why that is. If it has fallen by the wayside, you will have me back here to explain why that is. However, I have a lot of faith in the process and it is important that we work with the enthusiasm that the cities are showing. I am certainly going to approach the work with enthusiasm and optimism, and I do not believe that there is any reason to take the view that you have just expressed.

Chic Brodie: I am sure that we will all approach the work in that way.

My next question follows on from your answer to John Park's question. We have a national economic strategy that is largely bound up with rural Scotland, through the focus on renewables, tourism and food and drink. Where is there economic convergence or spending plan convergence between the cities? Where is the evidence that that will raise their competitiveness? Who will prioritise the large-scale projects? Will it be the leadership group, or will one component decide that it wants to do something? The reason why I ask that is that, recently, Glasgow City Council launched a £1.5 million new business fund, which is looking at small and medium-sized businesses. Where will the economic and spending plans converge? Under what projects will that happen, and who will prioritise the projects?

Nicola Sturgeon: Let me answer that question in a number of ways. You mentioned some of the priorities in the national economic strategy, which include renewables and life sciences. Those sectors of the economy have enormous benefits for rural areas but, speaking as a Glasgow MSP, I point out that renewables have enormous potential, not to mention a pretty significant reality, in that city as well. It is not always correct to categorise these big sectors as being rural or urban. If we play our cards right, they will benefit all of the economy.

In your other question, you asked why we should focus on cities if all the economic focus is rural based. I do not believe that it is all rural based.

Chic Brodie: I did not say that. I said that a large part of our economic strategy is rural based. I did not say that I disavow the cities strategy. I just asked where the balance is.

10:30

Nicola Sturgeon: I was about to answer that. I do not think that it is accurate to characterise it in that way—I have just used the renewables example to say that.

If we look at the overall impact of cities on the economy, we see that 67 per cent of gross value added, 60 per cent of exports and 60 per cent of jobs are accounted for in cities. We would be mad not to make sure that our cities are individually performing to their potential and look at ways that they can punch above their weight by working together more cleverly.

Who decides on those things? The cities work is not trying to and has never been designed to get in the way of cities setting their own local priorities. A few weeks ago, I had the opportunity to speak at the launch of Edinburgh's economic strategy, which was a good event that had a clear focus on the things that this city thinks that it must do to increase its economic potential and improve its economic performance. The cities alliance is looking to see where value can be added to the individual efforts of cities by cities choosing to collaborate.

Regarding the areas, projects and priorities that will be taken forward by the cities work, the structure that I announced today, which is headed by the leadership group, will decide the priorities. The priorities that I have spoken about were decided by the leadership group and are being taken forward by the delivery group and the action teams underneath that.

Chic Brodie: I mentioned the metropolitan strategy earlier. The metropolitan strategy was originally founded in the States, in cities in Maryland and elsewhere on the eastern seaboard. Will there be an investigation into how successful that has been in raising those cities' competitiveness?

My last question is on measurement and impact. What outcomes do you anticipate and who will measure how well the overall strategy is working?

Nicola Sturgeon: It will be for the Government to report on the outcomes. Over the time that the work that I have spoken about progresses, we will—to go back to Rhoda Grant's question—report on and demonstrate the tangible outcomes.

I am more than happy to look into the metropolitan strategy in Maryland. As I said, one feature of the cities work is the collaboration between the University of St Andrews and the University of Glasgow on the knowledge component of this. It is looking at academic studies and the best evidence from elsewhere of how cities are doing this, so that we in Scotland can learn from that. I am happy to feed the metropolitan strategy into that, as something that can be looked at.

Mike MacKenzie (Highlands and Islands) (SNP): Good morning, cabinet secretary. As you know, I am not a city boy—I have not been one for many years. It strikes me that our cities are quite

sophisticated and complex machines. I understand that part of the cities work is about innovation and our vision for a better future for cities. Are there lessons from elsewhere in Europe or perhaps from around the world?

Nicola Sturgeon: That goes back to Chic Brodie's question. There are lots of lessons. I will not name individual cities, because I might sound as if I was setting myself up for lots of fact-finding missions, which I have resisted the temptation of. There are lots of examples of how cities are doing transport better, doing digital better and working together with other cities better than we have traditionally done. That is why the academic arm of the cities work, which I have spoken about, is important. As the cities alliance continues its work, it is looking outwards at best practice elsewhere and where that might be applicable here. The leadership group has spoken about having people from elsewhere come to its meetings to talk about things that are working well and being done innovatively in other cities. It is vital that we are not insular in this work—it is not just a case of Edinburgh learning from Glasgow. There might be some of that, but it is about emulating the best in the world, in terms of how cities go about their business.

Mike MacKenzie: I have a constituent who writes to me regularly on one theme. Unfortunately, I cannot bring him to mind, but he has supplied me with a list of cities that follow the practice of having ducting alongside their roads. The idea is that all the services for those cities—the gas pipes, the water pipes, the cables and so on—run in those ducts. That means that every time they want to upgrade or improve something, they do not need to dig up the road and possibly, in the course of digging it up, break the gas main or the water main and create disruption, with its economic cost. Those cities seem to manage to avoid that disruption. For the benefit of my constituent, could that be one of the lessons that we learn from those seemingly smarter cities?

Nicola Sturgeon: Utility companies across the country will start to scream in horror if I say too much about how best they should do their piping and their ducting and so on.

I do not know which cities you are talking about, but if you can dig out your constituent's correspondence and send it to me, I would be happy to look at it. We should look at good ideas from elsewhere. I cannot sit here right now and promise you that that is one of the ideas that the cities work will be able to take forward, but I would be happy to look at it.

Mike MacKenzie: Thank you. I appreciate the complexity of trying to resolve the issue but, equally, I can see my constituent's point of view and I can see the benefits of the idea.

Nicola Sturgeon: From what you have said, I can certainly see the attractions of the idea, so I am more than happy, if you want to pass on the correspondence, to have it looked at.

Dennis Robertson: Perhaps ducting is something that we should consider for the Aberdeen western peripheral route?

Nicola Sturgeon: There you go—who says you do not get good ideas at committees?

Dennis Robertson: Going back to your earlier answer to Mike MacKenzie about the leadership group and so on, I note that Scottish Enterprise has quite a lot of focus on global Scots and ambassadors. Do you see them playing a role in that and, if so, what kind of role?

Nicola Sturgeon: That is a good point. I have not given huge thought to that yet, but it is an idea that I am happy to take away from this meeting. We have that Scottish Development International network of global ambassadors, and it would be sensible to use it in every aspect of what we are trying to do to promote economic growth, so I am happy to take that idea away.

Alison Johnstone (Lothian) (Green): You have highlighted the relative smallness of our cities in global terms, but our biggest city, the one that you are closely associated with, will be showcased internationally in 2014. The Government is committed to delivering the cycling action plan for Scotland and, in particular, to meeting the target of 10 per cent of all journeys being by bike by 2020. Do you see positive benefits in terms of developing a meaningful legacy of cycling and walking, using that cycle action plan and the fact that these global games will take place in Glasgow?

Nicola Sturgeon: Yes, I do. I had a good discussion with the Infrastructure and Capital Investment Committee when I gave evidence to it on the budget and I told the committee that we remain committed to the 10 per cent target in the cycling action plan. I acknowledge that we have a long way to go to meet that target. Edinburgh is closest to meeting it—apologies if I quote the figure wrong but, from memory, I think that about 7 per cent of journeys in Edinburgh are by bike. That demonstrates that it can be done.

I went through some of our budget commitments on cycling and walking with the Infrastructure and Capital Investment Committee. People who are passionate about cycling and walking will rightly say that they do not think that we are doing enough and that we need to do more. I am conscious of that. We are operating within a tight budget, but we have a commitment to maximise support for cycling and walking as much as we can.

I agree with you that the Commonwealth games will provide a fantastic opportunity to encourage not just cycling and walking but activity more generally. Through the Commonwealth games legacy, the Government—with our partners in the Commonwealth games—is certainly trying to do that.

Alison Johnstone: It is universally acknowledged that the London games ran smoothly because of how traffic demand was managed. What steps are being taken to ensure that Glasgow will not be severely impacted by congestion? Are steps being taken in advance of the games to address Glasgow's current air quality problems?

Nicola Sturgeon: All those different aspects of the Commonwealth games are being taken forward by the organising committee. I would be happy to get a briefing prepared for the committee on your specific points about traffic management. Glasgow is different from London in terms of scale and in terms of how the games will be organised, but the points that you raise are important so, if it is of interest to the committee, we can provide some information on that. The organising committee in Glasgow has been ensuring, particularly in the run-up to and during the Olympic games, that we learn any appropriate lessons from the very successful staging of those games. Those things are all very much in the mix for the Commonwealth games preparations, which are now very well advanced.

Alison Johnstone: Mike MacKenzie mentioned a vision for our cities, and we have discussed economic growth and benefits in that area. Will the cities strategy address issues such as whether there is an optimal city size, the strengths and weaknesses of Scotland's cities, and the optimal distance for a citizen to be from a park or green space or from access to play facilities? I am interested to know whether we are considering cultural and wellbeing issues as well as economic issues.

Nicola Sturgeon: It is important that that is part of the work. The cities work focuses on particular strands, which I have already spoken about. I believe 100 per cent in the value of that work, but I am very conscious—as the cities alliance is generally—that we need to demonstrate that value through tangible outcomes. That is a key focus for us.

The academic strand has been built in to ensure that there is a bigger focus on city vision, how cities work optimally in their relationships with citizens and the wider area, what makes city living attractive and how we make it more attractive, and how we ensure quality of life in a city. Those are all important elements in our longer-term vision for

cities with regard to where they sit in the country overall. That side of the work is very important.

The Convener: If there are no further supplementaries, I have one other question on the European Commission communication—of which we have been made aware—on the smart cities and communities European innovation partnership, with which I am sure the cabinet secretary will be familiar.

Are you aware of any European Union initiatives or funding streams that might be available to Scottish cities to help to support the strategy and the work?

Nicola Sturgeon: One thing that we want the cities alliance to do—which is one of the values of collaboration—involves ensuring that we are well placed to take advantage of any European funding. I am happy to provide the committee with a detailed list of potential areas of European funding and details of how particular strands of the alliance's work might relate to them.

The Convener: That would be very helpful. Chic Brodie has just caught my eye, as he has a supplementary question.

Chic Brodie: I have one final question, convener. On what basis have smaller cities such as Inverness been selected for inclusion in the agenda in comparison with larger towns such as Ayr? What benefits does the cities strategy bring?

Nicola Sturgeon: I do not determine city status. The areas that have that status are included in the cities work for what I think is a pretty obvious reason—they are cities. Although I am a Glasgow MSP, I was born and bred in Ayrshire, and I can tell Chic Brodie that if he wants to start a campaign for city status for Ayr, he might find an enthusiastic supporter sitting in this seat, although my home town of Irvine might have something to say about that. I would go so far as to say that Ayr certainly has the finest football club in the country.

Chic Brodie: The second.

Dennis Robertson: With regard to funding, cabinet secretary, you would probably agree that some of our cities and city centres are a bit tired. I am thinking in particular of Aberdeen, where there was an opportunity to upgrade and uplift the city centre. How much involvement do you expect from the business communities in engaging with the infrastructure upgrades in our cities?

Nicola Sturgeon: That involvement is critical. The input of the private sector will be crucial to the success of the cities work, because we need to look at how we lever in more investment to our cities, whether it is in town centre infrastructure or the other bits of infrastructure that cities rely on. In parallel to the cities work, the town centre review is under way, which is focusing on what we can do

innovatively to breathe life into our town centres, not just in cities but throughout the country.

I am looking forward to the outcome of that work, and I am sure that there will be a tie-up between that work and the cities work in due course.

The Convener: Okay—I think that we have run out of questions, cabinet secretary. I must say that the meeting has been a model for how such sessions should be conducted, in that there were succinct and to-the-point questions and answers. I thank you and your officials for coming along this morning, and we look forward to hearing from you on the various points that we agreed to follow up.

10:45

Meeting continued in private until 12:22.

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