

Notice of meeting and agenda

Edinburgh and South East Scotland City Region Deal Joint Committee

2.00 pm Tuesday, 3rd September, 2019

Dean of Guild Court Room - City Chambers

This is a public meeting and members of the public are welcome to attend

The law allows the Council to consider some issues in private. Any items under “Private Business” will not be published, although the decisions will be recorded in the minute.

Contacts

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1. Appointments

- 1.1 Appointment of Convener

2. Order of Business

- 2.1 Including any notices of motion and other items of business submitted as urgent for consideration at the meeting.

3. Declaration of Interests

- 3.1 Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

4. Previous Minutes

- | | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------|--------|
| 4.1 | Minute of the Edinburgh and South East Scotland City Region Joint Committee of 7 June 2019 – submitted for approval as a correct record | 7 - 12 |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------|--------|

5. Forward Planning

- | | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------|---------|
| 5.1 | Joint Committee Work Programme – report by Andy Nichol, Programme Manager, Edinburgh and South East Scotland City Region Deal | 13 - 16 |
| 5.2 | Joint Committee Rolling Actions Log | 17 - 20 |

6. Items for Consideration

- | | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------|----------|
| 6.1 | City Region Deal Progress Report – report by Andrew Kerr, Chief Officer, Edinburgh and South East Scotland City Region Deal | 21 - 34 |
| 6.2 | City Region Deal Annual Report 2018-2019 – report by Andrew Kerr, Chief Officer, Edinburgh and South East Scotland City Region Deal | 35 - 88 |
| 6.3 | Usher Institute Business Case – report by Hugh Edmiston, Senior | 89 - 138 |

Responsible Officer, Data Driven Innovation Delivery Board,
Edinburgh and South East Scotland City Region Deal

- | | | |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 6.4 | Edinburgh and South East Scotland Regional Growth Framework – report by Andrew Kerr, Chief Officer, Edinburgh and South East Scotland City Region Deal | 139 - 152 |
| 6.5 | Regional Housing Programme Forward Work Programme – report by Andrew Kerr, Chair of Regional Housing Group | 153 - 186 |
| 6.6 | Regional Transport Appraisal Board Update Report – report by Dr Grace Vickers, Chair of Transport Appraisal Board | 187 - 196 |

Andrew Kerr

Chief Executive

Membership

The City of Edinburgh Council

Councillor Adam McVey

Scottish Borders Council

Councillor Shona Haslam

East Lothian Council

Councillor Willie Innes

West Lothian Council

Councillor Lawrence Fitzpatrick

Fife Council

Councillor David Alexander

Councillor David Ross

Higher/Further Education Consortium

Professor Peter Mathieson

Midlothian Council

Councillor Derek Milligan

Regional Enterprise Council

Leeann Dempster

Claire Pattullo

Further information

If you have any questions about the agenda or meeting arrangements, please contact Lesley Birrell, Committee Services, Strategy and Communications, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4240, email lesley.birrell@edinburgh.gov.uk.

A copy of the agenda and papers for this meeting will be available for inspection prior to the meeting at the main reception office, City Chambers, High Street, Edinburgh.

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Minutes

Edinburgh and South East of Scotland City Region Deal Joint Committee

Edinburgh, 10.00am, Friday 7 June 2019

Present:

City of Edinburgh Council:- Councillor Adam McVey (Chair)

Fife Council:- Councillors David Alexander, David Ross and Morag Miller

Scottish Borders Council:- Councillor Shona Haslam

Higher/Further Education Consortium: - Professor Charlie Jeffery

Regional Enterprise Council:- Leeann Dempster and Claire Pattullo

1. Minutes

Decision

To approve the minute of the Edinburgh and South-East Scotland City Region Deal Joint Committee of 1 March 2019 as a correct record.

2. Presentations from Transport Scotland

The Joint Committee considered presentations from Sandy Jamieson, Paul Junik and Colin McCallum from Transport Scotland (TS) on the Sherrifhall scheme and the Strategic Transport Projects Review.

The following points were made during the presentation and discussion on the Sherriffhall scheme:

- The detailed development assessment for the preferred option for Sherrifhall was currently being taken forward and the work was well progressed.
- TS were on target to published draft orders and the environmental scheme later on in the year.

- Delivery of the scheme would be subject to successful completion of the statutory process and representations made to the draft orders when they were published.
- Transport Scotland had engaged with active travel groups, various councils and bodies, and they were still progressing with that work.
- Complex ground investigation works had been carried out into the historic mine workings in the area, as part of the detailed development assessment TS had carried out. The findings of those investigations were key in terms of informing the improvement works at Sherriffhall.
- Whilst there was still a lot of development work to be carried out to deliver the scheme, TS were pushing the work forward as quickly as possible. When the scheme was finally realised, it would bring economic benefits to the area.
- Stakeholder workshops had taken place with other local authorities, SPOKES, Sustrans and other active travel groups, and they have indicated that they would be appreciative of the active travel facilities that the improvements at Sherriffhall would provide when the scheme was implemented. TS viewed this work as breaking down the barrier of the A720 and allowing other routes to link in.
- Members asked if there had been an impact assessment carried out into the potential impact on the changes in flow of traffic at the Forth Bridge. TS advised that the focus of the scheme was on the improvements at Sherriffhall and would not extend beyond this.
- TS were asked how they planned to engage with the other strands of the City Region Deal to ensure that they had a properly joined up process, given that the Sherriffhall interchange was one of the most financially significant aspects of the City Region Deal. TS advised that they would like to get to the stage of being able to publish the orders which would open up engagement with local authorities, other bodies and the public. TS had developed strong links through the wider stakeholder workshops that had taken place with a broad range of attendees. Engagement would continue with a wide range of stakeholders as the project progressed.
- As part of the procurement process there would be community benefits to and employment opportunities in the local area. TS welcomed engagement with the Edinburgh Napier University's skills activities, as part of the City Region Deal around housing, construction and infrastructure skills. This would ensure that the right skills could be supplied within the region to meet the impetus of the City Region Deal and for the Sherriffhall scheme.

The following points were made during the presentation and discussion on the Strategic Transport Projects Review:

- The aim of the review was to look at the Strategic Transport Network across Scotland and would focus on delivering the outcomes of the National Transport Strategy. A review of the National Transport Strategy was also being undertaken in parallel to the delivery of the outcomes of the strategy.
- Consultation on the National Transport Strategy would begin in July 2019 and would run for twelve weeks.
- The purpose of the Strategic Transport Projects Review was to deliver a list of transport investment opportunities for Scottish ministers over the period 2022 to 2042.
- The review would include road, rail, park and ride, active travel and ferries.
- There was a wealth of data, and the challenge for the consultants would be to try to bring together all the various components.
- It was agreed that PJ would speak to colleagues about the concern expressed by local authorities about the rejection of SESplan and working more closely with local authorities to fill the gap that had been left by SESplan and would report back to the Committee.
- There had been a doubling of resources for active travel from £40m to £80m. Ministers were very aware of the need to shift the balance towards active travel and the review would recognise this shift. A range of interventions would be looked at as part of the review across modes of transport. Problems and opportunities in different modes of transport would be examined as part of the review and addressed accordingly.

Decision

- 1) To note the presentations by Transport Scotland on the Sherriffhall scheme and the Strategic Transport Projects Review.
- 2) To agree that Paul Junik from Transport Scotland would speak to colleagues about the concern expressed by local authorities about the rejection of SESplan and working more closely with local authorities to fill the gap that had been left by SESplan and would report back to the Committee.

3. Work Programme

The Work Programme was presented to the Joint Committee and detailed the planned dates for the City Region Deal business case approvals by Joint Committee.

Decision

To note the Work Programme.

(Reference – Work Programme, submitted).

4. Rolling Actions Log

The Rolling Actions Log was presented to the Joint Committee.

Decision

To note that Action 1 of the Rolling Actions Log was recommended for closure.

(Reference, Rolling Actions Log, submitted).

5. City Region Deal Progress Report

Details were provided of the progress of the City Region Deal.

A date for an annual conversation to be held with UK and Scottish Governments was agreed as the 12 September 2019, and annual report would be developed and brought to Joint Committee in September 2019.

A series of workshops had been held to look at performance reporting, monitoring and evaluation and logic modelling, and thanks were expressed to regional partners who played a significant part in this work. Government had participated in the workshops as appropriate.

Decision

To note the update.

(Reference – report by the Chief Officer, Edinburgh and South East Scotland City Region Deal, submitted).

6. Integrated Knowledge Systems Project Proposition

Approval was sought to implement the Integrated Knowledge Systems theme (as set out in the overarching IRES Programme Business Case), which had been developed in collaboration with regional and national partners to drive progress toward a more inclusive labour market.

It was recommended that Capital City Partnership undertook the lead partner role for the Integrated Knowledge Systems.

Decision

- 1) To approve the Integrated Knowledge Systems project, as detailed in the accompanying business case.
- 2) To agree that the Capital City Partnership undertook the lead partner role for the Integrated Knowledge Systems project.

(Reference – report by the Chair, Integrated Employability and Skills Board, Edinburgh, submitted).

7. Labour Market Analysis and Evaluation Project Proposition

Approval was sought to implement the Labour Market Analysis and Evaluation programme, (as set out in the overarching IRES Programme and accompanying Business Cases), which had been developed in collaboration with regional and national partners to drive progress toward a more inclusive labour market.

It was proposed that Skills Development Scotland took the lead for the Labour Market Analysis and Evaluation project.

Decision

- 1) To approve the Labour Market Analysis and Evaluation programme, as detailed in the accompanying business case.
- 2) To agree that Skills Development Scotland undertook the lead partner role for the Labour Market Analysis and Evaluation project.

(Reference – Chair, Integrated Employability and Skills Board, Edinburgh and South East Scotland City Region Deal, submitted).

8. Integrated Employer Engagement (IEE) Proposal

The joint committee considered a report that sought approval to implement the Integrated Employer Engagement theme as detailed in the accompanying IEE business case proposal.

Decision

- 1) To approve the Integrated Employer Engagement Project, as detailed in the accompanying Business Case.
- 2) To agree that accountable body for delivery of the IEE Project would be Capital City Partnership through a delivery agreement with the ESES City Region Deal Lead Accountable Body (City of Edinburgh Council), with strict monitoring of IEE Project progress within an approved agreement framework.

(Reference – Chair, Integrated Employability and Skills Board, Edinburgh and South East Scotland City Region Deal, submitted).

9. Workforce Mobility Proposition

The Joint Committee considered a report that sought approval to implement the Workforce Mobility project as detailed in the accompanying business case proposal.

Decision

- 1) To approve the Workforce Mobility Project, as detailed in the accompanying project proposition.
- 2) To agree that the accountable body for delivery of the Workforce Mobility Project would be Scottish Borders Council through a delivery agreement with the ESES City Region Deal Lead Accountable Body (City of Edinburgh Council), with strict monitoring of project progress within an approved agreement framework.
- 3) To agree that funding was allocated in principle in accordance with the financial projections contained within the report and accompanying business case and subject to ongoing monitoring and review by the IRES Board.

(Reference – Chair, Integrated Employability and Skills Board, Edinburgh and South East Scotland City Region Deal, submitted).

Edinburgh and South East Scotland City Region Deal Joint Committee

2 pm, Tuesday 3 September 2019

Work Programme for City Region Deal Joint Committee

Item number

Executive Summary

This paper outlines the planned dates for City Region Deal business case approvals by Joint Committee.

Andrew Kerr

Chief Officer, Edinburgh and South East Scotland City Region Deal

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Work Programme for City Region Deal Joint Committee

1. Recommendations

- 1.1 To note the planned dates for future business for the City Region Deal Joint Committee.

2. Background

- 2.1 The City Region Deal partners and Government are working towards business case approval timelines, as set out in this report. This matches with the timeline for drawing down funds from Government over the 15 years of the City Region Deal as set out in the Financial Plan agreed in summer 2018, and grant offer letters for 2018/19 and 2019/20.
- 2.2 The dates are subject to business cases being approved by: The Scottish Government; the UK Government; the relevant Boards within the City Region Deal structure; and the relevant Council committees and/or Higher and Further Education Courts, prior to Joint Committee approval.
- 2.3 In addition to the business cases, other reports that are expected to be submitted to Joint Committee are included in the work programme.

3. Main report

- 3.1 The work programme for Joint Committee meetings that partners are currently working towards is shown in Table 1:

Table 1: Work Programme for Joint Committee

Joint Committee Date	Reports for consideration
3 September 2019	<ul style="list-style-type: none">• Annual Report 2018-19• Usher Institute Business Case• Regional Growth Framework• Regional Housing Programme Update• Regional Transport Appraisal Board Update
6 December 2019	<ul style="list-style-type: none">• City Region Deal Monitoring and Evaluation Framework• Dunfermline Strategic Housing Site Business Case
6 March 2020	<ul style="list-style-type: none">• Easter Bush Business Case
5 June 2020	<ul style="list-style-type: none">• Edinburgh Innovation Park (Queen Margaret University) Business Case
4 September 2020	<ul style="list-style-type: none">• West Edinburgh Transport Business Case (stage 1)

- 3.2 The A720 City Bypass grade separation of Sheriffhall Roundabout will be managed and delivered by Transport Scotland. Transport Scotland will provide updates on progress to the Transport Appraisal Board, as well as the Executive Board and Joint Committee as and when appropriate.

4. Financial impact

- 4.1 There is no financial impact relating to this report. Financial cases will be set out in detail in the respective business cases. Financial contributions that are required by partner organisations for projects will be requested in separate reports to councils or courts prior to being taken to Joint Committee for approval.

5. Equalities impact

- 5.1 Inclusion is a key driver for the City Region Deal. Business cases for projects included demonstrate how they will reduce inequalities and tackle the inclusion challenges specific to the city region.
- 5.2 A Monitoring and Evaluation Framework is being developed for the programme, which will incorporate clear indicators to align with the Scottish Government's Inclusive Growth Framework. The impact on equalities, human rights and sustainability are also being incorporated into the framework. The framework is expected to be agreed by Governments and Joint Committee by December 2019.

6. Background reading/external references

- 6.1 [City Region Deal Document](#): August 2018
- 6.2 City Region Deal Annual Report (Joint Committee paper on 3 September 2019)

7. Appendices

None.

Edinburgh and Scotland East Scotland City Region Deal Joint Committee

3 September 2019

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1.	17 December 2018	Forward Plan for Business Case Approvals	To agree that the Sheriffhall Roundabout business case should be presented to the Joint Committee and to request a more defined timeline from Transport Scotland.	Programme Manager	7 June 2019	7 June 2019	Action Closed – Presentation from Transport Scotland on the Sherriffhall Scheme given to the Joint Committee on 7 June 2019.

2	7 June 2019	Presentations from Transport Scotland.	To agree that that Paul Junik from Transport Scotland would speak to colleagues about the concern expressed by local authorities about the rejection of SESplan and working more closely with local authorities to fill the gap that had been left by SESplan and would report back to the Committee.	Paul Junik	Sept 2019	23 August 2019	<p>Recommended for closure:</p> <p>The following text was received from Amy Phillips, Senior Transport Planner, Transport Scotland on 23 August:</p> <p><i>Transport Scotland will continue through the second Strategic Transport Projects Review (STPR2) to work closely with Regional Transport Working Group members, which includes representation from the constituent local authorities, CRD Transport Appraisal Board as well as SEStran and SESplan, to understand the problems and opportunities in relation to the strategic transport network in Edinburgh and South East Scotland. This work will include consideration of problems and indeed potential opportunities that arise from existing and future land use allocations and we are working closely with planning authorities, including SESplan, on what development will be considered within STPR2 which has a 20 year horizon. There is also on-going relevant work being undertaken by local authorities and we have asked</i></p>
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							<p><i>Regional Transport Working Group members to feed in evidence from elsewhere to inform STPR2.</i></p> <p><i>You may also be aware that SESplan met the Chief Planner on 20 August where there was a productive discussion on regional spatial strategies (a new duty for planning authorities in the Planning (Scotland) Bill passed in June 2019) and Transport Scotland also attended this meeting. Scottish Government Planning and Architecture (PAD) colleagues have an event in October to bring together regional representatives and representatives of wider partnerships to further discuss regional spatial planning and the wider National Planning Framework 4 (NPF4). Transport Scotland will be attending this event as well and as we progress with STPR2 will also be continuing to work with PAD colleagues as their activity on NPF4 moves forward.</i></p>
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Edinburgh and South East Scotland City Region Deal Joint Committee

2 pm, Tuesday 3 September 2019

City Region Deal Progress Report

Item number

Executive Summary

The Edinburgh and South East Scotland City Region Deal progress report gives an indication of progress across the City Region Deal programme.

In this update, the overall status is assigned as “Amber”. There are no actions required from the Joint Committee.

Andrew Kerr

Chief Officer, Edinburgh and South East Scotland City Region Deal

Contact: Andy Nichol, Programme Manager, Edinburgh and South East Scotland City Region Deal

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Report

City Region Deal Progress report

1. Recommendations

- 1.1 To note the progress across the City Region Deal Programme.

2. Background

- 2.1 This progress report is being used across the City Region Deal's governance structure to monitor progress across all aspects of the City Region Deal. It is updated on a weekly basis and shared with Government. A RAG (Red, Amber, Green) scale is assigned to programmes and projects by the Programme Management Office (PMO), as well as scored for inclusive growth and partnership working.
- 2.2 Tables 1, 2 and 3 shows the guidelines that are used when determine RAG statuses and scores:

Table 1: RAG Status Guidelines

T: Status against **timeline** set out in business case/implementation plan;

B: Status against **budget** set out in financial plan

RAG Status	Definition - Timeline	Definition - Budget	Action Required
Green	In line with business case/implementation plan	In line with financial plan.	No management action required
Amber	Delay is considered acceptable by PMO.	Within acceptable range.	Management action is in place by senior management to address issues, and project is being closely monitored.
Red	Delay is significant.	Outwith acceptable range.	Immediate action is required by senior management and relevant Boards as appropriate to address issues. Issues must be highlighted to Government.

Table 2: Inclusive Growth Score Guidelines

Score	Definition
1.	Project's links with inclusive growth framework are being developed.
2.	Project's links with inclusive growth framework have been identified and are in the process of being implemented.
3.	Project's links with inclusive growth framework are being delivered and monitoring and evaluation is in place to assess impact.

Table 3: Partnership Working Score Guidelines

Score	Definition
1.	Links have been identified with projects in other themes/with regional partners outwith City Region Deal.
2.	Links are in the process of being established with projects in different themes/with regional partners outwith City Region Deal.
3.	Links are being exploited between this project and other themes/with regional partners outwith City Region Deal.

2. Main report

- 2.1 The performance report is shown in Appendix 1. The overall status of the City Region Deal is assigned as “Amber”. There are no actions required from the Joint Committee.

3. Financial impact

- 3.1 A signed Grant offer letter for 2019/20 was received from Government 13th August 2019 which was duly signed and returned on the 15th. This will enable the draw down process once signed Partner Agreements are received.
- 3.2 The financial summary, updated quarterly, on Page 2 shows that £50.7 million (excluding funding issued by Transport Scotland and Scottish Government Housing) has been allocated for the programme for 2019/20, in addition to the £41.3 million drawn down in 2018/19.

4. Equalities impact

- 4.1 Inclusion is a key driver for the City Region Deal, and scores have been included for each project. Business cases for projects included demonstrate how they will reduce inequalities and tackle the inclusion challenges specific to the city region.

- 4.2 A Monitoring and Evaluation Framework is being developed for the programme, which will incorporate clear indicators to align with the Scottish Government's Inclusive Growth Framework, also under development. The impact on equalities, human rights and sustainability are also being incorporated into the framework. The framework is expected to be complete by December 2019.

5. Background reading/external references

- 5.1 [City Region Deal Document](#): August 2018
5.2 City Region Deal Annual Report: 2018-19

6. Appendices

- 7.1 Appendix: City Region Deal Progress Report

ESESCR Deal Progress Report – 3 September 2019

Page 1: Dashboard

Overall Status Last Period	Overall Status This Period
Amber	Amber

Achievements and Milestones (see [Implementation Plan](#) for further information)

Agree M&E framework with Govt	3 July 19
Agree M&E framework with Govt	3 July 19

Financials Summary (see [Financial Summary](#) for further information)

*Funding issued by Transport Scotland and SG Housing not included in this total

Total CRD grant £000	CRD grant drawdown to date £000		19-20 CRD Grant allocation	19-20 Grant drawdown
600,000	41,300	6%	£50.73m*	To be confirmed

Upcoming Milestones	Target Date	RAG
19-20 signed Grant Offer Letter from SG	June 19	Amber
Annual report Draft 1 to be complete	2 August 19	Green
Joint Committee meeting to consider Usher Institute and Annual Report	3 Sep 19	Amber
Annual Conversation	12 Sep 19	Amber

Top 3 Risks (see [Risk Register](#) for full list of risks)

Risk	Impact	Likelihood	Severity	Resolution Plan or Mitigating Action	Risk owner
There is no regional strategy/framework to set up structures for future delivery of regional spatial and transport plans.	3	4	12	<ul style="list-style-type: none"> Suggestions for new approaches towards regional planning, transport and housing delivery are being shared with Executive Board, Directors Group (inc. Govt/agencies) and R.E.C. Council Leaders are being kept informed as appropriate. 	Directors' Group
Insufficient PMO Resources	5	2	10	<ul style="list-style-type: none"> Request for additional resources to be made to Executive Board when appropriate Progress reports, quarterly reporting and risk register to track progress towards deadlines and highlight potential delays to PMO before they arise. Use secondments and reallocate staff to City Region Deal activity when required. Re-assess capacity and skillsets regularly in line with changing requirements. Ensure the inclusion wider PMO network, for example drawing on project leads more, when required. PMO Plan to be developed. 	Exec Board
Insufficient Resources from project leads	4	2	8	<ul style="list-style-type: none"> Regular contact between PMO and other partners on projects and information required. Other partners to assist in developing business cases and reporting where capacity is low. Workshops to ensure that reporting requirements are understood and that there is buy-in. Many programmes are building in staff costs, and lead organisations are taking on risk for funding to help alleviate this issue. 	Exec Board

ESESCR Deal Progress Report – 3 September 2019

Page 2: Financial Summary



Overall Total			Project Name	2019 - 2020					Comments
Total Budget £000	CRD Grant Total £000	CRD Grant Claimed To Date £000		Grant Allocation £000	CRD Grant claimed (Q1) £000	Spend to date (Apr-Jun) £000	Forecast outturn £000	Forecast vs Allocation variance	
101,047	32,545	22,412	Bayes Centre	10,133	0	9,086	10,133	0	Forecast is based on profile as per full business case
22,469	22,469	70	National Robotarium	2,566	0	26	1,770	-796	
189,297	57,920	18,862	Edinburgh Futures Institute	13,770	0	1,192	13,770	0	
190,620	79,595	0	World Class Data Infrastructure	8,417	0	655	8,417	0	
84,610	49,205	0	Usher Institute	0	0	0	0	0	
42,596	17,366	0	Easter Bush	0	0	0	0	0	
30,900	10,900	0	Easter Bush Link Road - A701 & A702	0	0	0	0	0	
52,003	30,000	0	Food & Drink Innovation Hub	0	0	0	0	0	
49,425	35,000	0	Fife Industrial Innovation Investment	0	0	0	0	0	
29,050	15,000	0	Scottish Borders - Innovation Park	1,750	0	0	1,750	0	
791,357	350,000	41,344	Total Research, development and innovation	36,636	0	10,959	35,840	-796	
25,000	25,000	0	Integrated Regional Employability & Skills	3,250	0	37	2,711	-539	Some projects not spending until Grant letter received
25,000	25,000	0	Total IRES	3,250	0	37	2,711	-539	
120,000	120,000	2,600	Sheriffhall Roundabout*	0	0	0	0	0	Transport Scotland hold budget
36,000	20,000	0	West Edinburgh Transport Appraisal	2,000	0	0	100	-1,900	
156,000	140,000	2,600	Total Transport	2,000	0	0	100	-1,900	Consultants currently working on proposal for TAB
44,990	20,000	0	IMPACT/Dunard Concert Hall	8,839	0	758	7,522	-1,317	The Council has been served with a petition for judicial review of the decision to grant planning permission
44,990	20,000	0	Total Culture	8,839	0	758	7,522	-1,317	
263,000	15,000	5,060	Housing Company**	5,192	0	0	5,192	0	Separate grant letter from SG
50,000	50,000	0	Housing Infrastructure Fund**	12,500	0	0	0	-12,500	
313,000	65,000	5,060	Total Housing	17,692	0	0	5,192	-12,500	
1,330,107	600,000	49,004	Total Programme	68,417	0	11,754	51,365	-17,052	Shortfall of utilising grant funding

Note: Figures in red represent a forecast underspend against the Grant allocation

* Funding issued by Transport Scotland. ** Funding issued by SG Housing

Overall Status Last Period	Overall Status This Period
Amber	Amber

Page 3: Guidance Notes for Project Updates

Project Stages

Stage no.	Definition
1. Define	Business case being developed, and not yet approved by Thematic Board and Joint Committee.
2. Implement	Business case has been approved by Thematic Board and Joint Committee, and is being implemented. In a capital project, this may be construction; for skills projects this may be establishing a course or system.
3. Deliver	Project is in place and monitoring and evaluation is in framework to assess if it is achieving its objectives.
4. Legacy	Project has resulted in mainstreaming or improvements to business as usual (impact) that is generated beyond the funded period

Red, Amber, Green

T: Status against **timeline** set out in business case/implementation plan; **B:** Status against **budget** set out in financial plan

RAG Status	Definition - Timeline	Definition - Budget	Action Required
Green	In line with business case/implementation plan	In line with financial plan.	No management action required
Amber	Delay is considered acceptable by PMO.	Within acceptable range.	Management action is in place by senior management to address issues, and project is being closely monitored.
Red	Delay is significant.	Outwith acceptable range.	Immediate action is required by senior management and relevant Boards as appropriate to address issues. Issues must be highlighted to Government.

Inclusive Growth Score

	Definition
1.	Project's links with inclusive growth framework are being developed.
2.	Project's links with inclusive growth framework have been identified and are in the process of being implemented.
3.	Project's links with inclusive growth framework are being delivered and monitoring and evaluation is in place to assess impact.

Partnership Working Score

	Definition
1.	Links have been identified with projects in other themes/with regional partners outwith City Region Deal.
2.	Links are being developed with projects in different themes/with regional partners outwith City Region Deal.
3.	Links are being exploited between this project and other themes/with regional partners outwith City Region Deal.



Project	Stage	Last Milestone	Next Milestone	T	B	IG	PW	Comments
Bayes Centre	Deliver	Sep 18: Opening	N/A	G	G	2	2	
National Robotarium	Implement	Jul 19: Stage 2 Concept Designs signed off by Project Executive Board.	Dec 19: Appointment of National Robotarium CEO	G	G	1	1	
Edinburgh Futures Institute	Implement	Start on site	Sep 21: Complete construction	A	G	2	2	Slippage in 2019/20 spend due to complexity of enabling works package
Usher Institute	Define	Aug 18: Deal agreement	Sep 19: Approve FBC	G	G	1	2	
Easter Bush	Define	Aug 18: Deal agreement	Mar 20: Approve FBC	G	G	1	1	
World Class Data Infrastructure	Implement	Start on site	Jul 20: Complete construction	G	G	2	2	

T: Timeline; B: Budget; IG: Inclusive Growth score; PW: Partnership Working score (see p.3 for definitions)



Project	Stage	Last Milestone	Next Milestone	T	B	IG	PW	Comments
Edinburgh Innovation Park (QMU Food and Drink Hub)	Define	Finalise specification for the procurement of specialist advice for the FBC.	<ul style="list-style-type: none"> Conclude Section 75 agreement to permit the release of the planning permission – Aug 2019 Meet with UKG rep at Scotland office to update on FBC progression – Aug 2019 Award the tender for the procurement of specialist advice for the FBC – Sept 2019 Determine the detailed planning application for the junction/ initiate the tendering process – Oct 2019. 	G	G	1	1	
Fife Industrial Innovation Investment (Fi3P)	Implement	Planning approval for first site	Planning permission for Project 2 (during Q2 19/20)	G	G	1	2	<p>Mobilising resources into implementation phase. Discussions underway with University of Edinburgh to agree development opportunities based on the DDI programme impacts.</p> <p>Likely underspend on a project has been identified and options for reinvestment have been agreed by the Fife Council programme board. This change is within the agreed programme tolerances, no escalation or further action required.</p>
Central Borders Innovation Park	Implement	Design, procurement, and construction of Phase 1 (ongoing)	Discussion with potential contractors regarding first building in Phase 2.	G	G	1	1	Engagement with potential occupiers of buildings being procured under Phase 1 continues.



Project	Stage	Last Milestone	Next Milestone	T	B	IG	PW	Comments
IRES Programme	Implement	All Project Propositions developed and approved. Now moving into implementation phase	Progress Monitoring & Evaluation Frameworks in place at programme and project level (June 19)	A	G	2	2	<ul style="list-style-type: none"> Template grant agreement to formalise approvals being drafted by CEC legal. Focus for skills PMO will now switch back to programme cohesion and opportunities for alignment with “Business as Usual” across CRD themes. IRES Board next meets on 16th Oct and also has a reflection session planned for 22 Nov to identify emerging programme development opportunities Delay to implementing some project activity is anticipate due to delays in finalising grant agreements.
Integrated knowledge systems	Implement	Project approved by JC (Jun 19)	Grant Agreement and Project Implementation Plan agreed	A	G	2	2	<ul style="list-style-type: none"> Work underway with SDS to test the new Data Hub Portal's suitability for client tracking requirements along with discussions with Scottish Government on DYW Marketplace linkages. Discussions ongoing with Napier University on a big data and visualisation pilot project. Strong link with the Integrated Employer Engagement strand.
Labour market analysis and evaluation	Implement	Project approved by JC (Jun 19)	Grant Agreement and Project Implementation Plan agreed	A	G	2	2	<ul style="list-style-type: none"> Virtual Team Development workshop planned for 8th October 2019. Research on tourism sector skills completed and presented to IRES board in July. Action plan now being prepared by SDS for consideration by the partners.
Integrated employer engagement	Implement	Project approved by JC (Jun 19)	Grant Agreement and Project Implementation Plan agreed	A	G	2	2	<ul style="list-style-type: none"> Guidance pack on the regional approach to community benefits from procurement in the final stages of drafting for consideration and agreement by partners. Proposal by UoE on generating other community/social benefits from partner activity being developed. Recruitment for Project Officers underway



Project	Stage	Last Milestone	Next Milestone	T	B	IG	PW	Comments
Intensive family support	Implement	Project approved by JC (Mar 19)	Project staff appointed and activities operational	A	A	2	2	<ul style="list-style-type: none"> Current freeze on ESF funding has led to questions regarding the viability of matching City Deal allocation with ESF. Discussions are ongoing regarding possible alternative match funding sources Fife Council preparing SLA with the CCP to agree project management requirements Project specification is being developed ahead of the procurement/selection process for delivery partners.
Housing and Construction Infrastructure (HCI) Skills Gateway	Implement	Project approved by JC (Mar 19)	Project staff appointed and activities operational	A	G	2	2	<ul style="list-style-type: none"> First meeting of HCI Advisory Board anticipated to be in late September or early October 30 place HCI Advanced Skills MSc routes targeted at females to commence in Sept 2019 Fife College to lead on first HCI pilot project (Bricklaying for housebuilding). Three other pilot projects identified with each led by a different partner.
Data-Driven Innovation (DDI) Skills Gateway	Implement	Project approved by JC (Mar 19)	Project staff appointed and activities operational	A	G	2	2	<ul style="list-style-type: none"> First meeting of DDI Advisory Board scheduled for 21 August 2019. Shared equalities and inclusion post for Skills Gateways (in partnership with EQUATE) and other delivery roles being advertised. MOU between UoE and SDS concluded with a similar MOU with Scottish Enterprise being explored.
Workforce mobility (Concessionary travel)	Implement	Project approved by JC (Jun 19)	Grant Agreement and Project Implementation Plan agreed	A	G	2	2	<ul style="list-style-type: none"> Positive engagement with Transport Appraisal Board on 13 April with good potential for thematic cross working. Work ongoing to put delivery team in place to develop pilot activity to implementation stage.



Project	Stage	Last Milestone	Next Milestone	T	B	IG	PW	Comments
A720 (Sheriffhall)	Define	Preferred option identified is a grade separated junction arrangement	Transport Scotland is currently taking forward the development and assessment of the preferred option with the view to publishing draft Orders later this year (2019) for formal comment.	A	A	1	1	.
West Edinburgh	Define	The development of a high-level WETA Project Delivery Plan is underway, and was reported to the Transport Appraisal Board (TAB) on 26 August.	Within 2-3 meeting cycles (around 6-9 months) of the TAB considering the Project Delivery Plan, greater clarity about the timeframe and process for further refining the long-list of proposals will emerge.	A	A	1	2	£37m of funding identified (£20m from Scottish Government and £17m from The City of Edinburgh Council), plus developer contributions (TBC). WETA amounts to £110m, so the interventions are being prioritised.

T: Timeline; B: Budget; IG: Inclusive Growth score; PW: Partnership Working score (see p.3 for definitions)



Project	Stage	Last Milestone	Next Milestone	T	B	IG	PW	Comments
Dunard Centre	Implement	CEC Planning Determination April 2019	Appointment of the Contractor, selected through the procurement process, to deliver the Pre Construction Services	A	A	2	2	On 30 July Nuveen (Edinburgh St James) submitted a petition for judicial review on CEC planning committee, decision to grant planning permission for the Dunard Centre. There is a risk to delivery timescales.

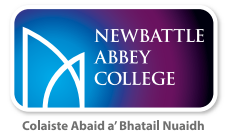
Project	Stage	Last Milestone	Next Milestone	T	B	IG	PW	Comments
Affordable housing	Deliver & Define	Workshop held on 21 June with key stakeholders	Report to Regional Housing Board 27 August to consider outline work programme	A	A	1	2	<ul style="list-style-type: none"> Recent figures have revealed that between 2015/16 and 2018/19 regional partners have delivered over 10,000 completions with housing grant spend increasing from £70m to £130m over the same period.
Strategic sites	Implement & Define	Workshop held on 14 June with key stakeholders	Report to Regional Housing Board 27 August to consider outline work programme	A	A	1	1	<ul style="list-style-type: none"> Business cases for sites are at different stages of development. Opportunity to develop a strong, ambitious regional vision across the seven sites.
Innovation & skills	Define	Workshop held on 21 June with key stakeholders	Report to Regional Housing Board 27 August to consider outline work programme	A	A	1	2	<ul style="list-style-type: none"> Opportunity explore potential bid to the UK Government Industrial Strategy Challenge Fund - the transforming construction programme will be open to collaborative research & development and demonstrator project applications from 5 August 2019.
Infrastructure, funding and land assembly	Define	Workshop held on 14 June with key stakeholders	Report to Regional Housing Board 27 August to consider outline work programme	A	A	1	1	<ul style="list-style-type: none"> Many workshop participants informed that it was the first time some had met to discuss shared opportunities and challenges and expressed that the workshop offered a forum for a rounded discussion on infrastructure planning and delivery that should be continued.
Housing company	Deliver	First homes completed in Clermiston.	Homes under construction across various sites.	G	G	1	2	<ul style="list-style-type: none"> The City of Edinburgh Council and Scottish Futures Trust will continue to share learning and financial models with partners, to explore regional delivery models.

T: Timeline; B: Budget; IG: Inclusive Growth score; PW: Partnership Working score (see p.3 for definitions)



City Region Deal Annual Report 2018-19

EDINBURGH AND SOUTH EAST SCOTLAND
CITY REGION



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Executive Summary



The Edinburgh and South East Scotland City Region Deal, signed on 7 August 2018, sets out a compelling vision that builds on the city region's unique strengths to deliver a number of transformational programmes and projects across Innovation, Skills, Transport, Culture and Housing themes that will deliver a step-change in inclusive growth to benefit the city region, Scotland and the United Kingdom.

Over £1.3 billion is being invested into the city region over the next 15 years. UK and Scottish Governments will each contribute £300 million, with the remainder coming from partners: the six member authorities - The City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian Councils; the city region's universities and colleges; and the private and third sectors.

This annual report summarises progress for the first year of the programme. Of the 24 projects and programmes within the City Region Deal:

- 9 are classified as Stage 1: "Define"
- 13 have reached Stage 2: "Implement"
- 2 have reached Stage 3: "Deliver"

£49.0 million of Government money was drawn down in the 2018/19 financial year for: the Bayes Centre, National Robotarium, Edinburgh Futures Institute, Edinburgh Living and the grade separation at Sheriffhall Roundabout. This is expected to significantly increase for 2019/20 as projects progress towards delivery.

Significant progress has been made in establishing the new Governance Structure. Ten Boards are now fully-formed and meet as required. The Joint Committee has approved eight business cases and seven project propositions, worth £704 million or 53% of the 15-year programme; the Regional Enterprise Council is actively shaping the emerging regional growth framework and community benefits programme; thematic boards are meeting to set the strategic direction across Data-Driven Innovation, Skills, Transport and Housing themes; and Programme Management Office resources have been enhanced to manage the emerging programme.

Looking ahead towards 2019/20, significant developments are expected, including:

- **Projects:**
 - construction at Dunard Centre, Central Borders Innovation Park, two industrial estate generation sites in Fife and of homes in several of the strategic housing sites; and
 - piloting skills projects in Housing and Construction Infrastructure, Data-Driven Innovation, and Intensive Family Support.
- **Monitoring and Evaluation:**
 - Regional Partners are working with Government on a Monitoring and Evaluation Framework that will track the progress and impact of City Region Deal projects. Partners aim to have the framework agreed by the end of 2019.
- **Regional Growth Framework:**
 - Regional partners are also developing a Regional Growth Framework and accompanying Regional Spatial Strategy to inform the Scottish Government's National Planning Framework 4 and Strategic Transport Projects Review 2 by the summer of 2020. This will also set the strategic direction for regional partners to work together to accelerate inclusive growth outcomes through the emerging City Region Deal programme, and across related housing, planning, transport and economy policy areas.

1. Foreword

Cllr Adam McVey

**Convener of the Edinburgh and South East
Scotland City Region Deal Joint Committee**

Together with regional partners, the First Minister of Scotland and Prime Minister of the United Kingdom, I signed the Edinburgh and South East Scotland City Region Deal on 7 August 2018. The City Region Deal brings together, the Scottish Government, the UK Government, six local authorities, four universities and six colleges in a partnership to accelerate sustainable and inclusive economic growth across the region. Over £1.3 billion will be invested over the next 15 years across the themes of innovation, skills, transport, culture and housing to help realise this ambition.



The Deal signing was the culmination of several years' hard work identifying challenges and opportunities, developing an effective response, and shaping the business cases and governance structure that articulates how we will implement our ideas. As the first Convener of the Joint Committee, I am delighted to have seen the partnership continue to strengthen and progress throughout the first year of implementation and delivery.

Since the signing our Deal, the Joint Committee has approved eight programme and project business cases and seven skills project propositions worth £704 million or 53% of the 15-year programme.

The investment through the City Region Deal will deliver a real difference to communities across the region. The Deal will create around 21,000 jobs; it will promote world-leading research, development and innovation in our universities and new employment hubs; it will develop a skilled workforce to meet demands in emerging sectors, initially focusing on data and construction, and help tackle the inequalities that exist in some of our industrial sectors. The Deal enables the first purpose-built music venue Edinburgh for 100 years with Dunard Centre; it will improve regional transport infrastructure; and it will enable the construction of much-needed new housing, including affordable housing. Inclusion is at the heart of the Deal; while we are boosting our engine for economic growth, we are working hard to ensure that the benefits of this growth are shared by all our citizens throughout Edinburgh and South East Scotland.

Leeann Dempster

Chair of Regional Enterprise Council

As Chair of the Regional Enterprise Council (REC), I am delighted with the progress that has been made in Year 1 of the City Regional Deal.

The Regional Enterprise Council was formed in November 2018, and is here to advise the Deal's decision-making body, the Joint Committee, on the delivery of projects across the region. Alongside Vice Chair Claire Pattullo of the Edinburgh Social Enterprise Network, I sit on the Joint Committee.

While the REC is not decision-making body, it has a significant role in shaping strategic direction and supporting the implementation of the Deal to ensure that the benefits flow to our region's businesses and communities.

An early win will be the joint work with partners on a new regional growth framework, to provide the economic resilience that is much needed by our businesses and third sector organisations in the face of current and future uncertainty and help position the region to more effectively exploit future inclusive growth opportunities and maximise the value of City Region Deal investments.

With a climate emergency recently declared, sustainable place-making must be at the heart of new developments that will come through over the next 15 years of the Deal. Housing must be of the highest standard; there must be excellent public and active travel links; Fair Work practices must become commonplace, and new developments must be thought of as communities from the outset with residential, work, health and education amenities all accessible.

We are also pleased to see that a pro-active and coordinated approach to securing community or social benefits from partner activities has been agreed. This will strengthen and simplify the process for organisations bidding for tenders and ensure that a big difference can be made to our communities most in need. We look forward to working with local authorities and universities and colleges as we shape the emerging community benefits strategy.

By working together, we can deliver the coordinated, strategic improvements needed to help the entire South East of Scotland achieve its full potential.

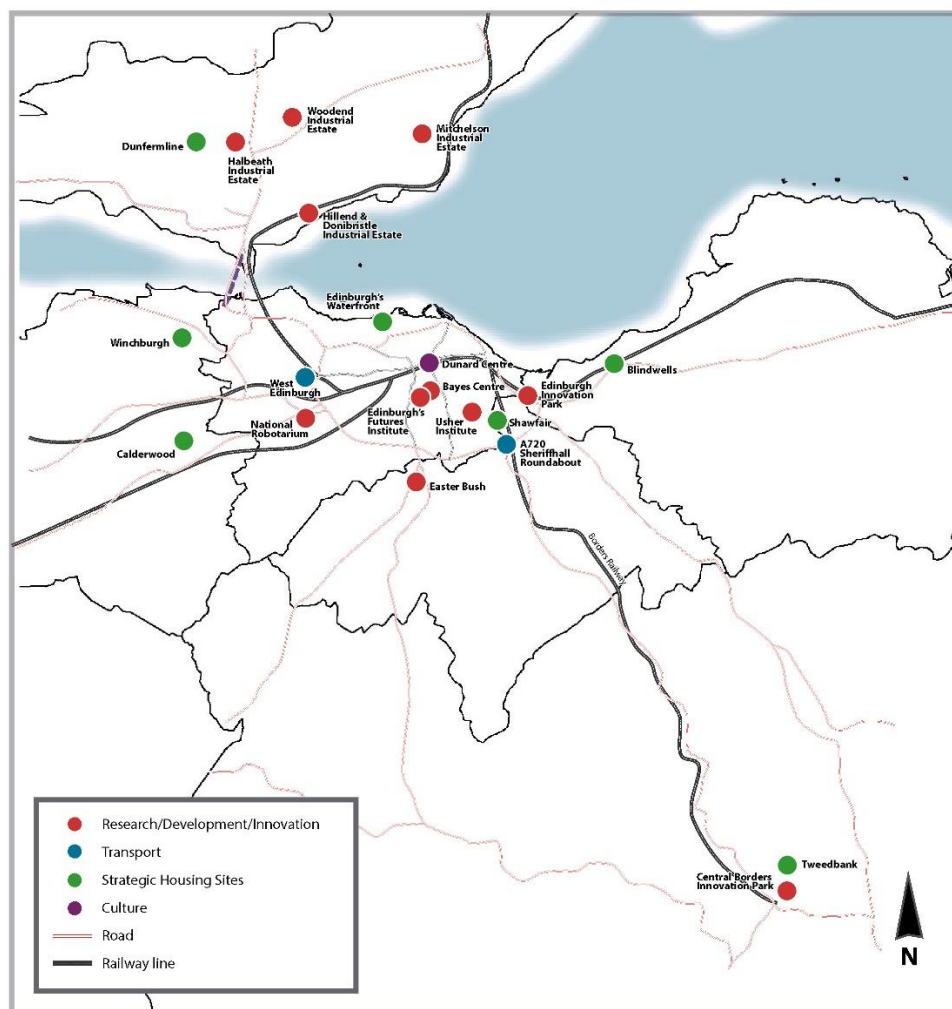


2. City Region Deal Overview

The Edinburgh and South East Scotland City Region Deal is a £1.3 billion, 15-year programme aimed at driving productivity and reducing inequalities through five key themes:

- Research, Development and Innovation: £791 million
- Integrated Regional Employability and Skills: £25 million
- Transport: £156 million
- Culture: £45 million
- Housing: £313 million

The map below shows where the projects are located across the region:



The City Region Deal projects are listed in the table below. More detail on the projects can be found within the Deal Document, and, if published, its business case.

Summary of Programmes and Projects

Theme/Programme/Project	Location	(Expected) Business Case Approval	Stage	On Time?	On Budget?
Research, Development and Innovation					
World Class Data Infrastructure	Edinburgh/ Midlothian	Dec 18	2. Implement		
Bayes Centre	City of Edinburgh	Dec 18	3. Deliver		
National Robotarium	City of Edinburgh	Dec 18	2. Implement		
Edinburgh Futures Institute	City of Edinburgh	Mar 19	2. Implement		
Usher Institute	City of Edinburgh	<i>Sep 19</i>	1. Define		
Easter Bush	Midlothian	<i>Dec 19</i>	1. Define		
Edinburgh Innovation Park (Food and Drink Innovation Hub)	East Lothian	<i>Jun 20</i>	1. Define		
Fife Industrial Innovation Investment	Fife	Mar 19	2. Implement		
Central Borders Innovation Park	Scottish Borders	Mar 19	2. Implement		
Integrated Regional Employability and Skills	<i>Cross-Regional</i>	Dec 18	2. Implement		
• <i>Integrated Knowledge Systems</i>	<i>Cross-Regional</i>	Jun 19	2. Implement		
• <i>Labour Market Analysis and Evaluation</i>	<i>Cross-Regional</i>	Jun 19	2. Implement		
• <i>Integrated Employer Engagement</i>	<i>Cross-Regional</i>	Jun 19	2. Implement		
• <i>Intensive Family Support</i>	<i>Cross-Regional</i>	Mar 19	2. Implement		
• <i>Data-Driven Innovation Skills Gateway</i>	<i>Cross-Regional</i>	Mar 19	2. Implement		
• <i>Housing and Construction Infrastructure Skills Gateway</i>	<i>Cross-Regional</i>	Mar 19	2. Implement		
• <i>Workforce Mobility</i>	<i>Cross-Regional</i>	Jun 19	2. Implement		
Transport					
West Edinburgh	City of Edinburgh	TBC	1. Define		
A720 (Sheriffhall Roundabout)	City of Edinburgh/ Midlothian	TBC	1. Define		

Culture					
Dunard Centre	City of Edinburgh	Dec 18	2. Implement		
Housing					
Affordable housing programme	Cross-regional	TBC	1. Define (and 3. Deliver)		
Strategic sites	Cross-regional	TBC	1. Define (and 2. Deliver)		
Innovation and skills	Cross-regional	TBC	1. Define		
Infrastructure, funding and land assembly	Cross-regional	TBC	1. Define		
Housing company	Cross-regional	TBC	3. Deliver		

Legend:

Project Stages

Stage no.	Definition
1. Define	Business case being developed, and not yet approved by Thematic Board and Joint Committee.
2. Implement	Business case has been approved by Thematic Board and Joint Committee, and is being implemented. In a capital project, this may be construction; for skills projects this may be establishing a course or system.
3. Deliver	Project is in place and monitoring and evaluation is in framework to assess if it is achieving its objectives.
4. Legacy	Project has resulted in mainstreaming or improvements to business as usual (impact) that is generated beyond the funded period

Red, Amber, Green

T: Status against timeline set out in business case/implementation plan; B: Status against budget set out in financial plan

RAG Status	Definition - Timeline	Definition - Budget	Action Required
Green	In line with business case/implementation plan	In line with financial plan.	No management action required
Amber	Delay is considered acceptable by PMO.	Within acceptable range.	Management action is in place by senior management to address issues, and project is being closely monitored.
Red	Delay is significant.	Outwith acceptable range.	Immediate action is required by senior management and relevant Boards as appropriate to address issues. Issues must be highlighted to Government.

3. Financial Statement

This transformative City Region Deal identifies new and more collaborative ways that partners will work with UK Government and Scottish Governments to deliver transformational change to the city regional economy. The Governments will jointly invest £600 million over the next 15 years and regional partners committed to adding in excess of £700 million, overall representing a deal worth £1.3 billion. A summary of the City Region Deal total over a fifteen-year period is shown in the table below:

Edinburgh and South-East Scotland City Region Deal Financial Summary

Project	Scot Govt contribution (£m)	UK Govt contribution (£m)	Partner contribution (£m)	Total amount (£m)
Research, Development and Innovation	60.00	290.00	441.12	791.12
Bayes Centre	2.24	30.31	68.50	101.05
National Robotarium	1.43	21.04	-	22.47
Edinburgh Futures Institute	2.24	55.68	131.38	189.30
Usher Institute	0.73	48.46	35.40	84.59
World Class Data Infrastructure	0.67	78.93	111.03	190.63
Easter Bush	1.27	16.10	25.23	42.60
Easter Bush Link Road	-	10.90	19.10	30.00
Food and Drink Innovation Campus	1.42	28.58	22.00	52.00
Business Innovation – Fife	35.00	-	14.43	49.43
Business Innovation – Scottish Borders	15.00	-	14.05	29.05
Total Integrated Regional Employability and Skills(IRES)	25.00	-	-	25.00
IRES	25.00	-	-	25.00
Total Transport	140.00	-	16.00	156.00
Sheriffhall Roundabout Upgrade*	120.00	-	-	120.00
West Edinburgh Public Transport Infrastructure	20.00	-	16.00	36.00
Culture	10.00	10.00	25.00	45.00
Dunard Centre	10.00	10.00	25.00	45.00
Total Housing	65.00	-	248.00	313.00

New Housing Partnership (Edinburgh Living)	15.00	-	248.00	263.00
Housing Infrastructure	50.00	-		50.00
GRAND TOTAL	300.00	300.00	730.11	1,330.11

**Includes £120m for Sheriffhall roundabout to be delivered by Transport Scotland*

The Edinburgh and South-East Scotland City Region Deal Financial Summary for the period of April 2018 to March 2019 is set out in Table 2. Total expenditure and grant claimed for the year, amounts to £46.40 million.

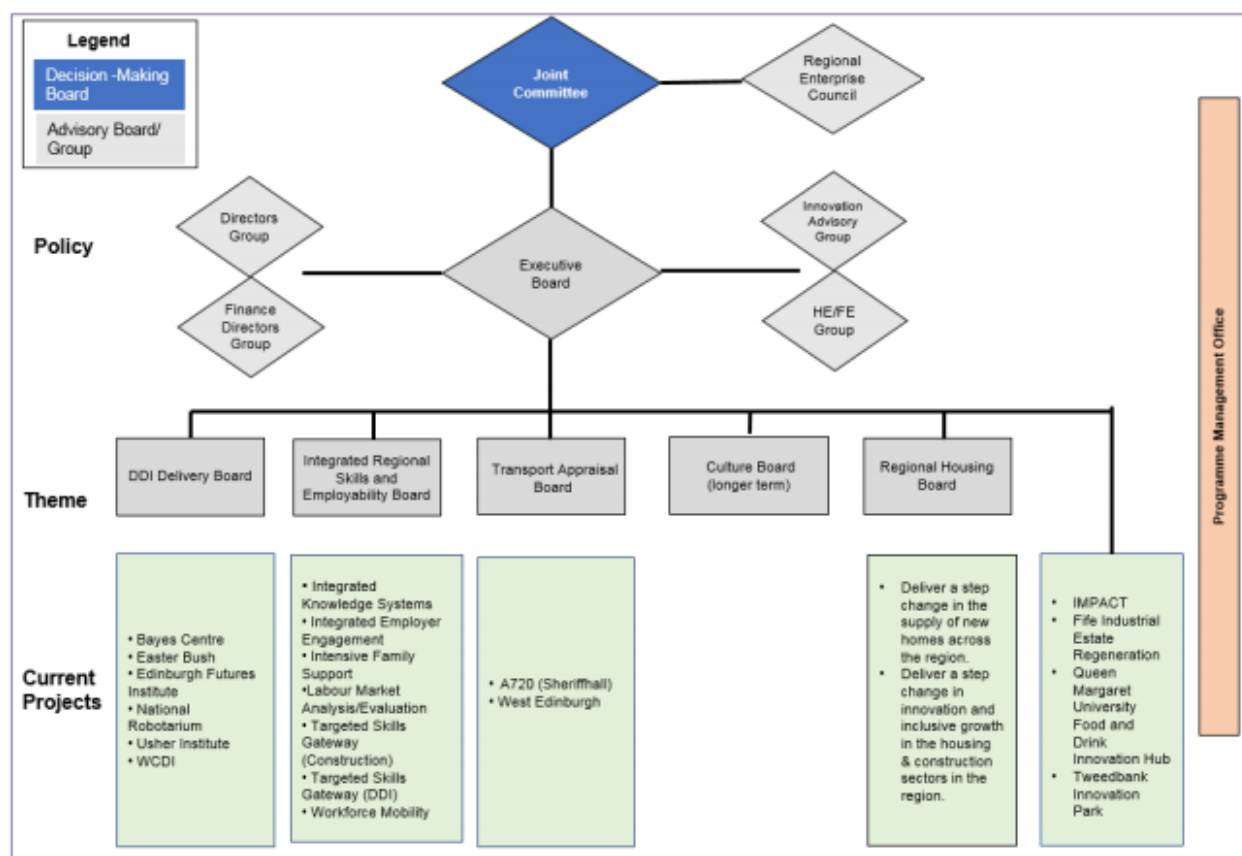
Edinburgh and South-East Scotland City Region Deal Drawdown from Governments 2018-19

Project	Lead Partner	2018-19 Spend (£'000)	CRD Grant claimed £000	CRD Grant % claimed
Research, Development and Innovation		41,344.00	41,344.00	
Bayes Centre	U of E	22,412.00	22,412.00	68.86%
National Robotarium	Heriot-Watt/ U of E	70.00	70.00	0.31%
Edinburgh Futures Institute	U of E	18,862.00	18,862.00	32.57%
Usher Institute	U of E	-	-	-
World Class Data Infrastructure	U of E	-	-	-
Easter Bush	U of E	-	-	-
Easter Bush Link Road	Midlothian Council	-	-	-
Food and Drink Innovation Campus	East Lothian Council / QMU	-	-	-
Business Innovation – Fife	Fife Council	-	-	-
Business Innovation – Scottish Borders	Scottish Borders Council	-	-	-
Integrated Regional Employability and Skills Programme		-	-	-
Integrated Regional Employability and Skills	IRES partners	-	-	-
Transport		2,600.00	2,600.00	-
Sheriffhall Roundabout Upgrade	Transport Scotland	2,600.00	2,600.00	2.17%

West Edinburgh Public Transport Infrastructure	City of Edinburgh Council	-	-	-
Culture		-	-	-
Dunard Centre	IMPACT Scotland	-	-	-
Housing		5,060.00	5,060.00	
Housing Infrastructure		-	-	-
New Housing Partnership (Edinburgh Living)	City of Edinburgh Council	5,060.00	5,060.00	33.73%
Grand Total		49,004.00	49,004.00	-

4. Governance Overview

The Deal Document, signed on 7 August 2018, included a proposed Governance Framework. The summary diagram is copied below:



The document stated that the structure will be reviewed to determine its continuing relevance by the Edinburgh Joint Committee on an annual basis as part of the Annual Report.

Much of this governance structure has now been implemented:

- The **HE/FE Group, Executive Board and Directors Group** were formed prior to the Deal's signing and have continued to meet. The Executive Board and Directors' Group now meet monthly, rather than quarterly as stated in the Deal Document. The **Finance Directors' Group** has been formed and meet bi-annually.
- The **Joint Committee** was formed in November 2018, where Standing Orders were agreed. It comprises: Leaders of the six local authorities, Peter Mathieson, Principal and Vice Chancellor of the University of Edinburgh (representing all the region's Higher and Further Education Sector), and the Chair and Vice Chair of the Regional Enterprise Council (Leeann Dempster,

Chief Executive of Hibernian Football Club and Claire Pattullo, Chief Executive of the Edinburgh Social Enterprise Network). It has now met four times and has approved eight programme/project business cases and seven skills project propositions worth £704 million or 54% of the Deal.

- Recruitment for the **Regional Enterprise Council** was completed in October 2018. The group has now met three times and is focusing on shaping the emerging Regional Growth Framework and Community Benefits strategy in particular. The group has a direct link with the Joint Committee, on which its chair and vice chair sit.
- The **Integrated Employability and Skills (IRES) Board** was formed in December 2018 and has scrutinised and approved all seven of the IRES project propositions, prior to Joint Committee approval and each are now being implemented. Headline achievements and forthcoming milestones can be found on pp. 38-42
- The **Data-Driven Innovation Executive Governance Group** was formed, in anticipation of the City Region Deal approval, in May 2018, and formally sat for the first time in August 2018. It has since scrutinised and approved four DDI Business Cases (of the six that make up the DDI Programme) prior to approval by the City Region Deal Joint Committee.
- The **Transport Appraisal Board** was formed in March 2019 and has met three times. It is the Board through which Transport Scotland engages directly with the City Region Deal projects. As well as overseeing the two City Region Deal Transport projects (A720 and West Edinburgh) it considers transport elements of other City Region Deal projects, particularly in the Housing and Innovation themes. It also provides input as a region into other regional strategic projects as appropriate; such as, the National Transport Strategy and Strategic Transport Project Review 2.
- The **Regional Housing Board** was formed in April 2019 and has met three times and oversees the regional housing programme which aims to: deliver a step change in: innovation and inclusive growth in the housing and construction sectors; and in the supply of new homes across the South East of Scotland. The Board agreed that regional partners undertake a series of workshops in June 2019 to secure wider engagement and input to shape development of the regional housing work programme. Headline achievements and forthcoming milestones can be found on pp. 49-51
- Since signing the Deal, the **Programme Management Office** has been enhanced from a core team of two individuals to five, with increasing input from project leads within partner organisations as required. This has helped the PMO to manage the rising demand of servicing new Boards, to administer progress and financial reporting of approved projects, to develop a monitoring and evaluation framework, and to manage communications. The enhanced resources, and stronger collaboration and partnership working through the City Region Deal

governance structure is also helping partners to resource emerging areas of work that are strongly linked to the City Region Deal, including a new regional growth framework and a community benefits strategy.

- The **Innovation Advisory Board and Culture Board** have not yet formed, as there has been not yet been a requirement for these. Longer term, as regional collaboration continues and links and interdependencies between projects and programmes become apparent, these Boards may be formed.

5. Monitoring and Evaluation




The Deal Document commits partners to producing a quarterly Risk and Performance Monitoring Reports.

Project and programme business cases that have been approved all contain key milestones and suggestions for how programmes and projects will be monitored and evaluated. In addition, a Progress Report and Risk Register is shared regularly with Government and are standing items for consideration at all Board meetings.

From Spring 2019 City Region Deal Project Leads and the PMO have worked in collaboration to develop, for Government approval, a City Region Deal Monitoring and Evaluation Plan. This is an important document for the City Region Deal as it establishes the framework for Government to monitor activities and progress towards securing outputs and impacts. Both Governments attended key workshops and were consulted and supportive of progress to date.

The next steps are:

- **August 2019:** Agree and address outstanding issues (including finalising data requirements and selecting evaluation approaches);
- **September 2019:** Identify Monitoring and Evaluation resources and governance arrangements;
- **December 2019:** Approval by Governments and Joint Committee of Monitoring and Evaluation Plan; and,
- **January 2020:** Monitoring and Evaluation implementation.



6. The Deal – Summary of Progress

This section summarises the themes, programmes and projects within the City Region Deal. It details the progress that has been made in line with the Implementation Plan and highlights any current risks.

Quarterly performance reports are shared between the PMO and Governments throughout the year.

Research, Development and Innovation

Data-Driven Innovation (DDI)

The vision for the DDI Programme is to establish the city region as the **Data Capital of Europe** by supporting SMEs and high growth companies scale, drawing in inward investment, fuelling entrepreneurship and ensuring inclusive economic growth through five (“TRADE”) activities:

- **Talent:** to meet data skills demands in the City Region, Scotland and the UK through a range of undergraduate, post graduate and CPD programmes;
- **Research:** by expanding the city region’s leading DDI research activities to meet industry and other sectors future data needs;
- **Adoption:** through increasing the practical use and adoption of DDI by the public, private and third sectors in the city region and beyond;
- **Data:** by providing the secure data storage, analytical capacity and data accessibility to underpin all DDI Programme activities; and,
- **Entrepreneurship:** enabling city region based and other entrepreneurs to develop new DDI based businesses through support in commercialising research.

The DDI Programme consists of a Programme Office and five Innovation Hubs namely the **Bayes Centre, Easter Bush Campus, Edinburgh Futures Institute (EFI), National Robotarium and Usher Institute**. The **World Class Data Infrastructure (WCDI)** complex data and analytical services will support the operation of these hubs and delivery of the ‘TRADE’ themes above.

Headline Achievements in 2018/19

- **October 2018:** The opening of the Bayes Centre by HRH, The Princess Royal.
- **December 2018:** Government and Joint Committee approval of the Bayes Centre, National Robotarium and WCDI business cases

- **March 2019:** Government and Joint Committee approval of the Edinburgh Futures Institute business case
- Consequent build starts for all of these facilities and set up of associated TRADE activities (as detailed in the next sections of this report).

Next Milestones

Final approval of Easter Bush and Usher Institute business cases, embedding Programme monitoring and evaluation framework and range of new and enhanced hub specific TRADE projects and programmes (again highlighted in each Hub/WCDI section).

Key Risks

Risk	Mitigation
Significant cost and timing overruns in relation to programme implementation.	Built in adequate contingencies and applying good procurement practices.
Market requirements assumptions prove to be incorrect and/or new market opportunities emerge.	On-going market engagement and business development to address existing and emerging needs at both Hub and Programme levels.
Negative PR associated with City Deal expenditure.	Highlighting benefits of DDI to City Region citizens and communities in line with inclusive growth objectives and as part of overall programme communications and marketing.

Alignment with Wider Programme

The DDI Programme is aligned to the City Region Deal's Skills and Employability theme to improve citizens' digital skills through work with schools, colleges, employers and training providers. In the village of Newbattle, seven miles south of Edinburgh, Midlothian Council has set up the first in a series of knowledge sharing schools within the city region. As a Digital Centre of Excellence, Newbattle aims to lead the sector in the use of digital technologies to educate children and create innovative learner journeys that will equip students to thrive in the digital economy.

The project feeds into wider skills innovation through a coherent curriculum from nursery upwards based on inspiring materials delivered by teachers who are confident and competent in data education. In the spirit of the City Region Deal's partnership approach, the project is fostering productive collaborations with other city region schools, staff and students at the University of Edinburgh, local employers and other social partners.

Bayes Centre

The Bayes Centre is the DDI Hub for Data Science and Artificial Intelligence (AI). A community of over four hundred internationally recognised scientists, PhD students, leading industry experts (from across 20 external organisational tenants) and innovation support professionals, work together across disciplines and sectors to advance data technology and apply it to real-world challenges.



Bayes Centre Building

The technical strengths brought together in Bayes build on academic excellence in the mathematical, computational, engineering, and natural sciences in the University's College of Science and Engineering. As part of the DDI Programme, the Bayes Centre is focused on supporting various industry sectors including Digital Technology, Space and Satellites and – in collaboration with the National Robotarium – Robotics and Autonomous Systems.

Headline Achievements in 2018/19

Since opening in September 2018, the Bayes Centre has delivered a range of activities and outputs. These include development of a Data Ethics MOOC (Massive Open Online Courses) in collaboration with the Data Lab, supporting the establishment of the Edinburgh Hub of the Alan Turing Institute and an expanded accelerator offering by adding an early-stage start-up/incubation programme based on the ConceptionX model to the Wayra portfolio.

Next Milestones (2019/20)

Establishing an academically mentored student internship programme around external adoption challenge projects through a “matchmaking” and delivery support service entrepreneurship pipeline and developing a “deep tech” pre-incubation academic pathfinder support strategy for academic intellectual property that requires prototyping or R&D financing to boost availability of entrepreneurship opportunities for scientists.

Key Risks

Risk	Mitigation
Market requirements assumptions prove to be incorrect and/or new market opportunities emerge.	On-going market engagement and business development to address existing and emerging needs at both Hub and Programme levels.
Existing process and systems insufficient to respond to City Deal demands (e.g. recruitment).	Programme structure and processes in place to address.
Negative public and government perception towards automation, productivity and the future of work.	Develop communications strategy in line with and as part of overall CRD Programme communications and marketing.

Case study: Support for business start-ups

The Bayes Centre is home to a business accelerator partnership which picks up to ten new companies for a six-month programme of mentoring in technical and commercial know-how to help their businesses take off. Working together to support these new companies and promote Scotland's credentials in tech investment are the University of Edinburgh, Scottish Enterprise, and Wayra UK - run by global telecoms giant Telefonica. The three partners provide a gateway to world-class academic expertise to allow young companies to develop and communicate their core product or service to a range of business audiences including investors.

World Class Data Infrastructure (WCDI)

Achieving the aims of the DDI programme requires a powerful, high-capacity and flexible data infrastructure capable of responsive and secure delivery of an expanding range of complex and bespoke data and analytical services. These activities also demand a level of service (e.g. resiliency to the loss of power, redundancy of equipment to mitigate the impact of sudden failures) that is not normally required for research computing applications and is not currently supported by existing facilities.



WCDI Computer Racks

The WCDI consequently consists of four complementary components:

- **WCDI computer room** – a new high resiliency computer room at the Edinburgh Parallel Computer Centre’s Advanced Computing Facility to complement the other three computer rooms that are focussed on supercomputing system provision for research users;
- **Data and software infrastructure** – the underlying private cloud computing and data infrastructure to support the DDI programme. As part of this component, both Open Source and paid-for advanced data analytics and other software infrastructure will be delivered;
- **Internet of Things (IoT) infrastructure** – a regional IoT network for the City Region will be created. This part of the WCDI hub is the responsibility of the University’s Information Services Group; and
- **Regional Data Haven** – a regional data haven for local public data, sourced initially from City Region Deal partners, will be created to support a smart public data generation infrastructure.

Headline Achievements in 2018/19	Next Milestones 2019/20
Dec 18: Completion and approval of the WCDI Business Case by Government and Joint Committee procurement on-going.	Work with the contractor to deliver the new Computer Room 4 building and install a new ACF Data Centre network / fabric to underpin the WCDI with a world leading data network.
Ongoing: Procurement and commitments to maximise community benefits for City Region Deal partners	Work closely with City Region Deal Local Authorities to develop a regional data haven plan and prepare for the next phase of development of the IoT Service to enable expansion of the LoRaWAN IoT network beyond the City of Edinburgh.

Case study: Internet of Things network

A key component of the WCDI [Internet of Things](#) (IoT) service will be a regional sensor network. An early case study of how this can be used is provided by [the ParkLife Project](#). This project is a collaboration between the University of Edinburgh and the City of Edinburgh Council. It is funded by Nesta through a grant from the Big Lottery Fund and the Heritage Lottery Fund. The aim of the ParkLife project is to understand how people use and value Edinburgh's parks. The goal of the project is to produce an open source toolkit which will enable park managers, stakeholders and users to collect, analyse, interpret and share data that will support engagement with parks and their long-term sustainable development.



The Meadows, Edinburgh

National Robotarium

The National Robotarium will be co-located on the Heriot-Watt University campus, having access to the resources of both Heriot-Watt and the University of Edinburgh. It will meet existing and future industrial need by accelerating the generation of knowledge and flow of technologies into the economy through targeted research, industry collaboration, living laboratories, and demonstrator and incubation facilities. The National Robotarium will provide state of the art facilities to co-locate researchers, engineers, entrepreneurs and educators to deliver the UK's leading international centre for the generation of new smart robotics companies.



National Robotarium Building (Artist's Impression)

The activities proposed build on the established partnership with University of Edinburgh through the Edinburgh Centre for Robotics.

Headline Achievements in 2018/19	Next Milestones 2019/20
Jan 19: Internal Governance agreed and in place	Appointment of National Robotarium leadership team
Feb 19: Architect-led Stakeholder Workshops	Formation of International Advisory Board
Mar 19: Finalised Architect Brief	Technical Design signed off by Project Executive Board
Jul 19: Appointment of Project Design team complete	Focussed Industry Engagement

Key Risks

Risk	Mitigation
Recruitment and retention of UK and international academic leaders to deliver objectives set out in business case.	Heads of Schools will produce and own plan. Project Team have been empowered to drive plan as part of TRADE themes. Recruitment plans and targets monitored and reported to the University Executive. Senior management commitment to provide a stimulating and supportive working environment that allows individuals to achieve their career aspirations
The project outcomes do not integrate with University's operational processes and ways of working.	The correct stakeholders have been identified for the Project Board to represent Schools and Services. The Board includes Heads of School and Deputy Principals.

Alignment with wider programme

The development of the National Robotarium is aligned with the strategic focus of both Universities and with the Data-driven innovation theme. The core strategic focus of Heriot-Watt University is:

Strengthen research intensity in fields of economic and societal benefit; Provide truly global education while maintaining our Scottish roots; and Deliver excellent student experience and highly employable graduates.

Robotics and Autonomous Systems are transforming industry and our personal lives worldwide. This cuts across all aspects of life from Healthcare to Construction, Financial Services to Agriculture. As part of the business plan we will study the industry landscape and identify areas of focus.

Edinburgh Futures Institute (EFI)

The EFI will deliver multi-disciplinary, challenge-based DDI research and teaching through thought-leadership in cultural, ethical, managerial, political, social and technological DDI issues to transform the application, governance and benefits delivered from the use of data. It will do this by bringing together a range of academic disciplines, with external partners across financial services, cultural industries and the public sector.



Edinburgh Futures Institute (Artist's Impression)

Across all of the above there will be a particular emphasis on the ethical implications of big data analytics and machine learning, as well as the critical infrastructure needed to drive social, economic and cultural inclusion as defined within the five inclusive growth objectives of the City Region Deal.

Headline Achievements in 2018/19	Next Milestones 2019/20
Mar 19: Completion and approval of the Institute Business Case by Government and Joint Committee.	Running the first flagship postgraduate programme on Finance, Technology and Policy.
Jun 19: Foundation of a Baillie Gifford Chair of Ethics of Data and Artificial Intelligence.	Recruitment of business development and adoption teams.
	Piloting of entrepreneurship programmes.

Key Risks

Risk	Mitigation
Significant cost and timing overruns in relation to programme implementation.	Build in adequate contingencies and apply good procurement practices.
EFI market requirements assumptions prove to be incorrect and/or new market opportunities emerge.	On-going market engagement and business development to address existing and emerging needs.
Negative PR associated with City Deal expenditure.	Highlighting benefits of EFI to city region citizens and communities in line with inclusive growth objectives and as part of overall programme communications and marketing.

Case Study: Reducing fuel poverty

Castlerock Edinvar, Cairn and Scottish Borders Housing Associations are working with Dr Kate Carter, Senior Lecturer in Architecture, Technology and Environment, on using digital data to reduce fuel poverty in social housing. The challenge of identifying and helping those tenants who cannot afford to heat their own homes lies in bringing together complex and fragmented datasets from a range of sources. Collaboration between Architecture and Design Informatics and the three housing associations may be the key to a new, more holistic and joined up approach in tackling this pressing social issue.

Usher Institute

The Usher Institute vision is to create a world-leading innovation hub where public, private and third sectors collaborate to enable data-driven advances in the delivery of health and social care.

This will be facilitated by the co-location of the Usher Institute's academics and researchers with partner organisations from the public, private and third sectors, in a purpose-built Institute that will encourage interdisciplinary collaboration, transformative research, education, knowledge exchange and innovation.



Usher Institute Building (Artist's Impression)

Health and social care innovation at scale will be delivered by integrating the activities of clinicians, life scientists and data scientists to identify new, co-produced insights in key challenge areas. These will be passed on to health and social care providers to improve products and services, ultimately enhancing the health and wellbeing of patients. The programme will be underpinned by a comprehensive data storage repository (DataLoch) hosted by the World Class Data Infrastructure (WCDI) that will securely link all data assets from primary, secondary and social care, and can be interrogated by accredited researchers for any acute or chronic condition, care pathway or service.

The Institute will draw on Scotland's mature and world-leading health data assets and well-established National Health Service and Scottish Government governance and data-sharing protocols.

Headline Achievements in 2018/19	Next Milestones
Jun 19: Completion and submission for assessment (by Governments and the CRD Joint Committee) of the Institute Outline Business Case	Complete work on the design and development of the building including moving through RIBA Stage 3 and obtaining planning and building warrant approval
	Development and embedding of a data skills in modern (bio-medical) apprenticeships.
	Alpha stage deployment of the DataLoch programme.
	The development of data science capability in the MBChB undergraduate medicine programme.
	Accelerator programme to support start-ups.

Key Risks

Risk	Mitigation
Significant cost and timing overruns in relation to programme implementation.	Built in adequate contingencies and applying good procurement practices.
NHS and Local Authority data providers cease to partner with Usher Institute.	Ensure integrity of personal data use and ensure delivery of high value outputs.
Major data loss from Usher.	Ensure adequate security precautions and limit damage via data encryption.

Case Study: Helping patients with heart disease

Specialists at the Usher Institute have harnessed data to develop a new approach to heart disease treatment with the potential to cut hospital admissions and deliver major benefits for patients and the healthcare service. With the help of Abbott Diagnostics routinely collected data from across the region were linked to assess a new method for diagnosis and risk assessment of patients in A&E suspected of heart attacks. Researchers showed that introducing new tests into routine practice allowed better targeted treatments and improved survival rates.

This led to the break-through finding that previous blood tests were under-diagnosing heart attacks in women contributing to inequalities in treatment. With the help of linked datasets these changes have cut the hospital stay of patients coming to A&E with chest pain by a third. Beyond the city region, the research has changed how heart attacks are diagnosed, and influenced national and international guidelines.

Easter Bush

An efficient agriculture sector is critical to social wellbeing: by 2050 world agricultural production will need to increase by 50% to feed a growing global population. By applying data technologies, that enable farmers and related industries to improve food production, digital agriculture (AgriTech) will be critical to meeting this need.



Easter Bush Campus

The current project proposals aim to leverage the existing world-class research institutes and commercialisation facilities at Easter Bush to become a global location of AgriTech excellence. To achieve this Easter Bush will work with the Bayes, EFI, Usher and WCDI hubs within the DDI programme, along with InnovateUK, Innovation Centres AgriEpi and CIEL, commercial partners, food processors, retailers and consumers.

Through innovation in data acquisition (learning from Usher Institute), storage (WCDI), analysis and interpretation – including the application of AI (with the Bayes Centre) and accessible digital delivery (with EFI) to multiple and diverse stakeholder communities - Easter Bush will provide leadership towards a sustainable food supply chain.

The resultant development on campus wide is contingent on new and improved transport infrastructure, specifically the: A701 relief road, A702 link road, improvement of the A702/Bush Loan junction and new measures to promote and facilitate active travel.

Headline Achievements in 2018/19	Next Milestones 2019/20
Jan 19: Completion of ground investigation survey of route of new A701 relief road and A702 link road.	Finalisation and submission for approval of Easter Bush Campus Outline Business Case (including preferred option for improvement of A702/Bush Loan junction and proposals for the creation of an active travel corridor with priority for pedestrians, cyclists, and public transport).
	Move ahead with projects to transfer DDI knowledge in AgriTech (for example, the Centre for Animal and Plant Breeding and engagement with farmers through expansion of the Cool Farm Tool).
	Completion of option appraisal for improvement of A702/Bush Loan junction.
	Issue of civils management contract for the A701 relief road and A702 link road.

	Completion of proposals for the creation of an active travel corridor (priority for pedestrians, cyclists, and public transport).
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Key Risks

Risk	Mitigation
Significant cost and timing overruns in relation to programme implementation.	Build-in adequate contingencies and apply good procurement practices.
Major data loss from Easter Bush.	Ensure adequate security precautions and limit damage via data encryption.
Delay in implementing the essential transport infrastructure.	Midlothian Council taking the lead in commissioning work to ensure good progress through the survey, design and construction processes.

Alignment with Wider Programme

The Easter Bush Science Outreach Centre (EBSOC) is a purpose-built laboratory and the first of its kind in Scotland. The Centre delivers high quality science experiences for school pupils, teachers and community groups with a widening participation focus on reaching and engaging hard-to-reach audiences. All workshops/experiences are hands on and linked



School pupils at Easter Bush Science Outreach Centre

to the SQA Curriculum for Excellence (and include basic DDI skills training) with ongoing consultations with primary and secondary schools and strong relationships and partnerships with the education teams of local Councils. Since it opened, in January 2018, 3000 people have taken part in an EBSOC school workshop or community outreach events. The aim is – through working with all City Regional Deal partners - to increase participation in 2019/20 across the city region area.

In addition, the provision of the essential transport infrastructure directly removes a physical barrier to major Data-Driven Innovation development at Easter Bush, thereby facilitating economic growth within the region.

Edinburgh Innovation Park (Food and Drink Innovation Campus)

The Food and Drink Innovation Campus, known as Edinburgh Innovation Park (EIP) will be located next to Queen Margaret University, in Craighall, by Musselburgh, East Lothian

The EIP will deliver, as Phase 1, a flexible 7,200 m² GIA Innovation Hub for the food and drink sector in Scotland. The hub will build on the University's existing expertise including Dietetics, Nutrition and Biological Sciences. The Innovation Hub will be the catalyst for subsequent phases of the wider EIP.



Indicative design of Innovation Hub/EIP

This state-of-the-art Innovation Hub will drive company growth, supporting and developing existing businesses and creating sustainable new businesses to access a global market for healthy and functional food. The development will allow the Queen Margaret University, along with businesses, to form and grow a business sector that will harness the potential of translational medicine in food and drink. This will in turn support the diversification of the food and drink industry towards preventative, therapeutic and rehabilitative applications of expertise in genomics. The Innovation Hub will be the catalyst for subsequent phases of the wider EIP. It will provide resources for national and global players and provide access to expertise to develop new opportunities and solutions that will drive company growth.

The EIP is also part of a significant development of land adjacent to the Queen Margaret University campus which encompasses a new grade separated junction, 1,500 homes, a new primary school and community facilities. A commercial zone will also be created within the existing Queen Margaret University campus that will support the evolution of the community and the newly developed businesses

Key Risks

Headline Achievements in 2018/19	Next Milestones
Jun 18: Appointed the Project Lead Officer: Mar 19: Complete the land assembly for the Junction:	Jul 19: S75 for the planning permission in principle concluded/ procure external expertise for further progression of the Full Business Case
	Jul 19: S75 for the planning permission in principle concluded/ procure external expertise for further progression of the Full Business Case
Mar 19: Planning permission in principle approved:	Aug 19: Planning permission in principle issued for the whole development
Apr 19: Detailed design for the proposed grade separated Junction agreed:	Oct 19: Planning permission issued for the Grade Separated Junction to improve access
May 19: Planning permission for the Junction submitted and validated:	Feb 20: Commencement of construction of Grade Separated Junction
	Jun 20: Approval of full business case by Joint Committee.

- Increase in the cost of project at (1) design stage, (2) contractor tendering stage, (3) during, construction of the Junction, Innovation Hub and the EIP.
- Operating costs of the Innovation Hub are higher than forecast, resulting in financial loss.
- Failure to deliver the operational business plan resulting in unoccupied business space within the Innovation Hub.

Alignment with wider programme

- The Innovation Hub forms a key part of an ecosystem of Innovation themed projects promoted by the Edinburgh South East Scotland City Region Deal aimed at delivering inclusive growth across the region.
- The project will contribute to job density improvement for the city region and create new jobs for graduates/local people by making available infrastructure/construction opportunities and employment opportunities within the Innovation Hub and the EIP.
- The Innovation Hub will generate job opportunities through the innovation led growth of the businesses located there, and through providing access to the space, facilities and services for food and drink start-up companies/SME's and local businesses.
- Ongoing collaboration and partnership working between East Lothian Council and Queen Margaret University.
- The project will facilitate the harnessing of community benefits through the procurement

Case Study: Fodilicious

Lauren Leisk graduated from QMU in 2016 with a BA Hons (1st Class) Business Management. At the age of 20, Lauren discovered that she had irritable bowel syndrome (IBS). She struggled to find readily available food products that were suitable for her diet and discovered a gap in the market. In September 2017, Lauren set up Fodilicious, an innovative and UK exclusive food manufacturing business providing convenient, healthy meal options following the low FODMAP diet, (IBS-friendly) helping IBS sufferers to live a better-quality lifestyle. Their products are also gluten-free and dairy-free too, effectively positioning Fodilicious in the fast growing 'free from' food market. The company has grown very quickly and is now selling through their website directly to consumers and to several food service and hospitality clients. They have outsourced production and of both their meals and snack product and are in discussions with major retailers.

Lauren engaged with the Scottish Centre for Food Development and Innovation team from QMU's Scottish Centre for Food Development and Innovation (SCFDI) who helped her to develop and launch new range of Cookie Buttons, the UK's first FODMAP friendly certified snack product.

Lauren also joined QMU's Business Innovation Zone in 2017 where she has access to desk space and business support from the on-campus Business Gateway service and the Universities Research and Knowledge Exchange Development Unit.

Fife Industrial Investment Innovation

The Fife Industrial Innovation Investment Programme (Fi3P) is a £49.4 million, ten-year programme delivered by Fife Council. The investment will deliver new business premises and immediately available serviced land. The new business accommodation will be located within existing business clusters in mid and south Fife, adjacent to growth corridors (M90 and A92). It will facilitate more joint working between the region's universities and Fife businesses, drive productivity and deliver higher value, skilled, permanent jobs from data driven innovation. The new industrial and commercial stock will ensure that Fife's industrial estates provide flexible space for innovative manufacturing industries with cutting-edge digital and energy capabilities. Four sites will be developed in Glenrothes, Kirkcaldy, Lochgelly and Dunfermline over the next three years. Seven hectares of new serviced employment land will be available for private sector investment.



*New units Flemington, Glenrothes
(Artist's impression)*

Headline Achievements in 2018/19	Next Milestones
Mar 19: Full Business Case agreed by Edinburgh and South East of Scotland City Region Joint Committee	Q3 19/20: Planning Approval for Fife Interchange, Dunfermline.
Jun 19: Planning Approval Flemington, Glenrothes	Q3/4 19/20: Tenders awarded for sites at Fife Interchange, Dunfermline and Flemington, Glenrothes.
	Mar 2020: Construction underway at Fife Interchange, Dunfermline and Flemington, Glenrothes
	Q4 19/20: Planning approvals for sites in Kirkcaldy and Lochgelly

Key Risks

- Programme underspend due to delay with site acquisitions and /or servicing.
- Cost increases due to higher construction inflation than assumed in the Business Case, with consequent reduction in outputs.
- Changes in the wider policy environment that impact on the delivery requirements of the programme (planning, building control, environment, etc) and increase costs.

Alignment with Wider Programme

The Fife Industrial Innovation Investment Programme will:

- Provide important investment in progressive industrial modernisation that will encourage more businesses to grow and locate within Fife.
- Support the creation/safeguarding of 1,000 skilled permanent jobs, with almost 600 short-term construction jobs.
- Attract up to £30m of further investment by the private sector.
- Facilitate the adoption of data driven innovation by Fife based organisations and wider partnership working with City Deal partners including Scottish Borders Council and the Universities.
- Contribute to a regional step-change in economic performance by balancing growth across the region – targeting areas where much-needed investment will create new jobs.

Central Borders Innovation Park

The Central Borders Innovation Park, situated next to the Borders Railway terminus at Tweedbank, will deliver much-needed high quality business space to the Scottish Borders. Costing £29 million, the programme will stimulate business growth and associated job creation. It will enhance the area's inward investment offer, particularly to high-value sectors, as well as assisting existing businesses to improve their competitiveness. It will also help to address inequalities in the area through providing access to better quality, higher paid jobs.



Artist's Impression of Central Borders Innovation Park

Headline Achievements in 2018/19	Next Milestones
Jun 18: Council approval of Outline Business Case	2019/20: Phase 1 construction
Jan 19: Council approval of Full Business Case:	
Mar 19: Full Business Case approved by Joint Committee and Scottish Government:	

Key Risks

- Failure to ensure the programme has the appropriate level of funding.
- Individual projects go over budget.
- Marketing fails to attract inward investment.

Alignment with Wider Programme

Scottish Borders Council is working with strategic partners, particularly Fife Council and the University of Edinburgh, to maximise the benefits of data-driven innovation and its potential to increase the number of innovation-active businesses, both regionally and locally. As a participant in the City Region Deal Housing, Construction and Infrastructure (HCI) Skills Gateway, the Council will look to develop new talent through utilising the construction opportunities during the build phases of the innovation park.

Integrated Regional Employability and Skills

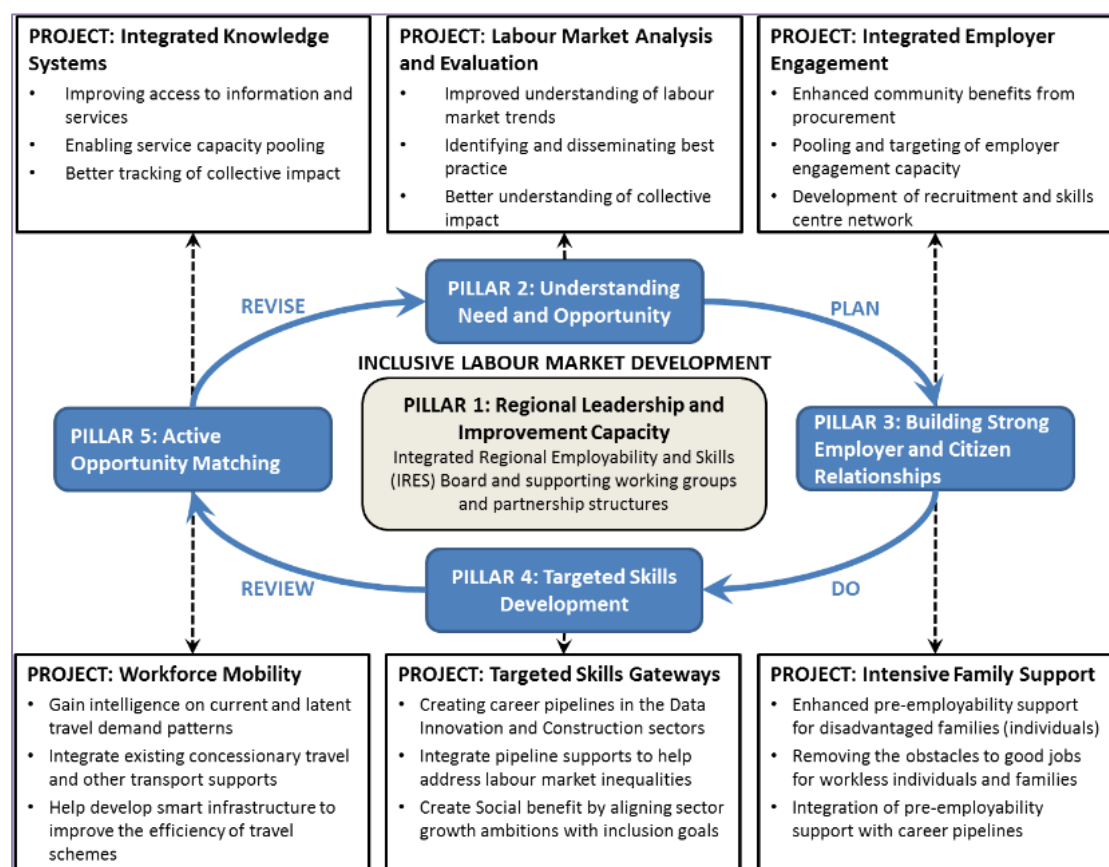
The Integrated Regional Employability and Skills (IRES) Programme and its underpinning cross-sector partnership seeks to evolve regional labour market policy and practice to help drive Inclusive Growth.

It aims are to:

- Increase the visibility of opportunities and put in place tailored support to help citizens flourish with a focus on; people with a disability, the workless or working poor, disadvantaged young people, minority ethnic communities, and gender imbalances
- Open-up new and diverse talent pools to business that help minimise skills gaps and promote an inclusive approach to recruitment and workforce development
- Evolve, streamline, and integrate the region's employability and skills system to enhance our capacity and capability to drive inclusive growth and create added value for stakeholders.

The programme focuses on five improvement pillars with seven initial projects targeting known areas of weakness or opportunity. These activities and the £25 million (over 8 years) change fund available to the partnership will deliver an additional 14,700 skill improvements and 5,300 people into employment.

Summary of IRES Programme



Headline Achievements in 2018/19

Phase 1: Establish	Phase 2: Programme Delivery (on-going)
<ul style="list-style-type: none"> • Ratify IRES Board's remit and membership and then establish the Board along with any supporting structures and processes: Complete Nov 18. • (IRES Board first met in Dec 18 and initially met monthly. Since June 19 meets in a quarterly programme and project oversight development cycle.) • Finalise the IRES Programme Business Case with Government, ratify with IRES Board, and approved by Joint Committee: Complete Dec 18. • All seven proposed IRES projects developed in detail and approved by Joint Committee (Mar and Jun 19). • Back to back grant agreements now being finalised. 	<ul style="list-style-type: none"> • IRES Board quarterly progress and annual review process linked to wider City Region Deal M&E framework established to track progress. • Soft launch events for Skills Gateways: • Data Town: complete June 19, • Building Success through Diversity and Inclusion: complete July 19. • Project delivery structures put in place and recruitment processes initiated. • Tourism sector skills research completed July 19 to inform developments. • IRES Board reflection day planned for Nov 19 to inform next stage programme development. • Advisory Boards being established for major projects to ensure expert input and strategic direction.

Next Milestones: Phase 2 Programme Delivery

Programme <ul style="list-style-type: none"> • Review intelligence from programme activity and labour market research to identify progress against targets, changes to funded activity, next step projects, service adjustments, or other changes. • Raise awareness of IRES ambitions and strengthen the linkages and integration with "Business as Usual". 	
Integrated Knowledge Systems <ul style="list-style-type: none"> • Test the suitability of the new SDS Data Hub in supporting multi-partner client journey tracking ambitions and agree the scope of big data and visualisation pilot project. 	Integrated Employer Engagement <ul style="list-style-type: none"> • Virtual regional delivery team in place to oversee developments for regional common employer offer, community benefits from procurement and social benefit.
Labour Market Analysis and Evaluation	Intensive Family Support

<ul style="list-style-type: none"> Planned workshop session Autumn 19 to establish a virtual team to plan, implement, and refine the labour market analysis and evaluation activities of the partnership <p>DDI and HCI Skills Gateways</p> <ul style="list-style-type: none"> Pilot activities commenced including HCI inclusive Advanced Skills MSc and FE accelerated into-work (e.g. bricklaying for housebuilding) pilots. Shared equalities and inclusion post for Skills Gateways (in partnership with EQUATE) in place. 	<ul style="list-style-type: none"> Agree ESF match funding for regional IFS activity Pilot regional IFS activity co-produced, specified, commissioned and delivering activity, with ESF funding secured. <p>Workforce Mobility</p> <ul style="list-style-type: none"> Project team recruited and pilot projects agreed and progressing to implementation.
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Key Risks

Key Risks	Mitigations
<ul style="list-style-type: none"> Programme fit, cohesion, and impact The programme does not secure sufficient stakeholder buy-in and control to ensure an integrated set of interventions and satisfactory progress towards long term inclusive growth and system change (value for money) goals. 	<ul style="list-style-type: none"> Robust programme management structures in place including Joint Committee and Executive Board providing strong senior level leadership and support of programme goals. Early establishment of an empowered IRES Board with strategic oversight and links to Scottish Government Cities team overseeing developments. Project working groups established to drive development and mainstreaming informed by improved labour market analysis, quarterly, annual and mid-programme evaluations.
<ul style="list-style-type: none"> Performance and good practice learning. IRES is expected to deliver significant inclusive growth impacts across the whole City Region however detailed monitoring frameworks are still being developed. 	<ul style="list-style-type: none"> City Region Deal PMO to develop the IRES programme as a rolling programme with additional detail on activity developed as required to ensure satisfactory progress against outcomes and measure to ensure value for money. IRES Partnership structures and engagement communication activity will support, capture and disseminate information for mainstreaming learning.
<ul style="list-style-type: none"> Disadvantaged citizens and low-income families Disadvantaged citizens and families do not see tangible long-term benefits from the programme. 	<ul style="list-style-type: none"> Work with the Scottish Government Cities team on developing and implementing the Inclusive Growth Framework to ensure project propositions and implementation plans detail how delivery targets will be assured.

	<ul style="list-style-type: none"> The Intensive Family Support Service and Workforce Mobility projects prioritize vulnerability and connect into the opportunities being made available in the region.
<ul style="list-style-type: none"> Availability of public finance Potential loss of ESF funding arising from Brexit and restraints in public sector funding eroding capacity of partners to fund essential services. 	<ul style="list-style-type: none"> Work with the partners to quantify the potential risk and seek strategies to minimize this, accepting there will be no recourse to additional CR funding to plug such gaps. The costs of the projects will be delivered within the agreed cash envelope with opportunities to lever additional resources being exploited.
<ul style="list-style-type: none"> Private sector investment and support for inclusion cannot be achieved 	<ul style="list-style-type: none"> Stakeholder Engagement Strategy being developed in parallel with the Business Case ensuring alignment with potential investors.

Alignment with wider programme

The IRES Programme will incrementally strengthen and streamline regional delivery to achieve better outcomes for all the region. It is aimed at supporting those people facing significant disadvantages to securing and sustaining meaningful, high quality employment- delivering better impact from existing public, private and third sector investments.

Links have already been developed between City Region Deal theme structures to identify and collaborate on boundary issues. This includes joint working with DDI Delivery Board and Housing Board on the two “Targeted Skills Gateway Projects” and the Transport Board on the “Workforce Mobility.

Case Study 1: Data Town

The Data Education in Schools project held three 'Data Town' events in May / June 2019 which brought together young people from across the City to consider what a 'Data Town' of the future might be like. The purpose of the day was to take learners through a series of events in an imagined 'Data Town' to explore how data can play a part in our lives and in that of our communities. The event was part of the first phase of the Data Education in Schools project aiming to support the development of a data curriculum across primary and secondary schools in the city region.

The workshops ran in three locations: Waid Academy, Anstruther, Fife; Kelso High School, Scottish Borders, and the University of Edinburgh Pollock Halls. Over 150 primary and secondary-aged pupils from twenty schools across the city region attended the workshops.

The 'Data Town' event at the University on 3 June was also the launch event for the DDI Skills Gateway. The young people had the opportunity to see the way that data-driven innovation is being used to support medical education and to research the use of robotics for elderly care.



School children at the Data Town Event

Case Study 2: Building Success Through Diversity and Inclusion: Women in Engineering, Construction and Property – June 2019

As industry and public sector and proactively encourage women's career pathways, this City Region Deal event, run in partnership with Hays recruitment, Equate Scotland and Edinburgh Napier University, brought together industry professionals, key stakeholders and ambassadors who are committed to help achieve these aims.

120 individuals from industry, public sector and education registered for event. Speakers included Scottish Government Cabinet Secretary for Communities and Local Government Aileen Campbell and key industry and equality and diversity champions.



Delegates at the Diversity and Inclusion event

Transport

West Edinburgh

West Edinburgh is recognised by the Scottish Government as a key national economic asset and perhaps the most important gateway to Scotland. [National Planning Policy](#) (NFP3) sets the long-term vision for development and investment across Scotland and cites West Edinburgh as a significant business investment location with potential to be internationally competitive. In recognition of its key gateway function Edinburgh Airport and adjoining land is identified as a national development.

The vision for West Edinburgh, in NPF3 can only be delivered through the investment in a strategic package of transportation improvements. These improvements include a core package of A8/A89 sustainable transportation measures that provide long term resilience and support strong connectivity between neighbouring authorities. Most importantly this will help enable the supply of labour from the surrounding area to meet the growing labour market demand required to realise the full potential for West Edinburgh.

The Scottish Government has committed £20 million for investment to support public transport infrastructure improvements identified by the [West Edinburgh Transport Appraisal](#) (WETA), and the City of Edinburgh Council has committed £16 million. Partners recognise that the WETA package currently amounts to £108 million of infrastructure. The scope of WETA will therefore be prioritised in line with this funding, and in consideration of how much funding can be secured by the private sector and developer contributions.

Headline Achievements in 2018/19	Next Milestones
Summer 19: Project Delivery Plan completed. This includes a phasing strategy, high level programme, project level governance and reporting structures.	Dec 19: Procurement of Design and Delivery consultants.
Summer 19: City Region Deal funded projects within West Edinburgh were prioritised; through the further development of the WETA cost attribution model,	Jun 20: Ongoing development of individual Project Business Cases complete.
	2021: Detailed design of projects, site investigations, attainment of necessary statutory powers in order to implement improvements:
	TBC: Procurement of Contractors
	TBC: Construction of Transport Improvement Projects

Key Risks

- Failure to secure sufficient funding to carry out all transport improvements identified in the WETA.
- Difficulties in prioritising transport interventions within WETA.
- Programme underspend due to delays in consultancy work or securing funding.
- Cost increases in construction due to external economic factors.

Alignment with wider programme

This project will eventually be procured as a construction project, and links with the Housing and Construction Infrastructure Skills Gateway will be established. The improvement of public transport provision in this area has the potential to unlock housing development opportunities and ease congestion in the corridor between West Lothian and Edinburgh City Centre.

A720 (Sheriffhall)

The Sheriffhall Roundabout is currently the only junction on the A720 Edinburgh City Bypass that is not grade separated, which means the City Bypass is at the same level as the A7 and A6106 local approach roads. This at-grade, six-way junction, often experiences significant queuing, especially during peak hours. The Scottish Government's commitment through the Edinburgh and South East Scotland City Region Deal includes up to £120 million to support improvements to the A720 Edinburgh City Bypass for the grade separation of Sheriffhall Roundabout. The project is being delivered by Transport Scotland and is subject to Transport Scotland's normal governance procedures.



Sheiffhall Roundabout

Headline Achievements in 2018/19	Next Milestones
May 2018: Completion of detailed Ground Investigation works.	Later in 2019: Completion of the development and detailed assessment of the preferred option with a view to publishing draft Orders for formal comment. Progress on the delivery of the scheme itself can only commence when the scheme is approved under the statutory procedures and thereafter a timetable for construction can be determined.
Throughout 2018/19: Significant progress with development and detailed assessment of the preferred option through the Design Manual for Roads and Bridges (DMRB) Stage 3 Assessment.	
Throughout 2018/19: Stakeholder workshops. Extensive consultation with active travel stakeholders regarding provision for non-motorised users, including cyclists in scheme proposals.	

Key Risk

- The nature and extent of historical mine workings and/or complex ground conditions prove more onerous than identified through extensive detailed ground investigation works and adversely impact delivery programme and/or scheme cost.

Alignment with wider programme

- Support future development in the region, including the South East Wedge development.
- Contribute towards the requirement to provide Community Benefits, in line with the requirements of the Procurement Reform (Scotland) Act 2014.
- Support wider skills development in the construction sector.

Culture

Dunard Centre

Dunard Centre, supported by Royal Bank of Scotland, will be a new music venue located in the heart of Edinburgh. It will sit just off St Andrew Square, behind and linked to the Bank's historic head office, Dundas House. The project is led by a charitable organisation, IMPACT Scotland, and is supported by Dunard Fund, a long-term funder of the arts and music in Scotland.



Dunard Centre, St Andrew Square (Artist's Impression)

Dunard Centre will be Edinburgh's first purpose-built music venue in 100 years and will offer world class acoustics in a 1,000-seat auditorium, together with a 200-seat studio for performance, rehearsal and recording. A range of rooms and spaces will enable substantial community outreach and education and provide for conferences. The site will be enhanced by an open foyer with café/bar facilities and opportunities for all-day music and performance.

It will be the new home for the Scottish Chamber Orchestra, the only Edinburgh-based National Performing Arts Company, and a principal venue for the Edinburgh International Festival. It will make a significant contribution to the ongoing success of Edinburgh's cultural and festival offerings.

Headline Achievements in 2018/19	Next Milestones
Dec 18: City Region Deal Joint Committee Approval of Business Case	Q4 19/Q1 20 Existing building at rear of Dundas House demolished.
Apr 19: Planning permission granted by The City of Edinburgh Council	Q1 20: Completion of pre-construction services agreement with preferred contractor and receipt of tenders from principal sub-contractors.
Apr 19: Official naming - Dunard Centre, supported by Royal Bank of Scotland	Mid 20: Commencement of construction of Dunard Centre.

Key Risks

- Potential judicial review of planning approval could cause indeterminate delay.
- Capital project risks.
- Continued site access opposition from neighbouring developers – potential to frustrate planned construction timetable.

Alignment with wider programme

Through a significant period of construction, the project will add to the Deal-wide growth in employment opportunities, including the targeting of inclusive employment practices.

On completion and operation, Dunard Centre will contribute to the economic growth of the region and help protect the £300 million plus generated by the Edinburgh festivals.

As an all-day, purpose-built venue, in an accessible location, Dunard Centre will provide a range of social benefits for the community. By working with partners, the venue will provide a focal point to develop new audiences, increase participation through outreach programmes and act as a springboard for community outreach work across Edinburgh and the wider region. A wide range of programmes will inspire young people and help target groups under-represented as participants and audiences, supporting the cultural sector to build audiences which accurately reflect the diverse nature of society.

Regional Housing Programme

The regional housing programme aims deliver a step change in innovation and inclusive growth in the housing and construction sectors; and deliver a step change in the supply of new homes across the South East of Scotland.

Headline Achievements in 2018/19

In December 2018, The City of Edinburgh Council, National Galleries of Scotland, National Museums of Scotland, Edinburgh College, Scottish Government and Scottish Futures Trust signed a [joint agreement](#) to work together

to create a new vibrant, city quarter in Granton Waterfront, a key part of one of the seven strategic sites.

In January 2019, Winchburgh, one of the seven strategic sites, secured a [tripartite agreement](#) (West Lothian Council, Scottish Government and developer) to enable the delivery of nearly 3,500 homes.

In January 2019, Edinburgh Living, a new housing company (City of Edinburgh Council and Scottish Futures Trust) established as part of the Deal, delivered its [first wave](#) of new homes with around 1,500 new affordable homes to be delivered through the initiative over the next five years.

In March 2019, the Joint Committee approved the establishment of a Regional Housing Board with membership from the six local authority partners; Scottish Government; Scottish Enterprise; Scottish Futures Trust; Edinburgh Napier University; and the Regional Enterprise Council.

- To drive forward the work programme four key workstreams have been identified by the board:
 - Affordable housing
 - Innovation and skills
 - Strategic sites
 - Infrastructure and land
- In June 2019, regional partners ran a series of workshops with over 60 key stakeholders to explore high level opportunities and constraints and to activate further collaborative working. This feedback has been used to develop an outline regional housing work programme.
- In September, a report will be considered by the Joint Committee which outlines an ambitious regional housing work programme shaped by local, regional and national partners with input from key stakeholders.



3,450 homes at Winchburgh unlocked agreement between West Lothian Council, Scottish Government and West Coast Capital.

Next Milestones

Key areas to be progressed in the year ahead under each of the four key workstreams are outlined below:

Affordable housing

- Partners will work to develop a 20-year regional housing delivery plan in collaboration with Scottish Government to align to their ongoing work on the 2040 vision for housing in Scotland.
- Explore opportunities for new partnerships and joint ventures with public sector partners to develop sites and deliver a range of outcomes, including affordable housing.
- Consider development of new investment and delivery models to unlock private and public sector sites and accelerate delivery of affordable housing.

Innovation and skills

- Collaboration with Government, agencies and academia to explore how the region can benefit from expertise in this field and to consider collaboration approaches and projects which can maximise the potential benefits of offsite construction.
- Link construction programmes, contractors and developers to Housing Construction and Infrastructure (HCI) Skills Gateway programme.
- Enhanced engagement with industry.

Strategic sites

- Continue business case development for each of the strategic sites. Taken together, these sites will deliver over 45,000 new homes.
- Establish a Strategic Sites Lead Officers Group to share learning; best practice; models; and identify collaboration opportunities to leverage investment and resource.
- Develop a strong, ambitious regional vision across the seven sites demonstrating their ability to be economic drivers of change in South East Scotland.

Infrastructure and land

- Consider formation of a Regional Infrastructure Forum comprising key infrastructure providers. It would seek to align through collaborative working a delivery plan for infrastructure that will enable, accelerate and support inclusive growth across the region, which is developed and aligned alongside future national and regional development and infrastructure strategies and investment decisions.

- Explore emerging work on an Edinburgh Land Commission. There may be scope to consider whether this model should and could be rolled out across the region or separately for each local authority area.

Housing company

Thirty-three homes have been purchased by Edinburgh Living MMR LLP to date, the latest being 11 homes at the Hailesland Place development, a mix of social rent and mid-market rent homes. The next homes will be purchased at Greendykes (56) and Pennywell Town Centre (12) over the coming months.

Key Risks

- The development and delivery of a successful regional housing work programme requires commitment and resource from across regional partners, national agencies and Scottish and UK Government.

Alignment with wider programme

- Housing is a key social, economic and environmental driver. Greater integration across these drivers and City Region Deal policy themes is essential to support the growth requirements of the region and to deliver new communities which deliver the quality of place that ensures the South East of Scotland is a desirable place for people to live and for businesses to invest.
- Regional housing partners have developed a work programme that has synergies between work being developed through thematic areas of the Deal: IRES Programme; Transport Appraisal Board (TAB); Innovation; and the emerging Regional Growth Framework.
- Linking construction programmes, contractors and developers to Housing Construction and Infrastructure (HCI) Skills Gateway programme. Ensuring that regional skills shortages are tackled, and employment opportunities are directed to communities within the city region and that individuals facing disadvantages in the labour market are targeted.

7. The Year Ahead

Key milestones that are expected in 2019/20 are shown in the table below:

Date	Milestone
3 Sep 19	<ul style="list-style-type: none"> Joint Committee meeting where the following items will be considered: Business case for the Usher Institute. Regional Growth Framework proposition. Updates from the Housing and Transport Programmes.
Autumn 2019	<ul style="list-style-type: none"> Shared vision and approach to Community and Social Benefits agreed
Autumn 2019	<ul style="list-style-type: none"> Data-driven Innovation and Housing and Construction infrastructure and targeted Skills Gateways provision operational
6 Dec 19	<ul style="list-style-type: none"> Joint Committee meeting where the following items are expected to be considered: Dunfermline Strategic Housing Site Business Case Monitoring and Evaluation Framework.
Feb 20	<ul style="list-style-type: none"> Commencement of construction of Grade Separated Junction at Queen Margaret University Food and Drink Innovation Campus.
6 Mar 20	<ul style="list-style-type: none"> Easter Bush Business case expected to be considered by Joint Committee
Mar 20	<ul style="list-style-type: none"> The Fife Industrial Investment Innovation Programme will break ground on two sites, in Glenrothes and Dunfermline.
Spring 2020	<ul style="list-style-type: none"> Intensive Family Support Service pilots commence
5 Jun 20	<ul style="list-style-type: none"> Joint Committee meeting to consider business case for Edinburgh Innovation Park (Queen Margaret University)
Jul 20	<ul style="list-style-type: none"> Construction of the National Robotarium commences
Summer 2020	<ul style="list-style-type: none"> All IRES Programme projects operational
Summer 2020	<ul style="list-style-type: none"> Construction at Dunard Centre commences.

Contacts and Further Information



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Further Information

- Keep up to date with the latest news and join our mailing list at www.acceleratinggrowth.org.uk
- [Data-Driven Innovation website](#)
- Download all Joint Committee reports including approved business cases at the [City of Edinburgh Council Committee library](#) website.
- Visit the [webcast library](#) to view recordings of each Joint Committee meeting.

Edinburgh and South-East Scotland City Region Deal Joint Committee

2 pm, Tuesday 3 September 2019

Usher Institute Project Business Case

Item number

Executive Summary

This report seeks approval to secure funding for, and enact, the Usher Institute project (as set out in the Usher Institute Final Business Case). The preparation of this Business Case has been led by The University of Edinburgh (UoE) on behalf of the Edinburgh and South East Scotland City Region Deal consortium partners and has been prepared in accordance with the HM Treasury 5 Cases model.

Hugh Edmiston

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City Region Deal Checklist

Criteria	Details/Link to Document
Contribution to City Region Deal commitments and Inclusive Growth Framework	<p>The Usher Institute project supports the inclusive growth ambitions of the partnership including:</p> <ul style="list-style-type: none"> • Accelerating inclusive growth through unlocking new talent pools for business, third and public sector partners, promoting fair work, and equipping disadvantaged citizens with the skills they need to succeed; • Removing the barriers to growth through interventions to unlock current physical barriers to growth, including enabling infrastructure and innovative health facilities; • Community benefits through procurement by integrating our approach to employer engagement and procurement to increase the value achieved from our collective investments; • Targeted skills interventions through integrated and targeted employability and skills interventions; and, • Social benefit through innovation to drive challenge-based health and social care benefits across the city region, over the medium- and long-term. <p>The UoE has committed (in its Procurement Strategy) to add value to local and regional communities by identifying and achieving robust, relevant and proportionate Community Benefits (CBs) from the:</p> <ul style="list-style-type: none"> • University's Procurement Strategy: <i>"For every procurement over £4million, the delegated authority of the University will consider how the acquisition can improve the economic, social or environmental wellbeing of our area through inclusion of community benefit clauses, to assist with our strategic objective of Community Engagement."</i> • Procurement Category Strategies: <i>"Contributing locally [by] applying community benefits to major contracts, engagement in local collaborations in the city and with Scottish peer groups, including shared services and collaborative framework agreements."</i> <p>Consequently, within the Usher Institute project, robust, relevant and proportionate CBs will be incorporated in future procurements of £4 million and above and will be considered in regulated procurements below £4 million at strategy stage (i.e. at £50,000 and above).</p> <p>Where CB requirements are included in a DDI contract, the contracting authority must include in the award notice a statement of the benefits it considers will be derived from those requirements.</p> <p>The project sponsors, procurement manager and any other participating University entity must agree who will be responsible post-contract award for the initiation of engagement with the supplier to achieve the CB commitments, as well as who will be responsible for delivering, monitoring and reporting the achieved CB.</p> <p>At the discretion of the University, CBs offered as part of the tender response may be enforceable as part of the final contract (or where submitted after contract award, pursuant to a legally compliant contract variation process). On high risk projects, written commitments may be required from suppliers that obligate them to follow through with offered CBs, which include means to penalise suppliers who are non-compliant.</p>

Criteria	Details/Link to Document										
	<p>In addition, projects will also specifically address – once fully defined by Scottish Government – agreed inclusive growth objectives. Based on the University's existing inclusive growth-related policies and programmes, activity in scope includes:</p> <ul style="list-style-type: none"> • DDI skills development for health and social care staff; • Developing DDI-related products that reach and benefit the most vulnerable in society; • Data-related initiatives to inform national policy and practice development relevant to the Scottish Government Health and Social Care Delivery Plan such as, for example, drug and alcohol programmes and child health activities 										
Alignment, integration with, or dependence on, other City Region Deal activities	<p>The other City Region Deal activities with the potential for alignment with investment in the Usher Institute include:</p> <table border="1"> <thead> <tr> <th>CRD Theme</th><th>Scope of Potential Collaboration</th></tr> </thead> <tbody> <tr> <td>Skills</td><td> <ul style="list-style-type: none"> • Establish DDI Skills Gateway extending from school-age to life-long learning, including a focus on those working in health and social care roles </td></tr> <tr> <td>Housing</td><td> <ul style="list-style-type: none"> • Establish DDI housing 'living lab' which can explore the relationship between housing and health outcomes </td></tr> <tr> <td>Food & Drink Hub</td><td> <ul style="list-style-type: none"> • Establish "health and diet" DDI living lab </td></tr> <tr> <td>Business Innovation Parks</td><td> <ul style="list-style-type: none"> • Establish parks as DDI start-up and scale-up company locations within targeted areas </td></tr> </tbody> </table>	CRD Theme	Scope of Potential Collaboration	Skills	<ul style="list-style-type: none"> • Establish DDI Skills Gateway extending from school-age to life-long learning, including a focus on those working in health and social care roles 	Housing	<ul style="list-style-type: none"> • Establish DDI housing 'living lab' which can explore the relationship between housing and health outcomes 	Food & Drink Hub	<ul style="list-style-type: none"> • Establish "health and diet" DDI living lab 	Business Innovation Parks	<ul style="list-style-type: none"> • Establish parks as DDI start-up and scale-up company locations within targeted areas
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Scale and regional distribution of expected outcomes, benefits, and leverage, from activity	<p>As illustrated, in the table overleaf, a range of ("net additional") outcomes have been identified for the Usher Institute over the period of CRD funding, namely:</p> <ul style="list-style-type: none"> • Talent: engaging and training 20,000 students and health & social care professionals in the application of data, of whom 9,000 will attain certification; • Research: hosting with world-leading applied researchers and DDI projects worth £138 million, including £51 million leveraged private R&D funds, through public sector and industry awards; • Adoption: engaging 280 public, private and third sector organisations, including early stage and scale-up companies; • Data: developing a comprehensive health & social care data resource, initially for the ESES region, and leveraging partnerships with health and social care providers to curate and make accessible around 270 new data assets; and • Entrepreneurship: establishing 49 new DDI health & social care companies in the ESES region over the life of the programme. <p>Based on the distribution of current activities across the areas of talent, research, adoption, data and entrepreneurship the anticipated direct net economic benefits of the Usher Institute is projected to be in the region of £412 million for the whole of the UK of which a minimum of £118 million to accrue to the City Region. These benefits exclude – by definition – the wider eco-system effects of the Programme on the current DDI cluster within the Region. While no explicit quantitative analysis of these wider impacts has been undertaken, they are likely to be significant if the Programme achieves one of its longer term objectives of the City Region becoming a world-leading centre of excellence for applied data science.</p>										

Criteria	Details/Link to Document			
	Outcome or benefits	Baseline (without DDI)	Target Uplift (with DDI)	Date
	Total learners engaging with DDI Programme	2,160	19,329	Programme lifetime
	DDI research funding	110.7m	86.3	
	DDI collaborative adoption assignments	0	280	
	DDI data sets acquired	0	270	
	New spin out, scale-up and spin in companies	0	49	
Compliance with financial requirements and agreed expenditure profile	The vision of the City Region Deal partners is for Edinburgh to become the “Data Capital of Europe”. To realise this vision, UoE is proposing a combined capital of £68 million. This business case is specifically seeking £49.2 million in Government funding towards the £68 million capital investment in the Usher Institute.			
Equalities Impact	This Programme of work sits within the Equalities Framework laid out by the City Region Deal, through its Inclusive Growth Framework, which has five key themes aimed at accelerating inclusive growth and social benefit through innovation, with specific regard to minorities and disadvantaged population. The UoE also has an Equality and Diversity Strategy, Outcomes and Action Plan, which outlines the University’s continuing commitment to equality and diversity for both students and staff. These frameworks highlight the central concepts of fair and equitable treatment regardless of race, disability, ethnicity, gender (including transgender), age, sexual orientation or beliefs. These will be key principles governing the development and delivery of programme activities outlined in this document. For all projects carried out within the Programme of work, equalities screening will be carried out to ensure that these issues are raised and addressed from project inception through to delivery and evaluation.			
Alignment and fit with City Region Deal governance arrangement	<p>The City Region Deal Programme has the following tiers of governance:</p> <ul style="list-style-type: none">• Joint Committee that is responsible for delivering increased value for money from the City Region Deal and wider regional collaboration; and,• DDI Delivery Board that is responsible for the overall direction and management of all DDI programme activities. <p>The DDI Delivery Board is responsible for assuring commissioning of the Usher Institute investment including establishing the Health & Social Care DDI Programme Board and defining the key resources, financial and Key Performance Indicators (KPIs) delivery parameters within which the Usher Institute will operate.</p> <p>The Health & Social Care DDI Programme Board is responsible for the overall direction and management of the Usher Institute activities described in this document. As such, it is ultimately accountable for success of the Usher Institute project and providing unified direction to the project.</p>			

Criteria	Details/Link to Document
PMO compliance check	All evidence provided.
Government approval	Scottish and UK Governments have confirmed their agreement to this Business Case progressing in this form for formal approval.
Partner sign-off	The UoE agreed on 21 August 2019 that this Business Case can progress for formal approval.
Advisory Board sign off	This Business Case was approved by the DDI Delivery Board on 19 August 2019.
Executive Board sign off	This Business Case was approved by the City Region Deal Executive Board on 22 August 2019.

Usher Institute Project Business Case

1. Recommendations

- 1.1 To approve the Usher Institute final business case and implementation of its activities and organisational structure.
- 1.2 To note that the individual activities to be undertaken as part of Usher will be approved separately and reported to the Joint Committee.

2. Background

- 2.1 As evidenced in various Scottish and UK Government policy documents, and publications by the OECD and global consultancies, Data-Driven Innovation has become a key pillar of 21st century growth with the potential to significantly enhance social wellbeing; productivity; resource efficiency; and, economic competitiveness. Data and technology can be applied to the health and social care sector to reduce costs while improving public health, with one estimate from McKinsey putting potential savings in the range 7 to 11.5% of healthcare expenditure.
- 2.2 The [Edinburgh and South East Scotland Science and Innovation Audit](#) (SIA), published in 2016, identified that:
 - The city region is already a powerhouse in Data-Driven Innovation;
 - Growth in DDI is at a tipping point and requires further investment to meet demand and deliver its potential;
 - There are a number of industry sectors that are key to the local economy and which align to national areas of focus; and,
 - Realising DDI opportunities are most likely to generate sustainable socio-economic benefits and support inclusive growth.
- 2.3 The DDI Programme vision is establish the region as the Data Capital of Europe. It will do this by playing to the City Region Deal partner strengths in education and research and significantly boosting activities with public, private and third sectors. In the health and social care sector UoE will work with regional partners to create the Usher Institute - a world-leading innovation hub, where key organisations from the public, private and third sectors collaborate and access data in a trusted, secure environment, to enable data-driven advances in the delivery of care and create innovative commercial solutions.

- 2.4 The Usher Institute will have a population of circa 950 people, bringing together world-leading researchers from UoE and other Higher Education institutions, public and third sector organisations, to offer unprecedented opportunities to transform approaches to the prevention, diagnosis and treatment of disease, and to drive innovation in delivery of efficient and effective health and social care.
- 2.5 Through this business case UoE seeks approval for capital investment of £68 million (of which Government is asked to fund £49.2 million) for the construction of the Usher Institute and associated enabling infrastructure, by the UK and Scottish Governments.
- 2.6 This Business Case has been endorsed by UK and Scottish Governments and is now presented to the City Region Deal Executive Committee, and Joint Committee for approval.

3. Main report

- 3.1 The City Region has a long history of excellence and leadership in informatics and data science including one of the largest computing school in Europe (the University of Edinburgh's School of Informatics) and the UK's principal super-computing facility (Edinburgh Parallel Computing Centre) and the largest concentration of internationally-significant and world-leading informatics research in the UK.
- 3.2 Moreover, in the last four years, local DDI capability has grown significantly as multiple new initiatives within the data science, robotics and computer systems areas have been secured. The city region hosts Scotland-wide initiatives like the Data Lab, the Centre of Excellence for Cyber Security Research, and Administrative Data Research Centre, as well as hosting four doctoral training programmes in Robotics and Autonomous Systems, Natural Language Processing, Biomedical AI, Cyber Security and Data Science and AI.
- 3.3 As a part of the University's College of Medicine and Veterinary Medicine (the College), the Usher Institute brings together inter-disciplinary research with expertise in epidemiology, public health, statistics and modelling, informatics, computer science, clinical sciences, clinical trials, sociology, social policy, governance, ethics, politics, medical law psychology, economics, health promotion and medicine. The Usher Institute operates virtually across the UoE campus and comprises around 300 staff. The City Region Deal investment will enable the number of staff to increase significantly and work in close physical proximity with a range of partner organisations.
- 3.4 As with the Data Driven Innovation programme as a whole, the Usher Institute is designed around five key areas of intervention (or "TRADE" themes):
- **Talent:** Develop a flow of talent in data driven entrepreneurship and the application of DDI;

- **Research:** Develop, in conjunction with industry, a world-leading research capability in data science;
- **Adoption:** Undertake a range of industry engagements focused on building collaborative partnerships to enable new research and innovation activity;
- **Data:** Support initiatives such as IoT and City Data Exchanges to encourage and enable the creation of new forms of data asset; and,
- **Entrepreneurship:** Generate a pipeline of new high-growth start-ups and scale-ups, and support equity investment.

3.5 By demonstrably improving innovation and incrementally enhancing the City Region DDI ecosystem the Usher Institute will, over the next 15 years, deliver:

- **Talent:** Create a vibrant learning environment that enables circa 20,000 students and health and social care professionals with the skills needed to realise the value of data;
- **Research:** Facilitate cross-disciplinary collaborations to deliver data-driven research that impacts on patient care that secures £138 million in additional research funding from public bodies, research charities and industry partners. Areas of research will include population health and registries, blood and imaging biomarker discovery, artificial intelligence and data-enabled clinical trials;
- **Adoption:** Drive innovation through interactions with 280 companies in the public, private and third sectors that address the major challenges facing the health and social care sector;
- **Data:** Through the utilisation of 270 new datasets, harness Scotland's comprehensive healthcare data and expertise in data science to evaluate health & social care outcomes in the City Region and beyond; and,
- **Entrepreneurship:** Initiate and accelerate the growth of 49 new health & social care businesses and improve the delivery of care to our citizens.

Intervention 1: Talent

3.6 Circa 20,000 students and health & social care professionals with the skills needed to realise the value of data. This will be delivered through a blended approach of teaching methods:

- Embedding data science in the MBChB Medicine six-year degree programme will lead to a transformational change in the data capability of the next generation of clinicians. Over the lifetime of the Programme 4,300 courses in data science will be taken by students. This will be further enhanced with an annual data-driven innovation prize for research projects;
- Further investment and growth of online distance learning postgraduate programmes remains a significant opportunity for innovation, resulting in circa 2,000 online courses being delivered;

- Build on the success of the Zhejiang University - University of Edinburgh Institute (ZJE), an established partnership with a leading C9 Chinese university, which has seen the development of a Biomedical Informatics undergraduate programme. This will be mirrored at the University with additional data science modules for Biomedical Sciences students;
- A need to develop and embed data skills in the Modern Apprenticeship (MA) frameworks, has been highlighted by employers, including the NHS. Employers require specific data skills to be developed alongside the main MA role focus in a blended way. The ambition of the pilot project being sponsored by Skills Development Scotland (SDS) and the University is to develop data skills enhancement that can be co-delivered as part of the training programme within MA frameworks. This will provide apprentices with relevant data science skills and knowledge contextualised for their business sector and role, including health & social care; and,
- Delivery of an extensive programme of events for health & social care professionals from across the City Region, both during construction and following the opening of the new Usher Institute building. This will include Continuing Professional Development (CPD) accredited events, delivered as part of the wider CPD programme. This will encompass a wide range of events, including lectures highlighting data-driven research and exemplar projects in the practical application of data in health & social care. The co-location with NHS Lothian, the relocated Edinburgh Medical School (opening in 2025) and other health & social care delivery partners will create a vibrant community of engaged and interested professionals.

3.7 Intervention 2: Research

- 3.8 Realising the potential of digital health is dependent on a highly collaborative approach involving experts from a range of disciplines, including medicine, social sciences, informatics and mathematics. The Usher Institute has been successful in creating a critical mass of world-leading expertise from across all of these areas, who are collectively focused on the development of data-enabled health systems. This expertise is recognised internationally – for example, six of the Institute’s researchers are listed in ‘The Most Influential Scientific Minds’ by HighlyCited.com.
- 3.9 From this foundation, there will be significant further investment in research, focussing on data-driven research that delivers improvements aligned to the national ambition of ‘better health, better care, better value’. Six DDI Chancellor’s Fellows are being recruited to develop new programmes of research and innovation, working closely with the private, public and third sectors in a data-enabled theme, with a focus on delivering high impact results.
- 3.10 There is also an established record of conducting data-enabled clinical trials to improve outcomes for patients. Heart disease provides a useful case study. Using the existing system of permissions, multiple routinely collected electronic data assets have been linked through a network of NHS Safe Havens to

evaluate the impact of new approaches for diagnosis and risk assessment of patients attending Emergency Departments in the ESES region with chest pain.

Intervention 3: Adoption

3.11 A focus on commercialisation will be achieved through:

- The Usher Institute industry engagement teams, which will actively identify industry partners and opportunities to interact and work with Scotland's burgeoning start-up and scale-up company network;
- Working with the Bayes Centre to co-create new innovative start-up and spin-out companies, bringing transformative data technologies to the health and social care sector;
- A specialist team from Edinburgh Innovations, which will embed collaborative partnership and business development expertise in the new Usher Institute to maximise opportunities;
- The Health & Social Care DDI Delivery Team consulting service combining academic input and clinical expertise from a network of specialists across various disciplines with programming code and functions that have been developed in the DataLoch; and,
- The development and delivery of modular Continuing Professional Development (CPD) training to engage with health & social care professionals. The Usher Institute has growing experience in this area and, working with colleagues across the University, will build on exemplar activities (such as the NHS Digital Academy) to deliver CPD certified courses and events. This will include delivery of Massive Open Online Courses (MOOCs) and piloting other Distance Learning at Scale (DLAS) activities, such as nanodegrees or MicroMasters co-created with industry to ensure continuing skills development across the sector.

3.12 Intervention 4: Datasets

- 3.13 Scotland has a single healthcare provider and world-leading linked healthcare data assets from birth to death through the use of the person-specific Community Health Index (CHI). However, the current approach to data access and linkage is fragmented, slow and inefficient, is limited to specific projects, and is a barrier to research and innovation at scale in the region.
- 3.14 We will create a comprehensive and integrated health & social care data ecosystem in partnership with NHS Lothian, Borders and Fife, allied to partners across the social care spectrum. The data repository (DataLoch) will link multiple data assets from primary, secondary and social care, providing same day access to accurate, rich and current data on all aspects of health and care for the population, for any condition, clinical pathway, or service across the region.
- 3.15 This data repository is being developed in partnership with the NHS Boards in the City Region, and will facilitate a data-driven approach to prevention, treatment, health and care service provision in our region, and will enable the

development of a world-leading learning healthcare system. A consultancy and governance team (the DDI Prism team) will manage users and approvals for access and disclosure checks of reports exported from the DataLoch, using the existing governance framework set out in the Charter for Safe Havens in Scotland.

Intervention 4: Entrepreneurship

A strong focus for the University will be mentoring to support start-up growth and creating a robust pipeline to attract corporate capital and other forms of inward investment. Many of the corporate partners involved in research and innovation are also interested in engaging with early-stage high-growth ventures that may be acquisition targets or who offer increased competitive advantage.

- 3.16 A core objective of the entrepreneurship activity will be to help build the next generation of 'data entrepreneurs' in the health & social care sector and data-driven companies of scale. The focus will be on building a sustainable pipeline of high-growth start-up and spin-out data-driven innovation companies operating from the broader ecosystem the Usher Institute will support, that help the City Region to maintain and strengthen its entrepreneurial ecosystem.
- 3.17 An accelerator programme offered to high-growth potential start-ups in the area of data-driven health & care will be created and the Usher Institute will support the delivery of the programme in partnership with Edinburgh Innovations and other key delivery partners building on the knowledge of successful similar accelerator programmes.
- 3.18 The Usher Institute Accelerator programme will be designed to discover high-growth opportunities within the digital health & social care sector, providing researchers with the skills, knowledge and connections they need to go from concept to a real working prototype, ready to be productionised and commercialised.
- 3.19 The programme will also facilitate access to capital and other vital resources, and support on all aspects of entrepreneurship, health sector knowledge, data science and investment strategies.

4. Financial impact

- 4.1 Through this business case UoE seeks approval for capital investment of £68 million (of which Government is asked to fund £49.2 million) for the Usher Institute build.
- 4.2 In addition to underwriting up to £18.8 million of the total capital requirement, UoE will:
 - Fund on-going operating costs; and,
 - Fully fund the continued operation of the Usher Institute facility beyond the duration of the DDI Programme.

- 4.3 The actual spend profile will vary across the funding period and will be regularly updated in response to learning and changing circumstances to ensure maximum impact against its programme and wider inclusive growth goals.
- 4.4 Overall the initial due diligence undertaken by the University indicates that this project and associated risk profile is affordable and capable of being self-sustaining over the longer term if the capital grant is approved at the currently requested level and phasing.

5. Equalities impact

- 5.1 City Region Deal partners are committed to ensuring that Inclusive Growth ambitions are embedded across the deal, reflecting the challenges being faced across the region. An Inclusive Growth framework has been developed which provides an evidence base and proposed approach to help address these issues. A number of themes are included in the framework, namely: 1) Accelerating Inclusive Growth; 2) Removing the physical barriers to growth; 3) A significant programme of construction; 4) Targeted skills interventions; and 5) Social benefit through innovation.
- 5.2 The link between inequality of income and poor health is well documented. Health inequality remains a challenge across the city region Health Board areas. For example, across the NHS Lothian area the most deprived communities have:
- 76% more patients hospitalised with asthma than the overall average;
 - 114% more patients hospitalised with Chronic Obstructive Pulmonary Disease (COPD); and,
 - 26% more premature births.
- 5.3 This inequality gap is equivalent to 4,796 deaths each year. Within the City of Edinburgh Council area there are 76% more preventable emergency hospital admissions for a chronic condition in the most deprived areas than the overall average. Similar inequality gaps can also be seen across Fife and Borders Health Board areas.
- 5.4 The opportunity presented by the City Region Deal for co-operative working across partners has potential benefits to the health and social care sector. As referenced by the OECD health data can be used to explore the impact of poor health on life chances and help evaluate the impact of public health interventions on health promotion and prevention.

6. Background reading/external references

- 6.1 [Edinburgh and South-East Scotland City Region Deal Document](#), August 2018
- 6.2 [Enabling a World-Leading Regional Digital Economy through Data Driven Innovation](#), Edinburgh & South East Scotland City Region Science and Innovation Audit, November 2016

7. Appendices

7.1 Usher Institute Project Summary

1. Project Summary

1.1. Aligned and Material Opportunity Realised through the Vision

Opportunity

We are now entering an era when the generation, collection, and analysis of large volumes of data underpins the digital economy. The value of data comes from its use in real time, or aggregation over long periods, to understand and predict behaviours. While data have become ubiquitous, the challenge is to use these data effectively to shape, develop and deliver innovative digital products and services to consumers and citizens. This is what we call data-driven innovation (DDI) – the focus of this Business Case.

DDI has the potential to be a key pillar of 21st century growth by significantly enhancing productivity, resource efficiency, economic competitiveness and social wellbeing. Data and technology can be used to reduce costs in the delivery of health & social care and improve public health, with one estimate from McKinsey putting potential savings in the range of 7 to 11.5 percent of healthcare expenditure.¹

In harnessing such opportunities, the Edinburgh and South East Scotland Science and Innovation Audit² (SIA) identified that:

- The City Region is already a DDI **powerhouse**;
- Growth in DDI is at a **tipping point** and requires further investment to meet demand and deliver its potential;
- There are a number of **industry sectors** that are key to the local economy and which align to national areas of focus; and,
- Realising DDI opportunities are most likely to generate sustainable socio-economic benefits and support **inclusive growth**.

Vision

The DDI Programme vision is to establish the City Region as the “Data Capital of Europe”. This will be achieved by playing to the City Region Deal partners’ strengths in education and research, and significantly boosting commercial activity. In the health & social care sectors, the University will work together with partners in the ESES region to create the Usher Institute, a world-leading innovation hub, where key organisations from the public, private and third sectors collaborate and access data in a trusted, secure environment, to enable data-driven advances in the delivery of care and create innovative commercial solutions.

¹ NHS and Healthcare Data: Briefing for the Debate in the House of Lords - <http://researchbriefings.files.parliament.uk/documents/LLN-2018-0091/LLN-2018-0091.pdf> references August 2016 report by McKinsey Digital on Improving and sustaining quality through digital transformation - <https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/health-systems-improving-and-sustaining-quality-through-digital-transformation?cid=digistrat-eml-alt-mip-mck-oth-1608>

² <https://www.gov.uk/government/publications/science-and-innovation-audits-first-wave-reports>

The Usher Institute will have a mixed population of circa 950 people, bringing together world-leading researchers from the University of Edinburgh and other higher education institutions, public and third sector organisations, and commercial partners, to offer an unprecedented opportunities to transform approaches to the prevention, diagnosis and treatment of disease, and to drive innovation in the delivery of efficient and effective health & social care.

This interdisciplinary approach will foster collaboration and improve health & social care outcomes through working in parallel with delivery partners in the NHS; UK and Scottish Government agencies; local authorities; and a number of health & social care organisations from across the public, private and third sectors.

1.2. Current position – good, but further investment needed

The City Region has a long history of excellence and leadership in informatics and data science, including the largest computing school in Europe (the University of Edinburgh’s School of Informatics), the UK’s principal super-computing facility (Edinburgh Parallel Computing Centre) and the largest concentration of internationally significant and world-leading informatics research in the UK.³

Moreover, in the last four years, local DDI capability has grown significantly as multiple new initiatives within the data science, robotics and computer systems areas have been secured. The City Region hosts Scotland-wide initiatives such as the Data Lab, the Centre of Excellence for Cyber Security Research, and the Administrative Data Research Centre, as well as hosting four doctoral training programmes in Data, Robotics, Systems and Analysis. Similarly, two relevant data-driven innovation ‘hubs’ have been created; the Bayes Centre with a focus on Data Science and Artificial Intelligence and the Edinburgh Futures Institute (EFI) which will address growth potential from data innovation in the public sector, financial services and creative industries.

As an essential part of the University’s College of Medicine and Veterinary Medicine (here on referred to as the College), the Usher Institute brings together interdisciplinary researchers with expertise in epidemiology, public health, statistics and modelling, informatics, computer science, clinical sciences, clinical trials, sociology, social policy, governance, ethics, politics, medical law psychology, economics, health promotion and medicine.

The Usher Institute operates ‘virtually’, being located across the University of Edinburgh campus, and comprises four research centres in Biomedicine, Self and Society; Global Health; Medical Informatics; and Population Health Sciences, which includes the Edinburgh Clinical Trials Unit (ECTU). Around 340 academics, researchers and professional support staff with expertise in a varied range of methodologies and topics contribute to research and teaching across these areas. The investment in this Programme will see the number of Usher Institute staff increase significantly, in order to achieve the TRADE objectives.

The Usher Institute’s research expertise is at the heart of the educational experience provided in a wide range of taught and research postgraduate programmes, both online and on-campus, Continuing

³ <https://www.ed.ac.uk/informatics/news-events/stories/2010-2014/ref2014>

Professional Development (CPDs) and through contributions to the University's undergraduate medical degree, which has an intake of more than 200 students each year, rising to 250 from 2020. The University is ranked in the top 20 universities globally for medicine and clinical, pre-clinical and health studies.⁴











The work of the Usher Institute is regularly published in the world's foremost medical and biomedical journals, such as the New England Journal of Medicine, Nature, The Lancet and the British Medical Journal. Furthermore, its work is extensively built on by research teams internationally. For example, over the last five years, around 10% of the Institute's publications have been in the top 1% of the publications most frequently referred to by other research groups globally.⁵

Usher Institute staff and departments are, however, dispersed across the city, making collaboration and cooperative working challenging. A limited number of staff benefit from location at Edinburgh BioQuarter, and there is an opportunity - through the current proposal - to ensure that all staff can benefit from co-location.

Similarly, while there are examples of cooperative practice with NHS Lothian, there have been limited opportunities to extend this engagement across the City Region to NHS Fife and Borders. Engagement with industry is equally challenging and there is an opportunity to deliver improved outcomes through collaboration with both established healthcare companies and innovators.

Figure 1 summarises this position and reinforces the SIA's findings that while there are well established capabilities in the University, there are very significant opportunities to improve the current position.

Figure 1: Usher Institute capability assessment

Capabilities	Position	Today	Journey	Destination
Talent	Data skills across students and professionals are uneven		Embed data capability, enabling students and professionals to realise the value of data	
Research	High quality interdisciplinary research capability		Increase engagement with industry and third sector	
Adoption	Strong partnerships with public sector but limited engagement with industry		Effectively bring together the private, public and third sectors on high impact activities	
Data	Access to integrated health & social care data is restricted and inefficient		Efficient, secure access to relevant data, leading to actionable insight	
Entrepreneurial	Very limited success with start-ups and spin-outs		A vibrant innovation hub that facilitates the creation of data driven innovation companies	

⁴ Times Higher Education World University Rankings - <https://www.timeshighereducation.com/student/best-universities/best-universities-medicine> and QS Top Universities - <https://www.topuniversities.com/universities/subject/medicine>

⁵ Information from [SciVal](#) based on 40,869 citations from 2015-18

In addition, while the SIA highlighted these data opportunities, it also recognised that without substantive investment, there is significant risk that the City Region and Scotland might be unable to maintain or build upon its current competitive advantages.

1.3. How the University and City Region Deal Partners will achieve their Vision

This Business Case proposes an overall capital investment of £68m (of which £49.2m funding is requested) in the Usher Institute to achieve the vision of creating a world-leading innovation hub where public, private and third sectors collaborate to enable data-driven advances in the delivery of health & social care.

Achieving this vision will involve three distinct components, all of which are intrinsically linked and, importantly, interdependent:

1. **Address capability gaps:** enhance and develop capabilities in five key areas identified in the ESES SIA - Talent, Research, Adoption, Data and Entrepreneurship (TRADE);
2. **Organise activities effectively:** create an effective operating model to successfully organise, optimise and execute all these activities, underpinned by the creation of robust governance with clear accountabilities and delivery plans; and,
3. **Strategic asset development:** to construct and fit-out the Usher Institute, providing physical space and facilities for the relevant University research centres and external partners to collaborate, innovate and deliver key TRADE activities (£68m capital investment, of which Government is asked to fund £49.2m).

Investing in and addressing core capabilities and gaps: TRADE and Inclusive Growth

This section outlines how the University will address the core capabilities and gaps across the TRADE and Inclusive Growth themes. This will not, of course, be achieved in isolation and a list of internal and external partners that will help to address the core capabilities and gaps is listed in Figure 2 overleaf. The details of how each of these partners will contribute is highlighted in the section below and in [Key Players](#).

Talent

As data science and its impact on health & social care are realised, it is important that the next generation of health & social care professionals can engage with this new paradigm effectively. The Usher Institute designed and provided the world's first certified training course for medical students in health informatics and data science in 2018. Work is ongoing with the US-led Innovations in Global Health Professions Education⁶ forum to ensure this approach is embedded in medical curricula globally.

⁶ <https://www.innohealthed.com/>

There is also an unmet need to train a generation of scientists who can excel in the interrogation of genetic and genomic information. The University already hosts the MRC Doctoral Training Programme in Precision Medicine - a new, transformational approach to disease treatment and prevention, focusing on tailoring treatment to the patient, based on their genetic, environmental and lifestyle factors.

Figure 2: Addressing capability gaps – ‘who does what?’

	Usher Institute delivery partner	Talent	Research	Adoption	Datasets	Entrepreneurship
University of Edinburgh	Usher Institute	✓	✓	✓	✓	✓
	Edinburgh Medical School	✓	✓	✓	✓	✓
	Edinburgh Parallel Computing Centre (EPCC)		✓	✓	✓	
	Edinburgh Innovations		✓	✓		✓
	School of Informatics	✓	✓	✓		✓
	Bayes Centre	✓		✓		✓
	Edinburgh Futures Institute	✓		✓		✓
	Roslin Institute	✓	✓	✓		
	Administrative Data Research Centre for Scotland (ADRC-S)		✓		✓	
External	NHS Lothian, Borders & Fife	✓	✓	✓	✓	✓
	ESES Local Authorities	✓		✓	✓	✓
	ESES Health & Social Care Integration Joint Boards (IJB)	✓		✓	✓	
	The Academic and Clinical Central Office for Research and Development (ACCORD)		✓		✓	
	Health Data Research UK (HDRUK)		✓		✓	✓
	National Services Scotland Information Services Division (NSS ISD)		✓		✓	
	Third sector organisations, such as British Heart Foundation	✓	✓	✓	✓	
	Pharmaceutical companies, such as Glaxo-Smith Kline		✓	✓	✓	
	Medical device companies, such as Siemens		✓	✓	✓	
	Health technology companies, such as Current Healthcare		✓	✓	✓	
	Citizen bodies, such as the Social Care Institute for Excellence	✓	✓	✓	✓	✓

Ensuring decision-makers in our health and care systems understand the benefits and implications of data science allows these methods to be embedded in the everyday business of our health systems. The Usher Institute made the case to the UK Government to invest in developing health informatics leadership capacity and capability. Together with partners at Imperial College London and Harvard Medical School, the Institute won a tender for a £6m initiative to design and lead the NHS Digital

Academy⁷, which provides diploma level training in health informatics to over 100 senior healthcare professionals from across the UK each year. Building on this expertise, the University will provide circa 20,000 students and health & social care professionals with the skills needed to realise the value of data. This will be delivered through a blended approach of teaching methods:

- Embedding data science in the **MBChB Medicine 6-year** degree programme will lead to a transformational change in the data capability of the next generation of clinicians. A course in Year 2 (Data Science in Medicine) started in 2018, which will be complemented by an optional Year 4 intercalated BSc Hons in Health Data Science and a Year 5 data project. Over the lifetime of the investment 4,300 semester-long courses in data science will be taken by students. This will be further enhanced with an annual data-driven innovation prize for research projects;
- Further investment and growth of **online distance learning** postgraduate programmes remains a significant opportunity for innovation for the College and wider University and a route to increase recruitment, impact and capacity building. An analysis of opportunities and constraints in this field has been completed by Usher Institute specialists and will action outcomes to deliver supported growth in health data related areas, resulting in circa 2,000 online courses being delivered;
- Build on the success of the Zhejiang University - University of Edinburgh Institute (ZJE), an established partnership with a leading C9 Chinese university, which has seen the development of a **Biomedical Informatics** undergraduate programme. This will be mirrored at the University with additional data science modules for Biomedical Sciences students;
- A need to develop and embed **data skills in the Modern Apprenticeship (MA) frameworks**, has been highlighted by employers, including the NHS. An area of increasing demand, employers require specific data skills to be developed alongside the main MA role focus in a blended way. The ambition of the pilot project being sponsored by Skills Development Scotland (SDS) and the University is to develop data skills enhancement that can be co-delivered as part of the training programme within MA frameworks. This will provide apprentices with relevant data science skills and knowledge contextualised for their business sector and role, including health & social care; and,
- Delivery of an **extensive programme of events** for health & social care professionals from across the City Region, both during construction and following the opening of the new Usher Institute building in Edinburgh BioQuarter. This will include Continuing Professional Development (CPD) accredited events, delivered as part of the wider CPD programme (see *Adoption* on page 17). This will encompass a wide range of events, including lectures highlighting data-driven research and exemplar projects in the practical application of data in health & social care. The co-location with NHS Lothian, the relocated Edinburgh Medical School (opening in 2025) and other health & social care delivery partners will create a vibrant community of engaged and interested professionals.

⁷ <https://www.england.nhs.uk/digitaltechnology/nhs-digital-academy/>

Research

Realising the potential of digital health is dependent on a highly collaborative approach involving experts from a range of disciplines, including medicine, social sciences, informatics and mathematics. The Usher Institute has been successful in creating a critical mass of world-leading expertise from across all of these areas, who are collectively focused on the development of data-enabled health systems. This expertise is recognised internationally – for example, six of the Institute’s researchers are listed in ‘The Most Influential Scientific Minds’ by HighlyCited.com.⁸

From this foundation, there will be significant further investment in research, focussing on data-driven research that delivers improvements aligned to the national ambition of ‘better health, better care, better value’.⁹ Six DDI Chancellor’s Fellows are being recruited to develop new programmes of research and innovation, working closely with the private, public and third sectors in a data-enabled theme, with a focus on delivering high impact results.

There is also an established record of conducting data-enabled clinical trials to improve outcomes for patients. Heart disease provides a useful case study. Using the existing system of permissions, multiple routinely collected electronic data assets have been linked through a network of NHS Safe Havens to evaluate the impact of new approaches for diagnosis and risk assessment of patients attending Emergency Departments in the ESES region with chest pain.

Through a series of clinical trials, researchers at the Usher Institute demonstrated that the introduction of sensitive tests for the diagnosis of heart attacks into practice improved survival due to the better targeting of treatments¹⁰. They were the first to identify that the previous generation of blood tests were under-diagnosing heart attacks in women and contributing to inequalities in treatment¹¹.

By linking data across all hospitals in the region, a new approach to identify low risk patients in the Emergency Department was developed in partnership with Abbott Diagnostics that could substantially reduce hospital admissions and have major benefits for both patients and health-care providers.¹²

These approaches have been adopted into practice and, through linked data, a one-third reduction in the length of stay of unscheduled care for patients with chest pain has been demonstrated.¹³ Beyond the region, these observations have changed the way that heart attacks are diagnosed, and influenced both national and international guidelines.¹⁴

They also serve to illustrate how harnessing routinely collected data assets can be used to develop novel approaches for assessing risk, and to evaluate the impact of these approaches on patient care and the quality of our health service. Building on this and related expertise, the Usher Institute will, over the life of the DDI Programme, aim to secure £138 million in additional research funding from public bodies, research charities and industry partners. This will generate new opportunities for our researchers in the areas described in the previous section.

⁸ <https://hcr.clarivate.com/>

⁹ <https://www.digihealthcare.scot/home/news-and-events/scotlands-new-digital-health-and-care-strategy-published/>

¹⁰ <https://jamanetwork.com/journals/jama/fullarticle/895839>

¹¹ <https://www.bmj.com/content/350/bmj.g7873.long>

¹² [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(15\)00391-8/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(15)00391-8/fulltext)

¹³ [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(18\)31923-8/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(18)31923-8/fulltext)

¹⁴ <https://academic.oup.com/eurheartj/article/40/3/237/5079081>

Population health and registries

Through the DataLoch programme (as referenced in *Datasets*, page 18) a comprehensive, accurate and current data repository will be created for the 1.25 million people in the ESES region. Making these data readily available to accredited researchers, clinicians and partners will generate new knowledge and insights into all aspects of health & social care. The data will be structured so they can be interrogated for any acute or chronic condition, clinical pathway or service. This will result in 270 real-world registries providing detailed characterisation of patients and their outcomes by integrating data from primary care, secondary care, clinical investigations, and prescribing.

Blood and imaging biomarker discovery

Linking the data repository to tissue and blood samples surplus to clinical requirement through the NHS Lothian Bioresource¹⁵ will permit the identification and evaluation of new blood and tissue biomarkers. For the first time, there will be a link to Scotland's National Picture Archiving and Communications System (PACS) via Scottish Medical Images, which is a research copy of 23 million different radiological examinations performed since 2007. The development and application of automated image processing methods and statistical machine learning will identify novel biomarkers of disease and improve the efficiency of healthcare delivery.

Artificial intelligence

Artificial intelligence has the potential to transform the practice of medicine. Access to data assets will permit training and testing of machine learning algorithms to aid in diagnosis, risk stratification and targeting of treatments. These algorithms will inform the development of clinical decision support tools. Working in partnership with NHS eHealth, these will be embedded into the electronic health record and their impact on patient outcomes evaluated.

Data-enabled clinical trials

The availability of comprehensive healthcare data for all patients in real-time will revolutionise capabilities to evaluate changes in practice. The tools developed above will support smart clinical trials to evaluate the impact of new clinical decision support tools, diagnostic tests, medical devices and treatment approaches on patient care. By enrolling consecutive patients, and randomising at hospital, ward or practice level, the cost of these trials will be a fraction of those undertaken using conventional methods. For example the Usher Institute recently completed the largest ever randomised controlled trial for any condition delivered entirely using routinely collected electronic patient data, enrolling 48,282 consecutive patients across Scotland using this approach.¹⁶ The cost per patient enrolled was £15 compared to an average of £30,200 for a standard multi-centred pharmaceutical trial.¹⁷ Methods to establish causal drug outcomes using observational data will also be established, using genetic and non-genetic instruments.

¹⁵ <https://www.accord.scot/tissue>

¹⁶ <https://clinicaltrials.gov/ct2/show/NCT01852123>

¹⁷ <http://phrma-docs.phrma.org/sites/default/files/pdf/biopharmaceutical-industry-sponsored-clinical-trials-impact-on-state-economies.pdf>

Adoption

The strategic plan for the health & social care sector DDI Programme has been developed in collaboration with the NHS Boards of the ESES region as the key external partner.¹⁸ Historically, the UK has not been as successful at commercialisation as it has been at early-stage research.

Overseas competitors are investing more in research and development than the UK, which invests a total of 1.7% of Gross Domestic Product (GDP) whilst the Organisation for Economic Co-operation and Development (OECD) average is 2.4%. UK public funding is also relatively concentrated on early-stage research as opposed to commercialisation.¹⁹

A focus on commercialisation will be achieved through:

- The **Usher Institute industry engagement team**, which will actively identify industry partners and opportunities to interact and work with Scotland's burgeoning start-up and scale-up company network;
- Working with the **Bayes Centre** to co-create new innovative start-up and spin-out companies, bringing transformative data technologies to the health and social care sector;
- The **DataLoch programme**, where there will be a systematic evaluation of the adoption of new diagnostic tests, treatments and medical devices and technologies into practice;
- A specialist team from **Edinburgh Innovations**, which will embed collaborative partnership and business development expertise in the new Usher Institute to maximise opportunities;
- The Health & Social Care DDI Delivery Team **consulting service** combining academic input and clinical expertise from a network of specialists across various disciplines with programming code and functions that have been developed in the DataLoch; and,
- The development and delivery of modular **Continuing Professional Development (CPD) training** to engage with health & social care professionals. The Usher Institute has growing experience in this area and, working with colleagues across the University, will build on exemplar activities (such as the NHS Digital Academy) to deliver CPD certified courses and events. This will include delivery of Massive Open Online Courses (MOOCs) and piloting other Distance Learning at Scale (DLAS) activities, such as nanodegrees or MicroMasters co-created with industry to ensure continuing skills development across the sector.

¹⁸<https://org.nhsllothian.scot/LothianNHSBoard/BoardPapers/BoardPapers/NHS%20Lothian%20Board%20Papers%2006-02-19.pdf>

¹⁹Industry Strategy Green Paper, January 2017 - https://beisgovuk.citizenspace.com/strategy/industrial-strategy/supporting_documents/buildingourindustrialstrategygreenpaper.pdf

Datasets

Gaining convenient access to ‘real’ data is a recurring problem. The Open Research Data Task Force has recognised that a number of technical, cultural and behavioural issues that need attention to make data sharing more accessible²⁰, while the FAIR Guiding Principles for scientific data management and stewardship emphasise the need for data to meet standards of Findability, Accessibility, Interoperability and Reusability.²¹

To enable greater levels of innovation in the local economy, the SIA highlighted the need for ‘real’ data to inform talent development and research, and for access to these data to be made more straightforward. The organisations and facilities hosted in the Usher Institute, such as the DataLoch, together with the World Class Data Infrastructure (WCDI), will increase the ESES region’s ability to access and utilise a combined pool of diverse health & social care data assets in a trusted and safe environment.

The University is a recognised leader in the secure management of sensitive data, and in the development of the ethical, social and legal governance frameworks that allow citizen data to be used in a trustworthy way. It was a lead partner in the development of the Charter for Safe Havens in Scotland, which: *“sets out the agreed principles and standards for the routine operation of Safe Havens in Scotland where data from electronic records can be used to support research when it is not practicable to obtain individual patient consent while protecting patient identity and privacy.”*²²

The Edinburgh Parallel Computing Centre (EPCC) provides the infrastructure and support for the NHS National Services Scotland (NSS) National Safe Haven²³ – a secure environment in which selected healthcare datasets are linked and accessed. There is a significant opportunity to build on this foundation, with the integration of a wide range of structured and unstructured health & social care datasets.

DataLoch

Scotland has a single healthcare provider and world-leading linked healthcare data assets from birth to death through the use of the through the person-specific Community Health Index (CHI).²⁴ However, the current approach to data access and linkage is fragmented, slow and inefficient, is limited to specific projects, and is a barrier to research and innovation at scale in the region.

There are aspirations to scale the DataLoch and relevant activities but the immediate focus is deploying a successful solution across the City Region in the short- to medium-term. It should be noted that DataLoch is well positioned in this regard since the core infrastructure and main

²⁰ <https://www.universitiesuk.ac.uk/policy-and-analysis/research-policy/open-science/Pages/open-research-data-task-force.aspx>

²¹ <https://www.go-fair.org/fair-principles/>

²² <https://www.gov.scot/publications/charter-safe-havens-scotland-handling-unconsented-data-national-health-service-patient-records-support-research-statistics/pages/4/>

²³ <https://www.isdscotland.org/Products-and-services/Edris/Use-of-the-National-Safe-Haven/>

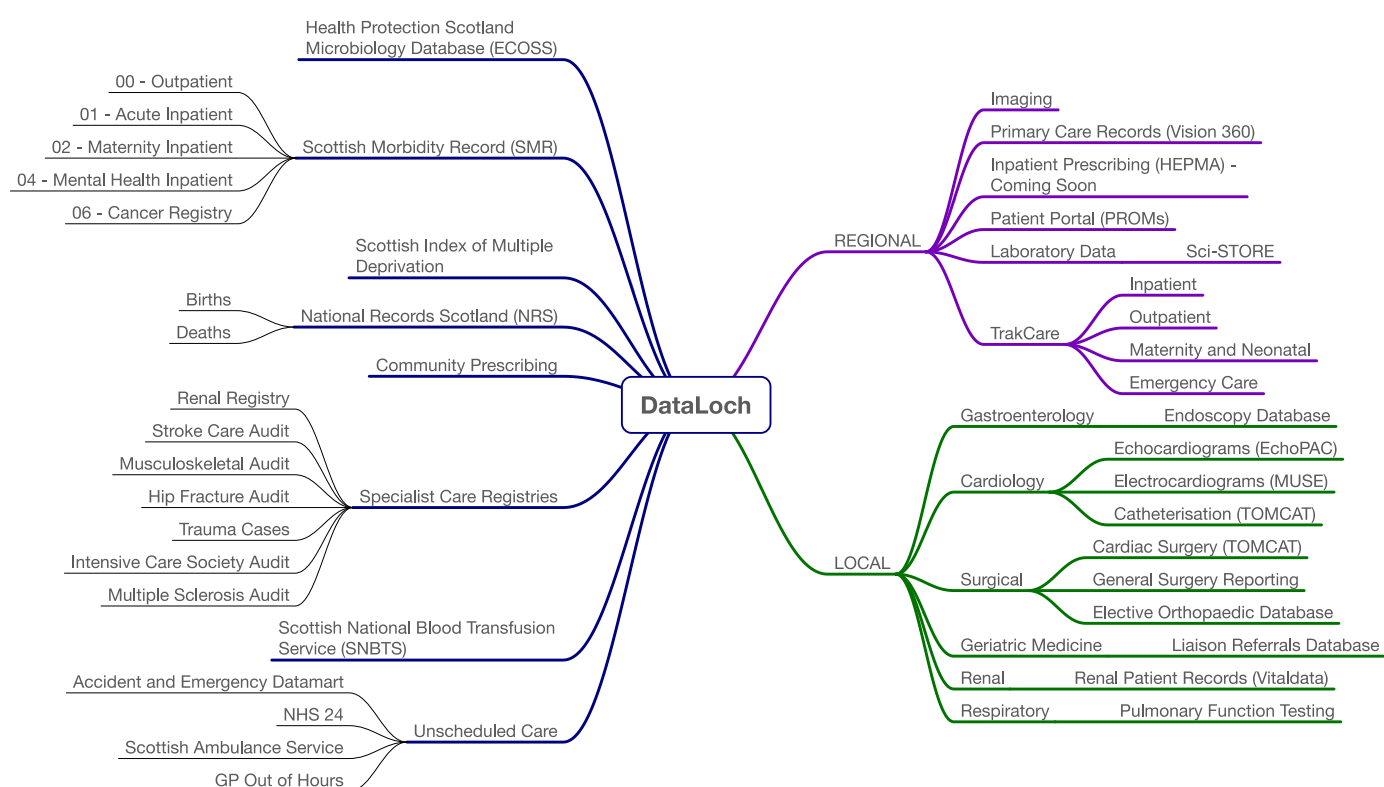
²⁴ <https://www.ndc.scot.nhs.uk/Dictionary-A-Z/Definitions/index.asp?ID=128&Title=CHI%20Number>

development is being conducted by EPCC, which also is the main delivery partner for the National Safe Havens and other key national health and social care data resources, such as the Administrative Data Research programme and Health Data Research UK Scotland.

Where possible, open and reusable technologies - and common data models - will be used for DataLoch. Discussions have commenced to ensure alignment with the four regional NHS safe havens and a number of significant national initiatives, most pertinently the National Digital Platform being led by NHS NES, the new Public Health Scotland agency and the Scottish Administrative Data Research Centre.

This Programme will create a comprehensive and integrated health & social care data ecosystem in partnership with NHS Lothian, Borders and Fife, allied to partners across the social care spectrum. The data repository (DataLoch) will link multiple data assets from primary, secondary, tertiary, and social care, providing same day access to accurate, rich and current data on all aspects of health and care for the population, for any condition, clinical pathway, or service across the region (see Figure 3 below).

Figure 3: Examples of the data assets that will be stored in the DataLoch



Data from local, regional and national data assets will be linked through the CHI number. These data will be held in a data storage repository that holds large amounts of structured, semi-structured, and unstructured data in its native, raw format.

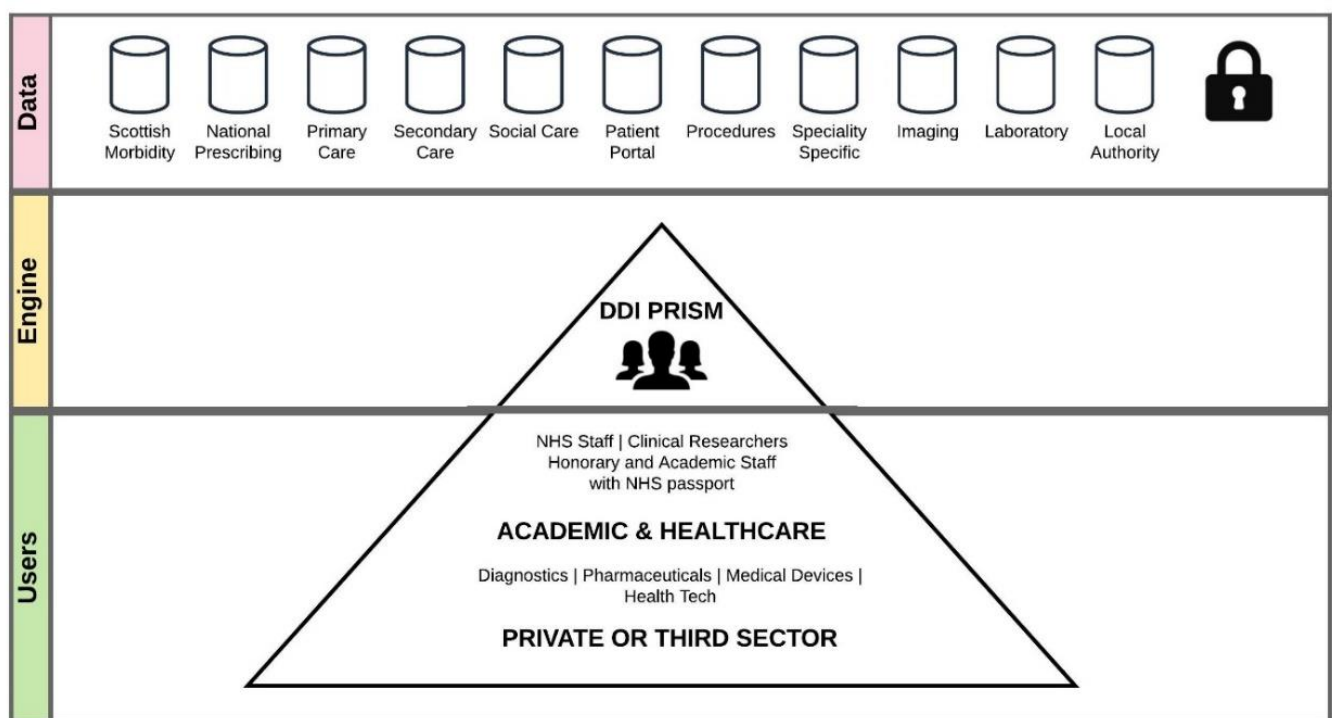
This differs from traditional data warehouses where data are transformed or processed at the time of import, and often data is discarded. Data lakes have a flat architecture, rather than using hierarchal storage in files or folders, which enables analysts to link data in a more flexible way.

This data repository is being developed in partnership with the NHS Boards in the ESES region, and will facilitate a data-driven approach to prevention, treatment, health and care service provision in our region, and will enable the development of a world-leading learning healthcare system.

A consultancy and governance team (the DDI Prism team) will manage users and approvals for access and disclosure checks of reports exported from the DataLoch (Figure 4), using the existing governance framework set out in the Charter for Safe Havens in Scotland.²⁵

This draws on Human Rights Legislation, the Data Protection Act, the General Data Protection Regulation (GDPR), Guidance from the Information Commissioner, and the Scottish Government Identity Management and Privacy Principles, the Scottish Informatics Programme (SHIP) Blueprint, and associated governance framework that defines standards and process for the use of non-consented linked data for health informatics research in Scotland.

Figure 4: The DataLoch will comprise all local, regional and national health & social care data for the residents of the ESES region in its native format (examples of data assets shown)



The DDI Prism team (as referenced in the Figure 4) will also offer support to researchers in collaboration with the Edinburgh Clinical Trials Unit within the Usher Institute, and a data analytics and reporting service.

²⁵<https://www.gov.scot/publications/charter-safe-havens-scotland-handling-unconsented-data-national-health-service-patient-records-support-research-statistics/pages/4/>

The DataLoch will be hosted within the WCDI, which is the same infrastructure as the Administrative Data Research Centre (Scotland), Health Data Research UK Scotland, and national Scottish Data & Informatics Partnership Safe Haven, offering an unparalleled collection of public sector data for research.

This will be complemented by a DataLoch Technical Team, with expertise in software development and engineering. This capability will be enhanced with access to the University's leaders in key related disciplines and technologies, such as machine learning and Natural Language Processing (NLP), to ensure the continuous improvement of the platform.

This team will iteratively improve the DataLoch technical and analytical environment, developing leading industry standards, and will work cooperatively with the technical and industry communities who will be residents in the new Usher Institute.

Standards will be rigorously adhered to, utilising the resources offered by the Scottish Government's Digital First Service Standard²⁶ and the NHS Digital, Data and Technology Standards²⁷. The team will also adopt Agile development methodology and practices, which are articulated by the Government Digital Service (GDS).²⁸

The ambition of the DataLoch is to be springboard for international research collaboration - a new type of health & social care DDI ecosystem, which will be a role model for digitally enabled health system re-design globally.

Discussions have commenced to ensure alignment and complementarity with a number of significant national initiatives, most pertinently the National Digital Platform (NDP) being led by NHS Education for Scotland (NHS NES).

The interoperability with other systems, including NHS NES's NDP will be ensured through the use of open and reusable technologies and common data models. DataLoch already incorporates data from more than 30 different NHS data assets and as the NDP matures to replace the existing electronic patient record and hospital administration systems (TrakCare and VISION) then the DataLoch will adapt to integrate data from the NDP. Indeed, to facilitate this and to support the development of the NDP there have been early discussions regarding NHS NES being a resident of the new Usher Institute.

²⁶ <https://resources.mygov.scot/standards/digital-first/>

²⁷ <https://digital.nhs.uk/about-nhs-digital/our-work/nhs-digital-data-and-technology-standards>

²⁸ <https://www.gov.uk/service-manual/agile-delivery>

Entrepreneurship

A strong focus for the University will be mentoring to support start-up growth and creating a robust pipeline to attract corporate capital and other forms of inward investment.

Many of the corporate partners involved in research and innovation are also interested in engaging with early-stage high-growth ventures that may be acquisition targets or who offer increased competitive advantage.

A core objective of the entrepreneurship activity will be to help build the next generation of 'data entrepreneurs' in the health & social care sectors and data-driven companies of scale. The focus will be on building a sustainable pipeline of high-growth start-up and spin-out data-driven innovation companies operating from the broader ecosystem the Usher Institute will support, that help the City Region to maintain and strengthen its entrepreneurial ecosystem.

This will lead to increased investment in new high-growth companies and create high-value jobs in the region. The Usher Institute will support academics with promising ideas via an in-house translation team composed of experts from science, industry, investment and entrepreneurship, including entrepreneurs in residence, to take research forward.

An accelerator programme offered to high-growth potential start-ups in the area of data-driven health & care will be created and the Usher Institute will support the delivery of the programme in partnership with Edinburgh Innovations and other key delivery partners building on the knowledge of successful similar accelerator programmes.

The Programme will also provide access to capital and other vital resources, and support on all aspects of entrepreneurship, health sector knowledge, data science and investment strategies.

The Usher Institute Accelerator programme will be designed to discover high-growth opportunities within the digital health & social care sector, providing researchers with the skills, knowledge and connections they need to go from concept to a real working prototype, ready to be productionised and commercialised. It is anticipated that the pathway will include various steps:

- Work with the Accelerator partners to look for opportunity with high-growth commercial potential within the Usher Institute;
- Develop market intelligence to understand the opportunity and potential for growth;
- Offer specialist guidance on intellectual property, developing contracts and managing procurement;
- Map out potential paths to commercialisation;
- Access to effective mentoring and guidance from seasoned entrepreneurs, and industry and business leaders;
- Researchers will be given an entrepreneurship toolkit, dedicated mentoring and best practices for turning ideas into marketable products; and,
- Develop a working prototype and support package to those taking the critical first steps towards commercialisation.

Our approach will dovetail with the developing commercial accommodation and will take into consideration offering from other BioQuarter partners, notably NHS Lothian, Scottish Enterprise, the City of Edinburgh Council and commercial partners including those in the adjacent 'Number Nine' building. The operating model will be presented to the BioQuarter group, the decision body for the development and management of the site, before being approved.

Inclusive Growth

The Edinburgh and South East Scotland City Region Deal (ESES CRD) partners are committed to ensuring that Inclusive Growth ambitions are embedded across the deal, reflecting the challenges being faced across the region²⁹. An Inclusive Growth framework has been developed which provides an evidence base and a proposed approach to help address these issues. A number of themes are included in the framework, namely: 1) Accelerating Inclusive Growth; 2) Removing the physical barriers to growth; 3) A significant programme of construction; 4) Targeted skills interventions; and 5) Social benefit through innovation.

The link between inequality of income and poor health is well documented³⁰. Health inequality remains a challenge across the city region Health Board areas. For example, across the NHS Lothian area the most deprived communities have 76% more patients hospitalised with asthma than the overall average, 114% more patients hospitalised with Chronic Obstructive Pulmonary Disease (COPD), and 26% more premature births. This inequality gap is equivalent to 4,796 deaths each year. Even within the City of Edinburgh Council area there are 76% more preventable emergency hospital admissions for a chronic condition in the most deprived areas than the overall average. Similar inequality gaps can be seen across Fife and Borders Health Board areas³¹.

The opportunity presented by the city deal for co-operative working across partners has potential benefits to the health and social care sector. As referenced by the OECD, health data can be used to explore the impact of poor health on life chances and help evaluate the impact of public health interventions on health promotion and prevention.

Work is already underway with a range of partners:

Collaboration with National Services Scotland Information Services Division (NSS ISD) on the Drug and Alcohol Information System (DAISy)

ISD Scotland is responsible for developing the Drug and Alcohol Information System (DAISy), a database to collect Scottish drug and alcohol treatment, outcomes and waiting times data from staff delivering specialist drug and alcohol interventions. The goal of this initiative is to support local and national decision-making, monitor service delivery and improvement, and inform national policy and practice development in this crucial area.

29

<https://static1.squarespace.com/static/55c87967e4b05aa55020f656/t/5c263201898583ec74c01146/1546007049724/ESESCR+Deal+Document+6+August+2018+signed.pdf>

³⁰ <http://www.healthscotland.scot/health-inequalities/fundamental-causes/poverty/overview-of-poverty>

³¹ <https://scotland.shinyapps.io/scotpho-health-inequalities/>

As part of the University of Edinburgh's collaboration with ISD Scotland, we intend to support them with the development of the DAISy database and explore the potential to join person-level data with other datasets. One of the collaboration opportunities ~~being considered~~ is to work with the Alan Turing Data Study Group to bring together relevant organisations from industry, government and the third sector, with multi-disciplinary researchers from academia, to address and innovate solutions for the diverse challenges relating to drug and alcohol abuse.

UNICEF

The Data for Children Collaborative with UNICEF is a joint partnership between UNICEF, The Scottish Government and the University of Edinburgh. The Collaborative seeks to improve outcomes for children locally, nationally and globally. It draws on the strengths of all partners to bring insights and solve problems using data and data science. The Collaborative will prioritise and enable projects linking academics, UNICEF subject matter experts and Scottish Government childhood policy and analyst experts, and foster partnerships with other organisations, with a focus on adoption of actionable insights to inform policy and practice.

The Collaborative is funded jointly by the Scottish Government, through the Scottish Funding Council and the University of Edinburgh for a start-up period of three years. The initial project activity is focussed on nutrition, population and poverty, but the intention is for the Collaborative to look at a broader topic range once these initial projects are delivering insights. Areas under discussion include childhood obesity, enabled by The Data Lab on Obesity (unstructured data review at RGU), and Children on the Edge of Care, (exploring data linkages between Health & Education data for Dundee City and Stirling Councils).

Objectives & Key Performance Indicators

Table 1 overleaf outlines the main TRADE outputs for the Usher Institute over the 15-year lifetime of the programme.

Table 1: DDI Programme investment objectives and KPI's

Theme	Investment Objective(s)	KPIs
Talent	Create a vibrant learning environment that enables students and health & social care professionals to realise the potential of data	<ul style="list-style-type: none"> • 8,709 certified • 10,620 non-certified
Research	Facilitate collaboration across disciplines to deliver data-driven research that impacts on patient care	<ul style="list-style-type: none"> • £138m research income
Adoption	Drive innovation through partnerships with the public, private and third sectors that address the major challenges facing our health & social care sector	<ul style="list-style-type: none"> • Interactions with 280 companies
Data	Harness Scotland's comprehensive healthcare data and expertise in data science to evaluate health & social care outcomes in the City Region and beyond	<ul style="list-style-type: none"> • 270 new data sets utilised
Entrepreneurship	Initiate and accelerate the growth of new health & social care businesses that improve the delivery of care to our citizens	<ul style="list-style-type: none"> • 49 new companies formed

1.4 Organising Activities Effectively

Understanding how the University can effectively capitalise on these TRADE opportunities is best explained by describing the **key players** and articulating how the Usher Institute can underwrite delivery of TRADE objectives through the adoption of a [Target Operating Model](#).

Key Players

The ESES City Region already has a number of centres of excellence in health data research and informatics that have underpinned its reputation to date. The Usher Institute operates ‘virtually’ across University locations, and comprises of four separate research centres in Biomedicine, Self and Society, Global Health, Population Health Sciences, Medical Informatics, and the Edinburgh Clinical Trials Unit, each of whom will play a valuable role in achieving TRADE objectives.

Internal partners within the University

- **College of Medicine and Veterinary Medicine & Edinburgh Medical School**
The College comprises two schools: the Edinburgh Medical School and the Royal (Dick) School of Veterinary Studies. The **Edinburgh Medical School** was formally established in 1726 and is a large medical school by UK standards, spread across several campuses at Little France, the Western General Hospital, the University central area and Royal Edinburgh Hospital. It is a “World Top 20” medical school in multiple league tables. Across its three Deaneries and five research institutes³², there are various opportunities to consolidate and develop DDI capability, which will contribute to TRADE objectives.
- **Edinburgh Parallel Computing Centre (EPCC)**
EPCC is an international centre of excellence in all aspects of high-performance and data-intensive computing, accelerating the effective exploitation of novel computing throughout industry, academia and commerce for over 25 years. EPCC houses an exceptional range of supercomputers, and will make available the WCDI, in which the DataLoch will be housed. EPCC is also needed to develop the new technologies that underpin DDI, and the capability to deploy highly skilled R&D-focused data scientists, architects, and engineers to support health & social care innovation projects.
- **Edinburgh Innovations**
Edinburgh Innovations (EI) is the University of Edinburgh’s commercialisation division. Offering a wide range of services, they assist researchers, students and industry to drive innovation. Through business development specialists, EI develop partnerships for mutual benefit, adding value at each stage of the commercialisation journey. They will develop the Accelerator for Usher Institute, while also embedding specialist expertise in the Institute.
- **Bayes Centre**
Through activities across education, research, and innovation, the Bayes Centre works to power the interaction of people, data and systems, harnessing world-leading data science and AI research for the benefits of the economy and society. The multi-disciplinary nature of the Bayes community allows the University to support the City Region in becoming the Data

³² <https://www.ed.ac.uk/medicine-vet-medicine/about/organisational-structure>

Capital of Europe by mobilising academic excellence in education, leveraging funding opportunities and developing strategic relationships. While the Usher Institute continues to operate virtually, it will be a vital partner in supporting activities. It will host events and meetings, and enable interactions with partners across the private, public and third sector.

- **Edinburgh Futures Institute**

The Edinburgh Futures Institute (EFI) will be a global centre for multi-disciplinary, challenge-based DDI research, teaching and impact. EFI will provide thought-leadership in cultural, ethical, managerial, political, social and technological DDI issues by offering opportunities for a broad spectrum of academic researchers, talented students and external partners. The Usher Institute will collaborate with EFI on DDI projects, enhancing the interdisciplinary nature of the offering and working on new programmes, such as those focussed on the future delivery of healthcare.

- **Roslin Institute**

The Roslin Institute is an institute for animal science research, which aims to enhance the lives of animals and humans through research in animal biology. It receives strategic investment funding from the Biotechnology and Biological Sciences Research Council and is located on the Easter Bush Campus with the Royal (Dick) School of Veterinary Studies. As a fellow research institute in the College, it will be an important strategic partner in achieving the TRADE objectives. For example, there will be the opportunity to collaborate on emerging partnerships, such as with the University of Illinois Discovery Partnership Institute.³³

- **School of Informatics**

The School of Informatics is Europe's largest centre for informatics and computing science research with over 250 academic and research staff and 1,400 students from 70+ countries. It is a world-leading research institution in Data Science and AI with a breadth and diversity that is at the forefront of new advances in the field. It will support the programme in various aspects of the TRADE objectives, including the support of research partnerships in health informatics.

- **Administrative Data Research Centre for Scotland (ADRC-S)**

ADRC-S involves experts in the theory, methods and policy of linking records for secondary uses, including public engagement, ethics, information governance and law; linking and analysing large datasets; crime and criminal justice; and education and social services. Working with ADRC-S the DDI Programme will be able to better understand how to best access and link a rich variety of data sources from the health & social care sector.³⁴

Regarding the ADR investment, SADRC (formerly ADRC-S) are an important partner and the DataLoch team will co-locate with this team at Nine BioQuarter in 2019-20. Regarding PICTURES, the DataLoch team have formed a strong relationship with Dr Emily Jefferson,

³³ <https://dpi.uillinois.edu/>

³⁴ <https://adrn.ac.uk/about/network/scotland/our-research/>

Director of the Health Informatics Centre at Dundee and lead of the PICTURES project. The systems architect at EPCC (UoE) who developed the infrastructure for PICTURES is also responsible for designing DataLoch and both data repositories will be hosted within the World Class Data Infrastructure. The UoE is a partner in iCAIRD and, following initial discussions with Canon, who are based in Edinburgh, and one of two key industry partners for iCAIRD, we plan to provide access to ESES data and our expertise to help them train and test artificial intelligence algorithms on the iCAIRD platform once it is established.

External partners

The list of external partners below is not exhaustive. Allied to current partnerships and networks within the wider City Region Deal, extensive stakeholder mapping has taken place and an engagement strategy is being developed to ensure appropriate prioritisation.

Public Sector

- **NHS Lothian, Borders & Fife**

The ESES region is served by three NHS Boards that work together to provide health & social care services to 1.25 million people from the City of Edinburgh, East Lothian, Mid Lothian and West Lothian, the Scottish Borders and the Fife. Together these boards employ 45,000 people across 36 hospitals, including five teaching hospitals, and 180 general practices. Their corporate objectives are to protect and improve the health of the population, improve the quality and safety of health care, secure value and financial sustainability and deliver actions to enable change. The Usher Institute Programme for health & social care has been developed in partnership with the NHS Boards of the ESES region as key external partners.³⁵ These NHS Boards will be a critical factor in ensuring this Programme delivers for the people of the City Region.

- **ESES Local Authorities**

The ESES local authorities (City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian) are key partners in the City Region Deal, and play a critical role in the delivery of selected health services and many social care services, including those for help at home, housing and care homes, mobility, carers, families and children. Growing relationships with each local authority will be critical to establish expectations for delivery and, where possible, supply data to the DataLoch from relevant resources that can be used to improve service delivery to citizens.

- **ESES Health & Social Care Integration Joint Boards (IJB)**

The IJBs govern and have oversight of health & social care partnership and all commissioning. The main purpose of integration is to improve the wellbeing of people who use health & social care services, particularly those whose needs are complex. They bring together NHS community health services and the local authority's health & social care functions. They are a key facilitator in the Usher Institutes ambitions to bring together data from both health &

³⁵<https://org.nhslothian.scot/LothianNHSBoard/BoardPapers/BoardPapers/NHS%20Lothian%20Board%20Papers%2006-02-19.pdf>

social care services and initial briefings with these Boards on both the DDI Programme and related DataLoch project has taken place.

- **Academic and Clinical Central Office for Research and Development (ACCORD)**

ACCORD is a partnership between the University of Edinburgh and NHS Lothian Health Board. By drawing together key research management staff from these organisations, ACCORD provides streamlined access to professional advice, expert regulatory support and world class clinical research infrastructure. This partnership is underpinned by the first joint Research Framework Agreement in Scotland. Providing a single point of entry for researchers throughout the lifecycle of their studies, ACCORD's expertise will help ensure that the programme meets research governance and regulatory requirements, fulfilling legal, ethical and scientific obligations, while nurturing and attracting world class research.

- **Health Data Research UK (HDRUK)**

HDRUK are an independent, non-profit organisation supported by 10 funders (including public and third sector organisations) and bring together 22 research institutes across the UK, including the Scottish substantive site (HDRUK@Scotland). The HDRUK vision is for, "large scale data and advanced analytics to benefit every patient interaction, clinical trial, biomedical discovery and enhance public health."³⁶ The expertise, advice and support HDRUK offer, and the ongoing close working relationship with the Usher Institute, will support programme delivery. Professor Andrew Morris is the Director of Health Data Research UK. Prior to this appointment he was Director of the Usher Institute and is currently seconded to this position, while retaining his post as Professor of Medicine and Vice Principal of Data Science at the University of Edinburgh on a part-time basis.

- **National Services Scotland Information Services Division (NSS ISD)**

NSS ISD is an important ally for the programme to achieve its ambitions, as it provides health information, health intelligence, statistical services and advice that supports quality improvement in health & care. Similar to the DDI Programme, it has partnerships with a wide range of organisations - NHS Boards, hospitals, General Practitioners, Community Health Partnerships, local authorities, voluntary organisations, and many other care and service providers. NSS ISD develops national datasets to support the collection and management of information, and the ambition is that these will be aligned with the DataLoch.

Third Sector, Private Sector and Citizen Bodies

To be successful, the programme must build on the strong base of external engagement with the third and private sectors that currently exists in the Usher Institute and across the wider College and University. These organisations will contribute to multiple areas of the Institutes DDI Programme and will engage across the TRADE themes as appropriate. This will include co-design of services, direct support through funding awards, participation in research and enabling the delivery of innovative products and solutions.

³⁶ <https://www.hdruk.ac.uk/wp-content/uploads/2019/04/HDR-UK-One-Institute-Strategy-compressed-1.pdf>

To ensure that DDI activities are aligned with patient and citizen outcomes, represent all citizens and address inequalities, it will be invaluable to engage with 'citizen bodies' - the organisations that represent these concerns.

Categories and examples of organisations are detailed below:

- **Third sector**

Charitable organisations and trusts fund research and use data to understand the impact of disease and their interventions on a population level. There are many strong examples of current research engagements with the University and College of Medicine and Veterinary Medicine, through the Wellcome Trust, British Heart Foundation and Cancer Research UK, amongst others. Many of the Edinburgh Medical School PhD programmes leverage funding from a variety of third sector organisations (for example, Cancer Research UK) for both clinicians and scientists to undertake data-related projects, and these programmes will be enhanced through the DDI Programme.

- **Pharmaceutical companies**

One of the key targets for industry engagement are pharmaceutical companies. There are current engagements with multiple companies across the Edinburgh Medical School³⁷. This includes engagements with Pfizer, Bristol-Myers Squibb, AstraZeneca, and Glaxo-Smith Kline on clinical trials and post-marketing research to evaluate safety and efficacy by linking patient level data with prescribing. The Scottish Allergy Respiratory Academy, which is based at the University of Edinburgh, provides training to companies such as Chiesi and Bausch & Lomb.³⁸

- **Medical devices and equipment companies**

Engagement in this sector is limited and an opportunity exists to significantly enhance this aspect in the City Region, to garner further inward investment. This could feature post-marketing research or clinical trials using linked routinely collected patient level data to evaluate safety and efficacy of new medical devices (for example, vascular stents and implantable devices) following adoption. Examples of established partnerships with major global companies in this sector include Abbott Laboratories³⁹, Siemens Healthineers⁴⁰, and LumiraDx. Through the NHS Lothian Bioresource and the DataLoch there is a large potential market to evaluate the impact of new diagnostic equipment and testing on health service delivery and outcomes.

³⁷ <https://www.ed.ac.uk/medicine-vet-medicine/research/edinburgh-drug-discovery/industry-collaborations>

³⁸ <https://www.scottishallergyrespiratoryacademy.org/>

³⁹ [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(18\)31923-8/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(18)31923-8/fulltext)

⁴⁰ <https://heart.bmj.com/content/105/8/616.long>

- **Health technology companies**

Allied to the University of Edinburgh's growing expertise in this area, there is potential in developing algorithms for precision medicine, including the application of novel data-driven techniques such as machine learning and artificial intelligence in improving health outcomes. The University has a wide range of relationships in this area, including its own spin-outs such as Connect Healthcare⁴¹ and Pharmatics⁴²

- **Citizen bodies**

This category involves a range of organisations that will participate in the programme to ensure that it is inclusive and will address inequalities in both the development of health & social care technologies and the provision of services to citizens.

The University already has strong links to Advance Higher Education's Equality Charters⁴³ but there are opportunities to extend this, in terms of supporting equality in both how the programme is delivered and the representation of citizens. There are bodies concerned with diversity in health tech, such as OneHealthTech⁴⁴, which will be engaged with and supported through the programme.

In terms of ensuring outcomes address health & social care inequalities and are centred around citizen need, there will be engagement with relevant sector bodies and organisations such as the Scottish Council for Voluntary Organisations (SCVO), the Social Care Institute for Excellence and the Health & Social Care Alliance Scotland.

3.4. Operating Model

The operating model is founded on the need for the Usher Institute to act as a key facilitator of DDI activity that generates value for the City Region, nationally and globally. This will be achieved by harnessing talent and leveraging support across the College and University more widely, to create functional interfaces with private, public and third sector health & social care organisations.

It is also important that the Usher Institute operates in alignment with the wider DDI Programme to maximise the use of resources across the University. As illustrated in Figure 5 below, the Usher Institute will operate in cooperation with the other innovation hubs to ensure the delivery of inclusive growth for the ESES City Region.

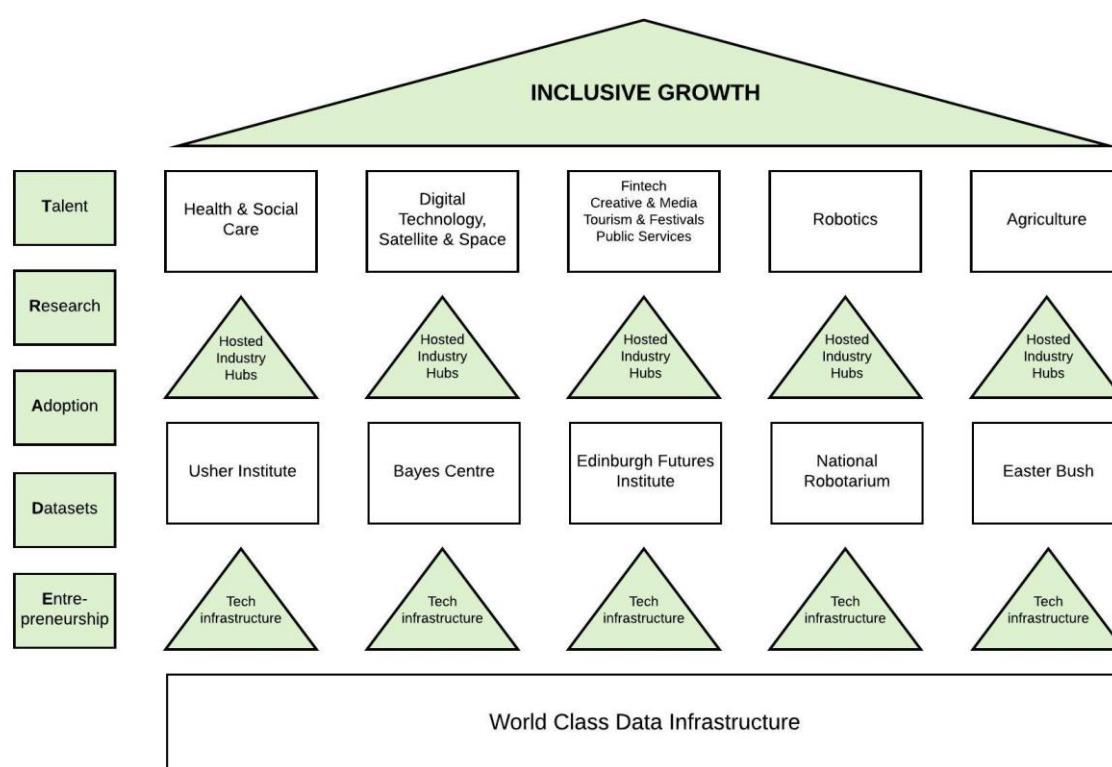
⁴¹ <https://www.connecthealth.co.uk/>

⁴² <https://pharmaticsltd.com/>

⁴³ <https://www.ecu.ac.uk/equality-charters/>

⁴⁴ <https://www.onehealthtech.com/>

Figure 5: Structure of the overall DDI Programme



The Usher Institute will be supported by the World Class Data Infrastructure (WCDI), which is particularly vital in the context of the DataLoch. Formal governance and procedures are already in place, even at this early stage, to ensure that the innovation hubs collaborate and develop complementary activity plans.

As identified in the [Key Players](#) section above, critical relationships internally and externally already exist or have been identified. The power of the operating model will be in sustaining these relationships while being operationally agile and able to respond to changes in the political, economic, social and technological environment that impact the sector.

As referenced in the [Current Position](#), the Usher Institute operates ‘virtually’ across University locations. Allied to the need for the programme to mine opportunities across the University, it is necessary to create a Target Operating Model to facilitate strategic delivery and put in place a plan to achieve this transition.

Underwriting delivery of the DDI vision and TRADE objectives

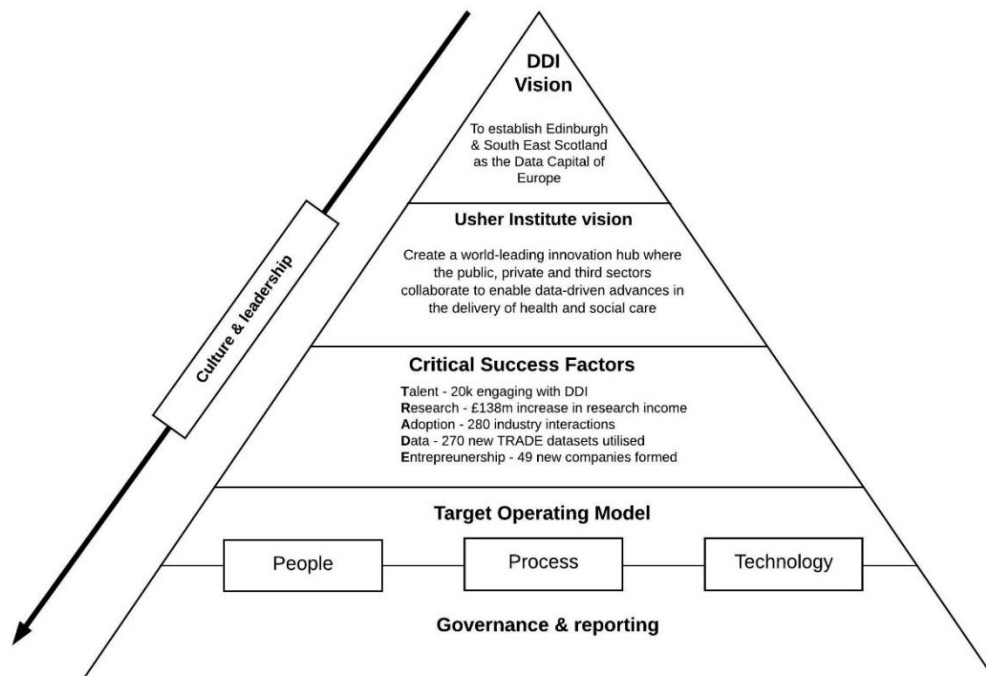
The operating model underwrites the Usher Institute vision and is aligned with the overall DDI Programme vision: “to establish Edinburgh & South East Scotland as the data capital of Europe.”⁴⁵

The Target Operating Model for the Usher Institute outlines how this can be delivered through people, process and technology (Figure 6). It is a representation of how the services can be best organised to

⁴⁵ <https://ddi.ac.uk/about-us/data-capital-of-europe/>

efficiently and effectively achieve goals. The mode of delivery will enable University colleagues to adopt and benefit from the DDI Programme, and contribute towards TRADE objectives over the lifetime of the City Region Deal programme.

Figure 6: Target operating model alignment



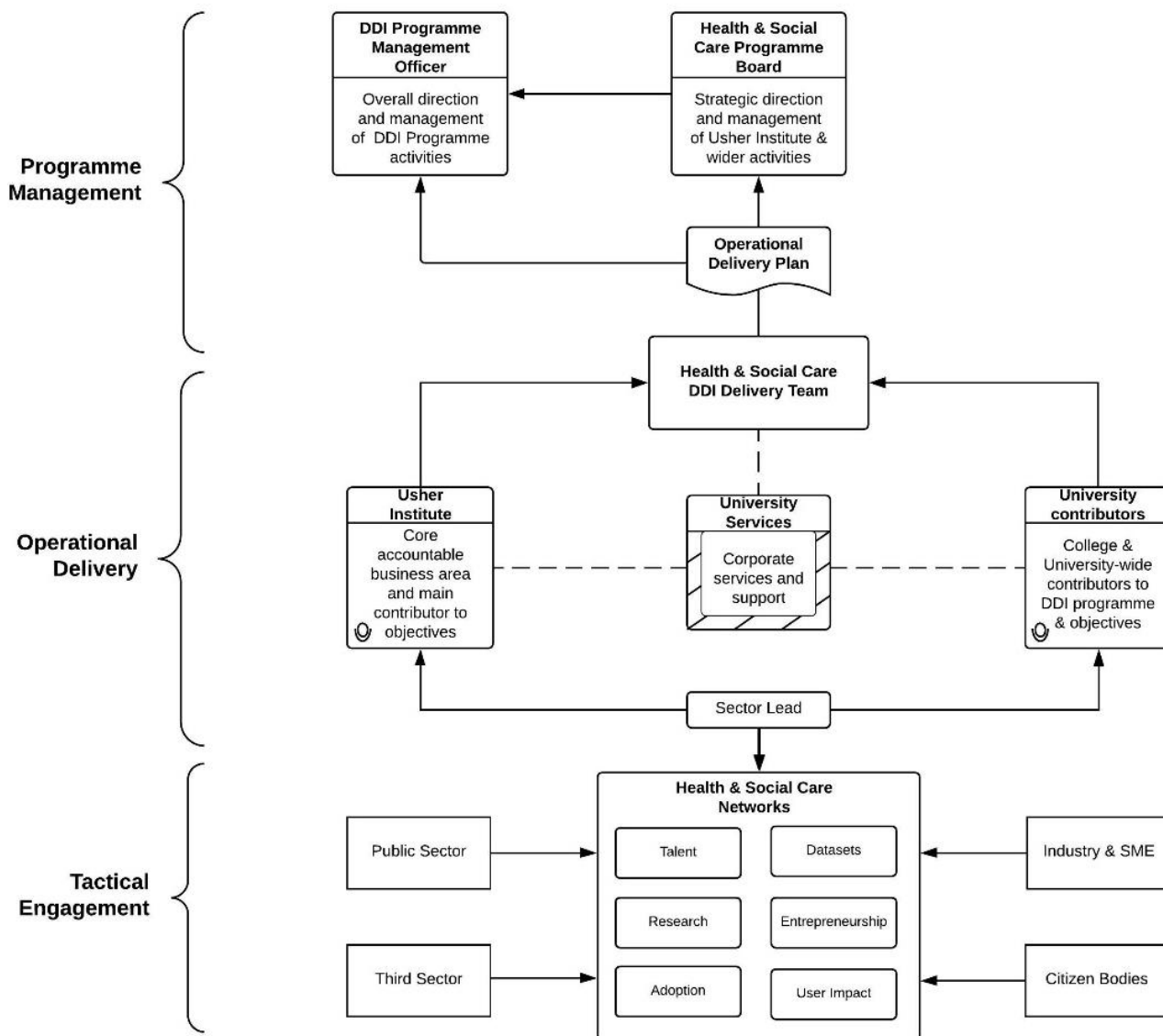
A strong foundation of governance and reporting is equally critical in ensuring that the programme achieves its objectives and drives improvement, allied to maintaining legal and ethical standing within the sector and wider regulatory environment.

People, processes and technology are the key components that underwrite the successful delivery of the Target Operating Model. The impact and necessary changes in these areas have been identified and interrogated through the [Financial Case](#).

Target Operating Model

Figure 7 depicts the high-level view of the Target Operating Model and the relationship between the University and external organisations, which are critical to the success of the model. Further explanation of each tier is given in this section.

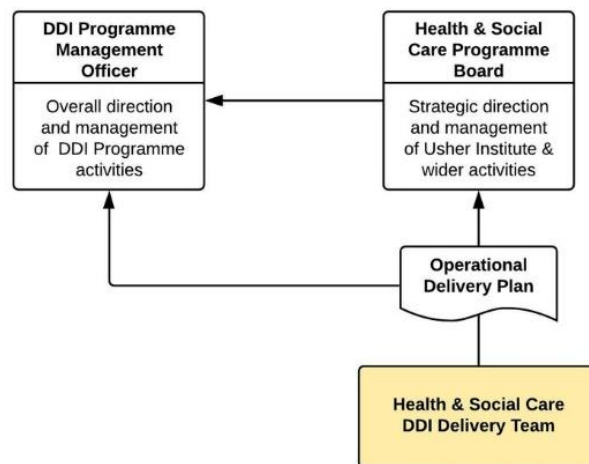
Figure 7: The three-tier Usher Institute Target Operating Model that is further explained in this section



Programme Management

As referenced in Figure 8 below, the **Health & Social Care DDI Delivery Team**, is critical to the delivery of the programme. This team will be accountable for the day-to-day operations and delivery of the programme and be based in the Usher Institute but with a remit to work across the University, to drive best value for the programme. It will report to the **Health & Social Care DDI Programme Board** and the **DDI Programme Management Office (PMO)**.

Figure 8: Programme Management tier



This team is the principal owner of the **Operational Delivery Plan**, by which activities across the TRADE themes will be aligned to ensure that there is an appropriate balance of effort and that objectives are being met. The Health & Social Care DDI Delivery Team will be led by the Chief Operating Officer (COO) and will manage key programme activities, including:

- Sector programme management;
- Resource management;
- Communications;
- Project alignment, coordination and oversight;
- TRADE KPI reporting;
- Financial management; and,
- Compliance against relevant regulatory and legal standards.

The interface with the Programme Board and DDI PMO also ensures that there is a ‘chain of command’, in terms of alignment with the wider programme and ensuring that communication and messaging is effective.

The purpose of the Programme Board is primarily to offer strategic direction and oversight, and to ensure that the Operational Delivery Plan is aligned with the Usher Institute and College plans by:

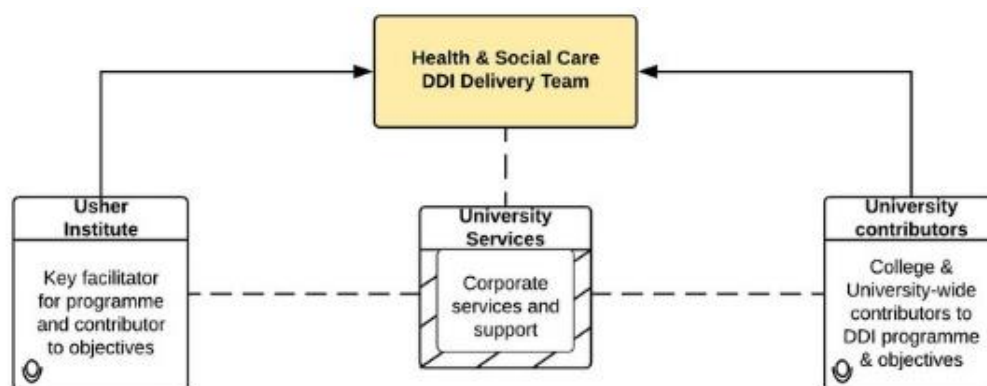
- Developing and owning the health & social care sector strategy;
- Approving the Operational Delivery Plan;
- Authorising any major deviations from the agreed Operational Delivery Plan;
- Ensuring the required resources are available;

- Resolving any conflicts escalated by project teams, internal or external stakeholders; and,
- Providing overall strategic direction for the programme.

Operational Delivery

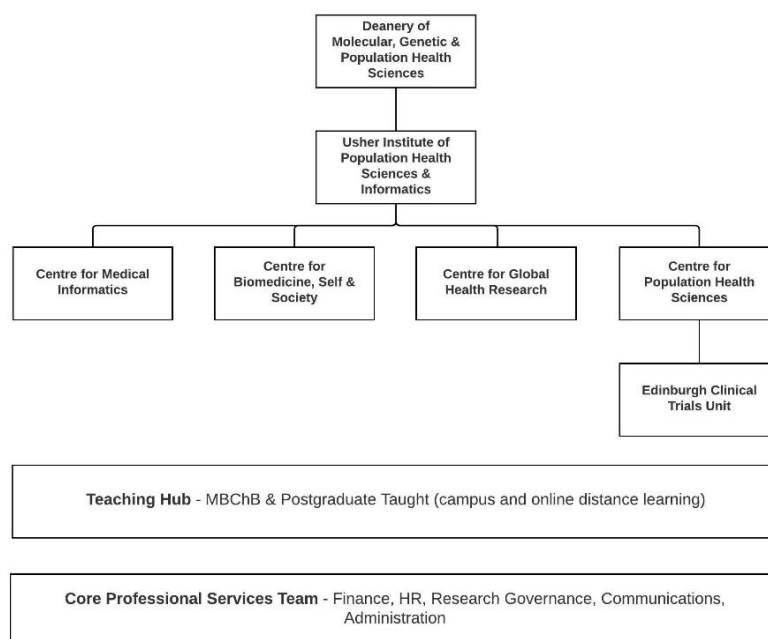
As a mature research institute, the **Usher Institute** is recognised as the key facilitator for the delivery of the TRADE objectives, as outlined in Figure 9 below. The research centres associated to the Usher Institute (see Figure 10 overleaf) are aligned to the TRADE themes and will contribute significantly to objectives.

Figure 9: Operational Delivery tier



As identified in [Internal Stakeholders](#), there are also a rich variety of Schools, Research Institutes and Centres across the University with capability that is well aligned with DDI in health & social care and have strong connections with sector organisations, which will be valuable in delivering impact. For this reason, there are opportunities to drive value for the College and University as a whole by extending the reach of the Health & Social Care DDI Programme.

Figure 10: Usher Institute structure

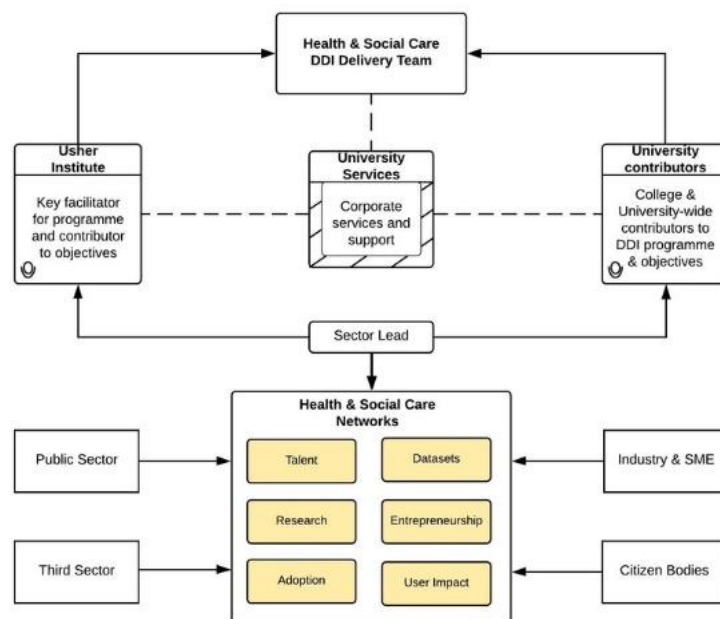


Where possible, University contributors will be co-located in the new facility, to ensure they have exposure to the collaboration opportunities with private, public and third sector organisations. In the case that this is not possible, the use of University Professional Services, such as Information Technology infrastructure, allows for excellent collaboration frameworks.

Tactical Engagement

The implementation of the Target Operating Model will put in place the structure necessary to ensure functional interfaces internally. However, the success of the DDI Programme has a critical dependency on public, private and third sector partners as recognised by the engagement tiers in Figure 11 below.

Figure 11: Tactical Engagement tier



The range of [External Stakeholders](#) is significant and it is important that identification and prioritisation of potential partners takes place across the TRADE themes to increase efficiency and effectiveness of delivery. The ultimate goal is to create sector advocates and influencers who can leverage support and ease delivery.

For this reason, **six networks** of subject matter experts are being developed across the TRADE themes and *User Impact*. Members of these theme networks are being drawn from across the public, private and third sector as appropriate.

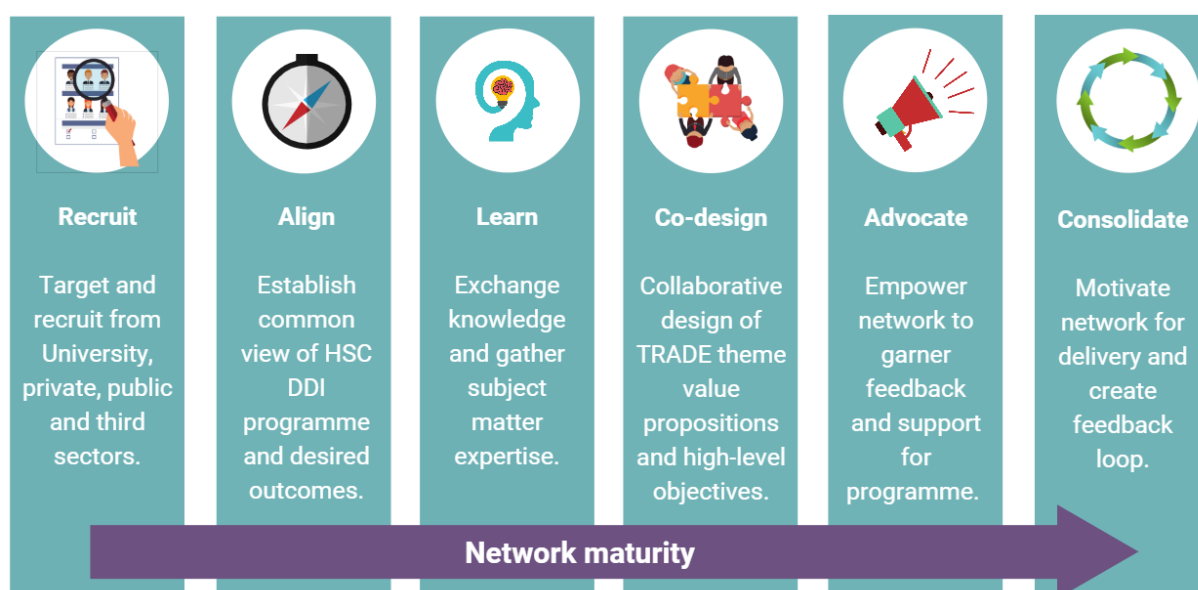
The User Impact network will ensure that appropriate actions are being taken to understand the impact of the programme on the end user or citizen. Where DDI impacts on service delivery to citizens of the City Region and more widely in Scotland, it is imperative that appropriate development and

evaluation methods are adopted. This has been articulated in the Scottish Approach to designing public services⁴⁶ and, for digital services, the Digital First Service Standard⁴⁷.

The **Sector Lead** role will provide a sector-specific focus that will align the market and commercial opportunities with delivery capability and is the key mechanism for driving engagement in emerging segments of opportunity. The post has been created to amplify the City Region Deal within the sector and pump prime the pipeline of sector and data related projects.

Each of the networks will follow the same development model, ensuring they reach operational effectiveness in a timely fashion. This is illustrated in Figure 12 below.

Figure 12: Network development model



Developing the pipeline

Given the importance of industry engagement, as reflected in the TRADE KPIs, a healthy pipeline of engagements is vital. While programmes such as the DataLoch will have the dedicated DDI Prism team for industry consultancy and engagement specifically for that purpose, the Health & Social Care DDI Delivery Team will manage the industry pipeline across the TRADE themes.

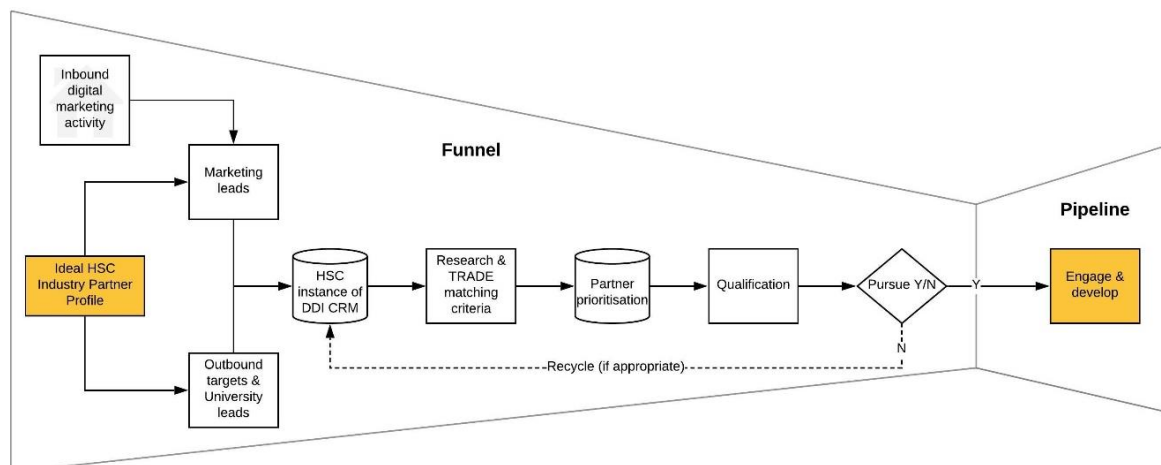
The process and systems to underwrite this are already in development and early-stage execution, resulting in the development of innovation propositions with multiple potential partners. As is illustrated in the Figure 13, it is important to understand what a 'model' industry partner profile is for each of the TRADE themes and how the partner can be targeted and engaged.

The process ensures operational efficiency and reduces wasted engagements that will not deliver to TRADE objectives or contribute to KPIs. To support this process, a Customer Relationship Management (CRM) system has been procured and deployed.

⁴⁶<https://resources.mygov.scot/37f87d5/designing-public-services-in-scotland/why-we-need-design-for-public-services-in-scotland/a-scottish-approach-to-design-for-public-services/>

⁴⁷ <https://resources.mygov.scot/standards/digital-first/>

Figure 13: Industry engagement and pipeline



Through this process we will significantly expand the opportunity for private sector companies - large and small - to deliver successful health and social care innovations of all types.

We will draw upon a range of activities and partner organisations (e.g. Scottish Development International, Edinburgh Innovations and University strategic partnerships teams) at the front end of opportunity funnel in order to ensure that we have access to a range of high-quality industry collaboration opportunities, including possible inward investments.

Using the Nesta 'innovation spiral' (see Appendix G) as a reference framework, Table 2b overleaf illustrates how the scope and scale of business innovation engagement opportunities will be transformed.

Table 2b: Changes in approach to engagement and partnerships with industry

Approach & Focus	Summary Description	Current Activities	Future Activities	Example Initiatives
Identify opportunities & challenges (SME & corporates)	Better understand opportunities and challenges around healthcare issues to inspire new ideas	○ Opportunity identification tends to be driven in collaboration with healthcare providers	● Engage a broad range of organisations to identify and validate high-impact opportunities and challenges	<ul style="list-style-type: none"> Data for Children collaborative ACRC proposition shaping
Generate ideas (SME & corporates)	Explore and develop ideas that address health & social care opportunities and challenges	○ Occasional engagements with organisations including Microsoft in the generation of new ideas and concepts	● Engage a broad range of organisations to identify and validate high-impact opportunities and challenges	<ul style="list-style-type: none"> ACRC proposition shaping
Development & testing (mainly SME focus)	Test ideas in practice so that plans can be refined and improved.	○ Not a focus area currently	● Make extensive use of dedicated on-site accelerator capabilities to validate early stage concepts	<ul style="list-style-type: none"> Establish Advanced Care Research Centre DDI student placements
Making the case (mainly SME focus)	Persuade others that an idea works better than existing approaches	○ Not a focus area currently	● Make extensive use of dedicated on-site accelerator capabilities to validate new business models	<ul style="list-style-type: none"> Dedicated health & social care sector accelerator
Deliver & implement (SME & corporates)	Moving ideas from concept to reality	○ Not a focus area currently	● Make extensive use of dedicated on-site accelerator capabilities to market-test new products	<ul style="list-style-type: none"> Healthcare Technology Accelerator Facility (HTAF) Dedicated health & social care sector accelerator
Grow & scale (SME & corporates)	Enact strategies that grow and spread innovations	● Track record of collaborations with SE for the support of companies incubated at the University of Edinburgh	● Systematically collaborate with SE and other partners to incubate a long pipeline of digital healthcare companies	<ul style="list-style-type: none"> Dedicated health & social care sector accelerator Partnership with Wayra UK Accelerator Programme
Systems change (mainly corporate focus)	Identify changes in the health & social care sector that enable new ways of thinking & working	● Track record of collaboration with innovation centres to support health and social care innovations	● Apply challenge-based innovation approach that engages organisations of all types and sizes	<ul style="list-style-type: none"> DataLoch health & social care pathway re-design Data-led healthcare delivery transformation

Key

○	Low level of activity	●	Occasional activities with SMEs & corporates	●	Extensive activities with SMEs & corporates
○	Occasional activities with SMEs or corporates	●	Extensive activities with SMEs or corporates		

This expanded range of innovation activities will create engagement opportunities for SMEs and corporates alike, including possible inward investors that are seeking to grow their commercial activities in the City Region. The engagement activities across the various innovation methods, driven by our sector team, has already produced a pipeline of opportunities as illustrated in Appendix F. Highlights include:

- The **Data for Children Collaborative** is, initially, a three year joint partnership between UNICEF, The Scottish Government and the University of Edinburgh. The Collaborative seeks to improve outcomes for children locally, nationally and globally, drawing on the strengths of all partners to bring insight and solve problems using data and data science. The Collaborative will prioritise and enable projects linking academics, UNICEF subject matter experts and Scottish Government childhood policy and analyst experts, and will foster partnerships with other organisations, with a focus on adoption of actionable insights to inform policy and practice. Whilst initial project activity is expected to focus on nutrition, population and poverty, the Collaborative will look at a broader topic range once these initial projects are delivering insights;
- The university is working with a large financial services provider potentially to collaborate on creating an **Ageing Care Research Centre (ACRC)**, with a potential investment of £15m. This work will focus on the research needed to address the issues of multi-morbidity in the ageing population, together with consideration of the changes required to the health and social care system. The activity will be taken forward through collaborative partnership working with other relevant institutions, and would be a key influencer in our work with the regions' Local Authorities and Health Boards.
- The **partnership between the University of Edinburgh and a large Chinese Institution** (registered on the Hong Kong stock exchange) to create an investment and revenue model that will see two Chinese academic innovation campuses directly linked to the University through data exchange. The initial area of focus will be on diabetes through the creation of an international centre that will link to a number of large Chinese hospitals (+3,000 beds each) to study patients' journeys and outcomes which will be underpinned by the successful research undertaken in Scotland, that has seen a 40% reduction in blindness and amputations in patients afflicted with diabetes. If this model can demonstrate a similar success, it is expected that it can be scaled across the country. This also affords an export opportunity for UK-owned SMEs.
- As part of a partnership with **Amazon Academy**, two world-leading centres at the University of Edinburgh, the Euan MacDonald Centre for Motor Neurone Disease Research and the Centre for Speech Technology Research, will create a new venture to translate the research developed within the Speak:Unique project whose ultimate ambition is for people to be able to use communication aids that speak for them in their own voice.

Whilst we intend to maximise access to these engagement opportunities to as many organisations as possible, they are most likely to occur where there is a compelling fit with the unique skills and capabilities of the University. Using the framework detailing action for the prevention, early detection and early intervention of type 2 diabetes⁴⁸ developed by the Scottish Government (see

⁴⁸ <https://www.gov.scot/publications/healthier-future-framework-prevention-early-detection-early-intervention-type-2/pages/7/>

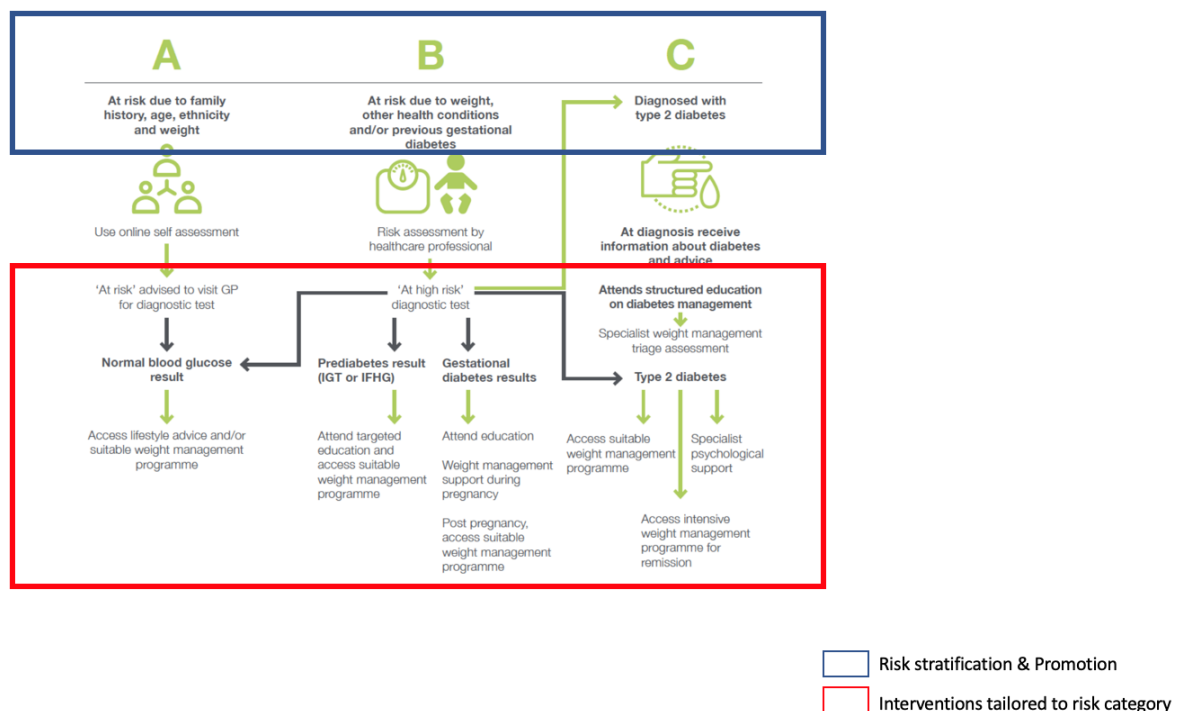
Figure 13b below) as an example, the following areas represent key areas of activity that are most likely to result in effective data-driven collaborations:

- Development of data-driven solutions supporting type 2 diabetes patients risk stratification and promotion;
- Design and evaluation of interventions tailored to their risk category.

Given the areas of opportunity highlighted in this example, we would expect to engage private sector organisations with capabilities in the following areas:

- International healthcare providers
- Health and social care data science and artificial intelligence;
- Healthcare econometrics;
- Specialist diabetes healthcare suppliers; and,
- Medical device companies.

Figure 13b: Industry engagement and pipeline



1.5 Strategic Asset Development

The new Usher Institute building presents a unique opportunity to establish the vision of a ‘world class innovation hub’, as an intrinsically healthy, smart building, facilitating research and innovation, with space for collaboration, engagement and a public focus.

It will be positioned centrally and prominently within Edinburgh BioQuarter⁴⁹, a leading destination for healthcare delivery, ground-breaking medical research, life sciences innovation and entrepreneurship.

It will be located in close proximity to NHS Lothian’s Royal Infirmary of Edinburgh, a large teaching hospital, the Royal Hospital for Sick Children and several research centres, such as the Queen’s Medical Research Institute (QMRI).⁵⁰ The new Edinburgh Medical School, a major investment from the University that is due to open in 2025, will be located opposite the Usher Institute.

The project is entering RIBA Stage 3 (‘Developed Design’) in summer 2019, and the proposed design aims to be a hard-working, healthy building that provides a variety of work settings and spaces that facilitate not only the current research and work practices, but also to serve the future aspirations of the Usher Institute (Figure 14).

Figure 14: Illustration of the exterior aspect of the new Usher Institute building



Designed to be a collaborative space for data-driven innovation, the ability to adapt is central to the design. This could be through the growth of a research centre or the establishment of a new start-up business within the partner workspaces.

The ability of the building to house and facilitate a diverse range of occupants is key to its success and the proposed population mix can be seen in Figure 15 overleaf.

⁴⁹ Edinburgh BioQuarter is a partnership between the University, Scottish Enterprise, NHS Lothian and the City of Edinburgh Council - <https://edinburghbioquarter.com/about/our-partners/>

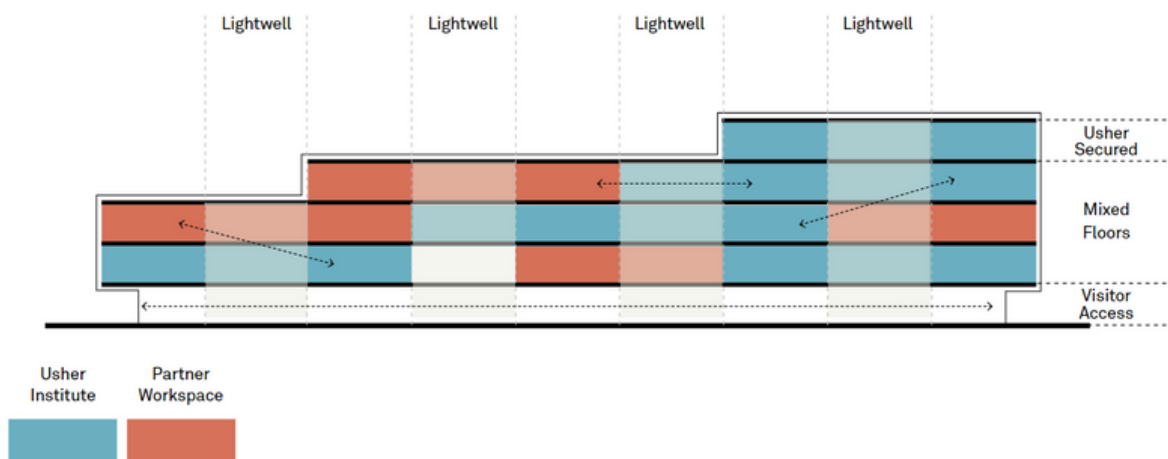
⁵⁰ <https://www.ed.ac.uk/medicine-vet-medicine/institutes-centres-facilities-networks/institutes-and-centres/queens-medical-research>

Figure 15: Population mix (headcount) of the new building



As can be seen in Figure 16 overleaf, the mixture of Usher Institute and partner workspaces will encourage cooperative working. The flow of users around the building will be through a series of hubs and common areas, reflecting the inclusive and collaborative values of the DDI Programme. As the Usher Institute has a strong focus on public health, the new building will aim to provide a healthy, active workplace and be representative of the Institute's values.

Figure 16: Blending of Usher Institute and partner spaces



Both during the development and active use of the building, the local community will be an important focus. There will be an outreach room for public engagement and other public spaces that allow the Usher Institute to connect directly with the community.

For further details of the emerging building design see [Output-Based Specification](#).

1.6 Usher Institute Target Outcomes – the “so what?”

Through the investment in capability, the effective organisation of resources to face the market and co-locating in a purpose-built facility, the University expects to make a substantial impact.

Table 3: the Usher Institute Key Performance Indicators (KPIs)

Theme	KPI	Incremental target 2017-32	Notes
Talent	Certified - Undergraduate	4,300 semester long courses taught	The College strategy is to embed data capability in elements of MBChB Medicine and other relevant UG programmes, such as Biomedical Sciences.
Talent	Certified - Postgraduate	510 FT and PT	Covers a range of part-time and full-time courses (incl. PhD), taken both on campus and online.
Talent	CPD (Non-Credit Bearing)	10,620	Includes Massive Open Online Courses (MOOCs) where certification is not purchased and non-CPD certified events attended by health & social care professionals.
Research	Research income	£138m	Income is forecast across public, private and third sector sources.
Adoption	Industry interaction income	£15.7m	Based on 283 industry projects over the lifetime of the programme and lease income for industry partners of circa £2m from 2022-32.
Adoption	CPD (Credit Bearing)	4,580	Focussed activity to develop DDI-related CPD to help relevant NHS and social care professionals realise the benefit of data.
Datasets	New TRADE datasets utilised	270	The DataLoch Programme is forecast to deliver wholly against this target.
Entrepreneurship	Company formations	49	This will be delivered by a number of activities, including the Edinburgh Innovations Accelerator programme

As illustrated, in Table below, over the 15 years of the DDI Programme, the Usher Institute will deliver a forecast net present value (NPV) of gross value added (GVA) of £412 million⁵¹. By applying the discounted public sector cost of £54.4 million, the UK Cost Benefit ratio is likely to be around 1 to 7.4.

Table 4: the Usher Institute GVA benefits

Benefit Ratio for Usher Institute based on Govt funding contribution: 1:5.6				
	City Region	Rest of Scotland	Rest of UK	UK, as a Whole
GVA (£ million)	118	57	237	412

Overall the DDI Programme, and associated risk profile, is affordable and capable of being self-sustaining over the longer term if capital costs are met in full by capital grant being requested here.

⁵¹ All benefit streams are captured over a fifteen year period except talent effects which, given the pervasive impact of DDI upon future productivity account for uplifts in graduate lifetime GVA (discounted back to present day values).

Both the capital investment and programme activities proposed can be accommodated within current University business procurement and estates management processes. The income and spend profiles are detailed in Table 5 below with revenue ramping up from 2022. Note that 2028 is the breakeven point.

Table 5: the University Usher Institute Income and Expenditure

£ million	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
Income	1.2	1.9	2.9	4.8	7.1	8.8	10.5	12.8	15.0	17.3	19.2	21.9	22.6	23.1	23.7	192.9
Total expenditure	1.1	1.7	2.7	4.3	7.7	10.2	11.7	13.7	15.6	17.5	19.0	21.2	21.6	22.0	22.4	192.5
CRD contribution	0.6	3.3	8.4	9.5	20.1	6.6	0.7	-	-	-	-	-	-	-	-	49.2

1.7 Overall Summary

The Usher Institute, and the diverse range of groups and activities that it will host, is an ambitious and complex undertaking. It will be a catalyst for the transformation of health & social care in the City Region and beyond, leveraging world-class capabilities and simultaneously driving improved outcomes for citizens and inclusive growth.

Edinburgh and South East Scotland City Region Deal Joint Committee

2 pm, Tuesday 3 September 2019

Edinburgh and South East Scotland Regional Growth Framework

Item number

Executive Summary

This report outlines a project brief to guide the production of a Regional Growth Framework.

This project brief aims to capture and define the core project objectives, scope, anticipated benefits, resource requirements and timescales to deliver a Regional Growth Framework which enables the region to manage its growth and deliver inclusive growth that benefits local communities across South East of Scotland.

The Regional Growth Framework is not in itself a Spatial Strategy but the two are inextricably linked. A Spatial Strategy will align to the Growth Framework and will follow on and flow from its production.

Andrew Kerr

Chief Officer, Edinburgh and South East Scotland
City Region Deal

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Deal

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Tel: 0131 529 4461



City Region Deal Checklist

Criteria	Details/Link to Document
Contribution to City Region Deal commitments and Inclusive Growth Framework	A Regional Growth Framework will align and support existing City Region Deal to deliver 21,000 jobs and over 45,000 homes across seven strategic sites. Delivering inclusive growth is central to the City Region Deal and a future Regional Growth Framework. The Deal alone will not address longstanding, deep-rooted issues facing the region and is therefore essential that a joined up regional policy approach is developed.
Alignment, integration with, or dependence on, other City Region Deal activities	A Regional Growth Framework would aim to deliver greater alignment across all City Region Deal activities with a focus on economic development, housing, planning and transport under a set of simpler governance arrangements to deliver a streamlined approach to regional planning, housing, transport and economic development to manage growth and maximise regional inclusive growth outcomes.
Scale and regional distribution of expected outcomes, benefits, and leverage, from activity	The scale and distribution of benefits will be fully determined with the production of a fully developed regional Growth Framework. However, the project brief aims to set out potential regional outcomes including: <ul style="list-style-type: none"> • Effective response to changing demographics and implications for future economic needs • Inclusive economic growth and high-quality jobs • Sustainability • More affordable homes • Enhanced connectivity • Coordinated infrastructure delivery
Compliance with financial requirements and agreed expenditure profile	A Regional Growth Framework would be compliant with the financial requirements of the City Region Deal. Any expenditure will be agreed between local, regional and national partners.
Equalities Impact	A fully Equalities Impact Assessment will be undertaken if a Regional Growth Framework is developed.
Anticipated significant risks and mitigation measures	<p>Risk - Resource – to develop a Regional Growth Framework resources are required from across City Region Deal partners.</p> <p>Mitigation - Resource Commitment – partner commitment to provide sufficient resource to deliver the Growth Framework. An indicative resource and reporting structure is outlined in Appendix 1.</p>
Alignment and fit with City Region Deal governance arrangement	A Regional Growth Framework fully aligns with the existing City Region Deal governance arrangements.
PMO check	Complete
Government approval	Government comments and feedback has been incorporated into this project brief.
Partner sign-off	Approved by the City Region Deal Directors' Group on 1 August 2019
Advisory Board sign off	Approved by the City Region Deal Directors' Group on 1 August 2019
Executive Board sign off	Approved by the City Region Deal Executive Board on 22 August 2019
PMO Recommendation	That Joint Committee approves the recommendations in this report.

Regional Growth Framework

1. Recommendations

Joint Committee is asked to approve:

- 1.1 The project brief and for officers to commence the production of a Regional Growth Framework; and
- 1.2 The governance and reporting structure outlined in Appendix 1.

2. Background

- 2.1 Throughout the process of negotiating and implementing the Edinburgh and South East Scotland (ESES) City Region Deal (2015 to 2018), partners considered the need for a new framework for sustainable and inclusive economic growth in the city region.
- 2.2 In 2017, as part of a review of Enterprise and Skills, the Scottish Government published a report on [Regional Partnerships](#), encouraging new models of regional collaboration. In the same year the UK Government published its [Industrial Strategy](#) to boost productivity, create good jobs and increase earning power with investment in skills, industries and infrastructure. Both of these key policy documents align closely to the City Region Deal objectives and ambition for the Growth Framework.
- 2.3 The City Region Deal was agreed in August 2018, and since that time the City Region and its partners have successfully worked together within a governance framework which has demonstrated successful cohesive regional partnership working, both between regional partners, and as an entity with Government, across a broad range of projects and policy areas. In the period which followed, the Joint Committee has approved eight business cases and seven project propositions, collectively worth £704 million or 53% of the 15-year programme.
- 2.4 Due to the success of the City Region Deal collaboration combined with uncertainty over planning and transport at national and regional scales, on 31 May 2019, the City Region Deal Leaders recommended that officers develop a proposition outlining a regional framework for growth.
- 2.5 This paper outlines a project brief to enable the development a Regional Growth Framework.

3. Main report

Purpose

- 3.1 The interdependence between local partners has never been greater with increased mobility of workers and people choosing to live, work and invest in locations across the region irrespective of local authority boundaries. It has never been more important for the region to take a holistic, joined-up approach across transport, planning, housing and economic development.
- 3.2 A Regional Growth Framework would aim to deliver greater alignment across economic development, housing, planning and transport under a set of simpler governance arrangements to deliver a streamlined approach to regional planning, housing, transport and economic development to manage growth and maximise regional inclusive growth outcomes.
- 3.3 The Framework would provide the region with control over the future growth of the city region and ensure it is being properly planned for the benefit of all. It can enable the region to speak with one voice and make a strong case for resources and investment. It can deliver the coordinated, strategic improvements needed to help the region respond to key national policy changes and the Global Climate Emergency to ensure that future investment supports inclusive and sustainable growth in our communities.
- 3.4 A Framework of this nature while designed and led by local authorities, goes beyond those activities and areas of focus within their direct responsibility, and recognises the need for shared ownership and delivery via an effective regional partnership model, encompassing public sector, national agencies, private sector, and third sector contributors.

Context

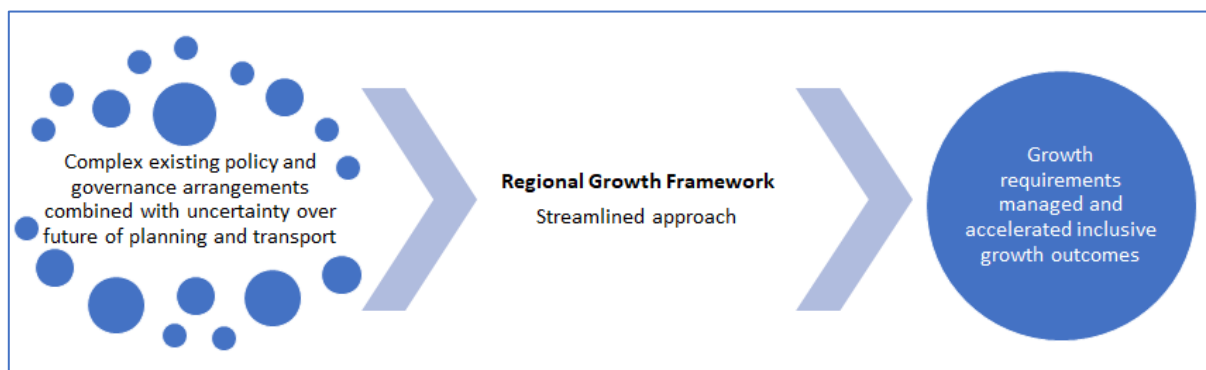
- 3.5 With a population of approximately 1.4 million people and contributing approximately £36 billion per year to the Scottish and UK economies, the city region has a strong and successful economy on which to build.
- 3.6 Drawing upon data provided by Scottish Enterprise which looks at the comparative performance and trends of Regions at a national level, the ESES city region performs at the top end across a range of indicators. For example, the region has the greatest rates of education and productivity; highest employment growth rates for men and women; the greatest growth in start-ups and mid-sized companies of any region in Scotland.
- 3.7 However, prosperity and success are not universal across the city region: both the Scottish Borders and Fife sit across more than one region with Tayside (Fife) experiencing medium growth and the South (Scottish Borders) experiencing low growth when considering comparable economic performance. Across the region, nearly a fifth of children are living in poverty; there is a lack affordable housing; and too many people are unable to move on from low wage and low skill jobs.

- 3.8 The City Region Deal aims to address these issues; it will accelerate growth, create new economic opportunities and meaningful new jobs that will help to reduce inequalities. It will invest £1.3bn and deliver 21,000 jobs and has the potential to deliver over 45,000 homes across seven strategic sites. Regional partners are working with UK and Scottish Governments on a Monitoring and Evaluation Framework that will track the progress and impact of City Region Deal projects by the end of 2019.
- 3.9 Inclusive growth is at the heart of the City Region Deal. However, the Deal projects alone cannot address longstanding, deep-rooted issues facing the region.
- 3.10 A Regional Growth Framework will clearly outline how we can join up our efforts to collectively accelerate inclusive growth, deliver new homes within vibrant communities, create new economic opportunities, and create high-quality jobs that will help to reduce inequalities.

Why now?

- 3.11 At a time of political uncertainty and national planning and transport undergoing significant period of change, combined with the rejection of the region's strategic development plan, the time is now to collectively provide direction and confidence for our communities and businesses.

Figure 1 – Moving from existing approach to a Regional Growth Framework



- 3.12 A successful growth framework enabling partners to work at scale can enhance regional economic resilience in the face of current and future uncertainty and challenges.

Strategic Overview and Core Objectives

- 3.13 At a strategic level the Regional Growth Framework would deliver a streamlined and more 'joined up' approach to regional economic growth, planning, transport, infrastructure, and housing under a collective vision and set of reformed, as appropriate, governance arrangements. Importantly, it provides a framework which supports the needs of individuals and businesses across the region, recognising the needs of communities and ensuring that future investments are targeted to increase social and economic inclusion for all.
- 3.14 The Regional Growth Framework will directly inform the production of a future Regional Spatial Strategy.

3.15 An initial list of core objectives and work requirements is listed below, these will need to be reviewed and revised subject to a future project team being established.

- **Produce a Regional Growth Framework**

- Articulating regional economic development, planning, transport, infrastructure, and housing strategy that is evidence based, ambitious, costed and deliverable.

- **Develop a strategic vision**

- Delivering an ambitious economic vision for regional growth supported by a robust set of underlying principles, priorities and objectives with consideration of geographies and cross-boundary relationships.

- **Align to national policy landscape**

- Respond and align to the fluid national policy landscape and react to any changes in delivery timelines.
- It must be designed in a manner which recognises the pace of global change, the future needs of the regional economy, the need to foster sustainability, and the need to foster inclusion.
- A Regional Growth Framework should enable the region to actively engage, collaborate and inform the Scottish Government work on NPF4, STPR2, Climate Change and ensure that the region's economic, planning, infrastructure, transport and housing priorities are reflected nationally.

- **Review existing plans and evidence gathering**

- Capture existing work currently being undertaken. There is a significant body of work and evidence that has already been produced and requires greater alignment. This will include capturing ongoing work and work undertaken by SESplan, SEStran and the thematic policy areas of the Deal including, housing, transport, skills and innovation. Map existing evidence, data, plans and strategies across policy areas, and establish what the region has collectively and what needs to be gathered/collated/developed including any technical work. Where areas and themes are lacking an evidence base, technical work and policy topic papers will be considered.
- There is considerable overlap with the emerging regional housing work programme which includes workstreams with a focus on housing delivery; infrastructure and land; strategic sites; innovation and skills.
- Collaborative working with academic partners will establish if there are potentially joint areas of work, research, development and innovation that can be undertaken to support the region's growth requirements.
- Draw upon predicated areas of global, national or regional change to establish a direction for the region which is fit for the future.

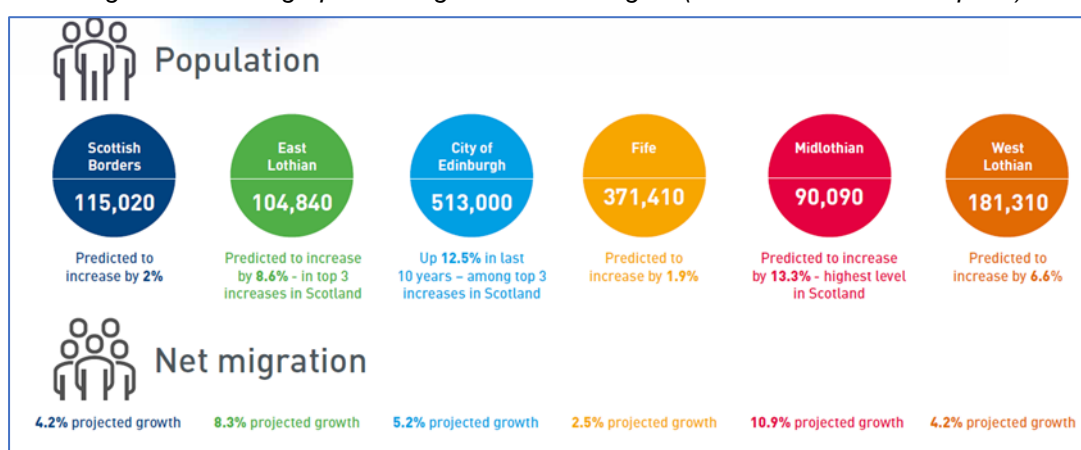
- **Identify high-level costs and potential funding models**
 - Consider the costs of delivering the strategic interventions across housing, infrastructure, transport, planning and economic development to support the region's growth requirements.
 - Work collaboratively with Government, agencies and infrastructure providers to explore funding models and delivery vehicles. This can help to ensure that activity included within the Growth Framework is deliverable.
- **Stakeholder engagement**
 - Regular consultation with Government, agencies, SEStran, SESplan and City Region Deal groups and Boards.
 - Active engagement with the Regional Enterprise Council, utilising their collective knowledge, challenge, and wider networks to ensure that the needs of private and third sector bodies are recognised and addressed by the Growth Framework.

Scope

- 3.16 A joined up, ambitious long-term strategy can ensure that the region manages growth to maximise existing assets and create conditions to attract investment and target areas of disadvantage and inequality. It may consider the following:

- **Changing Demographics and Implications for Future Economic Needs**
 - Each area within the Region predicts population growth; however, the levels of growth vary (see Figure 2).
 - Understanding these changes and the implications on local communities will be essential to effectively plan and deliver the infrastructure, homes, jobs and services that will be required to support growing and changing needs.

Figure 2 – Demographic change across the region (Source: Scottish Enterprise)



- **Inclusive Economic Growth and High-Quality Jobs**
 - Build vibrant economic communities across the region, spreading increased wealth and wellbeing by investing in infrastructure, assets and companies as a means of creating good jobs with value in thriving places where people want to live and work.

- Grow the region's reputation and reach in strategically important markets by bringing together assets, networks, campaigns and products
- Outlining the conditions for growth and where growth is projected to happen by building on our local and regional assets.
- Supporting our **town centres** and existing **key sectors** including retail, health care, hospitality and more.
- Attracting, creating and protecting **quality jobs** and talent.
- Consider the **distribution of key sectors and jobs** to avoid duplication across region, maximising local strengths and benefit for local communities.
- Driving research and **innovation** investment. Consider where cross boundary working on our collective assets can build on existing strengths and maximise impact for the city region.
- Creation of a regional investment prospectus, stimulating **capital investment** in the region's economy to attract new sectors in digital and tech to invest in the region.
- Investing in business growth and **resilience**. Align to the IRES programme and help to deliver the **21,000 jobs** outlined in the Deal, helping our most disadvantaged communities have the skills and ability to access these opportunities.
- Growing **export** value and the number of exporters. Consider economic opportunities at a regional scale e.g. future warehouse, distribution, industrial and retail uses, and how those end organisations maximise their global reach.
- **Maximising community benefits** from the Deal and future collaboration projects by developing a regional approach to community benefits and aligning economic opportunities with areas of disadvantage areas.
- **Joining up areas of opportunity** to transport, housing and skills provision to maximise economic return.
- **Sustainability**
 - A sustainable approach to managing growth will be a core aspect of the Framework.
 - Ensure whole of life considerations are applied throughout all areas of the Framework.
 - Consider how the Growth Framework can lead the way in Scotland's response to the Global Climate Emergency, ensuring a positive contribution to Scottish Government's Climate Change Bill and target date of 2045 for reaching net-zero emissions.
 - Consider how it can align to local sustainability, energy and low carbon plans and strategies.

- Consider vacant and derelict land use as an alternative to greenbelt development to minimise future environmental costs and impacts.
- Work collaboratively with local, regional and national partners, including academic partners, to consider sustainability impacts and interventions required to deliver a regional growth framework that delivers sustainable economic growth.
- **More Affordable Homes**
 - Accelerate the delivery and increase the supply of affordable homes across the region to deliver vibrant and sustainable communities.
 - Align to the regional housing programme and Transport Appraisal Board to facilitate the delivery of the seven strategic sites identified in the City Region Deal to deliver over 45,000 new homes across the region.
 - Incorporate the joined-up, place based approach outlined in the regional housing programme which takes a holistic approach across, infrastructure, land, finance, innovation and skills to accelerate affordable housing delivery with the ambition to incorporate innovation in construction processes.
 - Detail the scale and pipeline of housing development across the region and explore investment opportunities for construction innovation such as factories for offsite manufacturing, aligned to the **UK Government's Industrial Strategy**.
 - Integrate the regional housing pregame work on a 20-year housing delivery plan which is seeking to align to the **National Housing 2040 vision** set for spring 2020.
 - Housing need and demand is complex and relates to historical policy decisions, demographic change and projected economic growth. Housing supply is critical to provide homes in the right location to attract skilled workers and enable people to access future job opportunities. Therefore, it is essential that the Growth Framework considers the amount and type of housing that is required to meet the needs of people across the region.
 - We know that current delivery rates are insufficiently meeting demand particularly for affordable housing. Consider the existing Housing Need and Demand Assessment 2 (HNDA2) and determine if it needs reviewing and updating. Identifying the high-level costs associated with meeting need and demand.
 - Collaborate with academic partners, NHS, health and social care services, housing associations and more, to deliver the homes needed now and, in the future, to respond to an ageing population and the requirements of people with varying and complex health needs.
 - Align national and regional work on strategic transport and infrastructure e.g. STPR2 and NPF4 and outline the strategic interventions required to accelerate delivery of new homes.

- **Enhanced Connectivity**

- Consider the key strategic transport interventions that are required to accelerate housing development and economic development opportunities.
- Consider if technical modelling is required to understand the impact of growth and potential mitigations.
- Demonstrate key commuter flows across the regions key transport corridors.
- Align to work of the Transport Appraisal Board and consider a regional transport work programme.
- Work closely with SEStran to shape transport elements of the growth framework and avoid duplication of work.
- Work will closely align to the STPR2 and NPF4 process and work programmes.
- Work collaboratively with regional partners, infrastructure and utility providers to plan for the delivery of enhanced digital connectivity across the region.

- **Coordinated Infrastructure Delivery**

- Work collaboratively with partners and infrastructure and utility providers to understand capacity and condition of local, regional and national assets.
- Work collaboratively to understand partners' and providers' strategies and investment plans to coordinate efforts and minimise disruptions.
- Consider the key strategic infrastructure interventions that are required to accelerate housing development and economic development opportunities
- Consider future infrastructure funding and delivery models.
- Align to Regional Housing Programme and specifically the 'infrastructure and land' workstream.
- Work will closely align to the STPR2 and NPF4 process and work programmes.

- **Governance**

- Develop options for governance arrangements in the interim aligned to the existing City Region Deal governance arrangements which recognises the decision-making processes of the wider partnership.
- Develop future options for an established set of governance arrangements recognising elected members key role in decision making.
- Consider the status that the Regional Growth Framework and any subsequent strategy would hold.

Alignment and Dependencies

- 3.17 The Growth Framework and future Regional Spatial Strategy will be inextricably linked. A Spatial Strategy will align to the Growth Framework and will follow on and flow from the production of a Growth Framework.

- 3.18 Work currently being undertaken in thematic areas of the Deal and particularly the IRES Programme; Transport Appraisal Board (TAB) and the Regional Housing Programme should inform the development of the Growth Framework.
- 3.19 The Growth Framework does not replace the local plan process. Detailed policies that reflect local circumstances and needs will continue to be developed and delivered at the local level. It will, however, be important to maximise connections between and among local community planning partnership activities to ensure, where possible, collective involvement with the high level aims set within the Framework.
- 3.20 Health and Social care; wellbeing is an important factor in achieving inclusive growth across any region as is the provision of services and places which support health and happiness. The underlying principles of wider benefit will be embedded through the Framework, but future care provision will not be specifically addressed within this model.
- 3.21 The Growth Framework will not include the development of a further regional layer of government.

Anticipated benefits

- **Joined up policy domains**, particularly across spatial planning, housing, infrastructure and economic development;
- Joined up **economic planning** to create high-quality accessible jobs across the region, helping people to reach their full potential, benefitting our most disadvantaged communities;
- Cohesive framework that **identifies unique selling points** to promote the region to leverage **further investment** and create **jobs, SME and supply chain opportunities**;
- Joined up **infrastructure planning alignment** of strategic and investment plans in collaboration with infrastructure providers leading to focused, accelerated and **co-ordinated delivery** and potential efficiency savings;
- Identification of **cross boundary opportunities** and challenges, and **shared solutions**;
- Accelerated housing delivery creating new **sustainable communities**;
- Significant **progress towards delivering 45,000 new homes** across the **seven strategic** sites;
- Maximised **regional inclusive growth** outcomes, including for those individuals with protected characteristics;
- Deepen regional level understanding of the relationship between **housing markets, labour markets, and travel to work, study and retail areas**, particularly given new and planned infrastructure investments;
- Clearly articulated **economic development priorities** at the regional level;

- More effective links between strategy and policy with **investment and deliverability**;
- Deliver **fairer distribution of the benefits of growth** and be more inclusive for all communities;
- **Accelerated delivery of greater outcomes** than could be achieved individually; and
- **Reduced cost** to deliver these outcomes.

Proposed Timeline

- 3.22 It is proposed that the project commences in September initially running for 10 months up to June 2020. This timeline would ensure that the Regional Growth Framework is able to influence and inform key national policy developments as outlined in Table 1:

Table 1 – National policy development status and timeline

Policy Area	Status and Upcoming Change
Transport	<p>Transport Bill - completed Stage 2 on 26 June 2019. Stage 3 to follow.</p> <p>STPR2 - Review being undertaken.</p> <ul style="list-style-type: none"> • Evidence gathering through 2019 • Detailed Appraisal Spring 2020 • Reporting anticipated 2020 <p>SEStran - Currently writing the brief to appoint consultants to consider stage 1 with MIR and scoping, for new strategy. Indicative dates for draft strategy are late 2021, final by 2022.</p>
Planning	<p>The Planning Bill passed Stage 3 on 20 June. LAs now required to produce regional spatial strategies.</p> <p>NPF4 published in draft by Summer 2020.</p>
Housing	<p>National Housing 2040 vision. Spring 2020 – Final vision and route map.</p>

Key Constraints

- 3.23 **Timescales** – the 10-month timetable for delivery is ambitious but may be required if the document is going to be able to shape and influence emerging national planning and transport policy.

Next Steps

- 3.24 Subject to approval of the recommendations outlined in this report, a project team will be established, akin to that structure outlined in **Appendix 1**, and work will begin on the production of a Regional Growth Framework.

4. Financial impact

- 4.1 There is currently no dedicated resource or budget allocated to develop and deliver the Growth Framework.
- 4.2 A proposed resource and governance structure for delivery of the Regional Growth Framework is outlined in Appendix 1.
- 4.3 Regional partners, Government and agencies will work collaboratively to co-produce the Regional Growth Framework

5. Equalities impact

- 5.1 This report outlines a project brief; the production of a Regional Growth Framework would undertake a full equalities impact assessment. However, it is envisioned that the Growth Framework would help to:
- Manage and distribute growth to maximise regional inclusive growth outcomes;
 - Deliver the 21,000 jobs outlined in the Deal, helping our most disadvantaged communities have the skills and ability to access these opportunities;
 - Maximise community benefits from the Deal and align economic opportunities with areas of disadvantage areas;
 - Make significant progress towards delivering 45,000 new homes; and
 - Deliver fairer distribution of the benefits of growth and be more inclusive for all communities

6. Background reading/external references

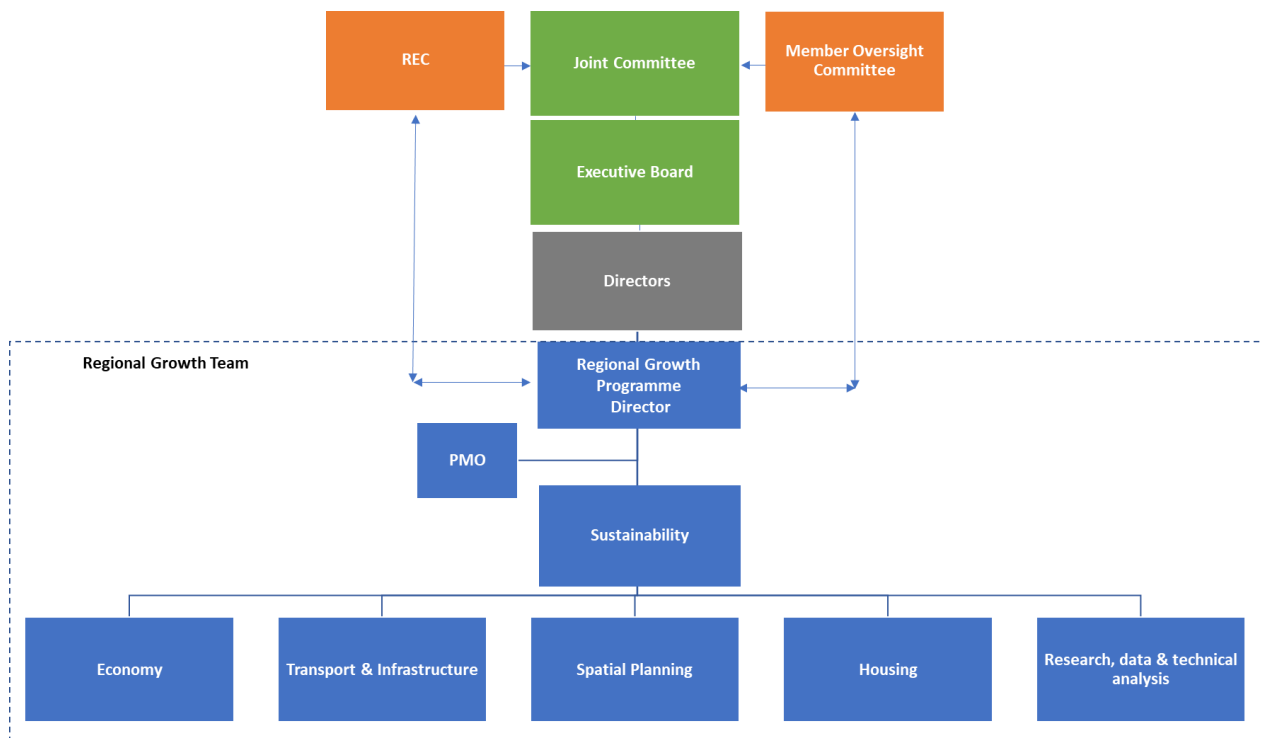
- 6.1 None.

7. Appendices

- 7.1 Appendix: A Proposed Governance Structure for Delivery

Appendix - A Proposed Governance Structure for Delivery

An indicative regional growth project team and reporting structure is outlined below. At this early stage of project development, this is intended to be illustrative.



It is anticipated that a dedicated project team is required to work on the development of a Regional Growth Framework. As outlined above, a dedicated Programme Director would lead the project and report up through the existing City Region Deal Governance structure.

The **Regional Enterprise Council** represents private and third sector interests and will provide advice and guidance to the Joint Committee members to help shape the development of the Regional Growth Framework.

An Elected Member Oversight Committee will be established consisting of two elected members with relevant portfolio areas (planning, transport, housing and economy) from each local authority area. This Committee will oversee and advise the Joint Committee and guide the development of the Regional Growth Framework.

The Scottish Government, UK Government and key agencies are all represented on various City Region Deal groups, boards and thematic areas. It is recommended that this continues with regular engagement on the Growth Framework sought to shape the Framework jointly alongside the Directors Group.

Edinburgh and South East Scotland City Region Deal Joint Committee

Tuesday, 3 September 2019

Regional Housing Programme: Forward Work Programme

Item number

Executive Summary

Since 2015, regional partners have delivered over 10,000 affordable homes completions with housing grant spend increasing from £70 million to £130 million over the same period. Affordable housing developers in the region have a strong track record in delivering affordable housing and fully utilising Scottish Government grant initially allocated to the region as well as additional grant funding that has been made available during the course of a financial year.

The combined Local Authority partner Strategic Housing investment Plans (SHIPs) reveal a potential regional affordable housing delivery pipeline of over 20,000 affordable homes over the next five years. This report seeks to identify potential next steps for regional collaboration to support the delivery of this programme and accelerate housing development across the region.

The regional housing programme; summarised in Table 1 of this report, is based on key feedback from regional housing partners and input received across workshops held in June 2019 with over 60 key stakeholders. The full report is detailed in Appendix 1.

Andrew Kerr

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City Region Deal and Chair of Regional Housing
Board

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City Region Deal Checklist

Criteria	Details/Link to Document
Contribution to City Region Deal commitments and Inclusive Growth Framework	<p>Housing is fundamental to realising regional ambitions to accelerate inclusive growth. Increasing the supply of affordable and low-cost homes across the region is essential provide homes for key workers in the economy and for people on low to middle incomes. Unlocking the seven strategic housing sites identified in the HOTA and delivering innovative infrastructure solutions is essential to remove existing physical barriers to growth. The development pipelines created by the regional housing programme contributes significantly to the £1bn programme of construction planned across the city region deal programme. Regional partners will play an integral role in maximising community benefits for local people. Working with the Housing and Construction Innovation (HCI) Skills Gateway Programme of targeted skills interventions will be directed at widening access, addressing skills shortages and gaps including in the construction and house building sectors, and increase the flow of individuals from disadvantaged groups into career opportunities. Regional housing partners will seek to utilise the investment being made in data driven innovation (DDI) to deliver social benefit through innovation to local communities. Community benefits through procurement by integrating with the HCI Skills Gateway and IRES employer engagement and procurement that increases the value achieved from our collective investments.</p> <p>The regional housing work programme outlined in this report could deliver a potentially transformational housing programme that can accelerate the delivery of quality, sustainable homes across all tenures, capable of accommodating a diverse population and workforce. Achieving this ambitious housing programme can enable the regions economic success and reduce inherent inequalities.</p>
Alignment, integration with, or dependence on, other City Region Deal activities	<p>Interventions proposed within the Regional Housing Programme will provide support and integration to maximise the value realised from other City Region Deal investments and ambitions in Innovation, Transport and Skills and help drive the future growth of the regional economy.</p> <p>The outline regional housing work programme relates closely to the nature and location of major City Region Deal investment arising through the work of the Boards responsible for Transport, Data Driven Innovation and the Integrated Regional Employability and Skills programme.</p> <p>The regional housing programme can become a key driver to enable the regions growth ambitions.</p>
Scale and regional distribution of expected outcomes, benefits, and leverage, from activity	<p>The Regional Housing Partnership has two key strategic aims:</p> <ul style="list-style-type: none"> • Achieve a step change in the supply of new homes across the South East of Scotland • Achieve a step change in innovation and inclusive growth in the housing & construction sectors <p>Delivering this programme will contribute significantly towards the Scottish Government's target of building 50,000 new, affordable homes</p>

	<p>by 2021 and the future supply of new homes over the next 15 years of the City Region Deal.</p> <p>The City Region Deal document specifically identifies seven strategic sites for new housing: Blindwells (East Lothian); Calderwood (West Lothian); Dunfermline (Fife); Edinburgh's Waterfront (City of Edinburgh), Shawfair (Midlothian); Tweedbank (Scottish Borders); and Winchburgh (West Lothian). Taken together these sites are expected to deliver over 45,000 new homes, create 7,800 jobs and contribute over £10 billion to the wider economy.</p>
Compliance with financial requirements and agreed expenditure profile	The Regional Housing Board operates within the financial requirements and profile of the City Region Deal.
Equalities Impact	<p>Removing physical barriers to growth has been identified one of five key interventions in the Deal Document's Inclusive Growth Framework. The Regional Housing Programme will achieve the following positive impact on equalities:</p> <ul style="list-style-type: none"> • A significant programme of house building will be targeted at increasing the supply of housing across all tenures to improve affordability. • New homes will integrate the latest technologies to reduce fuel poverty • The HCI Skills Gateway Programme will ensure that people, including those with protected characteristics, across the region have the skills to access construction jobs generated through the housing programme. • An agreed approach to City Region Deal Procurement will ensure that community benefit clauses will be used to target inclusive employment practices and other opportunities. <p>Aligning closely with the HCI Skills Gateway Programme will ensure that people across the region have skills to access construction jobs generated through the housing programme and will address the gender imbalance in the industry.</p>
Anticipated significant risks and mitigation measures	<p>Risk - Resource – to fully deliver the regional housing work programme and realise the regional ambition to deliver a step change in housing supply, inclusive growth and innovation in the construction sector.</p> <p>Mitigation - Resource Commitment – partner commitment to lead workstreams can provide sufficient resource to driver forward the outline work programme.</p> <p>Risk - Investment – required to accelerate delivery across the seven strategic sites.</p> <p>Mitigation – Business Case & Collaboration – Development of robust business cases can ensure that technical work and financial modelling has been undertaken which can help inform the approach to deliver the strategic site. Collaboration can help to provide resource, expertise and leverage investment to enable the right financial solution.</p>
Alignment and fit with City Region Deal governance arrangement	Housing is a major thematic element of the ESESCR Deal. This report outlines a regional housing work programme, based on regional partner and key stakeholder feedback, which can help drive forward commitments made in the Deal and work activity identified under the four key workstreams.

PMO check	All information provided.
Government approval	The Regional Housing Board is part of the City Region Deal governance arrangements already agreed by the Governments and City Region Deal partners.
Partner sign-off	The report was approved by the Regional Housing Partnership Group on 8 August 2019
Advisory Board sign off	The report was approved by the Regional Housing Board on 27 August 2019
Executive Board sign off	The report was approved by the City Region Deal Executive Board on 22 August 2019
PMO Recommendation	That Joint Committee approves the recommendations in this paper.

Regional Housing Programme: Forward Work Programme

1. Recommendations

It is recommended that the Joint Committee:

- 1.1 Approves the recommended work programme and next steps summarised in Table 1; and
- 1.2 Recognises that the regional housing programme forms an integral part of the emerging Regional Growth Framework.

2. Background

- 2.1 In August 2018, all six local authority partners and both UK and Scottish Governments signed the [City Region Deal](#). This included housing as a major thematic element and included draft terms of reference for the establishment of a regional housing board. Two strategic aims were identified for the Regional Housing Programme:
 - Deliver a step change in innovation and inclusive growth in the housing and construction sectors;
 - Deliver a step change in the supply of new homes across the South East of Scotland.
- 2.2 On 1 March 2019, the City Region Deal Joint Committee [approved the establishment of a Regional Housing Board](#) and for a report to be developed on the Regional Housing Programme for the June or September meeting of the Joint Committee.
- 2.3 On 5 April 2019, the Regional Housing Board agreed to establish a series of parallel workstreams that, when taken together, will progress the work of the regional housing programme towards its aims. These work streams were agreed as:
 - Regional Affordable Housing Programme;
 - Strategic Sites;
 - Infrastructure and Land; and
 - Innovation and Skills.

- 2.4 On 29 May the Regional Housing Board agreed that regional partners would undertake a series of workshops to secure wider engagement and input to shape the work of the four key workstreams.
- 2.5 The Strategic Sites and Infrastructure and Land workshop was held on 14 June with the Affordable Housing, Innovation & Skills workshop taking place on 21 June 2019.
- 2.6 The two workshops were attended by over 60 key stakeholders with a wide variety of expertise relating to the workshop topics. Discussion at workshops was wide ranging and positive, with participants noting the benefits of holding regional scale engagement.
- 2.7 The main report will seek to outline the key feedback captured from the workshop attendees; identify potential key next steps; and outline a draft regional housing work programme. A high-level summary is provided below.

3. Main report

- 3.1 It is recommended that the proposed next steps for consideration outlined under each of the four workstreams form the basis of a regional housing work programme. Table 1 below aims to summarise the proposed work programme in relation to each of the four key workstreams.

Table 1 – Regional Housing Work Programme Overview

Workstream	Proposed Step	Summary
Affordable Housing Programme and Delivery	Develop a 20-year regional affordable housing delivery plan	<ul style="list-style-type: none"> Outline vision, pipeline and deliver plan in collaboration with Scottish Government. Demonstrate the need for longer term commitment and certainty Outline opportunity to leverage wider private sector investment. Enable more effective planning for training, skills and employment requirements. Collaborate with innovation and skills workstream to explore: modern methods of construction; standardised house typologies; and new technologies, which can accelerate delivery of high quality, sustainable and future proofed affordable homes.
	Partners to consider the amount and type of housing that is required to meet the needs of people across the region.	<ul style="list-style-type: none"> Review the existing Housing Need and Demand Assessment 2 (HNDA2) and determine if it needs reviewing and updating. A new assessment could seek to gain detail and understanding of housing types needed now and, in the future, to respond to an ageing population and the requirements of people with varying and complex health needs. Partners to engage with Scottish Government to regarding NPF4 role with setting regional housing targets.

	Develop new investment and delivery models to unlock private and public sector sites and accelerate delivery of affordable housing	<ul style="list-style-type: none"> Most affordable homes are delivered on sites secured from private developers through Affordable Housing Policy. New investment models; such as National Housing Trust and local authority variants, have accelerated development of housing for mid rent. Collaborate to expand and develop the new housing partnership model approved through City Region Deal (Edinburgh Living) Explore opportunities for new partnerships and joint ventures with public sector partners to develop sites and deliver a range of outcomes; including affordable housing
Innovation and Skills	Collaboration with Construction Scotland Innovation Centre, Offsite Solutions Scotland and Edinburgh Napier University	<ul style="list-style-type: none"> To explore how the region can benefit from expertise in this field and to consider collaboration approaches and projects which can maximise the potential benefits of offsite construction.
	Understand regional building quality and sustainability standards.	<ul style="list-style-type: none"> Undertake work to determine local authority, private developer and housing association existing quality and sustainability standards
	Research potential benefits of a standardised house typology linked to offsite construction.	<ul style="list-style-type: none"> Consider a regional standardised house typology linked to offsite construction
	Identify potential demonstrator projects	<ul style="list-style-type: none"> Working collaboratively with Government, agencies, industry and academia to develop demonstrator projects on regional sites. This could enable partners to test e.g. offsite manufacturing, highest sustainability and quality standards.
	Explore potential bid to the UK Government Industrial Strategy Challenge Fund and future funding opportunities.	<ul style="list-style-type: none"> Project applications from 5 August 2019. Early engagement will take place with Construction Scotland innovation Centre to explore the possibility of a collaborative project.
	Link construction programmes, contractors and developers to HCI Skills Gateway programme	<ul style="list-style-type: none"> Ensure that regional skills shortages are tackled, and employment opportunities are directed to communities within the city region and that individuals facing disadvantages in the labour market are targeted.
	Enhanced engagement with industry	<ul style="list-style-type: none"> Hold annual regional and local industry engagement events to shape housing programmes and understand more fully industry capacity, the key challenges facing industry and opportunities for collaboration.
Strategic Sites	Develop a strong, ambitious regional vision across the seven sites	<ul style="list-style-type: none"> Clearly articulate the seven strategic sites as economic drivers of change in the region.
	Undertake a social, economic and environmental impact assessment	<ul style="list-style-type: none"> Outline investment opportunities; collective job creation; SME and supply chain opportunities; identify unique selling points to promote the region; and potential leverage further investment.
	Establish a strategic site lead officers meeting	<ul style="list-style-type: none"> Share learning; best practice; models; and identify collaboration opportunities to leverage investment and resource.
Infrastructure & Land	Form a Regional Infrastructure Forum	<ul style="list-style-type: none"> Comprising local, regional and national partners and key infrastructure providers. It would seek to align through collaborative working a delivery plan for infrastructure that will enable, accelerate and support inclusive growth across the region, which is

		developed and aligned alongside future national and regional development and infrastructure strategies and investment decisions.
	Form project level multi-disciplinary working groups	<ul style="list-style-type: none"> Groups may be in addition to or instead of any regional infrastructure commission. They would operate at sub-regional level to find joined up shared solutions.
	Seek out and engage in regional pilots	<ul style="list-style-type: none"> Examples may include development of a regional charging levy, or local charging levies and/or Masterplan Consent Areas. Collaborative working on pilots with the Scottish Government to explore potential benefits.
	Form Regional and / or Local Land Commission(s)	<ul style="list-style-type: none"> Taking soundings from emerging work on a Edinburgh Land Commission, there may be scope to consider whether this model should and could be rolled out across the region, either separately for each local authority area. Key opportunities could be to identify the need for new sites for regionally significant public sector operations – e.g. in the seven regionally significant sites.

Alignment to future local, regional and national plans

- 3.2 The national, regional and local policy landscape across housing, planning, transport, environment and economy is currently fluid. It is crucial that the regional housing programme and overall City Region Deal partnership can not only respond to this change but also actively engaged to collaborate and contribute towards the process.
- 3.3 Work is being undertaken by City Region Deal partners to develop a Regional Growth Framework. This Framework aims to deliver greater alignment across economic development, housing, planning and transport under a set of simpler governance arrangements to deliver a streamlined approach to regional planning, housing, transport and economic development to manage growth and maximise regional inclusive growth outcomes.
- 3.4 The regional housing partners and the outline work programme identified in this report can play an integral in helping to inform and shape the emerging Regional Growth Framework.

Conclusion

- 3.5 This report outlines an ambitious regional housing work programme shaped by local, regional and national partners with input from key stakeholders.
- 3.6 At present there is no dedicated resource to deliver the regional housing programme or the workstreams. Identification of resources will inform the future scale, ambition and deliverability of the Regional Housing Programme.
- 3.7 If resources are allocated to progress the work programme, it can accelerate the delivery and supply of new homes across the South East of Scotland and deliver a step change in innovation and inclusive growth in the housing and construction sectors. The Programme can help to accelerate the delivery of 45,000 homes

across the seven strategic sites and help to realise the 21,000 jobs associated with the overall City Region Deal.

4. Financial impact

- 4.1 The regional housing work programme outlined requires leadership, co-ordination and commitment of staff resource from regional partners to lead the four workstreams; further develop the outline work programme; and deliver the projects that will stem from the workstream and work programme activity.
- 4.2 At this stage the developing outline work programme does not have direct costs associated. However, a budget may be needed to carry out pieces of technical work associated with the regional housing work programme. At this point a budget allocation has not been made. It may be that this technical work links to the preparation of a Regional Growth Framework and/or work undertaken by the Transport Appraisal Board. The matter of technical work, and the resources required to deliver it, should be considered across the Deal to avoid duplication or inconsistencies.
- 4.3 The Scottish Government has committed a total of at least £65 million for Regional Housing: £15 million of capital grant for the City of Edinburgh Council to establish a new housing company with the Scottish Futures Trust and on-lend up to £248m; and at least £50 million of predominantly private sector loans to support strategic development sites across the region.
- 4.4 It is recognised that need for continued financial innovation and collaboration to develop new funding and delivery models. Further discussion is required with UK and Scottish Government to explore future housing and infrastructure funding and delivery options.

5. Equalities impact

- 5.1 The housing theme of the City Region Deal is an integral part of accelerating inclusive growth across the region. Removing physical barriers to growth has been identified one of five key interventions in the Deal Document's Inclusive Growth Framework. The Regional Housing Programme will achieve the following positive impact on equalities:
 - A significant programme of house building will be targeted at increasing the supply of housing across all tenures to improve affordability;
 - New homes will seek to reduce fuel poverty;
 - The Housing, Construction and Infrastructure (HCI) Skills Gateway Programme will ensure that people, including those with protected characteristics, across the region have the skills to access construction jobs generated through the housing programme; and

- An agreed approach to City Region Deal Procurement will ensure that community benefit clauses will be used to target inclusive employment practices and other opportunities.

6. Background reading/external references

- 6.1 [Edinburgh and South East Scotland City Region Deal Document, August 2018](#)
- 6.2 [Regional Housing Board, Joint Committee Report 1 March 2019](#)
- 6.3 [Housing Construction and Infrastructure Skills Gateway Project Proposition Joint Committee Report 1 March 2019](#)

7. Appendices

- 7.1 Appendix: Regional Housing Programme: Forward Work Programme: Full Report

Edinburgh and East of Scotland City Region Deal

Appendix 1

Regional Housing Programme: Forward Work Programme: Full Report

Item number

Executive Summary

In the four years between 2015/16 and 2018/19 regional partners have delivered over 10,000 affordable homes completions with housing grant spend increasing from £70m to £130m over the same period. Affordable housing developers in the region have a strong track record in delivering affordable housing and fully utilising Scottish Government grant initially allocated to the region as well as additional grant funding that has been made available during the course of a financial year.

The combined Local Authority partner Strategic Housing investment Plans (SHIPs) reveal a potential regional affordable housing delivery pipeline of over 20,000 affordable homes over the next 5 years. This report seeks to identify potential next steps for regional collaboration to support the delivery of this programme and accelerate housing development across the region.

The regional housing programme; summarised in table 1 of this report, is based on key feedback from regional housing partners and input received across workshops held in June 2019 with over 60 key stakeholders.

Regional Housing Programme: Forward Work Programme Full Report

1. Recommendations

It is recommended that the Joint Committee:

- 1.1 Approve the recommended work programme and next steps summarised in Table 1; and
- 1.2 Recognise that the regional housing programme forms an integral part of the emerging Regional Growth Framework.

2. Background

- 2.1 The Edinburgh and South East Scotland City Region Deal (ESESCR) Housing workstream was established in January 2016 to develop City Region Deal project proposals.
- 2.2 In August 2018, all six local authority partners and both UK and Scottish Governments signed the [final deal](#). This included housing as a major thematic element and included draft terms of reference for the establishment of a regional housing board, see Appendix 1 and 2. Two strategic aims were identified for the Regional Housing Programme:
 - Deliver a step change in innovation and inclusive growth in the housing and construction sectors;
 - Deliver a step change in the supply of new homes across the South East of Scotland.
- 2.3 On 1 March 2019, the ESESCR Deal Joint Committee [approved](#) the establishment of a Regional Housing Board and for a report to be developed on the Regional Housing Programme for the June or September meeting of the Joint Committee.
- 2.4 On 5 April 2019, the Regional Housing Board agreed to establish a series of parallel workstreams that, when taken together, will progress the work of the regional housing programme towards its aims. These work streams were agreed as:
 - Regional Affordable Housing Programme;
 - Strategic Sites;

- Infrastructure and Land; and
 - Innovation and Skills.
- 2.5 On 29 May the Regional Housing Board agreed that regional partners would undertake a series of workshops to secure wider engagement and input to shape the work of the four key workstreams.
- 2.6 The Strategic Sites and Infrastructure and Land workshop was held on 14 June with the Affordable Housing, Innovation & Skills workshop taking place on 21 June 2019.
- 2.7 The two workshops were attended by over 60 key stakeholders with a wide variety of expertise relating to the workshop topics. Discussion at workshops was wide ranging and positive, with participants noting the benefits of holding regional scale engagement. The organisation attendance list for these workshops is set out in Appendix 3.
- 2.8 The main report seeks to outline the key feedback captured from the workshop attendees; identify potential key next steps; and outline a draft regional housing work programme.

3. Main report

City Region Housing Context

- 3.1 The Edinburgh and South East Scotland City Region is the fastest growing region of Scotland and the fifth fastest growing region in the UK. In the next 20 years it is projected that there will be a 40% increase in housing demand.
- 3.2 The 2015 [Housing Need and Demand Assessment 2](#) (HNDA 2) forecasts a housing need of between 138,000-201,000 homes by 2038. This would require an annual delivery average of between 5,000 and 7,500 homes per annum. Overall new build completions in the region have been under 5,000 homes per annum representing a 25% reduction against pre-recession averages of around 6,200 per annum.
- 3.3 The majority of need and demand identified in the HNDA2 is for affordable housing. Whilst the affordable need is considerable, SESplan is of the view that it is not possible to deliver the 4000 + affordable homes per annum that is required to meet demand.
- 3.4 In the four years between 2015/16 and 2018/19 regional partners have delivered over 10,000 affordable homes completions with housing grant spend increasing from £70m to £130m over the same period. This reflects the regions strong track record of delivery and ability to fully utilise Scottish Government grant initially allocated to them as well as underspend elsewhere nationally that is directed here.
- 3.5 The combined Local Authority partner Strategic Housing investment Plans (SHIPs) reveal a potential regional affordable housing delivery pipeline of over 20,000 affordable homes over the next 5 years.

- 3.6 The four key workstreams approved by the Regional Housing Board take a holistic approach to housing delivery and seeks to enable the accelerated delivery of housing and increase the supply of affordable homes across the region. The regional housing governance and workstreams are outlined in Figure 1 below.

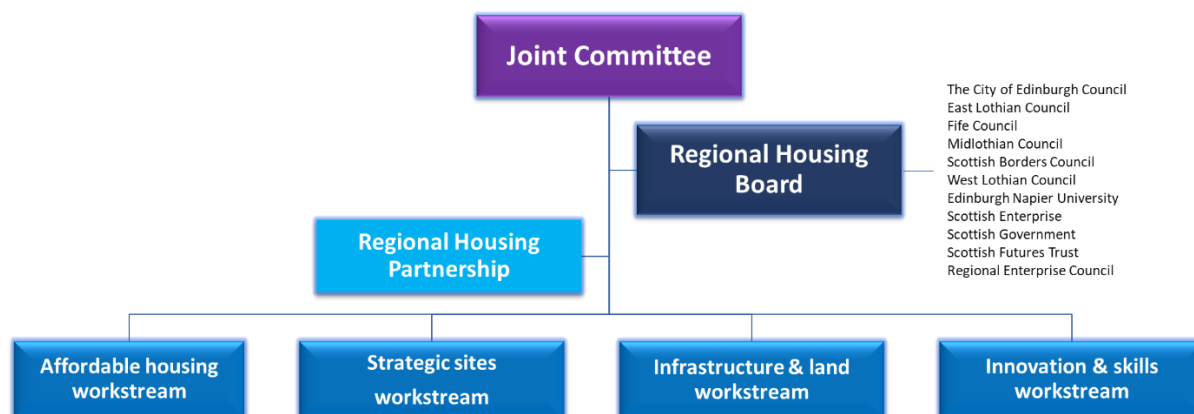


Figure 1 – Regional Housing Governance and Workstreams

- 3.7 The workstreams, although individual, are interrelated and interdependent. For example, infrastructure and land are crucial components of the delivery of the seven strategic sites and equally it will not be possible to deliver the strategic sites without essential infrastructure, skills and new innovative approaches to fund construction and infrastructure solutions.
- 3.8 The two workshops in June 2019 were designed to capture key feedback and input from key stakeholders across a range of sectors and technical disciplines. The next section of this report seeks to summarise the key comments received from participants before making suggestions for potential next steps for consideration for each workstream.

Affordable Housing, Innovation and Skills Workshop

- 3.9 The purpose of the Affordable Housing, Innovation and Skills workshop was to: activate further collaborative working on affordable housing delivery; strengthen alignment with regional skills activity; and maximise potential innovation opportunities presented by the scale and pipeline of housing development across the region.
- 3.10 **Summary of comments from workshop participants**
- Affordable Housing Programme and Delivery**
- 3.11 Discussion identified the importance of the other workstreams - Infrastructure and Land; Strategic Sites; and Innovation and Skills - to the future delivery of affordable housing across the region. As a result, the challenges and opportunities associated with affordable housing delivery are considered below in relation to the interrelationships with the other workstreams.

- 3.12 **Funding** - Attendees reflected during discussions that Scottish Government affordable housing grant allocations (RPAs) are not confirmed post 2021. This uncertainty over future funding is impacting on partners ability to effectively plan and develop medium and long term affordable housing development pipelines.
- 3.13 However, feedback also reflected that regional partners need to demonstrate the need for longer term commitment and more clearly articulate the case and evidence base for South East Scotland, to ensure that future grant allocations to the region are maximised to accelerate and increase the rate / volume of housing delivery.
- 3.14 There was recognition of the need for continued financial innovation and collaboration to develop new funding and delivery models which require reduced subsidy levels. Edinburgh Living and other Mid-Market Rent delivery models were cited as being able to deliver affordable housing, alongside social rent, to meet a significant housing need whilst requiring minimal grant subsidy from Government.
- 3.15 **Rising development costs** - Other feedback received highlighted that rising development tender costs were impacting the viability and deliverability of some sites. Several factors were cited as contributing towards increasing costs including:
- **Skills shortages** across construction and housebuilding sectors combined with difficulty of attracting new starts to the industry;
 - **Industry capacity to deliver** with participants citing examples of receiving limited interest in tenders and anecdotal evidence of SMEs and suppliers reporting that they will not take on further works due full order books;
 - **Availability and cost of building materials** with brick shortages reported across the UK. Most of the building materials used in the UK are imported e.g. over 80% of wood used in UK is imported. With high demand internationally and the reduced value of the sterling has led to increased costs of materials;
 - **The availability and control of land** was highlighted by some partners as a key factor on the rate of affordable housing delivery and being priced out of sites. Many partners are reliant on the private sector bringing sites forward; and
 - **Infrastructure** both as a barrier in physical and financial terms. The ability to secure the capital investment required to deliver transport, education and other infrastructure was highlighted as a key to unlocking housing sites.
- 3.16 Participants commented that work was required to consider an updated housing need and demand assessment for the region with a focus on housing type and tenure.
- 3.17 The climate emergency, Scottish Government's Climate Change Bill and target date of 2045 for reaching net-zero emissions was identified as both a future challenge and opportunity for the future delivery of housing. To reduce carbon and meet the highest quality and efficiency standards it was recognised that significant investment, innovation and collaboration will be required across all areas of the construction and housebuilding sectors.

Potential next steps for consideration - affordable housing workstream

- 3.18 Develop a 20-year regional affordable housing delivery plan – partners will undertake work to develop a long term, 20-year regional affordable housing plan to demonstrate the need for longer term commitment and certainty from Government to enable accelerated delivery of affordable homes. This profile can be built up through projections based on SHIP information, historic trends, and track record of delivery. Collaboration with regional planning colleagues can demonstrate the region's growth requirements as well as the regions housing need and demand.
- 3.19 A 20-year plan can provide the catalyst for wider economic change, securing longer term funding commitment and certainty, is required to leverage in wider private sector investment, enable SMEs to increase capacity and provide the pipeline required to give confidence to offsite manufacturers to invest, scale up, drive efficiencies and reduce carbon emissions.
- 3.20 A long-term plan can contribute towards the transformation of the construction sector through with a focus on sustainable, modern methods of construction. It can also enable the Housing Construction and Infrastructure (HCI) Skills Gateway, school, colleges, universities and industry to more effectively plan for training, skills and employment requirements.
- 3.21 It is recommended that this work is developed in collaboration with Scottish Government to align to their ongoing work on the 2040 vision for housing in Scotland and to provide a strong case for the South East of Scotland for future Scottish Government housing priorities. This plan will also align to Scottish Governments work on National Planning Framework 4 (NPF4) as well as work being undertaken by regional partners on a Regional Growth Framework.
- 3.22 Partners will consider the amount and type of housing that is required to meet the needs of people across the region and clarify the requirement for a Housing Need and Demand Assessment 3 (HNDA3).
- 3.23 Partners will work to develop new investment and delivery models to unlock private and public sector sites and accelerate delivery of affordable housing.
- 3.24 Most affordable homes are delivered on sites secured from private developers through Affordable Housing Policy. New investment models such as; National Housing Trust and local authority variants, have accelerated development of housing for mid rent.
- 3.25 There is an opportunity to collaborate to expand and develop the new housing partnership model approved through City Region Deal (Edinburgh Living) and to explore opportunities for new partnerships and joint ventures with public sector partners to develop sites and deliver a range of outcomes and tenures including affordable housing.

Innovation and Skills

- 3.26 **Skills** - There was recognition amongst workshop attendees that skills shortages pose a significant challenge to across the construction and housebuilding sectors and are linked to rising development costs. Demographic change and lack of new people coming into sector is a major concern for many attendees. There was concern expressed that many of the current skilled workers are ageing and close to retirement which could result in a sharp decline in workers in just a few years' time. This could lead to a further escalation of costs with skilled workers at a premium and stalled development sites. Further concerns were raised in relation to potential impacts of Brexit and loss of workers for more lucrative contracts in other parts of the UK.
- 3.27 During the workshop Professor Sean Smith, Edinburgh Napier University, presented an overview of work he is leading on the City Region Deal [funded](#), HCI Skills Gateway. The £5.8 million project takes an integrated regional approach to work with schools, colleges, universities and employers to enable disadvantaged groups to enter into the sector. This includes new short courses, upskilling and new programmes to meet skills and jobs needs. Alignment between the regional housing programme and the HCI Skills Gateway will be critical to help address some of the concerns raised by workshop participants.
- 3.28 Related to the issue of skills capacity was concern regarding industry capacity to deliver the homes and construction projects required now and particularly in the future, if partners do manage to accelerate housing delivery. However, it was recognised that although there was some representation from the construction and housebuilding sectors across the workshops, further engagement with industry is required to develop the regional housing programme and understand more fully the key challenges and opportunities for collaboration from an industry perspective.
- 3.29 **Innovation** - Construction Scotland Innovation Centre and Offsite Solutions Scotland presented to workshop attendees on the opportunities associated with modern methods of construction and offsite manufacturing as well as potential areas for collaboration.
- 3.30 Combined with current skills shortages, the climate emergency and rising development costs it is becoming increasingly clear that innovation is required to develop alternative approaches to finance and build new, sustainable homes. Key messages from those presenting and participants was that the scale and pipeline of housing development across the region presents a unique opportunity for innovation.
- 3.31 Participants commented that a factory-based environment provides a potentially safer more secure employment environment to attract future talent to work in the construction sector, particularly when it is linked to skills development, apprenticeships and the latest digital software and techniques used to precisely design and build manufactured housing. Such an approach can link to the wider IRES (Integrated Regional Employability and Skills) Programme and community benefits derived from the construction projects across the City Region Deal.

- 3.32 Participants reflected on the challenge faced by housebuilders on having to confront six local authorities all with six different:
- Sets of design guidance;
 - Housing types;
 - Planning and regulatory processes; and
 - Procurement frameworks
- 3.33 There was discussion about the benefits of considering of housing types and looking at aspects and components that might particularly lend itself to standardisation. This approach would lends itself to a manufacturing-based construction solution. It was considered that at a local and regional scale there is an opportunity to consider a standardised housing type including requirements of housing for varying needs. Through grouped procurement, costs can be driven down, and savings made across local authority boundaries.
- 3.34 From participant feedback it is clear that at a local and regional level there have been positive individual discussions with universities, national agencies and Government regarding the potentially transformational impact of adopting modern methods of construction and specifically offsite construction to deliver new homes and other buildings.
- 3.35 Construction Scotland Innovation Centre made participants aware that the UK Governments Industrial Strategy Challenge Fund (ICSF) is due to launch a new wave of funding in August 2019 which could provide an opportunity to convert positive discussions into a collaborative project. Potential sites are required if this opportunity is to be realised.

Potential next steps for consideration - innovation and skills workstream

- 3.36 Continued collaboration with Construction Scotland Innovation Centre, Offsite Solutions Scotland and Edinburgh Napier University – following on from workshop contributions there is an opportunity to engage with these organisations to explore how the region can benefit from expertise in this field and to consider collaborative approaches and projects which can maximise the potential benefits of offsite construction.
- 3.37 Collaborate to understand regional building quality and sustainability standards and research potential benefits of a standardised house typology linked to offsite construction – partners will undertake work to determine local authority and housing association existing quality and sustainability standards as well as aspirations to consider a regional standardised house typology linked to offsite construction. This work would engage housing development, planning and building standards teams to understand opportunities and challenges of pursuing a regional approach.
- 3.38 Identify potential demonstrator projects – working collaboratively with Government, agencies, industry and academia to develop demonstrator projects on regional sites. This could enable partners to test:
- construction methods e.g. offsite manufacturing;

- highest sustainability and quality standards;
- new technologies e.g. sensors and AI to help with assisted living; and
- future proofing of homes e.g. lifecycle costs and adaptability

- 3.39 Partners could consider the seven strategic sites as potential candidates.
- 3.40 Successful demonstration of this type of working could lead to mainstreaming of activity elsewhere within the city region, Scotland and UK.
- 3.41 Explore potential bid to the UK Government Industrial Strategy Challenge Fund - the transforming construction programme will be open to collaborative research & development and demonstrator project applications from 5 August 2019. Early, engagement will take place with Construction Scotland Innovation Centre to explore the possibility of a collaborative project between industry, academia, government and one or more regional partners. Early consideration of potential sites will also be explored.
- 3.42 Regional partners to link construction programmes, contractors and developers to HCI Skills Gateway – this can ensure that regional skills shortages are tackled, and employment opportunities are directed to communities within the city region and that individuals facing disadvantages in the labour market are targeted and equipped with the necessary skills that they need to enable inclusive growth.
- 3.43 Enhanced engagement with industry - it is proposed that annual regional and local industry engagement events to shape housing programmes and understand more fully industry capacity, the key challenges facing industry and opportunities for collaboration.

Strategic Sites, Infrastructure and Land Workshop

- 3.44 The purpose of the Strategic Sites, Infrastructure and Land workshop was to engage service and infrastructure providers on their plans for the delivery of infrastructure linked to ambitions set out for the City Region Deal area. The workshop aimed to explore high level opportunities and constraints associated with the seven strategic sites and delivery of infrastructure in the city region.

Summary of comments from workshop participants

Strategic Sites

- 3.45 Discussion with participants identified the importance of the other workstreams to enable the delivery of the seven strategic sites - Blindwells, Calderwood, Dunfermline, Edinburgh's Waterfront, Shawfair, Tweedbank and Winchburgh, see appendix 4. The Strategic Sites Workstream aligns particularly closely to the Infrastructure and Land Workstream. Some of the key challenges and opportunities raised regarding the strategic sites features in the infrastructure and land section of the report.
- 3.46 The seven strategic sites were known to workshop participants reflecting that the sites are identified in SESplan as key areas of change and growth. However, it does also highlight that many of these sites have stalled and have failed to realise their

potential. Participants felt strongly that the collective transformational scale and impact of the seven strategic sites needs to be articulated. It was also commented that the social and economic impact should be reflected with these sites having the potential to deliver significant number of jobs and inclusive economic growth across the South East of Scotland.

- 3.47 Participants were asked to consider what the challenges and opportunities were for each of the sites and what key actions and/or interventions could be taken to drive delivery between now and next summer 2020. This proved challenging due to each partner being at a different stage of business case development. For example, in January 2019, Winchburgh was signed off to enable the delivery of 3,450 new homes in West Lothian, whilst, the City of Edinburgh Council is currently developing a Strategic Outline Business Case for Granton Waterfront and Fife Council is developing an Outline Business Case for Dunfermline. However, this did demonstrate that partners need to undertake further work to identify constraints, challenges, costs and investment required to deliver each of the sites. Beyond this, business case development is a key next step, needed to identify funding gaps, to enable engagement with the right stakeholders and agencies and to develop the right solutions. It also highlighted the importance of collaboration between lead officers to share lessons learned and experience of developing successful business cases.

Potential next steps for consideration – strategic sites workstream

- 3.48 Develop a strong, ambitious regional vision across the seven sites to clearly articulate the seven strategic sites as economic drivers of change in the region. There is an opportunity to develop a cohesive vision statement that is place based and captures the scale and opportunity of the seven sites, demonstrating the individual and collective impact for Scotland, highlighting the growth and success of the region as well as the need, demand, investment and innovation opportunities as well as benefits. The vision should explain why and how commitment from Government and national agencies is required to assist with the delivery of the sites and associated infrastructure. A consistent regional message should seek to leverage in further investment and support.
- 3.49 Undertake a social, economic and environmental impact assessment to underpin the regional vision across the seven sites and outline investment opportunities; collective job creation; SME and supply chain opportunities; and identify unique selling points to promote the region.
- 3.50 This may also consider the role these sites can play in accommodating the growth requirements needed in the region, for example, the public services, jobs, connections and amenities required to support a successful and inclusive city region economy.
- 3.51 Establish a strategic site lead officers group to share learning; best practice; models and technical work; and identify collaboration opportunities to leverage investment and resource.

Infrastructure and land

- 3.52 This workshop ran an honest conversation about current approaches to, as well as future ambitions for, the approach to infrastructure planning and delivery. In advance of the workshop participants were asked to provide information on the national, regional and local infrastructure items relevant to enabling growth within their areas of interest. Not all participants completed these templates, but those that were provided gave a good backdrop for discussion. It may be beneficial to pursue the completion of these templates.
- 3.53 Currently, infrastructure providers pointed out that a variety of information sources are used to (i) anticipate and plan for future demand for infrastructure capacity and capital expenditure, (ii) to monitor development activity and actual demand, and (iii) to decide when to deliver infrastructure projects. Different infrastructure providers choose to deliver interventions in advance of, in parallel with (just in time) or after development takes place in accordance with their own requirements / obligations. However, in some cases a lack of information meant that providers were being reactive or acting incrementally to deliver sub-optimal solutions when upfront and comprehensive solutions would be preferred and more cost effective. There is a desire for integrated plans and a single point for information for all providers.
- 3.54 The infrastructure providers were aware of planning and delivery activities in their respective fields, but were less aware of others; it was the first time some had met to discuss shared opportunities, challenges and the scope for more collaborative working practice. Consequently, many participants felt the workshop offered a forum for a rounded discussion on infrastructure planning and delivery that should be continued. Some participants pointed out that this is a model being followed at national level and in other regions too e.g. Glasgow City Region and Greater Manchester. Opportunities that could present with such an approach could be as follows:
- Regional overview of infrastructure plans and investment decisions;
 - Regional forum for engagement with the [Infrastructure Commission for Scotland](#), [National Investment Bank](#) and other Scottish and UK wide infrastructure related initiatives;
 - Alignment with growth ambitions and collaboration between infrastructure providers;
 - Alignment of strategic and investment plans leading to focused, accelerated and co-ordinated delivery and potential efficiency savings;
 - Identification of cross boundary opportunities and challenges, and shared solutions;
 - Identification of underutilised assets with capacity;
 - Roadmaps for local and regional infrastructure delivery;

- Regional risk sharing approaches – reference to Winchburgh, West Lothian;
- Shared procurement approaches – bundling of interventions;
- Considering new financial investment models.

- 3.55 A key message from the infrastructure and land workshop attendees was a desire for greater collaboration at a national, regional and sub-regional levels between partners and infrastructure providers. This is also required within the overall Deal governance framework, such as alignment across the Regional Housing Board and the Transport Appraisal Board.
- 3.56 Such a regional forum could build on links that some key service and infrastructure providers have developed to work collaboratively – e.g. SEStran and The Lothian Drainage Partnership. This collaboration does not always need to be facilitated by all six local authorities acting together with the infrastructure providers and could on occasion (depending on assets or impacts from development projects) be linked to collaboration across one, two or three etc local authority boundaries. It was noted at its most basic level, a more joined-up collaborative approach could coordinate and accelerate more effective delivery, for example, digging up roads to connect homes to water, drainage, gas and digital connectivity at the same time.
- 3.57 However, there was also a strong view that there is a need to take a more interventionist approach to delivery if some of the key barriers to delivery of infrastructure and inclusive growth are to be overcome. European examples such as land re-adjustment and land value capture were mentioned, and so too were mechanisms that were emerging through the Planning Bill, including Infrastructure Levy and Masterplan Consent Areas. It was noted that the Scottish Land Commission has published a series of discussion papers around these points. Across all of this, the increase in land value generated by development consent and provision of infrastructure is likely to need to play an increasing role in capturing the resources that will be needed to make sites effective in an efficient way. Other opportunities may exist too, such as loan guarantees and other financial models such as Tax Increment Financing (TIF) and the Growth Accelerator Model (GAM) utilised at Edinburgh St James. The potential role of the Infrastructure Commission for Scotland and Scottish National Investment Bank was also raised.
- 3.58 A key aspect related to the funding and delivery of infrastructure and other enabling works, is that the scale of some development proposals will require longer term patient capital to enable up-front and early delivery of interventions to be paid back over the longer term as development is built out. It is likely that this will have implication for the uses and tenures of development delivered and by whom, including housing development, on these sites that will be needed to support such innovative financial models and to create mixed, inclusive and sustainable communities. Investors may also need a critical mass of development to make such propositions attractive, and here there may be scope for cross boundary working to package investment opportunities.
- 3.59 Participants confirmed that the ESESCR Deal £50m predominantly private sector, infrastructure loan fund, managed and administered by Scottish Government, was

of limited interest to the private sector due to the commercial terms of the loan. Further discussion is required with UK and Scottish Government to explore future infrastructure funding options.

- 3.60 Importantly, participants were of the view that there is a need to more clearly articulate infrastructure challenges to develop the right solutions, particularly in the face of emerging challenges and emerging cross-cutting legislation such as the Climate Change Bill. This may mean that different approaches are needed to manage demand, make best use of existing assets and capacity, and to deliver the capacity increases that are needed in the right places at the right time to enable beneficial development where and when it is needed. This can be linked to spatial planning decisions, such as where economic and housing growth should be encouraged, where connectivity should be enhanced and by which modes, as well as decisions on the types of infrastructure we provide, for example, green / blue or community and so on.

Potential next steps for further consideration – infrastructure and land workstream

- 3.61 Form a Regional Infrastructure Forum: The Forum could comprise key infrastructure providers with cross-boundary networks / systems / projects / sites, City Region Deal partners and representation from Scottish Government and its delivery partners. It would seek to align through collaborative working a delivery plan for infrastructure that will enable, accelerate and support inclusive growth across the region, which is developed and aligned alongside future national and regional development and infrastructure strategies and investment decisions. It would provide advice to national and regional decision makers and help to inform the development of local development and infrastructure strategies.
- 3.62 Form project level multi-disciplinary working groups: these groups may be in addition to or instead of any regional infrastructure commission. They may be created at the discretion of the local authority partners and other stakeholders. They would operate at sub-regional level (e.g. on the seven strategic sites or other relevant geographies or projects, such as Cockenzie, Longannet, and green and blue infrastructure projects) as required to find joined up shared solutions that would enable, accelerate and support the delivery of infrastructure and inclusive growth of regional scales and significance.
- 3.63 Seek out and engage in regional pilots: examples may include development of a regional charging levy, or local charging levies, which would seek to gather contributions from developers towards the delivery of infrastructure necessary to enable and support inclusive growth. Additionally, Masterplan Consent Areas, which if approved by the relevant authority, would approve planning permission for the development as specified in the scheme. Provision for these mechanisms exists within the Planning Bill, which is expected to receive Royal Assent and enter the statute books in the coming months. However, secondary legislation would need to be brought forward to explain in greater detail how such mechanisms could be deployed. At this stage it is not clear on the intended timings for the development of such Regulations. Early collaborative working on pilots with the Scottish

Government may be beneficial to explore relevance to projects and ultimately to seek to accelerate the delivery of beneficial development and associated infrastructure.

- 3.64 Form Regional and / or Local Land Commission(s): following consideration of the potential to create of an Edinburgh Land Commission, there may be scope to consider whether this model should and could be rolled out across the region, either separately for each local authority area, and / or as an overall regional commission (which may be more effective at exploring matters of cross-boundary significance). Key opportunities could be to identify the need for new sites for regionally significant public sector operations – e.g. in the seven regionally significant sites. Importantly, this role of this group could also extend to consider the inter-relationships between the delivery of development and infrastructure and to explore potential opportunities associated with land value capture etc.

Regional Housing Programme – outline work programme

- 3.65 It is recommended that the potential next steps for consideration outlined under each of the four workstreams form the basis of a regional housing work programme. Table 1 below aims to summarise the proposed work programme in relation to each of the four key workstreams.

Workstream	Proposed Step	Summary
Affordable Housing Programme and Delivery	Develop a 20-year regional affordable housing delivery plan	<ul style="list-style-type: none"> Outline vision, pipeline and deliver plan in collaboration with Scottish Government. Demonstrate the need for longer term commitment and certainty Outline opportunity to leverage wider private sector investment. Enable more effective planning for training, skills and employment requirements. Collaborate with innovation and skills workstream to explore: modern methods of construction; standardised house typologies; and new technologies, which can accelerate delivery of high quality, sustainable and future proofed affordable homes.
	Partners to consider the amount and type of housing that is required to meet the needs of people across the region.	<ul style="list-style-type: none"> Review the existing Housing Need and Demand Assessment 2 (HNDA2) and determine if it needs reviewing and updating. A new assessment could seek to gain detail and understanding of housing types needed now and, in the future, to respond to an ageing population and the requirements of people with varying and complex health needs. Partners to engage with Scottish Government to regarding NPF4 role with setting regional housing targets.
	Develop new investment and delivery models to unlock private and public sector sites and accelerate delivery of affordable housing	<ul style="list-style-type: none"> Most affordable homes are delivered on sites secured from private developers through Affordable Housing Policy. New investment models; such as National Housing Trust and local authority variants, have accelerated development of housing for mid rent.

		<ul style="list-style-type: none"> Collaborate to expand and develop the new housing partnership model approved through City Region Deal (Edinburgh Living) Explore opportunities for new partnerships and joint ventures with public sector partners to develop sites and deliver a range of outcomes; including affordable housing
Innovation and Skills	Collaboration with Construction Scotland Innovation Centre, Offsite Solutions Scotland and Edinburgh Napier University	<ul style="list-style-type: none"> To explore how the region can benefit from expertise in this field and to consider collaboration approaches and projects which can maximise the potential benefits of offsite construction.
	Understand regional building quality and sustainability standards.	<ul style="list-style-type: none"> Undertake work to determine local authority and housing association existing quality and sustainability standards
	Research potential benefits of a standardised house typology linked to offsite construction.	<ul style="list-style-type: none"> Consider a regional standardised house typology linked to offsite construction
	Identify potential demonstrator projects	<ul style="list-style-type: none"> Working collaboratively with Government, agencies, industry and academia to develop demonstrator projects on regional sites. This could enable partners to test e.g. offsite manufacturing, highest sustainability and quality standards.
	Explore potential bid to the UK Government Industrial Strategy Challenge Fund and future funding opportunities.	<ul style="list-style-type: none"> Project applications from 5 August 2019. Early engagement will take place with Construction Scotland innovation Centre to explore the possibility of a collaborative project.
	Link construction programmes, contractors and developers to HCI Skills Gateway programme	<ul style="list-style-type: none"> Ensure that regional skills shortages are tackled, and employment opportunities are directed to communities within the city region and that individuals facing disadvantages in the labour market are targeted.
	Enhanced engagement with industry	<ul style="list-style-type: none"> Hold annual regional and local industry engagement events to shape housing programmes and understand more fully industry capacity, the key challenges facing industry and opportunities for collaboration.
Strategic Sites	Develop a strong, ambitious regional vision across the seven sites	<ul style="list-style-type: none"> Clearly articulate the seven strategic sites as economic drivers of change in the region.
	Undertake a social, economic and environmental impact assessment	<ul style="list-style-type: none"> Outline investment opportunities; collective job creation; SME and supply chain opportunities; identify unique selling points to promote the region; and potential leverage further investment.
	Establish a strategic site lead officers meeting	<ul style="list-style-type: none"> Share learning; best practice; models; and identify collaboration opportunities to leverage investment and resource.
Infrastructure & Land	Form a Regional Infrastructure Forum	<ul style="list-style-type: none"> Comprising local, regional and national partners and key infrastructure providers. It would seek to align through collaborative working a delivery plan for infrastructure that will enable, accelerate and support inclusive growth across the region, which is developed and aligned alongside future national and regional development and infrastructure strategies and investment decisions.

	Form project level multi-disciplinary working groups	<ul style="list-style-type: none"> Groups may be in addition to or instead of any regional infrastructure commission. They would operate at sub-regional level to find joined up shared solutions.
	Seek out and engage in regional pilots	<ul style="list-style-type: none"> Examples may include development of a regional charging levy, or local charging levies and/or Masterplan Consent Areas. Collaborative working on pilots with the Scottish Government to explore potential benefits.
	Form Regional and / or Local Land Commission(s)	<ul style="list-style-type: none"> Taking soundings from emerging work on a Edinburgh Land Commission, there may be scope to consider whether this model should and could be rolled out across the region, either separately for each local authority area. Key opportunities could be to identify the need for new sites for regionally significant public sector operations – e.g. in the seven regionally significant sites.

Table 1 – Outline Regional Housing Work Programme

Alignment to future local, regional and national plans

- 3.66 The national, regional and local policy landscape across housing, planning, transport, environment and economy is currently fluid (see appendix 5). It is crucial that the regional housing programme and overall City Region Deal partnership can not only respond to this change but also actively engaged to collaborate and contribute towards the process.
- 3.67 Work is being undertaken by City Regional Deal partners to develop a Regional Growth Framework. This Framework aims to deliver greater alignment across economic development, housing, planning and transport under a set of simpler governance arrangements to deliver a streamlined approach to regional planning, housing, transport and economic development to manage growth and maximise regional inclusive growth outcomes.
- 3.68 Housing is a key social, economic and environmental driver. Greater integration across these drivers and City Region Deal policy themes including transport, skills and innovation is essential to support the growth requirements of the region and to deliver new communities which deliver the quality of place that ensures the South East of Scotland is a desirable place for people to live and for businesses to invest.
- 3.69 The regional housing partners and the outline work programme identified in this report can play an integral in helping to inform and shape the emerging Regional Growth Framework.

Conclusion

- 3.70 This report outlines an ambitious regional housing work programme shaped by local, regional and national partners with input from key stakeholders.
- 3.71 Regional housing partners have developed a work programme that has synergies between work being developed through thematic areas of the Deal: IRES Programme; Transport Appraisal Board (TAB); Innovation; and the emerging Regional Growth Framework.

- 3.72 At present there is no dedicated resource to deliver the regional housing programme or the workstreams. Identification of resources will inform the future scale, ambition and deliverability of the Regional Housing Programme.
- 3.73 If resources are allocated to progress the work programme, it can accelerate the delivery and supply of new homes across the South East of Scotland and deliver a step change in innovation and inclusive growth in the housing and construction sectors. The Programme can help to accelerate the delivery of 45,000 homes across the seven strategic sites and help to realise the 21,000 jobs associated with the overall City Region Deal.

4. Financial impact

- 4.1 The outline regional housing work programme requires commitment of staff resource from regional partners to lead the programme; four workstreams; further develop the outline work programme; and deliver the projects that will stem from the workstream and work programme activity.
- 4.2 At this stage of development outline work programme does not have direct costs associated. However, a budget may be needed to carry out pieces of technical work associated with the regional housing work programme. At this point a budget allocation has not been made. It may be that this technical work links to the preparation of a Regional Growth Framework and/or work undertaken by the Transport Appraisal Board. The matter of technical work, and the resources required to deliver it, should be considered across the Deal to avoid duplication or inconsistencies.
- 4.3 Scottish Government has committed a total of at least £65 million for Regional Housing: £15 million of capital grant for the City of Edinburgh Council to establish a new housing company with the Scottish Futures Trust and on-lend up to £248m; and at least £50 million of predominantly private sector loans to support strategic development sites across the region.
- 4.4 As identified earlier in this report, workshop participants confirmed that the £50m predominantly private sector infrastructure loan fund, managed and administered by Scottish Government, was of limited interest to the private sector due to the commercial terms of the loan.
- 4.5 It is recognised that need for continued financial innovation and collaboration to develop new funding and delivery models. Further discussion is required with UK and Scottish Government to explore future housing and infrastructure funding and delivery options.

5. Equalities impact

- 5.1 The housing theme of the City Region Deal is an integral part of accelerating inclusive growth across the region. Removing physical barriers to growth has been identified one of five key interventions in the Deal Document's Inclusive Growth Framework. The Regional Housing Programme will achieve the following positive impact on equalities:

- A significant programme of house building will be targeted at increasing the supply of housing across all tenures to improve affordability;
- New homes will seek to reduce fuel poverty;
- The Housing, Construction and Infrastructure (HCI) Skills Gateway Programme will ensure that people, including those with protected characteristics, across the region have the skills to access construction jobs generated through the housing programme and;
- An agreed approach to City Region Deal Procurement will ensure that community benefit clauses will be used to target inclusive employment practices and other opportunities.

6. Background reading/external references

- 6.1 [Edinburgh and South East Scotland City Region Deal Document, August 2018](#)
- 6.2 [Regional Housing Board, March 2019](#)
- 6.3 [Housing Construction and Infrastructure Skills Gateway Project Proposition, March 2019](#)

7. Appendices

- 7.1 Appendix 1 - Heads of Terms Agreement (Housing only)
- 7.2 Appendix 2 - Final Deal Documentation (Housing only)
- 7.3 Appendix 3 – Workshop 1 and 2 - Combined Attendance List
- 7.4 Appendix 4 – Seven Strategic Sites Map
- 7.5 Appendix 5 - Upcoming Changes to Key Policy Areas

Appendix 1 - Heads of Terms Agreement (Housing only)

The Heads of Terms agreement ([HOTA](#)) was signed on 20 July 2017. The heads of terms is an agreement between the Scottish Government, the six local authorities, the UK Government and regional partners.

The sections of the HOTA relevant to the board have been copied below.

As part of this deal, a regional housing programme recognises the very significant housing pressures across the region and the need to provide suitable housing to support sustainable economic growth.

The regional partners have committed, supported by the Scottish Government to deliver a 10-year ambitious programme of new housing across the region, delivering certainty to SMEs and maximising the economic benefit from the construction process through a substantial increase in off-site construction methods. This will be supported by existing training programmes through the Construction Scotland Innovation Centre.

This joint approach between local partners and Scottish Government will support the delivery of significant numbers of new homes across the region. Key to this scale of delivery is the unlocking of seven strategic sites. These are Winchburgh, Blindwells, Edinburgh's Waterfront, Calderwood, Shawfair, Tweedbank and Dunfermline.

The Scottish Government will support this delivery with the following key commitments:

- Build on the recently committed additional £125 million between 2018/19-2020/21 to support the regional partners' 10-year affordable housing programme, subject to successful progress on this initial phase. Work on the next phase of the programme and the associated funding profile beyond 2020/21 to achieve agreed outcomes will begin in 2018.
- Guarantee on a risk-sharing basis alongside West Lothian Council, up to £150m of infrastructure investment that will unlock up to 5,000 new homes in Winchburgh, West Lothian.
- Prioritise and work with local authorities on a site-by-site basis to support local authority borrowing and share the financing risk of infrastructure delivery required across these sites, learning from the Winchburgh approach.
- Provide housing infrastructure funding of up to £50m, of predominantly private sector loans, to be spent on projects that will unlock housing in strategic development sites across the region and which will build upon the regional strengths in off-site construction creating new economic and export opportunities.
- Provide a financing and funding package comprised of consent to on-lend up to £248m and an additional one-off £15m capital grant to enable the City of Edinburgh Council to establish a new regional housing company to deliver a minimum of 1,500 homes at mid-market rent and competitive market rent levels.

Both Governments will also work with regional partners to maximise the potential contribution of public sector land and property in the region to help unlock further new housing. These interventions will be linked to inclusive growth objectives through the creation of new jobs in deprived areas with investment linked to training opportunities.

Appendix 2 - ESESCR Final Deal Documentation (Housing only)

The City Region Deal reflects the joint commitment of city region partners and the Scottish Government to deliver the regional housing programme, transforming regional housing supply and driving economic and inclusive growth across Scotland.

The regional housing programme aims to accelerate the delivery of affordable housing and housing across all tenures, enable the development of seven major strategic housing sites and drive efficiencies across the public sector estate.

Collaboratively regional partners and Government will work together on:

- **An expanded affordable housing programme** that builds on the committed additional £125 million between 2018/19-2020/21, with a commitment to maximise certainty over future public funding levels for the regional housing programme.
- Developing **risk-sharing guarantees** on a site-by-site basis to support local authority borrowing and share the financing risk of infrastructure delivery required across strategic sites, starting with Winchburgh in 2018, where West Lothian Council has agreed guarantees for up to £150m of infrastructure investment with the Scottish Government. These will be repaid by developer contributions as set out in a complementary tripartite agreement between West Lothian Council, the lead developer and the Scottish Government.
- **Seven strategic sites** have been identified in SESplan as key areas of change and growth (Blindwells, Calderwood, Dunfermline, Edinburgh's Waterfront, Shawfair, Tweedbank and Winchburgh). Business cases will be developed within the 15-year period of the City Region Deal, of which Winchburgh is likely to be the first. Taken together these sites will deliver over 41,000 new homes, create 7,800 jobs and contribute over £10 billion to the wider economy. The Scottish Government and city region commit to work together on each of these strategic housing sites recognising the long-term nature of these proposals with most new homes being delivered over a 15-year period.

To support this, the Scottish Government will commit at least £50 million. City Region partners will explore, with the Scottish Government, innovative solutions to stimulate creative ideas, fresh thinking and innovation in the provision of housing. This collaboration will consider the evolving financial landscape with the Scottish Government's proposals to establish the Building Scotland Fund and Scottish National Investment Bank.

- **An increased supply of good quality low cost market rent housing** across the region. This is an essential requirement for meeting the housing needs of key workers and those on low to middle incomes who cannot access home ownership and are not a priority for social rent.

The Scottish Government will provide a funding package comprised of a one-off £16.1 million capital grant and consent for the City of Edinburgh Council to on-lend up to £248 million to establish a new housing company with Scottish Futures Trust (SFT) to deliver a minimum of 1,500 homes at mid-market rent and competitive market rent levels.

The City of Edinburgh Council and SFT will continue to share learning and financial models with city region partners, to explore regional delivery models.

- City region partners will work jointly with both Governments to **maximise the potential contribution of public sector land and property** in the region to help unlock further new housing and wider public policy objectives.

Drawing on the approach taken with many other City Deals across the UK, the Edinburgh Partnership (Edinburgh's Community Planning Partnership) is in the process of establishing an Edinburgh Land Commission, chaired by the Council's Chief Executive. Once working effectively at a city scale, regional partners will be invited to become members of a regional land commission.

- **More Jobs, training and apprenticeships as well as opportunities for regional construction related SMEs.** The city region housing partnership will align with the Integrated Regional Employability and Skills (IRES) Programme and specifically to the Housing and Construction Skills Gateway (DEC Gateway) to meet existing and future skills requirements in the construction and housebuilding sectors. This will deliver more jobs, training and apprenticeships, as well as opportunities for regional construction related SMEs.

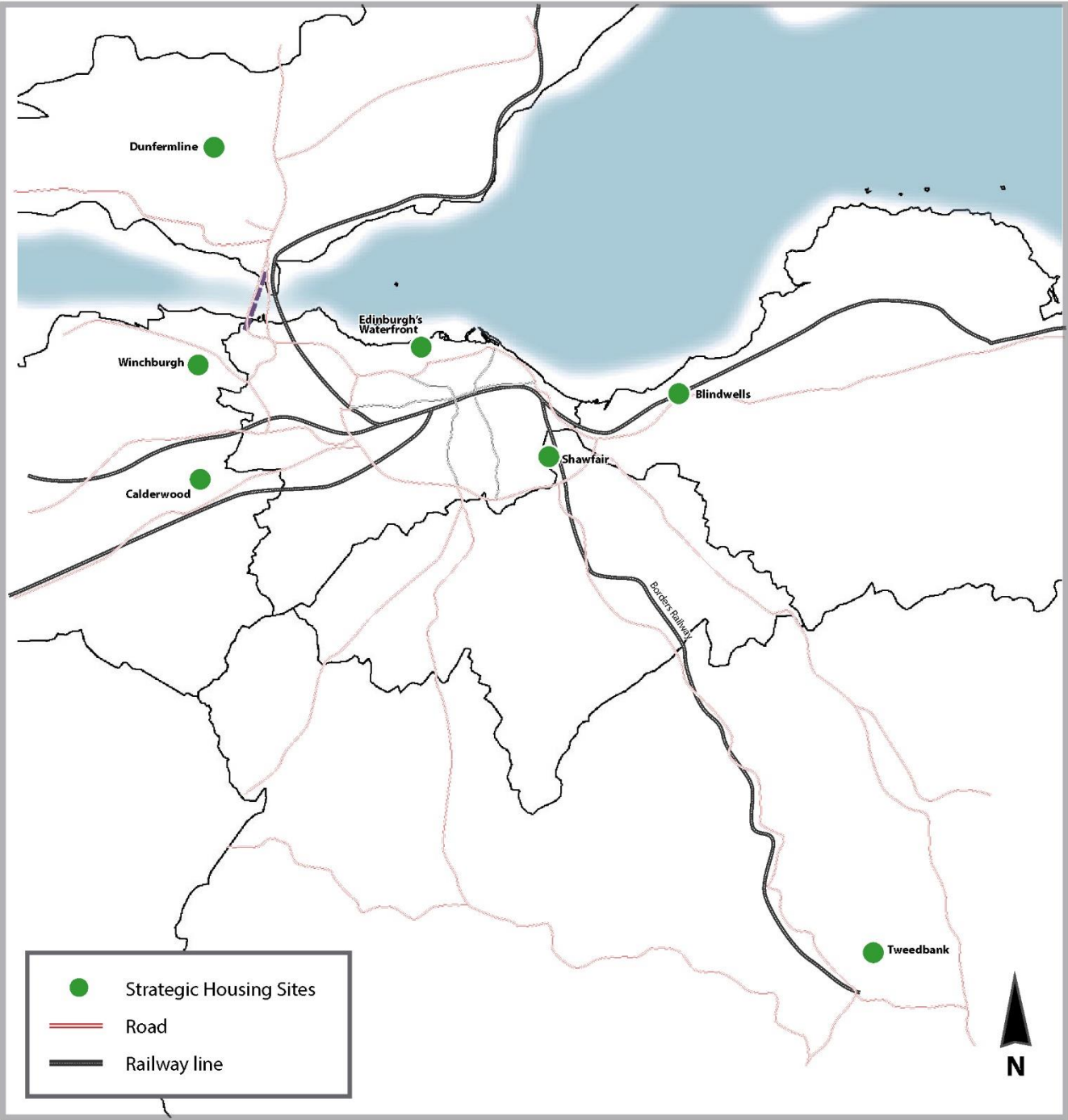
Community benefits from regional housing investment will be maximised to ensure sustainable jobs and economic growth is created for local communities. Regional housing partners will support IRES colleagues to work towards developing a consistent all partner approach to community benefits.

- The **Edinburgh and South-East Scotland City Regional Housing Board** will provide robust governance and strategic oversight over the regional housing programme. The Regional Housing Board will make recommendations to the Joint Committee to ensure the effective delivery of the city region deal housing projects. The Regional Housing Board will work with Government to influence any future regional partnership working as this emerges through the enterprise and skills review, planning bill and following the future implementation of the new planning act.

Appendix 3 – Workshop 1 and 2 Combined Attendance List

Organisation
Castle Rock Edinvar
City of Edinburgh Council
Construction Scotland Innovation Centre
East Lothian Council
Edinburgh Napier University
Fife Council
Hillcrest
Hub South East
Link Group
Midlothian Council
Network Rail
NHS
Openreach
Offsite Solutions Scotland
Places for People
Port of Leith Housing Association (POLHA)
Regional Enterprise Council
Scottish Borders Council
Scottish Enterprise
Scottish Gas Network
Scottish Government
Scottish Water
Scottish Natural Heritage
Scottish Environment Protection Agency (SEPA)
SEStran
Scottish Futures Trust (SFT)
West Lothian Council
Wheatley Group

Appendix 4 – Seven Strategic Sites Map



Appendix 5 – Upcoming Changes to Key Policy Areas

Policy Area	Status and Upcoming Change
Transport	<p>Transport Bill - completed Stage 2 on 26 June 2019. Stage 3 to follow.</p> <p>STPR2 - Review being undertaken.</p> <ul style="list-style-type: none"> • Evidence gathering through 2019 • Detailed Appraisal Spring 2020 • Reporting anticipated 2020 <p>SEStran - Currently writing the brief to appoint consultants to consider stage 1 with MIR and scoping, for new strategy. Indicative dates for draft strategy are late 2021, final by 2022.</p>
Planning	<p>Planning Bill passed Stage 3 on 20 June. Local Authorities now required to produce regional spatial strategies.</p> <p>NPF4 published in draft by Summer 2020.</p>
Housing	<p>National Housing 2040 vision. Spring 2020 – Final vision and route map.</p>



Edinburgh and South East Scotland City Region Deal Joint Committee

2 pm, Tuesday, 3 September 2019

City Region Deal Regional Transport Appraisal Board Update

Item number

Executive Summary

The upgrading of existing transport infrastructure is a key element of the City Region Deal theme of 'Removing the physical barriers to growth'. This report summarises progress on the current and planned input of the Transport Appraisal Board (TAB) to emerging national policy and strategy, and the current position at regional level, with particular regard to the impact of Scottish Ministers' rejection of the submitted strategic development plan for the region (SESplan 2). The report then outlines work currently being undertaken to identify and co-ordinate a comprehensive inventory of programmed and potential transport interventions to support the full range of City Deal themes. It concludes with a summary of the priorities and work programme for the TAB over the short to medium term; and which will include further reporting to the Joint Committee.

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Chair, Transport Appraisal Board

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City Region Deal Checklist

Criteria	Details/Link to Document
Contribution to City Region Deal commitments and Inclusive Growth Framework	<p>The upgrading of transport infrastructure will increase connectivity and ease of access across the region through reduced journey times and, in some instances, greater modal choice. This will provide better linkages between existing as well as planned new residential areas and centres of employment and training. The work of the TAB can ensure that the City Region provides co-ordinated and effective input to emerging national planning and transport policy and strategy.</p> <p>The TAB will support City Region Deal ambition to accelerate inclusive growth in communities across the region.</p>
Alignment, integration with, or dependence on, other City Region Deal activities	<p>The TAB, through co-ordinating a comprehensive inventory of programmed and potential transport interventions, ensures alignment with and provides the most effective support for, the aims, objectives and outcomes of the housing, data driven innovation, and integrated regional employability and skills programme themes.</p> <p>The TAB will align closely with the regional housing programme and specifically to workstreams on strategic sites, infrastructure and land. This integration can support the delivery of seven well-connected strategic sites and help to deliver healthier, fairer and more sustainable communities.</p>
Scale and regional distribution of expected outcomes, benefits, and leverage, from activity	In addition to ensuring progress on the two specifically named City Deal document projects at A720 Sheriffhall and West Edinburgh, the TAB will provide the support to ensure that the transport interventions are identified to maximise the benefits of projects / initiatives implemented under each of the City Deal themes.
Compliance with financial requirements and agreed expenditure profile	The TAB is operating within the financial requirements and profile of the City Region Deal.
Equalities Impact	(See part 5 of main report).
Anticipated significant risks and mitigation measures	A list of the significant risks anticipated by the TAB and associated mitigation measures form Appendix A to this report.
Alignment and fit with City Region Deal governance arrangement	The TAB has been established, and operates, in accordance with the approved City Deal governance arrangements.
PMO check	All information provided.
Government approval	The content and recommendations of this report are in accordance with the terms of the City Deal as approved by all partners: therefore, government approval is not required.

Partner sign-off	Not required for this report as no specific project propositions are included.
Advisory Board sign off	Report signed off by the TAB on 21 August 2019.
Executive Board sign off	Agreed at meeting of 22/08/2019, following Advisory Board sign off.
PMO Recommendation	That the Joint Committee approve the recommendations in the report.

Report

City Region Deal Regional Transport Appraisal Board Update

1. Recommendations

- 1.1 To note the emerging national and regional transport and planning strategies and programmes, and the role of the Transport Appraisal Board in providing City Deal input.
- 1.2 To note the extent of progress on projects at A720 Sheriffhall Junction and West Edinburgh.
- 1.3 To note the terms of the prospective work programme of the Transport Appraisal Board as set out in this report.
- 1.4 To note that individual proposals, once prepared, will be presented to this Joint Committee for approval.
- 1.5 To require further regular update reports on the work of the Transport Appraisal Board.

2. Background

- 2.1 A report on the establishment of the Transport Appraisal Board (TAB) was considered by the Joint Committee on 1 March 2019. It summarised the agreed aims, objectives and strategic actions to maximise transport connectivity across the region, and to most effectively support the agenda for securing inclusive growth. The Joint Committee approved the establishment of the TAB on these terms, appointed the Chair, and noted that individual proposals, once prepared, would be presented to the Joint Committee for approval.

3. Main report

3.1 This report provides:

- An update on emerging national and regional transport and planning strategies and programmes;
- An update on the two major transport named City Region Deal projects at A720 Sheriffhall Junction and West Edinburgh;
- Information on progress to establish the full range of programmed and potential transport interventions to support all City Deal themes; and
- Information on the prospective work programme of the TAB.

National and Regional Transport and Planning Context

3.2 The Scottish Government's **draft National Transport Strategy (NTS)** was published on 31 July 2019 for a public consultation which ends on 23 October 2019. This extensive document provides *"A vision for Transport in Scotland" comprising four key priorities which are "Promotes equality: Tackles climate action: Helps our economy prosper: Improves our health and well-being"*. These are further developed through 12 specific outcomes, 14 policies and 38 'enablers' to develop the policies. In its section on new governance arrangements the draft NTS states:

"Our future transport governance arrangements should be on the basis of some form of regional model allowing for variations in approach between different geographic regions".

"From a transport perspective, a regional approach to governance provides an effective means of addressing cross-boundary issues and reflecting travel to work catchments. Moreover, a strong regional approach to transport with alignment with economic, planning, marine planning, and housing objectives support approaches to place-shaping".

The draft NTS also sets out two specific 'hierarchies' which will have significant impact on investment priorities. The Sustainable Travel Hierarchy identifies 'Walking and Wheeling' as the top priority followed in order by:

"Cycling, public transport, taxis and shared transport, and private car". The complementary Sustainable Investment Hierarchy has, as its top priority *"Reduces the need to travel unsustainably", followed in order by "Maintaining and safely operating existing assets, Make better use of existing capacity, Targeted infrastructure improvements"*.

The City Region Deal TAB is considering the draft NTS consultation document and will prepare a response to Transport Scotland for approval by the City Region Deal Executive Board. It is likely that individual City Region Deal partners will wish also to submit their own response to the consultation.

3.3 The draft NTS makes reference to the **second Strategic Transport Projects Review (STPR2)** which Transport Scotland is currently preparing. STPR2 will set out a 20-year plan for transport investment having regard to the strategic priorities

of the NTS and in accordance with the Sustainable Travel and Investment hierarchies referred to above. The scope of STPR2 is not just infrastructure projects, rather it is a wide-ranging appraisal of future transport interventions across Scotland. It will take a national view with a regional focus and follow an objective-led appraisal process as set out in Transport Scotland's Strategic Transport Appraisal Guidance (STAG). Work by Transport Scotland and appointed consultant team started on STPR2 earlier this year and a series of Regional Problem and Opportunity workshops took place at venues across Scotland earlier this summer. This included three workshops in the Edinburgh and South-East Scotland Region which were attended by a number of TAB members. Further regional workshops will be undertaken in the Autumn with a focus on options. These regional workshops are complemented by other activities, including national workshops and online public survey to follow in due course.

To support the regional approach to STPR2 Transport Scotland has established a network of **Regional Transport Working Groups** (RTWGs) to help guide and inform the work. Committee Members may recall this was covered in the previous report of 1 March 2019 referred to above. This includes the Edinburgh and South East Scotland RTWG which has met as a standalone group in April and August of this year comprising initial engagement on STPR2 matters relevant to this City Deal region and to inform arrangements for the regional workshop. RTWG membership includes representation from the six local authorities in the region, City Region Deal PMO, SEStran, SESplan and social equity/inclusion representation currently under consideration by local authority members. Transport Scotland expect to produce the initial 'long list' of proposed interventions later this year, for appraisal in the period January to August 2020, and final reporting by December 2020.

- 3.4 Concurrent with work on the NTS and STPR2, the Scottish Government has also recently established the **Infrastructure Commission for Scotland** (ICS), with a remit to provide the Scottish Government with independent informed advice on the vision, ambition and priorities for a long term 30-year strategy for infrastructure in Scotland, to meet its future growth and societal needs. Following the ICS' Initial Call for Evidence in March of this year, the City Deal Executive Board made a submission which noted 'inter alia' the close alignment between the key drivers and overarching objectives of the ICS and those of the Edinburgh and South East Scotland City Deal; and recommended that priority areas for investment need to be informed by the kind of comprehensive strategy, including rigorous evaluation and assessment, which is being developed and implemented in City Region Deal areas such as Edinburgh and South East Scotland.
- 3.5 The changing national and regional planning context is also particularly relevant to all aspects of the City Deal, including transport. The outcome of the Scottish Parliament's consideration of the **Planning Bill** in June 2019 is that there will no longer be a statutory requirement for the preparation of strategic development plans. The new **Scottish Government National Planning Framework, 4th edition** (NPF4) will have the status of being part of the statutory development plan (along with the relevant local development plan) for an area. NPF4 will provide a context

for non-statutory regional development strategies to be prepared. In addition, NPF4 will include *“targets for the use of land in different areas of Scotland for housing”*, thereby introducing a regional directive element. The infrastructure consequences of that housing target will need to be considered in the City Deal strategy through its proposed ‘Regional Growth Framework’. Committee Members will be aware that in June 2019, Scottish Ministers rejected SESplan2, one of the primary reasons being their consideration that the spatial strategy is not supported by an adequate or timely transport appraisal. Accordingly, the inclusion of a robust transport component as part of the emerging ‘Regional Growth Framework’ for the City Deal is essential.

- 3.6 The climate emergency, Scottish Government’s Climate Change Bill and target date of 2045 for reaching net-zero emissions will present challenges and opportunities around the delivery of transport infrastructure and the decarbonisation of transport network / systems
- 3.7 The regional transport partnership for South East Scotland (SEStran) is a statutory body which is charged with a responsibility to prepare and keep up to date a regional transport strategy. **SESran’s Business Plan for 2019/20** includes the first stage of a re-write of the current **Regional Transport Strategy (RTS)**. That work is at an early stage with a Main Issues Report for consultation due by March 2020. Discussions at officer level with SEStran have highlighted that work related to the City Deal TAB should be aligned with the statutory existing and emerging RTS.

A720 Sheriffhall Junction

- 3.8 The Joint Committee received an update about this project from Transport Scotland at its meeting in June 2019. In summary, key milestones in 2018/19 include the completion of ground investigation works, extensive consultation undertaken with active travel stakeholders regarding provision for non-motorised users, and significant progress made with the detailed development and assessment of the preferred option as part of the Design Manual for Roads and Bridges Stage 3 assessment, with a view to publishing draft Orders later in 2019 for formal comment. Transport Scotland will continue to advise of progress through TAB.

West Edinburgh

- 3.9 As outlined in the Final Deal document, the Scottish Government is committed to investing £20m to support public transport infrastructure improvements identified by the West Edinburgh Transport Appraisal. The City of Edinburgh Council is also committed to providing funding of £16m for public transport improvements in West Edinburgh and continues to collaborate with West Lothian Council on the delivery of this strategic cross boundary project.
- 3.10 During the first quarter of 2019, the City of Edinburgh Council has been developing a model to further prioritise the measures set out in the 2016 West Edinburgh Transport Appraisal (WETA) refresh report. The City of Edinburgh Council has identified that its contribution should focus both on public transport infrastructure improvements and active travel to deliver against a range of strategic and policy

objectives. This prioritisation work is still in progress and cannot be concluded until partner organisations have been consulted and the emerging measures considered in more detail. In parallel with the development of the prioritisation model the Council has also commenced the development of a Programme Delivery Plan. Although the overall construction delivery schedule is not known at this time, it is anticipated that the works can be completed within three years from commencement allowing for a phased approach. Approval from the Transport Appraisal Board will be sought at every key stage of the Delivery Plan.

Projects / Initiatives Related to other City Deal Themes

- 3.11 An essential part of the current work being undertaken by the TAB is the assessment of the full range of transport and transport-related projects and initiatives across all of the City Region Deal themes. Establishing an overall inventory of programmed and potential projects will not only ensure that projects are not 'missed' but will also enable a rational and informed assessment to be made about such matters as appraisal/business case development, programming, priorities, funding opportunities and options, procurement, linkages between projects, and implementation. This priority work is ongoing and will be the subject of a report to the Joint Committee at an early date.
- 3.12 The TAB can align closely with the Regional Housing Board, work programme and specifically to workstreams on strategic sites, infrastructure and land. This integration could support the delivery of over 45,000 homes across seven well-connected strategic sites and help to deliver healthier, fairer and more sustainable communities.
- 3.13 Greater integration across City Region Deal policy themes including transport, skills and innovation is essential to support the emerging Regional Growth Framework and the growth requirements of the region and to deliver new communities which deliver the quality of place that ensures the South East of Scotland is a desirable place for people to live and for businesses to invest.

Short and Medium Term Work Programme

- 3.14 The City Deal document provides a statement of the purpose and remit of the TAB. In accordance with that, at a more detailed level, the work programme for the TAB over the next 12 to 18 months is expected to include the following:
- Engagement with Scottish Government / Transport Scotland in the preparation of the National Transport Strategy which is currently out for public consultation and will be finalised by the end of 2019;
 - Engagement through the RTWG with Transport Scotland and their consultants in the preparation of the second Strategic Transport Projects Review (STPR2);
 - Engagement with the Infrastructure Commission for Scotland, maintaining and further promoting that transport infrastructure can most effectively be identified and implemented at regional level through City Region Deals;

- Provide the transport input to the Regional Growth Framework and Regional Spatial Strategy with particular reference to SEStran's emerging statutory regional transport strategy;
- Monitor progress on Transport Scotland's A720 Sheriffhall Junction scheme;
- Support lead partners in taking forward proposals at West Edinburgh;
- Prepare and maintain an up to date inventory of programmed and potential City Deal transport projects / initiatives;
- Ensuring a consistent approach to the Business Cases underpinning the transport projects and also projects with a transport element;
- Reviewing the Business Cases in order to recommend implementation of those which can maximise the objectives and outcomes as defined by each City Region Deal theme, as well as the overall aim to achieve sustained inclusive growth.

4. Financial impact

- 4.1 This report is not seeking the allocation of funding to specific projects. Once such individual project propositions have been prepared they will be presented to this Joint Committee for approval.
- 4.2 As previously reported, the terms of the City Deal include a Scottish Government commitment of up to £120 million to support improvements to the A720 City Bypass for the grade separation of the Sheriffhall Junction, and a further £20 million to support public transport infrastructure improvements identified by the West Edinburgh Transport Appraisal.
- 4.3 In terms of other transport related projects and initiatives, some are identified to receive specific City Region Deal funding, whilst the case for funding of others may need to be part of an overall assessment supported by a Business Case to inform identification of the most effective allocation of limited funding to support the objectives and outcomes of each City Region Deal theme, as a contribution to maximising the fundamental aim of driving sustainable inclusive growth.

5. Equalities impact

- 5.1 A detailed note on the equalities impact of the transport element of the City Deal was reported on 1 March 2019 to the Joint Committee under Item No 5.9 (City Region Deal Regional Transport Appraisal Board). The terms of that note remain valid: and in summary expected impacts are positive in three primary respects:
 - upgrades to existing infrastructure with resultant reduced journey times and increased modal choice through, inter alia, active travel measures can readily support residents of more disadvantaged communities to more easily access job opportunities and education / training centres;

- transport infrastructure to unlock housing development sites assists in the increasing supply of housing, particularly in the affordable sector to benefit those households which cannot access the private housing market; and
- transport infrastructure improvements to assist the establishment and expansion of employment / business areas provide for accelerated overall economic growth.

6. Background reading/external references

- 6.1 [Report to the City Region Deal Joint Committee on 1 March 2019: Item 5.9, City Region Deal Regional Transport Appraisal Board.](#)
- 6.2 [Scottish Government's draft National Transport Strategy: published by Transport Scotland on 31 July 2019.](#)
- 6.3 [Infrastructure Commission for Scotland: Initial Call for Evidence: published in March 2019.](#)
- 6.4 [Planning Bill \(Third Reading\): Scottish Government: June 2019.](#)

7. Appendices

- 7.1 Appendix: Transport Appraisal Board Risk Register.

Transport Appraisal Board Risk Register

Risk	Description	Impact	Likelihood	Risk Factor Calculation	Risk Factor	Mitigation Plan
Failure to co-ordinate a comprehensive programme of transport interventions.	It is essential that the TAB maintains a comprehensive overview of strategy, key projects, and integrated programming of implementation.	5	2	10	2 - Medium	<ul style="list-style-type: none"> Regular meetings of the TAB. Awareness of emerging national and regional strategies. Maintaining a full inventory of all committed and potential projects. Careful monitoring of progress in the implementation of projects. Flexibility of programming to meet any changing circumstances. Maintaining an up to date risk register.
Failure to maximise effective use of City Deal partner funding in the implementation of transport interventions.	Transport projects and initiatives arise within all of the themes of the City Deal. Limited funding therefore needs to be targeted in a way which maximises the overall impact.	4	3	12	2 - Medium	<ul style="list-style-type: none"> Regular meetings of the TAB. Ensuring adequate partner representation on the TAB. Ensuring strong links to the other thematic boards. Careful attention to the co-ordinating of projects in both preparatory and implementation stages. Flexibility of approach to take opportunities that may arise, and to account for changing circumstances.
Internal and external partners are not fully engaged.	The transport theme needs the active involvement of a wide range of internal and external stakeholders.	4	2	8	3 - Low	<ul style="list-style-type: none"> Ensure full representation of partners on the TAB. Regular meetings of the TAB. Regular reporting to the Joint Committee. Regular updates to the Executive Board and the Regional Enterprise Council. Establishment of the TAB as the primary link to Transport Scotland and the Regional Transport Working Group. Inviting, as appropriate, ad hoc relevant organisations to attend TAB. Regular ongoing liaison with the other City Deal thematic boards.