

Notice of meeting and agenda

Edinburgh and South East Scotland City Region Deal Joint Committee

10.00 am Friday, 6th December, 2019

Main Council Chamber - City Chambers

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

The law allows the Joint Committee 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 Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.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. Order of Business

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

2. Declaration of Interests

- 2.1 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.

3. Previous Minutes

- 3.1 Minute of the Edinburgh and South East Scotland City Region Deal Joint Committee of 3 September 2019 - submitted for approval as a correct record 7 - 12

4. Forward Planning

- 4.1 Joint Committee Work Programme – report by Andy Nichol, Programme Manager, Edinburgh and South East Scotland City Region Deal 13 - 16
- 4.2 Joint Committee Rolling Actions Log (no outstanding actions)

5. Items for Consideration

- 5.1 City Region Deal Progress Report – report by Andrew Kerr, Chief Officer, Edinburgh and South East Scotland City Region Deal 17 - 30
- 5.2 Presentation from Transport Scotland
- 5.3 West Edinburgh Transport Infrastructure Programme Update – report by Ewan Kennedy, Policy and Planning Manager, The City 31 - 36

of Edinburgh Council

- 5.4** Monitoring and Evaluation Framework Progress Update – report by Andy Nichol, Programme Manager, Edinburgh and South East Scotland City Region Deal 37 - 40
- 5.5** The Edinburgh & South East Scotland Home Demonstrator: Application to the UK Government Industrial Strategy Challenge Fund – report by Andrew Kerr, Chair of the Edinburgh and South East Scotland City Region Deal Regional Housing Board 41 - 46

Laurence Rockey

Head of Strategy and Communications

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 Jamie Macrae, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 553 8242, email jamie.macrae@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.

The agenda, minutes and public reports for this meeting can be viewed online by going to <https://democracy.edinburgh.gov.uk>.

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Minutes

Edinburgh and South East Scotland City Region Deal Joint Committee

Edinburgh, 2.00pm, Tuesday 3 September 2019

Present:

City of Edinburgh Council – Councillor Cammy Day (substituting for Councillor Adam McVey) (in the Chair).

East Lothian Council – Councillor Norman Hampshire (substituting for Councillor Willie Innes).

Fife Council – Councillor David Alexander and Morag Millar (substituting for Councillor David Ross).

Midlothian Council – Councillor Russell Imrie (substituting for Councillor Derek Milligan).

Scottish Borders Council – Councillor Shona Haslam.

West Lothian Council – Councillor Andrew McGuire (substituting for Councillor Lawrence Fitzpatrick).

Higher/Further Education Consortium – Angela Cox (substituting for Professor Peter Mathieson).

Regional Enterprise Council – Claire Pattullo.

In attendance:

Councillor Eleanor Bird (SNP Group Leader) (observer)
Andrew Kerr, Chief Executive, City of Edinburgh Council
Angela Leitch, Chief Executive, East Lothian Council
Grace Vickers, Chief Executive, Midlothian Council
Andy Nichol, City Region Deal PMO

David Baxter, Strategy & Communications, City of Edinburgh Council
Rob Dickson, Senior Responsible Officer, Scottish Borders Council
David Hanna, Strategy & Communications, City of Edinburgh Council
Ian Johnson, Head of Communities and Economy, Midlothian Council

Craig McCorriston, Head of Planning, Economic Development and Regeneration,
West Lothian Council
Sat Patel, Senior Accountant, City of Edinburgh Council
Ken Shaw, Economic Development, City of Edinburgh Council
Hugh Edmiston (University of Edinburgh)
Colan Mehaffey (University of Edinburgh)
Professor Nicholas Mills (University of Edinburgh)
Professor Aziz Sheikh (University of Edinburgh)

1. Appointments

1.1 Appointment of Convener

In the absence of the Convener, Councillor Cammy Day was appointed to chair the meeting. The Joint Committee noted its congratulations to Councillor Adam McVey and his family.

1.2 Appointment of Higher and Further Education Consortium Representative

The Committee noted that Professor Peter Mathieson, Principal of Edinburgh University had been appointed to the Joint Committee in place of Professor Charlie Jeffrey who had taken on a new role at the University of York. The Joint Committee noted thanks to Charlie Jeffrey for his time and commitment.

2. Minutes

Decision

To approve the minute of the Edinburgh and South East Scotland City Region Deal Joint Committee of 7 June 2019 as a correct record.

3. Work Programme

The Work Programme was presented 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

- 1) To agree to close the following actions:
 - Action 1 - Forward Plan for Business Case Approvals – Sheriffhall Roundabout Business Case
 - Action 2 - Presentations from Transport Scotland – SESPlan
- 2) To invite Transport Scotland to the next meeting of the Joint Committee to present a progress update on the A720 City Bypass grade separation of Sheriffhall Roundabout Project.

(Reference - Rolling Actions Log, submitted).

5. City Region Deal Progress Report

Details were provided of the progress of the City Region Deal and the performance report was presented.

The overall status of the City Region Deal was assigned 'amber' and there were no actions required from the Joint Committee.

Decision

To note the update.

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

6. City Region Deal Annual Report 2018/19

The annual report for 2018/19 set out the progress for the first year of the 24 projects and programmes within the City Region Deal.

Information was also provided on the developments expected during 2019/20.

Decision

To note the progress across the City Region Deal Programme from the Deal signing on 7 August 2018 to present.

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

7. Usher Institute Business Case

Approval was sought to secure funding and enact the Usher Institute project. The business case which had been led by the University of Edinburgh was presented.

Decision

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

(Reference – report by Senior Responsible Officer, Data Driven Innovation Delivery Board, Edinburgh and South-East Scotland City Region Deal, submitted).

8. Edinburgh and South East Scotland City Regional Growth Framework

A report was presented outlining the project brief to guide the production of a Regional Growth Framework which would enable the region to manage its growth and deliver inclusive growth to benefit local communities across the South East of Scotland. A Spatial Strategy would align to the Growth Framework and would follow on and flow from its production.

The Joint Committee were asked to approve the project brief and governance and reporting structure.

Decision

- 1) To approve the project brief and that officers commence the production of a Regional Growth Framework.
- 2) To approve the governance and reporting structure outlined in Appendix 1 to the report by the Chief Officer.

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

9. Regional Housing Programme Update Report

An update was presented on the Regional Housing Programme which was based on key feedback from regional housing partners and input received across workshops held in June 2019 with over 60 key stakeholders.

The Regional Housing Programme: Forward Work Programme: Full Report was appended to the report.

Decision

- 1) To approve the recommended work programme and next steps summarised in table 1 of the report by the Chief Officer.
- 2) To recognise that the regional housing programme formed an integral part of the emerging Regional Growth Framework.

(References – Edinburgh and South East Scotland City Region Deal Committee 1 March 2019 (item 13); report by Chief Officer and Chair of Regional Housing Board, Edinburgh and South East Scotland City Region Deal, submitted)

10. City Region Deal Regional Transport Appraisal Board Update

An update was provided on the current and planned input of the Transport Appraisal Board to emerging national policy and strategy, and the current position at regional level.

The report outlined the 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.

A summary was also provided of the priorities and work programme for the Board over the short to medium term which would include further reporting to the Joint Committee.

Decision

- 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.
- 2) To note the extent of progress on projects at A720 Sheriffhall Junction and West Edinburgh.
- 3) To note the terms of the prospective work programme of the Transport Appraisal Board as set out in the report.
- 4) To note that individual proposals, once prepared, would be presented to the Joint Committee for approval.
- 5) To require further regular update reports on the work of the Transport Appraisal Board.

(Reference – report by Chair, Transport Appraisal Board, Edinburgh and South East Scotland City Region Deal, submitted)

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Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 6 December 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

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

E-mail: andy.nichol@edinburgh.gov.uk | Tel: 0131 529 4461



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
6 March 2020	<ul style="list-style-type: none"> • City Region Deal Monitoring and Evaluation Framework • Dunfermline Strategic Housing Site Business Case • 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"> • City Region Deal Annual Report 2019/20 • 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 in March 2020.

6. Background reading/external references

- 6.1 [City Region Deal Document](#): August 2018

7. Appendices

None.

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Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 6 December 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

E-mail: andy.nichol@edinburgh.gov.uk | Tel: 0131 529 4461



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 13 August 2019 which was duly signed and returned on 15 August. 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 March 2020.

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

Overall Status Last Period	Overall Status This Period
Amber	Amber

Achievements and Milestones

Achievement/Milestone	Date
Annual Conversation	12 Sep 19
Project initiation workshop with Regional Growth Framework Team	18 Oct 19
IRES Board Reflection Day	22 Nov 19

Financials Summary

*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	68,255	11.4%	£50.73m*	£17.36m

Upcoming Milestones	Target Date	RAG
West Edinburgh Update to Joint Committee	Dec 19	Green
Transport Scotland Update to Joint Committee	Dec 19	Green
Home Demonstrator fund application outcome known	Q1 20	Yellow
Monitoring and Evaluation Framework complete	Mar 20	Yellow

Top 3 Risks (from PMO Risk Register)

Risk	Impact	Likelihood	Severity	Resolution Plan or Mitigating Action	Risk owner
Insufficient Resources from PMO and wider network (project leads)	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. 	Exec Board
There is no regional strategy/framework	3	3	9	<ul style="list-style-type: none"> Regional Growth Framework proposal has been approved by Joint Committee on 3 September. Resources for taking this forward have been identified by Directors Group. Regional Enterprise Council is being kept informed and will help to shape in Q1 20. 	Directors' Group
Monitoring and Evaluation Framework is not sufficiently defined	4	2	8	<ul style="list-style-type: none"> M&E framework is being carefully thought through and co-produced with Government. Logic models have been devised, and assumptions have been made clear. A timeline has been agreed to report fully to Joint Committee in March 2020. Work ongoing to ensure that indicators, and change control measures are appropriate. Update report and forward plan to be considered by Joint Committee in December 2019. 	Directors' Group

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 (Q1-2) £000	Spend to date (Apr-Oct) £000	Forecast outturn £000	Forecast vs Allocation variance £000	
101,047	32,545	32,313	Bayes Centre	10,133	9,901	10,133	10,133	0	Forecast is based on profile as per full business case
22,469	22,469	463	National Robotarium	2,566	393	470	1,770	-796	
189,297	57,920	24,089	Edinburgh Futures Institute	13,770	5,227	6,661	13,770	0	
190,620	79,595	1,735	World Class Data Infrastructure	8,417	1,735	2,332	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	
3,000	10,900	0	Easter Bush Link Road - A701 & A702	0	0	0	0	0	
5,003	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	
28,050	15,000	0	Scottish Borders - Innovation Park	1,750	0	0	750	-1,000	
791,117	350,000	58,600	Total Research, development and innovation	36,636	17,256	19,596	34,840	-1,796	Slippage as project is 5 months behind schedule
25,000	25,000	103	Integrated Regional Employability & Skills	3,250	103	279	2,064	-1,186	Some projects did not spend until Grant letter received
25,000	25,000	103	Total IRES	3,250	103	279	2,064	-1,186	
120,000	120,000	2,600	Sheriffhall Roundabout*	0	0	0	0	0	SG to fund up to £120m to support improvements to the A720 City Bypass for the grade separation of Sheriffhall Roundabout via Transport Scotland Consultants currently working on proposal for TAB
36,000	20,000	0	West Edinburgh Transport Appraisal	2,000	0	9	38	-1,962	
156,000	140,000	2,600	Total Transport	2,000	0	9	38	-1,962	
44,990	20,000	0	IMPACT/Dunard Concert Hall	8,839	0	1,004	1,004	-8,839	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	1,004	1,004	-8,839	
263,000	15,000	6,952	Housing Company**	5,192	1,892	1,892	5,192	0	Separate grant letter from SG Separate letters from SG for individual proposals. The allocation figure is based on the financial plan
50,000	50,000	0	Housing Infrastructure Fund**	12,500	0	0	0	-12,500	
313,000	65,000	6,952	Total Housing	17,692	1,892	1,892	5,192	-12,500	
1,330,107	600,000	68,255	Total Programme	68,417	19,251	22,780	43,138	-26,283	Shortfall of utilising grant funding

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

* Scottish Government funded. Transport Scotland taking forward scheme delivery. ** Funding issued by Scottish Government (Housing)

Overall Status Last Period	Overall Status This Period
Amber	Amber

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

Partnership Working 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.

	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: FBC approved by Joint Committee (following TAB approval)	A	G	1	1	Transport elements including the Easter Bush Link Road – A701 & A702; Bush Loan junction and active travel corridor form part of the Easter Bush Business Case.
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)



Page 5: Research, Development and Innovation Theme Projects in East Lothian, Fife and Scottish Borders

Project	Stage	Last Milestone	Next Milestone	T	B	IG	PW	Comments
Edinburgh Innovation Park (QMU Food and Drink Hub)	Define	Planning Permission released for the wider development including the EIP/Innovation Hub	<ul style="list-style-type: none"> Award the contract for the specialist advice for progression of FBC (Nov/Dec19) Land transfers for the EIP/Innovation Hub land complete (Nov 19) Determine the detailed planning application for the junction/ initiate the tendering process. (Nov 19) 	G	G	1	1	
Page 29 Fife Industrial Innovation Investment (Fi3P)	Implement	Planning approval for first site	Planning permission for Project 2 (over due 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)	Progressing with building design for Phase 2.	G	A	1	1	Finalisation of engagement with potential occupiers of buildings being procured under Phase 1.



Project	Stage	Last Milestone	Next Milestone	T	B	IG	PW	Comments
IRES Programme	Implement	Progress Monitoring & Evaluation Frameworks in place at programme and project level (June 19)	Programme evaluation to inform 2020 Annual Conversation	A	G	2	2	<ul style="list-style-type: none"> RES activity and progress monitoring template operational IRES Board next meets on 11 February 2020 when Steve Grimmond will take over the chair from Angela Leitch IRES Reflection Day on 22 Nov was well attended (c. 60 participants) with a good representation from across the partners. Feedback forms judged the event as very good and very useful by participants. Event write-up will be considered by the IRES board at its next meeting and will help inform the development of the programme.
Integrated knowledge systems	Implement	Grant Agreement and Project Implementation Plan agreed	Updated implementation plan to be presented to next Delivery Advisory Group (Nov 2019)	A	G	2	2	<ul style="list-style-type: none"> Grant Agreement and Project Implementation Plan agreed. Multi-agency IKS Development Advisory Group and project team established. Terms of Reference, project plan and forward meeting schedule agreed and discussions with MIS developers ongoing to inform system specification.
Labour market analysis and evaluation	Implement	Grant Agreement and Project Implementation Plan agreed	Health and Social Care primary research to start Nov 2019.	A	G	2	2	<ul style="list-style-type: none"> Grant Agreement and Project Implementation Plan agreed and LMA&E group met twice in 2019-20. New member of staff appointed 2.5 days per week to help progress development and Labour Market seminar successfully held on 8th October attracted good range of partner involvement.
Integrated employer engagement	Implement	Grant Agreement and Project Implementation Plan agreed	New staff team in place early Jan 2020	A	G	2	2	<ul style="list-style-type: none"> Grant Agreement and Project Implementation Plan have been agreed. The Project Manager started on 1 October and is currently further developing the Project delivery plan. The other project posts (inc. Community Benefits Officer) have been advertised with a view to getting the team up to full strength by the start of 2020.

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
Intensive family support	Implement	Project staff appointed and activities operational	Revised Implementation Proposal to be considered by IRES Board (Feb 2020)	A	A	2	2	<ul style="list-style-type: none"> Capital City Partnership (CCP) provision of lead management and project development staffing with SLA being developed. Ongoing uncertainty of ESF funding is continuing to impact on service planning so it is now the intention to proceed using CRD funds only, with the plan to secure ESF or other sources of leverage at a later date. Co-production and engagement activity with LA partners ongoing regarding similar delivery in their local areas and positioning of new service.
Housing and Construction Infrastructure (HCI) Skills Gateway	Implement	Project staff appointed and activities operational	Year 1 Summary evaluation	A	G	2	2	<ul style="list-style-type: none"> Project staff appointed and activities operational. Equality & Diversity lead appointed jointly across DDI and HCI. 4 Delivery Group meetings have taken place and new partnerships formed with SELECT (Electrical) for future jobs increase in sector. Commencement of first projects underway including new pilot project review for bricklaying course.
Data-Driven Innovation (DDI) Skills Gateway	Implement	Project staff appointed and activities operational	Year 1 Summary Evaluation	A	G	2	2	<ul style="list-style-type: none"> Project staff appointed and activities operational. Equality & Diversity lead appointed jointly across DDI and HCI. Data Education in Schools project progressing developments on four fronts including, Curriculum mapping for Data Science, National Progression Award in Data Science, Professional Development and the establishment of Knowledge Sharing Schools. New staff appointments for Data Education in Colleges, Data Education in Universities and Data training for Work initiatives.
Workforce mobility (Concessionary travel)	Implement	Grant Agreement and Project Implementation Plan agreed	Project Manager Appointment (Feb 2020)	A	G	2	2	<ul style="list-style-type: none"> Project Implementation Plan agreed and inaugural of Project Delivery Group was held on 30 September with good representation from partners and positive discussions on the next steps required to get the project fully up and running. Project Manager job description finalised and progressing through job evaluation with Scottish Borders Council. SESTRAN involved and Project Lead to update TAB on recent progress.



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.	G	G	1	1	<p>Transport Scotland will attend the Joint Committee meeting on 6th December to provide an update on Sheriffhall.</p> <p>Transport Scotland are on track to publish draft orders by the end of 2019 in line with current commitment.</p>
West Edinburgh	Define	The development of a high-level West Edinburgh Transport Appraisal Project Delivery Plan is underway, and was reported to the Transport Appraisal Board (TAB) on 26 August.	By Q1 2020, greater clarity about the timeframe and process for further refining the long-list of proposals will emerge.	A	A	1	2	<p>£36m of funding identified (£20m from SG to support public transport infrastructure improvements) and £16m from City of Edinburgh Council plus contributions from the private sector and developers (TBC). In total, the WETA package amounts to £108m (inc. optimism bias) to take forward cycling, public transport and road measures.</p> <p>During the first quarter of 2019 CEC has been developing a model to further prioritise the measures set out in the 2016 report with an emphasis on public transport and active travel prioritisation.</p> <p>The reasons for this focus reflect:</p> <ol style="list-style-type: none"> 1. The Scottish Government's contribution, as set out in the City Region Deal document, is to support public transport infrastructure improvements contained within WETA; and 2. CEC 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.

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Project	Stage	Last Milestone	Next Milestone	T	B	IG	PW	Comments
Dunard Centre	Implement	Appointment of the Contractor, selected through the procurement process, to deliver the Pre Construction Services	Commence the demolition of the existing annex building	R	R	2	2	On 30 July Nuveen (Edinburgh St James) submitted a petition for judicial review on the City of Edinburgh Council Planning Committee decision to grant planning permission for Dunard Centre. There is a risk to delivery timescales.

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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
Affordable housing	Deliver & Define	Report approved at JC on 3 Sep August	Scope opportunities & identify resources to progress workstream.	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	Report approved at JC on 3 Sep August	Scope opportunities & identify resources to progress workstream.	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	Report approved at JC on 3 Sep August	Scope opportunities & identify resources to progress workstream.	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	Report approved at JC on 3 Sep August	Dedicated 26 Nov Board to agree scope and progress workstream	A	A	1	1	<ul style="list-style-type: none"> Opportunity to work strategically to understand capacity and constraints; share strategic plans and identify opportunities for strategic alignment and investment.
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)

Edinburgh and East of Scotland City Region Deal Joint Committee

10 am, Friday 6 December 2019

West Edinburgh Transport Infrastructure Programme update

Item number

Executive Summary

This report summarises progress on delivery of the West Edinburgh Transport Infrastructure Programme as planned under the City Region Deal.

£20 million has been committed from the Scottish Government towards the delivery of public transport infrastructure and the City of Edinburgh Council has committed a further £16 million towards the delivery of the programme of improvements.

The report also seeks approval to progress the procurement of consultants to undertake Stage 1 of the project, in line with the agreed plan. Stage 1 of the project delivery plan is centred on the further development of business cases associated with the infrastructure programme.

At its meeting on 26 August 2019, the Transport Appraisal Board endorsed the delivery plan presented and recommended that the procurement and appointment of consultants to deliver the necessary next stages project be undertaken without delay.

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Council

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City Region Deal Checklist

Criteria	Details/Link to Document						
Contribution to City Region Deal commitments and Inclusive Growth Framework	West Edinburgh is of national strategic importance. The emphasis on public transport improvements aligns with the City Region Deal's inclusive growth and sustainability ambitions.						
Alignment, integration with, or dependence on, other City Region Deal activities	Improvements proposed will provide long-term resilience and support strong connectivity between neighbouring authorities. Improvements will align with other programmes to enable the supply of increased labour demands to deliver the full economic potential of West Edinburgh by ensuring that the current infrastructure does not constrain sustainable inclusive growth.						
Scale and regional distribution of expected outcomes, benefits, and leverage, from activity	The significance of the area in economic development terms necessitates coordination of transport, planning and land use factors. West Edinburgh is recognised by the Scottish Government as a key national economic asset and perhaps the most important gateway to Scotland. In May 2008 the Scottish Government published the West Edinburgh Planning Framework (WEPF) which set out the long term vision for the area and National Planning Framework (NFP3) cites West Edinburgh as a significant business investment location with potential to be internationally competitive.						
Compliance with financial requirements and agreed expenditure profile	<p>The project is being progressed to prioritise the most necessary and impactful elements of the West Edinburgh Transport Appraisal (WETA) refresh report within the available funding.</p> <p>The WETA Update Note to the Transport Appraisal Board in August 2019 noted following rationale for prioritisation work - 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 report with an emphasis on public transport and active travel prioritisation. The reasons for this focus reflect:</p> <ol style="list-style-type: none"> 1. The Scottish Government's contribution, as set out in the City Region Deal document, is to support public transport infrastructure improvements contained within WETA; and 2. 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. 						
Equalities Impact	The focus on public transport infrastructure improvements will promote equality. There are areas of multiple deprivation in West Edinburgh that will benefit from these transport improvements.						
Anticipated significant risks and mitigation measures	<table border="1"> <thead> <tr> <th>Risks</th> <th>Mitigations</th> </tr> </thead> <tbody> <tr> <td>Failure to secure sufficient resources and expertise to develop required business cases enabling the further progression transport improvements as identified in the WETA.</td> <td>Seek Joint Committee approval to procure the required consultancy support and execute the first stage of the project delivery plan as agreed.</td> </tr> <tr> <td>Programme underspend due to delays in obtaining approval to proceed with the required consultancy work.</td> <td>The Transport Appraisal Board and Executive Board endorsed the project delivery plan and recommended that the procurement and appointment of consultants to deliver the necessary</td> </tr> </tbody> </table>	Risks	Mitigations	Failure to secure sufficient resources and expertise to develop required business cases enabling the further progression transport improvements as identified in the WETA.	Seek Joint Committee approval to procure the required consultancy support and execute the first stage of the project delivery plan as agreed.	Programme underspend due to delays in obtaining approval to proceed with the required consultancy work.	The Transport Appraisal Board and Executive Board endorsed the project delivery plan and recommended that the procurement and appointment of consultants to deliver the necessary
Risks	Mitigations						
Failure to secure sufficient resources and expertise to develop required business cases enabling the further progression transport improvements as identified in the WETA.	Seek Joint Committee approval to procure the required consultancy support and execute the first stage of the project delivery plan as agreed.						
Programme underspend due to delays in obtaining approval to proceed with the required consultancy work.	The Transport Appraisal Board and Executive Board endorsed the project delivery plan and recommended that the procurement and appointment of consultants to deliver the necessary						

		next stages project be undertaken without delay. Approval from the Joint Committee must now be secured at the earliest opportunity.
Alignment and fit with City Region Deal governance arrangement	This project falls within the Transport theme. Updates on the project will be reported to the Transport Appraisal Board, and where necessary, the Executive Board and City Region Joint Committee.	
PMO check	All evidence provided.	
Advisory Board sign off	TAB approved the paper on 21 October 2019	
Executive Board sign off	Approved by Executive Board on 21 November	

Report

West Edinburgh Transport Infrastructure Programme update

1. Recommendations

- 1.1 To acknowledge progress to date on delivery of the City Region Deal West Edinburgh Transport Infrastructure Programme and to approve the procurement of consultants to progress with Stage 1 of the project, as reported and agreed at the Transport Appraisal Board.

2. Background

- 2.1 The West Edinburgh Transport Appraisal (WETA) refresh report 2016, was developed as a strategic identification of transport interventions required to support the implementation of the West Edinburgh Planning Framework (2008). This sets out the long term objectives for the area; the core of which is the implementation of the International Business Gateway (IBG) site.
- 2.2 The significant scale of development proposed in West Edinburgh, including sites in West Lothian, alongside the forecasted growth of the Airport can only be realised through improved transport accessibility and maximising mode shift to more sustainable forms of travel. Consequently, the identification of interventions in WETA would prioritise sustainable modes of travel specifically through the configuration of cycling, walking and public transport projects; for example, an emphasis to reduce journey times for public transport was set as a key target.

- 2.3 City Region Deal funding of £36 million (£20 million from Scottish Government to support public transport infrastructure improvements and £16 million from the City of Edinburgh Council) has been identified. Further contributions will be collected from the private sector and developers (TBC).
- 2.4 The project is being developed through the agreed City Region Deal governance and in close partnership with Transport Scotland and West Lothian Council, and programme oversight is provided by the Transport Appraisal Board.

3. Main report

- 3.1 A report and presentation was made to the Transport Appraisal Board meeting on 26 August 2019 providing an update on progress to date and seeking approval to progress the procurement of consultants to execute Stage 1 of the programme as presented.
- 3.2 Stage 1 of the programme is a necessary piece of work, to further develop the business cases for the West Edinburgh Transport Infrastructure Programme.
- 3.3 The West Edinburgh Transport Infrastructure Programme originates from the West Edinburgh Transport Appraisal approved in 2010. In 2016 it was necessary to refresh the 2010 study to reflect changes in development proposals and airport passenger growth projections, this resulted in the publication of the WETA 2016 Refresh study, which still serves as key document of reference, and formed the basis of a City Region Deal bid to better support the delivery of necessary transport infrastructure to better support the economic priorities for the area. The estimated cost of the total package of transport infrastructure improvements to support the growth in West Edinburgh, including significant forecasted passenger increases at Edinburgh Airport and the development International Business Gateway site, through prioritising sustainable forms of transportation is approximately £108 million.
- 3.4 The £108m (including optimism bias at 44%) is for a package to take forward cycling, public transport and road measures. In progressing the WETA refresh, there was a focus on measures to prioritise sustainable modes of travel. The final package of WETA transport measures is incorporated in the City of Edinburgh Council's (CEC) Local Development Plan Action Programme.
- 3.5 During the first quarter of 2019 CEC has been developing a model to further prioritise the measures set out in the 2016 report with an emphasis on public transport and active travel prioritisation. The reason for this focus was because:
- The Scottish Government identified within the City Region Deal report that its contribution was to support public transport infrastructure improvements contained within WETA. Transport Scotland reaffirmed this requirement at a meeting in March 2019; and
 - CEC 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.

- 3.6 The Transport Appraisal Board acknowledged progress to date and also agreed to allocate £0.450 million to procure consultants to undertake further feasibility and appraisal works. Approval was on the basis of final homologation by the City Region Deal Joint Committee.

4. Financial impact

- 4.1 £36 million has been allocated for the West Edinburgh project (£20 million from Scottish Government and £16 million from the City of Edinburgh Council).
- 4.2 The execution of Stage 1 of the programme requires £0.450 million for consultancy work. These funds will be taken from the £36 million City Region Deal allocation for West Edinburgh.

5. Equalities impact

- 5.1 The focus on public transport and active travel infrastructure improvements will promote equality. There are areas of multiple deprivation in West Edinburgh that will benefit from these transport improvements.
- 5.2 The City Region Deal PMO is working with the Equalities and Human Rights Commission and Scottish Government on identifying appropriate measures to capture the impact that the programme will have on people with protected characteristics.

6. Background reading/external references

- 6.1 [West Edinburgh Transport Appraisal Refresh Report \(December 2016\)](#)
- 6.2 [City Region Deal Document \(August 2018\)](#)

7. Appendices

- 7.1 None.

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Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 6 December 2019

Monitoring and Evaluation Framework Progress Update

Item number

Executive Summary

The City Region Deal commits partners to the objectives of accelerating economic and inclusive growth.

The Joint Committee has a monitoring and assurance role with respect to City Region Deal funding to ensure that it is spent in line with the City Region Deal objectives.

Good progress is being made from partners and Government towards developing a Monitoring and Evaluation Framework, to be reported to Joint Committee on 6 March 2020.

This will measure not only the impact that the projects and programmes towards the objectives set out in their respective business cases, but will also measure how the City Region Deal is performing in relation to the five themes in its Inclusive Growth Framework. The impact of the Deal on people with protected characteristics and environmental sustainability will also be captured.

The Monitoring and Evaluation Framework will also set out the process for change controls for projects, for example what will happen if a project is underperforming. Tolerances will be set for when projects require Thematic Board or Joint Committee/Government exception reports.

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Monitoring and Evaluation: Progress Update

1. Recommendations

Committee is asked to:

- 1.1 Note that significant progress has been made in the development of a robust Monitoring and Evaluation Framework for the City Region, in partnership with both UK and Scottish Governments.
- 1.2 Note that the Monitoring and Evaluation Framework will be submitted to Joint Committee for approval on 6 March 2020.

2. Background

- 2.1 The City Region Deal, signed by partners, UK Government and Scottish Government on 7 August 2018 committed partners to the objectives of accelerating economic and inclusive growth. As part of this, partners are tasked with ensuring the regular review and evaluation of projects funded by the Deal¹:

“The city regional partners are committed to putting in place robust decision-making and financial management processes to ensure that public money is being spent responsibly and is accounted for. All decisions will be publicly available”.

[Deal Document](#): p. 29 (Section 3.12)

- 2.2 The Joint Committee has a monitoring and assurance role with respect to City Region Deal funding to ensure that it is spent in line with the City Region Deal objectives:

“It is recognised that the Joint Committee’s powers and duties relate to activities set out in the City Region Deal. Each constituent partner’s decision-making in relation to its own financial commitments are not subject to Joint Committee approval. The Joint Committee does however have a monitoring and assurance role with respect to City Region Deal funding to ensure that it is spent in line with the City Region Deal objectives”.

[Deal Document](#): p. 29 (Section 3.13)

- 2.3 A Monitoring and Evaluation Framework will measure not only the impact that the projects and programmes towards the objectives set out in their respective business

¹ As stated in the [Deal Document](#)

cases, but will also measure how the City Region Deal is performing in relation to the five themes in its Inclusive Growth Framework:

- i. Accelerating inclusive growth to unlock new talent pools for business, promoting fair work, and equipping disadvantaged citizens with the skills they need to succeed;*
- ii. Removing the barriers to growth through interventions to unlock current physical barriers to growth, including housing and transport;*
- iii. Delivering community benefits through procurement by integrating partner approaches to employer engagement and procurement to increase the value achieved from investments;*
- iv. Targeting employability and skills interventions by widening access and addressing skills shortages to boost the flow of individuals from disadvantaged groups into good career opportunities; and,*
- v. Delivering social benefit through innovation through challenged-based social benefit projects and programmes across the City Region.*

[Deal Document](#): pp. 9 and 10

2.4 The impact of the Deal on people with protected characteristics and environmental sustainability will also be captured in the Framework.

2.5 The Monitoring and Evaluation Framework will also set out the process for change controls for projects, for example what will happen if a project is underperforming. Tolerances will be set for when projects require Thematic Board or Joint Committee/Government exception reports.

3. Main report

3.1 For the first year of the 15-year City Region Deal, partners focused on establishing the governance structure across the Deal. This enabled seven business cases and seven project propositions, worth £737 million or 55% of the Deal to be approved by September 2019.

3.2 With the governance in place by summer of 2019, focus has turned to developing an appropriate Monitoring and Evaluation framework.

3.3 The Framework is on track to be completed for Joint Committee approval in March 2020. This is one cycle later than originally stated in the [Annual Report](#) where partners committed to completion by December 2019. The change in timescales is because all parties are keen to ensure that the framework is scrutinised and widely consulted on to ensure that the methodology and indicators are the most appropriate.

3.4 The Framework is very much a co-production between City Region Deal Partners and both Governments. The Framework is being drafted in line with Government [Magenta Book](#) guidance, Advice is also being sought from sustainability experts in Government and the Equalities and Human Rights commission and on how to best capture the impacts on the environment and people with protected characteristics. The principles in the framework will be designed in a way such that they can be shared and adapted as necessary to suit out to other City Region and Growth Deals in Scotland

3.5 It is anticipated that, once in place, the Monitoring and Evaluation of the outputs, outcomes and where relevant intermediate impacts of the Deal will form part of the regularly reporting cycles set out for the future management (and oversight) of City Region Deal performance, namely:

- **Quarterly Reporting:** Quarterly performance measures for all projects and programmes will be incorporated into the existing Progress report, shared at each Thematic Board, Executive Board and Joint Committee Board meeting
- **Annual Reporting:** A detailed summary of performance measures for projects and programmes will be incorporated into future Annual Reports.

3.6 The table below shows the timescales that partners are working towards:

Action	Timescale
PMO will circulate indicator template for review and completion by Theme leads	By 29/11/19
Template completed and returned to PMO	By 13/12/19
Governments to provide guidance on change control procedures	By 13/12/19
Summary indicators paper to be provided to Governments for review	By 20/12/19
Governments provide final views on indicators	By 17/01/20
PMO finalises and releases M&E Plan for parallel review by Theme and Government Leads (including indicators, M&E approaches and change control processes)	By 24/01/20
Final comments received and provided to PMO (from Theme and Government Leads)	By 07/02/20
PMO submits final M&E plan for sign off by all parties	By 14/02/20
Presentation to Joint Committee	06/03/20

4. Financial impact

- 4.1 It is anticipated that partners will fund Monitoring and Evaluation as part of their contribution to the Deal. Both Governments are considering more flexibility for resourcing PMO within the envelope, but it is highly unlikely that there will be additional money for Monitoring and Evaluation in particular. Nevertheless, partners will share the estimated cost with Government to give an indication of the value for money of the process.

5. Equalities impact

- 5.1 A core principle of the Monitoring and Evaluation Framework is to measure the impact that the Deal programmes and projects will have on people with protected characteristics. Advice is being sought from the Equalities and Human Rights commission and on how to best capture these impacts.

6. Background reading/external references

- 6.1 [Edinburgh and South East Scotland City Region Deal Document, August 2018](#)
 6.2 [The Magenta Book](#)

7. Appendices

None.

Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 6 December 2019

The Edinburgh & South East Scotland Home Demonstrator: Application to the UK Government Industrial Strategy Challenge Fund

Item number

Executive Summary

This report advises Joint Committee that a bid has been submitted to the UK Government Industrial Strategy Challenge Fund to support a Demonstrator project. The project would seek to deliver a new, innovative business model that would support use of offsite construction methods to deliver high quality new homes with a focus on quality, low carbon options and whole life performance.

This project aligns closely with the two strategic aims of the Regional Housing Programme to 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.

The City of Edinburgh Council will act as lead local authority partner with funding sought as part of the bid process to support the Council to coordinate, manage and develop input into the project from across Council teams and local authority partners.

Andrew Kerr

Chair of Regional Housing Board, Edinburgh and
South East Scotland City Region Deal

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Report

The Edinburgh & South East Scotland Home Demonstrator: Application to the UK Government Industrial Strategy Challenge Fund

1. Recommendations

Committee is asked to:

- 1.1 Note that a bid has been submitted to the UK Government Industrial Strategy Challenge Fund with the City of Edinburgh Council acting as lead local authority partner; and
- 1.2 Note that the Regional Housing Board will receive regular updates on progress with taking forward the project.

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 In late 2018, an off-site housing collaboration initiative 'Increasing offsite housing construction in Scotland' was established in partnership with Scottish Government, [Construction Scotland Innovation Centre](#) and industry partners. The City of Edinburgh Council was a steering group member and active partner in this project. The aim of the group was to explore solutions to mainstream the use of off-site manufacturing in affordable house building in Scotland. This project sought to identify, develop and test a range of potential options to support new policy,

regulation and procurement models and systems to increase the level of offsite affordable housing delivery.

- 2.3 In August 2019, as part of the UK Government [Industrial Strategy Challenge Fund](#), Innovate UK issued a call for funding for demonstrator projects which improve on the current state of the art in construction. Bids for funding are due by 6 November 2019 for projects to be developed over the coming 18-24 months.
- 2.4 On 27 August 2019 the Regional Housing Board recommended approval of the [Regional Housing Programme: Forward Work Programme](#), which was formally approved on 3 September 2019 by the Edinburgh and South East Scotland City Region Deal Joint Committee. Within the work programme the Innovation and Skills Workstream sets out a series of steps in relation to offsite and modern methods of construction including exploring a potential bid to the UK Government Industrial Strategy Challenge Fund and future funding opportunities.
- 2.5 Following this Board approval, The City of Edinburgh Council, [Offsite Solutions Scotland](#), Construction Scotland Innovation Centre, Edinburgh Napier University, Scottish Government, Scottish Enterprise and Scottish Futures Trust have been working collaboratively to develop a bid for a project.
- 2.6 This report sets out a collaborative project proposal which explores how the region can benefit from the potential benefits of offsite construction with the City of Edinburgh Council as lead local authority partner.

3. Main report

Context

- 3.1 The South East of Scotland is the fastest growing region in the Scotland and is the fifth fastest growing in the UK. A 40% increase in new build housing supply is required over the next two decades due to population growth (2019-2029) requiring 147,000 new homes.
- 3.2 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.
- 3.3 The delivery of this programme is challenging in the context of rising build costs, a shortage of skilled labour, the need to meet ambitious targets for reductions in carbon emissions and the desire to build homes that are affordable to heat and maintain. The City of Edinburgh Council and other partner authorities have advocated for the need to look at alternative and more collaborative solutions.
- 3.4 As outlined in the [Regional Housing Programme: Forward Work Programme](#) off site manufacturing to support a pipeline of demand for affordable housing, particularly when linked to skills development, apprenticeships and the latest digital software and techniques have the potential to deliver housing at scale and transform the construction industry.

The proposition

- 3.5 The proposed initiative brings together Offsite Solutions Scotland Ltd (OSS), a unique industry collaborative consisting of nine-member companies active in the offsite sector in Scotland both as timber manufacturers and house builders with public sector partners to develop a new business model. CCG and Robertson have been representing the OSS collaborative during the project development. The City of Edinburgh Council has experience of working with both companies as part of its 21st Century Homes housebuilding programme.
- 3.6 The project is intended to create a means to deliver transformational change for and across the six local authorities who are part of the Deal via the delivery of a new business model based on the creation of a pipeline of demand and a long term approach to contracting via collaborative procurement, standardisation of house types and components and risk and benefit sharing between partners. It is also intended to inform wider strategic work by the Scottish Government and its partners in terms of modernising the approach to housing development and construction across Scotland.
- 3.7 The Demonstrator is not a build of a physical asset but the creation of a collaborative partnership model for greater standardisation of designs, processes and systems to facilitate longer-term partnering and collaboration across the public and private sector.
- 3.8 The demonstrable outcomes of the project will comprise: a new business model, set of standard house types/components, a pipeline of development, a digital model of the outputs which can be easily integrated to other systems and opportunity for a 1,000 homes pilot that could be fully monitored and evaluated. A business case and Council approvals would be required to take forward the pilot.
- 3.9 The project will support the regional partners to increase the speed, quality and assurance of future affordable housing delivery in Edinburgh and the city region to deliver cost savings and whole life benefits. It will also be used as a route to develop low carbon housing to support Edinburgh's goal to become net zero carbon by 2030.
- 3.10 This project is intended to start in April 2020 running for 18-24 months. The key work packages are outlined in appendix 1. The project management work package will be led by CSIC who will also lead the dissemination and reporting to Innovate UK.
- 3.11 Successful projects will be announced in January 2020. If the application is successful, project development and progress will be reported to the Regional Housing Board. The project will be taken forward in a manner that enables each local authority to comply with internal processes and governance arrangements.

4. Financial impact

- 4.1 The Industrial Strategy Challenge Fund criteria for demonstrator outlines that project grant funding bids can be between £0.5m-£8m of eligible costs. development.
- 4.2 The total project costs (excluding contributions in kind) amount to £1,483,112 and funding is being sought from Innovate UK for £973,223 of that sum. This includes funding to appoint design and technical consultants, procurement specialists and project management support.
- 4.3 The City of Edinburgh Council will act as lead local authority partner and has requested funding; as part of the bid process to support Council officers to coordinate, manage and develop input into the project from across Council teams and local authority partners. Scottish Government, Scottish Futures Trust and Edinburgh Napier University are also seeking funding to support their input to the project.

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 Programme Forward Work Programme](#)

7. Appendices

- 7.1 Appendix 1 - The Edinburgh & South East Scotland Home Demonstrator – Outline Work Activity

Appendix 1 – The Edinburgh & South East Scotland Home Demonstrator – Outline Work Activity

The key work packages to be delivered over 18-24 months starting April 2020 are outlined below:

Project management - starting April 2020 (*CS/C*).

Collaborative/Partnering models for procurement – Review alternative and develop new models of housing delivery and co-investment in manufacturing which meet procurement rules, and which will deliver the project outcomes (speed, cost, quality, innovation) over a multi-year period of at least 5 years. Establish preferred models for further development and piloting within the city Region (*SFT*).

Set whole-life performance standards (future maintenance and energy costs) - Establish and agree a set of whole-life performance standards which capture the true benefits of using MMC (*ENU/OSS*).

Develop definition and model for standardised product/design – Create a standardisation model for the Edinburgh build programme (*CEC/ENU/OSS*).

Manufacturing solution – Develop and evaluate options for supply side delivery including existing facilities, new (temporary), new (permanent), explore alternative investment models and develop a business case for investment (*OSS*).

Performance standards – Develop a framework through which the effectiveness of the partnership can be evaluated on an ongoing basis. This will include targets for improved productivity over the life of the partnership and a method of benefit sharing between CEC and OSS (*OSS/CEC/SG/SFT*).

Skills – Working with local skills partners through the City Deal Housing, Construction and Infrastructure Skills Gateway identify what skills will be required to support the programme, how these may be met by existing providers/programmes and where new skills programmes will be required (*ENU*).

Launch - agree pipeline of projects and implement a collaborative partnering model to deliver these (*All*).