Notice of meeting and agenda

Edinburgh and South East Scotland City Region Deal Joint Committee

10.00 am Friday, 2nd June, 2023

Virtual Meeting - via Microsoft Teams

This is a public meeting and members of the public are welcome to watch the live webcast.

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 Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.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

4. Forward Planning

5. Items for Consideration

Gavin King

Clerk

Membership

The City of Edinburgh Council

Councillor Cammy Day

East Lothian Council

Councillor Norman Hampshire

Fife Council

Councillor David Ross

Midlothian Council

Councillor Russell Imrie

Scottish Borders Council

Councillor Euan Jardine

West Lothian Council

Councillor Lawrence Fitzpatrick

Higher/Further Education Consortium

Prof Peter Mathieson

Regional Enterprise Council

Claire Pattullo

Garry Clark

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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Any information presented by individuals to the Joint Committee at a meeting, in addition to forming part of a webcast that will be held as a historical record, will also be held and used by the Joint Committee in connection with the relevant matter until that matter is decided or otherwise resolved (including any potential appeals and other connected processes). Thereafter, that information will continue to be held as part of the historical record in accordance with the paragraphs above.

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Minutes

Edinburgh and South East Scotland City Region Deal Joint Committee

Microsoft Teams

10.00am, Friday 3 March 2023

Present:

Scottish Borders Council – Councillor Euan Jardine (in the Chair)

West Lothian Council – Councillor Lawrence Fitzpatrick

City of Edinburgh Council – Councillor Cammy Day

East Lothian Council – Councillor Norman Hampshire

Fife Council – Councillor David Ross

Midlothian Council – Councillor Russell Imrie

Regional Enterprise Council – Garry Clark and Claire Pattullo

In attendance:

Dr Grace Vickers, Chief Executive, Midlothian Council
Monica Patterson, Chief Executive, East Lothian Council
Steve Grimmond, Chief Executive, Fife Council
Andy Nichol, City Region Deal Programme Manager, City of Edinburgh Council
Paul Lawrence, Executive Director of Place, City of Edinburgh Council
Jenni Craig, Director – Resilient Communities, Scottish Borders Council
Gavin King, Head of Democracy, Governance & Resilience, City of Edinburgh Council
Graeme Rigg, City Region Deal PMO, City of Edinburgh Council
David Baxter, City Region Deal PMO, City of Edinburgh Council
David Hanna, City Region Deal PMO, City of Edinburgh Council
Daniel Stevens, City Region Deal PMO, City of Edinburgh Council

Lisa Howden, Accountant, City of Edinburgh Council
Jamie Macrae, Committee Services, City of Edinburgh Council

Jamie Robertson, Strategic Transport Manager, City of Edinburgh Council

Ken Gourlay, Executive Director of Enterprise and Environment, Fife Council

Kevin Anderson, Executive Director, Place, Midlothian Council

Craig McCorriston, Head of Planning, Economic Development and Regeneration, West Lothian Council

Adam Dunkerley, Integrated Regional Employability & Skills and Skills Development Scotland

Jarmo Eskelinen, Executive Director, Data-Driven Innovation Initiative, The University of Edinburgh

John Scott, DDI Programme Head of Delivery

Apologies

None.

1. Appointments

Decision

1)	To appoint Councillor Euan Jardine as Convener.

2)	To appoint Councillor Lawrence Fitzpatrick as Vice-Convener.

3)	To appoint Councillor Euan Robson as Chair of the Elected Member Oversight Sub-Committee.

2. Minutes

Decision

To approve the minute of the Edinburgh and South East Scotland City Region Deal Joint Committee of 2 December 2022 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 planned dates for future business for the City Region Deal Joint Committee.

(Reference – Work Programme, submitted.)

4. Updated Standing Orders for Joint Committee

Updated Standing Orders for the Joint Committee were submitted for approval, following their annual review.

Decision

To agree to adopt the updated Standing Orders.

(Reference – report by the Clerk, Edinburgh and South East Scotland City Region Joint Committee, submitted.)

5. City Region Deal Progress Report

The Edinburgh and South East Scotland City Region Deal progress report provided an indication of progress across the City Region Deal programme. In this update, the overall status was assigned as "Green". There were no actions required from the Joint Committee.

Decision

To note the progress across the City Region Deal Programme.

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

6. Data-Driven Innovation Programme Annual Update

A presentation was provided as the annual update on the Data-Driven Innovation (DDI) Programme. The 15-year programme was a £661m investment and innovation initiative supported by a total of £270m capital funding from the UK and Scottish Governments. 6 DDI Hubs were expected to be ready to launch at the end of 2023. Details were provided of some DDI projects and planned next steps for 2023/24. Part of the University of Edinburgh's Strategy 2030 was to make Edinburgh the Data Capital of Europe, deliver inclusive growth, provide data skills to at least 100,000 individuals, and create new companies and solutions for global challenges.

Decision

To note the presentation.

7. City Region Deal Programme Benefits Realisation Measurement Framework

The Edinburgh and South East Scotland City Region Deal Benefits Realisation Plan, published in September 2020, outlined what, how and when benefits for each project theme will be reported in order to ensure Deal impacts are realised and maximised. The Measurement Framework was submitted to the Joint Committee, and built on the plan by outlining a framework for measuring, monitoring, reporting and communicating the benefits realised by each project.

Decision

To approve the ESES City Region Deal Benefits Realisation Measurement Framework.

(Reference – report by the Senior Responsible Officer, Benefits Realisation, Edinburgh and South East Scotland City Region Deal, submitted.)

6. Regional Prosperity Delivery Framework

An update was provided on the Regional Prosperity Delivery Framework, which articulated the next phase of activity to develop the regional economy, building upon the successes of the Deal.

The framework set out an ambitious and dynamic series of four key programmes to deliver the region's ambitions:

- Green Regeneration;

- Infrastructure for Recovery and Prosperity;

- Visitor Economy and Culture; and

- Data Driven Innovation (DDI) Economy

The Delivery Plan aligned with Scotland's National Strategy for Economic Transformation (NSET), Scotland's Regional Economic Policy Review recommendations, and UK Government's Levelling Up priorities.

Decision

1)   To approve the Regional Prosperity Framework Delivery Plan.

2)   To note that the Delivery Plan had been considered by all six constituent Local Authorities in the Edinburgh and South East Scotland City Region (ESESCR).

3)   To write to both UK and Scottish Governments to promote the Delivery Plan and seek their support to realise the ambitions of the Regional Prosperity Framework and deliver the Programmes within the Delivery Plan.

(Reference – report by the Executive Director of Place, City of Edinburgh Council, submitted.)

7. Strategic Transport Projects Review 2 – Progressing regional interventions

In December 2022, Transport Scotland finalised their second Strategic Transport Projects Review (STPR2). This presented a wide range of 45 transport recommendations to Scottish Government for investment over the next 20 years. STPR2 closely aligned with the Regional Prosperity Delivery Framework and key regional priorities (most notably proposals to improve; public transport and interchange, digital connectivity, active travel, demand led transport and workforce

mobility). Recommendation No.12, Edinburgh and South East Scotland Mass Transit, was the most significant proposal relevant to Edinburgh and South East Scotland. A Delivery Plan to prioritise STPR2 recommendations and inform funding decisions was expected to be published during Summer of 2023.

Decision

1)   To note the close alignment between the Regional Prosperity Delivery Framework and STPR2.

2)   To note that successful existing structures were already making good progress with the development of Strategic Business Cases for the Bus Partnership Fund and Granton to Bio Quarter and Beyond Tramline.

3)   To note that the STPR2 Delivery Plan was currently being developed by Transport Scotland and this would set the immediate funding priorities.

4)   To note that undertaking interim activities now, in partnership with the relevant local authorities and SEStran, in a more formal and visible manner (and amplifying the communications promoting the outputs of this interim work) could be significant and positively influence the STPR2 Delivery Plan (confirming Recommendation No.12 as a key priority for investment: alongside Clyde Metro).

5)   Recognising that there was limited time to influence the STPR2 Delivery Plan, to approve the City of Edinburgh Council to coordinate an initial meeting with relevant officers across the region to further discuss Recommendation No.12 and plan next steps and activities to be undertaken.

6)   To collectively agree that the Convener should write to the Minister for Transport seeking a meeting with the Joint Committee to highlight the strength of the regional collaboration, our readiness to deliver on the STPR2 recommendations (in particular Recommendation No.12) and to discuss key rail intervention opportunities.

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

8.   Revised Draft National Planning Framework 4

Details were provided of the National Planning Framework 4 (NPF4), following its approval by the Scottish Parliament on 11 January 2023, and its subsequent adoption on 13 February 2023. NPF4 made significant changes to Scottish Government's planning policy placing greater emphasis on the planning systems role in achieving net carbon zero and reversing biodiversity loss. It would promote a more compact form of development and reaffirms the importance of town centres and an infrastructure first approach to development. An overview of the revised planning

framework was provided, with a focus on its role in achieving the aspirations set out in the City Region Deal Regional Prosperity Framework.

Decision

1)   To note the adoption of National Planning Framework 4 (NPF4) on 13 February 2023.

2)   To note that on adoption of NPF4, Scottish Planning Policy (2014) and the Edinburgh & South East Scotland Strategic Development Plan (SDP) were superseded.

3)   To note that only some of the City Regional Deal submitted comments to the consultation on the Draft NPF4 had resulted in changes to the framework.

4)   To note that NPF4 now provided the framework for progressing a revised Regional Spatial Strategy for the region which, while not part of the statutory development plan, would inform the preparation of local development plans.

(Reference – report by the Head of Planning, Economic Development & Regeneration, West Lothian Council, submitted.)

Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 2 June 2023

Work Programme for City Region Deal Joint Committee

Item number 4.1

Executive Summary

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

David Robertson

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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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 Considerable progress has been made since the 15-year Edinburgh and South East Scotland City Region Deal was signed in August 2018, with all but one business case having been approved by the Joint Committee.

2.2 This report sets out Joint Committee business for the next 12 months. Focus is increasingly being given to reporting on the benefits arising from projects and programmes that are in delivery and ensuring that outcomes and targets are being met.

3. Main report

3.1 The anticipated work programme for Joint Committee meetings for the next 12 months is shown in Table 1:

Table 1: Work Programme for Joint Committee

Joint Committee Date	Reports or presentations for consideration
2 June 2023	• A720 Sheriffhall roundabout progress update • Borders Innovation Park and Tweedbank Housing update • City Region Deal: Internal Audit Forward Audit Plan • Internal Audit of Integrated Employer Engagement Programme • Transport Programme Annual Update
1 September 2023	• City Region Deal Benefits Realisation Update • Regional Housing Programme Annual Update • City Region Deal Annual Report 22/23
1 December 2023	• A720 Sheriffhall six-monthly update from Transport Scotland • Culture Programme Annual Update • Integrated Regional Employability and Skills Programme Annual Update • Revised business case for Borders Innovation Park (Phase 2)
1 March 2024	• City Region Deal Benefits Realisation Update • Data-Driven Innovation Programme Annual Update • West Edinburgh Transport Improvement Plan Outline Business Case • A701 Relief Road and A702 Spur Road (Easter Bush) update

3.2 The A720 City Bypass grade separation of Sheriffhall Roundabout is being managed and delivered by Transport Scotland. Transport Scotland provide updates on progress to the Transport Appraisal Board every six weeks, as well as the Executive Board and Joint Committee every six months.

4. Financial impact

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

5.   Alignment with Sustainable, Inclusive Growth Ambitions

5.1   Inclusion and sustainability are key drivers 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   The City Region Deal Benefits Realisation Plan (BRP) was approved on 4 September 2020. This incorporates indicators that align with the Scottish Government's Inclusive Growth Framework. The impact on equalities, human rights and sustainability will also be measured. A benefits realisation measurement framework was approved by Joint Committee in March 2023, and six-monthly updates on benefits realisation are scheduled. Annual updates are programmed for each of the five themes which will demonstrate the progress of projects in terms of sustainability and inclusion.

6.   Background reading/external references

6.1   City Region Deal Document: August 2018

7. Appendices

None.

Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 2 June 2023

City Region Deal Progress Report

Item number 5.1

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 "Green". There are no actions required from the Joint Committee.

David Robertson

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 and shared with Government on a weekly basis and is taken to all Board meetings. A RAG (Red, Amber, Green) scale is assigned to programmes and projects by the Programme Management Office (PMO), as well as scores for strategic added value.

2.2   Tables 1 and 2 show 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** for the current financial year

RAG Status	Definition - Timeline	Definition - Budget	Action Required
Green	In line with business case/implementation plan	In line with spend set out financial plan for the current financial year.	No management action required
Amber	Delay exists but is considered acceptable by PMO.	Spend is within acceptable range from what is set out financial plan for the current financial year. Project lead is confident that spend will be to profile at financial year end.	Management action is in place by senior management to address issues, and project is being closely monitored.
Red	Delay is significant.	Spend is outwith acceptable range from what is set out financial plan for the current financial year. Project lead does not consider that spend will be to profile at financial year end.	Immediate action is required by senior management and relevant Boards as appropriate to address issues. Issues must be highlighted to Government.

Table 2: Strategic Added Value Score

Score	Description
1 (Low)	• There are opportunities for links with one or two other CRD themes that may add value to the proposal. • Partnership working with wider stakeholders, to add value to the proposal has not been thoroughly considered, but may be possible, and should be explored. • One or two of the five ""inclusive growth" measures listed in the Deal Document could be incorporated into the delivery of the project.
2 (Medium)	• There are opportunities for links with two or three other CRD themes that may add value to the proposal. • Partnership working with wider stakeholders, to add value has been factored into the business case to some extent, but there are opportunities to enhance. • Two or three of the five ""inclusive growth" measures listed in the Deal Document could be incorporated into the delivery of the project.
3. (High)	• There are opportunities for links with three of four other CRD themes that may add value to the proposal. • Partnership working with wider stakeholders, e.g. private/third sector is already taking place and strategic added value effects are clear. • Three, four or five ""inclusive growth" measures listed in the Deal Document could be incorporated into the delivery of the project.

3. Main report

3.1 The performance report is shown in Appendix 1. The overall status of the City Region Deal is assigned as "Green". There are no actions required from the Joint Committee.

4. Financial impact

4.1 £263m of the £415m of government funding flowing through the Accountable Body has been drawn down - 64% of the total. The funding that flows through the Accountable Body totals £415m and includes all capital and revenue CRD projects except: the Sheriffhall Roundabout (£120m); the Housing Infrastructure Fund (£50m); and the funding for Edinburgh Living (£15m).

4.2 £285m of the full £600m of government funding for all CRD projects has been drawn down – 47% of the total.

5. Alignment with Sustainable, Inclusive Growth Ambitions

5.1 Inclusion and sustainability are key drivers 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 The City Region Deal Benefits Realisation Plan (BRP) was approved on 4 September 2020. This incorporates indicators that align with the Scottish Government's Inclusive Growth Framework. The impact on equalities, human rights and sustainability will also be measured. A benefits realisation measurement framework was approved by Joint Committee in March 2023, and six-monthly updates on benefits realisation are scheduled. Annual updates are programmed for each of the five themes which will demonstrate the progress of projects in terms of sustainability and inclusion.

5.3 Scottish and UK Government provided joint guidance for project owners on managing potential carbon emissions associated with Scottish City Region and Regional Growth Deal projects. It accords with HM Treasury Green Book requirements and supports the quantification and minimisation of whole life carbon and the identification of potential barriers to achieving net zero. This will form an important part of regular reporting through the Benefits Realisation Plan.

6. Background reading/external references

6.1 Edinburgh and South East Scotland City Region Deal Document (August 2018)

6.2 [City Region Deal Benefits Realisation Plan](): ESESCR Deal Joint Committee report 4 September 2020

6.3 [City Region Deal Programme Benefits Realisation Measurement Framework](): ESESCR Deal Joint Committee report 3 March 2023

7. Appendices

7.1 Edinburgh and South East Scotland City Region Deal Progress Report (May 2023).

Progress Report
Last updated: 29 May 2023

Page 1: Dashboard

	Overall Status Last Period	Overall Status This Period
	Green	Green

CITY REGION DEAL
Edinburgh & South East Scotland

Recent Achievements and Milestones

Achievement/Milestone	Date
Regional Prosperity Delivery Framework approved by Joint Committee	**Mar 23**
City Region Deal Programme Benefits Realisation Measurement Framework approved by Joint Committee	**Mar 23**

Upcoming Joint Committee Meeting Milestones (expected)	Target Date
A720 Sheriffhall six-monthly update from Transport Scotland	**Jun 23**
Transport Programme Annual Update	**Jun 23**
Internal Audit of Integrated Employer Engagement Programme and Forward Audit Plan.	**Jun 23**
Borders Innovation Park – verbal update	**Jun 23**

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		22/23 CRD Grant allocation	22/23 Grant drawdown
600,000	284,769	47.46%	£57.72m*	£57.72m*

Top 3 Risks (from PMO Risk Register)

Risk	Impact	Like lohood	Sever-ity	Resolution Plan or Mitigating Action
Cost inflation (materials and labour) and related government policies, (e.g. rise in interest rates and changes to taxation) affects the ability to deliver projects to the standards required.	4	5	**20**	• Regular updating of progress report and monthly financial forecasts to ensure PMO is aware of issue(s) at an early stage and can raise with Government, Executive Board and Joint Committee as appropriate. • Budget RAG scores report on in-year performance, are monitored closely by the PMO, and are reported on at every major Board meeting. • Regular discussions on finance between project leads and PMO, Directors of Finance and PMO and PMO and Governments to capture issues arising.
Insufficient resources are allocated to Deliver the ambitions of the Regional Prosperity Framework activity	3	4	**12**	• RPF Project Leads group was established to develop the RPF and its Delivery Plan. The group continues to meet, but resources are limited. • Delivery will be achieved through existing resources and additional public and private sector investment. As external funds are secured, programmes and projects will be progressed on a case by case basis, based on the development of individual business cases which factor in resourcing.
Financial profile across programme is not met.	3	3	**9**	• Aim to continue to spend according to agreed profile. • Aim to achieve business case approval in line with Deal Implementation Plan. • Quarterly meetings with regional Directors of Finance to consider profile and highlight problem areas • Quarterly review meetings with Government. • Partners asked to be realistic with their projections and to inform early if anticipating an underspend. • Accountable body to challenge underspend and asked for reasons behind the slippage.

CITY REGION DEAL
Edinburgh & South East Scotland

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 benefits realisation 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 spend set out financial plan for the current financial year.	No management action required
Amber	Delay exists but is considered acceptable by PMO.	Spend is within acceptable range from what is set out financial plan for the current financial year. Project lead is confident that spend will be to profile at financial year end.	Management action is in place by senior management to address issues, and project is being closely monitored.
Red	Delay is significant.	Spend is outwith acceptable range from what is set out financial plan for the current financial year. Project lead does not consider that spend will be to profile at financial year end.	Immediate action is required by senior management and relevant Boards as appropriate to address issues. Issues must be highlighted to Government.

Strategic Added Value Score

Score	Description
1 (Low)	• There are opportunities for links with one or two other CRD themes that may add value to the proposal. • Partnership working with wider stakeholders, to add value to the proposal has not been thoroughly considered, but may be possible, and should be explored. • One or two of the five ""inclusive growth" measures listed in the Deal Document could be incorporated into the delivery of the project.
2 (Medium)	• There are opportunities for links with two or three other CRD themes that may add value to the proposal. • Partnership working with wider stakeholders, to add value has been factored into the business case to some extent, but there are opportunities to enhance. • Two or three of the five ""inclusive growth" measures listed in the Deal Document could be incorporated into the delivery of the project.
3. (High)	• There are opportunities for links with three of four other CRD themes that may add value to the proposal. • Partnership working with wider stakeholders, e.g. private/third sector is already taking place and strategic added value effects are clear. • Three, four or five ""inclusive growth" measures listed in the Deal Document could be incorporated into the delivery of the project.

Page 3: Financial Summary

CITY REGION DEAL
Edinburgh & South East Scotland

Total Budget £000	CRD Grant Total £000	CRD Grant Claimed To Date £000	CRD Grant Claimed to Date %	Project Name	Grant Allocation £000	Grant Claimed to Date £000	Spend to Mar £000	Outturn £000	Outturn Variance £000	Comments
	Overall Total				2022-23					
113,251	32,545	32,545	100%	Bayes Centre	0	0	0	0	0	CRD grant fully drawn down.
22,469	22,469	20,280	90%	National Robotarium	7,152	4,963	4,963	4,963	-2,189	Underspend of £2.2m.
274,809	57,920	57,920	100%	Edinburgh Futures Institute	0	0	0	0	0	CRD grant fully drawn down.
132,400	79,595	50,927	64%	Edinburgh International Data Facility	6,765	10,697	10,697	10,697	3,932	Absorbed Deal underspend.
126,186	49,205	49,122	100%	Usher Institute	26,903	27,351	27,351	27,351	448	Absorbed Deal underspend.
45,210	17,366	16,495	95%	Easter Bush	942	71	71	71	-871	Underspend of £871k.
53,959	10,900	903	8%	Easter Bush Link Road	883	517	517	517	-366	Underspend of £366k. Revised projected cost of £54m (not approved budget).
51,944	30,000	1,199	4%	Edinburgh Innovation Hub	1,212	1,199	1,199	1,199	-14	Underspend of £14k.
9,255	35,000	13,227	38%	Fife i3 Programme	4,076	3,885	3,885	3,885	-191	Projected underspend of £464k.
9,136	15,000	2,332	16%	Borders Innovation Park	0	0	0	0	0	No funding allocation in 22/23.
899,618	350,000	244,949	70%	**Total Research, development and innovation**	47,934	48,684	48,684	48,684	749	
25,000	25,000	11,550	46%	Integrated Regional Employability & Skills Programme	4,064	4,064	4,064	4,064	0	Full drawdown.
25,000	25,000	11,550	46%	**Total IRES**	4,064	4,064	4,064	4,064	0	
120,000	120,000	6,305	5%	A720 Sheriffhall Roundabout*		1,077	1,077	1,077	-	SG to suppport improvements to the A720 City Bypass for the grade separation of Sheriffhall.
36,000	20,000	173	1%	West Edinburgh Transport Improvement Programme	449	59	59	59	-390	Underspend of £390k.
156,000	140,000	6,479	5%	**Total Transport**	449	1,137	1,137	1,137	-390	
74,928	20,000	6,791	34%	Dunard Centre	5,269	4,909	4,909	4,909	-360	Underspend of £360k.
74,928	20,000	6,791	34%	**Total Culture**	5,269	4,909	4,909	4,909	-360	
263,000	15,000	15,000	100%	New Housing Partnership - Edinburgh Living**	0	0	0	0	0	CRD grant fully drawn down.
50,000	50,000	0	0%	Housing Infrastructure Fund**	0	0	0	0	0	Separate letters from SG for individual proposals. Allocation figure is based on financial plan.
313,000	65,000	15,000	23%	**Total Housing**	0	0	0	0	0	
1,468,546	600,000	284,769	47%	**Total Programme**	57,716	57,716	57,716	57,716	-1	

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

Data-Driven Innovation

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Bayes Centre	Deliver	Sep 18: Opening	N/A	G	G	3	Call launch for Bayes Innovation Fellows. Demo days held for AI Accelerator and Venture Builder programmes..
National Robotarium	Deliver	Sep 22:Grand Opening	N/A	G	G	2	The National Robotarium was lauded as the 'gold standard' in a Scottish Parliament debate on the future of robotics technology in Scotland and the UK. National Robotarium officially opened its doors with its opening event, which took place on 28 September 2022.
Edinburgh Futures Institute	Implement	Start on site	Jan 24: Complete construction	A	G	3	EFI will open to students in Sep 23 with full access available thereafter. Total CRD grant fully drawn down.
Usher Institute	Implement	Oct 22: Launch Usher Innovation community inc. frailty challenge	Jul 23: Complete construction of Usher Institute facility.	A	G	2	Building on track for completion on Sep 23.
Easter Bush	Implement	Mar 23: Strengthen and develop DDI company adoption activity in Agritech sector	Jul 23: Continue to strengthen leading-edge data intensive research capabilities.	A	R	2	Chair in Aquaculture offer made and accepted - appointee starts in July after relocation from Australia. Chair in Quantitative Genetics – recruitment ongoing. Director of Innovation recruitment is ongoing after being unable to appoint in most recent round.
Easter Bush A701 Relief Road and A702 Spur Road	Design	Route selection	Jan 24: Specimen design planning application	A	R	2	The specimen design is progressing with the target of submitting a planning application Q1 2024. Revision to alignments due to landfill avoidance and required increase in roundabout sizes at Bush Loan and the A702 Spur Road junctions . £33.5m funding gap identified. Revised alignment avoiding landfill currently being evaluated. LUF bid was unsuccessful. Alternative funding opportunities and means to phase and prioritise the programme currently under consideration
Edinburgh International Data Facility	Deliver	Jan 23: Launch general data ingest and archiving service	Jul 23:Rebuild National Safe Haven infrastructure	G	G	2	Computing facilities for AI projects is undergoing significant expansion

T: On Time?; B: On Budget?; SAV: Strategic Added Value score

CITY REGION DEAL
Edinburgh & South East Scotland

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Edinburgh Innovation Park (Edinburgh Innovation Hub)	Imple-ment	Stage 4.1 stakeholder workshops continue. Phased award responses scored. Technical workshops continue to design programme for ongoing development and co ordination. Giant Hogweed treatment commenced	Progress stage 4.1 design activities. Phased award consensus meeting. Conclude gas and groundwater monitoring. Establish appointments for pre construction. activities. Junction officially opens on 12 June.	G	G	2	The grade separated junction that will significantly improve connectivity/accessibility to the Hub/Park is officially opening in 12 June.

T: On Time?; B: On Budget?; SAV: Strategic Added Value score

CITY REGION DEAL
Edinburgh & South East Scotland

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Borders Innovation Park	Implement	Phase 3 road and service infrastructure planning application.	Construction of Phase 3 road and service infrastructure. Workshop on revised delivery of Phases 2 and 3.	A	G	1	A planning application for road and service infrastructure for Phase 3 has been approved. Construction will begin in summer 2023. The project has provided an update to the Regional Enterprise Council and will also update the Joint Committee on 2 June. The delivery programme for Phases 2 and 3 is currently under review. A workshop to assess options took place on 13 December. A follow-up workshop will be required prior to drafting a revised FBC.
Fife Industrial Innovation Investment (Fi3P)	Implement / Deliver	Q4: 22/23 Levenmouth Task Force Units – Year end target spend achieved.	Q1 23/24: Construction work to continues at Fife Interchange North. Marketing to commence during Q1/Q2, materials being prepared. Q1 23/24: Levenmouth Task Force Units: Construction continues.	G	G	2	**Flemington Road, Glenrothes.** Tenancies / applications for 7 (out of 9) units. **Dunnikier Business Park, Kirkcaldy.** tenancies / applications for 6 (out of 7) units. **West Way Phase 2, .** Tenancies / applications for 6 (out of 8) units. **Levenmouth Task Force Units: marketing underway -** 1 (out of 7) units now reserved.

T: Timeline; B: Budget; SAV: Strategic Added Value score

CITY REGION DEAL
Edinburgh & South East Scotland

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
IRES Programme	Imple-ment/ Deliver	IRES board held on 16 May 2023. IRES video presentation at the Joint Committee on 2nd December 2022 showing positive impact on residents was well received.	Work continues on enhanced reporting; aligning project outcomes with overall IRES and City Region Deal Benefits Realisation targets.	G	G	3	• The IRES board was held on 16 May 2023 with updates and discussion on Housing & Construction Infrastructure Skills Gateway, Workforce Mobility, Integrated Employer Engagement audit findings; Forth Green Freeport and Regional Prosperity Framework links. • IRES Programme Connector continues to work with Project Leads and Benefits Realisation Officer to further develop monitoring and evaluation, and feed into the overall Benefits Realisation plan framework - reporting with increased automation and online tools. • Next IRES board to be held on 15th August.
Integrated Knowledge System	Implement/ Deliver	• Scottish Borders Council migrated to Helix system in February 2023. • https://Helix.scot site launched. • Local Authorities using Helix signed grant agreement for future financing. • IKS mid point review completed.	• Edinburgh, East Lothian, Scottish Borders & West Lothian are all using Helix for UK Shared Prosperity Fund (UKSPF). Training, system set up and data language for reporting being created in Helix. • Midlothian sample data transfer being worked on to ensure DPIA agreed.	G	G	3	• Helix went live on 21 March 2022 for Edinburgh, East Lothian and Intensive Family Support Service. On 11 November 2022: 7,500 clients and 9,000 enterprise records were added, migrating Integrated Employer Engagement & Capital City Partnership data into Helix. On 17 February 2023: 1,000 clients from Scottish Borders Council moved to Helix. • In addition to those already using Helix, West Lothian will be recording UKSPF projects on Helix. Midlothian in planning stage with training sessions to be held. • Https://helix.scot website now has increasing links to Helix system through sign up forms for support and for specific training courses. • Bespoke PowerBI training purchased for all Local Authorities from Edinburgh College based on employability data.
Labour Market Analysis and Evaluation	Deliver	• Completed Creative Industries research. • Develop approach to refreshed Regional Skills Investment Plan.	• Agree research plan for 23/24. • Deliver refreshed Regional Skills Investment Plan. • Commence skills research as agreed for 23/24. • Deliver 23/24 research projects.	G	G	2	• LMAE Theme Group meeting was held on 20 April. Decisions taken on research to be commissioned in Q1 but decision on other research postponed until Q2. • LMAE Theme Group approved workplan for 23/24. • Final report on Creative Industries research circulated to Steering Group members. • Detailed proposal for refreshed Regional Skills Investment Plan agreed by Regional Prosperity Framework Big Move 7 Skills group.

CITY REGION DEAL
Edinburgh & South East Scotland

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	• Comments
Integrated Employer Engagement	Imple-ment	• Sign off final draft of Green Jobs Campaign. • Close Community Wealth Building Survey. • Final funded SOSE women in business event complete. • Partnership meeting held between Energy Training Academy, HCI and IEE to further explore funding to widen delivery & offer. • Community Benefit schedule for Mitie for Edinburgh & Fife contracts created. • 2022 employer fund recipients received fair work guide.	• Launch Green Jobs Campaign website. • Create short film to demonstrate Ukrainian Construction Academy delivery. • Commence short film project for Usher Institute to showcase community engagement. • ESESCommunities to present offer at annual Fife Forum. • Support the implementation stage of MacMillan Skills Hub under RSC workstream.	G	G	3	• FORT programme at Fort Kinnaird Recruitment Skills Centre (FKRSC) supported 211 jobs filled across 2022/23. Now into year 2 of FORT delivery, so far 3 jobs filled. • Green skills/jobs awareness campaign; final draft sent to all participants and campaign due to launch imminently (including webpage). • ESESCommunities have delivered 60 matches between suppliers and good causes with a further 12 in progress. • Resource: IEE team have secured additional resource to support the delivery of the Ukrainian Construction Academy, which will support the community benefit workstream for the year ahead (no financial cost to IEE). • Community Wealth Building project completion survey remained open throughout April to build as strong a response as possible; results are being collated and trends shared in May 2023. • IEE Audit findings presented to IRES Board on 16th May. • Met with Changeworks and HCI to understand employer links to funding for renewables priority. • IEE have hit a milestone of filling/securing 1,000 jobs across the duration of the deal.
Intensive Family Support	Imple-ment/ Deliver	• Development of an Anti-Stigma Charter to promote stigma awareness within services. • IFS monitoring and evaluation documents updated for phase 2. Services supported to understand changes. • Community of Practice – session on stigma and equality developed.	• Tool for measuring families in-out of poverty in discussion to be developed with families using service and piloted on Helix. Audit of Phase One IFS, meetings with the audit team within Capital City Partnership upcoming.	G	G	2	• 463 individuals registered on Helix system engaging with IFS. • 38 new engagements in Phase 2 IFS. • 44 employment outcomes recorded: 23 FT employment outcomes, 21 PT employment outcomes recorded. • 47 re-engagements in education where there was non attendance in school. • 22 individuals have entered full time education and 11 individuals have entered part time education • 4 individuals have progressed in work. • 22 qualifications have been gained to date. • Ongoing Helix support in place for service providers. • Meeting arranged with Strathclyde University regarding potential researcher across 3 years of project.

T: On Time?; B: On Budget?; SAV: Strategic Added Value score

CITY REGION DEAL
Edinburgh & South East Scotland

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	• Comments
Housing and Construction Infrastructure (HCI) Skills Gateway	Imple-ment	Equality in Engineering Conference 2023 hosted at Craiglockhart on 15 April with 70 delegates from FE, HE and industry.	SCDI and Heriot-Watt University to host Schools celebration events for all Year 1 participants of *Climate Smarter* on 25 and 30 May.	G	G	3	• HCI Skills Gateway has been shortlisted in the *Outstanding Contribution to the Local Community* category in The Herald Higher Education Awards 2023. The awards event will be held on 1 June 2023.
Data-Driven Innovation (DDI) Skills Gateway	Imple-ment	Data Skills for Work (DSW) team extending ESES data skills credit scheme to support ambitions of Tay Cities Digital workstream.	DSW Training Providers fund to be allocated to successful bidders. Preparations are underway for the launch of 'Teach Data Literacy: A Guide for Primary Teachers' handbook on 7 June at ECCI.	G	G	2	• Data Education in Colleges (DEC) are presenting at the College Expo on 21 June CDN-Expo-Programme-2023.pdf • Development of School College Partnership (SCP) activity with Midlothian cluster undertaken. • Workshop held with young people, career changers and their advisers to help shape content for video highlighting data related career opportunities. • Continued roll out of IOT activity across region. • DEC working with West Lothian College to align with Cyber Drive Initiative. • ePlacement Scotland programme worker engaging with Tech Scaler programme to identify placements in tech SMEs for students across region.
Workforce Mobility	Imple-ment	15 November 2022 IRES Board - Financial Update	15 November 2023 IRES Board -Year 2 implementation performance review	G	G	3	• Continued involvement in the Regional Prosperity Framework - Delivery Plan / Regional Transport Masterplan. • Continue to deliver Scottish Border bus network review, first draft of final report in place and second round of operator discussion in May. • Supported SBC with contract negotiations, scope and contract for Berwickshire Demand Responsive Transport (bus) service for 23/24. • 'Bus Driver Career' video complete, creating web-page on Helix.scot to host in May 2023. To be shared with all operators and employability support partners to help promote and fill the gap in drivers across the region. • Development of our 'Business Accessibility' online tool underway and will be shared with pilot group in June for further testing, before wider rollout. • Development of 'Employee Postcode Analysis Tool' will streamline work involved and will be used to support data projects in MLC, CEC, Fife and WLC. Tool will also be shared with Transport, Planning and Economic Development officers to gauge benefits of data based decision making.

T: On Time?; B: On Budget?; SAV: Strategic Added Value score

CITY REGION DEAL
Edinburgh & South East Scotland

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
A720 Sheriffhall *(last updated May 2023)*	Define	Public Local Inquiry concluded on 8 February 2023	DPEA Reporter's recommendation to Scottish Ministers (timing TBC)	G	G	1	• City Region Deal Joint Committee ratified their support for the scheme as published on 3 September 2021, following the consideration of further technical information. • Responses issued to all objections raised against the draft Orders – ongoing engagement with objectors to try to resolve issues wherever possible. • Public Local Inquiry held between 30 January and 8 February 2023. • DPEA Reporter to issue recommendation to the Scottish Ministers (timescales for which will be confirmed in due course).
West Edinburgh Transport Improvements Programme	Define	Continue to progress Stage 1B to deliver the 5 cases of OBC.	Preliminary Designs have now been drafted and are being refined by the project team in preparation of external engagement exercises.	G	G	1	• Development of designs well underway. • Preparations underway for stakeholder and public consultation over summer. • Drafting of OBC expected Autumn 2023. • Early contractor engagement procurement exercise underway.

T: On Time?; B: On Budget?; SAV: Strategic Added Value Score

CITY REGION DEAL
Edinburgh & South East Scotland

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Dunard Centre	Implement	Commencement of Site Clearance Works – February 2023	Stage 4 Design / Stage 2 tender process underway with SRM tender offer due August, and IMPACT acceptance expected October.	A	A	2	SRM are due to provide their stage 2 tender offer in August, however IMPACT acceptance is now scheduled in October to allow time for robust analysis and recommendation from the professional team as well a consultation time with trustees in advance of acceptance. The wider programme impact of this shift is minimal with practical completion now projected for mid-late April 2027 (previously end of March/early April). Until the stage two tender offer is received programme remains a key risk.

T: On Time?; B: On Budget?; SAV: Strategic Added Value score

CITY REGION DEAL
Edinburgh & South East Scotland

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Affordable housing	Deliver & Define	Meeting with Scottish Government in March 23 to discuss priorities and funding	Collate EESH2 and affordable housing delivery	A	N/A	2	• Partners will work collaboratively with Scottish Government, agencies, RSLs and other stakeholders to secure more investment, innovation, commitment and partnerships to address the challenges above and deliver at scale and pace.
Strategic sites	Implement & Define	Leads meeting took place on 24 May	Further meeting with Scottish Government in June to discuss priorities and funding.	A	N/A	2	• Business case development progressing for Blindwells, Granton Waterfront and Tweedbank.
Innovation & skills	Implement	Agree Delivery Partner approach to secure pipeline of sites from across the region for 1000 homes.	Finalise arrangements for Delivery Partner and begin recruitment process.	A	N/A	3	• Demonstrator project will look at standardised housing types, procurement and delivery models to increase offsite. manufacturing and delivery of net-zero homes across the city region. • Partnership between CEC,SFT, Scot Gov, BE-ST, and ENU.
Housing company	Deliver	Draw down of funds completed	Ongoing Delivery	G	N/A	2	• 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: On Time?; B: On Budget?; SAV: Strategic Added Value score

Edinburgh and South East Scotland City Region Deal Joint Committee

10am, Friday 02 June 2023

Transport Programme - Annual Update

Item number 5.3

Executive Summary

This report updates Joint Committee on the progress on the major transport investments in the Edinburgh and South East Scotland City Region Deal and those overseen by the Transport Appraisal Board (TAB) over the past year.

It includes updates on the following projects: West Edinburgh Transport Improvement Programme, Bus Partnership Fund; new A1 junction at Queen Margaret University; the A701 Relief Road and A702 Spur Road at Easter Bush; and the Workforce Mobility Programme.

The report does not include an update on the A720 Sheriffhall grade separation project. That scheme is entirely managed and delivered by Transport Scotland and there is a separate agenda item specific to it at this meeting.

The report includes information on how the regional partners have helped to inform recent strategic documents, including Strategic Transport Projects Review 2 and the Regional Prosperity Framework. It also describes how regional partners are working to take forward opportunities to contribute to the delivery of cross-boundary projects.

David Robertson

Chair, Edinburgh and South East Scotland City Region Deal Transport Appraisal Board

Contact: Jamie Robertson, Strategic Transport Planning and Projects Development Manager, The City of Edinburgh Council

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Report

Transport Programme – Annual Update

1. Recommendations

1.1   To note the progress that has been made towards the delivery of regional transport projects and relevant strategies that relate to the City Region Deal, overseen by the Transport Appraisal Board (TAB) over the past year.

1.2   To note that this report does not include an update on the A720 Sheriffhall grade separation project. That scheme is entirely managed and delivered by Transport Scotland and there is a separate agenda item specific to it at this meeting.

1.3   To note that an update on the outcomes of the Gateway Review for the Bus Partnership Fund will be provided to Committee at the earliest opportunity.

2. Background

2.1   Transport is one of the five programmes of the City Region Deal and is integral to securing the overarching aim of achieving sustainable inclusive growth across the region. The City Region Deal document specifically identifies the need to upgrade existing transport infrastructure to assist in removing physical barriers to growth. To be fully effective, the transport element is identified as being significant. in supporting the programmes of investment in: innovation; employability and skills; culture; and housing.

2.2   The ESES City Region Deal agreement specified as part of the governance structure the requirement for a Transport Appraisal Board (TAB) to focus on a regional approach to upgrading existing transport infrastructure to support regional activity in innovation, employability and skills; culture and housing. The TAB was established in 2019 and includes representation from the City Region's six local authorities, SEStran, Transport Scotland, the regional HE/FE Consortium and the Programme Management Office. It meets every six weeks.

2.3   There are two named transport projects within the City Region Deal: The A720 grade separation at Sheriffhall and the West Edinburgh Transport Improvement Programme (WETIP).

2.4   The A720 Sheriffhall junction improvement on the City Bypass trunk road is a scheme for which the Scottish Government has set aside up to £120m of its contributory ESES City Region Deal funding. In September 2021, Joint Committee ratified its support for the scheme as published in advance of progressing to any necessary Public Local Inquiry stage. It was also reaffirmed that any costs

exceeding the £120m investment made through the Deal are the responsibility of Transport Scotland. There is a separate agenda item at this meeting which updates Committee on the progress of this scheme.

2.5 The Scottish Government has committed £20m of its ESES City Region Deal funding to support public transport infrastructure improvements in West Edinburgh as identified in the West Edinburgh Transport Appraisal 2016 report. The City of Edinburgh Council has also committed £16m to the project.

2.6 In addition to those named projects, the TAB oversees and assesses transport elements within other ESES City Region Deal projects including: new infrastructure to support innovation projects (notably the Easter Bush A701 Relief Road/A702 Spur Road and the new A1 junction at Queen Margaret University); measures to encourage greater workforce mobility (led by the Workforce Mobility Project within the IRES programme); and new infrastructure to unlock strategic housing sites.

2.7 The TAB provides the City Region Deal input to programmes at a national and regional level. In recent years, this has included the National Transport Strategy, Strategic Transport Projects Review 2 (STPR2) and the Regional Transport Strategy.

2.8 The TAB has a remit to consider the benefits of collective regional based bids and has successfully overseen and delivered projects it has bid for, including the Bus Priority Rapid Deployment Fund (2020) and the Bus Partnership Fund (2021). The Strategic Business Case for the Bus Partnership Fund has now been produced, and an update is provided in this report.

2.9 The TAB has also been actively involved in the development of the Regional Prosperity Framework (RPF), published in September 2021, which builds upon the City Region Deal as the next phase of the development of the regional economy. The RPF is designed to be a single document that helps to shape where public and private investment, including Levelling Up monies, could make the best contribution to drive the region forward in a sustainable and inclusive manner. Joint Committee approved the RPF Delivery Plan in March 2023.

3. Main Report

3.1 Individual transport project updates that are part of the City Region Deal, or governed through the City Region Deal structure are summarised in this section. This report also includes information on how regional partners have contributed towards recent strategic documents including STPR2 and the Regional Prosperity Framework, and opportunities to contribute to the delivery of cross-boundary projects that have been identified.
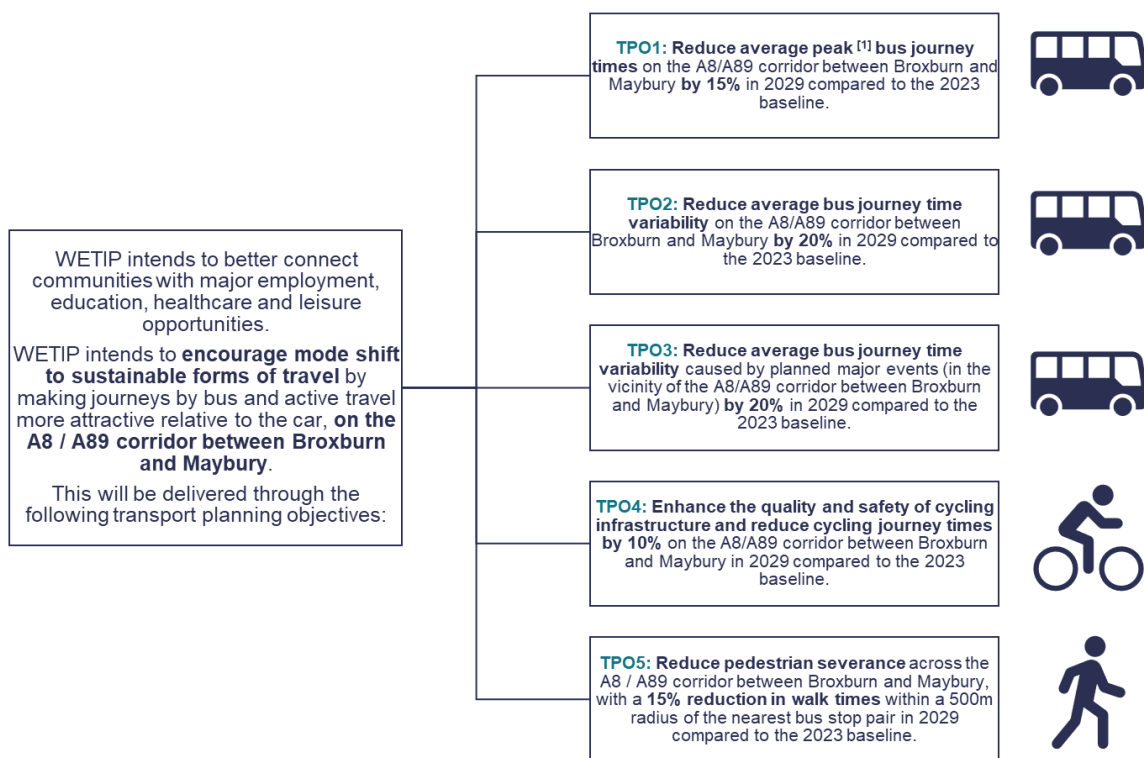
West Edinburgh Transport Improvement Programme (WETIP)

3.2 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 set the long-term vision for development and investment across Scotland and cited West Edinburgh as a significant business investment location

with potential to be internationally competitive in recognition of its key gateway function.

3.3   The vision for West Edinburgh and the unlocking of the proposed business and residential development cannot be delivered without investment in an integrated package of transport intervention measures. These include a core package of sustainable transportation measures along the A8/A89 corridor that provide long term resilience and support strong connectivity between neighbouring authorities.

3.4   The interventions are centred around sustainable transport infrastructure improvements along the A8/A89 corridor between Broxburn and Maybury and are necessary to mitigate the impacts of new developments and help contribution towards shared policy targets (including those related to the reduction in kilometres travelled by car and the Climate Emergency). WETIP proposals are also in line with the City Region Deal vision which looks to accelerate the rate of investment and economic performance by capitalising on our existing world class assets through an inclusive and sustainable growth model.

3.5   In the City Region Deal agreement, the Scottish Government committed £20m of its contributory City Region Deal funding to support public transport infrastructure improvements identified in the West Edinburgh Transport Appraisal Refresh 2016 report. The City of Edinburgh Council has committed £16m to the project.

3.6   The Transport Planning Objectives for WETIP are detailed in Figure 3.1:

Figure 3.1. Transport Planning Objectives for WETIP

WETIP intends to better connect communities with major employment, education, healthcare and leisure opportunities.

WETIP intends to **encourage mode shift to sustainable forms of travel** by making journeys by bus and active travel more attractive relative to the car, **on the A8 / A89 corridor between Broxburn and Maybury**.

This will be delivered through the following transport planning objectives:

TPO1: Reduce average peak [1] bus journey times on the A8/A89 corridor between Broxburn and Maybury **by 15%** in 2029 compared to the 2023 baseline.

TPO2: Reduce average bus journey time variability on the A8/A89 corridor between Broxburn and Maybury **by 20%** in 2029 compared to the 2023 baseline.

TPO3: Reduce average bus journey time variability caused by planned major events (in the vicinity of the A8/A89 corridor between Broxburn and Maybury) **by 20%** in 2029 compared to the 2023 baseline.

TPO4: Enhance the quality and safety of cycling infrastructure and reduce cycling journey times by 10% on the A8/A89 corridor between Broxburn and Maybury in 2029 compared to the 2023 baseline.

TPO5: Reduce pedestrian severance across the A8 / A89 corridor between Broxburn and Maybury, with a **15% reduction in walk times** within a 500m radius of the nearest bus stop pair in 2029 compared to the 2023 baseline.

3.7 The WETIP team are currently progressing the development of Preliminary Designs, and material for the Public Consultation which is scheduled to commence this summer. The design activities and the feedback from the public consultation that will be collected in due course and will inform the completion of the Outline Business Case (OBC).

3.8 Table 3.1 provides details on project milestone activities undertaken during the last year and a look forward to the future programme.

Table 3.1. Milestones, Timescales and Status

Milestone	Timescale	Status
Completion of Stage 1a which included the following activities: • Programme Initiation. • Review and refresh of the Case for Change. • Review of more ambitious schemes (following announcement of the Bus Partnership Fund). • Preliminary Appraisal of Options. • Feasibility study for a Park & Ride at Kilpunt.	Sep 2022	Complete
Mobilisation of Stage 1b to commence activities detailed below: • Draft Preliminary Design. • Stakeholder Engagement and Public Consultation. • Detailed Options Appraisal.	Oct 2022	Complete
Completion of Topographical Surveys & Utility Investigations	Jan 2023	Complete
Transport Planning Objectives to support OBC agreed by Programme Board	April 2023	Complete
Internal CEC and WLC approval on Draft Preliminary Designs	May 2023	In Progress
Issue draft OBC for review by Transport Scotland	Sep2023	In Progress
CEC Transport & Environment Committee and WLC Committee OBC approval	Jan 2024	Not Started

ESES CRD Joint Committee OBC approval	Mar 2024	Not Started
Application for Traffic Orders (including Consultation)	Mar 2024 – Mar 2026	Not Started
Procurement	Mar 2024 – Oct 2024	Not Started
Detailed Design and Construction	Apr 2026 – Sep 2027	Not Started

3.9 The next major reporting milestone is the presentation of the OBC to Joint Committee, expected in March 2024. In the interim period updates will be made to Committee through the overall programme progress report.

Bus Partnership Fund

3.10 To address the issue of increasing bus journey times and patronage decline, in 2019, the Scottish Government committed to providing a long-term investment totalling over £500m in the form of a Bus Partnership Fund (BPF). On 5 March 2021, Committee authorised the TAB to prepare a collective South East of Scotland regional bid for submission to Transport Scotland for funding from its Bus Partnership Fund, subject to agreement by the six individual Councils. On 3 September 2021, Committee received an update that £3.03m had been secured to deliver:

- Strategic Business Case (SBC) for Bus Priority Improvements on eight key corridors;

- Outline Business Case (subject to satisfactory SBC gateway review); and

- Quick Win Bus Priority Measures (making permanent temporary schemes introduced during COVID-19).

3.11 The SBC has been developed through strong regional collaboration and has utilised the existing governance structures of the City Region Deal. The management and coordination of the SBC has been led by the City of Edinburgh Council. To support the development and delivery of a UK Treasury Green Book compliant SBC, the Council appointed the multidisciplinary and specialist consultant Jacobs (UK) Ltd.

3.12 An SBC has been produced and represents a significant amount of work. The SBC document is approximately 400 pages in length; therefore, an Executive Summary has been provided in Appendix 1. Transport Scotland are currently reviewing the SBC and have already provided £1.05m towards the next stages in the project (as part of the original grant award).

3.13 Through extensive engagement with local authorities, bus operators, bus user groups and community councils, the SBC highlighted a number of current problems, opportunities and constraints These included:

- limited public transport choices for cross-boundary trips;
- declining patronage over the past ten years caused by longer bus journey times and increasing journey time unreliability – and exacerbated by COVID-19; and

- high amounts of congestion on the strategic road network and local corridors that buses use, which impacts on the attractiveness of public transport and results in a dominance of journeys by car across the region.

3.14 The SBC included a number of significant and ambitious proposals which aim to help reduce bus journey times, improve reliability and increase the overall attractiveness the bus network across the region. The proposals also have the potential to significantly help towards taking action against climate change and reducing the number of kilometres made by car journeys.

3.15 The SBC focussed on eight key corridors linking the City of Edinburgh and the neighbouring region. These are listed below and as presented in Figure 3.2.

- A90 Forth Road Bridge to Edinburgh City Centre;
- A8 / A89 Broxburn to Edinburgh City Centre – developed through WETIP but captured at a strategic level;
- A71 Livingston to Edinburgh City Centre;
- A70 Balerno to Edinburgh City Centre;
- A701 Straiton to Newington;
- A7 Sheriffhall to Edinburgh City Centre;
- A1 and A199 Tranent Junction to Edinburgh City Centre; and
- Orbital north and south corridor within Edinburgh.

Figure 3.2. SBC Corridors Examined

3.16 Figure 3.3 provides an indication of the types of intervention options that could potentially be delivered along each corridor.

Figure 3.3 Intervention Options by Corridor
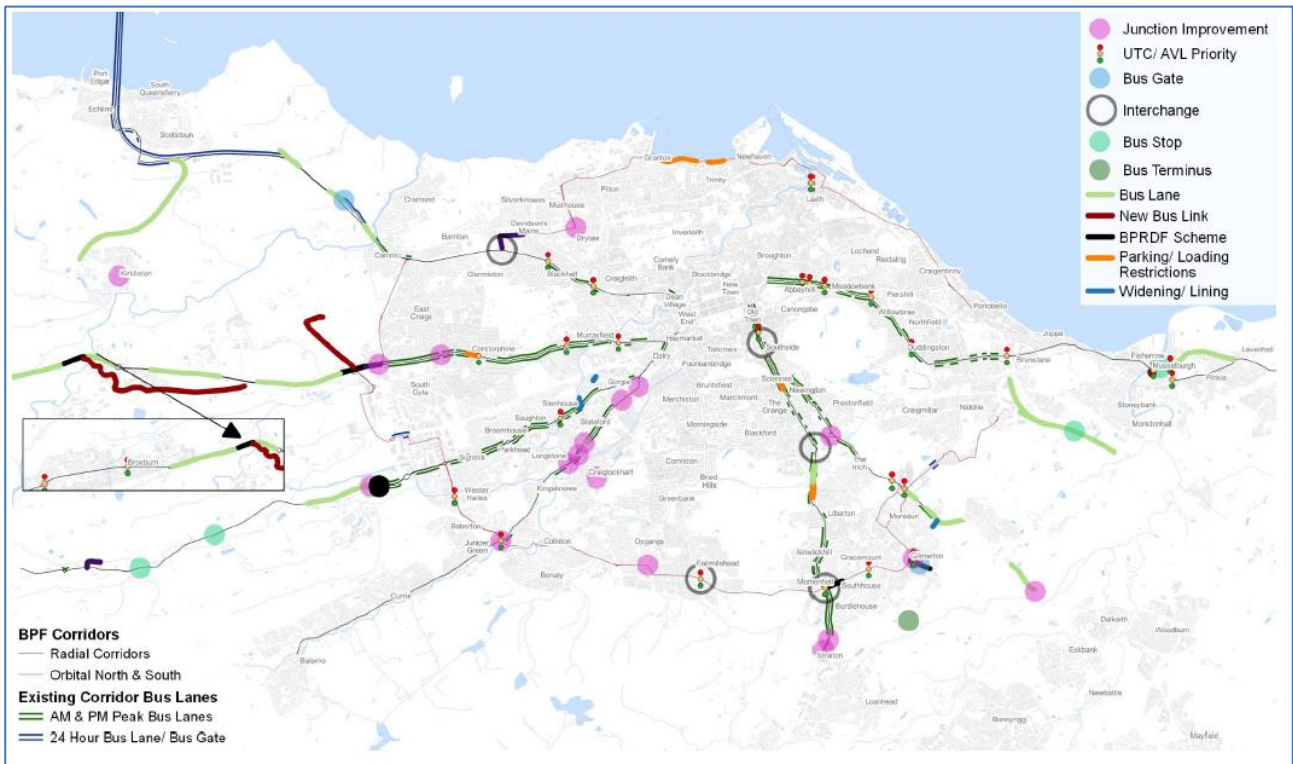
3.17 Following consideration of the range of problems, opportunities and constraints, two Transport Planning Objectives (TPOs) have been identified to inform the preliminary and detailed appraisals (a necessary requirement of the business case process):

- To reduce peak hour bus journey times on each corridor, as measured by bus companies' tracking data, by an average of 25% by 2029 compared to the baseline; and

- To reduce peak hour bus journey time variability on each corridor, as measured by bus companies' tracking data, by an average of 50% by 2029 compared to the baseline.

3.18 Analysis to date suggests that a 10% reduction in journey time and a 25% reduction in journey time variability is possible based on identified BPF interventions. Non-infrastructure measures will also need to be delivered through match-in-kind initiatives (e.g. limited stop services, timetabling, smart ticketing) to help speed up services.

3.19 At this SBC stage, a comprehensive assessment of all monetised costs and benefits is not required but will follow during the next stages in the project. However, analysis to date provides the confidence that the scheme benefits are expected to be greater than costs, and hence the project can be justified on value for money grounds. A copy of the SBC was reported to the City of Edinburgh Council's Transport and Environment Committee on 18 May 2023. The report was well received, with further reporting (and/or elected member briefings) planned with the other regional Local Authorities.

3.20   In order to complete the next steps in the project, further appraisal work (such as: development of Outline Business Cases, technical assessments and production of candidates designs) will be accompanied by a public consultation exercise.

3.21   A key area for consultation will focus on the corridor options. Public consultees will be provided a summary of the multi-criteria analysis and views will be sought prior to selection of a preferred corridor intervention. A Communications, Engagement and Public Consultation strategy will deliver a three-month public consultation and updates to Committee will be made in due course.

3.22   As referenced in paragraph 3.12, the SBC has been submitted to Transport Scotland as part of the Gateway Review process for the Bus Partnership Fund. Subject to successful progression through the Gateway Review, it is anticipated that the work to complete the next stages in appraisal/OBC will take approximately 15 months. Works on the next stage will commence at the earliest opportunity and an update will be provided to Committee at its next meeting.

Queen Margaret University – New A1 Junction

3.23   The [Edinburgh Innovation Hub](#) at Queen Margaret University (QMU) is a £40m City Region Deal-funded project, with construction due to commence in November 2023. The Edinburgh Innovation Hub is a partnership between QMU and East Lothian Council and represents phase one of a wider Edinburgh Innovation Park.

3.24   Before construction of this could start, a major civil engineering project to create a new junction off the A1 to improve accessibility and connectivity to QMU was required. The project included new northbound on and off slip-roads to the A1 which each meet a newly constructed roundabout, providing vastly improved access to the future development area around QMU, along with a link road which passes underneath the A1 to link to the existing southbound on and off slip-roads.

3.25   The contract was awarded on 18 October 2021, and this major civil engineering project has now completed with the new A1 junction officially due to open on 12 June 2023.

A701 Relief Road and A702 Spur Road (Easter Bush)

3.26   Easter Bush is a £54m project within the Data-Driven Innovation theme of the City Region Deal. It seeks to leverage existing world-class research institutes and commercialisation facilities to make Easter Bush a global location of Agritech excellence.

3.27   The A701 Corridor experiences significant traffic congestion which is likely to be exacerbated as a result of the development. Transport Scotland has stated that it would be unable to support further growth at the Easter Bush Campus and wider Midlothian Science Zone until the operational impacts on the trunk road network at the A702/Bush Loan junction have been resolved and acceptable mitigation measures are in place.

3.28   A new A701 relief road and A702 link is therefore proposed, which represents a
        significant investment in the key infrastructure needed to support the major growth
        planned along the A701 corridor and in capturing the benefits of an inclusive growth
        programme based on research, development and innovation.

3.29   An update report on this project was taken to the Joint Committee meeting on 2
        September 2022. A funding gap associated with this project was estimated to be
        £33.2m. Midlothian Council therefore submitted an application to the Levelling Up
        Fund (LUF) to attract alternative funding into the project to close this gap. The
        application was unsuccessful. Alternative funding opportunities and means to phase
        and prioritise the programme are currently under consideration.

3.30   Since the previous update to Joint Committee, a revision to alignments due to
        landfill avoidance and a required increase in roundabout sizes at Bush Loan and the
        A702 Spur Road junctions was made to the specimen design. This is progressing
        with the target of submitting a planning application Q1 2024.

Workforce Mobility

3.31   Workforce Mobility is one of seven projects within the City Region Deal's Integrated
        Regional Employability and Skills Programme. The project aims to work across
        sectors to improve communication, and the effectiveness of local transport to
        support the ambitions of the IRES programme and the Regional Prosperity
        Framework. The Lead Officer for the Workforce Mobility Project sits on the TAB.

3.32   There are multiple barriers that include affordability, accessibility, complexity,
        integration and declining service provisions. In August 2022, a Workforce Mobility
        Final Baseline Report was published which provides full details on the issues faced.

3.33   The first phase of project, to be complete in March 2024, is focused on working with
        partners to improve bus services through the use of demand data from the existing
        commuting workforce (not currently using public transport). This data is being
        collected and analysed to provide the opportunity to optimise the public transport
        network and cater for a new demand that supports a viable alternative to the private
        car in many circumstances. This data will support greater commercial viability
        across the whole network and could enable service provision to be increased that
        supports access for the project's target groups in a sustainable way. Access to
        more travel demand information can also provide evidence to support transport
        infrastructure investment, optimum locations for future housing and development
        sites for investment across the region.

3.34   The project team is aware that modal shift to public transport will not be achieved
        with just the provision of new services; there needs to be reasons to change long
        term habits. Therefore, the team is working with participating employers to identify
        incentives for employees to engage with the new transport options.

3.35   This phase will also support the national objectives of Net Zero, the reduction of
        inequalities, support improvements to health & wellbeing and community wealth
        building.

3.36   In parallel with this initiative the project is developing activities in relation to:

- National/Regional/Local policy review to understand the impact of changing legislations on transport barriers. This includes the participation in the development of new policies as a stakeholder and co-author;

- Creating online tools for employers to develop green travel plans and supply travel pattern data to Local Authorities;

- Using the data collected/analysed to support policy and investment in supporting infrastructure to improve regional connectivity;

- Developing the bike carrying capacity on public transport to support improved integration, especially in rural areas;

- Providing support to Local Authority partners to submit funding bids for initiatives that reduce transport barriers across the region;

- Working with DVSA to reduce the waiting times for driving theory test;

- Looking at options to simplify travel information and ticketing; and

- Developing online tools to quickly and efficiently identify employment and training opportunities with sustainable transport provisions in place.

STPR2

3.37 Transport Scotland has kept partners and stakeholders updated and garnered input to the development and finalisation of STPR2 through the TAB, the Regional Transport Working Group (chaired by SEStran), and separate focused sessions such as workshops. The final report was published on 8 December 2022 and the overall development of the recommendations has been collaborative. Partners continue to seek opportunities to input to the finalisation of the STPR2 Delivery Plan.

3.38 A report: Strategic Transport Projects Review 2 – Progressing Regional Interventions was taken to Joint Committee on 3 March 2023, where it was agreed that, due to the limited time to influence the STPR2 Delivery Plan, the City of Edinburgh Council would coordinate an initial meeting with relevant officers across the region to further discuss Recommendation No.12 (Mass Transit) and plan next steps and activities to be undertaken, and that the Convener would write to the Minister for Transport seeking a meeting with the Joint Committee to highlight the strength of the regional collaboration, our readiness to deliver on the STPR2 recommendations (in particular Recommendation No.12) and to discuss key rail intervention opportunities.

3.39 Discussions have taken place with senior transport officers across the region, and, as agreed by Committee on 3 March 2023, the Convener wrote to the Minister for Transport to request the meeting to discuss STPR2 recommendations and opportunities for the region. The Minister replied on 17 April 2023 and has respectfully declined to meet on this issue at this time. The Minister advised that the associated STPR2 Delivery Plan is being developed and that this will be published later this year. The Minister has indicated that he would be open to a meeting following publication of the Delivery Plan.

Regional Prosperity Delivery Framework

3.40 The maturity of the regional partnership with UK and Scottish Governments saw the City Region Deal partners develop an ambitious Regional Prosperity Framework

(RPF) approved in September 2021 before being ratified individually by each of the six Local Authorities and the University of Edinburgh Court.

3.41 The RPF provides a blueprint for regional economic recovery post-pandemic; resilience through the ongoing cost-of-living crisis; and provides future direction for major projects and investment that support inclusive growth and the transition to a net zero economy over the next 20 years.

3.42 The RPF recognises that the most productive regions are the best connected and the most sustainable. Much of Scotland's future population and household growth is set to take place in the region, with available capacity to grow in parts of the region. The scale and nature of the consequential impact on the region's infrastructure is substantial and is crucial to the success of the regional and national economy.

3.43 In March 2023, Joint Committee approved the RPF Delivery Plan. This responds to current challenges and recognises that the cost-of-living crisis disproportionately impacted the most economically disadvantaged members of the community, with the cost of basic necessities e.g., food and fuel far exceeding any increases to wages.

3.44 Transport is a key enabler to unlock the region's potential, but in many areas due to limited accessibility, investment and coordination, it has constrained the realisation of opportunities and benefits for our people, place and economy. The Delivery Plan lists developing a Regional Transport Masterplan as a priority action. This will be aligned with STPR2 and build upon the Regional Transport Strategy to provide clarity on expectations, especially relating to new sustainable transport interventions which may include active travel, railway opportunities, road interchanges, service improvements and behavioural change.

3.45 Intra-regional transport will improve connectivity and accessibility to employment. Regional partners build on the successes of the Workforce Mobility Project, particularly in relation to enhancing the provision of data collection and analysis to support data-based investment decisions, supported bus services that broaden access such as the demand responsive transport pilot (Pingo Berwickshire), or bike on bus infrastructure to support 'first mile/last mile' and 20-minute communities in rural areas.

3.46 The national commitment to decarbonise transport and infrastructure provides a once in a generational opportunity to deliver a 'Just Transition' to tackle transport poverty and the inequalities that currently exists across the region.

Regional Developer Contributions Framework

3.47 There is a commitment in the City Region Deal document to develop a regional development contributions framework. As there is uncertainty about how a framework could be established given current legislative provisions, and on how effective it would be given that the majority of the strategic housing sites across the city region already benefit from planning consent, this is not being progressed. The National Planning Framework 4 (NPF4) has subsequently been approved and adopted. This sets out an infrastructure-first approach to development, which feeds through to associated changes and requirements for Local Development Plans (LDPs). ESES regional partners will consider transport issues related to development in the region,

through their respective LDPs and in accordance with NPF4, to best support an infrastructure-first approach consistent with national policies and ambitions. Further consideration will be given to opportunities to support cross-boundary working through Regional Spatial Strategies once new guidance on this has been produced.

4. Financial impact

4.1 There is no financial impact arising from this update report.

4.2 Scottish Government has committed to funding up to £120m for the A720 grade separation at Sheriffhall and has confirmed that any costs exceeding this are the responsibility of Scottish Government/Transport Scotland. Money for this project does not flow through the Accountable Body, and the City Region Deal partners are therefore not responsible for managing the costs of this project.

4.3 Government funding for: WETIP; Edinburgh Innovation Hub (QMU); A701 Relief Road and A702 Spur Road; and the Workforce Mobility Programme is monitored by the Accountable Body on a monthly basis, and any major issues are reported to relevant Boards, Governments and Joint Committee as required. While not a City Region Deal project, money for the Bus Partnership Fund flows through the City Region Deal Accountable Body in a similar manner and is also monitored closely.

5. Alignment with Sustainable, Inclusive Growth Ambitions

5.1 The Transport projects that are being taken forward through the City Region Deal programme are aligned closely with the national and regional environmental objectives of maximising public transport and active travel; and thereby reducing the amount of travel undertaken by private car.

5.2 An efficient regional public and active transport system is also an essential requirement if the regional economy is to experience strong and rapid across a range of sectors, through helping people access employment, education and training.

5.3 Removing physical barriers to growth was identified one of five key interventions in the Deal Document's Inclusive Growth Framework. As a consequence, there are three specific positive impact on equalities which are to be achieved:

5.3.1 Upgrades and additions to existing infrastructure, with the resultant reduced journey times and increased modal choice, can readily support residents of more disadvantaged communities to more easily access job opportunities and education/training centres.

5.3.2 Transport infrastructure upgrades to unlock housing development sites enable the increase in the supply and availability of housing, particularly in the affordable sector, to assist directly those households which cannot access the private housing market.

5.3.3 Infrastructure improvements which assist in the delivery of data-driven innovation projects and other business development areas will enable accelerated overall economic growth, as well as providing good accessibility to the increased job opportunities arising from those implemented projects.

6. Background reading/external references

- [West Edinburgh Transport Appraisal Refresh Report](#) (December 2016)
- [A720 Sheriffhall Roundabout](#) – report to Joint Committee (3 September 2021)
- [Bus Partnership Fund](#) – Transport Scotland website
- [ESESCR Deal Transport Appraisal Board bid into the Bus Partnership Fund](#) – report to City Region Deal Joint Committee (5 March 2021)
- [ESESCR Deal Bus Partnership Fund Award: Funding Announcement and Next Steps](#) - report to City Region Deal Joint Committee (3 September 2021)
- [Project Update: A701 Relief Road and A702 Spur Road](#) – report to City Region Deal Joint Committee (2 September 2022)
- [Workforce Mobility: Transport Barrier Survey Baseline Report – August 2022](#)
- [STPR2 – Final Technical Report](#), Transport Scotland (December 2022)
- [Strategic Transport Projects Review 2 – Progressing Regional Interventions](#) - report to City Region Deal Joint Committee (3 March 2023)

7. Appendices

7.1 Bus Partnership Fund –Strategic Business Case Executive Summary (a full version of the SBC can be made available upon request).

Jacobs

Edinburgh and South East Scotland Corridors
Bus Partnership Fund

Strategic Business Case
Executive Summary

Edinburgh and South East Scotland City Region Deal

15 February 2023

Jacobs

Edinburgh and South East Scotland Corridors Bus Partnership Fund Strategic Business Case Executive Summary

Client name:	Edinburgh and South East Scotland City Region Deal
Project name:	Edinburgh and South East Scotland Corridors Bus Partnership Fund

Client reference: CEC		**Project no:**	BESP0023
Revision no: 1		**Project manager:**	Grant Davidson
Date: February 2023		**Prepared by:**	Iain Esslemont / Tom Bisset
Doc status: Draft		**File name:**	ESES Corridors BPF Strategic Business Case 150223 EXEC SUMMARY.docx

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Executive Summary

The Strategic Business Case has identified a very strong case for bus priority interventions across all eight corridors (in scope of the study) to improve bus journey times and reliability across the Edinburgh and South East Scotland City Region. These, in conjunction with wider policy and match-in-kind proposals, have the potential to significantly improve the attractiveness and efficiency of the bus network, helping meet national, regional and local climate change and car kilometre reduction targets.

Scottish Government Bus Partnership Fund

In its 2019 Programme for Government, the Scottish Government committed to providing a long-term investment of over £500m in the form of a Bus Partnership Fund (BPF)[1]. To address the issue of increasing congestion and patronage decline, the BPF aims to deliver targeted bus priority measures on local and trunk roads. This formed part of Scotland's response to the climate emergency. The desired outcomes of the BPF are:

- To improve bus journey times and provide greater reliability, by prioritising bus over other types of traffic.
- To provide high-quality bus services which contribute to the four priorities of the NTS2 vision – to reduce inequality, take climate action, help deliver inclusive growth and improve health and well-being.
- To reduce congestion, through improved bus services.
- To fit with the partnership area's overall strategy for integrated transport, to encourage a modal shift from cars to more sustainable transport and reduce emissions.
- To demonstrate partnership strength and commitment, including through 'match in kind' action and investment to further improve bus services, and working towards a Bus Service Improvement Partnership model.
- For the lead local authority and its partners to deliver the proposed developments effectively, with local political buy-in.

The Edinburgh and South East Scotland City Region Deal (ESESCRD) was awarded £3.03m from the Scottish Government BPF in June 2021 for the delivery of the following:

- Strategic Business Case (SBC) for Bus Priority Improvements on key corridors;
- Outline Business Case (subject to satisfactory SBC gateway review); and
- Quick Win Bus Priority Measures (making permanent, temporary schemes introduced during COVID).

Strategic Business Case Corridors

Jacobs (UK) Ltd has been appointed by the City of Edinburgh Council, on behalf of the ESESCRD and the Edinburgh Bus Alliance, to develop a Strategic Business Case (SBC) for bus priority on key corridors to, from and within Edinburgh. Subject to a satisfactory gateway review this would be a prelude to undertaking an Outline Business Case (OBC) for the agreed corridors.

The corridors in scope of the SBC are illustrated in the Figure 1 below. The extents of each corridor are:

- A90 Forth Road Bridge to Edinburgh City Centre
- A8 / A89 Broxburn to Edinburgh City Centre – developed through the West Edinburgh Transport Improvement Programme (WETIP) but captured at a strategic level
- A71 Livingston to Edinburgh City Centre
- A70 Balerno to Edinburgh City Centre
- A701 Straiton to Newington
- A7 Sheriffhall to Edinburgh City Centre
- A1 & A199 Tranent Junction to Edinburgh City Centre
- Orbital north and south corridors within Edinburgh

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[1] https://www.transport.gov.scot/public-transport/buses/bus-partnership-fund/

1

**Figure 1: Corridors within SBC scope**

Regional Coordination

The ESESCRD BPF Programme initiated the Edinburgh Bus Alliance (EBA) which is attended by all six Local Authorities (in the City Region Deal), Bus Operators, Bus Users Scotland and SEStran. The EBA and the ESESCRD Transport Appraisal Board (TAB) have been used as the key governance forums to oversee the completion of the SBC.

Close coordination has been maintained with West Lothian, Midlothian and Fife who are also delivering local BPF proposals (illustrated in Figure 2 below) through the EBA, TAB and BPF Project Managers forum chaired by SEStran.

Figure 2: ESESCRD BPF Corridors and Local BPF Corridors
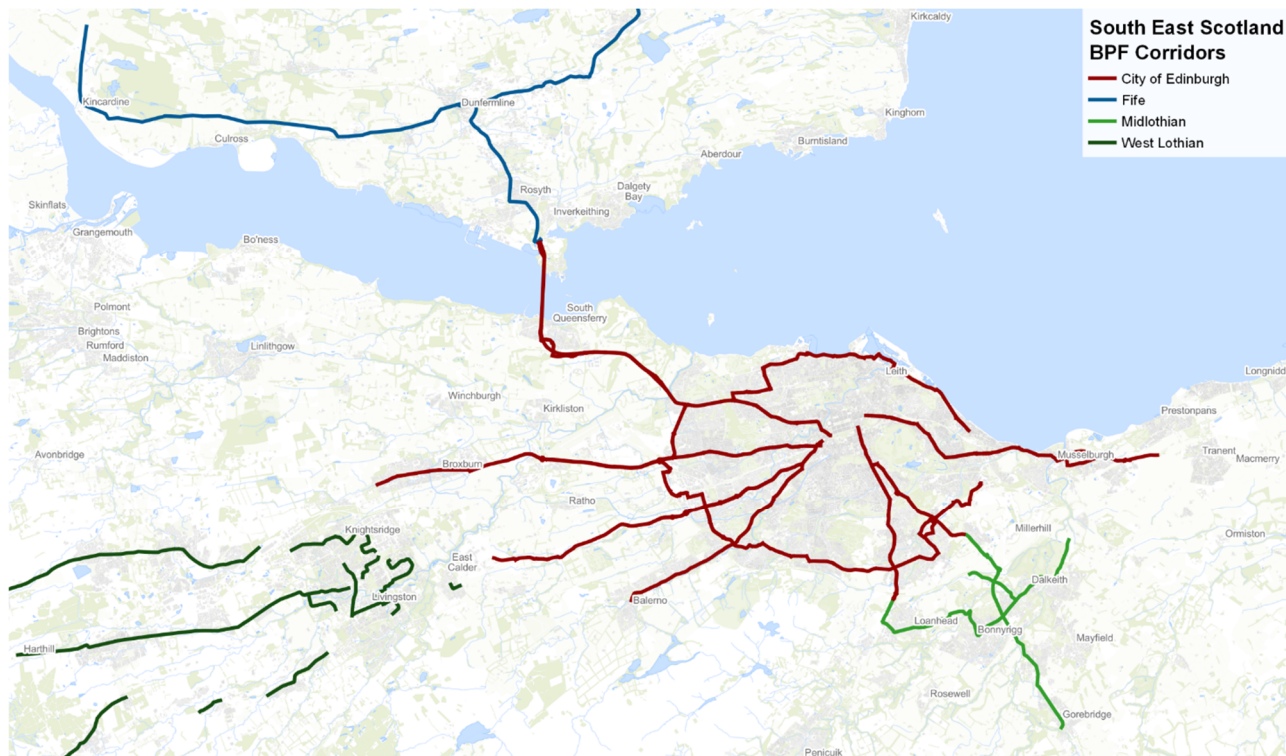
Bus Priority

Enabling improved bus priority is one of the actions that can help encourage bus use. The ESESCRD BPF package could deliver this outcome through improving bus reliability and journey times, especially in relation to car. Consequently, bus operators may benefit from a virtuous circle of increasing passenger revenue and a relative reduction in operating costs. This will improve network viability and, as a result:

▪ deliver a more sustainable, inclusive transport system, meeting local aspirations as well as local, regional and national policies; and

▪ reduce resulting air pollution and carbon emissions, by encouraging modal shift from the private car to the bus.

Improving bus reliability and journey times is a key objective of the EBA. The creation of this alliance will support the development of strong joint working arrangements between authorities and bus operators and, in due course, the effective creation of a Bus Service Improvement Partnership (BSIP) or a similar governance model.

Strategic Business Case

The SBC demonstrates the Case for Change; why the investment is needed. It reviews potential options and provides sufficient confidence to decision-makers and stakeholders that the scheme(s) is(are) likely to be affordable and deliverable and can progress to the OBC stage.

Strategic Dimension

The Case for Change and Preliminary Appraisal forms the key element of the Strategic Dimension of the SBC and is intended to demonstrate why the investment is required.

Problems and opportunities have been identified for each of the BPF corridors with the aim to understand why change is needed, where change is required and what changes will make a difference.

The Case for Change evidences the need for change through an extensive review of the policy context, relevant datasets (including bus operator data, and outputs from stakeholder engagement).

Bus journey time analysis has been undertaken on datasets that have been collected and provided to Jacobs by Lothian Buses. The baseline dataset adopted, covers a seven-day period in November 2019 with analysis completed on weekday data only (Monday 11th to Friday 15th November). More limited data from other operators has also been made available to validate the core analysis.

These datasets have all been used to assemble evidence of problems, opportunities and constraints that are relevant to each of the BPF corridors.

Problems, Opportunities and Constraints

Problems, opportunities and constraints have been identified through extensive engagement with local authorities, bus operators, bus user groups and community councils.

Prior to the COVID-19 pandemic, across Scotland, bus patronage has been declining in recent years, in part caused by longer bus journey times and increasing journey time unreliability. Across the Edinburgh city region, the reduction in passengers was less marked, with growth on some corridors, particularly from Fife. Nevertheless, within Edinburgh, patronage had plateaued, partly as a result of increasing journey times and changing travel patterns.

COVID-19 had an immediate negative impact on the demand for bus travel. In response Transport Scotland's Bus Priority Rapid Deployment Fund (BPRDF) delivered a package of quick-win interventions designed to improve bus priority at key hot-spot locations across the region. Passenger growth is now recovering and initial data analysis shows the success of new priority measures in supporting passenger growth. Priority measures on the A1 corridor have been particularly successful with passenger volumes now exceeding 100% of pre-COVID-19 levels.

The example above helps illustrate how investment in bus priority is a key action that can help encourage bus use. An additional package of ambitious bus priority improvements (delivered through the BPF) would provide an opportunity to further improve bus journey times and reliability, especially in relation to car.

Generally, bus journey times continue to increase as a result of congestion – by nearly 20% in the last 10 years on certain corridors. In the morning peak, major delays are typically at the first major upstream junction on the approach to the city (Barnton, Newbridge, Sheriffhall, The Jewel), evening peak delays tend to be closer to the city centre including Jock's Lodge, Morningside and Blackhall.

On-street parking and loading reduce effectiveness of bus priority, roadworks also impact reliability and network resilience.

Limited city centre capacity has been identified as a constraint on future growth of bus services with congestion on Queensferry Street and access to the bus station identified as key problems.

Decentralisation of key trip attractors within and around Edinburgh makes these locations less accessible by public transport. Investment in orbital services and associated infrastructure to reduce journey times for these movements is required to improve connectivity, support new development, and increase non-car mode shares for movements outside the city centre

Other problems identified included increasing costs; non-core routes are becoming increasingly unsustainable - resulting in inequality of access and social exclusion. A key challenge is the need to invest in networks and vehicles while operating profitably with minimum subsidy.

Opportunities include a growing city and region and increased environmental awareness, encouraging a shift to sustainable modes. There is the potential to build upon some good existing bus priority, including new infrastructure delivered as part of the BPRDF, and the excellent collaborative working between authorities, Transport Scotland and the bus operators that helped deliver this. There is the potential to expand Park & Ride and deliver new mobility hubs where improved interchange between bus and active travel could also deliver passenger growth.

Technology is also a key opportunity, in terms of passenger information, flexible ticketing and bus priority through urban traffic control.

Constraints include historic street widths which limit the opportunity for further bus lanes within Edinburgh. There is strong competition for street space with plans to further improve active travel provision as well as deliver improved priority for buses and cater appropriately for other modes. City centre capacity is particularly

challenging with a limited number of streets available for public transport, many bus stops at capacity and limited terminating capacity, particularly around the West End.

Transport Planning Objectives (TPOs)

Following consideration of the range of problems, opportunities and constraints that affect transport across all corridors, relevant local, regional and national policy, and the aspirations of stakeholders, two TPOs have been identified to inform the preliminary and detailed appraisals:

1. To reduce peak hour[2] bus journey times on each corridor, as measured by bus companies' tracking data, by an average of 25% by 2029 compared to the baseline[3].

2. To reduce peak hour[2] bus journey time variability on each corridor, as measured by bus companies' tracking data, by an average of 50% by 2029 compared to the baseline[3].

Analysis to date suggests that a 10% reduction in journey time and a 25% reduction in journey time variability is possible based on identified BPF interventions. Non-infrastructure measures will also need to be delivered through match-in-kind initiatives – e.g. limited stop services, timetabling, smart ticketing - to help speed up services.

Economic Dimension

The purpose of the Economic Dimension is to undertake sufficient analysis and demonstrate that there is a realistic prospect of the scheme representing 'value for money' (VfM), and that further development of the scheme to OBC is justified.

The Economic Dimension summarises the option development process set out in the Case for Change, considering an initial long list of options, which have been assessed in the preliminary appraisal. The resulting short list of options has been packaged before detailed appraisal has been undertaken against the package of interventions for each corridor.

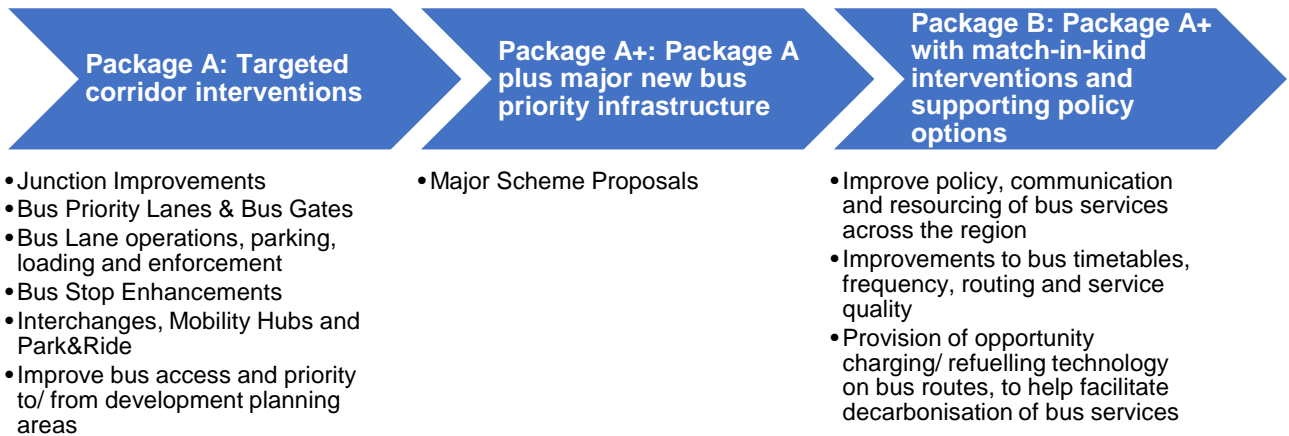**Option Refinement and Packaging**

Option generation and sifting has been informed by an engagement process with key stakeholders, including operators, user groups and local and regional authorities. Options have been combined into groupings defined by the type of intervention; ten groupings were developed to be assessed through the Preliminary Appraisal.

The Option Groupings that were considered in the Preliminary Options Appraisal were built up from individual options that had been generated for each of the corridors, plus the networkwide options. Options taken forward for further consideration have been grouped into three packages as shown in Figure 3.

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[2] Monday to Friday AM 08:00-09:00, PM 17:00-18:00
[3] Based on 2019 Bus Operator Data using 2022 Bus Operator Data as a sense check

Figure 3: Option Packages

Package A: Targeted corridor interventions	Package A+: Package A plus major new bus priority infrastructure	Package B: Package A+ with match-in-kind interventions and supporting policy options
• Junction Improvements • Bus Priority Lanes & Bus Gates • Bus Lane operations, parking, loading and enforcement • Bus Stop Enhancements • Interchanges, Mobility Hubs and Park&Ride • Improve bus access and priority to/ from development planning areas	• Major Scheme Proposals	• Improve policy, communication and resourcing of bus services across the region • Improvements to bus timetables, frequency, routing and service quality • Provision of opportunity charging/ refuelling technology on bus routes, to help facilitate decarbonisation of bus services

Options with specific locations on each of the BPF corridors have been mapped by option grouping as illustrated in Figure 4.

Figure 4: Corridor specific option locations, by Option Grouping
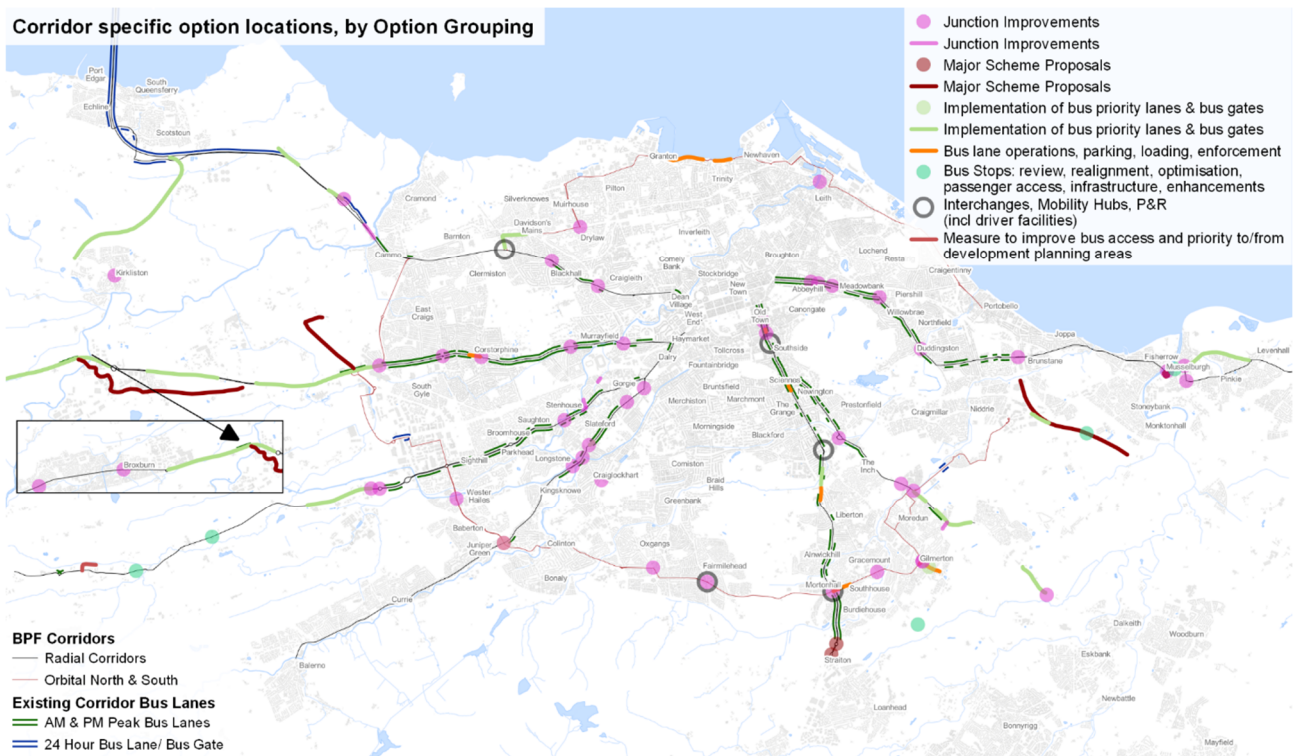
Approach to Appraisal

At this SBC stage, a comprehensive assessment of all monetised costs and benefits is not required but will follow at the OBC stage. However, analysis to date provides the confidence that the scheme benefits are expected to be greater than costs, and hence the project can be justified on VfM grounds and further work to develop the proposal is warranted. We have set out a proportionate method for the assessment of the likely impacts from the proposed bus priority measures on each of the eight BPF corridors considered.

The average journey time savings calculated for the morning and evening peak have been used to undertake a proportionate appraisal of the bus priority measures proposed at this stage. The journey time data provided by Lothian Buses has been utilised where possible to calculate levels of journey time savings

along with evidence-based assumptions for some options. Journey time savings associated with the largely non-infrastructure, policy-type interventions in Package B have not been quantified.

Cost to Government

The capital costs of infrastructure improvements have been calculated based on low and high estimates, reflecting uncertainty. Values have been estimated based on benchmarked costs for each of the option types, on a corridor basis, and by incorporating the assumptions set out in The Cost to Government section of the report, based on recent experience of the team on the outturn costs of similar projects:

This has derived the cost estimates for each corridor excluding optimism bias. An optimism bias value of 44% has been applied to these costs with resulting cost estimates shown in Table 1.

Table 1: BPF Corridor Option Cost Estimates (2022 Prices)

| Corridor | Excluding Optimism Bias | | | | Including Optimism Bias | | | |
| | Package A | | Package A+ | | Package A | | Package A+ | |
	Low	High	Low	High	Low	High	Low	High
A90	£11.8m	£23.3m	£11.8m	£23.3m	£17.0m	£33.5m	£17.0m	£33.5m
A8 & A89	£38.2m	£41.1m	£67.7m	£97.0m	£55.0m	£59.1m	£97.5m	£139.7m
A71	£4.4m	£5.8m	£4.4m	£5.8m	£6.3m	£8.4m	£6.3m	£8.4m
A70	£9.3m	£14.3m	£9.3m	£14.3m	£13.3m	£20.6m	£13.3m	£20.6m
A701	£8.8m	£13.4m	£16.9m	£24.4m	£12.6m	£19.4m	£24.4m	£35.1m
A7	£5.7m	£9.3m	£5.7m	£9.3m	£8.2m	£13.4m	£8.2m	£13.4m
A1 & A199	£5.1m	£8.1m	£19.2m	£24.3m	£7.3m	£11.6m	£27.6m	£34.9m
Orbital	£3.4m	£5.9m	£3.4m	£5.9m	£4.9m	£8.5m	£4.9m	£8.5m
All Corridors	**£86.7m**	**£121.2m**	**£138.4m**	**£204.3m**	**£124.6m**	**£174.5m**	**£199.2m**	**£294.1m**

Value for Money

The economic appraisal of bus priority measures suggests that each of the packages are anticipated to result in significant economic benefits for bus users. At this stage of business case development packages predominantly provide a VfM category in the 'High' or above category for Package A. Higher cost major scheme proposals as part of Package A+ result in a lower VfM category for applicable corridors.

Benefit to cost ratios for each corridor and package assessed are given in Table 2 below.

Table 2: Benefit to Cost Ratio (BCR) for Corridors and Infrastructure Packages

| Corridor | Package A (BCR) | | Package A+ (BCR) | |
	Low Cost	High Cost	Low Cost	High Cost
A90	3.4	1.7		
A8 & A89	2.2	2.0	1.2	0.9
A71	5.6	4.2		
A70	3.3	2.1		
A701	4.5	2.9	2.3	1.6
A7	7.7	4.7		
A1 & A199	12.8	8.0	3.5	2.8
Orbital	13.1	7.5		
All Corridors	**4.3**	**3.0**	**2.7**	**1.8**

Summary

The interventions identified in the SBC are aligned with the BPF Grant Criteria, National policy (NTS2, STPR2, Climate Plan, NFP4), Regional policy (SEStran Regional Transport Strategy and CRD Regional Prosperity Framework) and local policy such as Edinburgh's City Mobility Plan (CMP) and Public Transport

Action Plan (PTAP). They consider integration with active travel and are aligned with the Circulation Plan and associated Streetspace Allocation Framework and the recently published Active Travel Action Plan (ATAP). Interventions are also consistent with neighbouring local authority BPF proposals, transport plans and wider policies.

The SBC appraisal indicates there would be significant economic benefits for bus users on all eight corridors if the proposed bus priority interventions were implemented. Each of the corridors assessed has a strong case in terms of value for money, including the corridors in the South and East (A1/A199, A7 & A701). Based on this, it is proposed that a single OBC is delivered during the next stage assessing all eight corridors as one holistic project. This enables an integrated approach for transport modelling (e.g., where orbital interfaces with arterial corridors), reporting and project management requirements.

Edinburgh and South East Scotland City Region Deal Joint Committee

10am, Friday 2 June 2023

Internal Audit of Integrated Employer Engagement Programme

Item number 5.5

Executive Summary

This paper sets out the outcomes of recently completed Internal Audit work for the City Region Deal.

The Integrated Employer Engagement component of the Integrated Regional Employability and Skills (IRES) programme has recently undergone an audit, with an overall outcome of 'Substantial Assurance' provided.

Laura Calder

Head of Internal Audit, City of Edinburgh Council

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Report

Internal Audit of Integrated Employer Engagement Programme and Forward Audit Plan

1. Recommendations

The Committee is requested to:

1.1 Note the outcomes of the 2022/23 Internal Audit (IA) review of the City Region Deal Integrated Employer Engagement project.

2. Background

2.1 There is a requirement within the City Region Deal grant offer letter that an internal audit review should be undertaken every second year.

2.2 The City of Edinburgh Council's (the Council) Internal Audit function has completed a review for the 2022/23 audit year, which covered the Integrated Employer Engagement (IEE) project.

2.3 A previous review of City Region Deal Funding Processes was completed by the Council's IA function in June 2020.

2.4 A summary of the IIE audit outcomes is included at paragraphs 3.1 – 3.6 and the full audit report is provided at Appendix 1.

3.   Main report

City Region Deal Integrated Employer Engagement project review

Audit Background

3.1   The Integrated Employer Engagement (IEE) project is part of the Integrated Regional Employability and Skills (IRES) programme. The IRES programme represents a £25m investment as part of the larger City Region Deal. The IEE project seeks to bring together training providers and local employers, including small to medium enterprises (SMEs), to develop ways to assist the population of the region (Fife, Scottish Borders, the Lothians, and City of Edinburgh) to receive the training and support they need to enter employment.

3.2   The IEE project is run by the Capital City Partnership (CCP), an Arm's Length External Organisation (ALEO) of the City of Edinburgh Council.

Audit Scope

3.3   The scope of the audit was to assess the adequacy of design and operating effectiveness of the key controls established to ensure that the Integrated Employer Engagement programme is achieving its objectives.

Audit Outcomes

3.4   The overall assessment of the review is 'Substantial Assurance' reflecting there are generally effective controls in place surrounding the City Region Deal Integrated Employer Engagement (IEE) project planning, grants process, and project reporting and governance.

3.5   The following areas for improvement which should strengthen established controls were noted:

3.5.1   the IEE project team should request confirmation of agreement from Business Gateway contacts on fund specifications.

3.5.2   recipients of funding should be issued with additional reminders to provide monitoring returns following the conclusion of projects.

3.5.3   risk registers should include target and actual completion dates for actions.

3.6   All of the above actions have been addressed by the Capital City Partnership as of 31/03/2023.

4.   Financial impact

4.1   There is no financial impact associated with the audit of the Integrated Employer Engagement programme.

5.   Alignment with Sustainable, Inclusive Growth Ambitions

5.1   Inclusion and sustainability are key drivers for the City Region Deal, and audit work will help to provide assurance that risks are effectively identified and managed.

6. Background reading/external references

6.1   City Region Deal Integrated Regional Employability and Skills (IRES) Programme - https://esescityregiondeal.org.uk/ires

7. Appendices

7.1   Internal Audit Report: City Region Deal Integrated Employer Engagement project review

Internal Audit Report

City Region Deal - Integrated Employer Engagement

16 March 2023

PL2205
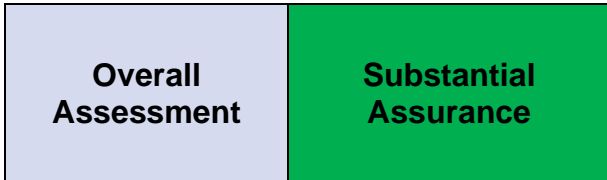
Overall Assessment	Substantial Assurance

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This Internal Audit review is conducted for the City Region Deal by the City of Edinburgh Council Internal Audit function under the auspices of the 2022/23 Internal Audit plan approved by the Governance, Risk and Best Value Committee in October 2022. The review is designed to help the City Region Deal assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there are specific recommendations included in this report to strengthen internal control, it is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City Regional Deal. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and members as appropriate.

Internal Audit Report: PL2205 - City Region Deal - Integrated Employer Engagement

Executive Summary

Overall opinion and summary of findings

There are generally effective controls in place surrounding the City Deal Integrated Employer Engagement (IEE) project planning, grants, and project reporting and governance.

The following areas for improvement which should strengthen established controls have been noted:

- the IEE project team should request confirmation of agreement from Business Gateway contacts on fund specifications
- recipients of funding should be issued with additional reminders to provide monitoring returns following the conclusion of projects
- risk registers should include target and actual completion dates for actions.

Areas of good practice

Our review identified:

- an effective process is in place to capture and assess grant applications
- the process to obtain funding from local authority partners is well-managed and evidenced
- there are good reporting links from the IEE project team to the City Region Deal Programme Management Office, and the Integrated Regional Employability and Skills Board.

Audit Assessment

Audit Area	Control Design	Control Operation	Findings	Priority Rating
IEE project planning	🟢	🟢	No issues noted	**N/A**
IEE project grants process	🟢	🟠	Finding 1 – Business Gateway Formal Fund Specification Agreement	**Low Priority**
			Finding 2 – Proactive Follow-Up of Monitoring Information	**Low Priority**
IEE project reporting and governance	🟢	🟢	Finding 3 – Risk Register Action Dates	**Low Priority**

See Appendix 1 for Control Assessment and Assurance

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Background and scope

City Region Deals are packages of funding and decision-making powers, agreed between the Scottish Government, the UK Government and local partners. They are designed to bring about long-term strategic approaches to improving regional economies, aiming to help harness additional investment, create new jobs and accelerate inclusive economic growth.

The six local authorities that make up the Edinburgh and South East Scotland City region, together with regional education and training providers and the private sector, signed a 15-year Deal with the UK and Scottish Governments in August 2018, with a value of £1.3 billion (now worth over £1.4 billion). The Deal aims to drive productivity and growth while reducing inequalities and deprivation.

The Integrated Employer Engagement (IEE) project is part of the Integrated Regional Employability and Skills (IRES) programme. The IRES programme represents a £25m investment as part of the larger City Region Deal. The IEE project seeks to bring together training providers and local employers, including small to medium enterprises (SMEs), to develop ways to assist the population of the region (Fife, Scottish Borders, the Lothians, and City of Edinburgh) to receive the training and support they need to enter employment.

The IEE project is run by the Capital City Partnership (CCP), an Arm's Length External Organisation (ALEO) of the City of Edinburgh Council.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls established to ensure that the Integrated Employer Engagement programme is achieving its objectives.

Risks

The IRES programme board have identified the following as key risks to the IEE project's success:

- inefficient financial management
- failure to achieve programme targets
- failure to provide effective programme management and governance.

Limitations of Scope

No areas were specifically excluded from the scope of the review.

Reporting Date

Testing was undertaken between 9 January 2023 and 10 February 2023.

Our audit work concluded on 10 February 2023, and our findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1 – Business Gateway Formal Fund Specification Agreement

Finding Rating	Low Priority

The Business Gateway is a publicly funded service contributing to the economic wellbeing of Scotland by providing access to free business support services.

The Capital City Partnership (CCP) team will discuss and agree with each of the Business Gateways in the City Deal's six Local Authority areas what their funding requirements are. The CCP team then send a fund specification to the Business Gateway contacts, which details how the fund will provide grants to local businesses, and how the grants will be assessed and awarded.

Internal Audit notes that the initial discussions between CCP officers and Business Gateway contacts are not recorded and, although management advise the specification provided to the contacts is developed from these discussions and circulated, no formal approval of the Employer Fund specification is requested from the Business Gateway contacts.

Risks

- **Failure to provide effective programme management and governance** – Business Gateways may not receive the funding elements they require.

Recommendations and Management Action Plan: Business Gateway Formal Fund Specification Agreement

Ref.	Recommendation	Agreed Management Action	Action Owner	Contributors	Timeframe
1.1	Once the Capital City Partnership team have issued the specification to Business Gateway contacts, they should request agreement or comment on the specification from these key contacts, and advise that if a response is not provided within a mutually agreed period then approval of the fund specification is assumed.	The IEE team hold consultation teams calls with the 6 Business Gateway teams to establish the IEE Employer Fund need annually, following these consultations a questionnaire is issued to all 6 teams to confirm the findings and agreements made within the consultations, from there a specification is written and issued out to the Business Gateway teams. The audit team recommend the IEE seek confirmation or advise that if a response is not provided within a mutually agreed period then approval of the fund specification is assumed. This recommendation is accepted and will be implemented when designing the 2023 IEE Employer Fund process.	Paul Lawrence – Executive Director of Place	Rona Hunter, Chief Executive Officer (Capital City Partnership) Ellen Munro, Head of Integrated Employer Engagement	30/06/2023

Finding 2 – Proactive Follow-Up of Monitoring Information

Finding Rating	Low Priority

As part of the IEE project's objective to improve employment prospects in the City Region Deal area, the CCP team offer Employer Fund grants up to a total of £1,000 to small businesses in each of the six City Region Deal Local Authority areas.

Applicants to this fund have their monitoring requirements set out in their Grant Offer letter. These requirements allow the CCP team to monitor the impact the fund is having in relation to creating or retaining jobs, and how the grant was used.

However, internal audit found that 3 out of the 20 grant recipients sampled did not provide the information requested in the offer letter following the conclusion of their projects.

It was also noted that, although funding recipients receive a general email from the CCP team requesting that they complete their monitoring return, there is no individual follow-up by CCP officers for applicants who fail to respond, meaning that monitoring information is not collected and there are potential gaps in the data on how much impact the fund is having.

Risks

- **Inefficient financial management** – applicants may not be using the funds received for their stated purpose, meaning the IEE project will not be meeting its aims and objectives to retain or increase employment in the City Deal area

- **Failure to achieve programme targets –** the IEE project team may not receive a full understanding of impact their funding achieved against the project's objectives.

Recommendations and Management Action Plan: Proactive Follow-Up of Monitoring Information

Ref.	Recommendation	Agreed Management Action	Action Owner	Contributors	Timeframe
2.1	Additional reminders should be sent by the CCP team to applicants who have not complied with the monitoring request. This follow-up should be documented in an appropriate location.	The IEE team issue a monitoring and evaluation survey to all recipients of the IEE Employer Fund, and then issue a reminder to complete the survey for those that have not yet done so. The audit team recommend a further individual reminder be sent to the recipients that have not responded. This recommendation has been accepted and this process is now in place for the monitoring and evaluation of the 2022 IEE Employer Fund.	Paul Lawrence – Executive Director of Place	Rona Hunter, Chief Executive Officer (Capital City Partnership) Ellen Munro, Head of Integrated Employer Engagement	30/06/2023

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Finding 3 – Risk Register Action Dates

Finding Rating	Low Priority

The risk registers for the IEE project, as maintained by the IRES Programme Management Office, included details of the risks and mitigating actions to be taken, but do not include completion timescales for actions to confirm risks are being managed to an acceptable level.

Risks

- **Failure to provide effective programme management and governance** – mitigating actions to reduce or prevent risks happening are not completed in a timely manner.

Recommendations and Management Action Plan: Risk Register Action Dates

Ref.	Recommendation	Agreed Management Action	Action Owner	Contributors	Timeframe
3.1	Completion of actions in line with agreed dates should be monitored and reviewed as required and escalated where appropriate.	IEE have a project Risk Register in place which monitors project risks and control measures. The risk register is reviewed regularly by the Head of Integrated Employer Engagement and the IEE staff. Once reviewed, the risk register is presented to the IEE Delivery Advisory Group (DAG) for approval. As part of the IRES governance, IEE are required to submit their approved risk register to the PMO annually (as a minimum) or each time a change is made. The audit identified that the current template did not include risk completion timescales. In response, the risk register has been amended to include a review date which demonstrates that risks are being managed to meet the needs of the project. The PMO have also added review dates to the overall IRES risk registers to enhance control measures.	Paul Lawrence – Executive Director of Place	Rona Hunter, Chief Executive Officer (Capital City Partnership) Nicola Raine, IRES Programme Connector	30/06/2023

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Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed	🟢	Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory	🟢	Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity	🟠	Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity	🔴	Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	**N/A**	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

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Edinburgh and South East Scotland City Region Deal Joint Committee

10am, Friday 2 June 2023

City Region Deal: Internal Audit Forward Audit Plan

Item number 5.6

Executive Summary

This paper sets out the proposed areas for future audit coverage for the City Region Deal Programme.

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Report

Internal Audit (IA) of Integrated Employer Engagement Programme and Forward Audit Plan

1.   Recommendations

The Committee is requested to:

1.1   Consider which audit area(s) should be reviewed in future years.

1.2   Consider which City Region Deal partner organisations IA functions should carry out future audit(s).

2.   Background

2.1   There is a requirement within the City Region Deal grant offer letter that an internal audit review should be undertaken every second year.

2.2   Through discussion with key officers, the City of Edinburgh Council's IA function have provided suggested areas for future audit reviews which are detailed in paragraph 3.1.

2.3   The City of Edinburgh Council's IA function is not resourced to perform more than one audit for the City Region Deal each year. Additionally, the Council's IA function may not possess the necessary expertise and skills for all audit areas, therefore some audits may need to be performed by the IA function of a partner organisation.

3. Main report

Future Audit Proposals

3.1 Following discussion with City Region Deal officers, and a review of the City Region Deal risk register, the following audit topics which could be included in future years are proposed for consideration:

    3.1.1 **Construction Cost Inflation:** reviewing controls in place to monitor and mitigate construction cost inflation on City Region Deal projects.

    3.1.2 **Equalities Impact Assessments (EIA):** review of EIA processes for a sample of projects including initial assessment, outcomes, and completion of arising actions.

    3.1.3 **Financial reporting and monitoring:** reviewing the programme and sample of project reporting and forecasts, monitoring and governance.

    3.1.4 **Benefits realisation- reviewing tracking, outputs, measures, and change:** in line with CRD benefits realisation plan which was approved in September 2020.

    3.1.5 **Anti-Bribery, Corruption, and Fraud Arrangements:** review of arrangements in line with the conditions set out in the grant offer letter and assurance on member authorities' policies and procedures.

    3.1.6 **Regional Prosperity Framework:** including review of progress with delivery of implementation of the action plan and ongoing monitoring/governance.

3.2 The consensus at Chief Financial Officers', Place Directors' and Executive Board meetings which took place in May was that the next audit, in line with the City Region Deal Risk Register, should be the Construction Cost Inflation audit.

3.3 The above proposed audits will remain under review in light of any changes to the risk profile of the City Region Deal, and updates proposed where necessary.

3.4 There is no formal arrangement or service level agreement in place for agreeing the terms for the City of Edinburgh Council's IA function to complete ongoing audit requirements for the City Region Deal Programme.

3.5 The City of Edinburgh Council's 2023/24 IA annual work programme includes agreement from the Governance, Risk and Best Value Committee for the Council's IA team to complete one review, the audit topic for which is still to be agreed.

3.6 Agreement on which partner organisation IA function will deliver future audits is required. Should all audits be required to be completed by the City of

Edinburgh Council, there will be a rechargeable cost associated to cover the resource required to complete this work.

4. Financial impact

4.1   As above, audit resource within the City of Edinburgh Council is limited and therefore should continued work be required by the Council's IA function on a recurring basis, a service level agreement to agree charges for providing this service will be required. Costs would be charged on an actual time spent basis (captured through time recording for the audit function), estimated costs would be circa £8,000 per audit.

5.   Alignment with Sustainable, Inclusive Growth Ambitions

5.1   Inclusion and sustainability are key drivers for the City Region Deal, and audit work will help to provide assurance that risks are effectively identified and managed.

6. Background reading/external references

6.1   City Region Deal Grant Offer letter 2022/23

7. Appendices

None.