

Notice of meeting and agenda

Edinburgh and South East Scotland City Region Deal Joint Committee

10.00 am Friday, 1st September, 2023

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 Any items under “Private Business” will not be published, although the decisions will be recorded in the minute.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

- 3.1 Minute of the Edinburgh and South East Scotland City Region Deal Joint Committee of 2 June 2023 – submitted for approval as a correct record 7 - 12

4. Forward Planning

- 4.1 Joint Committee Work Programme – report by David Robertson, Chief Officer, Edinburgh and South East Scotland City Region Deal 13 - 16

5. Items for Consideration

- 5.1 City Region Deal Progress Report – report by David Robertson, Chief Officer, Edinburgh and South East Scotland City Region Deal 17 - 36
- 5.2 City Region Deal Annual Report 2022/23 – report by David Robertson, Chief Officer, Edinburgh and South East Scotland City Region 37 - 106

Region Deal

- | | | |
|------------|--|--------------|
| 5.3 | Regional Housing Programme Annual Update – report by Andrew Kerr, Chair of Regional Housing Board, ESESCR Deal | 107 - 120 |
| 5.4 | City Region Deal Benefits Realisation Update – presentation by John Scott, Senior Responsible Officer for City Region Deal Benefits Realisation and Daniel Stevens, Benefits Realisation Officer | Presentation |
| 5.5 | Audit Scotland Report: “Scotland’s City Region and Growth Deals Progress of the 2020 audit report recommendations – report by David Robertson, Chief Officer, Edinburgh and South East Scotland City Region Deal | 121 - 126 |

Gavin King

Clerk

Membership

The City of Edinburgh Council

Councillor Cammy Day

Scottish Borders Council

Councillor Euan Jardine

East Lothian Council

Councillor Norman Hampshire

West Lothian Council

Councillor Lawrence Fitzpatrick

Fife Council

Councillor David Ross

Higher/Further Education Consortium

Prof Peter Mathieson

Midlothian Council

Councillor Russell Imrie

Regional Enterprise Council

James Wood

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 529 4264, email jamie.macrae@edinburgh.gov.uk.

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

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

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Minutes

Edinburgh and South East Scotland City Region Deal Joint Committee

Microsoft Teams

10.00am, Friday 2 June 2023

Present:

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

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

Andrew Kerr, Chief Executive, City of Edinburgh 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

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

Colin McCurley, Internal Audit, City of Edinburgh Council

Stuart Townley, Internal Audit, City of Edinburgh Council

Jamie Robertson, Strategic Transport Manager, City of Edinburgh Council

John Curry, Director, Infrastructure and Environment, Scottish Borders Council
Ewan Doyle, Workforce Mobility Manager, Scottish Borders Council
Ken Gourlay, Executive Director of Enterprise and Environment, Fife Council
Kevin Anderson, Executive Director, Place, Midlothian Council
Fiona Clandillon, Head of Development, Midlothian Council
Craig McCorriston, Head of Planning, Economic Development and Regeneration,
West Lothian Council
Adam Dunkerley, Integrated Regional Employability & Skills and Skills Development
Scotland
Stuart Moffat, Project Manager, A720 Sheriffhall Roundabout Improvement Scheme,
Transport Scotland
Jacqueline Marsland, Scottish Government
Professor Peter Mathieson, Principal, University of Edinburgh

Apologies

Councillor Lawrence Fitzpatrick (West Lothian Council)

1. Minutes

Decision

To approve the minute of the Edinburgh and South East Scotland City Region Deal Joint Committee of 3 March 2023 as a correct record.

2. 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.)

3. 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.)

4. A720 Sheriffhall Update

A verbal update on progress of the A720 Sheriffhall project was provided. The scheme was now sitting with the Planning and Environmental Appeals Division of Scottish Government (DPEA), following closing legal submissions by Transport Scotland and evidence provided by objectors. The DPEA would then provide a recommendation to Scottish Ministers on how the scheme would progress.

Decision

To note the update.

5. Transport Programme Annual Update

Details were provided on 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, including 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.

Decision

- 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.
- 2) To note that this report did not include an update on the A720 Sheriffhall grade separation project. That scheme was entirely managed and delivered by Transport Scotland and there was a separate agenda item specific to it at this meeting of the Joint Committee.
- 3) To note that an update on the outcomes of the Gateway Review for the Bus Partnership Fund would be provided to Committee at the earliest opportunity.

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

6. Borders Innovation Park and Tweedbank Housing update

Details were provided of the Borders Innovation Park and Tweedbank Housing project at Scottish Borders Council. The design included residential sites, business sites, a neighbourhood centre and greenspace. A report to Scottish Borders Council in March 2023 set out 8 key outcomes for the project, and these were aligned to the Council Plan, and other regional/national priorities. Deliverables over the next 15

years included infrastructure, towards net zero, homes, care, community and business. Details were provided of next steps leading to the presentation of a business case in December 2023, which would be seeking an “infrastructure first” investment.

Decision

To note the update.

7. Internal Audit of Integrated Employer Engagement Programme

The City of Edinburgh Council’s Internal Audit function provided an update on recently completed Internal Audit work for the City Region Deal. The Integrated Employer Engagement component of the Integrated Regional Employability and Skills (IRES) programme had recently undergone an audit, with an overall outcome of ‘Substantial Assurance’ provided.

Decision

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

(Reference – report by the Head of Internal Audit, City of Edinburgh Council, submitted.)

8. City Region Deal: Internal Audit Forward Audit Plan

Details were provided of the proposed areas for future audit coverage for the City Region Deal Programme, which were:

- 1) **Construction Cost Inflation:** reviewing controls in place to monitor and mitigate construction cost inflation on City Region Deal projects.
- 2) **Equalities Impact Assessments (EIA):** review of EIA processes for a sample of projects including initial assessment, outcomes, and completion of arising actions.
- 3) **Financial reporting and monitoring:** reviewing the programme and sample of project reporting and forecasts, monitoring and governance.
- 4) **Benefits realisation- reviewing tracking, outputs, measures, and change:** in line with CRD benefits realisation plan which was approved in September 2020.
- 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.
- 6) **Regional Prosperity Framework:** including review of progress with delivery of implementation of the action plan and ongoing monitoring/governance.

Decision

- 1) To agree that Construction Cost Inflation should be the next audit topic.
- 2) To agree that the Edinburgh and South East Scotland Executive Board/Directors Group would consider which partner organisations would carry out the future audits.

(Reference – report by the Head of Internal Audit, City of Edinburgh Council, submitted.)

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Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 1 September 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

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

Work Programme for City Region Deal Joint Committee

1. Recommendations

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

2. Background

- 2.1 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
1 September 2023	<ul style="list-style-type: none"> • City Region Deal Annual Report 22/23 • Regional Housing Programme Annual Update • City Region Deal Benefits Realisation Update • Audit Scotland Report: “Scotland’s City Region and Growth Deals Progress of the 2020 audit report recommendations”
1 December 2023	<ul style="list-style-type: none"> • A720 Sheriffhall six-monthly update from Transport Scotland • Culture Programme Annual Update • Integrated Regional Employability and Skills Programme Annual Update
1 March 2024	<ul style="list-style-type: none"> • A701 Relief Road and A702 Spur Road (Easter Bush) update • City Region Deal Benefits Realisation Update • Data-Driven Innovation Programme Annual Update • Revised business case for Borders Innovation Park (Phase 2) • West Edinburgh Transport Improvement Plan Outline Business Case
7 June 2024	<ul style="list-style-type: none"> • A720 Sheriffhall six-monthly update from Transport Scotland • Regional Transport Programme 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

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)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • There are opportunities for links with three or 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 £268m of the £415m of government funding flowing through the Accountable Body has been drawn down - 65% 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 £290m of the full £600m of government funding for all CRD projects has been drawn down – 48% 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 (August 2023).

Progress Report

Last updated: 24 August 2023

Overall Status Last Period	Overall Status This Period
Green	Green



CITY REGION DEAL

Edinburgh & South East Scotland

Page 1: Dashboard

Recent Achievements and Milestones

Achievement/Milestone	Date
Transport Programme Annual Update	Jun 23
Internal Audit of Integrated Employer Engagement Programme and Forward Audit Plan.	Jun 23

Upcoming Joint Committee Meeting Milestones (expected)	Target Date
Regional Housing Programme Annual Update	Sep 23
City Region Deal Benefits Realisation Update	Sep 23
City Region Deal Annual Report 22/23	Sep 23
Audit Scotland Report: "Scotland's City Region and Growth Deals Progress of the 2020 audit report recommendations"	Sep 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		23/24 CRD Grant allocation	23/24 Grant drawdown
600,000	289,610	48%	£39.2m*	£4.8m

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Top 3 Risks (from PMO Risk Register)

Risk	Impact	Like lohod	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	<ul style="list-style-type: none"> 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	4	4	16	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

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)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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.

Overall Total				Project	23/24			
Project Budget	Total CRD Funding	Total CRD Funding Drawn Down	CRD Funding Drawn Down as %		Funding Allocation	Spend to Jul	Full Year Projected Outturn	Full Year Variance
Finances Managed via PMO								
£113.3m	£32.5m	£32.5m	100%	Bayes Centre	£0.0m	£0.0m	£0.0m	£0.0m
£29.1m	£15.0m	£2.3m	16%	Borders Innovation Park	£0.5m	£0.0m	£0.5m	£0.0m
£74.9m	£20.0m	£8.4m	42%	Dunard Centre	£7.0m	£2.2m	£7.0m	£0.0m
£87.1m	£17.4m	£16.5m	95%	Easter Bush	£0.9m	£0.0m	£0.9m	£0.0m
£54.0m	£10.9m	£1.0m	9%	Easter Bush Link Road*	£0.8m	£0.1m	£0.8m	£0.0m
£274.8m	£57.9m	£57.9m	100%	Edinburgh Futures Institute	£0.0m	£0.0m	£0.0m	£0.0m
£51.9m	£30.0m	£1.5m	5%	Edinburgh Innovation Hub	£5.9m	£0.5m	£5.9m	£0.0m
£132.4m	£79.6m	£51.5m	65%	Edinburgh International Data Facility	£9.9m	£0.6m	£9.9m	£0.0m
£50.3m	£35.0m	£14.4m	41%	Fife i3 Programme	£7.6m	£1.4m	£6.7m	-£0.9m
£22.5m	£22.5m	£20.3m	90%	National Robotarium	£2.2m	£0.0m	£2.2m	£0.0m
£126.2m	£49.2m	£49.2m	100%	Usher Institute	£0.1m	£0.1m	£0.1m	£0.0m
£36.0m	£20.0m	£0.2m	1%	West Edinburgh Transport Improvement Programme	£0.2m	£0.0m	£0.2m	£0.0m
£25.0m	£25.0m	£12.4m	50%	Integrated Regional Employability & Skills Programme	£4.3m	£1.2m	£4.3m	£0.0m
£1,077.5m	£415.0m	£268.3m	65%	Total	£39.2m	£6.2m	£38.3m	-£0.9m
*Revised budget not yet approved.								
Finances Managed directly with SG								
£120.0m	£120.0m	£6.3m	5%	Sheriffhall Roundabout	Transport Scotland delivering project.			
£263.0m	£15.0m	£15.0m	100%	New Housing Partnership - Edinburgh Living	City Region Deal funding fully drawn down.			
£50.0m	£50.0m	£0.0m	0%	Housing Infrastructure Fund	Scottish Government Housing fund.			
£433.0m	£185.0m	£21.3m	12%	Total				
Full Deal								
£1,510.5m	£600.0m	£289.6m	48%	Full Deal Total	£289.6m of £600m SG/UKG funding drawn down.			

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

Page 4: Research, Development and Innovation
Theme
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	A	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	G	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	Q1 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 adopted. 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	A	2	Computing facilities for AI projects is undergoing significant expansion

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Page 5: Research, Development and Innovation Theme
Edinburgh Innovation Park (QMU Food and Drink Innovation Hub)

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Edinburgh Innovation Park (Edinburgh Innovation Hub)	Implement	Stage 4.1 design information submitted. Phased award success letters issued.	ITT letters issued to the CCS shortlist. Manage tender queries. Instruct WSI site work. Continue to engage with planning on planning application	G	G	2	The grade separated junction that will significantly improve connectivity/accessibility to the Hub/Park is officially opening on 12 June –a slight delay to the previous date of 22 May.

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Page 6: Research, Development and Innovation Theme
Projects in Fife and Scottish Borders

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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	<p>A planning application for road and service infrastructure for Phase 3 has been approved. Construction will begin in summer 2023.</p> <p>An engagement exercise with businesses, mapping needs to inform development, will take place in August 2023.</p> <p>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.</p>
Fife Industrial Innovation Investment (Fi3P)	Implement / Deliver	<p>Q2: 23/24 Fife Interchange North – Marketing commenced.</p> <p>Q2: 23/24 John Smith Business Park Business Units – Planning submitted.</p>	<p>Q2 23/24: Construction work to continues at Fife Interchange North.</p> <p>Q2 23/24: Levenmouth Task Force Units: Construction continues.</p> <p>Q3 23/24: Levenmouth Task Force Units: Construction complete.</p>	G	A	2	<p>Flemington Road, Glenrothes. Tenancies for 6 (out of 9) units.</p> <p>Dunnikier Business Park, Kirkcaldy. tenancies / applications for 7 (out of 7) units.</p> <p>West Way Phase 2, . Tenancies / applications for 8 (out of 8) units.</p> <p>Levenmouth Task Force Units: marketing underway - 2 (out of 7) units now reserved.</p>

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



Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
IRES Programme	Deliver	IRES board was held on 16 May 2023. IRES video presentation at the Joint Committee on 2 nd 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. Good progress being made on jobs tracking. Videos being signed off for the annual report.	G	G	3	<ul style="list-style-type: none"> 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 is to be held on 15th August.
Page 27 Integrated Knowledge System	Deliver	Scottish Borders Council migrated into Helix system in Feb. Local Authorities using Helix signed grant agreements for future financing of system. West Lothian and Midlothian Councils using Helix for UK Shared Prosperity Fund (UKSPF). Green Economy Jobs and Bus Driver Careers campaigns hosted on helix.scot.	Midlothian test system created by Hanlon to check programmes, language mapping, and reporting. Aim for migration within Q2. Planning for linking Helix system with helix.scot website through API underway – implementation in Q3. Content mapping for Opportunities Fife website to move to helix.scot – Q3 migration.	G	G	3	<ul style="list-style-type: none"> Helix went live in March 2022 for Edinburgh, East Lothian and Intensive Family Support Service. In November 2022, 7,500 clients and 9,000 enterprise records added, migrating Integrated Employer Engagement & Capital City Partnership data into Helix. In February 2023, 1,000 clients from Scottish Borders Council moved to Helix. West Lothian and Midlothian are recording UKSPF on Helix even though their migration to the system has not taken place yet. With the scale of the system, there is an ongoing requirement for reporting, data cleansing and training. The scale of 'No One Left Behind' reports continues to take a significant resource requirement each quarter. Midlothian migration work now at testing phase in a sandbox environment to replicate Helix. This will be the first implementation of the new CLD module. Ongoing conversations with Data Skills for Universities about collaborating on some analysis on Helix data.
Labour Market Analysis and Evaluation	Deliver	Completed Creative Industries research. Developed approach to refresh Regional Skills Investment Plan.	Agree research plan for 2023/24. Deliver refreshed Regional Skills Investment Plan. Commence skills research as agreed for 2023/24. Deliver research projects.	G	G	2	<ul style="list-style-type: none"> Regional Skills Investment Plan update workshops held. Disseminated Creative Industries research by presentation to the FE/HE strategy group. Continued discussions with Green Freeports partners around development of skills plans. Appointed consultants to deliver Digital Skills research for Health and Social Care sector in the region. Developed draft ESES Skills collaboration plan to road test with IRES Board.



Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Integrated Employer Engagement	Deliver	<p>Green Jobs Campaign – TV campaign complete.</p> <p>Consultation complete with Business Gateway for annual employer fund theme.</p> <p>Ukrainian Construction Academy short film finalised.</p> <p>Energy Training Academy secured funding from FIRST PORT to further develop the academy offering.</p> <p>First 'FORTY' course of the year underway for Edinburgh, Midlothian and East Lothian (16–24 year-olds).</p>	<p>Publish project report for Ukrainian Construction Academy.</p> <p>Filming ongoing for Usher Institute to showcase community engagement.</p> <p>Support implementation stage of MacMillan Skills Hub under RSC workstream – ongoing.</p> <p>Employer Fund themes confirmed & specification shared/approval sought from Business Gateway.</p> <p>2nd SOSE Women in Business event of 23/24 scheduled end Aug (held in Hawick).</p>	G	G	3	<ul style="list-style-type: none"> FORT programme at Fort Kinnaird Recruitment Skills Centre – year 2; so far 42 jobs filled Green skills/jobs awareness campaign completed across STV, STV Player and ITVx. <ul style="list-style-type: none"> Over 300 video views since launch. Picked up by commercial and charitable companies to explore partnership opportunities e.g. rolling out through Princes Trust employability programme. ESESCommunities have delivered 63 matches between suppliers and good causes with a further 12 in progress Resource; IEE team have secured additional resource to support the community benefit workstream for the year ahead. Community Wealth Building – the final survey results and findings are now published on Homepage (esescommunities.org) IEE working with Scotch Whisky Association around supporting the delivery of their first academy. IEE exploring the feasibility of creating a discretionary fund for micro businesses embarking on their fair work journey. New Helix programme launched to track enabling work delivered under IEE – will be incorporated into data dashboards from Q2. Exploring the functionality within Helix reporting to capture the fair work commitments of all employers engaged under IEE.
Intensive Family Support	Deliver	<p>Grants Officer now in post, supporting IFS going forwards.</p> <p>Pilot remote audit in progress in Midlothian.</p> <p>Plans for in-person event for providers developing with input from caseworkers.</p>	<p>In-person community of practice event to be held in October 2023.</p> <p>Strathclyde University PhD student will begin IFS research project in October 2023.</p> <p>Session with IFS providers to refresh on grant management process and monitoring and evaluation for IFS to be held in Sept 2023.</p>	G	G	2	<ul style="list-style-type: none"> 484 individuals registered on Helix engaging with IFS. 50 new engagements in Phase 2 IFS. 50 employment outcomes recorded: 24 FT employment outcomes, 25 PT employment outcomes recorded, 1 in work progression. 52 re-engagements in education where there had been no-attendance in school. 24 individuals have entered full-time education and 14 individuals have entered part-time education. 4 individuals have progressed in work. 24 qualifications have been gained to date. Ongoing Helix support in place for service providers.

Project	Stage	Last Milestone	Next Milestone	T	B	S A V	Comments
Housing and Construction Infrastructure (HCI) Skills Gateway	Deliver	HCI postgraduate scholar graduations at Edinburgh Napier, Heriot-Watt and University of Edinburgh.	Appointment of Innovate UK-funded Net Zero Innovation and Delivery Officer, to work alongside HCI Programme Manager.	G	G	3	46 schools (35 primary, 11 secondary) from across ESES are have signed up to participate in year 2 of HCI's Climate Smarter programme in partnership with SCDI. 22 of the 46 schools serve communities within SIMD40 areas.
Data-Driven Innovation (DDI) Skills Gateway	Deliver	Finalise bridging arrangements to enable progression from PDA Data Science to BSc Data Science course at Edinburgh Napier University (ENU). Complete funding agreements for 20 Training Providers awarded funds for 23/24 (11 for ESESCRD and 9 for Tay Cities).	54 women returners set to complete PDL in Data Science at Level 7 – some articulation to degree offering at ENU. Delivery planning for new academic year activities now being finalised.	G	G	2	<ul style="list-style-type: none"> • Presentation provided to last FE / HE meeting. Group very positive about progress to date but highlighted the need to consider alternative funding sources beyond the City Region Deal funding period to ensure continuation of activities. • Data Education in Colleges (DEC) working with West Lothian College to align activity with their Cyber Drive initiative. • ePlacement Scotland programme worker liaising with Tech Scaler programme to identify placements in tech SMEs for students across the region. • Filming being undertaken for promotional video. • A Teach Data Literacy guide for primary teachers launched in June, as a resource by the Data Education in Schools team. The guide outlines concepts in data literacy and a problem-solving framework for data skills.
Workforce Mobility	Deliver	15 November 2022 IRES Board - Financial Update. Bus Driver Career' video and web-page on helix.scot with communications issued to all partners and operators. Supported SBC with Berwickshire Demand Responsive Transport (bus).	15 November 2023 IRES Board -Year 2 implementation performance review. Continued involvement in the Regional Prosperity Framework - Delivery Plan / Regional Transport Masterplan. Working with SEStran to define collaboration agreement with City Region Deal.	G	A	3	<ul style="list-style-type: none"> • Delivery of Scottish Border bus network review ongoing, finalising report and building new timetables, contracts, specifications and procurement documents. • Working with West Lothian on setting up PowerBi analysis for their bus service data and data standards for future contracts. • Nearing award of Journey Hub and Active Travel analysis for East Lothian Council. • Discussions with a further 4 Local Authorities to set up PowerBi analysis of operator ticket sales data to help monitor network performance, make data based decisions, and communicate reasoning for changes. • Development of our 'Business Accessibility' online tool is being undertaken. Development of 'Employee Postcode Analysis Tool' which streamline the work involved and will be used to support data projects in MLC, CEC, Fife and WLC. • 'Business and Employee financial and taxation Incentives Factsheet' finalised and available online to promote investment in sustainable travel by employers. • Developments of projects will influence spend this year. Update at end August.

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
A720 Sheriffhall <i>(last updated August 2023)</i>	Define	Public Local Inquiry concluded on 8 February 2023	DPEA Reporter's recommendation to Scottish Ministers (timing TBC)	G	G	1	<ul style="list-style-type: none"> 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. Stakeholder and public consultation exercises underway.	Stakeholder and public consultation period ends. Analyse feedback gathered and incorporate into OBC workstreams.	G	A	1	<ul style="list-style-type: none"> Development of designs well underway. Stakeholder and public consultation underway (duration 8 weeks). Drafting of OBC expected Autumn 2023. Early contractor engagement procurement exercise completed, inception meeting has taken place.

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Dunard Centre	Implement	Commencement of Site Clearance Works – February 2023 (completion due Nov 23)	Stage 4 Design / Stage 2 tender process underway with SRM tender offer due September, and IMPACT acceptance expected by November.	A	A	2	SRM are due to provide their stage 2 tender offer in September, IMPACT acceptance is scheduled by November to allow time for robust analysis and recommendation from our 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 May 2027 (previously end of March/early April) Until the stage two tender offer is received programme remains a key risk.

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Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Affordable housing	Deliver & Define	Meeting with Scottish Government in June 23 to discuss priorities and funding	Collate EESH2 and regional affordable housing delivery	A	N/A	2	<ul style="list-style-type: none"> 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	Next Leads meeting takes place on 23 August.	A	A	2	<ul style="list-style-type: none"> Business case development progressing for Blindwells, Granton Waterfront and Tweedbank.
Housing Demonstrator	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	<ul style="list-style-type: none"> 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	G	2	<ul style="list-style-type: none"> The City of Edinburgh Council and Scottish Futures Trust will continue to share learning and financial models with partners, to explore regional delivery models.

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Page 13: Strategic Housing Sites (1 of 3)

Strategic Site	Stage	Last Milestone	Next Milestone	T	B	Comments
Blindwells Phase 1	Deliver	PPiP	Phase 1 completions in 2020/21	A	A	<ul style="list-style-type: none"> Development commenced prior to announcement of ESESCRD agreement, so not being delivered within a business case monitoring framework, but is key context for Phase 2.
Blindwells Phase 2	Define	LDP1 land safeguard NPF4 identifies potential for this significant development area ClimatEvolution SPG consultation complete and targeting ELC decision now NPF4 approved and supports it SOC in development but requires more landowner input	Complete shared technical work for Blindwells Development Area and former Cockenzie Power Station site Conclude land assembly, equalisation and partnership SOC Q4 2023/24, including need for capital and revenue intervention	A	A	<ul style="list-style-type: none"> Comprehensive proposal for larger new town being developed. Scope of business case will extend beyond housing work stream and HIF provision within ESESCRD beyond ESESCRD framework and into the Regional Prosperity Framework, with need for wider financial innovation and project level partnership. SOC will define intervention requirements for delivering shared infrastructure first to accelerate delivery of this strategic site and its associated positive impact, noting that Cockenzie has now secured £11.3m Levelling Up funds to deliver land that can be serviced for employment development on adjacent strategic site Support beyond the Deal needed in the context of the approved RPF Delivery Plan and Prospectus – place-based capital and revenue support particularly needed to enable and sustain the new settlement.
Dunfermline	Deliver	First Housing Infrastructure Fund Grant claim being submitted. Planning formally issued for Halbeath. Kent Street approved (subject to S75). 5,284 homes consented (increase of 634). 157 delivered at Wellwood of 7935 total homes)	Planning applications for next phase of major infrastructure projects. Site starts for Halbeath and Kingswood (Broomhall) Exploring options to resolve education constraints at Wellwood Conclude S.75 and issue and formally issue permission for Colton.	A	A	<ul style="list-style-type: none"> Finalising supporting information required to submit claim for first HIF grant. Applications for a bridge over railway line and signalisation of major roundabout being prepared. Wellwood progressing to trigger in S75 that will stop house building when 315th unit is completed. Education solution still not identified. Estimated costs for all remaining strategic transportation interventions being reviewed to inform updated Planning Obligation SG, including updating Strategic Transport Appraisal with latest traffic data. Colton may need referred back to Committee due to NPF4 now being part of development plan.

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T: On Time?; B: On Budget?

Strategic Site	Stage	Last Milestone	Next Milestone	T	B	Comments
Edinburgh's Waterfront Page 34	Define/Deliver	<p>OBC for delivery of around 3000 homes (Ph 1-4) approved Oct 2021. Development partner appointed for Ph 1 January 2023 (c 800 homes). Early action projects</p> <ul style="list-style-type: none"> - Planning approved WV in Oct 2021. With 444 homes now well underway - Planning approval for site D1 in March 2022, with 75 homes now well underway - Planning approval Silverlea Feb 2023 (142 homes). Design development being progressed with site start likely Spring 24. - Granton Station refurbishment complete and operator WASPs moving in to fit out the building imminently. - Gas Holder park refurbishment commenced in Jan 23. Scaffolding now fully erected at one quadrant with the tank roof now demolished. 	<p>PAN phase 1– summer 2023 Planning submission Phase 1 – January 2024 Final Business case Phase 1- Summer 2024 Heat network procurement of development partner – Jan 2024 Development agreement Ph1 signed – Autumn 2024 Concession Agreement for Heat Network signed – Autumn 2024 Ph 1 commence on site – Summer 2024 Early actions: WV first homes complete – Spring 2024 D1 homes complete – Spring 2024 Gas holder park completes – 2025</p>	A	A	<ul style="list-style-type: none"> • Cruden homes now undertaking pre-development period for Phase 1 • Consultation on Phase 1 now complete and design development continuing for completion in early October. • Funding Co-ordination Group established with Strategic partners and SG to work through solutions to close the viability gap. Two meetings have taken place and discussions continue to progress. Meeting planned with Cabinet Secretary in October to present progress. • Phase 1 enabling works anticipated to commence late 2024. • Outline Business case has been developed for Waste-Water Sewer Source Heat pump, heat network. Currently procuring a development partner to help take this forward under a concession model. • 519 council led mix tenure net zero homes and 3 commercial units well underway with first completions early 2024. • Granton gasholder restoration and creation of new park under construction with completion anticipated in 2025.
Shawfair	Define/Deliver	<p>Shawfair Pipework for Shawfair District Network mostly complete and Energy Centre now under construction. Remediation Strategy for All Through Campus Agreed Vacant & Derelict Land funding for remediation of All Through Campus secured</p> <p>Shawfair Park David Lloyd health and leisure club opened on 1st August 2023. The Danfoss Low Carbon innovation manufacturing facility now complete.</p>	<p>Procurement of all essential infrastructure including delivery of a new Primary Substation. Successfully negotiate outstanding third party land issues i.e. with Network Rail.</p> <p>Conclude the Council's purchase of the town centre site for the All Through Education Campus.</p>	A	A	<ul style="list-style-type: none"> • 610 houses have been built and are occupied including 145 affordable. A further 500 units are consented and under construction. Leaving 2590 to be delivered.

Strategic Site	Stage	Last Milestone	Next Milestone	T	B	Comments
Tweedbank Page 35	Define	Completion of Phase 1 business space. ¾ now occupied, enquiries being considered for remaining 1/3	SPG & Design Guide approved June 2021. Public consultation on neighbourhood centre underway Planning application for eastern access submitted; construction due to begin 9/23 Care village concept being developed for part of site – OBC approved in principle by Council Nov 2021. Full Business Plan being developed – to Council by end 23 and planning process begun. Procurement for development partner commenced, PIN issued and responses received.	A	A	<ul style="list-style-type: none"> RSL Ph1 of 30 units, est. comp 2025/26 included in SHIP 2023/28 RSL Ph2 of 25 units and Ph3 of 30 units in potential pipeline development projects in in SHIP 2023/28 4 respite units in Care Village est. completion 2025/26 included in SHIP 2023/28
Winchburgh	Deliver	Planning permission for sites in Phase 2	Occupations end of 2019.	G	G	Development of the site is ongoing. Over 800 occupations have now been achieved. The new non-denominational secondary school and new denominational primary school opened in August 2022 and the non-denominational secondary school will open this year. The marina on the Union Canal was opened in 2022 and the motorway junction was opened in February 2023. Work is on-going on the construction of the new town centre. No agreement on delivery of the new railway station has been achieved and discussions are on-going.
Calderwood	Deliver	Planning permission for sites in Phase 3	Continued housing completions.	G	G	Development of the site is ongoing. Over 1200 occupations have now been achieved. The new non-denominational primary school was opened in 2021 and work is progressing to establish a third stream at the school

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Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 1 September 2023

City Region Deal Annual Report 2022/23

Item number 5.2

Executive Summary

Each year, the City Region Deal Programme Management Office is required to produce an annual report to assess how well the City Region Deal is aligning towards the overall vision and inclusive growth outcomes for the city region.

The Edinburgh and South East Scotland City Region Deal Annual Report summarises progress of the Programme for the fourth year since the signing of the 15-year programme (August 2022 to July 2023).

The report contains a City Region Deal overview, Financial Statement (for the financial year 2022-23), a short summary of progress on each project and programme and expected milestones to be achieved in the next year. Six case study videos are embedded in the report to demonstrate how the Deal's projects and programmes are benefiting people.

The report shows significant progress across the 20 projects and programmes within the City Region Deal. While cost inflation has affected the budget of some of the projects which are in delivery, all projects are considered to be within acceptable time parameters and all but one project is considered to be within acceptable budget parameters.

David Robertson

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Edinburgh and South East Scotland City Region Deal Joint Committee

City Region Deal Annual Report 2022/23

1. Recommendations

- 1.1 To note the appended annual report.

2. Background

- 2.1 Each year, the City Region Deal Programme Management Office is required to produce an annual report to assess how well the City Region Deal is aligning towards the overall vision and inclusive growth outcomes for the city region, as stated in Paragraph 3.24 of the [Deal Document](#):

To assess how well the City Region Deal is aligning towards the overall vision and inclusive growth outcomes for the city region, the PMO will produce an Annual Report on all City Region Deal activity. The template for the Annual Report will be agreed with Government. The reports will be presented to the Governments and the Regional Enterprise Council annually.

3. Main report

- 3.1 The Annual Report for 2022/23 is an overall progress report for the City Region Deal programme between 1 August 2022 and 31 July 2023, with the exception of the Financial Statement which contains financial information for the financial year 2022/23.
- 3.2 It contains a City Region Deal overview, Financial Statement, a short summary of progress on each project and programme and expected milestones to be achieved in the next year. As was the case last year, six case study videos are embedded in the report to demonstrate how the Deal's projects and programmes that are being delivered are benefiting people. There is also an update on the Regional Prosperity Framework Delivery and Benefits Realisation Plan.
- 3.3 The report demonstrates significant progress across the projects and programmes within the City Region Deal. While cost inflation has affected the budget of some of the projects which are in delivery, all projects are considered to be within acceptable time parameters and all but one project is considered to be within acceptable budget parameters:
- 2 projects are in Stage 1: Define, which means that the project's business case is yet to be completed (same as in 2022);

- 9 are Stage 2: Implement, which means that the project's business case has been approved by Joint Committee and is in the process of being implemented (15 in 2021);
- 12 are Stage 3: Deliver, which means that the project has been implemented and is working towards delivering its objectives (6 in 2022);
- 15 projects are considered to be on target to be completed on time (green score) or have been completed on time (14 in 2022);
- 8 projects are delayed, but considered to be within an acceptable range, with management action in place to address the issue (amber score). (9 in 2022);
- 17 projects are considered to be on target to be completed within the specified budget (green score) or have been completed within the specified budget (19 in 2022);
- 2 projects were projected to cost more than the specified budget, but considered to be within an acceptable range, with management action in place to address the issue (amber score). (2 in 2022); and
- 1 project is projected to spend outwith the acceptable budget (red score) (none in 2022)

3.4 £58.79 million of Government money was drawn down in the 2022/23, with £54.73 million on Capital projects and £4.06 million on the Revenue programme.

3.5 As well as delivering on the projects in the Deal, the annual report demonstrates that the Governance structure, established to manage City Region Deal activity, has also enabled effective and strong regional partnership working on important cross-regional activities, including:

- Developing and publishing a Regional Prosperity Framework for Delivery which will be a catalyst for Regional Prosperity (led by a cross-regional officers' team, steered by the Regional Enterprise Council and overseen by the Elected Member Oversight Committee);
- Identifying propositions for regional collaboration that align with the UK Government's [Shared Prosperity Fund](#).
- Continuing to develop [ESESCommunities](#) portal to assist with delivering community benefits across the programme;
- Working with CLES to develop and implement of the '[Community Wealth Building Framework for Action](#)'

3.6 Looking ahead towards 2023/24, significant developments in project delivery are expected including:

- The new Edinburgh Futures Institute building in Lauriston Place, Edinburgh welcoming its first intake of students in September;
- Business Units in Levenmouth (Fife) complete as part of the Fife I3 programme in October;
- Commencement of construction at the Edinburgh Innovation Hub, East Lothian in November;
- DPEA Reporter to conclude and submit their Public Local Inquiry Report on the A720 Sheriffhall scheme to Scottish Ministers for consideration in late 2023;

- Blindwells (East Lothian) and Tweedbank (Scottish Borders) strategic sites' business cases complete in the winter;
- Opening of the Usher Institute Building, Edinburgh in early 2024;
- Construction at Dunard Centre, Edinburgh starting in January;
- Broxburn to Maybury public and active travel business case submitted for approval to Joint Committee in March.

4. Financial impact

- 4.1 There is no financial impact relating directly to this report.
- 4.2 The Financial Statement shows that £58.8 million of Government money was drawn down in 2022/23, in line with the financial plan.

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

7. Appendices

- 7.1 City Region Deal Annual Report 2022/23 (accessible) or view [interactive version](#)



CITY REGION DEAL

Edinburgh
& South East
Scotland

ANNUAL REPORT 2022 – 2023





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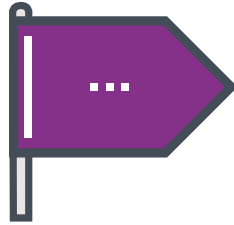


Executive Summary

Key Achievements



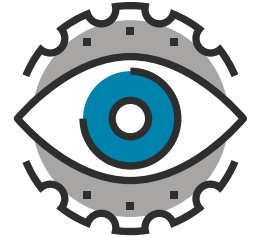
£58.8m spent in 2022/23



1,268 enrolments in data upskilling short courses, **70%** up on last year



47% of total Government allowance has been drawn down in first 5 years of 15-year programme



20 of **22** projects now in Implementation or Delivery phase



DataLoch supported more than **£6.5m** in research revenue



£300k funding secured to boost skillsets for retrofit and net zero in homes



IRES programme has improved the skills of **103,000** people and helped **4,500** into work



677 learners have been awarded Data Skills Credits



543 of the **728** mid-market rent homes have been delivered through Edinburgh Living



800 approvals, **2,300** site starts and **2,400** completions for affordable homes across the region – ahead of target



Executive Summary

Timeline



National Robotarium opens



First building occupied in Borders Innovation Park



Transport Barrier Baseline Report published by Workforce Mobility project



City Region Deal Benefits Realisation Framework published and adopted



Site clearing commences for Dunard Centre construction



Work completed at West Way, Dalgety Bay as part of Fife Industrial Innovation Investment Programme



Regional Prosperity Framework Delivery Plan published and adopted



2 years of funding committed for Regional Housing Alliance for the South East of Scotland



Community Wealth Building Framework for Action and accompanying pledge launched



Consultation for Broxburn to Maybury public and active travel launched part of West Edinburgh Transport Appraisal project



New A1 Junction to unlock Edinburgh Innovation Park, East Lothian opened



Bus Driver Careers campaign launched part of the Workforce Mobility project



Green Economy Jobs Campaign launched as part of Integrated Employer Engagement project



Executive Summary

Video Highlights

A showcase of the diverse and innovative initiatives supported by the Edinburgh and South East Scotland City Region Deal, featuring the people and organisations behind the projects, their delivery partners across the region, and those who are benefiting.

Women in Data

The PDA Data Science programme is delivered by Edinburgh College through the Data Education in Colleges project. The programme is aimed at reducing the gender imbalance within IT and Tech roles by supporting women to enhance their skills in digital and data innovation. We hear from several students enrolled on the course who are taking the opportunity to further their learning, enhance their lives and advance in their careers.



Ukrainian Construction Academy

The Integrated Employer Engagement project worked with Balfour Beatty, lead contractor for the Edinburgh Futures Institute to design and deliver a construction academy for members of the Ukrainian Community who had been resettled within our region. The programme supported 13 people to obtain the required UK industry qualifications which led to them securing sustainable employment and additional further education opportunities.



BE-ST Retrofit

The Housing, Construction and Infrastructure (HCI) Skills Gateway is changing construction across Edinburgh and South East Scotland. With almost 40% of UK greenhouse gas emissions emitted by the built environment, it has never been more important to work together to inspire new careers and upskill existing experts to achieve sustainable low carbon housing and construction.



Dunard Centre

The Dunard Centre is being delivered as part of the Edinburgh and South East Scotland City Region Deal as the sole project in the 'Culture' theme. We hear from those making this centre a reality, as well as Beth Malcolm, a performer who shares why this space is so exciting to her as one of Scotland's up and coming performers.





Executive Summary

Fife Innovation Zone

The Fife Innovation Zone is being delivered as part of the Edinburgh and South East Scotland City Region Deal's innovation theme. It delivers a sustained investment programme in modern business premises. In this video, we explore in further detail the methods being used to save energy, and contribute to the wider economic growth in Fife, and speak to a tenant directly operating out of the innovation zone.



Data Education in Schools

The Data Education in Schools programme is for children and young people across the City Region to learn about data to benefit their personal lives and open up new possibilities for interesting and well-paid careers. One example can be seen in Addiewell Primary School, where children of learnt about the impact Co2 levels have on their own learning and focus, as well as how it effects a reptilian friend in the Five Sisters Zoo.



Bus Driver Careers

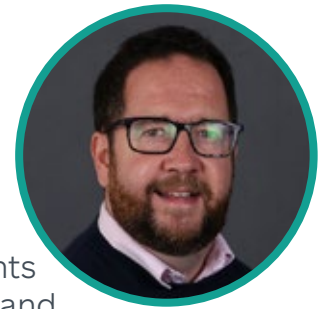
The Workforce Mobility Project launched a Bus Driver Career video to promote career opportunities in the industry. Hear from various bus operator staff who share their experiences including the 'benefits of the job', 'career progression opportunities' and 'the investment in you by the operators'.



Green Economy Jobs

To achieve ambitious climate change goals, we need to work together across all sectors to create a workforce with the required skills and understanding of sustainability. This will drive forward a truly green economy. This campaign aims to inform and encourage everyone to think about the impact they can make within their own career choices. Hear from experienced and passionate individuals from various sectors sharing their ideas and practices about making a difference.





1. Forewords

Cllr Euan Jardine

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

The Edinburgh and South East Scotland (ESES) City Region Deal celebrated its fifth anniversary on 7 August. Excellent progress has been made in delivering the £1.5 billion programme to create new economic opportunities, increase prosperity, promote inclusion and reduce inequalities. The ESES regional partnership brings together six local authorities, four universities, six colleges and the Regional Enterprise Council – made up of business, social enterprise and third sector representatives from across the region.

Business cases for 18 of 20 Deal projects have been approved and are now being implemented. Particular highlights in the last 12 months include the opening of the **National Robotarium** in September 2022, the launch of the **Usher Innovation Community** in November 2022 and the completion of the Edinburgh Innovation Park A1 grade separated junction in May 2023.

Over 66,000 skills enhancements and 4,500 job outcomes have been delivered through the Integrated Regional Employability and Skills programme to increase employment and career progression opportunities for the city region's residents. In the Borders Innovation Park at Tweedbank, we now have an amazing new Digital Centre of Excellence where our Inspire Learning programme delivers learning opportunities, training and events for children and young people, teachers and communities to improve their digital skills. Greater detail about every project is in Section 4.

Short case-study videos throughout the report vividly highlight the positive impact that projects are having on our residents' lives.

Ensuring that investments support strategic plans and priorities is crucial in delivering the greatest benefits locally, regionally and nationally. **Our Regional Prosperity Delivery Framework** was approved in March 2023 and sets out an ambitious and dynamic series of four key programmes to deliver the region's ambitions: Green Regeneration and Skills; Infrastructure for Recovery and Prosperity; Visitor Economy and Culture; and a Data Driven Innovation (DDI) Enabled Economy.

You can read more about this regional collaboration in Section 6.

Beyond the Deal's projects, our regional cohesion and robust governance enables us to respond effectively to challenges and opportunities. Examples include:

- The successful Green Forth Freeport bid which was **endorsed by Joint Committee** to boost innovation and inclusive growth within our communities.
- Contributing our regional perspective to key consultations including National Planning Framework 4; the National Strategy for Economic Transformation; the Strategic Transport Projects Review 2; and the Scottish Government's Regional Economic Policy Review.
- Establishing a series of regional propositions for the region's six local authorities to deliver utilising the UK Government's **Shared Prosperity Fund**.

We will build on these successes and the strength of our regional partnership to further accelerate prosperity and inclusion to ensure the benefits are fully enjoyed across the region.



1. Forewords

Garry Clark

Chair of Regional Enterprise Council

It has been a great pleasure to reflect on the impactful progress made in the fifth year of the Edinburgh and South East Scotland City Region Deal.

The Regional Enterprise Council (REC)

was formed in November 2018 to advise the Deal's decision-making body, the Joint Committee, on the delivery of projects across the city region and to encourage further investment opportunities. In directly participating on the Joint Committee and Elected Member Oversight Committee, we represent business, social enterprise and wider third sector across the region and help to ensure that the benefits from the Deal support our shared ambition for achieving sustainable and inclusive economic growth throughout the city region. REC members bring a broad range of experience, expertise and wide networks to best represent business, social enterprise and wider third sector across the city region.

We helped to develop the Regional Prosperity Framework vision and shape the related **Delivery Framework** which was approved in March 2023. It is encouraging to see this ambitious 20-year economic plan enter its delivery phase with strong support across the region. We have also witnessed the success of the Forth Green Freeport bid in January 2023 following the REC's support of the bid and its strong focus on quality jobs, upskilling, small business facilities and a 'Just Transition' away from hydrocarbons. This should help to both tackle inequalities and to achieve our net-zero carbon aspirations.

Garry Clark



The Deal's **Benefits Realisation Measurement Framework**

was also approved in March 2023, which will ensure that the Deal impacts are realised and maximised across the whole city region.

The REC is particularly determined to promote the use of **Community Wealth Building**, to ensure that every Deal programme works together to maximise synergies and open up new opportunities for local businesses and communities alike. We are pleased to see the creation of the **CLES Framework for Action** specially for the Deal and the Community Benefits **regional portal** has now delivered 60 matches between suppliers and good causes.

A lot has been achieved in the last 12 months and in the first five years of the ESES City Region Deal. This provides the economic platform which the regional partnership will use as a springboard to ensure that the engine room of the Scottish economy delivers further prosperity and opportunity to its citizens and to the rest of Scotland.

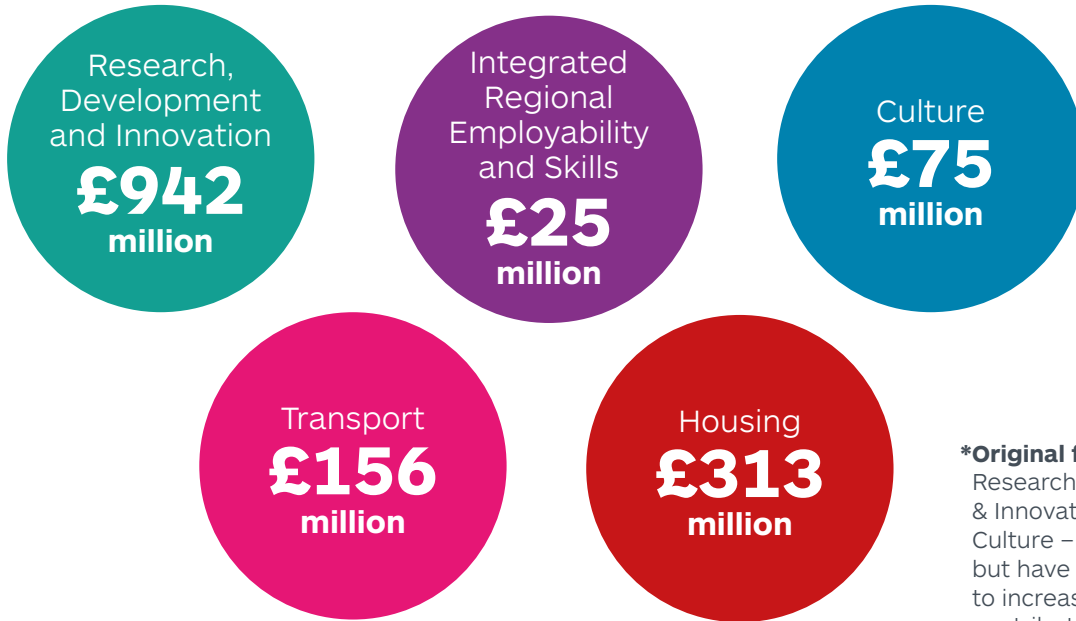
Finally, a special thank you to Claire Pattullo, who stood down from the REC this year, having served first as Vice Chair and then as Chair since its creation. Claire has made an enormous contribution to the development and success of the Deal. In particular, she has been a tireless champion of the role that the third sector brings to the Deal and this will be a vital legacy to develop.



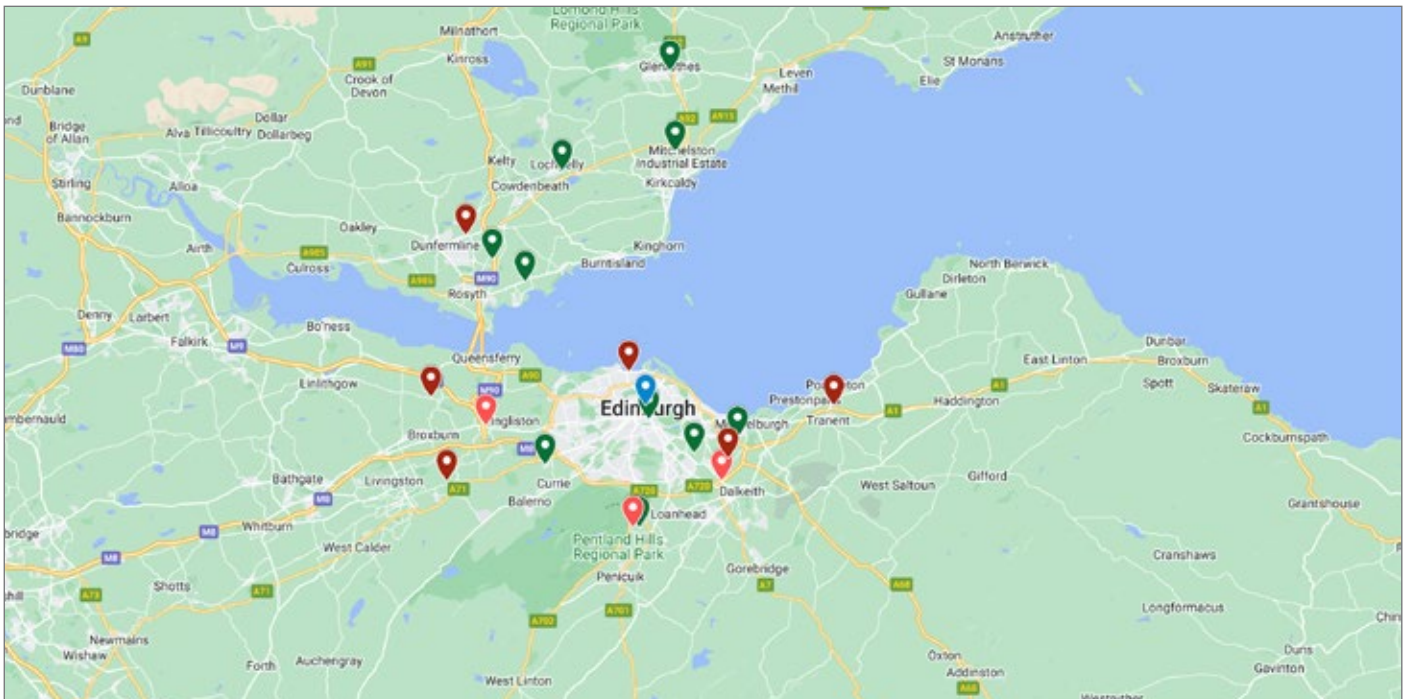
2. City Region Deal Overview

Status of Projects and Finances

The Edinburgh and South East Scotland City Region Deal is now a **£1.5 billion*** (originally £1.3 billion), **15-year programme** aimed at driving productivity and reducing inequalities through five key themes:



***Original figures were:**
Research, Development & Innovation – £791m
Culture – £45m
but have grown due to increased partner contributions.



This map shows where the projects are located across the region

Integrated Regional Employability and Skills (IRES) activity spans across the whole City Region and is integrated into all projects.

- Research, Development and Innovation
- Transport
- Culture
- Strategic Housing Sites



2. City Region Deal Overview

The 23 City Region Deal projects are listed in the Table below. More detail on the projects, including their current status in **Section 4**.

Table 1: Status of Programmes and Projects – July 2023

Theme/Programme/Project	Location	Business Case Approval Link	Stage	On Time?	On Budget?
Research, Development and Innovation					
Edinburgh International Data Facility	Edinburgh/Midlothian	Dec 18	3. Deliver		
Bayes Centre	City of Edinburgh	Dec 18	3. Deliver		
National Robotarium	City of Edinburgh	Dec 18	3. Deliver		
Edinburgh Futures Institute	City of Edinburgh	Mar 19	2. Implement		
Usher Institute	City of Edinburgh	Sep 19	2. Implement		
Easter Bush	Midlothian	Mar 21	2. Implement		
Edinburgh Innovation Park (Food and Drink Innovation Hub)	East Lothian	Jun 21	2. Implement		
Fife Industrial Innovation Investment	Fife	Mar 19	2. Implement		
Borders Innovation Park	Scottish Borders	Mar 19	2. Implement		
Integrated Regional Employability and Skills	Cross-Regional	Dec 18			
Integrated Knowledge Systems	Cross-Regional	Jun 19	3. Deliver		
Labour Market Analysis and Evaluation	Cross-Regional	Jun 19	3. Deliver		
Integrated Employer Engagement	Cross-Regional	Jun 19	3. Deliver		
Intensive Family Support	Cross-Regional	Mar 19	3. Deliver		
Data-Driven Innovation Skills Gateway	Cross-Regional	Mar 19	3. Deliver		
Housing and Construction Infrastructure Skills Gateway	Cross-Regional	Mar 19	3. Deliver		
Workforce Mobility	Cross-Regional	Jun 19	3. Deliver		

Table continues overleaf



2. City Region Deal Overview

The 23 City Region Deal projects are listed in the Table below. More detail on the projects, including their current status in **Section 4**.

Table 1: Status of Programmes and Projects – July 2023

Theme/Programme/Project	Location	Business Case Approval	Stage	On Time?	On Budget?
Transport					
West Edinburgh	City of Edinburgh	Expected Mar 24	1. Define		
A720 (Sheriffhall Roundabout)	Edinburgh/Midlothian	TBC	1. Define		
Culture					
Dunard Centre	City of Edinburgh	Mar 22	2. Implement		
Regional Housing Programme	Cross-Regional	Sep 19 (work prog report)			
Affordable Housing Programme	Cross-Regional	N/A	3. Deliver		N/A*
Seven Strategic Sites	Cross-Regional	Winchburgh: Aug 18 Dunfermline: Jun 21 Granton: Dec 21	2. Implement		
Innovation and Skills	Cross-Regional	N/A	2. Implement		N/A*
Edinburgh Living (housing company)	Cross-Regional	N/A	3. Deliver		

* No Government funding through the City Region Deal

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.

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
	In line with business case/ implementation plan	In line with spend set out financial plan for the current financial year.	No management action required
	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.
	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.



2. City Region Deal Overview

Stages

As of 1 July 2023:

2 Projects are in



Define, which means that the project's business case is yet to be completed (same number as last year)

9 Projects are in



Implement, which means that the project's business case has been approved by Joint Committee and is in the process of being implemented (15 last year)

12 Projects are in



Deliver, which means that the project has been implemented and is working towards delivering its objectives (6 last year)

Time and Budget

15 Projects

are considered to be on target to be completed on time (green score) or have been completed on time

8 Projects

are delayed, but considered to be within an acceptable range, with management action in place to address the issue (amber score)

17 Projects

are considered to be on target to be completed within the specified budget so far for the 2023/24 financial year (green score) or have been completed within the specified budget

2 Projects

are projected to cost more than the specified budget so far for the 2022/23 financial year, but considered to be within an acceptable range, with management action in place to address the issue (amber score)

1 Project

is projected to spend outwith the acceptable range for the financial year (red score) and immediate action is required to address the issues it faces

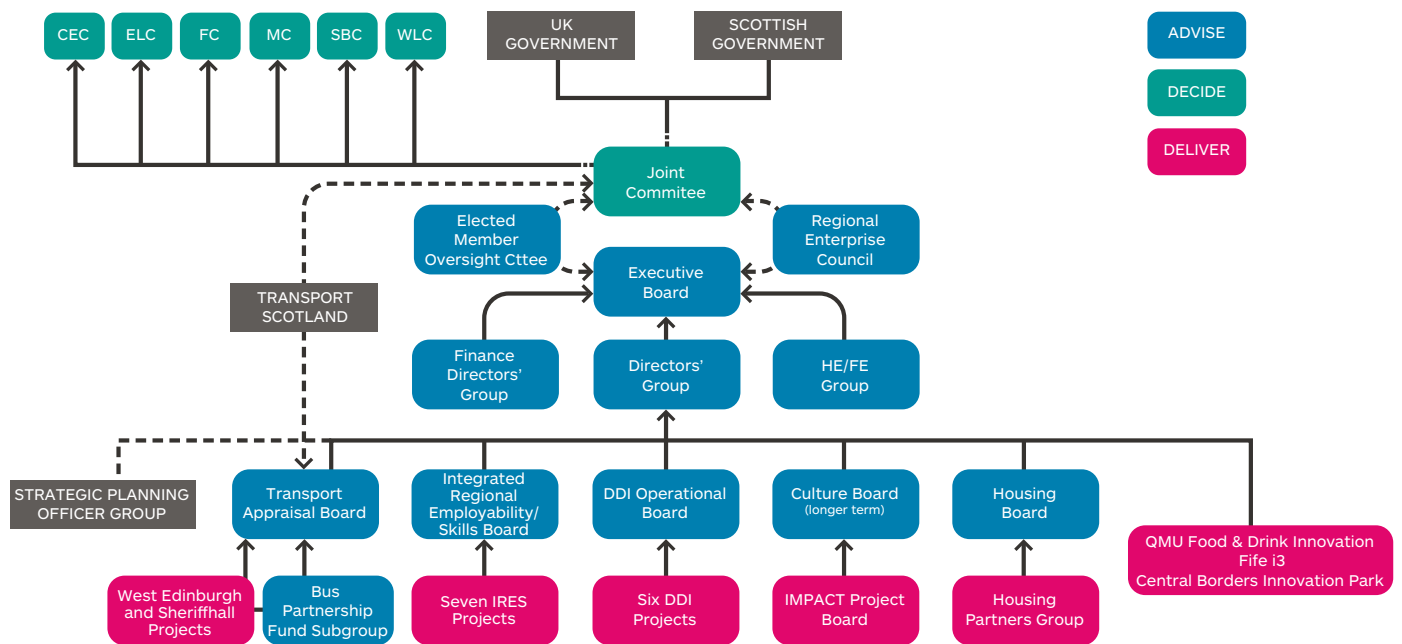


2. City Region Deal Overview

Governance

The City Region Deal has a comprehensive governance structure. This is summarised in the diagram below. There is more detail on the Boards and Groups in Section 3 of the **Deal Document**:

Functioning Governance





3. Financial Statement

This City Region Deal identifies new and more collaborative ways that partners will work with United Kingdom Government and Scottish Government to deliver change to the city regional economy. The Governments will jointly invest £600 million over the next 15 years and regional partners committed to adding in excess of £700 million, overall representing a deal worth £1.3 billion. Since the Deal was signed, partner investment projections have increased by over £84m. As a result, the value of the Deal is now almost £1.4 billion. A summary of the City Region Deal total over a fifteen-year period is shown in the Table 2:



Table 2 Edinburgh and South-East Scotland City Region Deal Financial Summary

Project	SG Contribution (£m)	UKG Contribution (£m)	Partner Contribution*** (£m)	Total Funding (£m)
Bayes Centre	2.24	30.31	80.71	113.25
Borders Innovation Park	15.00	0.00	14.14	29.14
Easter Bush	1.27	16.10	69.77	87.13
Easter Bush Link Road	0.00	10.90	43.06	53.96
Edinburgh Futures Institute	2.24	55.68	216.89	274.81
Edinburgh Innovation Hub	1.42	28.58	21.94	51.94
Edinburgh International Data Facility	0.67	78.93	52.80	132.40
Fife i3 Programme	35.00	0.00	15.25	50.25
National Robotarium	1.43	21.04	0.00	22.47
Usher Institute	0.73	48.46	76.98	126.18
Total Research, Development & Innovation	60.00	290.00	591.54	941.54
Dunard Centre	10.00	10.00	54.93	74.93
Total Culture	10.00	10.00	54.93	74.93
Integrated Regional Employability & Skills Programme	25.00	-	0.00	25.00
Total Integrated Regional Employability & Skills	25.00	-	0.00	25.00

Table continues overleaf



3. Financial Statement

Project	SG Contribution (£m)	UKG Contribution (£m)	Partner Contribution*** (£m)	Total Funding (£m)
A720 Sheriffhall Roundabout*	120.00	-	0.00	120.00
West Edinburgh Public Transport Improvement Programme	20.00	-	16.00	36.00
Total Transport	140.00	-	16.00	156.00
New Housing Partnership – Edinburgh Living**	15.00	-	248.00	263.00
Housing Infrastructure Fund**	50.00	-	0.00	50.00
Total Housing	65.00	-	248.00	313.00
Grand Total	300.00	300.00	910.47	1,510.47

*Includes £120m for Sheriffhall roundabout to be delivered by Transport Scotland.
 ** Funding issued by Scottish Government (Housing). Partner contribution of £248m relates to CEC on-lending.
 *** These are projections as not all partner contributions have been secured yet.



3. Financial Statement

The City Region Deal Financial Summary for the period of April 2021 to March 2022 is set out in Table 3.

Total expenditure for the year amounted to...



Table 3 Edinburgh and South-East Scotland City Region Deal 2022-23

Project	2022-23	Cumulative (2018/19 - 2022/23)	
	CRD Expenditure (£m)	CRD Expenditure (£m)	CRD Expenditure as % of Funding
Bayes Centre	0	32.55	100%
Borders Innovation Park	0	2.33	16%
Easter Bush	0.07	16.50	95%
Easter Bush Link Road	0.52	0.90	8%
Edinburgh Innovation Hub	1.20	1.20	4%
Edinburgh Futures Institute	0	57.92	100%
Edinburgh International Data Facility	10.70	50.93	64%
Fife i3 Programme	3.89	13.23	38%
National Robotarium	4.96	20.28	90%
Usher Institute	27.35	49.12	100%
Total Research, Development & Innovation	48.68	244.95	70%
Dunard Centre	4.91	6.79	34%
Total Culture	4.91	6.79	34%
Integrated Regional Employability & Skills Programme	4.06	11.55	46%
Total Integrated Regional Employability & Skills	4.06	11.55	46%
A720 Sheriffhall Roundabout*	1.08	6.31	5%
West Edinburgh Public Transport Improvement Programme	0.06	0.17	1%
Total Transport	1.14	6.48	5%
New Housing Partnership – Edinburgh Living**	0	15.00	100%
Housing Infrastructure Fund**	0	0	0%
Total Housing	0	15.00	23%
Grand Total	58.79	284.77	47%

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

Across the Deal programme, £284.8m of the £600m government funding has been drawn down to March 23. This includes funding issued by Transport Scotland and Scottish Government Housing Department.



4. The Deal – summary of progress

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



Quarterly performance reports are shared between the Project Management Office (PMO) and Governments throughout the year and are published at each Joint Committee meeting.



4. The Deal – summary of progress

Data-Driven innovation

The DDI programme is a 15-year, £661m investment and innovation initiative launched in August 2018, supported by £270m capital funding from the UK and Scottish Governments as part of the City Region Deal. It is built upon a foundation of six decades of world-leading AI and Informatics research, and a strong digital business ecosystem that has evolved in the city region over the past 20 years.



At the end of the 2022/23 financial year, DDI reached a half-way milestone. Except for some delays caused by the Pandemic, DDI made excellent progress in the first five years, with a focus on finalising the business cases for capital funding, securing large flagship projects across ten industry sectors, and building and equipping DDI Innovation Hubs across two universities.

At the end of March 2023, the cumulative five-year draw-down was £207m, £78.7m ahead of the original City Region Deal plan.

The National Robotarium, a collaborative hub between Heriot Watt University and the University of Edinburgh, was opened in September 2022 with laboratories in ocean systems, human-robotic interaction, and assisted living. The Robotarium offers an ecosystem for industry collaboration where humans and robots work in partnership.

DDI Hubs are also well ahead with the delivery of TRADE (Talent – Research – Adoption – Data - Entrepreneurship) key performance indicators. Examples from 2022/23 include:

- In Talent, the first 150 students joined the fusion teaching programmes of the **Edinburgh Futures Institute**. Designed to offer maximum flexibility for students, they are proving to be extremely popular. Multi-disciplinary programmes cover diverse domains from Education Futures to Future Governance; Service Management and Design; and Data, Inequality and Society.

In the wider skills space, the **Data Skills Gateway** reached around 34,500 participants, from school-aged children to women returners. The **Data Education in Schools** team has boosted data literacy in more than 850 schools, creating learners fluent in using data to answer big societal questions and teachers who are confident to teach data skills.

- In Research, the DDI Hubs were involved in efforts to mitigate the impact of the Covid-19 pandemic. In the **Usher Institute**, the team led by Professor Aziz Sheikh in the **EAVE II** project used large datasets to demonstrate world-first results of the effectiveness of vaccines, and the lesser severity of the Omicron variant.
- In Adoption, the **National Robotarium** began a strategic partnership with Tata Consulting, which focuses on applied engineering and joint research across multiple disciplines, including soft robotics, field robotics, and tele-operations.



4. The Deal – summary of progress

- In Data, the **Edinburgh International Data Facility** has secured two critical public sector collaborations. Research Data Scotland was established in partnership with Scottish Government and Public Health Scotland, to unlock data for research by providing platforms, policies, and approaches; and Scottish Government’s SPACe service for data analytics builds on the results of the initial analytical workbench proof-of-concept.
- In Entrepreneurship, the **Bayes Centre** hosted the sixth cohort of the **AI Accelerator programme**. Companies from previous cohorts have raised significant amounts of funding. Carcinotech, a cancer research company manufacturing 3D printed tumours using patient-derived cancer stem cells, recently raised £1.6m for internationalisation. The founder is the Scottish Female Entrepreneur of the year 2022, Ishani Malhotra.
- The **Easter Bush Agritech Hub** secured the Biotechnology and Biological Sciences Research Council Campus Innovation Account for three years after a successful partner-researcher collaboration model, and Roslin Technologies and the CEO of Cytochrom won the Life Sciences Scotland Awards.

The first phase of the DDI Programme comes to an end in 2023/24 with completion of the last two Hubs, the Usher Institute and Edinburgh Futures Institute.



Located in the iconic Royal Infirmary Hospital from the late 19th century, the **Edinburgh Futures Institute (EFI)** is the largest of the Hubs and will become a new landmark in the city centre. EFI is the home base for five of the 10 DDI industry sectors with the broadest educational programme of the Hubs, bringing people, data, and diverse disciplines together in an open, ‘what-if’ environment.

In the next phase of the DDI Programme, the six Hubs will join forces as an externally facing innovation platform, housing expertise and facilities to help researchers, companies and public sector partners collaborate and innovate using data. The focus is shifting towards solidifying integrated ways of working, external engagement for economic growth, and delivering benefits and impact. The strategy, governance, and delivery methods will be fine-tuned to implement this effectively.

Building upon the successful relationships nurtured through the delivery of the City Region Deal, in 2022 the DDI Programme Office supported regional partners to complete the Regional Prosperity Delivery Framework.



4. The Deal – summary of progress

Bayes Centre

This academic year saw the fifth anniversary of the opening of The Bayes Centre. A programme of post-pandemic recovery has ensured that Bayes continues to be a vibrant hub of activity bringing together academics, industry, and public sector to deliver the key objectives of the City Region Deal pertinent to the DDI Programme.

Bayes is now well-established as a destination of choice for cutting-edge digital organisations across industry and the public sector that want to benefit from a set of tailored programmes around the main axes of TRADE (Talent, Research, Adoption, Datasets, and Entrepreneurship) to drive their growth.

In 2022/23, we saw major new partnerships with industry (NatWest Group - jointly with EFI - and Cisco) and the growth of existing ones (Huawei) being agreed in collaboration with schools and other DDI Hubs. These partnerships create new opportunities for joint translational research into and adoption of the latest technologies being developed at The University of Edinburgh. Furthermore, Bayes is now consolidated as the reference DDI Hub for Entrepreneurship with our incubation and acceleration programmes oversubscribed and receiving applications from some of the best start-ups around the globe.

A fruitful partnership with the public sector has allowed us to grow and consolidate our non-traditional education offering aimed at upskilling the workforce, which, along with the previously highlighted activity, will drive the creation of more and better jobs in Edinburgh and South East Scotland.



Innovation Fellows



Bayes Centre Community Event lightning talks



Bayes Centre Community Event: Start-up Funding



Venture builder incubator showcase



4. The Deal – summary of progress

Headline achievements in 22/23

- **Bayes Entrepreneurship: AI Accelerator** and **Venture Builder** Incubator programmes delivered successful showcases in March with over 360 people attending including 20 investors. Funding secured for the return of a face-to-face **EIE Investor Showcase** in 2024, which will reinvigorate engagement with the global tech investor community post-pandemic.
- **Bayes Innovation and Adoption:** Major partnerships with industry for multi-million-pound joint translational research and adoption programmes:
 - Agreement reached for the creation of a Bayes Huawei Fellows programme
 - NatWest group partnership announced in collaboration with the Edinburgh Futures Institute
 - Establishment of a Cisco Centre of Excellence in partnership with the School of Informatics.
- **Bayes Education:** Strong recruitment figures for **Data Upskilling Short Courses** with 1,268 enrolments across 43 courses (around 70% increase on last year) and Data Science, Technology & Innovation postgraduate programme delivering £662K of tuition fee income in 2022/23.
- **Bayes Community:** 33 co-located Members and Partners with a growing community of virtual collaborators via new hybrid model. 33 community activities hosted to support engagement with key stakeholders. High profile visits from Scottish, UK, Europe, and US Government representatives, as well as technology major companies.
- **Bayes Research:** Launch of new **Bayes Innovation Fellows programme** providing training and funding to support academic commercialisation efforts of high-value research.

Next milestones

Due Date	Milestone
Oct 23	Bayes Innovation Fellows programme fully operational.
April 24	40 new start-up and scale-up propositions supported via Bayes Entrepreneurship portfolio programmes
July 24	Over 600 student registrations on Bayes coordinated PGT and Data Upskilling programmes
July 24	Over £1M of Bayes-led adoption income

Strategic added value

1. Sponsorship of Data Upskilling Short Course enrolments for people in employment in the City Deal region (and the rest of Scotland).
2. Strong support infrastructure for entrepreneurial activity and technology ecosystem in the City Deal region going from idea incubation to investor showcase.
3. Over 30 community events supporting the local ecosystem of academics, entrepreneurs, and companies driving interactions and collaboration.



4. The Deal – summary of progress

Easter Bush

Nucleated at the Royal (Dick) School of Veterinary Studies' Easter Bush Campus – Europe's largest concentration of animal science research expertise – the Agritech Hub is a dynamic and vibrant innovation environment. World-class facilities equipped with the latest technologies support Europe's largest concentration of animal science research experts and clinicians, as well as co-located industrial partners in our custom-built Innovation Centre.

The Easter Bush Agritech Hub continues to leverage existing world-class research institutes and commercialisation facilities to place Easter Bush as a global beacon of Agritech excellence by fostering collaboration between researchers and companies to contribute to global food systems, work towards net zero carbon in the Agritech sector, and inform food and environmental policies. Experts use data to develop genetics and health innovations for agricultural science and business, and to build initiatives and novel systems to improve production traits and other variables within food systems. The research engages with innovative areas, such as data-driven breeding and aquaculture, to enable data generation and analysis that will improve the agriculture industry worldwide. The DDI investment continues to transform the scale and impact of agricultural technology in outputs from teaching, research, and innovation. The executive education address skills shortages and gaps in the industry, with a postgraduate offer encouraging graduates to set up or join micro-agritech companies.

The Agritech Hub facilitates an interactive community that brings together researchers from the University of Edinburgh and other higher education institutions, along with commercial, public and third sector organisations, in collaboration with project partners.





4. The Deal – summary of progress

Headline achievements in the past year

- Securing **five-year strategic investment from the Biotechnology and Biological Sciences Research Council (BBSRC) for the Roslin Institute**. This investment recognises Roslin as a UK-wide resource for pioneering Animal Bioscience, and is associated with £8m per-year strategic funding for 2023-28.
- Spinouts **Roslin CT** and **Roslin Technologies**, along with Dr Kate Cameron of biotech startup **Cytochroma**, all **won in their categories** in the annual Scottish Life Sciences Awards on 17 March 2023. Roslin Technologies continue to gain recognition for their work in alternative proteins; recent examples include hosting a delegation from Scottish Development International to showcase facilities and discuss the future of cultivated meat.
- Roslin expertise has **contributed to the UK and Scottish Government response to avian flu**. Researchers have formed part of the Scottish Avian Flu Taskforce and UK Government DEFRA Highly Pathogenic Avian Flu Taskforce. The **science continues to deliver the latest research in this field** with the Institute's scientists participating in interviews to raise awareness about avian flu and its impact with the **Financial Times**.
- Prof Dominic Moran, Dr Rafael Silva and Dr Mike McGrew's research in the **IMAGE** project has been used to inform new **guidelines** in cryoconservation of animal genetic resources.

- COVID-19 research continues to contribute to **new understanding in the genetic factors involved**.
- Researchers have been part of a group of universities which **collaborated on a research strategy to respond to major challenges faced by the agriculture sector**.

Next milestones

- Taking a leading role in the animal component within the UKRI Precision Breeding Mission Hub for Food Systems. The formation of this hub will enable a nationally recognised engineering biology hub for food systems, consolidate and strengthen partnerships with other UK partners (other institutes and industry). This considerably enhances the hub's precision breeding capabilities to remain at the forefront of agricultural science and innovation.
- Launching a new Roslin Innovation Centre Field station. New agriculture space has been secured in nearby Dryden Farm, which will facilitate the attraction of new agriculture-based tenants to the region.
- Building of a new veterinary First Opinion Practice. This will provide the next generation of vets with a learning experience fit for the future, ensuring greater opportunities for first-opinion clinical practice material for teaching students and, crucially, a dedicated programme centred on the financial and practical business skills our graduates need to thrive. This will expand access to first opinion facilities to the Midlothian areas, as well as enable expanded outreach and research opportunities accordingly.



4. The Deal – summary of progress

Strategic Added Value

- An independent **Benefit Impact Assessment** of the first five years of Roslin Innovation Centre (RIC) was released in Jan 2023: RIC has delivered qualitative benefits, including establishing an entrepreneurial and innovative culture, enhancing the Easter Bush Ecosystem and enabling tenant companies to access research grant and inward investment funding. Many tenants said their location within the Easter Bush Hub was influential in securing research grants, and approximately half of those interviewed felt it had helped them secure private investments. Since taking up occupancy, tenant companies have received, on average, one or more investments totalling over £100k - this includes several examples of inward investment from outside the UK. Tenants also believed there were 'plentiful' opportunities for further collaboration within Roslin Innovation Centre. The review found clear evidence of positive engagement with schools, colleges, the wider Midlothian community, and the Edinburgh area by Roslin Innovation Centre tenants. It was argued that the most reasonable estimate was an economic return equivalent to £2.86 for every £1 invested (a return of 286%). In addition to economic growth, the report specifically evidenced the impact on regional job employment and regional growth.
- **Independent analysis** was undertaken on the Roslin Institute which details economic contribution of Roslin Institute to the local, national and global economies. Research carried out at the Roslin Institute contributed almost £20 billion to the global economy in 2019/20, largely through productivity improvements in agriculture and aquaculture, according to an independent economic analysis. This figure includes a contribution of almost £325 million to the UK economy, more than £80 million to Scotland and almost £50 million to the local economy, according to the report from BiGGAR Economics, published in 2022. Their report finds that Roslin's work supports more than 1600 jobs worldwide, including 1325 in the UK and more than 1000 in Scotland. For every £1 of public funds received, Roslin generated £3.40 in Scotland and £13.50 for the UK.



4. The Deal – summary of progress

Edinburgh Futures Institute

One of six data driven innovation hubs at the University of Edinburgh and Heriot-Watt University. It is part of a regional powerhouse for collaboration and data innovation with industry partners.

The creation of an entrepreneurial campus, supporting a thriving innovation ecosystem is well underway. It includes the co-location of research centres, civic and commercial partners alongside students, and will support the creation of at least 90 new companies. The Futures Institute is fast becoming a data-driven, co-creative innovation hub at the heart of the University of Edinburgh and the city region.

Interdisciplinary postgraduate, undergraduate and professional and lifelong study supports data driven innovation and is equipping students with the critical leadership, data and creative skills needed in a fast-changing world. Flexible and inclusive fusion study enables online and on-campus learning, and is increasing opportunities for a diverse student body to gain and apply knowledge to live projects and real-world challenges.

The Institute’s research culture consolidates the University of Edinburgh’s leadership in Data-Driven Innovation research and is delivering impact through the generation of over £170 million in research income. The Futures Institute is developing research capacity by supporting the incubation and growth of interdisciplinary clusters and centres.

The Futures Institute is establishing major partnerships through four key sectors: Financial Services (including Fintech), Creative Industries, Tourism and Festivals, and Public Services (including Data Civics), and co-creating projects that deliver



Tour of the new Futures Institute with Humza Yousaf, First Minister of Scotland, Sir Peter Mathieson, Principal of the University of Edinburgh and members of the project team (May 2023)
Photo:Neil Hanna



meaningful impact derived from world-leading research.

The Institute becomes a physical reality with the opening of a newly-restored building in the heart of the central University campus. A phased entry to this Edinburgh landmark will open to students in September 2023, and research teams and partners in 2024.



4. The Deal – summary of progress

Headline achievements in the past year

Sep 22: The Futures Institute welcomes its first cohort of postgraduate taught students on six different degree programmes. A further four postgraduate programmes open for recruitment and the undergraduate Interdisciplinary Futures degree opens for applications for autumn 2023.

Dec 22: Art and Humanities Research Council **Programme on Responsible AI** led by Professors Shannon Vallor and Ewa Luger. Edinburgh Futures Institute researchers will lead a project to ensure AI and data are used responsibly and ethically across society and industry.

Apr 23: The Futures Institute launches its second public events programme with ‘Love Machine Spring 23’. Hybrid format events featuring the Edinburgh Futures Conversations and 25+ events focused on the intersection of human experience and artificial intelligence, in partnership with the University of Edinburgh’s Celebrations of 60 Years of Research in Computer Science and AI. **Watch recorded events.**

Jun 23: Building on the success of the **Creative Informatics cluster, University of Edinburgh announced as a core partner** in £50m CoSTAR Programme. A technology and data-driven Network Lab that will – in collaboration with Codebase, the UK’s largest technology incubator – deliver innovation and enterprise across two centres in Dundee and Edinburgh

Jun 23: **Launch of the Centre for Purpose-Driven Innovation in Banking**, a new partnership with the NatWest Group, the Bayes Centre and Edinburgh Futures Institute, to improve how data is used to benefit bank customers, students, researchers and policy makers.

Next milestones

Due Date	Milestone
Sep 23	Welcome postgraduate and undergraduate students to the newly-restored Edinburgh Futures Institute building on Lauriston Place.
Oct 23	Autumn 2023 public event season ‘Power Trip’ including Edinburgh Futures Conversations events on Future of Leadership.
Oct 23	Final three postgraduate ‘fusion’ degrees open for recruitment 2024 entry, bringing the postgraduate portfolio to 13 programmes.
Feb-Mar 24	Continued phased opening of the Futures Institute building to staff, tenants and partners.
Spring 24	The Police Scotland and Public Health Scotland ‘Prevention Hub’ will be located in the Futures Institute, with a focus on reducing inequalities to improve health and wellbeing, developing a sustainable and innovative ‘prevention’ ecosystem, utilising evidence-informed action around key prevention challenges.
Apr 24	Public events programme opens building to the public with series of events focused on the future of education.



4. The Deal – summary of progress

Edinburgh International Data Facility (EIDF)

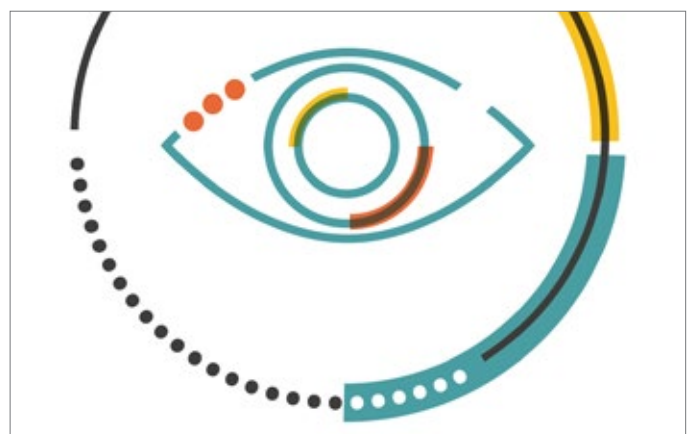
Achieving the aims of the DDI initiative requires a powerful, high-capacity, and flexible data infrastructure capable of responsive and secure delivery of an ever-expanding range of complex and bespoke data and analytical services. These activities also demand a level of service (e.g. resilient to the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

The EIDF City Region Deal investment was made up of four complementary components:

- **EIDF computer room:** a new high resiliency computer room (CR4) at the EPCC's Advanced Computing Facility in Midlothian, to complement the pre-existing three computer rooms, focused on supercomputing system provision for research users;
- **Data and software Infrastructure:** the underlying Data Science Cloud computing and data infrastructure to support the DDI initiative. As part of this component open source, and paid-for advanced data analytics, compute and other software infrastructure is being deployed;
- **Internet of Things (IoT) Service:** a regionally focused IoT network is being deployed across the City Region area, supporting both school-pupil engagement, as well as wider research and industry development; and,
- **Regional Data Haven:** the capacity for a regional data repository, with data provided by City Region Deal Partners, created to support a smart data generation infrastructure, aligned to work at a national level, such as Research Data Scotland, COG-UK, the Smart Data Foundry, and the Regional Health DataLoch Service.



Edinburgh International Data Facility





4. The Deal – summary of progress

Headline achievements in the past year

EIDF’s focus in 2022/23 has been on the development of novel data and analytical services. Progress has been good in both general-access services and project-based services for DDI partners and stakeholders, with an emphasis on Trusted Research Environment.

There has also been a steady stream of regional companies, and some from wider afield, seeking access to EIDF expertise and resources, including; **DanuRobotics, Smartr AI, Black Goblin Audio, BoCreate**. In addition, a range of companies have been engaging with the **Data Slipstream project** on earth observation data, including: **Mercury Environmental Systems, AstroSat, EarthBlox, Intelligent RealityTM**, and **Environment Systems**.

The IoT Service has seen significant maturing of its Schools Outreach Programme, as well as a number of high-profile projects delivered.

You can view the **EIDF’s Service Catalogue here**.

Due Date	Milestone
Oct 22	The Cerebras CS-1 service was upgraded to the Cerebras CS-2 machine, enabling work on Large Language Model research.
Oct 22	The Outbreak Data Analysis Platform (ODAP) Trusted Research Environment (TRE) , co-designed with HDR-UK, Public Health Scotland, Scottish Government and Roslin Institute through ODAP Partnership was launched into operation.
Dec 22	The ingest of Covid19 Genomics-UK (COG-UK) Consortium and NHS Digital data into the Outbreak Data Analysis Platform Trusted Research Environment was completed, supporting this society-focused research.
Aug 22	The EIDF Data Science Cloud was made available for general use. The service has since grown to over 8,500 virtual CPUs and 62 TB of RAM and is in use by Scottish Government and other EIDF research users.
May 23	The first version of the genomic data management and analytics service for the Institute of Genetics and Cancer (with Cambridge-based Zetta Genomics), run using OpenCGA, started undergoing user-acceptance testing. The first version of the Battery Data Hub, a data management and analytics service for battery data, funded by the UK Faraday Institute, was made available to the School of Maths and external collaborators Imperial College, Oxford University and RWTH-Aachen.
May 23	Started working with the National Centre for Arial Photography (NCAP) - an agency within Historic Environment Scotland - exploring novel methods to assist in the digitisation of their photographic archive, to support research and commercial use.
May 23	The alpha Battery Data Hub , a data management and analytics service for battery data, funded by the UK Faraday Institute, was made available to the School of Mathematics, and external collaborators Imperial College, Oxford University and RWTH-Aachen. This is supporting research into optimisation of battery management, an increasingly significant issue, in the transition to Net Zero.
Jun 23	The first tenant was migrated from the former Safe Haven infrastructure to the new EPCC Trusted Research Environment (NSH2.0) service. This has seen investment in new hardware and significant automation, whilst retraining the secure operation required of a TRE.



4. The Deal – summary of progress

Due Date	Milestone
Jul 23	The Artificial Intelligence Compute service was launched for general use by researchers. This includes a cluster of 160 Nvidia A100 Tensor Core GPUs that enable deep learning with an extremely high bandwidth, enabling significant benefits in performance for AI research and development.
Jul 23	IoT in Schools outreach programme – this is now active in over 40 primary and secondary schools from all six Local Authorities in the South East Scotland region. The pupils have fully embraced the technology even installing one of their sensors in the crocodile enclosure in a zoo in Fife. All local authority schools in West Lothian will be active at the start of the next school year from August 2023, with full rollout to the other LAs expected to quickly follow. We are also now supporting an operational pilot of indoor environmental monitoring in Midlothian schools.
Jul 23	Smart IoT Campus services – these continue to develop, including building occupancy monitoring, maturing this monitoring for University Estates' investigation into building utilisation and hybrid working. SeNSES has also been further developed to improve the data captured within central Edinburgh for finer resolution monitoring of air quality and pollution, deploying over 40 new particulates sensors across the city.
Jul 23	Smart IoT Tourism services – ongoing delivery of outdoor park monitoring for vehicle and people counting and capacity management, migrating East Lothian Council's coastal carpark monitoring pilot to a recurrent service,

Next milestones (2022/23)

EIDF will continue its focus on a combination of generic service development and bespoke project support. Its operating model is to engage with stakeholders on DDI projects using existing EIDF services and infrastructure, identify commonality and synergies between projects and from these develop new generic services. This approach has proven successful to date.

In addition, EIDF will be working with the other DDI Hubs to develop Data Strategies for each Hub. For the IoT Service, looking forward important new relationships with external organisations are being developed to that enable delivery of significantly improved coverage for our LoRaWAN-based SeNSES regional sensor network, and to build out our engagements to meet the needs of the utilities industries in the adoption of IoT. Activities are also aligning with the City Region Deal Regional Prosperity Framework, to support the development of its future projects.

Finally, work will continue on securing the Edinburgh and South East Scotland City Region as the hosting location for the UK's first Exascale HPC system, further cementing the Region's Digital, AI, and data reputation.



4. The Deal – summary of progress

Next milestones (2022/23)

Due Date	Milestone
Oct 23	The Cerebras CS-2 service upgraded to a two-machine cluster, to further enable work on Large Language Model research.
Oct 23	Graphcore IPU-POD64 system brought into service within the EIDF, to provide additional novel compute capability to support AI research and development
Dec 23	Joint Data Strategy developed for the Edinburgh Futures Institute with EPCC, to support its TRADE activities.
Dec 23	Preparation of CR4 for developments to support future hosting of a UK Exascale HPC System
Dec 23	Working with UKRI and EPSRC on the development of the Business Case for Exascale , to be hosted in the Edinburgh and South East Scotland City Region, progressing to a UKRI-led Procurement of the system
Jan 24	IoT-enabled Care Testbed environment , for use by the Advanced Care Research Centre, in place and being used.
May 24	Data Catalogue for EIDF available for engagement (reporting data assets accessible)
Jul 24	Galleries to Calories - a high profile project involving many institutions examining the feasibility of establishing a geobattery to provide a district heating mechanism based on excess heat production from the Advanced Computing Facility cooling system propagating heated groundwater through the extensive coal mine shafts which percolate the area around Roslin and Bilston. The IoT Service is providing extensive water and environmental monitoring to support the project.
Jul 24	Phenoweb – a pilot project to instrument two of the existing Phenoweb ecology sites to measure plant growth factors and biodiversity in real-time. This pilot will deploy IoT Service-developed bioacoustic sensors, now capable of determining both bat and bird species present in the surrounding environment.
Jul 24	Longitude Prize for Dementia – in partnership with the School of Engineering at the University of Edinburgh, the IoT Service will build out a testbed environment with the sensors and IoT infrastructure to support the development of prototype Smart Care services, in particular the application of acoustic monitoring devices to support individuals with health conditions living independent lives at home.
Aug 24	On-going industrial use of EIDF, and wider EPCC Compute facility for pre-commercialisation
Aug 24	A range of Schools across the CRD Region using live IoT in Schools Service



4. The Deal – summary of progress

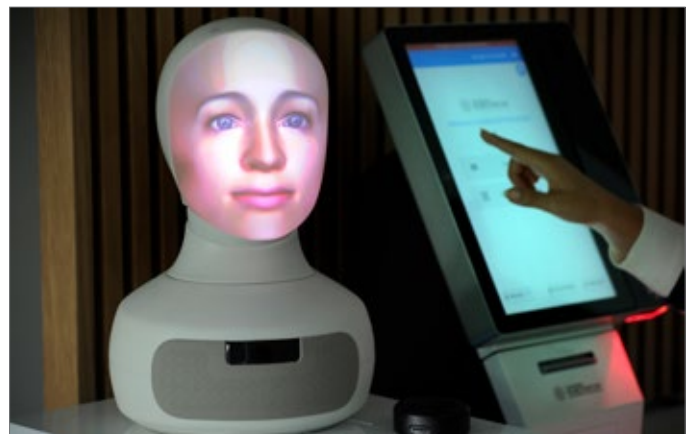
National Robotarium

The National Robotarium is a world-leading centre for Robotics and Artificial Intelligence. Its responsible and collaborative approach creates innovative solutions to global challenges. Its pioneering research moves rapidly from laboratory to market, developing highly skilled visionaries and delivering substantial benefits for society. Its ethos is People centred; Intelligence driven.

This facility translates cutting-edge research into technologies to create disruptive innovation in an expanding global market in robotics and autonomous systems, delivering sustainable economic and societal benefit to the city region, Scotland, the UK, and globally.

As global leaders in Robotics and Autonomous systems, Heriot-Watt University and the University of Edinburgh explore collaborative interaction between humans, robots and their environments at all levels. The National Robotarium is leveraging existing research and the needs of UK industry to meet the significant market opportunity of Robotics and autonomous systems. Building capacity across complementary areas of embedded intelligence and expert systems, the National Robotarium is linking to other UK and international research locations to attract further inward investment.

The £22.4 million purpose-built centre, opened on 28 September 2022, with unrivalled facilities supporting Robotics and Autonomous Systems, Human and Robotic Interaction, Environmental testing, accelerated life testing, Robot design and development as well as facilities for incubation of Robotic and AI based start-up companies.





4. The Deal – summary of progress

With a strong focus on entrepreneurship and job creation, the National Robotarium is offering an ecosystem for industry collaboration where humans and robots work in partnership.

Most importantly The National Robotarium is reaching out to schools, colleges, businesses, and the public at large, to raise awareness and understanding of Robotics and AI including its application to future lives of all UK citizens.



Headline achievements in the past year

- The National Robotarium officially opened on 28 Sept 2022.
- Five resident start-up businesses now in place, providing 50+ high skilled jobs.
- The National Robotarium now employs an engineering and operations team of 30.
- First financial year of operation will see a turnover of £1.8 million.
- Four research grant funded activities now underway in the facility.
- Eight commercially-funded projects now running in the facility.
- Partnership with Tata Consultancy Services (Worldwide) in place.
- Partnership with Fourier Intelligence in place.
- Impact Acceleration Account (IAA) funding received for Industry partnership with Fugro.
- Three additional partnership agreements with other companies.
- 4000-5000 schoolchildren have visited, toured and held workshops at The National Robotarium.
- Sectors engaged include: Agriculture, Construction, Health, Pharmaceutical manufacturing, Utilities companies, Aerospace, Fisheries, Social care, Renewable energy.
- Scottish Government support for discussions to establish a Robotics Cluster started.

Next milestones

Due Date	Milestone
Sep 2023	All construction phases closed and agreed with Contractor.
Oct 2023	4G Inbuilding solution commissioned and operational.
Mar 2024	All Latest generation Robotic assets in place – DDI Grant drawdown complete.
Apr 2024	Industrial training offering publicised and available.
Jun 2024	Complete development of outdoor facility for testing, operation and accomodation of outdoor robotic assets.
May 2024	Digital enterperise implemented.
Aug 2024	Decision on Robotics cluster implementation.



4. The Deal – summary of progress

Strategic Added Value

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

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

The National Robotarium is actively identifying opportunities with our colleagues across the DDI programme. These examples include:

- with Bayes Centre: joint activities in Robotics and Autonomous systems across the University of Edinburgh and Heriot-Watt University, and both DDI hubs, including joint events, funding applications and support to start-up businesses.
- with Edinburgh Futures Institute: to develop CPD and other talent offerings on ethics in robotics.
- with the Usher Institute: development of joint offerings for funding
- with the Edinburgh International Data Facility: for computing needs and advice and support

During the procurement and completion of the National Robotarium main construction contract, the focus has been on the delivery of an ambitious Community Benefits plan with agreed KPIs on variety of areas including youth and school engagement, work placements and job creation within an inclusive growth approach.

Public Engagement is now an integral part of the ongoing approach at The National Robotarium. By actively embedding this into the work programme, the skills and attitudes of all those taking part will be enhanced and the research will be socially conscious and relevant.

The vision is to create a sustainable programme of engagement focused on robotics and artificial intelligence, putting audiences at the heart of the offering through increased public understanding and critical appreciation of robotics and AI. The National Robotarium will be fully engaged in policy making on robotics and AI, from ethics to standards and public understanding.



4. The Deal – summary of progress

Usher Institute

Through the application of data science, the **Usher Institute** is driving innovation in health and social care that improves lives. It will establish a world-leading innovation hub where public, private and third sectors can collaborate to enable data-driven advances in the delivery of health and social care.

The Usher Institute works with people, populations and their data to understand and advance the health of individuals and populations in the community and beyond. It supports the use of data and digital technologies to improve outcomes for patients and encourage the adoption of those with the greatest potential to transform health and social care.

The activity will deliver the infrastructure, resources, and expertise essential for the data-driven transformation of the health and social care sector in the City Region and beyond. This includes the creation of high-quality education and training in the application of data skills within health and care; a unique regional data service, **DataLoch**, as a foundation innovation asset; and a membership-based innovation community bringing together service, academic and industry interests to collaboratively develop solutions to our most pressing health and social care challenges.

Innovation and commercialisation will be embedded at the heart of Scotland's premier academic medicine campus with a new, bespoke home opening at **Edinburgh BioQuarter** in early 2024.



Usher Institute



A panel session at Digital Health and Care Scotland 2022, held on 23 February at Dynamic Earth on Ageing and Frailty. Pictured is Nick Mills closing the session, with a presentation on the Usher Institute and data-driven innovation activities.



Topping out ceremony for the new Usher Institute building attended by the Lord Provost.



4. The Deal – summary of progress

Headline achievements in 22/23

In the last year, Usher's health and social care hub has continued to mature in its approach to collaboration and innovation, ensuring that communities in Scotland and beyond benefit from secure access to data for research and an array of educational programmes to ensure our workforce can interpret and innovate with that data.

The Talent team has established a portfolio of high-quality learning and development opportunities to support the needs of multiple stakeholders including health and social care professionals, Scottish Government, NHS Scotland, third sector and industry. The Institute has successfully enabled and support data-driven innovation in health and social care to improve outcomes for individuals, communities, and populations. To date, it has upskilled over 2,000 students.

In its earliest iteration, **DataLoch** provided access to specific data extracts for academic researchers and health and social care managers. After working in partnership with NHS Lothian to agree an appropriate governance framework, DataLoch's full launch in July 2022 allows approved researchers from third- and private-sector organisations to apply for secure data access. Putting data at the centre of responses to health and social care system challenges is critical to improving services through research, innovation and service management.

As a programme, Usher's hub has established strong partnerships across the Scottish Government and the NHS, which has contributed to the development of governance and data-sharing protocols for Scotland's mature and world-leading health

data assets and ensured that discussions about health data include a focus on innovation and collaboration to deliver the best outcomes for our community.

The Talent programme launched three new Masters' programmes in Data Science for Health and Social Care, Epidemiology and Leading Digital Transformation in Health and Care for Scotland. It also offers 40 stand-alone postgraduate professional development (PPD) courses and a newly launched continuing professional development (CPD) programme. The Institute has successfully enhanced the undergraduate medical degree through the creation of BSc/BMedSci courses in Data Science for Health and Biomedical Sciences. This will prepare graduates for a career in data-intensive healthcare.

In collaboration with the **Bayes Centre** and through the Scottish Funding Council upskilling fund, fully funded places through the '**Data Upskilling Short Courses**' are offered - a wide portfolio of short stand-alone courses targeted to working health and social care professionals across Scotland. The most popular Health Data Science course has upskilled over 50 students in the region.

DataLoch brings together primary and secondary health data for the region, works with experts to understand and improve this data, and provides secure access for academics, clinicians and innovators to help solve important challenges. The use of data has supported projects associated with more than £6.5m in research revenue for the University.



4. The Deal – summary of progress

DataLoch is a critical part of the **Wellcome Leap** funded innovation collaboration to enhance support for emergency cardiac care clinicians in Scotland. This is a partnership that includes the University of Edinburgh, Edinburgh Napier University, NHS Lothian and Lenus Health, where DataLoch has brought together relevant data from across primary and secondary care settings, to train an artificial-intelligence model to support clinicians with early-diagnosis when faced with patients with acute chest pain or breathlessness.

Next Milestones

The opening of the Usher building in early 2024 sets the stage for the establishment of a dynamic innovation community in which academics, public, private and third sectors collaborate to enable data-driven advances in the delivery of health and social care. The event series will draw speakers and audience members from across the community to participate in conversations about data-driven innovation in health and social care.

DataLoch will incorporate social care data, working with experts to understand and improve data from disparate sources, ultimately driving toward further linkages between primary, secondary and social care data which will improve health in communities across Scotland. Talent will expand the short courses offering using the new **University Short Courses** online learning platform. A bespoke training service for stakeholders with a focus on industry partners will be offered, and professional accreditation routes linked to regulatory bodies for masters programmes and short course portfolio will be sought.

Strategic added value

The institute is working with the **Edinburgh Clinical Trials Unit (ECTU)** team to create a path towards data-enabled clinical trials using routine data from DataLoch, ultimately resulting in economic benefit as South East Scotland is positioned as a leader in clinical trials. A new CPD and PPD course in data-enabled clinical trials will be launched to further ensure that the skills to deliver these trials exist.

Through a senior leadership programme for digital transformation in health and care for Scotland, which is funded by Scottish Government, led by NHS Education for Scotland, and delivered by the Institute's Talent team, a new masters level programme has been launched to develop a new generation of leaders who can drive, deliver, and embed digital transformation across Scotland's health and care services.

DataLoch supports NHS Lothian with service improvement in priority areas. This includes a project working with a group of GPs in North-East Edinburgh to design an automated report which flags when patients are considered frail and helps health professionals support those at highest risk of coming to harm. This includes reviewing medication prescriptions to help reduce the risk of falls, arranging rehabilitation services like physiotherapy to keep people active, and supporting people who develop memory problems. The automated report tracks performance over time and shows where progress is being made and where more work is needed. It also allows GP surgeries to compare their performance against other practices, to try to ensure frail patients receive the same standard of care across the area.



4. The Deal – summary of progress

Edinburgh Innovation Hub

East Lothian Council and Queen Margaret University are delivering, in partnership, the Edinburgh Innovation Hub. The Edinburgh Innovation Hub (“Hub”) is in a prime strategic location next to the QMU campus on East Lothian Council owned land and is a catalyst for the subsequent development of a wider Edinburgh Innovation Park (“EIP”).

The state-of-the-art Hub is a flexible 7,200 sqm GIA for the food and drink sector in Scotland, located directly adjacent to, and supported by Queen Margaret University – a university that is leading on international research in Dietetics, Nutrition and Biological Sciences.

The Hub will drive company growth, supporting and developing existing businesses and creating sustainable new businesses to access a global market for healthy and functional food. The development will allow Queen Margaret University, along with businesses, to form and grow a business sector that will harness the potential of translational medicine in food and drink and contribute to the wider health agenda. This will in turn support the diversification of the food and drink industry towards preventative, therapeutic and rehabilitative applications of expertise in genomics of food and drink sector. The EIP will be developed over time and create a nationally significant centre of knowledge exchange, innovation and high value business growth.



Edinburgh Innovation Park Masterplan





4. The Deal – summary of progress

Headline achievements in the past year

Date	Milestone
Sep 22 to Jan 23	Detailed design of the Hub finalised
Feb 23	Planning Application for the Hub submitted
Jun 23	Procurement of the contractor commenced
Aug 23	Planning consent granted

Next milestones

Due Date	Milestone
Sep 23	Appointment of the contractor
Nov 23	Commencement of construction of the Hub

Strategic Added Value

- The Hub forms a key part of an ecosystem of Innovation themed projects promoted by the Edinburgh South East Scotland City Region Deal.
- The whole project will contribute to job density improvement for the wider city region by making available infrastructure/construction opportunities and employment opportunities within the Innovation Hub and the EIP.
- The Hub will generate job opportunities in the sector for those highly skilled graduates both through the innovation led growth of the businesses located there, and through providing access to the space, facilities and services for food and drink graduate start-up companies.
- Ongoing collaboration and partnership working between East Lothian Council and QMU.
- Community Benefits such as internships, work placements, apprenticeship opportunities



4. The Deal – summary of progress

Fife Industrial Investment Innovation

The Fife Industrial Innovation Investment (i3) Programme is a £50 million, ten-year programme delivered by Fife Council.

The investment is delivering new business premises and immediately available serviced land. The new business accommodation is located within existing business clusters in mid and south Fife, adjacent to growth corridors (M90 and A92). It aims to facilitate more joint working between the region's universities and Fife businesses, to drive productivity and to deliver higher value, skilled, permanent jobs from data driven innovation.

The new industrial and commercial stock will ensure that Fife's industrial estates provide flexible space for innovative manufacturing industries with cutting-edge digital and energy capabilities. Five sites have been developed in Glenrothes, Kirkcaldy, Dalgety Bay, Lochgelly and Dunfermline during the first four years of the Programme. 6.09 Ha of employment land has been unlocked and site servicing took place at 2 sites to unlock 3.89 ha which is now immediately available for private sector investment, along with almost 3250 m² of newly developed business space. The new units are more than 95% occupied.

Headline achievements in the past year

- Tranche 2 of the Fife i3 Programme is underway.
- Completed 8 new business units at Hillend & Donibristle Industrial Estate, Dalgety Bay.
- Construction started at Fife Interchange North and Levenmouth to create new business units.
- High interest from potential occupiers in these Business Units.



Fife Industrial Investment Innovation





4. The Deal – summary of progress

Next milestones (2022/23)

Due Date	Milestone
Sep 2023	Annual Survey of tenants.
Oct 2023	Complete new Business Units in Levenmouth.
Q3 2023	Planning Application submitted for two new developments at Flemington Road, Glenrothes (refurb project) and John Smith Business Park, Kirkcaldy.
Q2 2024	Complete new business units at Fife Interchange North, Dunfermline.

Strategic Added Value

The Fife i3 Programme works closely with the Scottish Borders Council to share Lessons Learned and is also engaged with the DDI Programme around Innovation opportunities. These linkages will widen as the DDI Programme moves into its next phase.

Fife Council's strategic inclusive growth priority is the Mid-Fife Area. All the projects in the Fife i3 Programme contribute to inclusive growth. The locations for investment in the first FBC were selected based on these criteria:

- Ability to support strategic business clusters;
- Location / connectivity to strategic growth corridors (M90, A92);
- Fit with existing predominant land use;
- Potential impact on sensitive or incompatible land uses; and
- Potential to deliver lower-cost business space.

The site selection process for Tranche 2 Full Business Case (FBC) included these sustainability criteria:

- Greenfield sites are generally not preferred unless they fulfil other sustainability criteria or make a significant contribution to other strategic objectives.
- Can the site accommodate a passivehaus design, particularly in relation to the orientation of the building to maximise passive solar gain?
- Does the site have access to any renewable energy source (e.g. district heat network, air source or solar power)?
- Will the project remediate vacant and derelict land or property?

Work continues to develop and refine the Programme's approach to sustainable construction on a project-by-project basis.



4. The Deal – summary of progress

Borders Innovation Park

The Borders Innovation Park, situated next to the Borders Railway terminus at Tweedbank, will deliver much-needed high quality business space to the Scottish Borders.

Costing £29 million and being constructed in three phases, the programme is intended to stimulate growth for local businesses and inward investors together with associated job creation.

As with many other rural economies, the Scottish Borders has to overcome the problem of market failure caused by a combination of remote locations and poor infrastructure, a lack of supply of modern business premises and the increasing obsolescence of existing stock.

The first building to be completed in Phase 1 of the Borders Innovation Park opened in July 2022 having been delayed owing to the Pandemic. The IT firm, CGI, has leased one floor in the building while Inspire Learning, a digital learning programme, occupies part of the other floor. Work is continuing to develop road and service infrastructure for the original Phase 3 of the programme.

The Pandemic has also impacted on the programme in that the aspirations to build out speculative office space in Phases 2 and 3 were exposed by changes in market conditions for this type of accommodation. This has led to a review of the planned mix of developments in Phases 2 and 3, which will necessitate a revision of the Full Business Case by December 2023.

In summary, the Borders Innovation Park will greatly enhance the inward investment offer in the Scottish Borders, particularly to high value sectors, as well as assisting existing businesses to improve their competitiveness. It will also help to address inequalities in the area through providing access to better quality, higher paid jobs.



Borders Innovation Park





4. The Deal – summary of progress

Headline achievements in the past year

Due Date	Milestone
Sep 2022	Occupation of first building in Phase 1 by tenants.
Mar 2023	Programme update given to Scottish Borders Council.
Jun 2023	Programme update given to ESES City Region Deal Joint Committee.
Aug 2023	Engagement exercise with businesses, mapping needs to inform development.

Next milestones

Due Date	Milestone
Sep 2023	Phase 3: Development of road and service infrastructure.
Nov 2023	Submission of revised Full Business Case for Phases 2 and 3 to Scottish Borders Council.
Mar 2024	Submission of revised Full Business Case for Phases 2 and 3 to ESES City Region Deal Joint Committee.

Strategic Added Value

Scottish Borders Council is working with strategic partners, particularly Fife Council, the University of Edinburgh and Heriot-Watt University, to maximise the benefits of data-driven innovation and its potential to increase the number of innovation-active businesses, both regionally and locally. This work is taking place within the context of both the Borders.

Innovation Park programme and also the relevant strands of the Regional Prosperity Framework.

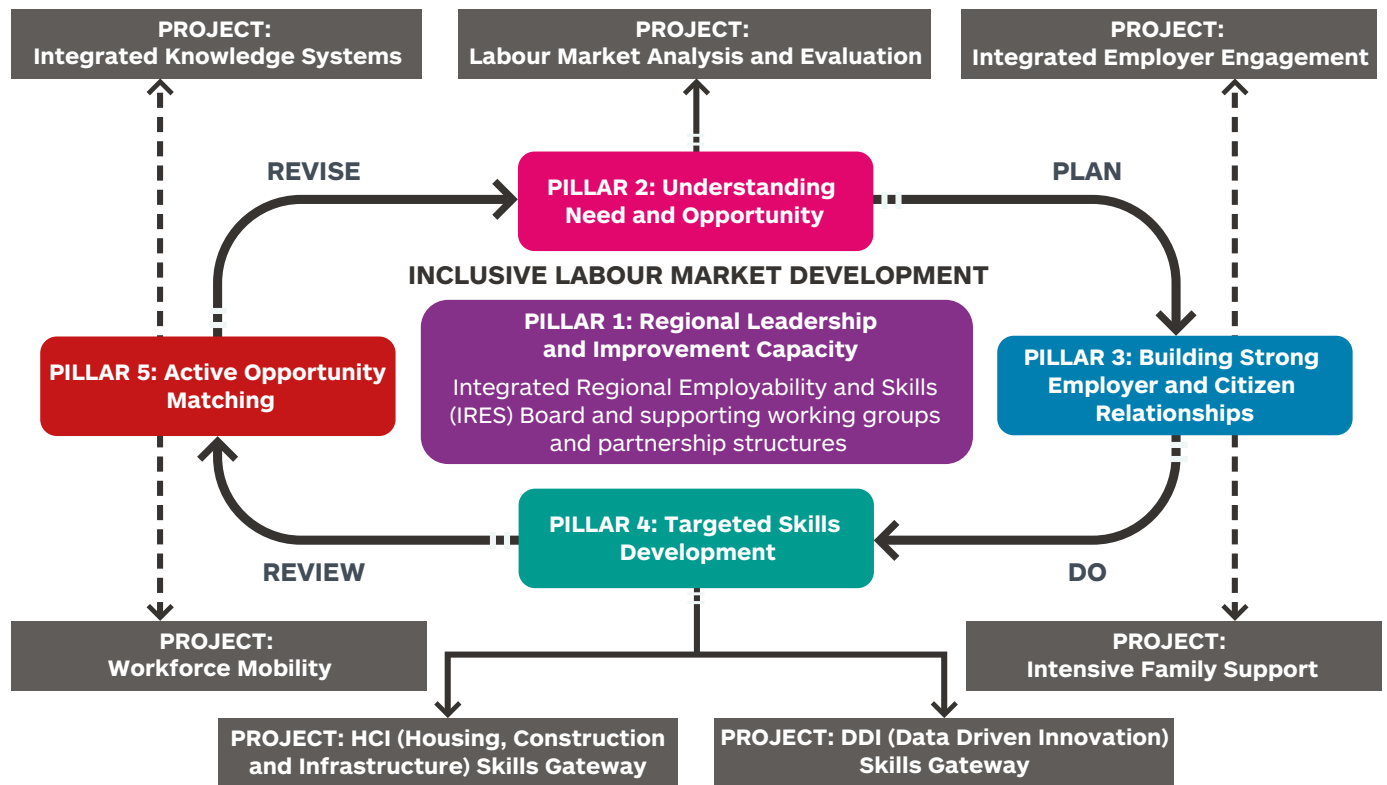
Scottish Borders Council is also working with South of Scotland Enterprise to maximise the business support and advice available to businesses as well as other aspects of the Borders Innovation Park programme. As a participant in the City Region Deal Housing, Construction and Infrastructure (HCI) Skills Gateway, the Council will look to develop new talent through utilising the construction opportunities during the build phases of the innovation park.



4. The Deal – summary of progress

Integrated Regional Employability and Skills

The Integrated Regional Employability and Skills (IRES) Programme and its cross-sector partnership seeks to evolve regional labour market policy and practice to help drive inclusive growth. The programme continues to focus on five improvement pillars targeting known areas of weakness or opportunity.



The IRES partnership is funded by £25 million investment (over eight years) and will deliver an additional 14,700 skill improvements; 5,300 people into employment; and a further 500 career enhancements through its seven themes:

1. Integrated knowledge management systems
2. Labour market analysis and evaluation
3. Integrated employer engagement
4. Intensive family support service
5. Housing construction and infrastructure (HCI) targeted skills gateway
6. Data-driven innovation (DDI) targeted skills gateway
7. Workforce mobility

The IRES programme has already supported over **103,000** people to improve their skills and gain new knowledge through training and/or education and helped over **4,500** people secure employment. An additional **£587m** funding has been secured so far to enhance IRES activity. The IRES programme continues to evolve, streamline, and integrate the region's employability and skills system to enhance our capacity and capability to drive inclusive growth and create added value for stakeholders.



4. The Deal – summary of progress

Headline achievements in the past year

1 Integrated Knowledge Systems (IKS)

- Capital City Partnership migration of all Integrated Employer Engagement data including C-19, Fort Kinnaird, Community Wealth Building and Employer Fund as well as Edinburgh focused Joined Up for Business, into Helix
- Scottish Borders Council migration into Helix
- **helix.scot** launched



2 Labour Market Analysis & Evaluation (LMAE)

- Delivery of regional analysis of future skills needs for the tourism sector.
- Delivery of regional analysis of future skills needs for the creative industries sector.



3 Integrated Employer Engagement (IEE)

- Developed and launched the **Community Wealth Building Framework for Action and accompanying pledge** commitments for the deal following a consultation with CLES (Centre for Local Economic Strategies). The project engaged with over 6,000 citizens and represented Community Wealth Building at 52 events and 42 leadership forums.
- IEE delivered a pilot Hospitality Academy in February 2023 in partnership with Midlothian-based hospitality business, The Original Rosslyn Inn (TORI). Of the six clients recruited onto the course, 4 moved into employment with a hospitality employer, 3 of which were directly with the host employer and from the Ukrainian community.
- Working in partnership with Balfour Beatty, lead contractor for Edinburgh Futures Institute, IEE funded and developed a Construction Academy for the Ukrainian Community. This project converted the practical construction work experience of the Ukrainian client group into UK regulatory qualifications to support them to progress into work following their resettlement in our region. 13 Ukrainians enrolled on the course. The results for this course included 100% CSCS pass rate (national average 56%), all candidates securing work placements, 9 have started work in the sector and the others are being case managed as they are relocated to other regions in Scotland.





4. The Deal – summary of progress

Headline achievements in the past year

4 Intensive Family Support Service (IFS)

- A consultation of Phase One Intensive Family Support Service was carried out. Capital City Partnership engaged with stakeholders representing third sector and statutory organisations, as well as 23 parents and young people engaging in the service to gather their experiences and views to implement Phase Two delivery plans for the programme. Consultation with families engaging in IFSS was overwhelmingly positive, with all respondents feeling that engaging in the service has had a positive impact for them and their family.
- A Holistic Whole Family Support conference took place in February 2023. The conference raised the profile of holistic whole family support in the region and built connections between organisations serving families in those areas. Several IFSS delivery partners were involved in the workshops including one parent and one young person engaging in the Fife service who shared their experience. The conference had 157 attendees representing 70 organisations.
- Phase Two of the Intensive Family Support Service commenced in January 2023 following a six-month period of consultation with stakeholders and families lead by The University of Edinburgh. The research and learning from Phase One informed the direction of Phase Two and a recommissioning process was undertaken which saw delivery partners propose changes in response to the specification. In Phase Two, work will continue with those Phase One families who continue to require support, and a minimum of 141 further families will engage.





4. The Deal – summary of progress

Headline achievements in the past year

5 Housing, Construction, and Infrastructure (HCI) Skills Gateway

- Over 1,000 pupils from **SIMD** 20 and 40 areas engaged in construction learning through active partnerships with Edinburgh Science, the Scottish Council for Development and Industry, and Fife Community Trade Hub.
- Publication and putting into practice of two UK-wide working papers:
 - **Equality in Engineering Pathways Report** (October 2022), followed with a mentoring scheme for 72 historically excluded HE and FE engineering students with industry leaders in ESES region.
 - **Timber in Construction Skills Action Plan** (March 2023), with the launch of Timber Technology Engineering & Design courses developed by HCI at **NMITE** and **BE-ST**.
- £300k in additional leverage achieved, with HCI leading the Innovate UK Fast Followers scheme to gain a Net Zero Innovation and Delivery Officer for 24 months, based at Fife Council and working across the Edinburgh and South East Scotland region.



6 Data-Driven Innovation (DDI) Skills Gateway

- 239 learners benefitted from £67,000 funding awarded through the Data Skills for Work programme.
- Women in Digital and Data Innovation Professional Development Award in Data Science (SCQF level 7) – 75 learners enrolled and predicted completion level of 75%
- Internet of Things (IoT) sensors rolled out to 34 schools across the region.



7 Workforce Mobility (WFM)

- Delivered **Scottish Borders Council Bus Network Review**.
- Supported Scottish Borders Council's pilot Demand Responsive Transport service in Berwickshire.
- Completed filming to promote **bus driving as a career** in 2023/24.



Workforce
Mobility
Project



4. The Deal – summary of progress

Next milestones

Due Date	Milestone
March 2024	<p>Integrated Knowledge Systems (IKS)</p> <ul style="list-style-type: none"> • Migrate Midlothian Council data into Helix with site and data language mapping. • Set up UKSPF in Helix for Edinburgh, East Lothian, West Lothian, Midlothian, and Scottish Borders councils. • Investigate API for helix.scot and build out landing page for Fife Council. • Migrate West Lothian Council data into Helix with site and data language mapping.
January 2024	<p>Labour Market Analysis & Evaluation (LMAE)</p> <ul style="list-style-type: none"> • Commission research into digital skills needs of health and social care sector in Edinburgh and South East Scotland. • Commission research into skills/labour market issues in Edinburgh and South East Scotland – focus to be agreed by partners. • Deliver series of workshops to disseminate Regional Skills Assessments.
March 2024	<p>Integrated Employer Engagement (IEE)</p> <ul style="list-style-type: none"> • Working closely with Sir Robert McAlpine, tier 1 contractor for the Dunard Centre build, following the agreement of a regional community benefit plan; employability, education, supply chain and community engagement objectives are underway, and the reporting of deliverables will commence through quarterly IRES reports. • The fourth annual IEE Employer Fund will launch, offering £50,000 of small grants to micro businesses across the 6 local authority areas in partnership with Business Gateway, early indications of fund theme are ‘fair work’ objectives and ‘green adaptations within the workplace to support the employee wellbeing and working environment’. The fund will launch in Q2. • Launch Green Economy jobs sectoral awareness campaign. The campaign consists of a short docufilm and series of social media shorts highlighting the importance of every citizen and business making changes to contribute to the net zero ambitions set out by governments. The campaign looks at career and training options and a snapshot of what local businesses are already doing to make a difference within this priority agenda. The campaign will be shared with our employability network of over 400 recipients and a supporting TV advert will launch across our region on STV, ETV player and ITVx. Outputs from this campaign will be expected in Q3.
October 2023	<p>Intensive Family Support Service (IFSS)</p> <ul style="list-style-type: none"> • Providers will complete the process of registering all children and young people to the HELIX information management system to support high quality data capture for reporting and evaluation. • An in-person network event for all IFSS providers will be developed and held in Autumn 2023. While the content of the event will be shaped by provider input, it intends to provide an opportunity for providers to come together, develop relationships, and share practice and learning across the region. • Development of Phase Two research and evaluation with academic partner or researcher to begin. Opportunities to work in partnership with Strathclyde University are currently being explored and a research proposal has been submitted to a funding body. The outcome of this application will be known in August 2023.



4. The Deal – summary of progress

Next milestones

Due Date	Milestone
March 2024	<p>Housing, Construction, and Infrastructure (HCI) Skills Gateway</p> <ul style="list-style-type: none"> Exceed original inclusive skills target with over 800 school pupils achieving a new SCQF Level 4+ qualification in net zero skills, plus engaging over 5,668 learners from across the region. Develop and implement pilot programmes to address gender inequality in construction roles beyond Higher Education and Further Education students, with particular focus on reskilling older women. Achieve 5,000 Further Education student enrolments for net zero skills short courses delivered by Borders, Edinburgh, Fife, and West Lothian Colleges.
March 2024	<p>Data-Driven Innovation (DDI) Skills Gateway</p> <ul style="list-style-type: none"> Creation of video content promoting data careers, for use across the programme. Embed Data Skills for Work programme in mainstream skills activity of The Data Lab. Expand Teacher Professional Learning programme and promote development of knowledge-sharing communities.
March 2024	<p>Workforce Mobility (WFM)</p> <ul style="list-style-type: none"> Support Scottish Borders Council deliver the recommendations of the Bus Network Review. Support East Lothian Council with a strategic Journey / mobility Hub analysis (with supporting infrastructure). Develop and deliver the Driver Recruitment Campaign to support operators across the region.

Strategic Added Value

Inclusive growth remains at the centre of the IRES Programme with the aim of supporting long term sustainable destinations for those who live and work within the ESES region. By supporting local and regional ambition the IRES project has contributed to national policy to help shape future investment for the region. As the partnership supporting IRES develops, further opportunities for wider alignment have developed, including:

- Delivery of clear, integrated, and inclusive pathways into industry.
- Driving cross cutting themes within regional networks such as Community Wealth Building.
- Ongoing research to tackle climate emergency, green skills, and skills gaps.
- Engagement with stakeholders to support regional agendas including the development of the Regional Prosperity Framework.
- Informing future policy through ongoing engagement with stakeholders.



4. The Deal – summary of progress

A720 (Sheriffhall Roundabout)

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

Headline achievements in the past year

Continued engagement with the City Region Deal partners, on progress and technical scheme developments.

- Formal responses issued to all objections made to the draft Orders and Environmental Statement.
- Public Local Inquiry (PLI) conducted by the DPEA from 30 January to 8 February, to consider objections raised and maintained in response to publication of the draft Orders for the proposed Scheme.



Visualisation of the proposed Scheme looking from the South-West



Visualisation of the non-motorised user facilities included in the proposed Scheme



Visualisation of the non-motorised user facilities included in the proposed Scheme



4. The Deal – summary of progress

Next milestones

Due Date	Milestone
Late-2023	DPEA Reporter to conclude and submit their PLI Report to Scottish Ministers for consideration. Delivery of the proposed Scheme can only commence if the proposed Scheme is approved under the statutory procedures. Only following completion of statutory consents can a programme be set for delivery of the proposed Scheme.

Strategic Added Value

The project will:

- Address the bottleneck on the strategic road network by improving operating conditions and connectivity at Sheriffhall and help to reduce the traffic impact of proposed developments on the area.
- Provide high quality active travel facilities to deliver a step change in accessibility for walking and cycling.
- Support future development in the region, including the South East Wedge development, inclusive growth and the removal of physical barriers to growth through delivery of programme of construction across the region.
- Contribute towards the requirement to provide Community Benefits in line with the requirements of the Procurement Reform (Scotland) Act 2014.
- Support wider skills development in the construction sector.

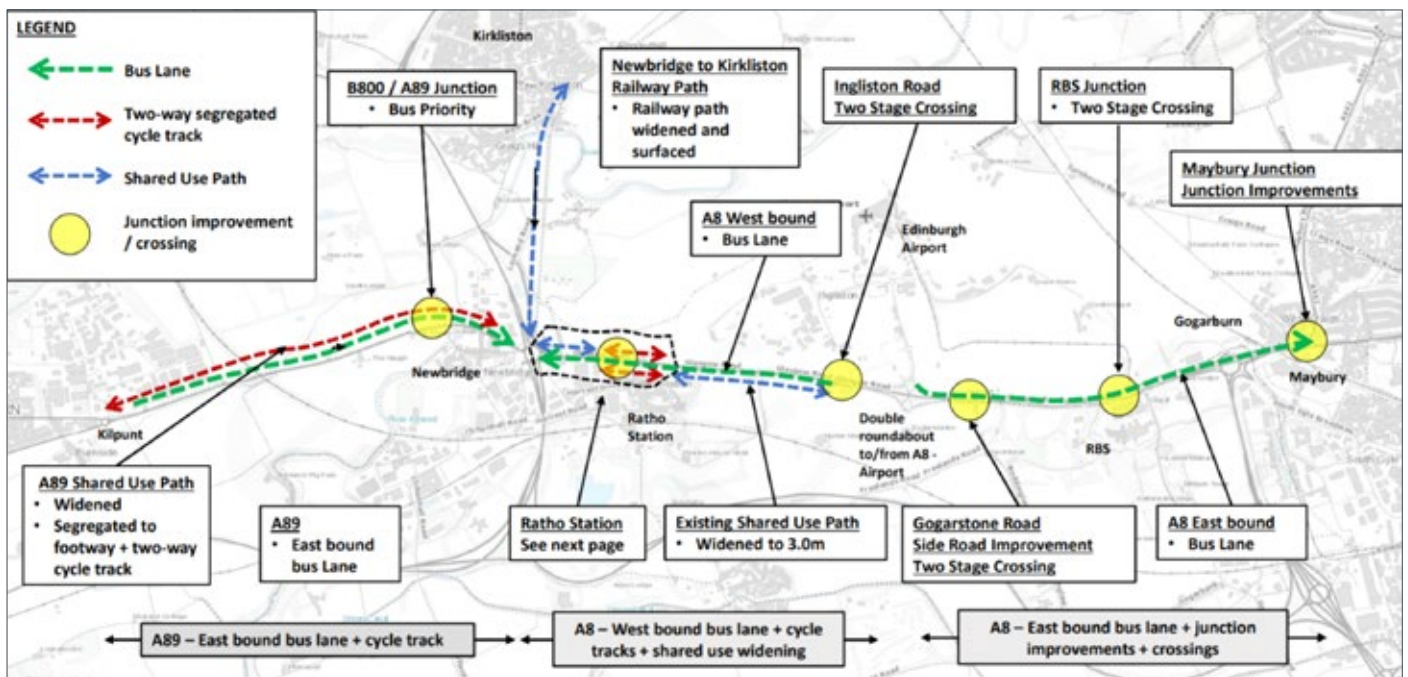


4. The Deal – summary of progress

West Edinburgh Transport Improvement Programme (Wetip)

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 cites West Edinburgh as a significant business investment location with potential to be internationally competitive. In recognition of West Edinburgh’s key gateway function Edinburgh Airport and the scale of adjoining land identified for development. The vision for West Edinburgh and the unlocking of the proposed business and residential development cannot be delivered without significant investment in an

integrated package of transport intervention measures. These include a core package of sustainable transport improvement measures along the A8/A89 corridor that provide long term resilience and support strong connectivity between neighbouring authorities and communities. The transport intervention measures are centred around sustainable transport enhancements between Broxburn and Maybury and are necessary to mitigate the impacts of new developments and meet current agreed modal share/shift targets. This proposal is 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.





4. The Deal – summary of progress

Next milestones

- Completion of initial Options Appraisal stage 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 mobility hub at Broxburn.
 - Topographical Surveys and initial Utilities assessment.
- Mobilisation of Outline Business Case (OBC) stage with following activities commenced:
 - Draft Preliminary Design.
 - Stakeholder Engagement and Public Consultation.
 - Detailed Options Appraisal.
- Transport Planning Objectives to support OBC agreed by Programme Board

Due Date	Milestone
Autumn 2023	Issue draft Outline Business Case for review by Transport Scotland
Early 2024	City of Edinburgh Council Transport & Environment Committee and West Lothian Council Committee OBC approval
Spring 2024	ESES CRD Joint Committee OBC approval
Spring 2024 – End 2024	Advertisement of Statutory Road Orders (including Consultation)
Spring 2024 – Autumn 2024	Procurement

Strategic Added Value

The purpose of the West Edinburgh Transport Improvement Programme is to progress the delivery of the public transport and active travel measures identified in the 2016 WETA Refresh study including the assessment of the feasibility and demand for a mobility hub at Broxburn. Interventions are being appraised against a wide range of objectives including, but not limited to, the promotion of sustainable travel to a range of destinations; improving regional connectivity and accessibility for all to jobs, education, healthcare and leisure; and delivering an improved active travel and public transport mode share within West Edinburgh to support net zero carbon emission targets.

The Programme brings together a range of stakeholders contributing to successful delivery. These include the City of Edinburgh Council, West Lothian Council, Bus Operators, Transport Scotland, Active Travel Groups, Bus User Forums, SEStran, Sustrans, Network Rail, Edinburgh Airport, Major Developers and other statutory consultees. In due course, this project will be procured as a construction project, and links with the Housing and Construction Infrastructure Skills Gateway will be established. The improvement of public transport provision in this area has the potential to unlock housing development opportunities and ease congestion in the corridor between West Lothian and Edinburgh.



4. The Deal – summary of progress

Dunard Centre

The Dunard Centre, supported by Royal Bank of Scotland, will be Edinburgh’s first purpose-built concert venue in 100 years: a sensational space that helps artists and audiences connect like never before.

Nestled in the heart of Edinburgh’s New Town, visitors will be able to stream into the venue on foot, on pedal and by bus, tram and train, with an all-day programme of performances, tours and café/bar options encouraging drop-ins as well as dedicated trips.

Though the plot is little bigger than a football pitch, the ingenious design of the hall will transform the previously screened-off site into a dynamic new public precinct, opening up music-making for all.

The plot is currently undergoing enablement works to prepare for main construction, and promotion of this exciting new space has also begun, including a Day One recital by Scottish Chamber Orchestra cellist Su-a Lee, and the launch of a website that allows music lovers to explore the plans.

Our powerful public positioning focuses on inclusion: the Dunard Centre is “for music and for everyone.” Dedicated to both excellence and experimentation, it will be a place that supports music-makers of all styles and career to *play* – with their own art form, with cross-genre collaborations and with audiences, both on and off-stage.

By celebrating the talent of today the Dunard Centre will help create the music of tomorrow, a mission made possible by the incredible partnership between the City Regional Deal, generous philanthropists and visionary corporates.



Dunard Centre



Dunard Centre northern approach Dunard Centre cafe terrace
Image: David Chipperfield Architects and Hayes Davidson



Dunard Centre auditorium
Image: David Chipperfield Architects and Hayes Davidson



4. The Deal – summary of progress

Milestones achieved in the past year

- **19 January 2023:** the Dunard Centre site is formally transferred from Royal Bank of Scotland to IMPACT Scotland, the charity in charge of developing and delivering Edinburgh’s new music venue
- **6 February 2023:** site clearance works begin, marked by an intimate concert for construction workers, stakeholders and media
- **March 2023:** Ronnie Bowie takes over the Chair for IMPACT Scotland, and immediately heads up the international search for our first permanent CEO
- **May 2023:** Jo Buckley is announced as IMPACT Scotland’s first permanent CEO, with a start date of September 1 2023
- **May 2023:** RIBA Stage 4 Design completed and is signed off by Trustees
- **June 2023:** www.dunardcentre.co.uk launches

Next milestones

Due Date	Milestone
1 September 2023	Jo Buckley joins IMPACT Scotland as CEO
September 2023	<i>Music Matters</i> research fieldwork gets underway (see below)
By November 2023	IMPACT Scotland Stage 2 tender acceptance
By January 2024	Main construction start date

That’s why we’ve commissioned an ambitious quantitative and qualitative study into consumer attitudes and behaviour, which we will use to inform our future messaging, artistic development and audience mobilisation efforts. We also anticipate using the data to help shape ongoing and standalone campaigns across our Community Benefits commitments once the main construction phase begins.

Strategic Added Value

The Dunard Centre will be a 21st century space dedicated to musical excellence and artistic experimentation.

Our definition of a 21st century space comes from two things: firstly a place that offers audiences and artists great sound and a great experience; and secondly a venue that encourages and enables as many people as possible to access the extraordinary benefits of live music.

However, our inclusive ambition of operating as a ‘hall for all’ requires us to be audience-driven, securing a detailed understanding of how citizens currently engage with music in all formats so that we can reflect this lived experience in our own outreach and communications campaigns.

Working with expert, Edinburgh-based JRS Consortium, our research waves begin with Edinburgh and South East Scotland citizens, before widening our sample out to Scotland as a whole, providing our team with rich baseline findings to build upon at local and national level.

As a data-driven organisation we will continue to share the research roadmap with CRD stakeholders, actively exploring opportunities to involve the wider network in our sampling and reporting efforts. We are targeting a best-in-class approach to insight-driven programme development and marketing; just one example of IMPACT Scotland’s wider pursuit of building excellence: both on site and within our own organisational development.



4. The Deal – summary of progress

To ensure the region can continue to successfully deliver on its housing ambitions and react to the existing and future political, economic, and environmental conditions a refreshed set of five housing priorities were developed and agreed at the **December 2022 Joint Committee meeting**. The priorities are - Affordable Housing Delivery (current and future); Retrofit (EESH2); Home Demonstrator Project; Strategic Sites; and Future Town Centres and New Delivery Models Regional partners also collaborate, share best practices and lessons learned on homelessness, infrastructure, innovation, retrofit and delivering net-zero carbon housing.

The region continues to deliver a significant proportion of Scotland’s new affordable homes. In 2022/23 the region collectively delivered nearly 1,800 approvals, 2,300 site starts and 2,400 completions, and a spend of £174m- all ahead of annual targets. Due to the scale and effectiveness of the region’s affordable housing programmes, the region has again continued to utilise underspend from elsewhere in Scotland with an additional £41m (compared with Scottish Government Resource Planning Allocation (RPAs)) absorbed to spend on affordable housing delivery.

Approvals for the region are slightly lower than anticipated, which was due to adverse market conditions. This is reflected elsewhere in Scotland, with **the Scottish Government’s quarterly statistics** to the end of September 2022 (published March 2023) reporting that, across Scotland, private led new builds reduced by 11% and housing association new build approvals dropped by 27%. Encouragingly there was a 14% increase in site starts across the region and completions were also ahead of target.



Blindwells



Granton



4. The Deal – summary of progress

Over the next five years, the region had projected that it would spend over £1bn to deliver 18,000 affordable homes.

Across the seven strategic sites (Blindwells, Calderwood, Dunfermline, Edinburgh’s Waterfront, Shawfair, Tweedbank and Winchburgh) a total of 181 social and 32 mid-market rent and 697 homes have been completed over the last year. A breakdown is provided below:

Delivery (completions)	Tenure Mix			
	Social Rent	MMR	BTR	Market
Blindwells	60	0	0	48
Calderwood	103	32	0	233
Dunfermline	0	0	0	252
Granton Waterfront	0	0	0	0
Shawfair	18	0	0	0
Tweedbank	0	0	0	0
Winchburgh	0	0	0	164
Total	181	32	0	697

The strategic sites have planning consent for a potentially transformational delivery pipeline of 4,355 social, 271 mid-market rent and 12,544 market homes as detailed below:

Delivery (approvals)	Tenure Mix			
	Social Rent	MMR	BTR	Market
Blindwells	480	0	0	1,120
Calderwood	550	0	0	1,650
Dunfermline	1,331	0	0	3,994
Granton Waterfront	334	271	0	0
Shawfair	798	0	0	3,192
Tweedbank	0	0	0	0
Winchburgh	862	0	0	2,588
Total	4,355	271	0	12,544

Please note that this breakdown does not capture the scale of design, development and enabling activity that has been delivered over the last year which will unlock significant construction activity in future years. The Headline Achievements below captures some of this detail and the Next Milestones section demonstrating the scale and breadth of activity that will take place over the next year.



4. The Deal – summary of progress

Headline achievements in the past year

- The Regional Housing Programme Update, was **approved** at the December 2022 Joint Committee meeting, with a further update scheduled for the 1 September 2023 Joint Committee meeting.
- At Winchburgh over the past year the following has been delivered:
 - Winchburgh Academy (the non-denominational secondary school) completed on time and on budget and opened in August 2022.
 - Holy Family Primary School (the new denominational primary school) completed on time and on budget and opened in August 2022.
 - The new motorway junction on the M9 was opened early in 2023.
 - The new marina on the Union Canal completed and opened.
- At Dunfermline, Officers are working collaboratively with a key landowner to identify a potential solution to enable the delivery of necessary education capacity that can unblock the delivery of 2,575 new homes.
- Ongoing completion of consented development in Blindwells Phase 1, with detailed approvals and delivery for second phase infrastructure and on-going commercial and residential development underway, with 140 families now living in new homes. 80 affordable homes and school site now transferred to the East Lothian Council and proposals for new local centre submitted for approval. Commencement of the Strategic Outline Case for Blindwells Expansion now underway, with SOC anticipated Q3/4 2023/24.
- At Tweedbank a Prior Information Notice (PIN) has been issued for a development partner before moving toward procurement. £50k Scottish Government funding has also been secured to support a feasibility study for a heat and energy network for the entire site.
- At Calderwood housebuilding is progressing ahead of forecast and agreement has been secured on a developer funded third stream Calderwood Primary School
- Regional Home Demonstrator - The collaboration between local and national government, academia and the construction industry is testing a new model for designing, procuring and delivering new homes in the region to create a greener future.
- Partners have committed two years funding to continue resourcing and formation of a Regional Delivery Alliance to:
 - Sustain/maintain regional pipeline including strategic sites.
 - Engage with industry on pipeline delivery.
 - Support initial feasibility studies.
 - Sustain/maintain regional typologies & design and performance standard.
 - Facilitate the bundling of sites across the region; and
 - Identify additional funding/resourcing opportunities.



4. The Deal – summary of progress

- **Edinburgh Living** has drawn down all of the one-off grant of £16.1m approved as part of City Region Deal. In 2022/23 was successful in securing an additional £6 million in grant funding from Scottish Government to support acquisition of homes for mid rent. 543 of the 728 mid-market rent homes have been delivered already with around 78 more homes expected to be purchased in 2023/24. The remaining mid rent homes are in design/development or under construction as part of the Council's housebuilding programme.

Next milestones

Due Date	Milestone
Aug 23	Winchburgh – Sinclair Academy (the denominational secondary school) completed on time and on budget.
Sep 2023	Dunfermline – Planning application to be submitted for new bridge at Halbeath (first major component of the new Northern Link Road).
Summer 23	Winchburgh – Submission of a planning application for the first new non-denominational primary school.
Summer 23	Shawfair – Installation of 4km of pipework for Shawfair District Heat Network followed by Energy Centre to serve 3000 homes and commitment to new 32Mva primary substation to meet all of Shawfair's power requirements.
Summer 23	David Lloyd Leisure and Danfoss Low Carbon Manufacturing facility open on Shawfair Park.
Summer/ Autumn 23	Tweedbank – begin construction with the phase 1 access road into the larger Lowood site. This will unlock access to 2 development sites initially, with an extension to that road to follow, opening up access to a further 2 sites.
Autumn 23	Tweedbank – Care Village progressing to Planning.
Autumn 23	Shawfair – acquisition of All Through Campus site by Midlothian Council and remediation of site begins.
Nov 23	Dunfermline – Bothwell Gardens Roundabout signalisation delivered (second required intervention measure).
Nov 23	Dunfermline – Broomhall (2250 consented units) phase 1 development strategic infrastructure delivery plan, development brief and phase 1 housing delivery submitted.
Dec 23	Dunfermline – Phase 1 and related infrastructure for Halbeath (1400 consented units).
Winter 23	Calderwood – Commencement of construction of a third-stream accommodation at Calderwood Primary. Completion of a new access to St Paul's Primary School.



4. The Deal – summary of progress

Due Date	Milestone
Winter 23	Granton Waterfront – First set of homes delivered and tenants start moving in.
Dec 23 / Early 24	Blindwells Strategic Outline Business Case .
Winter 23 / Spring 24	Tweedbank – Full Business Case .
Feb 24	Granton Waterfront – Regional Home Demonstrator D1 site complete – Delivery of 75 Net Zero Homes.
March 24	Dunfermline – Phase 2 development brief for strategic transport infrastructure
Spring 24	Winchburgh – Completion of the distributor road to the M9 including new bridges over the Union Canal and Edinburgh – Glasgow Railway line.
Spring 24	Shawfair – Starting infrastructure delivery to access and service 30 acres of employment land.
Summer 24	Shawfair – First ‘heat on’ connection for housing on Shawfair District Heat Network
Summer 24	Granton Waterfront – Full Business Case – Working with development partner to progress designs and planning permission and produce a Final Business Case for phase 1 of regeneration: circa 800 homes, the first phase of a low carbon heat network, a primary school, 3,000m2 of commercial space, a mobility hub and active travel upgrades.
Summer 24	Granton Waterfront – Final Business case being developed for Waste Water Sewer Source Heat Network – working with development partner to progress designs and planning permission and securing anchor load connections.
Autumn 24	Granton Waterfront – Signing of Development Agreement, Concession Agreement, Heat Supply Agreement and Building contract to allow commencement of enabling and infrastructure phase including heat network pipe laying and energy centre delivery.
Winter 24	Granton Waterfront gasholder park under construction with completion anticipated late 2024.

Strategic Added Value

- The seven strategic sites can collectively deliver transformational economic and social change both in terms of housing supply, circa. 40,000 homes, and for the local, regional and national economy, through maximising the economic benefits from the construction of new homes and ensure that jobs, training and apprenticeships are targeted towards disadvantaged areas across the region. These sites all require further work and business case development with most of these homes anticipated to be delivered over the next 10-20 years. Several of the sites therefore require a

long-term commitment and investment from Government, agencies and key stakeholders. advantages that the CRD partnership working is bringing to add value to the proposal.



4. The Deal – summary of progress

- Housing is a key social, economic and environmental driver. Greater integration across these drivers and City Region Deal policy themes is essential to support the growth requirements of the region and to deliver new communities which deliver the quality of place that ensures the South East of Scotland is a desirable place for people to live and for businesses to invest. Advantages that the CRD partnership working is bringing to add value to the proposal.
- Strategic sites will provide opportunities to create sustainable 20 minute neighbourhoods and due to their scale, will secure significant biodiversity enhancements and renewable energy generation to address the climate emergency.
- The Edinburgh Home Demonstrator will project is delivering Net Zero Carbon Homes in Granton and will seek to scale up delivery across the city region. This will demonstrate the effectiveness of homes designed and constructed to net zero carbon. Using Modern Methods of Construction (MMC). MMC uses technology, new materials and contemporary on-site building techniques to improve efficiency and quality in buildings.
- At Dunfermline - Progression of Broomhall will ultimately provide employment land to support the Forth Green Freeport.
- Under EESH 2 new housing will need to have zero emissions with social landlords expected to be fully compliant by 2026. Significant work will be required to ensure existing properties across all tenures are retrofitted to improve energy efficiency and decarbonised heat to meet new zero emissions targets.
- The Regional Housing Programme delivers on the Regional Prosperity Framework (RPF) ambitions and vision to protect environment and make best use of our extraordinary built and natural assets, ensuring that our Region delivers a just transition to a net zero economy. It also delivers on the three main goals of the RPF Delivery Plan – reduce economic exclusion, sustained and increased competitiveness and accelerate a fair transition to Net Zero.



5. Our Approach to Benefits Realisation

Our Approach to Benefits Realisation

To date, Benefits Realisation is an area that significant progress has been made on over the last five years. In 2020, the Benefits Realisation Plan was published following approval by the Joint Committee in September 2020.

In 2021, the Programme Management Office (PMO) commissioned the Smart Data Foundry to recommend measures to be put in place so that outputs and impacts can be captured, measured, and reported on by 2023 and thereafter.

In the annual report last year, three key questions were explored pertaining to Benefits Realisation. To summarise, these questions asked what outputs and impacts might be captured by 2023; what is currently in place to capture, monitor and manage outputs; and what actions need to be taken to ensure benefits are monitored and evaluated effectively going forward. In 2023, action has been taken to progress and address these questions.

1 What outputs and impacts might be captured by 2023?

Great progress has been made in creating a Benefits Realisation Measurement Framework (approved by the joint committee and published in March 2023). This framework was identified as a key action required in last year's annual report and allows for a sophisticated approach to monitoring and evaluating each project in the city deal both quantitatively and qualitatively.

A Benefits Realisation report will be taken to the September 2023 Joint Committee which outlines benefits captured in 2023, and the longer-term approach to the monitoring and evaluation of benefits. By 2028 the position will have changed significantly, with every project theme being able to report outputs and impacts.

2 What is currently in place to capture, monitor and manage outputs?

Last year, three actions were recommended to take benefit realisation forward in 2023. These actions were:

- Appoint a Senior Responsible Officer to oversee benefits realisation (completed).
- Secure a Benefits Realisation Officer within the PMO to co-ordinate City Region Deal project and programme output and impact reporting (completed); and
- Develop and implement an outputs, outcomes, and impacts reporting framework across all City Region Deal projects to complement and enhance the current output reporting already undertaken by the PMO (completed).





5. Our Approach to Benefits Realisation

In addition to the above, two further monitoring and evaluation actions are being implemented:

- A Benefits Output and Impacts Monitoring template has been created, this template ensures each quantitative output and impact established in the business case of each project are monitored, with qualitative data supporting this data. These templates will be reported in full at the end of Q1 each year and will be a part of the 2024 annual report.
- Initial GVA estimates have been created using methodology outlined which is approved by both Scottish and UK governments. These estimates were included in the 5-year review to estimate GVA in the first 5 years of the deal, the goal is for this to become more sophisticated with full GVA reports being produced that assess overall GVA, indirect GVA, induced GVA, catalysed GVA and GVA of each project to each specific Local Authority in the ESES.

3 What actions need to be taken to ensure benefits are monitored and evaluated effectively going forward?

Going forward, the next steps for benefit realisation are about implementation. There are five main actions to be taken:

- A reporting template is being issued to monitor quantitative outputs and impacts, and it is the responsibility of the Benefits Realisation Officer to collate and process this data, whilst also supplementing the quantitative data with qualitative data as outlined in the benefits realisation measurement framework.
- During implementation, continue working closely with partners in both UK & Scottish Governments, as well as utilising the Benefits Realisation group, in which officers working on benefits realisation in city deals across the UK come together to ensure best practice is shared and work collaboratively to problem solve.
- Encouraging the adoption by all projects of the City Partnership Community Benefits portal and consequent capturing and reporting of these benefits.
- Ensuring all projects are involved in on-going engagement with Scottish Government in relation to the guidance on whole-life carbon costs and incorporation into business cases, procurement, and ongoing operational commitments.
- Once benefit data is captured and processed, evaluate how benefits delivered fit into the wider picture in terms of regional prosperity goals, community wealth building goals and inclusive growth goals.



6. Regional Prosperity Framework

Regional Prosperity Framework

The City Region Deal partners have developed an ambitious 20-year economic framework called the Regional Prosperity Framework (RPF) which articulates the next phase of activity to develop the regional economy, building upon the successes of the Deal.

The **RPF Delivery Plan** was approved at the Joint Committee meeting in March of this year, following individual approval by each of the six Local Authorities and University of Edinburgh Court.

The Delivery Plan seeks to drive prosperity for Edinburgh and South-East Scotland through delivering on the RPF ambitions and vision:

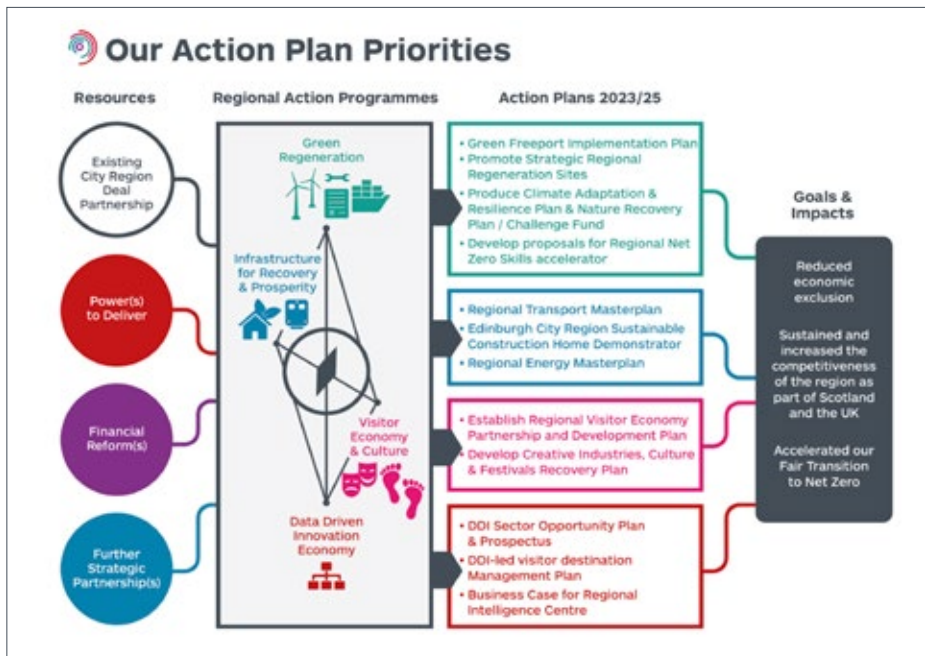
to ensure the social and economic benefits of future growth extend to all. All sections of the community will have the opportunity to develop and enhance the key skills that will help to end inequalities in our society. We will protect our environment and make best use of our extraordinary built and natural assets, ensuring that our Region delivers a just transition to a net zero economy. Our institutions, ancient and modern, will deliver positive outcomes that enhance our local, national, and international reputation. Our aim is to become the data capital of Europe.





6. Regional Prosperity Framework

The Delivery Plan has four key programmes, priority projects and three core goals, summarised in the diagram below:



Regional partners recognise that delivering the three main goals of the RPF Delivery Plan requires alignment between local, regional and national ambitions, policies and resources.

The four programmes will enable the city region to maintain and enhance its global reputation and become the data capital of Europe, delivering sustainable and inclusive growth. The Delivery Plan aligns with Scotland’s **National Strategy for Economic Transformation** (NSET), Scotland’s Regional Economic Policy Review recommendations, and UK Government’s **Levelling Up** priorities.

Regional partners are now engaging with ministers and civil servants to secure support and progress the priority projects within the plan, and are aiming to complete propositions and asks of Government by the end of the calendar year.

A long term, integrated, place-based capital and revenue funding programme agreement is being sought. Such a mechanism would enable the region to take a joined-up approach across transport, planning, housing and economic development priorities and deliver shared outcomes.



7. The Year Ahead

Date	Milestone
Aug 23	Sinclair Academy (denominational secondary school at Winchburgh) completed.
Sep 23	<p>Joint Committee meeting where the following items will be considered:</p> <ul style="list-style-type: none"> • City Region Deal Benefits Realisation Update. • Regional Housing Programme Annual Update. • City Region Deal Annual Report 22/23. • Audit Scotland Report: “Scotland’s City Region and Growth Deals Progress of the 2020 audit report recommendations.
Sep 23	New Edinburgh Futures Institute building in Lauriston place welcomes first intake of students.
Nov 23	Commencement of construction of Edinburgh Innovation Hub.
Late 23	DPEA Reporter to conclude and submit their Public Local Inquiry Report on the A720 Sheriffhall scheme to Scottish Ministers for consideration.
Winter 23	Blindwells Strategic Outline Business Case complete.
Winter 23	Tweedbank Housing Full Business Case complete.
Early 24	Opening of Usher Institute Building.
Oct 23	Business Units in Levenmouth complete as part of the Fife I3 Programme
Dec 23	<p>Joint Committee meeting where the following items will be considered:</p> <ul style="list-style-type: none"> • A720 Sheriffhall six-monthly update from Transport Scotland. • Culture Programme Annual Update. • Integrated Regional Employability and Skills Programme Annual Update.
Dec 23	Regional Home Demonstrator D1 site complete at Granton Waterfront delivering 75 Net Zero Homes.
By Jan 24	Main construction at Dunard Centre starts.
Early 24	Final Business Case for phase 1 of regeneration at Granton complete.
Mar 24	<p>Joint Committee meeting where the following items will be considered:</p> <ul style="list-style-type: none"> • 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. • Borders Business Park Phases 2 and 3 business case.
Spring 24	Business Units in Fife Interchange North, Dunfermline complete as part of the Fife I3 Programme.
Jun 24	<p>Joint Committee meeting where the following items will be considered:</p> <ul style="list-style-type: none"> • A720 Sheriffhall six-monthly update from Transport Scotland. • Transport Programme Annual Update.



8. Contacts and External Links to Further Information

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Further Information

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

Edinburgh and South East Scotland City Region Deal Joint Committee

10am, Friday 1 September 2023

Regional Housing Programme Update

Item number 5.3

Executive Summary

This report updates on progress made by City Region Deal partners on the five key regional housing priorities :

- Affordable Housing Delivery (current and future);
- Retrofit - Energy Efficiency Standard for Social Housing 2 (ESSH2);
- Regional Home Demonstrator Project;
- Strategic Sites; and
- Future Town Centres and New Delivery Models.

The report also provides an update on regional housing pressures in the context of the recent publication of the COSLA, SOLACE and Association of Local Authority Chief Housing Officers (ALACHO) paper '[Housing in Scotland - Current Context and Preparing for the Future](#)' which highlights that Local Authority housing and homelessness services are, experiencing unsustainable pressure reflecting the critical lack of capacity in local housing systems in Scotland.

Andrew Kerr

Chair of City Region Deal Housing Board

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Regional Housing Programme Update

1. Recommendations

- 1.1 To note the contents of the report and progress made on the Regional Housing Programme priorities.
- 1.2 To note that there is a meeting due to take place between City Region Deal partners and the Housing Minister, with exact timings to be agreed. It is recommended that at this meeting the following items are raised:
 - 1.2.1 Highlight that our region is currently facing a situation where affordable housing sites may stall due to insufficient funding. Many of the Local Authorities are in a position where Resource Planning Assumptions are already largely committed for this year and therefore without additional investment affordable housing projects that are currently coming forward may become undeliverable. As our Region is viewed by the Scottish Government as a key deliverer of affordable housing in Scotland, it is recommended that we ask for frontloading of the Local Authority RPAs for our area to maximise new housing supply over the next 20 years to meet housing and homelessness needs.
 - 1.2.2 Highlight the scale of the challenges and opportunities associated with the city region strategic sites and the need for innovative funding and risk sharing approaches to enable delivery.

2. Background

- 2.1 In 2019, the Joint Committee approved the [Regional Housing Programme: Forward Work Programme](#) and recognised the key role it plays in shaping the emerging work on a Regional Growth Framework now Regional Prosperity Framework (RPF).
- 2.2 Two strategic aims were identified for the Regional Housing Programme:
 - To deliver a step change in innovation and inclusive growth in the housing and construction sectors; and
 - To deliver a step change in the supply of new homes across the South East of Scotland.

- 2.3 There has been significant political, economic, and environmental change at a national, local, and regional level since the programme was published and therefore a need to refresh the priorities of the regional housing programme.
- 2.4 In December 2022, the [Joint Committee approved](#) a refreshed set of five housing priorities - Affordable Housing Delivery (current and future); Retrofit (EESH2); Home Demonstrator Project; Strategic Sites; and Future Town Centres and New Delivery Models.
- 2.5 In March 2023 the [Regional Prosperity Framework Delivery Plan](#) was approved by Joint Committee, with the Strategic Sites, Regional Home Demonstrator and delivering a fair transition to Net Zero included as key priorities.

3. Main report

- 3.1 The Edinburgh and South East Scotland (ESES) City Region faces a unique set of housing pressures when compared with the rest of Scotland. Our region is growing quickly whilst most other parts of Scotland are experiencing the opposite, and it continues to attract talent to work and live in the most economically successful part of Scotland.
- 3.2 The consequences of growth, combined with high inflation, labour shortages, supply chain disruption and a cost of living crisis is causing unprecedented pressure on the existing housing stock and potential for future affordable housing delivery. The gap between housing need and housing supply is most acute in three of the six Local Authorities in our region, struggling consistently to meet the statutory homelessness duties. Additional support from the Scottish Government is required to assist the Local Authorities over the next 2-3 years to meet statutory duty.
- 3.3 The ESES City Region has a population of 1.4m. It is the fastest-growing region in Scotland and one of fastest-growing in the UK. Forecasted change in population 2018 – 2043 is 9.1%, compared with 2.5% for Scotland and 9% for the UK¹. The number of households in the South East Scotland area is projected to increase by 18% to 2043, compared with a 10% increase projected for Scotland².
- 3.4 The COVID-19 Pandemic and ongoing cost-of-living crisis, is having a profound impact on the lives of our citizens. This crisis has disproportionately impacted the most economically disadvantaged members of the community, with the cost of basic necessities such as food and fuel typically far exceeding any increases in wages. The conflict in Ukraine has added to tensions and shortages at a global level, which have created major challenges for the local and regional supply chains for basic commodities.
- 3.5 Since 2020, the average construction cost of an affordable home in Edinburgh increased by almost 30%. During the preceding five years (2016/17 to 2020/21), the average construction cost of an affordable home increased by only 14.5%; less than 3% each year.

¹ National Records of Scotland

² National Records of Scotland

- 3.6 The Pandemic, conflict and inflation have also had a significant impact on construction and the delivery of new development and housing. Supply chain disruption, including shortages of materials, labour and contractor availability remain key challenges. Costs in the construction sector increase by around 40% in the last year. Global prices for construction materials such as timber, steel and particleboard have increased due to increased demand, rising energy prices, and reduced supply. With construction prices projected to continue to increase, these challenges may become more acute and result in some affordable housing projects no longer being viable.
- 3.7 The housing need and demand in the city region is the greatest in Scotland. The Scottish Federation of Housing Associations, The Chartered Institute of Housing and Shelter Scotland commissioned [research in June 2020](#) to look at Scotland's affordable housing need over the next five years. The overwhelming majority (nearly 60%) of the total annual affordable homes requirement for Scotland is needed in our city region.
- 3.8 The [Housing Need and Demand \(HNDA\) 3 assessment](#) received Robust and Credible status on 28 July 2022 from the Centre for Housing Market Analysis (CHMA) at Scottish Government. The Scottish Ministers' settled position on NPF4 recognises the Robust and Credible status of HNDA 3 and incorporates the figures from HNDA 3 into the Minimum All Tenure Housing Land Requirement for the City Region Deal authorities. Different scenarios project need for between 78,000 and 105,000 new homes over the next 20 years. With the range depending on the changing economic context over that time. The majority of which will be for affordable housing.
- 3.9 To deliver on the region's housing ambitions and to react to existing and future changes in the political, economic, and environmental challenges, the City Region Deal housing partners developed a refreshed set of housing priorities, approved by [Joint Committee in December 2022](#) and captured in the image below:



Figure 1 – Regional Housing Priorities

3.10 Progress against these five priorities is summarised in this report. Since the approval of the priorities last year there has also been a focus on regional housing pressures, this is also considered in this report.

Affordable Housing Delivery (current and future)

3.11 As demonstrated in Table 1, the region continues to deliver a significant proportion of Scotland's new affordable homes. In 2022/23 the region collectively delivered nearly 1,800 approvals, 2,300 site starts and 2,400 completions, and a spend of £174m - all ahead of annual targets. Due to the scale and effectiveness of all partners in councils and RSLs and including area team colleagues in the Scottish Government's More Homes Division, who manage or coordinate the Affordable Housing Supply Programme across the area, the region has again continued to utilise underspend from elsewhere in Scotland with an additional £41m (compared with Scottish Government Resource Planning Allocation (RPAs)) absorbed to spend on affordable housing delivery. Scottish Government Affordable Housing Supply Programme (AHSP) investment in the region was announced at a record level over the whole parliamentary period at £691m up to 2025/26. Since then, an additional £65m of extra funding has been made available to the region in the first two financial years of the current parliament.

Local Authority	Spend (£m)		Approvals		Site Starts		Completions	
	Actual	RPA's (Annual)	Actual	Target (Annual)	Actual	Target (Annual)	Actual	Target (Annual)
East Lothian	28.371	11.767	277	129	267	101	224	224
Fife	35.379	34.655	338	442	525	531	703	701
Midlothian	13.902	10.564	118	285	79	285	192	265
Scottish Borders	13.917	16.000	50	69	50	57	136	125
West Lothian	27.427	15.420	474	268	448	288	497	426
City of Edinburgh	55.182	45.182	484	634	904	688	650	590
TOTAL	174.178	133.588	1,741	1,827	2,273	1,950	2,402	2,331

Table 1 - Affordable Housing Supply Programme: out-turn report 2022-2023 Figures for management reporting purposes only

3.12 Approvals for the region are slightly lower than anticipated, which was due to adverse market conditions. This is reflected elsewhere in Scotland, with the Scottish Government's quarterly statistics to the end of September 2022 (published March 2023) reporting that, across Scotland, private led new builds reduced by 11% and housing association new build approvals dropped by 27%, the lowest level since 2013.

- 3.13 Encouragingly there was a 14% increase in site starts across the region and completions were also ahead of target.
- 3.14 Over the next five years, the region had projected that it would spend over £1bn to deliver 18,000 affordable homes. However, in January 2023, many national housebuilders published updates for shareholders. Most reported pulling back on construction considerably as they adapt to the changed mortgage market. National completions were expected to fall dramatically and could be half what they were last year. House builders have published plans to align build programmes with sales rates, freeze recruitment and slow new site starts.
- 3.15 There are significant challenges to realising this ambitious pipeline. There is currently an estimated 28% increase in assumed build cost per home when compared with 2021. This, combined with the cost implications of the statutory requirement to deliver Energy Efficiency Standards for Social Housing 2 (EESH 2) will significantly impact the region's capacity to deliver new build homes.
- 3.16 For example, Edinburgh's SHIP set out a potential programme of around 12,000 new affordable homes over the next five years, and 80% of those require grant funding support. However, based on current Resource Planning Assumptions, which are grant funding commitments made by Scottish Government, less than a third of the potential pipeline of 9,500 grant funded affordable homes could be delivered through the grant funded AHSP. Scottish Government increased the grant funding benchmarks for grant funded affordable housing in 2023 by 17% but this does not match the rises in construction costs and borrowing cost. Although the per unit grant assumption has increased, the future grant funding programme set out in Resource Planning Assumptions remain the same. Edinburgh's current funding levels only allow for around 500 new social rented homes to be approved each year. At least a 200% uplift would be required to achieve Edinburgh's potential SHIP programme.

Retrofit (EESH2)

- 3.17 EESH2 is currently under review with EESH2 targets on hold while the review is underway. Scottish Government expect to consult on the standard that will replace EESH2 this year. Whatever the outcome of the review, significant work will be required to ensure existing properties across all tenures are retrofitted to improve energy efficiency and decarbonised heat to meet new zero emissions targets.
- 3.18 Regional Partners must prioritise delivery of retrofit in upcoming years; not only because it is a statutory requirement, but also because it will help address fuel poverty and contribute towards the collective local, regional, and national carbon and climate change ambitions. Before the commencement of the EESH2 review, delivery of the EESH2 programme was expected to deliver an estimated 76% reduction in energy demand for an average home and create opportunities for apprenticeships, jobs, and supply chains. But as highlighted above, it will impact upon the region's capacity and resources to deliver the numbers of new build, affordable homes projected into future years.

- 3.19 There are nearly 100,000 social homes across the city region. The City Region Deal partners have estimated that retrofitting these properties to be EESSH2 compliant would cost over £2bn.
- 3.20 However, it is important to note that the Scottish Government is currently reviewing EESSH2. An EESSH2 Review Group has been established by Government with the social housing sector to review EESH2 post-2020, bringing it in line with the Government's net zero target, and its guiding principles of a just transition. The findings of this review are still to be finalised and this will impact the above cost estimates for retrofit and compliance. The Scottish Government Social Housing Net Zero Heat Fund is currently available to support the sector.
- 3.21 Nevertheless it is clear that significantly more financial support is required from Scottish Government to support delivery of both the EESSH2 programme and the region's new build affordable housing programmes. The cost of these programmes cannot be met from borrowing on rental income streams (if rents are to remain affordable).
- 3.22 Regional partners have agreed to collaborate on the following retrofit/EESSH2 work programme:
- Develop baseline of existing regional EESSH2 compliance;
 - Share information on estimated average retrofit costs per property;
 - Collect different house archetypes and particularly hard to treat types, with a focus on five to six that are similar across the region;
 - Organise workshop with University of Edinburgh – looking at retrofit and skills/capacity to deliver future retrofit programmes;
 - Working to understand key risks and understand local authority priorities for investment priorities e.g. new build or retrofit;
 - Explore opportunities for collaborative procurement; and
 - Continue to share learning, experience, approaches and pilots.

Regional Home Demonstrator Project

- 3.23 The collaboration between local and national government, academia and the construction industry is testing a new model for designing, procuring and delivering new homes in the region to create a greener future.
- 3.24 The first pilot project is nearly complete, with 75 Net Zero Homes being delivered in Granton Waterfront and due to be completed at the end of the year.
- 3.25 Planning permission was granted earlier this year for the second pilot at Greendykes. This will be looking to optimise existing, and develop additional, house and flat types for the Demonstrator catalogue and to test design, performance standard and mass customisation of house and flat types. The Greendykes development will benefit from the data and insights gathered during the first pilot project at Granton.

- 3.26 By carrying out extensive pre- and post-occupancy evaluations into: build speed; energy demand ;and whole-life embodied carbon emissions, the development of the Greendykes site is projected to similarly provide insights that will feed into and inform the business model and the ongoing regional approach to delivering net zero carbon affordable housing at scale.
- 3.27 In April 2023, City Region Deal Partners committed two years of funding to continue resourcing the Demonstrator Project with the formation of a Regional Delivery Alliance to:
- sustain/maintain regional pipeline including strategic sites;
 - engage with industry on pipeline delivery;
 - support initial feasibility studies;
 - sustain/maintain regional typologies and design and performance standard;
 - facilitate the bundling of sites across the region; and
 - identify additional funding/resourcing opportunities.

Strategic Sites

- 3.28 Work continues to deliver the seven strategic sites at Blindwells, Calderwood, Dunfermline, Edinburgh’s Waterfront, Shawfair, Tweedbank and Winchburgh. Vacant and derelict land is being transformed to deliver: net zero carbon homes; green energy solutions; regeneration; and a just transition to a zero-carbon future.
- 3.29 Business case development progressing with Blindwells, Granton Waterfront and Tweedbank as outlined in the table below:

Timescale	Strategic Site and Business Case Stage
Winter 23 / Early 24	Blindwells Strategic Outline Business Case
Winter 23 / Spring 24	Tweedbank – Full Business Case
Winter 23 / Spring 24	Granton Waterfront – Full Business Case

- 3.30 Across the seven strategic sites (Blindwells, Calderwood, Dunfermline, Edinburgh’s Waterfront, Shawfair, Tweedbank and Winchburgh) a total of 181 social and 32 mid-market rent and 697 homes have been completed over the last year. A breakdown is provided below:

Delivery (completions)	Tenure Mix			
	Social Rent	MMR	BTR	Market
Blindwells	60	0	0	48
Calderwood	103	32	0	233
Dunfermline	0	0	0	252
Granton Waterfront	0	0	0	0
Shawfair	18	0	0	0
Tweedbank	0	0	0	0
Winchburgh	0	0	0	164
Total	181	32	0	697

3.31 The strategic sites have planning consent for a potentially transformational delivery pipeline of 4,355 social, 271 mid-market rent and 12,544 market homes as detailed below:

Delivery (approvals)	Tenure Mix			
	Social Rent	MMR	BTR	Market
Blindwells	480	0	0	1,120
Calderwood	550	0	0	1,650
Dunfermline	1,331	0	0	3,994
Granton Waterfront	334	271	0	0
Shawfair	798	0	0	3,192
Tweedbank	0	0	0	0
Winchburgh	862	0	0	2,588
Total	4,355	271	0	12,544

3.32 There are several key milestones in the upcoming year:

Date	Milestone
Aug 23	Winchburgh - Sinclair Academy (the denominational secondary school) completed on time and on budget.
Sep 2023	Dunfermline - Planning application to be submitted for new bridge at Halbeath (first major component of the new Northern Link Road).
Summer 23	Winchburgh - Submission of a planning application for the first new non-denominational primary school.
Summer 23	Shawfair - Installation of 4km of pipework for Shawfair District Heat Network followed by Energy Centre to serve 3000 homes and commitment to new 32Mva primary substation to meet all of Shawfair's power requirements.
Summer 23	David Lloyd Leisure and Danfoss Low Carbon Manufacturing facility open on Shawfair Park

Summer/ Autumn 23	Tweedbank - begin construction with the phase 1 access road into the larger Lowood site. This will unlock access to 2 development sites initially, with an extension to that road to follow, opening up access to a further 2 sites.
Autumn 23	Tweedbank - Care Village progressing to Planning
Autumn 23	Shawfair – acquisition of All Through Campus site by Midlothian Council and remediation of site begins.
Nov 2023	Dunfermline - Bothwell Gardens Roundabout signalisation delivered (second required intervention measure)
Nov 2023	Dunfermline - Broomhall (2250 consented units) phase 1 development strategic infrastructure delivery plan, development brief and phase 1 housing delivery submitted
Dec 2023	Dunfermline - Phase 1 and related infrastructure for Halbeath (1400 consented units)
Winter 23	Calderwood - Commencement of construction of a third-stream accommodation at Calderwood Primary Completion of a new access to St Paul's Primary School
Winter 23	Granton Waterfront - First set of homes delivered and tenants start moving in
Dec 23 / Early 24	Blindwells Strategic Outline Business Case
Winter 23 / Spring 24	Tweedbank – Full Business Case
Feb 24	Granton Waterfront – Regional Home Demonstrator D1 site complete – Delivery of 75 Net Zero Homes
March 24	Dunfermline - Phase 2 development brief for strategic transport infrastructure
Spring 24	Winchburgh - Completion of the distributor road to the M9 including new bridges over the Union Canal and Edinburgh – Glasgow Railway line.
Spring 24	Shawfair - Starting infrastructure delivery to access and service 30 acres of employment land
Summer 2024	Shawfair - First 'heat on' connection for housing on Shawfair District Heat Network
Summer 24	Granton Waterfront – Full Business Case - Working with development partner to progress designs and planning permission and produce a Final Business Case for phase 1 of regeneration: circa 800 homes, the first phase of a low carbon heat network, a

	primary school, 3,000m2 of commercial space, a mobility hub and active travel upgrades.
Summer 24	Granton Waterfront – Final Business case being developed for Waste Water Sewer Source Heat Network – working with development partner to progress designs and planning permission and securing anchor load connections.
Autumn 24	Granton Waterfront - Signing of Development Agreement, Concession Agreement, Heat Supply Agreement and Building contract to allow commencement of enabling and infrastructure phase including heat network pipe laying and energy centre delivery.
Winter 24	Granton Waterfront gasholder park under construction with completion anticipated late 2024

3.33 Strategic Site Lead Officers meet quarterly to collaborate, share learning and experience of business case development and delivery from across the region. Key areas for collaboration include:

- developing a coordinated approach for each of the sites;
- developing options for taking infrastructure first approaches and delivery models;
- exploring security and risk sharing arrangements and innovative delivery models;
- identifying capital and revenue consequences of being fastest-growing region in Scotland; and
- developing the case for multi-year phased funding delivery mechanisms across parliamentary periods

3.34 The strategic sites work stream is engaging with Scottish and UK Governments to collaboratively identify unlocking solutions within and beyond the Deal. This includes consideration of next steps as set out in the [Regional Prosperity Framework Delivery Plan](#), including the identification of place-based capital and revenue solutions to enable and support delivery.

Future Town Centres and New Delivery Models

3.35 Further work is required in the remainder of 2023/24, on this priority area. Regional partners recognise there are opportunities to re-purpose surplus office accommodation, empty retail units, and spaces above shops into affordable homes to help to arrest the decline in town centres, deliver high quality placemaking principles and increase town centre living.

3.36 Collaboration across housing, regeneration and planning is needed to utilise a blend of funding to transform empty units into homes, create new footfall and revitalise the region's town centres.

3.37 [Edinburgh Living](#) has drawn down all of the one off grant of £16.1m approved as part of City Region Deal. In 2022/23, an additional £6 min grant funding was secured from Scottish Government to support acquisition of homes for mid rent. 543 of the 728 mid-market rent homes have been delivered already with around 78 more homes expected to be purchased in 2023/24. The remaining mid-rent homes

are in design/development or under construction as part of the Council's housebuilding programme.

Regional Housing Pressures

- 3.38 The COSLA, SOLACE and ALACHO paper '[Housing in Scotland - Current Context and Preparing for the Future](#)' highlights that local authority housing and homelessness services are experiencing unsustainable pressure reflecting the critical lack of capacity in local housing systems in Scotland, with some local authorities unable to meet their statutory duties.
- 3.39 The report identifies that there are currently 240,000 people on housing waiting lists/Common Housing Register, with only 26,000 properties available to let across Scotland.
- 3.40 In this region, there are currently 57,500 people on housing waiting list with 4,400 properties available to let. Homeless applications are highest in the urban cities of Edinburgh and Glasgow but are increasingly in surrounding local authorities.
- 3.41 There is a critical need for more social and affordable housing in the region. There is a crisis of affordability across the whole housing system and particularly in rural, island and this part of Scotland.

Regional Prosperity Framework

- 3.42 Regional partners have developed a Regional Prosperity Framework (RPF) [Delivery Plan](#) which 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
- 3.43 Progressing and promoting key strategic regeneration sites including Blindwells, Cockenzie and Granton Waterfront is a key priority for the Delivery Plan.
- 3.44 The Regional Home Demonstrator is also a priority project for the Delivery Plan and together the projects are a key part of delivering the main goals of the RPF – to reduce economic exclusion, sustain and increase competitiveness, and accelerate a fair transition to net zero.
- 3.45 City Region Deal partners are engaging at Ministerial and Civil Servant level to secure support and progress the priority projects within the plan. A long term, integrated, place-based capital and revenue funding programme agreement is sought. Such a mechanism would enable the region to further integrate and take a joined-up approach across transport, planning, housing and economic development priorities.

4. Financial impact

- 4.1 Delivering both ESSH2 and sustaining local authority partners new build affordable housing programmes will require significantly more financial support than current funding levels. The new build affordable housing programmes delivered through the Affordable Housing Supply Programme, whilst the City of Edinburgh Council receives grant funding as part of the Transfer of the Management of Development Funding

(TMDF) arrangement, the other councils receive their allocation as part of the COSLA agreed Strategic Housing Investment Framework (SHIF). Further discussion around this would need to involve COSLA and regional partners may wish to consider whether to ask COSLA to revisit the SHIF allocation formula agreement.

- 4.2 The strategic sites can deliver transformational regeneration delivering thousands of homes, jobs, and economic benefits. But the scale of the opportunity carries significant infrastructure challenges. Funding and new delivery tools are required to help both public and private sector partners to successfully deliver infrastructure first approach.
- 4.3 As a key part of the Deal, The Scottish Government and city region committed to work together on each of the seven strategic housing sites recognising the long-term nature of these proposals with most new homes being delivered over a 15-year period. To support this, the Scottish Government committed at least £50 million.
- 4.4 Regional Partners will continue to develop business cases and collaborate with Government to identify the interventions required to accelerate delivery.
- 4.5 A long term, integrated, place-based capital and revenue funding programme agreement is sought to support the delivery of the Regional Prosperity Framework Delivery Plan.

5. Alignment with Sustainable, Inclusive Growth Ambitions

- 5.1 Under EESSH 2, new housing will need to have zero emissions with social landlords expected to be fully compliant by 2026. Significant work will be required to ensure existing properties across all tenures are retrofitted to improve energy efficiency and decarbonised heat to meet new zero emissions targets.
- 5.2 The Edinburgh Home Demonstrator will project is delivering Net Zero Carbon Homes in Granton and will seek to scale up delivery across the city region.
- 5.3 This work delivers on the Regional Prosperity Framework (RPF) ambitions and vision to protect environment and make best use of our extraordinary built and natural assets, ensuring that our Region delivers a just transition to a net zero economy. It also delivers on the three main goals of the RPF Delivery Plan – reduce economic exclusion, sustained and increased competitiveness and accelerate a fair transition to Net Zero.

6. Background reading/external references

- 6.1 [Housing in Scotland: Current Context and Preparing for the Future \(2020\)](#)
- 6.2 [Regional Prosperity Framework Delivery Plan](#)
- 6.3 [Regional Housing Programme Update \(Dec 2022\)](#)
- 6.4 [Regional Housing Work Programme 2019](#)

7. Appendices

7.1 None.

Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 1 September 2023

Audit Scotland Briefing: Scotland's City Region and Growth Deals - Progress of the 2020 audit report recommendations

Item number 5.5

Executive Summary

In June 2023, Audit Scotland published their briefing: [Scotland's City Region and Growth Deals: Progress of the 2020 audit report recommendations](#)

The briefing looks at progress against 11 of the recommendations made about City Region and Growth Deals in their [2020 report](#), which was reported to this Committee in [March 2020](#). It also sets out some key developments in the regional economic landscape over the last three years.

This report summarises references to the Edinburgh and South East Scotland City Region Deal and the partners' position in relation to each statement.

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Audit Scotland Briefing: Scotland's City Region and Growth Deals - Progress of the 2020 audit report recommendations

1. Recommendations

- 1.1 To note the summary of the findings of the Audit Scotland briefing: [Scotland's City Region and Growth Deals: Progress of the 2020 audit report recommendations](#)
- 1.2 To note that City Region Deal Programme Management Office (PMO) has carefully noted the feedback and is continually working to improve management processes.

2. Background

- 2.1 In 2018 and 2019, Audit Scotland undertook an audit on City Region and Growth Deals, which was [published in January 2020](#). The overall aim of the audit was to provide an early assessment of how prepared the Scottish Government and councils are for facilitating and delivering Deals. The audit sought to answer three main questions:
 - Is there clarity around City Region and Growth Deals, including their rationale, what partners are involved, level of investment and what they are expected to deliver?
 - Are appropriate governance and accountability arrangements in place to manage and monitor Deals and to evaluate their impact at a national, regional and local level?
 - What progress has been made in relation to City Region and Growth Deals to date and what are the risks to successful delivery?
- 2.2 The report provided an early assessment of City Region and Growth Deals in Scotland, rather than the performance of individual Deals. At the time of the audit, four Deals in Scotland had been signed (regions encompassing Glasgow, Aberdeen, Highland and Edinburgh), with eight further Deals under development.
- 2.3 Recommendations were given for all the City Region and Growth Deals. A report summarising the recommendations all Deals, including an action plan outlining how the Programme Management Office (PMO) would respond to each recommendation was taken to [Joint Committee in March 2020](#).

- 2.4 The [2023 follow-up briefing](#) looked at progress against 11 of the recommendations made about City Region and Growth Deals in their 2020 report, which was reported to this Committee in [March 2020](#) . It also sets out some key developments in the regional economic landscape over the last three years.

3. Main report

- 3.1 The summary of progress across all deals in the briefing is copied below:
- 3.1.1 Overall, there has been good progress against key 2020 audit recommendations. Scotland’s City Region and Growth Deals are bespoke packages of funding, which means the governance and partnership arrangements vary across the deals.
 - 3.1.2 Deals are at different stages of delivery, but governance, scrutiny, and risk management arrangements have been strengthened locally and nationally. The Scottish Government and deal partners are closely monitoring the risks to project delivery arising from increasing costs.
 - 3.1.3 Partners are working well together and there is progress with ensuring deals are aligned with wider opportunities to support economic growth for the region.
 - 3.1.4 Deals have made progress with plans to assess the longer-term impact of this investment on communities, but they are at different stages and recognise there is still more they can do in this area.
- 3.2 The briefing’s references to the Edinburgh and South East Scotland City Region are summarised below:
- 3.2.1 **Governance and risk:** The briefing cites this City Region Deal’s approach to risk where the overall programme risk register is reviewed and updated on a quarterly basis. It is discussed at the City Region Directors’ Group every quarter and then taken to the Executive Board for consideration. The top three risks are included in the programme risk register and published every quarter as part of the Joint Committee papers.
 - 3.2.2 **Focus on Regional Economic Partnerships:** The briefing states that in its 2020 report, Audit Scotland recommended that deals should be aligned with a regional economic strategy. It notes that the landscape continues to evolve but currently that five regional economic strategies are in place, which recognise the importance of connecting deal programmes to wider regional goals and policy (one of which is the Edinburgh and South East Scotland Regional Prosperity Framework 2021–2041).
 - 3.2.3 **Building regional governance:** The briefing highlights this Deal’s Elected Member Oversight Committee, established in 2021 to provide oversight of the Regional Prosperity Framework and Regional Spatial Strategy, which includes representation from the constituent councils, HE/FE sector, business sector and third sector – as an example of regional partners building on governance structures that were developed for deals.

- 3.2.4 **Benefits Realisation:** The briefing highlights that the Edinburgh and South East Scotland City Region Deal's pilot in 2020 helped the Scottish Government issue guidance to deals on developing and implementing a benefits realisation plan.

Next Steps

- 3.3 The PMO has carefully noted the feedback and is continually working to improve management processes. There are regular meetings scheduled with both Governments and officers where this issue is considered.

- 3.4 Some examples of existing good practice are:

- 3.4.1 **Benefits Realisation** updates are provided to the Joint Committee on a bi-annual basis (including this Committee meeting). John Scott, who sits on the Directors' Group, has been appointed as Senior Responsible Officer for Benefits Realisation, and Daniel Stevens has been appointed as dedicated Benefits Realisation Officer (BRO). The BRO works closely with Mark Graham, Economist for the Data-Driven Innovation Programme who is a national authority on Benefits Realisation. The BRO is an integral member and active contributor to the PMO Network's Benefits Realisation sub-group. An audit of our Benefits Realisation and reviewing of the tracking of outputs, measures, and change: in line with CRD benefits realisation plan features on the City Region Deal's [forward internal audit programme](#), approved by Joint Committee at the last meeting in June 2023.
- 3.4.2 The top 3 programme **Risks** are reported to each Joint Committee meeting within the Progress Report. A detailed risk register is discussed every quarter at the Directors', Executive Board and Chief Financial Officers' meetings. An internal audit of the Deal's Funding Processes has previously been conducted. This concluded that the control environment and governance and risk management frameworks have been adequately designed and are operating effectively, providing assurance that risks are being effectively managed.
- 3.4.3 The **Annual Report** is a public document and updates the Joint Committee on progress towards key targets. This also forms a separate report to this Committee meeting.
- 3.4.4 **Governance** is regularly reviewed. The last review of Joint Committee standing orders took place in March 2023.
- 3.4.5 **Financial Management.** The PMO's Accountant is establishing a sub-group of the national PMO Network as a forum to look specifically at relevant financial issues (including cost inflation) and share best practice.
- 3.4.6 **Internal Audit:** The PMO undertakes internal audits at least once every two years. An audit of the Integrated Employer Engagement workstream took place earlier this year, which concluded with an overall outcome of "Substantial Assurance". This was [reported to Joint Committee](#) in June 2023. Joint Committee also agreed the Deal's [Internal Audit Work](#)

[Programme](#) in June 2023 which was informed by a review of the City Region Deal's Risk Register.

4. Financial impact

- 4.1 There are no direct financial impacts to the City Region Deal partners as a result of this report. The Programme Management Office (PMO) will take cognisance of the feedback and will ensure that the necessary changes are made, and adequately resourced.

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 have 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 [Scotland's City Region and Growth Deals: Progress of the 2020 audit report recommendations \(June 2023\)](#)
- 6.2 [Scotland's City Region and Growth Deals \(January 2020\)](#)
- 6.3 [Audit Scotland Report on City Region and Growth Deals – Report to ESES CRD Joint Committee \(March 2020\)](#)
- 6.4 [City Region Deal: Internal Audit Forward Plan – Report to ESES CRD Joint Committee \(June 2023\)](#)

7. Appendices

None.

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