

## Notice of meeting and agenda

# Edinburgh and South East Scotland City Region Deal Joint Committee

**10.00 am Friday, 1st March, 2024**

Virtual Meeting - via Microsoft Teams

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

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 Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

### Contacts

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Tel: 0131 559 4264

## 1. Appointments

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- 1.1 Appointment of Convener
- 1.2 Appointment of Vice-Convener
- 1.3 Appointment of Convener of the Elected Member Oversight Sub-Committee

## 2. Order of Business

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

## 3. Declaration of Interests

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

## 4. Previous Minutes

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- 4.1 Minute of the Edinburgh and South East Scotland City Region Deal Joint Committee of 1 December 2023 – submitted for approval as a correct record 7 - 12

## 5. Forward Planning

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- 5.1 Joint Committee Work Programme – report by Graham Hope, Chief Officer, Edinburgh and South East Scotland City Region Deal 13 - 16

## 6. Items for Consideration

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<b>6.1</b>	City Region Deal Progress Report – report by Graham Hope, Chief Officer, Edinburgh and South East Scotland City Region Deal	17 - 32
<b>6.2</b>	Data-Driven Innovation Programme Annual Update – presentation by Jarmo Eskelinen, Executive Director, Data-Driven Innovation Initiative, The University of Edinburgh	33 - 38
<b>6.3</b>	Data Driven Innovation - Internet of Things in Schools Project Update – report by Simon Chapple, Head of Data Technology, and IoT Programme Lead, The University of Edinburgh	39 - 44
<b>6.4</b>	City Region Deal Programme Benefits Realisation – Six-monthly Update – presentation by Daniel Stevens, Benefits Realisation Officer, ESESCR Deal PMO	Verbal Report
<b>6.5</b>	Fife Industrial Innovation Investment Programme – Tranche 3 Business Case – report by Carol Connolly, Executive Director Place, Fife Council	45 - 62
<b>6.6</b>	A701 Relief Road and A702 Spur Road – Phasing – report by Kevin Anderson, Executive Director, Place, Midlothian Council	63 - 70
<b>6.7</b>	Bus Partnership Fund – Update – report by David Robertson, Chair, Transport Appraisal Board	71 - 78

### Gavin King

Clerk

## Membership

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### **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 Sir Peter Mathieson

### **Midlothian Council**

Councillor Russell Imrie

### **Regional Enterprise Council**

James Wood

Garry Clark

## Further information

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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](mailto:jamie.macrae@edinburgh.gov.uk).

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

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

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

If you have any queries regarding this, and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact Committee Services [committee.services@edinburgh.gov.uk](mailto:committee.services@edinburgh.gov.uk).

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## Minutes

### **Edinburgh and South East Scotland City Region Deal Joint Committee**

#### **Microsoft Teams**

**10.00am, Friday 1 December 2023**

#### **Present:**

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

**City of Edinburgh Council** – Councillor Mandy Watt (substituting for Councillor Day)

**East Lothian Council** – Councillor Norman Hampshire

**Fife Council** – Councillor David Ross

**Regional Enterprise Council** – Garry Clark

**Higher/Further Education Consortium** – Professor Peter Mathieson

#### **In attendance:**

Dr Grace Vickers, Chief Executive, Midlothian Council

Monica Patterson, Chief Executive, East Lothian Council

Andy Nichol, City Region Deal Programme Manager, City of Edinburgh Council

Graeme Rigg, City Region Deal PMO, City of Edinburgh Council

David Baxter, City Region Deal PMO, City of Edinburgh Council

David Hanna, City Region Deal PMO, City of Edinburgh Council

Daniel Stevens, City Region Deal PMO, City of Edinburgh Council

Lisa Howden,

Jamie Macrae, Committee Services, City of Edinburgh Council

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

Kevin Anderson, Executive Director, Place, Midlothian Council

Jamie Robertson, Strategic Transport Manager, City of Edinburgh Council

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

Jo Buckley, Chief Executive Officer, Impact Scotland

Ronnie Bowie, Impact Scotland

Jessica Monsen, Impact Scotland

## **1. Minutes**

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### **Decision**

To approve the minute of the Edinburgh and South East Scotland City Region Deal Joint Committee of 1 September 2023 as a correct record.

## **2. Work Programme**

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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**

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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 six-monthly update**

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An update was provided on A720 Sheriffhall Roundabout project, which was being delivered by Transport Scotland as part of the Edinburgh and South East Scotland (ESES) City Region Deal.

Following the undertaking of a Public Local Inquiry (PLI) for the proposed Scheme in early-2023, the independent Reporter’s report was issued to the Scottish Government on 10 October 2023. The Scottish Government was now taking the necessary time to consider the recommendations within the independent Reporter’s



report to inform a decision on whether or not to proceed to complete the statutory process for the project as promoted.

### **Decision**

To note the progress update provided below that, following conclusion of the Public Local Inquiry (PLI) for the project, the Scottish Government was now taking the necessary time to consider the recommendations within the independent Reporter's report to inform a decision on whether or not to proceed to complete the statutory process for the project as promoted.

(Reference – report by the Director of Major Projects, Transport Scotland, submitted.)

## **5. Bus Partnership Fund Strategic Business Case**

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A verbal update was provided on the Bus Partnership Fund Strategic Business Case, which was submitted to the Joint Committee earlier in the year. Since then, it was taken to Scottish Government and Transport Scotland as part of the gateway review to proceed to the next stage. This was successful and funding had been awarded for the next stage of the project. A commitment of £1.7 million had been made to deliver the schemes.

### **Decision**

To note the update.

## **6. West Edinburgh Transport Improvement Plan Consultation Findings**

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A presentation was provided on the West Edinburgh Transport Improvements Programme (WETIP). Details were provided of the proposals made in the consultation, which ran from 13 July 2023 for 8 weeks, and involved six face to face workshops and wider stakeholder engagement via email. It was promoted via letter drops, radio advertising, social media/online advertising, flyers and on various websites. 602 responses were received. In summary, the consultation found that existing bus users were positive about potential journey time savings and reliability improvements along the A8/A89 as proposed. Discussions with bus operators had highlighted just how big a barrier network congestion was to their operations. Active travel improvements scored positively among existing users.

### **Decision**

To note the presentation.

## **7. Culture Programme Annual Progress Update**

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A presentation was provided on the work taking place to deliver the Dunard Centre, Edinburgh first purpose-built concert hall in more than a century. The building, just off

St Andrew's Square would become home to the Scottish Chamber Orchestra and the Edinburgh International Festival. It would also be a vibrant creative hub for the community. Details were provided of the site, where demolition of the old office building was being carried out level by level. An important aspect going forward would be linking, through the City Region Deal, this cultural strand with the existing transport and tourism strands. Details were also provided of the community engagement programme, which would connect with audiences year-round, with an impact far beyond Edinburgh.

### **Decision**

To note the presentation.

## **8. Integrated Regional Employability and Skills (IRES) Programme 2023 Annual Report – Look Forward**

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The Integrated Regional Employability and Skills (IRES) Programme 2023 Annual Report was presented. In order to chart the progress of activity and performance against established targets, the IRES Project Management Office (PMO) had implemented a comprehensive system for tracking and reporting results, which was recognised as sector leading and had influenced how Benefits Realisation is conducted across the wider aspects of the Deal.

The IRES PMO planned to begin investigating how the activity could be resourced once the current round of funding was complete in March 2027. It was proposed that options be explored on how to more closely align the duration of the IRES programme with the 15-year term of the deal as a whole, which would ensure that opportunities were fully realised and risks mitigated across the ESES City Region Deal.

### **Decision**

- 1) To note the progress made by the IRES Programme in establishing the culture of collaboration in relevant skills areas.
- 2) To acknowledge the significant importance of the IRES Programme. As a £25m component of a £1.5bn Deal, the impact of the IRES programme went well beyond its financial worth and its role was essential in providing the framework for the wider Deal to maximise inclusive growth outcomes.
- 3) To support the IRES Board to continue to lead the way by driving the strategic direction for regional skills projects.
- 4) To support the IRES Board to work with UK and Scottish Governments to identify additional allocation for IRES, beyond 2027 to bring it in line with the investment for the rest of the Deal.

- 5) To remit the IRES PMO to investigate how alternative funding streams (such as UKSPF, or replacement funds) and approaches flowing from the Withers' Review could be used to implement future regional skills projects; and explore the options for how regional, collaborative skills projects and the mechanism to collect and distribute regional funds going forward would be managed.

(Reference – report by the Chief Executive Officer, Fife Council and IRES Board Chair, submitted.)

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## Edinburgh and South East Scotland City Region Deal Joint Committee

**10 am, Friday 1 March 2024**

### **Work Programme for City Region Deal Joint Committee**

**Item number 5.1**

#### **Executive Summary**

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

#### **Graham Hope**

Chief Officer, Edinburgh and South East Scotland City Region Deal

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

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## Work Programme for City Region Deal Joint Committee

### 1. Recommendations

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

### 2. Background

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- 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

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- 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 March 2024	<ul style="list-style-type: none"> <li>• Appointment of Convener and Vice Convener for 2024</li> <li>• A701 Relief Road and A702 Spur Road – Phasing</li> <li>• Bus Partnership Fund - Update</li> <li>• City Region Deal Benefits Realisation – Six-monthly Update</li> <li>• Data-Driven Innovation Programme - Annual update</li> <li>• Fife Industrial Innovation Investment Programme – Tranche 3 Business Case</li> <li>• Internet of Things in Schools</li> </ul>
7 June 2024	<ul style="list-style-type: none"> <li>• A720 Sheriffhall - Six-Monthly Update</li> <li>• Borders Innovation Park (Phase 2) Change Control</li> <li>• Construction Inflation - Internal Audit Report</li> <li>• Regional Prosperity Framework Delivery – Annual Update</li> <li>• Regional Transport Programme – Annual Update</li> <li>• West Edinburgh Transport Improvement Programme – Outline Business Case</li> </ul>
6 September 2024	<ul style="list-style-type: none"> <li>• Culture Programme - Annual Update</li> <li>• Internet of Things in Schools – Progress Update</li> </ul>
6 December 2023	<ul style="list-style-type: none"> <li>• A720 Sheriffhall - Six-Monthly Update</li> <li>• Integrated Regional Employability and Skills Programme - Annual Update</li> </ul>

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

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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

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- 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

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

## 7. Appendices

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None.



## Edinburgh and South East Scotland City Region Deal Joint Committee

**10 am, Friday 1 March 2024**

### **City Region Deal Progress Report**

**Item number 6.1**

#### **Executive Summary**

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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.

#### **Graham Hope**

Chief Officer, Edinburgh and South East Scotland City Region Deal

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

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## City Region Deal Progress Report

### 1. Recommendations

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

### 2. Background

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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 and Strategic Added Value 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	Project is on track.	Project is in sound financial health. No significant financial concerns. Spending is largely in line with profile.	No mitigation required.
Amber	Moderate delay(s).	Project is financially stable. Some low to moderate financial concerns. Spending is for the most part in line with profile.	Project team must have actions in place for improvement. Project should be closely monitored by senior management and relevant boards.
Red	Delay is significant.	Project has some moderate to high financial concerns. Significant concerns with slippage.	Project team must have actions in place to establish a strategy to urgently address issues, with oversight from senior management and relevant boards.

**Table 2: Strategic Added Value Score**

Score	Description
1 (Low)	<ul style="list-style-type: none"> <li>• There are opportunities for links with one or two other CRD themes that may add value to the proposal.</li> <li>• Partnership working with wider stakeholders, to add value to the proposal has not been thoroughly considered, but may be possible, and should be explored.</li> <li>• One or two of the five “inclusive growth” measures listed in the <a href="#">Deal Document</a> could be incorporated into the delivery of the project.</li> </ul>
2 (Medium)	<ul style="list-style-type: none"> <li>• There are opportunities for links with two or three other CRD themes that may add value to the proposal.</li> <li>• Partnership working with wider stakeholders, to add value has been factored into the business case to some extent, but there are opportunities to enhance.</li> <li>• Two or three of the five “inclusive growth” measures listed in the <a href="#">Deal Document</a> could be incorporated into the delivery of the project.</li> </ul>
3 (High)	<ul style="list-style-type: none"> <li>• There are opportunities for links with three or four other CRD themes that may add value to the proposal.</li> <li>• Partnership working with wider stakeholders, e.g. private/third sector is already taking place and strategic added value effects are clear.</li> <li>• Three, four or five “inclusive growth” measures listed in the <a href="#">Deal Document</a> could be incorporated into the delivery of the project.</li> </ul>

### 3. Main report

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- 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

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- 4.1 £283m of the £415m of government funding flowing through the Accountable Body has been drawn down - 68% 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 £305m of the full £600m of government funding for all CRD projects has been drawn down – 51% of the total.

### 5. Alignment with Sustainable, Inclusive Growth Ambitions

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- 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

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- 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

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- 7.1 Edinburgh and South East Scotland City Region Deal Progress Report (February 2024).

# Progress Report

Last updated: 26 Feb 2024

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
Broxburn to Maybury Consultation Findings / Bus Partnership Fund Update	<b>Dec 23</b>
Culture Programme Annual Update	<b>Dec 23</b>
Integrated Regional Employability and Skills Programme Annual Update	<b>Dec 23</b>

Upcoming Joint Committee Meeting Milestones (expected)	Target Date
A701 Relief Road and A702 Spur Road – Phasing	<b>Mar 24</b>
Bus Partnership Fund – Update	<b>Mar 24</b>
City Region Deal Benefits Realisation Update	<b>Mar 24</b>
Data-Driven Innovation Programme Annual Update	<b>Mar 24</b>
Fife Industrial Innovation Investment Programme – Tranche 3 Business Case	<b>Mar 24</b>
Internet of Things in Schools – Update	<b>Mar 24</b>

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

Total CRD grant	CRD grant drawn down to date	23/24 CRD grant allocation	23/24 grant drawn down
£600m	£304.5m	51%	£39.2m*

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### Top 3 Risks (from PMO Risk Register)

Risk	Impact	Like hood	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"> <li>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.</li> <li>Budget RAG scores report on in-year performance, are monitored closely by the PMO, and are reported on at every major Board meeting.</li> <li>Regular discussions on finance between project leads and PMO, Directors of Finance and PMO and PMO and Governments to capture issues arising.</li> </ul>
Financial profile across programme is not met.	3	3	9	<ul style="list-style-type: none"> <li>Aim to continue to spend according to agreed profile.</li> <li>Aim to achieve business case approval in line with Deal Implementation Plan.</li> <li>Quarterly meetings with regional Directors of Finance to consider profile and highlight problem areas</li> <li>Quarterly review meetings with Government.</li> <li>Partners asked to be realistic with their projections and to inform early if anticipating an underspend.</li> <li>Accountable body to challenge underspend and asked for reasons behind the slippage.</li> </ul>
The IRES revenue programme not continuing after its scheduled 8 years of funding (March 2027) – implications for inclusive growth and the most disadvantages	3	3	9	<ul style="list-style-type: none"> <li>Investigate IRES funding and activity beyond the initial 8 years period, in order to potentially align with the 15 year duration and help retain staff who have built up knowledge and skills in this area.</li> <li>Ensure that legacy is part of future benefits realisation work.</li> <li>Planning for IRES - phase 2 is in progress to position the programme to seek/respond to future skills needs and funding opportunities</li> </ul>

**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	Project is on track.	Project is in sound financial health. No significant financial concerns. Spending is largely in line with profile.	No mitigation required.
Amber	Moderate delay(s).	Project is financially stable. Some low to moderate financial concerns. Spending is for the most part in line with profile.	Project team must have actions in place for improvement. Project should be closely monitored by senior management and relevant boards.
Red	Delay is significant.	Project has some moderate to high financial concerns. Significant concerns with slippage.	Project team must have actions in place to establish a strategy to urgently address issues, with oversight from senior management and relevant boards.

**Strategic Added Value Score**

Score	Description
1 (Low)	<ul style="list-style-type: none"> <li>• There are opportunities for links with one or two other CRD themes that may add value to the proposal.</li> <li>• Partnership working with wider stakeholders, to add value to the proposal has not been thoroughly considered, but may be possible, and should be explored.</li> <li>• One or two of the five “inclusive growth” measures listed in the <a href="#">Deal Document</a> could be incorporated into the delivery of the project.</li> </ul>
2 (Medium)	<ul style="list-style-type: none"> <li>• There are opportunities for links with two or three other CRD themes that may add value to the proposal.</li> <li>• Partnership working with wider stakeholders, to add value has been factored into the business case to some extent, but there are opportunities to enhance.</li> <li>• Two or three of the five “inclusive growth” measures listed in the <a href="#">Deal Document</a> could be incorporated into the delivery of the project.</li> </ul>
3 (High)	<ul style="list-style-type: none"> <li>• There are opportunities for links with three of four other CRD themes that may add value to the proposal.</li> <li>• Partnership working with wider stakeholders, e.g. private/third sector is already taking place and strategic added value effects are clear.</li> <li>• Three, four or five “inclusive growth” measures listed in the <a href="#">Deal Document</a> could be incorporated into the delivery of the project.</li> </ul>

Overall Total				Project	23/24				
Project Budget	Total CRD Funding	Total CRD Funding Drawn Down	CRD Funding Drawn Down as %		Funding Allocation	Spend to Jan	Full Year Projected Outturn	Full Year Variance	
<b>Finances Managed via PMO</b>									
£113.3m	£32.5m	£32.5m	100%	Bayes Centre	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
£29.1m	£15.0m	£2.7m	18%	Borders Innovation Park	£0.5m	£0.4m	£0.5m	£0.0m	£0.0m
£74.9m	£20.0m	£11.5m	57%	Dunard Centre	£7.0m	£4.8m	£7.0m	£0.0m	£0.0m
£87.1m	£17.4m	£16.5m	95%	Easter Bush	£0.9m	£0.0m	£0.9m	£0.0m	£0.0m
£54.0m	£10.9m	£1.2m	11%	Easter Bush Link Road*	£0.8m	£0.4m	£0.5m	£0.3m	£0.3m
£274.8m	£57.9m	£57.9m	100%	Edinburgh Futures Institute	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
£51.9m	£30.0m	£2.0m	7%	Edinburgh Innovation Hub	£5.9m	£0.8m	£2.7m	£2.7m	£0.0m
£134.1m	£79.6m	£57.0m	72%	Edinburgh International Data Facility	£9.9m	£6.1m	£9.9m	£9.9m	£0.0m
£53.7m	£35.0m	£17.2m	49%	Fife i3 Programme	£7.6m	£4.0m	£5.4m	£5.4m	£0.0m
£22.5m	£22.5m	£20.4m	91%	National Robotarium	£2.2m	£0.3m	£2.2m	£2.2m	£0.0m
£126.2m	£49.2m	£49.2m	100%	Usher Institute	£0.1m	£0.1m	£0.1m	£0.1m	£0.0m
£36.0m	£20.0m	£0.3m	1%	West Edinburgh Transport Improvement Programme	£0.2m	£0.1m	£0.2m	£0.2m	£0.0m
£25.0m	£25.0m	£14.4m	57%	Integrated Regional Employability & Skills Programme	£4.3m	£3.3m	£4.3m	£4.3m	£0.0m
<b>£1,082.6m</b>	<b>£415.0m</b>	<b>£282.8m</b>	<b>68%</b>	<b>Total</b>	<b>£39.2m</b>	<b>£20.2m</b>	<b>£33.7m</b>	<b>£33.7m</b>	<b>£5.5m</b>
*Revised budget not yet approved.									
<b>Finances Managed directly with SG</b>									
£120.0m	£120.0m	£6.5m	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	£0.3m	1%	Housing Infrastructure Fund	£5m allocation to Fife Council.				
<b>£433.0m</b>	<b>£185.0m</b>	<b>£21.8m</b>	<b>12%</b>	<b>Total</b>					
<b>Full Deal</b>									
<b>£1,515.6m</b>	<b>£600.0m</b>	<b>£304.5m</b>	<b>51%</b>	<b>Full Deal Total</b>	<b>£304.5m of £600m SG/UKG funding drawn down.</b>				

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\* 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	S A V	Comments
Bayes Centre	Deliver	Sep 18: Opening	N/A	G	G	3	Major objective is to re-energise the EIE Investor Showcase event and continue to build momentum around Entrepreneurship ecosystems within the City Region.
National Robotarium	Deliver	Sep 22: Grand Opening	N/A	G	G	2	Budget declared as red due to drawdown profile for 23/24 not matching prediction. Supply chain delays. Full drawdown still forecast by end of financial year. Commercial and research partnerships continue to strengthen.
Edinburgh Futures Institute	Implement	Start on site	Spring 24: Complete construction	G	G	3	EFI phased opening now underway, first student cohorts now being taught in the building.
Usher Institute	Implement	Oct 22: Launch Usher Innovation community inc. frailty challenge	Spring 24: Complete construction of Usher Institute facility.	G	G	2	Building on track for completion in Spring 24.
Easter Bush	Implement	Jul 23: Continue to strengthen leading-edge data intensive research capabilities.	Jul 24: Recruit into priority areas which foster development of key data-driven activity within Agritech	A	G	2	Major objective is to develop Engineering Biology Mission Hub for Food Systems (in conjunction with other Institutes) and continue academic recruitment for leads of the four proposed DDI Agritech centres.
Easter Bush A701 Relief Road and A702 Spur Road	Design	Route selection	Q2 24: Specimen design planning application	A	R	2	The specimen design is progressing with the target of submitting a planning application for the Bush Loan Junction Q2 2024 and for the Relief Road Q4 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. Levelling Up Fund bid was unsuccessful. Alternative funding opportunities and means to phase and prioritise the programme currently under consideration.
Edinburgh International Data Facility	Deliver	Nov 23: - First local authority completed for IoT in Schools service Deployment		G	G	2	Major objective is to ensure that key future DDI initiatives are included in the EIDF development roadmap and develop a service catalogue. Award of Exascale computer development is now being pursued (up to £900m).

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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	Contractor appointed Dec 23. Design team novated. Construction commenced January 24.	Monitor the construction and administer the contract. Progress targets for the community benefits. Establish the Project bank accounts	<b>G</b>	<b>A</b>	2	Construction commenced in January 24 – a significant milestone. Project team met with CCP to discuss the delivery of the community benefits.

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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	Start of construction of Phase 3 road and service infrastructure.	Development Partner model planned with assistance of Hub SE.	A	G	1	<p>Construction of the road and service infrastructure for Phase 3 is ongoing.</p> <p>Confirmation of grant award of £3m from SOSE towards road and service infrastructure in 2023-24, and Phase 2 building works in 2024-25 and 2025-26.</p> <p>Tenant identified to let remaining space within the Phase 1 building.</p> <p>The delivery programme for Phase 3 remains under review.</p>
Fife Industrial Innovation Investment (Fi3P)	Implement / Deliver	<p>Q4 23/24: Construction work continues at Fife Interchange North.</p> <p>Q4 23/24: Levenmouth Task Force Units: Construction continues.</p>	<p>Q4 23/24: Construction work continues at Fife Interchange North.</p> <p>Q4 23/24: Levenmouth Task Force Units: Construction complete, delay due to substation not being energised.</p>	G	A	2	<p>Demand for completed units remains strong, good market interest in purchase of serviced sites.</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 13 February 2024, with positive discussion on projects and next steps. IRES webpages were updated and a video produced for the annual report presentation at Joint Committee on 1 Dec.	Work has started to consider future funding options beyond March 2027 as agreed at Joint Committee. Work continues on enhanced reporting; aligning project outcomes with overall IRES and City Region Deal Benefits Realisation targets.	G	G	3	<ul style="list-style-type: none"> <li>The IRES board was held on 13 February 2024 with updates and discussion on Labour Market Analysis, Integrated Knowledge Systems, Regional Skills Planning research, IRES forward planning as well as Financial and Quarterly report updates.</li> <li>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.</li> <li>The next IRES board is on 7 May 2024.</li> </ul>
Page 27 Integrated Knowledge System (IKS)	Deliver	Local Authorities using Helix signed grant agreements for future financing of the system. West Lothian and Midlothian Councils are using Helix for UK Shared Prosperity Funding. Helix.scot review completed.	Midlothian migration planned for December now rescheduled for Q1. West Lothian test data to be transferred for testing ahead of migration. Early data analysis projects with DDI, Edinburgh Napier University and Smart Data Foundry to report.	G	G	3	<ul style="list-style-type: none"> <li>Helix launched March 2022 for Edinburgh, East Lothian and Intensive Family Support Service. In November 2022 Integrated Employer Engagement &amp; Capital City Partnership joined. In February 2023, Scottish Borders Council moved to Helix. From April 2023 West Lothian and Midlothian recording UK Shared Prosperity Funding on Helix.</li> <li>A planned Midlothian migration for December has been postponed. A new transfer process will be tested and a date set.</li> <li>West Lothian migration transfer process has started.</li> <li>3 early stage data analysis projects underway to start to use collective data in Helix in new ways.</li> <li>PowerBI training offered to all 6 Local Authorities to increase understanding and use of data to run in February and May 2024.</li> </ul>
Labour Market Analysis and Evaluation (LMAE)	Deliver	Completed Creative Industries research. Developed approach to refresh Regional Skills Investment Plan. Delivered final report for Digital Health Skills research.	Deliver refreshed Regional Skills Investment Plan (now called Collaboration Plan).  Develop research ideas for 24/25 programme.	G	A	2	<ul style="list-style-type: none"> <li>Health and Social Care Digital Skills research report and action plan discussed by Health and Social Care Skills Gateway.</li> <li>Delivered Regional Skills Assessment input for West Lothian College partners.</li> <li>Developed engagement plan for 24/25 research programme.</li> </ul>



Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Integrated Employer Engagement (IEE)	Deliver	<p>Fair Work Guide (refresh) complete and published on helix.scot.</p> <p>Commissioning open for Retrofit '24 sectoral awareness campaign.</p> <p>Midlothian &amp; East Lothian enterprise / Business Gateway events underway.</p> <p>Energy Training Academy Net Zero Home launch.</p> <p>Committed to deliver Work force Mobility recruitment roadshow. Project planning underway.</p> <p>Contracted University of Edinburgh to conduct research study on Timberframe / retrofit of differing architypes.</p>	<p>Filming to complete for Usher Institute.</p> <p>Agree process for phase 2/3 of Borders Innovation Park community benefits</p> <p>Regional retrofit qualification; Pilot delivery phase to commence Feb/March, Increased to 90 recipients.</p> <p>Edinburgh Business Gateway events to launch – fair work themed. Finalise social enterprise directory for deal contractors.</p> <p>Heron Bros inception meeting – contractor for Edinburgh Innovation Hub.</p>	G	G	3	<ul style="list-style-type: none"> <li>FORT programme at Fort Kinnaird Recruitment Skills Centre – year 2; so far 177 jobs filled.</li> <li>Fourth FORTY youth pre-employment course planned for March 24.</li> <li><a href="#">ESESCommunities</a> have delivered 92 matches between suppliers and good causes.</li> <li>Mclaughlin Harvey, lead contractor for Usher Institute, have supported 33 charities/community causes across the region, matches formulated by the ESES portal. Total monetary value donated £10,320.</li> <li>Resource; IEE team have approved f/t staff cost to continue CWB activity across the deal.</li> <li>IEE working with The Verdancy Group to design alternative to retrofit academy for Scottish market, funding now agreed to support pilot. For Pilot 96 individuals will achieve level 2 Domestic Retrofit accreditation. Project name 'FutureFit'</li> <li>IEE presenting at Social Enterprise Scotland event on 22/2/24 promoting how the deal is leading the way with Community Wealth Building efforts and Social Enterprise promotion.</li> <li>IEE (CCP) have been shortlisted within the 'Inspiring Partnership Award' category at the 2024 Edinburgh Chamber of Commerce Awards, the partnership nominated is between IEE/CCP and Balfour Beatty for the Ukrainian Construction Academy. The ceremony will take place on 29/2/24.</li> </ul>
Intensive Family Support (IFS)	Deliver	<p>Anti-stigma charter co-developed and with Frameworks Institute for input.</p> <p>Audit of IFS Helix activity completed.</p> <p>Meeting held with Scottish Borders Council to discuss expansion of service.</p> <p>PhD student introductions underway.</p>	<p>Launch of Anti-stigma Charter.</p> <p>Refreshed Community of Practice schedule and development of in-person event.</p> <p>Development of IFS evaluation.</p>	G	G	2	<ul style="list-style-type: none"> <li>599 individuals registered on Helix engaging with IFS.</li> <li>150 new engagements in Phase 2.</li> <li>56 employment outcomes recorded: 25 FT employment outcomes, 26 PT employment outcomes recorded, 4 in work progression, 1 retained employment.</li> <li>140 education outcomes across all categories (including employability training, vocational training, volunteering).</li> <li>53 re-engagements in education where there was non attendance in school.</li> <li>24 individuals have entered full time education and 14 individuals have entered part time education.</li> <li>24 qualifications have been gained to date.</li> <li>Ongoing Helix support in place for service providers.</li> </ul>

Project	Stage	Last Milestone	Next Milestone	T	B	S A V	Comments
Housing and Construction Infrastructure (HCI) Skills Gateway	Deliver	HCI-funded digital construction skills training for SMEs in the ESES region delivered by BE-ST in December 2023.	Launch of first Net Zero Innovation and Delivery feasibility study in February 2024.	G	G	3	<ul style="list-style-type: none"> <li>HCI Skills Gateway Programme Manager quoted in “What Will 2024 Have in Store for Scotland’s Construction Industry?” <a href="https://projectscot.com/2024/01/what-will-2024-have-in-store-for-scotlands-construction-industry/">https://projectscot.com/2024/01/what-will-2024-have-in-store-for-scotlands-construction-industry/</a></li> <li>HCI article on “What the Construction Industry Needs to Know about the Response to the Withers Review” published on 4 January 2024: <a href="https://projectscot.com/2024/01/what-industry-needs-to-know-about-response-to-withers-review/">https://projectscot.com/2024/01/what-industry-needs-to-know-about-response-to-withers-review/</a></li> </ul>
Data Skills Gateway (DSG)	Deliver	Data Education in Schools team hosted online streaming of Royal Institute event. DSG team discussed implications for its work of recommendations included in the ekosgen report into digital skills in Health and Social Care.	Data Skills Gateway Advisory Board to meet in February 2024. The DSG team is to work with Board Members to prepare for the Board’s first in person session.	G	G	2	<ul style="list-style-type: none"> <li>Around 90 pupils from across the region attended the Royal Institute Christmas Lecture event.</li> <li>A face-to-face workshop on AI literacy was run by Data Education Schools team, in partnership with the Children’s Parliament, at Leith Primary school on 6th Dec and was attended by 23 participants and 2 teachers.</li> <li>Edinburgh College and 2i won the Partnership Award at the Herald Higher Education Awards and were also commended for College Development Network – Employer Connection Award for their CodeSpace initiative which aims to widen access to tech roles.</li> <li>DSG activity to featured in Edinburgh Chamber of Commerce <a href="#">publication</a></li> <li>A communications plan is to be developed, in conjunction with SDS, to launch a couple of data skills videos which have been developed by the DSG team to encourage greater take-up of data upskilling provision.</li> </ul>
Workforce Mobility (WFM)	Deliver	November 2023 IRES Board – Year 2 Performance Review Attended the Consultation on Transport Digital Twins bid and the DfT future of Transport event. Led a round table discussion on Transport at the Fife Voluntary Action employability event. Attended Midlothian Community Planning Working Group.	November 2024 IRES Board – Year 3 Performance Review Development of ‘Business Accessibility’ online tool is being undertaken and will be shared with an employability pilot group for further testing. Has been included in Regional Intelligence Hub ‘Ask’ of Governments.	G	A	3	<ul style="list-style-type: none"> <li>Developing Regional Transport Strategy Delivery Plan, as part of the RPF delivery, with SEStran. Delivery of Scottish Borders bus network review ongoing, support &amp; preparation for Council decision.</li> <li>Supported SBC with operational performance of Berwickshire Demand Responsive Transport (bus) service for 2023/24.</li> <li>‘Bus Driver Career’ video and web-page created for Launch event with Transport Minister expected to take place in April 2024.</li> <li>Working with West Lothian &amp; Fife Councils on setting up PowerBi analysis for their existing bus service data.</li> <li>Funding &amp; coordinating Journey Hub and Active Travel analysis for East Lothian Council.</li> <li>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. This tool will also be shared with Transport, Planning and Economic Development officers to gauge benefits of data-based decision making.</li> <li>Final Bike on Bus Report published in November. Particular interest from Visit Scotland, SEStran and SOSE.</li> </ul>

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
A720 Sheriffhall <i>(last updated February 2024)</i>	Define	Public Local Inquiry concluded on 8 February 2023	Scottish Ministers to publish decision regarding the scheme following conclusion of the PLI (timing TBC)	G	G	1	<ul style="list-style-type: none"> <li>City Region Deal Joint Committee ratified their support for the scheme as published on 3 September 2021, following the consideration of further technical information.</li> <li>Responses issued to all objections raised against the draft Orders – ongoing engagement with objectors to try to resolve issues wherever possible.</li> <li>Public Local Inquiry held between 30 January and 8 February 2023.</li> <li>DPEA Reporter issued their report to the Scottish Ministers’ advisors on 10 October 2023, subsequent decision from the Scottish Ministers regarding the scheme to be published in due course.</li> </ul>
West Edinburgh Transport Improvements Programme	Define	Analyse feedback gathered and incorporate into OBC workstreams.  Provide presentation to Joint Committee on Consultation analysis	Present OBC to Edinburgh’s Transport & Environment Committee.  Provide update to EMOC.  Transport Scotland to review final OBC.	G	A	1	<ul style="list-style-type: none"> <li>Initial Concept Designs produced for the Public Consultation exercise.</li> <li>Stakeholder and public consultation was successfully executed and closed on 5 September. Analysis of consultation finds complete.</li> <li>Consultation results have helped inform finalisation of OBC.</li> <li>Early contractor engagement procurement exercise completed</li> <li>Update to EMOC March.</li> <li>Transport Scotland OBC “sign off” April/May</li> <li>Aiming to report OBC to Joint Committee in June 2024.</li> </ul>

Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Page 31 Gunnard Centre	Implement	Site Clearance Works in progress (completion due June 24) Stage 4 Design complete Stage 2 tender received	Stage 2 tender in 12-week review IMPACT acceptance expected Feb 24	A	A	2	SRM's stage 2 tender was received in mid-October and the IMPACT team is now working through this proposal — noting that the Christmas shutdown period has pushed an expected 12-week negotiation window out to the end of February. While the total cost and risk profile are being scrutinised as part of these negotiations, the tender includes an extension to the main construction programme of 23 weeks, with a start date of June 2024 at the earliest. This pushes completion into spring 2028. Enabling works on site are progressing well, with some elongation to the original programme as previously noted which will not affect the programme. Given the sensitivity around the commercial negotiations, a more detailed update on the tender acceptance will be provided in March once these negotiations are concluded.



Project	Stage	Last Milestone	Next Milestone	T	B	SAV	Comments
Affordable housing	Deliver & Define	Collate EESH2 and regional affordable housing delivery	Present Regional SHIP profile to Housing Board on 7 March	A	N/A	2	<ul style="list-style-type: none"> <li>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.</li> </ul>
Strategic sites	Implement & Define	Present Strategic Sites Investment Prospectus to EMOC 16 Feb.	Present Prospectus to Regional Housing Board on 7 March	A	A	2	<ul style="list-style-type: none"> <li>Business case development progressing for Blindwells, Granton Waterfront and Tweedbank.</li> </ul>
Regional Delivery Alliance	Implement	Finalise arrangements for Delivery Partner and begin recruitment process.	Recruit Project Manager.	A	N/A	3	<ul style="list-style-type: none"> <li>Consider standardised housing types, procurement and delivery models to increase offsite. manufacturing and delivery of net-zero homes across the city region. .</li> </ul>
Housing company	Deliver	Draw down of funds completed	Ongoing Delivery	G	G	2	<ul style="list-style-type: none"> <li>The City of Edinburgh Council and Scottish Futures Trust will continue to share learning and financial models with partners, to explore regional delivery models.</li> </ul>

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## Edinburgh and South East Scotland City Region Deal Joint Committee

10am, Friday 1 March 2024

### Data-Driven Innovation Programme Annual Update

Item number 6.2

#### Executive Summary

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This report reviews progress in delivery of the Data Driven Innovation (DDI) initiative in the period to July 2023. The initiative remains one of the single biggest innovation investments in UK academic institutions and is designed to enhance the data capability of the region, drive economic growth, social change and inform and improve public services.

Commensurate with the level of investment, the initiative set ambitious KPIs agreed with City Region Deal partners. These included themes of Talent, Research, and Entrepreneurship. As we enter the sixth year, milestones that far exceed original expectations have been achieved:

**Talent:** 35,000 course completions have been achieved, representing 24% of the overall target.

**Research:** In the last year, £127 million in research activity has been delivered, surpassing the planned £57 million by 125%. As a result, total research expenditure to date has reached £399 million, exceeding the plan by 42%.

**Entrepreneurship:** 41 data-centric technology companies have been supported, bringing the total number supported to date to 433. That is 329 companies ahead of plan.

The Deal offers unique benefits that come from linking organisations across the private sector, academia, and public sector to develop innovation opportunities with tech and data at their heart.

For researchers and innovators, this provides the opportunity to leverage the scale and resources of large organisations through collaboration, while delivering economic and social benefits in the region where they live and work.

With every year that passes, there are more projects that have benefited from DDI support in one form or another. For example, in 2023, 10 projects focused on DDI have been

supported to tackle 'social change through innovation' with the £191,000 DDI research open call. These included improving wildlife conservation through immersive technology, data-driven models for local energy storage and consumption, and audience insights from the Edinburgh Festival.

The Students as Change Agents initiative which is part of the University of Edinburgh's curriculum transformation programme, continues to be supported, and has gone from strength to strength in bringing real-world challenges to cross-disciplinary student groups. There is more information about this, and many other projects, in the case studies section.

The original vision for the DDI initiative was to position the city region as data capital of Europe. Five years later: the city region is home to the UK's National Robotarium; the region has been selected to host the UK's first Exascale supercomputer; Europe's largest Internet of Things network is being rolled out, and the University of Edinburgh is opening the Generative AI Laboratory to develop safe artificial intelligence solutions for industry and government.

In the coming year, the remaining DDI hubs will be opened. First, the new Usher Building, followed by the Edinburgh Futures Institute. This will complete an innovation platform in Edinburgh comprising six hubs (five at the University of Edinburgh and one at Heriot-Watt University).

This will constitute a fantastic and unique innovation that will further propel the strong record of delivery achieved to date.

The Joint Committee is asked to endorse this report, and to support the programme in four areas:

- Help to secure sustainable long-term funding for the Data Skills Gateway;
- Support efforts to secure long-term funding for the Data Skills Gateway initiative;
- Support efforts to ensure the success of the Internet of Things (IoT) in schools initiative; and
- Support the successful delivery of the DDI initiatives identified in the Regional Prosperity Framework (RPF) Delivery Plan.

**Jarmo Eskelinen**

DDI Programme Director, University of Edinburgh

# Report

## 1. Recommendations

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- 1.1 Note progress to date in the delivery of the DDI Programme;
- 1.2 Endorse efforts to secure long-term funding for the Data Skills Gateway initiative;
- 1.3 Endorse efforts to ensure the success of the Internet of Things (IoT) in schools initiative;
- 1.4 Promote the successful delivery of the portfolio of DDI initiatives identified in the Regional Prosperity Framework (RPF) Delivery Plan; and
- 1.5 Support the ambition to utilise the **CRD Benefits Realisation Plan** to build evidence to back up future innovation investment for the region.

## 2. Background

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- 2.1 Progress in the delivery of the DDI Programme is presented in the 2023 Annual Review that is available at [www.ddiannualreport23.com](http://www.ddiannualreport23.com).

## 3. Main Report

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- 3.1 The DDI initiative is now in its sixth year, and solid foundations that have been established. By expanding the portfolio of data courses and enhancing delivery capabilities significant strides have been made in nurturing a data-literate local talent pool. The focus upon data-centric research has positioned the region at the forefront of thought leadership in data and artificial intelligence (AI), and the associated societal considerations. By supporting both deep science and service ventures, local job creation and investment continues to be supported.
- 3.2 2022/23 was a year of significant milestones. The University of Edinburgh (UoE) celebrated 60 years of research in computer science and artificial intelligence, and the DDI Programme reached its halfway milestone. Despite some delays in construction works caused by the pandemic, we have made excellent progress, moving from business case writing to securing the first large-scale Anchor Projects and building and equipping six DDI Innovation Hubs across two universities.
- 3.3 The effectiveness of the DDI initiative is in part due to the early establishment of clear and measurable key performance indicators (KPIs). The DDI Programme had an outstanding year, and continues to perform ahead of plan in all respects:
  - **Talent:** 35,000 course completions have been achieved, representing 24% of the overall target.

- **Research:** In the last year, £127 million in research activity has been delivered, surpassing the planned £57 million by 125%. As a result, total research expenditure to date has reached £399 million, exceeding the plan by 42%.
- **Entrepreneurship:** 41 data-centric technology companies have been supported, bringing the total number supported to date to 433. 69% of companies are still active (average in the UK 30% after 3 years), with 159 (54%) located in South-East Scotland.

3.4 A major focus for the year was preparing to launch the next phase of the DDI initiative. The strategic direction, governance and management to unlock the full potential of the DDI platform of six Innovation Hubs has been assessed, to ensure maximum leverage of the CRD investment. External engagement is being ramped up to drive inclusive growth, solidifying integrated ways of working and embedding the drivers of Data Driven Innovation permanently in the universities and the region more broadly.

3.5 Selected highlights include:

- External evaluations show the growing significance of DDI in the region. The [Data Capital](#) report by Accenture (April 2023) highlighted the growing reputation of Edinburgh as a top European location for AI. The impact on entrepreneurial activity is visible, and FinTech Scotland reported that Scottish fintech companies had received over £300 million in funding in 2022 – an increase of over 200% on the previous year.
- The September 2022 launch of the National Robotarium attracted significant national interest, and a significant strategic alliance with Tata Consultancy Services across multiple disciplines was agreed.
- In October 2023, The UK Government [announced that the UK Exascale Supercomputer will be located in the region](#). Exascale supercomputing is the next generation of high-performance computing and will help researchers model all aspects of our world, test scientific theories and improve products and services in areas such as drug discovery, climate change and advanced engineering.
- The [Data Skills Gateway](#) is a major contributor to collective inclusive growth ambitions. Since its inception in 2018, the Data Skills Gateway has reached over 34,000 participants from school-aged children to woman returns to the workforce. The Data Education in Schools has boosted data literacy in more than 850 schools. In partnership with the Scottish Sensory Centre British Sign Language gestures for cyber security, computing and data science were developed.
- The Innovation Hubs are establishing a new Centre for Purpose-Driven Banking in partnership with NatWest Group. The Centre will draw upon expertise from more than 100 academics to harness data for the public good and climate education.

- The Advanced Investor Readiness (AIR) initiative has opened for applications from potential high-growth start-ups. AIR is an intensive development course that equips entrepreneurs with advanced skills and insights to support their investment journey. The programme will take place in spring 2024, culminating in the EIE24 technology investor showcase in May.

- 3.6 In 2024, the last two buildings for DDI Hubs will be opened. [Edinburgh Futures Institute](#) (EFI) is the larger one, located in the iconic former Royal Infirmary Hospital. EFI will be a new landmark and centre for collaboration and innovation in the city centre. The home base for five of the ten DDI industry sectors, EFI has the broadest educational programme of our Hubs, bringing people, data, and diverse disciplines together in the open, 'what-if' environment. The first wings of the building opened in the autumn of 2023, with the entire building becoming ready in spring/summer 2024.
- 3.7 The [Usher Building](#) will become ready at the start of 2024. It will host health and social care research teams collaborating with partners from public, private and third-sector organisations to deliver data-driven health and social care advances. The Usher Hub is a crucial step in developing the Edinburgh Bioquarter, one of the fastest-growing biomedical innovation areas in the UK. Bioquarter's vision is to grow into a vibrant mixed-use neighbourhood rapidly, centred around a world-leading community of healthcare innovators.
- 3.8 To secure a permanent position as a data capital, outputs of DDI initiatives and activities must lead to long-term outcomes and lasting impact, evolving after the DDI delivery period ends. The strong partnerships established in the first phase of DDI are being built on. DDI Hubs are joining forces behind an integrated entrepreneurship strategy, collaborating with the Tech Scaler coordinated by Codebase to deliver against the ambition of the Entrepreneurial Campus report by the Scottish Government and scale up the Edinburgh tech ecosystem to become self-sustainable.
- 3.9 Collaboration between the HE/FE sector and regional partners has been enhanced to accelerate the delivery of the [Regional Prosperity Framework](#) (RPF), and there is an intention to launch a Regional Intelligence Hub (RIH) as and when funding allows. This pioneering collaboration will unify data, analytical insights, and specialised expertise to support inclusive and evidence-informed policymaking on a regional scale. RIH will stimulate greater cooperation and collaboration among governmental institutions, enhance citizen engagement, and promote accountability and transparency in the policymaking process. It will achieve this by collecting and linking powerful data assets, engaging leading experts in policymaking, cultivating interdisciplinary expertise and collaboration in the public sector, and establishing a structured process to support the participation of different stakeholders and citizen groups.
- 3.10 The success of the DDI initiative to date underscores our commitment to delivering substantial regional impact. As the initiative embarks on its next phase, the platform

that has been created in the last five years will enable us to achieve even greater heights.

#### **4. Financial impact**

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- 4.1 At the end of Government financial year (03/2023) the cumulative capital grant draw-down amounted to £207 million, £79 million ahead of the agreed city region deal funding profile. Together the DDI hubs add 55,000 square metres of innovation space to the city region.

#### **5. Alignment with Sustainable, Inclusive Growth Ambitions**

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- 5.1 The DDI initiative fully supports the aims and ambitions of the CRD.

#### **6. Background reading/external references**

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- 6.1 [DDI Programme Annual Review](#)

#### **7. Appendices**

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- 7.1 None.

## Edinburgh and South East Scotland City Region Deal Joint Committee

**10am, Friday 1 March 2024**

### **Data Driven Innovation - Internet of Things in Schools Project Update**

Item number 6.3

#### **Executive Summary**

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This report updates on progress made by the Data Driven Innovation (DDI) Internet of Things (IoT) in Schools project. A presentation was previously provided to the Joint Committee on [3 December 2021](#) and a video showcasing examples such as work at Addiewell Primary school was included in the ESES City Region Deal [Annual Report 22-23](#).

The project aims to deliver the IoT in Schools service to the majority of schools across the ESES City Region.

The IoT in Schools service provides schools with environmental sensors, which may include the measurement of CO<sub>2</sub>, light levels, humidity, and temperature, as well as access to data visualisation web pages showing data from each sensor, lesson guides and other support materials. Learners can explore the data from internal and external environmental sensors, developing their skills in data, numeracy, technology, and science. This will improve digital and data literacy, empowering learners to succeed in a data driven future.

Deployment of the IoT in Schools service has completed to all West Lothian primary and secondary schools. Pilot projects are in progress at all other ESES City Region Local Authorities, and initial planning for wider deployments will be underway shortly.

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## Data Driven Innovation – Internet of Things in Schools Project Update

### 1. Recommendations

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- 1.1 To note the progress made by the IoT in Schools project to complete the rollout of the service to all primary and secondary schools in West Lothian, and establishing pilot projects across all other authorities.
- 1.2 To acknowledge the great effort made by students, teachers, support teams, and other local authority staff across all ESES City Region Local Authorities to progress the project to this stage.
- 1.3 To note that planning is commencing for wider rollouts across Fife, the Scottish Borders, East Lothian, Midlothian, and the City of Edinburgh following the completion of their respective pilot projects.
- 1.4 To note that a further progress report to be presented in six months.
- 1.5 Members are encouraged to view the three case study videos from pilot projects, which are on the [IoT in Schools website](#). These demonstrate the benefits that the IoT in Schools service will bring to schools across the ESES City Region Deal area.

### 2. Background

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- 2.1 The IoT in Schools project is part of the wider IoT Programme within the Data Driven Innovation (DDI) Programme.
- 2.2 The IoT in Schools project is working closely with the Data Education in Schools (DES) Programme, which is part of the Data Skills Gateway element of the Integrated Regional Employability & Skills (IRES) Programme.
- 2.3 The aim of the project is to provide the IoT in Schools service to the majority of schools across the ESES City Region area. **The service will be a significant factor in supporting the DES programme to meet its aim to improve digital and data literacy, empowering learners to succeed in a data driven future.**
- 2.4 The IoT in Schools service consists of the following:
  - A Memorandum of Agreement in place between the University of Edinburgh, and each Local Authority separately.



- Each school will have:
  - A connection to the University of Edinburgh and the DDI IoT networks.
  - Several environmental sensors to be located within the school. All schools will have sensors that will monitor CO2, temperature, humidity, and light levels. Some schools may have sensors to monitor soil temperature and moisture, and air quality in outdoor spaces, and some may monitor school wormeries or bee hives.
  - Access to data visualisation web pages, showing data from each sensor, on the IoT in Schools website.
  - In-person professional learning sessions on data literacy and sensor technology for groups of teachers. For teachers not able to attend an in-person session, an introduction video has been produced.

### 3. Main report

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- 3.1 There are over 500 potential target schools across the ESES City Region area. Actual target schools will be agreed with each ESES City Region local authority.
- 3.2 Deployment of the IoT in Schools service has completed to all West Lothian primary and secondary schools.
- 3.3 Pilot projects are starting up or are underway in all other ESES City Region Local Authorities.
- 3.4 The pilot projects so far have demonstrated that the learners have a great interest in data when they can experience its use in a real-world context. Through the IoT lessons, pupils have developed data, digital, numeracy, science and language skills, and a thirst to know more. There have been some notable examples:

#### 3.4.1 Addiewell primary and the alligators:

In a fascinating experiment conducted by a group of school children in Addiewell Primary School, the IoT project team worked with Five Sister Zoo in West Lothian to install environmental sensors in the alligator enclosure. Data visualisations for these sensors were provided alongside those for the sensors in the school. The learners were thrilled to be able to compare their classroom environment to that in the crocodile enclosure. They were amazed at the stark differences they found and they gained a new perspective on the importance of environmental factors.

#### 3.4.2 Roslin Primary and the underwater volcano:

The pilot project in Roslin Primary School included the test of an outdoor air quality monitor in the school grounds. A P5 class were surprised when they saw a blip had appeared on their atmospheric pressure graph. With the help of their teacher and a contact in University of Edinburgh, the learners discovered that this blip was caused by the pressure wave from an underwater volcano eruption near Tonga. They investigated more about volcanoes, eruptions, and pressure waves. They confirmed that given the distance from Tonga to West Lothian, and

the speed of the pressure wave, the blip on their graph matched the exact time that a pressure wave from Tonga would have reached their school. Through the University of Edinburgh, the learners were able to present and discuss their findings, and ask further questions, via a video call with a volcanologist who was studying volcanoes in Ecuador at the time.

### **3.4.3 Cramond Primary and the class that fell asleep:**

The learners in Cramond Primary School took several weeks to investigate their environment, focussing on temperature, humidity, CO<sub>2</sub>, and light. They were introduced to the PPDAC (Problem, Planning, Data, Analysis, Conclusions) protocol, which helped them come to conclusions about their environment and propose solutions to improve it. The learners enjoyed the real-world context of the lessons. They investigated the effect CO<sub>2</sub> can have in a classroom and could see a daily pattern in the CO<sub>2</sub> levels in their classroom, and how changes such as opening the classroom door would cause CO<sub>2</sub> levels to drop.

3.6 The next steps for the project are:

- The project team will meet with Local Authority teams to review pilot projects and develop plans for the wider deployments. It is anticipated that the key activities/milestones for these plans will be:
  - Ensure pilots are progressing as expected.
  - Agree review date for pilots, carry out that review, and confirm that the team will move forward with the wider rollout.
  - Sign off a Memorandum of Agreement (one per local authority).
  - Agree a schedule for the wider deployment.
  - Carry out the wider deployment and confirm completion.

3.7 The IoT in Schools service is funded by DDI and is provided at no cost to the local authorities. However, local authorities may have some costs relating to the installation and set-up of the IoT gateway(s) on their networks in the schools.

3.8 The service is currently scheduled to be provided through to July 2028. A review will be held 12 months earlier to consider if, and how, the service may continue beyond that date.

## **4. Financial impact**

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4.1 There are no specific financial implications resulting from this report.

4.2 The IoT in Schools service rollout and on-going provision is free of charge until the service end date of July 2028. This includes the provision of IoT gateway and sensor hardware, provision of, and access to, sensor data visualisations, teaching and other support materials. However, councils may have some costs relating to the installation and set-up of the IoT gateway(s) on their networks in the schools.

- 4.3 If, and how, the service might continue beyond the current duration will be reviewed 12 months prior to the service end date of July 2028.

## 5. Alignment with Sustainable, Inclusive Growth Ambitions

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- 5.1 The hands-on access to sensor-based real-time environmental monitoring that the IoT in Schools service provides to school learners, supports data literacy and engagement in the issues and factors for a sustainable environment.

## 6. Background reading/external references

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- 6.1 The IoT in Schools website: <https://www.ed.ac.uk/information-services/iot/learn-iot>
- 6.2 Links to key areas on the website:
- 6.2.1 Intro video to the IoT in Schools service:  
<https://www.ed.ac.uk/information-services/iot/learn-iot/iot-in-schools-project>
- 6.2.2 Case studies from pilot schools (including three case study videos):  
<https://www.ed.ac.uk/information-services/iot/learn-iot/pilot-studies>
- 6.2.3 The DES (Data Education in Schools) page on the IoT in Schools site, which includes a link to the wider DES programme site:  
<https://www.ed.ac.uk/information-services/iot/learn-iot/data-education-in-schools>
- 6.3 Recent media exposure:
- 6.3.1 STV:  
<https://news.stv.tv/east-central/west-lothian-pupils-compare-classroom-conditions-to-crocodile-enclosure-in-data-driven-project>
- 6.3.2 Glasgow Herald:  
<https://www.heraldscotland.com/news/23839740.addiewell-primary-works-edinburgh-uni-internet-things/>

## 7. Appendices

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- 7.1 None

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## Edinburgh and South East Scotland City Region Deal Joint Committee

**10am, Friday 1 March 2024**

### **Fife Industrial Innovation Investment Programme - ESESCR Deal - Tranche 3 Business Case**

Item number 6.5

#### **Executive Summary**

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This paper seeks approval for the third and final tranche of investment (years 7 – 10) of the Fife Industrial Innovation Investment (i3) Programme. The Fife i3 Programme is a ten-year investment programme in innovation, business property and employment land in Fife.

#### **Carol Connolly**

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## **Fife Industrial Innovation Investment Programme – Edinburgh and South East Scotland City Region Deal - Full Business Case for Tranche 3.**

### **1. Recommendations**

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- 1.1 To approve the Summary Business Case (SBC) included as an Appendix to this report;
- 1.2 To note that the Full Business Case (FBC) was approved by Fife Council's Cabinet Committee on 11 January 2024, The Full Business Case is confidential and was approved under "NOT FOR PUBLICATION by virtue of paragraphs 8 & 9 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973". The approval confirms Fife Council's commitment of the resource required for delivery;
- 1.3 To note that this paper follows the Full Business Case for the Fife i3 Programme, which was approved by Joint Committee on 1 March 2019, and the Full Business Case for Tranche 2, which was approved on 5 March 2020.

### **2. Background**

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- 2.1 The Fife Industrial Innovation Investment (i3) Programme is being delivered as part of the Edinburgh and South East Scotland City Region Deal's innovation theme. The Programme will deliver a sustained investment programme in modern business premises to support the delivery of Inclusive Growth and Innovation in Fife. It will increase the supply of serviced employment land and new industrial, office and business space in Fife.
- 2.2 The business case for a ten-year programme of investment has been approved in 2019, along with a detailed business case for years four to six of the programme (Tranche 2). This Business Case (Appendix 1) sets out the detailed arrangements for years seven to ten of the Fife i3 Programme (Tranche 3) and confirms the agreed profile for investment, grant drawdown and Council's capital contribution.
- 2.3 The investment plans for Tranche 3 reflect a stronger focus on carbon reduction and management measures than the original business case, following the declaration of a climate emergency. The preparation of this business case draws on feasibility work undertaken during Tranche 1 and 2 of the programme to explore opportunities to improve the carbon efficiency of the programme across the building

life cycle (construction, operation, demolition and/or re-use). This work is ongoing and will continue to inform the approach.

- 2.4 The programme is on track to deliver 10,266m<sup>2</sup> of new business accommodation and provide over 16ha (gross) of immediately available, serviced employment land.

### 3. Main report

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- 3.1 The Programme Business Case was based on delivery of a total of £48.4m investment over 10 years. The total programme of investment in this updated Business Case has increased to £58m because of rising costs of site servicing and construction. Inflation and interest rates are still historically high and continue to impact the construction industry causing the prices to rise. The additional investment comes from Vacant and Derelict Land Funding (VDLF), the Levenmouth Reconnected Programme, The Fife Task Force, and additional Capital Investment by Fife Council. The Programme also benefits from capital receipts estimated at £3.7m which are generated by the sale of serviced sites. These are being reinvested into the Programme.
- 3.2 Some minor changes have been made to the i3 Programme in Tranche 3 to respond to
- Cost increases;
  - Private sector interest;
  - Lessons learned;
  - The requirement to reduce carbon; refurbishment to reduce the overall carbon footprint of the programme and manage costs has been introduced;
  - Lower than expected capital receipts;
  - Rephasing and consolidation of specific projects to manage delays, to deliver improved value for money, and to keep the Programme within budget;
  - Uncertainty about the medium/long-term demand for office space after COVID.
- 3.3 An update on each project in the Programme is provided in Paragraph 1.8 (Table 2,3 and 4) of the appended Summary Business Case. Overall, there is a small variation in the expected programme outputs, and an increase in the level of investment required to deliver these outputs. This has arisen due to the significant cost increases which are industry wide.
- 3.4 An Economic Impact Assessment (EIA) was undertaken to appraise the impact of the Fife i3 Programme on key economic indicators as part of the Programme Business Case. This was updated in the Tranche 2 Business Case. The EIA uses economic data and evidence, alongside key assumptions (multipliers) to model the impact of the programme, the multipliers are based on a fixed 'snap shot' model of the economy for a set period of time. The inputs and assumptions have been updated in line with Tranche 1 and 2 delivery (actual and expected). The modelling should be considered indicative. The expected programme benefits are shown in Section 1.3 of the appended Summary Business Case.

- 3.5 The Project and Programme Management roles, responsibilities, and processes for both external and internal reporting and issue management within the council and the City Region Deal are now well established. These arrangements will continue for Tranche 3. This provides three formal escalation points/ gateways for decision-making within Fife Council, depending on their severity and importance. The Fife i3 Programme reports to the Edinburgh and South East Scotland City Region Deal Executive Board and its Joint Committee. As well as regular monthly reporting, this is the escalation point for significant issues that threaten the programme's viability.

## 4. Financial impact

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- 4.1 The Programme Business Case forecasted a surplus of £14m, and the NPV for the programme was expected to be a £0.177m surplus. The results of the latest financial modelling and the movement between the financial modelling for the Outline Business Case (carried out in 2018 to inform the City Region Deal) and the Tranche 3 Business Case are shown in Table 6, of the appended Summary Business Case. This Tranche 3 Business Case shows an insignificant increase in the Programme surplus to £14.6m. The NPV for the programme is now expected to be a surplus of £3.8m. Any surplus will be managed by the Council's Place Directorate in accordance with Fife Council's Medium-Term Financial Strategy.
- 4.2 The movement in grant profile from the City Deal Financial Plan is shown in Paragraph 3.6, Table 7 of the appended Summary Business Case. It is based on claims being made annually in arrears for 79% of costs incurred. There has been advancement of grant drawdown as at year 4 of £1.466m. Draw down is then forecast to continue in line with the financial plan from Year 5 to Year 8.

## 5. Alignment with Sustainable, Inclusive Growth Ambitions

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- 5.1 The Inclusive Growth Challenges for the City Region and a Framework to tackle these are set out in Pages 6-10 of the City Region Deal document. The innovation focus of the Fife i3 Programme offers an opportunity to support innovation active businesses to work in new ways that allow them to succeed and create new and better jobs. The Fife i3 Programme actively supports [www.ESESCommunities.org](http://www.ESESCommunities.org) - the online community benefits portal matching communities and worthy causes with suppliers and business in the City Region Deal area. This helps deliver a strong contribution to inclusive growth.
- 5.2 The commitment to this is unchanged from the original Fife i3 Programme Full Business Case and aligns with the Benefits Realisation Plan for the Edinburgh and South East Scotland City Region Deal.
- 5.3 The methodology adopted for the Tranche 2 Business Case has informed the project selection for Tranche 3. However, it is now based on all potential employment sites included in the Fife Employment Land Audit carried out in 2022. These were assessed in terms of priority and risk, based on agreed Fife Council priorities e.g., the FIFEplan (the Local Development Plan for Fife). These factors include:



- Supports strategic business clusters
- Well located to strategic growth corridors (M90, A92) and public and active travel corridors
- Fit with existing predominant land use
- Potential impact on sensitive and incompatible land uses
- Potential to deliver lower-cost business space
- Greenfield – greenfield sites are not preferred unless they fulfil other sustainability criteria or make a significant contribution to other strategic objectives
- Passive design – can the site accommodate a passive design, particularly in relation to the orientation of the building to maximise passive solar gain?
- Renewables – does the site have access to any renewable energy source, make use of the existing infrastructure (e.g., district heat network, air source or solar power)?
- Vacant and Derelict Land – will the project remediate vacant and derelict land?

5.4 The Fife i3 Programme is now well established with a track record of delivering projects and realising its benefits. This third and final Business Case continues to adopt the H.M. Treasury Green Book 5-Case methodology and continues to demonstrate how its delivery is closely aligned to wider strategies and objectives; Best value for money; Achievable in commercial and practical terms; and affordable.

## 6. Background reading/external references

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- 6.1 [Edinburgh and South East Scotland City Region Deal Joint Committee. Friday, 1st March 2019 10.00 am \(Item 5.4\)](#)
- 6.2 [Edinburgh and South East Scotland City Region Deal Joint Committee. Friday 5 March 2020 \(Item 5.4\)](#)

## 7. Appendices

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7.1 Tranche 3 Summary Business Case

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# **Fife Industrial Innovation Investment Programme – Tranche 3 Investment**

## **Summary Business Case**

Edinburgh and South East of Scotland City Region  
Deal

**Version No: 1.0**  
23<sup>rd</sup> January 2024

## 1. Summary Business Case

- 1.1. The Fife Industrial Innovation Investment (Fife i3) Programme is being delivered as part of the Edinburgh and South East Scotland City Region Deal's innovation theme. The Programme is delivering a sustained investment programme in modern business premises to support the delivery of Inclusive Growth and Innovation in Fife.
- 1.2 The Fife i3 Programme is addressing market failure in the private sector provision of essential business infrastructure required to increase the stock of serviced employment land capable of development, as well as developing new employment units.
- 1.3 This Document sets out the final phase of the 10-year Programme which was approved in 2019. The programme has faced considerable challenges due to COVID, Brexit and elevated levels of inflation. This has slightly altered the original projected benefits as projects are costing more to deliver. However, the programme is still delivering good outputs and providing longer term benefits to the local economy.

Table 1: Expected programme benefits

	<b>Original FBC 2018</b>	<b>Tranche 2</b>	<b>Tranche 3</b>	<b>Reason for movement</b>
Permanent jobs (net average p.a.)	1095	1035	833	Loss of land at Fife Interchange North as a result of planning requirements. Fewer site servicing projects as sites taken forward by private sector.
Gross Construction Jobs (cumulative)	596	625	591	Rising costs has resulted in increased expenditure, and reduced project outputs
GVA (Gross Value Added) per £1 invested	£28	£24	£21	Rising costs has resulted in increased expenditure, and reduced project outputs.
Cost per job	£44,340	£49,224	£69,707	Due to the inclusion of VDLF and other funding (partly to address additional COVID costs), alongside the

				reduction in the projected number of jobs.
Office floorspace	2,300 m <sup>2</sup>	928 m <sup>2</sup>	889 m <sup>2</sup>	Since COVID, office demand has an uncertain outlook, with significant shift to home working.
Industrial floorspace	9,700m <sup>2</sup>	9,784 m <sup>2</sup>	9,377m <sup>2</sup>	Change in scope to respond to increasing development costs.

- 1.4 The Fife i3 Programme is now well established with a track record of delivering projects and realising its benefits. Tranche 2 of the programme included development of the Benefits Realisation Framework and carbon assessments for new projects. The latter is well established to inform the Full Business Case for Tranche 3. This third and final Business Case continues to adopt the H.M. Treasury Green Book 5-Case methodology and continues to demonstrate how its delivery is closely aligned to wider strategies and objectives; Best value for money; Achievable in commercial and practical terms; and affordable.
- 1.5 The Fife i3 Programme is on track to meet its strategic objectives of:
- Increasing the supply of modern business accommodation
  - Facilitating investment by the private sector, by servicing employment land
  - Working in partnership with the Edinburgh and South East Scotland City Region Deal Data-Driven Innovation Programme, to assist 1,000 businesses across the region to become innovation-active, to reduce their costs and improve their productivity
  - Ensuring that Fife businesses sustain and improve their economic performance as the City Region progresses towards becoming the Data Capital of Europe, through improved value from their data and the adoption of digital technologies to create/safeguard jobs and turnover.
- 1.6 The Fife i3 Programme is creating conditions for start-ups and SMEs (Small, Medium Sized Enterprises) grow, innovate, and internationalise – to create more businesses in Fife and more jobs. It is creating a “ladder” of new, modern, flexible business property across a range of locations, sizes and uses.
- 1.7 The Fife i3 Programme investment has both regional and national impact on the business infrastructure in east central Scotland. This includes direct and indirect employment as well as increased household income and demand for local services. Further, investment of this scale will have major benefits for

supply chain businesses located in Fife, the wider east central belt and Scotland more generally.

- 1.8 The Programme now varies slightly from the Programme Business Case as a result of what has been delivered or expected to be delivered during Tranches 1 and 2 as included in Tables 2 and 3. This is due to a reassessment of the sites and adapting plans, based on market demand, which were included in the Programme Business Case. The sites removed from the programme are shown in Table 4.

Table 2: Tranche 1 Outputs:

<b>Projects Delivered</b>	<b>Description</b>
Acquisitions 2 sites	Ridge Way, Dalgety Bay (2.59 ha)  Fife Interchange North, Dunfermline (6.77 ha)
New Build 2 sites	Flemington Rd, Glenrothes(1,095 m2)  Dunnikier Industrial estate, Kirkcaldy (762 m2)

Table 3: Tranche 2 Expected Outputs:

<b>Projects to be delivered</b>	<b>Description</b>	<b>Status</b>
Site Servicing 3 sites	Fife Interchange North, Dunfermline (1.89ha)  Lochgelly Site Servicing (2ha)  Ridge Way, Dalgety Bay (2.59ha)	Completed  Spring 2024  Liaising with potential purchaser
Site Disposals 3 sites	Ridge Way, Dalgety Bay (2.59 ha)  Fife Interchange North, Dunfermline (1.89)  Lochgelly (2ha)	Conditional Legal Agreement in place (All sites)
New Build 7 sites	West Way, Dalgety Bay Business Units (1393m2)  Levenmouth Business Park, Buckhaven Business Units (Phase 1) (741m2)  Fife Interchange North, Dunfermline Business Units (2300m2)	Completed  Completed Q4 23/24  To be completed Summer 2024

	Flemington Road, Glenrothes Business Units Refurbishment/Phase 2 (685m2)	Onsite Q1 24/25. Estimated Completion Summer 2025.
	John Smith Business Park, Kirkcaldy Business Units (952m2)	Onsite 24/25
	Cowdenbeath Flexible Business accommodation (356m2)	Onsite 24/25
	Levenmouth Business Park, Buckhaven Business Units (966m2)	Onsite 24/25

1.9 The Programme did not proceed with some of the sites that were included in the Programme Business Case and the Tranche 2 Business Case. The table below explains the rationale for this.

Table 4: Sites Removed from the Programme set out in the Programme Business Case

Site and Location	Project Type	Reason for Removal
Beech Way, Dalgety Bay	Acquisition and Site Servicing	Purchase unsuccessful.
Rosyth Waterfront	Site Servicing	Private sector proceeding to develop the site.
Mitchelston Industrial Estate, Kirkcaldy	Site Servicing	No agreement with landowner.

1.10 During Tranche 3, the projects that will be delivered will achieve excellent long-term benefits in terms of job numbers and private sector leverage. After assessment of the options, the recommended Tranche 3 portfolio of sites is:

Table 5: Tranche 3 Sites

Projects:	Site Size	Projected Construction Jobs Supported (All projects):	Forecast of Permanent Jobs to be created:

New Build – Flemington Road, Glenrothes	929m <sup>2</sup>	169	459
Refurb – Kirkcaldy Office Accommodation	82m <sup>2</sup>		
Site Servicing – Levenmouth Business Park, Buckhaven	5.47ha		
Site Servicing – John Smith Business Park, Kirkcaldy	2.78ha		
Site Servicing – Dunnikier Business Park, Kirkcaldy	3.2ha		
Forecast Private Sector Leverage including Tranche 3 Projects			£49.36m

## 2. Accountancy Treatment

The assets created by the Fife Industrial Innovation Investment Programme will become the assets of Fife Council. These are transferred to the Council's Business Property Portfolio on completion. Subject to the terms of the offer of grant from Scottish Government, and the Minute of Agreement with the accountable body (City of Edinburgh Council) the rental income and any capital receipts ( up to a value of £5.2m) are being used to fund the programme to repay borrowing. Any maintenance and management costs are being met from the rental income in line with the assumptions in the Financial Model. Any surplus will be managed by Fife Council's Place Directorate in accordance with the Council's Medium-Term Financial Strategy.

## 3. The Financial Case - Funding Profile

3.1 The Fife i3 Programme is funded from an annual, variable Scottish Government grant; Fife Council capital funding; capital receipts from the sale of developed land; and rental receipts from leased premises. To cope with additional costs and to take advantage of specific opportunities to strengthen the Programme, additional funding has been brought in from Fife Council capital; VDLF, Levenmouth Reconnected programme, Developer Contributions and TIF (Tax Incremental Funding) to remediate challenging sites. This funding approach is captured in the financial model, which now



includes more refined information on the expected costs and delivery timetable for the programme.

- 3.2 Since the development of the Programme Business Case, the financial modelling shows some movement in the expected NPV (Net Present Value) for the programme. This is principally due to changes to the Programme to respond to elevated levels of inflation, including additional investment being used to support the delivery of the Programme.
- 3.3 The Business Case for Tranche 3 shows an insignificant increase in the Programme surplus from £14 million in the Programme Business Case to £14.6 million. The NPV for the programme is expected to be a surplus of £3.8 million – this is a significant increase from the original Programme Business Case, which showed a £0.177 million NPV surplus. The main reasons for the increase in the forecast surplus is a revision of maintenance cost assumptions.
- 3.4 Any surplus will be managed by Fife Council's Place Directorate in accordance with the Council's Medium-Term Financial Strategy, the terms of the offer of grant from Scottish Government, and the Minute of Agreement with the accountable body (City of Edinburgh Council). The Edinburgh And South East Scotland City Region Deal Grant Offer 2023-24 states that the Scottish Ministers expect that the programme will not dispose of any asset funded with the Grant funds, in part or in whole, within 10 years of the Asset being acquired or developed, unless the Asset has become obsolete.
- 3.5 However, for the Fife i3 Programme, the funding approach in the Programme Full Business Case, approved by partners, and endorsed by the Governments, agreed that the capital receipts up to a value of £5.2m could be reinvested into the Programme. Current projections are that the Capital Receipts will be £3.7m due to the removal of site servicing projects as summarised in Table 4 above.
- 3.6 The Programme investment has increased by £9.6m. This is a combination of other external funding from VDLF, TIF and Levenmouth Reconnected grant funds and an additional capital contribution from the Council's Capital Investment Plan.
- 3.7 The results of the latest financial modelling and the movement between the financial modelling for the Programme Business Case and the latest position are shown below in Table 6.

Table 6: Financial Modelling Results and Movement from Programme Business Case to Current Position

Financial Modelling Results (£m)	NPV of (Surplus) / Deficit	(Surplus) / Deficit	Investment	Capital Receipts	Interest (%)
Programme Base Case - 3.75% BCIS	(0.2)	(14.1)	48.4	(5.3)	3.6
Tranche 2 Business Case	(3.6)	(15.7)	49.7	(5.2)	3.6
Tranche 3 Business Case Update	(3.8)	(14.6)	58.0	(3.7)	3.5
Movement T3 to Programme Business Case	(3.6)	(0.5)	9.6	1.6	0.1

Note: figures may not sum due to rounding

- 3.6 The movement in grant profile from the City Deal Financial Plan is shown below, this is based on claims being made annually in arrears for 79% of costs incurred. There has been advancement of grant drawdown as at year 4 of £1.466m and then draw down continues in line with the financial plan from Year 5 to Year 8.

Table 7: Movement in Grant Profile from Programme Business Case to Current Position

Note: figures may not sum due to rounding. <b>Movement in Grant Profile from Programme Full Business Case to Current Position</b>	2019/20 Year 1	2020/21 Year 2	2021/22 Year 3	2022/23 Year 4	2023/24 Year 5	2024/25 Year 6	2025/26 Year 7	2026/27 Year 8	2027/28 Year 9	2028/29 Year 10	TOTAL
City Deal Financial Plan		(2.840)	(3.748)	(5.173)	(6.317)	(8.046)	(2.852)	(3.928)	(2.096)	(0.0)	(35.000)
Base Case – Programme Business Case 3.75% BCIS		(3.243)	(3.665)	(4.489)	(4.119)	(7.863)	(5.410)	(3.745)	(2.465)	(0.0)	(35.000)
Current Position * (Tranche 3)	(1.433)	(3.620)	(4.288)	(3.885)	(6.317)	(8.046)	(2.852)	(3.928)	(0.630)	(0.0)	(35.000)
Tranche 1 Total			(9.341)	Tranche 2 Total		(18.248)	Tranche 3 Total		(7.410)	Total	(35.000)

Table 8 – Grant Breakdown by Tranche

ESES Region Grant	City	Yrs 0-4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Total
		2019/20 – 2022/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m	£m
Tranche 1		8.332	4.774	5.585	3.177	0.121	0	0	0	21.989
Tranche 2		4.894	0.645	0.834	4.044	1.264	0	0	0	11.682
Tranche 3		0	0	0	0	1.329	0	0	0	1.329
SG/UK Total		13.227	5.419	6.419	7.221	2.714	0	0	0	35.000

**Tranche 3 grant amount £1.329m**

#### 4. Benefits Realisation Approach

- 4.1 Benefits are monitored and assessed through the Fife i3 Programme Change Control process. Changes are captured through Exception Reports, compared against the baseline level set in the Project Business Case. New benefits projections are captured in the Exception Report if approved by the Fife i3 Programme Board.
- 4.2 The Fife i3 Programme is a long-term investment programme. It is part of the Deal's Innovation activities. The ambition is to have more innovation-active businesses in Fife, i.e., businesses that are engaged in all forms of innovation. In the medium term, the ambition is to increase business investment in formal innovation such as research and development. This will deliver improved productivity and higher value jobs for the local authority areas and the city Region. Short term outputs for the innovation activity includes Community Benefits, Construction and supply chain jobs and Site Occupancy. The medium-term impact is jobs and in the longer-term sustained employment/wage rate uplifts.
- 4.3 The Fife i3 Programme ensures that the Fife i3 Programme's innovation objectives are met by implementing an application process for potential tenants for the new industrial units to ensure the Council selects businesses that have: an aspiration to grow (turnover and/or staff numbers); are enthusiastic about the benefits that new ways of working can bring and are committed to developing this; and will put fairness and equality at the heart of their workforce planning.

#### 5 Climate Change Benefits

5.1 Since the Programme Business Case for the i3 Programme was approved, the Scottish Government has developed Carbon Guidance for City Region Deals, [Scottish City Region and Growth Deals: carbon management guidance for projects and programmes - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-petitions/embedded/Scottish-City-Region-and-Growth-Deals-carbon-management-guidance-for-projects-and-programmes-2020-01-20.pdf) . During Tranche 2, the Fife i3 programme is adopted this voluntarily, to measure and reduce the carbon impacts from its activities.

5.2 Based on the experience from Tranche 2, Carbon Assessment Forms have been completed for the Tranche 3 projects. The carbon impact costs have been captured and included in the carbon assessment and the economic assessment. Fife Council aims to make reductions to the figure by introducing modern methods of construction and using low carbon products where possible during the build.

5.3 This Business Case updates each of the five cases with the latest information available. It considers the detailed arrangements for delivery of the upcoming tranche and affirms that:

- The most economically advantageous investment programme is being delivered, also considering sustainability and inclusion objectives;
- The Programme is affordable and financially viable;
- The required outputs and benefits can be successfully delivered.

5.4 The Fife i3 Programme is now well established with a track record of delivering projects and realising its benefits. This third and final Business Case continues to adopt the H.M. Treasury Green Book 5-Case methodology and continues to demonstrate how its delivery is closely aligned to wider strategies and objectives; Best value for money; Achievable in commercial and practical terms; and affordable.

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# Edinburgh and South East Scotland City Region Deal Joint Committee

**10am, Friday 1 March 2024**

## **A701 Relief Road and A702 Spur Road – Phasing**

**Item number 6.6**

### **Executive Summary**

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**Kevin Anderson**

Executive Director, Place, Midlothian Council

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## A701 Relief Road and A702 Spur Road – Phasing

### 1. Recommendations

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- 1.1 Note the revised estimate of the total capital costs of the project of £68.000 million and that this exceeds the current approved £21.774m capital expenditure budget in the Midlothian Council's General Services Capital Plan by £46.226m.
- 1.2 Note that a revised assessment of the external funding currently available to finance the capital expenditure equates to £14.072m. Including the currently approved utilisation of £7.694m of the Council's Capital Fund, this brings the total committed funding to the project to £21.766m.
- 1.3 Note that the funding gap associated with the A701 Improvement Programme therefore stands at £46.234m (excluding potential future developer contributions).
- 1.4 Note the proposed prioritisation of the Bush Loan Junction (Phase 1) and Sustainable Transport Corridor (Phase 2), as outlined in this report.
- 1.5 Note that the prioritisation outlined above aligns with priorities set out in Edinburgh and South East Scotland City Region Deal business plan and needs of partners including University of Edinburgh.
- 1.6 Note Midlothian Council's continued commitment to deliver the remaining phases (phases 3-8) should funding and delivery mechanisms become available and its commitment to obtaining planning permission for the project by 2026.
- 1.7 Note continued efforts to obtain funding for the wider enabling infrastructure project through UKG and other available funding streams.
- 1.8 Agree the economic dimension of the scheme represents value for money and the programme has identified the resources to deliver the next stage of the project.

### 2. Background

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- 2.1 As set out within the adopted Midlothian Local Development Plan (MLDP), investment in enabling transport infrastructure is required to support a range of housing and employment uses along the A701 Corridor. This investment in enabling infrastructure is also required to support the continuing expansion of the Midlothian Science Zone. Land is allocated in the MLDP (2017) and policy support given to development in line with the *Bush Framework Masterplan*, which is a central component of unlocking new investment opportunities in bioscience and enhancing economic performance across the City Region.



- 2.2 The need for the A701 Relief Road and A702 Spur Road is identified in MLDP in order to relieve congestion and unlock development potential along the A701 Corridor.
- 2.3 The A701 Improvement programme will improve traffic flow in the A701 corridor, promote active travel and enhance public transport infrastructure, supporting a shift away from private car usage in this area. This will have a variety of beneficial effects, including improved air quality. Without the proposed improvement works long the A701, economic opportunity in the existing A701 corridor will be curtailed
- 2.4 The Bush Loan/A702 Junction forms part of this A701 Improvement Programme as this junction is currently at capacity. Transport Scotland is unable to support any further development at Easter Bush based on safety concerns around the safe operation of the trunk road (A702). The inability to expand their Easter Bush campus due to this issue is a significant constraint for the University of Edinburgh's ambitions for the site.
- 2.5 To progress this improvement programme, ground investigation works were undertaken in 2018 following which a consultant team was appointed to design the road.
- 2.6 A Scottish Transport Assessment Guidance (STAG) process has been undertaken to establish the preferred alignment and a public consultation exercise has been completed. A preferred route has been identified and a draft specimen design has been produced. An estimate has been produced for this route with a reported cost of £68m.

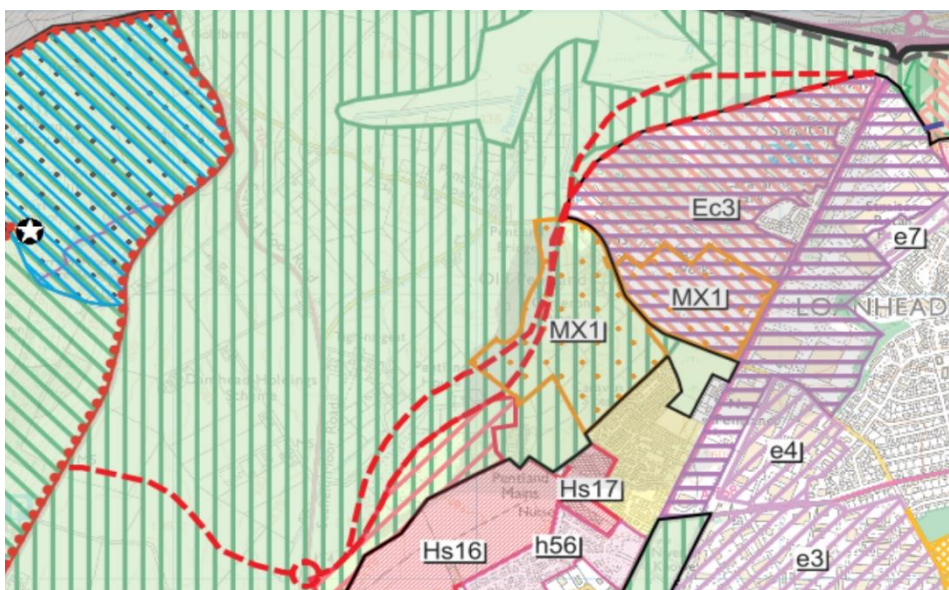
### 3. Main report

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#### Alignment

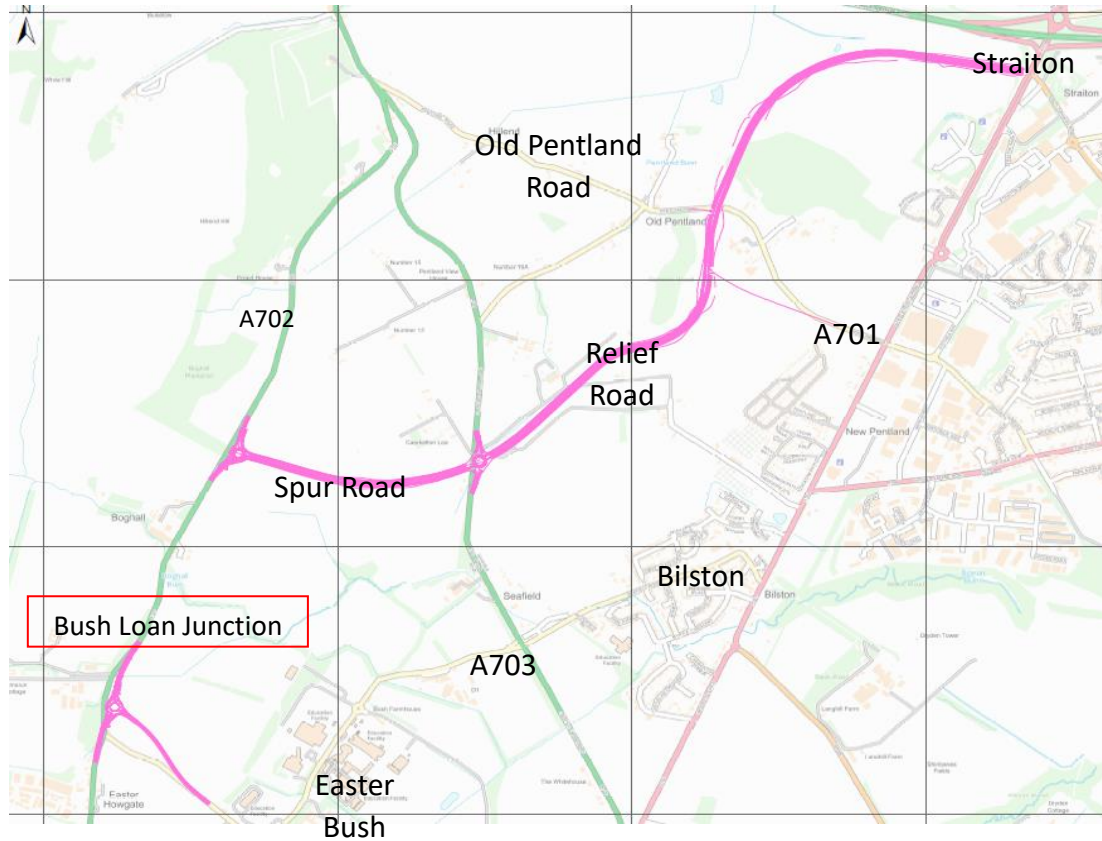
- 3.1 The A701 Relief Road and A702 Spur Road was identified (dashed red) in the adopted 2017 Midlothian Local Development Plan.

Figure 1: A701 in MLDP



- 3.2 The preferred alignment following re-routing to avoid the Pentland Mains Landfill from updated design on work undertaken by AMEY is shown below. The A701 Sustainable Transport Corridor follows the existing route of the A701.

Figure 2: AMEY Preferred Alignment and Bush Loan/A702 Junction Nov 2023



### City Region Deal Priorities

- 3.3 The A701 Improvement Programme will provide a physical infrastructure solution which is essential to unlock significant housing and employment land in the A701/A702 corridor; to accelerate growth in the life sciences sector and to promote greater collaboration and innovation with the University of Edinburgh. This will be a focus for the replacement Beeslack Community High School, which is to be a STEAM Centre of Excellence within the Easter Bush campus. The improvement programme will deliver public transport and active travel infrastructure that will lead to more sustainable travel options & choices and (when aligned with additional A720 improvements) improved travel times, connectivity and accessibility with Edinburgh and around the City region.

### Programme

- 3.4 The current master programme has the delivery of the A701 Relief Road and the A701 Spur Road scheduled for 2028 (funding permitting).
- 3.5 The Bush Loan junction can be accelerated and delivered in advance of the Relief Road. This accelerated programme has the delivery of the Bush Loan junction in

Q1 2026. The design for the Sustainable Transport Corridor is now also progressing and this can also be a priority for delivery.

### Current Cost Estimate

- 3.6 The most recent cost estimates provided to Midlothian Council by the design team are set out below.

Table 1 Current Cost Estimate

July 2023	
A701 Relief Road and A702 Spur Road	£52.907
Bush Loan Junction Upgrade	£5.588
A701 Active Travel	£4.000
Land & compensation	£1.062
Fees	£2.298
Contingencies	£2.177
Estimated total costs	£68.032

### Estimated Cost Escalation

- 3.7 These latest costs arising from the specimen design stage of the project are considerably higher than those costs estimated before detailed design commenced.

Table 2 Cost Escalation

Cost Escalation	Aug 2018	March 2021	November 2023
Funding			
City Deal Funding (secured subject to Easter Bush Business Case)	£10.900m	£10.900m	£10.900m
Midlothian Council – Capital Fund	£ 7.694m	£ 7.694m	£ 7.694m
Developer Contributions (Secured)	£ 1.216m	£ 1.216m	£ 1.216m
Developer Contributions (signed but still to be triggered)	£ 1.096m	£ 1.096m	£ 1.096
Future estimated Developer Contributions	£ 0.870m	£ 4.102m	£ 0.542m
Total Cost	£21.774m	£30m	£68m
Balance of other funding still to be secured	£0.000m	£4.992m	£46.5m

### Bush Loan / A702 Junction - Stand Alone Estimated Cost

- 3.8 The cost estimate of delivering the Bush Loan / A702 Junction is £6.450m, were the project to be delivered as an early phase of works.

Table 3 Bush Loan / A702 Junction Costs

July 2023	
Bush Loan Junction Upgrade	£5.100m
Land & compensation	£0.030m
Fees	£0.720m
Contingencies	£0.600m
Estimated total costs	£6.450m

- 3.9 The University of Edinburgh has advised that they will donate their land for the Bush Loan Junction upgrade and will not seek compensation. There is a small amount of

land that is also required and held by Scottish Ministers which will have to be acquired at market value.

## 4. Financial impact

4.1 The current approved capital expenditure budget in the General Services Capital Plan is £21.774m. There is currently a £46.234 million projected shortfall in funding required to deliver all of phases 1-8.

4.2 In order to mitigate this, it is proposed that Midlothian Council seeks to phase the project and bring forward priority elements of the project that can be delivered within the funding that is currently available. This would equate to Phases 1 and 2 (estimated cost £10.450m) being brought forward now, and fully funded by £10.450m of Scottish Government City Deal funding, as outlined in Table 4 below.

Table 4: Proposed Phasing of Expenditure and available funding

Phase	Description	Forecast Capital Expenditure Costs £m	Funding					Funding Gap £m
			City Deal £m	DC Secured £m	DC Signed £m	Future DC £m	MC Capital Fund £m	
1	Bush Loan * Junction	6.450	6.450	0	0	0	0	0.000
2	A701 Active Travel *	4.000	4.000	0	0	0	0	0.000
3	Straiton Junction Upgrade	3.000	0.450	1.206	1.096	0.870	7.694	46.234
4	Relief Road Straiton to Old Pentland Road **	13.500						
5	Relief Road Old Pentland Road to Seafield Mill	12.000						
6	Spur Road Seafield Mill to A702	11.050						
7	A702 new junction	9.000						
8	New roundabout Seafield Mill	9.000						

Total		68.000	10.900	1.206	1.096	0.870	7.694	46.234
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- 4.3 This would therefore establish capital expenditure budgets of £6.450m for Phase 1 (Bush Loan Junction) and £4.000m for Phase 2 (A701 Active Travel Corridor) in the General Services Capital Plan. These would both be fully funded by a total of £10.450m of City Deal Government Funding. Given these phases would be fully funded by external grant funding, there would be no borrowing requirement for the Council in delivering these phases and as a result no loan charges implications to the Council's revenue budget.
- 4.4 The capital expenditure and funding budgets would be phased across Financial Years 2023/24 to 2027/28, as outlined in the table below:-

Table 5: Proposed Phasing of Expenditure

Financial Year	To 31 Mar 23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28+ £000's	Later Years £000's	Total £000's
Phase 1: Bush Loan Junction	119	52	100	2,750	3,349	80	0	6,450
Phase 2: A701 Active Travel Corridor	74	32	75	177	1,531	2,111	0	4,000
Subtotal	193	84	175	2,927	4,880	2,191	0	10,450
Phases 3-8	1,060	769	1,562	50	0	0	54,109	57,550
Total	1,253	853	1,737	2,977	4,880	2,191	54,109	68,000

\* Deferred to later years (2027/28+) of General Services Capital Plan pending overall funding solution for **£54.109m** costs (inclusive of £3.172m developer contributions) being developed.

- 4.5 Taking forward the design of Phases 3-8 of the Relief Road to planning permission stage would incur a further £2.381m of capital expenditure over the period 2023/24 to 2025/26, as outlined in the table above. In addition to the £1.060m incurred to 31 March 2023 on Phases 3-8, this would give a total of £3.441m of costs incurred for Phases 3-8 to attain planning permission. These costs would initially be funded from the already approved use of the Council's Capital Fund for the project.
- 4.6 While Midlothian Council has not been successful in attracting Levelling Up funding to bridge the £46.234m funding gap for the project, it has recently put forward the A701 Relief Road as an 'unfunded project' to the UK Government in a bid to highlight the benefits of funding this project.
- 4.7 Other mechanisms for bridging the £46.234m funding gap for the project are being explored including Tax Increment Financing (TIF) and the Growth Accelerator approach, which link funding for infrastructure to outcomes such as generation of Non Domestic Rates and job creation.
- 4.8 External funding from developer contributions, totalling £3.172m, can only be applied to phases 3-8 should all phases be delivered . There may be further

developer contributions receivable, totalling a further £4.848m, but this is conditional on future section 75 agreements being negotiated.

## 5. Alignment with Sustainable, Inclusive Growth Ambitions

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- 5.1 The A701 Relief Road is a project that has obtained funding through ESES City Region Deal due to its alignment with sustainable, inclusive growth ambitions. The prioritisation of the Bush Loan Junction and Active Travel Corridor, with continued commitment to seek funding for the remainder of the project, is strongly aligned with the Easter Bush Business Case.
- 5.2 The wider project and the prioritisation of the Bush Loan Junction and Active Travel Corridor aligns also with national policies contained within the National Planning Framework 4 spatial strategy which is to deliver **sustainable places**, where we reduce emissions, restore and better connect biodiversity; **liveable places**, where we can all live better, healthier lives; and **productive places**, where we have a greener, fairer and more inclusive wellbeing economy. It also meets Policy 13 on sustainable transport that seeks to encourage, promote and facilitate development that prioritises walking, wheeling, cycling and public transport for everyday travel and reduce the need to travel unsustainably.

## 6. Background reading/external references

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- 6.1 Website: [A701 Relief Road & A702 Link Road – Midlothian Council](#)
- 6.2 [Easter Bush Business Case](#): report to City Region Deal Joint Committee (5 March 2021)
- 6.3 [Project Update: A701 Relief Road and A702 Spur Road](#): report to City Region Deal Joint Committee (2 September 2022)

## 7. Appendices

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- 7.1 None.

## Edinburgh and South East Scotland City Region Deal Joint Committee

**10am, Friday 1 March 2024**

### **Bus Partnership Fund – Progress Update**

**Item number 6.7**

#### **Executive Summary**

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This report updates Committee on the progress on the Edinburgh and South East Scotland corridors Bus Partnership Fund programme.

Funded through the Scottish Government's £500m Bus Partnership Fund (BPF) to support bus priority interventions, a Strategic Business Case (SBC) was approved by Transport Scotland in November 2023 allocating £1.06m funding to support the next stages of the programme up to end March 2024.

Following the publication of the Scottish Budget on 19 December 2023, Transport Scotland (on 16 January 2024) wrote to The City of Edinburgh Council to confirm that the £500m Bus Partnership Fund will be paused for Financial Year 2024/25 due to budgetary constraints.

No announcement has been made yet that the programme will recommence in financial year 2025/26.

**David Robertson**

**Chair, Transport Appraisal Board**

**Edinburgh and South East Scotland City Region Deal**

Contact: Jamie Robertson, Transport Strategic Planning and Delivery Manager,

The City of Edinburgh Council

E-mail: [jamie.robertson@edinburgh.gov.uk](mailto:jamie.robertson@edinburgh.gov.uk)

## Bus Partnership Fund – Progress Update

### 1. Recommendations

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- 1.1 Note that a Strategic Business Case for Bus Partnership Fund intervention measures was approved by Transport Scotland November 2023.
- 1.2 Note that a grant award of £1.06m was secured to deliver the next stages of the project to end March 2024 to cover the develop an Outline Business Case, scoping of Accelerated Schemes (including bus priority at traffic signals), replacement of A90 Queue Management System and project management costs.
- 1.3 Note that the Scottish Government has announced that as part of draft Scottish budget for 2024/25 funding allocated to the BPF fund will be paused.
- 1.4 Recommends the Convener of the Joint Committee writes to the Cabinet Secretary for Transport seeking assurance that the BPF will return in FY25/26 and commits Scottish Government and Transport Scotland resources for FY24/25 to work with officers to advise on development of future bids and to ensure all opportunities are being explored to ensure workstreams are remobilised soon after the anticipated relaunch of the fund in April 25.

### 2. Background

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- 2.1 To address the issue of increasing bus journey times and patronage decline, in 2021, the Scottish Government committed to providing a long-term investment totalling over £500m in the form of a [Bus Partnership Fund](#) (BPF). The desired outcomes of the BPF include:
  - 2.1.1 To improve bus journey times and provide greater reliability, by prioritising bus over other types of traffic;
  - 2.1.2 To provide high-quality bus services which contribute to four priorities; to reduce inequality, take climate action, help deliver inclusive growth and improve health and well-being;
  - 2.1.3 To reduce congestion, through improved bus services;
  - 2.1.4 To fit with the partnership area's overall strategy for integrated transport, to encourage a modal shift from cars to more sustainable transport and reduce emissions; and



- 2.1.5 To demonstrate partnership strength and commitment, including through ‘match in kind’ action and investment to further improve bus services, and working towards a [Bus Service Improvement Partnership](#).
- 2.2 In March 2021, [Joint Committee authorised](#) the Transport Appraisal Board to prepare a collective South East of Scotland regional bid for submission to Transport Scotland for funding from its Bus Partnership Fund, subject to agreement by the six individual Councils. This was approved, and a bid into the fund was made in April 2021. In September 2021.
- 2.3 In September 2021, [Joint Committee received an update](#) that £3.03m was received from the fund as a result of the bid and approved the recruitment of a full time project manager to take forward the development and implementation required.
- 2.4 In June 2023, the Strategic Business Case (SBC) for the bus interventions to be taken forward [was reported to Joint Committee](#), as part of the Transport theme annual update. The SBC was also subsequently approved by Transport Scotland.
- 2.5 Regional Local Authorities and Bus Operators have successfully collaborated on delivery of BPF commitments to date including the introduction of temporary bus interventions during the Covid 19 Pandemic and the delivery of a SBC. Transport Scotland has recognised the success of this collaboration (which continues to help inform the development of Outline Business Cases and Feasibility Studies).
- 2.6 On 2 November 2023, Transport Scotland provided notification of the funding award for the next stages of the programme. £1.06m grant funding was secured for the following:
- Outline Business Cases covering the following three schemes:
    - A7 / A772 - Implement a bus gate at Gilmerton (AM/ PM peaks on Drum Street)
    - A71 - Implement a citybound bus lane from Curriehill Rd to Hermiston Park and Ride
    - A90 - Burnshot citybound off-slip bus only time restriction (07:30-09:00)
  - A feasibility study assessing next steps for schemes on A702, Kirkliston and M90/A90;
  - Installation of a new Queue Management System on the A90;
  - Installation of a bus lane enforcement camera on the A70;
  - A feasibility study assessing next steps for bus priority at specific junctions and bus lanes at selected sites; and
  - Project Management costs.

### **3. Main report**

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- 3.1 On 16 January 2024, following the publication of the Scottish Budget, Transport Scotland (on 16 January 2024) confirmed that the £500m Bus Partnership Fund will be paused for Financial Year 2024/25 due to budgetary constraints.
- 3.2 Funding for existing workstreams (£1.06m) is committed to end Financial Year 2023/24 and work continues to develop and implement the measures detailed in section 2.6.
- 3.3 Transport Scotland recognise that the City of Edinburgh Council and regional partners have successfully delivered on the ground measures and robust business cases during earlier rounds of the Bus Partnership Fund and consequently provided assurance that these works will continue to inform future funding decisions.
- 3.4 No announcement has been made relating to BPF funding returning financial year 2025/26. Officers will continue to work with Transport Scotland to keep dialogue open during 2024/25 and will undertake advance works where possible (such as the preparation of procurement tasks to secure the required multidisciplinary consultancy support) to ensure that projects are in a strong position to commence at the earliest opportunity should the region be successful in securing future grant funding.
- 3.5 Officers will continue to work together during FY24/25 to coordinate the individual BPF bids with any future ESESCRD bid. Additionally, the City of Edinburgh Council remain committed to all the BPF workstreams already underway, and officers will continue to work with bus operators and partners to keep as much momentum behind the individual projects during the interim funding pause period.

### **4. Financial impact**

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- 4.1 Funding for existing workstreams (£1.06m) is committed to end Financial Year 2023/24 and work continues to develop and implement the measures detailed in section 2.6.
- 4.2 As a priority, officers are working closing with Transport Scotland to explore other funding opportunities with the aim of progressing as much of the previously planned 2024/25 workstreams as possible. As progress is made on any new funding agreements, further updates will be provided to Committee members.

### **5. Alignment with Sustainable, Inclusive Growth Ambitions**

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- 5.1 The Transport projects that are being taken forward through the City Region Deal programme are aligned closely with the national and regional environmental objectives of maximising public transport and active travel; and thereby reducing the amount of travel undertaken by private car.
- 5.2 An efficient regional public and active transport system is also an essential requirement if the regional economy is to experience strong and rapid across a range of sectors, through helping people access employment, education and training.

- 5.3 Removing physical barriers to growth was identified one of five key interventions in the Deal Document's Inclusive Growth Framework. As a consequence, there are three specific positive impact on equalities which are to be achieved:
- 5.3.1 Upgrades and additions to existing infrastructure, with the resultant reduced journey times and increased modal choice, can readily support residents of more disadvantaged communities to more easily access job opportunities and education/training centres.
  - 5.3.2 Transport infrastructure upgrades to unlock housing development sites enable the increase in the supply and availability of housing, particularly in the affordable sector, to assist directly those households which cannot access the private housing market.
  - 5.3.3 Infrastructure improvements which assist in the delivery of data-driven innovation projects and other business development areas will enable accelerated overall economic growth, as well as providing good accessibility to the increased job opportunities arising from those implemented projects.

## 6. Background reading/external references

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- 6.1 [Bus Partnership Fund](#): Transport Scotland website
- 6.2 [ESESCR Deal Transport Appraisal Board bid into the Bus Partnership Fund](#): report to City Region Deal Joint Committee (5 March 2021)
- 6.3 [ESESCR Deal Bus Partnership Fund Award: Funding Announcement and Next Steps](#): report to City Region Deal Joint Committee (3 September 2021)
- 6.4 [Transport Programme Annual update](#): report to City Region Deal Joint Committee (2 June 2023)

## 7. Appendices

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- 7.1 Bus Partnership Fund Update: Letter from Transport Scotland – 16 January 2024

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## Bus, Accessibility & Active Travel

Bettina Sizeland

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E: [buspartnershipfund@transport.gov.scot](mailto:buspartnershipfund@transport.gov.scot)



Jamie Robertson  
Strategic Transport Planning and Projects Development Manager  
The City of Edinburgh Council  
By e-mail [Jamie.Robertson@edinburgh.gov.uk](mailto:Jamie.Robertson@edinburgh.gov.uk)

Your ref:

Our ref:  
BPF007

Date:  
16 January 2024

Dear Jamie,

### Bus Partnership Fund Update

I am writing to you on behalf of your Bus Partnership Fund (BPF) to provide you with an update on the BPF following the recent budget announcement.

We have provided £26.9 million of funding for bus priority through the BPF through two rounds of funding, the first in June 2021 and subsequent round in February 2022. Through the Partnership working undertaken by yourselves in Local Authorities, in collaboration with Bus Operators and others, this has delivered bus priority improvements on the ground and robust business cases across a number of Partnership areas.

However, I am writing to inform you that given the budgetary constraints faced the BPF will be paused for 2024-25. Please be assured that fund spend will proceed as planned for 2023-24 to complete the delivery of the bus infrastructure underway for the benefit of passengers and operators and conclude business case work planned that could inform future investment.

This pausing presents an opportunity to recast bus priority projects within the wider work to be undertaken to deliver on our vision for the Future of Public Transport. This builds on the Fair Fares Review work that is planned to be published in early 2024.

In this context we will continue to make the case for bus priority projects which could be supported as part of an integrated approach to bus service improvement. This will be assisted by the robust business cases produced through the BPF. As you will be aware this already highlights the opportunities for an integrated place-based approach and in many Partnership areas considers the needs of active travel and bus together to meet shared outcomes.

We have welcomed the Partnership working that is on-going to support the bus priority work undertaken through the BPF to date. In many areas these have provided a valuable forum for discussion and work beyond BPF. We trust that these will continue for the benefit of those involved, and ultimately passengers.

As you are aware the Scottish Government encourages all local transport authorities to consider the full range of tools available to them under the 2019 Act, to ensure that everyone has accessible public transport regardless of where they are in Scotland and we look forward to the continued Partnership working demonstrated through the BPF to support you in this.

Finally, I would like to extend my thanks to you, your fellow officers and the wider Partnership for the work and dedication that has gone into the BPF supported projects and business cases. The work undertaken will be valuable in informing future investment decisions.

Yours sincerely,



Bettina Sizeland  
Director, Bus, Accessibility and Active Travel

c.c. Daisy Narayanan, Andy Nichol, Craig Cameron, Amy Phillips