

Edinburgh and South East Scotland City Region Deal Joint Committee

10am, Friday 3 March 2023

Regional Prosperity Framework Delivery Plan

Item number 6.5

Executive Summary

The Regional Prosperity Framework (RPF) articulates the next phase of activity to develop the regional economy, building upon the successes of the Deal.

The RPF Delivery Plan sets out an ambitious and dynamic series of four key programmes to deliver the region's ambitions:

- Green Regeneration;
- Infrastructure for Recovery and Prosperity;
- Visitor Economy and Culture; and
- Data Driven Innovation (DDI) Economy

These programmes will enable the city region to maintain and enhance its global reputation and become the data capital of Europe, delivering sustainable and inclusive growth. The Delivery Plan aligns with Scotland's National Strategy for Economic Transformation (NSET), Scotland's Regional Economic Policy Review recommendations, and UK Government's Levelling Up priorities. Regional Partners ask the Scottish and UK Governments to continue to commit to work in tripartite partnership to deliver our Blueprint through a long term, integrated, place-based funding allocation to deliver shared outcomes.

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Regional Prosperity Framework Delivery Plan

1. Recommendations

- 1.1 The Joint Committee is asked to:
 - 1.1.1 Approve the Regional Prosperity Framework Delivery Plan;
 - 1.1.2 Note that the Delivery Plan has been considered by all six constituent Local Authorities in the Edinburgh and South East Scotland City Region (ESESCR); and
 - 1.1.3 Write to both UK and Scottish Governments to promote the Delivery Plan and seek their support to realise the ambitions of the Regional Prosperity Framework and deliver the Programmes within the Delivery Plan.

2. Background

- 2.1 The maturity of the regional partnership with UK and Scottish Governments has seen the City Region Deal partners develop an ambitious Regional Prosperity Framework (RPF) (formerly Growth Framework), approved in [September 2021](#) before being ratified individually by each of the six Local Authorities and the University of Edinburgh Court. At the time of writing, five of the six constituent councils have formally approved the RPF Delivery Plan, with East Lothian scheduled to consider on 28 February 2023.
- 2.2 The Framework is the articulation of the next phase of the development of the regional economy, building upon the successes of the City Region Deal both in terms of the programmes and also the regional collaboration. It provides a blueprint for regional economic recovery post-pandemic; resilience through the ongoing cost of living crisis; and provides future direction for major projects and investment.
- 2.3 Since the publication of the RPF, regional partners have been developing the Delivery Plan appended to this report. This period has covered the COVID-19 pandemic and ongoing cost-of-living crisis. Partners have tried to develop a Delivery Plan that responds to these crises and recognises that the cost-of-living crisis disproportionately impacted the most economically disadvantaged members of the community, with the cost of basic necessities e.g., food and fuel far exceeding any increases to wages.

3. Main report

- 3.1 The RPF provides a blueprint for regional economic recovery post-pandemic; resilience through the ongoing cost-of-living crisis; and provides future direction for major projects and investment that support inclusive growth and the transition to a net zero economy over the next 20 years.
- 3.2 The RPF and its Delivery Plan align closely with Scotland’s National Strategy for Economic Transformation (NSET), Scotland’s Regional Economic Policy Review Recommendations, and the UK Government’s Levelling Up White Paper with its funding allocations, and the additional funding allocations available through the UK Shared Prosperity Fund. All three of these present major opportunities for our region to truly capitalise on additional funding.
- 3.3 The RPF vision is to become *“the data capital of Europe. We will ensure the social and economic benefits of this capability extend to all. All sections of the community will have the opportunity to develop the key skills that will help to end inequalities in our society. We will protect our environment and make best use of our extraordinary built and natural assets, ensuring that the Edinburgh and South East Scotland City Region delivers a just transition to a net zero economy. Our institutions, ancient and modern, will deliver positive outcomes that enhance our local, national, and international reputation”*.
- 3.4 The regional partners are committed to this vision and to use it to guide and integrate public, private, and third-sector decisions, actions, collaborations, strategies, policies, and investments across areas such as sustainability, climate change, energy, transport, planning, housing, infrastructure, education, digital, services, inequalities, well-being, economic development, procurement, and delivery.
- 3.5 Regional Priorities have been developed around three core themes which support an economy that is **resilient; innovative and flourishing** (see diagram 1 below).

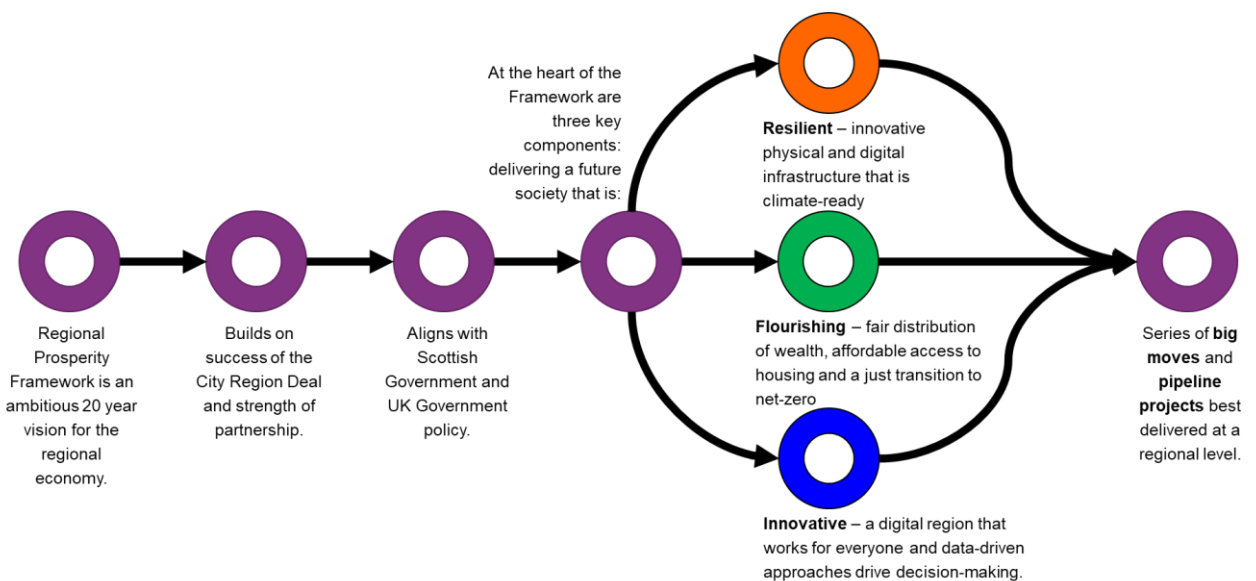


Diagram 1 - Regional Prosperity Framework Delivery Process

- 3.6 All actions under the RPF are framed to support:
- **People** – to access fair work, to learn and develop new skills and to live happy and healthy lives;
 - **Places** – that are sustainable, and attractive to live and work in and where enterprise thrives;
 - **Planet** – meeting our needs in a way that will allow future generations to meet theirs, with a focus on the reduction of greenhouse gas emissions
- 3.7 As recovery from COVID-19 continues, it is a different economic world than the one before. Subsequent global events, such as the war in Ukraine, inflation, and emerging financial and political uncertainties, mean that there is a need to develop a different strategic approach if the shared ambition for the region is to be achieved and to deliver a resilient economy that can meet the needs of its citizens and businesses.
- 3.8 To be able to reflect current and future economic shocks, the Delivery Plan has been developed as a living document, with the immediate priorities for the region set out over a one to three-year horizon, but in the context of the longer-term ambitions for the region. Regional priorities will be reviewed annually and refreshed, with programmes and projects added or subtracted to ensure a continued focus on the ambitions of the Plan and to reflect what is happening at the local, regional, national, and macro level of the economy.
- 3.9 The Delivery Plan establishes a clear process for delivery of the projects and sets out an ambitious prospectus for investment.
- 3.10 Four key programme areas have emerged as the priority for the next 12 months:
- Green Regeneration;
 - Infrastructure for Recovery and Prosperity;
 - Visitor Economy and Culture; and
 - Data-Driven Innovation Economy
- 3.11 A summary of each programme is outlined below with further detail provided in Appendix 1.
- Green Regeneration**
- 3.12 From Eyemouth to Grangemouth, the Forth Economic Corridor has the potential to drive transformational economic and climate adaptation through major waterfront regeneration including Granton Waterfront, Blindwells and Cockenzie; reuse and modernising of existing assets, sites, and operations to create strategic net zero employment opportunities; support innovative manufacturing and shipbuilding; and build on the successful bid for a Green Freeport which aim to underpin and enhance the area's future economic success including the creation of the nation's largest offshore renewable energy hub.

- 3.13 Cross partner support will be required to establish a Forth Estuary Collaboration Network. Enabling closer collaboration between neighbouring authorities to deliver their national and regional priorities for the Forth, and to promote the reputation of the Forth economic corridor domestically and internationally.
- 3.14 Key to the future success of the Forth and of the region is the development of future green skills to meet the needs of businesses today and in the future economy whilst creating new high value jobs. The creation of a Net Zero Accelerator Hub can help to address the demand and supply side barriers that exist, helping key sectors begin or accelerate the transition to net zero.

Infrastructure for Recovery and Prosperity

- 3.15 The most productive regions are the best connected and the most sustainable. Much of Scotland's future population and household growth is set to take place in the region, with available capacity to grow in parts of the region. The scale and nature of the consequential impact on the region's infrastructure is substantial and is crucial to the success of the regional and national economy.
- 3.16 The housing need and demand in the city region is the greatest in Scotland, with nearly 60% of the total annual affordable homes requirement for Scotland needed in our city region. This region delivers more homes than any other part of Scotland and continues to drive construction innovation. Resources are required to sustain and accelerate this activity.
- 3.17 The Edinburgh and South East Home Demonstrator Project is a new business model for the delivery of Net Zero affordable homes at scale. There are currently 75 homes under construction at Granton Waterfront with support required to secure a delivery partner and to scale up a regional pipeline of sites.
- 3.18 The region needs financial support to both deliver the Energy Efficiency Standards for Social Housing 2 (EESH2) programme of retrofitting existing homes and continue to build new affordable homes.
- 3.19 Accelerating delivery of the City Region Deal strategic sites can deliver 35,000 homes, transforming vacant and derelict land to deliver net zero carbon homes.
- 3.20 It is essential that regional transport priorities are co-ordinated to deliver the aspirations of the: Regional Transport Strategy; Strategic Transport Projects Review 2; and National Strategy for Economic Transformation. This will best ensure that we can : Effect Modal Shift; Promote Mass Transit; Decarbonise Transport (support transition to net zero); and Tackle Transport poverty.
- 3.21 To deliver on these strategic ambitions, including fairer and more equal economic prosperity, requires a skilled population. This must ensure that everyone has the opportunity to participate fully in the labour market. The transition to net zero and the data revolution, in particular, will necessitate a new supply of skills. Housing, transport and skills are essential for removing barriers faced by some in participating and progressing in the labour market and in ensuring that employers have the supply of skills they need. A Net Zero Accelerator Hub proposal is being developed by regional partners.

Visitor Economy and Culture

- 3.22 The renewal of a world class cultural and visitor offer is key to the regional economy and can be realised through establishing a Regional Visitor Economy Partnership to create and deliver a regional visitor economy development plan will allows for collaborative public sector investment and delivery in the visitor economy.
- 3.23 A Data Driven Innovation led approach to tourism destinations can help to position the region as a global leader in regional data-driven decision-making for strategic tourism investments, aligning and contributing towards the regional ambition of being the Data Capital of Europe.

Data-Driven Innovation Economy

- 3.24 Embedding and extending the impact of the City Region Deal Data-Driven Innovation investment in the regional and national economy to ensure the region provides the skills, support network, data and transport infrastructure needed to grow data-led organisations is essential. Cross partner support is needed to promote the aspiration for the Region to be a Data Capital, and its linkages to delivering Scottish and UK Government Digital and Data Strategies.
- 3.25 Partners will work to support the operational growth of the TechScaler Network, funded by Scottish Government, and support the ongoing recognition of the Region as a World Leading Centre for Informatics and High-Performance Computing Academic Excellence.
- 3.26 The delivery programmes above are critical to the region's future economic success, providing clarity for future investment and collaboration to ensure this region has a prosperous net zero future. These programmes will be monitored and reviewed every 12 months to ensure they are still relevant to local, regional, and national partners.

Next Steps

- 3.27 Subject to approval by Committee the Delivery Plan document will be finalised through Desktop Publishing to achieve a product of similar quality and accessibility standards as the [2021/2022 City Region Deal Annual Report](#).
- 3.28 Subject to the approval, regional partners will ask both Scottish and UK Government for the following support:
- **Financial Support for Programmes**
 - We ask for our Action Plan to be achieved through a medium to long term, integrated, place-based funding allocation based on shared outcomes.
 - **New forms of Partnering**
 - Support to develop a new Regional delivery capability to support the Regional Prosperity Framework.
 - Align national strategies & policies to support regional aspirations.

- We ask both the Scottish and UK Governments to commit to continue to work in tripartite (UKG/SG/ESES) partnership.
- Recognise the region is closely aligned and uniquely positioned to progress the recommendations made in the Scottish Government's Regional Economic Policy Review.
- **Enablement**
 - New powers and new delivery tools to deliver the Framework, through “live” Action Plans.
- **National Strength Recognition**
 - There are a basket of regional economic assets that are a vital part of the national economy, but which have been buffeted by recent economic upheavals. We want to work the Governments to secure these for the long term.

4. Financial impact

- 4.1 The work on the RPF has been overseen by the City Region Deal Directors Group which includes representation from both Scottish and UK Government; the Regional Enterprise Council; and the Elected Member Oversight Committee.
- 4.2 An officer working group with membership from across each of the six local authorities, the University of Edinburgh, and Scottish Enterprise, supported by the Programme Management Office has developed the RPF Delivery Plan. Paul Lawrence, Executive Director of Place, the City of Edinburgh Council has been Senior Responsible Officer for this work.
- 4.3 Over the lifetime of the project, consultancy support was secured to assist with development work. This was paid for by monies received from Scottish Government, Scottish Enterprise and a £30,000 SESplan rebate.
- 4.4 Approval of the RPF Delivery Plan does not commit resources from the six constituent Local Authorities.
- 4.5 Delivery will be achieved through existing resources and additional public and private sector investment. As external funds are secured programmes and projects will be progressed on a case by case basis, based on the development of individual business cases.
- 4.6 City Region Partners want the Delivery Plan to be supported through a medium to long term, integrated, place-based funding allocation based on shared outcomes. Officers are developing the case for this funding approach, which should cover the whole-life costs of delivery and will present this to UK and Scottish Government in advance of the UK Government budget next year. Partners will continue to work with Scottish Government to ensure that the RPF Delivery Plan aligns to programmes and spend on NSET, STPR2, infrastructure and other relevant areas.

5. Alignment with Sustainable, Inclusive Growth Ambitions

- 5.1 The work on the RPF has been overseen by the City Region Deal Directors Group including representation from both Scottish and UK Government; the Regional Enterprise Council; and the Elected Member Oversight Committee.
- 5.2 Each of the six constituent local authorities are considering the RPF Delivery Plan ahead of the City Region Deal Joint Committee meeting on 3 March 2023 to ensure that any final local contributions are reflected in the final version of the Plan.
- 5.3 The RPF was approved for public consultation by the City Region Deal Joint Committee on 4 June 2021. The RPF was agreed by the ESESCR Joint Committee in [September 2021](#) and ratified by Policy and Sustainability Committee in October 2021.
- 5.4 Delivery of the programmes and projects in the RPF Delivery Plan can deliver on the Regions ambitions to become the data capital of Europe; support inclusive growth; and a just transition to a net zero economy over the next 20 years.

6. Background reading/external references

- 6.1 [Regional Prosperity Framework](#) – Joint Committee Report (approved 3 September 2021)

7. Appendices

- 7.1 Appendix 1 - Regional Prosperity Framework Delivery Plan