

Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 1 September 2023

City Region Deal Annual Report 2022/23

Item number 5.2

Executive Summary

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

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

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

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

David Robertson

Chief Officer, Edinburgh and South East Scotland City Region Deal

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

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

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City Region Deal Annual Report 2022/23

1. Recommendations

- 1.1 To note the appended annual report.

2. Background

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

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

3. Main report

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

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

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

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

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

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

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

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

4. Financial impact

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

5. Alignment with Sustainable, Inclusive Growth Ambitions

- 5.1 Inclusion and sustainability are key drivers for the City Region Deal. Business cases for projects included demonstrate how they will reduce inequalities and tackle the inclusion challenges specific to the city region.
- 5.2 The [City Region Deal Benefits Realisation Plan](#) (BRP) was approved on 4 September 2020. This incorporates indicators that align with the Scottish Government's Inclusive Growth Framework. The impact on equalities, human rights and sustainability will also be measured. A benefits realisation measurement framework was approved by Joint Committee in [March 2023](#), and six-monthly updates on benefits realisation are scheduled. Annual updates are programmed for each of the five themes which will demonstrate the progress of projects in terms of sustainability and inclusion.
- 5.3 Scottish and UK Government have provided joint guidance for project owners on managing potential carbon emissions associated with Scottish City Region and Regional Growth Deal projects. It accords with HM Treasury Green Book requirements and supports the quantification and minimisation of whole life carbon and the identification of potential barriers to achieving net zero. This will form an important part of regular reporting through the Benefits Realisation Plan.

6. Background reading/external references

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

7. Appendices

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