

# Edinburgh and South East Scotland City Region Deal Joint Committee

**10am, Friday 18 October 2024**

## **Strategic Sites Programme**

**Item number 4.1**

### **Executive Summary**

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This Special Joint Committee meeting has been arranged to allow members to consider the final draft of the Strategic Sites Programme.

The Programme demonstrates that the seven strategic sites, identified in the City Region Deal, can collectively deliver 41,000 new homes, of which around 10,000 will be affordable, create 8,000 jobs, £30bn GVA and be a catalyst for at least £4.1 billion private and institutional investment and wider public benefits.

The Programme aims to set out the collective impact of the sites, recognise the complexity associated with these sites, and the need to work collaboratively with Scottish and UK Government to deliver these sites.

It is proposed that a Strategic Sites Task Force/Grouping should be established with both governments to oversee the delivery of the Strategic Sites Programme.

Joint Committee members are asked to approve the Programme and support an approach to both Scottish and UK Government Ministers to engage them with the work and seek a commitment for tri-partite approach to progress delivery of the Strategic Sites Programme.

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## Strategic Sites Programme

### 1. Recommendations

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- 1.1 Members are asked to:
  - 1.1.1 Approve the Strategic Sites Programme; and
  - 1.1.2 Request the Convener of the Joint Committee to write to Scottish and UK Government Ministers to engage them with the work and seek a commitment for tri-partite approach to progress delivery of the Strategic Sites Programme.

### 2. Background

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- 2.1 The [City Region Deal signed](#) in 2018, recognised the importance of seven strategic sites, Blindwells, Calderwood, Dunfermline, Edinburgh's Waterfront, Shawfair, Tweedbank and Winchburgh, that have long been identified as key areas of change and growth in this region.
- 2.2 In March 2023, the [Regional Prosperity Framework Delivery Plan](#) was approved by Joint Committee, with the Strategic Sites, Regional Home Demonstrator and delivering a fair transition to Net Zero included as key priorities.
- 2.3 In October 2023, Regional Partners met with the then Secretary of State for Scotland and Scottish Government Minister for Wellbeing Economy, Fair Work and Energy, and separately the Scottish Government's Minister for Housing, Paul MacLennan. At these meetings the parties noted significant alignment on the ambitions of the Regional Prosperity Framework, housing and strategic sites, with the Housing Minister requesting that a Strategic Site Investment Programme be developed.
- 2.4 In June 2024, the Regional Prosperity Framework – Annual Update was approved by Joint Committee. This included an overview of progress being made on developing the Strategic Sites Programme.
- 2.5 On 16 July 2024, the Convener of the Joint Committee wrote to the Secretary of State for Scotland congratulating him on his appointment and outlining the strength of the Edinburgh and South East Scotland (ESES) City Region partnership. The letter outlined the impact of the Deal, the Regional Prosperity Framework (RPF) and the strong pipeline of regional programmes and projects which with the right powers and resources could deliver huge economic impact in the short and medium term.

- 2.6 The letter concluded with a request to meet with the Secretary of State and Deputy First Minister to discuss these economic opportunities in person at the earliest opportunity. A response has been received and a joint meeting with City Region Deal partners is currently in the process of being organised.
- 2.7 In September 2024, the [Regional Housing Programme - Annual Update](#) provided a further update on the Strategic Sites as well as the other Regional Housing Priorities.
- 2.8 At the same meeting it was agreed that a Special Elected Member Oversight Committee (EMOC) and Joint Committee be arranged in October to consider the final draft version of the Strategic Sites Programme document.
- 2.9 On 4 October 2024, EMOC members considered a [final draft](#) of the Strategic Sites Programme. Member feedback was positive with some minor amendments recommended. These have been incorporated and are included in the version appended to this report and has also been circulated to all EMOC members.

### 3. Main report

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- 3.1 The Special Joint Committee meeting has been arranged to allow members to consider the final draft of the Edinburgh & South East Scotland City Region Strategic Sites Programme.
- 3.2 The seven strategic sites - Blindwells, Calderwood, Dunfermline, Edinburgh's Waterfront, Shawfair, Tweedbank and Winchburgh - have long been identified as key areas of change and growth in this region.
- 3.3 The Strategic Sites are a key part of the ESES City Region Deal. The Scottish Government and city region committed to work together on each of the seven sites recognising the long-term nature of these proposals with most new homes being delivered over a 15-year period. To support this, the Scottish Government committed at least £50 million as well as working with Regional Partners to develop fresh ideas and creative solutions for delivery of housing.
- 3.4 In October 2023, Regional Partners met with the then Secretary of State for Scotland and Scottish Government Minister for Wellbeing Economy, Fair Work and Energy in relation to the Regional Prosperity Framework and its Delivery Plan. That meeting agreed that Regional Partner's ambitions for the future of the regional economy beyond the Deal were shared with both governments, including the seven strategic housing sites across the region.
- 3.5 In October 2023, Regional Housing Partners also met with the Minister for Housing, Paul McLennan, to discuss the Regional Prosperity Framework, housing and strategic sites. At this meeting Regional Housing Partners and Strategic Site Lead Officers agreed to develop a Strategic Site Investment Programme. This was to include demonstration of the infrastructure challenges associated with unlocking the sites; potential delivery mechanisms; and the transformational opportunities, benefits and outcomes associated with delivering the 41,000 homes at these sites.
- 3.6 The Strategic Sites Programme appended to this report is the result of that work and collaboration across the regional partnership and with civil servants from both

governments since the meeting with the Housing Minister. It is the intention that this Programme will set the context for more streamlined business case development and facilitate positive decisions from governments, on a site-by-site basis.

- 3.7 In developing the Programme, regular consultation has taken place with regional elected members, the Regional Enterprise Council, Chief Executives, Directors, Chief Financial Officers, Scottish Futures Trust and Scottish Government. In recent weeks there has also been engagement with UK Government officials.
- 3.8 The University of Edinburgh and the City Region Deal PMO has worked closely with Strategic Site Lead Officers on an economic impact model. Both Scottish and UK Government economists and analysts have been consulted on the assumptions and methodology being used in the model, and they are content with the approach that has been taken, and the significant scale of economic and wider benefits presented.
- 3.9 The model outlines the collective impact of the seven strategic sites, which could deliver 41,000 new homes including 10,000 affordable homes, support 8,000 jobs, and £30bn GVA. It will also unlock a strategic delivery pipeline and be a catalyst for at least £4.1 billion private and institutional investment and wider public benefits. The Programme aims to set out the collective benefit/impact of these sites and recognise the complexity associated with their delivery, plus the need to work collaboratively with Scottish and UK Government to deliver them.
- 3.10 The Scottish Government has acknowledged the national importance of the Strategic Sites Programme, providing a supportive reference in the September 2024 Programme for Government. The Programme also aligns with the UK Government's ambitions to boost housing and infrastructure delivery, as part of its Kickstarting Economic Growth Mission.
- 3.11 The Programme recommends the establishment of a Strategic Sites Task Force to oversee the delivery of the Strategic Sites Programme. The Task Force should comprise Scottish and UK Government civil servants as well as Ministerial and civil servant champions and include representatives from the Regional Partners as well as a representative for housebuilding interests.
- 3.12 The Task Force should be predicated on partnership working to deliver the strategic sites programme and ensure strategic alignment and collective action to unlock the delivery. The Place Principle should therefore be deployed at programme level to ensure the necessary integration and alignment. Regional Partners want to work with the Scottish and UK Governments to deliver places where people want to live and to enable major regeneration projects.
- 3.13 Financial innovation, both in capital and revenue terms, will be key to unlocking the strategic sites due to the scale of the delivery challenge and the significant challenges facing public sector finances. These dynamics strengthen the justification for focusing targeted capital and revenue support from governments to help enable the strategic sites and unlock their strategic benefits; this will not be a substitute for innovative or normal private investment, including developer contributions, but will provide a basis for enabling wider investment in our region in the places that need it most.

- 3.14 The detail of government support requested for each site will be developed and submitted to government in individual business cases, to be prepared under the Programme. Each business case approved by Scottish and UK Government will set out the agreed unlocking mechanisms and the provision of associated targeted upfront public investment that will be needed to unlock a delivery programme of agreed benefits from, and associated performance indicators for, each strategic site.
- 3.15 The potential for on-going growth means that other strategic sites may also need to come into the Strategic Sites Programme in future, provided they form part of our regional ambitions or development plan spatial strategies.

### **Next Steps**

- 3.16 Subject to Joint Committee approval of the Strategic Sites Programme, it is proposed that the Convener of the Joint Committee write to Scottish and UK Government Ministers to engage them on the work and seek a commitment for tri-partite approach to progress delivery of the Strategic Sites Programme.

## **4. Financial impact**

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- 4.1 This report does not commit resources from the six local authorities or wider City Region partners. However, resources will be required to engage Scottish and UK Governments and work collaboratively to deliver the Strategic Sites Programme. To implement the ambitions set out within the programme a dedicated resource will be required to drive the programme forward and to co-ordinate the work of any Strategic Sites Task Force, Strategic Site Leads Group and Delivery Group towards agreed solutions. This resource currently sits outside the capacity of Regional Partners and the Scottish and UK Government. Regional Partners would welcome on-going discussion with Scottish and UK Government on how that personnel resource can be identified between the parties.
- 4.2 The strategic sites can deliver transformational change and regeneration and deliver thousands of homes, jobs, and significant economic benefits, but the scale of the opportunity carries significant infrastructure and capital and revenue funding challenges. New funding, financial, financial innovation and delivery tools are therefore required to help both public and private sector partners to successfully deliver the infrastructure first approach.
- 4.3 Regional Partners will continue to develop business cases and hope to progress these through the Strategic Sites Task Force that is being proposed.

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

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- 5.1 Delivery of the strategic sites will help address inequality, child poverty, improve health and wellbeing and create sustainable mixed communities and successful places that enable effective transformation and a just transition to net zero while responding to the climate and nature emergencies. This will also allow us to retain, create and attract the high-quality workforce we need in south east Scotland to deliver our shared economic ambitions, which can enhance prosperity and contribute to productivity of the wider national and UK economy.

- 5.2 Provision of infrastructure first is needed to de-risk sites and give clarity and certainty to plan for transformation, and to enable climate adaptation, nature recovery and a just transition to net zero.
- 5.3 The Strategic Sites are a key part of the RPF. The RPF Delivery Plan has an ambition and vision to protect the environment and make best use of our extraordinary built and natural assets. This will ensure that our Region delivers a just transition to net zero and a wellbeing economy. There are three main goals of the RPF Delivery Plan: to reduce economic exclusion; sustained and increased competitiveness; and accelerate a fair transition to Net Zero.

## 6. Background reading/external references

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- 6.1 [Special Meeting, Edinburgh and South East Scotland City Region Deal Elected Member Oversight Committee \(4 October 2024\)](#)
- 6.2 [Regional Housing Programme – Annual Update \(September 2024\)](#)
- 6.3 [Regional Prosperity Framework – Annual Update \(June 2024\)](#)
- 6.4 [Regional Prosperity Framework Delivery Plan \(March 2023\)](#)

## 7. Appendices

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- 7.1 Edinburgh & South East Scotland - Strategic Sites Programme.