

Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 6 September 2024

City Region Deal Annual Report 2023/24

Item number 5.5

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 sixth year since the signing of the 15-year programme (August 2023 to July 2024).

The report contains a City Region Deal overview, Financial Statement (for the financial year 2023-24), 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 included in the report to demonstrate how the Deal's projects and programmes are benefiting people.

The report shows significant progress across the 22 projects and programmes within the City Region Deal. While cost inflation continues to affect the budget of some of the projects which are in delivery (and is the subject of the internal audit report for this year – a separate report to this Committee), all projects are considered to be within acceptable time parameters, and all but one project is considered to be within acceptable budget parameters.

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City Region Deal Annual Report 2023/24

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 2023/24 is an overall progress report for the City Region Deal programme between 1 August 2023 and 31 July 2024, with the exception of the Financial Statement which contains financial information for the financial year 2023/24.
- 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. Six case study videos are included 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:
- 1 projects are in Stage 1: Define, which means that the is yet to begin implementation (2 in 2023);

- 8 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 (9 in 2023);
- 14 are Stage 3: Deliver, which means that the project has been implemented and is working towards delivering its objectives (12 in 2023);
- 16 projects are considered to be on target to be completed on time (green score) or have been completed on time (15 in 2023);
- 6 projects are moderately delayed, but considered to be within an acceptable range, with management action in place to address the issue (amber score). (6 in 2023);
- 16 projects are considered to be in sound financial health (green score) or have been completed within the specified budget (17 in 2022);
- 3 projects are considered to be financially stable, but with some low to moderate financial concerns (amber score). (2 in 2023); and
- 1 project is considered to have moderate to high financial concerns (red score) (1 in 2023)

3.4 £38.1 million of Government money was drawn down in the 2023/24, with £33.9 million on Capital projects and £4.2 million on the Revenue programme.

3.5 Some key achievements in the last 12 months, highlighted in the report include:

- The region being chosen host the UK's first next-generation supercomputer, the [Exascale](#), capable of performing one billion billion calculations per second in October;
- The [Generative AI Laboratory \(GAIL\) launched](#);, solidifying the DDI Programme's leadership in AI research in November;
- Construction completed at the Edinburgh Futures Institute and the Usher Institute last winter;
- The [Data Education in Schools \(DES\)](#) team winning [Education Initiative of the Year](#) at the 2024 British Data Awards in May;
- The Ministerial launch of bus driver recruitment campaign in May;
- The completion of site clearance and enabling works completed at Dunard Centre in June; and
- The West Edinburgh Transport Improvement Plan Business Case being approved by Joint Committee in June.

3.6 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 business cases for projects identified in the Regional Prosperity Framework Delivery Plan, and when funding has been made available, progressing these into delivery;
- Developing a Strategic Sites Investment Prospectus, to suggest ways to unlock housing and infrastructure in this growing region.
- Continuing to develop [ESESCommunities](#) portal to assist with delivering community benefits across the programme; and

- Working with CLES to develop and implement of the '[Community Wealth Building Framework for Action](#)'

3.7 Looking ahead towards the next year, significant developments in project delivery are expected including:

- Strategic Sites Investment Prospectus published in September;
- Levenmouth Business Units complete in September;
- First of 75 net zero homes occupied at Regional Home Demonstrator D1 site at Granton Waterfront in September;
- Formal opening of the Edinburgh Futures Institute in Autumn;
- Formal opening of Usher Institute in early 2025;
- Main construction at Dunard Centre, Edinburgh starting in early 2025;
- Fife Interchange North Units complete in March 2025;
- Granton Waterfront Final Business Case complete in Spring 2025;
- Construction of the Edinburgh Innovation Hub at Queen Margaret University complete in July 2025;
- Start of construction of Phase 2 office building in Borders Innovation Park in summer 2025.

4. Financial impact

4.1 There is no financial impact relating directly to this report.

4.2 The Financial Statement shows that £38.1 million of Government money was drawn down in 2023/24, 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.

6. Background reading/external references

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

7. Appendices

7.1 City Region Deal Annual Report 2023/24 (accessible) or view the [interactive version](#)