

REPORT TO: East Lothian Council

MEETING DATE: 25 October 2022

BY: Executive Director for Place

SUBJECT: Edinburgh and South East Scotland City Region Deal
– Annual Report and Innovation Hub

1 PURPOSE

- 1.1 This report summarises the key findings on the appended City Region Deal Annual Report (available in the Members' Library, Ref: 132/22, October 2022 Bulletin) (approved by the City Region Deal Joint Committee on 2 September 2022).
- 1.2 To update on the date for the next Annual Conversation.
- 1.3 To provide a summary on progress to date on the delivery of the Innovation Hub and the wider Edinburgh Innovation Hub.
- 1.4 To update on the delivery of the Grade Separated Junction at the A1/Queen Margaret University road junction.

2 RECOMMENDATIONS

- 2.1 To note the summary findings of the fourth Annual Report.
- 2.2 To note the date for the next Annual Conversation.
- 2.3 To note the summary of progress on the delivery of the Innovation Hub and the wider Edinburgh Innovation Park.
- 2.4 To note the update on the delivery of the Grade Separated Junction at the A1/Queen Margaret University road junction.

3 BACKGROUND

Annual Report

3.1 The Edinburgh and South East Scotland City Region Deal was signed by the First Minister, Prime Minister and City Region Leaders on 7 August 2018.

3.2 Each year the City Region Deal partners are 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 first Annual Report was approved by the City Region Deal Joint Committee on 3 September 2019, with subsequent reports approved in 2020 and 2021.

3.3 This report provides an update on the fourth Annual Report for 2021/22, approved by the City Region Deal Joint Committee on 2 September 2022.

3.6 Annual Report – Overview

3.7 The Annual Report for 2021/22 is an overall progress report for the City Region Deal programme between 1 August 2021 and 31 July 2022, with the exception of the Financial Statement which contains financial information for the financial year 2021/22.

3.8 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. This year, as more projects move into delivery, a series of case study videos are embedded in the report to demonstrate how the Deal's projects and programmes are benefiting people.

3.9 Annual Report – Summary of Progress

3.10 The report demonstrates 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, at the financial year end 2021/22, all were considered to be within acceptable time and budget parameters:

- 2 projects were in Stage 1: Define, which means that the project's business case is yet to be completed (6 in 2021),
- 15 are were 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 (13 in 2021)
- 6 are were Stage 3: Deliver, which means that the project has been implemented and is working towards delivering its objectives (5 in 2021)
- 14 projects were considered to be on target to be completed on time (green score) or have been completed on time (14 in 2021)

- 9 projects were delayed, but considered to be within an acceptable range, with management action in place to address the issue (amber score). (10 in 2021)
- 19 projects were considered to be on target to be completed within the specified budget (green score) or have been completed within the specified budget (19 in 2021)
- 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 2020)
- £58.09 million of Government money was drawn down in the 2021/22, with £54.02 million spent on on Capital projects and £4.07 million on the Revenue programme.

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);
- Establishing a series of regional propositions for the region's six local authorities to bid into together to the UK Government's Shared Prosperity Fund, over the next three years;
- Launching the ESESCommunities portal to assist with delivering community benefits across the programme;
- Contributing the City Deal regional perspective to key consultations including National Planning Framework 4; the National Strategy for Economic Transformation; and the Strategic Transport Projects Review 2;
- Joint Committee endorsing the Forth Green Freeport bid to boost innovation and inclusive growth within our communities; and
- Establishing a regional Bus Service Improvement Partnership to deliver £3.03m of regional bus improvements from the Scottish Government's Bus Partnership Fund.

3.11 Annual Report – Benefits Realisation

Each City Region Deal theme lead has examined how best to monitor and evaluate future impacts. Individually, a range of approaches (including bespoke surveys, refining existing data and customer relationship management monitoring systems, creating new data sets and adopting the measures used in the Scottish Government's National Performance

Framework and other similar indices) are being adopted. Last year, the Programme Management Office (PMO) commissioned the Smart Data Foundry to recommend measures to be put in place so that outputs and impacts can be captured, measured and reported on by 2023 and thereafter. Page 58 of the Annual Report sets out 3 main questions which were explored and the subsequent responses and recommendations.

3.12 Annual Report – Financial Statement

A summary of the City Region Deal total over a fifteen-year period is shown at Page 14, 15 and 16 of the Annual Report

3.13 Annual Report – the Year Ahead

Key milestones that are expected in the next 12 months:

Date	Milestone
<i>Summer 22</i>	Opening of First building at Borders Innovation park
<i>Sep 22</i>	<i>Joint Committee meeting where the following items will be considered:</i> <ul style="list-style-type: none"> • City Region Deal Annual Report 2021/22 • Regional Prosperity Framework Implementation Plan • City Region Deal Transport Programme Update
<i>Sep 22</i>	First cohort of postgraduate taught students to be welcomed at the Edinburgh Futures Institute
<i>Sep 22</i>	National Robotarium fully operational and official launch
<i>Sep 22</i>	Completion of Business Units at Hillend & Donibristle Industrial Estate, Dalgety Bay
<i>Dec 22</i>	<i>Joint Committee meeting where the following items will be considered:</i> <ul style="list-style-type: none"> • A720 Sheriffhall roundabout progress update • Integrated Regional Employability and Skills Programme Update (presentation)
<i>Late 22/early 23</i>	Public Local Inquiry for A720 Sheriffhall to be held
<i>Mar 23</i>	<i>Joint Committee meeting where the following items will be considered:</i> <ul style="list-style-type: none"> • Data-Driven Innovation Programme Update (presentation) • Benefits Realisation six-monthly update.
<i>Mar 23</i>	Outline Business Case for West Edinburgh Transport Improvement Programme to be complete
<i>Jul 23</i>	Usher building construction complete

Jul 23	<p><i>Through the Agritech Hub at Easter Bush, the following will have been achieved:</i></p> <ul style="list-style-type: none"> • <i>Established a Centre for Aquaculture Genetics and Health, developing a business plan to enable a step change in the aquaculture genetics activity.</i> • <i>Established a Centre for Data-Driven Breeding, developing a business plan to enable a step change in the genetic livestock breeding activity.</i> • <i>Developed Agri and Aqua accelerator schemes, to enable the next stage of company formation on campus</i>
--------	--

3.14 Annual Conversation – Update

The Annual reports are followed up in a conversation between the Scottish City Region Deal Delivery Board and UK and Scottish Government. The Annual Conversation for this year has not yet taken place at the time of writing of this report. Council shall be updated on the Annual Conversation in due course.

3.15 Update on the Delivery of the Grade Separated Junction

- Reopening of the Northbound Carriageway – October 2022
- Underpass Completion including wing walls/backfill – December 2022
- Completion of main works – March 2023

3.16 Summary of Progress – Delivery of the Innovation Hub and the Wider Edinburgh Innovation Park

Headline achievements in the past year

- January 2022 – Commencement of the Junction Works
- April 2022 – Completion of the Joint Venture structure between ELC and QMU
- May 2022 – Appointment of the Design Team
- June 2022 – Approval from the ESESCRD Joint Committee of the reinvestment of the recovered VAT monies into the delivery of the Hub.

Next milestones (2022/23)

- November 2022 – RIBA Stage 3 –Next step in the design of the Edinburgh Innovation Hub
- January 2023 – Procurement of the Contractor for the Hub commences

- February 2023 – Completion of construction of the Junction Works
- February 2023 – Submit MSIC application for the Hub
- June 2021 – Planning consent granted
- June 2023 – Appointment of the Contractor for the Hub
- October 2023 – Commencement of construction of the Hub.

4 POLICY IMPLICATIONS

4.1 None.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

6.1 Financial - There is no financial impact relating to the Annual Report and Annual Conversation for East Lothian Council.

6.2 Personnel - None

6.3 Other – None

7 BACKGROUND PAPERS

7.1 Edinburgh and South East Scotland City Region Deal – Report to East Lothian Council 11 August 2017

7.2 Heads of Terms Agreement signed by UK/Scottish Governments and Partner Authorities on 20 July 2017

7.3 East Lothian Council Summer Recess Arrangements – Standing Order 15.5 Members Library Report – Edinburgh and South East Scotland Region - City Deal Proposition 19 July 2017

7.4 Edinburgh and South East Scotland City Region Deal – Report to East Lothian Council 28 June 2016

7.5 City Region Deal Document (August 2018)

7.6 Edinburgh and South East Scotland City Region Deal (ESES CRD) – Annual Report, Annual Conversation and Regional Growth Framework Update - 29 October 2019.

- 7.7 - Edinburgh and South East Scotland City Region Deal – Annual Report, Benefits Realisation Plan, and Food and Drink Innovation Update 27 October 2020.
- 7.8 Ratification of City Deal Governance Arrangements 27 October 2020
- 7.9 Edinburgh and South East Scotland City Region Deal – Annual Report and Queen Margaret University Update 27th October 2021
- 7.9 City Region Deal Annual Report – 2021/2022, available in the Members' Library (Ref: 132/22, October 2022 Bulletin)

https://www.eastlothian.gov.uk/meetings/meeting/17033/members_library_service

AUTHOR'S NAME	Catherine Molloy
DESIGNATION	Project Manager, Growth and Delivery
CONTACT INFO	01620827222
DATE	6 October 2022