CITY REGION DEAL
DOCUMENT

June 2018

ACCELERATING
GROWTH

EDINBURGH AND SOUTH EAST SCOTLAND
CITY REGION DEAL

Contents

Foreword

The Edinburgh and South-East Scotland City Region Deal is a mechanism for accelerating economic and inclusive growth in the City Region.

The UK Government and Scottish Government are investing £600 million into the city region over the next 15 years. Alongside partners, comprising: the six member authorities – The City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian Councils; the city region's universities and colleges; and the private and third sectors, £1.3 billion of investment will be delivered.

Building on the Heads of Terms, signed in July 2017, this document sets out a compelling vision that builds on the city region's unique strengths to deliver a number of transformational programmes and projects across Innovation, Skills, Transport, Culture and Housing themes. Together, these interventions will deliver a step-change in inclusive growth to benefit the city region, Scotland and the United Kingdom.

Our signing of this document reaffirms our joint commitment to achieve full implementation of the Edinburgh and South-East Scotland City Region Deal together over the next 15 years.

1 Introduction

Context

1.1 The Edinburgh and South-East Scotland City Region (the city region) comprises six local authorities and has a population of approximately 1.4 million people[1], more than a quarter of the Scottish population, and contributes approximately £36 billion per year to the Scottish and UK economies[2].

1.2 But prosperity and success is not universal across the city region: 22.4% of children are living in poverty[3]; there is a lack of mid-market and affordable housing; and too many people are unable to move on from low wage/low skill jobs. The City Region Deal will address these issues; it will accelerate growth, create new economic opportunities, and meaningful new jobs that will help to reduce inequalities.

1.3 The City Region Deal partners (the partners) comprise: The City of Edinburgh Council; East Lothian Council; Fife Council; Midlothian Council; Scottish Borders Council; West Lothian Council; the city region's universities and colleges; and the city region's business and third sectors.

1.4 In July 2017, the partners signed a Heads of Terms agreement with the UK and Scottish Governments to deliver the deal. The Heads of Terms are available to download on the Accelerating Growth website.

1.5 This ambitious city region deal, identifies new and more collaborative ways that partners will work with UK Government and Scottish Governments to deliver transformational change to the city regional economy. The Governments will jointly invest £600 million over the next 15 years and regional partners committed to adding in excess of £700 million, overall representing a deal worth £1.3bn. A summary of the Deal of shown in Table 1:

---

[1] National Records for Scotland, 2017mid-year population estimates.
[2] ONS (2015)
[3] End Child Poverty, 2018

Theme	Government contribution (£m)	Partner contribution (£m)	Total amount (£m)
Research, Development and Innovation	£350	£441	£791
Integrated Regional Employability and Skills Programme	£25	N/A	£25
Transport	£140*	£16	£156
Culture	£20	£25	£45
Housing	£65	£248	£313
Total	£600*	£730	£1,330*

Includes £120m for Sheriffhall roundabout to be delivered by Transport Scotland

1.6 Through the City Region Deal, the Scottish and UK Governments and regional partners embark on a new relationship. To deliver cross-regional City Region Deal projects effectively in the short-term and to create future regional infrastructure in the long-term, partners are working to enhance existing and develop new regional collaboration for strategic coordination across transport, housing and economic development.

Our Approach to Ensuring Inclusive Growth

Background

1.7 In 2015 the Scottish Government set out its Economic Strategy for achieving increased sustainable economic growth. Its two mutually supportive objectives of boosting competitiveness and tackling inequalities are underpinned by four key strategic priorities to drive economic growth – Investment, Innovation, Internationalisation and Inclusive Growth.

1.8 The introduction of Inclusive Growth as a central component of the strategy set out the case for delivering an economic agenda that drives sustainable economic growth and productivity across all of Scotland's regions, places and communities.

1.9 Partners recognise the importance of ensuring that Inclusive Growth ambitions are embedded in their plans for the city region, responding to the particular challenges faced across the city region's geography.

1.10 Work has been ongoing to develop an analytical framework which provides an evidence base, enabling partners to identify the city region's key Inclusive Growth challenges, and to propose an approach to help address these through City Region Deal activities.

1.11 This approach identifies a number of thematic interventions, and proposes a range of indicators to help track progress. It aligns with, and complements, the Inclusive Growth diagnostic under development by the Scottish Government.

Inclusive Growth Challenges Specific to the City Region

1) Slow Growth

1.12   While the city region has been experiencing growth, with a number of thriving sectors, productivity levels have slowed in recent years and there remains a stark productivity gap when compared with benchmark city regions internationally. Furthermore, there are significant regional disparities in job and outputs growth, with forecasted growth concentrated in the Edinburgh city area.

2) Regional Disparities in Job Densities

1.13   Regional disparities are also evident in job densities, ranging from 0.55 in East Lothian to 1.02 in the City of Edinburgh.[4] Strong cross-region commuting patterns result, contributing to areas of congestion and significant levels of pollution in some locations.

3) Skills Inequality and Polarisation

1.14   Clusters of disadvantage exist across the city region, with related variations in skills levels, health outcomes and earnings. The availability of highly skilled jobs varies from 55% employed in managerial, professional and technical/scientific occupations in Edinburgh to 38% in the Scottish Borders.[5] There is also evidence of a growing shortage of higher level skills, most notably in the technology sphere. Future activity in Construction, Healthcare and Tourism risks being constrained by skills shortages that have the potential to blunt the city region's competitiveness in coming years.

1.15   The variation in skills affects income levels; these are skewed towards lower and higher wages, with relatively few individuals at middle income levels. 22% of the city region's children live in low income households, with wide local inequalities, (nine of the city region's multi-member wards have poverty rates over 30%, while 11 wards have rates of 15% or less).[6]

4) Gender and Age Inequalities

1.16   Gender and age inequalities are also prevalent. On average, men across the city region earn 14% more than women, and female participation and employment rates tend to be lower too.[7]

5) Housing, Transport and Connectivity Issues

1.17   While the city region has benefitted from a number of major transport improvements including the Queensferry Crossing, Borders Railway and tram and bus network improvements, infrastructure constraints remain. These connectivity issues are impacting upon the availability of land for housing and commercial expansion. Satisfaction levels with public transport also vary widely across the city region.

1.18   Average house prices in the city region are above the Scottish average, with high house price to earnings ratios in many locations. There has also been rapid growth in the cost of private rented accommodation. By 2037, a need for 140,000 new homes in the city region has been identified.

The Edinburgh and South-East Scotland City Region Deal Inclusive Growth Framework

1.19   The city region partners have identified five key thematic interventions to target the challenges laid out above, interventions that will go some way towards ensuring that the benefits of the City Region Deal investment are shared as widely as possible.

---

[4] Annual Population Survey (2016)
[5] Labour Force Survey (Sep 2017)
[6] End Child Poverty (2017)
[7] Annual Survey of Hours and Earnings (2017)

1.20   A range of performance indicators will be agreed with both Governments to measure the impact of these interventions across the deal. These will be based on the advice of Scotland's Centre for Regional Economic Growth to ensure consistency with other Deals across Scotland and will align with the new National Performance Framework. The indicators will measure the delivery of inclusive growth through the Deal, including the impact on the equality of opportunity through consideration of protected characteristics to ensure the benefits are shared by everyone in Scotland's communities.

Theme 1: Accelerating inclusive growth

1.21   The City Region Deal is focused on accelerating Inclusive Growth across the city region, driven by a significant programme of construction in the short term, and sustained over the medium and long term by ongoing investment across the city region. The Data Driven Innovation (DDI) programme of investment will be a key driver in helping to deliver a step-change in regional economic activity.

Theme 2: Removing the physical barriers to growth

1.22   Interventions to unlock current physical barriers to growth, including housing and transport connectivity are a key component of the City Region Deal. A significant programme of house building will be targeted at increasing the supply of housing, integrating the latest technologies, and helping to reduce fuel poverty across the city region. By upgrading existing transport infrastructure, the aim is to reduce journey times across the city region, opening up more job opportunities for residents and augmenting the impact of recent major investments.

Theme 3: A significant programme of construction

1.23   A significant programme of construction, funded by the City Region Deal is planned across the city region. Through an agreed approach to City Region Deal procurement, Community Benefit clauses will be used to target inclusive employment practices and other opportunities. A consistent approach will be taken to applying the principles laid out in the Scottish Government's Business Pledge. Benefits will be felt in the short, medium and long term.

Theme 4: Targeted employability and skills interventions

1.24   A programme of integrated and targeted employability and skills interventions will be directed at widening access, addressing skills shortages and gaps, and delivering improvements to boost the flow of individuals from disadvantaged groups into good career opportunities. Impacts will be felt over the short, medium and long term.
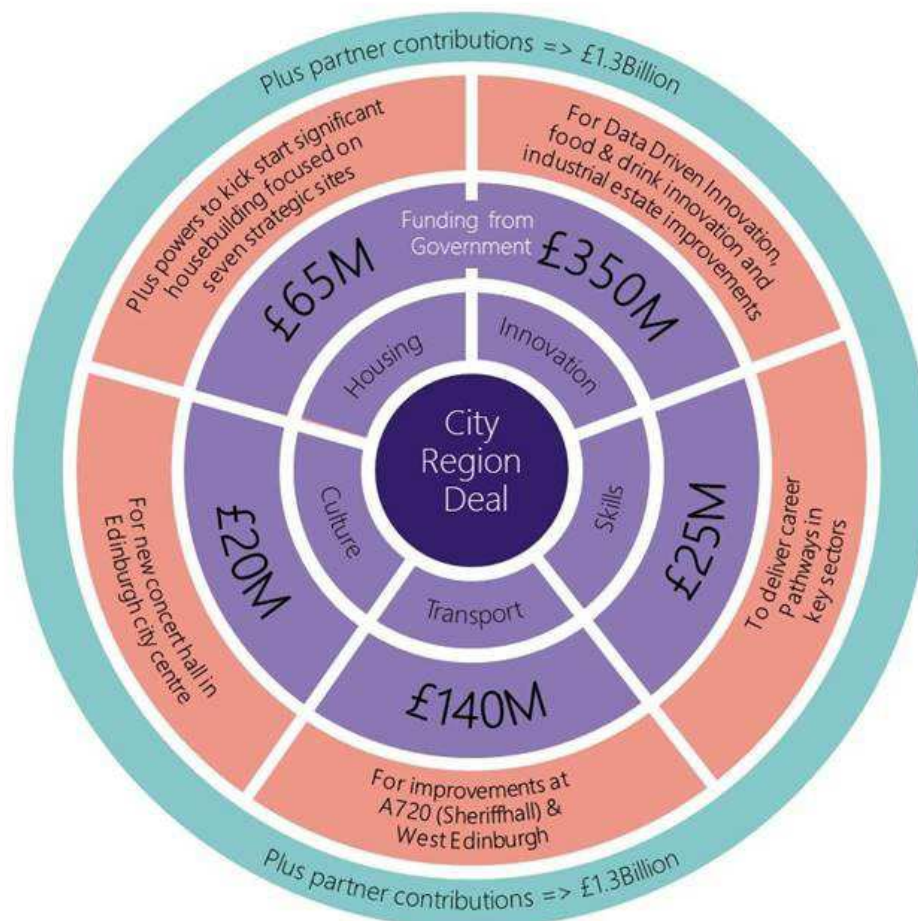
Theme 5: Social benefit through innovation

1.25   Recognising the potential presented by a significant investment in DDI, opportunities to drive out challenged-based social benefit across the city region, over the medium and long term, will be explored.

2 Key Elements of the Deal

2.1   The five themes of the Deal are summarised in Figure 1:

Figure 1: The Edinburgh and South Scotland City Region Deal

Research, Development and Innovation

2.2   Over 15 years, the UK and Scottish Governments will commit £350m to support the development of a number of initiatives in the innovation theme.

Five Data-Driven Innovation (DDI) Research, Development and Innovation (RD&I) sectoral hubs

2.3   The Edinburgh and South East Scotland Science and Innovation Audit (SIA) detailed how the ability to collect, store and analyse data from an array of diverse sources will become increasingly important in driving economic growth, social change and public services. By harnessing this challenge the aim of the Data-Driven Innovation (DDI) Programme is to establish the city region as the Data Capital of Europe. To achieve this, the DDI Programme will enhance the data capability of the region across key industry sectors through five areas of activity:

- **Talent**: by meeting data skills demands through a range of new undergraduate, post graduate and professional development programmes;
- **Research**: through expanding the City Region's leading DDI research activities to meet industry and other sectors future data needs;
- **Adoption**: by increasing the practical use and adoption of DDI by the public, private and third sectors;

- **Data**: by providing the secure data storage, analytical capacity and data accessibility to underpin all DDI Programme activities; and,
- **Entrepreneurship**: by enabling entrepreneurs to develop new fast growth DDI-based businesses.

2.4 The DDI Programme will be delivered through a network of five DDI Innovation Hubs – Bayes Centre, National Robotarium, Edinburgh Futures Institute (EFI), Usher Institute, and Easter Bush. These hubs will draw upon the World Class Data Infrastructure (WCDI) project to provide the required underpinning data capability, computing and data storage infrastructure.

2.5 The UK Government and the Scottish Government have together committed, subject to business cases, an indicative amount of up to £270 million to support the development of the DDI Programme. This will be matched by up to £391 million capital investment from the universities and other sources.

The Bayes Centre

2.6 The Bayes Centre, powered by the proposed investment in World Class Data Infrastructure (WCDI), provides the focal point for all the other DDI programme initiatives in the city region. The Bayes Centre will assemble up to 600 world-leading applied data science researchers, talented students and staff from organisations across the public, private and third sectors into one facility. It will do this by providing commercial collaboration space – and robotics "Living Lab" testing facilities – for use by industry, and by drawing together the University of Edinburgh Schools of Informatics, Mathematics, and Design together with the Alan Turing Institute, the Data Lab and the Edinburgh Parallel Computing Centre.

The National Robotarium

2.7 The National Robotarium will provide state of the art facilities to co-locate researchers, R&D engineers, entrepreneurs and educators to deliver the UK's leading international centre for the generation of new smart robotics companies. The activities proposed build on the established partnership with University of Edinburgh through the Edinburgh Centre for Robotics. The National Robotarium, through its Living Laboratories and engagement mechanisms, will enable subject matter experts to understand the needs of major companies. It will bring together the capabilities of the Centre for Innovative Manufacturing of Laser based production processes, coupled with the researchers in robotics and autonomous systems, linking with the UK High Value Manufacturing Catapult's Manufacturing Technology Centre and Centre for Process Innovation, to engage directly with industry, for the benefit of the local and national economy.

2.8 The National Robotarium will be co-located on the Heriot-Watt University campus, having access to the resources of both Heriot-Watt and the University of Edinburgh. It will offer access to leading-edge applied research in autonomous systems, sensor technologies, and existing micro-assembly equipment.

The Edinburgh Futures Institute

2.9 The Edinburgh Futures Institute (EFI) will be a global centre for multi-disciplinary, challenge-based DDI research, teaching and societal impact. The world is experiencing major changes including climate volatility, political discontent, economic upheaval and technological change. EFI will bring different ways of thinking about these and other global issues, and of devising new solutions. EFI will provide thought-leadership in cultural, ethical, managerial, political, social and technological DDI issues, and help to transform the application, governance and exploitation of data. It will do this by bringing together a range of academic disciplines, together with third party organisations, across financial services, cultural industries and the public sector that are dealing directly with these challenges.

The Usher Institute

2.10 The overall objective of the Usher Institute is, through the application of data science, to develop innovative and financially sustainable models of health and social care that improve lives. The Usher Institute, located at Edinburgh BioQuarter, will become a world-leading hub where up to 600 health and social care researchers and scientists will collaborate with colleagues from public, private and third sectors organisations to deliver data-driven advances. The Usher Institute will drive health and social care innovation at scale by integrating the activities of: clinicians, life scientists and data scientists to identify new, co-produced insights in identified areas of challenge; and industry and public sector organisations to extract, apply and commercially exploit expert knowledge.

2.11   The Usher Institute will draw on Scotland's mature and world-leading health data assets, and well-established governance and data-sharing protocols developed in partnership with the National Health Service and the Scottish Government.

Easter Bush

2.12   An efficient agricultural sector is critical to social well-being and, by 2050, global agricultural production will need to increase by 50% to feed a growing global population. By applying data technologies that enable farmers and related industries to improve food production, digital agriculture (Agritech) will be critical to increasing global food supply.

2.13   The project will seek to leverage existing world-class research institutes and commercialisation facilities in order that Easter Bush becomes a global location of Agritech excellence. It will do this through the deployment of a campus-wide network that will generate and collate, in real time, a multitude of local and global data, (e.g. animal genetics, food species genetics, soil condition, weather and market drivers). It will also work with commercial collaboration partners to use this information to realise the potential of having the right food species, and the right products, in the right field at the right time to maximise agricultural productivity. In addition, by improving on-site infrastructure and local road network, commercial partners will be able to co-locate at scale to commercially exploit Agritech breakthroughs.

Data Infrastructure and Analysis Technology

2.14   The World Class Data Infrastructure (WCDI) project will provide the enabling data infrastructure platform for the wider DDI Programme. The DDI Programme requires an extremely powerful, high capacity and flexible infrastructure, capable of responsive delivery of an expanding range of complex and bespoke data and analytical services. By leveraging prior investments in the Edinburgh Parallel Computing Centre (EPCC), and specifically its Advanced Computing Facility (ACF), WCDI represents a practical, flexible and cost-effective approach to the delivery of the diverse technological requirements of the DDI Programme.

Food and Drink Innovation Campus

2.15   The Food & Drink Innovation Campus will be located at Craighall, by Musselburgh, East Lothian, on land next to the Queen Margaret University campus.

2.16   The Food & Drink Innovation project will deliver a flexible innovation space that will be directly adjacent to, and supported by Queen Margaret University – a university that is leading on international research in Dietetics, Nutrition and Biological Sciences. The innovation space will be set within a significant new wider business development space that will also be unlocked through the project.

2.17   This new state-of-the-art innovation facility for the food and drink sector in Scotland will drive company growth, supporting and developing existing and creating sustainable new businesses to access a global market for healthy and functional food. The development will allow the Queen Margaret University, along with businesses, to form and grow a business sector that will harness the potential of translational medicine in food and drink. This will in turn support the diversification of the Food and Drink industry towards preventative, therapeutic and rehabilitative applications of expertise in genomics of disease, biomarkers and bioinformatics. It will help close the existing innovation gap within the Food & Drink sector.

2.18   The proposal will be part of an integrated multi-agency regional employability and skills "escalator", which will help people facing labour market exclusion into entry level employment; put in place in-work up-skilling incentives at scale; and support a pipeline of indigenous and global talent ensuring that the growing demand for high level graduate skills that the industry sector requires is met.

A Programme of Investment in Economic Infrastructure

2.19   This programme, worth £74 million will ensure that businesses and communities across the city region are fully able to engage in the data-driven innovation opportunities, including industrial and business premises, to ensure maximum impact from the innovation investment. Working closely with the region's universities, the local authorities and their local business forum/economy partnership will also develop new approaches to stimulating innovation activity. This will be achieved through a range of innovation activities with a focus on digital technologies and data and the circular, low carbon economy. The ambition is to have more innovation-active businesses in Fife and Scottish Borders, i.e. businesses that are engaged in all forms of

innovation. In the medium term, the ambition is to increase business investment in formal innovation such as research and development. This will deliver improved productivity and higher value jobs for the local authority areas and the city region. In the longer-term, businesses could sustain and improve their economic performance through increasing the value they generate from their data by adopting digital technologies – to create new products, new supply chain arrangements, new business models, individually and through collaboration – thereby creating/safeguarding jobs and turnover. The aim is to create long term investment programme in Fife and Scottish Borders that can be replicated elsewhere in the city region through other economic development and investment projects.

Fife Industrial Estates Regeneration

2.20   The programme will deliver a major investment programme in infrastructure and modern business premises to support economic development in Fife. Such investment will increase the supply of serviced employment land and new industrial, office and business space in Fife. Innovation is being defined as "doing things in new, hopefully better, ways" that ultimately leads to a transformational change in business performance and local economy mix and strength. In the longer-term, Fife businesses could sustain and improve their economic performance through increasing the value they generate from their data by adopting digital technologies, to create new products, new supply chain arrangements, new business models, individually and through collaboration, thereby creating and safeguarding jobs and turnover. The aim is to create long term investment programme in Fife that can be replicated elsewhere in the city region through other economic development and investment projects.

Tweedbank Innovation Park

2.21   The Central Borders Innovation Park, situated next to the Borders Railway terminus at Tweedbank, will deliver much-needed high quality business space to the Scottish Borders. Costing £25 million, the project will stimulate business growth and associated job creation, enhancing the area's inward investment offer, particularly to high-value sectors, as well as assisting existing businesses to improve their competitiveness. It will also help to address inequalities in the area through providing access to better quality, higher paid jobs.

Integrated Regional Employability and Skills (IRES) Programme

2.22 Since the economic recession in 2008 the Scottish economy has been steadily improving. Average unemployment across the city region's is currently low, however this masks some important factors – there is still some evidence of persistent worklessness, unemployment, and poverty for some of our communities and vulnerable citizens.

2.23 Key inclusion challenges in the city region, outlined in Section 1, are evident: Slow growth; regional disparity in job density; skills inequality and polarisation; gender and age inequalities; low income and low pay; and housing, transport and connectivity.

2.24 The Integrated Regional Employability and Skills (IRES) Programme and its underpinning private, public, and third sector partnership is a key way in which partners intend to embed Inclusive Growth practices in the city regional labour market and evolving policy and practice to:

- increase the visibility and unlock access to good opportunities for all the city region's citizens;
- open up new talent pools to business and stimulate increased recruitment from under-represented groups into the good jobs and careers being generated in the region;
- evolve, streamline, and integrate employability and skills services to ensure citizens are equipped with the skills they need to succeed throughout their working life;
- put in place complementary supports to help people mitigate any barriers they may have in achieving their potential and ensuring that these supports are part of an integrated person-centred approach;
- develop the collective knowledge, organisational cultures, networks, policies and practices that are essential to accelerating progress to an inclusive, innovative and future-proofed regional economy; and
- maximise the impact of employability and skills investments by public, private, and third sector partners and fully harness the potential of City Region Deal to stimulate a step change in performance.

2.25 The IRES model and programme has been developed by using the extensive expertise and knowledge of the city regional partners to create a development structure, programme and set of mutually supporting projects that not only add value to current services and interventions, but also creates the conditions to incrementally improve the inclusive growth impact of our collective investment in the city region's labour market.

2.26 The model is based on the "Plan-Do-Review-Revise" improvement cycle[8] with a focus on five Pillars that are judged as critical to creating a more inclusive and impactful regional employability and skills services as part of a "whole person", "whole system" and sustained impact approach to thinking about services.

2.27 The Scottish Government has committed to investing £25m to support the change activity supported through the IRES Programme. This will be augmented by partner resources, and be integrated with existing funding streams. The IRES Programme Business case provides more detail on the proposed change activities and the steps to success, but a synopsis is set out below:

Pillar 1: Regional Leadership and Improvement Capacity

2.28 The barriers and obstacles that disadvantaged sections of society face in accessing and progressing in employment are complex and typically cut across disciplines and stakeholders.

2.29 This multiplicity of stakeholder involvement, although important for stimulating innovative solutions to our challenges, can also lead to service misalignment and an opaque service offer (for beneficiaries and service

---

[8] Social Work Inspection Agency: Guide to Managing and Improving Performance: Taking a closer look at managing and improving performance in social work services

professionals alike) that creates barriers and inertia in the pipeline of support and an increased likelihood of poor outcomes for the most vulnerable in society.

2.30   Therefore, a critical part of making progress towards an inclusive labour market will be the creation of the right leadership and collaboration environment to stimulate whole system thinking and a shared commitment to improving the quality and quantity of collective outcomes.

2.31   The IRES Board and supporting development structure that is being put in place to support collaboration and the delivery of project activity is outlined in the City Region Deal Governance Framework (Section 3 of this document) and the IRES Programme Business Case.

Pillar 2: Understanding of Labour Market Need and Opportunity

2.32   The collective visibility, understanding, and active response to regional labour market dynamics, service impact, and new innovative approaches is vital to the creation of a citizen-centred, demand-led and integrated approach.

2.33   Therefore, developing our collective capacity to understand and disseminate the opportunities and challenges for the city regional labour market along a greater understanding of inclusive growth impact of our interventions will be important for driving progress towards our long-term goals.

2.34   In this initial phase the partnership is focusing on two Projects:

Integrated Knowledge Systems

2.35   This project will aim to better align and integrate partner performance management systems and digital services to enable the more effective pooling, analysis, and dissemination of performance information that will be critical to driving service improvement, increased responsiveness, and the creation of an integrated person-centred approach.

Labour Market Analysis and Evaluation

2.36   This project will create a cross-partner virtual team to undertake research and evaluation support for the IRES programme. It will draw on existing partner expertise to provide insights on the success of our activities, expose obstacles or ineffective approaches, and identify best practice from elsewhere that could be adopted or tested as part of a culture of continuous improvement.

Pillar 3: Building Strong Employer and Citizen Relationships

2.37   Businesses and citizens are the engine of the economy and the primary beneficiaries of our employability and skills system.

2.38   Therefore, strengthening our (bilateral) relationships with employers and citizens to; enhance our collective knowledge of opportunities and blockers to success, tackle misconceptions and promote culture change within stakeholders, and ensuring that we work with people not "do unto them" in the journey to success will be important for setting and adjusting our strategic and tactical direction.

2.39   In this initial phase the partnership is focusing on two Projects:

Integrated Employer Engagement

2.40   This project work will clarify, co-ordinate and improve the employability and skills service offer to employers. The partners will establish a "No Wrong Door" approach that will create designated points of contact to manage individual employer relationships that will allow us to; tailor and route our combined service offer, pool and match the opportunities that are generated, reduce double handling, and so strengthen individual relationships. To complement this, the partners will also develop a regional approach to "Community Benefits from Procurement" to ensure that the significant expenditure of the partners fully exploits any opportunity to drive inclusive growth. This project stream will also work on developing our network of Recruitment and Skills Centres to act as a tangible interface between the partners and business particularly in geographic or sectoral high demand areas.

Intensive Family Support Service

2.41   Developing a multi-agency family focused service that targets very small areas of intense need for a rolling series of inter-connected interventions that aim to counteract helplessness, dependency, and low aspirations. The service will offer a combination of intensive general and specialist supports tailored to help support individuals within families to progress towards their own goals, as well as developing "whole family" activities that build a support network and improve the family dynamic and ability to provide effective support for each other.

Pillar 4: Targeted Skills Development

2.42   Supporting all sections of society to acquire the knowledge and skills and secure the complementary supports they need (throughout their working lives) to develop and progress will be critical to maximising the talents of our citizens and unlocking the full potential of our economy.

2.43   Therefore, developing integrated and universally well-understood career pathways (i.e. academic, blended, and vocational) for our key industries, that are interlocked with other enabler services (e.g. Health, Care, and, Financial) will be important to allowing the talents of all our citizens to blossom.

2.44   In this initial phase the partnership is focusing on developing, testing, and mainstreaming integrated career pipelines for two industrial sectors critical to the regional economy and maximising the impact of wider City Region Deal investment in Innovation, Housing, Transport and Culture. These Projects are:

DEC (Design, Engineer, Construct) Targeted Skills Gateway

2.45   The DEC Gateway will bring together industry, universities, colleges, schools and other partners to provide an integrated (visible) progression routes into Construction and Low Carbon careers encompassing basic/key skills in schools through to advanced postgraduate training and research role in business that help drive high value growth. It will create and deliver employability, skills attainment, upskilling and career progression and inclusion support activities to enhance productivity, competitiveness and support innovations currently gaining momentum in the sector. This will help address the skills shortages in the sector and open up new opportunities to non-traditional groups of people into the construction sector helping to increase the diversity of the sector.

DDI (Data Driven Innovation) Targeted Skills Gateway

2.46   The DDI Gateway will bring together industry, universities, colleges, schools and other partners to provide integrated and visible progression routes into DDI careers encompassing basic/key skills in schools (Digital Citizens who interact with public and private digital services) through to advanced postgraduate training and research (Digital Business Leaders driving the development of global digital businesses) that help drive high value growth. It will also help develop the data science curriculum and CPD for employability and learning professionals along with integrating skills development and progression opportunities for individuals who can be locked out of the industry helping to address inclusion challenges within the industry.

Pillar 5: Active Opportunity Matching

2.47   Given the inclusion challenge faced there must be a more active approach to supporting disadvantaged individuals' access and succeed in work or enterprise.

2.48   Therefore, it will be important that we make the best use of relationships, business start-up and career services, digital technologies, active travel and childcare services to ensure personal circumstances or geography is not a barrier to progression.

Workforce Mobility

2.49   This project focuses on the blockers to the full mobility of the regional workforce beyond individual personal skills and capabilities. The initial area of weakness being examined is the role of travel in supporting vulnerable or disengaged members of our workforce to move into and sustain good learning or work opportunities, while also opening up new talent pools for employers. There are several transport subsidy schemes that young people, job seekers, and new (vulnerable) job entrant can access to help sustain work, but these schemes are not joined up and can have considerable restrictions in their use. Also in rural areas the level of demand may mean that travel options are limited. The project will therefore explore the potential of the National Entitlement Card to be the mechanism for a single concessionary travel offer, examine how the existing combined travel support offer can be used to maximise the positive impact on disadvantaged groups seeking work or learning, and finally how we can work with transport colleagues to identify opportunities to create active travel options to that widen the range of transport options for disadvantaged jobseekers and learners.

Transport

2.50   The City Region Deal will deliver major investments to ensure that Scotland's capital and its region is served by world class transport infrastructure.

2.51   Partners will put in place a Regional Developer Contributions framework based on the work currently being led by SESplan (the strategic development planning authority for Edinburgh and South-East Scotland) and findings of the Cross-Boundary Study, published in 2017. These interventions and commitments, taken with the additional transport investment to enable the innovation and housing projects, will help ensure the city region continues to grow and flourish.

2.52   The Scottish Government is committed to investing £140m on strategic transport improvements as part of the City Region deal. This specifically includes up to £120m to support improvements to the A720 City Bypass for the grade separation of Sheriffhall Roundabout and £20m investment to support public transport infrastructure improvements identified by the West Edinburgh Transport Appraisal.

2.53   Partners will also contribute towards the improvements in West Edinburgh. The vision for West Edinburgh, as identified by Scottish Government's National Planning Policy (NFP3), can only be delivered through the investment in a strategic package of transportation improvements. These improvements include a core package of A8/A89 sustainable transportation measures that provide long term resilience and support strong connectivity between neighbouring authorities, and importantly enable the supply of the increased labour supply demands required, to deliver the full economic potential of West Edinburgh; current infrastructure constrains any such economic growth.

2.54   Transport Scotland will manage and deliver the upgrade of Sheriffhall Roundabout. The preferred option is a grade separated junction which separates local traffic from the strategic traffic on the A720 (city bypass) and when complete will allow the traffic on the bypass to flow freely, improving road safety and journey times for all road users, bringing improved economic benefits and inclusion across Edinburgh and South-East Scotland. It will improve accessibility for all modes of transport including walking and cycling. Transport Scotland will provide updates on progress to the Transport Appraisal Board, as well as the Executive Board and Joint Committee as and when appropriate.

2.55   An Edinburgh and South-East Scotland City Region Transport Appraisal Board (TAB), comprising the six local authorities representing the city region deal, SESTRAN and Transport Scotland will be formed to help shape transport policy, strategy and priorities across the city region. The TAB will take a specific role in representing the city region's interests through the reviews of the National Transport Strategy and the second Strategic Transport Projects Review. This group will also provide a channel for involvement in the development and delivery of the improvements to Sheriffhall Roundabout, building upon the already established stakeholder engagement being led by the design team in Transport Scotland, to ensure that benefits are maximised, particularly around community benefits and opportunities for skills development.

2.56   The TAB will report to the Transport Board which will work closely with the city regional Housing Board and with Government to influence and formalise any future regional partnership working which may emanate from the moves to a Regional Economic Partnerships as well as regional land use planning, depending on the outcomes of parliaments current consideration of the Planning Bill.

Culture

2.57   Scotland's capital city has a world-class cultural offer which is vital in attracting around four million visitors a year into the city core who inject £1.3 billion to the city region's economy.

IMPACT

2.58   The Scottish Government and UK Government will provide up to £10 million each (up to a maximum of £20 million), and the City of Edinburgh Council will provide £5 million of capital funding to support the delivery of the new IMPACT Centre, a concert hall and performance venue, that will reinforce Edinburgh's position as a pre-eminent Festival City.

2.59   The IMPACT Centre will be immediately adjacent to a historic building on St Andrew Square in the heart of Edinburgh and will provide a new home for the Scottish Chamber Orchestra, the only Edinburgh-based National Performing Arts Company. It will house a 1,000-seat auditorium and studio facilities to enable rehearsal, recital and recording space, as well as enabling community outreach and education, conferences and multi-art-form use. The site will be enhanced by the provision of a restaurant, cafe and bar facilities.

2.60   The new world-class performing arts venue will deliver £35 million private sector investment and make a significant contribution to the ongoing success of Edinburgh's cultural offer.

Housing

2.61 The Deal reflects the joint commitment of city region partners and the Scottish Government to deliver the regional housing programme, transforming regional housing supply and driving economic and inclusive growth across Scotland.

2.62 The regional housing programme aims to accelerate the delivery of affordable housing and housing across all tenures, enable the development of seven major strategic housing sites and drive efficiencies across the public sector estate.

2.63 Collaboratively regional partners and Government will work together on:

- **An expanded affordable housing programme** that builds on the committed additional £125 million between 2018/19–2020/21, with a commitment to maximise certainty over future public funding levels for the regional housing programme.
- Developing **risk-sharing guarantees** on a site-by-site basis to support local authority borrowing and share the financing risk of infrastructure delivery required across strategic sites, starting with Winchburgh in 2018, where West Lothian Council have agreed guarantees for up to £150m of infrastructure investment with the Scottish Government. These will be repaid by developer contributions as set out in a complementary tripartite agreement between West Lothian Council, Winchburgh Developments Limited and the Scottish Government.
- **Seven strategic sites** have been identified in SESplan as key areas of change and growth (Blindwells, Calderwood, Dunfermline, Edinburgh's Waterfront, Shawfair, Tweedbank and Winchburgh). Business cases will be developed within the 15-year period of the Deal, of which Winchburgh is likely to be the first. Taken together these sites will deliver over 41,000 new homes, create 7,800 jobs and contribute over £10 billion to the wider economy. The Scottish Government and city region commit to work together on each of these strategic housing 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 will commit at least £50 million. City Region partners will explore, with the Scottish Government, innovative solutions to stimulate creative ideas, fresh thinking and innovation in the provision of affordable housing. This collaboration will consider the evolving financial landscape with the Scottish Government's proposals to establish the Building Scotland Fund and Scottish National Investment Bank.
- **An increased supply of good quality low cost market rent housing** across the region. This is an essential requirement for meeting the housing needs of key workers and those on low to middle incomes who cannot access home ownership and are not a priority for social rent.
  The Scottish Government will provide a funding package comprised of a one-off £16.1 million capital grant and consent for the City of Edinburgh Council to on-lend up to £248 million to establish a new housing company with Scottish Futures Trust (SFT) to deliver a minimum of 1,500 homes at mid-market rent and competitive market rent levels.
  The City of Edinburgh Council and SFT will continue to share learning and financial models with city region partners, to explore regional delivery models.

- City region partners will work jointly with both Governments to **maximise the potential contribution of public sector land and property** in the region to help unlock further new housing and wider public policy objectives.
  Drawing on the approach taken with many other City Deals across the UK, the Edinburgh Partnership (Edinburgh's Community Planning Partnership) is in the process of establishing an Edinburgh Land Commission, chaired by the Council's Chief Executive.
  Once working effectively at a city scale, regional partners will be invited to become members of a regional land commission.
- **More Jobs, training and apprenticeships as well as opportunities for regional construction related SMEs.**
  The city region housing partnership will align with the Integrated Regional Employability and Skills (IRES) Programme and specifically to the Housing and Construction Skills Gateway (DEC Gateway) to meet existing and future skills requirements in the construction and housebuilding sectors. This will deliver more jobs, training and apprenticeships, as well as opportunities for regional construction related SMEs.

Community benefits from regional housing investment will be maximised to ensure sustainable jobs and economic growth is created for local communities. Regional housing partners will support IRES colleagues to work towards developing a consistent all partner approach to community benefits.

- The Edinburgh and South-East Scotland City Regional Housing Board will provide robust governance and strategic oversight over the regional housing programme. The Regional Housing Board will make recommendations to the Joint Committee to ensure the effective delivery of the city region deal housing projects. The Regional Housing Board will work with Government to influence any future regional partnership working as this emerges through the enterprise and skills review, planning bill and following the future implementation of the new planning act.

3 Governance Framework

Context

3.1   This document sets out effective and accountable governance arrangements for the Edinburgh and South-East of Scotland City Region. The Governance arrangements enable decisions to be taken in an open and transparent way in one place for the whole of the city region.

Overarching Principles

Driving Inclusive Growth for Edinburgh and South-East Scotland

3.2   The city region's partners recognise that delivering the twin ambitions of innovation and inclusive growth through the City Region Deal requires alignment between local, regional and national ambitions, policies and resources. The governance arrangements outlined in this document empower local authorities to:

- operate strategically with their partners to fully realise the economic potential of the city region;
- respond to issues critical to the economic health and wellbeing of the city region;
- unlock economic assets; and
- decide on the alignment of resources in projects and programmes with the greatest economic potential for the city region.

Financial Diligence

3.3   Throughout all the strands of the City Region Deal, partners and the City of Edinburgh Council as the lead authority shall be bound by the key principles of personal responsibility for the propriety and regularity of the finances under their stewardship and for the economic, efficient and effective use of all related resources. Risk management and assurance best practice shall be integral to this and respect the diverse nature of the City Region Deal programme.

Partnership with Private and Third Sectors

3.4   The voices of the private and third sectors are integral to the city region's governance arrangements. The governance model combines the best of private sector commerciality and expertise with public sector capacity, transparency and accountability. The city region has strong private and third sectors that will underpin the city regional governance arrangements. Harnessing their understanding of regional strengths and opportunities is critical to the city region's success. The business and third sector voices will help to realise the partners' ambitions to develop a bespoke regional economic plan to create an environment for economic growth and to tackle barriers to efficiency and inclusive growth.

Community Engagement

3.5   Throughout the process, engagement will take place with communities on projects and programmes. This will occur through the existing statutory and informal community engagement structures, such as community planning, planning consultations and local authority budget engagement processes.

Working with Government/Agencies to Deliver a Strong Regional Partnership

3.6   From the outset of the City Region Deal process, partners have taken a holistic approach to the development of the city region's economy, by focusing on investment in projects that support a step change in the performance of the city region, and that spread the benefits of growth more evenly within and across the communities in the city region. This collaboration builds on and helps to deliver the statutory regional governance in transport and land use.

3.7   Through the City Region Deal, the Scottish and UK Governments and regional partners embark on a new relationship. The first phase is underpinned by the activities set out in the City Region Deal. However, future phases will involve regional partners continuing to work together on exploring opportunities for

transferring further powers, policy resources and levers while also strengthening the city region's governance and capacity to deliver and to meet the clear policy expectations set out in the Scottish Government's Enterprise and Skills Review. Regional partners agree that ensuring sufficient scale and quality of governance to manage financial and policy risks will be key to effective regional devolution. The governance arrangements will operate in a way that best delivers inclusive growth and accountability, underpinned by participation of the city region's key private, public and third sector interests.

Governance Structure

3.8   A summary diagram of the City Region Deal governance structure is shown in Figure 1. It comprises the Joint Committee, Advisory Boards/Groups, Thematic Advisory Boards and Project Groups. The Advisory Groups will support the work of the Executive Board. The Thematic Advisory Boards will report to the Executive Board and make recommendations for decision by the Joint Committee. The Annex summarises the Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards. Terms of Reference for project groups sit within the Management Case of each Business Case. The structure will be reviewed to determine its continuing relevance by the Edinburgh Joint Committee on an annual basis as part of the Annual Report (see section 3.21).

Figure 2: Edinburgh and South-East Scotland City Region Deal Governance Structure

Standing Orders, Delegated Authority and Terms of Reference

3.9   Standing Orders will be agreed by the Joint Committee and will include details on the nature and extent of delegated authority. The Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards are summarised in the Annex. They provide for appropriate government/agency engagement and representation. Each group will have the ability to co-opt additional members if required.

3.10   Project Groups and Delivery teams sit beneath the Thematic Advisory Boards. Each project team will have its own terms of reference, and a core of full time members of staff, supplemented by PMO resources where required. The Terms of Reference for Project Groups can be found within the Management Case of the business cases. Best practice project management processes will be adopted throughout.

Resourcing

3.11   Each Advisory Board/Group, Thematic Advisory Board and Project Group will be responsible for its own administration. Initially, the PMO will be responsible for the administration of the Joint Committee, Regional Enterprise Council, Executive Board and Directors Groups. The PMO will be reviewed by the Executive Board quarterly as part of risk reporting, to ensure that it is suitably resourced to meet the demands of delivering the Deal for the forthcoming period.

Decision-Making/Change Process

3.12   The city regional partners are committed to putting in place robust decision-making and financial management processes to ensure that public money is being spent responsibly and is accounted for. All decisions will be publicly available.

3.13   It is recognised that the Joint Committee's powers and duties relate to activities set out in the City Region Deal. Each constituent partner's decision-making in relation to its own financial commitments are not

subject to Joint Committee approval. The Joint Committee does however have a monitoring and assurance role with respect to City Region Deal funding to ensure that it is spent in line with the City Region Deal objectives.

Consensus

3.14   Each Thematic Advisory Board will have its own respective arrangements for achieving consensus. The Joint Committee will be the ultimate decision-making body for all City Region Deal activity.

Change

3.15   Major change decisions will be escalated from project level to thematic board level, or, when required, to the Executive Board for discussion. Recommendations will then be presented to the Joint Committee for decision. Examples of major changes may relate to cost, scope and time, for example:

- project/parts of project costs rise significantly (beyond acceptable tolerances as detailed through standing orders) since business case approval, and partners are unable to meet the funding gap;
- there is project underspend, leaving an opportunity to enhance the scope or consider new projects;
- project is no longer considered viable or value for money since business case approval; or
- external factors trigger changes in the investment priorities for the city region.

Role of Members/Accountability

3.16   Irrespective of their background or geography, it is the duty of all Board members to act in the best interests of the Edinburgh and South-East of Scotland City Region. All private and third sector members will be required to act in the best interests of the City Region Deal, foregoing any interest (if any) their own organisation may have in the City Region Deal and related projects.

3.17   All members are expected to comply with the code of conducts of their respective organisations and the values and aspirations of the city regional partnership.

3.18   Government representatives will attend in observer/advisory capacity and are not bound by the requirements of the Board's Members. Transport Scotland will sit on the Transport Advisory Board as a full member.

The Business Case Journey

3.19 Projects will be identified and implemented through a four-stage journey as shown in the box:

Stage 1 – Strategic Business Case

Once a need for change is identified, a conceptual business case is developed at thematic board level. This will be shared with Government, relevant agencies, the Regional Enterprise Council and relevant Advisory Boards/Groups. The Executive Board will be consulted, and the Joint Committee informed.

Stage 2 – Outline Business Case

Should the project plan be approved by the thematic board, an outline business case will be prepared with input from Government, which the thematic board will recommend to the Executive Board for approval.

Stage 3 – Full Business Case

Should the outline business case be considered viable, it will be expanded to a full business case for the thematic board and executive board to recommend to the Joint Committee for approval.

Stage 4 – Implementation, Review and Evaluation

Should the full business case be approved by the Joint Committee, formal Government approval will be sought to allow City Region Deal funds to flow to the project for its implementation. The project will then be subject to review and evaluation as is the case in all projects.

Accountability

Accountable Body

3.20   The City of Edinburgh Council will act as the Accountable Body for City Region Deal finances. All grant funding from Government, will be channelled through the City of Edinburgh Council, with the exception of the Sheriffhall roundabout project.

3.21   Governance and accountability for the Winchburgh risk sharing guarantee will be in accordance with the tripartite agreement being progressed by the Scottish Government, West Lothian Council and the lead developer at Winchburgh.

3.22   As the Accountable Body, the City of Edinburgh Council will have the authority to hold others to account should projects present a risk to the overall programme A grant offer letter signed between the Scottish Government and the Accountable Body will set out required terms and provisions to ensure funding is applied as expected. These terms and provisions will also be replicated in separate agreements between the Accountable Body and regional partners with any additional specific requirements necessary for the City of Edinburgh Council to fulfil its role as the Accountable Body, clearly set out. The broad terms of the deal are also set out in the Financial Agreement between the UK and Scottish Governments and the Accountable Body.

Progress Reporting, Risk and Audit

3.23   To assess progress against the milestones set out in relevant business cases, each Thematic Advisory Board will produce a quarterly Risk and Performance Monitoring Report. Where risks are identified, change recommendations will be made. An overall Programme Risk Register and Performance Monitoring Report will also be considered by the Executive Board and Joint Committee every quarter. The template for these reports will be agreed with the Governments in advance. The reports will be presented to the Governments and the Regional Enterprise Council quarterly.

3.24   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.

3.25   Measures will be taken to ensure scrutiny, and effective consultation with the business community, third sector and general public. The Regional Enterprise Council and Joint Committee will develop these

measures in partnership with Government. Options may include: an annual conference/seminar(s) tackling a key priority in the city region; an annual online consultation with key stakeholders in the city region and/or the general public; regular "roadshow" consultations on key upcoming projects across the city region (linking in with the planning process).

3.26   Every five years, an independent evaluation of the City Region Deal will be undertaken to capture progress and identify priorities for the next phase of delivery. The Governments will work with the Joint Committee to set the terms of the evaluation and consider its recommendations. Both Governments reserve the right to halt funding in the event that outcomes and targets are not being met.

3.27   Given the size of the investment and the significance of it to the overall Deal, Governments and partners agree to undertake an 18-month review checkpoint with respect to the DDI programme. The objectives and format for the review will be agreed by Governments and partners and set out within the overall DDI programme business case.

Annex: Summaries of Terms of References

This section summarises the Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards within the governance structure. At project level, other groups exist, which may have their own Terms of Reference. These can be found within the Management Case of project business cases, and are not included in this paper.

1 Edinburgh and South-East Scotland City Region Joint Committee

Membership

The Joint Committee will comprise:

- Leaders from the six local authorities
- University/college sector representative;
- Business sector representative;
- Third sector representative.
- Programme Management Office (observer/secretariat).

The Chair and Vice Chair will rotate annually.

Purpose

The purpose of the Joint Committee will be:

- To oversee the implementation of the Edinburgh and South-East Scotland City Region Deal programme, and ensuring that it is aligned towards driving innovation and achieving its inclusive growth ambitions.
- To monitor the impact of the City Region Deal Programme.
- To build and support inclusive growth focusing on the needs of the city region and strengthening the partnership between public, private and third sectors;
- To improve business involvement from the city region in regional decision making;
- To collaborate and work in partnership to assist in delivering regional planning and transport policy linking the City Region Deal to SEStran and SESplan; and
- To work in partnership on other initiatives across the city region with the explicit support of individual constituent members.

Meeting Schedule

The group will meet at least quarterly.

Current Status and Implementation

The Joint Committee will be formed following the approval of Deal Documentation, including the Governance Framework in June 2018.

2 Advisory Boards/Groups

Regional Enterprise Council

Purpose

The overarching purpose of the group is to provide the voice of the business and third sector to guide the implementation of the Deal. While the projects and financial arrangements have already been agreed in the Heads of Terms and City Region Deal Document, this group will support the other city region deal partners (local authorities, universities/colleges and government/public sector agencies), towards a shared ambition for achieving sustainable and inclusive economic growth for the city region. It will do this in the following ways:

- use its commercial knowledge and expertise to influence the Joint Committee and Executive Board in making spend and investment decisions that maximise benefits for the city region's economy and its people;
- engage with wider business and third sector networks across the city region to ensure that a wide range of views are captured; and
- champion the City Region Deal nationally and internationally to encourage further investment opportunities.

Principles

- The group will augment, and build on, existing business forums or similar structures without superseding them. It will be the recognised regional enterprise forum with a formal role within the City Region Deal.
- Members will be appointed to the group based on their expertise and knowledge of the city region and its commercial and third sector, rather than the organisations which they represent. Individuals will be required to act in the best interests of the City Region Deal community, foregoing any interest their own organisation (if any) may have in the City Region Deal and related projects.
- Members will be responsible for ensuring that views of existing business and third sector networks are captured, and that there is no duplication between the group's activity and these networks. These responsibilities will be mapped when the group is appointed.

Governance and Decision Making

The group will not have direct decision-making power, but will make recommendations to the Joint Committee, which will be the ultimate decision-making body for City Region Deal activity. The group may also advise Advisory Boards/Groups and Thematic Advisory Boards. To cater for this, the Chair and Vice Chair of the group will sit on the Joint Committee, and the IRES Board chair will also sit on the REC.

Membership

Size and Composition

The group will comprise approximately 12 individuals.

In determining membership of the group from applications received, the Joint Committee will seek to ensure an appropriate balance of membership, in terms of:

- **Geography:** each of the six local authorities in the city region will be represented by at least one business or third sector organisation with significant operations in their area.
- **Sector:** Organisations that operate in key industry areas that are relevant to the city region's economy will be represented.
- **Size:** Small, medium and large organisations will all be represented.
- **Gender, ethnicity and age** of business and third sector leaders.
- **Organisation type:** Individuals from the private and third sectors will be represented in accordance with the mix of enterprise types across the city region.

There will also be City Region Deal PMO, government/agency and higher/further education representation, to ensure links with the wider governance structure (see Figure 1). Support will be provided by the City Region Deal PMO.

The following structure is recommended, but the mix of members is subject to change depending on the nature of applications received:

Organisation	Board Members
Chair	1

Business representatives (4 SMEs and 2 large)
     o   1 Finance/Fintech
     o   1 Creative Industries
     o   1 Construction/Housing
     o   1 Food/Drink
     o   1 Manufacturing
     o   1 Tourism
	6

Third Sector representatives:
     o   1 Social Enterprise
     o   1 Voluntary Organisation
	2

Higher/further education representative	1
Integrated Regional Employability and Skills (IRES) Board Chair	1
Skills Development Scotland	1
Scottish Enterprise	1
Programme Management Office (Observer)	1

Recruitment Process and Appointment of Chair

From summer 2018, the group will be recruited via an application process open to all businesses and third sector organisations from across the city region. The Joint Committee will approve the membership, chair and vice chair of the REC, which will be recommended through engagement with key industry bodies and regional employers. The chair and vice chair will be appointed from the business and third sectors, and these individuals will also sit on the Joint Committee.

It is important that the Chair is a high profile, credible and influential individual, who reflects the key components of the Deal and ambitions for the Edinburgh and South-East Scotland city region. It is recommended that the Chair be additional to the six business and two third sector representatives. The Vice-Chair should be drawn from the relevant business or third sector cohort dependent upon which field of enterprise the Chair is drawn from.
The first REC meeting is expected to take place in late 2018.

Wider Business/Third Sector Engagement
To ensure that views from across the city region's business and third sector community are captured, a wider grouping will also be developed. Members of existing business or third sector forums which operate across the city region will be invited to join the wider group. They will be encouraged to participate in consultations when required and will be kept up to date on the REC activity by email. Regular seminars on City Region Deal activity are also proposed.

Meeting Schedule

It is suggested that group will initially meet quarterly and the wider grouping meets bi-annually.

Current Status and Implementation

The group will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

Edinburgh and South-East Scotland City Region Deal Executive Board

Membership

The Executive Board comprises:

- Six regional local authority chief executives;
- a representative for the city region's universities and colleges;
- six regional local authority directors with a remit for the economy (observers)
- City Region Deal Programme Management Office function (observers).
- Government colleagues will be invited to attend meetings on a quarterly basis as observers.

The Chair and Vice Chair will rotate annually, and will be aligned to the Chair and Vice Chair of the Joint Committee by geography.

Purpose

The Executive Board supports and make recommendations for the Joint Committee in the delivery of the City Region Deal Programme. It also oversees the activity of the PMO and Directors' Group and engages with the Scottish City Region Deal Delivery Board for performance monitoring as appropriate.

The purpose of the Executive Board is to:

- Support the Joint Committee in overseeing the delivery of the City Region Deal and ensuring that it is aligned towards achieving its inclusive growth ambitions;
- Engage in dialogue with Government and respond to policy, proposals and opportunities to bid for funding in support of economic growth;
- Engage with investors, businesses and advisors to secure growth opportunities;
- Develop and consult on regional economic policy, programmes and interventions designed to maximise growth in the city region;
- Provide leadership in key themes and priorities to promote sustainable economic growth;
- Lead on communications and stakeholder engagement to raise the profile, image, reputation and influence of the city region at a regional, national and international levels.

Meeting Schedule

The group will meet monthly.

Current Status and Implementation

The Board is constituted and meets monthly.

Edinburgh and South-East Scotland City Region Deal Directors' Group

Membership

Membership comprises:
- Six regional local authority Directors with a remit for the economy;
- One representative for the city region's universities and colleges;
- Five thematic leads;
- The finance director of the Accountable Body (The City of Edinburgh Council) will have a standing invitation as an ex-officio member; and
- Programme Management Office function

Purpose

The Directors' Group supports the Executive Board in the delivery of the City Region Deal Programme. It oversees cross-regional strategic activities outlined in the Heads of Terms, many of which are led by groups at programme level. Priority areas currently include: the city regional Housing Programme; the Integrated Regional Employability and Skills (IRES) programme; cross-regional transport projects; and the revision of existing cross-regional governance structures across Transport, Planning, Housing and Economic Development to align with the City Region Deal. It also acts as a sounding board and provides feedback for activity that the PMO is undertaking.

The purpose of the Directors' Group is to:

- support the Executive Board in the delivery of the City Region Deal and ensuring that it is aligned towards achieving its inclusive growth ambitions;
- capture and communicate business requirements for changes to, and development of economic policy and commission associated appropriate interventions;
- work collaboratively with all partners, including local authorities to address barriers to inclusive economic growth and drive efficiency;
- bring together intelligence and expertise to identify priorities and develop solutions to maximise private sector investment in the City Region and secure sustainable and inclusive growth; and
- work to create an environment to support business growth ensuring appropriate mechanisms exist through which, as a co-ordinated voice, the private sector can inform and influence the shape and future direction of local, regional and national government policy.

The Chair and Vice Chair will rotate annually, and will be aligned with the Chair and the Vice Chair of the Joint Committee and Executive Board by geography.

Meeting Schedule

The group meets monthly, usually in the alternate fortnight from the Executive Board.

Current Status and Implementation

The group has been constituted and will evolve according to demands of the City Region Deal programme.

Edinburgh and South-East Scotland City Region Deal Finance Directors' Group

Membership

The group will comprise:

- Financial Directors of any organisations who are beneficiaries of City Region Deal funding; and
- Programme Management Office function.

It will be chaired by the Finance Director of the Accountable Body (The City of Edinburgh Council).

Purpose

The group will:

- support the Executive Board and Joint Committee in overseeing the City Region Deal's finances;
- ensure that the City Region Deal monies are spent as set out in the agreed Financial Plan;
- ensure that financial risk, audit and assurance are carried out effectively throughout the process;
- ensure compliance with current financial regulations and accountancy best practice; and
- consider quarterly financial reports, and escalate any risks to the Executive Board.

Meeting Schedule

The group will meet quarterly to align with funding flows from Government, and quarterly reporting.

Current Status and Implementation

The group will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

Edinburgh and South-East Scotland Innovation Advisory Group

Membership

The Group will include representation from:

- Regional local authorities
- Regional HE / FE institutions
- Relevant government agencies – UK Research and Innovation and Scottish Enterprise
- Business community
- Third sector UK Government
- Scottish Government (observers)
- UK Government (observers)
- City Region Deal Programme Management Office function (observers)

Purpose

To identify opportunities to deliver innovation across the City Region Deal programmes and projects, making linkages with other groups as appropriate and providing advice and recommendations to the Executive Board as appropriate. To look to maximise the exploitation of wider innovation opportunities aligned to the development of a regional economic strategy.

NB: The role of the Innovation Advisory Board would not extend to allocation of existing City Region Deal resources or oversight of City Region Deal funded projects.

The group's remit will be:

- To advise on regional innovation priorities and the further development of a regional innovation ecosystem
- To identify partnership working opportunities beyond the City Region Deal
- To seek alignment of national resources behind regional innovation priorities
- To co-ordinate innovation activity across the city region
- To engage on a regional, national and global level with businesses and agencies able to help to achieve ambitions of inclusive growth through innovation

Meeting Schedule

To be confirmed.

Current Status and Implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

Edinburgh and South-East Scotland City Region Higher/Further Education Group

Membership

One representative from the following regional universities and colleges attends (nominated by their respective principal):

- Borders College
- Edinburgh College
- Edinburgh Napier University
- Fife College
- Heriot Watt University
- Newbattle Abbey College
- Queen Margaret University
- University of Edinburgh
- West Lothian College
- Scotland's Rural College (SRUC)
- City Region Deal Programme Office function (observers)

Secretariat support is provided by the University of Edinburgh.

Purpose

The group's purpose is to:

- provide a formal mechanism for the engagement of universities and colleges in Edinburgh and South-East Scotland in the governance arrangements of the City Region Deal;
- contribute to the development of the business cases and, following their approval, the delivery of commitments around innovation and skills in the City Region Deal; and
- pursue other areas of shared interest

Meeting Schedule

The group meets quarterly.

Current Status and Implementation

The group has been formally constituted and will evolve according to demands of the City Region Deal programme.

3   Thematic Advisory Boards

Edinburgh and South-East Scotland Data-Driven Innovation (DDI) Delivery Board

Membership

Representatives on this group are likely to include:

- Senior Responsible Officer for DDI Programme
- DDI Programme Director
- Academic Director
- Entrepreneurial Director
- Representatives from University of Edinburgh Colleges
- Representative from Heriot-Watt University
- Industry representatives
- UK Government (observer)
- Scottish Government (observer)
- City Region Deal PMO (observer)

Purpose

The group's purpose will be to maintain oversight of the integrated DDI Programme, and its remit will include:

- Project prioritisation and resourcing
- Leading and maximising the collaboration with City Region Deal partners
- Development and curation of external partnerships with industry, public bodies and academia
- Reporting on DDI Activities to funders and key stakeholders

Meeting Schedule

The group will initially meet monthly. This will be reviewed as required.

Current Status and Implementation

The group is being constituted and will evolve according to demands of the City Region Deal programme.

Edinburgh and South-East Scotland City Region Integrated Regional Employability and Skills (IRES) Board

Membership

It is proposed that the IRES Board membership will consist of 18 individuals nominated by the organisations or groups listed below to support the delivery of the IRES Programme and other activity remitted to it.

This organisation (group) list may be adjusted at any time by the Executive Board and any changes to designated nominees must be made in writing to the chair, who will maintain a list of current board nominees.

Organisation or Stakeholder Group	Board Members
Chair of the Board (nominated by Executive Board)	1
One representative from each Local Authority Partner (also provides a link to the School Improvement Collaboratives)	6
Scottish Government, Fair Work Directorate	1
Scottish Funding Council	1
Department for Work and Pensions	1
Skills Development Scotland	1
NHS representative	1
Developing the Young Workforce (nominated by the 4 DYW Regional Boards)	1
Higher Education Universities (nominated by HE/FE Roundtable)	1
Further Education Colleges (nominated by HE/FE Roundtable)	1
Business Representation (nomination by Business Leadership Council)	1
Third Sector Representation (nominated by Third sector Interface Group)	1
Lay member (selected for their knowledge and expertise in this area)	1

The Board Chair will be nominated by the Executive Board and the Vice Chair will be drawn from the IRES board members.   It is expected that each nominated member will have the ability (within the relevant legal, CRD or organisational governance obligations) to commit their organisation to collective decisions.

Each member of the IRES Board has equal status and the principle of "one member-one vote" (made in person at the meeting) will apply. Whilst the IRES Board will endeavour to work through issues and differing points of view to achieve a consensus on any recommendations, where this is not immediately possible, option exists to either continue discussion at a future Board meeting or escalate to the Executive Board to resolve before presenting to the joint committee for final approval.

To be quorate at least nine IRES Board members must be present at the meeting and members will declare any pecuniary or non-pecuniary interest they may have on the agenda items being considered.

The support and secretariat to the board will be provided by the PMO and will have officers in attendance, but only in an advisory and support (non-voting) capacity.

Purpose

The IRES Board will provide recommendations to the Joint Committee on strategic and operational decisions relating to the City Region Deal IRES Programme.

It is proposed that responsibilities of the board will include:

Collaboration

- Stimulating active collaborations across stakeholders in delivering regional ambitions (as set out in the Deal) and wider opportunities for improvement.

- Working with stakeholders to align and integrate activity across organisations with the aim of delivering better value for money and/or more inclusive outcomes.
- Making recommendations to the Joint Committee or Executive Board, as detailed in the Joint Committee Standing Orders, on matters relating to the evolution and delivery of the IRES programme.

Evidence and Knowledge led

- Adopting and supporting the development of the City Regional Skills Investment Plan (RSIP) and other relevant plans as the solid foundation for the IRES programme.
- Instigating collaborative reports (or research) on Economic Performance and Productivity, Labour Market Access, Fair Work, People, and Place to support good decision making.
- Agreeing programme (project) assessment, monitoring and evaluation methodologies that ensure value for money and effectively capture; progress, impact and good practice.

Additionality and Value for Money

- Developing and updating the delivery plan for the implementation of the IRES programme consistent with the RSIP and other relevant plans.
- Developing and refining a methodology and criteria for evaluating specific investment proposals submitted for consideration by IRES Board to ensure that the value for money and additionality of proposals are clearly articulated.
- Monitoring the outcomes being achieved by each component part of the programme and any associated income or expenditure.
- Exploiting opportunities to bring additional resources into the programme that boost the inclusive growth outcomes achieved and/or increase the value for money of activities.

Accountability and Communications

- Reporting to the Joint Committee, Executive, Governments and other partners, as required, on the progress made, outcomes achieved, and expenditure committed
- Annually reviewing expenditure and outcomes to inform recommendations on continuing or future investments.
- Championing any policy learning or best practice identified by the partnership to encourage greater stakeholder buy-in and the wider application/mainstreaming of effective approaches.

The Board will be the recognised regional forum for collaboration on Employability and Skills matters within the City Region Area. It will augment and build upon existing structures without superseding them, unless by agreement with relevant partners or recognised groups, and its responsibilities can be amended at any time by the Joint Committee, Executive Board, or by IRES Board with agreement of the Executive Board or Joint Committee, as appropriate.

It can draw upon expert advisors, City Region Deal resources, or create working groups to take forward the IRES programme and the fulfilment of it responsibilities.

IRES Working Groups

To support the board and aid programme development, the following multi-partner working group structure has been established.

It is anticipated this structure will evolve as required by the board and the needs of the programme, or to support the wider City Region Deal programme.

Group membership will be tailored to the work being undertaken, drawing from partners or external expertise as necessary.

Approval and mainstreaming support	**Joint Committee**
Programme Oversight and Recommendations	**Integrated Regional Employability and Skills Board**
Programme Support and Sequencing	IRES Programme Management (Leads) *Lead: ESESCRD Project Management Office*
Project Development and Implementation	Integrated Knowledge Systems *Lead: Capital City Partnership*

Joint Committee

Integrated Regional Employability and Skills Board

IRES Programme Management (Leads)
Lead: ESESCRD Project Management Office

Integrated Knowledge Systems
Lead: Capital City Partnership

Labour Market Analysis and Evaluation
Lead: Skills Development Scotland

Integrated Employer Engagement
Lead: City of Edinburgh Council

Intensive Family Support
Lead: Fife Council

DEC Skills Gateway (Design, Engineer, Construct)
Lead: Edinburgh Napier University

DDI Skills Gateway (Data Driven Innovation)
Lead: University of Edinburgh

Workforce Mobility
Lead: Scottish Borders Council

Existing Business and Community Engagement structures

Regional Schools Improvement Collaborative(s)

Higher and Further Education Roundtable

Meeting Schedule

It is anticipated that the board will meet on a regular basis in step with the wider schedule of City Region Deal governance meetings.

Current Status and Implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

Edinburgh and South-East Scotland Regional Transport Appraisal Board (TAB)

Membership

The Transport Appraisal Group will comprise:

- SESTran
- Representatives from the six local authorities in the City Region Deal
- Transport Scotland
- City Region Deal PMO (observer)

Purpose

To make recommendations to the Joint Committee on the approach towards delivering the transport elements of the City Region Deal Investment Programme through the consistent adoption of best practice from the Scottish Transport Appraisal Guidance and the Treasury Green Book, as appropriate. Although the Transport theme covers only two projects (A720 and West Edinburgh) the Board will also consider transport elements of other City Region Deal projects, particularly in the Housing and Innovation themes.

The TAB will build on existing best practice and consider the most relevant technical approaches including modelling tools.

The TAB will also:

- Consider the strategic rationale, demand/need, objectives, evidence, costings and delivery programme and mechanisms for projects, their relationship and phasing in the overall programme, including cumulative impact.
- Consider approaches to the use of the proposed city region data store to establish a shared evidence base.
- Establish the evidence base and options for future investment in the city region's strategic transport infrastructure programme.
- Consider access to funds and budgets,
- Provide input as a region into other projects as appropriate; such as, the National Transport Strategy and Strategic Transport Project Review 2.

Meeting Schedule

To be confirmed.

Current Status and Implementation

Discussions on the Terms of Reference for this group are ongoing between partners, Government and Transport Scotland, so are subject to change. The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

IMPACT Scotland Board

Membership

Membership will comprise representation from:

- The City of Edinburgh Council (Culture service)
- The City of Edinburgh Council (Property/construction expertise)
- City Region Deal PMO (officer and communications)
- IMPACT Scotland
- Scottish Chamber Orchestra
- Scottish Government
- UK Government
- Other City Region local authorities may nominate a representative if desired

Purpose

- The group will initially monitor the progress of the IMPACT Scotland capital development and will ensure that the project is delivered according to the business following sign off of the City Region Deal.
- As the Scottish Culture Strategy is developed, the group's remit may evolve into a Board whose remit will be to expand to review the focus for collaboration across the city region.
- A sub-group will be formed to oversee the cultural planning for music throughout the city region to ensure that music provision is delivered to reach existing and new audiences across all musical genres.

Meeting Schedule

The group will initially meet every ten weeks. This will be reviewed as the project requires.

Current Status and Implementation

The group will be formed following Joint Committee ratification of the Governance Framework and the signing of the Deal.

Edinburgh and South-East Scotland City Region Housing Board

Membership

Representatives from the following organisations will be represented:

- The City of Edinburgh Council
- East Lothian Council
- Fife Council
- Midlothian Council
- Scottish Borders Council
- West Lothian Council
- Edinburgh Napier University
- University of Edinburgh
- Scottish Enterprise
- Construction Scotland Innovation Centre
- Scottish Government Housing (observer)
- City Region Deal PMO (observer)

Purpose

The city regional Housing Board will provide robust governance and strategic oversight over the city regional housing programme, progress the statements outlined in the Heads of Terms Agreement and ensure the effective delivery of the City Region Deal projects.

At project level, the city regional Housing Partnership, made up of senior regional housing partners, will report to the Board manage and deliver the programme.

The city regional Housing Partnership aims to deliver the city regional housing programme and accelerate the delivery of affordable and low-cost market homes, enable the development of the seven major strategic housing sites, drive efficiencies across the public sector estate and increase housing land supply.

The Board will oversee and provide recommendations to the Joint Committee in relation to the delivery of the following key outcomes:

- Accelerated delivery of seven strategic housing sites with capacity for over 40,000 homes
- Housing infrastructure delivery and funding solutions
- Land to develop a robust affordable housing pipeline
- An affordable housing programme (with a commitment to maximise certainty over future public funding levels for the regional housing programme)
- A pipeline of mid-market rent and low cost market rent homes
- Accelerated delivery through innovation and supporting regional SME growth
- Jobs, learning and progression opportunities, meeting current and future industry skills requirements
- Support the development of a consistent all partner approach to community benefits
- Strengthened relationship between public, private, and third sector stakeholders

Meeting Schedule

This group will meet bi-monthly.

Current Status and Implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

Programme Management Office (PMO)

Membership

The PMO currently comprises a full-time project manager, project officer and administrative support (being recruited), funded equally from the local authority partners. Support is also offered from the lead officers responsible for the skills, innovation and housing programmes.

Remit

The PMO will be responsible for:

- Providing secretariat for Joint Committee, Executive group and Regional Enterprise Council, supporting members and building competence;
- Providing direction of programmes, projects and initiatives to ensure they meet the overarching vision, strategy and objectives of the City Region Deal, as defined and agreed by the Joint Committee and Executive Board; including delivery of the programme and deal level outputs and outcomes; the twin ambitions of innovation and Inclusive Growth;
- Taking a day-to-day lead of engaging with both governments providing a focal point for the Deal;
- Coordinating and delivering documents required by Government, including Green Book-compliant business cases.
- Managing the Communications subgroup, and overseeing the Deal's Communication's Strategy
- Reporting on risk, assurance and accountability across the Deal and auditing the delivery boards and groups' progress towards delivering projects as set out in business cases.

Current Status and Implementation

The group is constituted and will evolve according to demands of the City Region Deal programme.