



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

## Ayrshire Economic Joint Committee

A Meeting of the **Ayrshire Economic Joint Committee** of North Ayrshire Council will be held in the **Virtual Meeting**, on **Monday, 20 November 2023** at **14:00** to consider the undernoted business.

### **Meeting Arrangements - Fully Remote**

This meeting will be held remotely in accordance with the provisions of the Local Government (Scotland) Act 2003. Where possible, the meeting will be live-streamed and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>. In the event that live-streaming is not possible, a recording of the meeting will instead be available to view at this location.

#### **1 Declarations of Interest**

Members are requested to give notice of any declarations of interest in respect of items of business on the Agenda.

#### **2 Appointment of Chair**

The Joint Committee is requested to note the appointment of Councillor Marie Burns (North Ayrshire Council) as Chair of the Ayrshire Economic Joint Committee (AEJC) for the period from September 2023 to 31 August 2024 and to ratify the appointment of Councillor Marie Burns as Chair of the Ayrshire Economic Partnership Board (AEPB) for the period from September 2023 to 31 August 2024.

#### **3 Minutes**

The accuracy of the Minutes of Special meetings of the Joint Committee held on (a) 7 August 2023 and (b) 18 September 2023 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

#### **4 AGD Internal Audit Annual Report 2022/23**

Submit report by the Chief Auditor (East Ayrshire Council) providing for noting an annual report on internal audit activity in line with obligations

laid out in Ayrshire Growth Deal (AGD) Governance Document (copy enclosed).

**5 AGD Internal Audit Plan 2023/24**

Submit report by the Chief Auditor (East Ayrshire Council) providing for noting an annual consolidated internal audit plan in line with obligations laid out in Ayrshire Growth Deal (AGD) Governance Document (copy enclosed).

**6 Ayrshire Growth Deal - Programme Update**

Submit report by the Head of Economic Growth (East Ayrshire Council) advising of the progress of the Ayrshire Growth Deal (AGD) and the development of its component projects as at 31 October 2023 (Appendix 1) (copy enclosed).

**7 Ayrshire Growth Deal - Programme Risk Register Update (October 2023)**

Submit report by the Head of Economic Growth (East Ayrshire Council) providing an update on the AGD Programme Risk Register as at the end of October 2023 (copy enclosed).

**8 Schedule of Future Meeting Dates - 2024**

The Joint Committee is requested to note that Ordinary Meetings of the Ayrshire Economic Joint Committee (AEJC) will take place at 2pm on Monday, 19 February; Monday, 20 May; Monday, 9 September and Monday, 25 November 2024. Calendar invitations have been issued in this respect.

**9 Urgent Items**

Any other items which the Chair considers to be urgent.

**10 Exclusion of the Public - Paras 9 & 10**

Resolve in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting the press and the public for the following item of business on the grounds indicated in terms of Paragraphs 9 and 10 of Part 1 of Schedule 7A of the Act.

**Non Disclosure of Information**

In terms of Standing Order 21 (Disclosure of Information), the information contained within the following report is confidential information within the meaning of Section 50A of the 1973 Act and shall not be disclosed to any person by any Member or Officer.

**11 Exempt Item: Ayrshire Growth Deal Subsea Cable and Infill projects re-scoping proposal**

Submit report by the Project Lead – Digital, Ayrshire Growth Deal (AGD) on the above (copy enclosed).

**Webcasting**

Please note: this meeting may be filmed/recorded/live-streamed to the Council's internet site and available to view at <https://north-ayrshire.public->

[i.tv/core/portal/home](http://i.tv/core/portal/home), where it will be capable of repeated viewing. At the start of the meeting, the Provost/Chair will confirm if all or part of the meeting is being filmed/recorded/live-streamed.

You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during the webcast will be retained in accordance with the Council's published policy, including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

Generally, the press and public seating areas will not be filmed. However, by entering the Council Chambers, using the press or public seating area or (by invitation) participating remotely in this meeting, you are consenting to being filmed and consenting to the use and storage of those images and sound recordings and any information pertaining to you contained in them for webcasting or training purposes and for the purpose of keeping historical records and making those records available to the public. If you do not wish to participate in a recording, you should leave the meeting. This will constitute your revocation of consent.

If you have any queries regarding this and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact [dataprotectionofficer@north-ayrshire.gov.uk](mailto:dataprotectionofficer@north-ayrshire.gov.uk).

## Ayrshire Economic Joint Committee Sederunt

<b>North Ayrshire Council</b>	Chair:
Councillor Marie Burns	
Councillor Joe Cullinane	
Councillor Anthony Gurney	
Craig Hatton	
Russell McCutcheon	Apologies:
Neale McIlvanney	
Louise Kirk	
<b>East Ayrshire Council</b>	Attending:
Councillor Douglas Reid	
Councillor Iain Linton	
Councillor Maureen McKay	
Councillor Stephen Canning (sub)	
Councillor Barry Douglas (sub)	
Councillor William Lennox (sub)	
Eddie Fraser	
David McDowall	
Graham Saunders	
<b>South Ayrshire Council</b>	
Councillor Martin Dowey	
Councillor William Grant	
Councillor Bob Pollock	
George Hunter	
Theo Leijser	
Mike Newall	
<b>Others</b>	
Simon Fraser, Spirit Aerosystems	
Jane Martin, Scottish Enterprise	
Angela Cox, Ayrshire College	
Paul Zealey, Skills Development Scotland	

**AYRSHIRE ECONOMIC JOINT COMMITTEE**

**MINUTES OF MEETING HELD ON MONDAY 7 AUGUST 2023 AT  
1049 HRS IN THE COUNCIL CHAMBERS, EAST AYRSHIRE COUNCIL  
HEADQUARTERS, LONDON ROAD, KILMARNOCK  
AND BY VIDEO CONFERENCE**

**PRESENT:** Councillors Douglas Reid, Clare Maitland and Maureen McKay, East Ayrshire Council; Councillor Anthony Gurney, North Ayrshire Council; Councillors Martin Dowey, William Grant and Bob Pollock, South Ayrshire Council; Angela Cox, Ayrshire College; and Paul Zealey, Skills Development Scotland.

**ATTENDING:** Eddie Fraser, Chief Executive; Dougal Watt, Senior Auditor; Graham Saunders, Interim Strategic Manager and Programme Manager - Ayrshire Growth Deal; Mags Watson, Strategic Manager Economic Development (Interim). all East Ayrshire Council; Craig Hatton, Chief Executive; Neale McIlvanney, Interim Head of Service (Growth, Investment and Employability); Louise Kirk, Head of Service/ Economic Development and Regeneration; Laura Neill, Senior Manager Employability; and Craig Stewart, Committee Services Officer, all North Ayrshire Council; George Hunter, Assistant Director - Communities; and Louise Reid, Assistant Director - Strategic Change; both South Ayrshire Council; and Christine Baillie, Democratic Services Team Leader and Sheryl Wilcox, Democratic Services Officer, both East Ayrshire Council.

**APOLOGIES:** Councillor Marie Burns, North Ayrshire Council; and Jane Martin, Scottish Enterprise.

**CHAIR:** Councillor Douglas Reid, Chair.

**PREVIOUS MINUTES**

1. There were submitted (circulated) and approved as a correct record, the Minutes of the meeting held on 26 June 2023, with no matters arising.

**AUDIT SCOTLAND: "SCOTLAND'S CITY REGION AND GROWTH DEALS -  
PROGRESS OF THE 2020 AUDIT REPORT RECOMMENDATIONS", JUNE 2023**

2. There was submitted and noted a report (circulated) by the Head of Economic Growth, East Ayrshire Council which informed members of Audit Scotland's publication of a follow-up report on Scottish Growth Deals, focussing on issues relevant to the Ayrshire Growth Deal.

**AYRSHIRE REGIONAL REVENUE PROJECT -  
AYRSHIRE SKILLS INVESTMENT FUND**

3. There was submitted a report (circulated) by the Chief Executive, North Ayrshire Council which sought approval of the draft Full Business Case for the Ayrshire Growth Deal Ayrshire Skills Investment Fund (ASIF), subject to final endorsement of the Scottish Government. The Draft Full Business Case was attached as Appendix 1 to the report.

It was agreed:

- (i) to note the content of the draft Full Business Case (FBC);

- (ii) to delegate authority to the Chief Executive (North Ayrshire Council) to approve the FBC and agree the implementation of the ASIF subject to modifications to the business case to secure Scottish Government endorsement; and
- (iii) to note agreed governance arrangements had been implemented, which created the AEJC Sub-Committee, with delegated authority to award the fund.

#### **CHAIR'S REMARKS**

4. The Chair advised that the Chairing of the Committee and the administrative arrangements would rotate to North Ayrshire Council from 1 September 2023

The meeting terminated at 1053 hrs.

**Ayrshire Economic Joint Committee**  
**18 September 2023**

Agenda Item 3

At a Special Meeting of the Ayrshire Economic Joint Committee at 11.00 a.m. involving participation by remote electronic means.

**Present**

Councillors Marie Burns and Anthony Gurney (North Ayrshire Council); Iain Linton and Maureen McKay (East Ayrshire Council); and Martin Dowey and Bob Pollock (South Ayrshire Council).

**In Attendance**

Russell McCutcheon, N. McIlvanney, L. Kirk, E. McMullen and A. Finlayson (North Ayrshire Council); D. McDowall and D. Watt (East Ayrshire Council); E. Howat and G. Hunter (South Ayrshire Council); S. Foster (Spirit AeroSystems); D. McCrindle (Scottish Enterprise); A. Cox (Ayrshire College); P. Zealey (Skills Development Scotland); C. Stewart and S. Wilson (North Ayrshire Council).

**Apologies**

Councillors Douglas Reid (East Ayrshire Council) and William Grant (South Ayrshire Council), Craig Hatton (North Ayrshire Council), Eddie Fraser and Graham Saunders (East Ayrshire Council) and Jane Martin (Scottish Enterprise).

**Chair**

Councillor Marie Burns in the Chair.

**1. Declarations of Interest**

There were no declarations of interest by Members in terms of Standing Order 11 and Section 5 of the Code of Conduct for Councillors

**2. Ayrshire Regional Economic Strategy Delivery Plan**

Submitted report by the Executive Director, Place (North Ayrshire Council) requesting approval of the Joint Committee to: (a) agree the draft Year One Delivery Plan provided at Appendix One to the report; and (b) receive further reports for future years of the Delivery Plan.

The Joint Committee noted the terms and content of the presentation on the Ayrshire Regional Economic Strategy Delivery Plan, which was made at the immediately preceding meeting of the Ayrshire Economic Partnership Board.

The Joint Committee agreed to (a) approve the draft Year One Delivery Plan provided at Appendix One to the report; and (b) receive further reports for future years of the Delivery Plan.

The meeting ended at 11.10 a.m.





**MEETING – 20 NOVEMBER 2023**

**REPORT BY CHIEF AUDITOR, EAST AYRSHIRE COUNCIL**

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**SUBJECT: AGD INTERNAL AUDIT ANNUAL REPORT 2022/23**

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**PURPOSE OF REPORT**

1. The purpose of this report is to provide, for noting, an annual report on internal audit activity in line with obligations laid out in the Ayrshire Growth Deal (AGD) Governance Document. Specifically this report provides:
  - a summary of AGD internal audit work both prior to and since inception; and
  - an annual internal audit opinion for the AGD for 2022/23.

**RECOMMENDATIONS**

2. The Joint Committee is asked to:
  - a) note the current arrangements for Internal Audit as laid out at Appendix 1;
  - b) note the work carried out prior to and since inception, including during 2022/23, as laid out in Appendix 2;
  - c) note the AGD Annual Internal Audit Opinion of continuing reasonable assurance as laid out at paragraphs 10-11;
  - d) otherwise note the contents of the report.

**BACKGROUND**

**CONSIDERATION BY THE PARTNERSHIP BOARD**

3. This report was considered by the Ayrshire Economic Partnership Board on 7 September 2023.

**REQUIREMENT TO HAVE AN INTERNAL AUDIT FUNCTION**

4. The Local Authority Accounts (Scotland) Regulations 2014 require local authorities to operate a professional and objective internal auditing service; in practice this means that the internal audit function is operationally independent; free from limitations on the scope of its work and that the Chief Auditor reports independently with no undue influence. The internal audit service must be provided in accordance with recognised standards and practices which are currently those set out in the Public Sector Internal Audit Standards (PSIAS). It is the responsibility of each authority to ensure compliance with the PSIAS.

## **CONTROL ENVIRONMENT WITHIN COUNCILS**

5. It is primarily the responsibility of management to establish an appropriate and sound system of internal controls, and to monitor the continuing effectiveness of that system.
6. Internal Audit reports are presented to senior management and include recommendations that, when implemented, will further improve the control environment.

## **MAIN REPORT**

### **INTERNAL AUDIT WORK PRIOR TO AND SINCE INCEPTION**

7. Ten assignments have been carried out across the three Ayrshire Councils for the AGD. The scope and outcomes of these exercises are summarised at Appendix 2. Outcomes reported to date range from reasonable assurance to sound in most areas. EAC advisory exercises are counted as single assignments in each year but cover multiple areas.
8. Last year we noted a potential risk from staff turnover and long term sick absence within the PMO; management at that time moved quickly to put interim cover arrangements in place and recognised the longer term risk by progressing a review of the PMO structure. The senior post has now been filled on a permanent basis with recruitment underway for the second tier post. The Accountable Body's Chief Financial Officer is working to further strengthen resilience in advance of the commencement of the remaining projects.
9. Our work has been informed by the Audit Scotland publication Scotland's City Region & Growth Deals (January 2020) with a follow up published in June 2023 which was considered by the AEPB and AEJC on 7 August 2023 noting AGD internal audit good practice. That report also reinforced that the recent AEJC agreement to review the AGD risk register quarterly is good practice.

### **AGD ANNUAL INTERNAL AUDIT OPINION 2022/23**

10. Work carried out in 2022/23 and published to date is sufficient to allow the Chief Auditor to produce an Annual Internal Audit Opinion for the year to 31 March 2023. The most that Internal Audit will provide in the annual opinion is reasonable assurance based on the risk based plan and a rolling programme of work. This is similar to the scope of external audit work in the context of a Council's financial statements which aims to give reasonable assurance on the statements.
11. Our overall opinion, based on the 2022/23 work presented in Appendix 2, is that reasonable assurance can continue to be placed upon the adequacy and effectiveness of the AGD's framework of governance, risk management and control in the year to 31 March 2023. We note that South Ayrshire Council's governance work in 2022/23 is yet to be published but irrespective of that outcome we are assured that a robust approach is taken by the three Council internal audit teams supporting the assurance framework within which the AGD operates.

## **AUTHORITY WIDE ANNUAL INTERNAL AUDIT OPINIONS 2022/23**

12. AGD operations are managed mainly through the control environments of the three Ayrshire Councils. The Chief Auditors in all three Councils have issued annual authority wide opinions of reasonable assurance.

### **IMPLICATIONS**

13. Eight implications have been considered in the preparation of this report.

<b>Implications</b>	<b>Yes</b>	<b>No</b>	<b>Paragraph number in report</b>
1. Policy/Strategic Planning		No	
2. Governance		No	
3. Human Resources		No	
4. Equality and Fairer Scotland Duty		No	
5. Financial		No	
6. Risk	Yes		Para 14
7. Community Wealth Building		No	
8. Net Zero		No	

### **RISK IMPLICATIONS (INTERNAL AUDIT RESOURCES)**

14. Each year there is the ongoing risk of significant unplanned work emerging in each Council, planned resources for AGD work not being available and work not being carried out to an acceptable standard which would compromise the ability to complete sufficient work to produce an Annual Internal Audit Opinion for the AGD; local mitigations should offset the potential impact of these risks.

### **APPENDICES**

15. The annual report is supported by two appendices:
- Appendix 1: AGD Governance Document (Internal Audit Extract)
  - Appendix 2: AGD Internal Audit Assignments Prior to and Since Inception

Eilidh Mackay  
Chief Auditor, East Ayrshire Council  
1 November 2023

### **BACKGROUND PAPERS**

1. Public Sector Internal Audit Standards (PSIAS) (3<sup>rd</sup> edition March 2017)
2. Chartered Institute of Public Finance and Accountancy (CIPFA) Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards (2<sup>nd</sup> edition February 2019)
3. Chartered Institute of Public Finance & Accountancy (CIPFA), CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations (2<sup>nd</sup> edition April 2019)
4. AGD Governance Document

[Deal Documents - All Documents \(south-ayrshire.gov.uk\)](https://www.south-ayrshire.gov.uk)

**Person to Contact:**

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**Implementation Officers:**

Eilidh Mackay, Chief Auditor, East Ayrshire Council

Laura Miller, Senior Manager (Audit, Fraud, Safety & Insurance), North Ayrshire Council

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Cecilia McGhee, Chief Internal Auditor, South Ayrshire Council

Email: [Cecilia.McGhee2@south-ayrshire.gov.uk](mailto:Cecilia.McGhee2@south-ayrshire.gov.uk)

**AGD GOVERNANCE DOCUMENT V15 (INTERNAL AUDIT EXTRACT)**

- 2.16 The Accountable Body's Chief Auditor will be appointed as Chief Auditor for the AGD to coordinate Internal Audit activity.
- 2.17 Each partner will be responsible for allocating Internal Audit resources as required for local AGD activities. The Accountable Body's Internal Audit section will reserve the right to review programme and project activities as required and request information from all partners regarding these activities.
- 2.18 Each year a consolidated Internal Audit Plan will be presented to the AEJC and AREP having been prepared following:
- consultation with relevant senior officers of the AGD PMO;
  - consideration of the risks affecting the AGD at programme and project level;
  - consideration of both internal and external factors affecting the AGD;
  - consideration of previous internal and external audit findings;
  - consideration of all of these elements which will inform Public Sector Internal Audit Standards (PSIAS) based risk assessments carried out locally by the Accountable Body and Partner Authorities; and
  - any relevant items subsequently included in local Internal Audit plans approved by each partner's audit committee in line with PSIAS obligations will be reflected in the consolidated AGD Internal Audit Plan.
- 2.19 All AGD Internal Audit work will be carried out in line with the PSIAS with individual Internal Audit assignment reports presented to the AEJC and AREP for noting.
- 2.20 The relevant annual Internal Audit Report will be submitted to both UK and Scottish Governments upon completion. The AEJC and AREP will be advised of the overall outcomes from Internal Audit work in an annual Internal Audit Report the timing of which is anticipated to align with the annual accounts timetable and will be reported to the AEJC and AREP for noting in line with PSIAS requirements. The Annual Internal Audit Report will include a summary of AGD internal audit work in year by all partners, an annual opinion for the AGD and for further assurance will also include the authority-wide Annual Internal Audit opinions prepared by each partner.
- 2.21 Actions arising from Internal Audits will be followed up by the relevant Internal Audit team in line with established arrangements in that authority and these follow-up reports will be presented to the AEJC and AREP for noting.
- 2.22 Further audit, advisory consultancy or investigative work may be requested by the AEJC and AREP.
- 2.23 The Accountable Body's Chief Auditor will liaise with partner Chief Auditors through established arrangements.

**AGD INTERNAL AUDIT ASSIGNMENTS PRIOR TO AND SINCE INCEPTION**

<b>Year</b>	<b>Council</b>	<b>Type of Audit Work</b>	<b>Scope</b>	<b>Outcome</b>	<b>Link to “Audit Room” on AGD Portal (members only)</b>
Up to and including 2020/21	East Ayrshire Council	Advisory	Both prior to the AGD being signed off on 20 November 2020 and since advice has been provided on governance arrangements.	Advisory	Not applicable
2021/22	East Ayrshire Council	Advisory & Assurance	The aims and objectives were to inform the lead client, the Chief Financial Officer and Head of Finance & ICT, on how well systems and processes within the Programme Management Office (PMO) which are designed to keep the Ayrshire Growth Deal (AGD) on track, are working in practice; and to advise on any scope for improvement in systems and compliance verification processes which are identified by our assurance work. This included advising on the update of the AGD Governance Document V15.	Our overall assessment of controls concluded that there was sound assurance in most areas - key controls exist and are applied consistently and effectively in most areas. Non-compliance has only been identified in low risk or medium risk areas.	<a href="#">21-22 EAC Internal Audit Report - Advisory &amp; Assurance.pdf</a>

2021/22	North Ayrshire Council	Governance	<p>The scope of this audit was limited to North Ayrshire Council's role in the projects. It focused on the governance structures across the Council's participation in the deal rather than individual projects.</p> <p>The main objectives of the audit were to ensure that:</p> <ul style="list-style-type: none"> <li>· governance structures and roles and responsibilities of officers and elected members within North Ayrshire Council, in relation to the Ayrshire Growth Deal are clearly defined and communicated in order to enable good governance and strong accountability</li> <li>· North Ayrshire Council has adequate risk management arrangements in place in relation to the Ayrshire Growth Deal</li> <li>· suitable arrangements are in place to monitor the progress of the Ayrshire Growth Deal programmes within North Ayrshire, including appropriate reporting and scrutiny arrangements</li> <li>· there are adequate arrangements in place to ensure that North Ayrshire Council is fulfilling the requirements of the Project Management Office and external funding providers.</li> </ul>	<p>Overall, reasonable assurance was obtained with regard to the governance arrangements for the Ayrshire Growth Deal within North Ayrshire Council. Overall good governance arrangements are in place, but some of the projects are still at an early stage of development and therefore it has not been appropriate to fully develop the governance arrangements yet.</p>	<a href="#">21-22 NAC Internal Audit Report - AGD Governance.pdf</a>
2021/22	South Ayrshire Council	Governance	<p>The aim of the assignment was to obtain assurance that there are adequate governance arrangements in place for</p>	<p>Reasonable assurance was obtained that</p>	<a href="#">21-22 SAC Internal Audit Report - AGD Governance.pdf</a>

			South Ayrshire Council Ayrshire Growth Deal (AGD) portfolio of projects.	there are adequate internal governance arrangements in place for South Ayrshire Council's portfolio of AGD projects.	
2022/23	East Ayrshire Council	Assurance	<p>Testing of AGD Grant Claims.</p> <p>The aim of this assignment was to provide assurance to the EAC Chief Financial Officer and Head of Finance &amp; ICT that the AGD Quarter 4 2021/22 Grant Claim Forms had been completed accurately and in line with the requirements of the UK and Scottish Governments and AGD procedures, prior to the deadline for their sign-off on 22 April 2022. Our work was carried out in "real-time" and the Chief Financial Officer was immediately advised of the assurance which could be placed on processes prior to the sign-off and submission of the claim. The value of the Grant Claim was £0.335m (Community Wealth Building - £154,408, Working for a Healthy Economy - £180,748). Assurance was also sought for the residual element of the Quarter 4 2021/22 Grant Claim, which was claimed for in July 2022 along</p>	<p>Sound assurance.</p> <p>We found that both elements of the Quarter 4 Grant Claim had been completed accurately, were fully signed by appropriate officers and were in line with the requirements of the UK and Scottish Governments and AGD procedures. We also identified areas for consideration for continuous improvement.</p>	<a href="#">22-23 – EAC AGD Grant Claims</a>



		<p>Follow-up</p> <p>Advisory</p>	<p>with the Quarter 1 2022/23 Grant Claim. This review was retrospective due to the low value of the claim (£0.010m).</p> <p>Follow-Up of 2021/22 Findings</p> <p>Advisory work included:</p> <ul style="list-style-type: none"> <li>• Governance Document revision</li> <li>• Risk Register</li> <li>• Benefits Realisation Plan</li> <li>• Support to Audit Scotland follow-up exercise (see paragraph 8)</li> <li>• Attendance at AEPB and AEJC meetings to inform our work</li> </ul>	<p>Score 100% (2/2 recommendations fully implemented)</p>	<p><a href="#">22-23 – EAC AGD Advisory &amp; Assurance – Follow Up</a></p>
2022/23	North Ayrshire Council	Assurance	Contingency budget in place and the aim would be to reserve this for any claims audits in year.	No work required	Not applicable
2022/23	South Ayrshire Council	<p>Assurance</p> <p>Follow-up</p>	<p>Testing of internal governance arrangements.</p> <p>Follow-Up of 2021/22 Findings.</p>	<p>To be confirmed.</p> <p>All actions sufficiently implemented.</p>	<p>Awaiting publication.</p> <p><a href="#">22-23 - SAC - AGD Governance Arrangements - Follow-Up.pdf</a></p>



**MEETING – 20 NOVEMBER 2023**

**REPORT BY CHIEF AUDITOR, EAST AYRSHIRE COUNCIL**

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**SUBJECT: AGD INTERNAL AUDIT PLAN 2023/24**

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**PURPOSE OF REPORT**

1. The purpose of this report is to provide, for noting, an annual consolidated internal audit plan in line with obligations laid out in the Ayrshire Growth Deal (AGD) Governance Document.

**RECOMMENDATIONS**

2. The Joint Committee is asked to:
  - a) note the current arrangements for Internal Audit as laid out at Appendix 1;
  - b) note the regulatory responsibility for each Council to approve days spent on AGD work as laid out at paragraph 7 and the subsequent annual consolidated internal audit plan for the AGD as presented at Appendix 2;
  - c) note the previously agreed arrangements to report the outcomes of individual internal audit assignments laid out at paragraph 8; and
  - d) otherwise note the contents of the report.

**BACKGROUND**

**CONSIDERATION BY THE PARTNERSHIP BOARD**

3. This report was considered by the Ayrshire Economic Partnership Board on 7 September 2023 noting the statutory context in which AGD assignments are formally approved within individual Council internal audit plans.

**REQUIREMENT TO HAVE AN INTERNAL AUDIT FUNCTION**

4. The Local Authority Accounts (Scotland) Regulations 2014 require local authorities to operate a professional and objective internal auditing service; in practice this means that the internal audit function is operationally independent; free from limitations on the scope of its work and that the Chief Auditor reports independently with no undue influence. The internal audit service must be provided in accordance with recognised standards and practices which are currently those set out in the Public Sector Internal Audit Standards (PSIAS). It is the responsibility of each authority to ensure compliance with the PSIAS.

## **CONTROL ENVIRONMENT WITHIN COUNCILS**

5. It is primarily the responsibility of management to establish an appropriate and sound system of internal controls, and to monitor the continuing effectiveness of that system.
6. Internal Audit reports are presented to senior management and include recommendations that, when implemented, will further improve the control environment.

## **MAIN REPORT**

### **INTERNAL AUDIT PLANNING RESPONSIBILITIES**

7. From 2021/22 each Council, in line with PSIAS requirements, carries out a risk assessment and decides how many days are to be allocated to the AGD in year. In line with the PSIAS, these days are approved as part of each Council's Annual Internal Audit Plan by the relevant Council's audit committee. The approved days are consolidated by the East Ayrshire Council (EAC) Chief Auditor and brought to the AEPB and AEJC. The 2023/24 Plan is attached at Appendix 2 noting a small increase in EAC days since the plan was considered by the AEPB.

### **REPORTING ARRANGEMENTS FOR INDIVIDUAL INTERNAL AUDIT ASSIGNMENTS**

8. On 13 September 2021 the AEJC agreed that outcomes from individual internal audit assignments will be shared with the established readership in the Council which carried out the work, the EAC Chief Auditor and members of the AEJC and other relevant forums in line with any revisions to governance arrangements agreed by the AEJC. Through the PMO, assignment reports are placed within an "audit room" on the AGD portal. A summary of this work is included in the AGD Internal Audit Annual Report for consideration by the AEPB and AEJC.

## **IMPLICATIONS**

9. Eight implications have been considered in the preparation of this report.

<b>Implications</b>	<b>Yes</b>	<b>No</b>	<b>Paragraph number in report</b>
1. Policy/Strategic Planning		No	
2. Governance		No	
3. Human Resources		No	
4. Equality and Fairer Scotland Duty		No	
5. Financial		No	
6. Risk	Yes		Para 10
7. Community Wealth Building		No	
8. Net Zero		No	

## **RISK IMPLICATIONS (INTERNAL AUDIT RESOURCES)**

10. Each year there is the ongoing risk of significant unplanned work emerging in each Council, planned resources for AGD work not being available and work not being carried out to an acceptable standard which would compromise the ability to complete sufficient work to produce an Annual Internal Audit Opinion for the AGD; local mitigations should offset the potential impact of these risks.

## **APPENDICES**

11. The report is supported by two appendices:
  - Appendix 1: AGD Governance Document (Internal Audit Extract)
  - Appendix 2: AGD Consolidated Internal Audit Annual Plan 2023/24

Eilidh Mackay  
Chief Auditor, East Ayrshire Council  
1 November 2023

## **BACKGROUND PAPERS**

1. Public Sector Internal Audit Standards (PSIAS) (3<sup>rd</sup> edition March 2017)
2. Chartered Institute of Public Finance and Accountancy (CIPFA) Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards (2<sup>nd</sup> edition February 2019)
3. Chartered Institute of Public Finance & Accountancy (CIPFA), CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations (2<sup>nd</sup> edition April 2019)
4. AGD Governance Document  
[Deal Documents - All Documents \(south-ayrshire.gov.uk\)](https://www.south-ayrshire.gov.uk/deal/documents-all-documents)

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**AGD GOVERNANCE DOCUMENT V15 (INTERNAL AUDIT EXTRACT)**

- 2.16 The Accountable Body's Chief Auditor will be appointed as Chief Auditor for the AGD to coordinate Internal Audit activity.
- 2.17 Each partner will be responsible for allocating Internal Audit resources as required for local AGD activities. The Accountable Body's Internal Audit section will reserve the right to review programme and project activities as required and request information from all partners regarding these activities.
- 2.18 Each year a consolidated Internal Audit Plan will be presented to the AEJC and AREP having been prepared following:
- consultation with relevant senior officers of the AGD PMO;
  - consideration of the risks affecting the AGD at programme and project level;
  - consideration of both internal and external factors affecting the AGD;
  - consideration of previous internal and external audit findings;
  - consideration of all of these elements which will inform Public Sector Internal Audit Standards (PSIAS) based risk assessments carried out locally by the Accountable Body and Partner Authorities; and
  - any relevant items subsequently included in local Internal Audit plans approved by each partner's audit committee in line with PSIAS obligations will be reflected in the consolidated AGD Internal Audit Plan.
- 2.19 All AGD Internal Audit work will be carried out in line with the PSIAS with individual Internal Audit assignment reports presented to the AEJC and AREP for noting.
- 2.20 The relevant annual Internal Audit Report will be submitted to both UK and Scottish Governments upon completion. The AEJC and AREP will be advised of the overall outcomes from Internal Audit work in an annual Internal Audit Report the timing of which is anticipated to align with the annual accounts timetable and will be reported to the AEJC and AREP for noting in line with PSIAS requirements. The Annual Internal Audit Report will include a summary of AGD internal audit work in year by all partners, an annual opinion for the AGD and for further assurance will also include the authority-wide Annual Internal Audit opinions prepared by each partner.
- 2.21 Actions arising from Internal Audits will be followed up by the relevant Internal Audit team in line with established arrangements in that authority and these follow-up reports will be presented to the AEJC and AREP for noting.
- 2.22 Further audit, advisory consultancy or investigative work may be requested by the AEJC and AREP.
- 2.23 The Accountable Body's Chief Auditor will liaise with partner Chief Auditors through established arrangements.

**AGD CONSOLIDATED INTERNAL AUDIT ANNUAL PLAN 2023/24**

<b>Council / date Internal Audit plan agreed in line with PSIAS</b>	<b>Anticipated Assignments</b>	<b>Indicative Days</b>
East Ayrshire 20 April 2023	AGD Advisory - incl Chief Auditor support to Joint Committee / Audit Manager & Senior Auditor support to PMO.	Original 17 Revised 26
North Ayrshire 28 March 2023	Review the arrangements in North Ayrshire Council in relation to the AGD revenue projects.	20
South Ayrshire 22 March 2023	Follow-up of actions from 2022/23 assignment and review (scope to be agreed following completion of 2022/23 work)	25
	<b>Total scheduled days</b>	<b>Original 62 Revised 71</b>





**AYRSHIRE ECONOMIC JOINT COMMITTEE**

**– 20 NOVEMBER 2023**

**REPORT BY HEAD OF ECONOMIC GROWTH  
EAST AYRSHIRE COUNCIL**

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**SUBJECT: AYRSHIRE GROWTH DEAL - PROGRAMME UPDATE**

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**PURPOSE OF REPORT**

1. To advise the Economic Joint Committee members of the progress of the Ayrshire Growth Deal (AGD) and the development of its component projects as at 31 October 2023 (Appendix 1). Please note this report provides a further update on the AGD Programme and projects as reported to the 7 September 2023 Partnership Board.

**RECOMMENDATIONS**

2. It is recommended that Members agree:
  - (i) The updates provided in the attached report (as of 31 October 2023);
  - (ii) The progress across the Ayrshire Growth Deal Programme; and
  - (iii) Remit officers to liaise with both Governments to progress the projects having regard to the updated position in line with the formal change requirements contained within the Deal protocols;
  - (iv) Note the proposal for realignment of the reporting requirements, principally the undertaking of the Annual Performance Report, Financial Plan, Implementation Plan and Benefit Realisation Plan at the end of March 24, and onwards at the same time every year. All subject to agreement from the Government.

**BACKGROUND**

3. This report is an update on the progress made on the Ayrshire Growth Deal (AGD). It has been prepared in line with the agreed governance structure and its commitment to monitoring and reporting progress across all parts of the Deal's programme on regular basis.
4. A summary of the current status of the programme priorities and the development work associated with individual projects is contained within the progress report attached to this covering report. The report covers progress up to 31 October 2023 Please see Appendix 1). The previous update was reported to the Ayrshire Economic Partnership Board (AEPB), on 7 September 2023, and included progress up to the 25 August 2023. This report and attachments includes further updates.
5. Please note that the reporting period has sought to align as much as possible with the with the financial year's quarters. However this report includes progress made in Q2

and the start of Q3. Discussions are still underway with the secretariat for the AEPB and Ayrshire Economic Joint Committee (AEJC) in order to improve alignment of the quarters with the AGD programme reporting to members.

6. The report considers the progress made on the Deal at both a programme and project level. This includes an update on the Red/Amber/Green (RAG) status in regards to meeting milestone timelines, scope, budget and overall progress. Supporting narrative is provided where necessary. (Please see Programme and Project Introductions – Appendix 1).

## **MAIN REPORT**

7. The overall status for the programme is still remains as 'red'. This reflects the continued challenges project leads are meeting in addressing cost pressures within a fixed budgets.
8. In early October senior management from the three Ayrshire Councils held discussions with the Government in order to consider the challenges the programme and key projects were and continuing to face. In particular the deliverability of key capital projects and exploring ways to mitigate the risks and blockages to delivery. Initial suggestions indicate changes for the programme and key projects.

## **KEY POINTS**

### **Programme level**

9. At the programme level the initial outcomes from the October discussions have identified the potential for the Programme to undergo a Review with a focus upon the key capital projects which are likely to experience significant change. The AGD Governance makes reference to the opportunity of undertaking a *Checkpoint Review* at any key decision point in the lifecycle of the programme (para 3.5 Governance Document v15 December 22). To confirm the extract from the Governance states the following:

*A Checkpoint Review process will be developed and agreed with partners and governments to examine both the Growth Deal programme and component projects at key decision points in their lifecycle. It will look ahead to provide assurance that projects can progress successfully to their next stage.*

10. The Government has advised that the review should entitled as a Programme Review 23/24 which will inform the financial year 24/25. The Review is expected to be programme wide, with a likely focus on capital projects which are facing substantial challenges and are estimated to undertake significant change. This means projects which are currently in delivery, including those with a phased approach, are unlikely to be affected by the review. For example all revenue projects are now being delivered, whilst the i3 capital projects are in phased delivery. However where there is a proposal for a reallocation of funds then a wider range or all projects may be affected.
11. The approach and timing of the Programme Review is yet to be finalised. Early advice

from the Government has expressed the need for a formal Letter of Intent to be prepared by the Partnership seeking the Governments support in undertaking the review. It is envisaged support from the Government will be subject to gaining partnership agreement on the way forward for the Deal; continuous dialogue on any changes proposed; and compliance with AGD Governance.

12. The PMO will coordinate the Programme Review in consultation with Partners, in line with the timetable below:

Undertake Review of the Programme and Capital Projects	Nov-Dec 23
Share direction of travel and provisional proposal with the Government as part of a series of 'conversations'	Jan 24
Prepare change management papers with a Programme overview supported by summary of project review papers	Feb 24
Present papers to the Partnership Board and Joint Committee	Early 2024 (ready for the new FY 24/25)

### Reporting Implications

13. The proposal to undertake a Programme Review will have implications for the activities captured in the Programme dashboard (Appendix 1 – page 3). In consultation with the Government it is proposed to delay the preparation of the next Annual Performance Report. Originally the reporting period was Oct to Sept each year and recently amended to Oct 22 to Dec 23. This did not align with other key reporting requirements, so the PMO are in discussions with the Governments to amend further the reporting cycle so that it aligns with the financial year. This means the next Annual Performance Report is expected to cover October 2022 – March 2024 (18 months). This change would potentially allow the outcome of the Programme Review to be reflected in the Annual Performance Report, updated Financial Plan 24/25 and updated Implementation Plan 24/25. In addition we have been advised by Government that the Benefit Realisation Plan can be reviewed once a year not twice as currently done. So it is proposed that the BRP is updated at the end of March 24, so aligned with the above mentioned reporting requirements. We are awaiting Government feedback on the proposal to change the reporting cycle for the Annual Performance Report.

### Programme Financial Update

14. The latest financial update (October 2023) included in the monthly report provides a spend projection for the programme and individual projects.
15. In comparing the now protected spend and drawdown from the grant allocation for this financial year (2023/24) against the Grant Offer Letter 2023/24, it is noted that there will be a significant shortfall in the drawdown of funds allocated for this financial year. This is principally around capital projects such as Spaceport, Commercial Space and i3 Flexi Space. Indications are that the approval of FBCs for the Spaceport project is unlikely to be reached by the end of the financial year (Mar 24). An update on this

project is provided elsewhere on the agenda. Commercial Space is unlikely to drawn down on its allocation due to delays in raising further private section funding. Finally progress on developing i3 Flexi Space is expected to slower than originally planned, hence an expected reduction in drawdown.

16. A shortfall in spend and drawdown is likely for the Community Wealth Building which reflects the delay in the project being delivered fully across all three Ayrshire Councils. A further shortfall is expected for the Ayrshire Skills Investment Fund projects due to the recent approval of its FBC. The scale of the shortfall however are expected to be minor when compared to the capital projects mentioned. Please see details below:

<b>Capital Projects</b>	<b>Grant Offer Letter 23/24 (£m)</b>	<b>As at P6 return (Sep 24) (£m)</b>	<b>Differences (£m)</b>
Spaceport	2.855	3.355	+501
Commercial Space	17.689	1.023	-16.666
i3 Flexi Space	2.339	0.951	-1.389
CoRE	0.300	0.300	0
<b>TOTAL</b>	<b>23.184</b>	<b>5.629</b>	<b>-17.555</b>

<b>Revenue Projects</b>	<b>Grant Offer Letter 23/24</b>	<b>As at P6 return (Sep 24) (£m)</b>	<b>Differences</b>
Working for Healthy Economy	0.703	0.703	0
Ayrshire Skills Investment Fund	0.850	0.850	0
Community Wealth Building	1.073	1.041	-32
<b>TOTAL</b>	<b>2.626</b>	<b>2.594</b>	<b>-32</b>

17. As a total the Programme is expected to drawdown £8.223m as opposed to £25.810m, a potential drop of £17.587m. Further details of the current financial position is set out in paragraphs 32-35.
18. The PMO continues to work with the SRO's and project leads in addressing the changes in expected spend profile and to ensure future projections are accurate. This is reflected, as already raised, in the proposal to undertake a programme wide Checkpoint Review in consultation with the Government and in line with the AGD Governance. Further details on key projects including those under review are detailed in paragraphs 20-26.
19. In addition the PMO are continuing to explore ways to enhance the effective management of projects within the context of the AGD governance. This includes

drafting of a series of Supplementary Advice Notes in relation to the change management process; development and management of Full Business Cases; and the interpretation of the new Subsidy Control requirements. Delays in preparing these Notes are due to staff shortages in the PMO (hence RAG status marked Red). Once drafted the Notes will be shared with the SROs and project leads and in turn be presented to the AEPB and AEJC.

### Project level

20. Project leads continue to meeting the challenges of developing and delivering projects. This is partly reflected in the changes in the spend projections for this financial year and the meeting of milestones included in the attached summary sheets (e.g. business case approvals). Below is a summary of the projects that are now 'red' in status from the perspective of budget, scope and overall position.

Budgetary Issues - 'Red' status	Scope Issues - 'Red' status	Overall - 'Red' Status
Spaceport	Digital	Spaceport
Commercial Space		Digital
Digital		

21. Compared to the previous AGD Programme Report to the Board on 7 September 23, there has been a reduction in the number of projects now rated with a Red RAG status. Key changes relate to:
- Roads – good progress is being made between SAC/ARA and Transport Scotland regarding the undertaking of a STAGs report.
  - Marine Tourism - further review of the budgetary issues around the project have been undertaken with clarity provided on the deliverability of the Cumbrae, Arran and Ardrossan phases.
  - ASTAC – progress being made on the development of a partnership approach with organisations such as Scottish Enterprise (SE) and Ayrshire College for this project. A further meeting is scheduled with Glasgow Prestwick Airport in order to confirm siting of the ASTAC proposition.
22. Project that still retain an **Overall** 'red' status as follows:
23. **Spaceport** – extensive discussions between SAC, SG and UKG are ongoing in order to overcome the complex challenges facing the project. A funding gap still exists and recent discussions from the Government have highlighted further development of the business case. An update is provided elsewhere on the agenda.
24. **Digital Programme** – At the last Board meeting on 7 September 23 an update was provided on the Digital project and the consideration of options for the future of the digital programme. The Board supported Option 5b 'Building Digital Capital' which sought the de-scoping of the project and potential reallocation of funds across the Deal.

The outcome of this meeting is being considered elsewhere on the agenda.

25. Other highlights include:

- **Commercial Space** – Delays on the ground works for the Mangata (Opportunity A) project is still expected. This is due to the need to complete the Mangata’s series B funding round which is now expected to be by mid-December 23. Due diligence is continuing to be followed by SE. On site works is now expected to start in March 2024.
- **Community Wealth Building** – The findings of the midterm review of the project have been completed with a recommendation of extending the project for another year. Details of this proposal will be shared with the Government and then presented to the Board and Joint Committee as part of change management.
- **AEP & AMIC** – Change management papers are being prepared in line with discussions undertaken with the Government. Once received they will be presented to the Board and Joint Committee as part of the change management process.
- **Ayrshire Skills Investment Fund** – Following the approval of the FBC in August 23, a Delivery Model has been agreed with tenders now out for potential operators to deliver the fund.

26. Projects in delivery are; Community Wealth Building, Working for Healthy Economy, Commercial Space, i3 Flexi Space (Phase 1) and i3 DPMC (Phase 1), with Ayrshire Skills Investment Fund to be in delivery in the coming weeks.

**COMMUNICATION UPDATE**

27. In line with the AGD Communication Action Plan please find attached (in Appendix 2) a copy of communication and engagement activity for all projects in the programme. This includes Q2 Review of past activities and Q3 planned activities.

**IMPLICATIONS**

28. Eight implications have been considered in the preparation of this report.

Implications	Yes	No	Paragraph number in report
1. Policy/Strategic Planning		No	
2. Governance/Legal	Yes		Para 22
3. Human Resources		No	
4. Equality and Fairer Scotland Duty	Yes		Para 23
5. Financial	Yes		Para 24-27
6. Risk	Yes		Para 28-29
7. Community Wealth Building		No	
8. Net Zero		No	

## **LEGAL IMPLICAITONS**

29. The legal implications arising from this report are covered through the Agreement between Ayrshire's councils and the Governance Document which was revised and approved at the Joint Committee meeting on 8 December 2022.

## **EQUALITY IMPACT ASSESSMENT**

30. There is no equalities impact relating to this report. Inclusion is a key driver for the AGD. Project Leads will be required to complete an Equality Impact Assessment for their project and append to the associated business case. Project Leads have received Equality Impact Assessment training organised by the Scottish Government. Project Leads are being encouraged by the PMO to link up as soon as possible with their Equalities Officer within their authority who will be able to assist with this matter.

## **FINANCIAL IMPLICATIONS**

31. The financial implications arising from this report are covered through the Financial Plan approved at the Joint Committee meeting on 26 June 2023. The overall cumulative total of Grant claimed for the Deal to date is £12.025m.
32. The ninth claim since Deal signing (in the financial year 23/24 Qtr2) has been made to the Scottish Government for c.£1.145m which is made up of expenditure associated with the Community Wealth Building, Working for a Healthy Economy, Commercial Space and i3 flexible Space. All claims made to date have been processed by Government and payment received. The financial position statement for September 2023 within the progress report does not include the Q2 claim due to date report was ran. (Appendix 1).
33. At the time of preparing this paper the forecast drawdown reported to Scottish Government for P7 2023/24 amounts to £8.223m, an anticipated decrease of £17.587m for the year compared to a budget of £25.810 million. Projects are, however, demonstrating commitment and incurring costs developing projects, with evidence of £10.967m having been spent by councils to date ahead of project business cases being approved. Once approval of the relevant business cases has been received from government and the Joint Committee, the relevant costs will be claimed back from government.
34. Please note all capital and revenue project costs are being monitored and discussed with regional partners, UK and Scottish governments.

## **RISK IMPLICATIONS**

35. Strategic and operational risk registers continue to be developed, reviewed and updated for the AGD Programme. This is being undertaken by the PMO with the support of EAC audit. The Programme Risk Register has been updated in accordance with the commitment to be reviewed every quarter as approved by the AEJC on 26

June 2023. Details of the latest update is considered elsewhere on the agenda.

36. In addition the risk registers for each project which are updated on a monthly basis and reflected in the attached summary update (Please see Appendix 1).

## **APPENDICES**

Appendix 1: Ayrshire Growth Deal Update of Programme and Projects

Appendix 2: Quarterly Communications Report as October 2023

### **Background Papers:**

[Heads of Terms](#), signed by both the UK and Scottish Governments and Ayrshire's Councils on 8 March 2019

[Deal Document](#), signed by both the UK and Scottish Governments and Ayrshire's Councils on 19 November 2020

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## **Appendix 1**

### **Ayrshire Growth Deal Update of Programme and Projects**

# AYRSHIRE GROWTH DEAL

## Monthly Report - 30 October 2023



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

**AYRSHIRE  
GROWTH DEAL**

## Programme Updates - Guidance (Milestones)



RAG Status	Programme Milestone Timeline Status	Overall	Action Required
Red	Delay to delivery timeline of key milestone having a negative impact on programme	One or more milestones are RED	Immediate action required by senior management and relevant Boards as appropriate to address issues
Amber	Milestone slipping against planned date but not expected to impact delivery of the programme	No milestones are highlighted RED but at least one is AMBER	Management action is in place by PMO and/or senior management to address issues
Green	On track to deliver milestone on time or early	All milestones are GREEN	No management action required
Complete	Milestone delivered	n /a	No management action required

Status against milestone timeline set out in Implementation Plan  
Milestones – current financial year and next financial year

## Programme Updates - Guidance (Risks)

This table illustrates the conversion of AGD RAG Status to Scottish Government RAG Status

Source	GREEN	AMBER		RED	N/A
Ayrshire Growth Deal RAG Guidance Note	with an AGD risk register score of between 0-3	with an AGD risk register score of between 4-9	with an AGD risk register score of between 10-14	with an AGD risk register score of between 15-25	N/A
Source	GREEN	AMBER/GREEN	AMBER/RED	RED	N/A
Scottish Government Guidance	Successful delivery appears highly likely with regard to time, cost and quality and there are no major outstanding issues that at this stage appear to significantly threaten progress	Successful delivery appears probable however attention will be needed in certain areas to ensure risks do not develop into major issues that will threaten delivery	Successful delivery appears possible, but issues already exist that require serious attention. These appear resolvable at this stage, but further action is required	Successful delivery is in serious doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed	Not listed on previous Quarter

Programme Dashboard – 30 October 2023

Overall Status Last Period	Overall Status This Period

Financial Summary

Total AGD Grant £'000	AGD Grant Drawdown to Date £'000	%age of total AGD Grant	2023/24 AGD Grant Allocation £'000	2023/24 Grant Drawdown £'000
251,500	10,880	4.33%	25,810	295



Programme Milestones

Programme & Upcoming Programme Milestones	Target Date	RAG
Grant Offer Letter for 2023/24 received and agreed	30-Jun-23	Complete
2023 Annual Review of Deal documentation approved (Implementation Plan, Financial Plan, Governance Document, Communications Protocol)	30-Jun-23	Complete
Review overarching Monitoring & Evaluation Framework	30-Jul-23	Red
Update Benefits Realisation Plan and progress on performance (every March)	31-Mar-24	Green
Review and update Change Management Process - draft and approve Supplementary Advice Note 1	30-Jul-23	red
Review and update Business Case process with a focus on Full business Case requirements - draft and approve Supplementary Advice Note 2	31-Aug-23	red
Review and update Subsidy Control requirements for the AGD - draft and approve Supplementary Advice Note 3	31-Aug-23	red
Review and update AGD web site programme and project details	30-Sep-23	Amber
Key project interdependencies articulated	31-Mar-24	Green
Annual Conversation (2022/23)	31-Jan-24	Green
Annual Performance Report approved and published (2022/23)	28-Feb-24	Green
Submission of statement of compliance with conditions of grant (2023/24)	30-Apr-24	Green
Submission of statement of compliance with conditions of grant (2023/24)	30-Apr-24	Green

Programme Top Risks

Risk	Likelihood	Impact	AGD Status	SG Status	Mitigating Action - UPDATE TO ALIGN WITH IMPLEMENTATION PLAN
Failure to achieve AGD programme objectives within agreed budget	4	4	Red	Red	The Regional Economic Joint Committee, Regional Economic Partnership, AGD Steering Group in place to monitor progress and to address any weaknesses or issues that could impact on overall delivery. PMO developing monitoring and evaluation processes to ensure overall objectives are captured and any project failing to achieve and contribute to these is flagged and issues addressed as quickly as possible. This includes responding to increasing costs of general capital works within the context of the original funding made available by the Government in 2019. Leading to potential to review risks where evidence suggests insufficient funding to undertake and complete projects in line with expected outcomes. PMO are working with Partners in undertaking a Programme Review in line with the AGD Governance. PMO undertake ongoing environmental analysis to ensure programme objectives are relevant/valid as well as maximised where relevant and new benefits identified when materialising. Internal governance include regular reviews undertaken by PMO with input from SROs, Project Leads and Chief Executives to ensure AGD programme objective are met.
Failure to provide accurate projections for programme spend	4	4	Red	Red	Issues will be escalated to CEOs, Regional Economic Partnership and Regional Economic Joint Committee as appropriate. PMO working with Partners in undertaking a Programme Review in order to clarify accurate projections for project and programme spend and delivery. The Implementation Plan and Financial Plan have been updated to take account of the compressed funding. Project Leads have sought to address delays in gaining approved FBCs, by undertaking reviews of projects to fit existing budgets, which are shared with Finance Directors, the government and wider partners. Revised project mitigation measures seek to demonstrate how inflationary pressures will be managed. Business Case process monitored to ensure streamlined pathway to approval enabling projects to achieve FBC as quickly as possible to reach project delivery and clarity on expected spend. PMO will regularly review, challenge and agree financial profiling/phasing with Project Leads, SROs and Finance Directors and ensure drawdown projections align with delivery timescales. OBCs/FBCs include an optimism bias factor as per Treasury Green Book and AGD Governance document. Inflationary factor addressed through project reviews e.g. re-scoping, phasing and reviewing benefits
Failure to drawdown full AGD funding	4	4	Red	Red	PMO will regularly review, challenge and agree financial profiling/phasing with Project Leads, SROs and Finance Directors and ensure drawdown projections align with delivery timescales. This includes PMO working with Project Leads, SRO's and S95's to ensure projects can be realised and help with change processes where necessary; and undertaking effective communication with Governments to ensure projects can be realised. PMO working with Partners in undertaking a Programme Review in order to clarify accurate projections for project and programme drawdown on AGD funding. Achieve business case approval in line with latest Deal Implementation Plan, and AGD Governance document and, Finance guidance. Annual review of Financial Plan and Implementation Plan. The Scottish Government's financial reporting requirements will be implemented. Pivot projects proactively where possible in line with need and opportunity. Internal procedures, financial controls and processes in place to mitigate this risk
Delays in development and approval of business cases	4	4	Red	Red	Undertake focused engagement with SG and UKG in order to help ensure SBC, OBC and/or FBC comply with the Treasury Green Book and gain approval pin line with AGD governance. PMO working closely with Project Leads and Policy Leads within UK and Scottish Governments to support business case development and approval to an agreed timeline. This includes exploring a streamlined change process (pre-FBC) particularly where budget constraints are sole driver of change. In addition as part of a Programme Review, reschedule business case timescale for development and delivery. Project Leads have received Green Book business case training. Project Leads' toolkit in place. Other partners assisting in developing business cases where capacity is low
Lack of resources in PMO	4	4	Red	Red	A permanent PMO structure is in place but not all posts are currently filled, with recruitment now underway to start completing the team. The PMO is being supported by colleagues in each of the Councils in a number of work streams. PMO undertaking a review of capacity and skill sets in response to the changing requirements of the Office
Potential impact of international events upon cost of living crisis and economic prosperity of Ayrshire	4	4	Red	Red	Regular engagement with Project Leads to highlight any risks well in advance, so that the PMO can raise with government, Regional Economic Partnership and Regional Economic Joint Committee as appropriate. PMO working with Partners in undertaking a programme midterm Checkpoint Review in response to the impact of costs pressures upon the delivery of the Programme. Regular review via monthly reports of outputs and timelines for business cases at every stage of development in the light of external events. Continued monitoring of external environment and government relations. Regional Economic Strategy approved in early 2023 and be supported by an emerging action plan. Regional Economic Partnership will provide voice for Ayrshire to press the case for government intervention investment. Incentives and other forms of assistance to complement the AGD and stimulate greater economic activity. Current change management process to be reviewed with both governments and partners. Regional Skills Investment Plan developed, with a focus on its implementation via Ayrshire Skills Group. Robust data analysis shared amongst key partners and stakeholders to reach common understanding of local economic conditions, leading to early identification of real threats and opportunities - achieving consensus with partners and stakeholders on strategic objectives for inclusive and sustainable economic growth, with effective action planning and monitoring. PMO co-ordinated evidence across Deals and submitted collective case via the Implementation Plan update to both governments setting out impact of increased costs or reduced the scope/outputs and time delivery if costs not met. PMO developing a baseline approach to FBC which will be shared with both governments and partners.

AGD PROJECTS - COMPLETE	Total Project Budget £'000	Government Grant Funding £'000	Government Grant Claimed to date £'000	Total Expenditure 17/18 to 20/21 £'000
HALO	9,000	7,000	7,000	10,524
	<b>9,000</b>	<b>7,000</b>	<b>7,000</b>	<b>10,524</b>

FINANCIAL POSITION STATEMENT	
FINANCE YEAR	2023/24
QUARTER	2
MONTH	Sep-23

AGD PROJECTS - EXPECTED FBC/APPROVED FBC IN 2023/24 ~ GRANT OFFER LETTER	Total Project Budget £'000	Government Grant Funding £'000	Government Grant Claimed to date £'000	Total Expenditure 17/18 to 22/23 £'000	Total Expenditure 23/24 YTD £'000
Spaceport Infrastructure	23,000	23,000	0	2,856	329
Commercial Space - Prestwick - Industrial & Hangar	29,000	22,000	825	1,160	730
i3 Flexible Business Space	15,000	11,000	307	545	0
Community Renewable Energy Project (CoRE)	24,500	17,000	0	976	74
Working for a Healthy Economy	5,000	5,000	1,118	1,118	293
Ayrshire Skills Investment Fund	3,500	3,500	0	0	0
Community Wealth Building Fund	3,000	3,000	1,335	1,335	343
	<b>103,000</b>	<b>84,500</b>	<b>3,584</b>	<b>7,989</b>	<b>1,769</b>

Government Grant 2023/24 £'000						
Grant Allocation TBC	Grant Claimed Q1	Grant Claimed Q2	Grant Claimed Q3	Grant Claimed Q4	Total Grant Claimed YTD	Remaining Grant Available to Claim in year
2,855	0	0	0	0	0	2,855
17,690	0	0	0	0	0	17,690
2,339	65	0	0	0	65	2,274
300	0	0	0	0	0	300
703	117	0	0	0	117	586
850	0	0	0	0	0	850
1,073	113	0	0	0	113	960
<b>25,810</b>	<b>295</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>295</b>	<b>25,515</b>

AGD PROJECTS - FUTURE	Total Project Budget £'000	Government Grant Funding £'000	Government Grant Claimed to date £'000	Total Expenditure 17/18 to 22/23 £'000	Total Expenditure 23/24 YTD £'000
Aerospace & Space Technology Application Centre (ASTAC)	11,000	5,000	0	728	0
Prestwick Infrastructure - Roads	17,000	12,000	0	472	20
Ayrshire Engineering Park (Moorfield)	16,000	12,000	0	826	43
Ayrshire Manufacturing Investment Corridor (AMIC)	23,500	23,500	0	390	28
i3 Digital Processing Manufacturing Centre	6,000	5,000	0	245	19
Hunterston Strategic Development Area	18,000	18,000	0	192	6
International Marine Science & Environmental Centre (IMSE)	10,500	6,500	0	134	8
The Great Harbour, Irvine Harbourside & Ardeer	14,000	9,000	0	460	109
Marine Tourism	9,500	9,500	0	412	30
Digital Projects (name TBC)	14,000	14,000	0	76	0
	<b>139,500</b>	<b>114,500</b>	<b>0</b>	<b>3,934</b>	<b>263</b>
<b>AGD TOTAL</b>	<b>251,500</b>	<b>206,000</b>	<b>10,584</b>	<b>22,447</b>	<b>2,032</b>

## Project Updates - Guidance



Project Stages	Stage Definition		Project Stages	Stage Definition	
<b>Define - SBC</b>	Establishing the strategic context for the spending proposal		<b>Implement</b>	Business case has been approved by Joint Committee, and is being implemented	
<b>Define - OBC</b>	Establishing the preferred option		<b>Deliver</b>	Project is in place and monitoring and evaluation is in framework to assess if it is achieving its objectives	
<b>Define - FBC</b>	OBC approved by government, securing delivery plans and finalising detailed costing		<b>Legacy</b>	Project has resulted in mainstreaming or improvements to business as usual (impact) that is generated beyond the funded period	
RAG Status	Programme Milestone Timeline Status	Project Scope Status	Project Budget Status	Overall	Action Required
<b>Red</b>	Delay to delivery timeline of key milestone having a negative impact on project completion date	Significant change in scope expected, with no change request in process	There are projected or actual adverse variances with recovery plan to be established	One or more milestone, scope or budget indicators are RED	Immediate action required by senior management and relevant Boards as appropriate to address issues
<b>Amber</b>	Key milestone missed or projected to miss against planned date but not expected to negatively impact the original project completion date	Likely to be minor changes in scope within agreed business case OR scope is still developing OR significant change request not yet approved	There are projected or actual adverse variances, however a recovery plan is in place	No milestone, scope or budget indicators are RED but at least one is AMBER	Management action is in place by PMO and/or senior management to address issues
<b>Green</b>	On track to deliver milestone on time or early	Scope has been set and on plan with agreed business case AND/OR formal change request approved	There are no actual or projected variances	All milestone, scope and budget indicators are GREEN	No management action required
<b>Complete</b>	Milestone delivered	Project complete and all items in scope delivered	Financial transactions relating to project have been settled	If all the milestone, cost, scope and benefits realisation indicators are complete	No management action required
<b>Future</b>	N/A	N/A	Business Case more than one year away from submission	n/a	No management action required

Milestones – current financial year and next financial year

PMO = Programme Management Office

SBC = Strategic Business Case

OBC = Outline Business Case

FBC = Full Business Case

## Project Updates - Guidance (Risks)

This table illustrates the conversion of AGD RAG Status to Scottish Government RAG Status

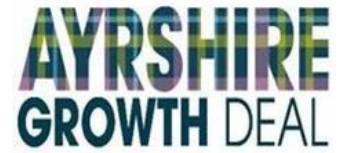
Source	GREEN	AMBER		RED	N/A
<b>Ayrshire Growth Deal RAG Guidance Note</b>	with an AGD risk register score of between 0-3	with an AGD risk register score of between 4-9	with an AGD risk register score of between 10-14	with an AGD risk register score of between 15-25	N/A
<b>Scottish Government Guidance</b>	Successful delivery appears highly likely with regard to time, cost and quality and there are no major outstanding issues that at this stage appear to significantly threaten progress	Successful delivery appears probable however attention will be needed in certain areas to ensure risks do not develop into major issues that will threaten delivery	Successful delivery appears possible, but issues already exist that require serious attention. These appear resolvable at this stage, but further action is required	Successful delivery is in serious doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed	Not listed in previous Quarter

Programme Summary – 30 October 2023





Project Name	OBC Date	OBC RAG	FBC Date	FBC RAG	Project Scope Status	Project Budget Status	Project Overall Status
Aerospace and Space Technology Application Centre	01/12/2023	Green	02/08/2024	Green	Green	Amber	Amber
Spaceport Infrastructure	30/10/2021	Complete	30/09/2023	Red	Green	Red	Red
Prestwick Commercial Space	30/08/2021	Complete	08/09/2022	Complete	Green	Red	Amber
Prestwick Infrastructure Roads	28/02/2024	Green	31/10/2024	Green	Green	Amber	Amber
Ayrshire Engineering Park (Moorfield)	30/09/2023	Amber	10/06/2024	Green	Amber	Amber	Amber
Ayrshire Manufacturing Investment Corridor	30/10/2023	Amber	10/06/2024	Green	Green	Amber	Amber
i3 Flexible Business Space	30/05/2021	Complete	30/09/2022	Complete	Green	Amber	Amber
i3 Digital Processing Manufacturing Centre	31/05/2022	Complete	30/06/2022	Complete	Green	Amber	Amber
HALO	31/05/2022	Complete	30/06/2022	Complete	Complete	Complete	Complete
Community Renewable Energy	31/05/2022	Complete	20/12/2023	Green	Amber	Amber	Amber
Hunterston	30/06/2024	Green	28/02/2026	Green	Amber	Green	Amber
International Marine Science & Environmental Centre	30/06/2024	Green	28/02/2026	Green	Amber	Amber	Amber
Marine Tourism	31/12/2023	Green	30/03/2026	Green	Amber	Amber	Amber
Great Harbour	25/06/2021	Complete	31/03/2024	Green	Amber	Amber	Green
Digital Infrastructure & Subsea Cable (TBC)	tbc	under rescope	tbc	under rescope	red	Red	Red
Ayrshire Skills Investment Fund	30/04/2023	Complete	30/06/2023	Complete	Amber	Green	Amber
Working for Healthy Economy	19/02/2021	Complete	22/02/2021	Complete	Green	Green	Green
Community Wealth Building	12/02/2021	Complete	22/02/2021	Complete	Green	Green	Green



## Project Updates – Space and Aerospace Programme 30 October 2023







Project Name	Project Lead	Senior Responsible Officer
Aerospace & Space Technology Application Centre	George Hunter	Louise Reid
Spaceport Infrastructure	Derek Yuille	
Commercial Space	Derek Yuille	
Prestwick Infrastructure Roads (Phase 1)	Kevin Braidwood	



	<b>Aerospace and Space Technology Application Centre</b>					Oct	Project Overall Status	
						2023		Amber
<b>Project Update</b>								
Project Scope Status			Green		Project Budget Status		Amber	
Monthly update - provide narrative				Project Lead: George Hunter				
<p>Meeting with Scottish Enterprise head of place and team took place to agree/establish their wider role and responsibilities in supporting the project. Follow-up meeting took place with GPA to review the viable properties within the airport estate and establish the needs of SAC/Ayrshire college for the facility. SAC presented the case for the area surrounding hanger 457 and reasoning around this. Also discussed were possible alternative sites, each located in close proximity to the terminal building with easy road/rail access links. Next steps include a further meeting with GPA/AC/SAC with the aim of confirming site of ASTAC proposition and establish needs of all parties concerned regarding land/lease term/legals. Some milestones moved from green to amber.</p>								
<b>Project Targets</b>								
Business Cases	Target date	Status				Benefits Realisation (top 5 deliverables)	Target	Actual
OBC	01/12/2023	Green				AGD/O/1 - New Jobs Created (Direct and Indirect)	tbc	tbc
FBC	02/08/2024	Green				AGD/O/2 - Construction jobs created	tbc	tbc
Phases	Target date					AGD/O/9 - Business Space Created	tbc	tbc
Phases	Target date					AGD/O/13 - Visitors	tbc	tbc
Phases	Target date					AGD/O/14 - SME's Supported	tbc	tbc
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>								
Milestone	Due date	Milestone status				Milestone	Due date	Milestone status
OBC Submitted to Government	01/12/2023	Amber				Completion of Phase 2	30/10/2029	Amber
Develop local partnership delivery model	01/12/2023	Green				Final financial drawdown	31/03/2030	Amber
Complete final project design and procurement documentation	02/08/2024	Amber						
FBC approved by Joint Committee	02/08/2024	Amber						
Hand-over (Phase 1) to operational organisation	23/10/2026	Amber						
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>								
Risk	Impact	Likelihood	Score	AGD Status	SG Status	Mitigation Action	Target Closure Date (dd/mm/yyyy)	
A Viable and Sustainable Operational Funding (OPEX) model not achieved	5	4	20	Red	Red	<ul style="list-style-type: none"> <li>Review existing models (UK- HIE/Perth College)</li> <li>Consultation Scottish Funding Council on academic funding support (OPEX)</li> <li>Consultation and developing model with Ayrshire College</li> </ul>	20/12/2023	
Site for the ASTAC Facility not secured within GPA Estate offering airside access/scale/offside access on acceptable terms	5	4	20	Red	Red	<ul style="list-style-type: none"> <li>Secure early dialogue with Glasgow Prestwick Airport. Sidentify ASTAC spatial needs. Review options. Develop a conceptual Plan for ASTAC campus</li> </ul>	20/12/2023	
ASTAC capital costs (CAPEX) exceed ASTAC approved budgets and other funding not available	4	4	16	Red	Red	<ul style="list-style-type: none"> <li>Complete early assessment of CAPEX costs and Prestwick build costs. Ensure adequate OB provision. Make allowances for fees/legals inflation</li> </ul>	20/12/2023	
Securing agreements and approvals requires additional time and programme delayed	4	4	16	Red	Red	<ul style="list-style-type: none"> <li>Develop Programme with Steering Group. Align SAC and AC resources. Secure early SAC agreements and internal reporting</li> </ul>	20/12/2023	
Economic and social benefits and a positive BCR not delivered	4	3	12	Yellow	Orange	<ul style="list-style-type: none"> <li>OBC to include full EIA to Green Book/PMO template. Develop the Monitoring and Evaluation Framework.</li> <li>Complete in the OBC the Benefits Realisation Plan</li> </ul>	20/12/2023	

		<b>Spaceport Infrastructure</b>						<b>Oct</b> 2023	<b>Project Overall Status</b> Red
<b>Project Update</b>									
Project Scope Status			Green			Project Budget Status			Red
Monthly update - provide narrative						Project Lead: Derek Yuille			
<p>There is a significant funding gap and additional funds are required if the project is to proceed. Discussions are ongoing with SE/SG/UKG to identify where funding can be sourced to meet shortfall, including proposals for SE to acquire land and reappportioning of digital funds. Recent Government advice has required the approved OBC to be reviewed in light of the likely changes to the project, with a revised OBC and FBC being scheduled for Spring/Summer 2024.</p>									
<b>Project Targets</b>									
Business Cases		Target date	Status		Benefits Realisation (top 5 deliverables)			Target	Actual
OBC		30/10/2021	Complete		AGD/O/1 - New Jobs Created (Direct and Indirect)			10	tbc
FBC		30/09/2023	Red		AGD/O/2 - Constructon Jobs Created			135	tbc
Phases		Target date			AGD/O/9 - Business Space Created			3200 sqm	tbc
Phases		Target date						Target	tbc
Phases		Target date						Target	tbc
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>									
Milestone		Due date	Milestone status		Milestone		Due date	Milestone status	
RIBA Stage 3		30/04/2023	Red		Airspace change agreed		31/03/2024	Red	
Heads of Terms agreed to purchase land		20/06/2023	Red		LSO/LSP/Range Licence requirements for first launch		30/11/2024	Red	
FBC approved by Joint Committee		30/09/2023	Red		Spaceport infrastructure complete		30/11/2024	Red	
Construction Start		01/11/2023	Red		First Commercial Launch		31/01/2025	Red	
Safety Case		31/03/2024	Red		Full project completed/final drawdown		31/03/2026	Red	
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>									Target Closure Date (dd/mm/yyyy)
Risk	Impact	Likelihood	Score	AGD Status	SG Status	Mitigation Action			
Failure to agree operating arrangement for Spaceport	5	5	25	Red	Red	Avison Young have proposed Spaceport leasing and operating proposals for SAC and the Spaceport Launch Service Operator Glasgow Prestwick Airport, however an agreement has yet to be reached that complies with AGD capital funding requirements, local authority operating legislation and that mitigates any financial and legal risks the Council may be exposed to where the Council has ongoing responsibility for the Spaceport asset.	31/12/2023		
Failure to obtain FBC approval	5	5	25	Red	Red	A Full Business Case for the Spaceport requires the following to be in place: i) an agreement or Heads of Terms over the land with confirmed budget source; ii) a costed deliverable infrastructure scheme with budget in place and iii) an agreement or Heads of Terms on the operating arrangement for the asset between the proposed owner of the asset, and the Launch Service Operator (LSO) Glasgow Prestwick Operator	31/12/2023		
The model SE use to acquire land for spaceport may require a lease arrangement with SAC.	5	5	25	Red	Red	The land acquisition/lease payments are not funded by AGD and the Council are not in a position to enter any borrowing arrangements to fund this	31/12/2023		
Failure to agree ownership of the new Spaceport infrastructure (eg. LVIF, apron, access road, control point)	5	5	25	Red	Red	Professional advice being sought by SAC on the legilities of SAC having any ownership rights to the Spaceport. Advice previously confirmed operating arrangement scenarios.	31/10/2023		
Project costs cannot be met by the existing AGD project budget	5	5	25	Red	Red	Digital re-scoping exercise and proposal that build shortfall is supported by digital funds. SE will acquire the land.	31/10/2023		
Land owner may walk away due to lack of progress	4	5	20	Red	Red	SE to take forward discussions with landowner	04/01/2024		
Risk the economic impact of the spaceport scores low given that the costs have significantly increased but the net jobs has not changed	4	5	20	Red	Red	SE to commission further work on EIA	04/01/2024		
SE requiring SAC to enter into legally binding agreement that links delivery of a new access road from Sandyford Toll to SE's purchase of the land	4	5	20	Red	Red	Road deliverability uncertain until STAG complete.	04/01/2024		



		<b>Prestwick Commercial Space</b>						<b>Oct</b> 2023	<b>Project Overall Status</b> Amber	
<b>Project Update</b>										
<b>Project Scope Status</b>			Green			<b>Project Budget Status</b>			Red	
<b>Monthly update - provide narrative</b>					<b>Project Lead: Derek Yuille</b>					
Site preparatory works/archaeology are now complete on Opp A (Mangata). Construction costs have not changed since last reported. The next significant milestone date is the completion of Mangata's Series B funding round, where they are targeting c\$100m investment. This had been expected to conclude in July, but the completion date has been pushed out and the anticipated completion date is now December. SE require security for the value of the cost overrun before entering the Main Delivery Agreement (construction contract), and plan to carry out updated due diligence prior to entering the Main Delivery Agreement. Therefore the delay to the funding and the design finalisations has a knock-on effect on entering the main build contract (expected Q4 23/24), and therefore the construction dates (Q1 24/25). Completion now Q2 2026.										
<b>Project Targets</b>										
<b>Business Cases</b>		<b>Target date</b>	<b>Status</b>		<b>Benefits Realisation (top 5 deliverables)</b>			<b>Target</b>	<b>Actual</b>	
OBC		30/08/2021	Complete		AGD/O/1 - New Jobs Created (Direct and Indirect)			570	tbc	
FBC		08/09/2022	Complete		AGD/O/2 - Constructon Jobs Created			150	tbc	
					AGD/O/9 - Business Space Created			13900 sqm	tbc	
					AGD/O/16 - Leverage (incl. LA, HE/FE, Private Sector and any other leverage)			£55,000,000	tbc	
								Target	tbc	
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>										
<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>		<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>
Planning permission			31/05/2023	Complete						
Handover			31/12/2025	Green						
Final financial drawdown			31/03/2030	Green						
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>										
<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>			<b>Target Closure Date (dd/mm/yyyy)</b>	
Failure of Mangata to resource additional funding	4	4	16	Red	Red	<ul style="list-style-type: none"> <li>Closing Series B continues to prove challenging for Mangata, with timing now forecast for early December (previously end September). However, Mangata have now signed a letter of intent with a lead investor.</li> <li>Mangata are funding the business through Convertible Loan Notes until Series B close. This requires them to continue to raise cash as current funding forecast lasts until October and includes the R&amp;D Grant payment. Mangata's forecasts show that they then anticipate some funding in October 2023, before conclusion of Series B, expected December.</li> </ul>			30/11/2023	
Delays in provision of utilities	2	2	4	Yellow	Green	<ul style="list-style-type: none"> <li>Site energy strategy to be put in place and early engagement in place across utilities companies</li> </ul>			30/06/2024	
Delays to design and build procurement processes <ul style="list-style-type: none"> <li>Challenges to the process</li> <li>Availability of contractors</li> </ul>	2	2	4	Yellow	Green	<ul style="list-style-type: none"> <li>External expert advisers have been procured to support the project team and will adhere to the procurement policies of South Ayrshire Council</li> <li>Timescales have been set to ensure that there is a sufficient pool of suppliers to undertake the activities and are interested in providing a competitive tender</li> </ul>			31/12/2023	
Economic downturn	2	2	4	Yellow	Green	<ul style="list-style-type: none"> <li>Early engagement with market indicates that this investment is an important part of recovery and engagement with market will be maintained</li> </ul>			31/12/2024	



		<b>Prestwick Infrastructure Roads</b>						<b>Oct</b> 2023	<b>Project Overall Status</b> Amber	
<b>Project Update</b>										
<b>Project Scope Status</b>			<span style="background-color: green; color: white; padding: 2px;">Green</span>				<b>Project Budget Status</b>			<span style="background-color: orange; color: black; padding: 2px;">Amber</span>
<b>Monthly update - provide narrative</b>					<b>Project Lead: Kevin Braidwood</b>					
Progress with the STAG is ongoing for the Ayrshire Growth Deal Roads Enabling project. Following approval to discard the history phased roads enabling projects a further report has been prepared and lodged for presentation to Cabinet detailing the work undertaken to date with the next steps required to minimise delay in the programme and maintain momentum on the project.										
<b>Project Targets</b>										
<b>Business Cases</b>		<b>Target date</b>	<b>Status</b>		<b>Benefits Realisation (top 5 deliverables)</b>			<b>Target</b>	<b>Actual</b>	
OBC		28/02/2024	<span style="background-color: green; color: white; padding: 2px;">Green</span>		AGD/O/2 - Construction Jobs Created			40	tbc	
FBC		31/10/2024	<span style="background-color: green; color: white; padding: 2px;">Green</span>		AGD/O/7 - new roadway created			2 km	tbc	
Phases		Target date			AGD/O/7 - roadway upgraded			1 km	tbc	
Phases		Target date			AGD/O/7 - new roundabouts			1	tbc	
Phases		Target date			AGD/O/11 - upgraded roundabouts			3	tbc	
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>										
<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>	<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>	
Roads Enabling STAG Appraisal - Release of funds from Transport Scotland			01/03/2024	<span style="background-color: green; color: white; padding: 2px;">Green</span>	Procurement of contractor and commencement of works – Monkton			01/08/2025	<span style="background-color: green; color: white; padding: 2px;">Green</span>	
Planning and regulatory consent achieved – Spaceport (St Quivox)			30/09/2023	<span style="background-color: red; color: white; padding: 2px;">Red</span>	Completion of works – Spaceport (St Quivox)			31/12/2024	<span style="background-color: red; color: white; padding: 2px;">Red</span>	
Land assembly, site preparation, contract documentation – Spaceport (St Quivox)			31/12/2023	<span style="background-color: red; color: white; padding: 2px;">Red</span>	Completion of works – Enabling transport works			01/03/2026	<span style="background-color: green; color: white; padding: 2px;">Green</span>	
Planning and regulatory consent achieved – Monkton			31/12/2023	<span style="background-color: red; color: white; padding: 2px;">Red</span>	Planning and regulatory consent achieved - Gannet Link			tbc	<span style="background-color: red; color: white; padding: 2px;">Red</span>	
Roads Enabling OBC - TS & Council Approval			01/08/2024	<span style="background-color: green; color: white; padding: 2px;">Green</span>	Land assembly, site preparation, contract documentation - Gannet Link			tbc	<span style="background-color: red; color: white; padding: 2px;">Red</span>	
Land assembly, site preparation, contract documentation – Monkton			31/03/2024	<span style="background-color: red; color: white; padding: 2px;">Red</span>	Procurement of contractor and commencement of works – Gannet Link			tbc	<span style="background-color: red; color: white; padding: 2px;">Red</span>	
Procurement of contractor and commencement of works – Spaceport (St Quivox)			30/04/2024	<span style="background-color: red; color: white; padding: 2px;">Red</span>	Completion of works - Gannet Link			tbc	<span style="background-color: red; color: white; padding: 2px;">Red</span>	
Roads Enabling FBC - TS & Council Approval			01/03/2025	<span style="background-color: green; color: white; padding: 2px;">Green</span>	Final financial drawdown			tbc	<span style="background-color: green; color: white; padding: 2px;">Green</span>	
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>									<b>Target Closure Date (dd/mm/yyyy)</b>	
<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>				
Delays in release of enabling infrastructure funding from Scottish Government via Transport Scotland	4	4	16			Commissioning of Enabling Roads STAG and OBC • Effective scoping and ongoing liaison with Transport Scotland	STAG Mar 2024 OBC Nov 2024			
Additional risk that any spaceport access road, delivered outside the STAG process is not only not eligible for funding via the enabling infrastructure funds but also starlises available land for the Growth Deal if access cannot be gained due to the Spaceport project working in isolation	4	4	16			Continues liaison with Spaceport and requirement for this project to meet requirements of STAG process or withdraw from the AGD enabling works fund. Requirement added for Spaceport project to ensure ongoing access to the southern AGD lands for future development	30/09/2024			
Cost overruns	4	2	8			Project delivery will be led by a qualified project manager following established process for road construction Costs will be monitored against progress and reported to the programme board Any additional costs will be absorbed where possible by project redesign and/or re- prioritisation	31/12/2027			
Planning Approval - Delays in planning due to capacity constraints, Objections to proposed route, Planning programme and interrelation between overall Spaceport development and enabling roads infrastructure	3	2	6			Programme recognised by Planning Department as a major project and given priority • Prestwick Campus Masterplan incorporated in development of LDP2 via main issues report and subsequent consultation with residents and other parties • On-going community consultation • Planning Strategy to be developed to ensure planning applications are interconnected	31/12/2024			
Land assembly delays - Monkton & Spaceport	3	2	6			Early commencement of Land Owner negotiations	31/12/2024			



## Project Updates – Economic Infrastructure Programme 30 September 23





Project Name	Project Lead	Senior Responsible Officer
Ayrshire Engineering Park (Moorfield)	Fiona Paterson	David McDowall
Ayrshire Manufacturing Investment Corridor (AMIC)	Gillian Morton	
i3 Flexible Business Space	Marnie Ritchie	Neale McIlvanney
i3 Digital Processing Manufacturing Centre (DPMC)	Marnie Ritchie	
HALO	Gary Deans	David McDowall

		<b>Ayrshire Engineering Park (Moorfield)</b>						<b>Oct</b>	<b>Project Overall Status</b>			
								<b>2023</b>	<b>Amber</b>			
<b>Project Update</b>												
<b>Project Scope Status</b>				<b>Amber</b>			<b>Project Budget Status</b>				<b>Amber</b>	
<b>Monthly update - provide narrative</b>						<b>Project Lead: Fiona Paterson</b>						
<p>1. Three public consultations for the Ayrshire Innovation Park pre planning application have now taken place. Feedback has been very positive in relation to both the Ayrshire Manufacturing Investment Corridor Project and the Ayrshire Engineering Park. Feedback from the public consultations held will be included in the next iteration of the OBC.</p> <p>2. The project team are currently preparing change request documentation in line with discussions held with Government over the past few weeks. A revised target date for the OBC submission for AEP &amp; AMI is under consideration and will be provided ASAP.</p>												
<b>Project Targets</b>												
<b>Business Cases</b>		<b>Target date</b>		<b>Status</b>		<b>Benefits Realisation (top 5 deliverables)</b>				<b>Target</b>	<b>Actual</b>	
OBC		30/09/2023		<b>Amber</b>		AGD/O/1 - New Jobs Created (Direct and Indirect)				203	tbc	
FBC		10/06/2024		<b>Green</b>		AGD/O/2 - Construction Jobs Created				88	tbc	
Phases		Target date				AGD/O/9 - Business Space Created				7250 sqm	tbc	
Phases		Target date				AGD/O/10 - Reduced vacant & derelict land				18.3 ha	tbc	
Phases		Target date				AGD/OT/7 - Additional Investment (incl Foreign Direct Investment)				tbc	tbc	
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>												
<b>Milestone</b>			<b>Due date</b>		<b>Milestone status</b>		<b>Milestone</b>			<b>Due date</b>		<b>Milestone status</b>
OBC Approved by Government			30/09/2023		<b>Amber</b>		FBC approved by Joint Committee			10/06/2024		<b>Green</b>
Tender for Building Services & Civil and Structural Engineers Services			02/05/2023		<b>Green</b>		Commencement of infrastructure works			24/06/2024		<b>Green</b>
Design period incl community consultation & Environment Impact Analysis commences			10/07/2023		<b>Green</b>		Construction of terraced units and 500sqm unit			21/04/2025		<b>Green</b>
Planning permission secured			30/03/2024		<b>Green</b>		Initial business premises operational			19/01/2026		<b>Green</b>
FBC endorsed by Government			20/05/2024		<b>Green</b>		First tenants move in			01/02/2026		<b>Green</b>
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>											<b>Target Closure Date (dd/mm/yyyy)</b>	
<b>Risk</b>		<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>					
Failure to Contribute to AGD programme objectives		3	3	9	<b>Amber</b>	<b>Green</b>	<ul style="list-style-type: none"> <li>Project will be managed by EAC in line with PRINCE 2 principles – any issues will be monitored, and remedial action agreed to ensure delivery remains in line with the OBC projections.</li> <li>AGD Steering Group and other governance arrangements are in place to monitor progress and to address any weaknesses or issues that could impact on overall delivery and project lead will be required to provide regular project updates</li> </ul>				31/3/2027	
Failure to provide accurate projections for project spend		3	3	9	<b>Amber</b>	<b>Green</b>	<ul style="list-style-type: none"> <li>Ensure sufficient optimism bias built into costing of the project</li> <li>Inflationary factor included in cost estimations</li> <li>Project will be managed by project team in line with PRINCE 2 principles – any issues will be monitored, and remedial action agreed to ensure delivery remains in line with the BC projections</li> <li>Issues to be escalated PMO in first instance to agree remedial actions as appropriate</li> <li>Challenge panel led by PMO exists to review &amp; scrutinise spend profiles</li> </ul>				31/3/2027	
Delays in approval of business case		3	3	9	<b>Amber</b>	<b>Green</b>	<ul style="list-style-type: none"> <li>Project lead will work closely with PMO and policy leads within UKG and SG to support business case development and approval to an agreed timeline</li> </ul>				30/12/2025	
Failure to deliver community benefits from the project		3	2	6	<b>Amber</b>	<b>Green</b>	<ul style="list-style-type: none"> <li>Procurement colleagues will support the tender process to ensure that community benefits are a key aspect of the ITT and are in line with agreed AGD procurement principles</li> </ul>				31/03/2027	
Negative Publicity		3	2	6	<b>Amber</b>	<b>Green</b>	<ul style="list-style-type: none"> <li>A communications protocol has been agreed with both governments and will support shared communications designed to build stakeholder confidence</li> <li>All project specific publicity will be dealt with in a coordinated fashion, sensitivity and empathy to business climates at the time of publications will be carefully monitored</li> </ul>				31/3/2027	

		<b>Ayrshire Manufacturing Investment Corridor</b>						<b>Oct</b> 2023	<b>Project Overall Status</b> Amber	
<b>Project Update</b>										
<b>Project Scope Status</b>			Green		<b>Project Budget Status</b>			Amber		
<b>Monthly update - provide narrative</b>					<b>Project Lead: Gillian Morton</b>					
<p>1. Three public consultations for the Ayrshire Innovation Park pre planning application have now taken place. Feedback has been very positive in relation to both the Ayrshire Manufacturing Investment Corridor Project and the Ayrshire Engineering Park. Feedback from the public consultations held will be included in the next iteration of the OBC.</p> <p>2. The project team are currently preparing change requests documentation in line with the discussions held with Governments over the past few weeks. A revised target date for OBC submission for AEP &amp; AMIC is under consideration and will be provided ASAP.</p>										
<b>Project Targets</b>										
<b>Business Cases</b>			<b>Target date</b>		<b>Status</b>		<b>Benefits Realisation (top 5 deliverables)</b>			
OBC			30/10/2023		Amber		AGD/O/1 - New Jobs Created (Direct and Indirect)			
FBC			10/06/2024		Green		AGD/O/2 - Construction Jobs Created			
Phases			Target date				AGD/O/9 - Business Space Created			
Phases			Target date				189			
Phases			Target date				130			
Phases			Target date				5814 sqm			
Phases			Target date				tbc			
Phases			Target date				tbc			
Phases			Target date				tbc			
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>										
<b>Milestone</b>		<b>Due date</b>		<b>Milestone status</b>		<b>Milestone</b>		<b>Due date</b>		<b>Milestone status</b>
OBC Approved by Government		30/10/2023		Amber		Phase 1 - works commence (Food & Drink Centre)		07/04/2025		Green
Planning application secured		28/02/2024		Green		Phase 2 - works commence (speculative units)		02/02/2026		Green
FBC endorsed by Government		20/05/2024		Green		Phase 1 - Initial premises operational		01/02/2026		Green
FBC approved by Joint Committee		10/06/2024		Green		Phase 2 - Initial premises operational		09/11/2026		Green
Award & Commence Infrastructure - Procurement Contract		24/06/2024		Green		First tenant secured		01/02/2026		Green
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>										
<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>	<b>Target Closure Date (dd/mm/yyyy)</b>			
Construction costs in particular costs of materials significantly increase	4	4	16	Red	Red	• The project team will work closely with colleagues in F+PM and the design consultants to develop a cost effective but efficient building design. An affordability cap has been set as part of the appointment of the design team to ensure we work within the parameters of the budget.	24/06/2024			
Delay or failure delivering project due to concerns around transport implications	3	3	9	Yellow	Green	• Undertake all Transport Assessments and reports as required by LDP • Continue to liaise with Transport Scotland • Continue to progress all site options proposed in BC to ensure best site possible is chosen and the project can be delivered	30/05/2024			
Delays in approval of business case	3	3	9	Yellow	Green	• Project lead will work closely with PMO and policy leads within UKG and SG to support business case development and approval to an agreed timeline	30/03/2025			
Failure to Contribute to AGD programme objectives	3	3	9	Yellow	Green	• Project will be managed by EAC in line with PRINCE 2 principles – any issues will be monitored, and remedial action agreed to ensure delivery remains in line with the OBC projections. • AGD Steering Group and other governance arrangements are in place to monitor progress and to address any weaknesses or issues that could impact on overall delivery and project lead will be required to provide regular project updates	31/03/2027			
Failure to provide accurate projections for project spend	3	3	9	Yellow	Green	• Ensure sufficient optimism bias built into costing of the project • Inflationary factor included in cost estimations • Project will be managed by project team in line with PRINCE 2 principles – any issues will be monitored, and remedial action agreed to ensure delivery remains in line with the BC projections • Issues to be escalated PMO in first instance to agree remedial actions as appropriate • Challenge panel led by PMO exists to review & scrutinise spend profiles	31/03/2027			
Health Pandemic/UK threat to business activity	3	3	9	Yellow	Green	• AMIC building will be a strategic centre for businesses in times of crisis. The centre will provide support and direction for food and drinks businesses as well as providing additional manufacturing space to allow supply to meet demand especially within the Dairy Sector.	31/03/2027			

		<b>i3 Flexible Business Space</b>						<b>Oct</b> 2023	<b>Project Overall Status</b> Amber
<b>Project Update</b>									
Project Scope Status				Green		Project Budget Status			Amber
Monthly update - provide narrative					Project Lead: Marnie Ritchie				
Phase 1 - Contractor Muir Group now due to commence works on site on 30 October. Photo call to mark start of works will take place on 9 November. Contractor advising estimated completion date as 29 July 2024. Phase 2 & 3 - Developing specifications for Phase 2 with internal team of architects and surveyors.									
<b>Project Targets</b>									
Business Cases		Target date	Status	Benefits Realisation (top 5 deliverables)				Target	Actual
OBC		30/05/2021	Complete	AGD/O/1 - New Jobs Created (Direct and Indirect)				133	tbc
FBC		30/09/2022	Complete	AGD/O/2 - Construction jobs created				83	tbc
Phase 2 FBC		25/02/2025	Green	AGD/O/9 - Business Space Created				6000 sqm	tbc
Phase 3 FBC		28/02/2027	Green	AGD/O/10 - Reduced vacant and derelict land				20 ha	tbc
				AGD/O/14 - Start-ups				5	tbc
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>									
Milestone			Due date	Milestone status	Milestone			Due date	Milestone status
Construction/Project completed and Handover (RIBA Stage 5-6; Construction & Handover)			31/10/2024	Green	Completion of Phase 2			30/10/2029	Green
Reporting; outputs/outcomes/CWB incl AGD Evaluation/Monitoring (RIBA Stage 7: Use)			31/10/2025	Green	Final financial drawdown			31/03/2030	Green
Phase 2 FBC approved by Joint Committee			25/02/2025	Green					
Construction/Project Start (RIBA Stage 5: Manufacturing & Construction)			31/03/2025	Green					
Construction/Project completed and Handover (RIBA Stage 5-6; Construction & Handover)			tbc	Green					
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>									Target Closure Date (dd/mm/yyyy)
Risk	Impact	Likelihood	Score	AGD Status	SG Status	Mitigation Action			
Cost overruns	4	5	20			<ul style="list-style-type: none"> <li>Develop and validate Project Brief and Specification</li> <li>Benchmark costs</li> <li>Ensure early infrastructure cost tested/ informed SI</li> <li>Provide Green Book compliant optimism bias allowances</li> <li>Provide for contingency</li> <li>Undertake value engineering</li> <li>Pursue additional funding sources</li> </ul>			
Project delays and economic impact of Covid-19 and recovery	4	4	16			<ul style="list-style-type: none"> <li>Early analysis has identified that the need for this project is unlikely to be diminished and in fact may be even greater</li> <li>Project team will continue to focus on economic analysis and the development of recovery plans will incorporate this as a key project for implementation as part of that wider plan</li> <li>Work with contractors to devise solutions designed to minimise impact of social distancing – such as different work patterns</li> </ul>			
Failure to deliver anticipated outputs and outcomes	3	5	15			<ul style="list-style-type: none"> <li>Ensure BC addresses sensitivity of outcomes</li> <li>Clear Evaluation &amp; Monitoring Framework</li> </ul>			
Demand – no interest from occupiers	3	5	15			<ul style="list-style-type: none"> <li>Flexible design to maximise potential interest from occupiers</li> <li>Marketing and promotion of floorspace</li> <li>Continue to establish strategic relationship with national sector (including links with NMIS)</li> </ul>			
Utilities cause delays e.g. surface water drainage connections, sub-station requirements.	3	4	12		12	<ul style="list-style-type: none"> <li>Utility companies to be approached and applications to be submitted at an early stage.</li> </ul> Despite this mitigation, issues have arisen on utilities for Phase 1, hence change to status to reflect this. Contractor working with Scottish Water and current issue resolved. However changed to amber /red status for ongoing project and future phases.			



 North Ayrshire Council Council of North Ayrshire & East Ayr	<b>i3 Digital Processing Manufacturing Centre</b>				 AYRSHIRE GROWTH DEAL	<b>Oct</b> <b>2023</b>	<b>Project Overall Status</b> <b>Amber</b>		
<b>Project Update</b>									
<b>Project Scope Status</b>			<span style="background-color: green; color: white; padding: 2px;">Green</span>		<b>Project Budget Status</b>			<span style="background-color: orange; color: white; padding: 2px;">Amber</span>	
<b>Monthly update - provide narrative</b>					<b>Project Lead: Marnie Ritchie</b>				
<p>Phase 1 - University of Strathclyde are procuring the equipment, fit out, recruiting for resources and securing membership of companies which is taking longer than anticipated. Official launch planned for February 2024. Phase 2 - Centre: Analysis with partners to be completed on Phase 1 to provide scoping parameters for phase 2.</p>									
<b>Project Targets</b>									
<b>Business Cases</b>		<b>Target date</b>	<b>Status</b>	<b>Benefits Realisation (top 5 deliverables)</b>			<b>Target</b>	<b>Actual</b>	
OBC		31/05/2022	<span style="background-color: blue; color: white; padding: 2px;">Complete</span>	AGD/O/1 - New Jobs Created (Direct and Indirect)			95	<i>tbc</i>	
FBC		30/06/2022	<span style="background-color: blue; color: white; padding: 2px;">Complete</span>	AGD/O/2 - Construction Jobs Created			84	<i>tbc</i>	
Phase 2 OBC		31/12/2024	<span style="background-color: green; color: white; padding: 2px;">Green</span>	AGD/O/9 - Business Space Created			1749 sqm	<i>tbc</i>	
Phase 2 FBC		31/12/2025	<span style="background-color: green; color: white; padding: 2px;">Green</span>	AGD/O/10 - Reduced vacant & derelict land			20 Ha	<i>tbc</i>	
				AGD/O/16 - Leverage: (incl. LA, HE/FE, Private Sector and any other leverage)			£19,810,000	<i>tbc</i>	
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>									
<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>	<b>Milestone</b>		<b>Due date</b>	<b>Milestone status</b>	
Reporting; outputs/outcomes/CWB incl AGD Evaluation/Monitoring (RIBA Stage 7: Use)			31/07/2027	<span style="background-color: green; color: white; padding: 2px;">Green</span>	Reporting; outputs/outcomes/CWB incl AGD Evaluation/Monitoring (RIBA Stage 7: Use)		30/04/2028	<span style="background-color: green; color: white; padding: 2px;">Green</span>	
OBC Phase 2 approved by Government			31/12/2024	<span style="background-color: green; color: white; padding: 2px;">Green</span>					
FBC Phase 2 approved by Joint Committee			31/12/2025	<span style="background-color: green; color: white; padding: 2px;">Green</span>					
Construction/Project Start (RIBA Stage 5: Manufacturing & Construction)			31/01/2026	<span style="background-color: green; color: white; padding: 2px;">Green</span>					
Construction/Project completed and Handover (RIBA Stage 5-6; Construction & Handover)			31/07/2027	<span style="background-color: green; color: white; padding: 2px;">Green</span>					
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>									
<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>	<b>Target Closure Date (dd/mm/yyyy)</b>		
Capital costs are in excess of the budget.	4	4	16			<ul style="list-style-type: none"> <li>Value engineering of works specifications</li> <li>Proactive review of funding opportunities to make the shortfall</li> </ul>			
Failure to deliver anticipated outputs and outcomes	4	3	12		12	<ul style="list-style-type: none"> <li>Ensure BC addresses sensitivity of outcomes</li> <li>Clear Evaluation &amp; Monitoring Framework</li> <li>Phase 0 and Phase 1 will establish the concept, build operational capacity and industry interest.</li> <li>Conditions of grant will include expected outputs to measure the project's success.</li> <li>Regular monitoring of centre's performance through Supervisory Board</li> </ul>			
Delays to procurement processes	3	4	12		12	<ul style="list-style-type: none"> <li>Seek early agreement on appropriate procurement routes</li> <li>Include anticipated tender packages within the Council's Procurement Wave Plan</li> <li>Notify potential bidders of procurement opportunities at an early stage</li> </ul>			
Ongoing Partnership commitment	4	3	12		12	<ul style="list-style-type: none"> <li>Memorandum of Understanding signed August 2021</li> <li>Collaboration Agreement signed March 2022</li> <li>Development and co-ordination of appropriate governance procedures</li> <li>Commitment to lease for Phase 1 location</li> </ul>			
Failure to deliver community benefits	4	3	12		12	<ul style="list-style-type: none"> <li>Incorporate appropriate community benefits into contract terms and resource appropriately.</li> </ul>			

**Project Update**

<b>Project Scope Status</b>	Complete	<b>Project Budget Status</b>	Complete
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**Monthly update - provide narrative** **Project Lead: Gary Deans**

Since last reporting HALO have continued to hold a variety of events and support a growing number of diverse business at its #RockMe trading floor. A key event was the successful Space and Trade Conference with speakers from Kate Rubins Astronaut NASA; / Jack Hillmeyer US Consul General; and Dr David Alexander OBE Rice Space Institute Houston. Topics included the role of young people, the relationship between HALO and USA, and future thoughts in education.

**Project Targets**

Business Cases	Target date	Status		Benefits Realisation (top 5 deliverables)	Target	Actual
OBC	31/05/2022	Complete		AGD/O/1 - New Jobs Created (Direct and Indirect)	232	182
FBC	30/06/2022	Complete		AGD/O/2 - Constructon Jobs Created	256	265
Phases	Target date			AGD/O/3 - safeguarded jobs	300	375
Phases	Target date			AGD/O/15 - Private sector investment	£15,199,000	tbc
Phases	Target date			AGD/OT/7 - Public and private sector investment - Phase 2	£46,000,000	tbc

**Progress Update (top priority milestones as per current Implementation Plan)**

Milestone	Due date	Milestone status	Milestone	Due date	Milestone status



**Project Risks (top 5 risks and their status will be included in the monthly report)**



Risk	Impact	Likelihood	Score	AGD Status	SG Status	Mitigation Action	Target Closure Date (dd/mm/yyyy)
Failure in financial management and reporting	2	2	4	Yellow	Green	• The Board of HALO Kilmarnock Ltd receives monthly reports on all financial aspects of the project and address any significant variances from the approved full business case Robust financial systems and controls are in place and the Board of HALO Kilmarnock Ltd retains oversight of these. Copy of monthly report forwarded to PMO for BRP purposes.	
Reputational	2	2	4	Yellow	Green	• Specialist advisers have been appointed to deal with media enquiries and to communicate on any issue which is deemed to potentially impact on the reputation of the project and the Board of HALO Kilmarnock Ltd	



## Project Updates – Energy, Circular Economy & Environment Programme 30 September 2023



Project Name	Project Lead	Senior Responsible Officer
Community Renewable Energy (CoRE)	Diarmid Turnbull	David McDowall
Hunterston Strategic Development Area	Neale McIlvanney	Neale McIlvanney
International Marine Science & Environment Centre (IMSE)		

		<b>Community Renewable Energy</b>						<b>Oct</b>	<b>Project Overall Status</b>		
								<b>2023</b>	<b>Amber</b>		
<b>Project Update</b>											
<b>Project Scope Status</b>			<b>Amber</b>			<b>Project Budget Status</b>			<b>Amber</b>		
<b>Monthly update - provide narrative</b>						<b>Project Lead: Diarmid Turnbull</b>					
<p>1. The CoRE Cabinet paper was presented to Cabinet on 4th October. Members approved the paper's recommendations, including a 12 month secondment of Professor Lawrence from UWS and match funded Senior Lecturer to assist with the development and delivery of CoRE.</p> <p>2. The first Partnership Board meeting was held on 5th October. Members discussed and reviewed training and education opportunities to address the regional skills gap, demonstrator project themes, initial pathfinder proposals and scope for redesign of the Centre of Excellence.</p> <p>3. The Board also agreed the key themes for specialist working groups, which will be established to develop and deliver demonstrator projects across themes such as energy generation and sustainable transport. The Project Team will now formalise each of the working groups and arrange initial meetings.</p>											
<b>Project Targets</b>											
<b>Business Cases</b>			<b>Target date</b>		<b>Status</b>		<b>Benefits Realisation (top 5 deliverables)</b>			<b>Target</b>	<b>Actual</b>
OBC			31/05/2022		Complete		AGD/O/1 - New Jobs Created (Direct and Indirect)			108	tbc
FBC Demonstrator Projects			20/12/2023		Green		AGD/O/2 - Constructon Jobs Created			88	tbc
FBC Centreof of Excellence			30/05/2024		Green		AGD/O/9 - Development Space Unlocked			3008 sqm	tbc
Phases			Target date							tbc	tbc
Phases			Target date							tbc	tbc
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>											
<b>Milestone</b>			<b>Due date</b>		<b>Milestone status</b>		<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>
Formation of Management Board			30/05/2023		Green		FBC for CoRE Innovation Centre			30/05/2024	Green
Engagement with Education and Skills Partners			30/08/2023		Green		Commencement of Programme of Demonstrator Projects			01/02/2024	Green
Programme Business Case			15/07/2023		Green					tbc	
Review of CoRE Innovation Building			20/12/2023		Green					tbc	
FBC for Demonstrator projects			20/12/2023		Green					tbc	
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>										<b>Target Closure Date (dd/mm/yyyy)</b>	
<b>Risk</b>		<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>				
Construction costs, in particular cost of materials, significantly increases due to the pandemic.		4	5	20			<ul style="list-style-type: none"> <li>The project team will work closely with colleagues in F+PM and the design consultants to develop a cost effective but efficient building design.</li> <li>An affordability cap has been set as part of the appointment of the Design Team to ensure we work within the parameters of the budget.</li> </ul>			31/03/2030	
Health Pandemic/UK threat to business security- the risk that a global health pandemic could shut down the country causing significant danger to life and the economic stability of the country.		3	5	15			<ul style="list-style-type: none"> <li>The Centre of Excellence will be a national centre for businesses within the energy and technology industry in times of crisis.</li> <li>The Centre will provide support and direction for these businesses as well as providing lab space to allow for any technology testing (such as creating a new type of ventilator) to meet any demand.</li> </ul>			31/03/2030	
Failure to attract investors and new businesses to locate within the Centre of Excellence		3	5	15			<ul style="list-style-type: none"> <li>EAC will work collaboratively with specialist partners, including Scottish Enterprise and Energy Technology Partnership, from an early stage to identify and work with potential investors</li> <li>The research carried out within the facility will be tailored towards particular technologies for which there is market interest in.</li> <li>Wider Ayrshire Economic Growth Strategy will be put in place to ensure wider growth ambitions for Ayrshire are agreed and be articulated to stakeholders and investors.</li> <li>At a local level, the Council will work with existing businesses and start-ups to explore how they can benefit from the project, a potential arm of which could be to locate into the research facility/incubator space</li> </ul>			31/03/2028	
Delays in approval of business case (due to COVID-19, feedback from both Governments may be delayed as their efforts will be focussed on critical services). Potential delays to project delivery may impact on milestone achievements resulting in potential reduction in realisation of benefits of AGD.		3	5	15			<ul style="list-style-type: none"> <li>Project Lead will work closely with PMO and policy leads within UKG and SG to support business case development and approval to an agreed timeline.</li> <li>Ensure business case statistics, feedback and information is up-to-date while waiting for further feedback.</li> </ul>			31/03/2027	
Design Stages of the Centre of Excellence and the site take longer than expected with the landowner (also due to COVID-19, there could be further delay as staff working arrangements change).		3	4	12		12	<ul style="list-style-type: none"> <li>Clear deadlines and targets have been clearly set out with the landowner and design team</li> <li>Ensure there is continuous collaborative working between the Council, design team and landowner.</li> <li>Ensure there is consistent communication between Project Team and landowner.</li> </ul>			31/03/2025	
Delay in starting construction of the Centre (this could be down to delay in procuring the contract/consultant delays due to COVID-19 or delays from design stage)		3	4	12		12	<ul style="list-style-type: none"> <li>Ensure that the project team work closely with procurement to ensure tender process is efficient and successful contractor can be appointed.</li> <li>Hold initial meetings/calls with consultant and provide some element of flexibility in timescales for the construction of the Centre.</li> <li>Establish another risk register solely for the construction of the building.</li> <li>Hold 2 weekly/monthly meetings/calls with consultant thereafter to ensure progress is made.</li> </ul>			31/03/2025	



		<b>Hunterston</b>						<b>Oct</b> 2023	<b>Project Overall Status</b> Amber	
<b>Project Update</b>										
<b>Project Scope Status</b>				Amber		<b>Project Budget Status</b>			Green	
<b>Monthly update - provide narrative</b>					<b>Project Lead: Neale McIlvanney</b>					
<p>Recent demand analysis commissioned by Peel Ports Group and Scottish Enterprise has highlighted the importance of providing an advanced manufacturing space for SME/incubator and supply chain users at Hunterston, in comparison to an innovation centre or large scale speculative commercial space. SE are currently leading on how this can be delivered with discussions at a recent Parc Board meeting in August 2023 and workshop with NAC in September 2023 to explore business case options. Options will be analysed with SE during October and November. However, the case for AGD investment at Hunterston is now likely to be more focused on enabling the delivery of commercial space.</p>										
<b>Project Targets</b>										
<b>Business Cases</b>		<b>Target date</b>	<b>Status</b>		<b>Benefits Realisation (top 5 deliverables)</b>			<b>Target</b>	<b>Actual</b>	
OBC		30/06/2024	Green		AGD/O/1 - New Jobs Created (Direct and Indirect)			tbc	tbc	
FBC		28/02/2026	Green		AGD/O/2 - construction jobs			1204	tbc	
Phases		Target date			AGD/O/3 - safeguarded jobs			tbc	tbc	
Phases		Target date			AGD/O/7 - New or upgraded roads/junctions/cycle pathways			tbc	tbc	
Phases		Target date			AGD/O/16 - Leverage Funding (incl LA, HE/FE, Private Sector and any other leverage)			£200,000,000	tbc	
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>										
<b>Milestone</b>				<b>Due date</b>	<b>Milestone status</b>	<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>
OBC approved by Government				30/06/2024	Amber	Construction/Project completed and Handover (RIBA Stage 5-6: Construction & Handover)			30/06/2029	Green
Completion of detailed design - RIBA Stage 3				31/03/2025	Green	Reporting: outputs/outcomes/CWB incl AGD Evaluation/Monitoring (RIBA Stage 7: Use)			31/03/2030	Green
Completion of technical design - RIBA Stage 4				31/12/2025	Green					
FBC approved by EIC				28/02/2026	Green					
Construction/Project Start (RIBA Stage 5: Manufacturing & Construction)				31/03/2026	Green					
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>										
<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>			<b>Target Closure Date (dd/mm/yy)</b>	
Unforeseen project complexities that require additional funding	4	4	16	Red	Red	<ul style="list-style-type: none"> <li>Provide Green Book compliant optimism bias allowances</li> <li>Provide for contingency</li> <li>Project monitoring will track potential impacts and create ability to respond</li> </ul>				
Ground conditions and historical legacy of site infrastructure create major burdens for development	4	4	16	Red	Red	<ul style="list-style-type: none"> <li>Project team is working with Peel Port Group to understand the development issues/infrastructure/utilities impacting onsite re-development</li> </ul>				
Concept not supported by Partners and evidence of investment/market support not forthcoming	4	4	16	Red	Red	<ul style="list-style-type: none"> <li>Project team/Peel Port Group/SE developing and promoting an investment model to secure major inward investment plus academic partners and industry</li> <li>Dialogue being progressed around role, responsibilities and funding commitments</li> <li>MOU signed between NAC/SE/Peel and wider strategic proposition around blue economy and Hunterston supported by partners</li> </ul>				
Concept and Operational Management revised /amended	3	4	12	Yellow	12	<ul style="list-style-type: none"> <li>Project team/Peel Port Group developing a partnership/investment model to secure inward investment/academic partners and industry</li> </ul>				
Other Development/Investment/ Proposals impact on capacity/deliverability	4	3	12	Yellow	12	<ul style="list-style-type: none"> <li>Project team/Peel Port Group seeking to collaborate with major partners to develop a clear investment strategy/masterplan and investment led project proposition for AGD</li> <li>Peel Ports have gained planning approval of a site Framework to allow planning applications to be considered</li> </ul>				
Project fails to secure necessary consents	4	3	12	Yellow	12	<ul style="list-style-type: none"> <li>Project team is in early dialogue with key regulatory partners and stakeholders</li> </ul>				

		<b>International Marine Science &amp; Environmental Centre</b>						<b>Oct</b> 2023	<b>Project Overall Status</b> Amber	
<b>Project Update</b>										
<b>Project Scope Status</b>			Amber		<b>Project Budget Status</b>			Amber		
<b>Monthly update - provide narrative</b>					<b>Project Lead: Neale McIlvanney</b>					
<p>The initial MoU between NAC and University of Stirling (UoS) to develop a proposition for IMSE, is now advancing to Collaboration Agreement stage. Recent interest from the Field Studies Council (FSC) to invest in FSC Millport as part of IMSE, offers the potential of a tripartite Collaboration Agreement between NAC, UoS and FSC with the benefit of an existing operational partner and available land assets. A workshop has been arranged for October 2023 to develop the detail of the Collaboration Agreement, with the aim of partner approval by end of 2023, to enable progress of an OBC during 2024. In addition, partners will continue to explore supporting Ardrossan regeneration as part of the IMSE programme.</p>										
<b>Project Targets</b>										
<b>Business Cases</b>		<b>Target date</b>	<b>Status</b>		<b>Benefits Realisation (top 5 deliverables)</b>			<b>Target</b>	<b>Actual</b>	
OBC		30/06/2024	Green		AGD/O/1 - New Jobs Created (Direct and Indirect)			75	tbc	
FBC		28/02/2026	Green		AGD/O/2 - Constructon Jobs Created			58	tbc	
Phases		Target date			AGD/O/9 - Development Space Unlocked			1400 sqm	tbc	
Phases		Target date			AGD/O/10 - Reduced and vacant derelict land			0.6 Ha	tbc	
Phases		Target date			AGD/O/14 - Start-Ups			4	tbc	
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>										
<b>Milestone</b>				<b>Due date</b>	<b>Milestone status</b>	<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>
OBC approved by Government				30/06/2024	Amber	Construction/Project completed and Handover (RIBA Stage 5-6: Construction & Handover)			30/06/2029	Green
Completion of detailed design - RIBA Stage 3				31/03/2025	Green	Reporting: outputs/outcomes/CWB incl AGD Evaluation/Monitoring (RIBA Stage 7: Use)			31/03/1930	Green
Completion of technical design - RIBA Stage 4				31/12/2025	Green					
FBC approved by EIC				28/02/2026	Green					
Construction/Project Start (RIBA Stage 5: Manufacturing & Construction)				31/03/2026	Green					
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>										
<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>			<b>Target Closure Date (dd/mm/yy yy)</b>	
Unforeseen project complexities that require additional funding	4	4	16			<ul style="list-style-type: none"> <li>Provide for contingency</li> <li>Provide Green Book compliant optimism bias allowances</li> <li>Project monitoring will track potential impacts and create ability to respond</li> </ul>				
Programme delay created within wider strategic delivery plan for Ardrossan	4	4	16			<ul style="list-style-type: none"> <li>Project team undertaking masterplanning process to identify all project requirements and spatial needs</li> </ul>				
Concept not supported by Partners	4	4	16			<ul style="list-style-type: none"> <li>Project team developing a partnership model with leading academic partners and industry</li> <li>Dialogue being progressed around role, responsibilities and funding commitments</li> <li>An MOU has been signed to develop the project definition with University of Stirling</li> </ul>				
Strategic need and consolidation in sector advises Co-Location with wider projects	4	3	12		12	<ul style="list-style-type: none"> <li>Project team developing a partnership model with leading academic partners and industry</li> </ul>				
Concept and Operational Management revised /amended	3	4	12		12	<ul style="list-style-type: none"> <li>Project team developing a partnership model with leading academic partners and industry</li> </ul>				
Project cannot secure necessary consents	4	3	12		12	<ul style="list-style-type: none"> <li>Project team in early dialogue with key regulatory partners and stakeholders to address any concerns</li> </ul>				



## Project Updates – Tourism Programme 30 September 2023



Project Name	Project Lead	Senior Responsible Officer
Marine Tourism	Kathleen Dow	Neale McIlvanney
Great Harbour	Kasia Smith	

		<b>Marine Tourism</b>						<b>Oct</b> 2023	<b>Project Overall Status</b> Amber		
<b>Project Update</b>											
<b>Project Scope Status</b>				<b>Amber</b>		<b>Project Budget Status</b>			<b>Amber</b>		
<b>Monthly update - provide narrative</b>						<b>Project Lead: Kathleen Dow</b>					
<p>Marine Tourism Programme Business Case scope of change in progress to respond to ScotGov feedback and covering increased scale of the Cumbrae project, viability analysis of the Ardrossan Project and reduced scale of the Arran Project. Timeframes for submission and review of the updated PBC and Cumbrae OBC (target Dec 2023 to be discussed with PMO). Cumbrae Project - OBC complete to be submitted with updated PBC. Cumbrae Marina operator development and procurement plan and permissions and consents plan prepared and awaiting mobilisation upon approval of OBC. Millport Flood Prevention Scheme off-shore breakwaters under construction and to be completed by spring 2024, enabling the marina works to proceed. Investigations to remove the timber section of Millport Pier progressing with Harbours/Floods Teams, to align marina and pier interdependencies to minimise risks ie costs and time delays. Exploring opportunities related to the removal of Millport pierhead buildings and requirements of the marina onshore spatial needs and facilities. Arran Project - a re-scope of options with stakeholders has identified a technically and financially viable solution at Lamlash. This is under further development as part of the re-design of the Programme Business Case.</p>											
<b>Project Targets</b>											
<b>Business Cases</b>		<b>Target date</b>	<b>Status</b>				<b>Benefits Realisation (top 5 deliverables)</b>		<b>Target</b>	<b>Actual</b>	
OBC		31/12/2023	Green				AGD/O/1 - New Jobs Created (Direct and Indirect)		30	tbc	
FBC		30/03/2026	Green				AGD/O/2 - Construction Jobs Created		81	tbc	
Cumbrae		30/03/2026	Green				AGD/O/9 - Development Space Unlocked		6 Ha	tbc	
Arran		28/02/2026	Amber				AGD/O/10 - Reduced and vacant derelict land		0.1 Ha	tbc	
Ardrossan		28/02/2027	Red				AGD/O/13 - increase in visitors(day and night)		100000	tbc	
<b>Progress Update (top priority milestones as per current implementation Plan)</b>											
<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>				<b>Milestone</b>		<b>Due date</b>	<b>Milestone status</b>
OBC approved by Government			31/12/2023	Green				Construction/Project completed and Handover (RIBA Stage 5-6: Construction & Handover)		31/01/2027	Green
Completion of detailed design - RIBA Stage 3			31/12/2024	Green				Operating project (RIBA Stage 7) and reporting		30/07/2027	Green
Completion of technical design - RIBA Stage 4 and issue of tender			30/08/2025	Green							
FBC approved by Joint Committee			30/03/2026	Green							
Construction/Project Start (RIBA Stage 5: Manufacturing & Construction)			31/07/2026	Green							
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>										<b>Target Closure Date (dd/mm/yyyy)</b>	
<b>Risk</b>		<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>				
Changes to capital costs or inappropriately quantified cost provisions or increasing costs that reduce scope of marina projects		5	5	25	Red	Red	<ul style="list-style-type: none"> <li>Detailed technical studies in place to inform design</li> <li>Design team includes a cost consultancy and detailed assessment of contingency and optimism bias is in place</li> <li>Regularly review viability of each project. Consider what is possible within budget.</li> </ul>			31/3/26 - Dependent Upon PBC approval concluded at OBC - finalised in detailed at FBC	
Development agreement and market economy investor principle for Ardrossan fails to secure support		5	4	20	Red	Red	<ul style="list-style-type: none"> <li>Project team taking legal advice in terms of subsidy control and agreements will be based on commercial lease terms required for projects.</li> </ul>			31/3/26 - Dependent Upon OBC approval concluded at FBC	
Site/ground conditions are inadequate to provide cost certainty		5	3	15	Red	Red	<ul style="list-style-type: none"> <li>Full SI/GI and bathy surveys will be undertaken at an early stage in project development</li> </ul>			Dependent Upon OBC approval concluded at FBC	
Agreement on technical approach to quays/pontoons and land connections cannot be agreed with stakeholders		5	2	10	Amber	10	<ul style="list-style-type: none"> <li>Development of design / layouts / connections advanced with stakeholders / partners.</li> </ul>			Dependent Upon OBC approval concluded at FBC	
Agreements including Development and Operating Agreements between commercial partners and community interest company cannot be secured		5	2	10	Amber	10	<ul style="list-style-type: none"> <li>North Ayrshire Council seeking to advance formal Development and Operating Agreement between partners/operators and agree a joint approach. Stakeholder engagement maintained throughout programme.</li> </ul>			31/3/26 - Dependent Upon OBC approval concluded at FBC	





		<b>Great Harbour</b>						<b>Oct</b>	<b>Project Overall Status</b>	
								<b>2023</b>	<b>Green</b>	
<b>Project Update</b>										
<b>Project Scope Status</b>			Amber		<b>Project Budget Status</b>				Amber	
<b>Monthly update - provide narrative</b>					<b>Project Lead: Kasia Smith</b>					
<p>The Great Harbour Masterplan and related Consultation Report are completed and approval will be sought from Cabinet in Dec'23 and from Planning Committee in early 2024, following an elected members briefing in Nov'23. Consultants are working on RIBA Stage 3 design for Phase 1 Coastal Hub (Beach Park area) for completion and Gateway approval in early December. The Beach Pavilion building is the subject of a Market Feasibility Study to establish the viability of a re- development model with a community hub / restaurant. A procurement appraisal has been carried out regarding the appointment of consultants for the Phase 2 -Maritime Mile and for the contractor for the Phase 1 - Coastal Hub. The existence of title burdens related to the Harbour Master's Office (HMO) is impacting on progress of plans for the building. Notes of interest have been received from private food and drink operators and from a social enterprise for the HMO and these are being considered. A Memorandum of Understanding between the Scottish Maritime Museum and the Council is being prepared to formalise the partnership in order to progress Phase 3 of the Great Harbour - the Maritime Heritage Hub.</p>										
<b>Project Targets</b>										
<b>Business Cases</b>			<b>Target date</b>	<b>Status</b>	<b>Benefits Realisation (top 5 deliverables)</b>				<b>Target</b>	<b>Actual</b>
OBC			25/06/2021	Complete	AGD/O/1 - New Jobs Created (Direct and Indirect)				145	tbc
FBC			31/03/2024	Green	AGD/O/2 - Construction Jobs Created				99	tbc
Phase 1 FBC			31/03/2024	Green	AGD/O/9 - Development Space Unlocked				9800 sqm	tbc
Phase 2 FBC			31/10/2024	Green	AGD/O/10 - Reduced and vacant derelict land				6Ha	tbc
Phase 3 FBC			31/03/2025	Green	AGD/O/16 - Leverage Funding (incl LA, HE/FE, Private Sector and any other leverage)				£4,000,000.00	tbc
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>										
<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>	<b>Milestone</b>				<b>Due date</b>	<b>Milestone status</b>
FBC approved by Joint Committee			31/03/2024	Green	Statutory Consents				30/06/2024	Green
Completion of detailed design - RIBA Stage 3			31/12/2024	Green	Completion of technical design - RIBA Stage 4				30/05/2024	Green
Construction/Project Start (RIBA Stage 5: Manufacturing & Construction)			15/05/2024	Green	Completion of Construction Tender				31/08/2024	Green
Construction/Project completed and Handover (RIBA Stage 5-6: Construction & Handover)			31/10/2025	Green	Internal sign-off of FBC (NAC Cabinet)				30/09/2024	Green
Reporting: outputs/outcomes/CWB incl AGD Evaluation/Monitoring (RIBA Stage 7: Use)			31/10/2026	Green	FBC update to Joint Committee Phase 2				31/10/2024	Green
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>										<b>Target Closure Date (dd/mm/yyyy)</b>
<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>				
Increase in capital costs associated with changing scope or inappropriately quantified cost provisions	5	3	15	Red	Red	<ul style="list-style-type: none"> <li>• Cost estimates based on current market</li> <li>• Detailed technical studies to inform design and a fully detailed/itemised cost plan</li> <li>• Project management established to monitor costs</li> <li>• Optimism bias built into costings</li> <li>• Future design team to include cost consultancy</li> <li>• Additional internal and external funding bias</li> </ul>				
Economic downturn as a result of Covid-19	3	3	9	Yellow	Green	<ul style="list-style-type: none"> <li>• Robust project management in place to analyse impact on this project and wider sector and focus will be placed on this project as an important element of the recovery agenda in Ayrshire</li> <li>• Project team will work with contractors to understand the impact of social distancing on the labour force but expected to be minimal given this is land based</li> <li>• Continue economic analysis and development of recovery plans will be implemented</li> <li>• Robust project scoping should continue to ensure the facility meets needs</li> </ul>				
Project outcomes, including inclusive growth and reducing inequalities, fail to be delivered	4	2	8	Yellow	Green	<ul style="list-style-type: none"> <li>• AGD PMO is currently working with project leads to develop a consistent approach to ensure inclusive growth, equalities and community wealth building outcomes are embedded in each AGD business case. This approach will ensure explicit commitment to how the project will achieve inclusive growth and reduce inequality</li> </ul>				
Technical approach to quays/pontoons and land connections cannot be agreed with key stakeholders	4	2	8	Yellow	Green	<ul style="list-style-type: none"> <li>• Development of Partnership/Operator Plan and detailed GANTT Programme ensuring programme allows time for engagement and approvals</li> <li>• PPIP route minimises risks and ensures full engagement with statutory bodies and community</li> <li>• NAC in discussion with Harbour Authority</li> <li>• Development Briefs drafted for Great Harbour</li> </ul>				

## Project Updates – Digital Programme 30 September 2023





Project Name	Project Lead	Senior Responsible Officer
Digital Infrastructure & Sub Sea Cable (TBC)	Simon Yeardley	Louise Reid

	<b>Digital Infrastructure &amp; Subsea Cable (TBC)</b>					Oct	Project Overall Status	
						2023	Red	
<b>Project Update</b>								
Project Scope Status			red		Project Budget Status		red	
Monthly update - provide narrative				Project Lead: Simon Yeardeley				
<p>Following on from the Partnership board meeting held on the 7th of September where endorsement of scope option 5b was given by the board a change request will now be made to the (AEIC) in November 2023. Where option 5b has been identified as the preferred option, two funding scenarios will be presented:</p> <p>i) Scenario 1: Available funding is split amongst lead authorities based on their AGD contribution and settlement, with Lead Authorities prioritising how spend is then apportioned across AGD capital projects, or:</p> <p>ii) Scenario 2: Regional partners allocate funds and prioritise projects based on regional economic benefits realised. <span style="float: right;">It is proposed that funding from the de-scoped Subsea Cable and Infill projects will be apportioned to in train AGD projects identified by the key SRO's as having key connectivity and infrastructure requirements and where there is a risk of stalling or failure to deliver due to lack of sufficient funding.</span></p>								
<b>Project Targets</b>								
<b>Business Cases</b>		<b>Target date</b>	<b>Status</b>	<b>Benefits Realisation (top 5 deliverables)</b>			<b>Target</b>	<b>Actual</b>
OBC		tbc	under rescope	AGD/O/1 - New Jobs Created (Direct and Indirect)			tbc	tbc
FBC		tbc	under rescope	AGD/O/2 - Construction Jobs Created			tbc	tbc
Phases		Target date		AGD/OT/1 - Job levels (new and maintained)			tbc	tbc
Phases		Target date		AGD/OT/3 - Digital Usage patterns			tbc	tbc
Phases		Target date		AGD/OT/7 - Additional investment (incl Foreign Direct Investment)			tbc	tbc
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>								
<b>Milestone</b>			<b>Due date</b>	<b>Milestone status</b>	<b>Milestone</b>		<b>Due date</b>	<b>Milestone status</b>
Report on Re-scope exercise to Partnership Board			27/04/2023	Complete				
Joint Committee approve re-scope of project			22/05/2023	Complete				
AEIC approve re-scope of project (Mtg date tbc)			30/10/2023	Amber				
change management process applied			30/11/2023	Amber				
Project Completion			30/09/2026	Amber				
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>								
<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>	<b>Target Closure Date (dd/mm/yyyy)</b>	
Cost overruns	2	2	4	Yellow	Green	<ul style="list-style-type: none"> <li>Rescoping exercise has concluded and identified a valid option that can be delivered by reprioritisation of current budget to in train AGD projects</li> <li>Robust contract management in place</li> <li>Appropriate procurement procedures followed and optimism bias built into business case</li> </ul>	30/10/2023	
Failure to reach consensus on project re-scope option	2	2	4	Yellow	Green	<ul style="list-style-type: none"> <li>Stakeholder engagement</li> <li>Re-scope proposal scope 5b approvals and approved by Partnership Board via established AGD governance</li> </ul>	30/10/2023	
Resource availability	3	2	6	Yellow	Green	<ul style="list-style-type: none"> <li>Effective deployment of resource to support delivery of the project</li> </ul>	30/09/2026	

## Project Updates – Regional Skills & Inclusion Programme 30 September 2023



Project Name	Project Lead	Senior Responsible Officer
Ayrshire Skills Investment Fund	Laura Neill	Neale McIlvanney
Working for Healthy Economy		

		<b>Ayrshire Skills Investment Fund</b>						<b>Oct</b>	<b>Project Overall Status</b>	
								<b>2023</b>	<b>Amber</b>	
<b>Project Update</b>										
<b>Project Scope Status</b>			<b>Amber</b>				<b>Project Budget Status</b>			<b>Green</b>
<b>Monthly update - provide narrative</b>					<b>Project Lead: Laura Neill</b>					
The FBC has been endorsed by SG and was approved by the Ayrshire Economic Joint Committee in August 2023. Plans for delivery are emerging through ASIF sub-committee with agreement on the Delivery Model with intention to consider proposals from Ayrshire College, University of the West of Scotland and Employer Grant applications in November 2023. The Employer Grants Programme was launched in October inviting employers to identify training requests to support priority groups within priority sectors.										
<b>Project Targets</b>										
<b>Business Cases</b>		<b>Target date</b>	<b>Status</b>		<b>Benefits Realisation (top 5 deliverables)</b>			<b>Target</b>	<b>Actual</b>	
OBC		30/04/2023	Complete		No of people benefiting from in work skills development			500	tbc	
FBC		30/06/2023	Complete		No of people benefiting from pre-employment upskills			500	tbc	
					People benefiting from accredited training			300	tbc	
					No of businesses benefiting from employees with improved skills levels			300	tbc	
					No of participants progressing to living wage opportunities			200	tbc	
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>										
<b>Milestone</b>		<b>Due date</b>	<b>Milestone status</b>		<b>Milestone</b>		<b>Due date</b>	<b>Milestone status</b>		
OBC approved by Government		25/07/2023	Complete		1st annual review		30/06/2024	Green		
FBC endorsed by Government		25/08/2023	Complete		complete mid-programme evaluation		31/03/2025	Green		
FBC approved by Joint Committee		07/08/2023	Complete		End of programme/final drawdown		31/03/2027	Green		
Development of guidance for fund applicants		30/06/2023	Complete		quarterly application deadlines			Green		
1st call for proposals		01/07/2023	Complete							
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>									<b>Target Closure Date (dd/mm/yyyy)</b>	
<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Score</b>	<b>AGD Status</b>	<b>SG Status</b>	<b>Mitigation Action</b>				
Project delays due to Covid-19	5	5	25			<ul style="list-style-type: none"> <li>Early analysis identifies that the need for this project may be greater as a result of Covid-19</li> <li>Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs</li> </ul>				
Programme does not secure sufficient partner buy in to ensure an effective set of interventions are designed and funded	1	1	1			<ul style="list-style-type: none"> <li>Early establishment of Regional Skills Board with strategic oversight</li> <li>Quarterly progress reports and annual review will inform decision making processes</li> <li>The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress</li> </ul>				
Failure to deliver anticipated impacts across the region in terms of Inclusive Growth	1	1	1			<ul style="list-style-type: none"> <li>Quarterly progress reports and annual review will inform decision making processes</li> <li>The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress</li> <li>The partnership will conduct a mid-programme evaluation to check the direction of travel is still correct</li> </ul>				
Disadvantaged residents do not see tangible benefits from projects	1	1	1			<ul style="list-style-type: none"> <li>Applicants to the fund will be required to detail how delivery against inclusion targets will be assured</li> <li>Quarterly progress reports and annual review will inform decision making processes</li> <li>The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress</li> </ul>				
Inadequate project management results in failure to delivery agreed outcomes	1	1	1			<ul style="list-style-type: none"> <li>The Regional Skills Board will provide expert advice on what should be supported through the fund</li> <li>Adopt programme and project management best practice</li> <li>These arrangements will be reviewed on an annual basis to ensure they remain fit for purpose</li> <li>The Steering Group will conduct a mid-programme evaluation and adjust project activity as appropriate</li> </ul>				

**Project Update**

<b>Project Scope Status</b>	Green	<b>Project Budget Status</b>	Green
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**Monthly update - provide narrative** **Project Lead: Laura Neill**

We continue to monitor progress to ensure effective delivery across Ayrshire. Working for a Healthy Economy continues to be delivered across Ayrshire to help individuals manage and improve their health to progress to or sustain employment. In September 2023 the following individuals were supported:

- 45 individuals were supported in September 2023
- Of the individuals completing the services to date there has been a 26.9% improvement in overall health and wellbeing
- On measuring anxiety, a 36.4% improvement in anxiety levels has been achieved
- Depression levels experienced have improved by 45.3%

We continue to monitor progress to ensure effective delivery across Ayrshire. A range of events and ongoing promotional activities has been undertaken to achieve the figures reported above.

**Project Targets**

Business Cases	Target date	Status	Benefits Realisation (top 5 deliverables)	Target	Actual
OBC	19/02/2021	Complete	No of people accessing assessment & report	960	tbc
FBC	22/02/2021	Complete	No of people accessing full management support via telephone	1600	936
			No of people accessing full case management support delivered face to face	3838	282
			No of people returning to work	1157	77
			Unemployed residents supported	4629	tbc

**Progress Update (top priority milestones as per current Implementation Plan)**

Milestone	Due date	Milestone status	Milestone	Due date	Milestone status
Evaluation commences	30/06/2022	Green	End of programme/final drawdown	31/03/2027	Green
Year 3 targets achieved	31/03/2024	Green			
Year 4 targets achieved	31/03/2025	Green			
Year 5 targets achieved	31/03/2026	Green			
Year 6 targets achieved	31/03/2027	Green			



**Project Risks (top 5 risks and their status will be included in the monthly report)** Target Closure Date (dd/mm/yyyy)

Risk	Impact	Likelihood	Score	AGD Status	SG Status	Mitigation Action	Target Closure Date (dd/mm/yyyy)
Implementation: Over demand or lack of demand	5	5	25			<ul style="list-style-type: none"> <li>• Proposed targets are based on delivery experience across Scotland and the experience of delivering a case management service in North Ayrshire recently</li> <li>• The proposal as it stands is designed to remove barriers to accessing this service. In the event of over demand, referral criteria can be set to reduce demand</li> <li>• Project Board has discussed geographical disparity between geographies and agreed mitigation action. Agreed to review again in October.</li> </ul>	
Project delay and macro-economic impact of Covid-19 and recovery	5	5	25			<ul style="list-style-type: none"> <li>• Early analysis identifies that the need for the project is unlikely to be diminished – in fact may be greater</li> <li>• Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure proposal meets needs</li> </ul>	
Unforeseen complexities that require additional funding	1	1	1			<ul style="list-style-type: none"> <li>• Provide for contingency</li> <li>• Provide Green Book compliant optimism bias allowances</li> <li>• Similar project has been delivered previously</li> <li>• Project monitoring will track potential impacts and create ability to respond</li> </ul>	
National programmes are introduced which result in duplication	1	1	1			<ul style="list-style-type: none"> <li>• Closely monitor national developments and build in flexibility to contracting arrangements to allow us to change course at short notice if national provision is introduced that duplicates provision.</li> </ul>	
Failure to deliver anticipated outputs and outcomes. Failing to achieve more inclusive growth and/or reduce poverty by increasing the income of people in deprived areas or protected characteristic groups.	1	1	1			<ul style="list-style-type: none"> <li>• Closely monitor national developments and have built in flexibility to contracting arrangements to allow us to change course at short notice to respond to programme impact</li> <li>• Covid-19 impacts on specific groups will be assessed. Early indications are that young people, females, those with health issues or disabilities will be disproportionately impacted by recession, therefore more targeted</li> </ul>	
Implementation: End of project 'cliff edge'	1	1	1			<ul style="list-style-type: none"> <li>• Would hope to influence the national policy around occupational health services, as a legacy of the programme</li> </ul>	
Appointed contractor could be impacted negatively by Covid-19	1	1	1			<ul style="list-style-type: none"> <li>• As part of procurement process, robust checks have been made on financial standing of delivery organisations</li> </ul>	

**Project Updates – Community Wealth Building Programme 30 September 2023**



Project Name	Project Lead	Senior Responsible Officer
Community Wealth Building	Emma McMullen	Neale McIlvanney

	<b>Community Wealth Building</b>						Oct	<b>Project Overall Status</b>			
							2023		Green		
<b>Project Update</b>											
Project Scope Status			Green			Project Budget Status			Green		
Monthly update - provide narrative						Project Lead: Emma McMullen					
<p>The programme is progressing well having now surpassed the headline target of supporting over over 900 unique enterprises with CWB in the Ayrshire region. In addition to daily delivery of key programme outputs, the programme also supported a Meet the Buyer   Ayrshire event hosted in East Ayrshire during the Ayrshire Chamber business week to help progress the procurement pillar outcomes of the programme. Most recently, Fair Work Ayrshire coordinated and hosted a job fair at Ayrshire College which was attended by 385 jobseekers. 27 businesses collaborated on the day, including anchor institutions such as the NHS, Police, SF&amp;RS, Ayrshire College, DWP, NAC and EAC, and wider business stakeholders such as Woodward, Spirit, Emergency One, TPS Weldtech and Green Home Systems. Looking forward, the programme is exploring options beyond March 2024 to ideally enable continued delivery of outputs and a streamlined approach to CWB through enterprise support in Ayrshire.</p>											
<b>Project Targets</b>											
Business Cases		Target date	Status				Benefits Realisation (top 5 deliverables)		Target	Actual	
OBC		12/02/2021	Complete				CWB Officers & Action Plans in place - creation of CWB Locality Baselines		15	all officers in post	
FBC		22/02/2021	Complete				Total enterprises engaged		920	956	
							Employers undertaking Fair Work Action Plans		90	124	
							Enterprises receiving financial assistance		265	245	
							New enterprises supported		96	136	
<b>Progress Update (top priority milestones as per current Implementation Plan)</b>											
Milestone		Due date	Milestone status				Milestone		Due date	Milestone status	
Fair work inspiration week (incl RLW & Disability Awareness)		30/11/2023	Green				Ayrshire CWB Enterprise Awards & Programme Achievements celebration		30/04/2024	Green	
Fair work job fair		28/02/2023	Green				Monthly Programme Steering Group Meetings		31/03/2024	Green	
500 Ayrshire enterprises supported by the CWB programme		31/03/2023	Green				Reporting to PMO, Ayrshire REP & EJC members		31/03/2024	Green	
Programme case study showcase - SG visits		31/05/2023	Green				Annual report		31/03/2024	Green	
1000 Ayrshire enterprises supported by the CWB & FWA programme		31/03/2024	Green				Project end date/final review/final report/final drawdown		31/03/2024	Green	
<b>Project Risks (top 5 risks and their status will be included in the monthly report)</b>									Target Closure Date		
Risk	Imp act	Likelihood	Score	AGD Status	SG Status	Mitigation Action			(dd/mm/yyyy)		
Project delays due to Covid-19	4	4	16			<ul style="list-style-type: none"> <li>Early analysis identifies that the need for this project may be greater as a result of Covid-19</li> <li>Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs</li> </ul>					
Programme does not secure sufficient partner buy in to ensure an effective set of interventions are designed and funded	1	1	1			<ul style="list-style-type: none"> <li>Early establishment of Regional Skills Board with strategic oversight</li> <li>Quarterly progress reports and annual review will inform decision making processes</li> <li>The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress</li> </ul>					
Failure to deliver anticipated impacts across the region in terms of Inclusive Growth	1	1	1			<ul style="list-style-type: none"> <li>Quarterly progress reports and annual review will inform decision making processes</li> <li>The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress</li> <li>The partnership will conduct a mid-programme evaluation to check the direction of travel is still correct</li> </ul>					
Disadvantaged residents do not see tangible benefits from projects	1	1	1			<ul style="list-style-type: none"> <li>Applicants to the fund will be required to detail how delivery against inclusion targets will be assured</li> <li>Quarterly progress reports and annual review will inform decision making processes</li> <li>The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress</li> </ul>					
Inadequate project management results in failure to delivery agreed outcomes	1	1	1			<ul style="list-style-type: none"> <li>The Regional Skills Board will provide expert advice on what should be supported through the fund</li> <li>Adopt programme and project management best practice</li> <li>These arrangements will be reviewed on an annual basis to ensure they remain fit for purpose</li> <li>The Steering Group will conduct a mid-programme evaluation and adjust project activity as appropriate</li> </ul>					



Appendix 2 - Quarterly Communications Report as at October  
23

Project	Quarter 2 Review	Quarter 3 Plans
<b>Spaceport Initiative</b>	RIBA Stage 3 design complete. Discussion ongoing with regards to land acquisition and operating model.	No media proposed until further clarity reached on project.
<b>Aerospace and Space Innovation Centre (ASIC)</b>	Appointed Ironside Farrar as consultant to create OBC for ASTAC. Appointed Project lead from within SAC Economy & Regeneration team. Agree timeline for OBC submission. Cabinet paper sign off. Key roles/partners identified.	Establish steering group with SAC/Consultant/AC. Define a viable ASTAC proposition and and agree the Definition/Scope/Objectives. Agree Roles/ Responsibilities. Work supporting College business plan & Land deal with GPA underway.
<b>Commercial Space Prestwick</b>	Site clearance now complete and detail design development ongoing.	No media proposed until further clarity reached on project.
<b>Prestwick Infrastructure</b>	Progress is being made towards completion of the STAG. Following approval to discard the history phased roads enabling projects a further report is now prepared and lodged for presentation to cabinet detailing the work undertaken to date.	November: Community council meeting with Monkton residents where reports will be delivered on traffic calming exercise outcomes.
<b>HALO Kilmarnock</b>	Captured in the Monthly Report	Captured in the Monthly Report
<b>Ayrshire Engineering Park (Moorfield)</b>	Two consultation events took place in October to share proposals to merge these 2 projects on the Moorfield site as Ayrshire Innovation Park (AIP). Branding options have been created for AIP. Communications activities included press, social media and email bulletins to encourage participation. A short survey was hosted on the AGD website for the duration of the consultation. <a href="https://lnks.gd/2/2TzMJJq">https://lnks.gd/2/2TzMJJq</a>	Findings from the consultations will help to inform the planning application.
<b>Ayrshire Manufacturing Investment Corridor (AMIC)</b>		

<b>i3 Flexible Space</b> (Expected Completion Summer 24)	Press opportunity to mark the construction start of the project has been pushed back to mid October 23.	October: Photo call is being arranged in November to mark the start of construction at a ground breaking event where key stakeholders will be invited to attend this development milestone.
<b>i3 Digital Processing Manufacturing Centre (DPMC) Phase 1 Comms Led by NMIS: Media activity set out below</b>	4 August Visit by Parliamentary Under Secretary (Scotland Office) John Lamont MP visited DPMC and met with Booth Welsh.	October: Press Release to be issued highlighting Community Wealth building in action. Local Kilwinning business Ailsa Reliability Solutions will be the supplier of technical support for the DPMC demonstrators.
	Filming being undertaken to develop an "explainer" video. This will tell the story about the new Digital Process Manufacturing Centre in. The video will be hosted on NMIS and partner websites and used within social media posts and presentations and at events.	February: Date of the official opening of the centre has been agreed 21st Feb 2024 - event planning taking place to organise arrangements
	DMPC represented at PharmaTech Integrates 2023 as part of the NMIS / CPI presence	

<b>Community Renewable Energy Project ( CoRE)</b>	Scope of project has been reviewed and refreshed, and recommendations were accepted by EAC Cabinet in September. Press release prepared and issued to promote the update. <a href="https://newsroom.east-ayrshire.gov.uk/news/renewed-focus-for-community-renewal-project">https://newsroom.east-ayrshire.gov.uk/news/renewed-focus-for-community-renewal-project</a>	
<b>Hunterston Strategic Development Area</b>	Work being carried out to finalise scope of offering. Communications activities will be aligned to this work, when required	Work being carried out to finalise scope of offering. Communications activities will be aligned to this work, when required

<b>International Marine Science and Environmental Centre (IMSE)</b>	Work progressing to complete OBC by 2023 including extension to MoU to a Collaboration Agreement. This will be based on the concept of Clyde monitoring array.	Potential media opportunities include: the signing of a tripartite Collaboration agreement with University of Stirling and Field Studies Council expected Autumn. Refreshed partnership agreement report to be presented to cabinet in autumn.
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<b>The Great Harbour, at Irvine Harbourside and Ardeer</b>	The team are in the final stages of developing a detailed masterplan for the project, following extensive consultation with the public. Planning permission for the project will be being sought by the end of 2023. The next quarter will see technical and operational progress on this project - with minimal public communications required at this stage.	Potential media opportunity include: the publication of the consultation results following the conclusion of the harbourside masterplan consultation, planning committee decision on plans expected November 24.
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<b>Marine Tourism</b>	The next quarter will see the development of the Marine Tourism Programme Business Case and outline business case for the Cumbrae Marina - minimal public communications will be required. Any communications required about the wider Marine Tourism programme will be developed in consultation with colleagues.	Potential media Opportunities: Marine Tourism Programme Business Case and Outline Business Case for the Cumbrae Marina development expected to be submitted to Government by December 23. Supporting communications will be provided in the works associated with the Millport Flood Protection Scheme breakwater development and coastal flood protection works.
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<b>Digital Subsea Cable and Digital Infrastructure</b>	None to report	None to report
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<p><b>Working for a Healthy Economy</b></p>	<p>Leaflet and poster display broadened to include more partners/ venues.</p> <p><u>Referral Stats</u></p> <table border="1" data-bbox="577 188 1144 331"> <thead> <tr> <th>Month</th> <th>East</th> <th>North</th> <th>South</th> <th>Unspecified</th> <th>Total Referrals</th> </tr> </thead> <tbody> <tr> <td>July</td> <td>30</td> <td>49</td> <td>15</td> <td>2</td> <td>96</td> </tr> <tr> <td>August</td> <td>27</td> <td>50</td> <td>26</td> <td>1</td> <td>104</td> </tr> <tr> <td>September</td> <td>25</td> <td>28</td> <td>12</td> <td>3</td> <td>68</td> </tr> <tr> <td><b>Q2 Total</b></td> <td><b>82</b></td> <td><b>127</b></td> <td><b>53</b></td> <td><b>6</b></td> <td><b>268</b></td> </tr> </tbody> </table> <p>This follows 395 total referrals in Q1. We will increase promotion in Q3.</p>	Month	East	North	South	Unspecified	Total Referrals	July	30	49	15	2	96	August	27	50	26	1	104	September	25	28	12	3	68	<b>Q2 Total</b>	<b>82</b>	<b>127</b>	<b>53</b>	<b>6</b>	<b>268</b>	<p>Further promotion will be run on social media including a video series created by Salus.</p> <p>We will explore how we can reach more employers as there is potential to increase referrals here, looking at further work with Business Teams to promote to their clients and other contacts.</p>
Month	East	North	South	Unspecified	Total Referrals																											
July	30	49	15	2	96																											
August	27	50	26	1	104																											
September	25	28	12	3	68																											
<b>Q2 Total</b>	<b>82</b>	<b>127</b>	<b>53</b>	<b>6</b>	<b>268</b>																											
<p><b>Ayrshire Skills Investment Fund</b></p>	<p>We will continue to work with the Project Lead to confirm the next steps for this project. A communications plan will be developed to meet project outcomes. Press release issued on £3 million training fund to help develop skills and employment opportunities to drive forward the Ayrshire economy.</p>	<p>In September a press release was issued to announce the £3m Ayrshire Skills Investment Fund.</p> <p>Following approval (expected around 9 Oct) we will launch and promote the employer skills grant to local businesses across Ayrshire.</p> <p>Presentation to be given to Ayrshire Economic Partnership Joint Committee Sub-group on Communications Plan to promote fund to key audience groups.</p>																														
<p><b>Community Wealth Building Fund</b></p>	<p>We will support the Programme Manager as required to promote the South Ayrshire event. We will also look at the wider social media, PR around community wealth building and identify some key highlights and case study features to promote during Q2.</p>	<p>South Ayrshire event was held on 27 Sept with over 160 attendees from business and organisations across Ayrshire. The video series has now been completed with the addition of a South Ayrshire film which was premiered at the event. During Q3 we will organise social media promotion and PR (where appropriate) to promote the support available to businesses and showcase the work of the AGD programme to date.</p> <p>We are also investigating the possibility of recording podcasts with businesses from across Ayrshire who have benefitted from CWB support. This work will start in Q3 and continue into Q4.</p>																														

**AYRSHIRE ECONOMIC JOINT COMMITTEE**

**MEETING – 20 NOVEMBER 2023**

**REPORT BY HEAD OF ECONOMIC GROWTH  
EAST AYRSHIRE COUNCIL**

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**SUBJECT: AYRSHIRE GROWTH DEAL -  
PROGRAMME RISK REGISTER UPDATE (OCTOBER 2023)**

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**PURPOSE OF REPORT**

1. To advise the Economic Joint Committee on the update for the AGD Programme Risk Register as of the end of October 2023. Please note this is further update to that report to the 7 September 2023 Partnership Board.

**RECOMMENDATIONS**

2. It is recommended that Members agree the content of the:
  - (i) The updated Programme Risk Register dated October 2023

**BACKGROUND**

3. The Ayrshire Economic Joint Committee (AEJC) (dated 26 June 23) approved the quarterly review and reporting of the AGD Programme Risk Register as a separate item on future AEPB and AEJC meetings.
4. The attached (Appendix 1) provides the latest update of the Programme Risk Register. This has been informed by the risk register of all projects within the programme. The top scoring programme and project risks are reported to the Chief Executives Group, Steering Group, AEPB and AEJC on a regular basis via the sharing of the monthly reports.

**MAIN REPORT**

5. The PMO has undertaken further a review of the Programme Risk Register in line with the recommendations of the AEJC. This has included reviewing the nature of the risks, their RAG status/scoring, and in the mitigation measures used to reduce the potential of risk. This review has been informed by the P7 October Monthly Report (as considered elsewhere on the agenda).
6. Further discussions have been held with the Government in order to

explore the best way to manage the challenges partners are experiencing on delivering key capital projects. Initial discussions have identified the potential for the Programme to undergo a midterm review, in line with the AGD Governance. This is referenced as a 'Checkpoint Review' (para 3.5 Governance Document v15 December 22). This states the following:

*A Checkpoint Review process will be developed and agreed with partners and governments to examine both the Growth Deal programme and component projects at key decision points in their lifecycle. It will look ahead to provide assurance that projects can progress successfully to their next stage.*

7. The Government has advised that the review should be entitled as a Programme Review 23/24 which will inform the financial year 24/25. The process of the Review is still early in its execution. Further details of the steps, scope, approach and timelines are provided elsewhere on the agenda under the AGD Programme Update item.
8. Therefore based on the Review at this point in time, no substantial changes are yet proposed to be made to the Register in terms of the risks identified and their RAG status. However amendments have been made to some of the mitigation measures in reflection of the proposed undertaking of a Programme Review of the programme and its projects. These changes are highlighted 'red underscored' textual changes in the attached (Appendix 1)
9. In the meantime the six risks identified with a 'red' RAG status still remain. These are:
  - (i) AGDRISK01 - Failure to achieve AGD programme objectives within agreed budget
  - (ii) AGDRISK02 - Failure to provide accurate projections for programme spend
  - (iii) AGDRISK03 - Failure to drawdown full AGD funding
  - (iv) AGDRISK04 - Delays in development and approval of business cases
  - (v) AGDRISK10 - Lack of resources in PMO
  - (vi) AGDRISK21 - Potential impact of international events upon cost of living crisis and economic prosperity of Ayrshire
10. At a project level, individual reviews are still underway. These reviews will inform the Programme Review where timings permit. Projects that are expected to undergo reviews in the near future, and are likely to be subject to change management include the Digital Programme (as reported previously to the Board) , Spaceport (being considered elsewhere on the agenda) and other key projects in the Prestwick cluster, AMIC and Moorfield. Other projects that may be subject to re-scoping include Marine Tourism and Hunterston.
11. Collectively once the review of projects have been completed then the level

of risk identified on the Programme Register should start to be reduced, in particular for the 'red' risks (AGD RISK01-04)

12. Finally discussions continue between the three Ayrshire Councils as the funders to help de-risk issues around PMO resources (AGDRISK10). Progress is being made on filling the current vacancy for the AGD Programme Manager and Business Support Assistant.
13. In conclusion it is considered that the Programme Risk Register continues to provide a more realistic reflection of the state of the challenges the programme are facing. 'Behind the scenes' senior management, project leads are working towards reviewing the deliverability of both the programme and individual projects so that they still meet the objectives and desired outcomes of the Deal. This activity is being undertaken in consultation with the Governments, so that we can all reach a satisfactory conclusion. Once completed partners should start to see amendments in the Risk Register and the de-risking of the risks identified with a 'red' RAG status.

## IMPLICATIONS

14. Eight implications have been considered in the preparation of this report.

Implications	Yes	No	Paragraph number in report
1. Policy/Strategic Planning	Yes		Para 15
2. Governance/Legal	Yes		Para 18
3. Human Resources	Yes		Para 19
4. Equality and Fairer Scotland Duty	Yes		Para 20
5. Financial	Yes		Para 17
6. Risk	Yes		Whole paper
7. Community Wealth Building		No	
8. Net Zero		No	

## ALIGNMENT WITH SUSTAINABLE, INCLUSIVE GROWTH AMBITIONS

15. Inclusion is a key driver for the AGD. Deal business cases for projects demonstrate how they will reduce inequalities and tackle the inclusion challenges specific to Ayrshire.
16. The Risk Register provides the framework for reviewing the challenges the Deal needs to address and enables effective mitigation measures to be undertaken that include meeting the headline Deal objective of delivering inclusive growth.

## FINANCIAL IMPLICATIONS

17. It is accepted by the Ayrshire Councils and the Government that risks should be managed and mitigated where necessary in order to support the

effective delivery of projects and the programme.

### **LEGAL IMPLICATIONS**

18. The legal implications arising from this report are covered through the Agreement between the three Ayrshire's Councils and the recently revised Governance Document which was approved at the Joint Committee meeting on 8 December 2023.

### **HUMAN RESOURCES IMPLICATIONS**

19. There are no immediate human resource implications arising from this report. However for the risk associated with lack of resources in PMO to be addressed there could be human resource implications.

### **EQUALITY IMPACT ASSESSMENT**

20. There is no direct equalities impact relating to this report. Inclusion is a key driver for the AGD. Project leads will be required to complete an Equality Impact Assessment for their project and append to the associated business case. Project leads have received Equality Impact Assessment training organised by the Scottish Government. Project Leads are being encouraged by the PMO to link up as soon as possible with their Equalities Officer within their authority who will be able to assist with this matter.

### **APPENDICES**

Appendix 1: Updated Risk Register – October 2023

#### **Background Papers:**

[Heads of Terms](#), signed by both the UK and Scottish Governments and Ayrshire's Councils on 8 March 2019

[Deal Document](#), signed by both the UK and Scottish Governments and Ayrshire's Councils on 19 November 2020

#### **Members requiring further information should contact:**

Graham Saunders, Ayrshire Growth Deal – Strategic Manager  
[Graham.saunders@east-ayrshire.gov.uk](mailto:Graham.saunders@east-ayrshire.gov.uk)


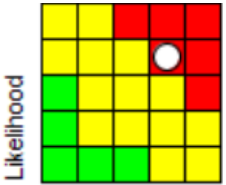
#### **Implementation Officer:**

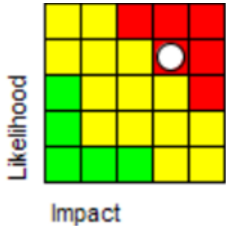
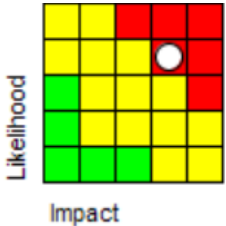
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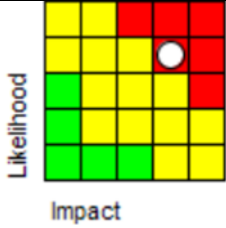
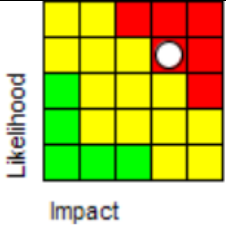
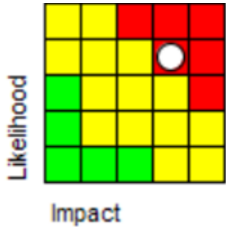
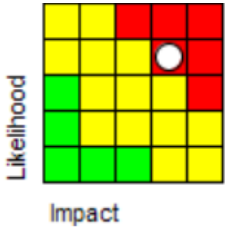


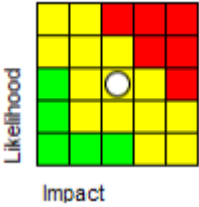
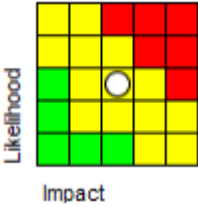
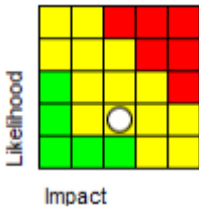
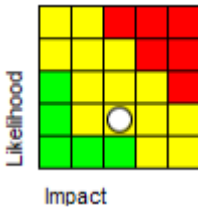
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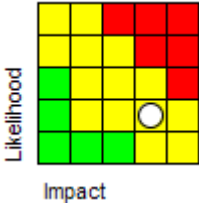
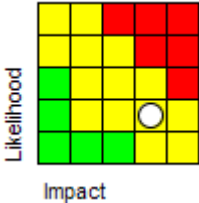
AYRSHIRE GROWTH DEAL UPDATED PROGRAMME RISK REGISTER (RISKS AND MITIGATIONS) – OCTOBER 2023

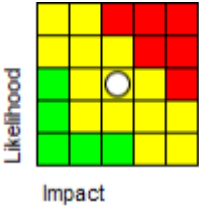
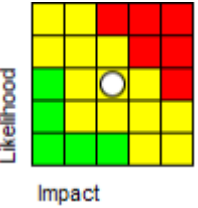
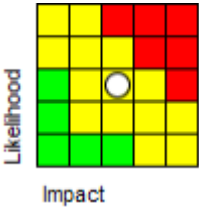
RISK	Current Matrix and Score	Proposed Matrix and Score	MITIGATION
<p>AGDRISK01 Failure to achieve AGD programme objectives within agreed budget</p> <p>Scoring – 16 NO CHANGE IN SCORING</p>	<p>Score 16</p>  <p>Likelihood</p> <p>Impact</p>	<p>Score 16</p>  <p>Likelihood</p> <p>Impact</p>	<ul style="list-style-type: none"> <li>• The Regional Economic Joint Committee, Regional Economic Partnership, AGD Steering Group in place to monitor progress and to address any weaknesses or issues that could impact on overall delivery</li> <li>• PMO developing monitoring and evaluation processes to ensure overall objectives are captured and any project failing to achieve and contribute to these is flagged and issues addressed as quickly as possible. This includes responding to increasing costs of general capital works within the context of the original funding made available by the Government in 2019. Leading to potential to review risks where evidence suggests insufficient funding to undertake and complete projects in line with expected outcomes.</li> <li>• <a href="#">PMO are working with Partners in undertaking a Programme Review in line with the AGD Governance.</a></li> <li>• PMO undertake ongoing environmental analysis to ensure programme objectives are relevant/valid as well as maximised where relevant and new benefits identified when materialising.</li> <li>• Internal governance include regular reviews undertaken by PMO with input from SROs, Project Leads and Chief Executives to ensure AGD</li> </ul>

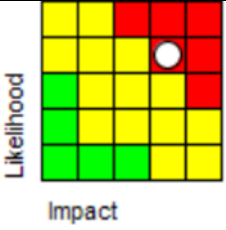
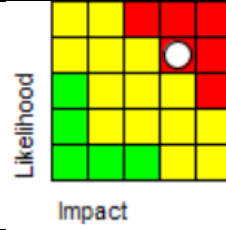
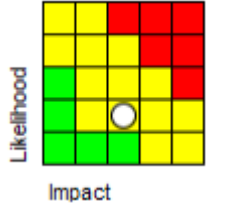
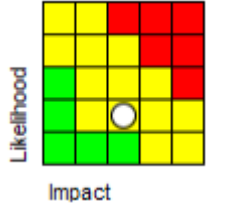
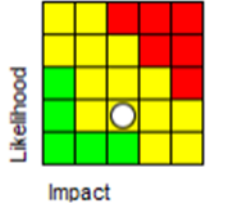
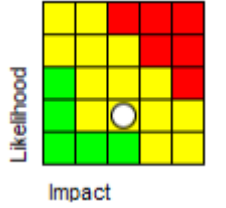
<p>AGDRISK02 Failure to provide accurate projections for programme spend</p> <p>Scoring - - 16 NO CHANGE IN SCORING</p>	<p>Score 16</p> 	<p>Score 16</p> 	<p>programme objective are met.</p> <ul style="list-style-type: none"> <li>• Issues will be escalated to CEOs, Regional Economic Partnership and Regional Economic Joint Committee as appropriate</li> <li>• <u>PMO working with Partners in undertaking a programme midterm Programme Review in order to clarify accurate projections for project and programme spend and delivery.</u></li> <li>• The Implementation Plan and Financial Plan have been updated to take account of the compressed funding. Project Leads have sought to address delays in gaining approved FBCs, by undertaking reviews of projects to fit existing budgets, which are shared with Finance Directors, the government and wider partners. Revised project mitigation measures seek to demonstrate how inflationary pressures will be managed</li> <li>• Business Case process monitored to ensure streamlined pathway to approval enabling projects to achieve FBC as quickly as possible to reach project delivery and clarity on expected spend.</li> <li>• PMO will regularly review, challenge and agree financial profiling/phasing with Project Leads, SROs and Finance Directors and ensure drawdown projections align with delivery timescales</li> <li>• OBCs/FBCs include an optimism bias factor as per Treasury Green Book and AGD Governance document</li> <li>• Inflationary factor addressed through project reviews e.g. re-scoping, phasing and reviewing benefits</li> </ul>
<p>AGDRISK03 Failure to drawdown full AGD</p>	<p>Score 16</p>	<p>Score 16</p>	<ul style="list-style-type: none"> <li>• PMO will regularly review, challenge and agree financial profiling/phasing with Project Leads, SROs</li> </ul>

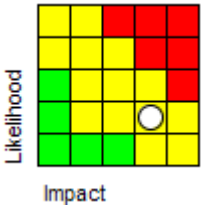
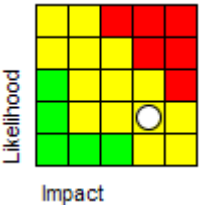
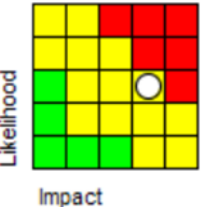
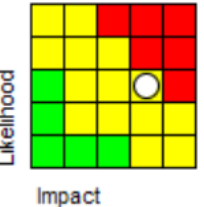
<p>funding</p> <p>Scoring – - 16 NO CHANGE IN SCORING</p>			<p>and Finance Directors and ensure drawdown projections align with delivery timescales. This includes PMO working with Project Leads, SRO's and S95's to ensure projects can be realised and help with change processes where necessary; and undertaking effective communication with Governments to ensure projects can be realised</p> <ul style="list-style-type: none"> <li>• <a href="#">PMO working with Partners in undertaking a Programme Review in order to clarify accurate projections for project and programme drawdown on AGD funding.</a></li> <li>• Achieve business case approval in line with latest Deal Implementation Plan, and AGD Governance document and, Finance guidance</li> <li>• Annual review of Financial Plan and Implementation Plan</li> <li>• The Scottish Government's financial reporting requirements will be implemented</li> <li>• Pivot projects proactively where possible in line with need and opportunity</li> <li>• Internal procedures, financial controls and processes in place to mitigate this risk</li> </ul>
<p>AGDRISK04 Delays in development and approval of business cases</p> <p>Scoring – 16 NO CHANGE IN SCORING</p>	<p>Score 16</p> 	<p>Score 16</p> 	<ul style="list-style-type: none"> <li>• Undertake focused engagement with SG and UKG in order to help ensure SBC, OBC and/or FBC comply with the Treasury Green Book and gain approval pin line with AGD governance</li> <li>• PMO working closely with Project Leads and Policy Leads within UK and Scottish Governments to support business case development and approval to an agreed timeline. This includes exploring a streamlined change process (pre-FBC) particularly where budget constraints are sole driver of change. <a href="#">In addition as part of a Programme Review,</a></li> </ul>

			<p><u>reschedule business case timescale for development and delivery.</u></p> <ul style="list-style-type: none"> <li>• Project Leads have received Green Book business case training</li> <li>• Project Leads' toolkit in place</li> <li>• Other partners assisting in developing business cases where capacity is low</li> </ul>
<p>AGDRISK05 Failure to capture accurate baseline data</p> <p>Scoring – 9</p> <p>NO CHANGE IN SCORING</p>	<p>Score 9</p> 	<p>Score 9</p> 	<ul style="list-style-type: none"> <li>• Project Leads required to establish appropriate economic, social and environmental baseline information in business cases</li> <li>• Establish and regularly review achievable outcomes, output and targets as part of the development and delivery of projects and realization of benefits in line with the Benefits Realisation Plan</li> </ul>
<p>AGDRISK06 Failure to deliver community benefits from AGD</p> <p>Scoring – 6</p> <p>NO CHANGE IN SCORING</p>	<p>Score 6</p> 	<p>Score 6</p> 	<ul style="list-style-type: none"> <li>• PMO and procurement managers from the three Ayrshire Councils have developed a AGD Community Benefit Tracker, a single mechanism to monitor delivery of community benefits so that remedial action can be taken if required</li> <li>• Result from the AGD Community Benefits Tracker system will be analysed and reported to the Regional Economic Partnership and Regional Economic Joint</li> <li>• PMO working with Project Leads to develop consistent approach to embedding inclusive growth, equalities, clean growth, and community wealth building within business cases through the Annual Performance Report</li> <li>• Procurement working group has been established and operates in order to support delivery of community benefits which includes development of a Community Benefits Tracker and coordination of</li> </ul>

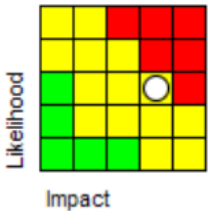
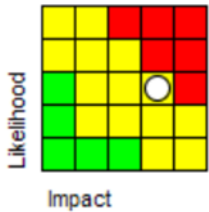
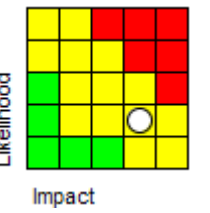
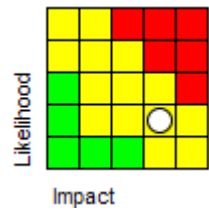
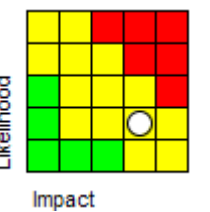
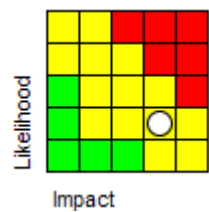
			procurement approaches so they support the development and delivery of projects
<p>AGDRISK07 Failure to deliver individual projects within the AGD programme</p> <p>Scoring – 8</p> <p>NO CHANGE IN SCORING</p>	<p>Score 8</p> 	<p>Score 8</p> 	<ul style="list-style-type: none"> <li>• Regular dialogue/reporting around progress takes place between PMO and Project Leads where issues are raised in advance and if appropriate escalated to government, Regional Economic Partnership and Regional Economic Joint Committee, this includes early discussions with both UK and Scottish Government</li> <li>• The Regional Economic Joint Committee, Regional Economic Partnership, AGD Steering Group and Project Boards in place to monitor project development, via monthly reports</li> <li>• Partners are regularly reviewing the AGD Benefits Realisation Plan every 6 months and reported to the Regional Economic Partnership and Regional Economic Joint Committee</li> <li>• Current change management process incorporated in the AGD Governance document and regularly reviewed.</li> <li>• <u>PMO working with Partners in undertaking a Programme Review. This will be informed by a review of individual projects deliverability and timescales.</u></li> <li>• Risk register in place for each project which is regularly reviewed via monthly reports, quarterly reports and when updating the Implementation Plan</li> <li>• Project risk registers included in business cases which are formally approved by government and Regional Economic Joint Committee</li> <li>• Management Information System in place and used to track progress of projects against key milestones, and reported via monthly and quarterly reports</li> </ul>

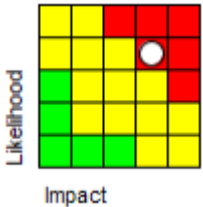
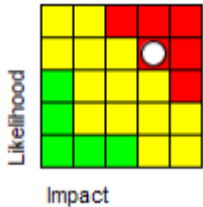
<p><b>AGDRISK08</b> Inadequate recognition of interdependencies and/or knock-on impacts between parts of the programme leading to issues with delivery and/or lost opportunities</p> <p>Scoring – 9</p> <p><b>NO CHANGE IN SCORING</b></p>	<p>Score 9</p> 	<p>Score 9</p> 	<ul style="list-style-type: none"> <li>• Programme meetings take place regularly between PMO, Project Leads and partners to ensure interdependencies are recognised and considered; and incorporated in approved business cases</li> <li>• PMO working closely with project leads to ensure interdependencies are fully articulated within the project business cases and for the programme as a whole.</li> <li>• All forms of interdependencies are monitored and managed to help enable the development and delivery of all Deal projects</li> </ul>
<p><b>AGDRISK09</b> Lack of resource within partner organisations to deliver projects in line with AGD programme</p> <p>Scoring – 9</p> <p><b>NO CHANGE IN SCORING</b></p>	<p>Score 9</p> 	<p>Score 9</p> 	<ul style="list-style-type: none"> <li>• Formal approvals of Councils' resources are now in place for AGD projects</li> <li>• Each Council has appointed staff and/or consultants to support project development and delivery</li> <li>• Each project currently has a Project Lead in place</li> <li>• Partners including SE are providing additional resource to relevant projects</li> <li>• Resources committed to the delivery of the programme, with further discussions underway to explore how to deliver the recently approved Regional Economic Strategy</li> <li>• Other funding streams is being explored to support ongoing revenue costs</li> <li>• Anticipated revenue streams will be subject to constant review through the monitoring procedures in place for AGD</li> </ul>
<p><b>AGDRISK10</b> Lack of resources in PMO</p> <p>Scoring – - 16</p>	<p>Score 16</p>	<p>Score 16</p>	<ul style="list-style-type: none"> <li>• A permanent PMO structure is in place but not all posts are currently filled, with recruitment now underway to start completing the team</li> <li>• The PMO is being supported by colleagues in each of the Councils in a number of work streams</li> </ul>

<p>NO CHANGE IN SCORING</p>			<ul style="list-style-type: none"> <li>PMO undertaking a review of capacity and skill sets in response to the changing requirements of the Office to service the deliver the Programme.</li> </ul>
<p>AGDRISK11 Inadequate governance arrangements to support AGD delivery</p> <p>Scoring - 6</p> <p>NO CHANGE IN SCORING</p>	<p>Score 6</p> 	<p>Score 6</p> 	<ul style="list-style-type: none"> <li>In accordance with AGD governance, Ayrshire Economic Joint Committee and Ayrshire Regional Economic Partnership has been formed and regular meetings are in place</li> <li>Scottish Government's financial reporting requirements have been implemented in the AGD Governance document and Financial guidance</li> <li>Partner agreement between EAC, as Accountable Body for the Deal, and North and South Ayrshire Councils has been drawn up and terms agreed</li> <li>PMO working with both governments to agree an overarching Monitoring and Evaluation Framework for the Deal</li> <li>Partners working together with both governments to keep under review the AGD Benefits Realisation Plan</li> <li>Current change management process to be reviewed with the governments and partners</li> <li>AGD is standing item on CEOs' meeting agenda</li> </ul>
<p>AGDRISK12 - Monitoring &amp; Evaluation Framework is not sufficiently defined</p> <p>Score - 6</p> <p>NO CHANGE IN SCORING</p>	<p>Score 6</p> 	<p>Score 6</p> 	<ul style="list-style-type: none"> <li>PMO is working with both governments to agree an overarching Monitoring and Evaluation Framework for the Deal which will be published in <a href="#">Spring 2024</a> and placed on the AGD web site. This will clarify existing acceptable M&amp;E arrangements.</li> </ul>

<p>AGDRISK13 Failure to attract commercial interest in AGD</p> <p>Scoring – 8</p> <p>NO CHANGE IN SCORING</p>	<p>Score 8</p> 	<p>Score 8</p> 	<ul style="list-style-type: none"> <li>• Undertake with communications and economic development teams, a market campaign will be developed, as part of Communication Plan and target potential investors</li> <li>• Communications Action Plan continues to be developed and updated, including a pipeline of project specific communications plans</li> <li>• Regular briefings with a range of stakeholders</li> <li>• Wider Ayrshire Economic Strategy is now approved by the Regional Economic Joint Committee and will ensure wider growth ambitions for Ayrshire are achieved</li> </ul>
<p>AGDRISK14 Programme not communicated effectively to stakeholders outwith Governance structure</p> <p>Scoring 12</p> <p>NO CHANGE IN SCORING</p>	<p>Score 12</p> 	<p>Score 12</p> 	<ul style="list-style-type: none"> <li>• Communications Action Plan completed and regularly updated, in conjunction with communication teams. This includes reporting on past and future communication activity AGD website launched and to be reviewed in conjunction with communications teams, in order to increase traffic and sharing of AGD information</li> <li>• AGD social media channels to be reviewed in conjunction with communications teams, with greater linkages made to activity related to the AGD and its progress</li> <li>• Regular briefings with a range of stakeholders via AGD programme update to the Regional Economic Partnership and Regional Economic Joint Committee</li> <li>• Communications Protocol in place and reviewed and updated annually, with activity regularly identified and delivered with the support of communication teams.</li> <li>• Resource within AGD to market and promote project activities and overall programme</li> </ul>



<p>AGDRISK15 Supply phasing within overall programme</p> <p>Scoring – 12</p> <p>NO CHANGE IN SCORING</p>	<p>Score 12</p> 	<p>Score 12</p> 	<ul style="list-style-type: none"> <li>Engagement undertaken in 2022 with the construction sector in order promote and explain the potential of the AGD programme to local businesses, so increase Invitation to Tender for future contracts.</li> <li>PMO regularly help facilitate and update Procurement teams of the AGD programme and relevant projects in terms of timescale for development and delivery. This includes how to manage expected peaks in programme activity and need for contracts to be advertised and managed. Market engagement through the Meet the Buyer events with the next being held in the Autumn 2023</li> <li>PMO working with procurement in supporting the sharing of market intelligence and the phasing of development activity</li> </ul>
<p>AGDRISK19 Loss of IT systems</p> <p>Scoring – 8</p> <p>NO CHANGE IN SCORING</p>	<p>Score 8</p> 	<p>Score 8</p> 	<ul style="list-style-type: none"> <li>PMO hosted by EAC and as such supported by IT recovery protocols and security systems of EAC to limit risk and mitigation measures</li> <li>Corporate IT recovery protocol and security systems limit the risk and mitigation measures</li> <li>Contingency Plan in place via EAC for the PMO, by SAC for the portal, and for the AGD teams across the three councils, by their respective employer (e.g. EAC, SAC, NAC)</li> </ul>
<p>AGDRISK20 Failure to ensure AGD projects align with a net zero transition</p> <p>Scoring – 8</p> <p>NO CHANGE IN SCORING</p>	<p>Score 8</p> 	<p>Score 8</p> 	<ul style="list-style-type: none"> <li>PMO and Project Leads working with Scottish Government to ensure the Deal is aligned with Scotland’s transition to net zero carbon emissions by 2045</li> <li>UK and Scottish Governments developed carbon management guidance for the AGD, as well as other City Region and Growth Deals in Scotland, which will allow the carbon emissions impact of the</li> </ul>

			<p>programme and projects to be assessed then minimised</p> <ul style="list-style-type: none"> <li>• A carbon management process appropriate for each project has been put in place to ensure any carbon emissions impact is minimised via business case process</li> <li>• PMO working with both governments to identify funding opportunities to support decarbonisation</li> <li>• PMO is working with both governments to agree an overarching Monitoring and Evaluation Framework for the Deal</li> </ul>
<p><b>NEW</b> - AGDRISK21 Potential impact of international events upon cost of living crisis and economic prosperity of Ayrshire</p> <p>Scoring – 16</p> <p>NO CHANGE IN SCORING</p>	<p>Score 16</p> 	<p>Score 16</p> 	<ul style="list-style-type: none"> <li>• Regular engagement with Project Leads to highlight any risks well in advance, so that the PMO can raise with government, Regional Economic Partnership and Regional Economic Joint Committee as appropriate</li> <li>• <a href="#"><u>PMO working with Partners in undertaking a Programme Review in response to the impact of costs pressures upon the delivery of the programme.</u></a></li> <li>• Regular review via monthly reports of outputs and timelines for business cases at every stage of development in the light of external events</li> <li>• Continued monitoring of external environment and government relations</li> <li>• Regional Economic Strategy approved in early 2023 and be supported by an emerging action plan</li> <li>• Regional Economic Partnership will provide voice for Ayrshire to press the case for government intervention investment</li> <li>• Incentives and other forms of assistance to complement the AGD and stimulate greater economic activity</li> </ul>

			<ul style="list-style-type: none"><li>• Current change management process to be reviewed with both governments and partners</li><li>• Regional Skills Investment Plan developed, with a focus on its implementation via Ayrshire Skills Group</li><li>• Robust data analysis shared amongst key partners and stakeholders to reach common understanding of local economic conditions, leading to early identification of real threats and opportunities - achieving consensus with partners and stakeholders on strategic objectives for inclusive and sustainable economic growth, with effective action planning and monitoring</li><li>• PMO co-ordinated evidence across Deals and submitted collective case via the Implementation Plan update to both governments setting out impact of increased costs or reduced the scope/outputs and time delivery if costs not met</li><li>• PMO developing a baseline approach to FBC which will be shared with both governments and partners</li></ul>
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