



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Ayrshire Economic Partnership Board

A meeting of the **Ayrshire Economic Partnership Board** of North Ayrshire Council will be held remotely on **Thursday, 25 April 2024** 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 Minutes

The accuracy of the Minutes of (a) Ordinary meeting of the Partnership held on 7 September 2023 and (b) Special meetings of the Partnership Board held on 18 September, 4 December 2023, 15 January and 19 February 2024 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).

3 Ayrshire Growth Deal (AGD) – Programme Risk Register Update (March 2024)

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

- 4 Ayrshire Growth Deal - Communications Protocol Update (March 2024)**
Submit report by the Head of Economic Growth (East Ayrshire Council) advising of the updating of the AGD Communications Protocol (copy enclosed).
- 5 Ayrshire Manufacturing Investment Corridor Project and Ayrshire Engineering Park**
Submit report by the Head of Economic Growth (East Ayrshire Council) providing an update on the Ayrshire Manufacturing Investment Corridor (AMIC) and Ayrshire Engineering Park (AEP) projects, following confirmation from both Scottish and UK Governments that the change request (proposing the co-location of both projects at Moorfield and the renaming of the site as the Ayrshire Innovation Park) has been approved (copy enclosed).
- 6 Urgent Items**
Any other items which the Chair considers to be urgent.
- 7 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 & 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.
- 8 Exempt Item Ayrshire Growth Deal Commercial Build Project – Company A**
Submit report by the Assistant Director – Strategic Change (South Ayrshire Council) on the above (copy sent under separate cover).

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>, 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.

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Ayrshire Economic Partnership Board Sederunt

Councillor Marie Burns	North Ayrshire Council
Councillor Joe Cullinane	North Ayrshire Council
Councillor Anthony Gurney	North Ayrshire Council
Craig Hatton	North Ayrshire Council
Russell McCutcheon	North Ayrshire Council
Louise Kirk	North Ayrshire Council
Councillor Douglas Reid	East Ayrshire Council
Councillor Iain Linton	East Ayrshire Council
Councillor Maureen McKay	East Ayrshire Council
Stephen Canning (sub)	East Ayrshire Council
Councillor Barry Douglas (sub)	East Ayrshire Council
Councillor William Lennox (sub)	East Ayrshire Council
Eddie Fraser	East Ayrshire Council
Richard Grieveson	East Ayrshire Council
Joseph McLachlan	East Ayrshire Council
David McDowall	East Ayrshire Council
Graham Saunders	East Ayrshire Council
Councillor Martin Dowey	South Ayrshire Council
Councillor William Grant	South Ayrshire Council
Councillor Bob Pollock	South Ayrshire Council
Mike Newall	South Ayrshire Council
George Hunter	South Ayrshire Council
Simon Foster	Spirit Aerosystems

Chair:

Apologies:

Attending:

Derek McCrindle	Scottish Enterprise
Angela Cox	Ayrshire College
Paul Zealey	Skills Development Scotland
Claire Baird	Ayrshire Chamber of Commerce
Alastair Dobson	Taste of Arran
Gillian Docherty	University of Strathclyde
Morag Goodfellow	Highland and Islands Enterprise
Craig Hume	Utopia Computers
Allison Rice	Scottish Government
Christopher McLeish	Scottish Government
Laura Barker	UK Government
Leslie Brennan	UK Government
Kevin Kane	Strathclyde University
Hisashi Kuboyama	Federation of Small Businesses
Johnny Mone	University of West of Scotland
Milan Radosavljevic	University of West of Scotland
Malcolm Roughead	Visit Scotland
Ian Welsh	Third Sector

At a Meeting of the Ayrshire Economic Partnership Board at 1.00 p.m. involving participation by remote electronic means.

Present

Councillors Marie Burns and Anthony Gurney (North Ayrshire Council); Douglas Reid, Iain Linton and Maureen McKay (East Ayrshire Council); and Martin Dowe and William Grant (South Ayrshire Council).

In Attendance

C. Hatton, N. McIlvanney and L. Kirk (North Ayrshire Council); D. McDowall, E. Mackay, P. Davies and D. Watt (East Ayrshire Council); G. Hunter, L. Reid, D. Yuille and S. Yearley (South Ayrshire Council); R. Phillips (Scottish Government); D. McCrindle (Scottish Enterprise); A. Cox (Ayrshire College); J. Mone (University of West of Scotland); A. Dobson (Taste of Arran); S. Foster (Spirit AeroSystems); H. Kuboyama (Federation of Small Businesses); M. Roughhead (Visit Scotland); C. Baird (Ayrshire Chamber of Commerce); S. Crauford (Craufurdland Country Estate); C. Stewart and H. Clancy (North Ayrshire Council).

Apologies

Councillor Bob Pollock (South Ayrshire Council) and Stephen Canning, substitute (East Ayrshire Council), Katie Hutton (Skills Development Scotland), Russell McCutcheon (North Ayrshire Council), Eddie Fraser and Graham Saunders (East Ayrshire Council), Eileen Howat (South Ayrshire Council), Paul Zealey (Skills Development Scotland), Gillian Docherty (University of Strathclyde), Christine Johnstone (Scottish Government) and Milan Radosavljevic (University of the West of Scotland).

Chair

Councillor Douglas Reid in the Chair (for first item of business only). Councillor Marie Burns, thereafter.

1. Appointment of Chair

It was agreed, subject to approval of the Joint Committee, to appoint Councillor Marie Burns (North Ayrshire Council) as Chair of the Ayrshire Economic Partnership Board for the period from September 2023 to 31 August 2024.

Councillor Burns took the Chair at this point in the meeting and thanked Councillor Douglas Reid, for starting off proceedings and for his hard work and diligence as previous Chair of both the Ayrshire Economic Joint Committee and Partnership Board.

2. 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

3. Minutes

The Minutes of Special meeting of the Partnership Board held on 7 August 2023 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

4. AGD Internal Audit Annual Report 2022/23

Submitted 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.

The Partnership Board agreed to (a) note and endorse the Internal Audit Annual Report 2022/23; and (b) the report being submitted for consideration at the next Ordinary meeting of the Ayrshire Economic Joint Committee (AEJC), noting the statutory context at paragraph 3 within the report which the internal audit function operated including freedom from limitations on the scope of work including reporting.

5. AGD Internal Audit Plan 2023/24

Submitted 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.

The Partnership Board agreed to (a) note and endorse the Internal Audit Annual Plan 2023/24; and (b) the report being submitted for consideration at the next Ordinary meeting of the Ayrshire Economic Joint Committee (AEJC), noting the statutory context at paragraph 6 where AGD assignments are formally approved within the individual Council's internal audit plans.

6. Ayrshire Growth Deal Programme Risk Register Update (August 2023)

Submitted 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.

Members asked questions and were provided with further information in relation to:-

- the scoring in the first column of Appendix 1 under 'Risk' which required an update to the narrative, to reflect the up-to-date position in relation to the Proposed Matrix and Score.

The Partnership Board agreed the content of the report, subject to an amendment to the first column of Appendix 1 (as referred to above), and recommended approval to the Ayrshire Economic Joint Committee for the updated Programme Risk Register dated August 2023.

7. Ayrshire Growth Deal - Programme Update

Submitted report by the Head of Economic Growth (East Ayrshire Council) on the programme of the Ayrshire Growth Deal and the development of its component projects as at 25 August 2023 (Appendix 1).

The Partnership Board agreed the content of the report and recommended approval to the Ayrshire Joint Committee to (a) note (i) the updates provided in the report, (ii) the progress across the Ayrshire Growth Deal Programme, and (iii) actions to address anticipated slippage of business case milestones and risk to financial drawdown.

8. Exclusion of the Public – Paras 9 & 10

The Partnership Board resolved 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 items of business on the grounds indicated in terms of Paragraphs 9 & 10 of Part 1 of Schedule 7A of the Act.

9. Ayrshire Growth Deal Spaceport delivery proposals

Submitted report by the Assistant Director – Strategic Change (South Ayrshire Council) on the above.

Following questions and discussion, the Partnership Board agreed to endorse the recommendations in the report.

10. Ayrshire Growth Deal Subsea Cable and Infill projects re-scoping proposal

Submitted report by the Assistant Director – Strategic Change (South Ayrshire Council) on the above.

Following questions and discussion, the Partnership Board agreed to endorse the recommendations in the report.

The meeting ended at 2.20 p.m.

At a Special Meeting of the Ayrshire Economic Partnership Board at 10.00 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); J. McLachlan, D. McDowall and D. Watt (East Ayrshire Council); G. Hunter (South Ayrshire Council); R. Phillips (Scottish Government); S. Foster (Spirit AeroSystems); D. McCrindle (Scottish Enterprise); A. Cox (Ayrshire College); P. Zealey (Skills Development Scotland); C. Baird (Ayrshire Chamber of Commerce); A. Dobson (Taste of Arran); Milan Radosavljevic (University of the West of Scotland). S. Foster (Spirit AeroSystems); C. Baird (Ayrshire Chamber of Commerce); 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), Louise Reid (South Ayrshire Council), Gillian Docherty (University of Strathclyde), Christine Johnstone (Scottish Government), H. Kuboyama (Federation of Small Businesses); J. Mone (University of West of Scotland) and M. Roughhead (Visit Scotland).

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 the Partnership Board to: (a) endorse the draft Year One Delivery Plan provided at Appendix One to the report; (b) agree to the submission of the Delivery Plan to the Ayrshire Economic Joint Committee for approval; and (c) receive further reports for future years of the Delivery Plan.

The Partnership Board received a presentation on the Ayrshire Regional Economic Strategy Delivery Plan, which included the draft One Year Delivery Plan as set out in Appendix One to the report.

Members asked questions and were provided with further information in relation to:-

- the timeline on the Regional Intelligence Hub and who would host that;
- the resourcing of the draft Year One Delivery Plan in view of the large number of actions and sub-actions contained therein; and
- the existing activities the Delivery Plan referred to including the workstreams that they reported to.

The Partnership Board agreed to (a) endorse the draft Year One Delivery Plan provided at Appendix One to the report; (b) the submission of the Delivery Plan to the Ayrshire Economic Joint Committee for approval; and (c) receive further reports for future years of the Delivery Plan.

The meeting ended at 10.40 a.m.

At a Special Meeting of the Ayrshire Economic Partnership Board at 1.00 p.m. involving participation by remote electronic means.

Present

Councillors Marie Burns, Joe Cullinane and Anthony Gurney (North Ayrshire Council); Maureen McKay (East Ayrshire Council) and Martin Dowey, William Grant and Bob Pollock (South Ayrshire Council).

In Attendance

R. McCutcheon, N. McIlvanney and L. Kirk (North Ayrshire Council); E. Fraser, D. McDowall and G. Saunders (East Ayrshire Council); L. Reid and D. Yuille (South Ayrshire Council); S. Foster (Spirit AeroSystems); D. McCrindle (Scottish Enterprise); A. Cox (Ayrshire College); C. Baird (Ayrshire Chamber of Commerce); H. Kuboyama (Federation of Small Businesses) and C. Stewart (North Ayrshire Council).

Apologies

Councillors Douglas Reid and Iain Linton (East Ayrshire Council); C. Hatton (North Ayrshire Council); R. Grieveson and J. McLachlan (East Ayrshire Council); M. Newall and G. Hunter (South Ayrshire Council); A. Dobson (Taste of Arran); G. Docherty (University of Strathclyde); M. Goodfellow (Highland and Islands Enterprise); K. Kane (Strathclyde University) and M. Roughhead (Visit Scotland).

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. Exclusion of the Public – Paras 9 & 10

The Partnership Board resolved 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 & 10 of Part 1 of Schedule 7A of the Act.

3. Spaceport Update

Submitted report by the Assistant Director – Strategic Change (South Ayrshire Council) on the above.

Following questions and discussion, the Partnership Board agreed to endorse the recommendations in the report.

The meeting ended at 1.40 p.m.

At a Special Meeting of the Ayrshire Economic Partnership Board at 2.00 p.m. involving participation by remote electronic means.

Present

Councillors Marie Burns, Joe Cullinane and Anthony Gurney (North Ayrshire Council); Iain Linton (East Ayrshire Council); and Martin Dowey, William Grant and Bob Pollock (South Ayrshire Council).

In Attendance

R. McCutcheon, N. McIlvanney, L. Kirk, E. McMullen, J. King and A. Finlayson (North Ayrshire Council); E. Fraser, R. Grieveson, D. McDowall and G. Saunders (East Ayrshire Council); L. Reid (South Ayrshire Council); L. Barker and L. Brennan (UK Government); S. Foster (Spirit AeroSystems); P. Zealey (Skills Development Scotland); A. Dobson (Taste of Arran); C. Stewart and S. Wilson (North Ayrshire Council).

Apologies

Councillors Douglas Reid and Maureen McKay (East Ayrshire Council), C. Hatton (North Ayrshire Council), M. Newall (South Ayrshire Council), A. Cox (Ayrshire College), C. Baird (Ayrshire Chamber of Commerce), G. Docherty (University of Strathclyde), H. Kuboyama (Federation of Small Businesses) and M. Roughhead (Visit Scotland).

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 Growth Deal (AGD) Community Wealth Building Change Request

Submitted report by the Executive Director, Place (North Ayrshire Council) presenting the summary mid-term review of the Ayrshire Growth Deal (AGD) Community Wealth Building (CWB) Programme for endorsement and seeking authorisation to submit a change request proposal for a one-year extension to the Ayrshire Economic Joint Committee. The AGD CWB Programme Review Report was set out at Appendix 1 to the report.

The Partnership Board received a presentation on the summary mid-term review of the Ayrshire Growth Deal (AGD) Community Wealth Building (CWB) Programme.

Members asked questions and requested that officers produce a breakdown in terms of type of industry engaging in the programme to help identify strengths and also business areas not engaging as much as others that could be further encouraged to participate in the Programme, going forward.

The Partnership Board agreed to (a) note the progress of the AGD CWB Programme and endorse the summary mid-term review; (b) endorse the project change request proposal to extend the programme by one year; (c) note the project change request proposal had been supported by the Scottish Government with confirmation being received on 18 December 2023; and (d) recommend approval of the change request to the Ayrshire Economic Joint Committee.

The meeting ended at 2.15 p.m.

At a Special Meeting of the Ayrshire Economic Partnership Board at 1.00 p.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 William Grant and Bob Pollock (South Ayrshire Council).

In Attendance

C. Hatton, R. McCutcheon, N. McIlvanney, L. Kirk and A. Finlayson (North Ayrshire Council); R. Grieveson, M. Watson and G. Saunders (East Ayrshire Council); L. Reid G. Hunter and D. Yuille (South Ayrshire Council); S. Foster (Spirit AeroSystems); D. McCrindle (Scottish Enterprise); A. Cox (Ayrshire College); C. Baird (Ayrshire Chamber of Commerce); A. Dobson (Taste of Arran); H. Kuboyama (Federation of Small Businesses); Milan Radosavljevic (University of West of Scotland); C. Stewart and S. Wilson (North Ayrshire Council).

Apologies

Councillors Joe Cullinane (North Ayrshire Council) and Martin Dowe (South Ayrshire Council); E. Fraser, J. McLachlan and D. McDowall (East Ayrshire Council); M. Newall (South Ayrshire Council); P. Zealey (Skills Development Scotland); G. Docherty (University of Strathclyde); L. Barker (UK Government) and M. Roughhead (Visit Scotland).

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 Growth Deal – Programme Risk Register Update (January 2024)

Submitted report by the Head of Economic Growth (East Ayrshire Council) providing an update on the AGD Programme Risk Register. The updated Programme Risk Register (Risks and Mitigations) was set out at Appendix 1 to the report.

The Partnership Board agreed to (a) note the content of the report; and (b) recommend that the Ayrshire Economic Joint Committee approve the updated Programme Risk Register dated January 2024, as set out at Appendix 1 to the report.

3. Ayrshire Growth Deal – Programme Update

Submitted report by the Head of Economic Growth (East Ayrshire Council) on the progress of the Ayrshire Growth Deal and the development of its component projects as at 31 January 2024. The Programme and Project Inductions were detailed at Appendix 1 to the report. Appendix 2 set out the Annual Performance Report for Quarter 3 (October – December 2023).

The Partnership Board agreed to (a) note the content of the report; and (b) recommend that the Ayrshire Economic Joint Committee note (i) the updates provided in the report and its appendices, (ii) the progress across the Ayrshire Growth Deal Programme, (iii) the outcome of the Annual Conversation and the development of Summary of the Programme Review and (iv) the progress made and next steps of the Programme Review 23-24 (including the various work streams which would inform on the Review's outcome).

4. Urgent Items

The Chair exercised discretion to allow consideration of the undernoted updates as a matter of urgency, to permit the Partnership Board to be updated and to allow appropriate action to be taken without delay.

4.1 Information Sharing on AGD Projects with Scottish and UK Governments

The Strategic Manager (Ayrshire Growth Deal) (East Ayrshire Council) updated the Partnership Board on information sharing arrangements with the Scottish and UK Governments and sought permission to share draft reports at pre-agenda stage, in order to provide full and comprehensive information on the projects under consideration for the Ayrshire Growth Deal (AGD).

The Partnership Board agreed to recommend to the Joint Committee that, going forward, officers be permitted to share draft reports with the Scottish and UK Governments, as appropriate, as a means of improving and enhancing communication with both Governments on the progress of the AGD projects underway.

4.2 Review of AGD Steering Group by Programme Management Office (PMO)

The Strategic Manager (Ayrshire Growth Deal) (East Ayrshire Council) provided an update to the Board on a review, by the Programme Management Office (PMO) of the steering group under the Ayrshire Growth Deal, and informed that a survey would shortly be sent to members of the steering group on its effectiveness and how it could be improved in terms of bringing greater value in terms of developing the AGD programme.

Noted.

4.3 Scotland Office of the UK Government – Local Economic Growth Review Questionnaire

The Strategic Manager (Ayrshire Growth Deal) (East Ayrshire Council) informed the Partnership Board that the Scotland Office of the UK Government had issued a questionnaire on the Local Economic Growth Review and had requested that the PMO coordinate a response on the questionnaire.

The Board agreed (a) to recommend to the Joint Committee that the PMO be instructed to (i) prepare a draft questionnaire response, (ii) circulate the draft to members of the Board by email, for comment and (iii) submit the final questionnaire response to the Scotland Office by the deadline date of 8 March 2024; and (b) to note that the agreed action would not prevent any authority from making their own individual response, notwithstanding the importance of avoiding any contradiction with regard to responses.

The meeting ended at 1.35 p.m.

AYRSHIRE ECONOMIC PARTNERSHIP BOARD

MEETING – 25 APRIL 2024

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

**SUBJECT: AYRSHIRE GROWTH DEAL – PROGRAMME RISK REGISTER
UPDATE – MARCH 2024**

PURPOSE OF REPORT

1. To advise the Economic Partnership Board Members on the update for the AGD Programme Risk Register.

RECOMMENDATIONS

2. Agree the content of the report and recommend approval to the Ayrshire Economic Joint Committee to note
 - (i) Approve the updated Programme Risk Register dated March 2024

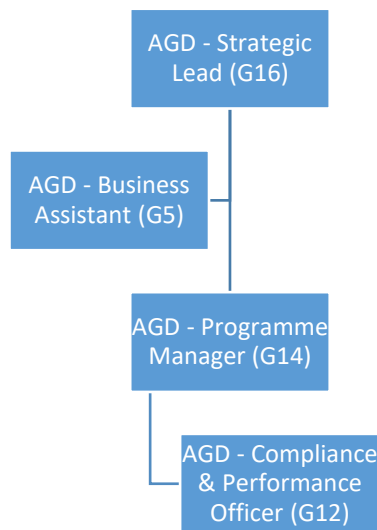
BACKGROUND

3. The AGD Programme Risk Register is a key tool in which to monitor and evaluate potential risks associated with the development and delivery of the programme. 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. It should be noted that 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 reviews regularly 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 the mitigation measures used to reduce the potential of risk. The review covers Q4 23/24 up to end of March 2024.
6. Since reporting last to the Board the PMO is now fully staffed with the

following positions forming the team:



7. As previously reported it should be noted that the PMO has undertaken a review of capacity and skill sets held in the Office. This is in response to the changing calls on the staff to support the delivery of the Programme. Discussions are currently underway with three funding Ayrshire Councils on the implications of the review. In terms of the Risk Register the scoring for AGDRISK10 - Lack of resources in PMO, remains the as previously reported.
8. The remaining risks identified with a 'red' RAG status are proposed not to be changed. 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) AGDRISK21 - Potential impact of international events upon cost of living crisis and economic prosperity of Ayrshire
9. The external context has not changed with significant environmental challenges such as the legacy of the Covid and Brexit, and the ongoing Ukraine war. Combined, these challenges have contributed to increased cost pressures that continue to impact upon the development and delivery of projects and the programme as a whole (AGDRISK21).
10. It is expected the rating of the 'Red' risks (AGD RISK01-04) is however expected to change once the outcome of the ongoing Programme Review is concluded and enacted. The Programme Review is ongoing and outcomes emerging that will be reported to the AEPB in the coming weeks. These outcomes will influence the updating of the draft Implementation Plan 24/25 which will incorporate the revised Financial Plan and updated Benefit.

Together these Plans will have an impact upon the current risk ratings.

11. In conclusion the Programme Risk Register provides a realistic reflection of the state of the challenges the programme are continuing to face. As noted the PMO are working across the partnership to conclude the Programme Review. Once agreed the Programme Review will provide a sound baseline in which to ensure the delivery of projects, which will help de-risk the current 'red' risks.

IMPLICATIONS

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

Implications	Yes	No	Paragraph number in report
1. Policy/Strategic Planning	Yes		Para 13-14
2. Governance/Legal	Yes		Para 16
3. Human Resources	Yes		Para 17
4. Equality and Fairer Scotland Duty	Yes		Para 18
5. Financial	Yes		Para 15
6. Risk	Yes		Whole paper
7. Community Wealth Building		No	
8. Net Zero		No	

ALIGNMENT WITH SUSTAINABLE, INCLUSIVE GROWTH AMBITIONS

13. 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.
14. 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

15. 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

16. 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 2022.

HUMAN RESOURCES IMPLICATIONS

17. 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

18. 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 – March 2024

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:

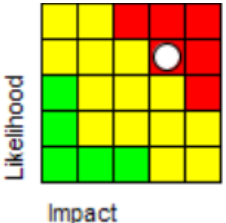
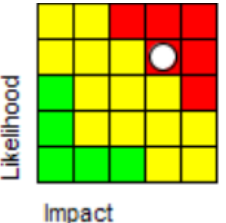
Graham Saunders, Ayrshire Growth Deal – Strategic Manager
Graham.saunders@east-ayrshire.gov.uk

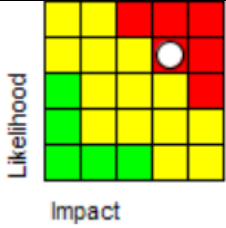
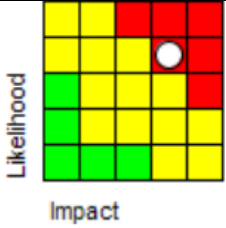
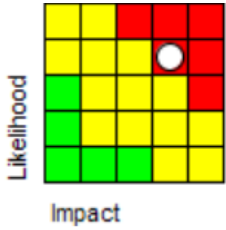
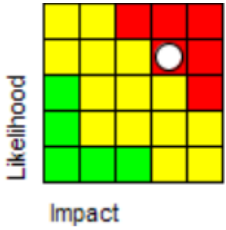
Implementation Officer:

Graham Saunders, Ayrshire Growth Deal – Strategic Manager
Graham.saunders@east-ayrshire.gov.uk

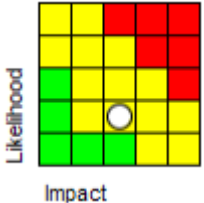
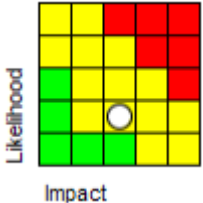
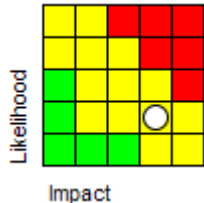
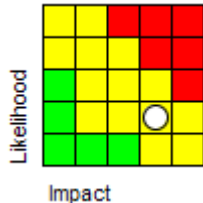
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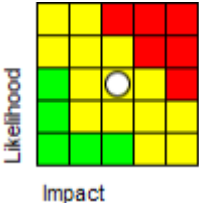
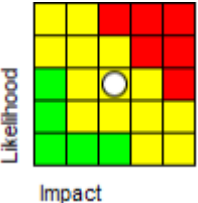
AYRSHIRE GROWTH DEAL UPDATED PROGRAMME RISK REGISTER (RISKS AND MITIGATIONS) – MARCH 2024

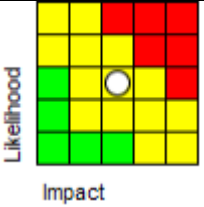
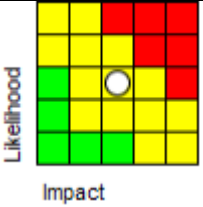
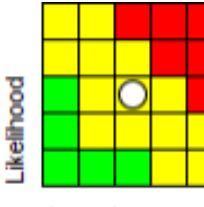
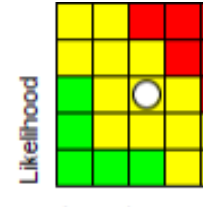
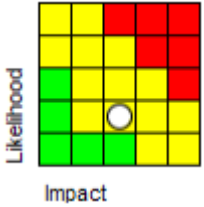
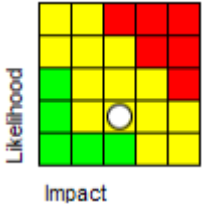
RISK	Current Matrix and Score	Proposed Matrix and Score	MITIGATION
<p>AGDRISK01 Failure to achieve AGD programme objectives within agreed budget</p> <p>Scoring – 16 NO CHANGE IN SCORING</p>	<p>Score 16</p> 	<p>Score 16</p> 	<ul style="list-style-type: none"> • The Regional Economic Joint Committee, Regional Economic Partnership, AGD Steering Group in place to monitor progress and to address any weaknesses or issues that could impact on overall delivery. • PMO ongoing monitoring and evaluation of Deal and project objectives in order to address issues early. 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 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.
<p>AGDRISK02 Failure to provide accurate projections for programme spend</p>	<p>Score 16</p>	<p>Score 16</p>	<ul style="list-style-type: none"> • Issues will be escalated to CEOs, Regional Economic Partnership and Regional Economic Joint Committee as appropriate • The Implementation Plan and Financial Plan being

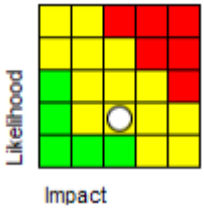
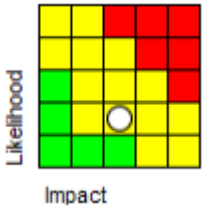
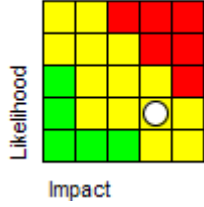
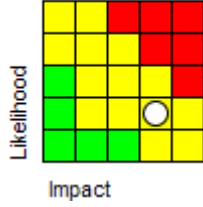
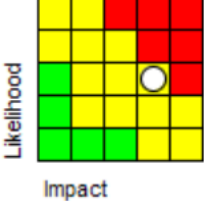
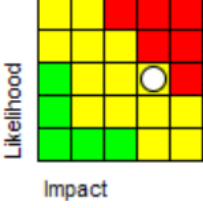
<p>Scoring - - 16 NO CHANGE IN SCORING</p>			<p>updated to take account of Programme Review outcomes. Project Leads have sought to address delays in gaining approved FBCs, by undertaking reviews of projects to fit existing budgets, which are shared with Finance Directors, the government and wider partners. Revised project mitigation measures seek to demonstrate how inflationary pressures will be managed</p> <ul style="list-style-type: none"> • 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
<p>AGDRISK03 Failure to drawdown full AGD funding</p> <p>Scoring - - 16 NO CHANGE IN SCORING</p>	<p>Score 16</p> 	<p>Score 16</p> 	<ul style="list-style-type: none"> • 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 • Achieve business case approval in line with latest Deal Implementation Plan, and AGD Governance

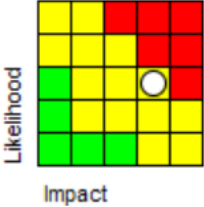
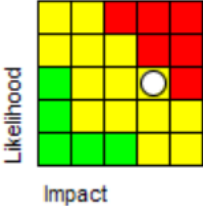
			<ul style="list-style-type: none"> document and, Finance guidance Annual review of Financial Plan and Implementation Plan The Scottish Government's financial reporting requirements will be implemented Pivot projects proactively where possible in line with need and opportunity Internal procedures, financial controls and processes in place to mitigate this risk
<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"> 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 in 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. 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
<p>AGDRISK05 Failure to capture accurate baseline data</p> <p>Scoring – 9 NO CHANGE IN SCORING</p>	<p>Score 9</p>	<p>Score 9</p>	<ul style="list-style-type: none"> Project Leads required to establish appropriate economic, social and environmental baseline information in business cases 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

<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"> • 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 • Result from the AGD Community Benefits Tracker system will be analysed and reported to the Regional Economic Partnership and Regional Economic Joint • 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 • 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 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"> • 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 • The Regional Economic Joint Committee, Regional Economic Partnership, AGD Steering Group and Project Boards in place to monitor project development, via monthly reports • Partners are regularly reviewing the AGD Benefits Realisation Plan every 12 months and reported to

			<p>the Regional Economic Partnership and Regional Economic Joint Committee</p> <ul style="list-style-type: none"> • Current change management process incorporated in the AGD Governance document and regularly reviewed • Risk register in place for each project which is regularly reviewed via monthly reports, quarterly reports and when updating the Implementation Plan • Project risk registers included in business cases which are formally approved by government and Regional Economic Joint Committee • Management Information System in place and used to track progress of projects against key milestones, and reported via monthly and quarterly reports
<p>AGDRISK08 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>NO CHANGE IN SCORING</p>	<p>Score 9</p> 	<p>Score 9</p> 	<ul style="list-style-type: none"> • Programme meetings take place regularly between PMO, Project Leads and partners to ensure interdependencies are recognised and considered; and incorporated in approved business cases • PMO working closely with project leads to ensure interdependencies are fully articulated within the project business cases and for the programme as a whole. • All forms of interdependencies are monitored and managed to help enable the development and delivery of all Deal projects
<p>AGDRISK09 Lack of resource within partner organisations to deliver projects in line with AGD programme</p> <p>Scoring – 9</p>	<p>Score 9</p>	<p>Score 9</p>	<ul style="list-style-type: none"> • Formal approvals of Councils’ resources are now in place for AGD projects • Each Council has appointed staff and/or consultants to support project development and delivery • Each project currently has a Project Lead in place • Partners including SE are providing additional resource to relevant projects

<p>NO CHANGE IN SCORING</p>			<ul style="list-style-type: none"> Resources committed to the delivery of the programme, with further discussions underway to explore how to deliver the recently approved Regional Economic Strategy Other funding streams is being explored to support ongoing revenue costs Anticipated revenue streams will be subject to constant review through the monitoring procedures in place for AGD
<p>AGDRISK10 Lack of resources in PMO</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"> A permanent PMO structure is in place with recruitment now completed. 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 on staff that form the Office
<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"> In accordance with AGD governance, Ayrshire Economic Joint Committee and Ayrshire Regional Economic Partnership has been formed and regular meetings are in place Scottish Government's financial reporting requirements have been implemented in the AGD Governance document and Financial guidance Partner agreement between EAC, as Accountable Body for the Deal, and North and South Ayrshire Councils has been drawn up and terms agreed PMO working with both governments to agree an overarching Monitoring and Evaluation Framework for the Deal Partners working together with both governments to keep under review the AGD Benefits Realisation Plan

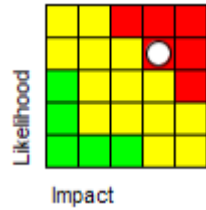
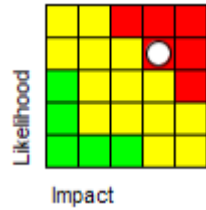
			<ul style="list-style-type: none"> • Current change management process to be reviewed with the governments and partners • AGD is standing item on CEOs' meeting agenda
<p>AGDRISK12 - Monitoring & Evaluation Framework is not sufficiently defined</p> <p>Score - 6</p> <p>NO CHANGE IN SCORING</p>	<p>Score 6</p> 	<p>Score 6</p> 	<ul style="list-style-type: none"> • PMO undertaking ongoing review of the overarching Monitoring and Evaluation Framework for the Deal which will be developed and published on the AGD web site. This will ensure acceptable M&E arrangements.
<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"> • Following conclusion of the Programme Review undertake with communications and economic development teams, a market campaign will be developed, as part of Communication Plan and target potential investors • Communications Action Plan continues to be developed and updated, including a pipeline of project specific communications plans • Regular briefings with a range of stakeholders • Wider Ayrshire Economic Strategy is now approved by the Regional Economic Joint Committee and will ensure wider growth ambitions for Ayrshire are achieved
<p>AGDRISK14 Programme not communicated effectively to stakeholders outwith Governance structure</p> <p>Scoring 12</p>	<p>Score 12</p> 	<p>Score 12</p> 	<ul style="list-style-type: none"> • 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 • AGD social media channels to be reviewed in

<p>NO CHANGE IN SCORING</p>			<p>conjunction with communications teams, with greater linkages made to activity related to the AGD and its progress</p> <ul style="list-style-type: none"> • Regular briefings with a range of stakeholders via AGD programme update to the Regional Economic Partnership and Regional Economic Joint Committee • Communications Protocol in place and reviewed and updated annually, with activity regularly identified and delivered with the support of communication teams. • Resource within AGD to market and promote project activities and overall programme
<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"> • 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. Review opportunity to repeat the exercise. • PMO 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 • PMO working with procurement in supporting the sharing of market intelligence and the phasing of development activity
<p>AGDRISK19 Loss of IT systems</p> <p>Scoring – 8</p>	<p>Score 8</p>	<p>Score 8</p>	<ul style="list-style-type: none"> • PMO hosted by EAC and as such supported by IT recovery protocols and security systems of EAC to limit risk and mitigation measures • Corporate IT recovery protocol and security systems limit the risk and mitigation measures

<p>NO CHANGE IN SCORING</p>			<ul style="list-style-type: none"> 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)
<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"> 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 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 programme and projects to be assessed then minimised 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 PMO working with both governments to identify funding opportunities to support decarbonisation PMO is working with both governments to agree an overarching Monitoring and Evaluation Framework for the Deal
<p>AGDRISK21 Potential impact of international events upon cost of living crisis and economic prosperity of Ayrshire</p>	<p>Score 16</p>	<p>Score 16</p>	<ul style="list-style-type: none"> 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 Regular review via monthly reports of outputs and timelines for business cases at every stage of

Scoring - 16

NO CHANGE IN SCORING



- 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-ordinate 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

AYRSHIRE ECONOMIC PARTNERSHIP BOARD

MEETING – 25 APRIL 2024

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

SUBJECT: AYRSHIRE GROWTH DEAL –COMMS PROTOCOL UPDATE – MARCH 2024

PURPOSE OF REPORT

1. To advise the Economic Partnership Board Members on the updating of the AGD Communications Protocol.

RECOMMENDATIONS

2. Agree the content of the report and recommend approval to the AEJC to note;
 - (i) the updated Communication Protocol March 24.

BACKGROUND

3. In line with good practice and governance requirements the Comms Protocol is regularly reviewed to ensure it is fit for purpose and meets the needs of the AGD and its Partners. The last update of the Protocol was in June 2023, when a series of minor changes were made principally around changes in contact names. Formal approval is not required by the Partnership Board but the PMO seeks to highlight the amendments being proposed, which can then be forwarded to the Joint Committee

MAIN REPORT

Updated Comms Protocol

4. The Comms Protocol has been reviewed and updated in light of the following pressures:
 - Overall shift in the Programme from a period of development to delivery.
 - The outcomes of the Programme Review are becoming clear with an expectation that a reinvigoration of the Deal is desired in order to raise its profile and the benefits it will deliver
 - Recent project progression has sought the need to clarify how and when to invite senior politicians from the Scottish and UK Governments to key stages in the development of projects e.g. ground breaking events, opening new facilities -including required periods of notice.

- Changes in named contacts from the Governments.
5. The minor changes made provide greater clarity and are focused on the following:
- Updated text on the management of Scottish and UK Governments in relation to the Ayrshire Growth Deal, principally on how and when to invite/engage with Ministers from the Scottish and UK Government where a media opportunity exists (section 4).
 - Updating of named lead contacts principally from the Scottish and UK Governments (section 10).
6. All changes proposed have been shared with the Governments and project leads.

IMPLICATIONS

7. 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 11
3. Human Resources	Yes		Para 12
4. Equality and Fairer Scotland Duty	Yes		Para 8-9
5. Financial	Yes		Para 10
6. Risk	Yes		Para 13
7. Community Wealth Building		No	
8. Net Zero		No	

ALIGNMENT WITH SUSTAINABLE, INCLUSIVE GROWTH AMBITIONS

8. 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.
9. The Comms Protocol provides a framework for communicating the delivery of inclusive growth ambitions for each project and the programme as a whole.

FINANCIAL IMPLICATIONS

10. The Comms Protocol will have some financial impact albeit these costs will be incorporated as part of the development and delivery of projects.

LEGAL IMPLICATIONS

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

HUMAN RESOURCES IMPLICATIONS

12. The implementation of the Comms Protocol is undertaken as part of operational activities for the AGD by the PMO, and Project Leads in consultation with communication teams across the Ayrshire Councils.

RISK IMPLICATIONS

13. 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.

EQUALITY IMPACT ASSESSMENT

14. 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.

APPENDICES

Appendix 1: Updated Comms Protocol March 24

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 – Interim
Strategic manager and Programme Manager
Graham.saundets@east-ayrshire.gov.uk

Implementation Officer:

Graham Saunders, Ayrshire Growth Deal – Interim
Strategic Manager and Programme Manager

Graham.saundets@east-ayrshire.gov.uk

Appendix 1: Updated Comms Protocol March 24 (TEXT FORM)

Note a formal version will be prepared for publication in line with previous Comms Protocols

- **Partner commitment**

This document sets out an agreed framework for communication protocols around the Ayrshire Growth Deal. It is designed to ensure:

- Areas of responsibility and working practices across the partners are clearly defined;
- Effectiveness, clarity and timeliness of action when matters concerning one or more partners are deemed likely to be of public/media interest; and
- Good partner working relationships.

- **Scope**

This protocol covers proactive and reactive communications activities in relation to the Ayrshire Growth Deal by the PMO, member authorities (North Ayrshire, East Ayrshire and South Ayrshire Councils), Scottish and UK Governments, and other partners, with communications defined as:

- Press releases and written statements issued to the print, online and broadcast media;
- Interviews and opinion pieces provided to the print, online and broadcast media;
- Briefings, interviews, verbal statements and press conferences;
- Publicity material, including posters, brochures, leaflets, newsletters and reports;
- Media information, blogs and commentary released across each organisation's social media;
- Broadcast interviews, documentaries and public interest programmes;
- Information published on each organisation's website;
- Social media posts;
- Responses to FOIs, political and customer enquiries.

- **Lead organisation**

North Ayrshire Council Press Office will lead on and sign off Ayrshire Growth Deal programme communications in relation to output from all committees and governance groups.

- **Scottish and UK Governments in relation to the Ayrshire Growth Deal**

The UK and Scottish Governments will be engaged as early as possible in every Ayrshire Growth Deal project milestone, to allow opportunities for attendance at events and inclusion of media quotes.

The PMO will act as a liaison between individual projects and the Deal partners and will be the primary point of contact for the UK and Scottish Governments. As such, the PMO should be sighted on all potential project and programme level communications

activities to ensure the UK and Scottish Governments receive sufficient notice of, and opportunity to contribute to, any media opportunities, visits, or events.

Government partners will aim to advise the PMO in advance about proposed or planned media or visits by politicians or senior officers connected to the Ayrshire Growth Deal. They will also advise the PMO of any unplanned comments made about the Deal such as at parliamentary committees, or in the chamber.

If a member authority or partner intends to invite either the UK or Scottish Government to an event or media opportunity connected to the Ayrshire Growth Deal, or to offer space for a quote in a news release, the same offer must be made to both governments.

As a matter of courtesy, the PMO will share all AGD press releases with UK and Scottish Governments regardless of whether a quote is required.

Ayrshire Growth Deal Project Leads should work with the PMO to:

- Provide advance notice of any upcoming events, such as groundbreaking and project openings.
- Provide an outline of what Ministers would be expected to do at such an event.
- Identify a suitable date and time for ministerial involvement.
- Ensure appropriate supporting communications.

Please copy the UK and Scottish Government Deal Policy Leads for your area to any communication.

- **Spokespersons**

The agreed spokespersons are as follows:

- **For the Ayrshire Growth Deal programme:** The Ayrshire Economic Joint Committee Chair, and where appropriate, with UK and Scottish Governments;
- **For individual Ayrshire Growth Deal projects:** Lead member authority or partner will appoint, as appropriate. Where a project is carried out by two or more partners, it is acceptable to include quotes from the relevant spokesperson for each organisation;
- Where the subject crosses themes or more generally relates to the partnership, the Joint Committee Chair will be quoted;
- If the Joint Committee Chair is unavailable, such as in pre-election circumstances, the PMO shall liaise with the Chief Executives in relation to the spokesperson substitute.

- **Process**

The Ayrshire Growth Deal Communications Group shall meet monthly to:

- Populate and agree a communications planner and upcoming activity;
- Update the communications documents set out below; and

- Discuss the handling of any forthcoming communications opportunities that have arisen since the previous meeting.
 - **Media activity and press releases**
 - All media releases and briefing notes relating to the Ayrshire Growth Deal will be shared in advance with the PMO and all communications leads.
 - Media releases relating to the Deal will be posted promptly on the [AGD website](#).
 - In instances of sensitive, or conflicting positions, communication leads representing each organisation will keep each other informed on a 'no surprises' basis. Any confidentiality or embargo relating to this information will naturally be upheld.
 - All media releases **must** acknowledge funding from the UK and/or Scottish Government, as well as any other funding partners. This must be included in the body of the release, not as background information or editor's notes, and must be placed early in the release to ensure it is picked up in coverage.
 - Where appropriate, final releases will be shared with partners for wider ongoing circulation.
 - The flow chart attached summarises the approvals and sign-off procedure for joint press releases and statements.
 - Contact details for the partner communications leads are provided on page 7.
 - **Boilerplate**

The following statement must be adapted for use in all AGD project press releases:

Project x is being funded with £x million from the UK Government, £x million from the Scottish Government, and £x million from x Ayrshire Council as part of the £251 million Ayrshire Growth Deal, a ten year investment programme jointly funded by the UK and Scottish governments and local authorities.

- **Media enquiries and FOI requests**

The PMO and North Ayrshire Council Press Office will together lead on responding to media enquiries relating to the Programme. Member authorities and partners should direct relevant media enquiries to the PMO and North Ayrshire Council Press Office. The PMO will lead on FOI enquiries relating to the programme. FOI and media enquiries will be discussed as a standing agenda item at Ayrshire Growth Deal Communication Group meetings.

- **Project-specific communications arrangements**

When preparing and issuing media releases for specific AGD projects, Communications Teams should ensure the following guiding principles are included:

- Media enquiries relating to individual projects should be dealt with by the relevant lead organisation;
- All partners should advise the PMO of any forthcoming media activity to ensure complementarity with other projects;

- All funding partners should be included and quoted;
- Final release should be shared with all communications partners, including relevant FOI enquiries, for their information prior to issue to media.

- **Social media**

For generic AGD programme content, the PMO will lead in posting content from the Ayrshire Growth Deal twitter account @ayrshireddeal.

The AGD main funders will be tagged in these posts -

@EastAyrshire @North_Ayrshire @southayrshire @scotgov @UKGovScotland.

For project specific social media posts, the lead authority will post to their own accounts and will tag @ayrshireddeal and relevant funders as required. If the project only receives funding from one partner,

e.g. the UK Government, only @UKGovScotland should be tagged in that post.

Local authority partners will retweet AGD social media posts on their own networks. Similarly, the PMO will share relevant local authority posts on @ayrshireddeal.

It may be appropriate to tag specific Ministers in social media posts if they have their own profile and they are quoted in the official press release to which the social media post relates, e.g. @MathesonMichael.

- **Communications Action Plan**

The Communications Action Plan provides a forward plan of proposed communications activities by all partners and will be updated by the partner Communications Leads and PMO ahead of each quarterly meeting of the Ayrshire Economic Partnership Board and Ayrshire Economic Joint Committee as part of the AGD Programme Update, as well as each Ayrshire Growth Deal Communication Group meeting.

Public information about the Ayrshire Growth Deal, such as where meeting papers will be made publically available ahead of meetings, will be posted on @ayrshireddeal.

Communications leads should inform other partners and the PMO in advance and at the earliest opportunity of potential or actual media communication activities that are not recorded on the Plan.

- **Photo opportunities**

Photo opportunities will be organised by the relevant lead organisation on the project. All partner Communications Leads must be informed in advance and will bear responsibility for inviting relevant representatives from their organisation to take part.

15. **Communications information**

Partners agree to use the following in order to achieve consistency in messaging:

- (i) The [AGD website](#) provides a short description of the Ayrshire Growth Deal, how it came about, what it will do, what it hopes to achieve, and relevant details of timeframes and investment. Additional frequently asked questions and agreed responses are also captured on the website.

(ii) **The Communications Action Plan**, which sets out the planned and completed AGD communications activities. It is the responsibility of the Communications Leads to populate the Plan and keep it up to date, so that it can be reviewed and discussed at Ayrshire Growth Deal communications group meetings.

16. Escalation

If a concern arises within the partnership, the partners will work together to agree a communications strategy, messaging and spokespersons prior to releasing any statement or comment on the matter.

17. Branding

Any physical manifestation of a project funded by the Ayrshire Growth Deal should be appropriately branded with UK Government and Scottish Government logos where applicable (i.e. where they have provided funding) including signage, and construction hoarding. Where both government logos appear together they should sit alongside each other and be of equal size. This branding must also apply to all public facing documents or communications materials with relation to the Ayrshire Growth Deal and its supported projects, e.g. press releases, websites, newsletters etc.

AYRSHIRE
GROWTH DEAL



Working together for a successful, fair and inclusive Ayrshire economy



18. Review

This protocol will be reviewed annually by the Ayrshire Growth Deal communications group, for discussion/approval by the Ayrshire Growth Deal Management Group.

Ayrshire Growth Deal Communication Leads

Core communications group

Organisation	Main Contact	Contact details
Deal PMO		
UK Government	Paul Malley (primary)	Email: Paul.Malley@ukgovscotland.gov.uk Tel: 07795 262837
	Graham Bissell (secondary)	Email: Graham.Bissell@ukgovscotland.gov.uk Tel: 07771 972607
	Kirsten McSparran (secondary) Tom Peterkin (Special Political Advisor)	Email: kirsten.mcsparran@ukgovscotland.gov.uk Email: thomas.peterkin@cabinetoffice.gov.uk Tel: 07749 713914
Scottish Government	Michael McHugh (primary)	Email: Michael.McHugh@gov.scot Tel: 07580 750033
	Rebecca Macdonald (secondary)	Email: Rebecca.macdonald@gov.scot Tel: 07468 764849
North Ayrshire Council	Michele McColm (primary)	Email: MicheleMccolm@north-ayrshire.gov.uk Tel: 07766 725118
	Mark Sugden (secondary)	Email: MarkSugden@north-ayrshire.gov.uk Tel: 07738 001718
East Ayrshire Council	Lynne Buchanan (primary)	Email: Lynne.Buchanan@east-ayrshire.gov.uk Tel: 07827 841176
	Catriona Cochrane (secondary)	Email: Catriona.Cochrane@east-ayrshire.gov.uk Tel: 07554 332374
South Ayrshire Council	Sara Burdon (primary)	Email: Sara.Burdon@south-ayrshire.gov.uk Tel: 01292 616622
	Jenna Robertson (secondary)	Email: Jenna.Robertson@south-ayrshire.gov.uk Tel: 01292 612343

Ayrshire Growth Deal Overview

The Ayrshire Growth Deal (AGD) is a £251.5 million, ten-year programme aimed at matching business growth opportunities to employment progression, developing the future workforce and community development. Our programme is based on the achievement of economic growth and inclusive growth, with a clear focus on increasing innovation and productivity, while reducing inequality across the region.

Community Wealth Building (CWB) is a people centred approach to local economic development, which redirects wealth back into the local economy. This will be the cornerstone of the AGD to ensure lasting benefits for our businesses and communities.

The AGD is based around five themes:



Communities 5 projects: Digital (2) Skills (2) Community Wealth Building (1)

£25.5m



Aerospace and Space

4 projects

£80m



Economic Infrastructure

5 projects

£69.5m



Energy, Circular Economy and Environment

3 projects



Tourism

2 projects

£23.5m

	Ayrshire Growth Deal Project	Funding Breakdown (£m)			Lead Delivery Partner
		Scot Gov	UK Gov	Council	
Aerospace & Space	Spaceport Infrastructure	5.0	18.0		South Ayrshire Council
	Aerospace and Space Technology Application Centre (ASTAC)	1.0	4.0	6.0 (SAC)	South Ayrshire Council
	Commercial Space Prestwick – industrial and hangar	12.0	10.0	7.0 (SAC)	South Ayrshire Council
	Prestwick Infrastructure - roads	12.0		5.0 (SAC)	South Ayrshire Council
Economic Infrastructure	HALO Kilmarnock	3.5	3.5	2.0 (EAC)	Halo Kilmarnock Ltd
	Ayrshire Engineering Park (Moorfield)	12.0		4.0 (EAC)	East Ayrshire Council
	Ayrshire Manufacturing Investment Corridor (AMIC)	13.5	10.0		East Ayrshire Council

	i3 Flexible Space	11.0		4.0 (NAC)	North Ayrshire Council
	i3 Digital Processing Manufacturing Centre (DPMC)		5.0	1.0 (NAC)	North Ayrshire Council
Energy, Circular Economy & Environment	Community Renewable Energy Project (CoRE)		17.0	7.5 (EAC)	East Ayrshire Council
	Hunterston Strategic Development Area		18.0		North Ayrshire Council
	International Marine Science and Environmental Centre (IMSE)		6.5	4.0 (NAC)	North Ayrshire Council
Tourism	The Great Harbour, at Irvine Harbourside and Ardeer	9.0		5.0 (NAC)	North Ayrshire Council
	Marine Tourism	9.5			North Ayrshire Council
Communities	Digital Subsea Cable and Digital Infrastructure	3.0	11.0		South Ayrshire Council
	Working for a Healthy Economy	3.0			North Ayrshire Council
	Ayrshire Skills Investment Fund	8.5			North Ayrshire Council
	Community Wealth Building Fund	3.0			North Ayrshire Council
	TOTAL	103.0	103.0	45.5	
	Grand Total	£251.5 million			

Procedure for approving joint press releases and statements.



DRAFT

BOARD MEETING – 25 APRIL 2024

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

**SUBJECT: AYRSHIRE MANUFACTURING INVESTMENT CORRIDOR PROJECT
AND AYRSHIRE ENGINEERING PARK**

PURPOSE

1. To provide an update on the Ayrshire Manufacturing Investment Corridor (AMIC) and Ayrshire Engineering Park (AEP) projects, following confirmation from both Scottish and UK Governments that the change request (proposing the co-location of both projects at Moorfield and the renaming of the site as the Ayrshire Innovation Park) has been approved.

RECOMMENDATIONS

2. It is recommended that Members:
 - (i) Note that a change request was submitted to the Scottish and UK Governments seeking to change the preferred location of AMIC to Moorfield, alongside the Ayrshire Engineering Park;
 - (ii) Note that this change has now been approved in principle by both Governments, subject to a number of clarifications which will be provided as part of the development of Outline Business Cases;
 - (iii) Note that the co-located development will be known as the Ayrshire Innovation Park (AIP);
 - (iv) Note that revised Outline Business Cases will be prepared for submission to both Governments by no later than May 2024;
 - (v) Note that a joint Full Business Case for Infrastructure Works will be prepared for submission, to allow works to commence by January 2025;
 - (vi) Note that a further two Full Business Cases for AMIC (Centre of Excellence/Food Grade Units and Large Advanced Manufacturing Unit) will be submitted, allowing construction works to take place during 2026/27;
 - (vii) Note that a further two Full Business Cases for AEP (Small Terraced Engineering Units and Large Engineering Units) will be submitted, allowing construction works to take place during 2026/27; and
 - (viii) Otherwise, note the contents of this report.

BACKGROUND

3. On 19 November 2020, the Ayrshire Growth Deal (AGD) was signed off in a virtual meeting attended by UK and Scottish Governments and the leaders of the three

Ayrshire Councils. This secured £251.5m of funding to help realise Ayrshire's potential as a world-class business region for the food and drink, energy, tourism, aerospace, manufacturing and engineering industries. The majority of projects within the AGD programme focus on infrastructure investment designed to act as a catalyst for business growth and are complemented by a Skills and Inclusion Programme and a Community Wealth Building programme to ensure maximum benefit for Ayrshire communities.

4. The AMIC project is one of 19 projects which make up the Ayrshire Growth Deal. Recognising that product development and innovation are key catalysts for business growth, AMIC will enable the delivery of the Ayrshire Regional Economic Strategy for the food and drink sector. It will also provide a Food and Drink Centre of Excellence and new advanced manufacturing and industrial units to service the wider manufacturing industry in Ayrshire and South West Scotland. This investment in manufacturing across all sectors will provide industry growth and attract inward investment to the Ayrshire region.
5. The Ayrshire Engineering Park is an AGD project which will provide high quality industrial premises for engineering and manufacturing companies, encompassing a fully developed site with the required access and utilities infrastructure and digital connectivity. It will allow the expansion and development of Moorfield Industrial Park in Kilmarnock, creating serviced and high quality business space, with a range of units to support the advanced manufacturing and light engineering sectors in Ayrshire.
6. At the outset of the AMIC project and the first iteration of the outline business case, a site options appraisal was undertaken and a number of sites were considered in and around the Kilmarnock area. Following the options appraisal, two options emerged; a site at Moorfield and a site between the A71 & A76 to the west of Bellfield Interchange.
7. The site at Bellfield Interchange was selected as the preferred option on the basis that infrastructure improvements relating to capacity, pedestrian and vehicular safety would be funded via the Strategic Transport Projects Review (STPR2) and thereafter the Levelling Up Fund (LUF2). Unfortunately, the Bellfield Interchange was not included in STPR2 and the LUF2 funding application was unsuccessful. Transport Scotland have made a number of challenges to the selection of Bellfield and as a result, the site remains constrained.
8. The constraints surrounding Bellfield Interchange would require to be addressed to enable economic growth at this location and with two unsuccessful funding bids, the development of the transport infrastructure will be reliant on private sector investment aligned to the development of industrial land allocated in LDP2.
9. Due to the transport infrastructure constraints on the Bellfield site and inflationary pressures, a proposal to transfer the location to Moorfield (alongside the AEP) was discussed with UK and Scottish Governments in April and May 2023. This was the subject of further discussions at a joint meeting between the three councils and both Governments on 3 October 2023 and the co-location proposal was verbally

approved in principle subject to the submission of the relevant change management documentation and supporting information.

REVISED PROPOSALS

10. In recognition of the above challenges, a change management request was submitted from the PMO to both Governments on 6 February 2024 to co-locate the AMIC project alongside the AEP at Moorfield. The paper set out the nature and reasons for the change, including an analysis of impacts and options appraisal. The approach set out is considered to benefit both projects by releasing economies of scale in relation to land purchase, infrastructure works and contract procurement.
11. On behalf of both Governments, the Scottish Government provided their in-principle agreement to the change request on 14 March 2024. A number of conditions were attached to this including further clarification in relation to economic analysis, job numbers and the funding profile. These issues will be addressed in the development of Outline Business Cases (OBCs) for both projects.
12. Importantly, East Ayrshire Council purchased the land at Moorfield in March 2023, which provides more certainty in relation to the construction timeline. Furthermore, the change of location removes the transport infrastructure constraints referred to at the previously preferred site. There are a number of other benefits to the proposed co-location, which are highlighted below:
 - Maximisation of resource allocation, with roads and infrastructure costs being shared across both projects.
 - The proposed site has a Business and Industry allocation in the current approved Local Development Plan streamlining the planning application process;
 - Limited access constraints identified in the traffic impact study undertaken;
 - Expedited time line for the AMIC delivery due to established existing traffic impact studies and site investigations/topographical surveys completed;
 - Expedited delivery of the AMIC project as the site is already in the ownership of East Ayrshire Council; as such there is no longer a risk that a site cannot be secured for the development and purchase costs are known;
 - There are already existing large and successful food and drink manufacturers situated in and around the Moorfield site to utilise the centre's resources;
 - Easy access from trunk roads across the region;
 - Good existing bus and walking routes to the site with the opportunity to provide further enhancements and encourage active travel linking up to a number of improved cycle routes currently planned by Ayrshire Roads Alliance (ARA);
 - Adjacent land zoned in the Local Development Plan allocated for Business and Industry provides future opportunities for growth and the development of more industrial space for manufacturing, engineering and food & drink sectors;
 - Provides opportunities for shared learning and training across both sectors; and

- Opportunities for networking among the unit occupiers to build good supply chain opportunities and enhance community wealth building. Tenants of the units and users of the Centre of Excellence will be encouraged to seek out supply chain and collaboration opportunities with surrounding businesses which can be facilitated by East Ayrshire Council's Business Support Team.

IMPACT OF CO-LOCATION

13. Whilst the objectives for both projects remain broadly unchanged as a result of the change request, it should be noted that the proposed development space at AMIC has been reduced from 7,864 sq m to 5,814 sq m and the proposed development space at AEP has been reduced from 10,576 sq m to 7,250 sq m.
14. The co-location will create a new Ayrshire Innovation Park, incorporating transport links, public realm areas, cycle paths, walkways and an onsite coffee shop. The creation of these new public realm spaces will deliver social and community benefits to the wider area and will increase the sustainability of the development.
15. The reductions in floor space highlighted at paragraph 13 resulted from a detailed costings process which acknowledged significant inflationary pressures and other drivers such as the need to build in net zero measures. Clearly, this will reduce the numbers of businesses able to utilise the space on a day to day basis and will also impact upon the total number of jobs created.
16. An economic modelling exercise is currently underway. This was carried out by the PMO to analyse the impact of both developments in terms of jobs created (construction and non-construction). The Glasgow City Region Intelligence Hub is carrying out further analysis and verification of the initial figures generated and an update will be provided in the OBC.
17. The co-location at Moorfield also affords an opportunity for both projects to take advantage of the new 5G connectivity programme which is being funded by the UK Government. £3.8 million has been awarded to the Ayrshire region from the 5G Innovation Regions Fund and the Ayrshire Innovation Park will be established as one of a number of Regional Strategic Wireless Innovation Hubs across our region.
18. The 5G project under development at Moorfield will focus on working with existing manufacturing and other supply chain businesses within all phases of the Moorfield Industrial Parks to facilitate the adoption of narrowband IoT (Internet of Things), enabling better data management and IoT integration. £450,000 has been allocated to this project from the wider fund.
19. The successful delivery of this project will result in the establishment of an ecosystem where 5G technology drives economic growth, technological development and industrial excellence and in doing all of this, will provide essential digital infrastructure support to businesses locating at the AIP. Lessons learned during the delivery of the 5GIR project will inform the development of digital connectivity and infrastructure delivered as part of the AMIC and AEP projects.

PROJECT MANAGEMENT AND TIMELINE

20. The changes to the projects have necessitated some significant changes to the timeline and financial projections for both projects. A summary of these changes is set out below.

Ayrshire Manufacturing Investment Corridor

21. The original funding profile for the AMIC project is set out in the table below.

Original Funding Profile for AMIC Project, 2019									
Source	23/24 (£m)	24/25 (£m)	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	29/30 (£m)	30/31 (£m)	Total
UK Government	0.060	0.625	0.625	1.845	1.846	1.000	0.940	3.059	10.000
Scottish Government	0.500		0.625	1.125	2.680	2.827	1.647	4.096	13.500
East Ayrshire Council									
Total	0.560	0.625	1.250	2.970	4.526	3.827	2.587	7.155	23.500

22. The new funding profile for the AMIC project is set out in the table below. As the table demonstrates, East Ayrshire Council expects to reclaim its spend to date (£1.140m) during 2024/25. It is also noted that overall spend will be incurred over a shorter period, concluding by the end of 2026/27.

- 23.

Revised Funding Profile for AMIC Project, 2024							
Source	21/22 (£m)	22/23 (£m)	23/24 (£m)	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total
UK Government				0.400	8.100	1.500	10.000
Scottish Government				3.920	5.480	4.100	13.500
East Ayrshire Council	0.067	0.323	0.750	-1.140			
Total	0.067	0.323	0.750	3.180	13.580	5.600	23.500

24. In terms of project milestones, it is anticipated that the new Outline Business Case (OBC) will be submitted to both Governments by May 2024. In order to manage risk and meet the preferred procurement strategy, it is intended to split the Full Business Case (FBC) into three new FBCs as follows:

- FBC Infrastructure (joint FBC with AEP). Submission by no later than 7 October 2024 and final approval by both Governments by 2 December 2024. Construction works to commence in January 2025, expected duration 10-12 months.

- FBC Centre of Excellence & Food Grade Units. Submission by no later than 12 January 2026 and final approval by both Governments by 20 March 2026. Construction works to commence in May 2026, duration 12 months.
- FBC Large Advanced Manufacturing Unit. Submission by no later than 2 December 2024 and final approval by both Governments by 14 February 2025. Construction works to commence in January 2026, duration 12 months.

Ayrshire Engineering Park

25. The original funding profile for the AEP project is set out in the table below.

Original Funding Profile for AEP Project, 2019									
Source	21/22 (£m)	22/23 (£m)	23/24 (£m)	24/25 (£m)	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total
UK Government									
Scottish Government		1.789	1.729	2.249	2.541	1.692	1.000	1.000	12.000
East Ayrshire Council	0.350	1.000	1.000	0.650	0.500	0.500			4.000
Total	0.350	2.789	2.729	2.899	3.041	2.192	1.000	1.000	16.000

26. The new funding profile for AEP is set out below. As the table demonstrates, East Ayrshire Council expects to reclaim its spend to date (£1.454m) during 2024/25. It is also noted that overall spend will be incurred over a shorter period, concluding by the end of 2026/27.

Revised Funding Profile for AEP Project, 2024									
Source	20/21 (£m)	21/22 (£m)	22/23 (£m)	23/24 (£m)	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total	
UK Government									
Scottish Government					4.277	2.791	4.932	12.000	
East Ayrshire Council	0.003	0.107	0.744	0.600	-1.454	2.106	1.894	4.000	
Total	0.003	0.107	0.744	0.600	2.899	4.897	6.826	16.000	

27. Looking at key milestones, the Outline Business Case for AEP will be submitted by May 2024 and similar to AMIC, three FBCs will be produced thereafter. The first, as referred to in paragraph 18, is the Joint Infrastructure FBC. The others are as follows:

- FBC Small Terraced Engineering Units. Submission by no later than 17 March 2025 and final approval by both Governments by 9 May 2025. Construction of this phase will start towards the end of the infrastructure construction phase once access to the development plots are available and the FBC's are proposed accordingly to dovetail with construction programme for both parts of the project.
- FBC Large Engineering Units. Submission by no later than 2 December 2024 and final approval by both Governments by 14 February 2025. Construction works to commence in January 2026, duration 12 months.

IMPLICATIONS

28. There are a number of implications arising from the report, summarised in the table below:

Implications	Yes	No	Paragraph number in report
1. Policy/Strategic Planning	x		29-32
2. Financial	x		33-35
3. Governance/Legal	x		36-39
4. Human Resources	x		40
5. Equality & Fairer Scotland Duty	x		41
6. Risk	x		42-45
7. Community Wealth Building	x		46-47
8. Net Zero	x		48

POLICY/STRATEGIC PLANNING IMPLICATIONS

29. The sectoral focus on food and drink and advanced manufacturing, amongst others, is a key theme of the Regional Economic Strategy. AMIC and AEP will predominantly deliver upon two of the 6 key priorities of the Strategy: Support for Enterprise and Innovation.
30. The change management request for the AMIC & AEP projects will not affect the delivery of the strategic objectives and in fact will help ensure efficient delivery.
31. The AMIC project will support the delivery of the AGD's strategic objectives. In particular, the project will demonstrate to local and international food and drink manufacturing that Ayrshire has high aspirations for future growth and development of the food and drink manufacturing sector and that these aspirations are backed by substantial investment.
32. The AEP Project will provide businesses with a base and facilities to grow and will support the existing engineering supply chain. It will also provide opportunities for businesses to share knowledge and work collaboratively. AEP will demonstrate commitment to the engineering and light manufacturing sector, encouraging businesses to relocate to the area and ultimately driving inward investment.

FINANCIAL IMPLICATIONS

33. As noted at paragraph 22, the AMIC project has incurred spend of £1.140m to date, which East Ayrshire Council expects will be drawn down from the UK and Scottish Governments during 2024/25. As noted at paragraph 25, the AEP project has incurred spend of £1.454m to date, which the Council anticipates will be drawn down from the Scottish Government during 2024/25.
34. Revised funding profiles have been approved following the change request. Whilst the overall project budgets remain unchanged, the profiling of spend has been substantially altered and both projects are expected to incur all project costs over the next three years (to the end of 2026/27) in line with the revised timelines.
35. The project team are working with Finance colleagues to agree a consistent and transparent apportionment of any shared costs such as land purchase and infrastructure costs over the two projects.

GOVERNANCE/LEGAL IMPLICATIONS

36. The Project Teams have developed governance structures in accordance with AGD PMO governance requirements to oversee both projects and sub-group meetings have commenced. The AGD Steering Group is responsible for monitoring progress across all projects and project leads are required to provide regular updates to this group.
37. An Ayrshire Innovation Park Steering Group has been established and is chaired by the Head of East Ayrshire Council's Economic Growth Service, with representation from key partners and stakeholders. This Group acts as the strategic and operational decision-making body for both AMIC and AEP.
38. A number of sub-groups have also been formed which focus on specific areas including marketing and customer focus, operations, industry focus and architectural design.
39. Projects are being managed by East Ayrshire Council in accordance with recognised project management (PRINCE 2) principles. Where issues are identified, remedial action is taken to ensure delivery remains in line with Outline Business Case projections.

HUMAN RESOURCE IMPLICATIONS

40. Project Teams have been recruited from within existing resources, and there are no additional staffing requirements at this time.

EQUALITY AND FAIRER SCOTLAND DUTY IMPLICATIONS

41. An Equality Impact Assessment will be carried out and finalised prior to the submission of the Full Business Case. Project Teams are working with East Ayrshire Council's Equalities Lead and the AGD PMO on this process.

RISK IMPLICATIONS

42. Strategic and operational risk registers continue to be developed, reviewed and updated for the AGD programme. The Programme Risk Register has been updated in accordance with the commitment to be reviewed every quarter.
43. The co-location of both projects is considered to mitigate the risk associated with construction costs as the new approach releases economies of scale in relation to land purchase, infrastructure works and contract procurement.
44. The risk associated with transport implications has been removed due to the co-location, as the Moorfield site is not considered to have the same restrictions in terms of traffic as Bellfield Interchange.
45. The risk of not attracting commercial interest in the project has been reduced as the co-location strengthens the area as a key location for the Food, Drink, Engineering and Light Manufacturing sectors.

COMMUNITY WEALTH BUILDING IMPLICATIONS

46. Procurement contracts for the construction of the projects will be aligned with the principles set out in the Ayrshire Community Wealth Building Charter and these will include community benefits. Within the leases for the incubation units and speculative industrial space for both projects, provision will be made for both community wealth building and fair work practices to ensure that businesses utilising and benefiting from the facilities are following best practice.
47. Both projects will work closely with educational establishments and communities to raise aspiration and ambition, provide employment and skills support, and improve access to jobs through innovative community empowerment and employability programmes.

NET ZERO IMPLICATIONS

48. The development will include significant investment in new, sustainable transport infrastructure which will improve accessibility for local communities. An active travel cycle network is also under development via a separate project. The route will include the boundary of the AIP, linking the site with other towns and villages in the region.
49. The development will include a range of innovative measures aimed at maximising Net Zero potential. East Ayrshire Council are investigating the feasibility of working with an Energy Partner to deliver renewable energy to the AGD projects and surrounding industrial estates.

CONCLUSION

50. The approval of the change request will result in the co-location of both the AMIC and AEP projects on a site to be known as the Ayrshire Innovation Park. This

approach is considered to benefit both projects by releasing economies of scale in relation to land purchase, infrastructure works and contract procurement. It also removes the traffic and transport barriers which had acted as a constraint on development of the previously identified site.

51. With the change agreed and the site already in the ownership of East Ayrshire Council, the focus will now move to the finalisation of Outline Business Cases for both projects. Beyond that, it is anticipated that the preparation of Full Business Cases will be completed in 2025, and subject to approval, construction works will commence during 2025/26.

Persons to contact: David McDowall, Head of Economic Growth, East Ayrshire Council
Email: david.mcdowall@east-ayrshire.gov.uk

Implementation Officer: Fiona Paterson, Project Development Manager (Ayrshire Growth Deal), East Ayrshire Council
Email: fiona.paterson2@east-ayrshire.gov.uk

Background papers: AMIC & AEP Change Management Submission, February 2024