

## **AYRSHIRE ECONOMIC JOINT COMMITTEE**

**MEETING – 22 FEBRUARY 2022**

### **REPORT BY INTERIM HEAD OF PLANNING AND ECONOMIC DEVELOPMENT: EAST AYRSHIRE COUNCIL**

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

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#### **PURPOSE OF REPORT**

1. To advise the Economic Joint Committee Members of the progress of the Ayrshire Growth Deal and the development of its component projects as at 11 January 2021 (Appendix 1).

#### **RECOMMENDATIONS**

2. It is recommended that Members:
  - (i) Note the updates provided in the attached report;
  - (ii) Note the progress across the Ayrshire Growth Deal Programme;
  - (iii) Note the finalised Deal Documents;
  - (iv) Note Agreement between East, North and South Ayrshire Councils;
  - (v) Note the Ayrshire Growth Deal Communications Action Plan for 2020 - 23;
  - (vi) Note the risks included in the current risk register;
  - (vii) Note progress with the development of a regional community benefits tracker;
  - (viii) Note progress with the performance management system;
  - (ix) Note progress with the design and development of an Ayrshire Growth Deal website.

#### **INTRODUCTION**

3. The formal virtual signing of the Ayrshire Growth Deal took place on 19 November 2020. For those who missed the event or would like to watch again, a recording of the event and a link to the signed Deal Document can be found on the [AGD Story Map](#). The final version of the suite of Deal documents which were signed off on 19 November are attached (Appendices 2 - 8).
4. The documents currently demonstrate a high degree of ambition for the Ayrshire Growth Deal delivery and business cases continue to be updated by project leads to reflect this. The Deal documents will be subject to annual review to take account of project variances.
5. Agreement has been reached with partners around an approach to management of cash flows in respect of government grant funding. An Agreement between East

Ayrshire Council, North Ayrshire Council and South Ayrshire Council around governance, finance and reporting arrangements has now been agreed in essence and awaits signing. The finalised Agreement is attached for information (Appendix 9).

6. The PMO has continued to provide guidance to project leads whilst also progressing the governance, reporting, communications and resourcing issues associated with the effective management of the overall Deal programme. Recruitment to the roles within the PMO is now complete.
7. The attached report seeks to provide an overview of progress made and provide assurance that efforts are on track to address all elements of the current work programme, recognising that some issues may be significantly impacted by Covid-19 which cannot be fully quantified at present. The format of the report follows a Red/Amber/Green (RAG) exception reporting approach. The table below details the 'colour scheme' associated with each banding.

<b>RAG Status</b>	<b>Projects/Programme Status</b>	<b>Action Required</b>
<b>Green</b>	In line with timeline set out in business case and no issues identified	No management action required
<b>Amber</b>	Issues identified with no / minimal change to timeline in business case & acceptable by PMO	Management action is in place by PMO and/or senior management to address issues
<b>Red</b>	Delay to timeline in business case significant	Immediate action required by senior management and relevant Boards as appropriate to address issues

8. In this update, the overall status is assigned at 'amber' and there are no actions required from the Partnership Board at present.

## **KEY POINTS**

9. In terms of the overall Ayrshire Growth Deal programme, progress has been made over the last quarter putting in place processes and procedures to support the reporting requirements of governments.
10. Project activities will be monitored using the Pentana Performance Management system and the AGD project milestones, outputs and targets within the Implementation Plan have been added to Pentana. The PMO is working with project leads and system administrators to ensure accurate input of monitoring data to the system.
11. A regional community benefits tracker has been developed by the AGD Procurement Sub-Group to monitor the delivery of community benefits and capture community wealth building pledges made by organisations involved with AGD projects, as well as others across the region.
12. The design and development of the AGD website was procured locally and is currently being tested, with an estimated launch date of the end of February 2021.

The bespoke website will host all Ayrshire Growth Deal information including reports, press coverage and an image gallery.

13. The AGD Communications Group are working with project leads to define marketing and communications requirements for each project and populate the AGD Communications Action Plan. The latest version of the plan is attached (Appendix 10).
14. Projected spend in 2020/21 is £5.35m predominantly relating to the HALO Kilmarnock project (£5.05m), with the remainder for this year made up of enabling works (design/feasibility studies) in relation to the National Energy Research Demonstrator (NERD) project and the Working for a Healthy Economy project.
15. The HALO Kilmarnock, on the former Johnnie Walker site in Kilmarnock, was the first project to commence with contractors starting on site in October 2019. The target date for completion and opening of the Enterprise and Innovation Hub is mid-April 2021. The final drawdown claim of AGD grant funding has been submitted to Scottish Government.
16. The spend of £200k for 2020/21 associated with the design/feasibility study works for the National Energy Research Demonstrator (NERD) project has been incurred. Further enabling/design works are underway, with the project team continuing to engage with stakeholders around potential operational models for the Centre and develop initial project proposals for early Demonstrator projects.
17. The 'Working for a Healthy Economy' pan-Ayrshire project is the only project scheduled to move into delivery this financial year. As soon as the Outline Business Case (OBC) is approved by Scottish Government and the Final Business Case (FBC) is approved by the Economic Joint Committee (EJC), a contract will be issued within weeks and preparatory work can begin. Delays incurred in receiving business case approvals has meant that project implementation and associated spend is not estimated to begin until April 2021. Should approvals be delayed beyond February 2021, the delivery schedule will require to be adjusted further. A report seeking EJC approval of the FBC for the project is being considered elsewhere on the Agenda of this meeting.
18. The Community Wealth Building (CWB) project team are currently making preparations to begin delivery in April 2021. Planning for the recruitment of CWB officers is underway with job descriptions being produced by the working group ahead of role evaluation where required as per the recruiting Council's HR Policies and Procedures. This timeline is dependent on the Scottish Government approving the OBC in February and the EJC approving the FBC in February. A report seeking EJC approval of the FBC for the project is being considered elsewhere on the Agenda of this meeting.
19. It should be noted that any delays to finalising business cases and governments approving the same for early implementation projects will affect the ambitious spend profiles we are currently working with and will impact on drawdown of funding from government. Monitoring of performance is therefore an essential component of the work of partners.

20. The Ayrshire and Arran Regional Transport Working Group (RTWG) continue to work with colleagues in Transport Scotland to draw together the Strategic Transport Projects Review (STPR2), utilising this to assess, prioritise and bring forward investment proposals in transport, infrastructure and connectivity, which are necessary to maximise the impact of the AGD. The RTWG met in December with Transport Scotland to discuss the Phase 1 option sifting process associated with STPR2. Some concerns around the methodology adopted have been raised with Transport Scotland. The Chief Executive Officers sent a letter in January to Mr Michael Matheson MSP, Cabinet Secretary for Transport, Infrastructure and Connectivity, seeking a meeting to ensure that emerging priorities support economic recovery and alignment of work associated with the AGD.
21. Although Covid-19 has introduced uncertainty around how projects will fit with the new economic realities, there is no proposal at this stage in relation to project substitution. It seems likely, however, that some projects may have to be adjusted going forward.

### **PROGRAMME RISKS**

22. Strategic and operational risk registers continue to be developed, reviewed and updated for the Ayrshire Growth Deal Programme (Appendix 11). It is recognised that in pursuit of the Partnership's commitment to achieving positive outcomes from the Ayrshire Growth Deal, it may choose to accept an increased degree of risk. The risk registers will be a key element of that decision making process, ensuring that potential benefits and risks are fully understood before actions are authorised and that sensible measures to mitigate risk are established.
23. The main strategic risks associated with the Deal at present relate to the impact of Covid-19 and the potential consequences of Brexit. Operationally, delays to the development and submission of business cases and any associated delays to sign off of Deal documents would adversely impact on the ambitious plans for implementation.

### **LEGAL IMPLICATIONS**

24. The legal implications arising from this report are covered through the Agreement between Ayrshire's Councils detailed in Appendix 9 and the Governance Document detailed within Appendix 5.

### **HUMAN RESOURCES IMPLICATIONS**

25. There are no human resource implications arising from this report.

### **FINANCIAL IMPLICATIONS**

26. The financial implications arising from this report are covered through the Financial Plan detailed within Appendix 4.

27. A signed Tripartite Financial Agreement remains outstanding. Our principal contact in Scottish Government has confirmed that the delay is not an Ayrshire issue and is hopeful that the Agreement will be issued shortly. Our contact has also confirmed that the Agreement will incorporate the latest government financial profile which was approved by the Section 95 Officers on 10<sup>th</sup> November 2020.
28. A letter from the three Council Leaders was sent to Mr Alister Jack MP, Secretary of State for Scotland at the end of last year, asking that Ayrshire's UKG funding be accelerated from 15 years to 10 years in line with the four City and Growth Deals announced in the recent Spending Review. Mr Jack's response acknowledges that the Growth Deals programme is a key pillar of the strategy for recovery and renewal in Scotland and he will continue to discuss opportunities with the Chancellor and others to ensure these are as flexible as possible to successfully respond to challenges and deliver our shared ambitions.

## **EQUALITY IMPACT ASSESSMENT**

29. 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 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: Ayrshire Growth Deal Quarterly Update of Programme and Projects

Appendix 2: Ayrshire Growth Deal Document

Appendix 3: Implementation Plan

Appendix 4: Financial Plan

Appendix 5: Governance Document

Appendix 6: Communications Protocol

Appendix 7: Communications Core Script

Appendix 8: Communications Q and A

Appendix 9: Agreement between East, North and South Ayrshire Councils around governance, finance and reporting arrangements

Appendix 10: Communications Action Plan 2020 - 23

Appendix 11: Risk Register

**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:**

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Overall Status Last Period	Overall Status This Period
Amber	Amber

## AGD Dashboard – 11 January 2021 Sub-Programme/Project Updates - Guidelines

RAG Status	Projects/Programme Status	Action Required
Green	In line with timeline set out in business case and no issues identified	No management action required
Amber	Issues identified with no / minimal change to timeline in business case & acceptable by PMO	Management action is in place by PMO and/or senior management to address issues
Red	Delay to timeline in business case significant	Immediate action required by senior management and relevant Boards as appropriate to address issues

PMO = Programme Management Office  
 PBC = Programme Business Case  
 SBC = Strategic Business Case  
 OBC = Outline Business Case  
 FBC = Full Business Case  
 Milestones – defined by financial year

# AGD Dashboard – 11 January 2021

## Programme Management Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
<b>Governance</b>	<b>G</b>	<ul style="list-style-type: none"> <li>Joint Committee and Ayrshire Regional Economic Partnership formed</li> <li>Chair of Joint Committee – Cllr Cullinane, NAC for year to 31/08/21</li> <li>Chair of Regional Partnership – Cllr Henderson, SAC for year to 31/08/21</li> <li>Admin for both Committees with North Ayrshire Council until 31/08/21</li> </ul>	
<b>Growth Deal and Associated Documents</b>	<b>A</b>	<ul style="list-style-type: none"> <li>Regional Economic Strategy agreed June 2020 and sector-based groups setup to support economic recovery and renewal</li> <li>Inclusive Growth Action Plan agreed and will link in with Regional Economic Strategy</li> <li>Deal Documents signed off by both Governments – 19<sup>th</sup> November 2020</li> <li>Tripartite Financial Agreement awaits signing, with SG currently chasing finance colleagues in SG</li> <li>Agreed implementation and spend profiles for each project</li> <li>Programme Risk Register reviewed and updated</li> <li>Monitoring and evaluation framework requirements being discussed with SG</li> </ul>	<ul style="list-style-type: none"> <li>Tripartite Financial Agreement – Q4 2020/21</li> <li>Draft Monitoring and Evaluation Framework – Q4, 2020/21</li> <li>Draft Benefits Realisation Plan – Q4, 2020/21</li> </ul>
<b>Finance</b>	<b>A</b>	<ul style="list-style-type: none"> <li>Individual partner agreement prepared, terms finalised and agreed – signed on behalf of EAC and awaits signing on behalf of NAC and SAC</li> <li>Agreement reached with Finance Directors around approach to management of cash flows in respect of government grant funding</li> <li>Project Leads reviewed and confirmed accuracy with expenditure profiles pre Deal signing</li> <li>Claim submitted by HALO to EAC December 2020 for final drawdown of AGD grant funding</li> <li>Council Leaders have sent letter to Secretary of State for Scotland asking that Ayrshire's UKG funding be accelerated from 15 years to 10 years in line with other Deals recently announced</li> </ul>	<ul style="list-style-type: none"> <li>Partnership Agreement to be signed off – Q4 2020/21</li> </ul>
<b>Reporting</b>	<b>A</b>	<ul style="list-style-type: none"> <li>Timescales and process for reporting to governments has been agreed</li> <li>Weekly calls between PMO and both governments continue - updates provided &amp; any issues addressed</li> <li>All project leads continue to provide PMO with project update quarterly and reported to REP</li> <li>Projects in delivery will require to provide PMO with project update monthly, quarterly, annually, including risk register</li> <li>PMO in receipt of project risk registers</li> <li>All current programme and project milestones, targets and outcomes will be monitored and reported using Pentana. The information has been uploaded to Pentana</li> <li>PMO will work with Project Leads to ensure accurate input of monitoring data to Pentana</li> <li>A regional community benefits tracker has been developed by the AGD Procurement Sub-Group and is currently being tested. EAC will host and maintain the system.</li> </ul>	<ul style="list-style-type: none"> <li>Pentana adopted by PMO and Project Leads – Q4 2020/21</li> <li>Regional community benefits approach / tracker adopted by Procurement &amp; PMO – Q4 2020/21</li> </ul>



# AGD Dashboard – 11 January 2021

## Programme Management Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO - Key Task Updates	Next Milestones (financial year)
<b>Business Cases</b>	<b>A</b>	<ul style="list-style-type: none"> <li>Letter from SG around business case process – simplifying approvals process</li> <li>Project leads updated business cases July/August 2020 taking account of government feedback received and project developments.</li> <li>Awaiting further business case feedback from government, as well as an indication on how close/far OBCs are from government approval</li> <li>UKG &amp; SG economists have confirmed agreement with PMO proposed economic appraisal methodology for land use projects</li> <li>Economic modelling for land use projects and current associated options completed January 2020. These will require to be updated as business cases develop</li> <li>Business case training provided to project leads – January &amp; October 2019</li> <li>Information session with project leads to discuss equalities, procurement and Inclusive Growth Action plan took place December 2019</li> <li>Further equalities training provided by SG to Project Leads in Autumn 2020</li> <li>Regular meetings taking place between PMO and three Equalities Officers</li> <li>Business Case guidance sessions provided to Project Leads in November 2020. The sessions discussed: business case format; approvals process; project interdependencies; and inclusive growth objectives</li> <li>Awaiting further clarity from SG around business case format for revenue projects</li> <li>Where appropriate, roundtable discussions being arranged with both governments, PMO and project leads to thrash out any issues, including business case format</li> <li>PMO continue to provide support and advice around business case development</li> </ul>	<ul style="list-style-type: none"> <li>Working for a Healthy Economy OBC completed/presented to REP/approved by Government – January 2021</li> <li>Working for a Healthy Economy FBC completed/approved by EJC – February 2021</li> <li>CWB OBC completed/presented to REP/approved by Government – January 2021</li> <li>CWB FBC completed/approved by EJC – February 2021</li> </ul>
<b>Communications</b>	<b>A</b>	<ul style="list-style-type: none"> <li>Communications protocol with both governments in place and forms suite of Deal documents agreed by Joint Committee, UKG and SG</li> <li>Communications Action Plan for 2020/21 will continue to be populated</li> <li>Weekly meetings taking place with local authority Communications Leads to progress the Communications Action Plan</li> <li>The development and design of AGD website is underway, with expected launch date being end of February 2021. A web domain name has been purchased – ayrshiregrowthdeal.co.uk</li> <li>AGD Story Map will continue to be maintained prior to website being launched</li> <li>AGD Information Portal supported by SAC allows sharing of documentation with project leads and partners</li> </ul>	<ul style="list-style-type: none"> <li>Website launched – end of February 2021</li> </ul>
<b>Resource</b>	<b>A</b>	<ul style="list-style-type: none"> <li>Programme and project management arrangements in place for each council area</li> <li>SAC currently recruiting new officer posts</li> <li>Permanent PMO staffing structure agreed to support next phase and staff have been appointed</li> </ul>	

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
<b>AEROSPACE &amp; SPACE PROGRAMME</b>	A	<ul style="list-style-type: none"> <li>• AGD (SAC) Programme Management established</li> <li>• Monthly programme portfolio review in place. Programme plan updated on 15 July</li> <li>• All OBCs submitted to PMO incorporating feedback from PMO</li> <li>• Awaiting feedback from UKG on Spaceport – received November 2020</li> <li>• The impact of Covid19 on the aviation industry and the related aerospace sector means that we are currently reviewing projects to assess the impact on activities. For example, this has resulted in a delay in the commissioning of the economic impact assessment for the programme and individual projects until November 2020.</li> <li>• Council approval to recruit dedicated Programme staff resource</li> <li>• Update business cases to include any comments from the UKG (20/21)</li> <li>• Incorporate updated risk registers into business cases (20/21)</li> <li>• Economic Impact Assessment – Report January 2021</li> <li>• Skills Action Plan – Commission in December 2020 and report</li> <li>• Equality Impact &amp; Fairer Scotland Assessment (20/21)</li> <li>• Overarching Aerospace &amp; Space Programme Summary update (20/21)</li> <li>• Programme Plan updated (20/21)</li> <li>• Recruit staff to Team – March 2021</li> </ul>	
<b>SPACEPORT INFRASTRUCTURE</b>  Project Lead: Jim Johnstone	A	<ul style="list-style-type: none"> <li>• Detailed programme of work has been established</li> <li>• Updated OBC was provided to PMO July 2020 – UK Government feedback in November</li> <li>• work packages and risk register reviewed with key delivery partners and updated</li> <li>• Ongoing discussions with potential air launch service providers (LSP) and human spaceflight provider.</li> <li>• new contact developing hypersonic flight capabilities from Prestwick</li> <li>• Status of GPA with regards to ownership to be confirmed – sale process has been recommenced; expressions of interest due by 26 November and hope to conclude sale by end of March</li> <li>• GPA executive team activity participating in the development of the spaceport through the Site/LSP baseline &amp; Operational Plan study and RIBA Stage 1 study</li> <li>• Market opportunities study completed and outputs from study to be included in next version of business case</li> <li>• Researching opportunities with Scottish Enterprise in respect of microgravity services and activities</li> <li>• On-going monthly liaison with the UK Space Agency and Civil Aviation Authority</li> <li>• Space Industry Act secondary legislation published for consultation on 29 July 2020 – detailed response from Prestwick Team</li> <li>• RIBA Stage 1 Report commencing on 25 August 2020 reporting January 2021</li> <li>• RIBA Stage 2 Gate review February 2021</li> </ul>	<ul style="list-style-type: none"> <li>• Update OBC - March 2021 to reflect development activities undertaken &amp; government feedback</li> </ul>

Checked & validated by PMO: S MacMillan

Date: 11 Jan 21

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
<b>COMMERCIAL SPACE – HANGAR / INDUSTRIAL UNITS</b>  Project Lead: Calum McPhail	A	<ul style="list-style-type: none"> <li>• Due to Covid19, the timeline for individual developments has moved. In parallel, new enquires and opportunities have emerged in response to Covid19. These opportunities will be examined and the programme updated accordingly</li> <li>• Updated OBC submitted to PMO and governments August 2020 - awaiting further feedback</li> <li>• Risk Register and project work packages reviewed and updated</li> <li>• Development options study to be reviewed – tender December 2020</li> <li>• Revisit demand forecast to consider impact of Covid 19 on the project plan – commence December 2020</li> <li>• Agree development approach for Prestwick International Aerospace Park with SE</li> <li>• Monthly project meetings and governance established - ongoing</li> <li>• Update programme of activity, in response to Covid19</li> <li>• Amend elements of the development strategy to reflect shift in market conditions as a result of Covid19, finalise strategy by end of March 2021</li> <li>• Utilities study complete for PIAP – January 2021</li> <li>• Design and programme for phase 1 agreed – March 2021</li> <li>• Development Agreement MoU with SE – March 2021</li> <li>• Demand forecast – February 2021</li> <li>• Programme plan – update by March 2021</li> </ul>	<ul style="list-style-type: none"> <li>• Revised OBC – March 2021</li> <li>• FBC – June 2021</li> </ul>
<b>PRESTWICK INFRASTRUCTURE – ROADS</b>  Project Lead: Alison Blair	A	<ul style="list-style-type: none"> <li>• Aerodrome Safeguarding study completion further extended into December to enable consideration of impact of space launch activities</li> <li>• Commission of completion of Phase 1 route design (Station Road by-pass to PEAP) scheduled to start when Aerodrome Safeguarding study is received.</li> <li>• Phase 1 Orangefield Culvert Catchment Study completed</li> <li>• Meeting with TS regarding OBC comments February 2021</li> <li>• Completion of Aerodrome Safeguarding report - end of January 2021</li> <li>• Drainage solution optioning commence January 2021</li> <li>• Phase 2 Road Alignment Study end February 2021</li> <li>• Route design for phase 1 completed – extended to end February 2021</li> <li>• Land assembly (phase 1) commences mid March 2021</li> <li>• South Ayrshire Council Leadership Panel approvals February 2021</li> </ul>	<ul style="list-style-type: none"> <li>• Revised OBC - March 2021</li> <li>• Complete Phase 1 development - FBC November 2022</li> </ul>
<b>AEROSPACE &amp; SPACE INNOVATION CENTRE (ASIC) including Visitor Centre</b>  Project Lead: Calum McPhail	A	<ul style="list-style-type: none"> <li>• Response to Covid19 required. Focus on MRO / Decommissioning through regional and Scottish Government ministerial working groups - ongoing input</li> <li>• Commenced delivery of the supply chain and AVS projects – supported via the SG Advancing Manufacturing Fund, commenced August 2020</li> <li>• Consideration of outputs from the Spaceport market opportunities study that may sit better within ASIC; January 2021</li> <li>• Risk Register and project work packages reviewed and updated</li> <li>• Feasibility Study for decommissioning / MRO, including dependencies to Commercial infrastructure project commenced November 2020. Report due January 2021.</li> </ul>	<ul style="list-style-type: none"> <li>• Decommissioning / MRO feasibility study report – January 2021</li> <li>• Updated OBC - end of March 2021</li> </ul>

Checked & validated by PMO: S MacMillan

Date: 11 Jan 21

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
<b>ECONOMIC INFRASTRUCTURE PROGRAMME</b>	<b>A</b>	<ul style="list-style-type: none"> <li>• Predominantly project approach for this theme</li> </ul>	
<b>HALO Kilmarnock Ltd</b>  Project Lead: Gary Deans	<b>G</b>	<ul style="list-style-type: none"> <li>• Scheduled to complete Phase 1 (Innovation Hub) mid-April 2021</li> <li>• Claim submitted by HALO to EAC December 2020 for final drawdown of AGD grant funding</li> <li>• Final drawdown claim of AGD grant funding submitted to Scottish Government January 2021</li> <li>• PMO working with HALO to ensure we capture the current and future benefits associated with the delivery and objectives of the project</li> </ul>	

Checked & validated by PMO: Allison Craig

Date: 14 January 2021

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
<b>ECONOMIC INFRASTRUCTURE PROGRAMME</b>	A	<ul style="list-style-type: none"> <li>• Predominantly project approach for this theme</li> </ul>	
<b>AYRSHIRE ENGINEERING PARK (MOORFIELD)</b>  Project Lead: Fiona Paterson	A	<ul style="list-style-type: none"> <li>• Updated Draft OBC submitted to PMO &amp; SG July 2020 –Awaiting further feedback</li> <li>• Economic modelling completed – further analysis will be carried out as inputs are refined</li> <li>• In discussions with two landowners regarding the purchase of identified site</li> <li>• Land acquisition – Q1/Q2, 2021/22</li> <li>• Issue tender brief for site access options Q4 2020/21</li> <li>• Licence to occupy signed by landowners to permit access for site investigations. Site investigations commenced on Monday 9<sup>th</sup> Nov and report expected early February 2020.</li> <li>• Brief currently being drafted to appoint Traffic Consultant to understand access opportunities to site. Tender will be issued once we receive confirmation of satisfactory site investigations.</li> </ul>	<ul style="list-style-type: none"> <li>• Update OBC Q1 2021/22</li> </ul>
<b>AYRSHIRE MANUFACTURING INVESTMENT CORRIDOR (AMIC)</b>  Project Lead: Gillian Morton	A	<ul style="list-style-type: none"> <li>• Updated Draft OBC submitted to PMO &amp; both governments Sept 2020 – Awaiting further feedback</li> <li>• Phasing/profiling pushed back 3 years following concerns raised by Transport Scotland regarding impact of development on the safe &amp; efficient operation of the A77(T) Bellfield Junction. Transport Scotland raised further concerns with regards to Bellfield in feedback Aug 2020.</li> <li>• Meeting held with Transport Scotland &amp; Scottish Government in Aug 2020 which resulted in an updated OBC in Sept 2020.</li> <li>• Bellfield was our preferred site for the project however we are actively looking at other sites to ensure the best site possible is chosen and the project is delivered.</li> <li>• Economic inputs revised to take account of build out aligned to spend - this information will inform further economic analysis</li> <li>• Ambition/objective setting workshop took place on 10<sup>th</sup> November 2020. Subsequent session to be undertake targeted at smaller businesses in January 2021. There have been delays completing this work due to the Food &amp; Drink sector addressing challenges caused by Covid -19.</li> <li>• Tender brief being drafted to appoint agent to undertake business engagement/market research to inform next iteration of OBC this tender will be issued following a review of the ambition research report.</li> <li>• Steering group participants being considered. Invitations will be issued following the Ambition setting workshop and receipt of report from Consultants, expected Q4 2020/21.</li> <li>• Considerable networking and engagement with other Food &amp; Drink Centres across the UK and Ireland underway to act as lessons learned, inform options and explore operational models and consultation with industry to support project development.</li> <li>• Further discussions with NMIS regarding links and being part of networking alliance. Discussions will continue with the view to formalising relationship between NMIS and AMIC through MoU. NMIS participated in Ambition setting workshop</li> </ul>	<ul style="list-style-type: none"> <li>• Update OBC Q1 2021/22</li> </ul>

Checked & validated by PMO: SMacMillan

Date: 11 Jan 21

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
<b>I3</b>	<b>A</b>	<ul style="list-style-type: none"> <li>• Programme board established; masterplan team preparing layout options for location of Digital Hub and flexible space phases; green energy scoping exercise planned to support masterplan.</li> <li>• Requires clarification from PMO/Govt on estimated timing and information required for OBC sign-off following PMO/Govt information session from 6<sup>th</sup> Nov</li> </ul>	
<b>I3 FLEXIBLE BUSINESS SPACE</b>  Project Lead: Marnie Ritchie	<b>A</b>	<ul style="list-style-type: none"> <li>• Project informed by Ryden research, highlighting market circumstance, scale, configuration of flexible space. This is built into OBC as options to inform economic modelling.</li> <li>• Delivery due to commence 2022</li> <li>• Austin Smith Lord leading masterplan process for i3.</li> <li>• Revised OBC was submitted to PMO and government August 2020 – all feedback to date addressed in updated OBC</li> <li>• Project development progressing including preparation of scoping for technical works and masterplanning.</li> </ul>	<ul style="list-style-type: none"> <li>• OBC Q4 2020/21</li> </ul>
<b>I3 DIGITAL AUTOMATION &amp; TESTING CENTRE</b>  Project Lead: Marnie Ritchie	<b>A</b>	<ul style="list-style-type: none"> <li>• A joint outline business case is being prepared for a digital process manufacturing centre between NAC and NMIS.</li> <li>• NMIS partnership identified market gap for NMIS national facility – Digital Process Manufacturing Centre (DPMC).</li> <li>• OBC currently under preparation and targeted for Dec completion for first draft for partner review. Exp capex cost circa £10-11m. NMIS developing commercial model. Anticipated NAC lead on capex and NMIS to be facility operator.</li> <li>• Steering group targeting phase 1 of DPMC to open in Sept 2021 to meet demand; with phase 2 in 2024.</li> <li>• O'Herlihy &amp; Co completed demand assessment to supplement business case. Indication of strong support for facility with some interest in immediate take up.</li> <li>• Further economic analysis required to support business case and being developed.</li> <li>• Consideration of benefits realisation of digital infrastructure programme to take place.</li> <li>• Once OBC is approved, pilot phase can begin</li> </ul>	<ul style="list-style-type: none"> <li>• OBC Q4 2020/21</li> </ul>

Checked & validated by PMO: S MacMillan

Date: 11 Jan 21

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO - Key Task Updates	Next Milestones (financial year)
<b>ENERGY, CIRCULAR ECONOMY &amp; ENVIRONMENT</b>	<b>A</b>	<ul style="list-style-type: none"> <li>• Project approach only for this theme</li> </ul>	
<b>NATIONAL ENERGY RESEARCH DEMONSTRATOR (NERD)</b>  Project Lead: Lorna Clark	<b>A</b>	<ul style="list-style-type: none"> <li>• Updated OBC sent to PMO at end of July 2020 addresses SBC feedback from SG</li> <li>• OBC feedback responses returned to PMO- June 2020</li> <li>• A representative from BEIS UKG sits on the Steering Group</li> <li>• Economic inputs will be revised again to take account of build out aligned to spend - this information will inform further economic analysis</li> <li>• EAC appointed Faithful and Gould as Passivhaus specialists.</li> <li>• Project workshops ongoing to develop design, layout, concept, costings and delivery programme for NERD Centre with RIBA Stage 2 report to be published 11<sup>th</sup> January 2021.</li> <li>• Design team will progress to RIBA Stage 3 designs from Feb 2021 with completed report and drawings expected early summer 2021.</li> <li>• EAC Members' stakeholder briefing session arranged for 19<sup>th</sup> January 2021 and paper going to EAC Cabinet 3<sup>rd</sup> February 2021 seeking approval of spend for RIBA Stage 3</li> <li>• Ongoing consideration and discussions regarding operational models for the Centre</li> <li>• Meeting held on 24<sup>th</sup> Nov 2020 with University of Strathclyde to further discuss operational model and USP of NERD. Agreed outcome is to prepare a presentation/pitch to present to Senior Management at Strathclyde University/PNDC (Power Networks Demonstration Centre)</li> <li>• Present to Strathclyde University/PNDC on operational model Q4 2020/21</li> <li>• Project team continuing to develop initial project proposals for early Demonstrator projects with a range of internal Council Departments and external stakeholders</li> <li>• Confirmation received in November 2020 that the Stage 2 application submitted in partnership with Energy Technology Partnership to the Low Carbon Challenge Fund was unsuccessful</li> </ul>	<ul style="list-style-type: none"> <li>• Updated OBC Q4 2020/21</li> </ul>

Checked & validated by PMO: SMacMillan

Date: 11 Jan 21

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
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Theme	RAG Status	PMO - Key Task Updates	Next Milestones (financial year)
<b>ENERGY, CIRCULAR ECONOMY &amp; ENVIRONMENT</b>	A	<ul style="list-style-type: none"> <li>• Project approach only for this theme</li> </ul>	
<b>CENTRE FOR RESEARCH INTO LOW CARBON ENERGY &amp; CIRCULAR ECONOMY (CECE) AT HUNTERSTON</b>  Project Lead: George Hunter	A	<ul style="list-style-type: none"> <li>• Strategic Business Case feedback from UK Govt broadly supportive of proposals and strategic case for investment.</li> <li>• NAC letter issued to Scot Govt seeking ministerial Taskforce for Hunterston to integrate decommissioning impact with AGD programme as part of decommissioning strategy</li> <li>• NAC developing governance proposals/workplan for provisional taskforce. Engagement with SE has taken place (Nov 2020) to seek support and resource input to taskforce operation. Further engagement to take place with Peel Ports Group</li> <li>• Partnership development strategy under development to form the basis of partnership discussion with Peel, with a view to identifying a partnership development approach. NAC/SE discussions took place Nov 2020 as a catalyst for activity in the form of an industry-led innovation centre has taken place through engagement with SE. Following partnership model being in place an OBC to be developed for initial phase.</li> <li>• Ongoing discussion with Nuclear Decommissioning Authority to position impact of decommissioning within wider context of Hunterston development proposals.</li> <li>• Blue Economy Ekosgen strategic development critical to Hunterston in terms of defining the synergy across IMSE and Hunterston, and providing strategic support for Parc innovation project.</li> </ul>	<ul style="list-style-type: none"> <li>• OBC Q1 2021/22</li> </ul>
<b>INTERNATIONAL MARINE SCIENCE &amp; ENVIRONMENTAL CENTRE (IMSE)</b>  Project Lead: George Hunter	A	<ul style="list-style-type: none"> <li>• Revised SBC submitted to PMO and governments August 2020 – all feedback received reflected in recent submission and positive feedback received from UKG in recent feedback</li> <li>• Detailed brief for research issued to define market and growth opportunities in marine science sector - to provide further definition on strategic context for IMSE</li> <li>• IBioIC conference (Feb 2020) for industry engagement to inform strategic context</li> <li>• Development of strategic action plan for Blue Economy underway partnership to provide expertise and route map for development and provide sectoral analysis of role of IMSE.</li> <li>• Engagement with Scottish Enterprise Cluster Builder programme ongoing.</li> <li>• Engagement with academic contacts has advanced and academic interests to engage with action plan development and scoping of future stages of IMSE business case development.</li> </ul>	<ul style="list-style-type: none"> <li>• OBC Q1 2021/22</li> </ul>



# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
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Theme	RAG Status	PMO - Key Task Updates	Next Milestones (financial year)
<b>TOURISM</b>	A	<ul style="list-style-type: none"> <li>Agreed at recent OCEA meeting that quantitative targets and wider benefits for tourism projects should be based on evidence available, with the wider benefits articulated within the qualitative narrative. OCEA confirmed that a full CBA is not necessary for projects &lt;£10m</li> <li>Requires clarification from PMO/Govt on estimated timing and information required for OBC sign-off following PMO/Govt information session from 6<sup>th</sup> Nov.</li> </ul>	
<b>THE GREAT HARBOUR AT IRVINE HARBOURSIDE &amp; ARDEER</b>  Project Lead: George Hunter	A	<u>Maritime Mile (Critical Path):</u> <ul style="list-style-type: none"> <li>Advisors appointed to provide RIBA Stage 2 concept design cost analysis</li> <li>Gateway stage 1 review (Project Board sign off of concept design &amp; OBC) exp Jan 21</li> <li>Design team appointment for detailed design proposals exp Q1 21</li> <li>S Govt feedback Positive. Awaiting PMO/SG clarifying Next Steps to advance Regional Approvals</li> </ul> <u>Great Harbour Related Project Development and Meeting Strategic Objectives:</u> <ul style="list-style-type: none"> <li>Ironside Farrar developing masterplan. Initial stakeholder engagement including with NMMS</li> <li>Intended to undertake CWB Team workshop to identify key opportunities and CWB approaches</li> </ul>	<ul style="list-style-type: none"> <li>OBC Q4 2020/21</li> </ul>
<b>MARINE TOURISM</b>  Project Lead: George Hunter	A	<ul style="list-style-type: none"> <li>Revised OBC reflected all feedback to date submitted August 2020</li> <li>Delivery due to begin 2022/23</li> <li>Technical support work progressing to detailed scope, in tandem with cost plan review and MOU with partners for project</li> <li>Gateway governance system developed and in place.</li> </ul>	<ul style="list-style-type: none"> <li>OBC Q1 2021/22</li> </ul>

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO - Key Task Updates	Next Milestones
<b>DIGITAL PROPOSAL</b>	A	<ul style="list-style-type: none"> <li>Digital Oversight Group met on 28 May 20. Confirmed refreshed ToR and membership</li> <li>Further discussions with private sector investor continue. Awaiting proposal from partners</li> <li>Review of resource requirements and Governance. Chair and support agreed.</li> <li>Alignment of Regional Economic Strategy digital work stream and AGD</li> <li>No significant progress with the projects since last update in August</li> <li>Receipt of FarrPoint gap analysis and incorporate findings into OBC</li> <li>Business case and investment requirements from Private Sector</li> </ul>	
<b>SUBSEA FIBRE OPTIC CABLE</b> Project Lead: Theo Leijser (interim)	A	<ul style="list-style-type: none"> <li>OBC updated April 2020 following feedback from UKG and SG</li> <li>SFT leading on negotiations on new cables to ensure further resilience for Scotland</li> <li>SFT leading on further discussion with UKG in relation to OBC feedback</li> <li>Engage with Government as commercial opportunity may require rapid confirmation of funding and additional project development resource</li> <li>Complete gap analysis to be incorporated into next OBC iteration – Q3 2020/21</li> </ul>	<ul style="list-style-type: none"> <li>Revised OBC – Q1, 2021/22</li> </ul>
<b>KEY DIGITAL INFRASTRUCTURE</b> Project Lead: Theo Leijser (interim)	A	<ul style="list-style-type: none"> <li>OBC updated April 2020 following feedback from UKG and SG</li> <li>Discussions with private operator regarding land connectivity ongoing</li> <li>Proposal being developed to establish edge data centre capability in Ayrshire, on a hub and spoke model, in order to secure economic benefit from subsea cable.</li> <li>Bid submitted to SFT for low carbon funding to help with resource</li> <li>Complete gap analysis to be incorporated into next OBC iteration – Q3 2020/21</li> </ul>	<ul style="list-style-type: none"> <li>Revised OBC – Q1, 2021/22</li> </ul>

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO - Key Task Updates	Next Milestones (financial year)
<b>REGIONAL SKILLS &amp; INCLUSION PROGRAMME</b>  Project Lead: Greig Robson	A	<ul style="list-style-type: none"> <li>• Project rather than programme approach being adopted for Regional Skills &amp; Inclusion programme – proposed elements being developed</li> <li>• Discussions currently taking place with SG around project elements/proposals</li> <li>• Draft project elements include: Working for a Healthy Economy; and Skills Fund</li> <li>• Consulted with EAC, NAC, SAC, SDS, College around Skills Fund proposals</li> <li>• Need to understand whether current OBCs are sufficient for each project or whether FBC is required</li> </ul>	
<b>WORKING FOR A HEALTHY ECONOMY</b>  Project Lead: Greig Robson	A	<ul style="list-style-type: none"> <li>• Latest updated OBC submitted to SG 20/21.</li> <li>• SG have indicated satisfied with OBC and will check whether FBC is required.</li> <li>• Discussed implications of Covid with SG and agreed that while project approval should proceed asap – the contract implementation perhaps should be delayed to end of 2020 or early 2021. This is because approach is somewhat reliant on face-face contact and a supportive jobs market.</li> <li>• Delay to project implementation will have minimal impact on financial profile as only £100k profiled for 20/21.</li> <li>• Procurement framework for Health project was issued during January and has now been scored, and health/employability lot was awarded to NHS/Salus</li> <li>• Review of project implementation plan held with contractor and PMO in December</li> <li>• Project spend in Quarter 4 of 2020/21 may be possible subject to receiving OBC approval in January</li> <li>• Currently working on an FBC</li> </ul>	<ul style="list-style-type: none"> <li>• OBC approval Q4 2020/21</li> </ul>
<b>AYRSHIRE SKILLS FUND</b>  Project Lead: Greig Robson	A	<ul style="list-style-type: none"> <li>• Latest updated OBC submitted to SG Q2 20/21</li> <li>• SG seem satisfied that OBC is sufficient for time being and that governance decisions for Skills Fund can be taken at FBC stage.</li> <li>• Discussed Covid implications with SG. Agreed that there is an argument to accelerate approval if possible. National resources for skills have already been announced and project will need to react to this as it emerges.</li> </ul>	<ul style="list-style-type: none"> <li>• OBC approval Q4 2020/21</li> </ul>

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
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Theme	RAG Status	PMO - Key Task Updates	Next Milestones
<b>COMMUNITY WEALTH BUILDING (CWB)</b>  Project Lead: Julie McLachlan	A	<ul style="list-style-type: none"> <li>• Revision of OBC submitted in August .</li> <li>• Various OBC versions have reflected PMO &amp; Government feedback in March 2020, May 2020 (to update financial profile and risk register drafted May 2020 taking Covid-19 into account); and additional comments through May/June. Total comments from SG received is now around 250 despite overall positive feedback.</li> <li>• Working group in place since May 2019 and identified 3 key project areas: CWB Business Locality Officers, CWB Fund, Fair Work Ayrshire</li> <li>• Working group met November 2020. FW Ayrshire financial profile to be revised back to pre-Covid financial profile now economic impact of Covid-19 on business base clearer.</li> <li>• Job descriptions will be processed however lack of clarity on OBC sign off and FBC requirement impacting development of recruitment timeline.</li> <li>• OBC updated and sent to SG on 12 Jan 21</li> <li>• Need clarity on whether FBC required and process for sign off so recruitment process can commence ahead of delivery Q1 2021/22</li> </ul>	<ul style="list-style-type: none"> <li>• OBC Q4 2020/21</li> </ul>

# AGD Dashboard – 11 January 2021

## Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
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Theme	RAG Status	PMO – Key Task Updates	Next Milestones
<b>STRATEGIC TRANSPORT PROJECTS REVIEW (STPR2)</b>  Project Lead: Kevin Braidwood	A	<ul style="list-style-type: none"> <li>Regional transport working group (RTWG) established</li> <li>Growth Deal ambitions captured</li> <li>AGD land use assumptions fed back to Transport Scotland</li> <li>Stakeholder engagement from summer 2019 to September 2020 to inform the development of STPR2 resulted in a wide range of transport options being generated</li> <li>Two phased approach has been agreed to the development of STPR2 in light of the pandemic restriction with Phase 1 reporting late 2020/early 2021 on options that align with NTS, can be delivered or substantially progressed in the next 2/3 years and will support recover. Phase 2 will report in Autumn 2021 on investment over the longer term</li> <li>An options sifting process has commenced and the RTWG are being consulted on whether any options that have been sifted out prematurely or if potential options have been missed</li> <li>The RTWG will prepare a co-ordinated regional response to options sifting outlining the region's rationale for the inclusion of projects currently sifted out where appropriate</li> <li>To enable an informed response, the RTWG wrote to AECOM (consultants for TS) 26 November 2020 seeking clarity on a number of points relating to the options sifting pack</li> <li>A meeting with Mr Michael Matheson MSP is being sought to ensure that emerging priorities from the Phase 1 option sifting process support economic recovery and alignment of work associated with the AGD</li> </ul>	<ul style="list-style-type: none"> <li>Phase 1 report to SG – Q4, 2020/21</li> <li>Phase 2 report to SG – Q3, 2021/22</li> </ul>

Checked & validated by PMO: Allison Craig


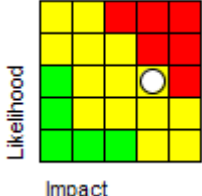

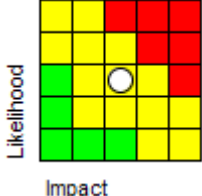

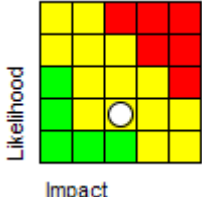

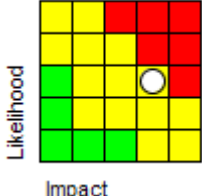
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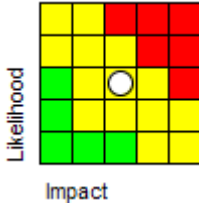

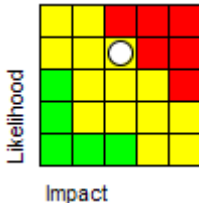

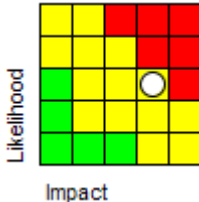
## Risk Register for Ayrshire Growth Deal

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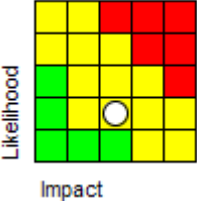

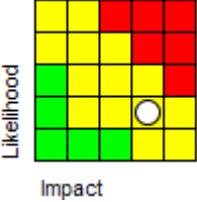

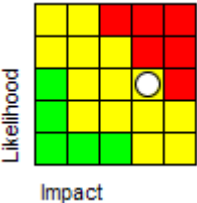

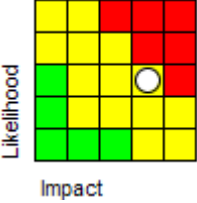



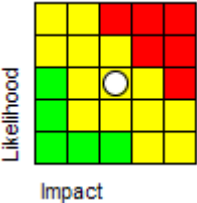

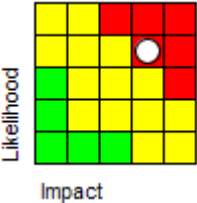
Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK01	Failure to achieve AGD programme objectives	PMO working on monitoring and evaluation processes to ensure overall objectives are captured and any project failing to achieve and contribute to these is flagged and issues addressed as quickly as possible. Monitoring and Evaluation Framework will be developed and implemented.		15-Jan-2021	12	12	AGD Steering Group and other governance arrangements are in place to monitor progress and to address any weaknesses or issues that could impact on overall delivery
	AGDRISK02	Failure to provide accurate projections for programme spend	Outline business cases were updated July/August 2020 as part of the iterative process of negotiations with SG and UKG and spend profiles have been reviewed. Project Leads have confirmed accuracy and made minor adjustment where necessary.		15-Jan-2021	12	12	OBCs/FBCs include an optimism bias factor; Inflationary factor included in cost estimations; Challenge panel led by PMO exists to review and scrutinise spend profiles. Issues to be escalated to CEOs and Regional Partnership as appropriate.
	AGDRISK03	Failure to drawdown full AGD funding	Regularly review and agree financial profiling/phasing with Project Leads and Finance Directors and ensure drawdown projections align with delivery timescales. Annual review of Financial Plan and Implementation Plan. The Scottish Government's Financial Reporting Requirements will be implemented.		15-Jan-2021	9	12	Internal procedures, financial controls and audit processes being put in place to mitigate this risk


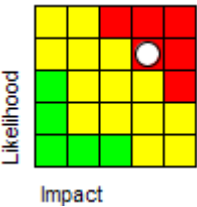

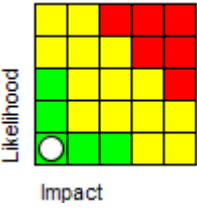

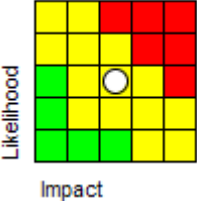
Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK04	Delays in development and approval of business cases	All projects now have either an SBC or an OBC in place and these are subject to focused discussions with SG and UKG – Covid-19 had caused delays with negotiations and sign offs.		15-Jan-2021	16	12	PMO working closely with project leads and policy leads within UKG and SG to support business case development and approval to an agreed timeline
	AGDRISK05	Failure to capture accurate baseline data	Post Covid-19 data will provide a more accurate baseline. Over the coming weeks and months, the volume of economic and labour market data that captures 2020 (and beyond) is likely to increase. This will enable us to have more robust evidence on the economic and labour market impact of Covid-19.		15-Jan-2021	6	9	Project leads required to establish appropriate baseline in business cases
	AGDRISK06	Failure to deliver community benefits from AGD	PMO and Procurement managers from 3 Councils have developed and agreed a single mechanism to monitor delivery of community benefits so that remedial action can be taken if required. PMO working with Project Leads to develop consist approach to embedding inclusive growth, equalities and community wealth building within business cases.		15-Jan-2021	6	6	Procurement working group has been established to support delivery of community benefits
	AGDRISK07	Failure to deliver individual projects within the AGD programme	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. Regular review of outputs and timelines for delivery of benefits in light of Covid-19. A Monitoring and Evaluation		15-Jan-2021	9	12	AGD Steering Group and other governance arrangements in place to monitor project development. PMO will escalate any issues relating to individual projects to existing governance arrangements




Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
			Framework which will include a change management process will be developed and implemented, as will a Benefits Realisation Plan.					
	AGDRISK08	Inadequate recognition of interdependencies and/or knock-on impacts between parts of the programme leading to issues with delivery and/or lost opportunities	Programme meeting/workshop facilitated by PMO and attended by Project Leads and partners took place early November 2020 to ensure interdependencies are recognised and considered. The PMO continue to work with project leads to develop and articulate the interdependencies within the project business cases.		15-Jan-2021	9	<b>9</b>	PMO working closely with project leads to ensure interdependencies are fully articulated within business cases
	AGDRISK09	Lack of resource within partner organisations to deliver projects in line with AGD programme	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 the majority of projects. The draft programme of delivery is very ambitious and further resource commitment may be required.		15-Jan-2021	9	<b>12</b>	Formal approvals of Councils' resources are now in place for AGD projects. Other funding streams will be explored to support ongoing revenue costs. Anticipated revenue streams will be subject to constant review through the monitoring procedures in place for AGD.
	AGDRISK10	Lack of resource in PMO	A permanent PMO structure has been agreed and staff appointed. The PMO is being supported by colleagues in each of the Councils in a number of work streams. Re-assess capacity and skill sets regularly in line with changing requirements.		15-Jan-2021	9	<b>12</b>	




Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK11	Inadequate governance arrangements to support AGD delivery	Joint Committee and Ayrshire Regional Economic Partnership formed and regular meetings in place. The Scottish Government's Financial Reporting Requirements have been implemented. A partner agreement between EAC, as lead authority for the Deal and North and South Ayrshire Councils has been drawn up and terms agreed. A Monitoring & Evaluation Framework and Benefits Realisation Plan will be developed and implemented.		15-Jan-2021	6	6	Ayrshire Regional Partnership and Joint Economic Committee now in place. AGD is standing item on CEOs' monthly meeting agenda.
	AGDRISK12	Monitoring & Evaluation Framework is not sufficiently defined	Framework will be co-produced with Government. The PMO is currently working with colleagues nationally to develop and agree a consistent approach with Government. Framework will be considered/agreed by Joint Committee.		15-Jan-2021	8	8	
	AGDRISK13	Failure to attract commercial interest in AGD	Market campaigns will target potential investors.  Wider Ayrshire Economic Growth Strategy is in place to ensure wider growth ambitions for Ayrshire are articulated to stakeholders and investors.		15-Jan-2021	12	12	
	AGDRISK14	Programme not communicated effectively to stakeholders outwith Governance structure	Communications Action Plan continues to be developed and updated, including launch of AGD website, increased use of social media platforms, pipeline of project specific communications plans. Regular briefings with elected members. Communications Protocol in place. Internal communications		15-Jan-2021	9	12	Comms protocol in place; Resource within AGD to market and promote activities and overall programme; Comms plan will be put in place for each project

Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
			plan being developed.					
	AGDRISK15	Supply phasing within overall programme	Early engagement with the construction sector will be required to ensure a greater understanding of the AGD Programme for project implementation and the nature of projects; to ensure industry is able to respond to ITTs; and that the capacity exists to deliver AGD activities. Market engagement through Meet the Buyer events.		15-Jan-2021	9	<b>9</b>	Governance arrangements in place will support the sharing of market intelligence and the phasing of development activity
	AGDRISK16	Potential impact of Brexit on economic prosperity of region	On 24 December 2020, the UK Government and the EU announced agreement on core elements of the future relationship. The impacts of Brexit on the UK economy have yet to be realised. Monitoring of the external environment will continue.		15-Jan-2021	16	<b>16</b>	Regional Economic Strategy will be implemented; Regional Skills Investment Plan developed and implemented and directed at both employer and resident needs; 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 to simulate greater economic activity; 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 stakeholder on strategic objectives for inclusive and sustainable economic growth, with effective action planning and monitoring.

Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK17	Covid-19 impacting on the AGD projects resulting in potential delays and cost increases	Regular dialogue 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. Regular review of outputs and timelines for delivery of benefits in light of Covid-19. A Monitoring and Evaluation Framework will be developed which will include a change management process.		15-Jan-2021	16	16	
	AGDRISK18	Delays in reaching agreement with UKG in relation to economic appraisal methodology	Agreement has been reached with both governments in relation to this work.		04-May-2020	9	1	Regular dialogue with UKG and discussion between project leads and government's policy leads designed to support business case development and approval
	AGDRISK19	Loss of IT systems	Corporate IT recovery protocol and security systems limit the risk. Contingency Plans in place.		15-Jan-2021	9	9	AGD team will be supported by IT recovery protocols and security systems of EAC to limit risk

Risk Status	
	Alert
	High Risk
	Warning

	OK
	Unknown

# AYRSHIRE GROWTH DEAL

## IMPLEMENTATION PLAN



Scottish Government  
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**AYRSHIRE**  
**GROWTH DEAL**

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## 1. **INTRODUCTION**

This document sets out the detail of how each project within the Ayrshire Growth Deal is expected to be implemented. This information should be read in conjunction with the Ayrshire Growth Deal Financial Agreement, Financial Plan, Governance Plan and Deal Document and will be subject to annual review and updating.

Contained within this implementation plan are the details of the key milestones, outputs and outcomes and risks associated with the development and delivery of each Growth Deal project. Also included are details of the key themes of each project and the inclusive growth barriers it seeks to target. Details of the interdependencies between projects and their links to inclusive growth are set out in the appendices to this document.

Further details relating to each project are contained within project business cases which are subject to detailed discussion with governments.

## 2. **AYRSHIRE GROWTH DEAL PROGRAMME**

Ayrshire's Councils all recognise the importance of a regional approach to growing the economy and have been working together and with partners and stakeholders to develop this Ayrshire Growth Deal, anchored in a commitment to creating a growing, innovative, more productive and inclusive economy, developing Ayrshire's core strengths and ensuring that communities benefit from economic growth.

Collectively, the partnership has identified the regional priorities which will create the best environment for people and business. This has been a robust process reflecting good practice methodologies, including analysis to understand the best interventions and projects which will facilitate a step-change for the Ayrshire and Scottish economies, while creating greater opportunity for all communities.

The vision is for Ayrshire to be ***'a vibrant, outward looking, confident region, attractive to investors and visitors, making a major contribution to Scotland's growth and local well-being, and leading the implementation of digital technologies and the next generation of manufacturing.'***

Targeted investment, coordinated throughout Ayrshire, will act as a powerful catalyst stimulating growth and resulting in increased prosperity for local people, for Scotland and for the UK as a whole.

While proposals reflect the strengths and opportunities which exist in Ayrshire, economic baseline analysis shows that the regional economy has been underperforming and recent job losses point to a loss of confidence and investment being diverted to other areas. The strategic objectives underpinning the Growth Deal projects are to:

- Attract and develop more innovative and internationally focused companies that are more likely to have higher levels of productivity through developing key infrastructure and targeted business support programmes;
- Position Ayrshire as the 'go-to' region for smart manufacturing and digital skills;
- Improve key elements of strategic transport and digital infrastructure to help businesses get goods to market and people to work (physically and virtually);
- Work with communities to raise aspiration and ambition, provide employment and skills support, and improve access to jobs through innovative community empowerment and employability programmes.

The partnership firmly believes that Ayrshire will be recognised for leading the successful implementation of key technologies in manufacturing sectors that are important to Scotland, for its world class digital and physical infrastructure and the quality of life it can provide.

This Deal will help drive inclusive economic growth across the region. The economy of Ayrshire has under-performed over a substantial period of time, leading to Ayrshire having one of the highest unemployment rates in Scotland and the UK, particularly among younger people. This will be exacerbated by the impact of the Covid-19 pandemic. This Deal will enable the creation of new high quality jobs and opportunities across Ayrshire, which will help secure the future prosperity of its many communities.

Building on the Heads of Terms signed off in March 2019, the Implementation Plan sets out how the individual projects within the Deal will be delivered and how they will contribute to a step change on our regional economy.

Project proposals and associated Outline Business Cases have been prepared, reviewed, assessed and refined following feedback received from policy leads within each government and these now form the overall programme business case.

## **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
Approval of Deal Documents		2020/21
Full Deal Sign-off		2020/21
Develop and agree Monitoring & Evaluation Framework		2020/21
Develop and agree Benefits Realisation Plan		2020/21
Performance management system/s established		2020/21
AGD website developed, designed and launched		2020/21



## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
New jobs created (construction, direct, indirect)	7,000 Jobs	2035/36
Facilitate private sector investment	£300m	2044/45

## RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to achieve AGD programme objectives	<ul style="list-style-type: none"> <li>PMO developing monitoring and evaluation processes to ensure overall objectives are captured and any project failing to achieve and contribute to these is flagged and issues addressed as quickly as possible</li> <li>PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal</li> <li>AGD Steering Group in place to monitor progress and to address any weaknesses or issues that could impact on overall delivery</li> </ul>
Failure to provide accurate projections for programme spend	<ul style="list-style-type: none"> <li>Business cases have been updated as part of the iterative process of negotiations with both governments and spend profiles have been reviewed</li> <li>Project Leads have confirmed accuracy and made minor adjustment where necessary</li> <li>PMO will regularly review, challenge and agree financial profiling/phasing with Project Leads and Finance Directors and ensure drawdown projections align with delivery timescales</li> <li>Annual review of Financial Plan and Implementation Plan</li> </ul>
Failure to drawdown full AGD funding	<ul style="list-style-type: none"> <li>PMO will regularly review, challenge and agree financial profiling/phasing with Project Leads and Finance Directors and ensure drawdown projections align with delivery timescales</li> <li>Annual review of Financial Plan and Implementation Plan</li> <li>The Scottish Government's financial reporting requirements will be implemented</li> <li>Internal procedures, financial controls and audit processes being put in place to mitigate this risk</li> </ul>
Delays in development and approval of business cases	<ul style="list-style-type: none"> <li>PMO working closely with Project Leads and Policy Leads within both governments to support business case development and approval</li> <li>Project Leads have received Green Book business case training</li> <li>Project Leads' toolkit in place</li> </ul>

	<ul style="list-style-type: none"> <li>• Other partners assisting in developing business cases where capacity is low</li> <li>• PMO will arrange/facilitate workshops with Project Leads to ensure reporting requirements are understood</li> </ul>
Failure to capture accurate baseline data	<ul style="list-style-type: none"> <li>• Post Covid-19 data will provide a more accurate baseline. Over the coming weeks and months, the volume of economic and labour market data that captures 2020 (and beyond) is likely to increase.</li> </ul>
Failure to deliver community benefits from AGD	<ul style="list-style-type: none"> <li>• PMO and procurement managers from three Councils working on a single mechanism to monitor delivery of community benefits so that remedial action can be taken if required</li> <li>• PMO working with Project Leads to develop consist approach to embedding inclusive growth, equalities and community wealth building within business cases</li> </ul>
Failure to deliver individual projects within the AGD programme	<ul style="list-style-type: none"> <li>• Regular dialogue/reporting around progress takes place between PMO and Project Leads where issues are raised in advance and if appropriate escalated to government, Regional Economic Partnership and Regional Economic Joint Committee</li> <li>• AGD Steering Group and Project Boards in place to monitor project development</li> <li>• Regular review of outputs and timelines for delivery of benefits in light of Covid-19</li> <li>• PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal. This will include a change management process</li> <li>• Partners will work together with both Governments to develop an approved Benefits Realisation Plan</li> </ul>
Inadequate recognition of interdependencies and/or knock-on impacts between parts of the programme leading to issues with delivery and/or lost opportunities	<ul style="list-style-type: none"> <li>• Programme meetings/workshops to be arranged and facilitated with PMO, Project Leads and partners to ensure interdependencies are recognized and considered</li> </ul>
Lack of resource within partner organisations to deliver projects in line with AGD programme	<ul style="list-style-type: none"> <li>• Each Council has appointed staff and/or consultants to support project development and delivery</li> <li>• Each project currently has a Project Lead in place</li> <li>• Partners including SE are providing additional resource to the majority of projects</li> <li>• Other funding streams will be explored to support ongoing revenue costs</li> <li>• Anticipated revenue streams will be subjects to constant review through the monitoring procedures in place for AGD</li> </ul>

Lack of resources in PMO	<ul style="list-style-type: none"> <li>• A new permanent PMO structure has been agreed and recruitment will take place during September 2020</li> <li>• The PMO is being supported by colleagues in each of the Councils in a number of work streams</li> <li>• The capacity and skill sets will regularly be re-assessed in line with changing requirements</li> </ul>
Inadequate governance arrangements to support AGD delivery	<ul style="list-style-type: none"> <li>• Ayrshire Economic Joint Committee and Ayrshire Regional Economic Partnership has been formed and regular meetings are in place</li> <li>• Scottish Government's financial reporting requirements will be implemented</li> <li>• Partner agreement between EAC, as Accountable Body for the Deal and North and South Ayrshire Councils being developed</li> <li>• PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal.</li> <li>• Partners will work together with both governments to develop an approved Benefits Realisation Plan</li> <li>• AGD is standing item on CEOs' meeting agenda</li> </ul>
Monitoring and Evaluation Framework is not sufficiently defined	<ul style="list-style-type: none"> <li>• Framework will be co-produced with both governments</li> <li>• Frameworks developed by other Deals will be considered and utilized where relevant</li> <li>• Framework will be considered/agreed by Regional Economic Joint Committee</li> </ul>
Failure to attract commercial interest in AGD	<ul style="list-style-type: none"> <li>• Market campaigns will target potential investors</li> <li>• Wider Ayrshire Economic Strategy will be put in place to ensure wider growth ambitions for Ayrshire are agreed and articulated to stakeholders and investors</li> </ul>
Programme not communicated effectively to stakeholders outwith Governance structure	<ul style="list-style-type: none"> <li>• Communications Action Plan being developed, including launch of AGD website, increased use of social media platforms, pipeline of project specific communications plans</li> <li>• Regular briefings with elected members</li> <li>• A Communications Protocol and Comms Script developed with both governments and will support shared communications designed to build stakeholder confidence</li> <li>• Internal communications plan being developed</li> </ul>
Supply phasing within overall programme	<ul style="list-style-type: none"> <li>• Early engagement with the construction sector will be required to: ensure a greater understanding of the AGD programme for project implementation and the nature of projects; industry is able to respond to Invitations to Tender; and that the capacity exists to deliver AGD activities</li> </ul>

	<ul style="list-style-type: none"> <li>• Market engagement through Meet the Buyer events</li> <li>• Governance arrangements in place will support the sharing of market intelligence and the phasing of development activity</li> </ul>
Potential impact of Brexit on economic prosperity of region	<ul style="list-style-type: none"> <li>• Continued monitoring of external environment and government relations</li> <li>• Regional Economic Strategy will be implemented</li> <li>• Regional Economic Partnership will provide voice for Ayrshire to press the case for government intervention investment</li> <li>• Incentives and other forms of assistance to complement the AGD and stimulate greater economic activity</li> </ul>
Covid-19 impacting on the AGD projects resulting in potential delays and cost increases	<ul style="list-style-type: none"> <li>• Regular dialogue 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</li> <li>• Regular review of outputs and timelines for delivery of benefits in light of Covid-19</li> <li>• PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal. This will include a change management process</li> </ul>

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### **3. PROJECT: SPACEPORT INFRASTRUCTURE**

**PROJECT SUMMARY:** Establishing technically feasible and financially viable space launch services from Glasgow Prestwick Airport (GPA). The investment will be a catalyst to establishing GPA as the leading horizontal launch Spaceport in Europe, providing by 2035 a range of services including micro gravity flights, air launch of satellites up to a mass of 800kg, human space flight and hypersonic flights services. This builds on Prestwick's unique combination of attributes: latitude, over sea take off, metrological conditions plus the strong cluster of innovative aerospace companies located adjacent to GPA.

The investment will be in infrastructure to ensure that GPA is able to operate as a spaceport this includes fuel storage and mixing areas, blast protection. In addition, there will be investment to provide infrastructure for launch service providers (LSP) including a satellite integration facility, payload processing facility, mission control and range management systems.

**PROJECT THEMES:** high value manufacturing, aerospace and space, innovation, internationalisation, inclusive growth, employability and skills.

#### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate and advanced jobs
- Local jobs
- Soft and basic skills
- Business support (non-financial)
- Sustainable working population
- Structure of the economy
- Inward investment
- Advanced digital skills/innovation
- Business premises

## MILESTONES

DELIVERABLE	STATUS	DUE DATE
Feasibility study completed		2020/21
Consenting and licensing plan sign off		2020/21
RIBA Stage 3		2021/22
Environmental Impact Assessment		2021/22
FBC Submission		2021/22
Launch Service Operator secured		2021/22
Safety Case		2022/23
Air Space Change Agreed		2022/23
Range management		2022/23
Secured licences		2022/23
Spaceport Infrastructure complete		2023/24
First Commercial Launch		2023/24
Full project completed/final drawdown		2025/26

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Operational spaceport	1	2023/24
Launch service providers at Prestwick	2	2025/26
New jobs created (direct and indirect)	100	2025/26
Construction jobs	75	2025/26
Private sector investment	£3m	2025/26

## RISKS AND MITIGATIONS

RISK	MITIGATION
Design fails to meet requirements for Spaceport operations	<ul style="list-style-type: none"> <li>• Liaise with CAA and Health and Safety Executive via UKSA workshops and 1-2-1 discussions on anticipated requirements</li> <li>• GPA senior team are in the Spaceport development team</li> </ul>
Contractors identified for invitation to tender do not meet the brief	<ul style="list-style-type: none"> <li>• Designs are informed by technical studies and surveys to ensure that the tender is detailed and appropriate for the project. Continued consultation with CAA and Health and Safety Executive</li> </ul>

Contractors selected not meeting construction timelines	<ul style="list-style-type: none"> <li>• Ensure robust contract management process in place</li> </ul>
Cost overruns due to time delays, materials costs, poor specification or unforeseen circumstances	<ul style="list-style-type: none"> <li>• Project costs will be managed by a quantity surveyor or equivalent and all contract amendments/engineers instructions that impact on cost to be approved by SAC.</li> <li>• Ensure sufficient optimism bias in costing of the project</li> </ul>
Lack of use of UK assets for range control	<ul style="list-style-type: none"> <li>• Strong working relationship between the Project team and expert panel to maintain a focus on this work</li> <li>• Engagement with Ministry of Defence and NATs is in place</li> </ul>
Regulation and policy delays	<ul style="list-style-type: none"> <li>• Continue to work closely with CAA to reduce deviation from CAA requirements while regulations are finalised</li> </ul>
Safety delays and overruns including ITAR regulation (US export license)	<ul style="list-style-type: none"> <li>• Close working with CAA, UK Government, Ministry of Defence and all other partners involved in developing regulations and licensing</li> </ul>
Industry predictions for investment in satellite launches prove to be over-optimistic	<ul style="list-style-type: none"> <li>• Project team continue to monitor satellite launch market; maintain dialogue with current and potential service providers</li> <li>• Team investigating wider market opportunities such as microgravity experimentation, human spaceflight and hypersonic flights</li> <li>• Strong working relationship between the project team and Scottish Enterprise and SDI to maintain a focus on this work</li> </ul>
Covid 19 - Weaknesses emerge in supply chain companies after contract awards/construction delays due to social distancing	<ul style="list-style-type: none"> <li>• Appropriate financial checks in place and will be carried out as part of procurement processes and contracts will make provision to mitigate this issue</li> <li>• Procurement will work with contractors to address issues of social distancing and how to resolve this in a manner that keeps timeline on track as far as possible</li> </ul>

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#### 4. **PROJECT: PRESTWICK COMMERCIAL BUILD**

**PROJECT SUMMARY:** Creation of additional high quality, secure, landside and airside commercial, office and hangar space to meet projected future growth in the aerospace, maintenance, repair and overhaul (MRO), aircraft decommissioning and new space markets. Accommodation will be built to 'Factory of the Future' standards and designed to accommodate new production techniques to support diversification and evolution of aerospace and space in Prestwick and provide commercial floor space to meet the growth demand from mobile global investors.

**PROJECT THEMES:** high value manufacturing, aerospace and space, innovation, internationalisation, inclusive growth, employability and skills.

#### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Local Jobs
- Sustainable working population
- Structure of the economy
- Advance digital skills
- Business premises
- Transport (people to jobs)
- Transport (goods to market)
- Inward investment
- Intermediate and advanced skills
- Soft and basic skills

#### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
Agreement on development strategy		2020/21
Financial model agreed and approved		2020/21
Land assembly		2021/22
Planning permission – Outline for masterplan area. Permission for each individual building to follow as and when required		2021/22
FBC submission		2021/22
Procurement of contractors for phase 1		2021/22
First commercial unit completed		2022/23
First hangar facility completed		2022/23
Full project completed		2031/32
Final financial drawdown		2031/32



## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business space created (net internal area)	75,671 sqm	2031/32
New jobs created (direct and indirect)	1,177	2031/32
Construction jobs created	1,005	2031/32
GVA (direct and indirect – 25 year NPV)	£667.14m	2044/45
Private sector investment	£71.5m	2031/32

## RISKS AND MITIGATIONS

RISK	MITIGATION
Planning Approval <ul style="list-style-type: none"> <li>Delays in planning process due to capacity constraints</li> <li>Objections to proposed route</li> </ul>	<ul style="list-style-type: none"> <li>Programme recognised by Planning Department as a major project and given priority</li> <li>Prestwick Campus Masterplan incorporated in development of LDP2 via main issues report and subsequent consultation with residents and other parties</li> <li>On-going community consultation</li> </ul>
Delays in provision of utilities	<ul style="list-style-type: none"> <li>Site energy strategy to be put in place and early engagement in place across utilities companies</li> </ul>
Delays to design and build procurement processes <ul style="list-style-type: none"> <li>Challenges to the process</li> <li>Availability of contractors</li> </ul>	<ul style="list-style-type: none"> <li>External expert advisers have been procured to support the project team and will adhere to the procurement policies of South Ayrshire Council</li> <li>Timescales have been set to ensure that there is a sufficient pool of suppliers to undertake the activities and are interested in providing a competitive tender</li> </ul>
Failure to Secure Private Sector Investment	<ul style="list-style-type: none"> <li>External support has been secured to consider options for attracting the private sector investments</li> <li>Council to consider extending its own investment in this programme of build</li> </ul>
Delays in site acquisition/agreement with Scottish Enterprise	<ul style="list-style-type: none"> <li>Project team preparing proposal for Scottish Enterprise and project team will monitor progress with negotiation and take remedial action should timelines slip</li> </ul>
Economic downturn	<ul style="list-style-type: none"> <li>Early engagement with market indicates that this investment is an important part of recovery and engagement with market will be maintained</li> </ul>
Impact on timelines from Covid-19 lockdown and social distancing	<ul style="list-style-type: none"> <li>Project team will work with contractors to find innovative solutions designed to minimise delays</li> </ul>

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## 5. **PROJECT: PRESTWICK ROADS**

**PROJECT SUMMARY:** Creation of an effective network of internal roads to enable the growth potential from the aerospace-space and related sectors. There are three elements to this project as follows:

- Work package 1 - Prestwick East Aerospace Park Link Road - new and upgraded road infrastructure to link the B739 Station Road from a redesigned roundabout junction on the A79 to the Prestwick East Aerospace Park which includes Spirit Campus and the airport development land to the north of the main runway, by-passing Monkton village.
- Work package 2 - A new route corridor to extend the link road infrastructure from Prestwick East Aerospace Park to link to the northern edge of the airport site and connect the Gannet site.
- Work package 3 - A new road infrastructure to service Spaceport development land from Sandyford Toll roundabout and link to Prestwick East Aerospace Park.

**PROJECT THEMES:** Enabling infrastructure, connectivity

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Transport (people to jobs)
- Transport (good to market)
- Inward investment
- Business premises
- Structure of economy
- Local jobs
- Soft and basic skills
- Advanced digital skills

### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
Community consultation complete		2020/21
Planning and regulatory consent achieved - Phase 1		2020/21
FBC submission – Phase 1		2020/21
Land assembly and site preparation – Phase 1		2021/22
Complete Work Phase 1		2022/23
FBC submission for Phases 2/3		2022/23
Procurement of contractors – Phases 2/3		2022/23
Commence Works – Phases 2/3		2022/23

Complete Phases 2/3		2025/26
Final financial drawdown		2025/26

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
New roadway created	3.5km	2025/26
Roadway upgraded	1km	2025/26
New roundabouts	4	2025/26
Upgraded roundabouts	3	2025/26
Footway/cycleway created/upgraded	4.5km	2025/26
Reduction of commuter vehicles routing through Monkton Village	75%	2025/26

## RISKS AND MITIGATIONS

RISK	MITIGATION
Route Design <ul style="list-style-type: none"> <li>• Fails to meet demands from current occupiers in relation to future productivity</li> <li>• Fails to support the development of available land</li> <li>• Doesn't support the volumes of future traffic</li> <li>• Community resistance</li> </ul>	<ul style="list-style-type: none"> <li>• Used external consultancy service for a technical study to design and detail the road scheme</li> <li>• Route has been designed within the context of a Prestwick Campus masterplan which considers location of plots and utility services</li> <li>• On-going discussions with the current operators at Prestwick in respect of future plans</li> <li>• On-going community consultation</li> </ul>
Planning Approval <ul style="list-style-type: none"> <li>• Delays in planning process due to capacity constraints</li> <li>• Objections to proposed route</li> </ul>	<ul style="list-style-type: none"> <li>• Programme recognised by Planning Department as a major project and given priority</li> <li>• Prestwick Campus Masterplan incorporated in development of LDP2 via main issues report and subsequent consultation with residents and other parties</li> <li>• On-going community consultation</li> </ul>

Delays to procurement processes <ul style="list-style-type: none"> <li>Challenges to the process</li> <li>Availability of contractors</li> </ul>	<ul style="list-style-type: none"> <li>Ayrshire Roads Alliance will provide expert support to the project team and will adhere to the procurement policies of East Ayrshire Council</li> <li>Timescales have been set to ensure that there is a sufficient pool of suppliers to undertake the activities and are interested in providing a competitive tender</li> </ul>
Land Assembly Delays – Phase 1	<ul style="list-style-type: none"> <li>Alternative options for the route have been developed</li> </ul>
Cost overruns	<ul style="list-style-type: none"> <li>Project delivery will be led by a qualified project manager following established process for road construction</li> <li>Costs will be monitored against progress and reported to the programme board</li> <li>Any additional costs will be absorbed where possible by project redesign and/or re-prioritisation</li> </ul>
Covid-19 – slippage in construction timelines	<ul style="list-style-type: none"> <li>Project team will work contractors to find solutions designed to minimise impact of social distancing and maintain pace of project</li> </ul>

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## **6. PROJECT: PRESTWICK – AEROSPACE & SPACE INNOVATION CENTRE incorporating VISITOR CENTRE**

**PROJECT SUMMARY:** The design, development, build and fit-out of an in-situ “innovation” centre to enable the delivery and manufacture of new flight products in Scotland providing a focus for the supply chain for the aerospace sector, Vertical and Horizontal Platforms, Satellite and other payloads and Research and Development both academic and industrial. Focused on industrialisation and implementation of industry 4.0 across whole supply chain groupings relating to new innovations, the project will focus on productivity innovation and industrialisation of new technologies at TRL 5 and above. The initial focus will be on the introduction of Industry 4.0 techniques and processes and related skills development requirements to the Maintenance, Repair and Overhaul (MRO) sector. This includes the establishment of an aircraft decommissioning facility which provides the project with “live” aircraft that supports the development of the skills required for MRO at Prestwick to remain competitive as well as providing opportunities for staff retention at a time when there is pressure to reduce costs and employee numbers across the cluster. The second phase will support the development of launch and in space capability and other related opportunities such as unmanned air vehicles.

The centre aims to support UK Aerospace and Space suppliers in exploiting opportunities arising for technology changes which disrupt established supply chains. The project will provide a means to engage higher proportions of SME’s in the innovation process, driven by centres such as the Spirit Aerospace Innovation Centre, NMIS and the wider catapult network.

**PROJECT THEMES:** STEM, high value manufacturing, aerospace and space, innovation, internationalisation, inclusive growth, employability and skills.

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate and Advanced Skills
- Local jobs
- Business Support (non-financial)
- Sustainable working population
- Structure of the economy
- Advanced digital skills/innovation
- Inward investment
- Business premises
- Basic digital skills
- Soft and basic skills

## MILESTONES

DELIVERABLE	STATUS	DUE DATE
Pilot Aerospace and Space Supply Chain Programme		2020/21
Pilot Aerospace Digital Visualisation Suite Programme		2020/21
Complete final project design and procurement documentation		2020/21
Secure planning and building warrant approvals		2020/21
Appoint contractor to deliver facility build and general outfitting		2020/21
FBC submission		2020/21
Identify specialist equipment suppliers and procure		2021/22
Complete and commission facility		2022/23
Start first technology project		2022/23
Hold first event		2022/23
Hand-over (Phase 1) to operational organisation		2024/25
Completion of Phase 2 (National Flight Centre)		2029/30
Final financial drawdown		2029/30

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business space created (NIA)	4,390 sqm	2029/30
New jobs created (direct and indirect)	68	2029/30
Construction jobs created	110	2029/30
GVA (direct and indirect – 25 year NPV)	£27.28m	2044/45

## RISKS AND MITIGATIONS

RISK	MITIGATION
Proposal not supported by local businesses	<ul style="list-style-type: none"> <li>Industrial engagement to be carried out to identify what specifics ASIC will deliver</li> <li>Start-up industrial partners confirmed before project full approval</li> </ul>
NMIS proposal seen as conflicting with ASIC	<ul style="list-style-type: none"> <li>Discussion with AFRC/Strathclyde University and Scottish Government to position ASIC as being compatible with the overall NMIS objectives</li> </ul>

	<ul style="list-style-type: none"> <li>Local support to NMIS projects – providing a benefit to NMIS from: alternative funding route; and aerospace expertise and experience</li> </ul>
ASIC not effective quickly to support urgent industrial needs	<ul style="list-style-type: none"> <li>Core capabilities already available</li> <li>Skills development and training already established</li> <li>Phased approach to support priority actions first</li> <li>Utilise experience and resource from project partners</li> </ul>
Sustainable funding model not achieved	<ul style="list-style-type: none"> <li>Market survey required to determine medium term support</li> <li>Initial projects success will demonstrate viability of ASIC proposal</li> <li>Development of a large membership/engagement set</li> <li>Limit the scale of ASIC to match projected workload</li> <li>Model allows for facilities re-use as technology and business needs mature</li> </ul>
Failure to attract external investors into this facility	<ul style="list-style-type: none"> <li>Project team focused on ensuring business model and design can react to changing industry and technology demands</li> <li>Stakeholder management</li> <li>Marketing and promotional campaigns to be put in place</li> </ul>
Economic and social benefits not delivered	<ul style="list-style-type: none"> <li>PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal</li> <li>Partners will work together with both Governments to develop an approved Benefits Realisation Plan</li> </ul>
Commercial viability and impact of economic downturn	<ul style="list-style-type: none"> <li>Project team focused on maintaining first mover advantage through close engagement with all stakeholders; focus on TRLS with university and catapult networks, ensure business model and design can react to changing industry and technology demands</li> </ul>
Covid-19 – construction timeline slippage	<ul style="list-style-type: none"> <li>Project team focused on working with contractor and HSE to minimise impact of social distancing and monitoring processes in place to identify issues as they arise and to address them</li> </ul>

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## **7. PROJECT: THE HALO, KILMARNOCK**

**PROJECT SUMMARY:** The development of a fully integrated Enterprise and Innovation Hub which will establish an entrepreneurial ecosystem to stimulate innovative business practices between new and established businesses. In turn this will create new jobs, as well as delivering 'workforces of the future' retraining in digital skills with key partners. This ecosystem is intended to encourage the development of new digital and cyber security products and services, responding in particular to the needs of the energy, health and space/aerospace sectors.

**PROJECT THEMES:** enterprise, manufacturing, innovation, internationalisation, inclusive growth, employability and skills.

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate and advanced jobs
- Local jobs
- Health
- Business support (non-financial)
- Childcare
- Sustainable working population
- Structure of the economy
- Advanced digital skills/innovation
- Business premises
- Transport (people to jobs)
- Housing
- Inward Investment
- Digital connectivity



## MILESTONES

DELIVERABLE	STATUS	DUE DATE
Contractor start on site	complete	2019/20
Build complete (phase 1)	Delays due to site shutdown between March and May. Works re-commenced on site – June 2020	2021/22
Building open to occupants (phase 1)	Revised target date for completion and opening of the building is mid-April 2021. The delay is a consequence of the Covid lockdown and site closure.	2021/22
Payment of retentions and final drawdown	It is forecast that final drawdown of the Ayrshire Growth Deal grant funding will be in November 2020.	2021/22

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
New jobs created (direct and indirect) – Phases 1 & 2	532	2025/26
Construction jobs – Phases 1 & 2	715	2023/24
GVA (direct and indirect – 25 year NPV) – Phases 1 & 2	£224.56m	2044/45
Private sector investment	£62.5m	2023/24

## RISKS AND MITIGATIONS

RISK	MITIGATION
Failure in financial management and reporting	<ul style="list-style-type: none"> <li>The Board of HALO Kilmaronock Ltd receives monthly reports on all financial aspects of the project and address any significant variances from the approved full business case Robust financial systems and controls are in place and the Board of HALO Kilmaronock Ltd retains oversight of these</li> </ul>
Failure of contractor	<ul style="list-style-type: none"> <li>Contractor has been required to pass stringent financial tests</li> <li>Measures have been put in place to limit the impact of any failure include the provision</li> </ul>

	of financial guarantees and insurance indemnities
Construction costs overrun	<ul style="list-style-type: none"> <li>• Contract price has been agreed and an appropriate contingency figure added for a degree of flexibility</li> <li>• Any changes to construction specification will be subject to approval by the project director and variations in costs reported to the Board of HALO Kilmarnock Ltd for consideration</li> </ul>
Economic downturn caused by Covid-19/Brexit or both	<ul style="list-style-type: none"> <li>• Strong agreements with private sector partners underpin this project and a robust project monitoring regime ensure that any issues are addressed and the project remains a key component of Ayrshire's recovery plan</li> </ul>
Delays to project completion due to Covid-19 lockdown	<ul style="list-style-type: none"> <li>• The Board of HALO Kilmarnock Ltd and project management team are in continued dialogue with the contractor to ensure the site re-opens as soon as is permissible and the contractor is addressing the need to adhere to social distancing whilst providing a revised project plan designed to mitigate against any significant delays – site may have to operate over different hours with contractors on shift work and 7 day weeks.</li> </ul>
Reputational	<ul style="list-style-type: none"> <li>• Specialist advisers have been appointed to deal with media enquiries and to communicate on any issue which is deemed to potentially impact on the reputation of the project and the Board of HALO Kilmarnock Ltd</li> </ul>

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## 8. **PROJECT: AYRSHIRE ENGINEERING PARK (MOORFIELD PHASE 3)**

**PROJECT SUMMARY:** Provision of high quality industrial premises for engineering and manufacturing companies; a fully-developed site with the required access and utilities infrastructure, high-spec digital connectivity and up to 10,576m<sup>2</sup> of units for growth and expansion of the existing engineering business base, and to attract inward investment.

**PROJECT THEMES:** inclusive growth, innovation, internationalisation, high value manufacturing.

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate and advanced skills
- Local jobs
- Soft and basic skills
- Business support (non-financial)
- Sustainable working population
- Structure of the economy
- Advanced digital skills
- Business premises
- Inward investment

### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
Land purchase completed		2021/22
Full planning application submitted		2021/22
Developed Design (RIBA Stage 3) Report		2022/23
Planning permission secured		2022/23
FBC submission		2022/23
Main contractor procurement commences		2022/23
Main contractor appointed		2022/23
Main contracts work commence		2022/23
Initial business premises operational		2023/24
First tenants move in		2023/24
Practical completion of the full facility		2026/27
Final financial drawdown		2028/29

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business space created (NIA)	10,576 sqm	2028/29
Construction jobs created	160	2028/29
No of jobs delivered (direct and indirect)	136	2026/27
GVA (direct and indirect – 25 year NPV)	£78.90m	2044/45

## RISKS AND MITIGATIONS

RISK	MITIGATION
Design does not meet with Planning requirements/specification of buildings is flawed	<ul style="list-style-type: none"> <li>• Design work to be carried out by appointed consultants as part of the scheme development</li> <li>• Secure appropriate planning consents prior to commencement of development Undertake appropriate environmental and flood risk assessments to ensure SEPA approval</li> <li>• Undertake ground survey to mitigate potential unforeseen ground conditions on greenfield site</li> </ul>
Change management and project management failures	<ul style="list-style-type: none"> <li>• Inclusion of project within directorate business plans, Council corporate plans, etc.</li> <li>• Establishment of AGD Programme board and adoption of project within work programme</li> </ul>
Cost risks	<ul style="list-style-type: none"> <li>• Ensure the development of a robust business case, so that AGD funding is secured</li> <li>• Ensure sufficient internal and external (partner) resources/budget in place to carry out project functions (e.g. political/operational commitment to AGD and constituent projects)</li> <li>• Ensure sufficient optimism bias built into costing of the project</li> <li>• Take a strategic approach to identifying other sources of funding, building an integrated funding 'package'</li> </ul>
Failure to deliver community benefits from project	<ul style="list-style-type: none"> <li>• Procurement team in EAC will support the tender process to ensure that community benefits are a key aspect of the ITT and are in line with agreed procurement regulations and principles</li> </ul>

Failure to provide accurate projections for project spend	<ul style="list-style-type: none"> <li>• Ensure sufficient optimism bias built into costing of the project</li> <li>• Inflationary factor included in cost estimations</li> <li>• Challenge panel led by PMO exists to review and scrutinise spend profiles</li> </ul>
Failure to achieve more inclusive growth	<ul style="list-style-type: none"> <li>• Work with Ayrshire College and private sector to increase Apprenticeship opportunities. Work closely with local academic institutions and Skills Development Scotland to mitigate this risk arising.</li> </ul>
Supply phasing	<ul style="list-style-type: none"> <li>• Regional governance arrangements in place will support the sharing of market intelligence and the phasing of development activity</li> </ul>
Economic downturn relating to Brexit	<ul style="list-style-type: none"> <li>• The development of an Ayrshire Economic Recovery Plan and Economic Strategy will provide a voice for Ayrshire to press the case for intervention and additional investment as well as incentives that complement the AGD projects and stimulate greater economic activity</li> </ul>
Covid-19 affects confidence levels and interest from the private sector	<ul style="list-style-type: none"> <li>• Structure in place to work with wider economic development teams to support this sector rebuild markets and supply chains</li> <li>• Strong links in place with the Ayrshire Engineering Alliance</li> </ul>
Delays in construction – Covid-19	<ul style="list-style-type: none"> <li>• Project management regime in place to monitor impacts</li> <li>• Working with contractors to address concerns and to devise solutions designed to minimise delays</li> </ul>
Failure to attract commercial interest	<ul style="list-style-type: none"> <li>• Success in this type of project to date demonstrates that EAC is adept at knowing how to target commercial interest and will develop a robust marketing campaign to underpin this as well as working closely with SE and SDI to secure investment</li> </ul>

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## 9. **PROJECT: AYRSHIRE MANUFACTURING INVESTMENT CORRIDOR (AMIC)**

**PROJECT SUMMARY:** The Ayrshire Manufacturing Investment Corridor (AMIC) project will establish a Centre of Excellence with on-site support and start-up units to support the creation of new businesses and growth of existing businesses in the Food and Drink sector as well as Advanced Manufacturing sector. It will also address market failure with investment in commercial space and will deliver on the need for high quality premises to support business growth and internationalisation opportunities. The Centre of Excellence will concentrate on Food & Drink as a key sector for Ayrshire and will have a complementary focus on dairy innovation as a niche sub-sector supporting the proposed Borderlands Dairy Innovation Centre.

**PROJECT THEMES:** inclusive growth, innovation, internationalisation, high value manufacturing.

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate and advanced skills
- Local jobs
- Soft and basic skills
- Business support (non-financial)
- Sustainable working population
- Structure of the economy
- Advanced digital skills
- Business premises
- Inward investment

### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
FBC submission		2023/24
Land purchased		2023/24
Full planning application submitted and secured		2024/25
Procurement commences		2025/26
Access and infrastructure works commence		2026/27
Phase 1 works commence		2027/28
Initial premise operational		2027/28
Phase 2 works commence		2028/29
Phase 1 – first tenant secured		2028/29
Practical completion of phase 1		2028/29

Phase 2 initial premises operational		2029/30
Phase 2 fully operational at capacity		2032/33
Final financial drawdown		2034/35

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business space created (NIA)	10,546 sqm	2034/35
Construction jobs created	235	2034/35
No of jobs delivered (direct and indirect)	138	2033/34
GVA (direct and indirect – 25 year NPV)	£68.35m	2044/45

## RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to provide accurate projections for project spend	<ul style="list-style-type: none"> <li>• Ensure sufficient optimism bias built into costing of the project</li> <li>• Inflationary factor included in cost estimations</li> <li>• Project will be managed by project team in line with PRINCE 2 principles – any issues will be monitored and remedial action agreed to ensure delivery remains in line with the BC projections</li> <li>• Issues to be escalated PMO in first instance to agree remedial actions as appropriate</li> </ul>
Failure to deliver community benefits from project	<ul style="list-style-type: none"> <li>• Procurement colleagues will support the tender process to ensure that community benefits are a key aspect of the ITT and are in line with agreed AGD procurement principles</li> </ul>
Quantity and availability of resource within partner organisations to deliver AMIC project in line with AGD programme	<ul style="list-style-type: none"> <li>• Formal approvals of EAC's resources are now in place for AMIC project</li> <li>• Other funding streams will be explored to support ongoing revenue costs</li> <li>• Anticipated revenue streams will be subject to constant review through the monitoring procedures in place for AGD</li> </ul>
Potential impact of Brexit on economic prosperity of region	<ul style="list-style-type: none"> <li>• Development of Ayrshire Economic Growth Strategy</li> <li>• Ayrshire 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 to simulate greater economic activity</li> </ul>

Failure to achieve more inclusive growth	<ul style="list-style-type: none"> <li>• AMIC building will provide training and skills support opportunities for a broad section of the community from school leavers, to upskilling manufacturing employee</li> <li>• Apprenticeship opportunities across a wide range of categories</li> <li>• Work closely with local academic institutions and skills development Scotland to mitigate this risk arising</li> </ul>
Delay or failure delivering project due to concerns around transport implications	<ul style="list-style-type: none"> <li>• Undertake all Transport Assessments and reports as required by LDP</li> <li>• Continue to liaise with Transport Scotland</li> <li>• Continue to progress all site options proposed in BC to ensure best site possible is chosen and the project can be delivered</li> </ul>
Failure to attract commercial interest in this project	<ul style="list-style-type: none"> <li>• Market campaigns for AMIC will target potential investors.</li> <li>• Wider Ayrshire Economic Growth Strategy will be put in place to ensure wider growth ambitions for Ayrshire are agreed and be articulated to stakeholders and investors</li> </ul>
Failure to attract businesses to locate within the centre due to uncertainty brought about by Covid-19	<ul style="list-style-type: none"> <li>• Strong partnership approach in place to identify and work with potential external tenants and robust links to business support teams across Ayrshire to engage with existing and new start businesses for whom the research facility/incubator space would be ideal</li> </ul>
Economic instability as a result of Covid-19	<ul style="list-style-type: none"> <li>• The Ayrshire Economic Recovery Plan will focus on a greener and a fairer economy and this project is key to these two issues</li> <li>• The project team and wider partnership are focused on ensuring that the value of this project to those issues is maximised</li> <li>• The project team will also monitor any potential delays to the project in terms of construction timelines and will seek to address these as quickly as possible and with contractors</li> </ul>
Duplication with projects being developed in other Deals in the UK	<ul style="list-style-type: none"> <li>• Governance arrangements for this project link to other Deals to ensure that projects that appear to be similar are actually complementary and there will be a series of joint steering group meetings and ongoing discussion to ensure the added value of this project</li> </ul>
Supply phasing	<ul style="list-style-type: none"> <li>• Governance arrangements in place will support the sharing of market intelligence and the phasing of development activity</li> </ul>

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## **10. PROJECT: i3 DIGILAB & FLEXIBLE BUSINESS SPACE**

**PROJECT SUMMARY:** The creation of a Digital Laboratory (DigiLab) at i3, Irvine Enterprise Area to provide a Centre of Excellence for digital automation and approximately 8,830 sqm of flexible advanced manufacturing space serving digital process industries, building on current Life Science Clustering at the site, and facilitating R&D activity, start up, spin out, and growth of Life Science businesses and other advanced manufacturing opportunities.

**PROJECT THEMES:** Digital, innovation, Productivity / Open Access; Internationalisation; Transforming Business / Inclusive Growth, Skills.

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate & Advanced Skills
- Local Jobs
- Soft & Basic skills
- Childcare
- Sustainable working population
- Structure of economy
- Advanced digital skills
- Business premises
- Transport (people to jobs)
- Transport (goods to market)
- Inward investment

### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
Site purchase		2020/21
Site investigations		2020/21
Procurement of professional team		2020/21
Preparation of detailed masterplan and phased proposals		2020/21
Planning permissions/consents (flexi space)		2020/21
Delivery of DigiLab pilot phase		2020/21
Planning permissions/consents – Service Hub (DigiLab)		2021/22
FBC submission (flexi space)		2020/21
Site clearance works		2020/21

Works tender process		2020/21
Construction works commence, phase 1 flexi space		2021/22
Construction works complete, phase 1 flexi space		2021/22
FBC submission (DigiLab)		2021/22
Completion and handover of phase 1 flexi space		2022/23
Operational facility – phase 1 flexible space		2022/23
Delivery of subsequent phase (DigiLab)		2022 - 2025
Completion and Handover (DigiLab)		2025/26
Final financial drawdown for DigiLab		2025/26
Final financial drawdown for flexi space		2029/30

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Vacant and derelict land brought back into use	20 Ha	2026/27
Business Space Created	10,648 sqm	2026/27
New Jobs Created (direct and indirect)	146	2026/27
Construction Jobs Created	210	2026/27
GVA (direct and indirect – 25 year NPV)	£81.33m	2044/45

## RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to deliver anticipated outputs and outcomes	<ul style="list-style-type: none"> <li>• Ensure BC addresses sensitivity of outcomes</li> <li>• Clear Evaluation &amp; Monitoring Framework</li> </ul>
Delays to procurement processes	<ul style="list-style-type: none"> <li>• Seek early agreement on appropriate procurement routes and early notification of contract opportunities</li> </ul>
Planning approval/statutory consents delays	<ul style="list-style-type: none"> <li>• Zoned &amp; allocated site</li> <li>• Early engagement with planning and building standards</li> <li>• Assess Protected Species/Habitat risk at early stage</li> <li>• Review and commission all relevant site studies</li> <li>• Review planning challenge/ appeals</li> <li>• Formally agree programme for consents</li> <li>• Advance programme of Local &amp; Stakeholder Engagement</li> </ul>

	<ul style="list-style-type: none"> <li>• LDP supports development of site for use</li> <li>• Ensure local members well briefed and updated on project</li> </ul>
Compliance with State Aid regulations	<ul style="list-style-type: none"> <li>• Engagement with State Aid unit</li> </ul>
Cost overruns	<ul style="list-style-type: none"> <li>• Develop and validate Project Brief and Specification</li> <li>• Benchmark costs</li> <li>• Ensure early infrastructure cost tested/ informed SI</li> <li>• Provide Green Book compliant optimism bias allowances</li> <li>• Provide for contingency</li> </ul>
Rental income is lower than forecast	<ul style="list-style-type: none"> <li>• Market review and comparator analysis will be used to identify appropriate rental levels and project board will retain close oversight of market demand</li> </ul>
Change management issues	<ul style="list-style-type: none"> <li>• Clear and agreed procedures in place for internal change management and for external processes with design team and contractor</li> </ul>
Failure to deliver community benefits – training, employment	<ul style="list-style-type: none"> <li>• Incorporate appropriate community benefits into contract terms and re-source appropriately</li> </ul>
Detailed Business Case fails	<ul style="list-style-type: none"> <li>• Development of OBC/FBC in accordance with Green Book</li> <li>• Partner/Stakeholder Risk Assessment</li> <li>• Early Market Input/ Partner &amp; Commercial Input</li> <li>• Review CAPEX and OPEX costs</li> <li>• Review Governance Arrangements</li> <li>• Adjustments to design spec at each phase to meet changing demands.</li> </ul>
Demand – no interest from occupiers	<ul style="list-style-type: none"> <li>• Flexible design to maximise potential interest from occupiers</li> <li>• Continue to establish strategic relationship with national sector (including links with NMIS)</li> </ul>
Project delays and economic impact of Covid-19 and recovery	<ul style="list-style-type: none"> <li>• Early analysis has identified that the need for this project is unlikely to be diminished and in fact may be even greater</li> <li>• Project team will continue to focus on economic analysis and the development of recovery plans will incorporate this as a key project for implementation as part of that wider plan</li> <li>• Work with contractors to devise solutions designed to minimise impact of social distancing – such as different work patterns</li> </ul>

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## **11. PROJECT: NATIONAL ENERGY RESEARCH AND DEMONSTRATOR CENTRE (NERD)**

**PROJECT SUMMARY:** This project will create a Centre of Excellence and supporting demonstrator projects which aim to overcome through research and design a range of technical challenges that currently prevents the harnessing of local but intermittent energy generation, and its storage and subsequent transmission onto the grid during periods of high demand. The project will provide solutions to energy supply and storage challenges in urban and non-urban locations, with the Cumnock area providing a unique location to investigate a wide mix of solutions due to its unique geography, landscape and the way the land has been exploited in the past for mining. The NERD will design, develop and construct a local electricity distribution network within the Cumnock area whilst utilising existing grid infrastructure, so that the area becomes effectively energy "self-sufficient" with the integration of a range of energy generating systems and the development of new, locally sited energy storage facilities that fully link with and support the national and regional electricity grid network.

**PROJECT THEMES:** energy, inclusive growth, innovation, internationalisation, high value manufacturing.

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate and advanced skills
- Local jobs
- Health
- Business support (non-financial)
- Sustainable working population
- Structure of the economy
- Business premises
- Digital connectivity
- Transport (people to jobs)
- Inward investment
- Advanced digital skills/innovation

### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
FBC submission		2021/22
Developed design report		2021/22
Planning Permission secured		2021/22
Land purchased/secured		2022/23
Procurement commences		2022/23

Contractors appointed		2022/23
Access and infrastructure works commence		2022/23
Construction complete		2024/25
100% occupancy of research space		2028/29
90% occupancy of business/office space		2029/30
All phases of project complete		2031/32
Retentions paid and final financial drawdown		2033/34

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business space created	1,633 sqm	2030/31
Construction jobs created	159	2032/33
No of net jobs delivered (direct and indirect)	61	2029/30
GVA (direct and indirect – 25 year NPV)	£26.27m	2044/45
No of MAs/PHDs created	20	2032/33
Energy cost savings over the project lifespan	£1.5m	2032/33
Rents being paid in absence of voids	£88,000	2032/33

## RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to secure appropriate site for this development	<ul style="list-style-type: none"> <li>• Early dialogue has been initiated with respective land owners and more than one site is under consideration</li> <li>• Estates team involved at this stage to ensure timely negotiation and conclusion of land transaction</li> </ul>
Cost overrun	<ul style="list-style-type: none"> <li>• Ensure sufficient optimism bias built into costing of the project</li> <li>• Detailed work will be carried out prior to procurement by professional cost specialists, both from the construction and energy sectors, to ensure accurate cost estimates are in place</li> <li>• Subsequent contracts will be robustly managed by qualified professional team and in accordance with EAC contract management protocols</li> </ul>
Demonstrator projects / research does not deliver outcomes that are viable to be deployed and extended to other locations.	<ul style="list-style-type: none"> <li>• The risk will be reduced by (i) working from the outset with energy specialists at the Energy Technology Partnership to identify priorities for research based on both the needs and physical assets of the local area and taking account of what research is going on elsewhere; (ii) ensure the</li> </ul>

	<p>project undertakes a wide range of research; limited success in some aspects may be balanced out by big wins in other areas; and (iii) ensuring flexibility is built in to the project to allow the direction of research to change to take account of emerging technology and the findings of initial stages of research.</p>
Existing infrastructure constraints are too significant to overcome, preventing the development of a new energy system for the Cumnock area.	<ul style="list-style-type: none"> <li>• Early engagement and involvement with Scottish Power Energy Networks (SPEN) will be a key cornerstone of project development</li> <li>• A key component of all research and demonstrator projects will be the ability of existing distribution infrastructure to accommodate new energy generation and the viability of upgrading the infrastructure where required</li> </ul>
Failure to attract investors and new businesses to locate within the Centre of Excellence	<ul style="list-style-type: none"> <li>• Project team will work collaboratively with specialist partners, including Scottish Enterprise and Energy Technology Partnership, from an early stage to identify and work with potential investors</li> <li>• At a local level, the Council will work with existing businesses and start-ups to explore how they can benefit from the project, a potential arm of which could be to locate into the research facility/incubator space</li> </ul>
Lack of community buy-in. Residents not willing for adaptations to be made to their homes to transition to a low carbon energy system.	<ul style="list-style-type: none"> <li>• Continued programme of engagement throughout the project, to ensure the community are an integral part of the programme</li> <li>• Engagement should focus on a combination of (i) localised and personal financial benefits; and (ii) the wider contribution of the project to a low carbon economy and to addressing the climate emergency</li> </ul>
Failure to achieve more inclusive growth and/or reduce poverty by increasing the income of people in deprived areas or protected characteristic groups	<ul style="list-style-type: none"> <li>• Ensure that the project attempts to tackle other inclusive growth drivers such as educational attainment, skills gaps, employment rate for females and percentage of people who have been out of work for a long period of time</li> <li>• Work with relevant partners to build in inclusive growth into each Demonstrator project and ensure that the projects are addressing a number of equalities ambitions</li> <li>• Monitor and review regularly the inclusive growth drivers, community wealth building indicators and equality impact assessment for the wider project and each demonstrator project</li> </ul>
Covid-19 – delays to build programme	<ul style="list-style-type: none"> <li>• Project team in discussion with a range of contractors to understand the potential problem and to identify solutions designed to minimise impact</li> <li>• Contractors positive about ability to maintain pace on sites</li> <li>• Financial profile has been adjusted to reflect a slightly slower build rate</li> </ul>

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## **12. PROJECT: HUNTERSTON PORT & RESOURCE CENTRE**

**PROJECT SUMMARY:** Hunterston is a strategic site within NPF3/NPF4. Offering a unique industrial capacity associated with strategic infrastructure (rail/utilities/ grid connections /access) deep water marine access and proximity to key academic/research and innovation resources across the City Region. Hunterston exploits these key assets to address larger scale and energy and decarbonisation infrastructures associated with marine renewable energy (3<sup>rd</sup> generation); energy storage and production and circular economy drivers. Activities align with national strategy (Zero Carbon 2045) including transitional arrangements associated with decarbonised energy including manufacturing and servicing support for offshore renewable energy development.

**PROJECT THEMES:** Regeneration; Energy, decarbonisation, innovation, internationalisation, zero carbon, industrial ecology, inclusive growth, employability and skills.

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate & Advanced Skills
- Local Jobs
- Health
- Soft & basic Skills
- Business Support (non-financial)
- Sustainable Working Population
- Structure of Economy
- Advanced digital skills/innovation
- Digital connectivity
- Transport (people to jobs)
- Transport (goods to market)
- Inward Investment

## MILESTONES

DELIVERABLE	STATUS	DUE DATE
Planning Permission/ statutory consents		2021/22
Phase 1 – FBC submission (Innovation Park)		2021/22
Phase 1 - Construction / Contract Works		2022/23
Phase 1 - Completion & Handover		2022/23
Phase 1 - Operational Facility		2022/23
Phase 2 - Planning Permission/Consents/ Marine Licence/ CE		2023/24
Phase 2 - FBC submission (Marine/Dry Dock)		2024/25
Phase 2 - Procurement and contract Award		2024/25
Phase 2 - Construction / Contract Works		2025-2029
Phase 2 - Completion & Handover		2025-2029
Phase 2 - Operational Facility		2025-2029
Phase 3 – FBC submission (Port/Energy)		2025-2029
Phase 3 Parallel Phase 2 – Operational Facility		2025-2029
Final financial drawdown		2029/30

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business Space Created	15,000 sqm	2029/30
No of SMEs Supported	4	2040/41
Vacant and Derelict Land Brought Back into use	21 Ha	2028/29
Leverage Funding	£200m	2040/41

## RISKS AND MITIGATIONS

RISK	MITIGATION
Concept not supported by Partners and evidence of investment/market support not forthcoming	<ul style="list-style-type: none"> <li>Project team/Peel Port Group/SE developing and promoting an investment model to secure major inward investment plus academic partners and industry</li> <li>Dialogue being progressed around role, responsibilities and funding commitments</li> </ul>
Concept development with ORE Catapult / Other Industry	<ul style="list-style-type: none"> <li>Peel Port Group and SE seeking Proof of Concept funding and special research funding to frame strategic innovation proposition for Hunterston PARC and to identify leading inward investment/academic partners and industry</li> </ul>



/ Institute partners delayed – requires additional studies	
Concept and Operational Management revised /amended	<ul style="list-style-type: none"> <li>• Project team/Peel Port Group developing a partnership/investment model to secure inward investment/academic partners and industry</li> </ul>
Project fails to secure necessary consents	<ul style="list-style-type: none"> <li>• Project team is in early dialogue with key regulatory partners and stakeholders</li> </ul>
Other Development/Investment/Proposals impact on capacity/deliverability	<ul style="list-style-type: none"> <li>• Project team/Peel Port Group seeking to collaborate with major partners to develop a clear investment strategy/masterplan and investment led project proposition for AGD</li> </ul>
Unforeseen project complexities that require additional funding	<ul style="list-style-type: none"> <li>• Provide Green Book compliant optimism bias allowances</li> <li>• Provide for contingency</li> <li>• Project monitoring will track potential impacts and create ability to respond</li> </ul>
Ground conditions and historical legacy of site infrastructure create major burdens for development	<ul style="list-style-type: none"> <li>• Project team is working with Peel Port Group to understand the development issues/infrastructure/utilities impacting onsite re-development</li> </ul>
Major event/disruption including Covid-19 impacts on concept/partners/delivery	<ul style="list-style-type: none"> <li>• Early analysis identifies that the need for the project is unlikely to be diminished – in fact the need may be greater</li> <li>• Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs</li> <li>• Strong project governance in place to maintain a focus on this issue and to monitor its longer term impact so that mitigations can be implemented in a systematic and effective manner</li> <li>• Project is later in AGD programme and social distancing is not expected to be an issue by then</li> </ul>

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### **13. PROJECT: INTERNATIONAL MARINE SCIENCE AND ENVIRONMENT CENTRE (IMSE), ARDROSSAN**

**PROJECT SUMMARY:** The International Marine Sciences & Environment (IMSE) project is a Centre of Excellence & Innovation developed between industry and academic partners to develop and capture innovation in marine sciences; marine spatial planning; marine technology; and marine education and training and ensure that the Firth of Clyde is recognised as an exemplar in marine sustainability.

**PROJECT THEMES:** Innovation; Skills Development; Regeneration; Internationalisation; Employability and skills; Education; Research; Industry Partnered

#### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate & Advanced Skills
- Local Jobs
- Health
- Soft & basic Skills
- Business Support (non-financial)
- Sustainable Working Population
- Structure of Economy
- Business premises
- Transport (people to jobs)
- Inward Investment

#### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
Planning Permission / Consents / Marine Licence / CE		2028/29
FBC submission		2029/30
Procurement		2029/30
Construction		2030/31
Completion & Handover		2033/34
Operational Facility		2033/34
Final financial drawdown		2033/34

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business Space Created	6,175 sqm	2033/34
No of SMEs Supported	4	2033/34
Vacant and derelict land brought back into use	0.6 Ha	2033/34
No of new jobs (direct and indirect)	75	2034/35
Construction jobs	105	3032/33
GVA (direct and indirect – 25 year NPV)	£19.39m	2044/45

## RISKS AND MITIGATIONS

RISK	MITIGATION
Concept not supported by Partners	<ul style="list-style-type: none"> <li>• Project team developing a partnership model with leading academic partners and industry</li> <li>• Dialogue being progressed around role, responsibilities and funding commitments</li> </ul>
Strategic need and consolidation in sector advises Co-Location with wider projects	<ul style="list-style-type: none"> <li>• Project team developing a partnership model with leading academic partners and industry</li> </ul>
Concept and Operational Management revised /amended	<ul style="list-style-type: none"> <li>• Project team developing a partnership model with leading academic partners and industry</li> </ul>
Unforeseen project complexities that require additional funding	<ul style="list-style-type: none"> <li>• Provide for contingency</li> <li>• Provide Green Book compliant optimism bias allowances</li> <li>• Project monitoring will track potential impacts and create ability to respond</li> </ul>
Programme delay created within wider strategic delivery plan for Ardrossan	<ul style="list-style-type: none"> <li>• Project team undertaking masterplanning process to identify all project requirements and spatial needs</li> </ul>
Project cannot secure necessary consents	<ul style="list-style-type: none"> <li>• Project team in early dialogue with key regulatory partners and stakeholders to address any concerns</li> </ul>
Covid-19 impacts on concept/partners/delivery	<ul style="list-style-type: none"> <li>• Early analysis identifies that the need for the project is unlikely to be diminished – in fact the need may be greater</li> <li>• Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs</li> </ul>

	<ul style="list-style-type: none"> <li>• Covid-19 may have long term ramifications for investment and good governance and project management processes will monitor regularly to identify required mitigations</li> <li>• Project is later in AGD programme and is not expected to be impacted by social distancing measure</li> </ul>
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## **14. PROJECT: THE GREAT HARBOUR, IRVINE HARBOURSIDE AND ARDEER**

**PROJECT SUMMARY:** The project comprises part of an expansive investment programme to secure The Great Harbour (Harbourside/Ardeer) as a major regional destination.

Growth Deal components of the investment programme will commit £14m to a phased programme of works which will lead the physical transformation of the wider location by implementation of the maritime mile project. Additional growth deal funding will create capacity to support community participation in commercial opportunities at the maritime mile through creation of a nationally unique, all-age outdoor recreation facility and community enterprise fund and community marina and workshop space.

**PROJECT THEMES:** Creative places, cultural innovation, area regeneration, play, heritage, environment, tourism, inclusive growth, employability and skills.

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Local Jobs
- Health
- Soft and Basic skills
- Sustainable working population
- Business Premises
- Housing
- Inward investment
- Business support (non-financial)
- Structure of the economy
- Transport (people to jobs)

### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
Planning permission/consents <b>(Maritime Mile and Gateways)</b>		2020/21
Tender Process /Tender Return		2020/21
FBC submission		2020/21
Construction / Contract Works		2021/22
Completion & Handover		2022/23
Operational Facility		2022/23
Planning Permission/Consents <b>(for community marina)</b>		2021/22
Submission of FBC		2021/22

Construction / Contract Works		2024/25
Completion & Handover		2024/25
Operational Facility		2024/25
FBC submission for <b>Enterprise Fund</b>		2023/24
Establish Community Enterprise Fund (procurement & consultancy to run scheme)		2024/25
Planning permission/consents ( <b>Workshops/artisan units</b> )		2022/23
FBC submission		2023/24
Construction / Contract Works ( <b>workshops/artisan units</b> )		2025/26
Operational Facility		2025/26
FBC submission for <b>coastal walk/COIG</b>		2023/24
Full project complete/final drawdown		2027/28

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Vacant and derelict land brought back into use	6 Ha	2027/28
Public realm created/enhanced	8,000 sqm	2027/28
Construction jobs	50	2027/28
No of new jobs (direct & indirect)	145	2027/28
GVA (direct and indirect – 25 year NPV)	£60m	2044/45
Increase in day visitor numbers per year	134,000	2027/28
Increase in overnight visitor numbers per year	66,000	2027/28
No of SMEs Supported	5	2027/28
Private sector investment	£2m	2027/28
Private sector investment (follow-on development)	£70m	2044/45
Cycle routes created/enhanced	1,500m	2027/28
Pedestrian routes enhanced	1,500m	2027/28

## RISKS AND MITIGATIONS

RISK	MITIGATION
<b>Partnership</b> – partners' objectives and operational needs are incompatible	<ul style="list-style-type: none"> <li>• Heads of Terms have been agreed</li> <li>• Operational arrangements in place based on a Development Agreement</li> <li>• Partner's Board being provided with regular updates on progress and final partnership details/lease agreement to be concluded</li> <li>• Core elements of the project have been agreed</li> </ul>
<b>Environmental</b> – statutory consultees raise concerns regarding key elements of the project	<ul style="list-style-type: none"> <li>• EIA scoping complete</li> <li>• All statutory consultees been engaged</li> <li>• Technical studies complete</li> <li>• Phase 1 Habitat and Protected Species Survey complete</li> <li>• Appointed specialist advisors</li> <li>• Project team undertaking further environmental assessments</li> </ul>
<b>Financial</b> – increase in capital costs; extra-ordinary costs during construction	<ul style="list-style-type: none"> <li>• Cost estimates based on current market</li> <li>• Project management established to monitor costs</li> <li>• Optimism bias built into costings</li> </ul>
<b>People/Social</b> - Stakeholder and community needs not aligned with the project	<ul style="list-style-type: none"> <li>• Project team to undertake extensive engagement and consultation with partners, stakeholders and communities</li> </ul>
Planning consents not secured	<ul style="list-style-type: none"> <li>• Dialogue with statutory/regulatory bodies is well advanced and will continue to ensure full understanding of project objectives and plans – pre-application consultation has been completed</li> </ul>
<b>Health &amp; Safety</b> - Construction of quay/boardwalk creates issues regarding public access	<ul style="list-style-type: none"> <li>• Full review of access underway to address any concerns</li> </ul>
Economic downturn as a result of Covid-19	<ul style="list-style-type: none"> <li>• Robust project management in place to analyse impact on this project and wider sector and focus will be placed on this project as an important element of the recovery agenda in Ayrshire</li> <li>• Project team will work with contractors to understand the impact of social distancing on the labour force but expected to be minimal given this is land based</li> </ul>

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## 15. PROJECT: MARINE TOURISM

**PROJECT SUMMARY:** The Marine Tourism project is a tourism development and place project that develops the essential infrastructure supporting marine tourism (mainland / island / Outer Clyde) building significant additional capacity within the region and Outer Clyde. The components of the marine tourism investment are the provision of a major extension to Ardrossan Marina and step-ashore facilities at both Cumbrae and Arran.

**PROJECT THEMES:** Tourism, active leisure, place, regional regeneration, enterprise, environment, inclusive growth, employability and skills

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Local jobs
- health
- soft & basic skills
- business support (non-financial)
- sustainable working population
- inward investment

### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
Planning Permission/Consents/Marine Licence/CE ( <b>Ardrossan</b> )		2020/21
Procurement		2020/21
FBC submission		2020/21
Construction / Contract Works		2021/22
Operational Facility		2022/23
Planning Permission/Consents/ Marine Licence/CE ( <b>Arran</b> )		2022/23
Procurement		2022/23
FBC submission		2022/23
Construction / Contract Works		2023/24
Operational Facility		2024/25
Planning Permission/Consents/ Marine Licence/ CE ( <b>Cumbrae</b> )		2023/24
Procurement		2023/24
FBC submission		2023/24
Construction / Contract Works		2026/27
Operational Facility		2026/27
Final drawdown		2029/30



## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Vacant and derelict land brought back into use	0.1 Ha	2029/30
Marina extensions / new berths	350	2029/30
Increase in day visitor numbers per year	67,000	2029/30
Increase in overnight visitor numbers per year	33,000	2029/30
Public realm improvements	1,500 sqm	2029/30
Visitor berth value	£487,000	2029/30
Resident berth value	£2.2m	2029/30
Construction jobs	30	2029/30
No of new jobs (direct & indirect)	30	2029/30
GVA (direct and indirect – 25 year NPV)	£17m	2044/45
No of SMEs supported	3	2029/30
Private sector investment	£5m	2040/41
Private sector investment (follow-on development)	£3m	2044/45

## RISKS AND MITIGATIONS

RISK	MITIGATION
Agreements including Development and Operating Agreements between commercial partners and community interest company cannot be secured	<ul style="list-style-type: none"> <li>North Ayrshire Council seeking to advance formal Development Agreement between NAC/NPL and agree a joint masterplan approach</li> </ul>
Planning, licenses and consents for the scheme are not secured or are delayed	<ul style="list-style-type: none"> <li>Address need for range of consents/licences including Planning; Marina Licence potentially including EIA and HRA/AA</li> <li>Early EIA scoping and screening</li> <li>Early review of risk of planning challenge/appeals</li> <li>Ensure project plans allow for delay to consents</li> <li>Advance programme of local and stakeholder engagement</li> </ul>
Changes to capital costs or inappropriately quantified cost provisions	<ul style="list-style-type: none"> <li>Detailed technical studies in place to inform design</li> <li>Design team includes a cost consultancy and detailed assessment of contingency and optimism bias is in place</li> </ul>
Site/ground conditions are inadequate to provide cost certainty	<ul style="list-style-type: none"> <li>Full SI/GI and bathy surveys will be undertaken at an early stage in project development</li> </ul>

Agreement on technical approach to quays/pontoons and land connections cannot be agreed with stakeholders	<ul style="list-style-type: none"> <li>• Development of partnership/operator plan. Marketing with partners NPL/NMMS</li> </ul>
Development agreement and market economy investor principle for Ardrossan fails to secure support	<ul style="list-style-type: none"> <li>• Project team taking legal advice in terms of state aid and agreement will based on commercial lease terms required for Ardrossan</li> </ul>
Wider stakeholder and community interests not fully engaged with project	<ul style="list-style-type: none"> <li>• Early consultation has identify that communities and stakeholders are supportive</li> <li>• Project team will devise engagement strategy to ensure appropriate engagement with stakeholders/operators/user groups</li> </ul>
Third party operators not forthcoming	<ul style="list-style-type: none"> <li>• Detailed discussions with Clyde Marine ongoing in relation to service delivery</li> </ul>
Weak economic conditions relating to Covid-19	<ul style="list-style-type: none"> <li>• Project is part of a wider Clyde Islands and Coast Renaissance – cross sector spatial tourism initiative and will be part of the region’s recovery work</li> </ul>

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## **16. PROJECT: DIGITAL – SUBSEA CABLE AND INFRASTRUCTURE**

**PROJECT SUMMARY:** This project will target three strands of work all of which will contribute to the success of the other projects within the Ayrshire Deal, already articulated in other business cases submitted. Ayrshire will no longer lag behind by being at the forefront of digital connectivity and will present an agile ubiquitous digital infrastructure, to encourage indigenous and future investors to the region: The three strands of work are as follows:

- £11m towards a subsea fibre optic cable system and associated infrastructure;
- £1m enhancing 4G Infill and establishing 5G capability within the rural communities
- £2m to upgrade key sites linked to the Ayrshire Growth Deal (AGD) as regional digital hubs and centres of digital excellence at Prestwick Airport, AMIC, Moorfield, NERD, HALO Kilmarnock, Hunterston and i3

**PROJECT THEMES:** digital, connectivity, innovation, internationalisation, inclusive growth, inward investment, sectoral development employability and skills

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- local jobs
- advanced digital skills/innovation
- health
- housing
- business support (non-financial)
- sustainable working population
- structure of economy
- access to finance
- business premises
- digital connectivity
- transport (people to jobs)
- transport (goods to market)
- inward investment

## MILESTONES

DELIVERABLES	STATUS	DUE DATE
FBCs submission (Subsea Cable & Infrastructure)		2020/21
Regulatory consents approved – specific to key site upgrades		2021/22
A fibre optic cable landing point established in Irvine Ayrshire		2022/23
New on shore infrastructure to facilitate the rollout of 5G networks		2023/24
Fibre deployment in rural locations facilitated more easily		2023/24
Agile digital platform in place both key sites and rural		2024/25
Rural Ayrshire 'switched on' to digital technology and using sensor and SMART technology		2024/25
Project completion/final drawdown		2024/25

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Fibre optic cable established	1	2022/23
Datacentre space created	3	2023 to 2025
Key sites upgrades	7	2024/25
New jobs created (indirect)	424	2030

## RISKS AND MITIGATIONS

RISK	MITIGATION
Shift in project phasings	<ul style="list-style-type: none"> <li>Conclude discussions with commercial operators. Secure financial model</li> </ul>
Planning/wayleave approval risks	<ul style="list-style-type: none"> <li>Work with appropriate authorities; key officers assigned to facilitate efficient processing of applications</li> </ul>
Cost overruns	<ul style="list-style-type: none"> <li>Robust contract management in place</li> <li>Appropriate procurement procedures followed and optimism bias built into business case</li> </ul>
Delays in full business case approval	<ul style="list-style-type: none"> <li>Robust project management in place to address issues with business case; to monitor progress against timelines and to address any potential delays</li> </ul>
Delays to procurement processes	<ul style="list-style-type: none"> <li>Early discussion with procurement colleagues to minimise delays</li> </ul>
Legislative changes	<ul style="list-style-type: none"> <li>Robust management plans in place to oversee and anticipate changes</li> <li>Agree tolerances and contingencies at early stage, with appropriate flexibility in place where projects can be scaled back if necessary</li> </ul>
Project delays due to Covid-19	<ul style="list-style-type: none"> <li>Early analysis identifies that the need for this project may be greater as a result of Covid-19</li> <li>Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs</li> </ul>
Market changes/wider economic issues	<ul style="list-style-type: none"> <li>Robust management plans in place to oversee and anticipate changes</li> <li>Agree tolerances and contingencies at early stage, with appropriate flexibility in place where projects can be scaled back if necessary</li> <li>Buy in additional support from mobile operators</li> <li>Covid-19 impact and moves to more remote working is likely to make this investment more of a priority</li> <li>Project team will work with contractors to monitor impact of social distancing on project delivery timelines and to implement remedial action if required</li> </ul>
Competition from other areas – alternative landing sites identified	<ul style="list-style-type: none"> <li>Project management arrangements in place to progress Ayrshire proposition</li> <li>To achieve resilience for Scotland as a whole there may be a requirement for further sites and this may not impact on proposals in Ayrshire</li> </ul>

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## **17. PROJECT: SKILLS AND INCLUSION: AYRSHIRE SKILLS INVESTMENT FUND**

**PROJECT SUMMARY:** The establishment of a responsive skills fund to drive Inclusive Growth; to support skills interventions and associated management costs. The fund will have core themes including: digital skills; in-work progression; route ways into Fair Work for excluded groups; skills support for inward investors; skills support for redundant workers; skills support aligned to AGD projects to ensure residents benefit; responses to demand identified in Regional Skills Assessment; and capacity building to ensure innovation in skills sector. The priority given to each theme will change in line with the regional economy and demands that become evident. The fund Board will assess these aims on an annual basis and prioritise them based on the available intelligence.

**PROJECT THEMES:** inclusive growth, inward investment, sectoral development, employability and skills

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate and advanced skills
- Local jobs
- Health
- Basic digital skills
- Business support (non-financial)
- Sustainable working population
- Structure of economy
- Advanced digital skills
- Inward investment

### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
FBC submission		2020/21
Establishment of project board		2020/21
Development of governance documents		2020/21
Development of guidance for fund applicants		2021/22
1 <sup>st</sup> call for proposals		2021/22
Quarterly application deadlines		Ongoing
1 <sup>st</sup> annual review		2022/23
End of programme/final drawdown		2026/27

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
No of people benefiting from pre-employment upskills	500	2026/27
No of people benefiting from in work skills development	500	2026/27
People benefiting from accredited training	300	2026/27
No of businesses benefiting from employees with improved skills levels	300	2026/27
Reduction in unemployed residents	500	2026/27
No of participants progressing to living wage opportunities	200	2026/27
Increased employment rate for females, disabled, long term unemployed, parents	5%	2026/27

## RISKS AND MITIGATIONS

RISK	MITIGATION
Programme does not secure sufficient partner buy in to ensure an effective set of interventions are designed and funded	<ul style="list-style-type: none"> <li>• Early establishment of Regional Skills Board with strategic oversight</li> <li>• Quarterly progress reports and annual review will inform decision making processes</li> <li>• The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress</li> </ul>
Failure to deliver anticipated impacts across the region in terms of Inclusive Growth	<ul style="list-style-type: none"> <li>• Quarterly progress reports and annual review will inform decision making processes</li> <li>• The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress</li> <li>• The partnership will conduct a mid-programme evaluation to check the direction of travel is still correct</li> </ul>
Disadvantaged residents do not see tangible benefits from projects	<ul style="list-style-type: none"> <li>• Applicants to the fund will be required to detail how delivery against inclusion targets will be assured</li> </ul>

	<ul style="list-style-type: none"> <li>• Quarterly progress reports and annual review will inform decision making processes</li> <li>• The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress</li> </ul>
Inadequate project management results in failure to delivery agreed outcomes	<ul style="list-style-type: none"> <li>• The Regional Skills Board will provide expert advice on what should be supported through the fund</li> <li>• Adopt programme and project management best practice</li> <li>• These arrangements will be reviewed on an annual basis to ensure they remain fit for purpose</li> <li>• The Steering Group will conduct a mid-programme evaluation and adjust project activity as appropriate</li> </ul>
Project delays due to Covid-19	<ul style="list-style-type: none"> <li>• Early analysis identifies that the need for this project may be greater as a result of Covid-19</li> <li>• Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs</li> </ul>

**PROJECT LEAD: GREIG ROBSON, NORTH AYRSHIRE COUNCIL – [GREIGROBSON@NORTH-AYRSHIRE.GOV.UK](mailto:GREIGROBSON@NORTH-AYRSHIRE.GOV.UK)**



## **18. PROJECT: WORKING FOR A HEALTHY ECONOMY**

**PROJECT SUMMARY:** The importance of public health and the need for a healthy and productive workforce has never been clearer. Ayrshire needs to reduce the number of residents who cannot contribute to the economy fully and maximise their own potential, through health barriers. The links between health and economy are well evidenced. Health was assessed as the most significant barrier to Inclusive Growth in Ayrshire in the Inclusive Growth Diagnostic. This project will target large scale investment in occupational health services to ensure that Ayrshire has the requisite workforce to drive economic growth in the future. The project will offer a criteria free, single access point to work focused health support across Ayrshire for both residents and employers. This project will serve to widen the labour pool and provide the basis for the maximisation of benefits arising from Ayrshire Growth Deal capital investments.

**PROJECT THEMES:** inclusive growth, inward investment, sectoral development, employability and skills

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate and advanced skills
- Local jobs
- Health
- Soft and basic skills
- Business support (non-financial)
- Sustainable working population
- Structure of economy

### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
Advert for procurement framework issued	complete	2019/20
FBC submission		2020/21
Contract award for framework		2020/21
Implementation period		January 2021 – June 2021
Quarterly steering group meetings		Ongoing
Monthly meeting with contractor		Ongoing
End of programme/final drawdown		2025/26

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
No of people accessing assessment	960	2025/26
No of people accessing full management support via telephone	1,600	2025/26
No of people accessing full case management support delivered face to face	3,839	2025/26
% of people accessing a funded treatment	70%	2025/26
No of people receiving support via Group Work	2,400	2025/26
No of people receiving Mental Health First Aid training	960	2025/26
No of people returning to work	1,293	2025/26

## RISKS AND MITIGATIONS

RISK	MITIGATION
Programme design weaknesses	<ul style="list-style-type: none"> <li>Various aspects of the model are well tested in other parts of Scotland – will continue to monitor best practice Involvement of NHS Salus has provided expertise and an experienced delivery agent</li> </ul>
Development supplier specification, timescale and project management issues	<ul style="list-style-type: none"> <li>Service will be competitively tendered and successful supplier will be required to detail how they will deliver and will be contractually bound to deliver and report in line with contract</li> <li>Capacity and expertise will be assessed as part of the tender process</li> </ul>
Delays caused by procurement	<ul style="list-style-type: none"> <li>Seek early agreement on appropriate procurement routes and early notification of contract opportunities</li> <li>Procurement framework established</li> </ul>
Detailed Business Case fails: Concept not supported by partners	<ul style="list-style-type: none"> <li>Strong policy support from Government and agencies</li> <li>Existing project in North Ayrshire has good buy in from partners, which can be built upon and expanded</li> </ul>
Delay in the programme incurs additional costs	<ul style="list-style-type: none"> <li>Costs will be managed through a legal contract</li> </ul>
Unforeseen complexities that require additional funding	<ul style="list-style-type: none"> <li>Provide for contingency</li> <li>Provide Green Book compliant optimism bias allowances</li> </ul>

	<ul style="list-style-type: none"> <li>• Similar project has been delivered previously</li> </ul>
National programmes are introduced which result in duplication	<ul style="list-style-type: none"> <li>• Closely monitor national developments and build in flexibility to contracting arrangements to allow us to change course at short notice</li> </ul>
Failure to deliver anticipated outputs and outcomes	<ul style="list-style-type: none"> <li>• Implementation will be managed following a tender process through NAC contract management procedures and will be overseen by a Programme Steering Group</li> <li>• Proposed targets are based on delivery experience across Scotland and the experience of delivering a case management services in North Ayrshire recently</li> </ul>
Severe Covid-19 and/or Brexit related recession may make job outcomes into work more difficult	<ul style="list-style-type: none"> <li>• Closely monitor national developments and build in flexibility to contracting arrangements</li> <li>• Covid-19 impacts on specific groups will be assessed</li> <li>• More targeted approach where necessary</li> </ul>
Appointed contractor could be impacted negatively by Covid-19	<ul style="list-style-type: none"> <li>• As part of procurement process, robust checks have been made on financial standing of delivery organisations</li> </ul>
Project delay and macro-economic impact of Covid-19 and recovery	<ul style="list-style-type: none"> <li>• Early analysis identifies that the need for the project is unlikely to be diminished – in fact may be greater</li> <li>• Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure proposal meets needs</li> </ul>

**PROJECT LEAD: GREIG ROBSON, NORTH AYRSHIRE COUNCIL – [GREIGROBSON@NORTH-AYRSHIRE.GOV.UK](mailto:GREIGROBSON@NORTH-AYRSHIRE.GOV.UK)**

## 19. **PROJECT: COMMUNITY WEALTH BUILDING**

**PROJECT SUMMARY:** This project seeks to develop resilient, inclusive local economies, with more local employment and a large and more diverse business base. Specifically, this project will advance the procurement, employment, ownership and asset pillars of Community Wealth Building (CWB), across the public, private and social economy of the region. The project has three key elements to achieve this: CWB Business Locality Officers, a CWB Fund to support their co-produced activities and a Fair Work Ayrshire programme. The project will be developed, coordinated and implemented by a pan-Ayrshire CWB Working Group and will be the first regional place-based approach to CWB.

**PROJECT THEMES:** fair work, local spend, democratic ownership, local assets, inclusive economy, business led inclusive growth

### **INCLUSIVE GROWTH BARRIERS TARGETED:**

- Intermediate and advanced skills
- Local jobs
- Health
- Soft and basic skills
- Business support (non-financial)
- Business premises
- Sustainable working population
- Structure of economy
- Access to finance

### **MILESTONES**

<b>DELIVERABLE</b>	<b>STATUS</b>	<b>DUE DATE</b>
FBC submission		2020/21
Project commences		2021/22
Recruitment of staff		2021/22
Launch of CWB Fund/governance arrangements		2021/22
Project delivery		2021 - 2025
Project end date/final drawdown		2024/25

## OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Employers undertaking Fair Work Action Plans	90	2024/25
Enterprises receiving support from CWB programme	920	2024/25
Enterprises receiving financial assistance	265	2024/25
New enterprises supported	96	2024/25
Enterprises registering on Public Contracts Scotland	240	2024/25
Enterprises supported in creation or transition to employee ownership or cooperative	17	2024/25

## RISKS AND MITIGATIONS

RISK	MITIGATION
Design and development – concept not supported by partners	<ul style="list-style-type: none"> <li>Working Group established 2019, partners and other public agencies briefed</li> <li>Project updates to Regional Partnership Board (REP) and Economic Joint Committee (EJC)</li> </ul>
Implementation – issues in terms of ability to deliver programme at a regional level	<ul style="list-style-type: none"> <li>Proposals reflect lessons learnt from previous programmes such as ERDF Business Competitiveness project</li> <li>Project coordinator to be appointed</li> <li>Updates to REP and EJC</li> </ul>
Over demand or lack of demand for support	<ul style="list-style-type: none"> <li>Working Group will review demand across the project as a whole and will address demand issues as they arise</li> </ul>
Slippage/delay in the programme causes additional costs to be incurred	<ul style="list-style-type: none"> <li>Robust project management structure in place to monitor delivery and associated costs and to address any potential delays</li> <li>Working group will regularly review performance</li> </ul>
Ability to delivery programme at regional level	<ul style="list-style-type: none"> <li>Proposals reflect lessons learnt from ERDF Business Competitiveness project</li> <li>Project Co-ordinator factored into programme</li> <li>Project updates to REP and EJC</li> </ul>
Project delays due to Covid-19	<ul style="list-style-type: none"> <li>Development of recovery plan will focus on this project as a key component of that agenda across Ayrshire</li> <li>Early analysis identifies that the need for this project may be greater as a result of Covid-19</li> </ul>

	<ul style="list-style-type: none"> <li>Working group will give priority to minimising delays implementing remote working/online engagement</li> </ul>
Failure to deliver anticipated outputs and outcomes	<ul style="list-style-type: none"> <li>Working Group established and robust project management regime in place to monitor outputs and outcomes and to take remedial action if required</li> </ul>

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## **20. BENEFITS REALISATION**

The realisation and evaluation of the impact of the Ayrshire Growth Deal is a fundamental requirement of all partners and performance monitoring will focus on measuring that:

- project and programme outputs are delivered on time, on budget and to scope; and
- anticipated outcomes are achieved for Ayrshire.

Project and programme benefits are identified in individual and programme business cases which clearly articulate the relationship between inputs, activities, outputs and outcomes.

Every output and outcome must be monitored or evaluated if the benefits of individual projects are to be demonstrated.

There will be scope for projects to report additional unintended/unanticipated benefits that arise as a result of the intervention.

While it has been the responsibility of the PMO to ensure a consistency across project in relation to how benefits are identified, it will be the responsibility of each partner and project lead to manage, monitor and maximise all benefits identified in business cases.

Partners and project leads will be expected to take action to optimise project benefits through each stage of project delivery and monitoring data will be provided to the PMO in accordance with an agreed reporting schedule to demonstrate the progress of each individual project.

Monitoring will initially relate to the delivery of project activities and outputs such as amount of land remediated or sqm of industrial space created. As projects advance the focus of monitoring information will shift to cover outcomes as they become more evident and measurable.

Each partner and project lead will be required to collate project data on a quarterly basis (over financial years). This information will be reported to the CEOs/Directors Group with summary information being provided to the Ayrshire Regional Economic Partnership Board.

Scrutinising and reviewing the delivery of benefits will be the responsibility of the PMO and monitoring data provided by project leads will be scrutinised against the content of approved business cases. The PMO will be responsible for escalating any issues of non-performance to the CEOs/Directors Group and the Ayrshire Regional Economic Partnership Board as appropriate.

The central tenet of the Ayrshire Growth Deal is inclusive economic growth and the requirement to evidence that economic impact must be captured in project and programme evaluations.

Evaluation will also be required to demonstrate that projects have delivered on the specific equalities and sustainability benefits outlined in the associated and approved business cases.

Benefits realisation logic chains for each project are included in the appendices to this document.



## APPENDICES

### Appendix A: Project Interdependencies

Ayrshire Growth Deal Project Name	Spaceport Infrastructure	Enabling Infrastructure - Roads	Commercial Workspace & Infrastructure	Aerospace and Space Innovation Centre (ASIC) inc Visitor/STEM Engagement Hub	i3 Advanced Manufacturing Space & Digilab	HALO Kilmarnock	Ayrshire Engineering Park (Moorfield)	Ayrshire Manufacturing Investment Corridor (AMIC)	National Energy Research Demonstrator (NERD)	Hunterston PARC (CECE)	Marine Tourism	Industrial Marine Science and Environmental Centre (IMSE)	The Great Harbour, Irvine Harbourside - Ardeer	Digital Subsea Cable	Digital Infrastructure	Working for a Healthy Economy	Ayrshire Skills Investment Fund	Community Wealth Building
Spaceport Infrastructure		3	3	3	1	1	1	1	0	0	0	0	0	2	3	2	2	2
Prestwick Enabling Infrastructure - Roads	3		3	3	0	0	0	0	0	0	1	0	0	1	1	1	1	2
Prestwick Commercial Workspace & Infrastructure	3	3		3	2	1	1	1	1	1	0	0	0	2	3	2	2	2
Aerospace & Space Innovation Centre (ASIC) inc Visitor/STEM Engagement	3	3	3		1	1	1	1	1	1	0	0	0	2	3	3	3	2
i3 Advanced Manufacturing Space & Digilab	1	0	2	1		1	2	2	1	2	0	0	0	2	3	2	2	2
HALO Kilmarnock	1	0	1	1	1		1	1	1	0	0	0	0	2	2	2	2	2
Ayrshire Engineering Park, Moorfield	1	0	1	1	2	1		2	1	0	0	0	0	2	3	2	2	2
Ayrshire Manufacturing Investment Corridor (AMIC)	1	0	1	1	2	1	2		1	1	0	0	0	2	2	2	2	2
National Energy Research Demonstrator (NERD)	0	0	1	1	1	1	1	1		1	0	1	0	2	3	2	2	2
Hunterston PARC (CECE)	0	0	1	1	2	0	0	1	1		1	2	1	2	3	2	2	2
Marine Tourism	0	1	0	0	0	0	0	0	0	1		2	2	2	2	2	2	2
Industrial Marine Science and Environmental Centre (IMSE)	0	0	0	0	0	0	0	0	0	1	2		2	3	2	2	2	2
The Great Harbour, Irvine Harbourside - Ardeer	0	0	0	0	0	0	0	0	0	1	2	1		2	2	2	2	2
Digital Subsea Cable	2	1	2	2	2	2	2	2	2	2	2	2	2		3	2	2	2
Digital Infrastructure	3	1	3	3	3	2	3	2	3	3	2	3	2	3		2	2	2
Working for a Healthy Economy	2	1	2	3	2	2	2	2	2	2	2	2	2	2	2		3	3
Ayrshire Skills Investment Fund	2	1	2	3	2	2	2	2	2	2	2	2	2	2	2	3		3
Community Wealth Building	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3	3	
Relationship																		
Primary Relationship (Absolutely Contingent)																		
Secondary Relationship (Strong obvious link)																		
Tertiary Relationship (Weak link)																		
No Relationship																		

## Appendix B: Project links with Inclusive Growth Barriers

Ayrshire Growth Deal Project Name	Regional Drivers to Inclusive Growth																
	Intermediate & Advanced Skills	Local Jobs	Health	Basic Digital Skills	Soft & Basic Skills (work-readiness)	Business Support (non-financial)	Childcare	Sustainable Working Population	Structure of Economy ( Sectors/Industries)	Advanced Digital Skills/Innovation	Access to Finance	Business Premises	Digital Connectivity	Transport (people to jobs)	Housing	Transport (goods to market)	Inward Investment
Spaceport Infrastructure																	
Aerospace & Space Innovation Centre (ASIC) inc Visitor/STEM Engagement Hub																	
Prestwick Enabling Infrastructure - Roads																	
Prestwick Commercial Workspace & Infrastructure																	
i3 Advanced Manufacturing Space																	
i3 DigiLab																	
Industrial Marine Science and Environmental Centre (IMSE)																	
The Great Harbour, Irvine Harbourside-Ardeer																	
Marine Tourism																	
Hunterston PARC (CECE)																	
HALO Kilmarnock																	
Ayrshire Engineering Park (Moorfield)																	
Ayrshire Manufacturing Investment Corridor (AMIC)																	
National Energy Research Demonstrator (NERD)																	
Digital Subsea Cable																	
Digital Infrastructure																	
Working for a Healthy Economy																	
Ayrshire Skills Investment Fund																	
Community Wealth Building																	
Regional Transport Appraisal																	

## Appendix C: Benefits Realisation Logic Chains

### Benefits Realisation Logic Chain: Spaceport

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<ul style="list-style-type: none"> <li>• Officer and Development Management capacity</li> <li>• Specialist project teams</li> <li>• Project duration – 4 years</li> <li>• Public sector project funding of £23 million: £18m UKG, £5m SG</li> <li>• Private sector funding of £3 million (not committed)</li> </ul>	<ul style="list-style-type: none"> <li>• Design and build of infrastructure elements of the spaceport including fuel storage, vehicle integration facility, payload processing facility, Mission Control Centre</li> <li>• Consenting process</li> <li>• Consultation with communities of interest in and around the Prestwick Aerospace &amp; Space</li> <li>• Commercial negotiation with launch service providers and launch operations provider</li> <li>• Marketing and PR</li> </ul>	<ul style="list-style-type: none"> <li>• Operational spaceport</li> <li>• Established launch service operator</li> <li>• Two launch service providers based at Prestwick</li> <li>• Physical infrastructure for spaceport including payload processing facility, vehicle integration facility and mission control centre providing a Scottish/UK service.</li> </ul>	<ul style="list-style-type: none"> <li>• Scotland is globally recognised leader for space</li> <li>• Prestwick is recognised as the a Centre of Excellence and hub for launch and in-flight capability for the space sector in Scotland and the UK</li> <li>• 100 High value jobs at Prestwick</li> <li>• 75 Construction jobs</li> <li>• New job opportunities in future industry locating at Prestwick</li> <li>• Increased growth opportunities for local companies</li> </ul>	<ul style="list-style-type: none"> <li>• Increase employment opportunities</li> <li>• Increase in GVA across region</li> <li>• Lever in private sector investment</li> <li>• Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.</li> </ul>

### Benefits Realisation Logic Chain: Prestwick Commercial Space

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<ul style="list-style-type: none"> <li>Officer and Development Management capacity</li> <li>Public sector project funding of £29m: £10m UKG; £12m SG; £7m SAC</li> <li>Leverage £71.5m</li> <li>Land <ul style="list-style-type: none"> <li>Scottish Enterprise ownership</li> <li>Airport ownership</li> </ul> </li> <li>Pre-contract professional services</li> </ul>	<ul style="list-style-type: none"> <li>Site assembly</li> <li>Design and build</li> <li>Project management</li> <li>Contract management</li> <li>Commercial negotiation</li> <li>Regulatory consents</li> <li>Construction and maintenance</li> <li>Estate management</li> </ul>	<ul style="list-style-type: none"> <li>75,671 sqm business space created</li> <li>Enabling work placements and training places</li> <li>Creating visible development activity on a highly prominent site</li> </ul>	<ul style="list-style-type: none"> <li>New employment opportunity</li> <li>Reduced commercial viability gap High growth,</li> <li>High value commercial activity</li> <li>Enhance the attractiveness of Prestwick as a location that meets modern business needs Multiple new investors in the area improves the perception of Ayrshire as an inward investment location</li> <li>Raising the aspirations of ambitions of Ayrshire's young people Creating supply chain links for Ayrshire businesses</li> <li>1,177 direct &amp; indirect jobs</li> <li>1,005 construction jobs</li> <li>£667.14m direct and indirect GVA</li> </ul>	<ul style="list-style-type: none"> <li>Increase employment opportunities</li> <li>Increase in GVA across region</li> <li>Lever in private sector investment</li> <li>Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.</li> </ul>

### Benefits Realisation Logic Chain: Prestwick Roads Infrastructure

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>Officer and specialist support</p> <p>Project Duration – 6 years</p> <p>Public sector project funding of £17m: £12m SG; £5m SAC</p>	<p>Investigation and design of roads related infrastructure</p> <p>Consultation with communities of interest in and around the Prestwick Aerospace &amp; Space Campus</p> <p>Project management</p>	<p>Three phases of road developed</p> <p>Length of road created - 3.5km</p>	<p>Opening development opportunity and commercial growth</p>	<ul style="list-style-type: none"> <li>• Increase employment opportunities</li> <li>• Increase in GVA across region</li> <li>• Lever in private sector investment</li> <li>• Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.</li> </ul>
<p>Land: A79 Station Road- Main Street / A77 to Tarbolton Road</p>	<p>Site Assembly</p>	<p>Length of road enhanced - 1km</p>	<p>Efficient connected road network</p>	
<ul style="list-style-type: none"> <li>• Scottish Enterprise ownership</li> </ul>	<p>Route Design</p>	<p>Number of roundabouts created (new) - 4</p>	<p>Improved abnormal load capacity</p>	
<ul style="list-style-type: none"> <li>• GPA ownership</li> </ul>	<p>Regulatory consents</p>	<p>Number of roundabouts upgraded (improved) - 3</p>	<p>Relief traffic congestion in Monkton village</p>	

• Residential ownership	Construction & maintenance	Cycle routes created (km) 4.5km	Mitigate road safety risks for Monkton primary	
• SAC ownership	Handover	Cycle routes enhanced – 0		
• Spirit Aerosystems ownership		Pedestrian routes created / enhanced 4.5km		
• Farm Land		No of projects to improve accessibility to aerospace and Space parks - 1		
Pre-contract professional services		No of projects to service new aerospace and Space development land - 1		
Post contract professional services		No of projects to enhance cultural heritage of Monkton Village - 1		
Roads Construction Contractor		No of projects to reduce road safety risk at Monkton Village - 1		
		No of projects to reduce environmental impact from commercial traffic on Monkton Village - 1		
		<b>Qualitative</b>		
		Improved community morale		
		Improved perception of road safety at Monkton Primary School		
		Improved perception of accessibility to aerospace and Space parks		
		Improved perception of the attractiveness of aerospace and Space parks to inward investors		
		Improved perception of the attractiveness of the aerospace parks to incumbent companies		

## Benefits Realisation Logic Chain: Aerospace & Space Innovation Centre (ASIC) incorporating Visitor Centre/STEM Hub

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>Officer and specialist support</p> <p>Project duration – 10 years</p> <p>Public sector project funding of £11m: £4m UKG; £1 SG; £6m SAC</p>	Design and development of the ASIC facilities	<ul style="list-style-type: none"> <li>• 4390sqm of build</li> <li>• MRO capacity</li> </ul>	<p>Scotland recognised for its space/ aerospace innovation</p> <p>68 (direct &amp; indirect) net new fte jobs of which 7 from areas of deprivation</p> <p>110 fte construction jobs</p> <p>£27.3m direct &amp; indirect GVA</p>	<ul style="list-style-type: none"> <li>• Increase employment opportunities</li> <li>• Increase in GVA across region</li> <li>• Lever in private sector investment</li> <li>• Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.</li> </ul>
Business advisers	Business support to 50 SMEs per annum Commercialisation Engage 100 SMEs in the innovation process per annum	<p>New supply chain development – with 10 SMEs sources contracts from the local cluster</p> <p>Industry 4.0 centre established and utilised by 125 SMEs</p>	GVA as above	
Academic input	<ul style="list-style-type: none"> <li>• Workforce development</li> <li>• STEM outreach activity engaging with 600 people across Ayrshire</li> <li>• Construction</li> </ul>	<p>MRO innovation and skills development facility</p> <p>25 modern apprenticeships, of which 5 from areas of deprivation</p>	<p>Improved skills base in Ayrshire meeting needs of the local employers</p> <p>Increased confidence and ambition of school/College leavers.</p>	
<ul style="list-style-type: none"> <li>• Project management</li> <li>• Finance</li> </ul>	• Design and build	Large demonstration and product adaptable workshop space	Ayrshire is an attractive inward invest location	
<ul style="list-style-type: none"> <li>• Project management</li> <li>• Finance</li> </ul>	• Design and build	Physical infrastructure	New exciting offer to the visitor economy	

### Benefits Realisation Logic Chain: Ayrshire Engineering Park (Moorfield Phase 3)

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
£16m of public sector funding: £12m SG; £4m EAC	<ul style="list-style-type: none"> <li>Planning applications submitted</li> </ul>	<ul style="list-style-type: none"> <li>Junctions (New) - One</li> </ul>	<ul style="list-style-type: none"> <li>Land value uplift</li> </ul>	<ul style="list-style-type: none"> <li>Increase employment opportunities</li> <li>Increase in GVA across region</li> <li>Lever in private sector investment</li> </ul>
	<ul style="list-style-type: none"> <li>Construction of SUDS/sewerage systems</li> </ul>	<ul style="list-style-type: none"> <li>Total Area of Opportunity Sites (18.3 Ha)</li> </ul>	<ul style="list-style-type: none"> <li>18.3 Ha land unlocked for development</li> </ul>	
	<ul style="list-style-type: none"> <li>New junctions to open up access to sites</li> </ul>	<ul style="list-style-type: none"> <li>General Industrial (10,576 sq m)</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening key business clusters</li> </ul>	
	<ul style="list-style-type: none"> <li>New Link/access roads developed</li> </ul>	<ul style="list-style-type: none"> <li>Private businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>Increased employment</li> <li>160 Construction jobs</li> <li>136 jobs delivered (direct and indirect)</li> </ul>	
	<ul style="list-style-type: none"> <li>Construction of SUDS/sewerage system</li> </ul>	<ul style="list-style-type: none"> <li>Individuals supported into work</li> </ul>	<ul style="list-style-type: none"> <li>£78.9m direct &amp; indirect GVA</li> </ul>	
			<ul style="list-style-type: none"> <li>Enhanced accessibility - employment/ business locations</li> </ul>	
			<ul style="list-style-type: none"> <li>Businesses attracted to the locality</li> </ul>	
			<ul style="list-style-type: none"> <li>Improved market sentiment</li> </ul>	
			<ul style="list-style-type: none"> <li>Increased supply of commercial space</li> </ul>	
			<ul style="list-style-type: none"> <li>Improved business productivity</li> <li>Widening of labour market</li> </ul>	



### Benefits Realisation Logic Chain: Ayrshire Manufacturing Investment Corridor (AMIC)

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
£23.5m of funding: £13.5m SG; £10m UKG	<ul style="list-style-type: none"> <li>Planning applications submitted</li> </ul>	<ul style="list-style-type: none"> <li>Junctions (New)</li> </ul>	<ul style="list-style-type: none"> <li>Land value uplift</li> </ul>	<ul style="list-style-type: none"> <li>Increase employment opportunities</li> <li>Increase in GVA across region</li> <li>Lever in private sector investment</li> </ul>
	<ul style="list-style-type: none"> <li>Construction of SUDS/sewerage systems</li> </ul>	<ul style="list-style-type: none"> <li>Total Area of Opportunity Sites (TBC)</li> </ul>	<ul style="list-style-type: none"> <li>land unlocked for development</li> </ul>	
	<ul style="list-style-type: none"> <li>New junctions to open up access to sites</li> </ul>	<ul style="list-style-type: none"> <li>Individuals supported into work through apprenticeships created as part of construction</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening key business clusters</li> </ul>	
	<ul style="list-style-type: none"> <li>New link /access roads developed</li> </ul>	<ul style="list-style-type: none"> <li>Business space (10,546 sqm)</li> </ul>	<ul style="list-style-type: none"> <li>Increased employment</li> <li>235 Construction jobs</li> <li>138 Direct and Indirect jobs</li> </ul>	
	<ul style="list-style-type: none"> <li>Construction of Innovation Centre for feed and drink centre</li> </ul>	<ul style="list-style-type: none"> <li>Private businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>£68.35m direct &amp; indirect GVA</li> </ul>	
	<ul style="list-style-type: none"> <li>Construction of advanced manufacturing units</li> </ul>		<ul style="list-style-type: none"> <li>Enhanced accessibility - employment/ business locations</li> </ul>	
			<ul style="list-style-type: none"> <li>Businesses attracted to the locality</li> </ul>	
			<ul style="list-style-type: none"> <li>Improved market sentiment</li> </ul>	
			<ul style="list-style-type: none"> <li>Increased supply of commercial space</li> </ul>	
			<ul style="list-style-type: none"> <li>Improved business productivity</li> </ul>	
			<ul style="list-style-type: none"> <li>Enhanced education and training for food and drink sector</li> </ul>	

### Benefits Realisation Logic Chain: i3 Flexible Space & DigiLab

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<b>AGD £21million</b> Scot Govt £11m NAC £5m UK Govt £5m DigiLab Ph2 £5m Flexible Space £14m Partnership agreement with NMIS	<ul style="list-style-type: none"> <li>Planning applications submitted</li> <li>Site remediation work</li> <li>New link/access roads developed</li> <li>Construction of SUDS/sewerage systems</li> <li>Improved junctions to enhance access to sites</li> <li>New junctions to open up access to sites</li> <li>Construction of flexible business space in phases.</li> <li>Construction of DigiLab</li> </ul>	<ul style="list-style-type: none"> <li>Digital hub offering a nationally leading R&amp;D demonstrator and flexible business space for investment opportunities</li> <li>Total Area reclaimed, (re)developed or assembled (20 Ha) as a result of the project</li> <li>Total Area of Opportunity Sites (20 Ha)</li> <li>New Industrial Space (9000sq m)</li> <li>New Business Space (10648sq m)</li> <li>Individuals supported into work</li> <li>Private businesses supported</li> <li>Jobs safeguarded</li> <li>Wide range of employment opportunities</li> <li>Improved pedestrian linkages</li> <li>Vacant and Derelict Land brought back into use/removed from SVDL Register (20 ha)</li> <li>Nursery/childcare space</li> <li>Café facility</li> <li>Conference facility</li> <li>Flexible business space for start-up or needs</li> <li>Well-connected flexible business space with digital Centre of Excellence, within close proximity to central belt region supply chains and workforce</li> </ul>	<ul style="list-style-type: none"> <li>Altered perception and market sentiment in regard to Ayrshire's advance manufacturing and digital offer</li> <li>Improved market sentiment</li> <li>20 Ha land unlocked for development</li> <li>Increased levels of investment, including FDI</li> <li>Uplift in commercial rental/sales values (£)</li> <li>Increased supply of commercial space</li> <li>Strengthening key business clusters</li> <li>Increased employment and development of skills in local workforce</li> <li>Increased GVA (direct and indirect – 25 year NPV) (£81.33m)</li> <li>Reduced levels of deprivation in local areas</li> <li>Enhanced accessibility - employment/business locations</li> <li>Widening of labour market</li> <li>Improved business productivity</li> <li>Strengthening key business clusters</li> <li>Businesses attracted to the locality and increase in inward investment</li> <li>Reduction in level of vacant and derelict land</li> <li>210 construction jobs created</li> <li>New jobs (direct and indirect) 210</li> <li>18-35 People from Employability &amp; Skills Programme Accessing Jobs</li> </ul>	

		<ul style="list-style-type: none"> <li>• taking a small number of SMEs through an elementary introduction to digital by Ayrshire College;</li> <li>• 75 SMES attending a one-day “Introduction to Digital Information” session where they will be given a hands-on demonstration of digital technologies in the Hub;</li> <li>• 25 SMEs undertaking a digital gap analysis exercise where each company works with expert consultants and technicians to analyse their digital maturity over a 6-week time period.</li> <li>• 10 of these SMEs then completing a digital strategy for their company priorities on the technologies which will have the biggest impact on their business.</li> <li>• promotion of five exemplar (“Lighthouse”) projects which showcase the impact of digital technologies.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable work location with services and amenities to support employees (e.g. child care/creche facility/café/retail)</li> <li>• an increase in BERD of participating companies;</li> <li>• an increase in productivity of the participating SMEs through operational efficiencies</li> <li>• an increase in the number of new B2B customers and suppliers through improved data utilisation, measured by numbers of new contracts and the increase in the value of contracts;</li> <li>• an increase in the number of businesses adopting digital processes; and</li> <li>• an increase in the number of businesses expanding digital technology applications.</li> </ul>	
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### Benefits Realisation Logic Chain: National Energy Research Demonstrator (NERD)

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
£24.5 million: £17m UKG; £7.5m EAC	Planning permission submitted	1,008 sqm of scientific activities and research space	£26.27m direct & indirect GVA 159 Construction jobs Increased levels of investment	<ul style="list-style-type: none"> <li>Increased employment opportunities</li> <li>Increase in GVA across region</li> <li>Lever in private sector investment</li> <li>Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.</li> <li>Reduce the carbon emissions of the town and the surrounding area</li> <li>Lowering domestic fuel bills for local people</li> <li>Helping to alleviate fuel poverty/ Improved health and wellbeing through active travel/path networks.</li> <li>Contribute to national advancements in low carbon technologies</li> <li>Contribute to national research in low carbon technologies and energy systems.</li> <li>Increase STEM education offer in Ayrshire</li> </ul>
	Site Investigation and remediation work (if needed)	625.5 sqm of office space		
	Building of the Centre and Demonstrator House	Cycle routes/ways will be created however it is unknown at this stage how many km will be created.	Increased supply of commercial space	
	New access created to Centre from the main road or local road	Cycle routes/ways will be enhanced however it is unknown at this stage how many km will be enhanced.	Increased employment	
	Potential creation of SUDS	Path routes will be created however it is unknown at this stage how many km will be created.	Strengthening key business clusters/ Improved business productivity	
	Path networks in the area may be created and existing paths may be enhanced	Path routes will be enhanced however it is unknown at this stage how many km will be enhanced.	Increased cycle usage	
	New cycle ways may be created and existing cycle ways enhanced	We would expect 35-40 businesses operating out of the Centre of Excellence over 6-7 year period of the building being operational. These businesses will be a mix of large companies, medium sized companies, start-ups and potentially local enterprises.	Reduced levels of deprivation in local areas	
	New links created with the new Barony Campus (school)	Apprenticeships will be created with the expectation that these will be from Ayrshire.	CO2 savings via modal shift	

	<b>Enhance existing links with Dumfries House</b>		Enhanced accessibility - employment/ business locations	<ul style="list-style-type: none"> <li>• Increase in the number of highly skilled jobs</li> </ul>
			Direct local jobs (42) from the maintenance, transport and tourism sectors with around 19 Indirect jobs	
			Widening of labour market	
			There will be at least 10 PhD students studying at the Centre however this could increase as the Centre gains momentum.	
			Businesses attracted to the locality	

### Benefits Realisation Logic Chain: Hunterston Port & Resource Centre (CECE)

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>AGD £18m AGD £18m (UK Govt) NAC £0.0m</p> <p>Leverage Funding Circa £200million 2020-2040 (inclusive of £10m SE contribution); with benchmark evidence from current equivalent projects</p> <p>Partnership delivery vehicle.</p>	<ul style="list-style-type: none"> <li>Planning applications submitted</li> <li>Site remediation work</li> <li>Road surface improvements</li> <li>Junction improvements on motorway/major roads</li> <li>New link/access roads developed</li> <li>Construction of SUDS/sewerage systems</li> <li>Drainage system improvement work</li> <li>Implementation of Surface Water Management Plans</li> <li>Improved junctions to enhance access to sites</li> </ul>	<ul style="list-style-type: none"> <li>Junctions (Improved)</li> <li>Total Area reclaimed, (re)developed or assembled (55 Ha) as a result of the project</li> <li>Total Area of Opportunity Sites (55 Ha)</li> <li>Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (21 Ha)</li> <li>Business &amp; Industrial (15000sq m)</li> <li>Individuals supported into work</li> <li>Jobs safeguarded</li> <li>Individuals increasing skills</li> <li>Private businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>Land value uplift</li> <li>Improved market sentiment</li> <li>55 Ha land unlocked for development</li> <li>Increased levels of investment, including FDI</li> <li>Uplift in commercial rental/sales values (£)</li> <li>Increased supply of commercial space</li> <li>Strengthening key business clusters and creates a platform for offering repeated inward investment opportunities</li> <li>Increased employment, targeted at provision of a sustainable workforce by providing skilled and local jobs, which support develop soft and basic skills for workforce entrants and attracts skilled employees.</li> <li>Increased GVA</li> <li>Reduced congestion</li> <li>Reduced journey times</li> <li>Improved road safety</li> <li>Increased cycle usage</li> <li>Increased footfall</li> <li>Reduced levels of deprivation in local areas</li> <li>Reduction in commercial property vacancy rates</li> <li>Reduction in level of vacant and derelict land</li> <li>Increased drainage capacity</li> <li>CO2 savings via modal shift</li> <li>Enhanced accessibility - employment/ business locations</li> <li>Enhanced accessibility – services/ community locations</li> <li>Widening of labour market</li> <li>Improved business productivity</li> <li>Strengthening key business clusters</li> <li>Businesses attracted to the locality</li> <li>4 SMEs supported</li> <li>23-46 People from Employability &amp; Skills Programme Accessing Jobs</li> <li>Utilises Hunterston's strategic water and rail transport infrastructure to transport goods to the market (e.g. services offshore renewables)</li> </ul>	<ul style="list-style-type: none"> <li>Establish Hunterston as a strategic national asset, with infrastructure to service national transition to zero carbon economy, thereby supporting the restructuring of the national economy</li> <li>Increase employment opportunities</li> <li>Increase in GVA across region</li> <li>Lever in private sector investment</li> <li>Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.</li> <li>Providing a national clean energy hub</li> </ul>

				which supports the transition to a low carbon, sustainable and health economy
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## Benefits Realisation Logic Model: International Marine Science & Environment Centre (IMSE), Ardrossan

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>AGD £10.5m AGD £10.5 (UK Govt) NAC £0.0m</p> <p>Partnership with sector/facility operator and university presence.</p> <p>Development of regional blue economy proposition for Ayrshire.</p>	<ul style="list-style-type: none"> <li>Planning applications submitted</li> <li>Cycle path development or improvement</li> <li>Public realm improvement work</li> <li>Site remediation work</li> <li>Road surface improvements</li> <li>New link/access roads developed</li> <li>Construction of SUDS/sewerage systems</li> <li>Drainage system improvement work</li> <li>Implementation of Surface Water Management Plans</li> <li>Improved junctions to enhance access to sites</li> <li>New junctions to open up access to sites</li> </ul>	<ul style="list-style-type: none"> <li>Total Area reclaimed, (re)developed or assembled (0.6Ha) as a result of the project</li> <li>Total Area of Opportunity Sites (0.6Ha)</li> <li>Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (0.6Ha)</li> <li>Industrial/Business/office space (6,175sq m)</li> <li>Individuals supported into work</li> <li>Jobs safeguarded</li> <li>Individuals increasing skills</li> <li>Provision of high skilled jobs</li> <li>Private businesses supported</li> <li>Social enterprises supported</li> <li>Social enterprises created</li> <li>Businesses signing up to Scottish Business Pledge per year</li> <li>Provision of nationally leading Centre of Excellence, providing R&amp;D in blue economy advancement</li> </ul>	<ul style="list-style-type: none"> <li>Land value uplift</li> <li>Improved market sentiment</li> <li>Increased levels of investment, including FDI</li> <li>Uplift in commercial rental/sales values (£)</li> <li>Increased supply of commercial space for advance marine science technology that supports inward investment</li> <li>Strengthening key business clusters</li> <li>Increased employment</li> <li>Increased GVA (direct/indirect) £19.39m</li> <li>Improved road safety</li> <li>Increased footfall</li> <li>Reduced levels of deprivation in local areas</li> <li>Reduction in commercial property vacancy rates</li> <li>Reduction in level of vacant and derelict land</li> <li>Increased drainage capacity</li> <li>CO2 savings via modal shift</li> <li>Enhanced accessibility - employment/ business locations</li> <li>Enhanced accessibility – services/ community locations</li> <li>Widening of labour market</li> <li>Improved business productivity</li> <li>Strengthening key business clusters</li> <li>Businesses attracted to the locality</li> <li>13-24 People from Employability &amp; Skills Programme Accessing Jobs capex + follow-on</li> <li>Construction jobs 105</li> <li>No new jobs (direct and indirect)</li> <li>4 SMEs supported</li> <li>That Ayrshire and Ardrossan capitalise on marine assets to be a nationally recognised Centre of Excellence in blue economy sector, supporting aqua science and low carbon transition</li> </ul>	<ul style="list-style-type: none"> <li>To place Ardrossan and Ayrshire as a market leader in marine science advancement in blue economy and low carbon technology and industry</li> <li>That local people benefit from employment opportunities providing a range of advance skills jobs to attract employees to the region, and low skilled opportunities to support local job market entrants develop soft and basic skills</li> <li>That the facility and its location next to marine infrastructure and connectivity to the Ardrossan campus provides sustainable provision of opportunities for local workforce and</li> <li>Increase in GVA across region</li> <li>Lever in private sector investment</li> <li>Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth, and supporting health benefits from advancement of marine science and low carbon technology</li> <li>That local businesses can benefit from R&amp;D facilities and support local supply chains.</li> </ul>



### Benefit Realisation Logic Chain: The Great Harbour, Irvine Harbourside and Ardeer

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)
<p>£14m of funding AGD £9million NAC £ 5 million Leverage Funding £2m Private sector investment (follow on development) £70m</p> <p>Community wealth building – local community support</p>	<ul style="list-style-type: none"> <li>• Award grant fund through Community Enterprise Fund</li> <li>• Planning applications submitted</li> <li>• Cycle path development or improvement</li> <li>• Develop and improve pedestrian links</li> <li>• New pedestrian/cycle bridges</li> <li>• Public realm improvement work</li> <li>• Site remediation work</li> <li>• Road surface improvements</li> <li>• Junction improvements on motorway/major roads</li> <li>• New link/access roads developed</li> <li>• Construction of SUDS</li> <li>• Drainage system improvement work</li> <li>• Implementation of Surface Water Management Plans</li> <li>• Improved junctions to enhance access to sites</li> <li>• New junctions to open up access to sites</li> <li>• New roundabouts or other traffic management schemes</li> <li>• Business Support</li> </ul>	<ul style="list-style-type: none"> <li>• Public Realm created and Enhanced (length of 1.5km/8000sqm)</li> <li>• Road enhanced (1.5Km)</li> <li>• Junctions (5 Improved)</li> <li>• Cycle Routes created/enhanced (1.5km)</li> <li>• Pedestrian Routes enhanced (1.5km)</li> <li>• 1 Pedestrian/cycle bridges enhanced</li> <li>• 1 (potential) Road Bridge</li> <li>• Total Area reclaimed, (re)developed or assembled /Total Area of Opportunity Sites 6 (Ha)</li> <li>• Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (6Ha)</li> <li>• Food and Drink (2800 sq m)</li> <li>• Hotels and Hostels (2000 sq m)</li> <li>• Assembly and Leisure/shops (5000sq m)</li> <li>• Individuals supported into work</li> <li>• Jobs safeguarded</li> <li>• Individuals increasing skills</li> <li>• Private businesses supported</li> <li>• Social enterprises supported</li> <li>• Social enterprises created</li> <li>• Increase in visitor numbers (134000day/annum; 66000;overnight/annum)</li> <li>• Increase in visitor expenditure</li> <li>• New marina berths created</li> <li>• New tourism events supported</li> </ul>	<ul style="list-style-type: none"> <li>• Land value uplift</li> <li>• Improved market sentiment</li> <li>• land unlocked for development</li> <li>• Increased levels of investment, including FDI</li> <li>• Uplift in commercial rental/sales values (£)</li> <li>• Average house price uplifts</li> <li>• Increased supply of commercial space</li> <li>• Strengthening key business clusters</li> <li>• Increased employment</li> <li>• Increased GVA (direct/indirect 25yr NPV) £60m</li> <li>• Reduced congestion</li> <li>• Improved road safety</li> <li>• Increased cycle usage</li> <li>• Increased footfall</li> <li>• Reduced levels of deprivation in local areas</li> <li>• Reduction in commercial property vacancy rates</li> <li>• Reduction in level of vacant and derelict land</li> <li>• Increased drainage capacity</li> <li>• CO2 savings via modal shift</li> <li>• Enhanced accessibility - employment/ business locations</li> <li>• Enhanced accessibility – services/ community locations</li> <li>• Widening of labour market; 50 construction jobs 145 (direct/indirect new jobs)</li> <li>• Improved business productivity</li> <li>• Strengthening key business clusters</li> <li>• Businesses attracted to the locality</li> </ul> <p>Renewed &amp; Celebrated Place &amp; Identity</p>

			<ul style="list-style-type: none"> <li>• Growth in local community (LOIP) / stronger neighbourhoods / inclusion</li> <li>• Positive feedback from local/Irvine/Visitor feedback</li> <li>• Increased Activity / Animation /Community Participation/etc</li> <li>• 1 New Waterfront Hotel/Restaurant</li> <li>• 3 Existing Businesses Growing/Expanding</li> <li>• 5+ New Small Businesses</li> <li>• Stronger Arts-Crafts-F&amp;B-Retail-Visitor connections</li> <li>• 75+ New Affordable Homes</li> <li>• new Open Market homes / new residents</li> <li>• 1 No. Annual Festival of Irvine Event</li> <li>• Locals -Walk the Mile –Value &amp; Use Asset</li> <li>• 200,000 additional visitors per annum (day/overnight) –voting with their feet/wallets/reviews</li> <li>• 15 SMEs supported</li> <li>• 21-43FTE People from Employability &amp; Skills Programme Accessing Jobs</li> </ul>
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### Benefit Realisation Logic Chain: Marine Tourism

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>Capital Funding £9.5m AGD £9.5million NAC £0.0m Leverage Funding £5million Partnership with Marine operator Partnership with Crown Estates Scotland</p>	<ul style="list-style-type: none"> <li>• Planning applications submitted</li> <li>• Marine licences secured</li> <li>• Bascule bridge</li> <li>• Car parking provision</li> <li>• Cycle path development or improvement</li> <li>• Public realm improvement work</li> <li>• Site remediation work</li> <li>• Road surface improvements</li> <li>• New link/access roads developed</li> <li>• Improved junctions to enhance access to sites</li> <li>• Develop Marina berths across programme (350)</li> <li>• Provide marine infrastructure at Arran and Cumbrae</li> </ul>	<p>Marine infrastructure (C350 berths across programme)</p> <ul style="list-style-type: none"> <li>• Bascule bridge</li> <li>• Public Realm created/Enhanced (150000sqm)</li> <li>• Land with reduced flood risk (Ha)</li> <li>• Properties with reduced flood risk</li> <li>• Total Area reclaimed and/or formed as marina infrastructure (re)developed or assembled (3.8 Ha) as a result of the project</li> <li>• Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (0.1Ha)</li> <li>• Commercial leisure space (1000sq m) – <i>leverage impact, hence not included in finance and phasing</i></li> <li>• Individuals supported into work</li> </ul>	<ul style="list-style-type: none"> <li>• Land value uplift</li> <li>• Improved market sentiment</li> <li>• Increased levels of investment, including FDI</li> <li>• Uplift in commercial rental/sales values (£)</li> <li>• Average house price uplifts</li> <li>• Strengthening key business clusters</li> <li>• Increased employment (30 new construction jobs; 30 new jobs direct/indirect)</li> <li>• Increased GVA (direct/indirect – 25yr NPV) £17m</li> <li>Visitor berth value - £487,000</li> <li>Resident berth value £2.2m</li> <li>• Reduced congestion</li> <li>• Increased cycle usage</li> <li>• Increased footfall</li> <li>• Reduced levels of deprivation in local areas</li> <li>• Reduction in commercial property vacancy rates</li> <li>• Reduction in level of vacant and</li> </ul>	<p>Increase employment opportunities</p> <ul style="list-style-type: none"> <li>• Lever in private sector investment</li> <li>• Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.</li> <li>• Create infrastructure at strategic locations around Clyde waters region to support strategic tourism and blue economy aspirations</li> <li>• Leverage private sector investment around development of key facilities</li> <li>• To maximise the growth opportunities in marine tourism sector building on high and sustained spend and GVA growth internationally and in West of Scotland.</li> <li>• To generate new employment, business</li> </ul>

		<ul style="list-style-type: none"> <li>• Jobs safeguarded</li> <li>• Individuals increasing skills</li> <li>• Private businesses supported <ul style="list-style-type: none"> <li>• Social enterprises supported</li> </ul> </li> <li>• Social enterprises created</li> <li>• Businesses signing up to Scottish Business Pledge per year</li> <li>• Increase in visitor numbers</li> <li>• Increase in visitor expenditure</li> <li>• 100,000 extra visitors comprising primarily boat owners / crew /sailing interests plus day visitors drawn to locations with marine activity and interest (67000day; 33000overnight – per annum)</li> <li>• New tourism events supported</li> </ul>	<ul style="list-style-type: none"> <li>derelict land</li> <li>• CO2 savings via modal shift</li> <li>• Enhanced accessibility - employment/ business locations</li> <li>• Enhanced accessibility – services/ community locations</li> <li>• Widening of labour market</li> <li>• Improved business productivity</li> <li>• Strengthening key business clusters</li> <li>• Businesses attracted to the Locality</li> <li>• 4-8fte employees from employability/skills programmes (based only on capex construction estimate)</li> <li>• 3SMEs supported</li> </ul>	<ul style="list-style-type: none"> <li>start-ups and SME/ Micro enterprise opportunity supporting employability and inclusion outcomes.</li> </ul>
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## Benefits Realisation Logic Chain: Digital Subsea Cable

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
Scottish Futures Trust/Scottish Enterprise	Negotiate investment with private sector	Establishment of a Cable Landing Station (CLS) in Ayrshire	Ayrshire investment ready and demonstrable links to EU/EEA/USA from Scotland/Ayrshire	Ayrshire a world-class digitally connected region
	Secure investment both public and private sector	CLS in Scotland	Provision of high-performance, high-bandwidth connectivity Scotland/rUK	Resilience for the UK as a whole
	Negotiate wider opportunities for datacentre providers to enter Scottish/Ayrshire market off the back of the Cable Landing Station (CLS)	Datacentre development/associated industries in the Ayrshire region	Retention/attraction of highly skilled data-focussed employees in the region and development of clusters of hi-tech activity.	New employment and investment opportunities in the region fully supported by underlying infrastructure
SFT/Local Authorities & Ayrshire Regional Partnership	Secure one or more anchor tenants at the landing point	Investment opportunities	New industries attracted i.e. datacentres, civtech, biotech, gaming etc. and underpin the success of the AGD programme	Economic growth and employment opportunities
Local Authorities & Ayrshire Regional Partnership	Business support to expand opportunities to supply chain	Growth in supply chain to new industries	Opportunities to expand and job creation	Future sustainability
Outcomes & Targets				
SFT/Local Authorities & Ayrshire Regional Partnership	Subsea Fibre Optic Cable established	1	1	
SFT/Local Authorities & Ayrshire Regional Partnership		Digital infrastructure		Increased GVA by 2030
SFT/Local Authorities & Ayrshire Regional Partnership	Onshore infrastructure Created	3	3	Established between 2023 to 2025
Public Sector and Private Sector Partners	Increase in jobs	424	424	Increased job opportunities by 2030 (based on Deloitte report commissioned by SFT)
Public sector funding: Costs - £11m UKG				Ayrshire a world-class digitally connected region

## Benefits Realisation Logic Chain: Digital Infrastructure

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
Scottish Futures Trust/Scottish Enterprise	Completion of 4g Infill	Complete 4g coverage for rural Ayrshire	Ayrshire investment ready and demonstrable links to EU/EEA/USA from Scotland/Ayrshire	Ayrshire a world-class digitally connected region
	Secure investment both public and private sector	CLS in Scotland	Provision of high-performance, high-bandwidth connectivity Scotland/rUK	Resilience for the UK as a whole
	Negotiate wider opportunities for datacentre providers to enter Scottish/Ayrshire market off the back of the Cable Landing Station (CLS)	Datacentre development/associated industries in the Ayrshire region	Retention/attraction of highly skilled data-focussed employees in the region and development of clusters of hi-tech activity.	New employment and investment opportunities in the region fully supported by underlying infrastructure
SFT/Local Authorities & Ayrshire Regional Partnership	Secure one or more anchor tenants at the landing point	Investment opportunities	New industries attracted i.e. datacentres, civtech, biotech, gaming etc. and underpin the success of the AGD programme	Economic growth and employment opportunities
Local Authorities & Ayrshire Regional Partnership	Business support to expand opportunities to supply chain	Growth in supply chain to new industries	Opportunities to expand and job creation	Future sustainability
<b>Outcomes &amp; Targets</b>				
SFT/Local Authorities & Ayrshire Regional Partnership	Key sites upgraded	7	7	Key sites upgraded with superfast digital infrastructure
SFT/Local Authorities & Ayrshire Regional Partnership	Centres of excellence	7	7	Centres of digital excellence established
SFT/Local Authorities & Ayrshire Regional Partnership	Agricultural sector switched on to SMART technology			Introduction of SMART industries into Rural Ayrshire
SFT/Local Authorities & Ayrshire Regional Partnership		Digital infrastructure	GVA	Increased GVA by 2030
SFT/Local Authorities & Ayrshire Regional Partnership	4G infill			Ayrshire rural communities digitally enabled.
Project Costs - £3m				Ayrshire a world-class digitally connected region

### Benefit Realisation Logic Chain: Working for a Healthy Economy

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p><b>Working for a Healthy Economy</b></p> <p>Procured service to support 1500 people a year (800 unemployed, 700 unemployed)</p> <p>Project Duration: 6 years</p> <p>AGD: £5,000,000</p> <p>All 3 authorities and partners will continue to fund surrounding employability and business support services which will support the proposals.</p>	<p>Establish a one stop health support service across Ayrshire to maximise employment and job retention.</p> <p>Although every client journey will be individual, all referrals will receive support within the following framework:</p> <ul style="list-style-type: none"> <li>• <b>Registration and Triage</b></li> <li>• <b>Assessment</b></li> <li>• <b>Full Case Management</b></li> <li>• <b>Explore and Report</b></li> <li>• <b>In Work Support</b></li> </ul>	<p>960 clients – Assessment &amp; Report Only 1600 clients – Full Case Management Support via Telephone 3839 clients – Full Case Management Support delivered Face to Face 3809 (70%) of clients engaging in Full Case Management support are likely to access a funded treatment e.g. Talking Therapies, Physiotherapy etc. 2400 clients will receive support via Group Work 960 individuals will receive Mental Health First Aid Training</p> <p>Marketing will be targeted at 5,172 individuals (53%) being unemployed at the point of referral with the aim of 25% going back to work.</p> <p>The remaining 4,586 will receive support to return to or remain in employment / self-employment with the aim of 85% of clients sustaining.</p>	<ul style="list-style-type: none"> <li>• Improved health and management of health conditions of individuals</li> <li>• Reduced levels of unemployment and corresponding increases in income levels.</li> <li>• Improved retention and progression in work and corresponding increases in income levels.</li> <li>• Reduced absenteeism and improved retention of staff, increasing productivity of business.</li> <li>• Improved uptake of training/learning opportunities through reducing health as a barrier</li> <li>• Improved awareness and education of employers around health and benefits of supporting employees.</li> </ul>	<ul style="list-style-type: none"> <li>• To reduce poor health as a constraint on economic growth.</li> </ul>

### Benefit Realisation Logic Chain: Ayrshire Skills Investment Fund

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p><b>Ayrshire Skills Investment Fund</b></p> <p>AGD - £3.5M (SG)</p> <p>£3M available as grant awards through the fund.</p> <p>Fund management supported by 1 x G12 Skills Manager post at circ £460k</p> <p>£40k resources available for Skills Board to commission additional research.</p> <p>Project Duration: 6 years</p> <p>All 3 authorities and partners will continue to fund surrounding employability and business support services which will support the proposals.</p>	<p>Establish a Regional Skills Board made up of national and regional experts.</p> <p>Board would issue guidance to partners on what the evidence means for Ayrshire and would provide guidance on priorities.</p> <p>Board would seek funding proposals which fit with the priority themes.</p> <p>The board would assess and make decisions on what activity is funded.</p> <p>Funded proposals will either support unemployed residents to access learning/training appropriate to local opportunities or would support employed residents to develop their skills, be more productive and secure better employment.</p> <p>The board would monitor progress of the funded projects.</p>	<p>500 unemployed people accessing new learning/training opportunities</p> <p>500 low paid employed accessing learning opportunities</p> <p>100 redundant workers accessing new learning/training opportunities (sub-set of above)</p> <p>300 businesses benefitting from upskilled workers</p> <p>10 large inward investors supported with their skills needs</p>	<ul style="list-style-type: none"> <li>• Reduction in unemployment</li> <li>• Reduction in numbers earning below living wage</li> <li>• Increase in qualification/skill levels</li> <li>• More diverse workforces</li> <li>• Improved productivity for business</li> </ul>	<ul style="list-style-type: none"> <li>• To reduce skills issues as the major constraint to Inclusive Growth in Ayrshire</li> <li>• Increase employment opportunities</li> <li>• Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.</li> </ul>



## Benefits Realisation Logic Chain: Community Wealth Building (CWB) – Business Locality Officers

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities) (IG barriers targeted as per Exec Summary Ayrshire IG Diagnostic)	Programme Objective
<p><b>CWB Business Locality Officers</b></p> <p>Resource: 3xG10 officers in each LA = 9 CWB locality officers across Ayrshire £1,365,450</p> <p>Project Duration: 3 years</p> <p><b>CWB Fund</b></p> <p>Resource: £1,000,000</p> <p>Project Duration: 3 years</p>	<ul style="list-style-type: none"> <li>Place-based approach to CWB, working in localities to facilitate CWB thinking across public, private, and social economy on procurement, employment, assets and ownership, linking with existing local service delivery.</li> <li>Looking at anchors (inc private sector) supply chains opportunities, supplier development, linking to employability pipelines, promote Fair Work and refer to Fair Work project, explore how to maximise assets including within town centres. Includes focus on AGD sites and end users.</li> <li>Producing locality CWB Action Plan and promote business-led inclusive growth.</li> <li>Sharing of best practice throughout the region, with measure of activity and programme reports being shared at a locality, local and regional level.</li> </ul> <p>Specific activities across the pillars: <b><u>PROCUREMENT</u></b></p>	<ul style="list-style-type: none"> <li>CWB Locality Baseline and Action Plan per Ayrshire locality = 15 CWB place-bases action plans</li> <li>920 Unique Enterprises receiving support from the CWB programme</li> <li>265 Enterprises receiving financial assistance: Grant/ Consultancy support (on procurement, employment, asset or ownership pillars)</li> <li>96 New enterprises supported (&lt;12 months old)</li> </ul> <p>Outputs per pillar:</p> <p><b><u>PROCUREMENT</u></b></p> <ul style="list-style-type: none"> <li>240 businesses registered on PCS</li> </ul>	<ul style="list-style-type: none"> <li>More diverse and resilient business base</li> <li>A vibrant social economy</li> <li>Improved attractiveness of local places</li> <li>Skills development and fairer labour market</li> <li>Economic opportunities spread more widely across the region</li> </ul> <p>➤ <i>Local Jobs</i> ➤ <i>Soft &amp; Basic Skills</i></p>	<ul style="list-style-type: none"> <li>To develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.</li> </ul>

	<ul style="list-style-type: none"> <li>• Develop locality support mechanisms for business to enhance procurement readiness including workshops (one to many), one to one surgeries</li> <li>• Understand locality supply chain capacity</li> <li>• Engage with anchor / larger businesses to understand spend profile / develop local supply chains</li> <li>• Prepare local businesses for the AGD procurement opportunities as per a potential AGD 'wave plan' and profiling</li> <li>• Work with local businesses and wider community to develop community benefit requests</li> <li>• Develop new initiatives on procurement activity to deepen local spend e.g. Trusted Trader, single awards, locality growth partnering</li> <li>• Increase numbers on PCS and develop skills</li> </ul> <p><b><u>EMPLOYMENT</u></b></p> <ul style="list-style-type: none"> <li>• Support business engagement on developing fair work activity and enhance awareness and understanding of principles of fair work, for example promoting the living wage</li> <li>• Refer to Fair Work Ayrshire programme</li> <li>• Work with those not eligible for Fair Work Ayrshire programme to develop knowledge and to implement practical fair work steps</li> <li>• Link employers to employability pipelines and skills development programmes</li> </ul>	<ul style="list-style-type: none"> <li>• 265 businesses attending 1 to many procurement awareness-raising/capacity building workshops</li> <li>• 90 businesses accessing 1-to-1 procurement specialist help (consultancy)</li> </ul> <p><b><u>EMPLOYMENT</u></b></p> <ul style="list-style-type: none"> <li>• 240 businesses attending 1 to many 'fair work' related awareness-raising / capacity-building workshops held</li> <li>• 300 businesses referred to FW Ayrshire programme</li> </ul> <p><b><u>ASSETS</u></b></p> <p>(No quantitative measures at this stage - activity = building on current incubation facilities explore if similar approaches can be rolled out into a locality, promote assets in council ownership for asset transfer and support community groups/social enterprises in the creation of sustainable proposals)</p> <p><b><u>OWNERSHIP</u></b></p> <ul style="list-style-type: none"> <li>• Support the creation or transition of 17 businesses</li> </ul>	<ul style="list-style-type: none"> <li>➤ <i>Intermediate &amp; Advanced Skills</i></li> <li>➤ <i>Business Support</i></li> <li>➤ <i>Structure of Economy</i></li> <li>➤ <i>Business Premises</i></li> <li>➤ <i>Access to Finance</i></li> </ul>	
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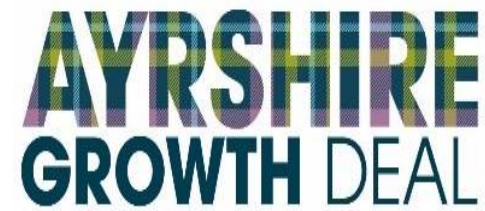
	<p><b><u>ASSETS</u></b></p> <ul style="list-style-type: none"> <li>• Baseline assets, ownership and identify potential opportunities</li> <li>• Work with stakeholders including owners to develop locality asset uses</li> <li>• Support business (private sector, social, community enterprise) to identify assets and bring back into use</li> </ul> <p><b><u>OWNERSHIP</u></b></p> <ul style="list-style-type: none"> <li>• Stimulate social entrepreneurship including workshops (one to many), one to one surgeries</li> <li>• Baseline locality social, family owned and, employee-owned, Co-op enterprises</li> <li>• Develop locality-based initiatives to support Social Enterprise, employee-owned, and Co-ops</li> <li>• Normalise Social Enterprise / employee-owned, Co-operative models in all start up conversations</li> <li>• Upskill advisers to understand the social economy</li> <li>• Promote understanding of and opportunities for employee ownership</li> </ul>	<p>to employee ownership or cooperative</p> <ul style="list-style-type: none"> <li>• 270 businesses attending 1 to many plural ownership related aware-ness raising/capacity building workshops</li> <li>• 90 businesses accessing 1 to 1 plural ownership specialist support (consultancy)</li> </ul>		
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## Benefits Realisation Logic Chain: Community Wealth Building (CWB) – Fair Work Ayrshire

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities) ( <i>IG barriers targeted as per Exec Summary Ayrshire IG Diagnostic</i> )	Programme Objective
<p><b>Fair Work Ayrshire</b></p> <p>Resource: 3xFW Ayrshire officers £437,270</p> <p>Project Duration: 3 years</p>	<ul style="list-style-type: none"> <li>A dedicated Ayrshire 'Fair Work' resource to engage key employers (regionally significant businesses, 50 + employees) to ensure they recruit inclusively and provide quality and meaningful work.</li> <li>Targeted support to employers in Ayrshire (including anchor institutions), who have expressed a desire to access support to recruit differently and to provide Fair Work. These employers would benefit from:</li> <li>A Fair Work Audit – How inclusive is their current workforce? What issues are there with progression and retention?</li> <li>How could they improve that? What do they need from external agencies to help?</li> <li>Drive recruitment from excluded groups – working alongside</li> </ul>	<ul style="list-style-type: none"> <li>90 companies undertaking FW Ayrshire programme (45 per officer x 2, 10 per manager, 10% optimum bias)</li> <li>90 FW health checks/audits</li> <li>90 FW action plans</li> </ul> <p>Further quantitative outputs:</p> <ul style="list-style-type: none"> <li>¼ would do living wage accreditation (22 companies/organisations)</li> <li>¼ would become disability confident employers (22 companies/organisations)</li> <li>1/5 of businesses who get involved with apprenticeships, foundation apprenticeships, graduate apprenticeships for first time (19 companies/organisations)</li> <li>1/5 would sign Scottish business pledge (18 companies/organisations)</li> </ul>	<ul style="list-style-type: none"> <li>Diverse and inclusive workforce</li> <li>Jobs are fulfilling and secure</li> <li>Increased financial security for employees</li> <li>Improved wellbeing for employees</li> <li>Increased opportunities and reducing barriers for excluded groups: those with health issues/disabled, those in in work poverty, females, young people</li> <li>Ensuring local people and those from disadvantaged areas have access to economic opportunities</li> <li>Skills development through enhanced opportunities for progression and upskilling</li> <li>Support Scotland to become a Fair Work Nation by 2025</li> <li>Improved productivity and innovation for companies/organisations</li> <li>Local and regional anchors enhancing their social impact</li> </ul> <ul style="list-style-type: none"> <li>➤ <i>Local Jobs</i></li> <li>➤ <i>Soft &amp; Basic Skills</i></li> <li>➤ <i>Intermediate &amp; Advanced Skills</i></li> <li>➤ <i>Health</i></li> <li>➤ <i>Business Support</i></li> <li>➤ <i>Sustainable Working Population</i></li> </ul>	<ul style="list-style-type: none"> <li>To develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.</li> </ul>

	<p>existing employability pipeline and initiatives in the region and the Regional Skills and Inclusion Programme.</p> <ul style="list-style-type: none"> <li>• Help to develop 'Fair Work' policies and practice.</li> <li>• Practical support to link to local social enterprises/volunteering schemes.</li> <li>• Monitor progress towards action plan.</li> <li>• Position Ayrshire as a Fair Work region – facilitate workshops to promote and learn best practice, ensuring learning from the Fair Work Convention and SG Fair Work Benchmarking Tool.</li> </ul>			
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**AYRSHIRE GROWTH DEAL**  
**FINANCIAL PLAN**



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## **1. FINANCIAL STEWARDSHIP**

- 1.1 This document sets out the detail of how the Ayrshire Economic Joint Committee (EJC) and Ayrshire Regional Economic Partnership (REP) will implement and manage financial aspects of the Ayrshire Growth Deal. This forms part a suite of documentation which should all be read together and which is designed to provide assurance to funders, stakeholders and communities that partners are committed to ensuring investment is coordinated across the region; that processes and procedures are in place to support delivery and that the benefits to be derived from the Ayrshire Growth Deal are maximised.
- 1.2 The Ayrshire Growth Deal will be subject to a tripartite agreement between the UK Government, Scottish Government and East Ayrshire Council (on behalf of the three Ayrshire Councils and partners and in the role of Accountable Body).
- 1.3 The Section 95 Officer from each Partner Authority will be tasked with providing assurance of the Ayrshire Growth Deal Programme finances and will ensure that all funding requirements are met.
- 1.4 Any grant agreement entered into by a Partner Authority shall be subject to that Authority's contract standing orders and financial regulations.
- 1.5 East Ayrshire Council, as the Accountable Body has robust financial processes and procedures in place which will be applied to the management of this Deal funding.
- 1.6 The Accountable Body will put in place an agreement with each Deal partner to ensure that the utilisation of grant funding for each individual project complies with the purpose of the grant as set out in the terms and conditions of the grant offer between the Scottish Government and the Accountable Body. Further details relating to this agreement are set out in the Deal Governance document.



## **2. FINANCIAL CONTROLS AND PROCEDURES**

- 2.1 The Accountable Body has established and hosts a Programme Management Office and has appointed a Strategic Manager to oversee its budget and duties.
- 2.2 The Accountable Body provides support services as the Strategic Manager may reasonably require to discharge their duties on behalf of the Accountable Body which may include financial, legal, audit and other professional or technical services. Each Partner Authority shall provide the appropriate level of support services to fulfil their obligations to the Accountable Body.
- 2.3 The Accountable Body will analyse and provide reports on progress to the REP and EJC, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by these groups.
- 2.4 The Accountable Body shall allocate and account for distribution of AGD grant income to all partners. It will enter into any grant agreements on behalf of the EJC and REP, hold the AGD grant funding and make disbursements to Partner Authorities, Third Parties and other bodies as appropriate, all in accordance with the approved governance arrangements.
- 2.5 It will account for these funds under a separately identified budget line to ensure transparency and clarity, and will report to the Scottish and UK Governments as required in accordance with the Grant Offer Letter.
- 2.6 The Accountable Body and Partner Authorities will ensure compliance with confidentiality and data protection regulations in relation to the AGD Programme.
- 2.7 The Accountable Body will ensure that grant funds are disbursed legally and appropriately and, with Partner Authorities, will have the appropriate and proportionate control systems in place to prevent relevant employees breaching the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.
- 2.8 Partner Authorities will refund all amounts identified by the Accountable Body and/or funders to be ineligible.
- 2.9 In the event of the Accountable Body becoming aware of, or suspecting any irregular or fraudulent activity that may have any impact on the Project/Programme or the use of the AGD grant, or any part of it, the Accountable Body shall immediately set out a fact-finding exercise, investigate as required and, in accordance with the conditions of the Grant Offer Letter, notify the Scottish Ministers of any confirmed activity. Partner Authorities must report all cases to the Accountable Body

as soon as they become aware of suspected or actual irregular or fraudulent activity and must participate fully in any fact-finding or investigation.

- 2.10 The Accountable Body will ensure that such financial statements or relevant disclosure requirements as are required in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and proper accounting practices (section 12 of the Local Government in Scotland Act 2003) are prepared for the EJC and REP. Where these form part of the wider statutory reporting requirements of the Partner Authorities appropriate summary financial information will be consolidated and reported to the EJC and REP.
- 2.11 All partners will ensure that grant funds are used appropriately and demonstrate Best Value.
- 2.12 The Accountable Body's Chief Auditor will be appointed as Chief Auditor for the AGD to coordinate Internal Audit activity.
- 2.13 Each partner will be responsible for allocating Internal Audit resources as required for local AGD activities. The Accountable Body's Internal Audit section will reserve the right to review programme and project activities as required and request information from all partners regarding these activities.
- 2.14 Each year a consolidated Internal Audit Plan will be presented to the EJC and REP having been prepared following:
  - consultation with relevant senior officers of the AGD PMO;
  - consideration of the risks affecting the AGD at programme and project level;
  - consideration of both internal and external factors affecting the AGD;
  - consideration of previous internal and external audit findings;
  - consideration of all of these elements which will inform Public Sector Internal Audit Standards (PSIAS) based risk assessments carried out locally by the Accountable Body and Partner Authorities; and
  - any relevant items subsequently included in local Internal Audit plans approved by each partner's audit committee in line with PSIAS obligations will be reflected in the consolidated AGD Internal Audit Plan.
- 2.15 All AGD Internal Audit work will be carried out in line with the PSIAS with individual Internal Audit assignment reports presented to the EJC and REP for noting.
- 2.16 The EJC and REP will be advised of the overall outcomes from Internal Audit work in an annual Internal Audit Report the timing of which is anticipated to align with the annual accounts timetable and will be reported to the EJC and REP for

noting in line with PSIAS requirements.

- 2.17 The Annual Internal Audit Report will include a summary of AGD internal audit work in year by all partners, an annual opinion for the AGD and for further assurance will also include the authority-wide Annual Internal Audit opinions prepared by each partner.
- 2.18 Actions arising from Internal Audits will be followed up by the relevant Internal Audit team in line with established arrangements in that authority and these follow-up reports will be presented to the EJC and REP for noting.
- 2.19 Further audit, advisory consultancy or investigative work may be requested by the EJC and REP.
- 2.20 The Accountable Body's Chief Auditor will liaise with partner Chief Auditors through established arrangements.
- 2.21 The annual Grant Offer Letter will outline the reporting and governance requirements for the partners.

## **FINANCIAL REPORTING**

- 2.22 As outlined in the annual Grant Offer Letter, on a monthly basis, a Financial Forecast will be completed by the PMO, and submitted to the Scottish and UK Governments. This will include monthly expenditure by the overall Programme and individual Projects, the cumulative spend and profile spend for the remainder of the financial year.
- 2.23 As outlined in the annual Grant Offer Letter, a Quarterly Performance Report will also be completed by the PMO and reported to the Scottish and UK Governments. This report will not only report on financial information but will include a Risk Status of the overall Programme as well as each Project and highlight where underspend or overspend is predicted including narrative as to how this will be managed going forward.
- 2.24 As outlined in the annual Grant Offer Letter, an Annual Report based on the previous year's activity will be prepared. This report will form the basis for the annual conversation with Governments and should follow the Annual Report Template for City Region Deals. The final report will be approved by the Joint Committee and presented to Governments before being published.

- 2.25 The annual conversation will allow the Scottish City Region and Growth Deal Delivery Board to engage with each City Region Deal at senior officer level, to celebrate success and discuss progress. Annual Conversations, informed by the Annual Performance Report and the Benefits Realisation Plan, also present an opportunity to reflect and work through any concerns that local partners and governments have about the implementation of the Deal and the ambitions of the Deal going forward.

### 3. OVERALL GROWTH DEAL PROGRAMME EXPENDITURE PROFILE

Funding Provider	Total Government Support (including Regional Partner contribution)	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Capital																		
UK Government	103,000	0	0	3,500	2,674	8,166	12,622	11,937	17,893	8,313	10,350	9,004	5,619	3,468	3,599	2,922	1,935	1,000
Scottish Government	91,500	0	3,194	306	2,255	12,419	13,286	12,466	13,742	6,057	7,605	8,427	6,247	2,805	691	2,000	0	0
Regional Partner Contribution	45,500	755	0	1,445	1,895	5,820	6,401	6,991	6,880	3,616	2,395	1,470	3,095	1,332	1,460	1,378	565	0
Revenue																		
Scottish Government	11,500	0	0	100	2,098	2,432	2,670	2,000	1,200	1,000	0	0	0	0	0	0	0	0
Total Funding	251,500	755	3,194	5,351	8,922	28,837	34,979	33,394	39,715	18,986	20,350	18,901	14,961	7,605	5,750	6,300	2,500	1,000

- 3.1 Note: This overall profile relates to planned project delivery rather than funding draw down. In particular, UK Government funding for the Growth Deal will be delivered on a flat profile over 15 years at a rate of £6.9 million per year.
- 3.2 Consideration has been given to make sure programme delivery profiles are as realistic as possible. However, it is helpful to note that most figures in the plan are indicative based on the most current available information.
- 3.3 We understand that all forecasts will continue to be refined over the life of the Ayrshire Growth Deal as projects progress and any changes in the economic environment or other influencing factors, including further development of business cases, become clear.
- 3.4 Business cases will be reviewed annually and reported through the REP and EJC.
- 3.5 In addition, all figures shown in the Financial Plan are based on the financial year running from 1 April to 31 March, noting that due to HALO progressing prior to Full Deal, the financial plan begins in 2018/19.

Programme	AGD Project	Total Government Support £'000	Percentage of AGD Programme	UK & Scottish Governments £'000	Regional Partners £'000
<b>CAPITAL</b>					
Aerospace & Space	Spaceport Infrastructure	23,000	9.15%	23,000	0
	ASIC and Visitor Centre	11,000	4.37%	5,000	6,000
	Commercial Space - Prestwick - Industrial & Hangar	29,000	11.53%	22,000	7,000
	Prestwick Infrastructure - Roads	17,000	6.76%	12,000	5,000
Economic Infrastructure	HALO Kilmarnock	9,000	3.58%	7,000	2,000
	Ayrshire Engineering Park (Moorfield)	16,000	6.36%	12,000	4,000
	Ayrshire Manufacturing Investment Corridor	23,500	9.34%	23,500	0
	i3 Flexible Business Space	15,000	5.96%	11,000	4,000
	i3 Digital Automation & Testing Centre (DigiLab)	6,000	2.39%	5,000	1,000
Energy, Circular Economy & Environment	National Energy Research Demonstrator (NERD)	24,500	9.74%	17,000	7,500
	Hunterston Port & Resource Centre (CECE)	18,000	7.16%	18,000	0
	International Marine Science & Environmental Centre (IMSE), Ardrossan	10,500	4.17%	6,500	4,000
Tourism	Irvine Harbourside - Ardeer (The Great Harbour)	14,000	5.57%	9,000	5,000
	Marine Tourism	9,500	3.78%	9,500	0
Digital	Digital Subsea Cable	11,000	4.37%	11,000	0
	Digital Infrastructure	3,000	1.19%	3,000	0
<b>REVENUE</b>					
Regional Skills & Inclusion Programme	Working for a Healthy Economy	5,000	1.99%	5,000	0
	Ayrshire Skills Investment Fund	3,500	1.39%	3,500	0
Community Wealth Building	Community Wealth Building Fund	3,000	1.19%	3,000	0
<b>TOTAL FUNDING</b>		<b>251,500</b>	<b>100.00%</b>	<b>206,000</b>	<b>45,500</b>
Percentage of funding by contributor			<b>100.00%</b>	<b>82%</b>	<b>18%</b>

#### 4. OVERALL GROWTH DEAL PROGRAMME DRAWDOWN BY PROJECT

Programme	AGD Project	Local Authority	Total Government Support	HALO - EAC Contribution	year 0	year 1	year 2	year 3	year 4	year 5	year 6	year 7	year 8	year 9	year 10	year 11	year 12	year 13	year 14	year 15
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Aerospace & Space	Spaceport Infrastructure	SAC	23,000	0	0	0	600	1,600	2,500	2,500	15,800	0	0	0	0	0	0	0	0	0
	ASIC and Visitor Centre	SAC	11,000	0	0	0	200	1,000	1,000	1,000	1,800	1,000	1,500	1,500	2,000	0	0	0	0	0
	Commercial Space - Prestwick - Industrial & Hangar	SAC	29,000	0	0	0	200	1,000	4,000	4,000	4,000	3,000	3,000	3,000	3,000	1,800	1,000	1,000	0	0
	Prestwick Infrastructure - Roads	SAC	17,000	0	0	0	300	3,200	3,400	5,600	4,500	0	0	0	0	0	0	0	0	0
Economic Infrastructure	HALO	EAC	9,000	755	3,194	5,051	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Ayrshire Engineering Park (Moorfield)	EAC	16,000	0	0	0	350	2,789	2,729	2,899	3,041	2,192	1,000	1,000	0	0	0	0	0	0
	Ayrshire Manufacturing Investment Corridor (AMIC)	EAC	23,500	0	0	0	0	0	560	625	1,250	2,970	4,526	3,827	2,587	1,905	1,250	2,000	1,000	1,000
	i3 Flexible Business Space	NAC	15,000	0	0	0	1,500	1,500	2,000	2,000	2,000	1,500	1,500	1,500	1,500	0	0	0	0	0
	i3 Digital Automation & Testing Centre (DigiLab)	NAC	6,000	0	0	0	0	0	3,100	2,000	900	0	0	0	0	0	0	0	0	0
Energy, Circular Economy & Environment	National Energy Research Demonstrator (NERD)	EAC	24,500	0	0	200	1,325	3,316	3,270	3,270	2,324	2,324	2,324	2,324	1,124	1,900	500	300	0	0
	Hunterston Port & Resource Centre (CECE)	NAC	18,000	0	0	0	1,100	0	0	0	1,400	4,000	5,000	4,000	2,500	0	0	0	0	0
	Ardrossan (IMSE)	NAC	10,500	0	0	0	0	0	0	0	0	0	0	250	750	2,000	3,000	3,000	1,500	0
Tourism	Irvine Harbourside - Ardeer (The Great Harbour)	NAC	14,000	0	0	0	1,250	3,000	3,250	3,500	1,500	1,000	500	0	0	0	0	0	0	0
	Marine Tourism	NAC	9,500	0	0	0	0	3,500	1,500	500	0	0	1,000	1,500	1,500	0	0	0	0	0
Digital	Digital Subsea Cable	Pan	11,000	0	0	0	0	4,000	4,000	3,000	0	0	0	0	0	0	0	0	0	0
	Digital Infrastructure	Pan	3,000	0	0	0	0	1,500	1,000	500	0	0	0	0	0	0	0	0	0	0
Regional Skills & Inclusion Programme	Working for a Healthy Economy	Pan	5,000	0	0	100	1,125	1,125	1,125	1,125	400	0	0	0	0	0	0	0	0	0
	Ayrshire Skills Investment Fund	Pan	3,500	0	0	0	150	350	500	700	800	1,000	0	0	0	0	0	0	0	0
Community Wealth Building	Community Wealth Building Fund	Pan	3,000	0	0	0	823	957	1,045	175	0	0	0	0	0	0	0	0	0	0
Total			251,500	755	3,194	5,351	8,923	28,837	34,979	33,394	39,715	18,986	20,350	18,901	14,961	7,605	5,750	6,300	2,500	1,000

A summary of each project is contained with the Ayrshire Growth Deal Implementation Plan which should be read in conjunction with this Financial Plan.

## **Aerospace and Space Programme**

### **Spaceport Infrastructure**

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
Spaceport Infrastructure	Governments	23,000	0	0	600	1,600	2,500	2,500	15,800	0	0	0	0	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		23,000	0	0	600	1,600	2,500	2,500	15,800	0	0	0	0	0	0	0	0	0

### **Aerospace and Space Innovation Centre (ASIC) and Visitor Centre**

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
Aerospace & Space Innovation Centre (ASIC) and Visitor Centre	Governments	5,000	0	0	0	500	500	500	500	0	500	1,500	1,000	0	0	0	0	0
	Regional Partners	6,000	0	0	200	500	500	500	1,300	1,000	1,000	0	1,000	0	0	0	0	0
		11,000	0	0	200	1,000	1,000	1,000	1,800	1,000	1,500	1,500	2,000	0	0	0	0	0



## Prestwick Commercial Space

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
Development Commercial Space - Industrial Units & Hangar	Governments	22,000	0	0	100	500	3,000	3,000	2,500	2,500	2,500	2,500	2,000	1,400	1,000	1,000	0	0
	Regional Partners	7,000	0	0	100	500	1,000	1,000	1,500	500	500	500	1,000	400	0	0	0	0
Total Funding		29,000	0	0	200	1,000	4,000	4,000	4,000	3,000	3,000	3,000	3,000	1,800	1,000	1,000	0	0

## Prestwick Roads Infrastructure

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
Prestwick Infrastructure - Roads	Governments	12,000	0	0	0	2,000	3,000	4,000	3,000	0	0	0	0	0	0	0	0	0
	Regional Partners	5,000	0	0	300	1,200	400	1,600	1,500	0	0	0	0	0	0	0	0	0
Total Funding		17,000	0	0	300	3,200	3,400	5,600	4,500	0	0	0	0	0	0	0	0	0

## Economic Infrastructure Programme

### HALO Kilmarnock

Project	Source	Capital	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																		
HALO	Governments	7,000	0	3,194	3,806	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Regional Partners	2,000	755	0	1,245	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding from Governments & Local Authorities		9,000	755	3,194	5,051	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Private Sector Funding Committed		5,489			5,489														
Total Investment		14,489																	

### The Ayrshire Engineering Park (Moorfield Phase 3)

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
Ayrshire Engineering Park (Moorfield)	Governments	12,000	0	0	0	1,789	1,729	2,249	2,541	1,692	1,000	1,000	0	0	0	0	0	0
	Regional Partners	4,000	0	0	350	1,000	1,000	650	500	500	0	0	0	0	0	0	0	0
Total Funding		16,000	0	0	350	2,789	2,729	2,899	3,041	2,192	1,000	1,000	0	0	0	0	0	0

## Ayrshire Manufacturing Investment Corridor (AMIC)

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
Ayrshire Manufacturing Investment Corridor (AMIC) - Spec Build	Governments	13,500	0	0	0	0	500	0	625	1,125	2,680	2,827	1,647	1,405	691	2,000	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		13,500	0	0	0	0	500	0	625	1,125	2,680	2,827	1,647	1,405	691	2,000	0	0

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
Ayrshire Manufacturing Investment Corridor (AMIC) - Innovation Centre	Governments	10,000	0	0	0	0	60	625	625	1,845	1,846	1,000	940	500	559	0	1,000	1,000
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		10,000	0	0	0	0	60	625	625	1,845	1,846	1,000	940	500	559	0	1,000	1,000

## i3 DigiLab

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
i3 Digital Automation and Testing Centre	Governments	5,000	0	0	0	0	2,500	1,750	750	0	0	0	0	0	0	0	0	0
	Regional Partners	1,000	0	0	0	0	600	250	150	0	0	0	0	0	0	0	0	0
Total Funding		6,000	0	0	0	0	3,100	2,000	900	0	0	0	0	0	0	0	0	0

**i3 Irvine Enterprise Area Advanced Manufacturing Space**

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
i3 Advance Units (Flexible Space)	Governments	11,000	0	0	1,000	1,200	1,467	1,467	1,466	1,100	1,100	1,100	1,100	0	0	0	0	0
	Regional Partners	4,000	0	0	500	300	533	533	534	400	400	400	400	0	0	0	0	0
Total Funding		15,000	0	0	1,500	1,500	2,000	2,000	2,000	1,500	1,500	1,500	1,500	0	0	0	0	0

## Tourism Programme

## The Great Harbour, Irvine Harbourside and Ardeer

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
Great Harbour (Irvine)	Governments	9,000	0	0	805	1,930	2,090	2,250	960	640	325	0	0	0	0	0	0	0
	Regional Partners	5,000	0	0	445	1,070	1,160	1,250	540	360	175	0	0	0	0	0	0	0
Total Funding		14,000	0	0	1,250	3,000	3,250	3,500	1,500	1,000	500	0	0	0	0	0	0	0

## Marine Tourism

Project	Source	Capital Expenditure	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000	2033/34 £'000	2034/35 £'000
		Capital																
Marine Tourism	Governments	9,500	0	0	0	3,500	1,500	500	0	0	1,000	1,500	1,500	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding from Governments & Local Authorities		9,500	0	0	0	3,500	1,500	500	0	0	1,000	1,500	1,500	0	0	0	0	0
Plus Private Sector Funding Committed		5,000					1,500	3,000	500									
Total Investment		14,500																

## **Energy, Circular Economy and Environment Programme**

### **National Energy Research Demonstrator Project (NERD)**

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
National Energy Research Demonstrator (NERD)	Governments	17,000	0	0	1,324	2,066	2,062	2,062	1,468	1,468	2,004	2,004	804	1,488	180	72	0	0
	Regional Partners	7,500	0	200	0	1,250	1,208	1,208	856	856	320	320	320	412	320	228	0	0
Total Funding		24,500	0	200	1,324	3,316	3,270	3,270	2,324	2,324	2,324	2,324	1,124	1,900	500	300	0	0

### **Hunterston Port & Resource Centre (CECE) at Hunterston**

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
Hunterston Port & Resource Centre (CECE)	Governments	18,000	0	0	1,100	0	0	0	1,400	4,000	5,000	4,000	2,500	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		18,000	0	0	1,100	0	0	0	1,400	4,000	5,000	4,000	2,500	0	0	0	0	0

## International Marine Science and Environmental Centre (IMSE) at Ardrossan

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital																	
International Marine Science and Environmental Centre (IMSE), Airdrossan	Governments	6,500	0	0	0	0	0	0	0	0	0	0	375	1,480	1,860	1,850	935	0
	Regional Partners	4,000	0	0	0	0	0	0	0	0	0	250	375	520	1,140	1,150	565	0
Total Funding		10,500	0	0	0	0	0	0	0	0	0	250	750	2,000	3,000	3,000	1,500	0

## Digital

## Subsea Fibre Optic Cable

[illegible]

## Key Digital Infrastructure

[illegible]



## **Regional Skills and Inclusion Programme**

### **Working for a Healthy Economy Project**

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Revenue																	
Working for a Healthy Economy	Governments	5,000	0	100	1,125	1,125	1,125	1,125	400	0	0	0	0	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		5,000	0	100	1,125	1,125	1,125	1,125	400	0	0	0	0	0	0	0	0	0

### **Ayrshire Skills Investment Fund**

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Revenue																	
Ayrshire Skills Investment Fund	Governments	3,500	0	0	150	350	500	700	800	1,000	0	0	0	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		3,500	0	0	150	350	500	700	800	1,000	0	0	0	0	0	0	0	0

## Community Wealth Building

## Community Wealth Building Fund

[illegible]

# AYRSHIRE GROWTH DEAL GOVERNANCE DOCUMENT



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**AYRSHIRE**  
**GROWTH DEAL**

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## **1. AYRSHIRE GROWTH DEAL – GOVERNANCE DOCUMENT**

- 1.1** This document sets out the governance arrangements which have been agreed for the Ayrshire Growth Deal (AGD). The governance arrangements will enable sound decisions to be taken in an open, inclusive and transparent way.
- 1.2** The partners involved in the Ayrshire Growth Deal are the Scottish Government, the UK Government, East Ayrshire Council, North Ayrshire Council and South Ayrshire Council. East Ayrshire Council will be the Accountable Body for the Deal. East Ayrshire Council will provide the link for all other regional partners involved in the Deal including North Ayrshire and South Ayrshire Councils.
- 1.3** Other regional partners include Scottish Enterprise, Skills Development Scotland, Ayrshire College, University of Strathclyde, University of Glasgow, University of the West of Scotland, Glasgow Prestwick Airport, Peel Holdings, HALO Kilmarnock Ltd, NPL Estates Ltd, VisitScotland and Transport Scotland together with the 3<sup>rd</sup> sector and Ayrshire's business and resident communities.
- 1.4** The Governance Document sets out decision making structures, memberships, roles and responsibilities and how key processes will be managed to ensure accountability, probity, transparency, compliance and value for money. The governance arrangements outlined within this document will be reviewed regularly to ensure that they remain fit for purpose as the deal progresses.
- 1.5** The partnership approach to governance will promote:
- Openness of decision making focussed on clearly defined outcomes underpinned by sustainable economic, social and environmental benefits;
  - Management of risks and performance through robust internal control and strong financial management; and
  - Transparent reporting.
- 1.6** The partners believe that over the next 15 years, more than £300 million will be unlocked by the deal investment, aiming to deliver around 7,000 new jobs across a wide range of sectors in the Ayrshire region.

## **2. AYRSHIRE GROWTH DEAL – GOVERNANCE ARRANGEMENTS**

- 2.1 In 2018, the Ayrshire Councils agreed to implement a new governance structure to oversee the delivery of the Ayrshire Growth Deal and to promote the main drivers for the Ayrshire Regional Economic Partnership, namely:
- to promote and deliver regional economic and inclusive growth on an Ayrshire-wide basis, in line with the Scottish Government's aim of having a Regional Economic Partnership for every region of Scotland;
  - to provide the robust shared governance which will enable the Scottish and UK Governments and other funding sources to dispense monies on an Ayrshire basis;
  - to encourage the meaningful involvement of private sector partners as well as the public sector; and
  - to recognise that the funding element is being delivered through Councils, and consequently democratic accountability will be required for key investment decisions.
- 2.2 The structure should be as simple as possible, but be capable of adaptation as required. What has been implemented is a structure which has a new Joint Committee with ultimate control over key strategic and investment decisions. This comprises of Councillors from the three authorities with some representation (less than one third, in line with legislative requirements) from partners and business. Below this sits the Ayrshire Regional Economic Partnership, which will progress the day-to-day business of both the Regional Economic Partnership and Growth Deal. The Regional Economic Partnership comprises members from the Joint Committee, as well as more extensive representation from other sectors.
- 2.3 The membership, remits and powers of both the Ayrshire Regional Economic Joint Committee and the Ayrshire Regional Economic Partnership are set out in Appendices A and B. Standing Orders for their meetings are set out in Appendix C. Key components of this are:
- The Ayrshire Regional Economic Joint Committee (EJC) comprises thirteen members in total, three from each Council, one from Scottish Enterprise (SE), one from Skills Development Scotland (SDS), one from the business sector and one from the education sector. The local authority Chair will rotate on an annual basis. Its core functions are:

- to approve the Ayrshire Economic Strategy;
  - to make recommendations to the UK and Scottish Governments, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
  - to approve major funding decisions including approval of the Business Cases for AGD projects;
  - to approve the AGD Benefits Realisation Plan;
  - to approve major change requests;
  - to receive reports on the effectiveness of the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal and to identify potential improvements and make recommendations to the Constituent Authorities;
  - to make recommendations to the Constituent Authorities in respect of the Ayrshire Growth Deal funding arrangements;
  - to make recommendations to the Constituent Authorities on the setting of budgets for the Ayrshire Growth Deal;
  - to approve operational expenditure within agreed Ayrshire Growth Deal Joint Committee budgets allocated by the Constituent Authorities in order to further the aims of the Ayrshire Growth Deal.
- Notwithstanding the terms of the Standing Orders and Meetings arrangements within Appendix A, the EJC will meet quarterly to align with the financial reporting, approvals drawdowns and in keeping with the Grant Offer Letter. Special meetings of the EJC will be arranged at short notice if decisions require to be taken quickly or indeed during the period between meetings.

- The Ayrshire Regional Economic Partnership (REP) comprises three representatives from each Council, three representatives of the business sector, three representatives of the Higher or Further Education sector and one representative from each of Scottish Enterprise, Highlands and Islands Enterprise (HIE), Skills Development Scotland, and Visit Scotland. There is also provision to co-opt an additional three members either from other organisations or on the basis of experience or skills. In legal terms this has to be a sub-committee as it comprises more than one-third membership who are not councillors. The Regional Economic Partnership (sub-committee) will have delegated powers, but major strategic and funding decisions will require to be remitted for approval to the Joint Committee. The functions of this Regional Economic Partnership are:
  - to oversee the development of the Ayrshire Economic Strategy and to make recommendations to the Ayrshire Economic Joint Committee regarding its approval;
  - to provide strategic oversight for the delivery of the strategic priorities and actions contained within the Ayrshire Economic Strategy and any Action Plan forming part of such Strategy;
  - to drive forward the growth of the Ayrshire economy;
  - to prioritise inclusive growth and report on progress made annually in AGD Benefits Realisation Plan in line with the Scottish Government's Inclusive Growth Monitoring Framework;
  - to drive increased collaboration and partnership between the Ayrshire Councils, the Scottish and UK Governments and their agencies and the private sector, focussed towards delivery of the Ayrshire economic priorities;
  - to make recommendations to the Ayrshire Economic Joint Committee, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
  - undertake periodic reviews of the Ayrshire Economic Strategy and any Action Plan forming part of the Strategy to ensure that it is consistent with the emerging ambitions of Ayrshire and collaboration with partners;
  - to oversee the development of the business cases of individual Ayrshire Growth Deal projects and to make recommendations to the Ayrshire Economic Joint Committee regarding their approval;



- to oversee the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal, to monitor the performance of the Programme Management Office (PMO), to identify potential improvements and make recommendations to the PMO or the Ayrshire Economic Joint Committee;
- to make recommendations to the Ayrshire Economic Joint Committee in respect of the Ayrshire Growth Deal funding arrangements;
- to ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements;
- to provide strategic direction and manage the input of any Thematic or other Working Groups.
- Notwithstanding the terms of the Standing Orders and Meetings arrangements within Appendix B, the REP will meet quarterly to align with the financial reporting, approvals drawdowns and in keeping with the Grant Offer Letter. Special meetings of the REP will be arranged at short notice if decisions require to be taken quickly or indeed during the period between meetings.

## **ROLES AND RESPONSIBILITIES**

### **The Accountable Body (East Ayrshire Council):**

- 2.4 The Accountable Body carries out certain legal and regulatory functions on behalf of the EJC and REP as instructed by them, where the EJC and REP do not have the requisite legal status or competence.
- 2.5 The Accountable Body has established and hosts a Programme Management Office and has appointed a Strategic Manager to oversee its budget and duties.
- 2.6 The Accountable Body provides support services as the Strategic Manager may reasonably require to discharge their duties on behalf of the Accountable Body which may include financial, legal, audit and other professional or technical services. Each Partner Authority shall provide the appropriate level of support services to fulfil their obligations to the Accountable Body.
- 2.7 The Accountable Body will analyse and provide reports on progress to the REP, EJC, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by these groups.

- 2.8 The Accountable Body shall allocate and account for distribution of AGD grant income to all partners. It will enter into any grant agreements on behalf of the EJC and REP, hold the AGD grant funding and make disbursements to Partner Authorities, Third Parties and other bodies as appropriate, all in accordance with the approved governance arrangements.
- 2.9 It will account for these funds under a separately identified budget line to ensure transparency and clarity, and will report to the Scottish and UK Governments as required in accordance with the Grant Offer Letter.
- 2.10 The Accountable Body and Partner Authorities will ensure compliance with confidentiality and data protection regulations in relation to the AGD Programme.
- 2.11 The Accountable Body will ensure that grant funds are disbursed legally and appropriately and, with Partner Authorities, will have the appropriate and proportionate control systems in place to prevent relevant employees breaching the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.
- 2.12 Partner Authorities will refund all amounts identified by the Accountable Body and/or funders to be ineligible.
- 2.13 In the event of the Accountable Body becoming aware of, or suspecting any irregular or fraudulent activity that may have any impact on the Project/Programme or the use of the AGD grant, or any part of it, the Accountable Body shall immediately set out a fact-finding exercise, investigate as required and, in accordance with the conditions of the Grant Offer Letter, notify the Scottish Ministers of any confirmed activity. Partner Authorities must report all cases to the Accountable Body as soon as they become aware of suspected or actual irregular or fraudulent activity and must participate fully in any fact-finding or investigation.
- 2.14 The Accountable Body will ensure that such financial statements or relevant disclosure requirements as are required in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and proper accounting practices (section 12 of the Local Government in Scotland Act 2003) are prepared for the EJC and REP. Where these form part of the wider statutory reporting requirements of the Partner Authorities appropriate summary financial information will be consolidated and reported to the EJC and REP.
- 2.15 All partners will ensure that grant funds are used appropriately and demonstrate Best Value.
- 2.16 The Accountable Body's Chief Auditor will be appointed as Chief Auditor for the AGD to coordinate Internal Audit activity.

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

## **Partner Authorities**

- 2.25 Partner Authorities play a key role in supporting the delivery of the overall Programme through a range of activities including: delivering their Approved Projects; participating in all Support Group activities and work plans; designing and delivering Programme-wide approaches and strategies (such as the Ayrshire Economic Strategy and the Inclusive Growth Action Plan); identifying and sharing best practice; identifying and collaborating on joint working opportunities.
- 2.26 Partner Authorities shall develop Green Book compliant Business Cases and deliver Approved Projects in accordance with: their Approved Project Business Case; the terms of the grant agreement entered into with the Accountable Body; and all Programme management requirements.
- 2.27 The annual Grant Offer Letter will outline the reporting and governance requirements for the partners.
- 2.28 Any grant agreement entered into by a Partner Authority shall be subject to that Authority's contract standing orders and financial regulations.
- 2.29 Partner Authorities are responsible for ensuring the realisation of project benefits as agreed by EJC and REP and as a condition of the grant agreement.
- 2.30 Partner Authorities are required to provide a statement of compliance with the Conditions of Grant as set out in the grant letter. This will be evidenced in the certification of the final capital return made to the Scottish Government by each Partner Authority's Section 95 Officer. AGD Project income and expenditure, which is accounted for within Partner Authorities' own accounts, will be subject to audit by an individual authority's own external auditors.
- 2.31 For the avoidance of doubt, for every financial claim to be submitted by the Accountable Body each Partner Authority must provide a full audit trail by way of a certification by the Section 95 Officer of the eligible funds disbursed in a format determined by the Accountable Body.
- 2.32 Partner Authorities will be required to provide all information as required by the PMO (details of all reporting requirements are set out in the next section of this paper).
- 2.33 Partner Authorities will make their own arrangements for reporting on Projects internally within their own organisations and for approving these internal reports prior to the onward submission of information to the PMO. These internal governance structures will be documented within Project Business Cases.

- 2.34 The Partner Authorities shall provide the PMO with quarterly updates on the progress of each Approved Project, in line with the Partner Authority Report and Project Status Report template.
- 2.35 The PMO reserves the right to request copies of individual Project Status Reports, as required. Partner Authorities' Project governance arrangements may be reviewed by the PMO to ensure compliance with the requirements of funders.
- 2.36 This monitoring information will be presented to the EJC and REP by the PMO in the Programme Status Report, including advising on progress, benefits realisation, any slippage and risks in relation to any specific Projects and seeking approval for any amendments/change controls. Any concerns which the EJC and REP may have will be notified to the relevant Member Authority via the Chief Executives' Group.
- 2.37 Partner Authorities will work with relevant working groups to assist with the realisation and maximisation of relevant project benefits where required.
- 2.38 Partner Authorities will work with the Equalities and Human Rights Commission and others to explore opportunities to maximise the impact of the Deal to deliver inclusive growth.

### **Third Parties**

- 2.39 Third Parties are organisations, other than Partner Authorities, which receive a grant from the Accountable Body to deliver Approved Projects as part of the Programme as agreed by the EJC and REP.
- 2.40 Third Parties will also comply with the same conditions as Partner Authorities as set out above.

### **THE PROGRAMME MANAGEMENT OFFICE (PMO)**

- 2.41 A permanent staffing structure is being put in place within the Programme Management Office for the Ayrshire Growth Deal and the team is tasked to:
- monitor, review and update the AGD Programme Business Case;
  - scrutinise proposed business cases and make recommendations to the REP and EJC. Where necessary expertise does not exist within the team to fulfil this responsibility, external support will be commissioned and managed by the PMO;

- provide a full toolkit of documentation to partners delivering projects including business case templates and guidance on their completion; reporting templates; risk register templates, and such other documentation as is required from time to time;
- analyse and report on the impact of the delivery of AGD projects and the overall AGD, as well as reporting on the delivery of wider economic benefits agreed in business cases and grant awards, in accordance with commitments made to the UK and Scottish Governments. This reporting will be on a monthly, quarterly and annual basis and will require input from project leads;
- monitor the programme risk register and escalate any issues as they arise, reporting on risk to each EJC and REP meeting;
- prepare regular consolidated monitoring statements for consideration by the EJC and REP.

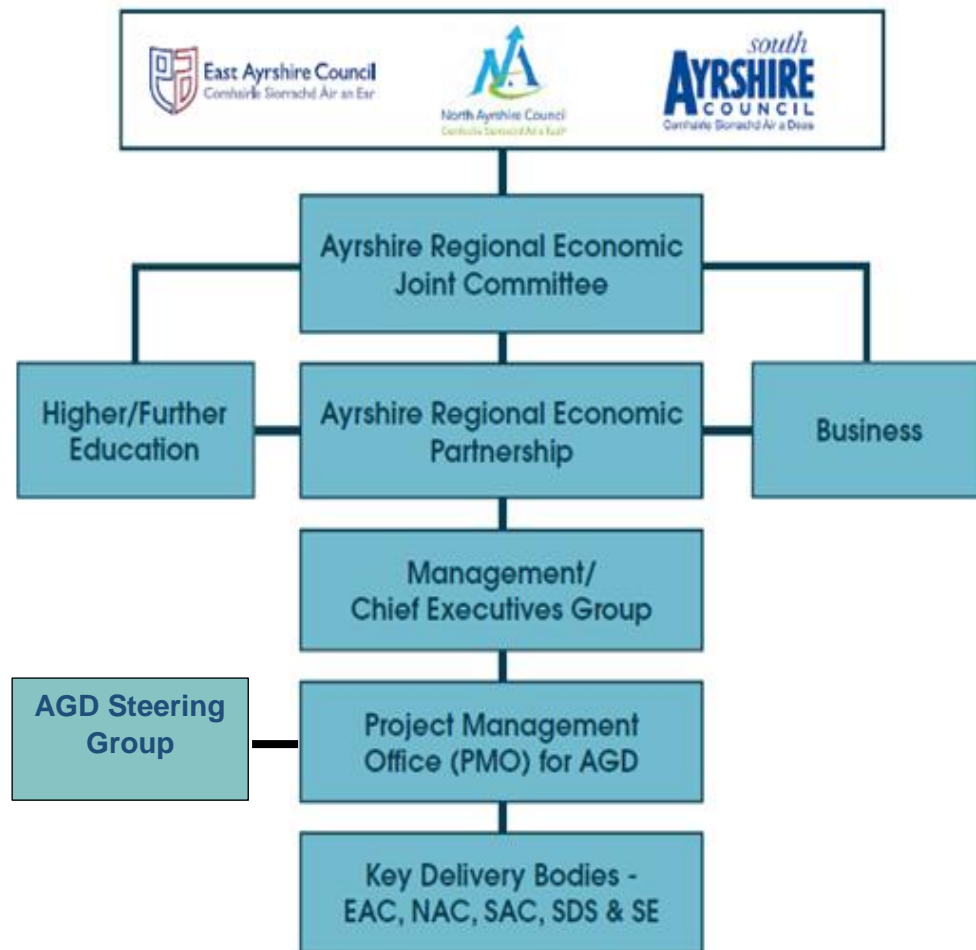
2.42 The work of the PMO is supported by the following working groups:

- Procurement – comprising procurement leads from each of the Ayrshire Councils. This group meets monthly or as often as required;
- Marketing and Communications – comprising communications leads for each of the Ayrshire Councils together with representatives from UK and Scottish Governments. This group meets monthly or as often as required;
- Ayrshire Growth Deal Steering Group – comprising representatives from each of the Ayrshire Councils, Scottish Enterprise, Skills Development Scotland and representatives from UK and Scottish Governments. This group provides support and guidance to the PMO and assists with information sharing. This group meets monthly;
- Other short-term working groups will be established as required.

Minutes of all meetings will be maintained.

2.43 At project level, each project has a named project lead (a senior responsible officer), supported by a project board and project development and implementation is aligned to the principles of PRINCE2.

## Governance Structure



## **BUSINESS CASE APPROVAL PROCESSES**

- 2.44 Once government is satisfied that a given project's OBC is sufficiently well developed they will inform the regional Programme Management Office that the OBC has been approved and that government is content for regional partners to proceed to full business case (FBC).
- 2.45 Government will require to see all FBCs to ensure that they continue to meet their requirements and to confirm that any outstanding issues highlighted at OBC stage have been addressed. Final Equality Impact, Fairer Scotland, and Environmental Impact Assessments should also be made available.
- 2.46 The final approval of FBCs will rest with the region's principal decision making body, the Ayrshire Economic Joint Committee. This ensures that regional partners have full ownership of the Deal and that ultimate decision making authority rests with the body that will be responsible for delivering associated outputs, outcomes, and impacts.

## **FINANCIAL REPORTING**

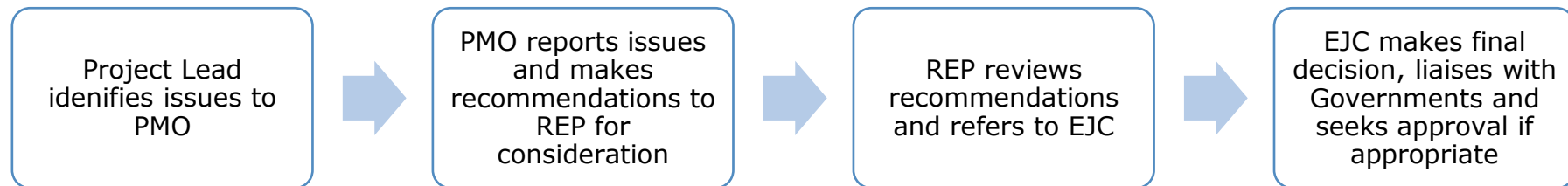
- 2.47 As outlined in the annual Grant Offer Letter, on a monthly basis, a Financial Forecast will be completed by the PMO, and submitted to Scottish Government copied into UK Government. This will include monthly expenditure by the overall Programme and individual Projects, the cumulative spend and profile spend for the remainder of the financial year.
- 2.48 As outlined in the annual Grant Offer Letter, a Quarterly Performance Report will also be completed by the PMO and reported to Scottish Government copied into UK Government. This report will not only report on financial information but will include a Risk Status of the overall Programme as well as each Project and highlight where underspend or overspend is predicted including narrative as to how this will be managed going forward.
- 2.49 As outlined in the annual Grant Offer Letter, an Annual Report based on the previous year's activity will be prepared. This report will form the basis for the annual conversation with Government and should follow the Annual Report Template for City Region Deals. The final report will be approved by the Joint Committee and presented to Governments before being published.
- 2.50 The annual conversation will allow the Scottish City Region and Growth Deal Delivery Board to engage with each City Region Deal at senior officer level, to celebrate success and discuss progress. Annual Conversations, informed by the



Annual Performance Report and the Benefits Realisation Plan, also present an opportunity to reflect and work through any concerns that local partners and governments have about the implementation of the Deal and the ambitions of the Deal going forward.

### 3. **MANAGING CHANGE**

- 3.1 Major change decisions will be escalated from project level via the Programme Management Office to the REP for discussion. The REP will then review recommendations, challenge and amend, where appropriate, and thereafter present recommendations to the Joint Committee for final decision. Both UK and Scottish Government's will be updated throughout this process via the Programme Management Office.



- 3.2 Examples of scenarios that may constitute as major change include;

- There is project underspend, leaving an opportunity to enhance the scope or consider new projects;
- Project is no longer considered viable or value for money since business case approval; or
- External factor triggers changes in the investment priorities for the Ayrshire region.

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

- 3.4 Where government approval of major change is required, the Joint Committee will enter into open dialogue with Scottish or UK Governments or the Scottish City Region Deal Delivery Board, as appropriate, to identify acceptable solutions.

## **Appendix A: AYRSHIRE ECONOMIC JOINT COMMITTEE**

### **Constitution**

A maximum of thirteen Members, comprising up to three members each nominated by East, North and South Ayrshire Councils, one from Scottish Enterprise, one from Skills Development Scotland, one from the business sector and one from the education sector.

### **Chair**

The Chair of the Committee will rotate annually from a Member appointed by East Ayrshire Council to North Ayrshire Council, and to South Ayrshire Council and so on, with each Chair taking up his or her position on 1 September.

### **Quorum**

A quorum of the Joint Committee shall be four members, with at least one member from each Council present.

### **Standing Orders and Meetings**

The Standing Orders for the Joint Committee shall be as detailed in Appendix C. The Committee shall determine its timetable of meetings but shall meet at least two times per annum.

### **Delegated Powers**

The Joint Committee has delegated powers to implement its functions, except as otherwise provided herein. The Joint Committee shall have power to create an Ayrshire Economic Partnership Sub-committee whose membership, powers and remit shall be as detailed in Appendix B.

### **Functions Referred**

The following functions of the Council will stand referred to the Joint Committee: -

Acting in the interests of Ayrshire as a whole:-

1. To approve the Ayrshire Economic Strategy;
2. To make recommendations to the UK and Scottish Governments, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
3. To approve the business cases of individual Ayrshire Growth Deal Projects;
4. To receive reports on the effectiveness of the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal and to identify potential improvements and make recommendations to the Constituent Authorities;
5. To make recommendations to the Constituent Authorities in respect of the Ayrshire Growth Deal funding arrangements;
6. To make recommendations to the Constituent Authorities on the setting of budgets for the Ayrshire Growth Deal;
7. To approve operational expenditure within agreed with Ayrshire Growth Deal Joint Committee budgets allocated by the Constituent Authorities in order to further the aims of the Ayrshire Growth Deal.

## **Appendix B: AYRSHIRE ECONOMIC PARTNERSHIP**

### **Constitution**

The Ayrshire Economic Partnership ('the Partnership') is a sub-committee in terms of section 56(1) of the Local Government (Scotland) Act 1973. It shall comprise a maximum of 22 members, being:-

- 2 Councillors and one officer nominated by each of East, North and South Ayrshire Councils;
- three representatives of the business sector selected by the Partnership;
- three representatives of the Higher or further Education sector, selected by the Partnership ;
- One representative nominated by each of Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, and Visit Scotland.

The Partnership may also co-opt up to three additional members on the basis of experience or skills, whether from existing members, from other organisations or individuals.

### **Chair**

The Chair shall be appointed by the Joint Committee

### **Quorum**

A quorum of the Partnership shall be six, with at least one nominee from each of the Ayrshire Councils present.

### **Standing Orders and Meetings**

The Standing Orders of the Partnership shall be as detailed in Appendix C. The Partnership shall determine its timetable of meetings but shall meet at least six times per annum.

### **Delegated Powers**

The Partnership has delegated powers to implement its functions, except as otherwise provided herein.

## Functions Referred

The following functions of the Ayrshire Economic Joint Committee will stand referred to the Partnership: -

Acting in the interests of Ayrshire as a whole, to:-

8. To oversee the development of the Ayrshire Economic Strategy and to make recommendations to the Ayrshire Economic Joint Committee regarding its approval;
9. To provide strategic oversight for the delivery of the strategic priorities and actions contained within the Ayrshire Economic Strategy and any Action Plan forming part of such Strategy;
10. To drive forward the growth of the Ayrshire economy;
11. To prioritise inclusive growth and provide an annual report in line with the Scottish Government's Inclusive Growth Monitoring Framework;
12. To drive increased collaboration and partnership between the Ayrshire Councils, the Scottish & UK Governments and their agencies and the private sector, focussed towards delivery of the Ayrshire economic priorities;
13. To make recommendations to the Ayrshire Economic Joint Committee, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
14. Undertake periodic reviews of the Ayrshire Economic Strategy and any Action Plan forming part of the Strategy to ensure that it is consistent with the emerging ambitions of Ayrshire and collaboration with partners;
15. To oversee the development of the business cases of individual Ayrshire Growth Deal Projects and to make recommendations to the Ayrshire Economic Joint Committee regarding their approval;
16. To oversee the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal, to monitor the performance of the Programme Management Office (PMO), to identify potential improvements and make recommendations to the PMO or the Ayrshire Economic Joint Committee;

17. To make recommendations to the Ayrshire Economic Joint Committee in respect of the Ayrshire Growth Deal funding arrangements;
18. To ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements;
19. To provide strategic direction and manage the input of any Thematic or other Working Groups.

## **Appendix C: STANDING ORDERS FOR THE CONDUCT OF MEETINGS**

### **PRELIMINARY**

#### **COMMENCEMENT**

These standing orders will apply and have effect from the date approved by the Joint Committee.

#### **DEFINITIONS**

In these Standing Orders the following words and expressions have the following meaning as shown below:-

“The Joint Committee” shall mean the Ayrshire Regional Economic Joint Committee, formed under Sections 56 and 57 of the Local Government (Scotland) Act 1973 and Section 15 of the Local Government in Scotland Act 2003 for the purposes of regulating the shared discharge of the functions of the Constituent Authorities,

“Constituent Authority” means any of the East, North or South Ayrshire Councils.

“The Partnership” shall mean the Ayrshire Regional Economic Partnership, a Sub-committee formed under Sections 56 and 57 of the Local Government (Scotland) Act 1973 and Section 15 of the Local Government in Scotland Act 2003 for the purposes of regulating the shared discharge of the functions of the Constituent Authorities

#### **MEETING ARRANGEMENTS**

##### **Dates of Meetings**

1. The Joint Committee shall meet at least twice in each financial year or more often as is required to conduct its business, dates of meetings to be agreed by the Joint Committee. The Partnership shall meet at least six times in each financial year or more often as is required to conduct its business, dates of meetings to be agreed by the Partnership.
2. A special meeting of the Joint Committee or the Partnership may be called at any time:
  - (a) by the incumbent Chair; or



- (b) if at least one quarter of the total number of members request a meeting in writing specifying the business to be transacted. The requisition shall be submitted to the Chief Executive of the incumbent Chair's Council (or if the Partnership is not chaired by a Council nominee, by the Chief Executive of the Joint Committee's incumbent Council), and shall be included in the notice and summons of the meeting. The Chief Executive will determine the time and venue of the meeting, which shall be held within 14 days of the receipt by the Chief Executive of the requisition.

### ***Place, Time and Notice of Meetings***

- 3.1** Except in the case of urgency (when the incumbent Chair may direct accordingly) three clear days at least before a meeting of the Joint Committee or the Partnership;
  - i. Notice of the time and place of the intended meeting shall be published by the Chief Executive of the incumbent Chair's Council (or if the Partnership is not chaired by a Council nominee, by the Chief Executive of the Joint Committee's incumbent Council) or an appropriate officer of that council, responsible for the administrative support of the Joint Committee or Partnership, at that Council's principal office and, where practical, at the place where the meeting will be held if the meeting is to be held outwith that Council's principal office; and
  - ii. A summons to attend the meeting, specifying the business to be transacted shall be left at or sent by post to the usual place of residence of every Member of the Joint Committee or Partnership as appropriate, or to such other address as the Member may notify in writing to the Chief Executive of the incumbent Chair's Council.

### **LACK OF NOTICE**

- 4.** Want of service of a summons on any Member of the Joint Committee or Partnership shall not affect the validity of any meeting.

### **QUORUM**

- 5.** The quorum for the Joint Committee shall be four, with at least one nominee from each of the Ayrshire Councils present.

The quorum for the Partnership shall be six, with at least one nominee from each of the Ayrshire Councils present.

No business shall be transacted at any meeting of the Joint Committee or Partnership unless a quorum is present.

If, 10 minutes after the time appointed for a meeting a quorum of Members is not then present, the meeting shall stand adjourned and it shall be minuted that “owing to the want of a quorum, no business was transacted”.

## **CHAIR**

6. The Chair of the Joint Committee will rotate annually from a Member appointed by East Ayrshire Council to North Ayrshire Council, and to South Ayrshire Council and so on, with each Chair taking up his or her position on 1 September. The Chair of the Partnership shall be appointed by the Joint Committee

The Chair shall preside. In the event of the incumbent Chair either being absent or withdrawing from a meeting, another member from the Authority of the present Chair, chosen by the members of that Authority present, shall assume the Chair for that meeting or part thereof.

## **POWERS AND DUTIES OF CHAIR**

7. Deference shall at all times be paid to the authority of the Chair. When the Chair indicates a wish to speak, any Member who may be addressing the meeting shall give way. The Chair shall:-
  - (i) preserve order and ensure that every member of the Joint Committee or Partnership shall have a fair hearing;
  - (ii) decide all matters of order, competency and relevancy and the ruling of the Chair shall be final and shall not be open to discussion;
  - (iii) decide between two or more members of the meeting indicating that they wish to speak by calling on the member who has first caught the attention of the Chair;
  - (iv) ensure that due and sufficient opportunity is given to members who wish to speak to express their views on the subject under discussion;

- (v) be entitled, in the event of disorder arising, to adjourn the meeting to a time he or she may then, or afterwards, fix and his or her leaving the Chair shall indicate the meeting is adjourned; and
- (vi) the Chair shall, at his or her discretion, determine all questions of procedure for which no express provision is made under these Standing Orders with regard to the regulation of the proceedings and business of the Joint Committee meetings.

## **BUSINESS AT MEETINGS**

8. At a meeting of the Joint Committee or Partnership, no business other than that specified in the summons shall be considered.

## **URGENT BUSINESS**

9. Business which has not been specified in the summons may be considered where the Chair determines that the matter is one of urgency. It shall be at the sole discretion of the Chair to decide whether any business not specified on the agenda for the meeting, by reason of special circumstances, be considered at the meeting as a matter of urgency, and such special circumstances must be specified in the Minute of the meeting.

## **ORDER OF BUSINESS**

10. The business at any meeting shall (unless as otherwise directed by the Chair who may, at his or her discretion, alter the order of business at any stage) proceed in the following order:-
- (i) the Sederunt shall be taken; the names of the members present at the meeting shall be recorded with the Chair at the head followed by the remaining Members;
  - (ii) Minutes of the previous Joint Committee or Partnership as appropriate shall be submitted, held as read and be formally moved and be held to be approved, unless objection is taken to any portion thereof when so submitted. Any Member may request information on an item within a Minute that is before the meeting; and
  - (iii) Any other competent business detailed in the Agenda or urgent business raised at the discretion of the Chair.

## **ORDER OF DEBATE**

### ***Motions/Amendments***

- 11.1** A member of the Joint Committee or Partnership when speaking shall address the Chair and direct all remarks to the matter before the meeting by proposing, seconding or speaking to the motion or any amendment relative thereto, or to a point of order, or to propose or second a motion to adjourn the proceedings.
- 11.2** Every motion or amendment shall be moved and seconded. The terms of all motions or amendments shall always precede any remarks to be made by their proposers. No member shall speak supporting the motion or any amendment until the same shall be seconded.
- 11.3** The terms of a motion or amendment not seconded or which may be withdrawn or altered after being seconded shall not be recorded in the Minutes of proceedings.
- 11.4** Any member who has moved a motion or amendment and has failed to find a seconder may request that his or her dissent in regard to the decision in question be recorded and that dissent will be recorded in the Minutes.

### ***Procedure on Point of Order***

- 11.5** A member may speak upon a matter of order and on doing so shall make a short statement detailing precisely the terms of the point of order. If the Chair decides that the question raised by the speaker is not a 'point of order', the member who raised the point of order shall thereupon accept the decision as final. No other member shall be entitled to speak to that point of order. A member who is addressing the meeting when a question of order is raised shall give way until the question of order has been decided by the Chair.

## **MOTION FOR ADJOURNMENT OF MEETING**

- 12.1** A motion for the adjournment of the meeting for a specified period of time may be put at the conclusion of any speech and shall have precedence over all other motions. It must be moved and seconded without a speech and shall at once be put by the Chair in the form of "For Adjournment" or "Against Adjournment".

**12.2** A second motion for the adjournment of the meeting shall not be made within a period of 30 minutes unless it is moved by the Chair, when it shall be dealt with as in the immediately preceding standing order.

## **VOTING**

### ***Method of Voting on Motion and Amendment***

**13.** The method of voting on motions and amendments shall be as follows :-

- (i) When a motion and one amendment only are before the meeting, a vote shall be taken between the motion and the amendment;
- (ii) When a motion and two or more amendments are before the meeting, the vote shall be taken upon all the proposals, each member having one vote. If a proposal receives the support of a majority of the members taking part in the vote, it shall be declared to be the decision of the meeting, but, in the event of none of the proposals receiving the support of such a majority, the proposal which has received the least support shall be dropped and the vote shall be taken anew upon the remaining proposals and so on until one proposals has received the support of such a majority whereupon it shall be declared to be the decision of the meeting; and
- (iii) In the event of the votes for two or more proposals being equal the Chair shall decide which of them shall be dropped.

## **DECISIONS OF THE JOINT COMMITTEE**

**14.** Subject to Standing Orders 19, 20 and 24, all decision before the Joint Committee or Partnership shall be decided by a majority of the Members of the meeting present and voting thereon.

## **CASTING VOTE**

**15.** In the case of an equality of votes, the Chair shall have a second or casting vote except where the matter which is the subject of the vote relates to the appointment of a member of the Joint Committee to any particular office, in which case the decision shall be by lot.

## **ATTENDANCE BY ELECTED MEMBERS NOT A MEMBER OF THE JOINT COMMITTEE**

- 16.** Members of the Constituent Authorities who are not members of the Joint Committee may be invited by the Chair of the Joint Committee to attend the meeting of the Joint Committee while there is under discussion any item in which those members have a local or other special interest. Such members shall be entitled to participate in the discussion on that item but shall not be entitled to vote. This provision does not apply to the Partnership.

## **ATTENDANCE BY MEMBERS OF THE PUBLIC**

- 17.** Members of the public may, subject to any limitation on numbers that may be required due to Health and Safety considerations or availability of space or seating in the meeting room, attend any part of the meeting of the Joint Committee or the Partnership except during an item of business where the meeting has resolved, in terms of the Local Government (Scotland) Act 1973 (as amended), that the matter should be discussed in private session.

# AYRSHIRE GROWTH DEAL

## DEAL DOCUMENT



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

**AYRSHIRE**  
**GROWTH DEAL**

Signing of this document reaffirms our joint commitment to achieve full implementation of the Ayrshire Growth Deal together over the next 15 years.

.....  
Rt Hon Alister Jack MP  
Secretary of State for Scotland  
UK Government

Mr Michael Matheson MSP  
Cabinet Secretary for Transport,  
Infrastructure and Connectivity  
Scottish Government

.....  
Cllr Douglas Reid  
Leader of East Ayrshire Council

.....  
Cllr Joe Cullinane  
Leader of North Ayrshire Council

.....  
Cllr Peter Henderson  
Leader of South Ayrshire Council



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## 1. **AYRSHIRE GROWTH DEAL – AN OVERVIEW**

- 1.1 This document sets out the detail of how the Ayrshire Economic Joint Committee (EJC) and the Ayrshire Regional Economic Partnership (REP) will implement and manage the Ayrshire Growth Deal. This forms part of a suite of documentation designed to provide assurance to funders, stakeholders and communities that partners are committed to ensuring investment is coordinated across the region; that processes and procedures are in place to support delivery; and that the benefits to be derived from the Ayrshire Growth Deal are maximised.
- 1.2 This document specifically relates to the Growth Deal projects contained within the Heads of Terms, signed by both the UK and Scottish Governments and Ayrshire's Councils on 8 March 2019 and which are being taken forward by the partners in Ayrshire.
- 1.3 The signing off of the Ayrshire Growth Deal is an important step in the region's recovery from the economic shock associated with Covid-19 which has seen major swathes of the regional economy closed down for many weeks and has impacted negatively on jobs and planned investment across the business base. While time lags in data means it will be some time before the impact is fully understood, early indications are that Ayrshire as a region is particularly vulnerable and long term there may be challenges that are more acute than those that occur elsewhere.<sup>1</sup>
- 1.4 The themes identified by the Ayrshire Regional Economic Strategy, and supported by the Ayrshire Regional Spatial Strategy, as having the greatest potential to support inclusive growth through the Inclusive Growth Diagnostic for Ayrshire, remain critical to the fortunes of the Ayrshire economy. Evidence emerging since the beginning of the Covid-19 pandemic suggests that many of the themes and sectors are critical to supporting the rescue and recovery economic phases, as well as being best positioned to support the renewal phase in the longer term. The key themes identified in the strategy as being critical to economic recovery and renewal phases are: Advanced Manufacturing; Aerospace/Space; Clean Growth; Community Wealth Building; Food and Drink; Life Sciences; Visitor Economy; Business; Connectivity; Digital; Innovation; and Skills.
- 1.5 The development of detailed actions and subsequent delivery of themes will be framed through a Community Wealth Building approach that seeks to harness assets, resources, community strength and relationships within Ayrshire to deliver improved outcomes for our communities.
- 1.6 As part of the Ayrshire Regional Economic Strategy, the Ayrshire Growth Deal is a key element of Ayrshire's recovery and reaffirms the public sector's commitment to the region and the collective desire to support ambitious plans for renewal and long term sustainable growth. The scale of this Deal will galvanise efforts to develop key strategic sites and key sectors in Ayrshire and aims to facilitate

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<sup>1</sup> Skills Development Scotland, Ayrshire Regional Skills Assessment, July 2020 – Forecasts by Oxford Economics

private sector investment of more than £300m into the region and to support up to 7,000 new jobs.

- 1.7 The Ayrshire Regional Economic Strategy will inform the subsequent development of a Regional Skills Investment Plan for Ayrshire which will take account of the long term aspirations of the Ayrshire Growth Deal.
- 1.8 The partners involved in the Ayrshire Growth Deal are the Scottish Government, the UK Government and East, North and South Ayrshire Councils. East Ayrshire Council will be the Accountable Body for the Deal. East Ayrshire Council, as Accountable Body, will provide the link for all other regional partners involved in the Deal and detailed governance arrangements are set out in the Growth Deal Governance Document.
- 1.9 Other regional partners include Scottish Enterprise, Skills Development Scotland, Ayrshire College, University of Strathclyde, University of Glasgow, University of the West of Scotland, Glasgow Prestwick Airport, Peel Holdings, Halo Kilmarnock Ltd, NPL Estates Ltd, VisitScotland and Transport Scotland together with the third sector and Ayrshire's business and resident communities.
- 1.10 The UK Government's financial contribution to the Ayrshire Growth Deal will be up to £103m and similarly the Scottish Government's financial contribution will be up to £103m. This is the maximum available government funding to support Ayrshire Growth Deal projects over the 10 to 15 year timeline and will not increase relative to the cost of inflation.
- 1.11 The Ayrshire Councils will contribute a further £45.5m to the Deal. The financial profile and delivery plan for each individual project within the Deal is contained in the Financial Plan and the Implementation Plan respectively.
- 1.12 The Partnership is confident that the Growth Deal proposals represent a once in a lifetime opportunity to improve the well-being of communities and the economy and signing this Deal will allow partners to progress plans to support recovery and renewal post Covid-19 and to transform Ayrshire into a 21<sup>st</sup> century powerhouse for growth. Growth with community wealth building and inclusion at its heart; growth which will benefit all Ayrshire's communities and where no one will be left behind.

## 2. **AYRSHIRE GROWTH DEAL - STRATEGIC OBJECTIVES**

- 2.1 Ayrshire's Councils all recognise the importance of a regional approach to growing the economy and have been working together and with partners and stakeholders to develop this Ayrshire Growth Deal, anchored in a commitment to creating a growing, innovative, more productive and inclusive economy, developing Ayrshire's core strengths and ensuring that communities benefit from economic growth.
- 2.2 Collectively, the partnership has identified the regional priorities which will create the best environment for people and business. This has been a robust process reflecting good practice methodologies, including analysis to understand the best interventions and projects which will facilitate a step-change for the Ayrshire and Scottish economies, while creating greater opportunity for all communities.
- 2.3 The vision is for Ayrshire to be ***'a vibrant, outward looking, confident region, attractive to investors and visitors, making a major contribution to Scotland's growth and local well-being, and leading the implementation of digital technologies and the next generation of manufacturing.'***
- 2.4 Targeted investment, coordinated throughout Ayrshire, will act as a powerful catalyst stimulating growth and resulting in increased prosperity for local people, for Scotland and for the UK as a whole.
- 2.5 While proposals reflect the strengths and opportunities which exist in Ayrshire, economic baseline analysis shows that the regional economy has been underperforming and recent job losses point to a loss of confidence and investment being diverted to other areas. The strategic objectives underpinning the Growth Deal projects are to:
- Attract and develop more innovative and internationally focused companies that are more likely to have higher levels of productivity through developing key infrastructure and targeted business support programmes;
  - Position Ayrshire as the 'go-to' region for smart manufacturing and digital skills;
  - Improve key elements of strategic transport and digital infrastructure to help businesses get goods to market and people to work (physically and virtually);
  - Work with communities to raise aspiration and ambition, provide employment and skills support, and improve access to jobs through innovative community empowerment and employability programmes.

- 2.6 The partnership firmly believes that Ayrshire will be recognised for leading the successful implementation of key technologies in manufacturing sectors that are important to Scotland, for its world class digital and physical infrastructure and the quality of life it can provide.
- 2.7 This Deal will help drive inclusive economic growth across the region. The economy of Ayrshire has under-performed over a substantial period of time, leading to Ayrshire having one of the highest unemployment rates in Scotland and the UK, particularly among younger people. This will be exacerbated by the impact of the Covid-19 pandemic. This Deal will enable the creation of new high quality jobs and opportunities across Ayrshire, which will help secure the future prosperity of its many communities.
- 2.8 Building on the Heads of Terms signed off in March 2019, the Implementation Plan sets out how the individual projects within the Deal will be delivered and how they will contribute to a step change on our regional economy.
- 2.9 Project proposals and associated Outline Business Cases have been prepared, reviewed, assessed and refined following feedback received from policy leads within each government and these now form the overall programme business case.

### **3. AYRSHIRE – A REGIONAL CONTEXT**

- 3.1 Ayrshire comprises the three local authority areas of East Ayrshire, North Ayrshire and South Ayrshire, with a total land area of 3,369 square km and a population of some 369,670. Ayrshire has a range of assets that make it an attractive place to live, work and do business.
- 3.2 The region's industrial heritage is a blend of modern and traditional businesses; Ayrshire is home to around 10,000 businesses across a diverse range of industries and we have considerable scope for expansion.
- 3.3 A diverse business base combines internationally renowned major employers such as Glaxo Smith Kline and Spirit Aerosystems with smaller family run businesses. Prestwick is home to the largest aerospace cluster in Scotland.
- 3.4 Ayrshire companies are involved in refurbishing the majority of the UK's rail rolling stock; producing the majority of UK fire-engines; exporting a diverse range of high quality goods across the world and our agricultural sector makes a major contribution to the UK's dairy supply.
- 3.5 The region is home to resilient communities with a working age population of more than 224,000 and a highly skilled, motivated and flexible workforce.
- 3.6 The region benefits from a strong network of training and educational establishments and high quality and affordable housing in town and village settings.
- 3.7 The cultural and built heritage include Robert Burns and Alexander Fleming, Culzean Castle, Kilwinning Abbey and Dumfries House, country parks, dark skies and protected wildlife habitats.
- 3.8 Three Ayrshire golf courses being world acclaimed have, in recent years, played host to The Open Championship, The Senior Open, The Women's British Open, and The Scottish Open (both Men's and Women's). It is also widely recognised that Ayrshire has some of the best sailing waters in the world.
- 3.9 Well connected by road and rail to Glasgow, the North of England and beyond. Access to two international airports and port facilities offer direct routes to international markets.
- 3.10 The region is however not without its challenges and Covid-19 threatens to exacerbate these.

## **Inclusive Growth Challenges**

### **Weak Productivity and Low Levels of Growth**

- 3.11 Ayrshire has experienced low levels of economic growth and productivity in recent years, diverging significantly from Scotland, and recovery from the 2008/09 recession has been slower than in other parts of the country.
- 3.12 The business base largely comprises SMEs and micro businesses with only 35 companies across Ayrshire employing more than 250 staff<sup>2</sup>.
- 3.13 The impact of Covid-19 is not yet entirely understood but businesses and jobs have been lost; investment has been delayed or abandoned and the resilience of the business base is being tested in a way that no one has ever experienced or indeed had envisaged. Recovery will require greater collaboration; more targeted resource; and a focus on innovation and leadership.
- 3.14 The population of the region is forecast to decline over the coming decades. The forecast decline in the working age population and accompanying increase in people over retirement age will bring challenges to the Ayrshire economy and labour market over the coming decade<sup>3</sup>.

### **Skills, Health Outcomes and Earnings**

- 3.15 There is variations in skills levels, earnings and health outcomes across the region.
- 3.16 Future growth in economic activity and employment risks being constrained by skills shortages in the area. 9.3% of Ayrshire's resident population aged between 16 and 64 years have no skills compared to 9.8% for Scotland as a whole. However, a lower level of 16-64 year olds living in Ayrshire have advanced qualifications (HNC/HND, degree level and above) at 40.8% compared with 45.3% for Scotland<sup>4</sup>.
- 3.17 The average wage remains below the Scottish average in some areas and on average, men across Ayrshire earn more than women, and female participation and employment rates tend to be lower.
- 3.18 Long-term disabilities and low life expectancy limit quality of life in some areas.

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<sup>2</sup> Office for National Statistics, UK Business Counts 2019

<sup>3</sup> Skills Development Scotland, Ayrshire Regional Skills Assessment, July 2020 – Forecasts by Oxford Economics

<sup>4</sup> Office for National Statistics, Annual Population Survey 2019

- 3.19 Some of the highest levels of deprivation in Scotland can be found in Ayrshire, with 27% of children living in poverty (after housing costs deducted from their income) compared to 23% in Scotland as a whole<sup>5</sup>. 30% of Ayrshire's data zones are in the 20% most deprived in Scotland<sup>6</sup>. Fuel poverty is an issue in some areas.
- 3.20 Job postings data highlights that employers within the region are seeking softer skills as well as technical skills. Skills such as customer services and teamwork/collaboration feature, as do job specific skills such as teaching and health care related skills e.g. mental health and care planning<sup>7</sup>.
- 3.21 Covid-19 has highlighted the importance of digital skills and this could potentially benefit the Ayrshire region. The increase in the uptake of homeworking could enable more opportunities for those who live in rural areas if connectivity is strengthened. As this is an area of opportunity that could extend beyond Covid-19, this could bring a number of societal and economic benefits to the region and reduce the carbon footprint as commuting activity decreases. 'Green jobs' to support Scotland's aspirations on carbon reduction is another area of opportunity<sup>7</sup>.
- 3.22 Over the mid and long term the greatest requirement is forecast to be for skilled workers with higher education level (SCQF7+) qualifications. However provision at lower SCQF levels will be needed for some occupations<sup>7</sup>.

### **Employment/Unemployment**

- 3.23 There is a high reliance on sectors such as healthcare, retail, manufacturing, hospitality and food services in the area.
- 3.24 54% of Scotland's workforce employed in the manufacture or repair of spacecraft or aircraft are based in Ayrshire (2,810 people)<sup>8</sup>.
- 3.25 The shortage of local and high value job opportunities in the area is a challenge.
- 3.26 In the year to March 2020, the Ayrshire region had the second highest unemployment rate (16+) in Scotland before the start of the Covid pandemic<sup>9</sup>.

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<sup>5</sup> End Child Poverty, September 2017

<sup>6</sup> Scottish Index of Multiple Deprivation 2020

<sup>7</sup> Skills Development Scotland, Ayrshire Regional Skills Assessment, July 2020 – Forecasts by Oxford Economics

<sup>8</sup> Business Register and Employment Survey 2018

<sup>9</sup> Skills Development Scotland, Labour Market Insights, see [here](#)



- 3.27 Covid-19 has led to increased unemployment in Scotland. There were 127,000 people unemployed in Scotland over the period February to April 2020, 30,000 more than the previous three-month period. Comparable regional data is not available yet. However, data for Pre-Covid-19 data showed that the unemployment rate for the 16-64 population in Ayrshire was 4.8% (8,100 people) compared with 3.5% in Scotland as a whole.
- 3.28 In addition, pre-Covid-19 data also showed that the unemployment rate for the 16-24 population in Ayrshire was 12.8% (3,200 people) compared with 8.3% nationally.
- 3.29 During the period from March 2020 to July 2020, some 6,000 additional people registered for benefits while 39,800 people have been furloughed. This percentage increase in the regional claimant count is slightly higher than the Scottish average<sup>10</sup>.
- 3.30 This disproportionate impact on younger people is not surprising. The service sector/economy (e.g. retail and food and drink) represents c. 25% of all jobs and is a big employer of younger people. The data shows that it is one of the sectors that has been most severely impacted e.g. fall in sales, proportion of furloughed staff, etc (especially during the lockdown period).
- 3.31 It should be noted that during this reporting period (May - August 2020), the UK Government had implemented various measures to help safeguard employment, including the Job Retention Scheme and Self-Employment Income Support Scheme. As we move out of lockdown and these schemes are adjusted (e.g. the Flexible Furlough Scheme started in June 2020 and is scheduled to end in October 2020), the full “shake out” and impact on unemployment will not likely be known until the end of 2020 / start of 2021. Early indications suggest that, in the short term at least, unemployment is anticipated to rise sharply<sup>11</sup>.

## **GROWTH DEAL PROJECTS**

- 3.32 The Ayrshire Growth Deal is based on the achievement of economic growth and inclusive growth with a clear focus on addressing the issues of innovation and productivity, and inequality across the regional economy. This Deal will tackle inequality through growing local talent, creating new connections with the world and providing new opportunities and routes into employment for people across the region.
- 3.33 The Deal will support innovative technologies, enhance productivity, develop skills and create jobs.

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<sup>10</sup> Skills Development Scotland, Ayrshire Regional Skills Assessment, July 2020 – Forecasts by Oxford Economics

<sup>11</sup> The Impacts of COVID-19: An Overview of the Research to Date, Improvement Service, see [here](#)

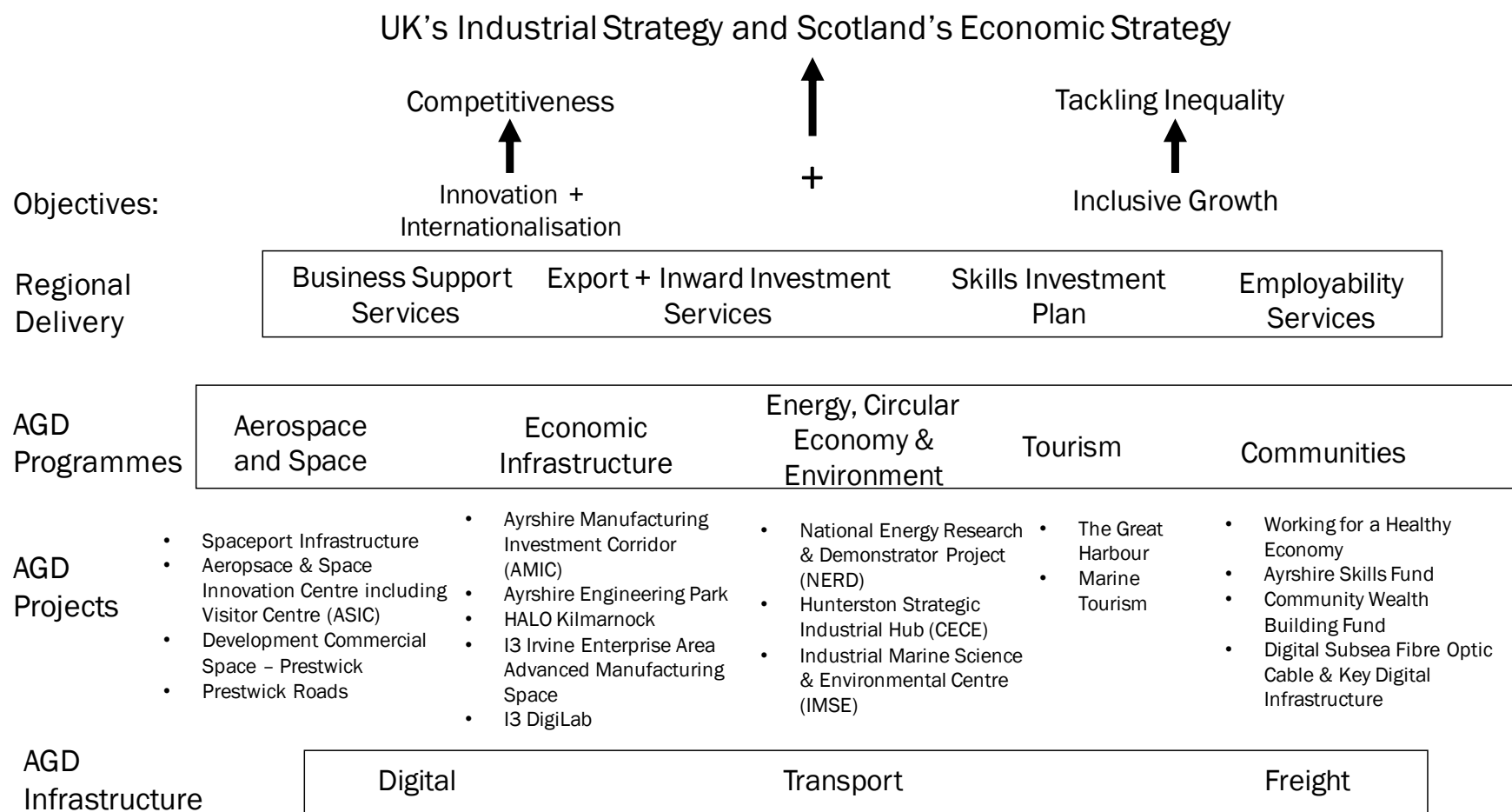
3.34 The table below provides a summary of the projects contained within the Ayrshire Growth Deal and specifically designed to develop key strategic sites and strategic sectors and to address the economic frailties identified above. How the projects these relate to national and regional priorities is set out in more detail in section 4 and how projects will be funded and delivered is detailed in the Financial Plan and Implementation plans that accompany this document.

Programme	AGD Project	Total Government Support £'000	Percentage of AGD Programme	UK & Scottish Governments £'000	Regional Partners £'000
<b>CAPITAL</b>					
Aerospace & Space	Spaceport Infrastructure	23,000	9.15%	23,000	0
	ASIC and Visitor Centre	11,000	4.37%	5,000	6,000
	Commercial Space - Prestwick - Industrial & Hangar	29,000	11.53%	22,000	7,000
	Prestwick Infrastructure - Roads	17,000	6.76%	12,000	5,000
Economic Infrastructure	HALO Kilmarnock	9,000	3.58%	7,000	2,000
	Ayrshire Engineering Park (Moorfield)	16,000	6.36%	12,000	4,000
	Ayrshire Manufacturing Investment Corridor	23,500	9.34%	23,500	0
	i3 Flexible Business Space	15,000	5.96%	11,000	4,000
	i3 Digital Automation & Testing Centre (DigiLab)	6,000	2.39%	5,000	1,000
Energy, Circular Economy & Environment	National Energy Research Demonstrator (NERD)	24,500	9.74%	17,000	7,500
	Hunterston Port & Resource Centre (CECE)	18,000	7.16%	18,000	0
	International Marine Science & Environmental Centre (IMSE), Ardrossan	10,500	4.17%	6,500	4,000
Tourism	Irvine Harbourside - Ardeer (The Great Harbour)	14,000	5.57%	9,000	5,000
	Marine Tourism	9,500	3.78%	9,500	0
Digital	Digital Subsea Cable	11,000	4.37%	11,000	0
	Digital Infrastructure	3,000	1.19%	3,000	0
<b>REVENUE</b>					
Regional Skills & Inclusion Programme	Working for a Healthy Economy	5,000	1.99%	5,000	0
	Ayrshire Skills Investment Fund	3,500	1.39%	3,500	0
Community Wealth Building	Community Wealth Building Fund	3,000	1.19%	3,000	0
<b>TOTAL FUNDING</b>		<b>251,500</b>	<b>100.00%</b>	<b>206,000</b>	<b>45,500</b>
Percentage of funding by contributor			<b>100.00%</b>	<b>82%</b>	<b>18%</b>

#### **4. AYRSHIRE GROWTH DEAL THEMES**

- 4.1 Figure 1 on page 14 illustrates how the Ayrshire Growth Deal programme links to Governments' objectives of increased growth and prosperity.
- 4.2 The programme is based on the achievement of economic growth and inclusive growth with a clear focus on addressing the issues of innovation and productivity, and inequality across the regional economy.
- 4.3 Linking to the Regional Vision (see 2.3 above) assessed projects are grouped into programmes that focus on the high growth, high value sectors that Ayrshire has real opportunities in, linking to Ayrshire's general manufacturing strength, distinctive coastal opportunities and to communities.
- 4.4 The Ayrshire Growth Deal aim is to marry business growth opportunities to employment progression, developing the future workforce and community development, ensuring all communities benefit from economic growth.
- 4.5 The Ayrshire Growth Deal themes reflect the strengths and opportunities of the Ayrshire economy.

# AGD Strategic Framework



## **Scottish Government's Economic Strategy and Inclusive Growth Agenda**

- 4.6 Scotland's Economic Strategy has the purpose of creating a more successful country with opportunities for all to flourish, through increasing economic growth whilst ensuring that everyone has the opportunity to fulfil their potential.
- 4.7 The Scottish Government is committed to exploring the potential for Community Wealth Building as an approach to delivering inclusive growth across Scotland. Community Wealth Building is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.
- 4.8 While interdependency mapping allows an understanding of the relationships between proposals, Inclusive Growth is a key cross-cutting priority of the Ayrshire Growth Deal; and as such needs to be reflected in all of the proposals. Successful economies are inclusive economies and tackling inequality will help ensure that the region is competitive in the global market and resilient to emerging trends and technologies. To ensure explicit commitment to how the projects will achieve inclusive growth and reduce inequality, a consistent approach is being developed by the PMO and project leads to ensure that inclusive growth, equalities and Community Wealth Building outcomes are embedded in each business case.
- 4.9 Critical to Ayrshire's future prosperity is a virtuous circle of growth: growth in business, leading to growth in employment and growth in individual and household prosperity. For this reason, Inclusive Growth was included within assessment criteria for identifying the package of Ayrshire Growth Deal proposals. In addition, each proposal has reflected on how their activity can be enhanced to ensure it is inclusive and what support may be required to maximise that impact. The Ayrshire Growth Deal projects aim to have an impact across the inclusive growth drivers which were identified as part of the Ayrshire Inclusive Growth diagnostic work.

## **UK Government's Industrial Strategy**

- 4.10 The UK Government's Industrial Strategy aims to create an economy that boosts productivity and earning power throughout the UK. The strategy is built on five foundations and four grand challenges.
- 4.11 The approach outlined refers to developing a stronger economy, building on our existing strengths to enable all regions to prosper. It aims to develop a highly skilled, competitive economy that benefits all people.
- 4.12 This approach together with Scotland's Economic Strategy reflects the desire to put Inclusive Growth at the heart of the Ayrshire Growth Deal.

4.13 The table below highlights the relationship between each project the UK Industrial Strategy and the Scottish Government's Economic Strategy.

Project	UK's INDUSTRIAL STRATEGY									SCOTLAND'S ECONOMIC STRATEGY			
	Five Foundations of Productivity					Grand Challenges				Increasing Competitiveness			
	Ideas	People	Infrastructure	Business Environment	Places	AI & Data Economy	Clean Growth	Future of Mobility	Ageing Society	Tackling Inequality			
	The world's innovative economy	good jobs & greater earning power for all	A major upgrade to UK's infrastructure	The best places to start and grow a business	Prosperous communities across UK (inc Local Ind. Strategies)	Put UK at forefront of AI & data revolution	Maximise advantages for UK industry from the global shift to clean growth	Become world leader in way people, goods and services move	Harness power of innovation to help meet needs of ageing society	Investment	Innovation	Inclusive Growth	Internationalisation
Spaceport Infrastructure													
Aerospace & Space Innovation Centre (ASIC) inc Visitor Centre													
Development Commercial Space - Prestwick													
Prestwick Infrastructure - Roads													
i3 Advanced Manufacturing Space													
i3 DigiLab													
HALO Kilmarnock													
Ayrshire Engineering Park (Moorfield)													
Ayrshire Manufacturing Investment Corridor (AMIC)													
National Energy Research & Demonstrator Project (NERD)													
Centre for Research into Low Carbon Energy & Circular Economy (CECE)													
Marine Tourism													
Industrial Marine Science and Environmental Centre (IMSE)													
The Great Harbour, Irvine Harbourside & Ardeer													
Ayrshire Skills Fund													
Working for a Healthy Economy													
Community Wealth Building													
Digital - Subsea Cable													
Digital - Infrastructure													
Regional Transport Appraisal													

## 5. **AYRSHIRE GROWTH DEAL - INVESTMENT AREAS**

- 5.1 Taking account of the impact of Covid-19 and its exposure of inherent weaknesses in the regional economy and to deliver the anticipated outputs and outcomes, the Ayrshire Growth Deal comprises five programmes. These programmes focus on key sectors and strategic sites across the region as well as digital infrastructure, skills, community wealth building and transport all of which will combine to facilitate sustained recovery and renewal of the regional economy. These programmes are as follows:

### **Aerospace and Space Programme**

- 5.2 The Deal will position Ayrshire as one of the UK's leading centres of Aerospace and Space activity through an ambitious and transformational Aerospace and Space Programme. This will be supported by both the Scottish and UK Governments, with total funding for the programme of £80 million. £32 million will be invested by the UK Government and £30 million by the Scottish Government, with a further £18 million from South Ayrshire Council.

The Programme consists of four distinct interconnected elements:

- 5.3 Investment secured through the Deal will deliver **Spaceport** infrastructure to support the ambition of establishing a horizontal launch facility at Glasgow Prestwick Airport. The investment will be a catalyst to establishing GPA as the leading horizontal launch Spaceport in Europe, providing a range of services including micro gravity flights, air launch of satellites, human space flight and hypersonic flight services. This builds on Prestwick's unique combination of attributes: latitude, over sea take off, metrological condition plus the strong cluster of innovative aerospace companies located adjacent to GPA.
- 5.4 An **Aerospace and Space Innovation Centre (ASIC) incorporating a Visitor Centre** will be created to drive new technologies and skills in order to position Ayrshire and Scotland as a hub of aerospace and space technology. The ASIC will be a purpose built multi-occupancy building providing a central hub for the growing aerospace cluster, as well as key facilities and services to encourage growth, supporting aerospace and space businesses in Scotland and the UK. The facilities will focus on business development, skills development and training needs of the Aerospace and Space sector in partnership with local and national higher and further education establishments, including University of Glasgow, University of Strathclyde, University of the West of Scotland and Ayrshire College. The ASIC will work alongside existing research and innovation at Prestwick and across Scotland to provide the focus, coordination and support required to improve advanced manufacturing techniques and productivity, and sustain and grow the sector's businesses. Further value is added through the incorporation of a visitor/STEM hub which will provide opportunities for school and college students to understand potential career options in the aerospace and space sectors, alongside a dynamic innovation and training facility for the

local labour pool and educators. The facilities will also provide a unique visitor attraction for Ayrshire.

- 5.5 Developing **Prestwick's Commercial Space** will create substantial and additional high quality industrial/commercial accommodation. The project will also see the creation of airside hangar space to meet projected future growth in the aerospace, maintenance, repair and overhaul (MRO), aircraft decommissioning and new space markets. The Development of the Commercial Space project has been formulated to address market failure in the provision of commercial premises at Prestwick. The project is vital in order to capture the economic growth opportunity from the Space and Aerospace sector.
- 5.6 Funding for **Prestwick Transport Infrastructure** to create an effective network of internal roads to enable the creation of high specification industrial and office spaces to meet the needs of the growing aerospace sector, advanced manufacturing units, spaceport and launch operator infrastructure.
- 5.7 These ambitious strategic projects will build on the established business base and transform the local economy through local, high-value job creation and strong regional supply chains, tackle weak productivity, low job density, deliver skills required by the space and aerospace industries, and attract and retain talented people.

### **Economic Infrastructure Programme**

- 5.8 This Economic Infrastructure programme will be supported by both the UK and Scottish Governments, with total funding for the programme of £69.5 million. £18.5 million will be invested by UK Government and £40 million by the Scottish Government, with a further £6 million from East Ayrshire Council and £5 million from North Ayrshire Council.
- 5.9 Both Governments will support the transformational regeneration project, **HALO Kilmarnock**, with each contributing £3.5 million of investment. East Ayrshire Council will contribute £2 million, alongside Diageo's donation of land and project development funding of £2 million towards re- establishing the 23 acre former Johnnie Walker whisky bottling site as a key centre of employment in Kilmarnock, and Ayrshire. The HALO project will look to create a green energy Hub which will stimulate entrepreneurship and support collaboration between new and existing businesses to drive the Ayrshire economy.
- 5.10 The **Ayrshire Engineering Park** will provide 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. This project will be supported with £12 million of investment from the Scottish Government and £4 million from East Ayrshire Council.



- 5.11 Both Governments will offer investment to support the delivery of the **Ayrshire Manufacturing Investment Corridor (AMIC)**, with Scottish Government investment of up to £13.5 million and UK Government investment of £10 million. This will establish a new national asset in East Ayrshire which will build on Ayrshire's proud history of manufacturing.
- 5.12 This project will establish a Centre of Excellence with on-site support and start up units to support the creation of new businesses and growth of existing businesses in the Food and Drink sector, as well as the Advanced Manufacturing sector. It will also address market failure with investment in commercial space and will deliver on the need for high quality premises to support business growth and internationalisation opportunities.
- 5.13 The Centre of Excellence will be the focus within the AMIC area and will establish Ayrshire as the go-to region for smart manufacturing and digital skills. The innovation centre will be delivered in partnership with Strathclyde University and will focus on Food and Drink innovation from concept to launch.
- 5.14 Both Governments and North Ayrshire Council, will support new developments at the i3 Irvine Enterprise Area Advanced Manufacturing Space in Irvine, which will create a National Digital Processing Industry Hub and advanced manufacturing flexible space. This will serve digital processing industries, building on current Life Science Clustering at the site, and facilitate R&D activity, start up, spin out, and growth of Life Science businesses and other advanced manufacturing opportunities. This will see investment of up to £11 million from the Scottish Government, £5 million from the UK Government, and £5 million from North Ayrshire Council. The National Digital Processing Industry Hub will be developed at i3 with links to the National Manufacturing Institute for Scotland in partnership with Strathclyde University and industry. The project also includes construction of flexible business space capable of meeting the requirements of Chemical and Life Sciences manufacturing, Digital Automation and other advanced manufacturing opportunities. The combined offer at i3, centred round the National Digital Processing Industry Hub, will attract a range of supply chain and digital technology SMEs and start-up and offer strategic capacity to secure major digital process sector investment at i3.
- 5.15 These projects will create conditions for growth providing local jobs, strong regional supply chains and skills development across a number of sectors in Ayrshire.

## **Tourism Programme**

- 5.16 Tourism is a key sector in Ayrshire and this programme will build on and strengthen the existing tourism offer to make the region a highly desirable place to visit and live, work and invest in. The programme will be supported by Scottish Government, with total funding for the programme of £23.5 million. £18.5 million will be invested by Scottish Government, with a further £5 million from North Ayrshire Council.

- 5.17 The Scottish Government will provide investment of up to £9 million for the development of The Great Harbour, at Irvine Harbourside and Ardeer, alongside an additional £5 million from North Ayrshire Council, to create a unique coastal destination comprising a number of key assets to attract new visitors to the area and create jobs. The initial investment will deliver the 'Maritime Mile', which will be the catalyst and driver for the Great Harbour transformation. The Maritime Mile will build on the unique qualities of place creating a national waterfront destination focussed on a series of dynamic event spaces linked by a floating boardwalk offering marine access and animated by boats, people, events and activities to achieve a regional waterfront destination that will transform the tourism and the visitor potential of Ayrshire and the Clyde Coast. The Maritime Mile is a critical first strategic investment to unlock a series of secondary development opportunities, which can capitalise on the coastal and community assets in the Great Harbour, to create a strong, resilient place based and a premium regional coastal destination that delivers Community Wealth Building opportunities.
- 5.18 The Scottish Government will invest up to £9.5 million in Marine Tourism, delivering critical infrastructure to enable investment to secure the development of the Marine Tourism industry in North Ayrshire. This investment will focus on securing infrastructure that supports key components such as sailing and boating, marine leisure, and recreation. Marine tourism investment at Ardrossan, Arran and Cumbrae will showcase the potential of the Clyde coast region as an inclusive and accessible place for active leisure, through the expansion of Ardrossan marina to be one of the largest marinas in Scotland, and the development of transit marinas at Arran and Cumbrae.

### **Energy, Circular Economy and Environment Programme**

- 5.19 The Energy programme will be supported by UK Government, with total funding of £53 million into innovation in Energy products and development. £41.5 million will be invested by UK Government, with a further £7.5 million from East Ayrshire Council and £4 million from North Ayrshire Council.
- 5.20 The **National Energy Research Demonstrator Project (NERD)** will aim to overcome, through research and design, a range of technical challenges that currently prevents the harnessing of local but intermittent energy generation, and its storage and subsequent transmission onto the grid during periods of high demand. It will be supported with investment of £17 million from the UK Government, alongside £7.5 million of investment from East Ayrshire Council.
- 5.21 This project will provide solutions to energy supply and storage challenges in non-urban locations, with Cumnock providing a unique location to investigate a wide mix of solutions due to its unique geography, landscape and the way the land has been exploited in the past for mining. The NERD will design, develop and construct a local electricity distribution network within the Cumnock area whilst utilising existing grid infrastructure, so that the area becomes effectively energy "self-sufficient" with the integration of a range of

energy generating systems and the development of new, locally sited energy storage facilities that fully link with and support the national and regional electricity grid network.

- 5.22 The NERD project will reduce energy bills for local businesses and communities leading to a regional reduction in the number of people living in fuel poverty. The project will create new jobs, apprenticeships, and space for new economic activities allowing enterprises to be created in a deprived area.
- 5.23 Partners in the project include East Ayrshire Council, Strathclyde University, British Geological Survey and Scottish Power Energy Networks.
- 5.24 The UK Government will offer up to £18 million for the **Centre for Research into Low Carbon Energy and Circular Economy** (CECE) at the Hunterston Strategic West Scotland Industrial Hub.
- 5.25 Hunterston is a national strategic site as set out in the National Planning Framework. As Scotland's largest strategic deep-water port with direct rail and grid connections, the site has a critical role in Scotland's Energy, Blue Economy, Offshore Wind and the Circular Economy futures.

Partners in the project include Peel Ports, Scottish Enterprise, Crown Estates, Nuclear Decommissioning Authority.

- 5.26 The UK Government will offer investment of up to £6.5 million for a new **International Marine Science and Environmental Centre** (IMSE) based at Ardrossan, alongside £4 million invested by North Ayrshire Council. The International Marine Sciences and Environmental Centre (IMSE) is a Centre of Innovation developed between industry and academia to develop and capture innovation in marine sciences; marine spatial planning; marine technology; and marine education and training and ensure that the Firth of Clyde is recognised as an exemplar in the Blue Economy and marine sustainability. IMSE will be an applied sciences centre and will bring together leading academics.
- 5.27 A key element of IMSE will be providing start-up companies within the maritime sector with access to opportunities, support from industry specialists, experts and mentors, in order to develop collaborations.
- 5.28 Partners in the project include North Ayrshire Council, Field Studies Council, and the Clyde Marine Planning Partnership.

## **Digital Programme**

- 5.29 The digital programme will be supported by UK Government, with total funding of £14 million ensure that Ayrshire has the digital infrastructure, skills and ambition which is critical to future growth and participation in the economy. This investment will put in place

a key piece of the connectivity infrastructure to help attract global businesses, enabling the potential creation of a datacentre cluster of national significance leading to the creation of high value jobs. The digital projects will make Ayrshire a world-class digitally connected region that is attractive to investors across many elements of the digital economy.

- 5.30 The UK Government will offer investment of up to £11 million for a **subsea fibre optic cable** to have its landing point in Irvine.
- 5.31 The Scottish Government will offer investment of up to £3 million for **key digital infrastructure**, regional digital hubs and 4G infill, which will ensure the economic benefits of the Ayrshire Growth Deal impacts all citizens of Ayrshire and help to create inclusive growth across the region.

### **Skills and Inclusion**

- 5.32 Inclusive growth lies at the heart of Growth Deals. This Deal will tackle inequality through growing local talent, creating new connections with the world and providing new opportunities and routes into employment for people across the region.
- 5.33 The Scottish Government will provide up to £8.5 million for a new **Regional Skills and Inclusion Programme** which will ensure that businesses and communities throughout the entire region are given the opportunity to engage with and benefit from the opportunities arising from the investments delivered through this Deal.
- 5.34 The programme will include the establishment of a responsive skills fund to drive Inclusive Growth to support skills interventions.
- 5.35 In addition, the Working for a Healthy Economy project will target large-scale investment in occupational health services to ensure that Ayrshire has the requisite workforce to drive economic growth in the future.
- 5.36 Key to this will be an all-Ayrshire model of delivery which offers community engagement, pre-employability support, recruitment, in-work interventions and employability services; with links to employers to tailor investments to demand, and priority given to those struggling to maintain secure and meaningful work.

### **Community Wealth Building**

- 5.37 The Scottish Government will provide up to £3 million for a regional Community Wealth Building Fund. Community Wealth Building is an alternative approach to traditional economic development, which seeks to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base.

- 5.38 Community Wealth Building seeks to use the economic levers available to local authorities and other 'Anchor Institutions' by focusing on five pillars for harnessing existing resource to support the local economy: procurement; employment; land and assets; financial power; and plural ownership of the economy. The aim of this Fund will be: 'to develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.' It will achieve this by:
- Community Wealth Building Business Locality Officers - place-based approach to CWB, working in localities alongside Anchor Institutions to facilitate CWB activities across public, private, and social economy on procurement, employment, assets and ownership, linking with existing local service delivery;
  - Community Wealth Building Fund - support place-based CWB activity, and the work of CWB locality officers, including but not limited to social enterprise support, employee ownership transition, workplace innovation, supplier development and capacity building, supporting locality entrepreneurship;
  - Fair Work Ayrshire: A dedicated Ayrshire 'Fair Work' resource to engage key employers (including Anchor Institutions) to ensure they recruit inclusively and provide quality and meaningful work and to develop practical steps with employers to position Ayrshire as a Fair Work region.

## **Transport**

- 5.39 Transport Scotland is progressing work on the National Transport Strategy (NTS) review and the second Strategic Transport Projects Review (STPR2). This work will set the vision, policies and projects for Scotland's Strategic Transport network for the coming 20 years. As part of this work Transport Scotland has established regional Transport Working Groups, and is taking forward discussions with the Ayrshire partners on appropriate working arrangements. Transport Scotland and the recently appointed STPR consultant team will work with the regional group to develop the evidence base around problems and opportunities, define transport planning objectives and undertake regional transport appraisal work. In particular, Ayrshire Growth Deal Partners will, in consultation with Transport Scotland, undertake a transport appraisal to determine what potential transport mitigation is required to support East Ayrshire Local Development Plan allocations and the Ayrshire Manufacturing Investment Corridor (AMIC) site, alongside developing the costs of any potential mitigation, who will deliver this and an associated developer contribution strategy. Should any mitigation be identified to support development as part of this exercise, funding for this should be found from within the agreed Deal funding envelope or from developers. This work will inform the review of emerging NTS policies and the work on STPR2 and ensure that appropriate consideration is given to Ayrshire's transport infrastructure and the Growth Deal projects when setting the regional and national policy and intervention priorities.

## **6. AYRSHIRE GROWTH DEAL - MONITORING AND EVALUATION**

- 6.1 The partnership is committed to ensuring that appropriate processes and procedures are in place to support the implementation of the Ayrshire Growth Deal and to maximise the benefit of this significant investment package. A comprehensive Governance document which sets out the roles and responsibilities of partners; the processes for financial management, audit and change are contained therein.
- 6.2 The partnership will work with both Governments to agree a Monitoring and Evaluation Framework for the Deal.
- 6.3 Partners will work together with both Governments to develop an approved Benefits Realisation Plan which will detail the realisation of benefits across the Programme, to bring focus and alignment to wider regional cohesion and economic development benefits achieved by utilising partner resources.

### **THE PROGRAMME MANAGEMENT OFFICE (PMO)**

- 6.4 A permanent staffing structure is being put in place within the Programme Management Office for the Ayrshire Growth Deal and the team is tasked to:
- monitor, review and update the Ayrshire Growth Deal Programme Business Case;
  - scrutinise proposed business cases and make recommendations to the REP and EJC. Where necessary expertise does not exist within the team to fulfil this responsibility, external support will be commissioned and managed by the PMO;
  - provide a full toolkit of documentation to partners delivering projects including business case templates and guidance on their completion; reporting templates; risk register templates, and such as other documentation as is required from time to time;
  - analyse and report on the impact of the delivery of Ayrshire Growth Deal projects and the overall Ayrshire Growth Deal, as well as reporting on the delivery of wider economic benefits agreed in business cases and grant awards, in accordance with commitments made to the UK and Scottish Governments. This reporting will be on a monthly, quarterly and annual basis and will require input from project leads;
  - monitor the programme risk register and escalate any issues as they arise, reporting on risk to each EJC and REP meeting;

- prepare regular consolidated monitoring statements for consideration by the REP and EJC and will prepare the annual reports for the Growth Deal.

6.5 This role will include but not be limited to:

- Provision of such administrative and technical support services as may be required;
- Preparation and circulation of meeting minutes and agenda;
- Publishing of procedures and outcomes;
- Facilitating engagement by stakeholders; and
- Managing communications.

## **RISK MANAGEMENT**

- 6.6 Each project will have its own risk register which will be subject to regular review and update. A programme risk register will also be maintained by the PMO and will be reported on to each EJC and REP meeting.
- 6.7 All partners to the Deal are responsible for responding to any recommendations set out by Audit Scotland or the National Audit Office in relation to any audit undertaken on the Deal. The partners will also take account (where appropriate) of recommendations in relation to audits of the wider City Deals programme.

## **BUSINESS CASE APPROVAL PROCESSES**

- 6.8 Once government is satisfied that a given project's OBC is sufficiently well developed they will inform the regional Programme Management Office that OBC has been approved and that government is content for regional partners to proceed to full business case (FBC).
- 6.9 Government will require to see all FBCs to ensure that they continue to meet their requirements and to confirm that any outstanding issues highlighted at OBC stage have been addressed. Final Equality Impact, Fairer Scotland, and Environmental Impact Assessments should also be made available.
- 6.10 The final approval of FBCs will rest with the region's principal decision making body, the Ayrshire Economic Joint Committee. This ensures that regional partners have full ownership of the Deal and that ultimate decision making authority rests with the body that will be responsible for delivering associated outputs, outcomes, and impacts.

## **BENEFITS REALISATION**

- 6.11 The central tenet of the Ayrshire Growth Deal is inclusive economic growth and the requirement to evidence that economic impact must be captured in project and programme evaluations.
- 6.12 The realisation and evaluation of the impact of the Ayrshire Growth Deal is a fundamental requirement of all partners and performance monitoring will focus on measuring that:
- project and programme outputs are delivered on time, on budget and to scope; and
  - anticipated outcomes are achieved for Ayrshire.
  - project and programme benefits are identified in individual and programme business cases which clearly articulate the relationship between inputs, activities, outputs and outcomes.
  - every output and outcome must be monitored or evaluated if the benefits of individual projects are to be demonstrated.
- 6.13 While it has been the responsibility of the PMO to ensure a consistency across project in relation to how benefits are identified, it will be the responsibility of each partner and project lead to manage, monitor and maximise all benefits identified in business cases.
- 6.14 Partners and project leads will be expected to take action to optimise project benefits through each stage of project delivery and monitoring data will be provided to the PMO in accordance with an agreed reporting schedule to demonstrate the progress of each individual project.
- 6.15 Monitoring will initially relate to the delivery of project activities and outputs such as amount of land remediated or sqm of industrial space created. As projects advance the focus of monitoring information will shift to cover outcomes as they become more evident and measurable.
- 6.16 Each partner and project lead will be required to collate project data on a quarterly basis (over financial years). This information will be reported to the CEOs/Directors Group with summary information being provided to the Ayrshire Regional Economic Partnership Board.
- 6.17 Scrutinising and reviewing the delivery of benefits will be the responsibility of the PMO and monitoring data provided by project leads will be scrutinised against the content of approved business cases. The PMO will be responsible for escalating any issues of non-performance to the CEOs/Directors Group and the Ayrshire Regional Economic Partnership Board as appropriate.
- 6.18 Evaluation will also be required to demonstrate that projects have delivered on the specific equalities and sustainability benefits outlined in the associated and approved business cases.



## **EVALUATION FRAMEWORK**

- 6.19 The partnership will consider with Government the need to conduct check-point reviews at appropriate intervals throughout the Deal at project or thematic level. These reviews will enable progress towards prescribed milestones as set out in the Deal Implementation Plan to be reviewed and evaluated.
- 6.20 At regular intervals, to be agreed with governments, the partners will carry out a thorough review and evaluation of the Deal to capture progress and identify priorities for the next phase of delivery.
- 6.21 Both Governments will work with the Regional Economic Partnership and Joint Committee to set the terms of the evaluation and consider its recommendations. Both Governments reserve the right to request changes or halt funding in the event that outcomes and targets are not being met.

## **AGREEMENT**

**between:**

**EAST AYRSHIRE COUNCIL**

**and**

**SOUTH AYRSHIRE COUNCIL**

**and**

**NORTH AYRSHIRE COUNCIL**

**relative to the Ayrshire Growth Deal**

**AGD Agreement v11**

**17/12/2020**

**AGREEMENT between:**

**EAST AYRSHIRE COUNCIL**, a local authority established under the Local Government etc. (Scotland) Act 1994 and having its principal offices at Council Headquarters, London Road, Kilmarnock KA3 7BU ("**EAC**"); and

**SOUTH AYRSHIRE COUNCIL**, a local authority established under the Local Government etc. (Scotland) Act 1994 and having its principal offices at County Buildings, Wellington Square, Ayr KA7 1DR ("**SAC**"); and

**NORTH AYRSHIRE COUNCIL**, a local authority established under the Local Government etc. (Scotland) Act 1994 and having its principal offices at Cunninghame House, Friarscroft, Irvine, KA12 8EE ("**NAC**")

**WHEREAS:**

- (A) EAC, SAC and NAC (together with the UK and Scottish Governments) are parties to a Heads of Terms Agreement dated Friday 8 March 2019 (the "**Heads of Terms**") which confirms the joint commitment of the parties to achieve full implementation of the Ayrshire Growth Deal ("**AGD**").
- (B) Having recognised that it is a requirement of the Heads of Terms that a model of governance and supporting documentation be established that will meet the expectations set out in the Regional Partnership workstream of phase 2 of Scotland's Enterprise and Skills Review, and in furtherance of these expectations, the parties have agreed that EAC will assume the role of Lead Authority for the AGD.
- (C) The Parties have in turn therefore agreed that the governance, monitoring and reporting obligations which will fall upon EAC for the AGD, together with the concurrent obligations which will be incumbent upon both SAC and NAC, be

further detailed within the terms of this Agreement.

- (D) The Agreement recognises and anticipates that the parties may be required to enter into appropriate further agreements to regulate their respective relationships in respect of the successful delivery and implementation of the AGD.
- (E) EAC, SAC and NAC have agreed to enter into this Agreement for the purpose of recording certain key understandings that will govern their mutual relationship going forward.

NOW IT IS HEREBY AGREED AS FOLLOWS:

## **1. DEFINITIONS AND INTERPRETATION**

In this Agreement, unless the context requires otherwise, the following terms shall have the following meanings:-

**“AGD Strategic Manager”** means the officer appointed to this post by EAC and employed by EAC;

**“AGD Documentation”** means this agreement or any of the documents included in the Schedules annexed and executed as relative hereto;

**“Agreement”** means this agreement, which shall be a relevant Agreement in terms of the Heads of Terms and for the purposes of any provisions contained therein;

**“Ayrshire Growth Deal – Deal Document”** means the document included herein at Part 1 of the Schedule;

**“Ayrshire Growth Deal – Implementation Plan”** means the document included herein at Part 2 of the Schedule;

**“Ayrshire Growth Deal – Financial Plan”** means the document included herein at Part 3 of the Schedule;

**“Ayrshire Growth Deal – Governance Document”** means the document included herein at Part 4 of the Schedule;

**“Ayrshire Growth Deal Partners Communication Protocol”** means the document included herein at Part 5 of the Schedule;

**“Ayrshire Growth Deal: Core Script (2019)”** means the document included herein at Part 6 of the Schedule;

**“Ayrshire Growth Deal – Q and A for Communications Protocol”** means the document included herein at Part 7 of the Schedule;

**“Chief Executive’s Group”** means the Parties’ Chief Executives (or their nominees);

**“EJC”** means the Ayrshire Regional Economic Joint Committee, being a joint committee of EAC, NAC and SAC constituted in terms of section 56(5) of the Local Government (Scotland) Act 1973;

**“Lead Authority”** means East Ayrshire Council;

**“Parties”** means EAC, SAC and NAC and the word **“Party”** shall be construed accordingly;

**“PMO”** means Programme Management Office;

**“REP”** means the Ayrshire Regional Economic Partnership being a sub-committee of EJC constituted in terms of section 56(5) of the Local Government (Scotland) Act 1973

**“Schedule”** means the schedule in seven parts annexed and executed as relative hereto; and

**“Third Parties”** means organisations, other than the Parties which receive a grant from EAC to deliver approved projects as part of a programme agreed by the REP.

## **2. COMMENCEMENT AND DURATION**

- 2.1 Notwithstanding the date or dates that these terms and conditions are received by the Lead Authority validly executed on behalf of all the Parties it is agreed that the date of commencement of this agreement shall be Nineteenth November Two Thousand and Twenty. Subscription of these terms and conditions will not impose any legally enforceable rights or obligations on the body which has executed these terms and conditions before that date.
- 2.2 Once validly executed, these terms and conditions shall be legally binding upon the Parties, subject to any lawful variation thereof, unless and until this Agreement is terminated in accordance with clause 14.

## **3. THE AYRSHIRE REGIONAL ECONOMIC JOINT COMMITTEE AND THE AYRSHIRE REGIONAL ECONOMIC PARTNERSHIP**

- 3.1 The Ayrshire Regional Economic Joint Committee (“EJC”) is responsible for strategy and policy in respect of the AGD. It comprises of thirteen members, being three nominated by each of the Parties, one from Scottish Enterprise (SE), one from Skills Development Scotland (SDS) one from the business sector and one from the education sector. Named substitutes are entitled to attend in place of any nominated Member. The local authority Chair of the Committee rotates on an annual basis between the Parties. The core functions of the EJC will be as detailed within Appendix A to the Ayrshire Growth Deal – Governance Document as contained within Part 4 of the Schedule annexed and executed as relative hereto.
- 3.2 The Ayrshire Regional Economic Partnership Sub-Committee (“REP”) is a sub-committee of EJC and comprises of three representatives nominated from each of the Parties, three representatives of the business sector selected by the REP, three representatives of the Higher or further Education sector selected by the REP and one representative nominated by each of Scottish Enterprise, Highlands and Islands Enterprise (HIE), Skills Development Scotland, and Visit Scotland. The EJC may also co-opt up to an additional

three members, on the basis of experience or skills, whether from existing members or from other organisations or individuals. Named substitutes are permitted to attend in place of any nominated member.

The Sub-Committee has delegated powers, with major strategic and funding decisions being remitted for approval to the Joint Committee.

The functions of the Sub-Committee are as detailed within Appendix B of the Ayrshire Growth Deal – Governance Document as contained within Part 4 of the Schedule annexed and executed as relative hereto.

#### **4. AYRSHIRE GROWTH DEAL – DOCUMENTS**

4.1 It is hereby agreed that the following documents, which are annexed hereto as Parts 1, 2, 3, 4 and 5 of the Schedule will form the principal terms of the structure of the Ayrshire Growth Deal between the parties namely:

- The Ayrshire Growth Deal – Deal Document
- The Ayrshire Growth Deal – Implementation Plan
- The Ayrshire Growth Deal – Financial Plan
- The Ayrshire Growth Deal – Governance Document
- The Ayrshire Growth Deal – Communications Protocol
- All may be amended by mutual agreement with the exception of the Deal Document. The PMO will circulate the copies of any amendments.

#### **5. EAC ROLES AND RESPONSIBILITIES**

5.1 EAC, as Lead Authority will be obliged carry out certain legal and regulatory functions on behalf of the REP and EJC as instructed by it (all as further detailed within The Ayrshire Growth Deal – Governance Document at Part 4 of the Schedule annexed and executed hereto), where the REP and EJC does not have the requisite legal status or competence which will include but not be limited to:-

- The establishment and hosting of a Programme Management Office (PMO) and the appointment of a Strategic Manager to oversee its budget and duties.
- The provision of such support services as the AGD Strategic Manager may reasonably require to discharge his/her duties which may include financial, legal, audit and other professional or technical services.
- The analysis and provision of reports on progress to the REP, EJC, the UK and Scottish Governments and the Chief Executives' Group or the provision of any other reports or updates as may required by these groups.
- The allocation and accounting for distribution of all AGD grant income together with any grant agreements on behalf of the REP and EJC, the holding of the AGD grant funding and the making of disbursements to the Parties, Third Parties and other bodies as appropriate, all in accordance with approved governance arrangements.
- The accounting for these funds under a separately identified budget line to ensure transparency and clarity, and the reporting thereof to the Scottish and UK Governments as required in accordance with any conditions of the Grant Offer letter received from those Governments.
- Ensuring compliance with confidentiality, freedom of information and data protection regulations and progressing any complaints in accordance with the requirements of the SPSO in relation to the AGD Programme.
- Enter into grant agreements with the Parties on behalf of the EJC in respect of the approved projects required to deliver the AGD Programme and ensuring that the associated grant funds are disbursed legally and appropriately;
- Have the appropriate and proportionate control systems in place in relation to the grant funds to prevent breaches of the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.



- The Lead Authority will ensure that such financial statements or relevant disclosure requirements as are required in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and proper accounting practices (section 12 of the Local Government in Scotland Act 2003) are prepared for the REP. Where these form part of the wider statutory reporting requirements of the Parties appropriate summary financial information will be consolidated and reported to the REP.
- The Lead Authority will ensure that grant funds are used appropriately and demonstrate Best Value.
- facilitate engagement with the UK and Scottish Governments.

## **6. ROLES AND RESPONSIBILITIES OF THE PARTIES**

6.1 The Parties will play a key role in supporting the delivery of the overall Programme which will include but not be limited to:-

- the successful delivery of their Approved Projects;
- each Party taking a turn to prepare and circulate meeting agendas, reports and minutes for the ECJ and REP
- participation in all support group activities and work plans;
- designing and delivering Programme wide approaches and strategies;
- the identification and sharing of best practice; and
- the identification and collaboration on joint working opportunities.

6.2 The Parties shall develop Green Book compliant business cases and deliver approved projects in accordance with their approved projects business case, the terms of the grant agreement entered into with EAC as Lead Authority and

all Programme management requirements. In addition to the foregoing generality the Parties will:-

- ensure that any grant agreement entered into with EAC as Lead Authority is subject to and compliant with its internal contractual standing orders and financial regulations;
- deliver agreed projects under the AGD Programme in accordance with the terms of their grant agreement. and use their best endeavours to realise the project benefits agreed by the REP that are set as a condition of any grant agreement;
- provide statements of compliance with conditions of grant detailed in the grant letters from the Governments and to enable certification of the final capital return made to the Scottish Government by the relevant Section 95 Officer. The Parties further agree that that the income and expenditure for any AGD project which will be accounted for within a Party's own accounts will be subject to audit by that Party's own external auditors.
- provide all information as required by the PMO within the prescribed timescales to enable the PMO to fulfil its functions.
- Ensure that all internal governance structures be documented within individual Project Business Cases;
- Provide quarterly updates to the PMO of the progress of each approved project; together with any additional project status reports which the PMO may reasonably require.
- Work collaboratively with the Equalities and Human Rights Commission and others to explore opportunities to maximise the impact of the AGD to deliver inclusive growth and community wealth building

- 6.3 Where a Party is failing to deliver a project under the AGD Programme in accordance with the terms of the grant agreement, the Party shall report to the PMO and agree mitigating actions to ensure successful completion of the project.
- 6.4 Subject to the provisions of the managing change process as set out in paragraph 3 of the Governance Document should a Party be in material breach of the terms or provisions of either this agreement or of the conditions of any grant agreement, and subject to the Party in breach being given a minimum period of 28 days (or such other period as the ECJ may agree), the ECJ will have the delegated power to:-
- i. Suspend any further payment of grant funding until suitable resolution is found;
  - iii. Remove the particular project from the AGD Programme;
  - iv. Cease funding or recalculate the grant award; and
  - v. Recover from the Party any grant monies already paid and additional costs incurred or losses suffered by the ECJ or the Parties arising from that failure.

## **7 PMO BUDGET**

- 7.1 The annual revenue operating costs of the PMO will met in equal shares and be agreed annually by the Parties, having regard to the recommendations of the EJC. These shall include the PMO costs and the reasonable costs, expenses and outgoings incurred by the Lead Authority in providing support services to the PMO. Each Party undertakes to use reasonable endeavours to incorporate such expenditure in their budget proposals for the subsequent financial year. The Contribution Sum shall be paid quarterly in advance. The full Contribution Sum shall be payable by each Party regardless of the use made by a Party of the functions of the ECJ or the REP or a Party's participation in the projects under the Ayrshire Growth Deal.

## **8. AUDIT**

8.1 The Lead Authority's Internal Audit section will provide audit support to the REP and EJC.

8.2 During the first quarter of each financial year, an Audit Plan will be prepared following:

- consultation with relevant senior officers of the AGD Deal PMO;
- consideration of the risks by the REP and EJC;
- consideration of both internal and external factors affecting the AGD programme; and
- consideration of previous audit findings.

8.3 The REP and EJC will be invited to note the implementation of the Audit Plan. Assurance audits will be reported to the REP and EJC for noting. Actions arising from assurance audits will be followed up by the relevant Party's Internal Audit Service, and reports will be presented to the REP and EJC for noting.

8.4 Further audit, advisory, consultancy or investigative work may be requested by the REP and EJC.

8.5 At the end of each financial year the Lead Authority will present an Annual Audit Report to the REP and EJC for consideration which will include an opinion from the Lead Authority's Chief Auditor on the AGD's systems of internal controls and governance arrangements. The Parties will support the Lead Authority in the preparation of the Annual Audit Plan and Report.

## **9. CONFLICTS OF INTEREST**

9.1 The members of the EJC and REP will be expected to act in the interests of the Ayrshire Growth Deal and Ayrshire as a whole when making decisions in relation to the AGD Programme.

- 9.2 Each member of the ECJ and REP will be required to complete a register of interests. These will be collated by the PMO for all members and substitutes and published on the [AGD] website. At all meetings, members of the ECJ and REP will be invited to declare any interests which may be relevant to discussions or decisions in relation to the AGD Programme.
- 9.3 The PMO is responsible for the assessment of individual business cases and will make independent recommendations for decision to the ECJ. Investment decisions will ultimately remain the remit of the ECJ.

## **10. PUBLICITY**

- 10.1 The Parties will agree, and amend as required, appropriate protocols and documentation in relation to media relations and publicity and, notwithstanding the foregoing generality, specifically agree that the basis for completion of any such documentation will be the versions of: (1) Ayrshire Growth Deal Partners Communication Protocol, (2) Ayrshire Growth Deal: Core Script (June 2019) and (3) Ayrshire Growth Deal – Q and A for Communications Protocol all in terms of the Schedule annexed hereto and respectively referred to as Parts 5,6 and 7 thereof.

## **11. MUTUAL OBLIGATIONS**

- 11.1 The Parties shall fulfil their obligations in terms of this Agreement with all reasonable skill and care, in accordance with all relevant generally accepted standards and practices, and in a proper, diligent, expeditious and professional manner.

## **12. INTELLECTUAL PROPERTY RIGHTS**

- 12.1 The Parties hereby grant to the other parties a perpetual, non-exclusive, worldwide, royalty-free licence to use all such intellectual property rights it may acquire in connection with the AGD to enable the other Parties to discharge their normal operations.

## **13. DISPUTE RESOLUTION**

- 13.1 If a dispute arises out of or in connection with the operation or implementation of the AGD (a "Dispute") then the Parties shall follow the procedure set out in this Clause 13.
- 13.2 Following a Dispute arising, any of the Parties shall be entitled to give to the others notice in writing of the Dispute (the "Dispute Notice") setting out the nature of the Dispute in reasonable detail. The Parties shall then seek in good faith to resolve the Dispute.
- 13.3 If the Dispute is not resolved within thirty days of receipt of the Dispute Notice, or by another date agreed in writing between the Parties, the Dispute shall be referred to the Chief Executives Group who shall attempt in good faith to resolve the Dispute as soon as reasonably practicable.
- 13.4 Any dispute between the Parties which cannot be resolved as detailed in Clauses 13.1 to 13.3 above shall be referred to an independent mediator appointed by the Law Society of Scotland. The fees and expenses of the mediator shall be borne equally by the parties involved in the mediation. In the event the parties fail to reach an agreement within 30 days after the commencement of the mediation, then the matter may be determined by an arbitrator.
- 13.5 Arbitration in terms of this clause may be initiated by any of the Parties in dispute after the 30 day period referred to in clause 13.4. The arbitrator shall be mutually agreed by the Parties in dispute failing which the arbitrator shall be

approved by the Law Society of Scotland on the written application of any Party.

- 13.6 The decision of the Arbitrator on the matter in dispute and on any award of expenses relating to the arbitration shall be final and binding on all Parties involved in the arbitration.
- 13.7 The operation of Rule 69 of the Arbitration (Scotland) 2010 Act is excluded. The Parties also agree not to make a referral to the Outer House of the Court of Session all in terms of Section 41 of the Arbitration Act 2010.

#### **14. TERMINATION**

- 14.1 This Agreement shall continue in full force and effect until the whole AGD Programme has been concluded.
- 14.2 The Lead Authority shall keep or cause to be kept full and accurate accounts through the currency of this agreement, or any replacement thereof. The detailed records will be available for the following periods:
- (a) for the AGD operational Costs, detailed records will be held for a period of three years;
- (b) for Grant Receipt and allocation, detailed records will be retained for a period of twenty years.
- 14.3 The Parties shall be entitled, on giving reasonable prior notice, to inspect such accounts and records and to make any examination which they may desire and for this purpose, the Lead Authority shall forthwith on demand produce to the Members all relevant information or vouchers as a Member may reasonably request.

#### **15 INDEMNITY AND INSURANCE**

- 15.1 The Parties shall indemnify each other in respect of any claim, demand, loss,

damage, injury, cost or expense (including any liability to their legal advisers) arising from any act or omission of the other Party or Parties in the course of their obligations under the AGD.

- 15.2 The Lead Authority shall arrange for the taking out of such policies of insurance as the AGD Strategic Manager considers appropriate in relation to the carrying out of the functions of the AGD which insurances shall include without prejudice to the foregoing generality, employers liability, public liability and professional indemnity insurance and the cost of taking out such policies shall be defrayed by the Parties as part of the Ayrshire Growth Deal Financial Plan with each Party's share of the costs being calculated by reference to the Ayrshire Growth Deal Financial Plan.

## **16 CONFIDENTIAL INFORMATION**

- 16.1 The Parties shall at all times use their reasonable endeavours to keep confidential (and to procure that their respective employees, agents, consultants and subcontractors shall keep confidential) all Confidential Information concerning the AGD, the Joint Committee, the Functions of the Joint Committee or the business and affairs of the other Parties which may now or at any time hereafter be in its possession and shall not disclose it except with prior written consent of the other Parties or where the Confidential Information relates only to one Party the consent of that Party

- 16.2 "Confidential Information" means information imparted to any of the Parties or their employees, agents, consultants or sub-contractors ("the Receiving Party") which was imparted to the Receiving Party on the basis that it is to be kept confidential or would by its nature normally be regarded as being confidential or to the knowledge of the Receiving Party was obtained by the other Parties on the basis that it was to be kept confidential or is of commercial value in relation to the AGD but shall not include any information which is:

- i. already in the public domain otherwise than by reason of its wrongful disclosure by the Receiving Party;



- ii. or ii. already in the possession of the Receiving Party without restrictions as to its use; or
- iii. the disclosure of which is required by statute or court order; or
- iv. is provided for the purpose of obtaining professional advice; or
- v. is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or
- vi. which is information independently developed without access to the Confidential Information including audit and assessing best value.

16.3 This clause is subject always to the obligations of a Party to comply with the Freedom of Information (Scotland) Act 2002, the Environmental Information (Scotland) Regulations 2004, the General Data Protection Regulation (EU) 2016/679, the Data Protection Act 2018 and any other relevant legislation. A Party shall not be in breach of this clause where information is released by that Party to comply with the aforementioned legislation.

## **17 FREEDOM OF INFORMATION**

17.1 Each of the Parties acknowledge that the other Parties are subject to the requirements of the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 ("FOI").

17.2 Each Party shall assist and co-operate with other Parties to enable the other Parties to comply with their information disclosure obligations under FOI.

17.3 Where a Party receives a request for disclosure of information under FOI which that Party holds in connection with or as a result of its membership of the Joint Committee or its participation in any of the grants awarded through the Joint Committee, that Party shall bring the receipt of such a request to the attention of the AGD Strategic Manager.

17.4 The Party receiving a request under FOI shall be responsible for determining whether to disclose the information requested and where it is decided not to release any of the information requested, which of the exemptions in terms of

FOI it is relying on. However, before making any determination in terms of this clause the Party shall give the AGD Strategic Manager a reasonable opportunity of taking into account any statutory time limit for determining such a request to make representations regarding how the AGD Strategic Manager considers the request under FOI should be dealt with.

17.5 Where a Party receives a request for information in relation to information which it is holding on behalf of any of the other Parties in connection with its participation in the AGD, it shall:-

(a) transfer the request for information to the relevant Party as soon as practicable after receipt; and

(b) provide all necessary assistance as reasonably requested by the relevant Party to enable the Party to respond to the request for information within the time for compliance set out in FOI.

## **18 ASSIGNATION**

18.1 No rights or obligations arising from these terms and conditions may be assigned except by the prior written consent of the Joint Committee.

## **19 SERVICE OF NOTICES**

19.1 In any provision within the AGD Documentation), where reference is made to the serving of notices if such notices are registered or recorded delivery post, receipt of such notices will be deemed to have occurred the day after the date of posting.

## **20 INCONSISTENCY**

20.1 If any Party shall find any discrepancy in or divergence between any of the following, including a divergence between parts of any one of them, namely:

- The Ayrshire Growth Deal – Deal Document
- The Ayrshire Growth Deal – Implementation Plan
- The Ayrshire Growth Deal – Financial Plan
- The Ayrshire Growth Deal – Governance Document
- The Ayrshire Growth Deal – Communications Protocol

The Party shall without undue delay give to the AGD Strategic Manager a written notice specifying the discrepancy or divergence and the Parties shall negotiate in good faith to agree any relevant modifications or amendments to the foregoing documents as may be required.

## **21 THIRD PARTY RIGHTS**

- 21.1 This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contract (Third Party Rights) (Scotland) Act 2017.

## **22 VARIATION**

- 22.1 The terms and conditions of any of the parts of this Agreement (including the documentation included in the schedules annexed hereto) may only be varied by execution of a minute of variation signed by all the Parties.

## **23. COSTS**

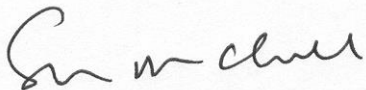
- 23.1 Each of the Parties shall meet its own costs in connection with the preparation, adjustment and completion of this Agreement.

## **24. LAW AND JURISDICTION**

- 24.1 This Agreement is governed by and shall be construed in accordance with Scots law.

IN WITNESS WHEREOF this Agreement comprising this page, the eighteen preceding pages and the schedule in seven parts annexed hereto is executed by the Parties as follows:-

SEALED with the common seal of EAST AYRSHIRE COUNCIL and SUBSCRIBED for and on its behalf by Stuart McCall a proper officer at KILMARNOCK on the 17th of December 2020



..... Authorised Signatory

SUBSCRIBED for and on behalf of SOUTH AYRSHIRE COUNCIL by a proper officer at  
AYR on the                      day of                      2020

.....Authorised Signatory

.....Witness

.....Witness Details

SEALED with the common seal of The NORTH AYRSHIRE COUNCIL and subscribed for  
and on its behalf by a proper officer at IRVINE on the                      day of  
2020

.....Authorised Signatory



## Communications Plan 2020 - 2023

## Phase 1: August 2021 – March 2021

Action	Target Due Date	Detail	Audience	Channels	Status
AGD Core Script	August 2020	Core content to be updated to reflect current position.  Useful resource to include in future communications.	Businesses Investors Influencers Politicians Communities Media	All	Complete
AGD media protocol	August 2020	Core content and FAQs to be updated to reflect current position.  Reference document to aid all partners in future communications.	Councils Scot Gov comms UK Gov comms	n/a	Complete
AGD Story Map	September 2020	Core content to be updated to reflect project summaries within Implementation Plan.	Businesses Investors Influencers Politicians Local communities Media	Social media	Complete
Deal Document Signing Event	Autumn 2020	<b>Virtual signing event</b>  PR before, during and post event	Businesses Investors Influencers Politicians Local communities Press/Media	Press release Social media YouTube (if virtual)	Complete
AGD Banners	September 2020	Design and commission new banners based on previous format - AGD programmes and images, with narrative updated to reflect current projects. Banners will be used as back drop at virtual signing event.	Businesses Investors Influencers Politicians Local communities Press/Media	n/a	Complete

<b>AGD Facebook</b>	<b>Autumn 2020</b>	<p>Obtain AGD Facebook address in order that this is available once content/resource exists</p> <p>The user name for the page is @ayrshiregrowthdeal  <a href="https://www.facebook.com/ayrshiregrowthdeal/">https://www.facebook.com/ayrshiregrowthdeal/</a></p>	<p>Businesses Investors Influencers Politicians Local communities Press/Media</p>	Social media	Complete
<b>AGD Instagram</b>	<b>Autumn 2020</b>	<p>Obtain AGD Instagram address in order that this is available once content/resource exists</p>	<p>Businesses Investors Influencers Politicians Local communities Press/Media</p>	Social media	Complete
<b>AGD website development</b>	<b>End of February 2021</b>	<p>Bespoke website to host all AGD information, reports, press, image gallery. URL purchased:  <a href="http://www.ayrshiregrowthdeal.co.uk">www.ayrshiregrowthdeal.co.uk</a></p> <p>Core content will be lifted from AGD storymap sitting with SAC  <a href="https://www.ayrshire.gov.uk/AyrshireDeal/">https://www.ayrshire.gov.uk/AyrshireDeal/</a></p> <p>Mailboxes  <a href="mailto:info@east-ayrshire.gov.uk">info@east-ayrshire.gov.uk</a></p>	<p>Businesses Investors Influencers Politicians Local communities Press/Media</p>	Social media posts will signpost to web content in all future communications	Contract awarded to local company. Website designed and developed and being checked in terms of content, structure and navigation.
<b>AGD website launch</b>	<b>End of February 2021</b>	Digital promotion	<p>Businesses Investors Influencers Politicians Local communities Press/Media</p>	Press release Social media	Details being finalised



## Phase 2: April 2021 – March 2022

Define individual projects' marketing and communications requirements  
Develop project specific communications plans (led by respective Council areas)

Action	Target Due Date	Detail	Audience	Channels	Status
NERD (EAC)	tbc	Key messages developed Member briefing session being arranged Video / presentation required EAC to advise (Lorna Clark – Project Lead)	Businesses Investors Influencers Politicians Local communities Press/Media	Press release Social media	Starting to scope out work with project team
HALO Kilmarnock	April 2021				
Working for a Healthy Economy (Pan Ayrshire)	February 2021 – currently waiting on government approval of business case	NAC to advise (Greig Robson – Project Lead)			
Community Wealth Building (Pan Ayrshire)	February 2021 – currently waiting on government approval of business case	NAC to advise (Greig Robson – Project Lead)			
Ayrshire Skills Fund (Pan Ayrshire)	tbc	NAC to advise (Greig Robson – Project Lead)			
Ardrossan Harbourside consultation programme (NAC)	tbc	NAC to advise (Karen Yeomans/George Hunter – Project Lead)			
Design & Feasibility Studies: Prestwick projects (SAC)	tbc	SAC to advise (Jim Johnstone)			

## Phase 3: 2021 and beyond

Spades in the ground for projects

Action	Target Due Date	Detail	Audience	Channels	Status

## Phase 4: 2021 and beyond

On-going promotion for construction milestones

Action	Target Due Date	Detail	Audience	Channels	Status



## **AYRSHIRE GROWTH DEAL: CORE SCRIPT (SEPTEMBER 2020)**

### **Summary**

The Ayrshire Growth Deal is the first non-City Region Deal in Scotland and with a financial commitment of £251.5m represents the largest ever public sector investment by the public sector into Ayrshire.

Ayrshire has particular strengths in aerospace, engineering, life sciences, manufacturing and tourism and targeted investment through the Growth Deal, across these key sectors and in strategic locations, will act as a powerful catalyst stimulating growth and resulting in increased prosperity for local people, for Scotland and for the UK as a whole.

Further information in relation to the Ayrshire Growth Deal can be found at:

<https://www.ayrshire.gov.uk/AyrshireGrowthDeal/>

### **Detail of the Ayrshire Growth Deal**

The Ayrshire Growth Deal is the first non-City Region Deal in Scotland.

The three Ayrshire local authorities and their partners, recognise the importance of a regional approach to growing the economy and have been working together over a number of years to develop the Ayrshire Growth Deal, anchored in a commitment to creating a growing, innovative, more productive and inclusive economy; developing Ayrshire's core strengths and ensuring that communities benefit from economic growth.

The vision for Ayrshire is to be 'a vibrant, outward looking, confident region, attractive to investors and visitors, making a major contribution to Scotland's growth and local well-being, and leading the implementation of digital technologies and the next generation manufacturing.'

The £251.5m investment is made up of £103m from each of the governments (UK and Scottish) matched with support from the three local authorities to the value of £45.5m and will provide support to a total of 21 projects.

The majority of projects 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, both resident and business, from large scale capital expenditure.

The programme of investment is expected to be delivered over a 10 to 15 year timeframe and has the potential to transform the fortunes of Ayrshire.

Ayrshire comprises the three local authority areas of East Ayrshire, North Ayrshire and South Ayrshire and the Ayrshire economy is integral to the strength of Scotland's overall economy.

Ayrshire has many strengths; its people, its businesses and its rich natural assets. It is home to approximately 370,000 residents and is the birthplace of a significant number of innovators and entrepreneurs including Robert the Bruce, Robert Burns, John Dunlop and Sir Alexander Fleming.

Ayrshire has strengths in aerospace, engineering, life sciences, food and drink and tourism. With a long history of manufacturing across a range of sectors, the region currently has approximately 10,000 businesses and is home to world class organisations, a highly qualified workforce and successful education institutions.

The region is however not without its challenges in terms of job density, business survival rates, long term unemployment, poverty and social exclusion.

The Ayrshire Growth Deal has inclusive growth at its core and partners are committed to ensuring that the portfolio of projects within it bolster the local and regional economies, creating high value jobs and prosperity for all.

Investments include:

- **£80 million** investment in **Aerospace and Space activity**, primarily focused around Prestwick;
- **£69.5 million** to support economic infrastructure and the **engineering and manufacturing** sectors in Ayrshire;
- **£23.5 million** for **tourism** development;
- **£53 million** investment into innovation in **energy** products and development;
- **£14 million** to support world class digital infrastructure and connectivity across the region;
- **£8.5 million** programme for **skills and employability**; and
- **£3 million** for a new **Community Wealth Building Programme**.

Further information in relation to the Ayrshire Growth Deal and the individual projects within it can be found in the Deal Document at:

<https://www.ayrshire.gov.uk/AyrshireGrowthDeal/>

## **Governance Arrangements**

A single economic development strategy for Ayrshire provides a framework to maximise the impact of the Ayrshire Growth Deal investment.

The delivery of the Regional Economic Strategy will be guided by already approved governance structures including a formally constituted decision making forum which will also oversee the Ayrshire Growth Deal. The body includes the three Councils, Scottish Enterprise, Skills Development Scotland, Education sector and private sector representation.

The Partnership will communicate a clear vision for the area, providing strong regional leadership working with local elected leaders and other stakeholders. The partnership will provide a strong and unified voice for Ayrshire ensuring that it is heard in national debates, making the case for investment and influencing national, regional and local priorities and decision making. It will also ensure a single point of influence for business.

The governance arrangement set out above will also be the driver for maximising the Inclusive Growth benefits to be obtained from our Growth Deal. The delivery of the regional strategy will play a significant role in ensuring a wider role for Ayrshire partners, public and private, in agreeing the priorities for the regional economy.

## **Covid-19**

The Ayrshire Growth Deal will act as a powerful catalyst to stimulate growth, increasing job opportunities and prosperity for Ayrshire, Scotland and the UK as a whole.

The COVID pandemic has highlighted the importance of targeted investment and support for our key sectors. The economic landscape will be closely monitored as we move forward to ensure that the Ayrshire Growth Deal is well placed to respond to future impacts, challenges and opportunities.

The Regional Economic Strategy provides a regional approach to supporting our economy over the next 10 years to recover and renew, recognising that collaboration, innovation and community wealth building will be the catalysts for Ayrshire's economy emerging from the global pandemic as a more resilient and sustainable economy.

## **BOILERPLATE LINE TO BE USED IN ALL PROJECT PRESS RELEASES:**

*Project x* is being funded with £x million from the UK/Scottish Government(s) (and £x million from x Ayrshire Council) as part of the £251 million Ayrshire Growth Deal – a fifteen year investment programme jointly funded by the UK and Scottish governments and local authorities.



**Ayrshire Growth Deal Partners Communication Protocol**  
*For Member Authorities, Deal partners, the PMO and the UK and Scottish Governments*

## **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), 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.
- Responses to FOIs, political and customer enquiries.

## **Lead Organisation**

The Ayrshire Growth Deal PMO, with North Ayrshire Council Press Office, will together lead on / 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/launches 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 in order 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.

## **Spokespeople**

The agreed spokespeople are:

- For the Ayrshire Growth Deal programme: the Joint Committee Chair, 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 a Joint Committee Chair is unavailable, such as in pre-election circumstances, the PMO shall liaise with the Chief Executives in relation to the spokesperson publication.

## **Process**

An **Ayrshire Growth Deal Communications Group** shall meet quarterly to:

- Populate and agree a communications planner and upcoming activity;
- Update the communications documents set out below; and
- To discuss the handling of any forthcoming communications opportunities that have arisen since the previous meeting.

### *Media activity /releases*

- All media releases or briefing notes relating to the Ayrshire Growth Deal should be shared in advance with the PMO and all communications leads.
- Media Releases relating to the Deal should be posted promptly on the news sections of council websites until a dedicated website/microsite for the Ayrshire Deal can be established, and signposted to the story map.
- In instances of sensitive, or conflicting, positions communication leads representing each organisation undertake to 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** mention where projects have been funded by the UK and/or Scottish Government, as well as any other funding partners, through the Growth Deal. This must be included in the body of the release, not in the background, and must be placed early in the release so as to ensure it is picked up in coverage.
- Where appropriate, final releases should 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 below.

#### *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 / partners should direct relevant enquiries to the PMO and North Ayrshire Council Press Office. The PMO will lead on FOI enquiries relating to the programme.

Media enquiries relating to individual projects should be dealt with by the relevant lead organisation. However, all partners should be advised of and should share responses issued to the media, including relevant FOI enquiries. FOI and media enquiries will also be discussed standing agenda item at Ayrshire Growth Deal Communication Group meetings.

#### *Communication Planner*

The Communication Planner provides a forward plan of proposed communications activities by all partners and will be updated by the PMO ahead of each Ayrshire Growth Deal Communication Group meeting.

The Planner should also provide details as to the release of public information about the Ayrshire Growth Deal, such as where meeting papers will be made publically available ahead of meetings.

Comms 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 Planner.

#### *Photo opportunities*

These 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 any relevant representative from their organisation to take part.

### **Communications documents**

Partners agree to use the following communication documents in order to achieve consistency in messaging. These are:

- The **Core Script**, which 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.
- **The Story Matrix**, which sets out the regional challenges, the solutions, and the proof points/case studies of what has been achieved through the Ayrshire Growth Deal. It is the responsibility of all partners to populate the matrix and keep it up to date, so that it can be reviewed and discussed at Ayrshire Growth Deal communications group meetings.
- **The Q & A**, which will capture frequently asked questions and agreed responses.

Amendments to the above suite of documents should be made in consultation with the other partners.

## **Escalation**

If an issue arises with the partnership, the partners will work together to agree a communications strategy, messaging and spokespeople before any communication about the issue is made. If the issue is raised with one partner by a third party the partner will only offer a holding response before immediately conferring with the other partners about the appropriate course of action.

## **Branding**

Ayrshire Growth Deal branding should be used in all communications activities, alongside that of the two governments. Member authority and partner logos should also be used where appropriate.



## **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 comms group**

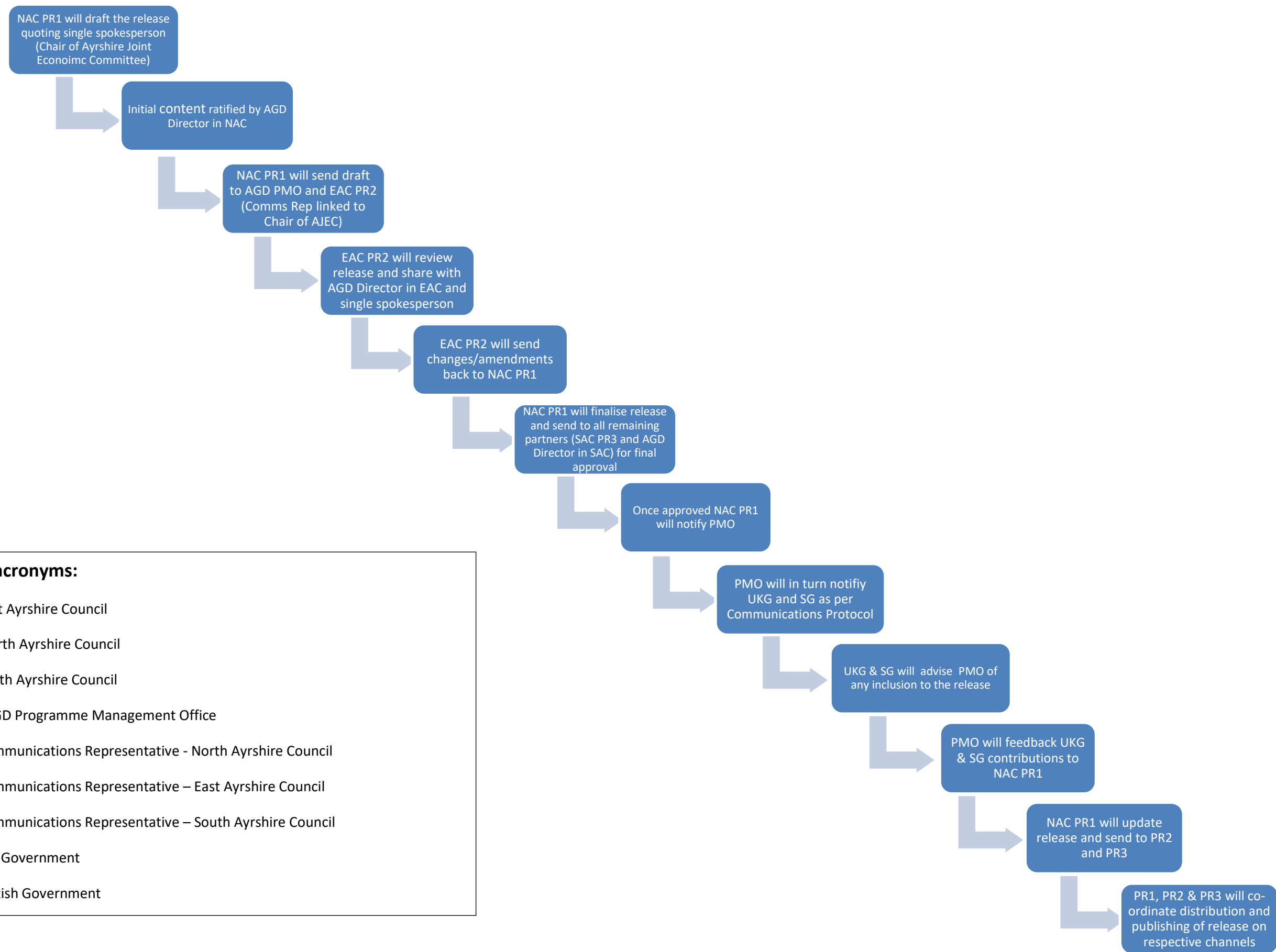
<b>Organisation</b>	<b>Main Contact</b>	<b>Contact details</b>
Deal PMO		
UK Government	Graham Bissell (Primary)  Chris Nabney (Secondary)	<a href="mailto:Graham.Bissell@scotlandoffice.gsi.gov.uk">Graham.Bissell@scotlandoffice.gsi.gov.uk</a> ; 0131 244 9068  <a href="mailto:Chris.Nabney@scotlandoffice.gsi.gov.uk">Chris.Nabney@scotlandoffice.gsi.gov.uk</a> ; 0131 244 9054
Scottish Government	Gerard Klein (primary)  Aileen MacArthur (secondary)	<a href="mailto:Gerard.Klein@gov.scot">Gerard.Klein@gov.scot</a> ; 07468 766494  <a href="mailto:Aileen.MacArthur@gov.scot">Aileen.MacArthur@gov.scot</a> ; 07467 447219
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South Ayrshire Council	Sara Burdon (primary)  Jenna Robertson (secondary)	<a href="mailto:Sara.Burdon@south-ayrshire.gov.uk">Sara.Burdon@south-ayrshire.gov.uk</a> 01292 616622  <a href="mailto:Jenna.Robertson@south-ayrshire.gov.uk">Jenna.Robertson@south-ayrshire.gov.uk</a> 01292 612343

## **Project Funding Breakdown**

<b>AYRSHIRE GROWTH DEAL</b>				
<b>Project</b>	<b>Funding Breakdown (£m)</b>			<b>Lead Delivery Partner</b>
	<b>SG</b>	<b>UKG</b>	<b>Council</b>	
Aerospace and Space Programme	30	32	18 (SAC)	South Ayrshire Council
HALO Kilmarnock	3.5	3.5	2 (EAC)	Halo Kilmarnock Ltd
Ayrshire Engineering Park (Moorfield)	12		4 (EAC)	East Ayrshire Council
Ayrshire Manufacturing Investment Corridor (AMIC)	13.5	10		East Ayrshire Council
i3 Irvine Enterprise Area Advanced Manufacturing Space & Digital Automation and Testing Centre	11	5	5 (NAC)	North Ayrshire Council
The Great Harbour, at Irvine Harbourside and Ardeer	9		5 (NAC)	North Ayrshire Council
Marine Tourism	9.5			North Ayrshire Council
National Energy Research Demonstrator Project (NERD)		17	7.5 (EAC)	East Ayrshire Council
Hunterston Port & Resource Centre (CECE)		18		North Ayrshire Council
International Marine Science and Environmental Centre (IMSE)		6.5	4 (NAC)	North Ayrshire Council
Digital Subsea fibre optic cable		11		South Ayrshire Council
Digital infrastructure	3			South Ayrshire Council
Regional Skills and Inclusion Programme	8.5			North Ayrshire Council
Community Wealth Building Fund	3			North Ayrshire Council
<b>TOTAL</b>	<b>103</b>	<b>103</b>	<b>45.5</b>	
<b>Grand Total</b>	<b>£251.5 million</b>			

# AG Communications – approvals and sign-off for joint press releases and statements

*Assumes that proposals for a single spokesperson has been agreed and Chair of Ayrshire Joint Economic Committee is within EAC*



**Key to acronyms:**

- EAC – East Ayrshire Council
- NAC – North Ayrshire Council
- SAC – South Ayrshire Council
- PMO – AGD Programme Management Office
- PR1 – Communications Representative - North Ayrshire Council
- PR2 – Communications Representative – East Ayrshire Council
- PR3 – Communications Representative – South Ayrshire Council
- UKG – UK Government
- SG – Scottish Government

**NB. Same day approval/turnaround required in all instances**



## AYRSHIRE GROWTH DEAL – Q and A for Communications Protocol

### 1. What is the value of the Ayrshire Growth Deal?

The total value of the Ayrshire Growth Deal is £251.5 million.

The breakdown is as follows:

Programme	AGD Project	Government Support
Aerospace & Space	Spaceport Infrastructure	23,000
	ASIC and Visitor Centre	11,000
	Commercial Space - Prestwick - Industrial & Hangar	29,000
	Prestwick Infrastructure - Roads	17,000
Economic Infrastructure	HALO	9,000
	Ayrshire Engineering Park (Moorfield)	16,000
	Ayrshire Manufacturing Investment Corridor (AMIC)	23,500
	i3 Flexible Business Space	15,000
	i3 Digital Automation & Testing Centre (DigiLab)	6,000
Energy, Circular Economy & Environment	National Energy Research Demonstrator (NERD)	24,500
	Hunterston Port & Resource Centre (CECE)	18,000
	Ardrossan (IMSE)	10,500
Tourism	Irvine Harbourside - Ardeer (The Great Harbour)	14,000
	Marine Tourism	9,500
Digital	Digital Subsea Cable	11,000
	Digital Infrastructure	3,000
Regional Skills & Inclusion Programme	Working for a Healthy Economy	5,000
	Ayrshire Skills Investment Fund	3,500
Community Wealth Building	Community Wealth Building Fund	3,000
		<b>251,500</b>

- EAC – £13.5m
- NAC – £14m
- SAC – £18m
- The UK and Scottish Governments will each invest £103m

### 2. Why is a pan-Ayrshire approach to projects being adopted?

All three Ayrshire Councils have been working together on the Ayrshire Growth Deal for a number of years. We recognise that this pan-Ayrshire

approach will allow us to deliver investment, jobs and business growth. A strong Ayrshire economy will benefit not only the local community, but also Scotland and the wider UK economy. We are working with Scottish Enterprise; Skills Development Scotland; the tertiary education and third sectors and senior business and industry leaders to deliver these projects. This is very much a team effort and all partners are working together to achieve a stronger Ayrshire. The Regional Economic Partnership provides the governance to oversee the progress of each of the projects.

### **3. Will the effects of COVID-19 impact on the projects?**

The Ayrshire Growth Deal will act as a powerful catalyst to stimulate growth and increase job opportunities and prosperity for Ayrshire, Scotland and the UK as a whole.

The COVID-19 pandemic has highlighted the importance of targeted investment and support for our key sectors. We will be closely monitoring the economic landscape as we move forward to ensure that the Ayrshire Growth Deal is well placed to respond to future impacts, challenges and opportunities.

Although COVID-19 provides uncertainty around how projects will fit with the new economic realities, we don't foresee any project substitution at present, however, it is possible that some projects may be adjusted going forward.

### **4. Will Brexit have any impact on fresh investment into Ayrshire?**

We want Ayrshire to be competitive within the global marketplace, and we are confident our Growth Deal will enhance our ability to do this.

We will continue to monitor the external environment and government relations. Each partner has BREXIT steering groups in place to monitor the impact of Brexit.

### **5. Is there an estimated start date for each project?**

There is a further process we need to go through to get to the point where both governments are able to sign off on the final business cases for the individual projects and to start to release monies as the projects get under way.

We have agreed implementation and budgets for each project within the Deal and work has already started.

The HALO Kilmarnock, on the former Johnnie Walker site in Kilmarnock, was the first project to commence with contractors starting on site in October 2019.



The Working for a Healthy Economy project which will target large scale investment in occupational health services to ensure that Ayrshire has the required workforce to drive economic growth in the future hopes to commence delivery from September 2020.

Design and feasibility studies will be commissioned this financial year for the National Energy Research Demonstrator project, as well as the Commercial Space, Aerospace and Space Innovation Centre and Roads projects at Prestwick.

## **6. How will projects be prioritised?**

Funds for each project will be released based on the sign-off of the individual business case, and the state of readiness to proceed. Relationships between interdependent projects will influence the timing as we move forward, and each Council will determine the timelines for projects in their respective areas.

## **7. How will the Ayrshire Growth Deal benefit my area?**

The Growth Deal is all about economic growth, delivering investment, and creating jobs that will benefit all communities across Ayrshire. Growth Deal funding will be invested in Ayrshire's key assets, such as Prestwick Airport and Hunterston. Ayrshire's key business sectors including aerospace and space, engineering, manufacturing, tourism, food and drink and life sciences will also benefit from investment. It represents an excellent opportunity for us to facilitate sustainable economic growth to help our businesses, people and communities reach their full potential.