



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Ayrshire Economic Partnership Board

A meeting of the **Ayrshire Economic Partnership Board** of North Ayrshire Council will be held remotely on **Thursday, 29 April 2021** at **14:00** to consider the undernoted business.

Arrangements in Terms of COVID-19

In light of the current COVID-19 pandemic, this meeting will be held remotely in accordance with the provisions of the Local Government (Scotland) Act 2003. Where possible, the meeting will be live-streamed and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>. In the event that live-streaming is not possible, a recording of the meeting will instead be available to view at this location.

1 Apologies

2 Minutes

The accuracy of the Minutes of meeting of the Partnership Board held on 29 January 2021 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

3 Actions from Last Meeting

3.1 Submit report by David McDowall, Interim Head of Planning and Economic Development East Ayrshire Council on the analysis of data & information requirements (copy enclosed).

3.2 Receive a verbal update on the development of a Communications/PR Plan for the work of the Partnership Board.

- 4 Ayrshire Growth Deal Programme Update**
Submit report by David McDowall, Interim Head of Planning and Economic Development East Ayrshire Council on the Ayrshire Growth Deal (copy enclosed).
- 5 Project Presentation**
Receive a presentation by Karen Yeomans, Director (Growth and Investment) North Ayrshire Council on i3 Flexible Space, Irvine and the Maritime Mile, Irvine.
- 6 National Economic Opportunities Presentation**
Receive Presentation by Scottish Enterprise on the refreshed approach to National Economic Opportunities.
- 7 Freeports/Greenports**
Receive a verbal update from Caitriona McAuley, Head of Service (Economic Development and Regeneration) North Ayrshire Council on the establishment of Freeports in the UK.
- 8 COP 26**
Receive a verbal update on the 26th UN Climate Change Conference of the Parties.
- 9 Workstream Updates**
Submit, for noting, the workstream progress reports (copy enclosed).
- 10 Urgent Items**
Any other items which the Chair considers to be urgent.

Ayrshire Economic Partnership Board Sederunt

South Ayrshire Council

Peter Henderson (Chair)
 Siobhian Brown
 Brian Connolly
 Eileen Howat
 Donald Gilles
 Theo Leijser

North Ayrshire Council

Joe Cullinane
 Marie Burns
 Alex Gallagher
 Craig Hatton
 Karen Yeomans

East Ayrshire Council

Tom Cook
 John McGhee
 Douglas Reid
 Eddie Fraser
 David McDowall
 Katie Kelly
 Allison Craig
 Euan Baird Scottish Government
 Morag Goodfellow Highlands and Islands
 Enterprise
 Alastair Dobson Taste of Arran
 Simon Foster Spirit AeroSystems
 Adrian Gillespie University of Strathclyde
 Craig Hume Utopia Computers
 Katie Hutton Skills Development
 Scotland
 Alison Irvine Transport Scotland
 Hisashi Kuboyama Federation of Small
 Businesses
 Alan McGregor University of Glasgow
 Craig Mahoney University of West of
 Scotland
 Johnny Mone University of West
 of Scotland
 Mark Newlands Scottish Enterprise
 Milan Radosavljevic University of West of
 Scotland
 Malcolm Roughead Visit Scotland
 Val Russell Ayrshire Chamber of
 Commerce

Chair:

Apologies:

Attending:

Carol Turnbull
Ian Welsh

Ayrshire College
Third Sector

**Ayrshire Economic Partnership Board
29 January 2021**

Agenda Item 2

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

Present

Councillors Peter Henderson, Siobhian Brown and Brian Connolly (South Ayrshire Council); Marie Burns, Joe Cullinane and Alex Gallagher (North Ayrshire Council); Tom Cook, John McGhee and Douglas Reid (East Ayrshire Council).

In Attendance

C. Hatton, K. Yeomans and C. McAuley (North Ayrshire Council); E. Fraser, D. McDowall, J. McLauchlan and A. Craig (East Ayrshire Council); E. Howat, D. Gillies and T. Leijser (South Ayrshire Council); E. Baird and R. Phillips (Scottish Government); G. Adam and B. Fraser (Scottish Enterprise); J. Mone and M. Radosavljevic (University of West of Scotland); A. Dobson (Taste of Arran); S. Foster (Spirit AeroSystems); M. Goodfellow (Highlands and Islands Enterprise); K. Hutton (Skills Development Scotland); A. Gillespie (University of Strathclyde); A. McGregor (University of Glasgow); V. Russell (Ayrshire Chamber of Commerce); C. Turnbull (Ayrshire College); and H. Clancy (North Ayrshire Council).

Also in Attendance

L. Kirk, J. McLachlan and G. Robson (North Ayrshire Council); D. Manson (Ayrshire Road Alliance); F. Kennedy (NHS Salus).

Apologies

Malcolm Roughead and Hisashi Kuboyama

Chair

Councillor Peter Henderson in the Chair.

1. Welcome

The Chair welcomed everyone to the meeting.

2. Apologies

Apologies were noted.

3. Minutes

The Minutes of the meeting of the Partnership Board held on 14 September 2020 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

4.1 Food & Drink

Submitted report and received a presentation by Alastair Dobson, Taste of Arran on the Food and Drink Workstream. The presentation highlighted key priorities, creation of the virtual team, progress made so far and next steps.

The Partnership Board asked questions and was provided with further information in relation to: -

- post Brexit problems and support from the UK Government; and
- the use of regional data to create a food and drink database.

Noted.

4.2 Visitor Economy and Ayrshire Tourism Action Plan

Submitted report and a received presentation by Karen Yeomans, Director (Growth and Investment) North Ayrshire Council on the Visitor Economy workstream and the Ayrshire Tourism Action Plan. The presentation highlighted that the destination priorities and a short-medium term action plan had been identified through research and consultation with partners and the industry. The plan enabled Ayrshire's private and public sector partners to deliver short-term actions to support tourism industry recovery from the COVID-19 pandemic and work towards the formation of a regional tourism collaboration and a longer-term strategic action plan to reboot sector growth through a destination development approach. The action plan set out a commitment to collective action that will benefit sector recovery and its return to sustainable growth and would be reviewed and updated as progress was made, along with the development of options in respect of a potential regional collaboration.

The Partnership Board asked questions and was provided with further information in relation to: -

- internal markets and local businesses for town regenerations;
- how the action plan fitted with Chamber Forward Together Strategy, in particular Ayrshire Connect; and
- getting the right approach to tourism.

The Partnership agreed to the implementation of the short-term measure of the Ayrshire Tourism Action Plan to be co-delivered by the private and public sector members of the Ayrshire Visitor Economy Strategic Sub-Group.

4.3 Space and Aerospace

Submitted report and received a presentation by Simon Foster, Spirit AeroSystems on the Space and Aerospace Workstream, highlighting the decommissioning MRO project.

The Partnership Board asked questions and was provided with information in relation to:-

- clarification that funding would be from both public and private sectors.

- the development of a wider range of strategic actions in respect of the space and aerospace workstream.

Noted.

4.4 Clean Growth

Submitted report by Theresa Correia (Scottish Enterprise) and Milan Radosavljevic (UWS) on the Clean Growth Workstream. A Scotland-wide Business recovery portal would be launched in February 2021 with an initial focus on our Scottish campus locations (Ayrshire, Dumfries & Galloway, Lanarkshire and Renfrewshire). The purpose was to continuously evaluate emerging needs within local authorities across Scotland and the initial information from several hundred CPD attendees indicated reskilling/upskilling/retraining as well as financial support to be the key needs (individuals and companies). It was also highlighted that the energy masterplan would require to be funded.

Noted.

4.5 Digital

The Partnership Board received a verbal update by Theo Leijser, South Ayrshire Council on the Digital Workstream.

The Partnership Board asked questions and was provided with further information in relation to: -

- digital transformation being a key enabler for all workstreams, business and community resilience; and
- development of a digital communication and document project management tool to aid the workstreams.

Noted.

4.6 Skills

Submitted report by Andrea Glass, Skills Development Scotland on how? the Skills Workstream and Skills Development Scotland supported by Ayrshire College, UWS and the RES Skills Group, would facilitate the development of a Regional Skills Investment Plan (RSIP). This would set out collective and agreed understanding of the:

- demand for skills and people in Ayrshire over the short and medium term;
- current people and skills supply, and the gaps between supply and current and future demand; and
- people and skills priorities that enterprise and skills agencies and providers across the skills system should seek to address.

Co-designed by partners this would:

- set clear commitments and actions that partners would deliver over the next 3 years;

- provide an agreed baseline to monitor future progress; and
- outline proposals for clear governance, delivery and reporting arrangements.

Noted.

4.7 The Partnership Board received an update on plans for a workshop to look across all workstreams and the common principles of the partnership and growth deal projects to identify areas of complementarity and how these could be best take forward.

The Partnership Board asked questions and received further information in relation to: -

- the development of a communications plan to raise the profile of the work of the economic partnership as well as individual workstreams.
- the development of action plans for each of the workstreams
- the availability of business data to help inform development of workstreams.

5. COVID-19 – Ayrshire Wide Business Support Update

Submitted report by the Ayrshire Executive Group on the approach being taken across Ayrshire by the three local authorities, Scottish Enterprise and VisitScotland to support local businesses during the ongoing Coronavirus (COVID-19) Pandemic and in the adjustment period following the UK's exit from the European Union. The list of Scottish Government funds and funding intentions was set out at Appendix 1 to the report.

Noted.

6. Regional Business Support Update

Submitted report by the Ayrshire Executive Group on the work being progressed to develop Business Support offers at a regional and local level. The report set out an agreed shared vision amongst the three Councils and Scottish Enterprise on the development of respective business support activities, highlighting the existing regional consistent offer that was available and presented new opportunities under development to enhance regional offers.

Noted.

7. Freeports Update

Submitted report by Craig Hatton, Chief Executive North Ayrshire Council on the establishment of Freeports in the UK, including the Ayrshire response to the recent Scottish Government consultation on economic development zones including Freeports. The response was set out at Appendix 1 to the report.

Noted.

8. Community Wealth Building Update

Submitted report by Craig Hatton, Chief Executive North Ayrshire Council on regional Community Wealth Building activities including the launch of the Ayrshire Community Wealth Building Anchor Charter. The Anchor Charter was set out at Appendix 1, Terms of Reference set out at Appendix 2 and the Workplan set out at Appendix 3 to the report.

Noted.

9.1 Ayrshire Growth Deal Programme Update

Submitted report by David McDowall, Interim Head of Planning and Economic Development East Ayrshire Council on the Ayrshire Growth Deal. The Ayrshire Growth Deal and development of its component projects were set out at Appendix 1 to the report, the suite of deal documents set out at Appendices 2 – 8 and the finalised agreement set out at Appendix 9 to the report.

The formal virtual signing of the Ayrshire Growth Deal took place on 19 November 2020 and agreement 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 had now been agreed and pending formal signing. It was highlighted that the HALO project was due to complete soon and the AGD website would launch at the end of February 2021.

The board were advised of the inconsistencies and time taken to secure sign off of business cases by respective Governments and agreed to escalate these concerns to Officials and Ministers.

Noted.

9.2 Working for a Healthy Economy Project

Received a presentation by Greig Robson (Economic Development & Regeneration) North Ayrshire Council and Fiona Kennedy, NHS Salus on the Working for a Healthy Economy Project. The presentation highlighted the aims of the project, service delivery plans, challenges, service model and next steps. The Partnership Board was also provided with details of a recent case study of the project.

The Partnership Board asked a question and was provided with clarification on the delay in getting the business case signed off by Scottish Government.

Noted.

9.3 Community Wealth Building Project

Received a presentation by Julie McLachlan (Economic Development & Regeneration) North Ayrshire Council on the Community Wealth Building Project. The presentation highlighted the aims of the project, an overview of the project, what would be delivered, how the project would be delivered and managed, and next steps.

The Partnership Board asked a question and was provided with clarification on the delay in getting the business case signed off by Scottish Government.

Noted.

10. Strategic Transport Projects Review Update (STPR2)

Receive Presentation by Louise Kirk (Economic Development & Regeneration) North Ayrshire Council and David Manson, Ayrshire Roads Alliance on the Strategic Transport Projects Review. The presentation highlighted the purpose of the review, stakeholder engagement, phased approach, themes, regional transport appraisal, the 3 Ayrshire priorities, current position and next steps.

The Partnership was advised that the three Ayrshire Chief Executives had raised concerns and a letter had been sent to the Transport Minister seeking a meeting as transport was a key factor in creating employment in Ayrshire and was not adequately reflected in the national work published to date.

Noted.

The meeting ended at 5.30 p.m.

AYRSHIRE REGIONAL ECONOMIC PARTNERSHIP BOARD

MEETING – 29 APRIL 2021

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

SUBJECT: AYRSHIRE GROWTH DEAL INFORMATION AND DATA

PURPOSE OF REPORT

1. The purpose of the report is to provide an overview on the information and data held by the Ayrshire Growth Deal (AGD) Programme Management Office (PMO), as well as the gaps identified at this stage of the programme.

RECOMMENDATIONS

2. It is recommended that Members:
 - (i) Note the information and data collected, as well as the gaps identified, for Ayrshire Growth Deal purposes;
 - (ii) Note that data collection for the region is a larger, more complex task;
 - (iii) Note next steps for the Regional Economic Partnership;
 - (iv) Otherwise, note the content of the report.

BACKGROUND

3. Data and information are required to build a comprehensive picture of the characteristics of the Ayrshire region. It is required to inform evidence based policy, decision making and priority setting to improve the lives of the people of Ayrshire.
4. At the Regional Economic Partnership meeting of 29 January 2021, Members advised that identification of relevant data and information to assist with the development of sector recovery and renewal action plans has been problematic in some cases.
5. A range of data and information have been collected and analysed throughout the AGD journey to date. This information may also be beneficial to partners when setting priorities for the wider Regional Economic Partnership.

DATA AND INFORMATION COLLECTED BY AGD PMO

Contextual Information

6. Baseline data has been collected and analysed from a range of national sources to assist with:
- the Inclusive Growth Diagnostic in 2018;
 - informing priorities for the AGD pre Heads of Terms in 2019;
 - an updated regional context within the Deal Document in 2020.

This involved compiling and collating key economic statistics for the region and sectors (where available), as well as comparative data for the whole of Scotland and the UK. Using the data:

- key trends were identified for the region;
- key differences between local areas and deviations from average trends for the whole of Scotland and the UK were drawn out;
- implications for a Regional Deal were drawn out by highlighting key strengths and opportunities.

The baseline data themes included:

- population
- households
- labour market
- economic performance
- education and skills
- health and wellbeing
- environment
- deprivation

Project Specific

7. To allow AGD funding to be drawn down from government, each project requires an approved HM Treasury, Green Book compliant business case setting out the strategic context for the spending proposal, which includes evidencing a robust case for change. The information includes:
- project development objectives
 - outputs
 - benefits (including job estimates for each land use project)
 - risks
 - constraints
 - dependencies
 - engagement
 - financial phasing and profiling
 - equalities impact assessment

8. In addition, the following research has been/will be necessary for the project team to commission to inform the business case for some projects:
- property market assessments
 - environmental impact assessments
 - site investigation studies
 - feasibility studies

AGD Monitoring and Evaluation

9. 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.
10. Project and programme benefits are identified in project business cases and within the Implementation Plan. Benefits realisation logic chains articulate the relationship between inputs, activities, outputs and outcomes.
11. Every milestone, output and outcome must be monitored or evaluated if the benefits of individual projects and the wider programme are to be demonstrated.
12. To address how the Deal is performing against objectives and delivery plans, a Monitoring and Evaluation Framework and Benefits Realisation Plan will be developed in consultation with project teams, both governments, as well as other key stakeholders.
13. Feeding into the Benefits Realisation Plan will be the targets and outputs that are set for each project and the Community Benefits arising from projects.
14. As projects are developed, additional inputs, outputs and outcomes, and how these feed into the wider programme outcomes and Benefits Realisation Plan, will be identified.

GAPS

15. The baseline information mentioned above will require to be updated to provide a more up-to-date picture prior to projects moving into delivery.
16. Data for some sectors around productivity levels, GVA, median pay is not available at a regional level.
17. The Green Book guidance around economic appraisal was updated at the end of 2020. The new Green Book is clear that appraisals must go beyond Benefit Cost Ratio (BCR) and include the wider social value of the intervention. Social benefits include any social, economic, environmental or well-being benefits for

the project. It may be difficult to put a value on some social benefits, for example wellbeing and community morale. However, local, qualitative data will be important.

18. Understanding the severity of exclusion across the region over the lifetime of the Deal will be essential to ensuring that we target identified groups effectively and can measure and monitor progress reliably over the short and longer term.
19. The job estimates prepared by the PMO for the AGD land use projects will require to be updated as projects develop. These estimates, however, do not provide the more detailed information around the types of jobs that will potentially be generated within the sectors.
20. Further information around the current skills demand and supply to support the sectors and skills pathways for the projects will also be necessary.
21. As part of developing and agreeing the AGD Benefits Realisation Plan, it will be necessary to explore existing data sources for relevant indicators. In some cases, there will be gaps and new data points will be necessary to directly or indirectly best capture the chosen indicators.
22. Although national measures will be helpful, local data and intelligence will be key to telling the story and demonstrating success.
23. The suitability of selected indicators will be subject to ongoing review in the light of alternative data sources / approaches to measurement becoming available.

HOW WILL THE PMO FILL THE GAPS?

24. The PMO will work with national, regional and local stakeholders to better understand the severity of exclusion at a regional and national level enabling us to adopt a data driven approach to our decision making.
25. The PMO will work with project leads to articulate the wider social benefits of each project and, where possible, apply measures to capture the value of such benefits.
26. The PMO will support project leads to develop a consistent approach to ensure that inclusive growth, equalities and community wealth building outcomes are embedded in each business case.
27. Drawing on expertise across the regional partnership will be necessary.
28. The PMO will work with colleagues in Skills Development Scotland, the Ayrshire College, the University of the West of Scotland and project leads around the development approach to skills pathways for individual AGD projects.
29. Making better use of information at a local authority level will assist.
30. Identifying where local research is required.

CONCLUSION

31. There are clear intelligence gaps at a regional and local level to inform the progress and success of the AGD. By working in partnership with national, regional and local stakeholders, some of the gaps can hopefully be closed.
32. Connecting intelligence and data analysis across organisations and policy areas will help to inform decision making and priority setting.
33. Sharing information across the partnership will ensure that differential access to information is kept to a minimum. However, data collection and analysis for the wider regional partnership work is a larger more complex task.

NEXT STEPS FOR THE REGIONAL ECONOMIC PARTNERSHIP

34. Other information and data held by partners and relevant to the work of the partnership will require to be identified.
35. A mechanism for co-ordinating and sharing such intelligence across the partnership will require to be established.
36. Resource to take this work forward will also require to be ascertained.

FINANCIAL IMPLICATIONS

37. There are no direct financial implications arising from this report.

LEGAL IMPLICATIONS

38. There are no direct legal implications arising from this report.

HUMAN RESOURCES IMPLICATIONS

39. There are no direct human resource implications arising from this report.

EQUALITY IMPACT ASSESSMENT

40. There are no direct implications arising from this report.

Members requiring further information should contact:

Allison Craig, Ayrshire Growth Deal - Strategic Manager
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Implementation Officer:

Allison Craig, Ayrshire Growth Deal - Strategic Manager
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MEETING – 29 APRIL 2021

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

SUBJECT: AYRSHIRE GROWTH DEAL - PROGRAMME UPDATE

PURPOSE OF REPORT

1. To advise Members of the progress of the Ayrshire Growth Deal and the development of its component projects as at 12 April 2021 (Appendix 1).
2. To set out the draft spend profile for the Deal over 10 years (Appendix 2). This is an estimate based on compression of UK Government's funding from 15 years to 10 years and takes into account current activities and implementation plans. The profile will be subject to review as Outline Business Cases (OBCs) are finalised. This profile will also be subject to discussion with both the UK and Scottish Governments and will form part of the suite of Deal documents which have been revised to reflect these changes.
3. To set out the revised principal Ayrshire Growth Deal suite of documents for consideration by the Joint Committee for agreement before formal sign off by the three Councils, UK and Scottish Governments (Appendices 3-5).

RECOMMENDATIONS

4. 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 UKG funding for the Ayrshire Growth Deal will be accelerated from 15 years to 10 years;
 - (iv) Note the revised Deal Documents;
 - (v) Note the proposed drawdown of £7.1 million government funding in 2021/22;
 - (vi) Note additional revenue funding of £135,000 from Scottish Government's Regional Recovery Funding for 2020/21;
 - (vii) Note the Ayrshire Growth Deal Communications Action Plan for 2020 -23
 - (viii) Note planned dates for Ayrshire Growth Deal business case presentations to Regional Economic Partnership;
 - (ix) Note planned dates for business case presentations to the Joint Committee;
 - (x) Note the risks included in the current risk register;
 - (xi) Note launch of the Ayrshire Growth Deal website.

INTRODUCTION

5. The UK Government's March budget confirmed that the UKG funding profile for the Ayrshire Growth Deal (AGD) will be compressed to 10 years. Re-profiling work over this shorter timescale has been carried out and the draft spend profile for the Deal over 10 years has been approved by Finance Directors and will be subject to sign off by UK and Scottish Governments and the Joint Committee (Appendix 2).
6. The Deal documents – Financial Plan, Implementation Plan, Governance Document and Communications Protocol are subject to annual review to take account of project variances. Given the changes to the funding profile and the proposed introduction of a change management process, it has been necessary to review these earlier than expected.
7. Partner Authorities and Project Leads have reviewed the Implementation Plan, including risks, milestones and targets and re-aligned these with the draft 10-year financial profile where necessary (Appendix 3).
8. The revised Governance Document takes account of the proposed change management process reflecting guidance and approval received from government. Major change decisions, for example a project is no longer considered viable since business case approval, will be escalated from project level via the Programme Management Office (PMO) to the Regional Partnership for consideration before seeking government and Joint Committee approval (Appendix 4).
9. The business case approvals process has also been updated within the Governance Document to take account of internal processes prior to business cases being presented to the Regional Partnership and Joint Committee for approval (Appendix 4).
10. The revised Communications Protocol has also been updated and agreed with the AGD Communications Group. Members of the group include Communications Leads from the three Councils, UK and Scottish Governments. The update takes account of social media activity and general principles for issuing project specific media releases (Appendix 5).
11. These latest draft Deal documents have been shared with UK and Scottish Government colleagues for comment and approval. The documents will also be subject to Joint Committee approval.
12. As AGD projects move into the implementation stage, progress reports require to take account of not only project milestones but also project scope and budget. The format of the report follows a Red/Amber/Green (RAG) exception reporting approach. The guidance has been revised by the PMO and covers the project stages, as well as the criteria associated with the RAG status against milestone timeline, scope, budget and overall, and the necessary action required. Tables 1 and 2 below show the guidelines that Project Leads and the PMO use to agree the RAG status and action required.

Table 1: Programme Updates – Guidance

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

Table 2: Project Updates - Guidance

RAG Status	Project Milestone Timeline Status (T)	Project Scope Status (S)	Project Budget Status (B)	Overall	Action Required
Red	Delay to delivery timeline of key milestone having a negative impact on project completion date	Significant change in scope expected, with no change request in process	There are projected or actual adverse variances with recovery plan to be established	One or more time, scope or budget indicators are RED	Immediate action required by senior management and relevant Boards as appropriate to address issues
Amber	Key milestone missed or projected to miss against planned date but not expected to negatively impact the original project completion date	Likely to be minor changes in scope within agreed business case OR scope is still developing OR significant change request not yet approved	There are projected or actual adverse variances, however a recovery plan is in place	No time, scope or budget indicators are RED but at least one is AMBER	Management action is in place by PMO and/or senior management to address issues
Green	On track to deliver milestone on time or early	Scope has been set and on plan with agreed business case AND/OR formal change request approved	There are no actual or projected variances	All time, scope and budget indicators are GREEN	No management action required
Complete	Milestone delivered	Project complete and all items in scope delivered	Financial transactions relating to project have been settled	If all the time, cost, scope and benefits realisation indicators are complete	No management action required
Future	N/A	N/A	Business Case more than one year away from submission	N/A	No management action required

13. A summary of the current status of programme priorities and the development work associated with individual projects is contained within the summary document attached to this covering report. In this update, the overall status for the programme is assigned at 'amber'. The overall status for all projects, with the exception of the Great Harbour, is also 'amber'. There are no actions required from the Partnership Board at present. Some issues may be significantly impacted by Covid-19 which cannot be fully quantified at present. A failure to address issues and meet next key milestones could negatively impact on the Growth Deal Programme if not mitigated against (Appendix 1).

KEY POINTS

14. Delivery of the HALO Kilmarnock, Enterprise and Innovation Hub, on the former Johnnie Walker site in Kilmarnock, is on track for the end of April 2021. Agents are marketing the property and there are a number of positive enquiries. However, it is anticipated that formal agreements will only be possible once lockdown eases, and thereby a revised target date for completion and opening of the building is September 2021.
15. In terms of those projects being implemented following Full Business Case (FBC) approval, the governance for the Community Wealth Building fund is currently being developed with regional partners and the PMO. Due to delays in receiving

government approval of the business case, recruitment has been later to commence which has had a subsequent impact on project launch. The target date for staff inductions is 31 May 2021 and formal launch 30 June 2021.

16. The contract for the Working for a Healthy Economy project was awarded to Salus in March by North Ayrshire Council as lead authority for the project. This has allowed Salus to press forward with implementation plans, which will see referrals of unemployed residents commence across Ayrshire from 1 May 2021. The project board has met once to agree on implementation plans and are finalising governance arrangements. Preparations for project implementation will continue, although the launch of services to the business community will be delayed until the autumn when it is hoped that business will be more receptive to the service offer, as the economy re-opens and businesses re-stabilise and recover.
17. As regards all other AGD projects, partners and government are working towards business case approval timelines, as set out in this report and summarised in Table 3 below. This matches with the timeline for drawing down funds from government over the 10 years of the AGD, as set out in the draft Financial Plan attached (Appendix 2).
18. The forward plan for FBC approvals that partners are currently working towards is shown in Table 3. The target date for FBC approval for the Ayrshire Skills Fund project is at the 13 September 2021 Joint Committee meeting, with a presentation to the Regional Partnership scheduled for 19 August. No other FBCs are planned for approval this calendar year. However, nine FBCs are scheduled for presentation to the Joint Committee between the end of January and end of February 2022. Provisional dates for presentations of project OBCs to the Regional Partnership have also been highlighted where possible. The RAG status set against each target date for OBC approval reflects that reported within the update attached to this report. Regional Partnership and Joint Committee meeting dates have still to be determined for 2022.

Table 3: Target dates for OBC and FBC approvals

AGD Project	OBC passed to Government for feedback/approval	Target date for OBC approval by Government	Presentation to Economic Partnership Board	Target date for FBC approval by Joint Committee	Joint Committee Date
Ayrshire Skills Fund	n/a	30-Jun-21	19-Aug-21	13-Sep-21	13-Sep-21
Great Harbour	05-Mar-21	30-May-21	29-Apr-21	30-Jan-22	tbc
NERD	n/a	22-Aug-21	19-Aug-21	30-Jan-22	tbc
Prestwick Commercial Build	n/a	30-Aug-21	19-Aug-21	30-Jan-22	tbc
Digital Subsea Cable	n/a	01-Oct-21	04-Nov-21	01-Feb-22	tbc
Digital Infrastructure	n/a	01-Oct-21	04-Nov-21	01-Feb-22	tbc
i3 Flexible Space	19-Mar-21	01-May-21	29-Apr-21	28-Feb-22	tbc
Prestwick Roads - Phase 1	n/a	30-Aug-21	19-Aug-21	28-Feb-22	tbc
Marine Tourism	n/a	30-Sep-21	04-Nov-21	28-Feb-22	tbc
Spaceport Infrastructure	n/a	30-Oct-21	04-Nov-21	31-Mar-22	tbc
ASIC	n/a	30-Oct-21	04-Nov-21	30-Jun-22	tbc
Moorfield	n/a	31-Jan-22	tbc	30-Jun-22	tbc
AMIC	n/a	31-May-22	tbc	30-Apr-23	tbc
i3 DPMC	n/a	tbc	tbc	tbc	tbc
Hunterston	n/a	tbc	tbc	tbc	tbc
IMSE	n/a	tbc	tbc	tbc	tbc

19. Scottish Government feedback and approval of the OBCs for the Great Harbour and i3 flexible space is awaited, with the target OBC approval dates of 1 May 2021 for i3 flexible space and 30 May 2021 for the Great Harbour. Presentations around project progress are being considered elsewhere on the Agenda of this meeting.
20. Progress is being made in terms of revising OBCs for the other early delivery projects listed in Table 3 above. Although, the target date for OBC approval of some projects is anticipated to miss against the planned date, any slippage is not expected to negatively impact on the project completion date at this stage. Further information is available within the summary document attached to this report (Appendix 1).
21. 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.
22. 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.
23. In terms of the overall Ayrshire Growth Deal programme, 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. Further progress has been made over the last quarter putting in place processes and procedures to support the reporting requirements of governments.
24. All programme and project risk registers, milestones, as well as outputs & targets have been uploaded onto Pentana and assigned to the relevant Project Lead or individual within the PMO. Project Leads will require to update Pentana on a monthly basis. Pentana reports have been set up to allow data to be retrieved and fed into the progress reports going forward.
25. The regional community benefits tracker developed 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, is being web enabled by East Ayrshire Council IT colleagues. Final testing will be carried out during the next month before going live.
26. The AGD website was successfully launched on 26 February and positive feedback has been received from a range of stakeholders. To help gain prominence: several partners, including both UK and Scottish Governments and East, North and South Ayrshire Councils have added the link to their website; and tweets from the AGD Twitter account are being issued regularly promoting the website, as well as growing our social media presence. The website continues to be maintained and developed to take account of news and project developments.
27. The AGD Communications Group is continuing to work 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 6).

28. The AGD has booked a virtual exhibition at the Ayrshire Meet the Buyer Event on 28 April. The PMO will be available to assist, provide information and sign post suppliers on the day of the event. Arrangements are underway to ensure all relevant AGD information is featured for download by suppliers.
29. 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. North Ayrshire Council and Ayrshire Roads Alliance, on behalf of East and South Ayrshire Councils, submitted a response to the Phase 1 recommendations consultation. The response included concern around: the rationale for local roads being scoped out unless providing direct access to a 'major port' or NPF4 site as this removes any necessary infrastructure investment from AGD sites; the lack of alignment between Phase 1 and Phase 2 and AGD projects moving into delivery in 2021/22; and whilst Transport Scotland have advised that the upgrade to the Bellfield Interchange is included in Phase 2, they expect the cost of the Transport Appraisal to be funded by East Ayrshire Council.

PROGRAMME RISKS

30. Strategic and operational risk registers continue to be developed, reviewed and updated for the Ayrshire Growth Deal Programme (Appendix 7). 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.
31. 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/or any associated delays to governments approving would adversely impact on the ambitious plans for implementation.

LEGAL IMPLICATIONS

32. The legal implications arising from this report are covered through the Agreement between Ayrshire's Councils detailed in Appendix 8 and the Governance Document detailed within Appendix 4.

HUMAN RESOURCES IMPLICATIONS

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

FINANCIAL IMPLICATIONS

34. The financial implications arising from this report are covered through the Financial Plan detailed within Appendix 2.
35. Once approval of the 10-year financial profile is received from both UK and Scottish Governments, the Tripartite Agreement will be signed by both governments and the Section 95 Officer on behalf of East Ayrshire Council as the Accountable Body.
36. The projected draw down for 2021/22 has been calculated and passed to Scottish Government. Once agreed, the Grant Offer Letter for this financial year (2021/22) will be issued.
37. The amount projected to be drawn down in 2021/22 is £7.1m. This estimate takes account of projected drawdown for those projects currently being implemented, as well as those projects expecting to receive FBC approval and move to implementation this financial year. Relevant spend incurred to date by projects moving into implementation this year has also been taken into account.
38. We were successful in securing additional grant revenue funding of £135,000 from Scottish Government's Regional Recovery Fund. The funds financed feasibility studies and enabling works across six of the AGD projects, namely NERD, Moorfield, AMIC, the i3 Digital Processing Manufacturing Centre, IMSE, and the Aerospace and Space Innovation Centre. The claim for the total amount has now been submitted to Scottish Government.

EQUALITY IMPACT ASSESSMENT

39. 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: Draft Financial Plan

Appendix 3: Draft Implementation Plan

Appendix 4: Draft Governance Document

Appendix 5: Draft Communications Protocol

Appendix 6: Communications Action Plan 2020 - 2023

Appendix 7: Risk Register

Appendix 8: Agreement between East, North and South Ayrshire Councils around governance, finance and reporting arrangements

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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APPENDIX 1

Ayrshire Growth Deal Quarterly Update of Programme and Projects

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

T: Status against milestone timeline set out in Business Case/Implementation Plan
S: Status against scope set out in Business Case
B: Status against budget set out in Financial Plan
Milestones – current financial year and next financial year

PMO = Programme Management Office
SBC = Strategic Business Case
OBC = Outline Business Case
FBC = Full Business Case

Programme Updates - Guidance

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

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

Overall Status Last Period	Overall Status This Period
Amber	Amber

Programme Update – 21 April 2021

Milestone	Target Date	Programme Milestone Timeline Status (T)	Comments
Signed Tripartite Financial Agreement	30-Sep-20	Amber	Tripartite Agreement will take account of the compressed UKG funding to 10 years. Financial profiling updated and passed to government for approval. Will require Joint Committee approval.
AGD website developed, designed and launched	28-Feb-21	Complete	The AGD website was successfully launched on 26 February 2021 and positive feedback has been received from a range of stakeholders. To help gain prominence: several partners, including UK and Scottish Governments, East, North and South Ayrshire Councils have added the link to their website; and tweets from the AGD Twitter account will continue to be issued regularly promoting the AGD website.
Performance management systems established	31-Mar-21	Complete	Programme and project risks, milestones, outputs and targets uploaded to Pentana. Project milestones, targets and outputs assigned to Project Leads. Pentana reports have been set up and these will be reviewed in the coming weeks to ensure data can be retrieved and fed into the progress reports going forward. The regional community benefits tracker has been developed and passed to EAC IT to web enable. Final testing will be carried out during the next month (mid April to mid May 2021) before going live.
Update and approval of Deal Documents	28-Jun-22	Green	The Financial Plan and the Implementation Plan have been updated to take account of the compressed UKG funding over 10 years and approved business cases. The Governance Document has been updated to take account of the proposed change management process and internal business case approvals process. The Communications Protocol has been updated to take account of social media and general principles for issuing project specific media releases, statements and photo opportunities. These documents have been passed to government for approval. Joint Committee approval will be required.
Develop and agree Monitoring and Evaluation Framework	30-Sep-22	Green	PMO continues to be actively involved in discussions nationally around preparation and agreement of a standard basic Benefits Realisation Plan template. Government colleagues have provided positive feedback around the key principles and outputs, with further work required around measurement and sources.
Develop and agree Benefits Realisation Plan	30-Sep-22	Green	

Project Updates – Space and Aerospace Programme – 21 April 2021

Project	Stage	Milestone	Target Date	Project Milestone Timeline Status (T)	Project Scope Status (S)	Project Budget Status (B)	Overall Status	Project Update
SPACEPORT INFRASTRUCTURE Project Lead: Jim Johnstone	Define - OBC	Consenting and licensing plan sign off	31-Mar-21	Complete	Amber	Green	Amber	An economic impact assessment will report back at the end of April - this has been held up due to delay in consultations with existing businesses around the airport. Project is working with SFT and SE to do due diligence on launch service provider. A preferred bidder for the GPA has been confirmed and due diligence on preferred bidder is underway, sale expected by end of April. RIBA stage 1 feasibility study is nearing completion and the draft report has been received by project. Results from this report will feed into next OBC scheduled for end of May. Gateway for RIBA stage 2 will be early May. Discussions continuing with Scottish Government and UK Space Agency. Environmental Impact Assessment screening delayed and now projected for November. Land acquisition strategy currently being drawn up and should be produced in April and then to Council for approval in June.
		RIBA Stage 1 Feasibility Study completed	30-May-21	Amber				
		Environmental Screening Opinion	30-Aug-21	Amber				
		OBC approved by Government	30-Oct-21	Amber				
		Launch Service Provider secured	31-Mar-22	Amber				
COMMERCIAL SPACE – HANGAR / INDUSTRIAL UNITS Project Lead: Calum McPhail	Define - OBC	Agreement on development strategy	31-May-21	Green	Amber	Green	Amber	The Development Strategy for the project is underway and expected to be completed by early May. Part of this study will include a demand study as well as options on the model to take forward. The project is currently formalising its acquisition strategy and has had discussions with land owners in the area. Following the acquisition strategy, a reworked masterplan will be produced. The acquisition strategy is expected at the end of April and will go to South Ayrshire Council's Leadership Panel for approval. The project has re-advertised its post for a project lead to take the project forward but again unsuccessful, alternative approaches to filling the post are being considered.
		Financial model agreed and approved	31-May-21	Green				
		OBC approved by Government	30-Aug-21	Amber				
AEROSPACE & SPACE INNOVATION CENTRE (ASIC) including Visitor Centre Project Lead: Calum McPhail	Define - OBC	Pilot Aerospace and Space Supply Chain Programme start	31-Mar-21	Complete	Amber	Green	Amber	The feasibility for decommissioning / MRO project has now been received and is being progressed internally. The project is also commissioning support to assist with the development of the business case. MRO training has commenced, which is being funded by National Transition Training Fund. The project's next OBC is scheduled for end May 2021 but working to bring this forward if possible.
		Pilot Aerospace Digital Visualisation Suite Programme start	31-Mar-21	Complete				
		OBC approved by Government	30-Oct-21	Amber				
PRESTWICK INFRASTRUCTURE – ROADS Project Lead: Alison Blair	Define - OBC	OBC approved by Government	30-Aug-21	Amber	Amber	Green	Amber	Meeting held with Transport Scotland to help progress the feedback that the project team has received on the project from TS. Following this meeting, project lead produced a summary document for TS. Comments received back from TS on 29 March. Moving forward this will be developed as two phases with two business cases, first Station Road by-pass and second, east of the second runway. Support from ARA and external expertise is being commissioned to develop the business case for the first phase, Station Road with the aim to have the next iteration of the business case by end of April.

Project Updates – Economic Infrastructure Programme – 21 April 2021

Project	Stage	Milestone	Target Date	Project Milestone Timeline Status (T)	Project Scope Status (S)	Project Budget Status (B)	Overall Status	Project Update
AYRSHIRE ENGINEERING PARK (MOORFIELD) Project Lead: Fiona Paterson	Define - OBC	Developed Design (RIBA Stage 3) Report	1-Dec-21	Green	Green	Amber	Amber	Results from preliminary site investigations were received in February 2021 and additional work required to confirm conditions at the site. Access to the site has been delayed and now likely to take place in September. The approval date for OBC has been updated to reflect this A draft tender has been produced in partnership with ARA for site traffic consultation and will be issued in April / May following approval from EAC procurement. Costings of this are unknown and could lead to budget variance which is why the project budget status is shown as Amber. Project is also progressing an independent valuation of the site.
		Full planning application submitted	12-Dec-21	Green				
		OBC approved by Government	31-Jan-22	Green				
		Land purchase completed	31-Mar-22	Green				
AYRSHIRE MANUFACTURING INVESTMENT CORRIDOR (AMIC) Project Lead: Gillian Morton	Define - OBC	Confirm site location	31-Oct-21	Green	Amber	Amber	Amber	Project is liaising with Transport Scotland to produce a brief for a traffic study for the project. This will look at, among other things, the impact of AMIC site being located near Bellfield interchange. The project is also considering other sites and undertaking a feasibility at Kilmarnock North to understand any constraints for development there and a separate study has been issued for site at Kirklandside. Following the ambition setting workshops, the project is continuing to engage with local businesses and engagement undertaken with the farming community to understand approaches to diversification and how the project could potentially support this. Also considering ways in which to support the sector prior to the AMIC site being developed, which would also build up an appetite for the physical site. Project Scope highlighted as amber due to site appraisal and selection still to be finalised. Project budget shown as amber to highlight that budget may be reviewed due to site selection and costings as a result to develop site.
		OBC approved by Government	31-May-22	Green				
i3 FLEXIBLE SPACE Project Lead: Marnie Ritchie	Define - OBC	OBC approved by Government	1-May-21	Amber	Green	Green	Amber	An updated business case was sent to Scottish Government on 19 March and the project is awaiting feedback. In the meantime, the project will be progressing with detailed design phase for the first unit on the site which will be a 20,000 sqft industrial unit. The project will also be appointing consultants for ground investigations as tender responses were received mid March. The project team is also looking at ways in which the build can incorporate zero / low carbon practices.
		Procurement for Phase 1 Detailed Design	30-Jun-21	Green				
		Consultation with Planning and Stakeholders on draft masterplan	30-Jun-21	Green				
		Completion of flexible space outline designs through masterplan process	30-Jun-21	Green				
i3 DIGITAL PROCESSING MANUFACTURING CENTRE (DPMC) Project Lead: Marnie Ritchie	Define - SBC	Confirm Operational Model (Phase 1)	30-Sep-21	Green	Green	Amber	Amber	Work is taking place with NMIS who are leading on the development of the OBC with particular focus on the operational model for the Centre. CPI are also providing support. A draft OBC and related economic modelling has been prepared but is likely to be subject to further modifications as the project develops. Various funding sources are being explored to address the capital and revenue funding requirements. The project is being developed in three phases with a virtual launch now planned for June 21. The launch of the Phase 1 pilot in an existing building is proposed for early 2022 and a new permanent facility is scheduled for delivery in 2025.
		OBC for Phase 2 approved by Government (AGD funded)	TBC	Future				
HALO KILMARNOCK LTD Project Lead: Gary Deans	Deliver	Payment of retentions and final drawdown	31-Mar-21	Complete	Amber	Complete	Amber	Delays due to site shutdown between March and May. Works re-commenced on site June 2020. Practical completion is due by the end of April 2021. Revised target date for completion and opening of the building is September 2021. The delay is a consequence of the Covid lockdown and site closure, and subsequent lockdown restrictions. Under current guidance a return to office working is not anticipated prior to June 2021. Agents are marketing the property and there are a number of positive enquiries but it is anticipated that formal agreements will only be possible once lockdown eases. AGD funding has been fully utilised.
		Build Complete (Phase 1)	30-Apr-21	Green				
		Building Open to occupants (Phase 1)	30-Apr-21	Amber				

Project Updates – Energy, Circular Economy & Environment – 21 April 2021

Project	Stage	Milestone	Target Date	Project Milestone Timeline Status (T)	Project Scope Status (S)	Project Budget Status (B)	Overall Status	Project Update
NATIONAL ENERGY RESEARCH DEMONSTRATOR (NERD) Project Lead: Lorna Clark	Define - OBC	Operational Model confirmed	2-Jun-21	Green	Green	Amber	Amber	The Knockroon Estate in Cumnock was confirmed as the site for the NERD project, with coverage in local and national press. Initial public consultation was held on 18th March with Knockroon residents and further community consultation will follow in the coming months. Budget shown as amber as at RIBA Stage 2 the project was shown as over budget however an affordability cap has been set and the Design Team are undertaking a value engineering exercise as part of RIBA Stage 3 to ensure the project comes within budget. Outline operational model has been shared with Strathclyde University which is assisting the project's design team. There has been a delay to the information required to be provided to the design team from Strathclyde University, which will push this phase back 4-6 weeks. The outline operation model is scheduled to be presented to East Ayrshire Cabinet at the beginning of Jun. An MOU is currently being drafted between Strathclyde University and East Ayrshire Council. The project is also exploring a tripartite agreement with SPEN, Strathclyde University and the Council. Updated economic modelling will take place in April, as the project expects to have updated space, build out and
		Land purchased/secured	1-Aug-21	Green				
		RIBA Stage 3 Developed Design Report	6-Aug-21	Green				
		OBC approved by Government	22-Aug-21	Green				
		Procurement commences	31-Aug-21	Green				
HUNTERSTON STRATEGIC DEVELOPMENT AREA Project Lead: Neale McIlvanney	Define - SBC	OBC approved by Government	TBC	Future	Amber	Green	Amber	A tripartite agreement with Scottish Enterprise, Peel Ports and North Ayrshire Council has been agreed and signed off by NAC Cabinet. Project has requested a meeting with UKG policy advisors to discuss project development route and ensure strategic alignment. The project has commissioned the first piece of work to look at the Innovation Centre as a first stage enabling project for the AGD Hunterston programme. Project lead has written to Minister for Energy, Connectivity and Islands seeking a ministerial Taskforce that will coordinate activity across the Hunterston area, including management of impacts of decommissioning of Hunterston B nuclear station.. There is also ongoing discussion with Nuclear Decommissioning Authority to position impact of decommissioning within wider context of Hunterston development proposals. In advance of ministerial engagement in a task force a strategic working group is operational with many of the partners anticipated to be part of the taskforce. The project has recently reprofiled its financial projections. Expected OBC for first phase of delivery during financial year 2021/22, subject to ongoing partner working. Target milestones currently under revision due to accelerated UK Government funding to 10-year programme.
INTERNATIONAL MARINE SCIENCE AND ENVIRONMENTAL CENTRE (IMSE) Project Lead: Neale McIlvanney	Define - SBC	OBC approved by Government	TBC	Future	Amber	Green	Amber	Following decision to re-profile the AGD to ten years, the IMSE project timescales are being considered with a view to bringing the project forward. A link has been created with Stirling University, which is currently working on the strategic fit of IMSE within the national family of science centres and this is expected at the end of July. Stirling University will also be a key partner in the aquaculture sector for the project. Target milestones currently under revision due to accelerated UK Government funding to 10-year programme. Estimated finance profile recently submitted indicates submission of OBC for approval during 2022.

Project Updates – Tourism – 21 April 2021

Project	Stage	Milestone	Target Date	Project Milestone Timeline Status (T)	Project Scope Status (S)	Project Budget Status (B)	Overall Status	Project Update
MARINE TOURISM Project Lead: Neale McIlvanney	Define - OBC	OBC (Ardrossan component) approved by Government	30-Sep-21	Green	Amber	Amber	Amber	The project is currently working through the detail of the outline costs received back from consultants. Project team is working with consultants (Fairhurst and Envirocentre) to help develop the business case and activity for the project. Engagement with project partners is ongoing to manage any issues arising from project cost plan.
THE GREAT HARBOUR, IRVINE Project Lead: Neale McIlvanney	Define - OBC	Establishment of project governance - SBC & RIBA Stage 0: Project Definition	31-Mar-21	Complete	Green	Green	Green	Updated OBC submitted to Scottish Government on 5th March and currently awaiting feedback. Project has passed project Gateway stage sign off (recognising increased risk due to OBC not havign been approved by Govt) and is in the process of progressing next steps including working to appoint design team for the first phase of worksn (technical surveys) at cost of £150k, to mitigate risk of non-approved OBC.
		Sign-off concept delivery/objectives - OBC (internal) & RIBA Stage 1-2: Concept Design	31-Mar-21	Green				
		OBC approved by Government	30-May-21	Green				

Project Updates – Digital – 21 April 2021

Project	Stage	Milestone	Target Date	Project Milestone Timeline Status (T)	Project Scope Status (S)	Project Budget Status (B)	Overall Status	Project Update
SUBSEA FIBRE OPTIC CABLE Project Lead: Theo Leijser (interim)	Define - OBC	OBC approved by Government	1-Oct-21	Amber	Amber	Green	Amber	<p>Progress for the project had slowed as the project awaited the Scottish government's release of its data centre strategy. This was released in late March and highlights two potential locations for data centres in Ayrshire. The project is now working with partners to take this forward for Ayrshire and is engaging private sector and commercial providers. Project is working closely with Scottish Futures Trust to develop the offering for Ayrshire. Negotiations with Scottish Government and UKG, Department of Culture, Media and Sport over a new subsea cable into Scotland continue.</p> <p>Recruitment for a new project lead successful and will be in post in late April. The project team is also engaging with Government in case any commercial opportunity requires a change to delivery timescales.</p>
KEY DIGITAL INFRASTRUCTURE Project Lead: Theo Leijser (interim)	Define - OBC	OBC approved by Government	1-Oct-21	Amber	Amber	Green	Amber	<p>Progress for the project has slowed with resource to move the project forward forecast to be in place for late April. Project considering the scope of the 4G and 5G elements of the project as this activity is now being done commercially by private sector. A re-defined scope and change request will be required should there be a change to the scope.</p>

Project Updates – Regional Skills & Inclusion Programme – 21 April 2021

Project	Stage	Milestone	Target Date	Project Milestone Timeline Status (T)	Project Scope Status (S)	Project Budget Status (B)	Overall Status	Project Update
AYRSHIRE SKILLS FUND Project Lead: Greig Robson	Define - OBC	Establishment of project board	31-Mar-21	Complete	Amber	Amber	Amber	The way in which the fund is governed and distributes funding is currently being explored and clarity of this will be required in an updated OBC or draft FBC. Working with procurement and legal teams, a number of options have been developed. External advice may also be sought when identifying a preferred option.
		Confirm project governance model	30-May-21	Amber				
		OBC approved by Government	30-Jun-21	Green				
WORKING FOR A HEALTHY ECONOMY Project Lead: Greig Robson	Implement	OBC approved by Government	19-Feb-21	Complete	Green	Amber	Amber	Contract awarded to Salus in March by NAC as lead authority for project. Salus pressing forward with implementation plans, which will see referrals of unemployed residents commence across Ayrshire from 1 May 2021. Project board has met once to agree on implementation plans and are finalising governance arrangements. Preparations for project implementation will continue, although the launch of services to the business community will be delayed until the autumn when it is hoped that business will be more receptive to the service offer.
		FBC approved by Joint Committee	22-Feb-21	Complete				
		Contract awarded	12-Mar-21	Complete				
		Project preparations for implementation complete	30-Jun-21	Amber				

Project Updates – Community Wealth Building – 21 April 2021

Project	Stage	Milestone	Target Date	Project Milestone Timeline Status (T)	Project Scope Status (S)	Project Budget Status (B)	Overall Status	Project Update
COMMUNITY WEALTH BUILDING Project Lead: Julie McLachlan	Implement	OBC approved by Government	12-Feb-21	Complete	Green	Amber	Amber	Full Business Case has been approved by Scottish Government meaning that the project is now in implementation phase. Due to delays in receiving Government approval, recruitment has been later to commence which has therefore had a subsequent impact on project launch as resource has not been in place to commence delivery across all teams. 3x Locality Officers for EAC, 3x Locality Officers for EAC, 1x Programme Manager and 1x Fair Work Ayrshire Manager (NAC based) will be advertised by the end of April with a focus to having staff in place as soon as possible to drive delivery and Fund spend. Fund design and governance is well underway by the Steering Group. An update on the project and key next steps was provided to the Ayrshire CWB Commission in March 2021.
		FBC approved by Joint Committee	22-Feb-21	Complete				
		Recruitment of staff	30-Apr-21	Amber				
		Finalise documentation for £1 million fund governance	30-Apr-21	Green				
		Staff Inductions	31-May-21	Amber				
		Formal launch	30-Jun-21	Amber				

Project Updates – Strategic Transport Projects Review (STPR2) – 21 April 2021

Project	Milestone	Target Date	Project Milestone Timeline Status (T)	Project Update
STRATEGIC TRANSPORT PROJECTS REVIEW (STPR2) Project Lead: Kevin Braidwood	Ayrshire response to STPR2 Phase 1 Recommendations and Case for Change Ayrshire & Arran Region reports	31-Mar-21	Complete	North Ayrshire Council and Ayrshire Roads Alliance, on behalf of East and South Ayrshire Councils, submitted a response to the Phase 1 recommendations report consultation. The response included concern around: the rationale for local roads being scoped out unless providing direct access to a 'major port' or NPF4 site as this removes any necessary infrastructure investment from AGD sites; the lack of alignment between Phase 1 and Phase 2 and AGD projects moving into delivery 2021/22; and Bellfield Interchange linking the three main arterial routes the A77, A76 and A71 and is a key element of the transport infrastructure for vehicle movement between North, South and East Ayrshire including the A74(M), ports and airports and is reaching its maximum capacity. Transport Scotland have advised that while the upgrade to the Bellfield Interchange is included in Phase 2, they expect the cost of the Transport Appraisal to be funded by East Ayrshire Council.
	Phase 2 - Appraisal completed by Transport Scotland	Spring to Summer 2021	Future	During this stage the sifted options will be combined into packages and appraised against the Transport Planning Objectives and against wider STAG criteria and deliverability. Further assessment will be undertaken to produce final short list of proposed interventions in Phase 2.
	Phase 2 Recommendations Report submitted to Scottish Government by Transport Scotland	Autumn 2021	Future	Two phased approach has been agreed to the development of STPR2 in light of the pandemic restriction with Phase 1 being short term priorities in response to pandemic, whereas Phase 2 will involve investment priorities from 2022 to 2042. Phase 2 will report in Autumn 2021 on investment over the longer term
	Final report published by Transport Scotland providing stakeholders with opportunity to comment.	Winter 2021	Future	

APPENDIX 2

Draft Financial Plan

AYRSHIRE GROWTH DEAL

FINANCIAL PLAN



Scottish Government
Riaghaltas na h-Alba
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AYRSHIRE
GROWTH DEAL

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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 has 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. **FUNDING/DRAW DOWN PROFILE**

Table 1 below provides a breakdown of government funding over the 10-year period of the Deal.

Table 1: Funding profile by Partner over 10 years

Funding Provider	Total Government Support (including	£'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
Capital													
UK Government	103,000	0	0	3,500	11,056	11,056	11,056	11,056	11,056	11,056	11,056	11,056	11,056
Scottish Government	91,500	0	3,190	310	2,260	12,420	13,290	12,470	13,740	8,070	11,090	8,430	6,230
Regional Partner Contribution	45,500	755	277	3,277	-893	6,203	7,213	7,643	7,777	4,366	4,781	1,211	2,890
Revenue													
Scottish Government	11,500	0	0	0	1,742	2,283	2,675	1,839	1,962	1,000	0	0	0
Total Funding	251,500	755	3,467	7,087	14,164	31,961	34,233	33,008	34,535	24,491	26,927	20,697	20,176

4. **OVERALL GROWTH DEAL PROGRAMME EXPENDITURE PROFILE**

Table 2: Planned Project Delivery/Spend by Partner

Funding Provider	Total Government Support (including Regional Partner contribution)	£'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
Capital													
UK Government	103,000	0	0	3,500	2,817	11,385	18,648	26,550	11,278	9,526	11,935	5,017	2,344
Scottish Government	91,500	0	3,194	306	2,650	13,584	15,458	19,726	12,818	6,799	8,728	4,996	3,241
Regional Partner Contribution	45,500	755	277	3,277	-893	6,203	7,213	7,643	7,777	4,366	4,781	1,211	2,890
Revenue													
Scottish Government	11,500	0	0	0	1,742	2,283	2,675	1,839	1,962	1,000	0	0	0
Total Funding	251,500	755	3,471	7,083	6,316	33,455	43,994	55,758	33,835	21,691	25,444	11,224	8,475

- 4.1 Note: The profile shown in Table 2 above 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 10 years at a rate of £10.3 million per year.
- 4.2 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.
- 4.3 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.
- 4.4 Business cases will be reviewed annually and reported through the REP and EJC.
- 4.5 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.

Table 3: AGD Projects by Funding Stream

Programme	AGD Project	Total Government Support £'000	Percentage of AGD Programme	UK & Scottish Governments £'000	Regional Partners £'000
CAPITAL					
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 (AMIC)	23,500	9.34%	23,500	0
	i3 Flexible Business Space	15,000	5.96%	11,000	4,000
	i3 Digital Processing Manufacturing Centre (DPMC)	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 Strategic Development Area	18,000	7.16%	18,000	0
	International Marine Science & Environmental Centre (IMSE), Ardrossan	10,500	4.17%	6,500	4,000
Tourism	Great Harbour, Irvine & Ardeer	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
REVENUE					
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
TOTAL FUNDING		251,500	100.00%	206,000	45,500
Percentage of funding by contributor			100.00%	82%	18%

5. OVERALL GROWTH DEAL PLANNED PROGRAMME DELIVERY BY PROJECT

Table 4: Planned Programme Delivery 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
				£'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
Aerospace & Space	Spaceport Infrastructure	SAC	23,000	0	40	827	1,200	1,000	2,500	15,800	1,632	0	0	0	0
	ASIC and Visitor Centre	SAC	11,000	0	13	127	60	1,000	1,000	1,000	1,800	1,000	1,500	1,500	2,000
	Commercial Space - Prestwick - Industrial & Hangar	SAC	29,000	0	40	94	66	1,000	4,000	4,000	4,000	3,000	4,800	4,000	4,000
	Prestwick Infrastructure - Roads	SAC	17,000	0	13	100	187	3,200	3,400	5,600	4,500	0	0	0	0
Economic Infrastructure	HALO	EAC	9,000	755	3,194	5,051	0	0	0	0	0	0	0	0	0
	Ayrshire Engineering Park (Moorfield)	EAC	16,000	0	0	36	314	2,789	2,729	2,899	3,041	2,192	1,000	1,000	0
	Ayrshire Manufacturing Investment Corridor (AMIC)	EAC	23,500	0	0	21	279	700	5,500	6,800	4,000	3,000	2,700	500	0
	i3 Flexible Business Space	NAC	15,000	0	34	74	392	2,950	1,000	1,450	2,800	1,800	4,500	0	0
	i3 Digital Processing Manufacturing Centre (DPMC)	NAC	6,000	0	13	66	0	0	3,020	2,000	900	0	0	0	0
Energy, Circular Economy & Environment	National Energy Research Demonstrator (NERD)	EAC	24,500	0	7	342	600	4,540	5,170	3,570	2,324	2,324	2,324	2,324	975
	Hunterston Strategic Development Area	NAC	18,000	0	40	33	400	1,927	2,500	300	400	5,000	7,000	400	0
	International Marine Science & Environmental Centre (IMSE), Ardrossan	NAC	10,500	0	24	5	75	175	750	3,000	4,976	1,495	0	0	0
Tourism	Great Harbour, Irvine & Ardeer	NAC	14,000	0	31	219	1,000	3,000	3,250	3,500	1,500	880	620	0	0
	Marine Tourism	NAC	9,500	0	21	71	0	3,408	1,500	500	0	0	1,000	1,500	1,500
Digital	Digital Subsea Cable	Pan	11,000	0	0	17	0	3,983	4,000	3,000	0	0	0	0	0
	Digital Infrastructure	Pan	3,000	0	0	0	0	1,500	1,000	500	0	0	0	0	0
Regional Skills & Inclusion Programme	Working for a Healthy Economy	Pan	5,000	0	0	0	663	918	1,118	1,139	1,162	0	0	0	0
	Ayrshire Skills Investment Fund	Pan	3,500	0	0	0	150	350	500	700	800	1,000	0	0	0
Community Wealth Building	Community Wealth Building Fund	Pan	3,000	0	0	0	929	1,015	1,057	0	0	0	0	0	0
	Total		251,500	755	3,471	7,083	6,316	33,455	43,994	55,758	33,835	21,691	25,444	11,224	8,475

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

Table 5: Spaceport Infrastructure Planned Delivery

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
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
Spaceport Infrastructure	Governments	23,000	0	0	2,068	1,000	2,500	15,800	1,632	0	0	0	0
	Regional Partners	0	40	827	-868	0	0	0	0	0	0	0	0
Total Funding		23,000	40	827	1,200	1,000	2,500	15,800	1,632	0	0	0	0

Table 6: Aerospace and Space Innovation Centre (ASIC) and Visitor Centre Planned Delivery

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
			£'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	200	500	500	500	500	0	500	1,500	800
	Regional Partners	6,000	13	127	-140	500	500	500	1,300	1,000	1,000	0	1,200
Total Funding		11,000	13	127	60	1,000	1,000	1,000	1,800	1,000	1,500	1,500	2,000

Table 7: Prestwick Commercial Space Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
Development Commercial Space - Industrial Units & Hangar	Governments	22,000	0	0	200	500	3,000	3,000	2,500	2,500	3,900	3,500	2,900
	Regional Partners	7,000	40	94	-134	500	1,000	1,000	1,500	500	900	500	1,100
Total Funding		29,000	40	94	66	1,000	4,000	4,000	4,000	3,000	4,800	4,000	4,000

Table 8: Prestwick Roads Infrastructure Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
Prestwick Infrastructure - Roads	Governments	12,000	0	0	300	2,000	3,000	4,000	2,700	0	0	0	0
	Regional Partners	5,000	13	100	-113	1,200	400	1,600	1,800	0	0	0	0
Total Funding		17,000	13	100	187	3,200	3,400	5,600	4,500	0	0	0	0

Economic Infrastructure Programme

Table 9: HALO Kilmarnock

Project	Source	Capital Expenditure	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
			£'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
	Regional Partners	2,000	755	0	1,245	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
Plus Private Sector Funding Committed		5,458	0	0	5,489	0	0	0	0	0	0	0	0
Green Economy Fund grant	SP Energy Networks	221	0	0	221	0	0	0	0	0	0	0	0
Total Investment		14,679											

Table 10: The Ayrshire Engineering Park (Moorfield Phase 3) Planned Delivery

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
			£'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
	Regional Partners	4,000	0	36	314	1,000	1,000	650	500	500	0	0	0
Total Funding		16,000	0	36	314	2,789	2,729	2,899	3,041	2,192	1,000	1,000	0

Table 11: Ayrshire Manufacturing Investment Corridor (AMIC) Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
Ayrshire Manufacturing Investment Corridor (AMIC)	Governments	23,500	0	0	0	1,000	5,500	6,800	4,000	3,000	2,700	500	0
	Regional Partners	0	0	21	279	-300	0	0	0	0	0	0	0
Total Funding		23,500	0	21	279	700	5,500	6,800	4,000	3,000	2,700	500	0

Table 12: i3 Digital Processing Manufacturing Centre (DPMC) Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
i3 Digital Processing Manufacturing Centre (DPMC)	Governments	5,000	0	0	0	0	2,500	1,750	750	0	0	0	0
	Regional Partners	1,000	13	66	0	0	520	250	150	0	0	0	0
Total Funding		6,000	13	66	0	0	3,020	2,000	900	0	0	0	0

Table 13: i3 Flexible Business Space Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
i3 Flexible Business Space	Governments	11,000	0	0	500	1,700	700	1,150	2,500	1,500	2,950	0	0
	Regional Partners	4,000	34	74	-108	1,250	300	300	300	300	1,550	0	0
Total Funding		15,000	34	74	392	2,950	1,000	1,450	2,800	1,800	4,500	0	0

Tourism Programme

Table 14: The Great Harbour, Irvine Harbourside and Ardeer Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
Great Harbour, Irvine & Ardeer	Governments	9,000	0	0	1,250	1,930	2,090	2,250	960	520	0	0	0
	Regional Partners	5,000	31	219	-250	1,070	1,160	1,250	540	360	620	0	0
Total Funding		14,000	31	219	1,000	3,000	3,250	3,500	1,500	880	620	0	0

Table 15: Marine Tourism Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
Marine Tourism	Governments	9,500	0	0	0	3,500	1,500	500	0	0	1,000	1,500	1,500
	Regional Partners	0	21	71	0	-92	0	0	0	0	0	0	0
Total Funding from Governments & Local Authorities		9,500	21	71	0	3,408	1,500	500	0	0	1,000	1,500	1,500
Plus Private Sector Funding Committed		5,000					1,500	3,000	500				
Total Investment		14,500											

Energy, Circular Economy and Environment Programme

Table 16: National Energy Research Demonstrator Project (NERD) Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
National Energy Research Demonstrator (NERD)	Governments	17,000	0	0	949	3,150	3,587	2,477	1,613	1,613	1,613	1,613	385
	Regional Partners	7,500	7	342	-349	1,390	1,583	1,093	711	711	711	711	590
Total Funding		24,500	7	342	600	4,540	5,170	3,570	2,324	2,324	2,324	2,324	975

Table 17: Hunterston Strategic Development Area Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
Hunterston Strategic Development Area	Governments	18,000	0	0	0	2,400	2,500	300	400	5,000	7,000	400	0
	Regional Partners	0	40	33	400	-473	0	0	0	0	0	0	0
Total Funding		18,000	40	33	400	1,927	2,500	300	400	5,000	7,000	400	0

Table 18: International Marine Science and Environmental Centre (IMSE), Ardrossan Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
International Marine Science and Environmental Centre (IMSE), Ardrossan	Governments	6,500	0	0	0	0	0	2,000	4,000	500	0	0	0
	Regional Partners	4,000	24	5	75	175	750	1,000	976	995	0	0	0
Total Funding		10,500	24	5	75	175	750	3,000	4,976	1,495	0	0	0

Digital

Table 19: Subsea Fibre Optic Cable Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
Digital -subsea cable	Governments	11,000	0	0	0	4,000	4,000	3,000	0	0	0	0	0
	Regional Partners	0	0	17	0	-17	0	0	0	0	0	0	0
Total Funding		11,000	0	17	0	3,983	4,000	3,000	0	0	0	0	0

Table 20: Key Digital Infrastructure Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Capital												
Digital - 4G infill and 5G readiness	Governments	3,000	0	0	0	1,500	1,000	500	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		3,000	0	0	0	1,500	1,000	500	0	0	0	0	0

Regional Skills and Inclusion Programme

Table 21: Working for a Healthy Economy Project Planned Delivery

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
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Revenue												
Working for a Healthy Economy	Governments	5,000	0	0	663	918	1,118	1,139	1,162	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		5,000	0	0	663	918	1,118	1,139	1,162	0	0	0	0

Table 22: Ayrshire Skills Investment Fund Planned Delivery

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
			£'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
	Regional Partners	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

Community Wealth Building

Table 23: Community Wealth Building Fund Planned Delivery

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
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Revenue												
Community Wealth Building	Governments	3,000	0	0	929	1,015	1,057	0	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		3,000	0	0	929	1,015	1,057	0	0	0	0	0	0

APPENDIX 3

Draft Implementation Plan

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 and the Full Deal signed off in November 2020, 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 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.

A RAG status has been set against each programme milestone using the following criteria:

RAG Status	Programme Milestone Timeline Status
Red	Delay to delivery timeline of key milestone having an negative impact on programme
Amber	Milestone slipping against planned date but not expected to impact delivery of the programme
Green	On track to deliver milestone on time or early
Complete	Milestone delivered
Future	

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Signed Tripartite Financial Agreement		30 September 2020
Approval of Deal Documents		30 September 2020
Full Deal Sign-off		30 September 2020
AGD website developed, designed and launched		28 February 2021
Performance management system/s established		31 March 2021
Update and approval of Deal Documents		28 June 2022
Develop and agree Monitoring & Evaluation Framework		30 September 2022
Annual Performance Report		tbc by SG
Annual Conversation		tbc by SG
Develop and agree Benefits Realisation Plan		30 September 2022

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
New jobs created (construction, direct, indirect)	7,000 Jobs	31 March 2030
Facilitate private sector investment	£300m	31 March 2045

RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to achieve AGD programme objectives	<ul style="list-style-type: none"> 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 PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal AGD Steering Group in place to monitor progress and to address any weaknesses or issues that could impact on overall delivery
Failure to provide accurate projections for programme spend	<ul style="list-style-type: none"> Business cases have been updated as part of the iterative process of negotiations with both governments and spend profiles have been reviewed Project Leads have confirmed accuracy and made minor adjustment where necessary PMO will regularly review, challenge and agree financial profiling/phasing with Project Leads and Finance Directors and ensure drawdown projections align with delivery

	<p>timescales</p> <ul style="list-style-type: none"> • Annual review of Financial Plan and Implementation Plan
Failure to drawdown full AGD funding	<ul style="list-style-type: none"> • PMO will regularly review, challenge 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 • Internal procedures, financial controls and audit processes being put in place to mitigate this risk
Delays in development and approval of business cases	<ul style="list-style-type: none"> • PMO working closely with Project Leads and Policy Leads within both governments to support business case development and approval • Project Leads have received Green Book business case training • Project Leads' toolkit in place • Other partners assisting in developing business cases where capacity is low • PMO will arrange/facilitate workshops with Project Leads to ensure reporting requirements are understood
Failure to capture accurate baseline data	<ul style="list-style-type: none"> • 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.
Failure to deliver community benefits from AGD	<ul style="list-style-type: none"> • 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 • PMO working with Project Leads to develop consistent approach to embedding inclusive growth, equalities and community wealth building within business cases
Failure to deliver individual projects within the AGD programme	<ul style="list-style-type: none"> • Regular dialogue/reporting around progress takes place between PMO and Project Leads where issues are raised in advance and if appropriate escalated to government, Regional Economic Partnership and Regional Economic Joint Committee • AGD Steering Group and Project Boards in place to monitor project development • Regular review of outputs and timelines for delivery of benefits in light of Covid-19 • PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal • Change management process developed with both governments • Partners will work together with both Governments to develop an approved Benefits Realisation Plan

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"> • Programme meetings/workshop facilitated by the 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
Lack of resource within partner organisations to deliver projects in line with AGD programme	<ul style="list-style-type: none"> • 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 • 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
Lack of resources in PMO	<ul style="list-style-type: none"> • A new permanent PMO structure has been agreed and recruitment will take place during September 2020 • The PMO is being supported by colleagues in each of the Councils in a number of work streams • The capacity and skill sets will regularly be re-assessed in line with changing requirements
Inadequate governance arrangements to support AGD delivery	<ul style="list-style-type: none"> • Ayrshire Economic Joint Committee and Ayrshire Regional Economic Partnership has been formed and regular meetings are in place • Scottish Government's financial reporting requirements have been implemented • Partner agreement between EAC, as Accountable Body for the Deal, and North and South Ayrshire Councils has been drawn up and terms agreed • PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal • Partners will work together with both governments to develop an approved Benefits Realisation Plan • AGD is standing item on CEOs' meeting agenda
Monitoring and Evaluation Framework is not sufficiently defined	<ul style="list-style-type: none"> • Framework will be co-produced with both governments • PMO working with colleagues nationally to develop and agree a consistent approach with both governments • Key principles and standard template have been prepared and shared with both governments • Frameworks developed by other Deals will be considered and utilized where relevant • Framework will be considered/agreed by Regional Economic Joint Committee

Failure to attract commercial interest in AGD	<ul style="list-style-type: none"> • Market campaigns will target potential investors • Wider Ayrshire Economic Strategy will be put in place to ensure wider growth ambitions for Ayrshire are agreed and articulated to stakeholders and investors
Programme not communicated effectively to stakeholders outwith Governance structure	<ul style="list-style-type: none"> • Communications Action Plan continues to be developed and updated, including a pipeline of project specific communications plans. AGD website launched at the end of February 2021 and the use of social media has increased. • Regular briefings with a range of stakeholders • Communications Protocol revised and in place • Communications, marketing and engagement plan for the REP being developed
Supply phasing within overall programme	<ul style="list-style-type: none"> • 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 • Market engagement through the Meet the Buyer events, including one specifically for Ayrshire scheduled to take place 28 April 2021 • Governance arrangements in place will support the sharing of market intelligence and the phasing of development activity
Potential impact of Brexit on economic prosperity of region	<ul style="list-style-type: none"> • Continued monitoring of external environment and government relations • Regional Economic Strategy will be implemented • Regional Economic Partnership will provide voice for Ayrshire to press the case for government intervention investment • Incentives and other forms of assistance to complement the AGD and stimulate greater economic activity
Covid-19 impacting on the AGD projects resulting in potential delays and cost increases	<ul style="list-style-type: none"> • 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 • PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal • Change management process developed with both governments

STRATEGIC LEAD: ALLISON CRAIG, EAST AYRSHIRE COUNCIL – ALLISON.CRAIG@EAST-AYRSHIRE.GOV.UK

AYRSHIRE GROWTH DEAL PROJECTS

A RAG status has been set against each project milestone using the following criteria:

RAG Status	Projects Milestone Timeline Status
Red	Delay to delivery timeline of key milestone having an negative impact on project completion date
Amber	Key milestone missed or projected to miss against planned date but not expected to negatively impact the original project completion date
Green	On track to deliver milestone on time or early
Complete	Milestone delivered
Future	

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; and 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, including fuel storage, mixing areas, and 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
Consenting and licensing plan sign off		31 March 2021
RIBA Stage 1 Feasibility study completed		30 May 2021
Environmental Screening Opinion		30 August 2021
OBC Approved by Government		30 October 2021
RIBA Stage 3		30 November 2021
FBC Approved by Joint Committee		31 March 2022
Launch Service Provider secured		31 March 2022
Safety Case		31 March 2023
Air Space Change Agreed		31 March 2023
Range management		31 March 2023
Met all licence requirements for first launch		31 August 2024
Spaceport Infrastructure complete		31 August 2024
First Commercial Launch		30 September 2024
Full project completed/final drawdown		31 March 2026

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Operational spaceport	1	31 March 2023
Launch service providers at Prestwick	2	31 March 2027
New jobs created (direct and indirect)	100	31 March 2024
Construction jobs	75	31 March 2024
Private sector investment	£3m	31 March 2024

RISKS AND MITIGATIONS

RISK	MITIGATION
The new owners of GPA do not support the spaceport opportunity	<ul style="list-style-type: none"> Meeting with senior management team to discuss spaceport opportunity within the context of potential new owners aspirations
Design fails to meet requirements for Spaceport operations	<ul style="list-style-type: none"> Liaise with CAA and Health and Safety Executive via UKSA workshops and 1-2-1 discussions on anticipated requirements

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

PROJECT LEAD: JIM JOHNSTONE, SOUTH AYRSHIRE COUNCIL – JIM.JOHNSTONE@SOUTH-AYRSHIRE.GOV.UK

4. PROJECT: PRESTWICK COMMERCIAL BUILD

PROJECT SUMMARY: Creation of additional high quality, secure landside and airside commercial office space. This will 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' and low carbon standards. It will be 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.

The project 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 area.

The development of the Commercial Build project will address market failure in the provision of commercial premises at Prestwick, and will help to capture the economic growth opportunity from the Space and Aerospace sector.

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

DELIVERABLE	STATUS	DUE DATE
Agreement on development strategy		31 May 2021
Financial model agreed and approved		31 May 2021
OBC Approved by Government		30 August 2021
FBC Approved by Joint Committee		30 January 2022
Land assembly		31 March 2022
Procurement of contractors for phase 1		31 March 2022
Planning permission – Outline for masterplan area. Permission for each individual building to follow as and when required		31 March 2022
First commercial unit completed		31 March 2023
First hangar facility completed		31 March 2023
Full project completed		31 March 2030
Final financial drawdown		31 March 2030

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Business space created (net internal area)	75,671 sq m	31 March 2030
New jobs created (direct and indirect)	1,177	31 March 2030
Construction jobs created	1,005	31 March 2030
GVA (direct and indirect – 25 year NPV)	£667.14m	31 March 2045
Private sector investment	£71.5m	31 March 2030

RISKS AND MITIGATIONS

RISK	MITIGATION
Planning Approval <ul style="list-style-type: none"> Delays in planning process due to capacity constraints Objections to proposed route 	<ul style="list-style-type: none"> Programme recognised by Planning Department as a major project and given priority Prestwick Campus Masterplan incorporated in development of LDP2 via main issues report and subsequent consultation with residents and other parties On-going community consultation

Delays in provision of utilities	<ul style="list-style-type: none"> • Site energy strategy to be put in place and early engagement in place across utilities companies
Delays to design and build procurement processes <ul style="list-style-type: none"> • Challenges to the process • Availability of contractors 	<ul style="list-style-type: none"> • External expert advisers have been procured to support the project team and will adhere to the procurement policies of South Ayrshire Council • 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
Failure to Secure Private Sector Investment	<ul style="list-style-type: none"> • External support has been secured to consider options for attracting the private sector investments • Council to consider extending its own investment in this programme of build
Delays in site acquisition/agreement with Scottish Enterprise	<ul style="list-style-type: none"> • Project team preparing proposal for Scottish Enterprise and project team will monitor progress with negotiation and take remedial action should timelines slip
Economic downturn	<ul style="list-style-type: none"> • Early engagement with market indicates that this investment is an important part of recovery and engagement with market will be maintained
Impact on timelines from Covid-19 lockdown and social distancing	<ul style="list-style-type: none"> • Project team will work with contractors to find innovative solutions designed to minimise delays

PROJECT LEAD: CALUM MCPHAIL, SOUTH AYRSHIRE COUNCIL – CALUM.MCPHAIL@SOUTH-AYRSHIRE.GOV.UK

5. **PROJECT: PRESTWICK ROADS**

PROJECT SUMMARY: Funding for Prestwick Transport Infrastructure will create an effective network of internal roads to enable the creation of high specification industrial and office spaces, while supporting our sustainable transport aims. This investment will meet the needs of the growing aerospace sector, advanced manufacturing units, spaceport and launch operator infrastructure. There are three elements to this project as follows:

- Work package 1 - Prestwick East Aerospace Park Link Road – a 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. This 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 the northern edge of the airport site and connect the Gannet site.
- Work package 3 - A new road infrastructure to service Spaceport and further aerospace 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

DELIVERABLE	STATUS	DUE DATE
OBC approved by Government		30 August 2021
Planning and regulatory consent achieved - Phase 1		31 January 2022
FBC approved by Joint Committee		28 February 2022
Land assembly and site preparation – Phase 1		31 March 2022
Complete Work Phase 1		31 March 2023

Procurement of contractors – Phase 2		31 March 2023
Commence Works – Phase 2		31 March 2023
Community consultation complete		31 March 2024
Complete Phase 2		31 March 2026
Final financial drawdown		31 March 2026

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
New roadway created	3.5km	31 March 2026
Roadway upgraded	1km	31 March 2026
New roundabouts	4	31 March 2026
Upgraded roundabouts	3	31 March 2026
Footway/cycleway created/upgraded	4.5km	31 March 2026
Reduction of commuter vehicles routing through Monkton Village	75%	31 March 2026

RISKS AND MITIGATIONS

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

	<p>subsequent consultation with residents and other parties</p> <ul style="list-style-type: none"> • On-going community consultation
<p>Delays to procurement processes</p> <ul style="list-style-type: none"> • Challenges to the process • Availability of contractors 	<ul style="list-style-type: none"> • Ayrshire Roads Alliance will provide expert support to the project team and will adhere to the procurement policies of East Ayrshire Council • 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
Land Assembly Delays – Phase 1	<ul style="list-style-type: none"> • Alternative options for the route have been developed
Cost overruns	<ul style="list-style-type: none"> • Project delivery will be led by a qualified project manager following established process for road construction • Costs will be monitored against progress and reported to the programme board • Any additional costs will be absorbed where possible by project redesign and/or re-prioritisation
Covid-19 – slippage in construction timelines	<ul style="list-style-type: none"> • Project team will work contractors to find solutions designed to minimise impact of social distancing and maintain pace of project

PROJECT LEAD: ALISON BLAIR, SOUTH AYRSHIRE COUNCIL – ALISON.BLAIR@SOUTH-AYRSHIRE.GOV.UK

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. These will provide a focus on the supply chain for the aerospace sector; vertical and horizontal launch platforms; satellite and other payloads; and both academic and industrial research and development. 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 Technology Readiness level (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. This 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, National Manufacturing Institute of Scotland (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 start		31 March 2021
Pilot Aerospace Digital Visualisation Suite Programme start		31 March 2021
OBC approved by Government		30 October 2021
Complete final project design and procurement documentation		31 March 2022
Secure planning and building warrant approvals		31 March 2022
FBC approved by Joint Committee		30 June 2022
Appoint contractor to deliver facility build and general outfitting		30 June 2022
Identify specialist equipment suppliers and procure		30 June 2022
Complete and commission facility		31 March 2023
Start first technology project		31 March 2023
Hold first event		31 March 2023
Hand-over (Phase 1) to operational organisation		31 March 2025
Completion of Phase 2 (National Flight Centre)		30 October 2029
Final financial drawdown		31 March 2030

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Business space created (NIA)	4,390 sq m	31 March 2030
New jobs created (direct and indirect)	68	31 March 2030
Construction jobs created	110	31 March 2030
GVA (direct and indirect – 25 year NPV)	£27.28m	31 March 2045

RISKS AND MITIGATIONS

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

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

PROJECT LEAD: CALUM MCPHAIL, SOUTH AYRSHIRE COUNCIL – CALUM.MCPHAIL@SOUTH-AYRSHIRE.GOV.UK

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.

With a vision for a dynamic commercial, educational, cultural, leisure and lifestyle quarter where people can 'Live, Work, Learn and Play', the HALO will provide a sustainable community approach to a mixed-use development powered by electricity with a net zero carbon footprint.

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		October 2019
Build complete (phase 1)		30 April 2020
Building open to occupants (phase 1)		30 April 2020
Payment of retentions and final drawdown		31 March 2021

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
New jobs created (direct and indirect) – Phases 1 & 2	532	2025/26
Construction jobs – Phases 1 & 2	715	2024/25
GVA (direct and indirect – 25 year NPV) – Phases 1 & 2	£224.56m	2044/45
Private sector investment	£62.5m	2024/25

RISKS AND MITIGATIONS

RISK	MITIGATION
Failure in financial management and reporting	<ul style="list-style-type: none"> The Board of HALO Kilmarnock Ltd receives monthly reports on all financial aspects of the project and address any significant variances from the approved full business case Robust financial systems and controls are in place and the Board of HALO Kilmarnock Ltd retains oversight of these
Failure of contractor	<ul style="list-style-type: none"> Contractor has been required to pass stringent financial tests Measures have been put in place to limit the impact of any failure include the provision of financial guarantees and insurance indemnities The main construction phase for Phase 1 is now complete and this risk is significantly reduced
Construction costs overrun	<ul style="list-style-type: none"> The final contract price has been agreed with a retention amount withheld from the agreed final value Any future changes to construction works will be subject to approval by the project director and variations in costs reported to the Board of HALO Kilmarnock Ltd for consideration

Economic downturn caused by Covid-19/Brexit or both	<ul style="list-style-type: none"> 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
Reputational	<ul style="list-style-type: none"> Specialist advisers have been appointed to deal with media enquiries and to communicate on any issue which is deemed to potentially impact on the reputation of the project and the Board of HALO Kilmarnock Ltd

PROJECT LEAD: GARY DEANS, HALO KILMARNOCK LTD, GARY.DEANS@HALO-PROJECTS.COM

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 10,576 square metres of units for growth and expansion of the existing engineering business base, and to attract inward investment.

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.

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

DELIVERABLE	STATUS	DUE DATE
Developed Design (RIBA Stage 3) Report		1 December 2021
Full planning application submitted		12 December 2021
OBC approved by Government		31 January 2022
Land purchase completed		31 March 2022
Planning permission secured		15 April 2022
FBC approved by Joint Committee		30 June 2022
Main contractor procurement commences		15 July 2022
Main contractor appointed		31 August 2022

Main contracts work commence		15 September 2022
Initial business premises operational		15 September 2023
First tenants move in		1 November 2023
Practical completion of the full facility		31 March 2026
Final financial drawdown		30 June 2028

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Business space created (NIA)	10,576 sq m	30 June 2028
Construction jobs created	160	30 June 2028
No of jobs delivered (direct and indirect)	136	30 June 2028
GVA (direct and indirect – 25 year NPV)	£78.90m	31 March 2045

RISKS AND MITIGATIONS

RISK	MITIGATION
Design does not meet with Planning requirements/specification of buildings is flawed	<ul style="list-style-type: none"> Design work to be carried out by appointed consultants as part of the scheme development Secure appropriate planning consents prior to commencement of development Undertake appropriate environmental and flood risk assessments to ensure SEPA approval Undertake ground survey to mitigate potential unforeseen ground conditions on greenfield site
Change management and project management failures	<ul style="list-style-type: none"> Inclusion of project within directorate business plans, Council corporate plans, etc. Establishment of AGD Programme board and adoption of project within work programme
Cost risks	<ul style="list-style-type: none"> Ensure the development of a robust business case, so that AGD funding is secured 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)

	<ul style="list-style-type: none"> • Ensure sufficient optimism bias built into costing of the project • Take a strategic approach to identifying other sources of funding, building an integrated funding 'package'
Failure to deliver community benefits from project	<ul style="list-style-type: none"> • 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
Failure to provide accurate projections for project spend	<ul style="list-style-type: none"> • Ensure sufficient optimism bias built into costing of the project • Inflationary factor included in cost estimations • Challenge panel led by PMO exists to review and scrutinise spend profiles
Failure to achieve more inclusive growth	<ul style="list-style-type: none"> • 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.
Supply phasing	<ul style="list-style-type: none"> • Regional governance arrangements in place will support the sharing of market intelligence and the phasing of development activity
Economic downturn relating to Brexit	<ul style="list-style-type: none"> • 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
Covid-19 affects confidence levels and interest from the private sector	<ul style="list-style-type: none"> • Structure in place to work with wider economic development teams to support this sector rebuild markets and supply chains • Strong links in place with the Ayrshire Engineering Alliance
Delays in construction – Covid-19	<ul style="list-style-type: none"> • Project management regime in place to monitor impacts • Working with contractors to address concerns and to devise solutions designed to minimise delays
Failure to attract commercial interest	<ul style="list-style-type: none"> • 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

PROJECT LEAD: FIONA PATERSON, EAST AYRSHIRE COUNCIL – FIONA.PATERSON2@EAST-AYRSHIRE.GOV.UK

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. This will 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

DELIVERABLE	STATUS	DUE DATE
Site location confirmed		31 October 2021
OBC approved by Government		31 May 2022
Land purchased		31 May 2022
Full planning application submitted and secured		1 March 2023
FBC approved by Joint Committee		30 April 2023
Procurement commences		5 May 2023

Access and infrastructure works commence		1 October 2023
Phase 1 - works commence (Food & Drink Centre)		1 December 2023
Initial premises operational		1 December 2024
Phase 2 - works commence (Speculative Units)		1 May 2024
Phase 1 – first tenant secured		1 December 2024
Phase 2 - initial premises operational		1 November 2024
Phase 2 - fully operational at capacity		31 March 2028
Final financial drawdown		31 March 2028

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Business space created (NIA)	10,546 sq m	31 March 2028
Construction jobs created	235	31 March 2028
No of jobs delivered (direct and indirect)	138	31 March 2028
GVA (direct and indirect – 25 year NPV)	£68.35m	31 March 2045

RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to provide accurate projections for project spend	<ul style="list-style-type: none"> • Ensure sufficient optimism bias built into costing of the project • Inflationary factor included in cost estimations • Project will be managed by project team in line with PRINCE 2 principles – any issues will be monitored and remedial action agreed to ensure delivery remains in line with the BC projections • Issues to be escalated PMO in first instance to agree remedial actions as appropriate
Failure to deliver community benefits from project	<ul style="list-style-type: none"> • 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
Quantity and availability of resource within partner organisations to deliver AMIC project in line with AGD programme	<ul style="list-style-type: none"> • Formal approvals of EAC's resources are now in place for AMIC project • 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

Potential impact of Brexit on economic prosperity of region	<ul style="list-style-type: none"> • Development of Ayrshire Economic Growth Strategy • 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
Failure to achieve more inclusive growth	<ul style="list-style-type: none"> • AMIC building will provide training and skills support opportunities for a broad section of the community from school leavers, to upskilling manufacturing employee • Apprenticeship opportunities across a wide range of categories • Work closely with local academic institutions and skills development Scotland to mitigate this risk arising
Delay or failure delivering project due to concerns around transport implications	<ul style="list-style-type: none"> • Undertake all Transport Assessments and reports as required by LDP • Continue to liaise with Transport Scotland • Continue to progress all site options proposed in BC to ensure best site possible is chosen and the project can be delivered
Failure to attract commercial interest in this project	<ul style="list-style-type: none"> • Market campaigns for AMIC will target potential investors. • 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
Failure to attract businesses to locate within the centre due to uncertainty brought about by Covid-19	<ul style="list-style-type: none"> • 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
Economic instability as a result of Covid-19	<ul style="list-style-type: none"> • The Ayrshire Economic Recovery Plan will focus on a greener and a fairer economy and this project is key to these two issues • The project team and wider partnership are focused on ensuring that the value of this project to those issues is maximised • 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
Duplication with projects being developed in other Deals in the UK	<ul style="list-style-type: none"> • 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
Supply phasing	<ul style="list-style-type: none"> • Governance arrangements in place will support the sharing of market intelligence and the phasing of development activity

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10. **PROJECT: i3 DIGITAL PROCESSING MANUFACTURING CENTRE & FLEXIBLE BUSINESS SPACE**

PROJECT SUMMARY: Investment at i3, Irvine, will result in the creation of a Digital Processing Manufacturing Centre (DPMC) 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. This will build on current Life Science Clustering at the site, and will facilitate R&D activity, start up, spin out, and growth of Life Science businesses and other advanced manufacturing opportunities.

The National Digital Processing Industry Hub will have links to the National Manufacturing Institute for Scotland in partnership with Strathclyde University and industry. 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.

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 – i3 DPMC

DELIVERABLE	STATUS	DUE DATE
Confirm operational model, phase 1		30 September 2021
Delivery of DPMC pilot, phase 1		tbc
Planning permissions/consents – Service Hub		tbc
OBC (phase 2 – AGD funded) approved by Government		tbc

FBC (phase 2 – AGD funded) approved by Joint Committee		tbc
Delivery of subsequent phase		tbc
Completion and Handover		tbc
Final financial drawdown		tbc

OUTCOMES, OUTPUTS AND TARGETS – i3 DPMC

OUTCOME	TARGET	DATE
Business Space Created (DPMC)	1,818 sq m	tbc
New Jobs Created (direct and indirect (DPMC)	tbc	tbc
Construction Jobs Created (DPMC)	tbc	tbc
GVA (direct and indirect – 25 year NPV) (DPMC)	tbc	tbc

RISKS AND MITIGATIONS – i3 DPMC

RISK	MITIGATION
Failure to deliver anticipated outputs and outcomes	<ul style="list-style-type: none"> • Ensure BC addresses sensitivity of outcomes • Clear Evaluation & Monitoring Framework
Sister flexible space project business case fails and overall impact of i3 AGD programme is limited	<ul style="list-style-type: none"> • Flexible space proposal has strong supporting evidence base
Delays to procurement processes	<ul style="list-style-type: none"> • Seek early agreement on appropriate procurement routes • Include anticipated tender packages within the Council's Procurement Wave Plan
Planning approval/statutory consents delays	<ul style="list-style-type: none"> • Instruct SI work at early stage of project • Early engagement with planning and building standards • Assess Protected Species/Habitat risk at early stage • Review planning challenge/ appeals • Formally agree programme for consents • Advance programme of Local & Stakeholder Engagement • LDP supports development of site for this use • Engage with State Aid Unit
Cost overruns	<ul style="list-style-type: none"> • Develop and validate Project Brief and Specification • Benchmark costs

	<ul style="list-style-type: none"> • Ensure early infrastructure cost tested/ informed SI • Identify appropriate construction contract • Provide Green Book compliant optimism bias allowances • Provide for contingency
Rental income is lower than forecast	<ul style="list-style-type: none"> • Market review and comparator analysis will be used to identify appropriate rental levels and project board will retain close oversight of market demand
Detailed Business Case fails	<ul style="list-style-type: none"> • Development of SBC in accordance with Green Book and with strong supporting evidence
Demand – no interest from occupiers	<ul style="list-style-type: none"> • Flexible design to maximise potential interest from occupiers • Continue to establish strategic relationship with national sector (including links with NMIS)
Project delays and economic impact of Covid-19 and recovery	<ul style="list-style-type: none"> • Early analysis has identified that the need for this project is unlikely to be diminished and in fact may be even greater • Project team will continue to focus on economic analysis and the development of recovery plans should be implemented • Robust project scoping should continue to ensure the facility meets needs

MILESTONES – i3 Flexible Space

DELIVERABLE	STATUS	DUE DATE
OBC approved by Government	OBC submitted to SG 19 March 2021 – awaiting approval	1 May 2021
Procurement of professional team		30 June 2021
Consultation with Planning and stakeholders on draft masterplan		30 June 2021
Completion of flexible space outline designs through masterplan process		30 June 2021
Transfer of land from Scottish Enterprise		30 September 2021
Ground investigations complete		30 September 2021
Submission of detailed planning application		30 September 2021
Planning permission granted		30 December 2021
FBC approved by Joint Committee		28 February 2022
Tender advertised		31 March 2022
Contract award and construction begins, phase 1 (20,000 sq ft unit)		30 June 2022
Construction works complete, phase 1 (20,000 sq ft unit)		30 June 2023
Building available for occupation		30 June 2023

Delivery of subsequent phases (including revision)		2022/23 to 2027/28
Final financial drawdown		31 March 2028

OUTCOMES, OUTPUTS AND TARGETS – i3 Flexible Space

OUTCOME	TARGET	DATE
Vacant and derelict land brought back into use	20 Ha	31 March 2028
Business Space Created (flexi space)	8,830 sq m	31 March 2028
New Jobs Created (direct and indirect) (flexi space)	162	31 March 2028
Construction Jobs Created (flexi space)	150	31 March 2028
SMEs supported (flexi space)	5	31 March 2028
People accessing jobs through Employability & Skills Programme	18-35	31 March 2028
GVA (direct and indirect – 25 year NPV) (flexi space)	£79.98m	31 March 2046

RISKS AND MITIGATIONS – i3 flexible space

RISK	MITIGATION
Failure to deliver anticipated outputs and outcomes	<ul style="list-style-type: none"> • Ensure BC addresses sensitivity of outcomes • Clear Evaluation & Monitoring Framework
Delays to procurement processes	<ul style="list-style-type: none"> • Seek early agreement on appropriate procurement routes • Include anticipated tender packages within the Council's Procurement Wave Plan
Planning approval/statutory consents delays	<ul style="list-style-type: none"> • Zoned & allocated site • Pre-App discussion with North Ayrshire Council Planning • Assess Protected Species/Habitat risk at early stage • Review planning challenge/ appeals • Formally agree programme for consents • Advance programme of Local & Stakeholder Engagement
Cost overruns	<ul style="list-style-type: none"> • Develop and validate Project Brief and Specification • Benchmark costs • Ensure early infrastructure cost tested/ informed SI • Provide Green Book compliant optimism bias allowances • Provide for contingency
Rental income is lower than forecast	<ul style="list-style-type: none"> • Market review and comparator analysis will be used to identify appropriate rental levels and project board will retain close oversight of market demand
Detailed Business Case fails	<ul style="list-style-type: none"> • Development of OBC/FBC in accordance with Green Book

	<ul style="list-style-type: none"> • Partner/Stakeholder Risk Assessment • Early Market Input/ Partner & Commercial Input • Review CAPEX and OPEX costs • Review Governance Arrangements • Adjustments to design spec at each phase to meet changing demands.
Demand – no interest from occupiers	<ul style="list-style-type: none"> • Flexible design to maximise potential interest from occupiers • Continue to establish strategic relationship with national sector (including links with NMIS)
Project delays and economic impact of Covid-19 and recovery	<ul style="list-style-type: none"> • Early analysis has identified that the need for this project is unlikely to be diminished and in fact may be even greater • 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 • Work with contractors to devise solutions designed to minimise impact of social distancing – such as different work patterns

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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 Centre of Excellence will be at the heart of the integration of renewable energy and SMART technologies. It will focus on enabling and maximising local energy distribution networks, energy storage and community based energy generation, exploiting the unique geography of the area while enhancing the environment.

A programme of demonstrator projects will be undertaken during the lifetime of the NERD project, and will look at solving local issues with transitioning to as low carbon as possible. The Demonstrator Projects give the NERD project a unique opportunity to be at the forefront in helping communities to transition to a low carbon future, and contribute to the Scottish Government's climate change targets.

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

DELIVERABLE	STATUS	DUE DATE
Operational Model confirmed		2 June 2021
Land purchased/secured		1 August 2021
RIBA Stage 3 - developed design report		6 August 2021
OBC approved by Government		22 August 2021
Procurement commences		31 August 2021
Planning Permission secured		8 December 2021
FBC approved by Joint Committee		30 January 2022
Contractors appointed		5 February 2022
Access and infrastructure works commence		1 October 2022
Construction complete		30 September 2023
100% occupancy of research space		31 March 2026
90% occupancy of business/office space		31 March 2027
All phases of project complete		31 March 2030
Retentions paid and final financial drawdown		31 March 2030

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Business space created	1,633 sq m	31 March 2030
Construction jobs created	159	31 March 2030
No of net jobs delivered (direct and indirect)	61	31 March 2030
GVA (direct and indirect – 25 year NPV)	£26.27m	31 March 2045
No of MAs/PHDs created	20	31 March 2030
Energy cost savings over the project lifespan	£1.5m	31 March 2030
Rents being paid in absence of voids	£88,000	31 March 2030

RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to secure appropriate site for this development	<ul style="list-style-type: none"> Early dialogue has been initiated with respective land owners and more than one site is under consideration

	<ul style="list-style-type: none"> Estates team involved at this stage to ensure timely negotiation and conclusion of land transaction
Cost overrun	<ul style="list-style-type: none"> Ensure sufficient optimism bias built into costing of the project 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 Subsequent contracts will be robustly managed by qualified professional team and in accordance with EAC contract management protocols
Demonstrator projects / research does not deliver outcomes that are viable to be deployed and extended to other locations.	<ul style="list-style-type: none"> 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 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.
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"> Early engagement and involvement with Scottish Power Energy Networks (SPEN) will be a key cornerstone of project development 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
Failure to attract investors and new businesses to locate within the Centre of Excellence	<ul style="list-style-type: none"> 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 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
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"> Continued programme of engagement throughout the project, to ensure the community are an integral part of the programme 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
Failure to achieve more inclusive growth and/or reduce poverty by increasing the income of people in	<ul style="list-style-type: none"> 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

deprived areas or protected characteristic groups	<ul style="list-style-type: none"> • 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 • Monitor and review regularly the inclusive growth drivers, community wealth building indicators and equality impact assessment for the wider project and each demonstrator project
Covid-19 – delays to build programme	<ul style="list-style-type: none"> • Project team in discussion with a range of contractors to understand the potential problem and to identify solutions designed to minimise impact • Contractors positive about ability to maintain pace on sites • Financial profile has been adjusted to reflect a slightly slower build rate

PROJECT LEAD: LORNA CLARK, EAST AYRSHIRE COUNCIL – LORNA.CLARK@EAST-AYRSHIRE.GOV.UK

12. PROJECT: HUNTERSTON STRATEGIC DEVELOPMENT AREA

PROJECT SUMMARY: Hunterston is a strategic site within NPF3, offering a unique industrial capacity associated with strategic infrastructure such as rail; utilities; and grid connections; deep water marine access and proximity to key academic research and innovation resources across the City Region. 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.

Investment within Hunterston will exploit these key assets to address larger scale energy and decarbonisation infrastructures associated with marine renewable energy (3rd generation); energy storage and production and circular economy drivers. Initial investment will act as an enabler to provide commercial space to support blue, green and circular economies activity on-site.

Activities align with the Zero Carbon 2045 national strategy, including transitional arrangements associated with de-carbonised energy such as 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		tbc
Phase 1 - OBC (Innovation Park) approved by Government		tbc
Phase 1 - FBC (Innovation Park) approved by Joint Committee		tbc
Phase 1 - Construction / Contract Works		tbc
Phase 1 - Completion & Handover		tbc
Phase 1 - Operational Facility		tbc
Phase 2 - Planning Permission/Consents/ Marine Licence/ CE		tbc
Phase 2 - OBC (Marine/Dry Dock) approved by Government		tbc
Phase 2 - FBC (Marine/Dry Dock) approved by Joint Committee		tbc
Phase 2 - Procurement and contract Award		tbc
Phase 2 - Construction / Contract Works		tbc
Phase 2 - Completion & Handover		tbc
Phase 2 - Operational Facility		tbc
Phase 3 - OBC (Port/Energy) approved by Government		tbc
Phase 3 - FBC (Port/Energy) approved by Joint Committee		tbc
Phase 3 Parallel Phase 2 – Operational Facility		tbc
Final financial drawdown		tbc

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Business Space Created	15,000 sq m	tbc
No of SMEs Supported	4	tbc
Vacant and Derelict Land Brought Back into use	21 Ha	tbc
Leverage Funding	£200m	tbc

RISKS AND MITIGATIONS

RISK	MITIGATION
Concept not supported by Partners and evidence of	<ul style="list-style-type: none"> Project team/Peel Port Group/SE developing and promoting an investment model to secure major inward investment plus academic partners and industry Dialogue being progressed around role, responsibilities and funding commitments

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

PROJECT LEAD: NEALE MCILVANNEY, NORTH AYRSHIRE COUNCIL – NEALEMCILVANNEY@NORTH-AYRSHIRE.GOV.UK

13. PROJECT: INTERNATIONAL MARINE SCIENCE AND ENVIRONMENTAL CENTRE (IMSE), ARDROSSAN

PROJECT SUMMARY: The International Marine Science & Environmental (IMSE) project is a Centre of Excellence & Innovation developed between industry and academic partners. It will 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.

The new International Marine Science and Environmental Centre (IMSE) will be based at Ardrossan, and will 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.

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.

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

DELIVERABLE	STATUS	DUE DATE
OBC approved by Government		tbc
FBC approved by Joint Committee		tbc
Planning Permission / Consents / Marine Licence / CE		tbc

Procurement		tbc
Construction		tbc
Completion & Handover		tbc
Operational Facility		tbc
Final financial drawdown		tbc

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Business Space Created	6,175 sq m	tbc
No of SMEs Supported	4	tbc
Vacant and derelict land brought back into use	0.6 Ha	tbc
No of new jobs (direct and indirect)	75	tbc
Construction jobs	105	tbc
GVA (direct and indirect – 25 year NPV)	£19.39m	tbc

RISKS AND MITIGATIONS

RISK	MITIGATION
Concept not supported by Partners	<ul style="list-style-type: none"> Project team developing a partnership model with leading academic partners and industry Dialogue being progressed around role, responsibilities and funding commitments
Strategic need and consolidation in sector advises Co-Location with wider projects	<ul style="list-style-type: none"> Project team developing a partnership model with leading academic partners and industry
Concept and Operational Management revised /amended	<ul style="list-style-type: none"> Project team developing a partnership model with leading academic partners and industry
Unforeseen project complexities that require additional funding	<ul style="list-style-type: none"> Provide for contingency Provide Green Book compliant optimism bias allowances Project monitoring will track potential impacts and create ability to respond
Programme delay created within wider strategic delivery plan for Ardrossan	<ul style="list-style-type: none"> Project team undertaking masterplanning process to identify all project requirements and spatial needs
Project cannot secure necessary consents	<ul style="list-style-type: none"> Project team in early dialogue with key regulatory partners and stakeholders to address any concerns

Covid-19 impacts on concept/partners/delivery	<ul style="list-style-type: none"> • Early analysis identifies that the need for the project is unlikely to be diminished – in fact the need may be greater • Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs • Covid-19 may have long term ramifications for investment and good governance and project management processes will monitor regularly to identify required mitigations • Project is later in AGD programme and is not expected to be impacted by social distancing measure
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PROJECT LEAD: NEALE MCILVANNEY, NORTH AYRSHIRE COUNCIL – NEALEMCILVANNEY@NORTH-AYRSHIRE.GOV.UK

14. PROJECT: THE GREAT HARBOUR, IRVINE HARBOURSIDE AND ARDEER

PROJECT SUMMARY: This project comprises part of an expansive investment programme to secure The Great Harbour 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. The development of The Great Harbour will 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 drive 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. These will include heritage, arts, maritime and outdoor active leisure and activity hubs, providing an animated waterfront that connects from town centre to coast, to achieve a regional waterfront destination that will transform the tourism and the visitor potential of Ayrshire and the Clyde Coast. The Maritime Mile will unlock a series of secondary development opportunities which will contribute to the creation of a premium regional coastal destination that delivers Community Wealth Building opportunities.

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

DELIVERABLE	STATUS	DUE DATE
Establishment of project governance – SBC & RIBA Stage 0: Project Definition		31 March 2021

Sign-off concept delivery/objectives – OBC (internal) & RIBA Stage 1-2: Concept Design	OBC submitted to SG 19 March 2021 -awaiting approval	31 March 2021
OBC approved by Government	OBC submitted to SG 19 March 2021 - awaiting approval	30 May 2021
FBC approved by Joint Committee		30 January 2022
Sign-off scheme/objectives – RIBA Stage 3-4: Technical Design		31 March 2022
Sign-off capital spend/contract appt – FBC (internal) & RIBA Stage 4a: Tender Action & Reporting		30 June 2022
Sign-off constructed scheme (post FBC) – RIBA Stage 5-6: Construction & Handover		31 March 2023
Reporting outputs/outcomes/CWB (Post FBC) – AGD Evaluation/Monitoring & RIBA Stage 7: Operating Project		31 March 2024
Full project complete/final drawdown		31 March 2028

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Vacant and derelict land brought back into use	6 Ha	31 March 2028
Public realm created/enhanced	8,000 sq m	31 March 2028
Construction jobs	50	31 March 2028
No of new jobs (direct & indirect)	145	31 March 2028
GVA (direct and indirect – 25 year NPV)	£60m	31 March 2045
Increase in day visitor numbers per year	134,000	31 March 2028
Increase in overnight visitor numbers per year	66,000	31 March 2028
No of SMEs Supported	5	31 March 2028
Private sector investment	£2m	31 March 2028
Private sector investment (follow-on development)	£70m	31 March 2045
Cycle routes created/enhanced	1,500m	31 March 2028
Pedestrian routes enhanced	1,500m	31 March 2028

RISKS AND MITIGATIONS

RISK	MITIGATION
Consensus across partners, stakeholders, community	<ul style="list-style-type: none"> North Ayrshire Council have completed a formal Partnership Agreement between NAC/NPL and agree a joint masterplan approach

bodies or regulatory/consenting authorities not secured	<ul style="list-style-type: none"> • Develop a Development Agreement to frame commercial/operational detail around investment • Engagement and integration of Local Outcome Improvement Plan/Community Planning needs to address wider vision and address issue of housing and investment at Big Idea
Revenue implications and business case provisions not satisfied	<ul style="list-style-type: none"> • Development of OBC/FBC in accordance with Green Book • Partner/stakeholder risk assessment to include early market input/partner and commercial review by Board • Review CAPEX and OPEX costs • Review governance arrangements and prepare Development Agreement (NAC/NPL)
Increase in capital costs associated with changing scope or inappropriately quantified cost provisions	<ul style="list-style-type: none"> • Cost estimates based on current market • Detailed technical studies to inform design and a fully detailed/itemised cost plan • Project management established to monitor costs • Optimism bias built into costings • Future design team to include cost consultancy
Project outcomes, including inclusive growth and reducing inequalities, fail to be delivered	<ul style="list-style-type: none"> • AGD PMO is currently working with project leads to develop a consistent approach to ensure inclusive growth, equalities and community wealth building outcomes are embedded in each AGD business case. This approach will ensure explicit commitment to how the project will achieve inclusive growth and reduce inequality
Technical approach to quays/pontoons and land connections cannot be agreed with key stakeholders	<ul style="list-style-type: none"> • Development of Partnership/Operator Plan and detailed GANTT Programme ensuring programme allows time for engagement and approvals • PPIP route minimises risks and ensures full engagement with statutory bodies and community • NAC in discussion with Harbour Authority • Development Briefs drafted for Great Harbour
Economic downturn as a result of Covid-19	<ul style="list-style-type: none"> • 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 • 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 • Continue economic analysis and development of recovery plans will be implemented • Robust project scoping should continue to ensure the facility meets needs

PROJECT LEAD: NEALE MCILVANNEY, NORTH AYRSHIRE COUNCIL – NEALEMCILVANNEY@NORTH-AYRSHIRE.GOV.UK

15. **PROJECT: MARINE TOURISM**

PROJECT SUMMARY: The Marine Tourism project is a tourism development and place project that develops the essential infrastructure to support 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.

The Marine Tourism project will focus on securing infrastructure to support key components such as sailing and boating, marine leisure, and recreation in North Ayrshire. 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.

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

DELIVERABLE	STATUS	DUE DATE
Planning Permission/Consents/Marine Licence/CE (Ardrossan)		tbc
Procurement		tbc
OBC approved by Government (Ardrossan)		30 September 2021
FBC approved by Joint Committee (Ardrossan)		28 February 2022
Construction / Contract Works		tbc
Operational Facility		tbc
Planning Permission/Consents/ Marine Licence/CE (Arran)		tbc
Procurement		tbc

OBC approved by Government (Arran)		tbc
FBC approved by Joint Committee (Arran)		tbc
Construction / Contract Works		tbc
Operational Facility		tbc
Planning Permission/Consents/ Marine Licence/ CE (Cumbræ)		tbc
Procurement		tbc
OBC approved by Government (Cumbræ)		tbc
FBC approved by Joint Committee (Cumbræ)		tbc
Construction / Contract Works		tbc
Operational Facility		tbc
Final drawdown		tbc

OUTCOMES, OUTPUTS AND TARGETS

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

RISKS AND MITIGATIONS

RISK	MITIGATION
Agreements including Development and Operating Agreements between	<ul style="list-style-type: none"> North Ayrshire Council seeking to advance formal Development Agreement between NAC/NPL and agree a joint masterplan approach

commercial partners and community interest company cannot be secured	
Planning, licenses and consents for the scheme are not secured or are delayed	<ul style="list-style-type: none"> • Address need for range of consents/licences including Planning; Marina Licence potentially including EIA and HRA/AA • Early EIA scoping and screening • Early review of risk of planning challenge/appeals • Ensure project plans allow for delay to consents • Advance programme of local and stakeholder engagement
Changes to capital costs or inappropriately quantified cost provisions	<ul style="list-style-type: none"> • Detailed technical studies in place to inform design • Design team includes a cost consultancy and detailed assessment of contingency and optimism bias is in place
Site/ground conditions are inadequate to provide cost certainty	<ul style="list-style-type: none"> • Full SI/GI and bathy surveys will be undertaken at an early stage in project development
Agreement on technical approach to quays/pontoons and land connections cannot be agreed with stakeholders	<ul style="list-style-type: none"> • Development of partnership/operator plan. Marketing with partners NPL/NMMS
Development agreement and market economy investor principle for Ardrossan fails to secure support	<ul style="list-style-type: none"> • Project team taking legal advice in terms of state aid and agreement will be based on commercial lease terms required for Ardrossan
Wider stakeholder and community interests not fully engaged with project	<ul style="list-style-type: none"> • Early consultation has identify that communities and stakeholders are supportive • Project team will devise engagement strategy to ensure appropriate engagement with stakeholders/operators/user groups
Third party operators not forthcoming	<ul style="list-style-type: none"> • Detailed discussions with Clyde Marine ongoing in relation to service delivery
Weak economic conditions relating to Covid-19	<ul style="list-style-type: none"> • 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

PROJECT LEAD: NEALE MCILVANNEY, NORTH AYRSHIRE COUNCIL – NEALEMCILVANNEY@NORTH-AYRSHIRE.GOV.UK

16. PROJECT: DIGITAL – SUBSEA CABLE AND INFRASTRUCTURE

PROJECT SUMMARY: This investment will put in place a key piece of the connectivity infrastructure to help attract global businesses, enable 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.

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 Digital programme will target three strands of work, all of which will contribute to the success of the other projects within the Ayrshire Deal. 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
OBC approved by Government (Subsea Cable & Infrastructure)		1 October 2021
FBC approved by Joint Committee (Subsea Cable & Infrastructure)		1 February 2022
Regulatory consents approved – specific to key site upgrades		31 March 2022
A fibre optic cable landing point established in Irvine Ayrshire		31 March 2023
New on shore infrastructure to facilitate the rollout of 5G networks		31 March 2024
Fibre deployment in rural locations facilitated more easily		31 March 2024
Agile digital platform in place both key sites and rural		31 March 2025
Rural Ayrshire 'switched on' to digital technology and using sensor and SMART technology		31 March 2025
Project completion/final drawdown		31 March 2025

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Fibre optic cable established	1	31 March 2023
Datacentre space created	3	2023 to 2025
Key sites upgrades	7	31 March 2025
New jobs created (indirect)	424	31 March 2030

RISKS AND MITIGATIONS

RISK	MITIGATION
Shift in project phasings	<ul style="list-style-type: none"> Conclude discussions with commercial operators. Secure financial model
Planning/wayleave approval risks	<ul style="list-style-type: none"> Work with appropriate authorities; key officers assigned to facilitate efficient processing of applications
Cost overruns	<ul style="list-style-type: none"> Robust contract management in place Appropriate procurement procedures followed and optimism bias built into business case

Delays in full business case approval	<ul style="list-style-type: none"> • Robust project management in place to address issues with business case; to monitor progress against timelines and to address any potential delays
Delays to procurement processes	<ul style="list-style-type: none"> • Early discussion with procurement colleagues to minimise delays
Legislative changes	<ul style="list-style-type: none"> • Robust management plans in place to oversee and anticipate changes • Agree tolerances and contingencies at early stage, with appropriate flexibility in place where projects can be scaled back if necessary
Project delays due to Covid-19	<ul style="list-style-type: none"> • Early analysis identifies that the need for this project may be greater as a result of Covid-19 • Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs
Market changes/wider economic issues	<ul style="list-style-type: none"> • Robust management plans in place to oversee and anticipate changes • Agree tolerances and contingencies at early stage, with appropriate flexibility in place where projects can be scaled back if necessary • Buy in additional support from mobile operators • Covid-19 impact and moves to more remote working is likely to make this investment more of a priority • Project team will work with contractors to monitor impact of social distancing on project delivery timelines and to implement remedial action if required
Competition from other areas – alternative landing sites identified	<ul style="list-style-type: none"> • Project management arrangements in place to progress Ayrshire proposition • 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

PROJECT LEAD: THEO LEIJSER, SOUTH AYRSHIRE COUNCIL – THEO.LEIJSER@SOUTH-AYRSHIRE.GOV.UK

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

DELIVERABLE	STATUS	DUE DATE
Establishment of project board		31 March 2021
Development of governance documents		30 May 2021
OBC approved by Government		30 June 2021
FBC approved by Joint Committee		13 September 2021
Development of guidance for fund applicants		30 September 2021
1 st call for proposals		30 September 2021

Quarterly application deadlines		Ongoing
1 st annual review		31 March 2023
End of programme/final drawdown		31 March 2027

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
No of people benefiting from pre-employment upskills	500	31 March 2027
No of people benefiting from in work skills development	500	31 March 2027
People benefiting from accredited training	300	31 March 2027
No of businesses benefiting from employees with improved skills levels	300	31 March 2027
Reduction in unemployed residents	500	31 March 2027
No of participants progressing to living wage opportunities	200	31 March 2027
Increased employment rate for females, disabled, long term unemployed, parents	5%	31 March 2027

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"> • Early establishment of Regional Skills Board with strategic oversight • Quarterly progress reports and annual review will inform decision making processes • The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress
Failure to deliver anticipated impacts across the region in terms of Inclusive Growth	<ul style="list-style-type: none"> • Quarterly progress reports and annual review will inform decision making processes • The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress • The partnership will conduct a mid-programme evaluation to check the direction of travel is still correct

Disadvantaged residents do not see tangible benefits from projects	<ul style="list-style-type: none"> • Applicants to the fund will be required to detail how delivery against inclusion targets will be assured • Quarterly progress reports and annual review will inform decision making processes • The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress
Inadequate project management results in failure to delivery agreed outcomes	<ul style="list-style-type: none"> • The Regional Skills Board will provide expert advice on what should be supported through the fund • Adopt programme and project management best practice • These arrangements will be reviewed on an annual basis to ensure they remain fit for purpose • The Steering Group will conduct a mid-programme evaluation and adjust project activity as appropriate
Project delays due to Covid-19	<ul style="list-style-type: none"> • Early analysis identifies that the need for this project may be greater as a result of Covid-19 • Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs

PROJECT LEAD: GREIG ROBSON, NORTH AYRSHIRE COUNCIL – 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.

The 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

DELIVERABLE	STATUS	DUE DATE
Advert for procurement framework issued		28 February 2021
Tender submissions assessed		30 April 2020
Agreement of Framework for tender		31 May 2020
OBC approved by Government		19 February 2021

FBC approved by Joint Committee		22 February 2021
Contract awarded		12 March 2021
Project preparations for implementation complete		30 June 2021
Monthly meeting with contractor		Ongoing
Monthly reporting to PMO		Ongoing
Quarterly Project Board meetings		Ongoing
Annual review		tbc
Evaluation commences		tbc
End of programme/final drawdown		31 March 2026

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
No of people accessing assessment & report	960	31 March 2026
No of people accessing full management support via telephone	1,600	31 March 2026
No of people accessing full case management support delivered face to face	3,838	31 March 2026
No accessing funded treatment	3,809	31 March 2026
No of people receiving support via group work	2,400	31 March 2026
No of people receiving Mental Health First Aid training	960	31 March 2026
No of people returning to work	1,293	31 March 2026
Unemployed residents supported	5,172	31 March 2026
Employed residents supported	4,586	31 March 2026
Employed residents retaining work (85%)	3,898	31 March 2026

RISKS AND MITIGATIONS

RISK	MITIGATION
Delays caused by procurement	<ul style="list-style-type: none"> Seek early agreement on appropriate procurement routes and early notification of contract opportunities Procurement framework established
Detailed Business Case fails: Concept not supported by partners	<ul style="list-style-type: none"> Strong policy support from Government and agencies Proposal has been in development for over three years and supported by partners Existing project in North Ayrshire has good buy in from partners, which can be built upon and expanded

Delay in the programme incurs additional costs	<ul style="list-style-type: none"> • Finance plans • Costs will be managed through a legal contract and thereby shouldn't vary significantly
Unforeseen complexities that require additional funding	<ul style="list-style-type: none"> • Provide for contingency • Provide Green Book compliant optimism bias allowances • Similar project has been delivered previously • Project monitoring will track potential impacts and create ability to respond
Implementation: Over demand or lack of demand	<ul style="list-style-type: none"> • Proposed targets are based on delivery experience across Scotland and the experience of delivering a case management service in North Ayrshire recently • The proposal as it stands is designed to remove barriers to accessing this service. In the event of over demand, referral criteria can be set to reduce demand • In the event of lack of demand, the programme could be implemented at a slower pace to take account of Covid-19 and impacts
National programmes are introduced which result in duplication	<ul style="list-style-type: none"> • Closely monitor national developments and build in flexibility to contracting arrangements to allow us to change course at short notice if national provision is introduced that duplicates provision.
Failure to deliver anticipated outputs and outcomes. Failing to achieve more inclusive growth and/or reduce poverty by increasing the income of people in deprived areas or protected characteristic groups.	<ul style="list-style-type: none"> • Closely monitor national developments and have built in flexibility to contracting arrangements to allow us to change course at short notice to respond to programme impact • Covid-19 impacts on specific groups will be assessed. Early indications are that young people, females, those with health issues or disabilities will be disproportionately impacted by recession, therefore more targeted
Implementation: End of project 'cliff edge'	<ul style="list-style-type: none"> • Would hope to influence the national policy around occupational health services, as a legacy of the programme
Appointed contractor could be impacted negatively by Covid-19	<ul style="list-style-type: none"> • As part of procurement process, robust checks have been made on financial standing of delivery organisations
Project delay and macro-economic impact of Covid-19 and recovery	<ul style="list-style-type: none"> • Early analysis identifies that the need for the project is unlikely to be diminished – in fact may be greater • Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure proposal meets needs

PROJECT LEAD: GREIG ROBSON, NORTH AYRSHIRE COUNCIL – 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 – to work 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;
- CWB Fund - to 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, and supporting locality entrepreneurship;
- Fair Work Ayrshire programme - 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.

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

DELIVERABLE	STATUS	DUE DATE
Development of draft job descriptions/role profiles		January 2021
Preparation of role profiles		January/February 2021
OBC approved by Government		12 February 2021
FBC approved by Joint Committee		22 February 2021
Recruitment of staff: Programme Manager, CWB Officers, FW Ayrshire Manager		30 April 2021
Finalise documentation for £1 million Fund governance		30 April 2021
Staff Inductions		31 May 2021
Formal launch of programme		30 June 2021
Monthly Project Working Group meetings		Ongoing
Reporting to PMO, Ayrshire REP & EJC		Ongoing
Quarterly reporting to CWB Commission		Ongoing
Annual Report		31 May 2022/2023/2024
Project end date/final review/final drawdown		31 March 2024

OUTCOMES, OUTPUTS AND TARGETS

OUTCOME	TARGET	DATE
Employers undertaking Fair Work Action Plans	90	31 March 2024
Enterprises receiving support from CWB programme	920	31 March 2024
Enterprises receiving financial assistance	265	31 March 2024
New enterprises supported	96	31 March 2024
Enterprises registering on Public Contracts Scotland	240	31 March 2024
Enterprises supported in creation or transition to employee ownership or cooperative	17	31 March 2024

RISKS AND MITIGATIONS

RISK	MITIGATION
Implementation – end of project 'cliff edge'	<ul style="list-style-type: none"> CWB becomes mainstream approach in region via CWB Commission Lessons learned will inform what can be taken into future service design and external funding bids

Over demand or lack of demand for support	<ul style="list-style-type: none"> • Working Group will review demand across the project as a whole and will address demand issues as they arise • Locality officers to build demand with businesses • Work alongside REP partners to build demand • Consider Ministerial launch event
Slippage/delay in the programme causes additional costs to be incurred	<ul style="list-style-type: none"> • Robust project management structure in place to monitor delivery and associated costs and to address any potential delays • Working group will regularly review performance
Ability to deliver programme at regional level	<ul style="list-style-type: none"> • Proposals reflect lessons learnt from ERDF Business Competitiveness project • Project Co-ordinator factored into programme • Project updates to REP and EJC
Project delays and macroeconomic impact of Covid-19 and recovery	<ul style="list-style-type: none"> • Development of recovery plan will focus on this project as a key component of that agenda across Ayrshire • Early analysis identifies that the need for this project may be greater as a result of Covid-19 • Working group will give priority to minimising delays implementing remote working/online engagement
Failure to deliver anticipated outputs and outcomes	<ul style="list-style-type: none"> • Working Group established and robust project management regime in place to monitor outputs and outcomes and to take remedial action if required • Strong governance – REP, Joint Committee, CWB Commission • Build on successful regional working from ERDF project

PROJECT LEAD: JULIE MCLACHLAN, NORTH AYRSHIRE COUNCIL – JULIEMCLACHLAN@NORTH-AYRSHIRE.GOV.UK

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

Every milestone, 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 is 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.

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.

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

To address how the Deal is performing against objectives and delivery plans, a Monitoring and Evaluation Framework and Benefits Realisation Plan will be developed in consultation with both governments, as well as other key stakeholders.

Feeding into the Benefits Realisation Plan will be the targets and outputs that are set for each project and the Community Benefits arising from projects.

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 and the Benefits Realisation Plan. 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.

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	0	1	0	0	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	1	2	2		1	2	3	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"> • Officer and Development Management capacity • Specialist project teams • Project duration – 4 years • Public sector project funding of £23 million: £18m UKG, £5m SG • Private sector funding of £3 million (not committed) 	<ul style="list-style-type: none"> • Design and build of infrastructure elements of the spaceport including fuel storage, vehicle integration facility, payload processing facility, Mission Control Centre • Consenting process • Consultation with communities of interest in and around the Prestwick Aerospace & Space • Commercial negotiation with launch service providers and launch operations provider • Marketing and PR 	<ul style="list-style-type: none"> • Operational spaceport • Established launch service operator • Two launch service providers based at Prestwick • Physical infrastructure for spaceport including payload processing facility, vehicle integration facility and mission control centre providing a Scottish/UK service. 	<ul style="list-style-type: none"> • Scotland is globally recognised leader for space • 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 • 100 High value jobs at Prestwick • 75 Construction jobs • New job opportunities in future industry locating at Prestwick • Increased growth opportunities for local companies 	<ul style="list-style-type: none"> • Increase employment opportunities • Increase in GVA across region • Lever in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.

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"> • Officer and Development Management capacity • Public sector project funding of £29m: £10m UKG; £12m SG; £7m SAC • Leverage £71.5m • Land <ul style="list-style-type: none"> ○ Scottish Enterprise ownership ○ Airport ownership • Pre-contract professional services 	<ul style="list-style-type: none"> • Site assembly • Design and build • Project management • Contract management • Commercial negotiation • Regulatory consents • Construction and maintenance • Estate management 	<ul style="list-style-type: none"> • 75,671 sqm business space created • Enabling work placements and training places • Creating visible development activity on a highly prominent site 	<ul style="list-style-type: none"> • New employment opportunity • Reduced commercial viability gap High growth, • High value commercial activity • 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 • Raising the aspirations of ambitions of Ayrshire's young people Creating supply chain links for Ayrshire businesses • 1,177 direct & indirect jobs • 1,005 construction jobs • £667.14m direct and indirect GVA 	<ul style="list-style-type: none"> • Increase employment opportunities • Increase in GVA across region • Lever in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.

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 & 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"> • Increase employment opportunities • Increase in GVA across region • Lever in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.
<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"> • Scottish Enterprise ownership 	<p>Route Design</p>	<p>Number of roundabouts created (new) - 4</p>	<p>Improved abnormal load capacity</p>	
<ul style="list-style-type: none"> • GPA ownership 	<p>Regulatory consents</p>	<p>Number of roundabouts upgraded (improved) - 3</p>	<p>Relief traffic congestion in Monkton village</p>	
<ul style="list-style-type: none"> • Residential ownership 	<p>Construction & maintenance</p>	<p>Cycle routes created (km) 4.5km</p>	<p>Mitigate road safety risks for Monkton primary</p>	

• 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		
		Qualitative		
		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"> • 4390sqm of build • MRO capacity 	<p>Scotland recognised for its space/ aerospace innovation</p> <p>68 (direct & indirect) net new fte jobs of which 7 from areas of deprivation</p> <p>110 fte construction jobs</p> <p>£27.3m direct & indirect GVA</p>	<ul style="list-style-type: none"> • Increase employment opportunities • Increase in GVA across region • Lever in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.
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"> • Workforce development • STEM outreach activity engaging with 600 people across Ayrshire • Construction 	<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"> • Project management • Finance 	• Design and build	Large demonstration and product adaptable workshop space	Ayrshire is an attractive inward invest location	
<ul style="list-style-type: none"> • Project management • Finance 	• 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"> Planning applications submitted 	<ul style="list-style-type: none"> Junctions (New) - One 	<ul style="list-style-type: none"> Land value uplift 	<ul style="list-style-type: none"> Increase employment opportunities Increase in GVA across region Lever in private sector investment
	<ul style="list-style-type: none"> Construction of SUDS/sewerage systems 	<ul style="list-style-type: none"> Total Area of Opportunity Sites (18.3 Ha) 	<ul style="list-style-type: none"> 18.3 Ha land unlocked for development 	
	<ul style="list-style-type: none"> New junctions to open up access to sites 	<ul style="list-style-type: none"> General Industrial (10,576 sq m) 	<ul style="list-style-type: none"> Strengthening key business clusters 	
	<ul style="list-style-type: none"> New Link/access roads developed 	<ul style="list-style-type: none"> Private businesses supported 	<ul style="list-style-type: none"> Increased employment 160 Construction jobs 136 jobs delivered (direct and indirect) 	
	<ul style="list-style-type: none"> Construction of SUDS/sewerage system 	<ul style="list-style-type: none"> Individuals supported into work 	<ul style="list-style-type: none"> £78.9m direct & indirect GVA 	
			<ul style="list-style-type: none"> Enhanced accessibility - employment/ business locations 	
			<ul style="list-style-type: none"> Businesses attracted to the locality 	
			<ul style="list-style-type: none"> Improved market sentiment 	
			<ul style="list-style-type: none"> Increased supply of commercial space 	
			<ul style="list-style-type: none"> Improved business productivity Widening of labour market 	

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

Benefits Realisation Logic Chain: i3 Flexible 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
AGD £15million Scot Govt £11m NAC £5m	<ul style="list-style-type: none"> • Planning applications submitted • Site remediation work • New link/access roads developed • Construction of SUDS/sewerage systems • Improved junctions to enhance access to sites • New junctions to open up access to sites • Construction of flexible business space in phases 	<ul style="list-style-type: none"> • Total Area reclaimed, (re)developed or assembled (20 Ha) as a result of the project • Total Area of Opportunity Sites (20 Ha) • New Industrial & Business Space (9000sq m) • Individuals supported into work • Private businesses supported • Jobs safeguarded • Wide range of employment opportunities • Improved pedestrian linkages • Vacant and Derelict Land brought back into use/removed from SVDL Register (20 ha) • Flexible business space for start-up or needs • Well-connected flexible business space within close proximity to central belt region supply chains and workforce 	<ul style="list-style-type: none"> • Altered perception and market sentiment in regard to Ayrshire's advance manufacturing and digital offer • Improved market sentiment • 20 Ha land unlocked for development • Increased levels of investment, including FDI • Uplift in commercial rental/sales values (£) • Increased supply of commercial space • Strengthening key business clusters • Increased employment and development of skills in local workforce • Increased GVA • Reduced levels of deprivation in local areas • Enhanced accessibility - employment/business locations • Widening of labour market • Improved business productivity • Strengthening key business clusters • Businesses attracted to the locality and increase in inward investment • Reduction in level of vacant and derelict land • 18-35 People from Employability & Skills Programme Accessing Jobs • Sustainable work location with services and amenities to support employees (e.g. child care/creche facility/café/retail) 	<ul style="list-style-type: none"> • Increase employment opportunities • Increase in GVA across region • Lever in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth. • Job market entrants and low skilled workers increasing soft and basic skills through provision of local jobs • Attract skilled workers to the region and support local people entering skilled employment opportunities

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"> Increased employment opportunities Increase in GVA across region Lever in private sector investment Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth. Reduce the carbon emissions of the town and the surrounding area Lowering domestic fuel bills for local people Helping to alleviate fuel poverty/ Improved health and wellbeing through active travel/path networks. Contribute to national advancements in low carbon technologies Contribute to national research in low carbon technologies and energy systems. Increase STEM education offer in Ayrshire
	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	

	Enhance existing links with Dumfries House		Enhanced accessibility - employment/ business locations	<ul style="list-style-type: none"> • Increase in the number of highly skilled jobs
			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 Strategic Development Area

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"> Planning applications submitted Site remediation work Road surface improvements Junction improvements on motorway/major roads New link/access roads developed Construction of SUDS/sewerage systems Drainage system improvement work Implementation of Surface Water Management Plans Improved junctions to enhance access to sites 	<ul style="list-style-type: none"> Junctions (Improved) Total Area reclaimed, (re)developed or assembled (55 Ha) as a result of the project Total Area of Opportunity Sites (55 Ha) Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (21 Ha) Business & Industrial (15000sq m) Individuals supported into work Jobs safeguarded Individuals increasing skills Private businesses supported 	<ul style="list-style-type: none"> Land value uplift Improved market sentiment 55 Ha land unlocked for development Increased levels of investment, including FDI Uplift in commercial rental/sales values (£) Increased supply of commercial space Strengthening key business clusters and creates a platform for offering repeated inward investment opportunities 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. Increased GVA Reduced congestion Reduced journey times Improved road safety Increased cycle usage Increased footfall Reduced levels of deprivation in local areas Reduction in commercial property vacancy rates Reduction in level of vacant and derelict land Increased drainage capacity CO2 savings via modal shift Enhanced accessibility - employment/ business locations Enhanced accessibility – services/ community locations Widening of labour market Improved business productivity Strengthening key business clusters Businesses attracted to the locality 4 SMEs supported 23-46 People from Employability & Skills Programme Accessing Jobs Utilises Hunterston's strategic water and rail transport infrastructure to transport goods to the market (e.g. services offshore renewables) 	<ul style="list-style-type: none"> 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 Increase employment opportunities Increase in GVA across region Lever in private sector investment Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth. Providing a national clean energy hub which supports the transition to a low carbon, sustainable and health economy

Benefits Realisation Logic Model: International Marine Science & Environmental 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"> Planning applications submitted Cycle path development or improvement Public realm improvement work Site remediation work Road surface improvements New link/access roads developed Construction of SUDS/sewerage systems Drainage system improvement work Implementation of Surface Water Management Plans Improved junctions to enhance access to sites New junctions to open up access to sites 	<ul style="list-style-type: none"> Total Area reclaimed, (re)developed or assembled (0.6Ha) as a result of the project Total Area of Opportunity Sites (0.6Ha) Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (0.6Ha) Industrial/Business/office space (6,175sq m) Individuals supported into work Jobs safeguarded Individuals increasing skills Provision of high skilled jobs Private businesses supported Social enterprises supported Social enterprises created Businesses signing up to Scottish Business Pledge per year Provision of nationally leading Centre of Excellence, providing R&D in blue economy advancement 	<ul style="list-style-type: none"> Land value uplift Improved market sentiment Increased levels of investment, including FDI Uplift in commercial rental/sales values (£) Increased supply of commercial space for advance marine science technology that supports inward investment Strengthening key business clusters Increased employment Increased GVA (direct/indirect) £19.39m Improved road safety Increased footfall Reduced levels of deprivation in local areas Reduction in commercial property vacancy rates Reduction in level of vacant and derelict land Increased drainage capacity CO2 savings via modal shift Enhanced accessibility - employment/ business locations Enhanced accessibility – services/ community locations Widening of labour market Improved business productivity Strengthening key business clusters Businesses attracted to the locality 13-24 People from Employability & Skills Programme Accessing Jobs capex + follow-on Construction jobs 105 No new jobs (direct and indirect) 4 SMEs supported 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 	<ul style="list-style-type: none"> To place Ardrossan and Ayrshire as a market leader in marine science advancement in blue economy and low carbon technology and industry 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 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 Increase in GVA across region Lever in private sector investment 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 That local businesses can benefit from R&D facilities and support local supply chains.

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)	Programme Objective
<p>£14 of funding AGD £9million NAC £ 5 million</p> <p>Leverage Funding Circa £85m- £100, 20202040 (Leverage assumptions based on benchmarking equivalent projects)</p>	<ul style="list-style-type: none"> • Award grant fund through Community Enterprise Fund • • Planning applications submitted • Cycle path development or improvement • Develop and improve pedestrian links • New pedestrian/cycle bridges • Public realm improvement work • Site remediation work • Road surface improvements • Junction improvements on motorway/major roads • New link/access roads developed • Construction of SUDS • Drainage system improvement work • Implementation of Surface Water Management Plans • Improved junctions to enhance access to sites • New junctions to open up access to sites • New roundabouts or other traffic management schemes • Business Support 	<ul style="list-style-type: none"> • Public Realm created and Enhanced (length of 1.5km) • • Road enhanced (1.5Km) • Junctions (5 Improved) • Cycle Routes created/enhanced (1.5km) • Pedestrian Routes enhanced (1.5km) • 1 Pedestrian/cycle bridges enhanced • 1 (potential) Road Bridge • Total Area reclaimed, (re)developed or assembled /Total Area of Opportunity Sites 6 (Ha) • Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (6Ha) • Food and Drink (2800 sq m) • Hotels and Hostels (2000 sq m) • Assembly and Leisure/shops (5000sq m) • Individuals supported into work • Jobs safeguarded • Individuals increasing skills • • Private businesses supported • Social enterprises supported • Social enterprises created • • Increase in visitor numbers • • Increase in visitor expenditure • New marina berths created • New tourism events supported 	<ul style="list-style-type: none"> • Land value uplift • Improved market sentiment • land unlocked for development • Increased levels of investment, including FDI • Uplift in commercial rental/sales values (£) • Average house price uplifts • Increased supply of commercial space • Strengthening key business clusters • Increased employment • Increased GVA • Reduced congestion • Improved road safety • Increased cycle usage • Increased footfall • Reduced levels of deprivation in local areas • Reduction in commercial property vacancy rates • Reduction in level of vacant and derelict land • Increased drainage capacity • CO2 savings via modal shift • Enhanced accessibility employment/ business locations • Enhanced accessibility – services/ community locations • Widening of labour market • • Improved business productivity • Strengthening key business clusters 	<ul style="list-style-type: none"> • Increase employment opportunities through a supply of local jobs • Improve soft and basic employability programmes by creating employment opportunities that can be capitalised by entrants to the workforce • Embed community wealth building into placemaking approach • Increase visitor numbers • Increase dwell time of visitors • Increase expenditure of visitors • Increase population of Great Harbour by providing a range of housing opportunities that create sense of community, footfall and demand for goods and services • Create diversity in great harbour population demographic • Create a nationally recognised visitor destination • Generate commercial opportunities through place making approach and lever private sector investment • Increase in GVA across region • Improve the health of communities across the region by improving active travel and

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"> • Planning applications submitted • Marine licences secured • Bascule bridge • Car parking provision • Cycle path development or improvement • Public realm improvement work • Site remediation work • Road surface improvements • New link/access roads developed • Improved junctions to enhance access to sites • Develop Marina berths across programme (350) • Provide marine infrastructure at Arran and Cumbrae 	<p>Marine infrastructure (C350 berths across programme)</p> <ul style="list-style-type: none"> • Bascule bridge • Public Realm created/Enhanced (150000sqm) • Land with reduced flood risk (Ha) • Properties with reduced flood risk • Total Area reclaimed and/or formed as marina infrastructure (re)developed or assembled (3.8 Ha) as a result of the project • Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (0.1Ha) • Commercial leisure space (1000sq m) – <i>leverage impact, hence not included in finance and phasing</i> • Individuals supported into work • Jobs safeguarded • Individuals increasing 	<ul style="list-style-type: none"> • Land value uplift • Improved market sentiment • Increased levels of investment, including FDI • Uplift in commercial rental/sales values (£) • Average house price uplifts • Strengthening key business clusters • Increased employment (30 new construction jobs; 30 new jobs direct/indirect) • Increased GVA (direct/indirect – 25yr NPV) £17m Visitor berth value - £487,000 Resident berth value £2.2m • Reduced congestion • Increased cycle usage • Increased footfall • Reduced levels of deprivation in local areas • Reduction in commercial property vacancy rates • Reduction in level of vacant and derelict land • CO2 savings via modal shift 	<p>Increase employment opportunities</p> <ul style="list-style-type: none"> • Leverage in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth. • Create infrastructure at strategic locations around Clyde waters region to support strategic tourism and blue economy aspirations • Leverage private sector investment around development of key facilities • To maximise the growth opportunities in marine tourism sector building on high and sustained spend and GVA growth internationally and in West of Scotland. • To generate new employment, business start-ups and SME/ Micro enterprise opportunity

		<p>skills</p> <ul style="list-style-type: none"> • Private businesses supported <ul style="list-style-type: none"> • Social enterprises supported • Social enterprises created • Businesses signing up to Scottish Business Pledge per year • Increase in visitor numbers • Increase in visitor expenditure • 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) • New tourism events supported 	<ul style="list-style-type: none"> • Enhanced accessibility - employment/ business locations • Enhanced accessibility – services/ community locations • Widening of labour market • Improved business productivity • Strengthening key business clusters • Businesses attracted to the Locality • 4-8fte employees from employability/skills programmes (based only on capex construction estimate) • 3SMEs supported 	<p>supporting employability and inclusion outcomes.</p>
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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
Outcomes & Targets				
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>Working for a Healthy Economy</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"> • Registration and Triage • Assessment • Full Case Management • Explore and Report • In Work Support 	<p>960 clients – Assessment & 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"> • Improved health and management of health conditions of individuals • Reduced levels of unemployment and corresponding increases in income levels. • Improved retention and progression in work and corresponding increases in income levels. • Reduced absenteeism and improved retention of staff, increasing productivity of business. • Improved uptake of training/learning opportunities through reducing health as a barrier • Improved awareness and education of employers around health and benefits of supporting employees. 	<ul style="list-style-type: none"> • To reduce poor health as a constraint on economic growth.

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>Ayrshire Skills Investment Fund</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"> • Reduction in unemployment • Reduction in numbers earning below living wage • Increase in qualification/skill levels • More diverse workforces • Improved productivity for business 	<ul style="list-style-type: none"> • To reduce skills issues as the major constraint to Inclusive Growth in Ayrshire • Increase employment opportunities • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.

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>CWB Business Locality Officers</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>CWB Fund</p> <p>Resource: £1,000,000</p> <p>Project Duration: 3 years</p>	<ul style="list-style-type: none"> 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. 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. Producing locality CWB Action Plan and promote business-led inclusive growth. Sharing of best practice throughout the region, with measure of activity and programme reports being shared at a locality, local and regional level. <p>Specific activities across the pillars: <u>PROCUREMENT</u></p>	<ul style="list-style-type: none"> CWB Locality Baseline and Action Plan per Ayrshire locality = 15 CWB place-bases action plans 920 Unique Enterprises receiving support from the CWB programme 265 Enterprises receiving financial assistance: Grant/ Consultancy support (on procurement, employment, asset or ownership pillars) 96 New enterprises supported (<12 months old) <p>Outputs per pillar:</p> <p><u>PROCUREMENT</u></p> <ul style="list-style-type: none"> 240 businesses registered on PCS 	<ul style="list-style-type: none"> More diverse and resilient business base A vibrant social economy Improved attractiveness of local places Skills development and fairer labour market Economic opportunities spread more widely across the region <p>➤ Local Jobs ➤ Soft & Basic Skills ➤ Intermediate & Advanced Skills</p>	<ul style="list-style-type: none"> To develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.

	<ul style="list-style-type: none"> • Develop locality support mechanisms for business to enhance procurement readiness including workshops (one to many), one to one surgeries • Understand locality supply chain capacity • Engage with anchor / larger businesses to understand spend profile / develop local supply chains • Prepare local businesses for the AGD procurement opportunities as per a potential AGD 'wave plan' and profiling • Work with local businesses and wider community to develop community benefit requests • Develop new initiatives on procurement activity to deepen local spend e.g. Trusted Trader, single awards, locality growth partnering • Increase numbers on PCS and develop skills <p><u>EMPLOYMENT</u></p> <ul style="list-style-type: none"> • Support business engagement on developing fair work activity and enhance awareness and understanding of principles of fair work, for example promoting the living wage • Refer to Fair Work Ayrshire programme • Work with those not eligible for Fair Work Ayrshire programme to develop knowledge and to implement practical fair work steps • Link employers to employability pipelines and skills development programmes 	<ul style="list-style-type: none"> • 265 businesses attending 1 to many procurement awareness-raising/capacity building workshops • 90 businesses accessing 1-to-1 procurement specialist help (consultancy) <p><u>EMPLOYMENT</u></p> <ul style="list-style-type: none"> • 240 businesses attending 1 to many 'fair work' related awareness-raising / capacity-building workshops held • 300 businesses referred to FW Ayrshire programme <p><u>ASSETS</u> (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><u>OWNERSHIP</u></p> <ul style="list-style-type: none"> • Support the creation or transition of 17 businesses 	<ul style="list-style-type: none"> ➤ <i>Business Support</i> ➤ <i>Structure of Economy</i> ➤ <i>Business Premises</i> ➤ <i>Access to Finance</i> 	
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	<p><u>ASSETS</u></p> <ul style="list-style-type: none"> • Baseline assets, ownership and identify potential opportunities • Work with stakeholders including owners to develop locality asset uses • Support business (private sector, social, community enterprise) to identify assets and bring back into use <p><u>OWNERSHIP</u></p> <ul style="list-style-type: none"> • Stimulate social entrepreneurship including workshops (one to many), one to one surgeries • Baseline locality social, family owned and, employee-owned, Co-op enterprises • Develop locality-based initiatives to support Social Enterprise, employee-owned, and Co-ops • Normalise Social Enterprise / employee-owned, Co-operative models in all start up conversations • Upskill advisers to understand the social economy • Promote understanding of and opportunities for employee ownership 	<p>to employee ownership or cooperative</p> <ul style="list-style-type: none"> • 270 businesses attending 1 to many plural ownership related aware-ness raising/capacity building workshops • 90 businesses accessing 1 to 1 plural ownership specialist support (consultancy) 		
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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) (IG barriers targeted as per Exec Summary Ayrshire IG Diagnostic)	Programme Objective
Fair Work Ayrshire Resource: 3xFW Ayrshire officers £437,270 Project Duration: 3 years	<ul style="list-style-type: none"> 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. 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: A Fair Work Audit – How inclusive is their current workforce? What issues are there with progression and retention? How could they improve that? What do they need from external agencies to help? Drive recruitment from excluded groups – working alongside 	<ul style="list-style-type: none"> 90 companies undertaking FW Ayrshire programme (45 per officer x 2, 10 per manager, 10% optimum bias) 90 FW health checks/audits 90 FW action plans <p>Further quantitative outputs:</p> <ul style="list-style-type: none"> ¼ would do living wage accreditation (22 companies/organisations) ¼ would become disability confident employers (22 companies/organisations) 1/5 of businesses who get involved with apprenticeships, foundation apprenticeships, graduate apprenticeships for first time (19 companies/organisations) 1/5 would sign Scottish business pledge (18 companies/organisations) 	<ul style="list-style-type: none"> Diverse and inclusive workforce Jobs are fulfilling and secure Increased financial security for employees Improved wellbeing for employees Increased opportunities and reducing barriers for excluded groups: those with health issues/disabled, those in in work poverty, females, young people Ensuring local people and those from disadvantaged areas have access to economic opportunities Skills development through enhanced opportunities for progression and upskilling Support Scotland to become a Fair Work Nation by 2025 Improved productivity and innovation for companies/organisations Local and regional anchors enhancing their social impact <ul style="list-style-type: none"> ➤ Local Jobs ➤ Soft & Basic Skills ➤ Intermediate & Advanced Skills ➤ Health ➤ Business Support ➤ Sustainable Working Population 	<ul style="list-style-type: none"> To develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.

	<p>existing employability pipeline and initiatives in the region and the Regional Skills and Inclusion Programme.</p> <ul style="list-style-type: none"> • Help to develop 'Fair Work' policies and practice. • Practical support to link to local social enterprises/volunteering schemes. • Monitor progress towards action plan. • 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. 			
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APPENDIX 4

Draft Governance Document

AYRSHIRE GROWTH DEAL GOVERNANCE DOCUMENT



Scottish Government
Riaghaltas na h-Alba
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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 3rd 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 focused 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 require to follow claims procedures put in place by each Partner Authority's Section 95 Officer. The procedures will include all additional checks and requirements as appropriate.
- 2.33 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).
- 2.34 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.

- 2.35 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.
- 2.36 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.
- 2.37 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.
- 2.38 Partner Authorities will work with relevant working groups to assist with the realisation and maximisation of relevant project benefits where required.
- 2.39 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

- 2.40 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.
- 2.41 Third Parties will also comply with the same conditions as Partner Authorities as set out above.

THE PROGRAMME MANAGEMENT OFFICE (PMO)

- 2.42 A permanent staffing structure is 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.

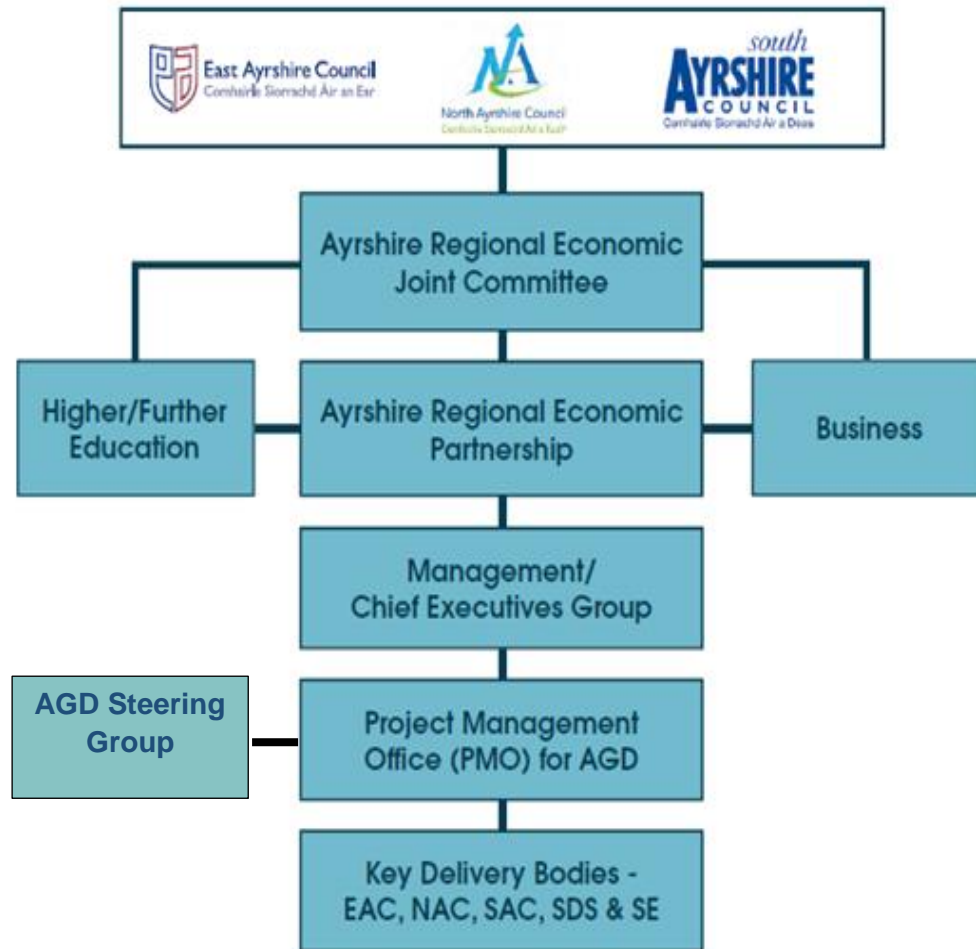
2.43 The work of the PMO is supported by the following working groups:

- 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.

2.44 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

- 2.45 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).
- 2.46 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.
- 2.47 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.
- 2.48 Prior to taking business cases for comment to the Regional Partnership and approval to Joint Committee, these will be taken to the Executive Oversight Group for noting and comment.
- 2.49 Each Ayrshire Council can choose to advise its own committees of the content of business cases for its own internal governance purposes. However, it will only be the Joint Committee who will approve FBCs and implementation of projects.

FINANCIAL REPORTING

- 2.50 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.
- 2.51 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.

- 2.52 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.
- 2.53 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 If a scenario arises that is considered to be a major change and represents a significant deviation from the original agreement, the Joint Committee will enter into open dialogue with Scottish or/and UK Governments or the Scottish City Region Deal Delivery Board, as appropriate, to identify acceptable solutions.
- 3.3 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.
- 3.4 'Deal Change' can be described as something that modifies to any degree the terms of the agreements previously struck between UK and Scottish Governments and local partners. Such agreements are variously described within the terms of the Heads of Terms, the Full Deal, the terms of approved Business Cases, and the terms of the Grant Offer (the Four Documents).
- 3.5 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.

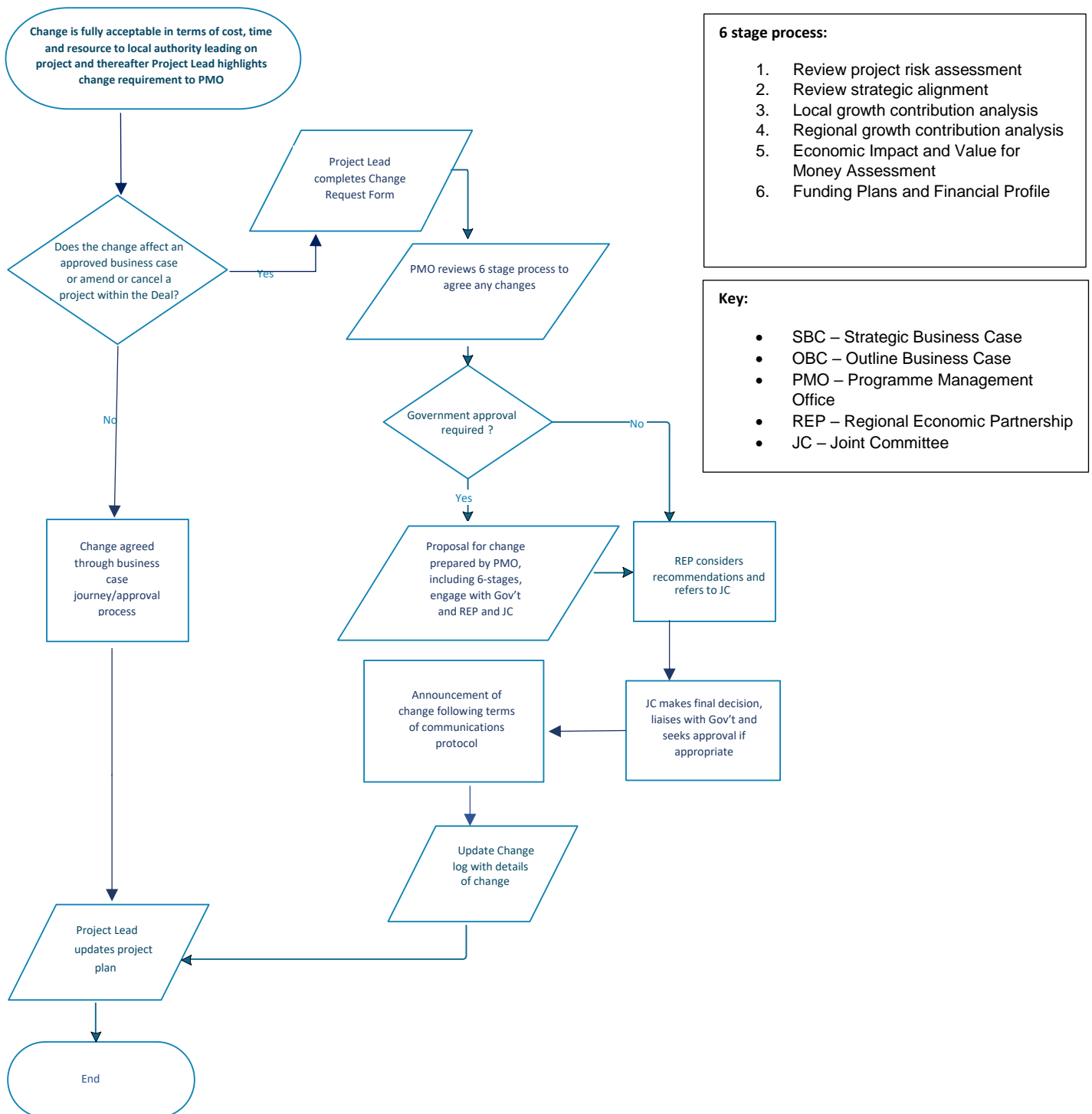
Change Management Process

- 3.6 Outwith the agreements described in the Four Documents, Government would still have an interest in any proposed change however for the most part would expect matters to be resolved locally.

- 3.7 Changes that don't affect the Deal and take place prior to the project business case being approved will be dealt with as part of the Business Case journey and approval process.
- 3.8 Any changes identified for escalation by the Project Lead should be detailed on a Change Request Form (Appendix D) and forwarded to the PMO for consideration.
- 3.9 If the request proposes a change to the terms agreed in the Four Documents, a proposal for change will be prepared by the PMO referring to the relevant business case and explain the circumstances that have inspired the change. The proposal will include the six stages set out below. The proposals will then be assessed by the Governments and Ministerial approval sought if the proposed change represents a significant deviation from the original agreement.
- 3.10 The six stages, which apply to both old and new projects, are:
1. A **Review of the Project Risk Assessment** in order to demonstrate that the risk of not meeting original objectives has substantially changed (or alternatively, to demonstrate that the original objectives are now less relevant to supporting economic growth).
 2. **Review of Strategic Alignment**, demonstrating deviation from the original ethos of the Deal
 3. **Local Growth Contribution Analysis**, including inclusive growth assessment.
 4. **Regional Growth Contribution Analysis**, including inclusive growth assessment.
 5. **Economic Impact and Value for Money Assessment**.
 6. **Funding Plan and Financial Profile** which will set out the cost of the new proposal, respective funding shares, and the time period over which the project will be delivered.
- 3.11 Project Leads should notify their Local Authority's Finance Team and the PMO with the necessary detail in relation to any additional funding committed to the Deal, including the time period for the funding and associated profile, as soon as this information is available. The Local Authority's Finance Team will thereafter consider any implications for their capital plan and borrowing pressures.
- 3.12 Requests for projects to be considered for acceleration, deferral or re-profiling at any stage, should be highlighted to the PMO as soon as reasonably possible. However, the Project Lead will be required to take guidance from their Local Authority's Finance Team as early as possible in the process to ensure any changes can align and/or fit in with the relevant Local Authority's capital plan and borrowing pressures. Any re-profiling would be reported, discussed and agreed with Governments.

- 3.13 It will be for each local authority to ensure that they have suitable processes in place to ensure that change or issues being highlighted by the Project Lead to the PMO are fully acceptable in terms of cost, time and resource.
- 3.14 Confirmation (and announcement) of any change proposals approved by Government will be subject to the terms of the agreed Communications Protocol.
- 3.15 All changes will be logged by the PMO on the Changes register.
- 3.16 Following approval by the JC and Government, where necessary, the Project Lead should amend the project plan and re-baseline.

A summary of the process is shown below:



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.

Appendix D: CHANGE REQUEST FORM

See overleaf

DRAFT

Project Name			
Project Lead Name		Date submitted to PMO	
Reason for Change (check one or more)	<input type="checkbox"/> Risk of not meeting original objectives has substantially increased <input type="checkbox"/> Original objectives now less relevant to supporting economic growth <input type="checkbox"/> Original objectives now less relevant to supporting inclusive growth <input type="checkbox"/> Project no longer considered viable or value for money <input type="checkbox"/> Substantial change to costs <input type="checkbox"/> Change to delivery model <input type="checkbox"/> Change to funding plan to reflect respective funding shares <input type="checkbox"/> Time period changed over which project will be delivered (inc change to finance profile) <input type="checkbox"/> Other <input type="text" value="Please specify"/>		
Change Impact (check one or more)	Change will result in: <input type="checkbox"/> an increase to project scope (coverage – what and where) of work <input type="checkbox"/> a decrease to project scope (coverage – what and where) of work <input type="checkbox"/> service solution adjustment (requirements – how/technical) <input type="checkbox"/> service delivery alteration (provider) <input type="checkbox"/> an increase to project costs <input type="checkbox"/> a decrease to project costs <input type="checkbox"/> delaying project implementation timescale <input type="checkbox"/> accelerating project implementation timescale <input type="checkbox"/> delaying project delivery/completion timescale <input type="checkbox"/> accelerating project delivery/completion timescale <input type="checkbox"/> additional funding committed by existing partner <input type="checkbox"/> reduced funding committed by existing partner <input type="checkbox"/> funding committed by a new partner <input type="checkbox"/> new/change of project <input type="checkbox"/> Other <input type="text" value="Please specify"/>		
Description of Change	Where reasons and impacts are checked above a full description covering each element of change must be provided here and estimates where appropriate provided below		
Impact on time	Best estimate of any delays/acceleration to project delivery		<input type="checkbox"/> N/A
Impact on scope	Best estimate of decrease/increase in scope		<input type="checkbox"/> N/A
Impact on cost	Best estimate of decrease/increase in cost		<input type="checkbox"/> N/A
Impact on funding	Best estimate of decrease/increase in funding		<input type="checkbox"/> N/A
Revised financial profile (split by source) attached	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Revised financial profile agreed with Finance Director	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Impact if change not approved	Make reference to risk register and how specific risks would be affected		
Signed by	Signature: _____		Date: _____

AGD Project Change Request Form - PMO Analysis Section

6-stage process

Review of Project Risk Assessment	<i>How does the change request demonstrate that the risk of not meeting original objectives has substantially changed (or alternatively, demonstrates that the original objectives are now less relevant to supporting economic growth)?</i>
PMO Comments	
Review of Strategic Alignment	<i>How does the change request demonstrate the original project's deviation from the original ethos of the Deal?</i>
PMO Comments	
Local Growth Contribution Analysis	<i>How does the change request demonstrate that the original project alters the contribution to local growth, Including inclusive growth assessment?</i>
PMO Comments	
Regional Growth Contribution Analysis	<i>How does the change request demonstrate that the original project alters the contribution to regional growth, Including inclusive growth assessment?</i>
PMO Comments	
Economic Impact and Value for Money Assessment	<i>How does the change request demonstrate that the original project alters the economic impact and value for money?</i>
PMO Comments	<i>Results of economic modelling</i>
Funding Plan and Financial Profile	<i>How does the change request demonstrate a change to the funding plan and financial profile?</i>
PMO Comments	
Does change impact on any of the following	<input type="checkbox"/> Overall AGD targets/benefits (including jobs and leverage) <input type="checkbox"/> Overall AGD spend <input type="checkbox"/> Any other AGD projects <input type="checkbox"/> AGD Financial Plan <input type="checkbox"/> AGD Implementation Plan <input type="checkbox"/> Grant Offer Letter
Detail impact of change selected above	
Current status	<input type="checkbox"/> Referred back to project lead for more information/FD approval of finance profile <input type="checkbox"/> Passed to Strategic Lead for approval / escalation
Change request reviewed by	<input type="checkbox"/> Programme Manager Signature: _____ Date: _____ <input type="checkbox"/> Compliance and Performance Officer Signature: _____ Date: _____

AGD Project Change Request Form - Approval Section (PMO)

Current status	<input type="checkbox"/> PMO approves and no need to escalate any further <input type="checkbox"/> PMO reports issues and makes recommendations to Regional Economic Partnership <input type="checkbox"/> Regional Economic Partnership refers to JC <input type="checkbox"/> JC makes final decision <input type="checkbox"/> JC seeks Government approval if appropriate		
Proposal of Change prepared for Government	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
Outcome of change request	<input type="checkbox"/> Approved <input type="checkbox"/> Rejected	Change log updated	<input type="checkbox"/> Yes <input type="checkbox"/> No
Public announcement of change required	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Public announcement discussed with Comms Group, agreed and arrangements in place	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Terms of Communications Protocol followed	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
Comments			
Change request form approved by	<input type="checkbox"/> Strategic Manager Signature: _____ Date: _____		

APPENDIX 5

Draft Communications Protocol

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.

As a matter of courtesy, the PMO will share all AGD press releases with UK and Scottish Governments regardless of whether or not a quote is required.

Spokespeople

The agreed spokespeople are:

- For the Ayrshire Growth Deal programme: the Ayrshire Economic 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 monthly 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 dedicated AGD website.
- 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.

BOILERPLATE LINE TO BE USED IN ALL PROJECT PRESS RELEASES:

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

Media enquiries and FOI requests

The PMO and North Ayrshire Council Press Office will together lead on responding to media enquiries relating to the Programme. Member authorities / 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.

FOI and media enquiries will also be discussed / a standing agenda item at Ayrshire Growth Deal Communication Group meetings.

Social Media

For all generic AGD posts, the PMO will manage all social media posts from the Ayrshire Growth Deal accounts, @Ayrshireddeal and the main funders will be tagged in these posts - @EastAyrshire @North_Ayrshire @southayrshire @scotgov @UKGovScotland

Local authority partners will share official AGD social media posts on their own networks.

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

The PMO will share local authority posts on the official AGD social media platforms.

General principles for issuing project specific media releases, statements, press calls and photo opportunities

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

- Media enquiries relating to individual projects should be dealt with by the relevant lead organisation.
- All partners should advise the PMO of any forthcoming media activity to ensure complementarity with other projects.
- All funding partners should be included and quoted.
- Final release should be shared with all communications partners, including relevant FOI enquiries, for their information prior to issue to media.

- For project specific social media coverage, the lead authority will post to their own accounts and will tag the relevant funders as required.
- If the project only receives funding from one partner, e.g. the UK Government, only @UKGovScotland should be tagged in that post.

Communications Action Plan

The Communications Action Plan 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 Plan 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 Plan.

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 information

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

- The [AGD website](#) provides a short description of the Ayrshire Growth Deal, how it came about, what it will do, what it hopes to achieve, and relevant details of timeframes and investment.
- **The Communications Action Plan**, which sets out the planned and completed AGD communications activities. It is the responsibility of the Communications Leads to populate the Plan and keep it up to date, so that it can be reviewed and discussed at Ayrshire Growth Deal communications group meetings.
- **The [AGD website](#)** will capture frequently asked questions and agreed responses.

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



Scottish Government
Riaghaltas na h-Alba
gov.scot

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

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

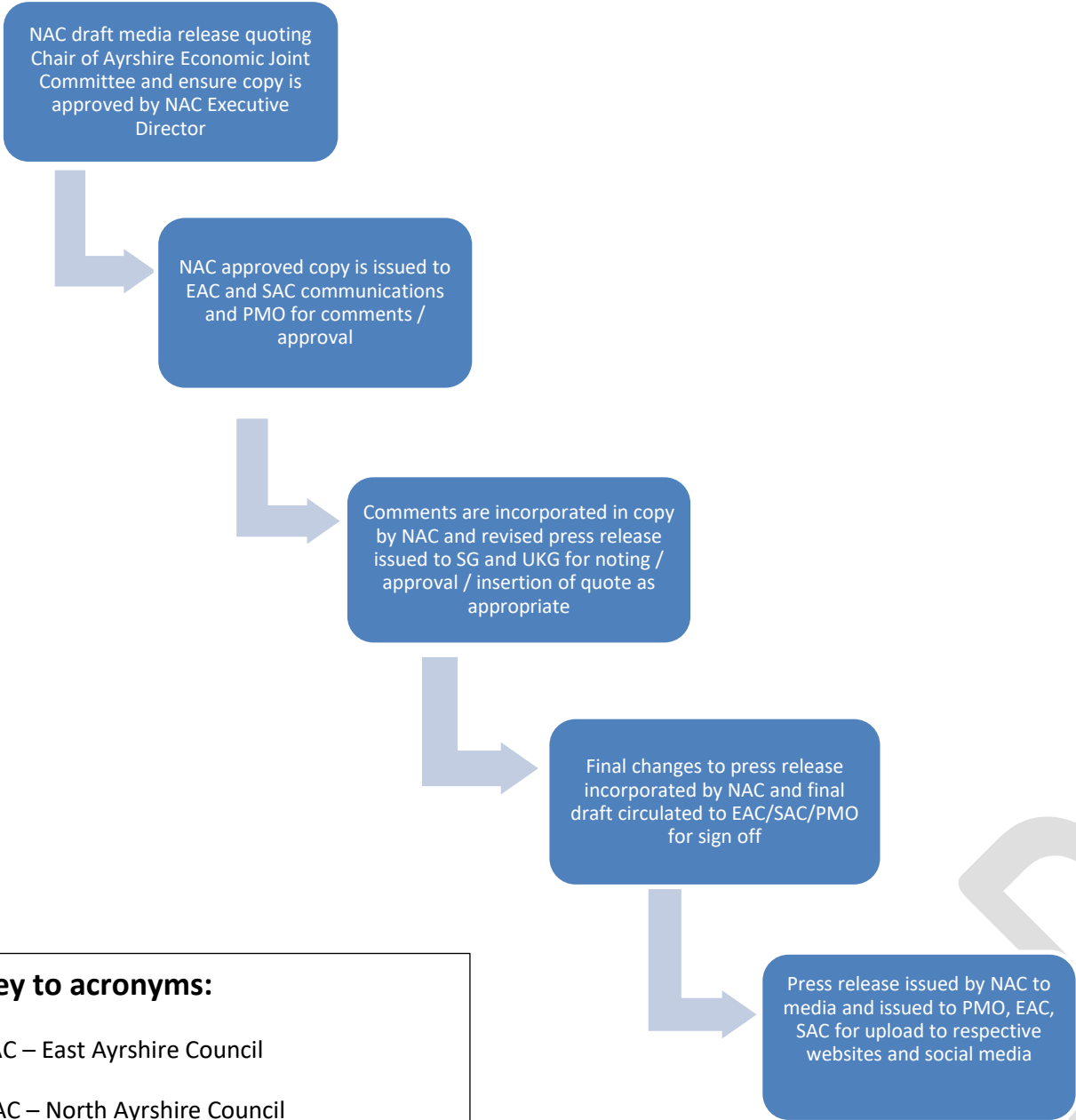
Organisation	Main Contact	Contact details
Deal PMO		
UK Government	Graham Bissell (primary) Tom Peterkin (secondary)	Graham.Bissell@ukgovscotland.gov.uk ; 07771 972607 thomas.peterkin@cabinetoffice.gov.uk ; 07749 713914
Scottish Government	Gerard Klein (primary) Aileen MacArthur (secondary)	Gerard.Klein@gov.scot ; 07468 766494 Aileen.MacArthur@gov.scot ; 07467 447219
North Ayrshire Council	Michele McColm (primary) Mark Sugden (secondary)	MicheleMccolm@north-ayrshire.gov.uk 07766 725118 MarkSugden@north-ayrshire.gov.uk 07738 001718
East Ayrshire Council	Lynne Buchanan (primary) Caitriona Cochrane (secondary)	Lynne.Buchanan@east-ayrshire.gov.uk 07827 841176 Caitriona.Cochrane@east-ayrshire.gov.uk 07554 332374
South Ayrshire Council	Sara Burdon (primary) Jenna Robertson (secondary)	Sara.Burdon@south-ayrshire.gov.uk 01292 616622 Jenna.Robertson@south-ayrshire.gov.uk 01292 612343

Project Funding Breakdown

AYRSHIRE GROWTH DEAL				
Project	Funding Breakdown (£m)			Lead Delivery Partner
	SG	UKG	Council	
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
TOTAL	103	103	45.5	
Grand Total	£251.5 million			

DRAFT

AGD Communications – approvals and sign-off for joint press releases



Key to acronyms:

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

NB. Same day approval/turnaround required in all instances

APPENDIX 6

Communications Action Plan 2020 – 2023



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	Virtual signing event 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

AGD Facebook	Autumn 2020	Obtain AGD Facebook address in order that this is available once content/resource exists The user name for the page is @ayrshiregrowthdeal https://www.facebook.com/ayrshiregrowthdeal/	Businesses Investors Influencers Politicians Local communities Press/Media	Social media	Complete
AGD Instagram	Autumn 2020	Obtain AGD Instagram address in order that this is available once content/resource exists	Businesses Investors Influencers Politicians Local communities Press/Media	Social media	Complete
AGD website development	End of February 2021	Bespoke website to host all AGD information, reports, press, image gallery. URL purchased: www.ayrshiregrowthdeal.co.uk Mailboxes info@east-ayrshire.gov.uk	Businesses Investors Influencers Politicians Local communities Press/Media	Social media posts will signpost to web content in all future communications	Complete
AGD website launch	End of February 2021	Digital promotion	Businesses Investors Influencers Politicians Local communities Press/Media	Press release Social media	Complete

Phase 2: April 2021 – March 2022

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

NERD (EAC)

Project Lead	Target Due Date	Detail	Audience	Channels	Status
Lorna Clark	Early 2021	Key messages developed Member briefing session being arranged Video / presentation required Knockroon location finalised	Businesses Investors Influencers Politicians Local communities Press/Media	Press release Social media website	Starting to scope out work with project team
	March – July 2021	Location of Centre of excellent confirmed (Knockroon) Brand development gets underway Promo video / animation	Businesses Investors Influencers Politicians Local communities Press/Media	PR Social website	PR issued w/c 22 March re location
	August 2021	Submission of planning application	Businesses Investors Influencers Politicians Local communities Press/Media	PR Social website	
	November 2021	COP26 Glasgow Explore opportunities to showcase NERD to global audience	Businesses Investors Influencers Politicians Local communities Press/Media World leaders		

AMIC (EAC)					
Project Lead	Target Due Date	Detail	Audience	Channels	Status
Gillian Morton	April 2021	Stakeholder Engagement Closed FB page established in partnership with Chamber of Commerce to facilitate networking and business engagements , signpost to support available. Links to COC Connect website and development of wider Ayrshire database for future marketing purposes Leader magazine article 300 wds	F&D businesses	Social media Trade press	
	April-June 2021	Project Branding			
	January 2022	Location of Centre of Excellence confirmed		PR Social Website	
Moorfield (EAC)					
Project Lead	Target Due Date	Detail	Audience	Channels	Status
Fiona Paterson	January 2022				
Hunterston (NAC)					
Project Lead	Target Due Date	Detail	Audience	Channels	Status
George Hunter	tbc	Developing a Communications Plan, core script and preparing a proposition for site.			In progress
	November 2021	Working on possible COP26 event stand Nov			In progress
IMSE, Ardrossan (NAC)					
Project Lead	Target Due Date	Detail	Audience	Channels	Status
George Hunter	On-going	Developing a Communications Plan to be presented to Board 22 nd April			In progress
Prestwick Spaceport (SAC)					
Project Lead	Target Due Date	Detail	Audience	Channels	Status
Jim Johnstone	March 2021	Spaceport Beyond Launch article in Herald on Saturday			In progress

Working for a Healthy Economy (Pan-Ayrshire)					
Project Lead	Target Due Date	Detail	Audience	Channels	Status
Greig Robson (NAC)	February 2021	Promote Final business case approved and project implementation			Complete
Community Wealth Building (Pan-Ayrshire)					
Project Lead	Target Due Date	Detail	Audience	Channels	Status
Julie McLachlan (NAC)	February 2021	Promote Final business case approved and project implementation Using the Communications Plan for NA as the basis for rolling the approach out on an Ayrshire basis.	Businesses Investors Influencers Politicians Local communities Press/Media		Complete
	Q1 April-May 2021 tbc	Campaign: Inclusive, growing and enterprising local economy Online campaign to showcase the work within North Ayrshire to deliver this Council priority – will include CWB, AGD, inward investment, employability etc This could be extended to cover Ayrshire wide case studies – requires input from East and South	Businesses Investors Influencers Politicians Local communities Press/Media	Social media	In progress within North Ayrshire – need approval and input to extend approach to Ayrshire
	April/May 2021	Keep it Local Campaign Relaunch Promoting the CWB approach and encouraging communities to keep it local e.g. shop, visit, employ local. Important ahead of the proposed unlock of businesses in April /May. This could be extended to cover Ayrshire – requires input from East and South	Local communities Businesses Press/Media	Social media Advertising Press/Media	
Ayrshire Skills Fund (Pan-Ayrshire)					
Project Led	Target Due Date	Detail	Audience	Channels	Status
Greig Robson (NAC)	tbc				

Phase 3: 2021 and beyond

Spades in the ground for projects

NERD (EAC)

Project Lead	Target Due Date	Detail	Audience	Channels	Status
Lorna Clark	August 2022	Construction begins Various media opportunities to chart progress of development – site visits/ community visits	Businesses Investors Influencers Politicians Local communities Press/Media		
	August 2023	Centre of Excellent Opens Official opening (HRH?)	Businesses Investors Influencers Politicians Local communities Press/Media		

Phase 4: 2021 and beyond

On-going promotion for construction milestones

HALO (EAC)

Project Lead	Target Due Date	Detail	Audience	Channels	Status
Gary Deans	April 2021	Completion and opening of Enterprise and Innovation Hub	Businesses Investors Influencers Politicians Local communities Press/Media		In progress
	November 2021	COP26 Glasgow	Businesses Investors Influencers Politicians Local communities Press/Media World leaders		

APPENDIX 7


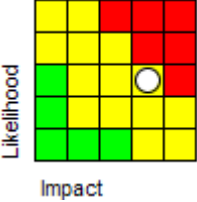

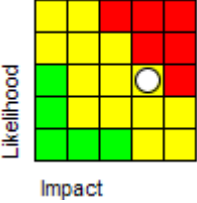

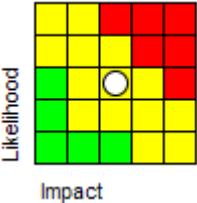
Risk Register


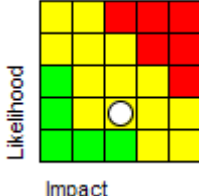

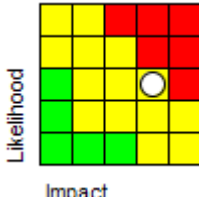

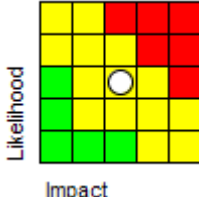
Risk Register for Ayrshire Growth Deal


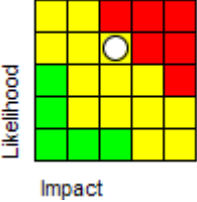

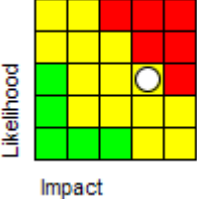

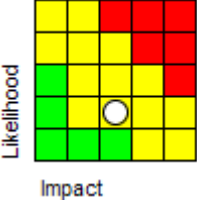
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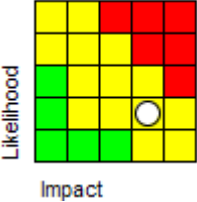

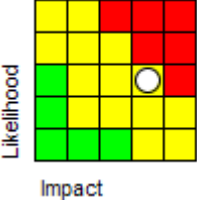

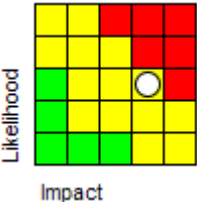



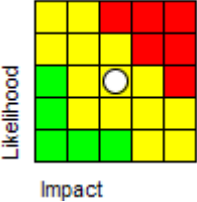

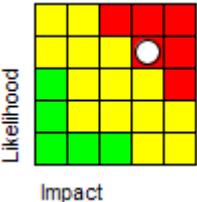
Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK01	Failure to achieve AGD programme objectives	PMO working on monitoring and evaluation processes to ensure overall objectives are captured and any project failing 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	Project spend profiles have been reviewed to take account of compressed UKG funding over 10 years. The Implementation Plan and Financial Plan are in the process of being updated to take account of the compressed funding. Project Leads have confirmed accuracy and Finance Directors have approved. Accuracy of financial profiling is likely to be greater for early delivery projects. PMO will regularly review, challenge and agree financial profiling with PLs and FDs and ensure drawdown projections align with delivery timescales.		09-Apr-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.


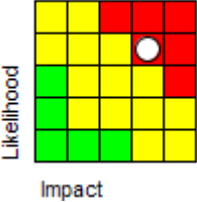

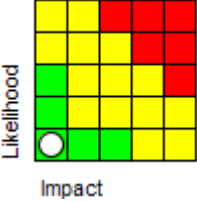

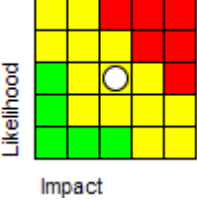
Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK03	Failure to drawdown full AGD funding	The financial profiling has been reviewed and updated to take account of UKG compressed funding to 10 years and project developments. PMO will regularly review, challenge and agree financial profiling/phasing with Project Leads and Finance Directors and ensure drawdown projections align with delivery timescales. SG's financial reporting requirements will be implemented. Internal procedures, financial controls and audit processes being put in place to mitigate this risk.		09-Apr-2021	9	12	Internal procedures, financial controls and audit processes being put in place to mitigate this risk
	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 has caused delays with negotiations and sign offs. Other partners assisting in developing business cases where capacity is low.		09-Apr-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




Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK06	Failure to deliver community benefits from AGD	PMO and procurement managers from the 3 Ayrshire Councils working on a single mechanism to monitor delivery of community benefits so that remedial action can be taken forward if required. A Tracker system has been developed and is in the process of being web enabled by EAC IT colleagues. PMO working with Project Leads to develop a consistent approach to embedding inclusive growth, equalities and CWB within business cases.		09-Apr-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 Framework which will include a change management process will be developed and implemented, as will a Benefits Realisation Plan.		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
	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	9	PMO working closely with project leads to ensure interdependencies are fully articulated within business cases


Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	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	12	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	12	
	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 signed off. A Monitoring & Evaluation Framework and Benefits Realisation Plan will be developed with government and implemented. AGD is a standing item on CEOs' meeting agenda.		09-Apr-2021	6	6	Ayrshire Regional Partnership and Joint Economic Committee now in place. AGD is standing item on CEOs' monthly meeting agenda.

Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	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 both governments. Key principles and standard template have been prepared and shared with both governments. Frameworks developed by other Deals will be considered and utilised where relevant. Framework will be considered/agreed by Joint Committee.		09-Apr-2021	8	8	
	AGDRISK13	Failure to attract commercial interest in AGD	<p>Market campaigns will target potential investors.</p> <p>Wider Ayrshire Economic Growth Strategy is in place to ensure wider growth ambitions for Ayrshire are articulated to stakeholders and investors.</p>		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 a pipeline of project specific communications plans. AGD website launched at the end of February 2021 and the use of social media has increased. Regular briefings with a range of stakeholders. Communications Protocol revised and in place. Communications, marketing and engagement plan for the REP being developed.		09-Apr-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
	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 the Ayrshire Meet the Buyer event scheduled to take place 28 April 2021.		09-Apr-2021	9	9	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. Regional Economic Strategy will be implemented. Regional Economic Partnership will provide voice for Ayrshire to press the case for government intervention investment. Incentives and other forms of assistance to complement the AGD and stimulate greater economic activity.		09-Apr-2021	16	16	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

APPENDIX 8

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

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

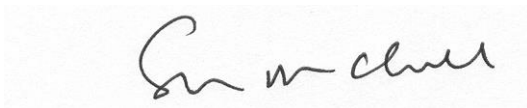
- 23.1 Each of the Parties shall meet its own costs in connection with the preparation, adjustment and completion of this Agreement.

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

PROGRESS REPORT TO EXECUTIVE OVERSIGHT GROUP

Reporting Period: January to April 2021

Sector-Based Support Group: Digital Work stream Oversight Group

Group Lead: Johnny Mone

Group Objective

Support the economic recovery and renewal of the above sector, with Community Wealth Building at the heart, in response to the profound and unprecedented impact of Covid-19 Pandemic on the economy.

Guidelines

Milestone RAG Status

Milestone completed

On target

Minor delays up to one month

Delays greater than one month

Key Milestones/Deliverables (e.g. establish group membership, communications plan agreed & by whom, strategic resources plan agreed & by whom)

Due Date

RAG Status

Group Lead Appointed

Jan

Terms of reference redrafted and agreed

Feb

Group membership reconstituted

May

Support resource appointed

April

Business case for projects revised

August

Industry leadership consulted

July

Key Actions - update on activity:

1. Since the last reporting period, what development has taken place in terms of a recovery and renewal plan for the above sector?

Additional resource has been recruited to support the work stream and will become effective from 26 April. Further discussion have taken place with SFT and other partners to explore options for edge datacentres as to the model for exploitation of enhanced connectivity

2. Since the last reporting period, what quantitative and qualitative information has the group identified, collated & interpreted with regard to the impact of Covid-19 on the sector?

This digital work stream straddles all the work all other work streams and it is crucial that good insight is developed between the leads. Meeting with other worstream oversight group leads to establish the mode of collaboration among the worstream oversight groups has taken place and continues to build collaborative work.

3. Since the last reporting period, what support has been provided to the sector in terms of a response to the pandemic?

N/A

<p>4. Since the last reporting period, what actions have been identified and/or implemented to support recovery and renewal within the sector, including financial implications of measures proposed?</p> <p>N/A</p>
<p>5. Since the last reporting period, what collaborative work has taken place with the other sector-based recovery and renewal groups to ensure a joined-up approach?</p> <p>Working with EKOS who are providing a feasibility study to locate a 5G Innovation hub at the HALO project. Collaboration designed to ensure that whatever is recommended ties in with the goals of the Digital workstream</p> <p>Initial discussions commenced around the opportunities and linkages with i3 investments</p>
<p>6. What engagement has taken place since the last reporting period with local businesses and the wider community, and what support has been realised from this?</p> <p>This is planned running up to July to ensure that the Business Plan revision reflects the needs of regional industry – especially those who feed into the other workstreams</p>
<p>7. Since the last reporting period, what work has been identified or undertaken that has linkage with / impact on the Ayrshire Growth Deal?</p> <p>See above</p>
<p>8. What work has been identified or undertaken since the last reporting period that has an impact on climate change?</p> <p>N/A</p>
<p>9. What work has been identified or undertaken since the last reporting period that has an impact on skills and training within the sector?</p> <p>Business plan revision will address the skills project requirements in the light of industry engagement</p>
<p>10. What work has been identified or undertaken since the last reporting period that has an impact on digital infrastructure within the sector?</p> <p>The workstream is fundamentally about leveraging economic value for the region for enhanced connectivity this will entail the location of a hub and spoke datacentre model which will be a significant part of the digital infrastructure needed.</p>
<p>11. What work has been identified or undertaken since the last reporting period that has an impact on business support for the sector?</p> <p>N/A</p>

12.What work has been identified or undertaken since the last reporting period that has linkage with / impact on Community Wealth Building? N/A
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What issues have been identified since the last reporting period?	What mitigating actions have been taken/considered to overcome these issues?
Lack of capacity	This is being addressed with the appointment of a new resource starting on April 26th

What actions/support/resources/decisions are required by the Executive Oversight Group or the Ayrshire Economic Partnership Board?
Clarity is being sought on the remit of the workstream oversight groups and how they function relative to the executive oversight group.

PROGRESS REPORT TO EXECUTIVE OVERSIGHT GROUP

Reporting Period:	Sector-Based Support Group: Skills
To end March 2021	Group Lead: Skills Development Scotland

Group Objective	Guidelines	Milestone RAG Status
Support the economic recovery and renewal of the above sector, with Community Wealth Building at the heart, in response to the profound and unprecedented impact of Covid-19 Pandemic on the economy.	Milestone completed	
	On target	
	Minor delays up to one month	
	Delays greater than one month	

Key Milestones/Deliverables (e.g. establish group membership, communications plan agreed & by whom, strategic resources plan agreed & by whom)	Due Date	RAG Status
Set up of REP Skills Workstream (SDS, Ayrshire College and UWS)	July 2020	
Draft and present evidence paper to the REP setting out impact of COVID-19 on the region	September 2020	
Skills Workshop to Understand the Impact of COVID on the labour market and skills in Ayrshire and Identify the Steps needed for recovery and renewal	November 2021	
Expansion of membership of Skills Workstream to wider regional partners	January 2021	
Work to support the AGD lead to develop 'skills pathways' for AGD projects	From January 2021	
Develop and agree scope for Ayrshire Regional Skills Investment Plan	April 2021	
Commissioning of Regional Skills Investment Plan	May 2021	
Development of Regional Skills Investment Plan	December 2021	

Key Actions - update on activity:
<p>1. Since the last reporting period, what development has taken place in terms of a recovery and renewal plan for the above sector?</p> <p>N/A</p> <p>Skills are a derived demand so the Skills Workstream will not drive recovery and renewal – but skills partners ready to respond to the demands identified by other workstream leads and partners to support recovery and renewal.</p>

2. Since the last reporting period, what quantitative and qualitative information has the group identified, collated & interpreted with regard to the impact of Covid-19 on the sector?

Quantitative

COVID-19 Labour market intelligence is produced on a monthly basis at national level.

Most recent publication March 2021 <https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning-alignment/covid-19-labour-market-insights/>

COVID-19 Labour market intelligence is produced on a monthly basis at an Ayrshire level providing detail on a range of key indicators including the resilience of Ayrshire to COVID-19 Impacts, the impact of COVID-19 on business , redundancy, the impact of COVID-19 on employment, regional unemployment scenarios, current and future demand for skills and current job postings.

Most recent publication March 2021 <https://www.skillsdevelopmentscotland.co.uk/media/47092/rsa-infographic-ayrshire.pdf>

3. Since the last reporting period, what support has been provided to the sector in terms of a response to the pandemic?

N/A

4. Since the last reporting period, what actions have been identified and/or implemented to support recovery and renewal within the sector, including financial implications of measures proposed?

N/A

5. Since the last reporting period, what collaborative work has taken place with the other sector-based recovery and renewal groups to ensure a joined-up approach?

The workstream leads for the other sector workstreams are members of the Ayrshire Skills Group.

6. What engagement has taken place since the last reporting period with local businesses and the wider community, and what support has been realised from this?

The Ayrshire Chamber and the Third Sector are now members of the Ayrshire Skills Group.

7. Since the last reporting period, what work has been identified or undertaken that has linkage with / impact on the Ayrshire Growth Deal?

The Skills Pathway development work being led by the AGD PMO will be supported by the Ayrshire Skills Group. It has been proposed that the work to develop a Regional Skills Investment Plan (RSIP) will be able to incorporate the key elements of the developing AGD skills pathway work.

8. What work has been identified or undertaken since the last reporting period that has an impact on climate change?
N/A
<p>9. What work has been identified or undertaken since the last reporting period that has an impact on skills and training within the sector?</p> <p>An Ayrshire Skills Group meeting was held on the 10th March with a focus on:</p> <ul style="list-style-type: none"> • The role and remit of group; • The scoping of a Regional Skills Investment Plan (RSIP) • Progress on the development of Skills Pathways for the AGD <p>As agreed at the meeting, Andrea Glass, Head of Regional Skills Planning and Enabling Sectors at SDS, has pulled together a draft scoping paper on the Ayrshire Regional Skills Investment Plan (which will incorporate the key elements of the developing AGD skills pathway work). This was circulated to the members of the Ayrshire Skills Group on 1st April for feedback.</p> <p>The paper will be discussed at the next meeting (on 23rd April) and further refined, before being used as the basis of the Brief to be put out to tender for consultancy support for the development of the RSIP in May.</p>
10. What work has been identified or undertaken since the last reporting period that has an impact on digital infrastructure within the sector?
N/A
11. What work has been identified or undertaken since the last reporting period that has an impact on business support for the sector?
N/A
12. What work has been identified or undertaken since the last reporting period that has linkage with / impact on Community Wealth Building?
N/A

What issues have been identified since the last reporting period?	What mitigating actions have been taken/considered to overcome these issues?
Still need greater clarity on where the operational day to day responsibility lies for driving forward the implementation of the Regional Economic Strategy.	An SE hosted session with workstream leads was planned – but has not yet taken place due to illness. This (or some oversight of all workstreams) remains a critical need.

Successful RSIP Development and Implementation

To facilitate the successful development and implementation of an RSIP in Ayrshire there is a need for:

- Key skills partners to engage and commit to the process, which may require changes in behaviour and practice.
- Clarity in terms of governance and accountability for development, implementation and ongoing monitoring of the RSIP.
- It will be critical for partners to engage in further discussion around resources.

The collaborative process and co-design of the RSIP with partners will help to facilitate successful development and implementation.

What actions/support/resources/decisions are required by the Executive Oversight Group or the Ayrshire Economic Partnership Board?

Publication of the RSIP is not the outcome - implementation is critical with a strong role for the Ayrshire Skills Group, the Regional Economic Partnership and wider partners in terms of commitment and resource.

SDS has identified £40K budget to support this work. This will allow for the development of the RSIP and the articulation of the outline process for the development of Skills Pathways (with one round of initial consultation with project leads). If more in-depth work is required on Skills Pathways and/or if any elements of the work are to be expanded then additional partner financial contributions will be required.

Aside from this, resource to fund the actions required for the implementation of the RSIP will be needed. The identification of the agreed priority skills areas for action by the REP Ayrshire Skills Group will provide a clear steer for where investment is required. Alongside the resources that partners will be able to commit, realign etc. the Ayrshire Skills Investment Fund through the Ayrshire Growth Deal potentially offers a significant opportunity to support these ambitions.

PROGRESS REPORT TO EXECUTIVE OVERSIGHT GROUP

Reporting Period:	Sector-Based Support Group: Food and Drink
	Group Lead: Alastair Dobson

Group Objective	Guidelines	Milestone RAG Status
Support the economic recovery and renewal of the above sector, with Community Wealth Building at the heart, in response to the profound and unprecedented impact of Covid-19 Pandemic on the economy.	Milestone completed	
	On target	
	Minor delays up to one month	
	Delays greater than one month	

Key Milestones/Deliverables (e.g. establish group membership, communications plan agreed & by whom, strategic resources plan agreed & by whom)	Due Date	RAG Status
Recovery & Renewal Action Plan produced, and regular progress reports provided to the Group	Jan 2021	
Establishment of a Communications Plan	June 2021	

Key Actions - update on activity:
<p>1. Since the last reporting period, what development has taken place in terms of a recovery and renewal plan for the above sector?</p> <p>An output-based recovery and renewal plan has been put in place, which is aligned to Scotland Food & Drink Partnership recovery plan themes, including supporting businesses and stimulating demand in key markets.</p> <p>Monthly updates on this plan, with a focus on all aspects of operational activity, are considered by the Group at our regular virtual team meetings.</p>
<p>2. Since the last reporting period, what quantitative and qualitative information has the group identified, collated & interpreted with regard to the impact of Covid-19 on the sector?</p> <p>Data produced by the Office for National Statistics in February 2020 demonstrated clearly the twin impacts of Covid-19 and Brexit on the food and drink sector in Scotland. In particular, it has demonstrated the huge decrease in export trade, particularly in the meat and dairy sectors. Fish and shellfish exports have fallen by 83% in the last year, whilst meat exports have reduced by 59%, and dairy products by 50%.</p>
<p>3. Since the last reporting period, what support has been provided to the sector in terms of a response to the pandemic?</p> <p>The pandemic is resulting in problems of social isolation for many primary producers, who no longer have access to auctions, farmers' markets, etc. Recognising this, 12 producers have been identified and will be asked to speak to fellow</p>

businesses for an hour each month. Peer to peer mentoring will be an important support to many of our struggling businesses in the current climate.

Companies have been able to take advantage of free support available from a range of organisations, including My Hospitality Partners, Productivity Club Scotland and the Chamber of Commerce. There has also been many discussions with Scotland Food and Drink, Food and Drink Federation and other critical partners to ensure the best possible advice and support is being delivered at business level.

Alignment with the work of the Visitor Economy work stream should embed food and drink and food tourism at the heart of a quality visitor experience in Ayrshire and deliver the first stages of community and business recovery.

Moving forward, the recruitment of Community Wealth Building Locality Officers is underway, and once in post, they will work on the ground with local companies from a range of sectors, including our own to look at developing supply chain opportunities.

4. Since the last reporting period, what actions have been identified and/or implemented to support recovery and renewal within the sector, including financial implications of measures proposed?

The Scottish Government has allocated discretionary funding to local authorities to allow them to use their knowledge of local economies to direct funding towards businesses experiencing financial challenges as a result of Covid-19. This process has now entered its second delivery phase, with many food and drink businesses facing hardship being the recipients of grant funding.

It is anticipated that separate funding will follow from the Scottish Government to support sector-specific recovery activity during 2021.

The Team works closely with businesses and have identified a number of areas where additional support is required. Consideration is being given to providing training in areas such as commerciality, packaging and manufacturing efficiencies.

5. Since the last reporting period, what collaborative work has taken place with the other sector-based recovery and renewal groups to ensure a joined-up approach?

Tourism: A new tourism strategic group for Ayrshire was launched during the quarter. A wide range of partners and stakeholders will be involved in this group, and it will be important to establish links with them to ensure consistency and prevent overlap or duplication.

The Team is providing support to the Coig, who are undertaking research into visitor management issues across Ayrshire and the Clyde islands. This important research will help to inform future plans for the development of tourism and hospitality infrastructure across Ayrshire.

Clean Growth: The group is developing working relationships with the Clean Growth work stream, as that group develops its own Recovery Plan. Our work in areas such as sustainable packaging will make an important contribution to this agenda.

The Food Tourism Co-ordinators have engaged with the Ayrshire Chamber to help facilitate the development of the Ayrshire Connect website which has the aim of encouraging collaboration between businesses and promote the region and those businesses and help facilitate community and business recovery from the pandemic.

6. What engagement has taken place since the last reporting period with local businesses and the wider community, and what support has been realised from this?

AMIC Project: a number of engagement sessions have taken place during the last quarter, including with the NFU, Food & Drink Forum (South of England), HIE and a number of businesses.

The last quarter also saw the delivery of the SAC Consulting report which sets out the findings of their workshops with Ayrshire businesses and food and drink sectoral representatives. The report found that a physical site based at AMIC would be a huge asset to micro/ start-up businesses and would provide a centre for knowledge, skills, equipment, and facilities that they may not be able to afford on their own.

Colleagues are taking forward the key recommendations from the report, particularly those that can be taken forward in the short term ahead of any development of a physical building.

Food Tourism: monthly newsletters have been issued by the Food Tourism Co-ordinators and a regional Facebook group has been set up to facilitate collaboration and support.

A supporters meeting was held for Arran and 45 businesses are now engaged with Arran's Food Journey. Ayrshire Food and a' that continues to hold monthly steering group meetings.

7. Since the last reporting period, what work has been identified or undertaken that has linkage with / impact on the Ayrshire Growth Deal?

The Team has been liaising with the AGD Skills Project to identify areas of commonality and ensure that overlap and duplication is eliminated.

AMIC is one of the keynote projects within the AGD, and our Virtual Team includes members of the AMIC project team, who are leading on the development of the Food and Drink Centre of Excellence.

All activity will consider and ensure linkages across all appropriate Ayrshire Growth Deal projects. An update on the AGD CWB project is provided at no. 12 below.

The AGD Food and Drink Lead and Ayrshire Food Tourism Co-ordinators have been working with the three unitary authorities to highlight and promote local procurement.

8. What work has been identified or undertaken since the last reporting period that has an impact on climate change?

Taste of Arran companies are adopting a simple process to set out a Net Zero plan on a page. This is currently at the testing stage, and a report on progress will be provided at the April meeting of our group. If the process is robust, simple and adds value to planning and investment to mitigate carbon impact, options to roll this out across the region will be looked at.

9. What work has been identified or undertaken since the last reporting period that has an impact on skills and training within the sector?

Scotland Food & Drink Partnership launched 'The Academy' in February. The Academy is a market-focused and commercially orientated training programme that aims to help Scottish food and drink producers build their brands and thrive in their market places. The first courses are scheduled to launch in May.

Our Food Tourism Co-ordinators met with Ayrshire and Argyll Colleges in February & March to identify skills gaps and find out what courses are targeted towards the hospitality sector. The colleges have drawn up a wider regional list of courses relevant to the food and drink sector. The next step is to approach food and drink sector businesses to find out what skills training packages they require.

East Ayrshire Council officers have met with the Scottish Manufacturing Advisory Service (SMAS) to find out more about the services they can offer in terms of workforce development, culture and leadership. SMAS are now working up some programmes targeted at Ayrshire food and drink businesses.

The Team has been liaising with the AGD Skills Project to identify areas of commonality and ensure that overlap and duplication is eliminated.

Industry is demanding simplification and ease of engagement with the various programs and opportunities and the group will try to identify best solution.

10. What work has been identified or undertaken since the last reporting period that has an impact on digital infrastructure within the sector?

Arran's first online Arran Farmers' Market was held on 6 March with 13 producers taking part. Arran's Food Tourism co-ordinator organised this event, in conjunction with Arran EcoSavvy. Video content was created, many lessons learned and there has been over 15,000 clicks on the webpage as a result.

Arransfoodjourney.com went live on the 28th of March with 37 food and drink businesses listed and telling their story.

Both Co-ordinators are facilitating the development of Ayrshire Connect.

The ongoing discussions with SMAS will identify digital and advanced manufacturing opportunities across the sector and supply chains.

11. What work has been identified or undertaken since the last reporting period that has an impact on business support for the sector?

The main impact has been the provision of additional funding streams for businesses from the Scottish Government via its Discretionary Fund, as referred to earlier. Without this funding, evidence is telling us that many of our food and drink businesses would face major cash flow difficulties.

The tentative re-opening of the hospitality sector at the end of April should provide an opportunity for businesses to begin trading again, and many of them have already begun to prepare for this. At this stage, evidence suggests they are behaving cautiously until they are able to ascertain what the likely level of demand for their products will be.

12. What work has been identified or undertaken since the last reporting period that has linkage with / impact on Community Wealth Building?

The main focus of our Community Wealth Building activity during the last quarter has been on the procurement pillar. A number of discussions have taken place between members of this group and procurement and economic development colleagues from across the three councils. It is recognised that whilst Council procurement frameworks are now more accessible, nevertheless there are many companies who find the processes challenging. There are significant opportunities for food and drink producers in terms of large-scale catering contracts, and taking advantage of these opportunities has been the main focus of recent discussions.

Further engagement with the Ayrshire CWB Team is planned.

What issues have been identified since the last reporting period?

A number of new home-based small scale food production businesses have emerged since the onset of the pandemic (this includes cake-makers, confectioners, gourmet dining, etc). This has positive economic benefits, but concerns have been raised in relation to food safety and insurance issues.

The team will develop an understanding of how best to support these new start businesses within existing frameworks.

What mitigating actions have been taken/considered to overcome these issues?

Environmental Health Teams within councils continue to monitor the situation.

What actions/support/resources/decisions are required by the Executive Oversight Group or the Ayrshire Economic Partnership Board?

Simplification of communication between and within partner organisations, identifying and developing key actions and their cross cutting opportunities across the region and work streams, would be greatly aided by the adoption of the regional strategy and an aligned, simplified and focussed governance model.

PROGRESS REPORT TO EXECUTIVE OVERSIGHT GROUP

Reporting Period: January to April 2021	Sector-Based Support Group: Visitor Economy
	Group Lead: Malcolm Roughead, VisitScotland

Group Objective	Guidelines	Milestone RAG Status
Support the economic recovery and renewal of the above sector, with Community Wealth Building at the heart, in response to the profound and unprecedented impact of Covid-19 Pandemic on the economy.	Milestone completed	
	On target	
	Minor delays up to one month	
	Delays greater than one month	

Key Milestones/Deliverables (e.g. establish group membership, communications plan agreed & by whom, strategic resources plan agreed & by whom)	Due Date	RAG Status
Recovery & Renewal Action Plan produced and agreed by REP	Ongoing	
Active Visitor Economy Strategic Group – chaired by M Roughead / Private & Public sector members	Ongoing	
Sector and industry research Ayrshire Visitor Economy “State of the Nation” Covid19 Industry Research – Impacts and Opportunities	Jan 2021	
Establishment of Destination Development Workstreams – Marketing, Product / Experience, Digital and Covid19 Industry research	Jan 2021	
Develop a Pan-Ayrshire Tourism Action Plan (Short- Medium Term)	March 2021	
Build Industry Engagement to establish an Ayrshire Tourism Collaboration	Jan 2021	
Option analysis for a Regional Collaboration approach	Ongoing	
Identify and develop a Medium to Long-term Action Plan including delivery resources / funding	Sept 2021	
Development of an Ayrshire Visitor Economy Strategic Vision	Sept 2021	
Development and delivery of a Visitor Economy B2B Communication Plan	Ongoing	
Establishment of a collaborative Creative Delivery Group – industry led resourced (staff-time) by the Coig, 3 Ayrshire Councils and Scottish Enterprise	Mid-April 2021	
Development and delivery of a regional market-ready food & Drink pilot project	July 2021	

Key Actions - update on activity:
<p>1. Since the last reporting period, what development has taken place in terms of a recovery and renewal plan for the above sector?</p> <p>Since the last period the Short-to-Medium Term Action Plan to support the visitor economy recovery and renewal plan has delivered key milestones. These include:</p>

- Established and well attended / engaged Visitor Economy Strategic Group – chaired by M Roughead / Private & Public sector members.
- Industry and destination research has been undertaken and used to inform and evidence the development of the collaborative approach and action plan priorities.
- Destination Development Workstreams – Marketing, Product / Experience, Digital and Collaboration are well established and in active delivery phases.
- A Pan-Ayrshire Tourism Action Plan (Short- Medium Term) has been developed and implemented.
- The Collaboration has built industry engagement and communication.
- A new Strategic Vision for the Ayrshire Visitor Economy is in development.
- Options have been explored and developed to create a formalised structure for an ongoing, long-term Regional Collaboration approach.
- Priorities and themes are in development to develop the medium to long-term Action Plan including identifying and mobilising co-working arrangements, delivery resources and funding.
- An Ayrshire Visitor Economy B2B Communication Plan has been developed and is now in phase 1 of delivery.
- A collaborative Creative Delivery Group has been created to respond to sector recovery and renewal by producing a new product and experience for the forthcoming summer/autumn tourism season. This group will be industry led and resourced by The Coig, 3 Ayrshire Councils and Scottish Enterprise.
- The development of a new, regional market-ready Food & Drink pilot project has been agreed with delivery starting mid-April 2021.

Due to the restrictions and ongoing uncertainty with travel, tourism and hospitality re-opening timeframes and sector operational shifts in line with national guidelines and legislation, the Visitor Economy Group aims to be flexible and responsive to the needs of the sector.

2. Since the last reporting period, what quantitative and qualitative information has the group identified, collated & interpreted with regard to the impact of Covid-19 on the sector?

Qualitative research has undertaken through taken the following:

- Workshops and focus groups have been held to identify visitor economy themes, products and experiences that identify Ayrshire's key strengths and priorities for development action. The Phase 1 outcome of this activity is the formation of the Creative Delivery Group and delivery of a Food & Drink Pilot Project.
- Workshops and focus groups have taken place to develop a strategic vision for Ayrshire's visitor economy. This work will carry on throughout the next quarter with wider sector engagement to establish a new shared, strategic vision for Ayrshire tourism.

3. Since the last reporting period, what support has been provided to the sector in terms of a response to the pandemic?

- Since the last period the sector has been supported by the roll out and delivery of digital training through the VisitScotland and business Gateway Digital Boost programme.

- Marketing and promotional activity has been delayed due to Covid19 restrictions in the movement of people, however partners at The Coig and VisitScotland have maintained an Ayrshire presence in the marketplace and across social media. The roll out of the spring-summer marketing plans are in place for launch in late April – early May 2021 to align with the national roadmap for the lifting of restrictions. The campaigns are social media led and include digital promotional work with Hearst Publications, Expedia, Facebook and travel bloggers.
- A Communication Plan has been developed to further engage with the wider Ayrshire industry. An article has been published by M Routhead, VisitScotland to announce the working of the collaboration that makes a call for action for the wider industry to get involved. Monthly messages and updates from the collaboration will be released / shared across partner and business platforms.
- The progress made by the strategic group and industry partners has motivated businesses to dedicated time and resource to the collaborative work. This includes business operators committing considerable personal time and resources to the initiative. In addition, The Coig and public sector partners have allocated staff time to supporting the sector.
- Partners at VisitScotland, the Councils and Scottish Enterprise have been engaged in the delivery and administration of Covid19 business support grants. Information and promotion of these Funds has taken place across partners' media channels. The Coig newsletters provide updates to the sector on a wide range of available support services and initiatives that may benefit business start-up.

4. Since the last reporting period, what actions have been identified and/or implemented to support recovery and renewal within the sector, including financial implications of measures proposed?

The following tangible actions have been identified and mobilised to support the recovery and renewal of the Visitor Economy:

Next Step Actions -

- The establishment of a collective movement is now in place that will lead the economic shift to Ayrshire's visitor economy that will meet how the Ayrshire sector will economically grow, be perceived and how it will co-deliver and measure new success for the Ayrshire sector. This will enable Ayrshire's ambitions to play a role in the delivery of the national Scotland Outlook 2030 strategy and deliver a new vision for a 21st century Ayrshire tourism economy.
- Immediate steps are being put in place to create new experiences for visitors that will communicate messages that resonate with businesses, the communities and with future tourists and day visitors.
- A clear focus has been adopted on steps that need to be taken by the medium- and long-term action plan that delivers a sustainable and resilient visitor economy through the regional collaboration.
- Steps are being put in place to prepare Ayrshire communities, political, and business leaders together with our citizens and our employees to be ready for Ayrshire's tourism destination development journey.

Measures Proposed - The following measures have been identified for next-steps delivery:

- Activities will reverse existing trends especially in uplifting overnight stays and spending initially in the domestic tourist markets and then with international tourists.
- Actions will be set in place to improve the management of day visitors (flows, behaviour, and spending) and aim to distribute visitors across the region.
- Better visitor experiences will be developed that will generate higher value pricing, repeat visits, loyalty, and higher levels of satisfaction.
- There will be a focus on reducing seasonality and the usual cycle of peaks and troughs.
- Stimulating community involvement and benefits from the visitor economy with tighter local supply chains and reduced economic leakage.
- Creating better quality and better paid jobs for local people will be a priority outcome of the collaborative's actions.
- Capacity building work will be established to increase residents understand of their region, tourism and generating civic pride.

The Approach

- Qualitative growth based upon a curated collection of unique, authentic, Ayrshire experiences that reflect strong Ayrshire stories and optimises existing assets (people and place).
- Delivered in an inclusive, collaborative, and co-created manner involving and integrating a wide range of Ayrshire businesses, communities, and other interested parties.
- Based upon market-facing, market tested and compelling stories that will connect multiple elements (assets) to create a cohesive, understandable, accessible and bookable experiences (individually and collectively).
- Undertaken with clearly defined roles and responsibilities thus avoiding duplication of effort and resources.
- Delivering multiple, measurable, benefits across the region.
- Inclusive and open to all.

The Outcomes

- Uplift in visitor spending per trip for both day visitors and overnight tourists by staying longer on each trip, exposing visitors to more opportunities to spend locally, extending the season, encouraging repeat visitation, and converting day visitors to returning overnight stays.
- Creating added value, innovative, experiences that can be delivered by any sector within the region's economy and involving local supply chains: thus, reducing economic leakage from the region and driving synergy across the region's economy strengths.
- Creating new clusters and networks of collaboration involving a wide-range of interests, skills, talent, and disciplines that harness digital technologies to leverage competitive advantage.
- Influencing visitor travel patterns, behaviour and perceptions (of Ayrshire and a place to live, work, study and visit).
- Raising the profile and adding momentum to Ayrshire's contribution to the UN SDGs.
- Stimulating new investment to fill product gaps and to meet new demand.
- Building the human resources capacity through bespoke leadership and specific skill development programs.

Financial / Resource Implications – The following resources have been identified for next-step actions.

- The Directors of The Coig will resources 3 months of part-time staff time and associated costs to the appointment of a Creative Director to develop the Food & Drink pilot project.
- The 3 Ayrshire Councils and Scottish Enterprise have committed staff-time resources to work with the Creative Director to deliver the Food & Drink pilot project.
- Scottish Government funding awarded to North Ayrshire Council to develop an Ayrshire-wide collaborative regional tourism approach will be utilised for revenue spend incurred by the development of the Food & Drink pilot project, industry engagement and the digital implementation of new products and experiences created. This funding will be managed and monitored by North Ayrshire Council.
- The Creative Delivery Group will report to the AVESG.

5. Since the last reporting period, what collaborative work has taken place with the other sector-based recovery and renewal groups to ensure a joined-up approach?

Since the last reporting period a joined-up approach has been taken by the Ayrshire Visitor Economy Collaborative Group throughout all actions, engagement and participation at meetings and development workshops / focus groups.

<p>6. What engagement has taken place since the last reporting period with local businesses and the wider community, and what support has been realised from this?</p> <p>See above.</p>
<p>7. Since the last reporting period, what work has been identified or undertaken that has linkage with / impact on the Ayrshire Growth Deal?</p> <p>The Ayrshire Growth Deal projects have been integrated into the development and delivery of the Collaborative's actions on the development of new products and experiences for visitors. Themes such as marine tourism and aerospace have been identified to be integrated into new initiatives.</p>
<p>8. What work has been identified or undertaken since the last reporting period that has an impact on climate change?</p> <p>The Coig, through funding awarded by NatureScot has commissioned an Ayrshire Visitor Management Study that identifies actions that will impact climate change and impact the sustainability in the sector. A final report is due late-April 2021. The visitor Management study identifies visitor pressure points and issues and makes recommendations on how these can be managed.</p> <p>(Visitor management also includes the impact of visitors on infrastructure, place cleansing, travel. Transport and parking, honey-spot visitor sites / pressure points, seasonality, managing visitor behaviour and data collection.)</p> <p>* Recommendation - Presentation of outcomes of the Ayrshire Visitor Management Study at the next meeting.</p>
<p>9. What work has been identified or undertaken since the last reporting period that has an impact on skills and training within the sector?</p> <p>See below.</p>
<p>10. What work has been identified or undertaken since the last reporting period that has an impact on digital infrastructure within the sector?</p> <p>Digital training has been identified and delivered that will impact skills and training of the sector. Better use of digital business systems has been identified as a need across the sector. Further work with TravelTech Scotland will be developed to address this.</p>
<p>11. What work has been identified or undertaken since the last reporting period that has an impact on business support for the sector?</p> <p>This work is taking place through the Scottish Tourism Alliance, industry associations and stakeholders. The STA takes an active role in the AVESG ensuring the work taking place in the Ayrshire sector is informed and engaged in wider national conversations.</p>

12. What work has been identified or undertaken since the last reporting period that has linkage with / impact on Community Wealth Building?

CWB is a thematic priority across the development of all Visitor Economy collaborative work that enables communities and businesses to engage and participate in the development and delivery of collaborative activities. All development work includes community involvement.

What issues have been identified since the last reporting period?

Uncertainty of timeframe and guidance for the sector to lift restrictions and re-start business operations. This impacts industry engagement and time resources.

What mitigating actions have been taken/considered to overcome these issues?

Prudent management of the action plan and delivery resources.

What actions/support/resources/decisions are required by the Executive Oversight Group or the Ayrshire Economic Partnership Board?

The AEP board is requested to support the progress and next step actions of the AVESG.

The AEP welcome a presentation of outcomes of the recent Ayrshire Visitor Management Study by The Coig at the next meeting.

