
EDINBURGH AND SOUTH EAST SCOTLAND CITY REGION DEAL REGIONAL PROSPERITY FRAMEWORK DELIVERY PLAN

Report by Director - Resilient Communities

SCOTTISH BORDERS COUNCIL

26 January 2023

1 PURPOSE AND SUMMARY

- 1.1 This report seeks Council's ratification of the Regional Prosperity Framework (RPF) Delivery Plan (Appendix 1) in anticipation of approval by the City Region Joint Committee on 3 March 2023.**
- 1.2 The Regional Prosperity Framework Delivery Plan is the articulation of the next phase of the development of the regional economy, building upon the successes of the City Region Deal. It is both an action plan, focused on more immediate and currently resourceable interventions and a prospectus for investment setting out collective ambition and opportunity for the city region to become the data capital of Europe; support inclusive growth; and a just transition to a net zero economy over the next 20 years.
- 1.3 The document is a live document that will be updated every 12 months to reflect changes to the local, regional, and macro economy and to ensure that regional activity can react and remain relevant to city region partners.
- 1.4 Over the next 12 months four key programme areas have been identified:
 - Green Regeneration;
 - Infrastructure & Recovery;
 - Visitor Economy & Culture; and
 - Data-Driven Innovation.
- 1.5 To realise the ambitions of the Delivery Plan, Regional Partners will ask both the Scottish and UK Governments to:
 - Commit to work in tripartite (UKG/SG/ESES) partnership to progress the Delivery Programme which is aligned with Scotland's National Strategy for Economic Transformation (NSET) and UK Government Levelling Up and Shared Prosperity priorities; and
 - For our Delivery Plan to be supported through a medium to long term, integrated, place-based funding allocation based on shared outcomes.

- 1.6 The Regional Prosperity Framework Delivery Plan will be considered by the other five constituent Local Authorities in the region ahead of the meeting of the Edinburgh and South East Scotland City Region Joint Committee on 3 March 2023, which (subject to agreement) will conclude formal sign off of the Delivery Plan under the City Region's governance arrangements.
- 1.7 This Report also highlights the City Region Deal Annual Report for 2021/22, which provides an update on overall progress for the City Region Deal programme between 1 August 2012 and 31 July 2022, and includes the expected milestones to be achieved in the next year.

2 **RECOMMENDATIONS**

2.1 **I recommend that Council:-**

- a) approves the Regional Prosperity Framework Delivery Plan;**
- b) notes that the Delivery Plan will be considered by the other five constituent Local Authorities in the Edinburgh and South East Scotland City Region (EESCR) ahead of the EESCR Joint Committee meeting on 3 March 2023;**
- c) notes the progress highlighted in the 2021/22 City Region Deal Annual Report;**
- d) agrees that future updates on the progress of the City Region Deal and Delivery Plan be provided to the Economic Development Executive Committee.**

3 BACKGROUND

- 3.1 The maturity of the regional partnership with UK and Scottish Governments has seen the City Region Deal partners develop an ambitious Regional Prosperity Framework (formerly Growth Framework), [approved](#) in September 2021 before being ratified individually by each of the six Local Authorities and the University of Edinburgh. The Joint Committee [ratified](#) the Regional Prosperity Framework on 5th October 2021
- 3.2 The Framework is the articulation of the next phase of the development of the regional economy, building upon the successes of the City Region Deal both in terms of the programmes but also the regional collaboration. It provides a blueprint for regional economic recovery post-pandemic; resilience through the ongoing cost of living crisis; and provides future direction for major projects and investment.
- 3.3 Since the publication of the RPF, regional partners have been developing the Delivery Plan appended to this report. This period has covered both the COVID 19 Pandemic and ongoing cost-of-living crisis. Partners have tried to develop a Delivery Plan that responds to these and recognises they have disproportionately impacted the most economically disadvantaged members of the community, with the cost of basic necessities e.g., food and fuel far exceeding any increases to wages.
- 3.4 The Regional Prosperity Framework builds on the success of the City Region Deal. The latest Annual Report for 2021/22 ([City Region Deal – Annual Report 2021 – 2022](#)) summarises progress of the Programme for the third year since the signing of the 15-year programme (August 2021 to July 2022). The report shows significant progress across the 20 projects and programmes which are currently in delivery and includes the expected milestones for to be achieved in the next year.

4 MAIN REPORT

- 4.1 The Regional Prosperity Framework (RPF) provides a blueprint for regional economic recovery post-pandemic; resilience through the ongoing cost of living crisis; and provides future direction for major projects and investment that support inclusive growth and the transition to a net zero economy over the next 20 years.
- 4.2 The RPF and its Delivery Plan align closely with Scotland’s National Strategy for Economic Transformation (NSET) and the UK Government’s Levelling Up White Paper with its funding allocations, and the additional funding allocations available through the UK Shared Prosperity Fund. All three of these present major opportunities for our region to truly capitalise on additional investment.
- 4.3 The Regional Prosperity Framework has a vision to become *‘the data capital of Europe. We will ensure the social and economic benefits of this capability extend to all. All sections of the community will have the opportunity to develop the key skills that will help to end inequalities in our society. We will protect our environment and make best use of our extraordinary built*

and natural assets, ensuring that the Edinburgh and South East Scotland City Region delivers a just transition to a net zero economy. Our institutions, ancient and modern, will deliver positive outcomes that enhance our local, national, and international reputation.'

- 4.4 The regional partners are committed to this vision and to use it to guide and integrate public, private, and third-sector decisions, actions, collaborations, strategies, policies, and investments across areas such as sustainability, climate change, energy, transport, planning, housing, infrastructure, education, digital, services, inequalities, well-being, economic development, procurement, and delivery.
- 4.5 Regional Priorities have been developed around three core themes that support an economy that is **resilient; innovative and flourishing** (see diagram 1 below).

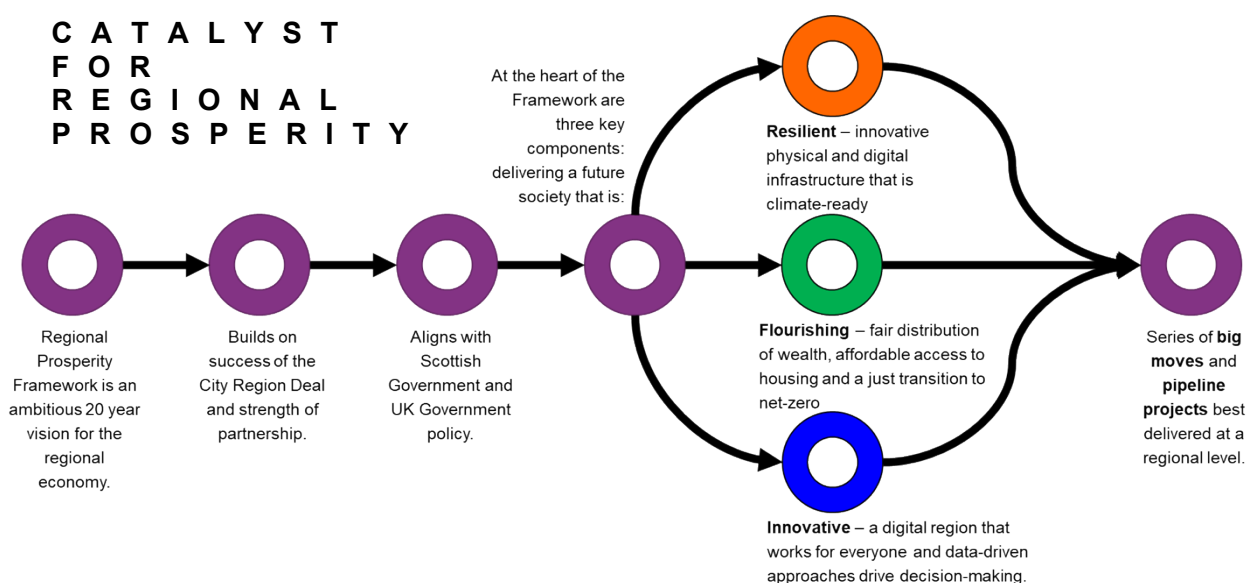


Diagram 1 - Regional Prosperity Framework Delivery Process

4.6 All actions under the RPF are framed to support:

- **People** – to access fair work, to learn and develop new skills and to live happy and healthy lives
- **Places** – that are sustainable, and attractive to live and work in and where enterprise thrives
- **Planet** – meeting our needs in a way that will allow future generations to meet theirs, with a focus on the reduction of greenhouse gas emissions

4.7 As we emerge from Covid-19 it is a different economic world than the one we had known before. Subsequent global events, such as the war in Ukraine, inflation, and emerging financial and political uncertainties, mean that there is a need to develop a different strategic approach if we are to achieve the shared ambition for the region and to deliver a resilient economy that can meet the needs of its citizens and businesses.

4.8 To be able to reflect current and future economic shocks, the Delivery Plan has been developed as a living document, with the immediate priorities for

the region set out over a 1 to 3-year horizon, but in the context of the longer-term ambitions for the region. Regional priorities will be reviewed annually and refreshed to align to current events impacting the regional and local economy. Programmes and projects will be added or subtracted to ensure that continued focus on our ambitions and reflect what is happening at the local, regional, national, and macro level of the economy.

- 4.9 This Delivery Plan establishes a clear process for delivery of the projects and sets out an ambitious prospectus for investment. Four key programme areas have emerged as the priority for the next 12 months – Green Regeneration; Infrastructure and Recovery; Visitor Economy and Culture; and Data-Driven Innovation. A summary of each programme is outlined below with further detail provided in Appendix 1.

Green Regeneration of the Forth Estuary

- 4.10 From Eyemouth to Grangemouth, the Forth Economic Corridor has the potential to drive transformational economic and climate adaptation through major waterfront regeneration including Granton Waterfront, Blindwells and Cockenzie; reuse and modernising of existing assets, sites, and operations to create strategic net zero employment opportunities; support innovative manufacturing and shipbuilding; and proposals for a Green Freeport aim to underpin and enhance the area's future economic success including the creation of the nation's largest offshore renewable energy hub.
- 4.11 Cross partner support will be required to establish a Forth Estuary Collaboration Network. Enabling closer collaboration between neighbouring authorities to deliver their national and regional priorities for the Forth, and to promote the reputation of the Forth economic corridor domestically and internationally.
- 4.12 Key to the future success of the Forth and region is the development of future green skills to meet the needs of businesses today and in the future economy whilst creating new high value jobs. The creation of a Net Zero Accelerator Hub can help to address the demand and supply side barriers that exist, helping key sectors begin or accelerate the transition to net zero.

Infrastructure & Recovery

- 4.13 The most productive regions are the best connected and the most sustainable. Much of Scotland's future population and household growth is set to take place in the region, with available capacity to grow in parts of the region. The scale and nature of the consequential impact on the region's infrastructure is substantial and is crucial to the success of the regional and national economy.
- 4.14 The housing need and demand in the city region is the greatest in Scotland with nearly 60% of the total annual affordable homes requirement for Scotland needed in our city region. This region delivers more homes than any other part of Scotland and continues to drive construction innovation. Resources are required to sustain and accelerate this activity.
- 4.15 The Edinburgh & South East Home Demonstrator Project is a new business model for the delivery of Net Zero affordable homes at scale. There are

currently 75 Homes are under construction at Granton Waterfront with support required to secure a delivery partner and to scale up a regional pipeline of sites.

- 4.16 The region needs financial support to both deliver the Energy Efficiency Standards for Social Housing 2 (EESH2) programme of retrofitting existing homes and continue to build new affordable homes.
- 4.17 Accelerating delivery of the City Region Deal strategic sites can deliver 35,000 homes, transforming vacant and derelict land to deliver net zero carbon homes.
- 4.18 It is essential that regional transport priorities are co-ordinated to deliver the aspirations of the: Regional Transport Strategy; Strategic Transport Projects Review 2 (STRP2); and National Strategy for Economic Transformation (NSET). This will best ensure that we can: Effect Modal Shift; Promote Mass Transit; Decarbonise Transport (support transition to net zero); and Tackle Transport Poverty.
- 4.19 To deliver on these strategic ambitions, including fairer and more equal economic prosperity, requires a skilled population. We must ensure that everyone has the opportunity to participate fully in the labour market. The transition to net zero and the data revolution, in particular, will necessitate a new supply of skills. Housing, transport and skills are essential for removing barriers faced by some in participating and progressing in the labour market and in ensuring that employers have the supply of skills they need. A Net Zero Accelerator Hub proposal is being developed by regional partners.

Visitor Economy & Culture

- 4.20 The renewal of our world class cultural and visitor offer is key to our regional economy and can be realised through establishing a Regional Visitor Economy Partnership to create and deliver a regional visitor economy development plan will allows for collaborative public sector investment and delivery in the visitor economy.
- 4.21 A Data Driven Innovation led approach to tourism destinations can help to position the region as a global leader in regional data-driven decision-making for strategic tourism investments, aligning and contributing towards the regional ambition of being the Data Capital of Europe.

Data-Driven Innovation

- 4.22 Embedding and extending the impact of the City Region Deal Data-Driven Innovation investment in the regional and national economy. Ensuring the region provides the skills, support network, data and transport infrastructure needed to grow data-led organisations. Cross-partner support is needed to promote the aspiration for the Region to be a Data Capital, and its linkages to delivering Scottish and UK Government Digital and Data Strategies.

4.23 Partners will work to support the operational growth of the TechScaler Network, funded by Scottish Government, and support the ongoing recognition of the Region as a World Leading Centre for Informatics and High-Performance Computing Academic Excellence.

4.24 The delivery programmes above are critical to the region's future economic success, providing clarity for future investment and collaboration to ensure this region has a prosperous net zero future. These programmes will be monitored and reviewed every 12 months to ensure they are still relevant to local, regional, and national partners.

5 NEXT STEPS

5.1 Each of the five other constituent Local Authorities will also consider a report on the RPF Delivery Programme before the City Region Deal Joint committee meets on 3 March 2023.

5.2 Subject to the necessary approvals at the above committees, regional partners will undertake the following:

- Ask both the Scottish and UK Governments to commit to work in tripartite (UKG/SG/ESES) partnership to progress the Delivery Programme which is aligned with Scotland's National Strategy for Economic Transformation and UK Government Levelling Up and Shared Prosperity priorities.
- Ask for our Delivery Plan to be supported through a medium to long term, integrated, place-based funding allocation based on shared outcomes.

6 IMPLICATIONS

6.1 Financial

Approval of the RPF Delivery Plan does not commit resources from Scottish Borders Council. Where resource requirements arise, these will be reported to Council as appropriate.

6.2 Risk and Mitigations

- a) The work on the RPF has been overseen by the City Region Deal Directors Group including representation from both Scottish and UK Government; the Regional Enterprise Council (REC); and the Elected Member Oversight Committee (EMOC). Scottish Borders Council is represented on the Directors Group and EMOC, while the Scottish Borders is represented on the REC.
- b) An officer working group with membership from across each of the six local authorities, the University of Edinburgh, and Scottish Enterprise, supported by the Programme Management Office has developed the Regional Prosperity Framework and Delivery Plan.
- c) Over the lifetime of the project consultancy support was secured to assist with development work. This was paid for by monies received from Scottish Government, Scottish Enterprise and £30k SESplan rebate.

- d) Delivery will be achieved through existing resources and additional public and private sector investment. As external funds are secured programmes and projects will be progressed on a business case basis.
- e) City Region Partners want the Delivery Plan to be supported through a medium to long term, integrated, place-based funding allocation based on shared outcomes. Officers are developing the case for this funding approach, which should cover the whole-life costs of delivery and will present this to UK and Scottish Government in advance of the UK Government budget next year. Partners will continue to work with Scottish Government to ensure that the RPF Delivery Plan aligns to programmes and spend on National Strategy for Economic Transformation (NSET), Strategic Transport Projects Review 2 (STPR2), infrastructure and other relevant areas.

6.3 Integrated Impact Assessment

An integrated impact assessment has not been completed for the purposes of this report, which concerns the overarching and non-statutory RPF Delivery Plan. Integrated Impact Assessments will be undertaken, where appropriate, in relation to development and implementation of the projects embodied within the Delivery Plan.

6.4 Sustainable Development Goals

While promoting 'prosperity' across the City Region is at the heart of the RPF, the Delivery Plan is underpinned by the UN Sustainable Development Goals and are consistent with National Performance Framework.

6.5 Climate Change

Together with promoting prosperity, community wellbeing and reducing inequalities, net-zero and just transition are at the heart of the Delivery Plan. The framework identifies the themes in the Climate Change Checklist as key priorities and provides linkages to National Planning Framework 4 (NPF4), the Strategic Transport Projects Review 2 (STRP2), and Just Transition, amongst other key policies.

6.6 Rural Proofing

There is a strong emphasis on the 'diverse economy' of the City Region with each of the six regions being unique with different challenges and opportunities and a recognition that a single solution will not work across the City Region. Specifically, the RPF Delivery Plan is respectful of the differences posed by rurality, with the Scottish Borders Council being the most rural of its local authority areas, and it recognises the need to adapt approaches whether in transport, infrastructure support, skills training or reducing inequalities, to respond to the rural context.

6.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

6.8 Changes to Scheme of Administration or Scheme of Delegation

Not applicable.

7 CONSULTATION

- 7.1 The Acting Chief Financial Officer, the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People, Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into the final report.

Approved by

Jenni Craig

Director, Resilient Communities

Signature

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Background Papers: Scottish Borders Council 'Edinburgh and South East Scotland City Region Deal Regional Growth Framework Update' Report 23 September 2021

Previous Minute Reference: Minute item 6 Scottish Borders Council 23 September 2021

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Michael Cook/Ewan Doyle can also give information on other language translations as well as providing additional copies.

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