

South Ayrshire Council

Report by Executive Director, Economy, Neighbourhood and Environment to South Ayrshire Council of 6 October 2016

Subject: Ayrshire Growth Deal – Strategic Business Case

1. Purpose

- 1.1 The purpose of this report is to seek approval for the submission of the Ayrshire Growth Deal Strategic Business Case (SBC) and for continuation of funding to support the next stages of the work. North Ayrshire Council and East Ayrshire Council are considering the SBC at their Cabinet Meetings on 27 and 28 September respectively and a verbal update regarding their decisions will be given at the Council meeting.

2. Recommendation

2.1 It is recommended that the Council:

- 2.1.1 Approves the submission of the Ayrshire Growth Deal Strategic Business Case (SBC) contained in Appendix 1; and
- 2.1.2 Approves funding of £70,000 from uncommitted reserves to support the next stages of the work until end September 2017.

3. Background

- 3.1 Leadership Panel approved the preparation of an Ayrshire Growth Deal in collaboration with East Ayrshire Council and North Ayrshire Council at its meeting on 25 August 2015 ([link here](#)) and provided funding to end of March 2016 to allow development of the bid. Leadership Panel on 19 January 2016 subsequently approved the approach being taken to the development of the deal and the proposals for assessing projects for inclusion in the deal ([link here](#)). Council approved the submission of the Ayrshire Growth Deal Prospectus to Scottish and UK Governments at its meeting of 3 March 2016 ([link here](#)).
- 3.2 There have been positive responses from both Scottish and UK Governments to the Prospectus.
- 3.3 Work has continued since the submission of the Prospectus on the development of the Strategic Business Case (SBC). The SBC will be the core document used as the starting point for negotiations with Scottish and UK Governments. The work has involved the three Ayrshire Councils, working with partners, Scottish Enterprise, Skills Development Scotland, University of West of Scotland, Ayrshire College, Ayrshire Chamber of Commerce. The SBC sets out the strategic case for investment in Ayrshire in order to secure economic growth at a level that would otherwise be difficult to achieve.

- 3.4 Funding of the work is secure until end March 2017, as a result of Councils' and Scottish Enterprise's previous approvals. Each Council contributed £100k and Scottish Enterprise contributed £50k to the work over the period April 2016 to March 2017.
- 3.5 This funding has been used to cover the costs of the Bid Director; support from Scottish Council Development and Industry; technical support for project lead officers from Ernst Young on the SBC development; and from specialist consultants who are developing the digital workstreams. It will also cover the costs of required market demand and feasibility studies relating to future commercial property requirements; freight; business development support.

4. Proposals

- 4.1 The Strategic Business Case (SBC) is attached at Appendix 1. It covers the aims of the work, the themes and the projects and it will form the basis for negotiations with UK and Scottish Governments. The SBC gives an overview of the projects. Fuller detail about each project is contained within the Project Summary, Annex 1, of the SBC, from pages 14-26. The full list of projects included in the SBC, together with the sums bid for and their locations are noted in Appendix 2. The SBC contains a number of abbreviations and technical terms and a list of abbreviations and a glossary of terms are included at Appendices 3 and 4 respectively.
- 4.2 Each of the projects within the SBC has been assessed as offering economic growth that is significant at least at the regional, ie Ayrshire level. Previous analyses of Ayrshire residents and where they work show that there is a great deal of home to work travel between the three Ayrshire council areas, so job growth whether it is in eg Prestwick, Irvine or Kilmarnock will be of benefit to residents from all three Ayrshire Council areas.
- 4.3 The Council is asked to approve the SBC for submission to Scottish and UK Governments.
- 4.4 The next steps in the work are to commence negotiations with officers from Scottish and UK Governments and to progress the development of the individual projects from strategic business case stage to full business cases. Finalisation of business cases will require consideration of a range of factors, including for example, input from civil servants and the results of more detailed demand analyses.
- 4.5 It is hoped that negotiations can be concluded by end March 2017, however, given the negotiations will involve both UK and Scottish Governments, it is not possible to give a definitive timescale for conclusion. The experience of other deals is that projects move forward at different rates and announcements are made regarding some projects ahead of others. It is anticipated therefore that negotiations and conclusion of business cases for projects are likely to continue beyond the end of March 2017. It is expected that there will be a gradual transition from programme negotiations and business case development into programme delivery which it is hoped would phase in from around September 2017 onwards.
- 4.6 The current resourcing arrangements are appropriate for the negotiations and development stage. Resourcing for delivery of the programme is likely to be different to the current approach, and partners are considering what will be required.
- 4.7 The outcome of the Scottish Government's Enterprise and Skills Review, expected late 2016, and the Government's commitment to Regional Economic Forums may

also influence considerations of how best to resource the delivery of the AGD as well as influence the operation of economic development services more generally. In light of these factors, officers from the three authorities are considering the future delivery mechanism of economic development services across Ayrshire. Discussion is at an early stage and further reports will be provided as these discussions develop.

- 4.8 Given the likelihood of the current team being required beyond March 2017, funding is sought now in order to provide certainty of resourcing over the period from April to September 2017.
- 4.9 The level of funding requested is up to £70,000 for the six months to be drawn from uncommitted reserves. This is a slightly increased level of funding compared to current resourcing of the work outlined in paragraph 3.5 above, which was a total of £100,000 over a year. This increase reflects firstly the need to provide administration support (currently provided by Irvine Bay URC at no cost, however this arrangement will cease no later than the end of March 2017 with the closure of the URC); secondly the need to provide communications resource to support consultation and engagement work with stakeholders and communities.
- 4.10 Resourcing of the work beyond September 2017 will be considered by partners and be subject of further Council approval.

5. Legal and Procurement Implications

- 5.1 A new governance model will be required and lawyers from the three councils are currently developing options. These options will be informed by the outcome of the Scottish Government's Enterprise and Skills Review.
- 5.2 Procurement of technical support will be carried out in accordance with Council Standing Orders Relating to Contracts.

6. Financial Implications

- 6.1 Funding of up to £70,000 is proposed to be drawn from uncommitted reserves to allow work on the Growth Deal to continue. Previous funding for this work has been drawn from uncommitted reserves.

7. Human Resources Implications

- 7.1 Considerable staff time continues to be spent on this work and this is envisaged to continue over next stages of work involving further development of the business cases and in relation to negotiations. Support from the Council in the form of secondment to the Programme Team is anticipated to continue.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 There is a risk that despite this work, investment from the Scottish and UK Governments to support economic growth will not be secured at all or at the level sought. Officers will continue to work closely with, and to follow advice from, Scottish and UK Government civil servants and from Scottish Futures Trust officers to reduce this risk.

8.2 **Risk Implications of Rejecting the Recommendations**

8.2.1 There is a risk that investment that would otherwise have come to Ayrshire is not secured. There is a reputational risk to the Council.

9. **Equalities**

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as Appendix 5. Individual projects will be subject to equalities impact assessment, if and as they proceed.

10. **Sustainable Development Implications**

10.1 **Considering Strategic Environmental Assessment (SEA) -**

As per the statutory requirements of the Environmental Assessment (Scotland) Act 2005, the likely environmental effects of the plan, programme, policy or strategy have received initial consideration and the appropriate SEA action will be undertaken.

11. **Options Appraisal**

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. **Link to Council Plan**

12.1 The Ayrshire Growth Deal work contributes to the Council's Strategic Objectives of:

- Maximise the potential of our local economy and within that to the outcomes of more people of working age, across all communities, are employed and businesses and social enterprises are supported to set up, thrive, and expand.
- Maximise the potential of our communities, and within that to the outcomes of communities are empowered and inequalities are reduced across South Ayrshire.

13. **Results of Consultation**

13.1 Consultation has taken place with Councillor McIntosh, Portfolio Holder for Corporate, Strategic and Community Planning and Councillor Grant, Portfolio Holder for Economic Development, Tourism and Leisure, and the contents of this paper reflect the feedback provided.

14. **Next Steps for Decision Tracking Purposes**

14.1 If the recommendations above are approved by Members, the Executive Director – Economy, Neighbourhood and Environment will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

Implementation	Due date	Managed by
Submission of SBC to Scottish and UK Governments	14 October 2016	Lesley Bloomer

Background Papers **Report to Leadership Panel of 25th August, 2015**
[\(link here\)](#)
Report to Leadership Panel of 19th January, 2016
[\(link here\)](#).
Report to South Ayrshire Council of 3 March 2016
[\(link here\)](#)

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Date: 28 September 2016

Appendix 1 Ayrshire Growth Deal Strategic Business Case

**The Ayrshire Growth Deal
Strategic Business Case**

October 2016

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Introduction

- 1 The Ayrshire Growth Deal (AGD) strategic business case builds upon the Prospectus approved by the three Ayrshire Local Authorities and submitted to the Scottish and UK Governments in March 2016 and should be read alongside that document.
- 2 Since the submission of the Prospectus, project teams drawn from across the Ayrshire Partners have worked to develop the proposals that will unlock the potential for significant growth in the Ayrshire economy and support our communities to participate in that economic growth.
- 3 Individual strategic business cases for all of the project proposals have been prepared following the Treasury's Green Book 5-case appraisal model. These individual SBC's have been reviewed, assessed and refined to form the overall programme business case. Detail regarding each of the project proposals is contained in Annex 1.
- 4 These business cases together with the overall programme case will form the basis of discussions with Governments. This dialogue will continue with Governments over the coming months as the Growth Deal moves from strategic to outline and final business case.

Vision and objectives:

'Unlocking potential for Ayrshire, Scotland and the UK'

- 5 The Ayrshire Growth Deal (AGD) represents a major opportunity to strengthen the Ayrshire, Scottish and UK economies. 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.
- 6 Economic baseline analysis shows that the Ayrshire economy has been underperforming for many years. Our proposals aim to reshape our economic development interventions and overcome the barriers to growth by:
 - Attracting and developing more innovative and internationally focussed companies that are more likely to have higher levels of productivity through developing key infrastructure and targeted business support programmes
 - Positioning Ayrshire as the 'go-to' region for smart manufacturing and digital skills
 - Improving key elements of strategic transport and digital infrastructure to help businesses get goods to market and people to work (physically and virtually)
 - Working with our communities to raise aspiration and ambition, provide employment and skills support, and improve access to jobs through innovative community empowerment and employability programmes.

7 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.

- 8 To achieve this Ayrshire will play a greater role in the regional, Scottish and UK economies. 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. Our ambition is to see this happen through targeted investment, greater collaboration with the public sector stakeholders and partnership with the private sector.

Ayrshire's manufacturing strengths

- 9 The ambition for Ayrshire is to build on our strengths particularly in the key sectors of life sciences, engineering, aerospace and space. Manufacturing within these sectors can lead the way for Ayrshire's economy to become more productive, innovative, international and inclusive.
- 10 Ayrshire has particular strengths in aerospace and life sciences manufacturing that offer growth and productivity gains that are significant at the Scottish and at the UK level. Ayrshire has:
 - 4000 jobs in aerospace, over 50% of the Scottish total
 - 30% of Scotland's industrial biotechnology output
- 11 Both these sectors are forecast to grow substantially. Further investment at Prestwick in aerospace and related to the site becoming the UK's first Spaceport; and at Irvine i3, one Scotland's leading life science's manufacturing areas, extends the potential still further.
- 12 Ayrshire's strong manufacturing base, heritage, infrastructure, and skills together with sectors that provide important local employment, such as tourism and food and drink are major assets which will form the foundation for growth.

Ayrshire's Coastal Corridor

- 13 Ayrshire's coast is a key asset for the attraction for tourists, business opportunities, trade and a vital link for access to the islands and Argyll. Ayrshire's harbours and ports provide superb opportunities to develop a cluster of marine activities, tourism and business, linked to the potential expansion of marina infrastructure and associated regeneration. Coastal investment can significantly improve desirability of Ayrshire as a place to invest, work and live helping to provide employment entry and progression routes.

International connections

- 14 Ayrshire is already home to a number of globally recognised organisations such as Magnox, EDF Energy, UPM Kymmene (UK) Ltd, Glaxo Smith Kline (GSK), DSM Nutritional Products (UK) Ltd, Merck, BAE Systems, Spirit, GE Aviation, William Grant & Sons, Nestle UK, Wabtec, Hyspec and Portfolio Recovery Associates (PRA) UK, demonstrating that the area has a great deal to offer as a location for international businesses. International travel and freight options are available via Prestwick and Glasgow airports and further connectivity through the ports of Ayr, Troon, Hunterston, and Brodick. As part of developing the Outline Business Case for the AGD a review of freight connections for business will be undertaken to better understand how to improve connections to existing and new markets.

Digital and Transport

- 15 Connecting businesses to markets, to make Ayrshire more accessible to investors and visitors, and to connect communities to employment and training is critical to securing Ayrshire's economic growth. Digital and transport infrastructure underpins the Growth Deal proposals and is being developed to support the proposals as specified in the project SBC's.
- 16 Digital infrastructure and skills are also critical to address Ayrshire's productivity gap, provide the infrastructure and labour force required for indigenous and inward investing companies, regardless of sector, alike, and present opportunities for all of communities to participate in the economy through enhanced access to employment, education and services.
- 17 Making the most of the opportunities offered by the digital economy will be a significant source of productivity gains for the Ayrshire economy. To maximise the opportunity afforded by the emerging digital economy Ayrshire must become a region of world class digital infrastructure, where businesses can embrace digital technology to improve performance, where our people have the skills to increase productivity and become skilled digital creators.

18 Ayrshire's key transport routes (road, rail, sea and air) are critical for businesses to get goods to market and our communities to employment and training opportunities. A number of key route improvements have been identified to support the AGD and it is now proposed to work with Transport Scotland to develop a Regional Transport Appraisal to assess and prioritise these to ensure that investment is targeted to support the aims and objectives of the Growth Deal.

Wider impact of our proposals

19 All sectors in the Ayrshire economy have a role to play; many of the interventions we propose will build on the current successes of the existing global, national and regional businesses. In an interlinked global economy, Ayrshire businesses need to become more innovative and outward facing to remain competitive and enhance the productivity of the region and Scotland as a whole.

20 The AGD will contribute to this regional vision, creating a growing, innovative, smart, more productive and inclusive economy, by developing Ayrshire's core strengths and ensuring our communities benefit from economic growth.

21 Ayrshire is a coherent economy where investment and growth will provide opportunities for all communities. The projects proposed will provide jobs across all of Ayrshire and importantly open up progression routes into employment for those communities currently disconnected from the labour market.

Inclusive growth: a guiding principle

22 For Ayrshire to be successful and to build on its current strengths we must reduce the disparities across communities and make full use of the Ayrshire's opportunities. This is why the partners have agreed that inclusive growth should be a key cross-cutting priority of the AGD. Successful economies are inclusive economies and tackling inequality will help ensure that the region is competitive in the global market and resilient to emerging trends and technologies in the economy.

23 Tackling inequality is a priority for the Scottish Government and the recently released SIMD data for 2015 shows a significant gap in terms of deprivation between Ayrshire and Scotland as a whole.

24 Critical to Ayrshire's future prosperity is a virtuous circle of growth: growth in businesses, leading to growth in employment and growth in individual and household prosperity. Economic growth and reductions in inequalities are bound together. Ayrshire's ambitious vision of the future will only be achieved if communities are better connected to the economy and have the opportunity to prosper.

25 Inclusive growth is not new to the Ayrshire partners. It is already the mainstay of current work: whether supporting businesses, improving access to education, or developing skills and employability initiatives. It is reflected in the work of all Community Planning Partnerships and will continue to be a major focus throughout Ayrshire. North Ayrshire is currently working with the Scottish Government on an Inclusive Growth Pilot, learning from this will be shared and feed into the next stage of project development.

26 The principle of inclusive growth runs right through our proposals for the Ayrshire Growth Deal and will form a key component of business case development as we move from Strategic to Outline business cases.

The AGD process – partnership, project development and assessment

Partnership

27 The three Ayrshire authorities have been working together through the Ayrshire Economic Partnership to develop the aim and themes for the Ayrshire Growth Deal. The partners come from both the public and private sectors and represent the key stakeholders in Ayrshire: local knowledge of Ayrshire College, the UWS and the Ayrshire Chamber of Commerce has been fused with the national expertise of SE, SDS, SFT and SCDI. Working groups have collaborated to assess the inhibitors to economic growth and participation, and to develop the SBC's for the specific interventions that will unlock Ayrshire's potential.

28 Partnership with businesses and communities is critical to ensure the long term success of the AGD. Preparation of project proposals has involved consultation across the public, private and social economy of Ayrshire, including communities, through the respective Community Planning Partnerships. Business engagement events have been run to raise awareness and gather feedback on key themes and ambitions from local, national and global businesses operating in the region. Local communities will be engaged with, recognising that they will provide the workforce to ensure the success of the AGD and will be impacted by the measures to generate growth. Dialogue with businesses and communities is a process that will continue into the outline business case phase of the AGD. Proactive partnership with the private sector will be critical in both the development and delivery of AGD projects.

Project development, refinement and challenge

29 For the first phase of AGD project refinement and challenge, completed in March 2016, project groups completed a simple template that sought to capture the key information known about the project at that stage. These project ideas were generated through a series of workshops reflecting the available data and building on previous work. Projects were then scored by the programme team, with recommendations on which projects should proceed to the next stage of development. These projects were incorporated into the themes and ideas articulated in the Prospectus.

30 The project review at that stage was primarily a qualitative assessment, reflecting the information available at that time. The four funders of the development of the AGD (Ayrshire Authorities and Scottish Enterprise) reviewed these recommendations and agreed on the final group of projects to proceed to strategic business case development and to be presented to Councils to approve for submission. A process of project development and appraisal based on business cases was agreed: moving from Strategic Business Case (SBC), through Outline Business Case (OBC) and to Final Business Case (FBC). At each stage a gateway approval process will be used, whereby projects will be further assessed and refined, with the agreed priority projects proceeding to the next iteration of the business case.

31 Based on Treasury green-book good practice, this approach is intended to provide a level of rigour and transparency in support of project development and ultimately of project delivery.

Modelling

32 High level, gross, economic modelling based on data provided by Project Teams has been undertaken for SBC review. Modelling was conducted at project level only by the AGD programme team to ensure consistency and to provide input to the prioritisation process. It is however recognised that it is only when projects are fully developed that the outcomes be entirely understood. The AGD will use an iterative approach, building up the data available as we progress through project and programme delivery.

33 In particular as projects move to the OBC stage, it is proposed to move from gross to net modelling ensuring additionality is clearly articulated. For commercial development and business interventions, a regional demand appraisal will form part of this analysis, to moderate project assumptions and to consider issues such as displacement, leakage and substitution for the Ayrshire economy.

Tax-take data will be developed at this stage. This will therefore be a more quantitative assessment building upon the approach taken at SBC whereby outcome modelling was primarily moderated via a qualitative appraisal process.

34 Programme-level modelling will be developed at the OBC stage as greater information will be available to facilitate the rigor required for this level of modelling. It is recognised there is no programme-level model available which has been endorsed by the Scottish Government. Scottish Government request that standard appraisal approaches are used to model outcomes; alongside making the clear link between projects and strategic objectives. The approach therefore to programme modelling is still being considered.

Interdependencies

35 The AGD proposes a set of projects that sit alongside each other and are reinforcing in their impact and contribution to the shared vision for Ayrshire. A case of the whole being greater than the sum of the parts. In this important respect the AGD needs to be seen as a cohesive programme sitting alongside partners' day to day delivery both supporting and enhancing that activity. It has been identified there is a need to understand project interdependencies, both to assess the anchor projects within the AGD and also to aid discussion with Governments and partners. While some level of programme modelling is anticipated at OBC and FBC to facilitate this, it is considered there is insufficient data available at SBC to achieve this aim through modelling at this stage.

36 For the SBC a mapping of projects has been undertaken based on the strength of relationships between projects, to identify a scale of strong to low interdependencies. This was fed into the project assessment and refinement process. This mapping of interdependencies has allowed the partners to clearly understand the role of each project to support the whole AGD proposal.

37 For example the Connected Classroom project both requires enhanced digital infrastructure and contributes to the development of the future skills base for many of the target growth sectors within the AGD, and the Aerospace and Space projects at Prestwick link directly to the work proposed in the Innovation and Internationalisation Framework.

Project assessment

38 Table 1 below shows the methodology applied in the projects in the assessment process. All projects underwent this assessment before being approved to move forward for submission to the Scottish and UK Governments for consideration as part of the AGD. Assessed projects will now move forward to the next stage of development the outline business case (OBC). The percentages were weightings applied to the different criteria shown to allow an overall assessment of projects.

Table 1: Project assessment methodology (SBC)

Deal Principles	Policy Fit	Deliverability	Value for Money	Tangible Outcomes – Project	Tangible Outcomes - Programme
<ul style="list-style-type: none"> • Collaborative i.e. cross-authority • Not business-as-usual i.e. new, change of scale or pace • Fit with economic geography i.e. regional supply chain 	<i>Fit with Policy e.g. Scottish Economic Strategy, Scottish Government planning or other relevant strategy, SDI, SDS, SE (sectoral strategies etc.)</i>	<i>Ability to deliver e.g. commitment and skills; timeframe is achievable, any ownership issues etc.</i>	<i>Benefit Cost Ratio (as appropriate) e.g. project cost compared to economic output</i>	<i>Modelled Outcomes (including impact/displacement matrix at SBC) e.g. identified outcomes assessed for local and national impact</i>	<i>Modelled Outcomes where available, or mapped project interdependencies where not available (SBC) e.g. an assessment of how the project supports the overall AGD</i>
15%	15%	15%	20%	25%	10%

The Ayrshire Growth Deal programme

How Investment in Ayrshire can Increase Scotland's and the UK's Economic Prosperity

39 Figure 1 illustrates how the AGD programme links to Governments' objectives of increased growth and prosperity. The programme is based on the achievement of economic growth and inclusive growth with a clear focus on addressing the issues of innovation and productivity, and inequality across the regional economy.

40 Linking to the Regional Vision (see above) assessed projects are grouped into 5 themes which have been developed from the Prospectus' 'Frameworks for Growth' and 'Connecting Communities to Growth' with infrastructure proposals developed from 'Connections for Growth'. These themes focus on the high growth, high value sectors that Ayrshire has real opportunities in, linking to Ayrshire's general manufacturing strength, distinctive coastal opportunities and to communities. The AGD aim is to marry business growth opportunities to employment progression, developing the future workforce and community development, ensuring all communities benefit from economic growth.

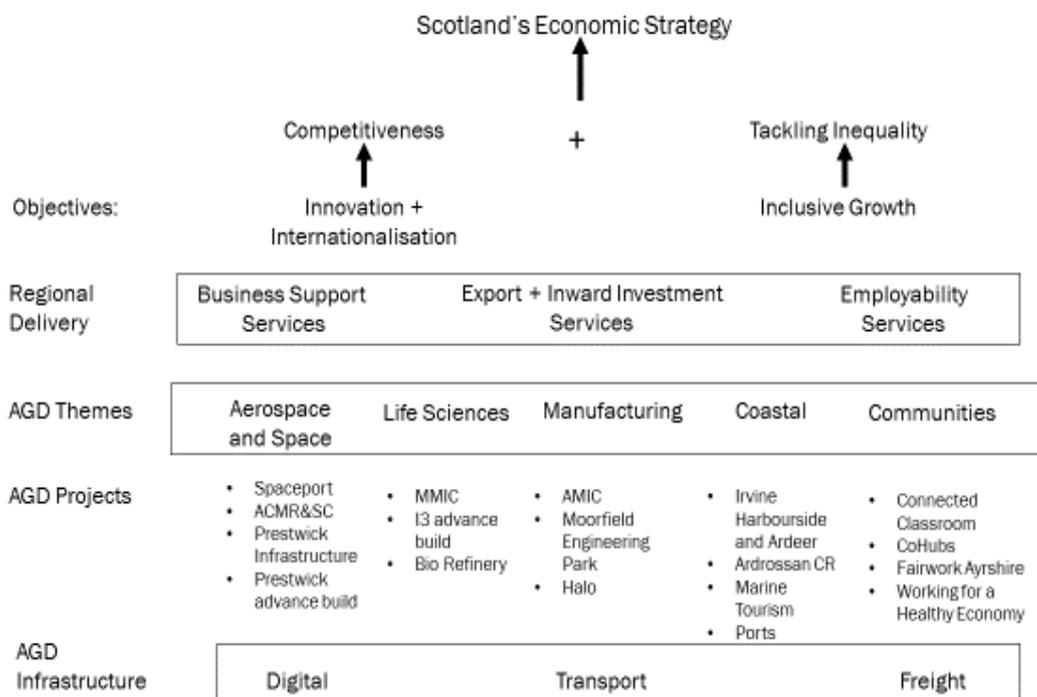


Figure 1. Themes and projects

41 The AGD themes reflect the strengths and opportunities of the Ayrshire economy.

Innovation and Internationalisation

42 Critical to the success of the AGD and its aspiration to raise productivity is to provide businesses with the support to enable them become more innovative and international in their outlook the **Innovation and Internationalisation Framework** will to provide enhanced business support services for existing Ayrshire investors and potential investors. The business support will link to projects such as the NASCC, MMIC, AMIC and the Ayrshire Engineering Park (see below) to ensure that these realise their full benefits in terms of business and employment growth whilst addressing key issues of innovation and productivity. Specifically the Framework seeks to improve Ayrshire businesses' access to innovation and internationalisation support, help ensure supply chain opportunities can be secured within the local economy and target support to help companies become internationally focussed with interventions geared around company needs.

43 This will be achieved by increasing business participation in innovation and internationalisation programmes, scaling up provision and the development of new programmes. These programmes will a key component of the enhanced regional delivery for economic growth with a joining up of local and national services.

Aerospace and space

- 44 Ayrshire has over 50% of Scotland's aerospace employment and a cluster of global companies including BAE Systems, GE Aviation, Spirit, United Technologies Corporate (UTC) Aerospace Systems, and Woodward. Increasing demand combined with re-shoring supply work, provides an opportunity for significant growth. This is also an opportunity for suppliers in other sectors, such as oil and gas to diversify. The ambition is to grow this sector through improvements to infrastructure, provision of new business space, and the establishment of a **National Aerospace Supply Chain Centre using funding from both private and public sources and linked to the proposed National Manufacturing Institute for Scotland.**
- 45 **Glasgow Prestwick Airport** is a key enabler for this work and an opportunity in its own right. It plans to grow a range of services including freight, as well as increasing passenger routes and connectivity. The airport is essential for aircraft maintenance, repair and overhaul work (MRO), which supports several hundred jobs, with more in the pipeline.
- 46 Prestwick has a unique combination of attributes to establish itself as the UK's first **Spaceport** - latitude, take off over the sea, meteorological conditions plus the strong cluster of aerospace companies already here means that the economic benefits from Spaceport development will be greater in Ayrshire than anywhere else in the UK. AGD proposals include the provision of specialist infrastructure and high quality business space together with improvement of road and rail connectivity to maximise the potential growth opportunities.

Life Sciences

- 47 The Scottish Government has set a target of doubling turnover in the life sciences sector from £3 billion in 2005 to £6 billion in 2020. Scotland has world renowned research capabilities in its universities yet needs to do more to translate that research into manufacture.
- 48 The provision of testing and scale up facilities is a critical step in the growth of manufacturing. Irvine is home to i3, Scotland's largest life sciences enterprise area and has the land and infrastructure to facilitate this. With Glaxo Smith Kline (GSK), Sigma Aldrich, DSM Nutritional Products (UK) Ktd, Bioforce and a host of supply chain and support companies Ayrshire is an ideal location for life sciences manufacture. Irvine is being considered as a location for the UK's **Medicines Manufacturing Innovation Centre** which would provide a focus and impetus to build on the strengths we have in the sector. Ayrshire is working with the Industrial Biotech Innovation Centre to

secure its ambition of establishing Scotland's first **Bio refinery** which could be based in Irvine creating new business and employment opportunities. The provision of new business space is essential to meet the growing demand from companies expressing interest in locating in Ayrshire's Life Science Enterprise Area.

Manufacturing

- 49 The ambition for Ayrshire is to build on our manufacturing strengths, particularly in the key sectors of aerospace and life sciences, but also engineering, textiles and food and drink and contribute to the delivery of the Scottish Government's Manufacturing Action Plan. Manufacturing can lead the way for Ayrshire's economy to become more productive, innovative, international and inclusive providing a range of employment opportunities directly and through its linkages and supply chain.
- 50 The **Ayrshire Manufacturing Investment Corridor (AMIC)** adjacent to the A77/A76/A71 **Bellfield** interchange seeks to establish a regionally significant development that serves the manufacturing sector across Ayrshire and to provide a Centre of Excellence on site which, combined with on-site support and start-up units, will allow Advanced Manufacturing sector businesses to start-up and grow, as well as enabling the growth of existing businesses.
- 51 The **Ayrshire Engineering Park** seeks to build upon the success of Moorfield particularly in attracting high quality engineering business investment by the provision of new infrastructure and business space building upon Ayrshire's industrial heritage, infrastructure and skills.

- 52 The Scottish Government's Manufacturing Action Plan (MAP) is an opportunity for Ayrshire to support Scotland, and the UK's, ambitions to rebalance the economy. Ayrshire can play a key role in the delivery of the MAP with the potential to be the test bed for key technologies and business support.
- 53 The Ayrshire Economic Partnership has supported the development of the private sector grouping, the Ayrshire Engineering Alliance (AEA). Their work offers the opportunity to support companies to diversify from oil and gas markets into aerospace and other sectors, and explore opportunities to re-shore work. They are developing an exciting and innovative approach to securing more work in Ayrshire through increased collaboration, and using a top slicing of successful tenders to fund further work in skills and business development. This private sector group, with public sector support offers a catalyst for growth in engineering firms of all sizes, and can offer employment to people throughout Ayrshire. The work of the AEA is a central component of the AGD focus on both modern manufacturing and inclusive growth.
- 54 **The Halo Kilmarnock** is an inspirational and innovative regeneration project that seeks to revitalise Kilmarnock and bring far-reaching economic, social and employment benefits to the town and to Ayrshire and the West of Scotland. Positioned at the heart of Kilmarnock, adjacent to the new Ayrshire College the HALO has strong associations with Ayrshire's manufacturing history being the site of the former Johnnie Walker Scotch whisky bottling plant.
- 55 Building upon these historical links the proposals are for a high quality mixed use scheme with space for enterprise, manufacturing skills and an innovation centre for entrepreneurs providing facilities and resources to stimulate creative business initiatives.

Coastal

- 56 Ayrshire's coast is a key asset for the attraction for tourists, business opportunities, trade and a vital link for access to the islands and Argyll. Since the introduction of the Road Equivalent Tariff Ardrossan has become Scotland's busiest passenger port with an estimated 1 million journeys a year. The **Ardrossan Coastal Regeneration** project will deliver investment that will transform the port as a regional transport interchange serving SW Scotland. Essential life-line services connect Arran and Campbeltown with the port surrounding a diverse range of port commercial/leisure activity with 1million+ passengers and key freight links. Scotland's largest and busiest ferry terminal has a key role in delivering wider benefits to communities and businesses across Ayrshire.
- 57 The **Ayrshire Marine Tourism** programme will maximise the superb opportunities that Ayrshire's harbours and ports provide to develop a cluster of marine activities, tourism and business, linked to marina infrastructure with potential expansion at Largs, Ardrossan, Brodick, Irvine, Troon and Ayr and the creation of a new cruise ship terminal at Troon complementing facilities elsewhere in the Forth of Clyde.
- 58 The **Irvine Harbourside and Ardeer** regeneration project will deliver the infrastructure required for the development of Irvine Harbourside-Ardeer as a major regeneration project, potentially the largest in the West of Scotland. Public investment in infrastructure is required to connect the core site to Irvine and create market conditions for investment. The project is a partnership between North Ayrshire Council, NPL Developments, National Maritime Museum (based in Irvine), Irvine Bay URC and the communities based in the area.
- 59 Our coastal projects will make a major contribution to the delivery national tourism strategies such as 'Awakening the Giant' (marine tourism) as well as providing opportunities to address issues such as the provision of land for the development of new housing.

Communities

- 60 Initiatives are proposed to support start up, innovation and employment opportunities in Ayrshire's towns and villages, and programmes to ensure our communities have the skills to participate in the increased job opportunities that a growing economy will bring. The AGD proposes a holistic approach to tackle some of Scotland's most deep-rooted areas of deprivation (as confirmed in the most recent SIMD data) and provide routes out of poverty through accessible job opportunities, social enterprises, business start-ups, and supporting the development of established micro-businesses, building upon work the Authorities have been leading and learning from the Scottish Government's Inclusive Growth pilot in North Ayrshire.
- 61 The **CoHubs**, 'Communities Working Together', initiative will offer a co-ordinated approach, delivering a step change in reducing inequality in access to employment. These will link to comprehensive employment support for those entering employment, to help sustain work and to encourage 'fair work'. The **Fair work Ayrshire** project will target long-term unemployed and low-paid individuals to promote sustainable employment and inclusive growth together with a health intervention programme, **Working for a Healthy Economy** will support people with health problems, and potential employers, make the transition to become more economically active and return to work.
- 62 Preparing young people for the world of work is critical to securing long term sustainable growth. Ayrshire is making a substantial investment in new schools, seeking to raise educational standards and positive outcomes for pupils. The **Ayrshire Connected Classroom programme** will help provide young people with skills to become digital innovators and creators and has the ambition for Ayrshire to be recognised to be a centre of excellence for digital skills. This will be achieved through a transformation of the utilisation of digital technology in schools, ensuring that technology becomes part of the everyday learning experience, ensuring that Ayrshire's young people will have a high quality digital learning experience, equipping them with the skills to embrace digital disruption and enhance the productivity of the region and helping to address the 'attainment challenge' of Ayrshire's schools.
- 63 Annex 1 provides summaries of the AGD projects by theme together with the list of infrastructure projects to be appraised.

Infrastructure.

- 64 Our themes are underpinned by proposals to strengthen our infrastructure (transport, freight and digital) as an enabler for growth and to ensure the success of anchor projects. Whilst Ayrshire is close to Glasgow there are significant improvements to be made to better connect businesses and communities to markets, employment opportunities, the regional economy and to the rest of the UK.
- 65 Work is continuing to ensure that the AGD infrastructure proposals are guided by the requirements of our priority projects. The infrastructure 'asks' will be developed from the proposals identified in the Prospectus, refined in the SBC work and alongside the development of project OBC's during the next phase of the AGD. Discussions are underway with Transport Scotland about the development of a Regional Transport Appraisal that will help identify and assess key transport improvements to underpin our AGD ambitions.
- 66 Similarly working with SFT and SE, together with external technical support will put in place the proposals for digital infrastructure, skills and engagement programmes to support the AGD's aspirations.

Regional delivery

- 67 The Ayrshire local authorities recognise that as well as asking government for powers and resources through the AGD, there is a need to set out how economic growth services will be delivered differently to ensure effective and efficient implementation of the Growth Deal and strengthen Ayrshire's overall approach to economic development activities. This proposed new approach is evolving and will be subject to discussion with Ministers and senior officials at the Scottish Government and UK Governments.

68 In the Ayrshire's response to the Enterprise & Skills Review it has been confirmed that – as part of the Ayrshire Growth Deal discussions – officers from the three Councils are working to establish the potential for a single Ayrshire agency that would increase shared service arrangements and help strengthen local economic development services.

Finance

69 Initial costs for projects have been put together as part of the SBC process. These cost estimates are necessarily high level at this stage and will need to be revalidated and refined in the OBC and FBC stages.

70 During the next stage of development cost assumptions will be tested and there will be greater specification of project design and delivery. Options to increase private sector investment will be explored alongside understanding issues of scale via regional demand analysis. In particular four key areas of demand analysis are proposed: commercial property, freight, scope for enhanced business support services and scope for enhanced employability services.

71 Where necessary external advice will be sought to provide regional analysis, but where possible data already available to partners will be brought together and analysed.

72 The indicative project costs proposed in the programme SBC are shown in table 2 below. These will be subject to change as the AGD develops and should be viewed as indicative at this stage.

73 These estimates exclude the costs of infrastructure projects which will be developed alongside the Regional Transport Appraisal and digital workstream.

Table 2

Innovation and Internationalisation Framework	
Innovation and Internationalisation Business Support	£ 5,000,000
Aerospace and Space	
Spaceport	£ 30,000,000
Aerospace – National Aerospace Supply Chain Centre	£ 20,000,000
Aerospace speculative build	£ 18,000,000
Aerospace Infrastructure (internal)	£ 16,400,000
Aerospace low carbon infrastructure	£ 2,500,000
Life Sciences	
MMIC	£ 5,000,000
Industrial biotech - upscaling facility	£ 5,000,000
i3 speculative build	£ 20,000,000
Manufacturing	
Ayrshire Engineering Park (Moorfield)	£ 68,000,000
AMIC	£ 43,500,000
Halo (Diageo)	£10,000,000
Coastal	
Marine Tourism (including Troon)	£ 15,000,000
Ardrossan Coastal Regeneration	£ 22,000,000
Irvine Harbourside Ardeer (including Housing Infrastructure)	£ 53,000,000
Communities	
Ayrshire Connected Classroom	£ 3,200,000
CoHubs	£ 6,700,000
Fairwork Ayrshire	£ 11,000,000
Working for a Healthy Economy	£ 5,500,000
Total	£358,800,000

Governance

74 To ensure the delivery of a Regional Growth Deal, the three Ayrshire local authorities are committed to establishing a strong, open, transparent and accountable governance structure that strengthens the existing partnership arrangements across the region.

75 A robust governance framework is already in place between the partners for this proposal phase and the Ayrshire region partners will continue to develop a full governance and delivery framework that will oversee the long term delivery of the deal.

76 A fundamental component of the governance and delivery framework will be collaborative working with co-investment partners from the university and college sectors and government agencies. Strong links to the private sector, building upon existing engagement with business groups such as the AEA and the Prestwick Aerospace Operations Group, will demonstrate our commitment to the vision and objectives of this deal.

77 The partners will also draw on the range of best practice and lessons learned from local authority colleagues across the UK and Scotland who have already been awarded a City Deal or City Region Deal.

78 During the Outline Business Case phase work will be undertaken to agree the governance arrangements including complementary arrangements with the UK Government and Scottish Government that facilitate joint and regional delivery working and provide a suitable mechanism to ensure all parties are meeting their commitments as part of the AGD.

Our commitment

79 The commitments the three Ayrshire local authorities set out in our initial Prospectus remain in place. We are united in a determination to develop and deliver the Ayrshire Growth Deal.

80 We recognise that we must improve collaboration, building on both the similarities and unique strengths across our authorities. We will work together to enhance the opportunities for our businesses and communities to build an inclusive, resilient and confident Ayrshire economy. We are committed and determined to work together across the region and with Scottish and UK Governments to achieve these goals.

- ⇒ We commit to working together, to exploring new forms of collaboration with national agencies and the private sector. This will include governance arrangements for the AGD with key roles for the private sector and stakeholders.
- ⇒ We will look at our capital and revenue programmes to identify how we can make investment alongside Government to unlock the potential of the Ayrshire economy.
- ⇒ We will identify new ways of joint working that will drive efficiencies, focussed on the needs of the economy.
- ⇒ We will aim to make Ayrshire the most open and accessible environment for business investment in Scotland.

81 Our commitment to Government is to work in partnership to deliver a growing, inclusive economy that makes a positive and significant contribution to Scotland's future.

Annex 1 Ayrshire Growth Deal project summaries

Innovation and Internationalisation

Innovation & Internationalisation Framework

The Framework proposes to provide enhanced business support services for existing Ayrshire investors and potential investors. The business support will link to projects such as the NASCC, MMIC, AMIC and the Ayrshire Engineering Park (see below) to ensure that these realise their full benefits in terms of business and employment growth whilst addressing key issues of innovation and productivity. Specifically the Framework seeks to:

- Improve Ayrshire businesses' access to innovation and internationalisation support and the capacity to scale production. To facilitate access to the UK Catapult Network and the proposed National Manufacturing Institute for Scotland.
- Ensure supply chain opportunities can be effectively handled within the local economy and supporting companies to recognise these both locally and beyond. This will create opportunities both within the region and also across Scotland and learn from best practice globally (e.g. EEN, Global Access Programme). In addition, help develop consortia which can tackle a wider range of problems and share risk. Link to AEA here?
- Targeted support to help companies become internationally focussed with interventions geared around company needs. Building on existing support offered by bodies such as SDI and UKTI, there is a specific need to invest in skills and management expertise to address challenges and opportunities in the international marketplace.

This will be achieved by increasing business participation in innovation and internationalisation programmes, scaling up provision and the development of new programmes. These programmes will be a key component of the enhanced regional delivery for economic growth with a joining up of local and national services.

Aerospace and Space

Spaceport

This project will establish a Spaceport at Glasgow Prestwick Airport (GPA). This project would see the creation of a truly transformational Spaceport located in Scotland, which would benefit the local, Scottish and UK economies.

The estimates from the Spaceport UK report (2014) shows that a spaceport has the potential to cumulatively realise a baseline of £320m of additional economic activity. The development of Spaceport at Prestwick is an exciting opportunity which could transform the economic prospects for the area and the contribution of space and aerospace to the Scottish Economy.

A spaceport at Prestwick will play a key role in achieving the growth forecasts for the UKSA and has the potential to deliver a wide range of positive economic impacts to the local, regional and national economy beyond the direct impacts on the main site. This will include the introduction of new activities and high value manufacturing and provide significant inward investment potential.

The objectives of this project are to:

- Create high value jobs and increase GVA to the Scottish economy
- Safeguard existing jobs supported by GPA
- Create the conditions for private investment to achieve sustainable economic growth and regeneration development
- Enable the development of a space cluster in Ayrshire and attract mobile investment

- To provide the strategic asset required to secure Scotland's and the UK's success in the global upstream space sector

Recent developments have meant that the Prestwick site is no longer part of a bid selection process as the UK Government has opted instead for a licensing system whereby suitable sites can apply for a licence. Industry interest is very high in Prestwick for a number of reasons, particularly the existing skills and industry capability on site, and because the site is likely to be the first to be licensed within the UK because it is the closest currently to the likely licensing requirements.

This project will provide the essential infrastructure required to ensure the establishment of a successful Spaceport and establish a competitive space port operation at Prestwick including propellant storage and loading areas, Spaceport infrastructure and terminal facilities with the potential to lever in significant private sector investment.

National Aerospace Supply Chain Centre (NASCC)

This project aims for Ayrshire to expand further from its current position as one of a handful of significant aerospace clusters in the UK and to consolidate its position as the premier aerospace location in Scotland. The Centre offers aerospace companies and those in the supply chain could the ability to train staff in the latest technologies and make Prestwick home to aerospace related FE/HE and Innovation / R&D activity. Ayrshire would also be the hub for the development, incubation and industrialization of innovative aerospace and space related technology and practices, increasing the overall productivity of the sector and the region.

The NASCC brings together Aerospace prime businesses engaged in new technology R&D with SME's, skills providers and expertise in manufacturing excellence. This collaborative approach will enable the centre to better capitalise on the high value add advantages that exist within the Scottish/UK supply chain to deliver reduced industrialisation cycle times and increase local supply chain content in aerospace Tier 1 suppliers.

The Centre aims to:

- Provide supply chain entry points to new and existing SME Aerospace Suppliers through the collaborative development of unique capabilities on new technologies.
- Provide industrial scale manufacturing facilities and rapid manufacturing processes capable of building manufacturing prototypes.
- Enable the diversification on non-aerospace suppliers into the sector, capitalising on skills and capabilities from other sectors including oil and gas.
- Support the integration of composite materials expertise into the existing engineering sector.
- Develop manufacturing excellence in the Aerospace supply chain.
- Develop Industry 4.0 supply-chain solutions, through integration and knowledge sharing in the industrialisation of new technologies process.
- Support the development of automation, robotics and technological integration across the supply chain.
- Provide training centre in conjunction with Ayrshire College and other training providers, to support the development of the skill base required to meet changing industrial and technological demands.

The centre which will include 25,0000 Sq. Ft. of collaborative space will work in partnership with Ayrshire College, higher education institutions and business support agencies to support the development of related technologies, supply chain capabilities and a developed skills base. The centre will focus on utilising the principles of Industry 4.0 to develop supply chains of the future and workforces of the future.

Aerospace – Speculative Build

The existing Prestwick Aerospace Enterprise Area provides scope for speculative development informed by the needs of, and to meet future demand of, the Aerospace and Space Sector. Existing commercial units within the Enterprise Area are fully occupied leaving the area poorly positioned to attract investment from the Space or Aerospace Sector.

Global aviation markets are forecast to grow on a sustained, year-on-year basis over the long-term. The global aerospace industry, which supports both civil and military aviation sectors, is likewise facing a positive long-term outlook. Combined with increasing transport costs, rising employment costs in low cost economies and increased dual sourcing by OEM's there are increasing opportunities to further develop and re-shore Aerospace supply chain activities to Prestwick.

The current amount and quality of commercial and industrial property stock is a barrier to the area in capturing inward investment opportunities in the Aerospace and space sectors.

The project would see the creation of an additional 160,000 sq. ft. of high quality industrial/commercial accommodation on the existing Aerospace Enterprise Area, aimed at meeting the growth demand of the Aerospace and Space Sectors. This would include flexible commercial space and specialist hangar space, built to regulatory requirements, with aerospace hard standing areas.

The investment objectives for this project are to:

- Create new high value jobs in the Aerospace Sector through the provision of high quality commercial space
- Provide the commercial accommodation able to attract mobile investment
- Attract inward investment from organisations requiring runway access.
- Create the conditions for private investment to achieve sustainable economic growth and regeneration development
- Maximise the economic benefits of Prestwick Spaceport by stimulating the development of a Space Cluster at Prestwick

Prestwick Road Infrastructure (internal)

There are currently a number of proposals to develop the Prestwick Aviation and Aerospace Hub and there is a requirement to upgrade / construct a number of new roads / road improvements which will act as an enabler for the wider development. Current infrastructure is out of date and there are a number of problem areas, difficulties and service gaps which are likely to be exacerbated by further development at the Prestwick site. Upgrading the internal infrastructure for the Prestwick Aerospace Park is a critical enabler for future development and links directly to the Spaceport, Prestwick speculative build, and the NASCC projects detailed elsewhere.

AECOM Ltd developed a Land Use Masterplan in 2015 and provided a number of recommendations to the road network which has resulted in the following proposals to be included as part of the AGD:

- Upgrading of the road network between the A79, Prestwick East Aerospace Park and Sandyford Toll for freight and commuter workforce traffic
- Road upgrades and services to unlock development sites, including those for Spaceport development
- Installation of service ducting

Low Carbon Infrastructure Project

This Strategic Business Case (SBC) is for infrastructure for a low carbon energy solution at the Prestwick Aerospace site to alleviate existing energy problems at the Prestwick site, e.g. high energy costs and inadequacy of supply. It is anticipated that as the Prestwick offering continues to grow, these problems will become worse. The programme offers both a reduction in carbon footprint and lower energy costs for companies based at the airport. This is a key incentive to attracting investors to Prestwick. This project is being developed for support under the Low Carbon Infrastructure Transition Programme (LCITP).

The project will provide a mix of both industrial waste heat and the most suitable low carbon energy generation technologies, including Solar PV, Solar Thermal and CHP to provide resilient supply of both electricity and heat, and also incorporating Geothermal energy and Fuel Cell utilisation. This option has the opportunity to be very flexible, with a phased development driven by the demand profiles of large users. It may also have the potential to include public assets ie social housing and schools and to accommodate future residential developments.

The investment objectives for this project are to:

- Create a low carbon energy solution and lower cost energy solutions at site
- Create a resilient power supply at site for existing and future tenants at the Prestwick Aerospace site
- Create high value jobs and increase GVA to the Scottish economy
- Support the attraction of mobile investment

Life Sciences

Medicines Manufacturing Innovation Centre (MMIC)

The UK's medicines industry is one of the Country's leading manufacturing sectors, with exports worth over £22bn and generating a trade surplus of £5bn in 2013. The UK Medicines Manufacturing Industry Partnership wants to ensure that the UK continues to be an attractive place for this high-value industry to secure exports, provide high skilled job opportunities and contribute to the country's productivity.

The project is currently searching for a site on which to construct the Centre and i3's Strategic Investment Campus is one of the short-listed sites in the selection process. The expectation is that infrastructure funding through the AGD would act as an incentive as part of this process. The project is proposed to commence construction in early 2017 and be completed by mid-year 2018.

This project comprises the establishment of a national Innovation Centre for the Life Science and Pharmaceutical industries; where post-research ideas and innovations can be developed or scaled up in advance of commercial manufacture or application.

The Innovation Centre will comprise quality office and industrial space extending to some 60,000 sq. ft. fitted with plant and equipment to enable scale-up and continuing research on a number of projects at the same time.

It is envisaged that the Centre will be a catalyst for further privately funded development on the site and in the region.

Industrial Biotech Upscaling Facility

Industrial Biotechnology and the development of a Bio-economy is central to the Scottish Government aims of reducing carbon footprint, generating a shift towards manufacturing and creating a sustainable industrial base built on renewable feedstocks locally available.

Industrial bio-refining is a growth sector, its growing contribution and impact will be felt within a wide range of business sectors from oil and gas to the food industry. Ayrshire's interest is focussed on timber as a feedstock for refining into a number of products for use in other industries. Timber is a source of cellulose, other carbon based derivatives and specialist chemicals which are currently recognised and used in industry.

In addition to those currently being used, there are potentially untapped alternatives being developed jointly by a variety of bio businesses in partnership with industry and assisted by the Industrial Biotechnology Innovation Centre (IBioIC). These efforts are aimed at finding economically viable alternative ingredients and new processes to drive innovation and reduce costs, thereby increasing productivity and competitiveness in global markets.

Ayrshire can be a location where bio-refining is established and can grow based on the synergy between our proximity to timber feedstock, our existing industrial base and the technical skills practised in the region.

An initial project is being worked up currently, involving Glaxo Smith Kline and the Forestry Commission assisted by IBioIC. This project involves finding a new feedstock for Glaxo Smith Kline's Irvine manufacturing plant which produces a significant proportion of the global supply of penicillin. It is feasible that timber and other feedstocks could be used to produce cellulose as a raw material in the production of penicillin at reduced cost.

In addition to the availability of timber from the Argyll forest there is scope to develop a long term timber feedstock in East Ayrshire, on derelict land associated with the area's historic coal extraction industry, and South Ayrshire's forests.

i3 Irvine Enterprise Area Advance Manufacturing Space

i3, Irvine Innovation and Industry, is a new business location with Enterprise Area status. It is located to the west of Irvine formerly known as Riverside Business Park on a site identified for industrial development by Irvine Development Corporation. The recently designated Irvine Enterprise Area offers a range of benefits to new occupiers but the site lacks business space ready for occupation, or the financial incentives sufficient to attract private sector development. Therefore requiring investors to procure their own buildings. This severely limits the potential range of occupiers both because of funding constraints and timescales. Our strategic objective is to create jobs and bring economic activity to Ayrshire. In order to do this we require to improve our offer to investors by including the provision of well serviced development sites and business space ready for occupation. The project comprises the construction of 200,000 sq. ft. (18,580 m²) of business space to meet the demand identified from growth sectors in Life Science, Chemical Science, Engineering, IT and Food manufacturing.

The proposal is to build flexible, shell specification (without internal fit out) industrial and office space within the Irvine Enterprise Area at the Strategic Investment Campus, Irvine, adjacent to the A71. The Strategic Investment Campus comprises a large, level site with high capacity service connections and spine distributor road being the subject of recent investment designed to attract mobile investment projects.

Manufacturing

Ayrshire Manufacturing Investment Corridor

The project seeks to establish a regionally significant development that serves the manufacturing sector across Ayrshire and to provide a Centre of Excellence on site which, combined with on-site support and start-up units, will allow Advanced Manufacturing sector businesses to start-up and grow, as well as enabling the growth of existing businesses. It is anticipated that there will be a focus on textile and food and drink businesses building on Ayrshire's existing strengths in these sectors but not to the exclusion of other manufacturing activities.

The investment objectives for this project are to:

- create a regionally significant and distinctive Ayrshire Manufacturing development which creates opportunities for businesses and business growth.
- facilitate the spin-out, start-up and growth of advanced manufacturing and general manufacturing sector businesses in the region through access to academic and support excellence (built around a strong link to Ayrshire College's new state of the art campus in Kilmarnock).
- create an Innovation Hub and Manufacturing Centre of Excellence within the zone, combining access to kit (capital) equipment with high quality staff (revenue) support.
- generate a range of new employment opportunities for Ayrshire residents which helps to achieve inclusive growth for the region.

Ayrshire has a number of nationally and internationally renowned businesses in these sectors, including those breaking new ground in textile manufacture and applications, such as Culzean Fabrics developing fabrics and materials for the medical, healthcare, oil and gas and leisure sectors and Dunlop Dairy whose cheeses have gained the EU status of Protected Geographical Indication.

The project will reduce the cost of premises for growing manufacturing businesses, help to increase productivity (through better design and use of space, access to supply chain and academic/business support) and improve the quality (and effectiveness) of support.

It is envisaged that this investment corridor will demonstrate the highest standards of design excellence, including a high quality working and learning environment, complete with landscaping, active travel routes and a host of on-site facilities and links to academic excellence. The aim is to create an excellent and high quality working environment for manufacturing businesses.

It is proposed that this project is sited on land at Bellfield, adjacent to the A77 and with close proximity to Ayrshire's population centres of Kilmarnock, Ayr and Irvine and accessible for more rural communities on the A76 and A71. This site is at the heart of the A77/M77 corridor between Prestwick Airport and Glasgow and is easily accessible from the ports of Ayr and Troon as well as being adjacent to rail infrastructure from Kilmarnock to Carlisle and the north of England, affording the opportunity to link to and complement other Growth Deal projects and investments.

Ayrshire Engineering Park, Moorfield

This project proposes the expansion and development of Moorfield Park in Kilmarnock (an 18.3 hectare site, adjacent to the A71 and close to the junction with the A77) – a strategic site within Ayrshire with the potential to generate significant GVA for the Ayrshire economy. The project aims to create up to 61,000 sq.m. of serviced and high quality business space, with a range of units and sizes, to support the advanced manufacturing and light engineering sectors in Ayrshire.

There is currently a lack of high quality sites and premises in Ayrshire to support the growth ambitions of a number of local Ayrshire companies. Evidence (from EAC) suggests in East Ayrshire alone, there is demand from a range of manufacturing and light engineering SMEs, amounting to some 40,000m² or so of floorspace, with similar levels of demand in North (as confirmed by Irvine Bay URC) and South Ayrshire. There is also a lack of good-sized investment-ready sites in the area, which acts as a barrier to attracting new mobile inward investment.

Providing high quality business space is key to unlocking potential in Ayrshire's strength industries of advanced manufacturing and light engineering. However, there is a clear market failure in the lack of private sector investment in employment land and business premises. Evidence (from recent developments) suggests that the value of newly built premises is typically around 30% of the value of total build cost, in spite of evident demand elsewhere in Ayrshire.

It is not currently viable for the private sector to invest in commercial build for business premises in Ayrshire. The AGD seeks to address this by public sector investment in directly providing high quality business space until the market in Ayrshire readjusts. Central to this approach is addressing the market failure through provision of fit-for-purpose investment-ready industrial parks and business premises.

Failure to invest in sufficient high-quality premises will inevitably result in the Ayrshire economy continuing to lag behind the rest of Scotland due to perceived unattractiveness as a location for business investment. As a key part of the portfolio of Ayrshire growth Deal (AGD) projects, the Moorfield Phase 3 project is key to helping unlock Ayrshire's development potential

The investment objectives for this project are to:

- create up to 61,000m² of serviced and high quality business space, with a range of units and sizes, to support the advanced manufacturing and light engineering sectors in Ayrshire
- unlock a key industrial development site in East Ayrshire to contribute to enhancing Ayrshire's key business locations, and attract new investment in the region
- address marketing failure evident in the lack of viability for private sector investment in commercial build for industry
- support the creation of a range of new employment opportunities for Ayrshire residents which helps to achieve inclusive growth for the region

The HALO Kilmarnock

The HALO is an inspirational and innovative regeneration project that will revitalise Kilmarnock and bring far-reaching economic, social and employment benefits to the town and to Ayrshire and the West of Scotland. Positioned at the heart of Kilmarnock, with strong connectivity to the strategic road network and the town centre, the HALO has strong associations with Ayrshire's manufacturing history being the site of the former Johnnie Walker Scotch whisky bottling plant.

Diageo PLC has, already, gifted part of the site extending to some 4 ha for the new Ayrshire College, which is due to open later this year. The remainder of the site extending to 9.3 ha, has been offered to Klin Group (Klin), the Kilmarnock-based property company, to produce a viable plan to develop the site in a way that will generate lasting economic and social benefits for the local community.

The Klin Group has created a project development team with experienced Glasgow-based Ross Developments and Renewables Ltd to deliver a phased development of the site that will complement the adjoining, new, Ayrshire College and has created a delivery vehicle The Halo Kilmarnock Ltd. (THKL) to deliver the project.

The site sits alongside Kilmarnock Rail Station. The HALO is an extension of the town centre with its shops, restaurants and cafes, only a short walk away, with ample car parking and bus station nearby. The intention of the development team is to make The HALO as sustainable as possible. Part of this process will be the creation of a Green Energy centre to supply renewable energy to the whole site and potentially to the surrounding area as well. The development will be powered by a renewable energy district heating system and will be built to the highest environmental standards.

THKL are proposing to create a truly unique, multifaceted development which will meet Diageo's desire to leave a lasting community legacy. The intention is to create a unique commercial, leisure and lifestyle quarter with:

- Space for enterprise, manufacturing skills and an innovation centre for entrepreneurs
- A culture hub for small creative businesses and social enterprises in film, art, music, media, literature, marketing and technology
- Commercial offices to attract new employers to the town
- Health & Wellbeing premises, life-style shops and café
- A multi-functional space for a year-round water sports arena, featuring wave surfing and indoor leisure beach, with space for conferencing, concerts, sports and leisure activities
- Landscaped Public Plaza
- Affordable rented houses
- Energy centre
- Public realm including new road and footpath networks connecting to the Rail Station and Town Centre

The HALO proposal is a phased, but entirely integrated, development that will contribute to the following wider investment objectives:

- Increase Kilmarnock's appeal as a destination for commerce, leisure and shopping
- Strengthen the resilience of Kilmarnock town centre
- Complement and add value to the new adjoining Ayrshire College
- Create sustainable job opportunities
- Capitalise on the site's rail, bus and motorway links, and proximity to Prestwick and Glasgow Airports
- Contribute to the wider economic growth of Ayrshire

The development will provide facilities and resources to stimulate creative business initiatives and seek to ensure that Ayrshire has a meaningful place in the world's Fourth Industrial Revolution, in which the digital world is central to every consideration in planning and shaping The HALO and its uses and activities. 4G digital connectivity will be core, as will digitalisation of amenities and services.

Coastal

Ardrossan Coastal Regeneration

Investment in Ardrossan will deliver investment that will transform the port as a regional transport interchange serving South West Scotland. Essential life-line services connect Arran and Campbeltown with the port surrounding a diverse range of port commercial/leisure activity with 1million+ passengers and key freight links. Scotland's largest and busiest ferry terminal has a key role in delivering wider benefits to communities and businesses across Ayrshire.

AGD funding will:

- Develop the Harbour infrastructure to ensure port/harbour offers are safe, ready access for the new Ardrossan-Arran Ferry Service and Ardrossan-Campbeltown Service
- Develop a new Ferry Terminal Facility and associated linkspans to service the increasing volume and level of service
- Connect the Ferry Terminal to what? to create a multi-modal Transport Interchange (sea/rail/road/cycle/pedestrian) with safe access and connectivity
- Develop the Ardrossan Marina with a 300 boat extension as part of the Mixed-Use Masterplan
- Develop the North Shore, part of the former Shell Refinery Site, providing a mix of homes/mixed-use activity in a prime waterfront location (300-350 homes)

The development enables a public-private partnership to develop the port to capture a range of opportunities (cruise/leisure/marine tourism/waterfront residential) whilst improving life-line services to the Isle of Arran.

Irvine Harbourside – Ardeer

The project will deliver the infrastructure required for the development of Harbourside-Ardeer as a strategic site. Public investment in infrastructure is required to connect the core site to Irvine and create market conditions for investment. The project is a partnership between North Ayrshire Council, NPL Developments, National Maritime Museum (based in Irvine), Irvine Bay URC and the communities based in the area.

The project addresses housing, business and leisure needs in Irvine. It will release investment in a mixed-use coastal developing facing and fronting the River Irvine Harbourside Waterfront and Ardeer Beach-Strand.

The infrastructure requirement to unlock the sites includes:

- An all-purpose bridge crossing the River Irvine and connected to North Ardeer
- Provision of strategic utilities and services
- Site preparation works associated with development of Harbourside-Ardeer including marine revetment (sea wall embankment), dredging, marine structures, footbridge relocation and site works
- Public realm, green network, environmental works and coastal connected routes/cycleways completing Ayrshire Coastal Path including public realm at Beach Park development in accordance with the SG Place Standard supporting active travel
- Development of National Maritime Museum (NMM) Waterfront – Maritime Quarter – ‘Your Special Heritage’ public realm including esplanade, riverside commercial quarter, harbour quay and public slipway adjacent to the Puffer Café
- A ‘Waterline-Deck’ creating a riverside frontage to development plots/sites with transit moorings and connected walkway cycleway public realm

A Combined Head and Power Energy Centre around the Energetics Campus that will provide energy for new residential neighbourhoods and industrial/commercial operators. The Energy Centre has been designed to produce significant heat to meet the demands of all Ardeer neighbourhoods.

Marine Tourism

The project will deliver critical infrastructure to enable investment to secure the development of the Marine Tourism industry in Ayrshire thereby enhancing both Ayrshire’s and Scotland’s international profile. Marine Tourism offers sustainable growth in a sector that supports a more inclusive, digitally connected economy, supporting enterprise and business start-ups and existing business activity associated with island and rural communities. Cruise and marina developments offer an international dimension with increased visitor spend and GVA outputs.

The focus of marine tourism project will be on securing infrastructure that supports 4 key components of the sector: cruise tourism, sailing and boating, marine leisure, and recreation.

The project seeks to identify and secure:

- Opportunities for new marina development
- Extensions to existing marinas
- Additional transit facilities
- New business/enterprise opportunity associated with boat repair/boat servicing/sales/chandlery and marine support services centres
- Centres of excellence/enhanced sailing centres
- Enhancements to sailing club/facility to increase capacity and access
- Slipway enhancements to improve access and DDA improvements
- Cruise ship facilities at Troon through extension of East Pier terminal and channel deepening including the development of a new 1500m² cruise terminal building as part of the new cruise ship terminal

The Troon port is owned and operated by ABP with SAC owning several parcels of land surrounding the port with the potential for further development. Development at Troon will unlock a key port to further contribute to enhancing the tourism offer in Ayrshire and to attract new leisure and retail investment to the region.

Communities

Ayrshire's Connected Classroom

Ayrshire's Connected Classroom has the ambition for Ayrshire to be recognised to be a centre of excellence for digital skills. This will be achieved through a transformation of the utilisation of digital technology in schools, ensuring that technology becomes part of the everyday learning experience.

In order for this to happen, Ayrshire's Connected Classroom will ensure that every pupil from 3-18 in Ayrshire will have access to a high level of appropriate technology by 2022, and teachers that will be able to fully utilise this technology to benefit the learning experience across the curriculum. This will require not only infrastructure implementation and policy change to allow guest wifi networks in all schools for Bring Your Own Device (BYOD) and for schools to supplement devices to ensure inclusivity, but also the upskilling of current teachers through CPD, and the development of a digital skills programme for students on the Initial Teacher Training Programme. There has been agreement from UWS to explore the final point. The project also includes the development of enhanced pathways to higher level digital technologies courses at colleges.

Ayrshire's Connected Classroom also views digital as a key enabler for STEM and will support a range of existing STEM activities taking place in the region.

Investment objectives for the project are to:

- Ensure every child and young person in educational establishments across the region can access Ayrshire's Connected Classroom by 2022
- Increase percentage of young people entering employment in the Digital Technologies sector by 40% from 2016 levels by 2022
- Increase percentage of young people undertaking STEM related vocational courses at Level 5 (SCQF) and above by 50% from 2016 levels by 2022
- Embed benchmarked level of digital skills as core component of PGDE/B.Ed in Ayrshire Initial Teacher Education Programmes by 2022

Ensure that 100% of teaching practitioners across Ayrshire can access a range of training and support to raise levels of digital skills by 2022.

Co –Hubs

CoHubs will bridge the existing gaps between asset based community development, social enterprise, employability and business support, by reaching the most excluded through local, trusted networks, and by providing real, local opportunities to become, or to be more, economically active.

The project will develop the resilience and economic capacity of hard to reach individuals and communities through the development of community, pre-employment and enterprise networks, space and support, where the responses of partners will adapt significantly to deliver maximum benefit and impact.

Joint working between agencies and organisations building on community strengths will be the guiding principles and will build community networks to provide sustainability. This community economic development project will significantly change the current approach to how we encourage social entrepreneurship and entrepreneurship at a community level in Ayrshire, challenging current routes to employment options and opportunities for the economically inactive. This project will link to the Fairwork and Working for a healthy economy projects in the AGD.

CoHubs will adopt asset based social entrepreneurship principles, and will provide a pervasive, place based inclusive dimension to the significant opportunities provided by the Ayrshire Growth Deal. This proposal could significantly relate to, take advantage of, and add value to a number of community and other projects within the AGD, such as the digital, construction and coastal and marine tourism initiatives by integrating economic opportunities and supply chain intelligence in relation to emerging local markets, supporting employment progression routes and providing a “smart regionalisation and innovation approach”.

The project will have close alignment to ongoing social enterprise strategy development in the Ayrshire local authorities. The purpose of this project is to identify and pursue economic opportunities for the most excluded communities. The investment objectives for this project are to:

- Identify and pursue realistic economic opportunities for our most excluded communities
- identify obstacles that prevent people playing a more active economic role in their communities and develop awareness of effective practices and local solutions
- To maximise growth opportunities across sectors to encourage inclusion and GVA growth by supporting communities to create their own businesses and jobs through aligning relevant community economic development support with existing and emerging economic opportunities
- Encourage aspiration, innovation, entrepreneurship and leadership at all levels, supported by peer and mentor networks, by creating an effective accessible support system and network for SMEs and social enterprises
- Develop and sustain local spaces which provide a tangible focus for inclusion and entrepreneurship, which add value to communities of geography and interest

The CoHub concept of ‘community economic development’ will bridge the existing gaps between asset based community development, social enterprise, employability and business support, by reaching the most excluded people in our communities through local, trusted networks, and providing real, local opportunities to become, or to be more economically active.

Fair Work Ayrshire

This project will create Fair Work in Ayrshire and will support business growth and improve employment opportunities. The project will include 3 key elements which will target growth areas by creating entry level employment opportunities and access to resources and services to improve employment within sectors where these challenges and opportunities exist; health, retail & customer service, manufacturing & production:

1. **Co-ordinated Recruitment Service - Co-ordinated Recruitment Service** - A coordinated approach across Ayrshire to support employers in job-growth sectors where recruitment and retention are major challenges, to recruit people with the right vocational and work-readiness skills.
2. **Integrated in-work and employer support** Employers will benefit from a range of in-work services designed to improve the skills and capacities of their existing workforce, supporting employees to increase their earning capacity and support the development of skills to meet future labour market demands. This integrated support will include HR support designed to assist employers to meet the Scottish Business Pledge.
3. **Aftercare and Employee retention service** - Aftercare support will improve retention in employment by offering a service which provides early intervention and on-going support for individuals in their transition from unemployment to employment where issues can arise. Coupled with support for employers to improve retention of their workforce and increase capacity to deliver Scotland Business Pledge this will establish a loyal and skilled workforce which will contribute to growth in Ayrshire.

Working for a Healthy Economy

The project proposes to establish a one stop health and disability support service across Ayrshire to maximise employment and job retention. It will support those unemployed with health issues to return to work and support those in work with health issues to retain employment. The preferred option for the project is provision of health case management by NHS Salus (a NHS based provider of occupational health, safety and return to work services) through a strategic partnership arrangement. NHS Salus have helped develop the proposal.

Ayrshire has 21,030 people claiming health related benefits. Of the JSA/UC claimant group of 7,500, it is estimated up to a third have health issues as a barrier to employment. Health is clearly a significant barrier to economic activity and productivity in Ayrshire, impacting not only the individual but increasing the reliance on health and social care services and putting additional costs onto business in terms of loss of productivity and lack of access to a flexible and wide pool of labour.

Three factors have driven development of project:

1. The need to ensure a wider group of people connect to and benefit from economic prosperity, and access work as a way to move out of poverty and sustainably improve the quality of their lives.
2. A recognition that a large number of people more distant from the labour market and are more likely to depend on social services. Moving into the right work opportunities could improve their health and reduce reliance on other services.
3. Employers are increasingly seeking staff, and future local economic development aspirations depend on the right workforce being available.

The investment objectives for the project are to:

- Reduce the number of people claiming benefits and the demand for public services
- Improve the productivity of the workforce by reducing health related absence
- Increase the number of people in work, increasing spend and incomes in the area, and
- Widen the available labour pool for?? Business

Infrastructure Projects

Infrastructure projects still being developed and will be considered within the Regional Transport Appraisal and the Digital workstream. Both these pieces of work will identify the infrastructure required to underpin the ambition and projects of the AGD to ensure the maximum economic benefit from investment. At this stage the project list should be viewed as being indicative and will be assessed in line with the investment objectives of the Growth Deal.

Transport

- A70 to M74 link
- A737 corridor improvement
- A760 improvements
- A77/A77 Bellfield interchange
- A77 Ayr bypass
- A77 Maybole bypass
- Prestwick Aerospace park access link road
- Glasgow Prestwick Airport station upgrade
- Glasgow to Carlisle (via Kilmarnock) rail upgrades
- Ayrshire freight strategy (including ports)

Digital

- Infrastructure business
- Infrastructure communities
- Digital engagement
- Digital skills

Appendix 2 List and location of Projects contained within the SBC

Theme and Project	Bid	Location
Innovation and Internationalisation Framework		
Innovation and Internationalisation Business Support	£ 5,000,000	SAC/EAC/NAC
Aerospace and Space		
Spaceport	£ 30,000,000	SAC
Aerospace – National Aerospace Supply Chain Centre	£ 20,000,000	SAC
Aerospace speculative build	£ 18,000,000	SAC
Aerospace Infrastructure (internal)	£ 16,400,000	SAC
Aerospace low carbon infrastructure	£ 2,500,000	SAC
Life Sciences		
MMIC	£ 5,000,000	NAC
Industrial biotech - upscaling facility	£ 5,000,000	NAC
i3 speculative build	£ 20,000,000	NAC
Manufacturing		
Ayrshire Engineering Park (Moorfield)	£ 68,000,000	EAC
AMIC	£ 43,500,000	EAC
Halo (Diageo)	£10,000,000	EAC
Coastal		
Marine Tourism (including Troon)	£ 15,000,000	SAC/NAC
Ardrossan Coastal Regeneration	£ 22,000,000	NAC
Irvine Harbourside Ardeer (including Housing Infrastructure)	£ 53,000,000	NAC
Communities		
Ayrshire Connected Classroom	£ 3,200,000	SAC/EAC/NAC
CoHubs	£ 6,700,000	SAC/EAC/NAC
Fairwork Ayrshire	£ 11,000,000	SAC/EAC/NAC
Working for a Healthy Economy	£ 5,500,000	SAC/EAC/NAC
Total	£359,800,000	

Total Bid Amounts broken down by authority area.

Area	Bid Amount
SAC	£86,900,000
EAC	£121,500,000
NAC	£105,000,000
SAC/NAC Joint	£15,000,000
Pan-Ayrshire	£31,400,000
Total	£359,800,000

Appendix 3 List of Abbreviations

ABP	Associated British Ports
ACMR&SC	Advanced Composite Materials Research & Supply Chain
AGD	Ayrshire Growth Deal
AEA	Ayrshire Engineering Alliance
AMIC	Ayrshire Manufacturing Investment Corridor
B.Ed	Bachelor of Education
BYOD	Bring Your Own Device
CHP	Combined Heat and Power
CPD	Continuous Professional Development
DDA	Disability Discrimination Act 1995
EAC	East Ayrshire Council
EEN	Enterprise Europe Network
EU	European Union
EY	Ernst and Young Consultants
FBC	Full Business Case
FE	Further Education
GPA	Glasgow Prestwick Airport
GVA	Gross Value Added
HE	Higher Education
IBiIC	Industrial Biotechnology Innovation Centre
Irvine Bay URC	Irvine Bay Urban Regeneration Company
JSA	Job Seekers Allowance
TP	Low Carbon Infrastructure Transition Programme
MAP	Manufacturing Action Plan
MMIC	Medicines Manufacturing Centre
MRO	Maintenance, Repair and Operations
NAC	North Ayrshire Council
NASCC	National Aerospace Supply Chain Centre
NHS	National Health Service
NMIS	National Manufacturing Institute for Scotland
NMM	National Maritime Museum
OBC	Outline Business Case
OEM	Original Equipment Manufacturer
PGDE	Postgraduate Diploma in Education
R&D	Research & Development
SAC	South Ayrshire Council
SBC	Strategic Business Case
SCDI	Scottish Council for Development and Industry
SCQF	Scottish Credit and Qualifications Framework
SDI	Scottish Development International
SDS	Skills Development Scotland
SE	Scottish Enterprise
SEA	Strategic Environmental Assessment
SFT	Scottish Futures Trust
SG	Scottish Government
SIMD	Scottish Index of Multiple Deprivation
SME	Small and Medium Sized Enterprises
STEM	Science, Technology, Engineering, Math
THKL	The Halo Kilmarnock Limited
UC	Universal Credit
UKSA	UK Space Agency
UKTI	UK Trade and Investment
UWS	University of the West of Scotland

Appendix 4 Glossary of Terms

Additionality	An impact arising from an intervention is additional if it would not have occurred in the absence of the intervention.
Appraisal	The process of defining objectives, examining options and weighing up the costs benefits, risks and uncertainties of those options before a decision is made.
Assessment(s)	Either an appraisal or an evaluation (or both).
Baseline	A description of conditions existing at a point in time against which subsequent changes can be detected through monitoring. A baseline study is also required in order to establish what the conditions would be if development were not to take place. Conditions may not be stable even in the absence of development; there may be decline, improvement or cyclic conditions.
Business case	A management vehicle for scoping and planning the proposal and documenting the outcome. Often a requirement of the approval process.
Displacement	The degree to which an increase in productive capacity promoted by government policy is offset by reductions in productive capacity elsewhere.
Economic modelling	A theoretical construct that represents economic processes through a set of variables and a set of logical or quantitative relationships between the two. A model is simply a framework that is designed to show complex economic processes.
Effectiveness	A measure of the extent to which a project, programme or policy achieves its objectives.
Five-case appraisal model	A systematic framework for the development and the presentation of the business case over time (SOC, OBC and FBC). Model comprises five key components: strategic case; economic case; commercial case; financial case; management case.
Full Business Case (FBC)	Third stage in the development of a business case for a significant project, which identifies the most economically advantageous offer following procurement, confirms affordability and put in place the detailed arrangements for successful delivery.
Gateway review / approval	The process examines programmes and projects at key decision points in their lifecycle.
Gross benefits	These are the direct effects from the reference case and from the intervention option before account is taken of factors such as displacement, substitution, leakage and economic multipliers.
Gross modelling	Direct effects from the reference case and from the intervention option before account is taken of factors such as displacement, substitution, leakage and economic multipliers.

Gross Value Added	The measure of the value of goods and services produced in an area, industry or sector of an economy.
Implementation	The activities required during the period after appraisal to put in place a policy, or complete a programme or project, at which point 'normal' service is achieved.
Inclusive growth	Ensuring all parts of Scotland benefit from sustainable economic growth and contribute to Scotland's cohesion.
Interdependencies	Mutual reliance between two or more projects.
Leakage	The proportion of benefits that go to those outside of the intervention's target area or group.
Market failure	An imperfection in the market mechanism that prevents the achievement of economic efficiency.
Multiplier effects	Further economic activity (jobs, expenditure or income) associated with additional local income, local supplier purchases and longer term effects.
Net modelling	Direct effects from the reference case and from the intervention option after account is taken of factors such as displacement, substitution, leakage and economic multipliers.
Option appraisal	The appraisal of various options chosen to achieve specific objectives.
Outcomes	The consequences of project outputs in terms of the effects to customers or the economy such as increased R&D, skills levels, employment, productivity etc. In a successful project, the outcome will match the original objectives and have an effect on increasing GVA.
Outline Business Case	Second stage in the development of a business case for a significant project, which identifies the option offering best public value for spend, confirms the deal and affordability, and puts in place the arrangements for successful delivery.
Outputs	The changes achieved as a direct result of the project, such as new products, skills acquired, premises constructed etc. Outputs should be easy to identify & measure & contribute to an outcome. For example, a project that sets up a training centre may have an output of people learning business start-up skills. That in turn could lead to an outcome of more business starts in an area.
Proposal	An idea for a policy, programme or project that is under appraisal.
Qualitative assessment	Based on descriptions or distinctions rather than on some quantity. Takes account of strengths and weaknesses associated with Growth Deal principles, policy fit, deliverability, and interdependencies.

Quantitative assessment	Takes account of those costs, benefits and risks (outputs) that can be quantified.
Scoring	A technique that involves assigning weights to criteria, and then scoring options in terms of how well they perform against those weighted criteria. Weighted scores are then summed, and can then be used to rank options.
Social benefit	The total increase in the welfare of society from an economic action - the sum of the benefit to the agent performing the action plus the benefit accruing to society as a result of the action.
Strategic Outline Case	First stage in the development of a business case for a significant project, which makes the case for change and appraises the available options.
Strategy	The strategic context for the programme which demonstrates how the programme aligns with other programmes within the strategic portfolio to deliver the mission and vision of the organisation in the longer term.
Substitution	The situation in which a firm substitutes one activity for a similar activity (such as recruiting a different job applicant) to take advantage of government assistance.
Tax-Take	The total amount of money that a government collects in tax.
Treasury's Green Book	Guidance for public sector bodies on how to appraise proposals before committing funds to a policy, programme or project.
Weighting	A technique that involves assigning weights to criteria, and then scoring options in terms of how well they perform against those weighted criteria. Weighted scores are then summed, and can then be used to rank options.

South Ayrshire Council Equalities Scoping Template

1. Policy details

Policy Title Ayrshire Growth Deal	Lead Officer Lesley Bloomer, Executive Director, Economy, Neighbourhood and Environment
This paper deals with the approval of a Strategic Business Case for the Ayrshire Growth Deal and funding for the next phase of work. The Strategic Business Case itself will not have any equality impacts, however, components of the Deal, if they proceed to implementation are expected to have a range of positive equality impacts.	

Community, Groups of People or Themes	Negative Impacts	Positive impacts
The whole community of South Ayrshire	N/A	N/A
People from different racial groups, ethnic or national origin.	N/A	N/A
Women and/or men (boys and girls)	N/A	N/A
People with disabilities	N/A	N/A
People from particular age groups for example Older people, children and young people	N/A	N/A
Lesbian, gay, bisexual and heterosexual people	N/A	N/A
People who are proposing to undergo, are undergoing or have undergone a process to change sex	N/A	N/A
Pregnant women and new mothers	N/A	N/A
People who are married or in a civil partnership	N/A	N/A
People who share a particular religion or belief	N/A	N/A
Thematic Groups: Health, Human Rights, Rurality and Deprivation.	N/A	N/A

3. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes	Level of Negative and/or Positive Impact (high, medium or low)
Eliminate discrimination and harassment faced by particular communities or groups	N/A
Promote equality of opportunity between particular communities or groups	N/A
Foster good relations between particular communities or groups	N/A
Promote positive attitudes towards different communities or groups	N/A
Increase participation of particular communities or groups in public life	N/A
Improve the health and wellbeing of particular communities or groups	N/A
Promote the human rights of particular communities or groups	N/A
Tackle deprivation faced by particular communities or groups	N/A

4. Summary Assessment

Is a full Equality Impact Assessment required? (A full EIA must be carried out on all high and medium impact policies)	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Rationale for decision: As above		
Signed : ...Lesley Bloomer, Executive Director – Economy, Neighbourhood & Environment		