

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**19 MARCH 2019****CITY REGION DEALS UPDATE****REPORT BY DIRECTOR**

This report provides an update to the Partnership on the progress made with the Stirling/Clackmannanshire and Tay Cities City Region Deals.

1 RECOMMENDATIONS**1.1 That the Partnership:**

- (i) Notes the progress made with the Stirling/Clackmannanshire City Region Deal and the Regional Transport Working Group;
- (ii) Notes the progress made with the Tay Cities Region Deal and the continuation of Tactran leadership of the projects approved under the Connected Tay theme; and
- (iii) Supports the allocation of £10k from the Strategic Connectivity budget for the Tay Cities Aviation Study and endorses the proposed commission in order to inform the Outline Business Case for the draw-down of £9.5m investment in aviation facilities for the region.

2 STIRLING/CLACKMANANSHIRE CITY REGION DEAL

- 2.1 As reported at the Partnership meeting, on 31 May 2018 the Heads of Terms Agreement for the Stirling & Clackmannanshire City Region Deal was announced. The City Deal is worth in excess of £214 million with regional partners investing up to £123.8 million and the Scottish and UK Governments investing up to £90.2 million over 15 years, with each Government offering £45.1 million subject to approval of final robust business cases for projects and initiatives. The City Region partners believe that the City Deal will, in turn, unlock in excess of £640 million of private sector investment, delivering over 5,000 new jobs.
- 2.2 In the Agreement, it is indicated that “Scottish Government will commit to establishing a Regional Transport Working Group (RTWG) similar to those being taken forward through the City Region Deals for both Aberdeen and Edinburgh and the South East Scotland”. The RTWG has been established and has had two meetings, in the second meeting the core partners were joined by Falkirk Council and also Sustrans given that a focus of investment is related to Active Travel projects.

2.3 The Terms of Reference for the Working Group have been developed incorporating the following objectives:

- City Deal Priorities
 - Take forward work for which finances have been identified in the Stirling-Clackmannanshire City Region Deal Heads of Terms.
- Other Strategic Transport Priorities:
 - Take forward work to identify the transport issues which affect the City Region Deal aspirations
 - Take forward any work packages to investigate and identify solutions to address the transport issues affecting the City Region Deal aspirations. This will include considering potential benefits, affordability and deliverability of the strategic transport schemes as well as the more local interventions that support the Stirling-Clackmannanshire City Region
 - Provide interface with Transport Scotland's Strategic Transport Projects Review (STPR2)
- Provide transport input to Stirling and Clacks City Region Deal governance structure.
- Support the delivery of the Regional and Local Transport Strategies.

2.4 Stirling and Clackmannanshire City Region Deal Partners have established a Joint Committee to oversee the delivery of the City Region Deal. To inform this Joint Committee a Stirling and Clackmannanshire Regional Economic Board is to be established which it is intended a number of infrastructure working groups will report to, including the Regional Transport Working Group. A request for the RTP's to be represented has been made but not yet considered as the Regional Economic Board has yet to meet.

2.5 As has been reported previously, officers are in ongoing discussion with Stirling Council colleagues on opportunities to support the development and implementation of the strategic connectivity, active travel and other relevant aspects of the Stirling & Clackmannanshire City Deal. In line with the commitment made by the Board, a grant of £55,000 from the 2018/19 RTS Revenue Budget has now been paid to Stirling Council to support the 'Case for Change' stage of the STAG appraisal process in relation to forecast issues in and around M9 Junction 10 Craigforth and along the A91. This work will inform the work of the RTWG as well as Transport Scotland's Strategic Transport Projects Review (STPR2). Other work being progressed by Tactran which supports the objectives of the RTWG are the 'Stirling Strategic Park and Ride Study' and the feasibility work being undertaken in relation to active travel opportunities between Stirling and Plean/Cowie/Fallin and Larbert (Report RTP/19/07 on this agenda refers).

3 TAY CITIES REGION DEAL

3.1 Following the signing of the Tay Cities Region Deal Heads of Terms on Thursday 22 November, a further announcement of investment in the Tay Cities region was made early in the New Year. On 7 January 2019 First Minister Nicola Sturgeon announced how the £50 million Scottish Government committed funds would be invested.

- (i) Cross Tay Link Road - £40m
- (ii) Industrial Investment Programme - £10m

3.2 This funding is in addition to the Scottish Government's £150 million commitment to the Tay Cities Region Deal set out in the Heads of Terms (HoT).

Cross Tay Link Road

3.3 The Scottish Government and Perth and Kinross Council have discussed the process for the Cross Tay Link Road. Perth and Kinross Council have indicated that the project is significantly beyond Green Book stage as it is moving to DMRB stage 3 with full OBCs, FBCs, EIAs, site investigations and design (to the sum of £4m). Based on this, they have agreed with the Scottish Government that subject to profiling the funding with Transport Scotland that the project has a green light.

Industrial Investment Programme

3.4 The Scottish Government has confirmed that they are looking to Scottish Enterprise (SE) to lead the programme. SE is tasked with developing a Regional Strategy and Action Plan which will be reported through the Tay Cities Deal Governance.

3.5 Tactran has retained the leadership of the Connected Tay projects and the Senior Partnership Manager has been nominated as the Theme Advisor. In summary, the approved Connected Tay projects are:

- A Tay Cities Regional Transport Model in conjunction with Transport Scotland and Tactran.
- £3.5 million from the Scottish Government in a low carbon and active travel transport hub.
- £15 million from the Scottish Government in a Perth bus and rail interchange project.
- £9.5 million investment from the Scottish Government 'in and around Dundee Airport'. Aimed at improving aviation facilities within the region, improving air traffic control modernisation, securing/marketing new routes and enhancing airport facilities to support passenger growth. Also includes consideration of the "opportunities arising from the Heathrow expansion".

- 3.6 The development of the Outline Business Case (OBC) and the Final Business Case (FBC) will be required to follow the Treasury Green Book Guidance on the appraisal and evaluation of projects. To that end, a number of training sessions on the Green Book have recently been held and three Tactran personnel have benefitted from the training.
- 3.7 Following the letter from Transport Scotland on the consultation process for STPR2 a Regional Transport Working Group (RTWG) similar to that established for Stirling/Clacks/Falkirk has been agreed for the Tay Cities Region following agreement by Management Group. A draft Terms of Reference has been developed for consideration at the first Regional Working Group meeting later in March 2019 and this is attached at Appendix A.

Roadshows and Project Owner Meetings

- 3.8 The Roadshow will provide a high-level overview of the next steps and challenges for the Partnership to achieve a Full Deal. A presentation will be given jointly by representatives of both governments. Five roadshows in total are planned. It is to include Tay Cities Key Governance, HE/FE, Project Owners, LA project and theme leads.

Roadshow	Date
Governance: Management Group	Thursday 31st January 2019
HE/FE	Thursday 21st February 2019
Partnership 1	Thursday 21st February 2019
Partnership 2	25th or 26th February 2019 TBC
Governance: Joint Committee	Friday 22nd March 2018

- 3.9 Project Owner meeting dates are currently being arranged with the Scottish and UK governments. They are being planned from the 21st February. It is proposed, as previously reported, that they will include:
- The PMO
 - Government Representative(s)
 - Project Owner
 - Theme Lead

Joint Committee, Dates of 2019 Meetings

- 3.10 Members Secretariat have confirmed the following dates and venues for the 2019 Joint Committees:

Joint Committee Date	Venue
22nd March	Town and County Hall, The Cross, Forfar
21st June	Council Chamber, 2 High Street, Perth
20th September	Meeting Room 1, First Floor, Fife House, Glenrothes
20th December	Committee Room 1, 14 City Square, Dundee.

Regional Economic Strategy

- 3.11 Following approval of the Tay Cities Deal Heads of Terms Agreement on 22 November 2018, it was subsequently agreed by the Tay Cities Management, Leadership Group and Joint Committee that a review of the Regional Economic Strategy should be undertaken to update the strategy in terms of:

- National and strategic context and issues
- Statistical analysis underpinning the economic challenges
- Current thinking from partners on regional focus and priorities
- Alignment with the Tay Cities Deal Heads of Terms Agreement
- New governance arrangements for delivery of the strategy

- 3.12 The review will be led by officers of Fife Council. The initial starting point for the refresh has been taken as the current regional strategy and the Tay Cities Deal Head of Terms Agreement. It is intended that the statistical information contained within the currently strategy will be brought up to date, with review of any targets as appropriate.

- 3.13 Initial discussions with key officers to clarify expectations regarding the refresh and to seek an understanding of the key priorities that require to be reflected within the refreshed strategy are already underway. Initial meetings have been held with the following:

Dundee City Council	28th Dec 2018
Perth & Kinross Council	7th Jan 2019
Angus Council	11th Jan 2019
Skills Development Scotland	11th Jan 2019
TACTRAN	22nd Jan 2019
Scottish Enterprise	25th Jan 2019

- 3.14 A draft project plan has been developed setting out key activities and anticipated timescales. It is anticipated that a final draft of the updated strategy can be realistically be completed by the **end of June 2019**, for ratification by the individual organisations and Tay Cities Joint Committee.

4 TAY CITIES AVIATION STUDY

- 4.1 As part of this successful Tay Cities Deal bid the following aviation related project has been approved, reference paragraph 46 of the Heads of Terms:

Dundee Airport Investment

- 4.2 The Tay Cities Region Deal will support investigation of how to best to maximise existing aviation facilities within the region including consideration of the opportunities arising from the Heathrow expansion. Subject to the approval of relevant business cases, the Scottish Government will invest up to £9.5 million in and around Dundee Airport.
- 4.3 In order to develop the Outline Business Case (OBC) for the project a high-level options appraisal is required which is both Treasury Green Book and STAG (Scottish Transport Appraisal Guidance) compliant.
- 4.4 In order to progress the study a Project Commissioning Group has been formed under the leadership of Tactran comprising the following partner agencies: representatives of the four local authorities, Scottish Enterprise, HIAL, Visit Scotland and Transport Scotland.
- 4.5 A budget of 'up to' £40k has been proposed for the study with suggested contributions of £10k each from contribution each from Dundee, Fife, Scottish Enterprise and Tactran. It is not expected that the consultants work will cost the full amount, however, it is prudent at this stage to include a contingency in case any external data sets, e.g. CAA flight survey information, needs to be purchased. Of course, in the final analysis only the actual costs of the study will need to be shared.
- 4.6 Following a review of how best to commission the study the Project Commissioning Group, at their meeting on 15 January, considered those potential consultants who could undertake the study and from previous experience, particularly from Scottish Enterprise and Transport Scotland, confirmed that York Aviation were 'head and shoulders' above the competition.
- 4.7 This view was relayed to the Tay Cities management Group at their meeting on 31 January and this approach was endorsed with the form and process for the procurement being delegated to Tactran to progress.

4.8 Tactran's Financial Regulations specify that where "*the estimated costs are below the EU thresholds and a review has been carried out which has determined that best value can be obtained in other ways than by tendering*".

4.9 A review has been undertaken by the Project Commissioning Group and due to their previous experience, prior knowledge, capacity and capability, and from their collective experience it is considered that best value would be served by offering a direct award for the work to York Aviation.

5 CONSULTATIONS

5.1 Consultations with stakeholders and partner agencies on the respective City Region Deals have been extensive and ongoing.

6 RESOURCE IMPLICATIONS

6.1 The resource implications of the Aviation Study are referenced in the 2019/20 Budget and programme (Report RTP/19/10 refers).

7 EQUALITIES IMPLICATIONS

7.1 This report has been screened for any policy implications in respect of Equality Impact Assessment and no major issues have been identified.

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NOTE

The following papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing this Report.

Report to Partnership RTP/17/01, City Deals, 14 March 2017

Tay Cities Deal Joint Committee Papers, 25 November 2018

Report to Partnership RTP/18/42, City Region Deals Update, 18 December 2018

Tay Cities Aviation Study – Contract Strategy, 15 February 2019

Reports to Partnership RTP/19/07, Active Travel Progress Update and RTP/19/10, 2019/20 Budget and Programme, 19 March 2019
Appendix A

Tay Cities Regional Transport Working Group

Draft Terms of Reference v 1.2

Purpose

The members of the Tay Cities Regional Transport Working Group will work in partnership to deliver the best economic development, planning and strategic transport outcomes locally, regionally and nationally.

Remit

The remit of the group is:

- To input on a regional basis to the National Transport Strategy.
- To identify potential transport options and interventions that meet the emerging objectives of the National Transport Strategy for consideration and appraisal within the Strategic Transport Projects Review;
- To support the delivery of the Regional and Local Transport Strategies;
- To take cognisance and, where appropriate, assist with the delivery of the Connected Tay (Transport) element of the Tay Cities Deal; and
- To act as a conduit for discussions on any other transport related collaborative issues.

This work is aimed at setting the policy and delivering strategic transport projects for a 20 year horizon to enable sustainable and inclusive growth.

The Regional Transport Working Group agree to share information, data and evidence, set direction and regional priorities for transport, be constructive and proactive in addressing challenges, in a co-creative and collaborative manner.

The group will endeavour to keep discussions focussed, specific and outcome orientated.

Membership

- Transport Scotland
- Angus, Dundee City, Fife, Perth & Kinross Councils (Transport, Land Use Planning and Economic Development)
- Tactran/Sestran
- SNH/Sustrans
- Network Rail/ScotRail

The group commit to involving and engage other partners and stakeholders during the process as appropriate, including Community Planning Partnership leads.

Meeting Schedule – Monthly