

City Chambers
DUNDEE
DD1 3BY

16th September, 2022

TO: ALL MEMBERS OF THE TAY
CITIES REGION JOINT COMMITTEE

Dear Sir/Madam

TAY CITIES REGION JOINT COMMITTEE

Will you please attend a MEETING of the **TAY CITIES REGION JOINT COMMITTEE** on Friday, 23rd September, 2022 at 10:00am, to be held remotely.

Please submit any apologies to Veronica Thomson, Committee Services Officer on telephone (01382) 434205 or by e-mail at veronica.thomson@dundee.gov.uk.

Members of the Press or Public wishing to join the meeting should contact Veronica Thomson, Committee Services Officer on telephone (01382) 434205 or by e-mail at veronica.thomson@dundee.gov.uk by **12 noon on 21st September, 2022.**

Yours faithfully

ROGER MENNIE

Clerk to the Joint Committee

- 1 **WELCOME AND APOLOGIES**
- 2 **DECLARATIONS OF INTEREST**
- 3 **MINUTE OF MEETING OF 1ST JULY, 2022 - Page 1**

(Copy enclosed)

- 4 **TAY CITIES INDUSTRIAL INVESTMENT PROGRAMME UPDATED OBC (SIDE PACKAGE)
- Page 5**

(Report No TCRJC12-2022 enclosed and introduced by Michael Wright, Scottish Enterprise).

5 TAY CITIES REGION DEAL UPDATE

(Update by Mo Saunders, Programme Manager, PMO).

6 AOCB

7 DATE OF NEXT MEETING

Friday, 9th December, 2022, venue TBC: Please note that new chair will be appointed at this meeting.

ITEM No ...3.....

At a MEETING of the **TAY CITIES REGION JOINT COMMITTEE** held remotely on Friday, 1st July, 2022.

Present: -

Angus Council

Councillor Beth WHITESIDE
Councillor Ronnie PROCTER
Councillor Bill DUFF

Dundee City Council

Councillor John ALEXANDER
Councillor Mark FLYNN
Councillor Georgia CRUICKSHANK

Fife Council

Cllr Altany CRAIK (substitute for Councillor David Ross)
Cllr Alycia HAYES
Cllr Jonny TEPP

Perth & Kinross Council

Councillor Grant LAING
Councillor John DUFF
Councillor Eric DRYSDALE

Non-Elected Members

Gordon MCGUINNESS, Skills Development Scotland
Alison HENDERSON, Dundee and Angus Chamber of Commerce
Professor Iain Gillespie, University of Dundee

Also Present

Robin PRESSWOOD, Dundee City Council
Greg COLGAN, Dundee City Council
Robert EMMOTT, Dundee City Council
Alison SMITH, Angus Council
Margo WILLIAMSON, Angus Council
Thomas GLEN, Perth and Kinross Council
Barbara RENTON, Perth and Kinross Council
Michael FIGURES, Perth and Kinross Council
Morag MILLAR, Fife Council
Ronnie PALIN, Skills Development Scotland
Roger MENNIE, Tay Cities Deal Legal Officer
Mike BOYLE, Tay Cities Deal Comms
Mark SPEED, TACTRAN
Lauren HOLLAS, Tay Cities Deal Project Manager
Mo SAUNDERS, Tay Cities Deal Programme Manager

Councillor Beth Whiteside, in the Chair (Articles VI – XV).

I INTERIM CHAIR

It was agreed that the Clerk to the Joint Committee take the Chair for items I to V.

II APOLOGIES

Apologies had been intimated from Councillor David Ross, Hayley Mearns, Rhona Allison, Steve Grimmond and Ken Gourlay.

III DECLARATIONS OF INTEREST

There were no Declarations of Interest.

IV MEMBERSHIP OF TAY CITIES REGION JOINT COMMITTEE

The Joint Committee noted the following appointments made by each of the three constituent Councils: -

Angus Council - Appointed Members (3)

Councillor Beth Whiteside
Councillor Ronnie Procter
Councillor Bill Duff

Dundee City Council - Appointed Members (3)

Councillor John Alexander
Councillor Mark Flynn
Councillor Georgia Cruickshank

Perth and Kinross Council - Appointed Members (3)

Councillor Grant Laing
Councillor John Duff
Councillor Eric Drysdale

Fife Council - Appointed Members (3)

Cllr David Ross
Cllr Alycia Hayes
Cllr Jonny Tepp

The Joint Committee also noted the membership of the following non-elected members: -

Alison Henderson, Dundee and Angus Chamber of Commerce, Enterprise Forum Chair
Member current vacancy, second Enterprise Forum representative
Gordon McGuinness, Skills Development Scotland
Hayley Mearns, Voluntary Action Angus
Iain Gillespie, University of Dundee, HE/FE Forum Chair
Rhona Allison, Scottish Enterprise

V APPOINTMENT OF CONVENER

In terms of Clause 12 of the Minute of Agreement, and Article II of the minute of meeting of this Joint Committee of 18th May, 2018, the Joint Committee appointed a Convener from Angus Council, for the period of June 2022 to November 2022.

Councillor Beth Whiteside, Leader, Angus Council, was appointed as Convener and took the Chair.

VI APPOINTMENT OF VICE CONVENER

In terms of Clause 12 of the Minute of Agreement, and Article II of the minute of meeting of this Joint Committee of 18th May, 2018, the Joint Committee appointed a Vice-Convener from Perth and Kinross Council, for the period of June 2022 to November 2022.

It was agreed that Councillor Grant Laing, leader, Perth and Kinross Council, be appointed as Vice Convener.

VII APPOINTMENT OF CLERK AND TREASURER

The Joint Committee noted that the Clerk and Treasurer are Roger Mennie, Head of Democratic and Legal Services, Dundee City Council, and Robert Emmott, Executive Director of Corporate Services, Dundee City Council, respectively.

VIII GOVERNANCE AGREEMENT AND STANDING ORDERS - REVIEW

The Joint Committee noted that the Clerk and Treasurer were reviewing the above documents in consultation with relevant Officers from the Constituent Councils and any proposed revisions would be reported to the Joint Committee for approval as necessary in due course. In the meantime, the Joint Committee approved and adopted the current Standing Orders accordingly.

IX CO-OPTED MEMBER - TACTRAN

On a reference to Article V of the minute of meeting of this Joint Committee of 9th November, 2018 and in terms of Clause Three of the Governance Agreement among Angus Council, Dundee City Council, Perth and Kinross Council and Fife Council, the Leadership Group recommended that the Chair of TACTRAN be co-opted for a period not exceeding two years as an additional non-voting member of the Joint Committee.

The Joint Committee agreed the appointment accordingly.

X MINUTE OF MEETING OF 11TH MARCH, 2022

The minute of meeting of 11th March, 2022 was submitted and approved.

XI TAY CITIES REGION DEAL UPDATE

A presentation by PMO Programme Manager, Morag Saunders, was given to the Joint Committee outlining the current position with regards to the Tay Cities Region Deal.

The updated Deal Programme timetable was tabled, along with Capital and Revenue Business Cases which had Joint Committee approval. The year 3 timetables for Revenue and Capital were also submitted, noting that the Year 3 capital profile entering into the deal was £29.32m together with an accelerated Scottish Government award of £8m, totalling £37.32m. The Year 3 Revenue profile within the Grant Offer Letter was £1.01m.

The Joint Committee were advised that inflationary pressures were starting to be highlighted at a National Level, across all deals and that the Scottish Government, on behalf of both governments, was currently doing a Cost Overruns Exercise. The National PMO Networking Group was holding a special meeting on the 6th July, 2022 and initial indications were that there could be a potential 25-40% increase in costs. The Section 95 Officer had requested that the PMO highlight this to Joint Committee members and an update would be provided as the impact was understood in more detail.

XI TCD008 LOW CARBON TRANSPORT & ACTIVE TRAVEL HUBS PROGRAMME OBC FOR APPROVAL

There was submitted Report No TCRJC9-2022 enclosed and introduced by Barbara Renton, Management Group Sponsor and presentation by Project Lead Michael Figures.

A presentation was also given to supplement the report, which was circulated to the Joint Committee after the meeting.

The Joint Committee agreed to: -

- (i) consider the report for TCD008 Low Carbon Transport & Active Travel Hub Programme OBC for Phase 1: Broxden Low Carbon Transport Hub project; Phase 2: Perth – Active Travel Hubs project and Phase 3: Perth – Hydrogen Refuelling Station project;
- (ii) note that the Management Group approved the Programme OBC on 27th January, 2022;
- (iii) approve the Programme OBC; and
- (iv) note that matched funding from ERDF for Phase 1: Broxden – Low Carbon Transport Hub, was time constrained to 31st October, 2022 (ERDF time extension approved by EST/Transport Scotland in Feb 2022).

XII TCD008 LOW CARBON TRANSPORT & ACTIVE TRAVEL HUBS PHASE 1 PROJECT FBC FOR APPROVAL

There was submitted Report No TCRJC10-2022 enclosed and introduced by Barbara Renton, Management Group Sponsor and presentation by Project Lead Michael Figures.

A presentation was given to the Joint Committee to supplement the report, which was circulated to the Joint Committee after the meeting.

The Joint Committee agreed to: -

- (i) consider the report for Phase 1 of the TCD008 Low Carbon Transport & Active Travel Hub Programme for the FBC for Phase 1: Broxden Low Carbon Transport Hub project;
- (ii) note that the Management Group approved the Phase 1 FBC on 26th May, 2022;
- (iii) approve the Phase 1 FBC – Broxden – Low Carbon Transport Hub; and
- (iv) note that matched funding from ERDF for Phase 1: Broxden – Low Carbon Transport Hub, was time constrained to 31st October, 2022 (ERDF time extension approved by EST/Transport Scotland in Feb 2022).

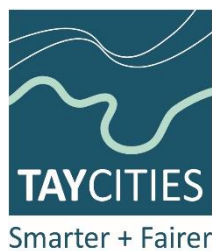
XIV AOCB

The Joint Committee noted that there were no other matters which required to be brought to the attention of the Joint Committee.

XV DATE OF NEXT MEETING

Friday, 23rd September, 2022 to be held remotely.

Beth Whiteside, Chair (Articles VI to XV).



REPORT TO: TAY CITIES REGION JOINT COMMITTEE – 23RD SEPTEMBER 2022

REPORT ON: TAY CITIES INDUSTRIAL INVESTMENT PROGRAMME

REPORT BY: MICHAEL WRIGHT, HEAD OF INNOVATION & PLACE AND JAMIE BELL, TEAM LEADER INNOVATION & PLACE – SCOTTISH ENTERPRISE

REPORT NO: TCRJC12-2022

1. PURPOSE OF REPORT

- 1.1. The Joint Committee is asked to approve the updated Outline Business Case for the Tay Cities Industrial Investment Programme as part of the Tay Cities 'side package' funding.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Joint Committee:
 - Note that the Management Group endorsed the Industrial Investment Programme OBC on 25th August 2022; and,
 - Approve the updated business case 'Tay Cities Industrial Investment Programme Outline Business Case (v01.08.2)'. The full business case is available on request.

3. FINANCIAL IMPLICATIONS

- 3.1. None. The £10m 'side deal' funding for the Industrial Investment Programme is Scottish Government funding.

4. UPDATED PROGRAMME OBC

- 4.1. This report provides an update (see attached) of the Outline Business Case (OBC) that the Joint Committee approved at its meeting of 21st February 2020. The update has been requested by the Scottish Government in line with the procedures and processes around the governance and development of projects funded via the Tay Cities Region Deal, recognising that the Industrial Investment Programme is 'side package' funded.
- 4.2. The updated Industrial Investment Programme OBC provides further information on the constituent projects of the Programme and are appended as part of the updated OBC:
 - **Michelin Scotland Innovation Parc** – supported by a £7.5m contribution from the Industrial Investment Programme for Enabling Infrastructure Works (£4m) and the Innovation Hub (£3.5m) which was approved by the Joint

Committee at the same time as the original Programme Business Case, following agreement with the Scottish Government.

- **Zero Four, Montrose** – progress update on the project plans that will develop into a business case for approval by the Joint Committee in due course. An initial allocation of £1.25m from the balance of the Industrial Investment Programme was approved by the Joint Committee at its meeting of 19th June 2020, subject to formal business case approval.
- **Manufacturing Investment for new Poultry Processing Plant (2 Sisters Group), Coupar Angus** - progress update on the project plans that will develop into a business case for approval by the Joint Committee in due course. An initial allocation of £1.25m from the balance of the Industrial Investment Programme was approved by the Joint Committee at its meeting of 19th June 2020, subject to formal business case approval.

4.3. Additionally, the updated Programme Business Case takes account of Carbon Management imperatives introduced since the original business case was presented to Joint Committee in February 2020. Similar consideration on carbon management is also included for each of the individual constituent projects. Each project now includes a Carbon Categorisation Form.

4.4. Programme targets have also been updated, refined and made smarter given the progress and development of the constituent projects. These will continue to be reviewed and refined as the project business cases are developed and brought forward for Joint Committee approval. The key overarching Programme targets are presented in the table below:

Indicator	Target	Timescale	Cumulative Progress (2022)
GVA generated	£100m p.a.	2035	n.a.
Created/Safeguarded jobs	2,000	2035	106
Private/Public Leverage	£30m additional (minimum 50% private sector)	2035	n.a.
Industrial premises space facilitated	20,000 sq. m	2040	1,125 sq. m
Industrial land development enabled	560,000 sq. m	2040	n.a.
New businesses facilitated or attracted	40	2035	10
Carbon emissions reduced	50% carbon emissions reduction (based on electrical and gas consumption levels at project inception(s))	2045	n.a.

4.5. Alongside these are several supplementary targets and outcomes along with wider benefits and these are defined in the updated Business Case.

4.6. The Scottish Government, along with Joint Committee, as the funding source will continue to receive regular update reports specifically from MSIP on progress and identification of any relevant issues or impacts on the financial contribution from the Industrial Investment Programme, as well as receiving supporting information, for example an updated Equalities Plan.

- 4.7. The Scottish Government and Tay Cities Region Deal Management Group have endorsed this updated Outline Business Case for presentation to the Joint Committee for its approval.

5. POLICY IMPLICATIONS

- 5.1. This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6. CONSULTATIONS

- 6.1. The Scottish Government and Tay Cities Region Deal Management Group were consulted in the preparation of this report.

7. BACKGROUND PAPERS

- 7.1. There are none. The Joint Committee received and approved the original Programme Business Case in February 2020 and received and approved a follow-up report in June 2020 on the allocation of the balance of Programme funding support for specific projects, subject to business case development and approval.

MICHAEL WRIGHT, HEAD OF INNOVATION & PLACE,
SCOTTISH ENTERPRISE

2nd AUGUST, 2022

JAMIE BELL, TEAM LEADER INNOVATION & PLACE
SCOTTISH ENTERPRISE

APPENDIX 1**Industrial Investment Programme Programme OBC Update: Executive Summary****Introduction**

In January 2019, the First Minister announced an additional £50m of 'side deal' monies would be offered by SG to the Tay Cities region, fulfilling a commitment made prior to the Tay Cities Deal Heads of Terms to invest £200m in the region. £10 million of this additional funding was earmarked for the development of an Industrial Investment Programme in the Tay Cities Region.

The Tay Cities Industrial Investment Programme (IIP) provides a framework to support the development of industrial projects across the Tay Cities region. It will invest £10m in a limited number of projects of scale, including up to £7.5m to support the creation of the Michelin Scotland Innovation Parc and the development of an Innovation Hub on the site. The Programme balance (£2.5m) will fund two additional projects – ZeroFour, Montrose (£1.25m) and 2 Sisters Food Group Processing Plant Investment, Coupar Angus (£1.25m).

The Outline Business Case, co-ordinated by Scottish Enterprise on behalf of partners, for the £10 million Industrial Investment Programme (IIP) side deal was approved by the Joint Committee on 21st February 2020. At that time £7.5 million was assigned from the Programme to support the investment opportunities at Michelin Scotland Innovation Parc, specifically Enabling Infrastructure Works and the Innovation Hub.

The Joint Committee of 19th June 2020 received a further report on the remaining £2.5 million balance against the IIP, including two Project Outline Proposals for that balance of spend. The Joint Committee approved initial allocations of £1.25m for the ZeroFour, Montrose project and £1.25 million for the 2 Sisters Group Manufacturing Investment, Coupar Angus. The project business cases will be finalised at the appropriate time once the project details are developed and confirmed and will be presented to Management Group/Joint Committee for approval in due course.

The purpose of the updated Outline Business Case (OBC) is to provide progress to date on the Industrial Investment Programme along with further information on the planned projects including indicative spend profiling, noting that they are not at OBC stage yet. The update will assist partners and SG with capital spend planning, but timing is opportune in that the original IIP Business Case has been updated to reflect the inclusion of both planned projects, along with an update on status of the MSIP projects that have already received IIP support. The business case update also reflects changes that have occurred in an economic context since the original OBC approval. A review of the measures and targets along with reference to equalities and low carbon contributions by the Programme is also included in the updated business case.

Programme Description**Programme priorities**

The overarching aim of the Programme is to help meet the needs of, and opportunities created by, the region's industrial economy, with a particular focus on the principles of Industry 4.0 i.e. the technology-driven approach emphasising the digitalisation of manufacturing, automation, artificial intelligence and data transfer in manufacturing production and processes with ensuing reduction in carbon emissions.

Market Failure

The region's industrial sector faces considerable challenges, evidenced by the closure of Michelin and significant Scottish Government and partner intervention to develop a positive future for the site and impacted workforce. Investment in the IIP is needed to support projects within this sector that will have lasting impact regionally in terms of job creation and wealth generation, and which support the principles of Industry 4.0 and the overall City Deal focus on inclusive economic growth.

The economic data pertaining to the region's industrial sector points to a significant employment sector not just within the region, but accounting for almost 10% of Scotland's manufacturing workforce. Furthermore, manufacturing and engineering together contribute 16% of the regional economy's output by value.

However, the evidence also highlights relatively low productivity from the sector and forecast declining trends in employment growth and changing demands/needs, partly driven by Industry 4.0, sustainability imperatives and the challenge of climate change/emergency and transition to net zero carbon emissions. It should though be noted that many of these challenges do in turn present opportunities for the sector to capitalise on. These opportunities will cluster around the industrial/manufacturing opportunities for equipment, fabrication and engineering in areas such as clean and green energy (e.g. offshore wind, renewables, decommissioning).

Given the relatively limited funding available and the research undertaken to identify key challenges, regional partners agreed to focus the Industrial Investment Programme investment on addressing two key issues – the availability of premises/land; and the closure of the Michelin plant, Dundee.

Priority 1: availability of premises/land

Much of the investment in industrial infrastructure needed to advance the manufacturing sector in Scotland still requires significant public sector input to pump prime and/or deliver developments. There is a development cost deficit that exists in the Tay Cities region for provision of key infrastructure and land/property development.

The IIP presents a real opportunity to address this market failure in sustainable and innovative ways by supporting projects that will take a 'design-led' approach that addresses and scopes current and future advance industry premises' needs that are fit for purpose and growth, allied to Industry 4.0 and principles of the circular economy (i.e. making things last). Allied to that is the need to develop land and premises that will address the challenges around carbon emissions reduction and drive towards net zero.

In addressing this priority, two projects have been advanced and recommended by the Tay Cities Joint Committee for business case development, namely **ZeroFour, Montrose and 2 Sisters Food Group Investment, Coupar Angus**. They will have a combined £2.5m drawdown against the Industrial Investment Programme.

Priority 2: Michelin Scotland Innovation Parc

With the closure of Michelin Dundee first announced in November 2018 and the regional response to this closure through the development of the Michelin Scotland Innovation Parc (MSIP), the Industrial Investment Programme has the potential to deliver a difference almost immediately.

The Michelin closure of its Dundee plant in June 2020, with the loss of 845 jobs posed a significant challenge to the regional economy. Michelin however are committed to delivering a positive legacy from the plant and are working with the public sector to develop MSIP. The aim of MSIP is to deliver a new future for the plant/region, focused on sustainable mobility and low carbon industries, ensuring the site continues to offer quality employment opportunities into the future, whilst also delivering economic growth, innovation and opportunity at a regional

level. This is a critical moment for the region, offering a real opportunity to replace the jobs lost at Michelin with new, sustainable, future-facing employment opportunities.

The Industrial Investment Programme will invest £7.5m towards two key activities for the MSIP Transformation Programme, namely Enabling Infrastructure (£4m) and the creation of an Innovation Hub (£3.5m) at the site.

Key Objectives, Eligibility and Deliverables

The IIP's key **objectives** are as follows:

- Support the development of MSIP through investment of £7.5 million to deliver projects that develop and exploit sustainable mobility and low carbon energy technologies, which will in turn help deliver the shared ambitions of providing employment opportunities for the Michelin workforce and wider city region;
- Support projects of region-wide significance and strategic fit by investing a further £2.5 million, ensuring economic and environmental sustainability are considered;
- Support leverage opportunities to add value arising from other funding streams and alignment with other programmes and projects (including but not limited to those within the Tay Cities Region Deal); and
- Minimise carbon emissions and make a net positive contribution to Scotland's Climate Change Plan to deliver Net Zero by 2045.

Project Eligibility Criteria

The criteria for support are based on the IIP's primary objectives. Within that framework, and drawing on the programme's strategic rationale, there will be a focus on a small number of scalable projects that deliver regional economic impact and sustainable economic growth, playing strongly into the themes of clean energy and low carbon to help future-proof the region's industrial economy. Specific criteria are defined:

- Impact – economic impact should evidence job creation, output growth and inclusive growth benefits direct and indirect, referencing LOIP priorities where relevant.
- Collaboration – there should be evidence of collaborative working across the public and private sectors and collaborative alignment with the wider needs of industry and other programmes e.g. premises, business support, skills demand, and community benefits.
- Innovation – there should be evidence of a contribution to innovation.
- Scale – projects should demonstrate scale or scalability and generally be over £500,000 in value e.g. region-wide projects of scale and/or impact.
- Added Value or Additionality - projects should demonstrate funding need or gap to ensure delivery or enhance the quality or pace of delivery. Additionally, applicants will require to source match funding.
- Sustainability – projects will have to demonstrate both economic and environmental sustainability and contribution.

Specific **metrics** for the IIP will be subject to review as the individual project business cases are developed and brought forward for consideration and approval. The Programme's Economic Case defines the Programme targets, including economic impacts (GVA and jobs); wider socio-economic benefits and how equalities and inclusive growth will be addressed by the Programme.

Programme Target Ambitions

Indicator	Target	Timescale	Cumulative Progress (2022)
GVA generated	£100m p.a.	2035	n.a.

Created/Safeguarded jobs	2,000	2035	106
Private/Public Leverage	£30m additional (minimum 50% private sector)	2035	n.a.
Industrial premises space facilitated	20,000 sq. m	2040	1,125 sq. m
Industrial land development enabled	560,000 sq. m	2040	n.a.
New businesses facilitated or attracted	40	2035	10
Carbon emissions reduced	50% carbon emissions reduction (based on electrical and gas consumption levels at project inception(s))	2045	n.a.

Supplementary targets relating to MSIP are also defined:

- One Accelerator Programme per year with up to 15 companies, focused on advancing the journey to net zero, by 2028
- 25 collaborative partnerships on sustainable mobility and decarbonisation by 2028
- Skills development:
 - 500 young STEM learners each year accessing the MSIP Skills Academy, by 2028
 - 250 learners complete training at the MSIP Skills Academy each year, by 2028

The development of a Monitoring & Evaluation Framework will enable capture of progress against the targets with an expectation that this is collated annually and reviewed by the governance structure in place.

Additionally, the rationale for the IIP to address **equalities** and **inclusive growth** is central. The region's economic strategy highlights a lower than national average employment rate across the Tay Cities region, higher levels of unemployment, lower than average weekly wages (both resident and workplace-based) and a greater than average proportion of employee jobs paid below the Living Wage.

Individual project business cases will have their own bespoke performance and evaluation frameworks, but will contribute to the above overarching Programme targets and outcomes.

The Programme itself has several central ambitions that seek to address equalities in the region:

- Increase employment rates through the creation of new employment opportunities at MSIP, ZeroFour and 2 Sisters Group in sectors of clean growth and food & drink production. A geographical spread of projects contributes to regional growth equalities.
- The ethos of fair work and workforce support will be encouraged across the projects that are supported by the IIP. Businesses either supported or prospective tenants attracted to sites, supported by the IIP, will be expected to pay the real living wage as a minimum and encouraged to sign up to the Scottish Business Pledge and to become living wage employers.
- Contribute to a Just Transition to environmentally and socially sustainable jobs and sectors particularly in areas of clean growth, decarbonisation and advanced carbon reducing manufacturing processes. The MSIP projects and proposed ZeroFour project have the creation of new green jobs as a core objective.
- Support the development of a circular economy to benefit and grow the local supply chain through a biased approach to local procurement of both goods and labour.

The projects supported through the Programme will be expected to demonstrate through their own **inclusive growth** and **equalities** plans, as they're developed, as to how they will contribute to the overall Programme's equalities ambitions. For the MSIP projects supported through the IIP, the Equalities Plan has been drafted and will be submitted to SG at agreed timescales.

Net Zero and Carbon Reduction

In aligning Scotland's Climate Change Plan and carbon reduction/net zero targets to the IIP, recognition is made in the Plan to the leadership role of businesses already contributing and the importance of growing supply chains that lead to sustainable employment opportunities. MSIP is highlighted as an exemplar and the specific projects supported by the IIP will enhance its transformational status both economically and as a contributor to the country's net zero ambitions. In accordance with the Climate Change Plan the design and construction of the projects within the Programme will target net zero operational emissions, including no direct use of fossil fuels.

Potential carbon emissions resulting from the Programme will be minimised by applying best practice carbon management techniques, notably *PAS 2080 Carbon Management in Infrastructure* that emphasises collaborative working across the value chain towards a common goal of carbon reduction. For buildings (new and upgraded) that feature in the constituent projects, the *RICS Whole Life Carbon Assessment for the Built environment* will apply. These approaches will ensure that potential carbon emissions that arise from the Programme and its projects are demonstrably minimised.

Embodied carbon associated with construction materials and processes will be kept to a minimum using the approaches above, including use of innovative materials, construction techniques and supply chain procurement that reduces emissions and waste contributing to the circular economy.

A relevant and proportionate monitoring framework to meet these objectives will be developed in conjunction with the Scottish Government's Sustainable Development Manager for City Region and Growth Deals.

In accordance with Scotland's Climate Change Plan and Scottish Government's *Carbon Management Guidance for Projects and Programmes* each of the projects under the Industrial Programme have completed Project Carbon Categorisation Forms. These are appended to each of the Project updates and descriptions within the Programme Business Case. It should be noted that these are indicative given that 2 of the 3 projects are early stage and pre-OBC in development.

Project Spend Profile

The spend profile for each of the projects is defined below (see table). For the two projects due to drawdown £2.5m these are indicative until the project business cases are developed and approved by the Joint Committee and Scottish Government.

Year	MSIP ¹	Zero4, Montrose	2 Sisters Group Investment, Coupar Angus
	£ (m)	£ (m)	£ (m)
2020-21			
2021-22			
2022-23			
2023-24		0.75	
2024-25		0.50	1.25

Total Spend	7.5	1.25	1.25
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¹Scottish Government awarded £7.5m to Dundee City Council in 2020/21 as the accountable body for the Tay Cities Deal to administer the Industrial Investment Programme funding for the MSIP projects. The financial management arrangements for the specific MSIP elements are co-ordinated by MSIP and partners.

Management and Governance

The overall Programme will be owned and overseen by the Tay Cities Joint Committee and managed by the Tay Cities Management Group, with the support of the Scottish Government. Links will be developed with relevant Tay Cities Region Deal Thematic Board chairs and MSIP programme management.

Dundee City Council were granted delegated authority by the Tay Cities Joint Committee to approve the £7.5M MSIP project business cases order to meet the timescales necessary to ensure delivery. The projects comprising the Fund contribution subsequently secured approval from Dundee City Council and Scottish Enterprise, prior to final approval and endorsement by the Joint Committee, in consultation with Scottish Government. Dundee City Council, via the Tay Cities Deal PMO, provide regular (quarterly) updates to the Scottish Government and the Tay Cities Joint Committee, via the Tay Cities Deal Management Group.

For the remainder of the Programme (£2.5m) the governance arrangements will align closely to those that are already in place for the Tay Cities Region Deal. The project business cases will be assigned to a relevant Thematic Board for review, ensuring alignment with wider Tay Cities Region projects and programmes, before consideration, prioritisation and endorsement by the Tay Cities Management Group and recommendation for approval to the Joint Committee as the approving body. Scottish Government and/or its agencies will be consulted as appropriate, with SG agreeing business cases as part of the review and approval process.

Evaluation

As individual projects are approved a monitoring and evaluation framework will be developed, with clear milestones and impact measurements. Impacts will be tracked across individual projects and evaluated to ascertain the overall impact of the programme against its key aims and objectives. The Tay Cities Management Group will have overall responsibility for monitoring and evaluating the project impacts.

Carbon emissions will be minimised using best practice carbon management methodology – PAS 2080 and RICS Whole Life Carbon Assessment for the Built Environment (see 2.4) and the Programme and projects will become net zero operationally by 2045 in line with Scotland's climate change plan. The project team will work with SG's Sustainable Development Manager to establish a monitoring framework to ensure demonstrable outcomes are achieved.
