

City Chambers  
DUNDEE  
DD1 3BY

11th June 2021

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, 18th June, 2021 at 10:00am, to be held remotely.

Please submit any apologies to Veronica Thomson, Committee Services Officer or telephone (01382) 434205 or by e-mail [veronica.thomson@dundeecity.gov.uk](mailto:veronica.thomson@dundeecity.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 [veronica.thomson@dundeecity.gov.uk](mailto:veronica.thomson@dundeecity.gov.uk) by **12 noon on Wednesday, 16th June 2021**.

Yours faithfully

ROGER MENNIE

Clerk to the Joint Committee

**1 WELCOME AND APOLOGIES**

**2 DECLARATION OF INTEREST**

Elected Members are reminded that, in terms of the Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

**3 MINUTE OF MEETING OF 23RD APRIL 2021 - Page 1**

(Copy enclosed).

**4 TAY CITIES REGION DEAL**

(Update by Mo Saunders, PMO).

**5 TAY CITIES REGION DEAL – FULL BUSINESS CASES FOR APPROVAL - Page 55**

**(a) TCD013 cyberQuarter**

(Report No TCRJC10-2021 enclosed, and presented by Robin Presswood, Management Group Sponsor and Project Lead Lorna Edwards).

**(b) TCD005 & 006 Rural Angus & Rural Perth & Kinross Digital Projects - Page 77**

(Report No TCRJC11-2021 enclosed, and presented by David Littlejohn, Management Group Sponsor and Project Leads Graham Pinfield and Alistair Mcleod).

**6 REGIONAL SPATIAL STRATEGY - Page 93**

(Report No TCRJC08-2021 enclosed, and presented by Kate Cowey, Angus Council).  
*(Report Approved by Management Group on 25th March 2021).*

**7 AOCB**

**8 DATE OF NEXT MEETING**

Friday, 17th September, 2021, to be held remotely.

At a MEETING of the **TAY CITIES REGION JOINT COMMITTEE** held remotely on Friday, 23rd April, 2021.

Present: -

Angus Council

Councillor Bill DUFF  
Councillor David FAIRWEATHER  
Councillor Angus MACMILLAN DOUGLAS

Dundee City Council

Councillor John ALEXANDER  
Councillor Lynne SHORT  
Councillor Richard McCREADY

Fife Council

Councillor David ROSS  
Councillor Andy HEER  
Councillor Karen MARJORAM

Perth & Kinross Council

Councillor Murray LYLE  
Councillor John DUFF

Non-Elected Members

Michael WRIGHT, Scottish Enterprise  
Gordon MCGUINNESS, Skills Development Scotland  
Councillor Andrew PARROTT, TACTRAN  
Alison HENDERSON, Dundee and Angus Chamber of Commerce  
Hayley MEARNS, Voluntary Action Angus.

Also Present

Greg COLGAN, Dundee City Council  
Robin PRESSWOOD, Dundee City Council  
Robert EMMOTT, Dundee City Council  
Margo WILLIAMSON, Angus Council  
Vivian SMITH, Angus Council  
Keith WINTER, Fife Council  
Steve GRIMMOND, Fife Council  
Niall GARDINER, TACTRAN  
Barbara RENTON, Perth and Kinross Council  
Alison SEGGIE, Perth and Kinross Council  
Ronnie PALIN, Skills Development Scotland  
Deirdre ROBERTSON, Dundee Heritage Trust  
Gill POULTER, Dundee Heritage Trust  
Colin MCILRAITH, Michel-Scotland Innovation Parc  
Roger MENNIE, Tay Cities Deal Legal Officer  
Steve BELL, Tay Cities Deal Comms  
Lauren HOLLAS, Tay Cities Deal Project Officer  
Mo SAUNDERS, Tay Cities Deal Programme Manager

Councillor John ALEXANDER, in the Chair.

## **I APOLOGIES**

Apologies had been intimated from Councillor Tim Brett, Councillor Grant Laing, Ellis Watson, Nigel Seaton, Mark Speed and David Littlejohn.

## **II DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

## **III MINUTE OF MEETING OF 19TH MARCH, 2021**

The minute of meeting of 19th March, 2021 was submitted and approved, subject to the sederunt to be amended to include Councillor Miklinski, Councillor Marjoram and Robert Emmott.

## **IV PRESENTATION BY COLIN McILRAITH, CHIEF OPERATING OFFICER, MSIP**

An update on MSIP was given to the Joint Committee by Colin McIlraith, a copy of which is appended to the minute.

Colin highlighted the roadmap for progress of the project, highlighting key days whereby the project would move from the decommissioning stage to welcoming tenants and creating a new and innovative campus.

A brief question and answer stage followed with the following point noted: -

- The site had benefited from expertise gained from Michelin regarding Covid control measures which in turn would assist tenants in understanding challenges they may have in this regard.

Thereafter the Chair thanked Colin, on behalf of members of the Joint Committee, for his presentation.

## **V TAY CITIES REGION DEAL UPDATE**

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

The Business Cases timetable was outlined, along with a timeline for their submission to the Joint Committee for approval. It was noted that a few projects were scheduled for approval at the June Committee, after which the quarterly timetable of Joint Committee meetings would resume.

With regards to Year 1 Drawdown, the Final Forecast Drawdown 2020/2021 was £22.359m, a total of £3.874m acceleration from the Deal profile approved on the 17th December 2020.

Claims had been paid in respect of TCD021 (a) Hospitalfield and TCD013 Eden Campus with all remaining claims now prepared and submitted to the Scottish Government by its deadline of 16th April 2021.

In conclusion, an update was given on the Scottish Government Revenue Recovery Fund, and the Joint Committee noted that 13 successful projects aligned to the theme: Accelerated delivery of City/Regional Growth Deal Investment had been signed off by the S95 Officer and an award of £220k had been made.

On behalf of the Joint Committee the Chair thanked Ms Saunders for her presentation.



## **VI TAY CITIES REGION DEAL – BUSINESS CASE FOR APPROVAL**

### **(a) TCD021(B) DISCOVERY POINT TRANSFORMED FBC**

There was submitted Report No TCRJC09-2021 by Robin Presswood, Culture and Tourism Investment programme Co-Sponsor, seeking approval of the Full Business Case (FBC) and asking the Joint Committee to note that the Management Group had approved the OBC and FBC for TCD021(b) Discovery Point Transformed, a Project by Dundee Heritage Trust (DHT), which formed part of the Culture & Tourism Investment Programme.

A presentation was given to the Joint Committee by Deirdre Robertson and Gill Poulter, Project Leads, Dundee Heritage Trust, to supplement the report, a copy of which is appended to the minute.

The Joint Committee agreed to: -

- (i) consider this report, the Executive Summary of the Full Business Case (FBC) for Discovery Point Transformed (a copy of the FBC would be available to the Joint Committee on request);
- (ii) note that the Management Group has approved the OBC and FBC for TCD021(b) Discovery Point Transformed; and
- (iii) approve the FBC subject to agreeing in principle to an allocation of £2.5m subject to the following Conditions: -
  - (a) The second phase of funding would not be released until the project owner is able to demonstrate:
    - (i) The remaining match funding was in place (additional £1.6m).
    - (ii) The total overall project costs had been secured and
  - (b) The request to progress with Phase 2 of the project would need to be approved by the Management Group and Joint Committee.

## **VI DATE OF NEXT MEETING**

Friday, 21st May, 2021, to be held remotely. (subsequently cancelled), with the next meeting scheduled for Friday, 18th June, 2021.

John ALEXANDER, Chair.

This page is intentionally left blank

# MSIP UPDATE

April 2021

Colin McIlraith  
Chief Operating Officer

# MSIP Mission and Ambitions

## Our Mission

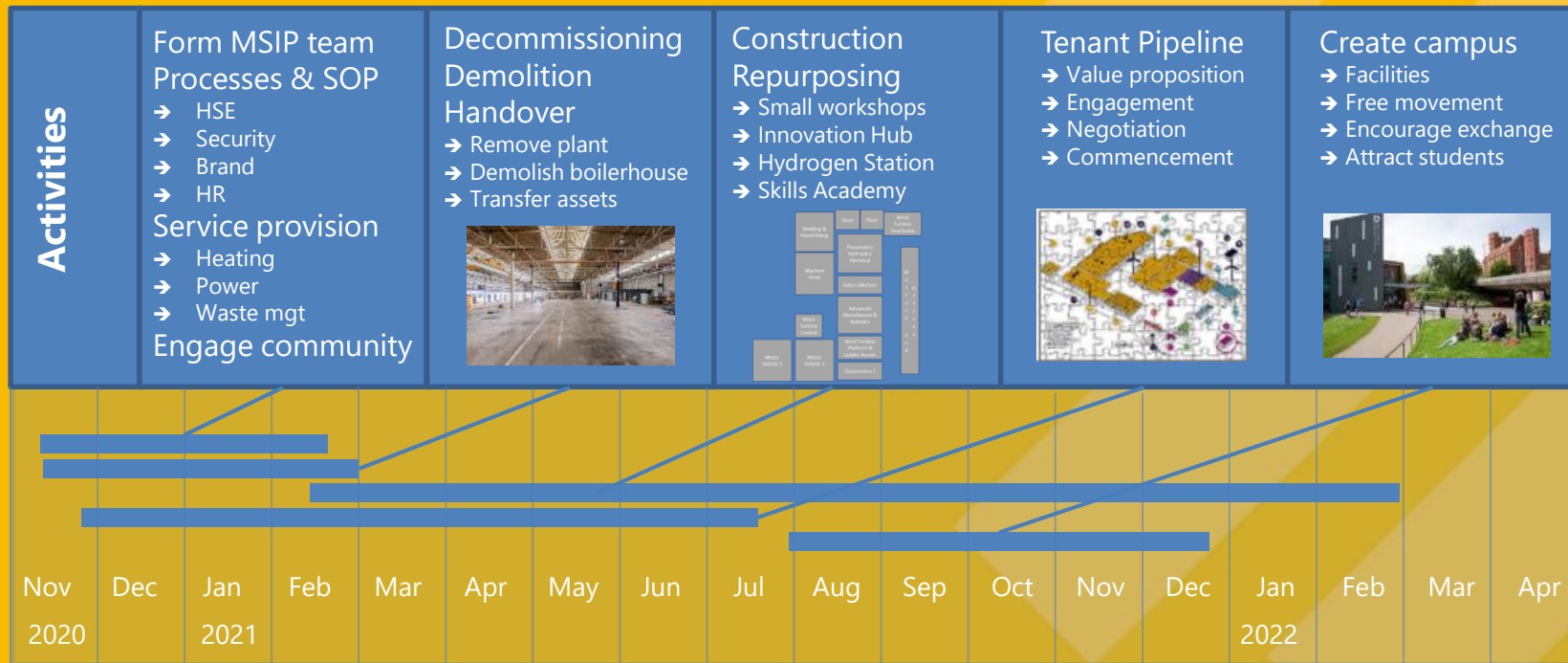
Build a dynamic and creative home for innovators, manufacturers and skills leaders to collaborate, and nurture growth and advances in sustainable mobility and decarbonisation.

## Our Ambitions

1. Job & skills creation
2. Regional economic impact
3. Environmental contribution



# Roadmap



# AGENDA

- ☐ Progress Update
  - ☐ Michelin Decommissioning
  - ☐ Site Handover
  - ☐ Tenant Pipeline
  - ☐ Transformation Program
  - ☐ Other Projects
  
- ☐ Questions

# AGENDA

- ☐ Progress Update
  - ☐ Michelin Decommissioning
  - ☐ Site Handover
  - ☐ Tenant Pipeline
  - ☐ Transformation Program
  - ☐ Other Projects
- ☐ Questions

# MICHELIN DECOMMISSIONING

- Great Progress
  - Equipment removal Complete
  - Equipment transfers Complete
  - Production buildings demolition Complete
  - Ancillary building demolition Complete
  - Floor slab break up/removal Complete
  - Boiler house & Pipe bridge demolition Complete
  - Demolition site tidy-up and scrap removal 95% Complete

All outstanding works to be completed by end May 2021



# MICHELIN DECOMMISSIONING



Red buildings have been demolished

- Not suitable for repurposing
- Boiler house and pipe bridge as not required
- Not economic to repurpose

Re-use of material where possible

- E.g. aggregate for roads/foundations
- Electrical switchgear





# AGENDA

- ☒ Progress Update
  - ☐ Michelin Decommissioning
  - ☒ Site Handover
  - ☐ Tenant Pipeline
  - ☐ Transformation Program
  - ☐ Other Projects
- ☐ Questions

# SITE HANDOVER

- Site handover completed on 31st December 2020
- MSIP now the legal owner of the site
- New services provision in place
  - Electricity, water, waste, IT
- Further services provision to be put in place
  - Heat
    - 1<sup>st</sup> heat supply from MEB EfW plant completed 26<sup>th</sup> Mar for RHI Accreditation
  - Facilities Management
  - .....



# AGENDA

## ☐ Progress Update

- ☐ Michelin Decommissioning

- ☐ Site Handover

## ☐ Tenant Pipeline

- ☐ Transformation Program

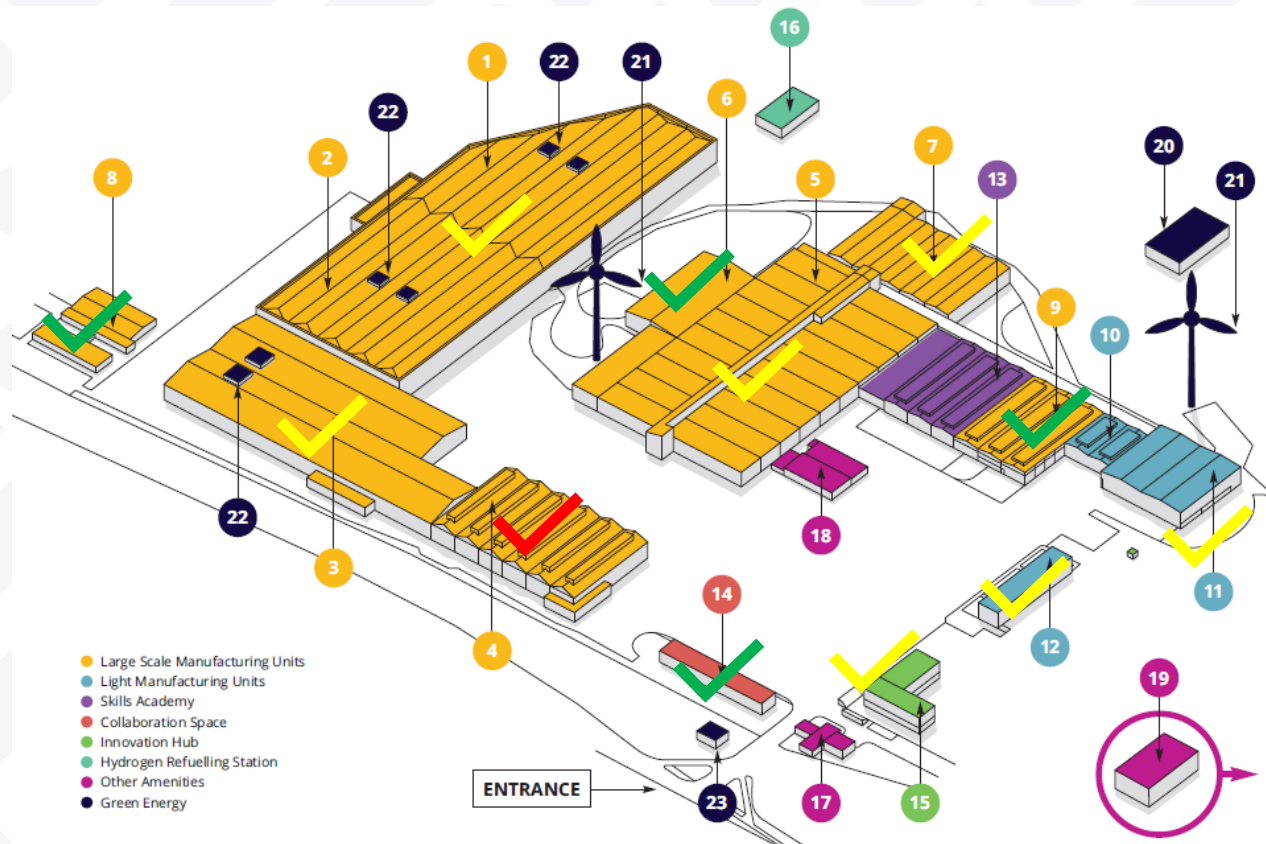
- ☐ Other Projects

## ☐ Questions

# TENANT PIPELINE

- Interest in MSIP remains strong, if anything its growing
- 3 permanent tenants now on site
- 1 temporary tenant on site
- 4 tenants in late stage negotiation to come on site
  - Will start arriving from May/Jun 2021
  - Mix of office based and industrial
- 4 other tenants in discussion to come on site by end 2021

# PARC LAYOUT & TENANT PIPELINE



Tenant agreed



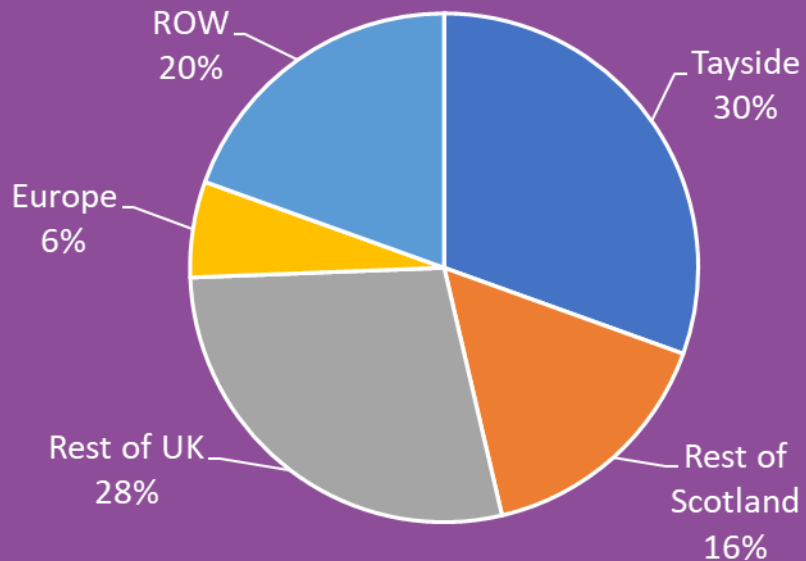
1 or more  
potential tenant  
or use in pipeline



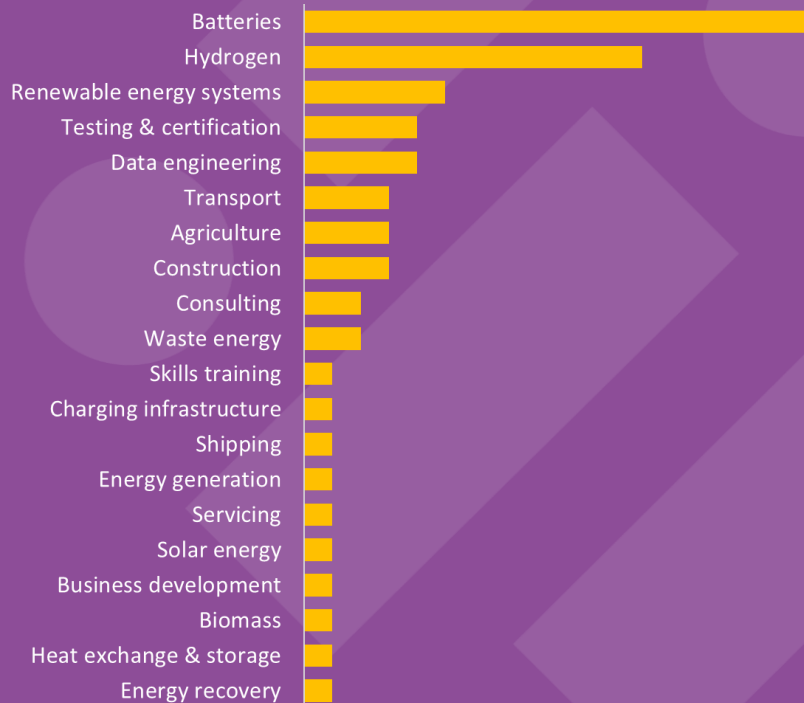
No current tenant  
in pipeline

# Tenant pipeline

## By source location



## By sector





# JOBS PIPELINE

- The jobs pipeline remains promising despite COVID
- Good mix between manufacturing and office based opportunities
- If all 8 currently in negotiation arrive by the end of 2021 likely to have between 90 and 150 new positions at MSIP
- By end of 2022 could have between 150 and 250 new positions

# AGENDA

- ☒ Progress Update
  - ☐ Michelin Decommissioning
  - ☐ Site Handover
  - ☐ Tenant Pipeline
  - ☒ Transformation Program
  - ☐ Other Projects
- ☐ Questions

# TRANSFORMATION PROGRAM

- ☐ Robertson Construction Tayside appointed as Principle Contractor
- ☐ Hardies appointed as Project Managers and CDM Principle Designer
- ☐ Masterplan Document developed
- ☐ Scope and program for the initial phase defined
- ☐ Planning submissions made to support initial phase
  - ☐ All clarification requests have been treated
- ☐ On-site start Monday 26<sup>th</sup> April

# TRANSFORMATION PROGRAM

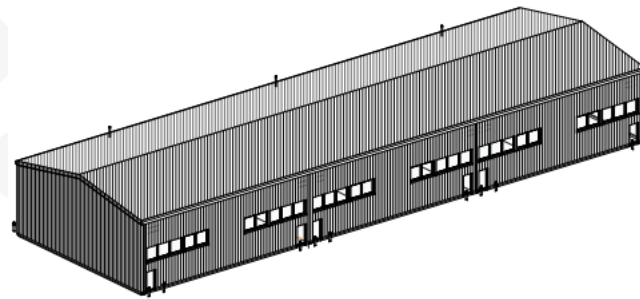
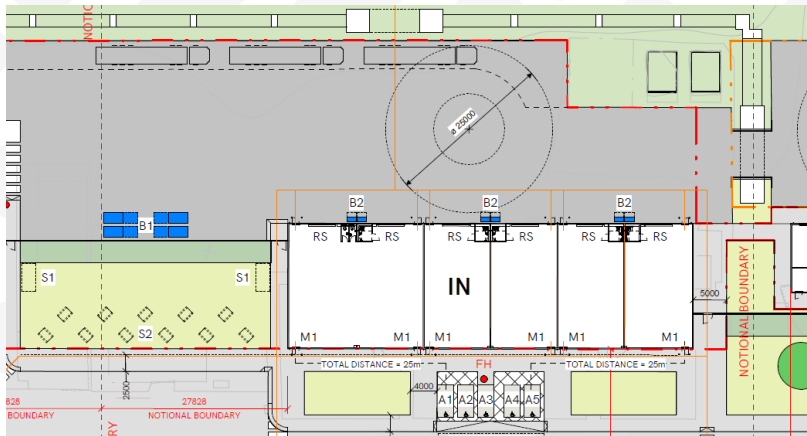
## MASTERPLAN DOCUMENT

### Initial Phase

1. Incubator – Small Industrial
2. Innovation Labs
3. Roads
4. Heat and Power
5. Innovation Hub

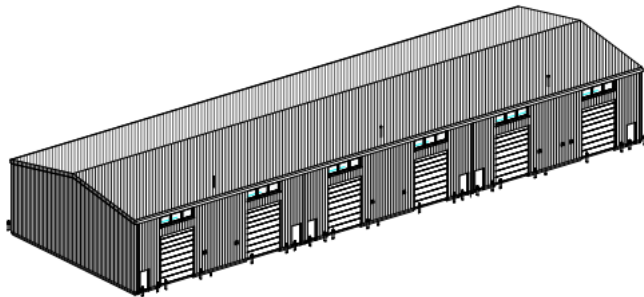


# TRANSFORMATION PROGRAM

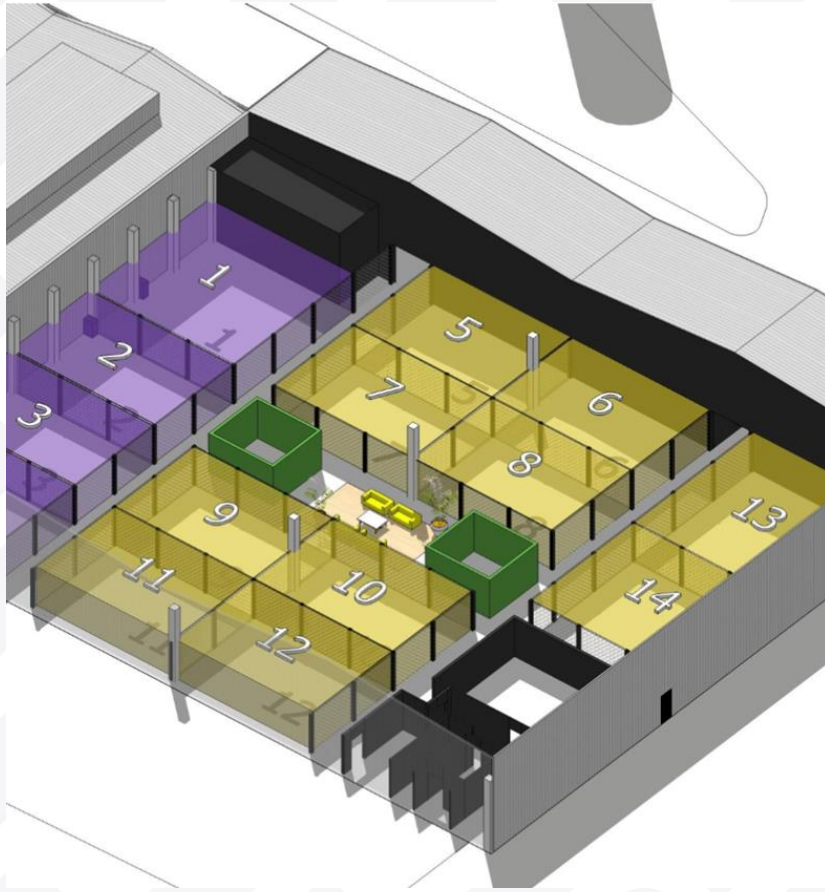


## INCUBATOR

- Up to 6 Units @ 180m<sup>2</sup>
- 6m working height
- Targeted at light industrial
- Completion by Sep 2021
- Already have 2 potential tenants



# TRANSFORMATION PROGRAM



## INNOVATION LABS (Bld 20)

- Up to 14 Units @ 80m2 up
- Up to 6m working height
- Targeted at innovation projects
- Targeted at short term rentals
- Completion by Oct 2021
- A lot of interest



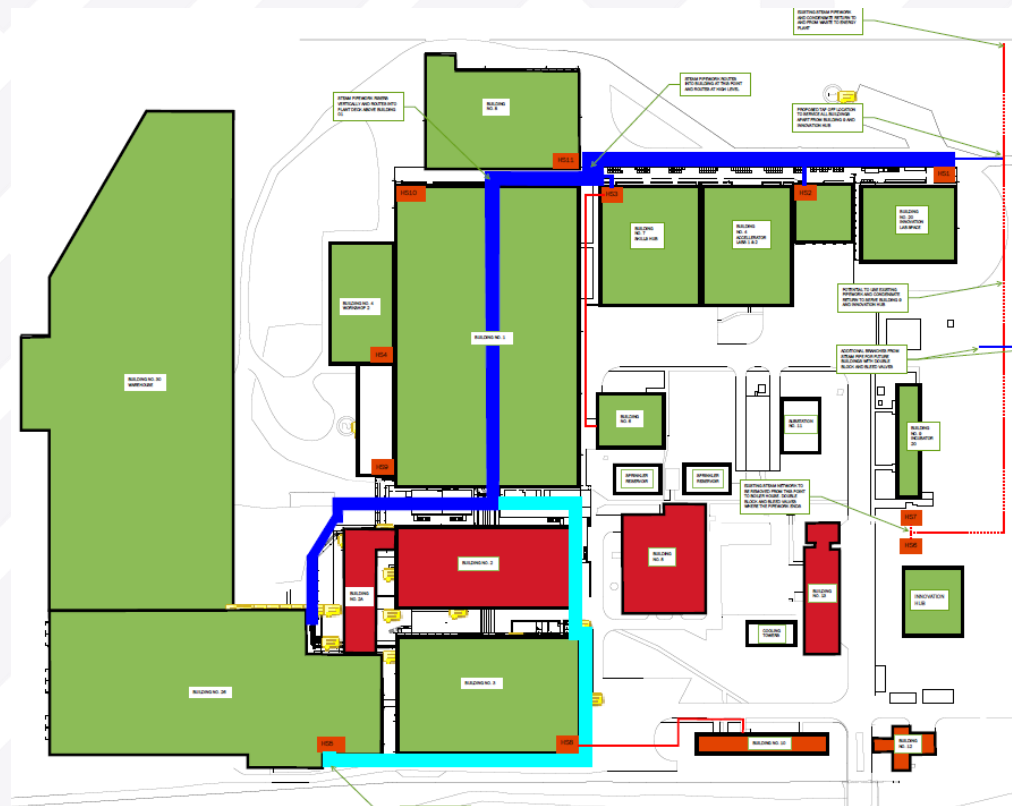
# TRANSFORMATION PROGRAM



# TRANSFORMATION PROGRAM

## HEAT AND POWER

- Steam pipeline to supply heat to the site from Energy from Waste
  - 1<sup>st</sup> connection completed
- New distribution network
- Power supplies:
  - Continue from turbines
  - New solar on Warehouse
  - Private wire from Energy from Waste

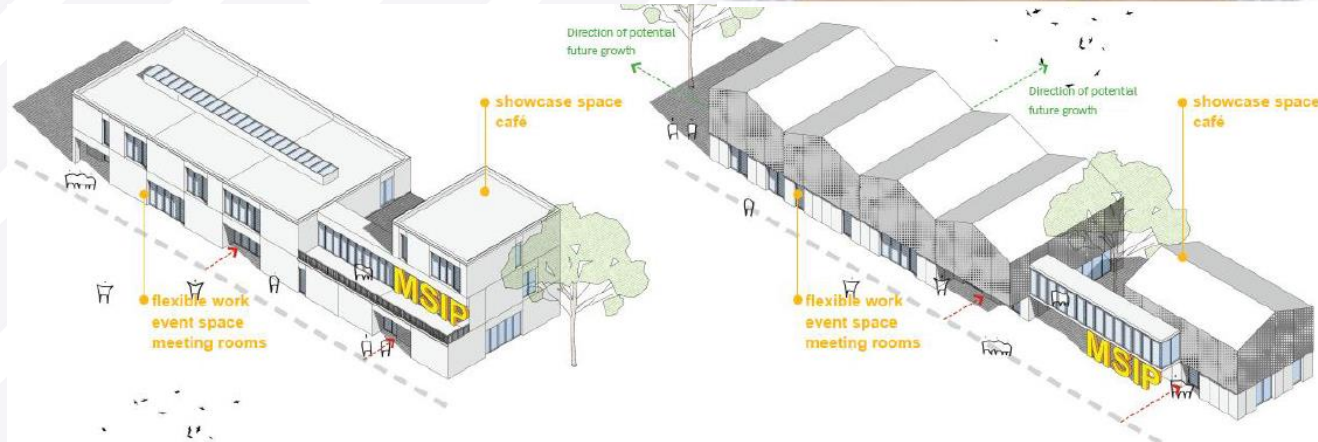




# TRANSFORMATION PROGRAM

## INNOVATION HUB

- A new focal point for the Parc
  - Café, Exhibition and Demonstration space
  - Hot desking, Collaboration space
  - Design suite
  - .....



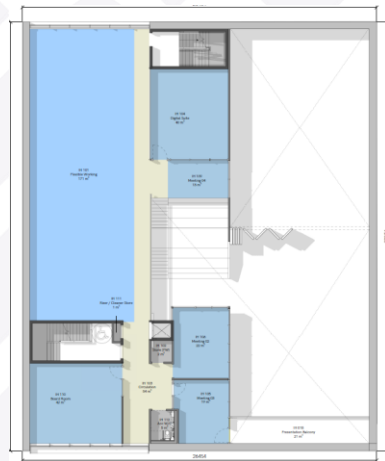
# TRANSFORMATION PROGRAM

## INNOVATION HUB

- Initial circular design and 1500m<sup>2</sup> not within the budget
- Detailed work now on return to more conventional building design
- Challenging the space model to get the best balance between space and cost

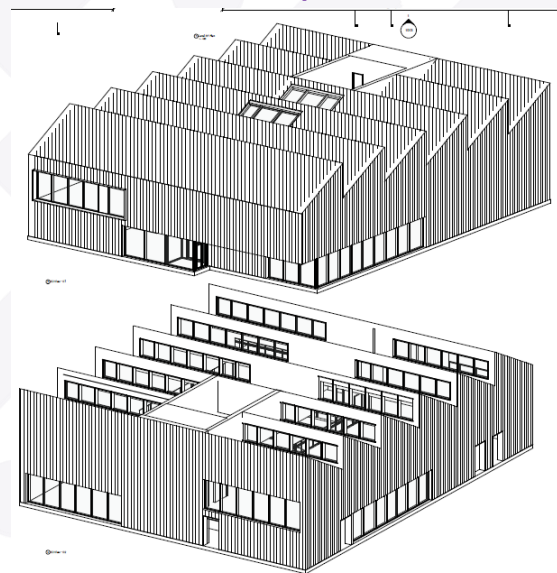


GROUND FLOOR



UPPER FLOOR

## EXTERIOR FORM



# TRANSFORMATION PROGRAM

- ❑ As reported cost has been the area of recent focus
  - ❑ Returns from sub-contractors highlighted the potential for a significant(~20%) overspend vs the original budget
    - ❑ Inflationary pressures due to current market circumstances
    - ❑ Some scope evolution to better match the market demand and as a result of decommissioning the boiler house
    - ❑ Some cost savings identified from synergies with Michelin decommissioning
- ❑ As a result the Transformation Program scope has been adjusted with input and support from DCC and SE (as key public sector funding partners)
- ❑ Adjusted scope will be deliverable with good cost management

# TRANSFORMATION PROGRAM

## Conclusions

- ☐ Progress remains on track despite challenges from the current circumstances
- ☐ Cost challenges have arisen but actions in place to manage the situation
- ☐ No Program delays highlighted on main Transformation Project
  - ☐ Key challenge will be to stay aligned with tenant arrival to site
- ☐ Likely to have some delay on Innovation Hub as noted in reporting

# AGENDA

- ☒ Progress Update
  - ☐ Michelin Decommissioning
  - ☐ Site Handover
  - ☐ Tenant Pipeline
  - ☐ Transformation Program
- ☒ Other Projects
- ☐ Questions



# OTHER PROJECTS – HYDROGEN

- ❑ Potential Hydrogen generation and refuelling station
- ❑ Linked to Dundee Hydrogen bus project
- ❑ Likely timescale – operational Qu 4 2022
- ❑ Power supplied from Wind Turbines with potential for Solar



# OTHER PROJECTS – LOCATE

- ❑ Powertrain testing facility for Heavy Duty vehicles
  - ❑ HGV, Buses, Mining, Agriculture,...
- ❑ Able to cater for Battery and Fuel Cell Electric Vehicles
- ❑ Current forecast is operational second half 2022
- ❑ Location under discussion



# AGENDA

## ☐ Progress Update

- ☐ Michelin Decommissioning
- ☐ Site Handover
- ☐ Tenant Pipeline
- ☐ Transformation Program
- ☐ Other Projects

## ☐ Questions



# QUESTIONS



36  
MICHELIN-  
SCOTLAND  
INNOVATION  
PARC

***Thank You!***

# Joint Committee PMO Presentation

23 April 2021



# Business Case Update

The following Business Cases have secured Government and Management Group approval to move forward to Full Business Case

Project Reference and Name	OBC approved by Govts	OBC approved by Management Group
TCD005 & TCD006 Rural Angus and Perth and Kinross High Speed Broadband	3/9/20	26/11/20 FBC Report on Forward Plan for <b>June Joint Committee</b> .
TCD013 cyberQuarter	16/7/20	17/12/20 FBC Report on Forward Plan for <b>June Joint Committee</b> .
TCD021 b Discovery Point	N/A	25/03/21 FBC Report on Forward Plan for <b>April Joint Committee</b>



# Business Cases with Full OBC Programme and FBC Project Approval

Project Reference and Name	FBC approved by Govts	FBC and OBC Approval by Joint Committee
TCD014 Eden Campus	03/09/2020	21/08/2020
TCD021 Regional Culture and Tourism Investment <b>Programme</b>	08/04/2020	19/06/2020
TCD021 (a) Hospitalfield	Not required	17/07/2020
TCD016 Growing the Tay Cities Biomedical Cluster	20/11/2020	19/02/2021
TDC012 Angus <b>Fund</b>	24/09/2020	19/02/2021
TCD002 Dundee Airport Investment (Revenue)	12/11/2020	19/02/2021
TCD010 Advanced Plant Growth Centre	10/03/2021	19/03/2021
TCD011 International Barley Hub	10/03/2021	19/03/2021
TCD017 Perth Cultural Transformation (City Hall)	17/02/2021	19/03/2021

# Business Case Timetable

*Estimated volume expected at each meeting*

Key : OBC – Outline Business Case  
FBC – Full Business Case  
BJC – Business Justification Case

MG- Consideration by Management Group  
JC – Decision by Joint Committee  
\* With Governments for review & approval

Project/Programme	Apr	May	Jun	Jul (No JC)	Aug (No JC)	Sep	Oct (No JC)	Nov (No JC)	Dec
Year 21/22 Projects/Programmes									
TCD002 Dundee Airport Investment <b>Capital – overarching Programme</b>				OBC to MG		OBC to JC			
TCD005&006 Rural Angus & Rural PKC - High Speed Broadband		FBC to MG *	FBC to JC						
TCD007 5G Digital Testbeds				OBC to MG tbc				FBC to MG	FBC to JC
TCD008 Low Carbon Transport and Active Travel Hubs			OBC to MG				FBC to MG Tbc*		FBC to JC Tbc*
TCD013 cyberQuarter		FBC to MG *	FBC to JC						
TCD021 Regional Culture & Tourism Investment <b>Programme</b>			OBC update MG tbc			OBC update JC tbc			
TCD021b Dundee Heritage Trust - Discovery Point	FBC to JC								
TCD025 Tay Cities Engineering Partnership <b>Revenue</b>			OBC to MG *		FBC to MG *	FBC to JC *			
TCD024 Tay Cities Skills and Employability Development Programme <b>Revenue</b>		OBC to MG *	OBC to JC						
Year 3 22/23 Projects/Programmes									
TCD012 a Centre for Agricultural Sustainable Innovation (CASI) - Angus <b>Fund</b> project								OBC to MG tbc	
TCD020 Perth Innovation Highway				OBC to MG tbc					
TCD023 Aviation Academy for Scotland								OBC to MG tbc	

# Year 1 Drawdown 2020/2021

## Headlines:

- Final Forecast Drawdown 2020/21 is £22,359m a total of **£3,874m acceleration** from the Deal profile approved on the 17<sup>th</sup> December 2020
- **Claims paid to date total £11,566 million** (Eden Campus and Hospitalfield)
- **Grant Offer Letter for £22,359m** combining all previous Grant Offer Letters for 20/21 completed
- **All remaining year 1 Claims prepared and submitted** to the Scottish Government on the 16<sup>th</sup> April
- **All year 1 Projects have secured Full Business Case approval** from Joint Committee and are on track for Legal Contracts to be completed and submitted to enable drawdown



# Scottish Government Revenue Recovery Fund

## Headlines:

- Tay Cities Partnership awarded up to **£220k revenue to be spent by 31st March 20/21**
- All 13 successful projects aligned to the theme: *Accelerate delivery of City/Regional Growth Deal Investment*
- S95 Officer signed off and partnership claim submitted on the 16<sup>th</sup> April 2021
- Full award of £220k claimed





@taycities

[www.taycities.co.uk](http://www.taycities.co.uk)

[morag.saunders@taycities.co.uk](mailto:morag.saunders@taycities.co.uk)



# Discovery Point *Transformed*

*A New Centre for Heritage, Environment  
and Learning*



DUNDEE  
HERITAGE  
TRUST



# STARTING POINT

- DHT runs two 5 star rated visitor attractions in Dundee – Discovery Point and Verdant Works
- Fully accredited museum status at both
- Care for 2 collections of national and international significance
- Historic ship – a constantly deteriorating asset
- Rated the top two museums in the city by Trip Advisor reviews
- 98.7% funded from own resources
- Hugely impacted by COVID
- Poor building design - Enormous heating bills
- Unique USP of RRS Discovery having performed the world's first climate change research AND initiated the world's first whale conservation programme - unique narratives not well enough known

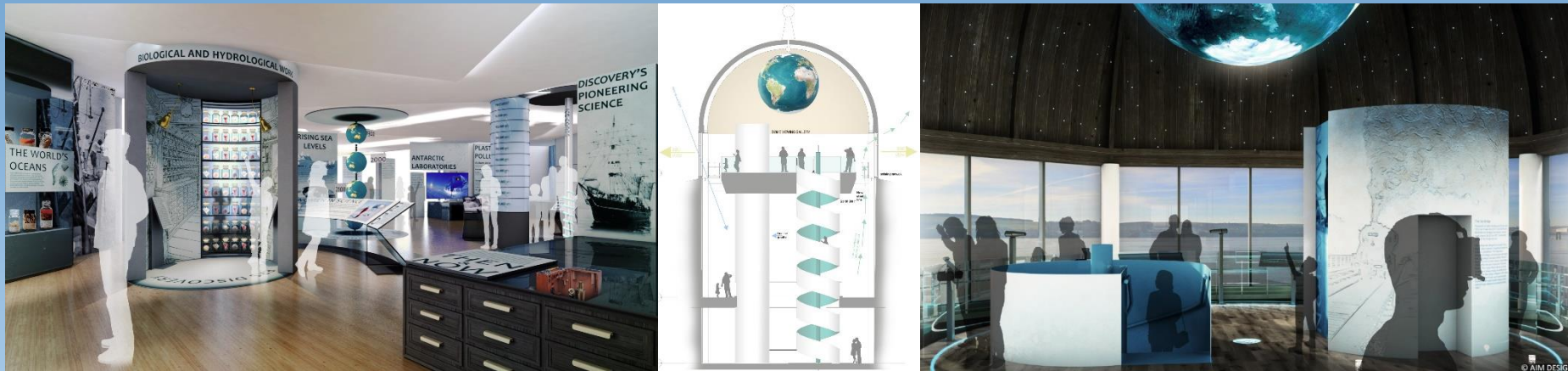


Our goal is to transform Discovery Point into a world-class centre for Antarctic heritage, connecting the pioneering history of the RRS *Discovery* with contemporary global issues such as climate change, the ocean environment and current Antarctic science.



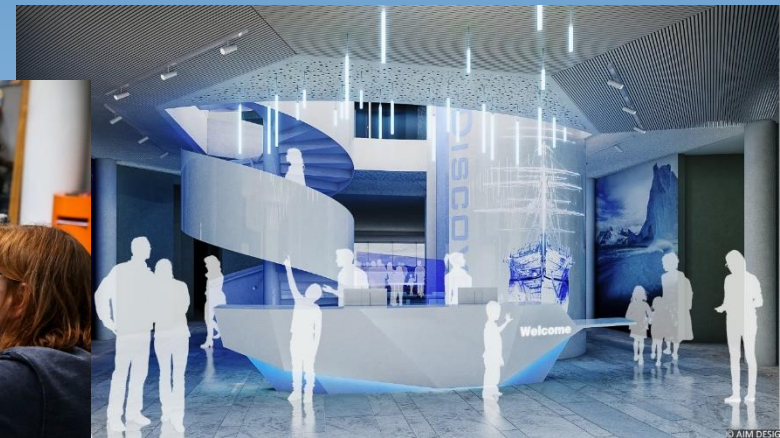
# The project will protect and conserve our primary heritage asset, RRS Discovery <sup>47</sup> and deliver four new major visitor experiences : -

- The Dundee Dome Experience (Phase 1) featuring Gaia by eco-artist, Luke Jerram
- Climate Change Gallery
- Major new gallery for temporary and special exhibitions
- A new permanent gallery and refurbishment of existing galleries



In addition, the project will also create:

- A river-facing flexible events space / destination café / high-end destination restaurant
- Expanded and enhanced conference and events facilities
- Redesigned entrance and reception areas
- Environmental improvements to meet low carbon targets
- Comprehensive programme of community learning and engagement activities



## Our project meets the priorities of the Tay Cities Regional Culture and Tourism Investment Programme : -

- A clear, strategic rationale aligned to regional and national culture and tourism priorities
- The development of world class visitor experiences aligned to the Tay Cities Regional Tourism Strategy, which will encourage more visitors to stay and for longer
- Developments that build upon the creative and cultural infrastructure in the region, adding capacity to enable key strengths to be developed
- Significant contribution to the economic growth of the region: economic impact; people into jobs; creation of higher skilled jobs
- A collaborative approach to project delivery, working with the private and/or public-sector stakeholders
- A sustainable approach to delivering economic and social impacts, while protecting the built and natural environment
- The Tay Cities Region will be a better place to live, work and visit

# Outcomes for Dundee Heritage Trust / Discovery Point

- Will help secure our long term sustainability
- Will reduce our fuel costs
- Will assist us meet the SG targets re climate change
- Will position us as a key part of the Region's eco tourism offer
- 39% increase in admissions to venues
- 25% increase in retail floor space
- 105% increase in conference and events space
- 58% forecast increase in overall trading income for Discovery Point



## Tourism Impact

- 107,000 visitors forecast during the first year after opening
- uplift of 32,000 visitors to Verdant Works through increased sales of joint tickets

Based on our current visitor profile, for 2025-26 and beyond:

- 15% of visitors will be local visitors
- 33% will be day trippers
- 52% will be overnight visitors (5% increase)

The project will attract more visitors to the Region and encourage them to stay longer.

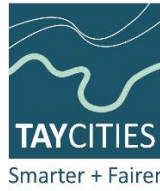
## Economic Impact

- direct gross visitor impact of £1.6 million
- total impact of over £3.9 million when added to the baseline scenario
- additional direct, indirect and induced visitor spend impacts are estimated to be an extra £2.4 million, raising the total impact of Discovery Point to nearly £5.9 million per year
- spend impact will result in an additional 78.2 FTE jobs
- total of 191.2 FTE jobs when added to the baseline
- the capital spend during the development works will support 76.5 temporary person years-worth of construction employment, equivalent to a one-off GVA impact of just over £3.7 million

# Community Impact

- Wide-ranging and inclusive Community Learning and Engagement Programme
- Volunteering opportunities
- Training and development opportunities
- Improvement to public amenity

This page is intentionally left blank



**REPORT TO:** TAY CITIES REGION JOINT COMMITTEE – 18 JUNE 2021

**REPORT ON:** TCD013 CYBERQUARTER - FULL BUSINESS CASE

**REPORT BY:** ROBIN PRESSWOOD

**REPORT NO:** TCRJC10-2021

## **1. PURPOSE OF REPORT**

- 1.1. This report seeks approval of the Full Business Case (FBC) for the **TCD013 cyberQuarter**.

## **2. RECOMMENDATIONS**

- 2.1. The Joint Committee is asked to:
- i. Consider this report and the executive summary of the FBC at Appendix 2 (a copy of the FBC is available to the Committee on request).
  - ii. Note that the Management Group has recommended for approval the FBC for TCD013 cyberQuarter on 27 May 2021, and
  - iii. Approve the FBC.

## **3. INTRODUCTION**

- 3.1. The TCD013 cyberQuarter project was awarded up to £11.7 million capital in the Heads of Terms Agreement, dated 22 November 2018. The OBC (report MG034/11220) was approved by Management Group on 17/12/21 enabling the project to proceed to FBC stage. The key project information is at Appendix 1.

## **4. DESCRIPTION OF PROJECT IN THE DEAL DOCUMENT**

- 4.1. cyberQuarter is an academic-industrial partnership designed to establish the Tay Cities region as a centre of best practise in applied research and development and knowledge exchange in cybersecurity. It will exploit Abertay University's distinctive ethical hacking and offensive cybersecurity knowledge.

cyberQuarter will deliver:

- collaborative research and development with the cybersecurity industry to develop solutions that will improve cybersecurity amongst small and medium sized businesses;
- develop ethical hacking and offensive security activities to upskill workers and tackle local and national skills shortages;
- support businesses to raise awareness of cybersecurity risks and increase the adoption of new products and services to become more cyber resilient; and
- deliver jobs growth in cybersecurity firms, from start-ups to large corporations, as new products and services are developed and commercialised.

## 5. FINANCIAL IMPLICATIONS

- 5.1. This project is profiled to spend a total of up to £11.7 million capital from the Tay Cities Deal funding. The project will lever in additional funding of £5.0 million. The funding is anticipated to be drawn down as below:

Table: Funding profile as agreed by the partners on 17 December 2020 and leverage as set out in the Deal Financial Plan.

Year	Yr 1 20/21	Y2 21/22	Y3 22/23	Y4 23/24	Y5 24/25	Y6 26/26	Y7 27/27	Y8 27/28	Y9 28/29	Y10 29/30	Total
Profiled draw down (£000)	-	4,100	1,000	943	943	943	943	943	943	942	11,700
Leverage	-	4,000	114	130	130	130	130	130	130	130	5,024

## 6. IMPLEMENTATION PLAN

- 6.1. The following changes are highlighted from the implementation plan.

- 6.1.1. Increase in floor space increasing the target uplift for co-location space - The reduction in capex required for cloud computing makes a greater proportion of the project budget available for construction/refurbishment in the 2021-22 financial year. This coincides with an additional floor of the building becoming available for use within the cyberQuarter, following the closure of some of the University's catering facilities. This allows Option 3 to remain as the preferred option, with the Tay Cities Deal investment facilitating the refurbishment of 1481 m2 of space with no additional capital funding required and at no detriment to the other elements of the project. The amount of space developed has increased to up to 1481m<sup>2</sup> by 2022.
- 6.1.2. Additional business turnover – the Project reports this metric has been replaced with Industrial collaboration benefits, this metric includes private sector funding leveraged and are included within Table 14 in Annex 1 with the detailed CBA within the economic case.



## 6.2. Milestones

Deliverable	Due Date	Status
Joint Committee Approval of Full Business Case	2020/21	Not Secured
Construction on site	2021/22	Not Started
Construction completed	2021/22	Not Started
cyberQuarter occupied	2022/23	Not Started

## 6.3. Outcomes and Targets

Targets	Baseline	Target Uplift at 17 <sup>th</sup> Dec 2020	Variance	Date	Comment
Number of new/safeguarded jobs Construction jobs	- -	500 Tbc anticipated Summer 2021 Est	No Change	2034	No Change to number of jobs agreed at Deal Signing
Number of businesses assisted	-	150	No Change	2034	No Change to number of businesses assisted at Deal Signing
Additional business turnover (from May 2021 now referred to as 'Industrial collaboration benefits')	-	tbc	£2.86m	2034	<b>NEW</b> additional business turnover confirmed by project owner
M2 of new business co-location space developed	-	935m2	1481m2	2027	<b>Additional</b> 546m2 identified from Deal Signing.
Value of further investment secured (Cumulative over 5 years from date of opening)	-	tbc	£4.45m	2027	<b>NEW</b> further investment turnover confirmed by project owner
Inclusive growth target/s	Addressed in Appendix 12			2034	

## 6.4. Key Project Risks and Mitigations

Risk	Mitigation
The cybersecurity industry does not grow as expected, domestically or globally.	The University will develop an Industry Engagement Strategy for the cyberQuarter, working with the Scottish Business Resilience Centre and other regional partners.
Insufficient quality research from the University.	The University will create a research framework whereby good ideas can be commercialised throughout the life of a PhD or other type of research, development and knowledge exchange.
Cluster companies find it difficult to attract staff.	Work with the partners in the Regional Employability & Skills Programme to provide labour market insight on vacancies and skills gaps, to jointly develop education and training to tackle these.
Abertay University loses its reputation in cybersecurity field.	The University will develop a talent attraction and recruitment plan to sustain its reputation.

## 7. DECISION PATHWAY

7.1. The project has met the decision pathway milestones as set out below and the next steps are also indicated.

Decision pathway milestones and planned timeline			
Stage	Milestone	Planned date	Date achieved
OBC	Governments' approval	-	16/7/2020
	Thematic Board recommendation	-	12/8/2020
	Management Group approval	-	17/12/2021
	Joint Committee informed	-	22/01/2021
FBC	Submission of FBC (to PMO who forward to governments)	-	-
	Governments' approval	-	24/05/2021
	Thematic Board recommendation	-	13/04/2021
	Management Group recommendation	-	28/05/2021
	Joint Committee approval	June 21	

## 8. CONDITIONS

8.1. NONE

## 9. POLICY IMPLICATIONS

9.1. This report has not been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty and Environment, however the project has carried out the Equalities and Fairer Scotland assessments as part of the development of the FBC.

## 10. CONSULTATIONS

10.1. The following have approved the presentation of this FBC:

- Local Authority Project Management Officer: Rory Young
- University Project Lead: Lorna Edwards
- Responsible Finance Officer: Gordon Weir
- Management Group Sponsor: Robin Presswood

Governance:

- PMO Project Manager, Alan Dobson
- PMO Finance, Mark Mitchell
- Programme Manager, Mo Saunders
- S95 Officer: Robert Emmott

Report author: Robin Presswood

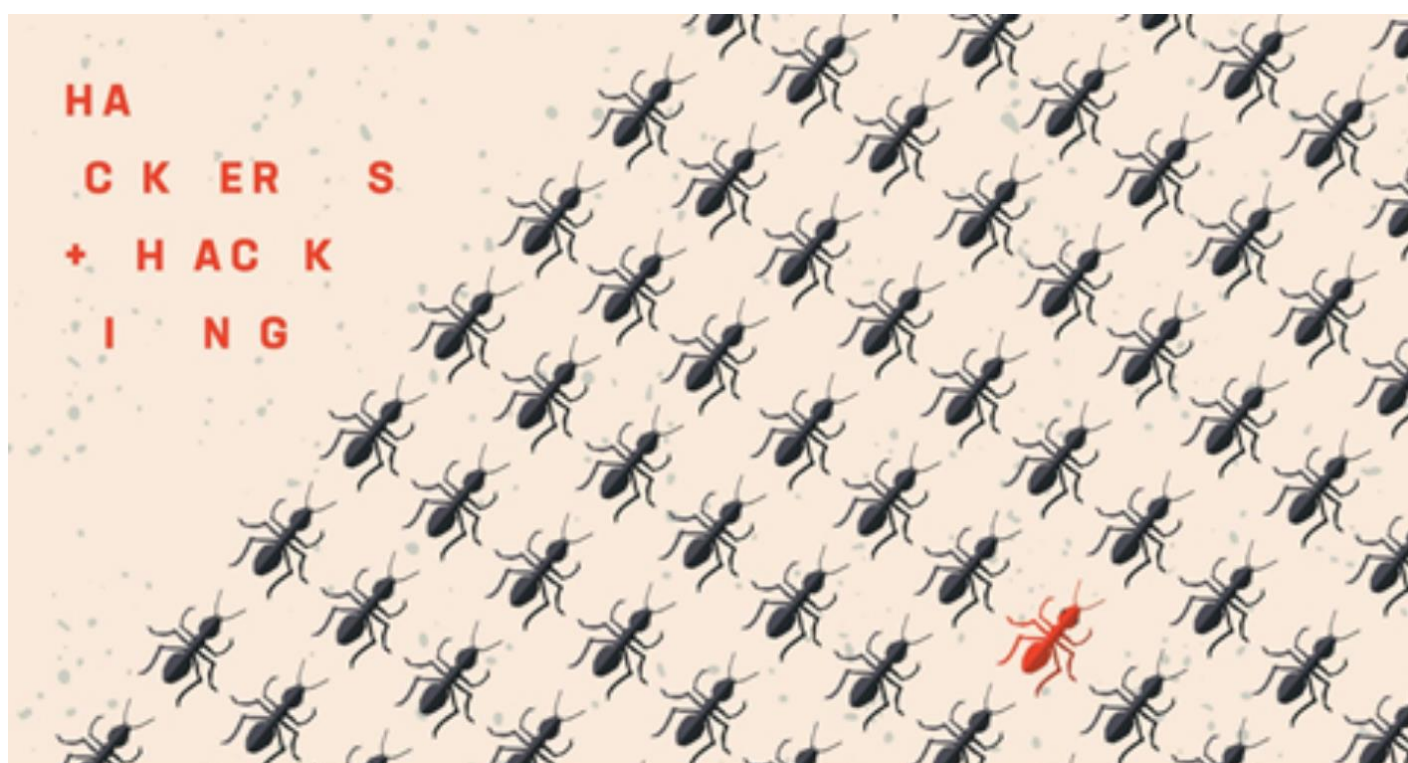
Title: Executive Director of City Development

Date: 11/05/2021

## APPENDIX 1

Project Information	
Project number	TCD013
Project name	cyberQuarter
Project owner	Lorna Edwards
Project Finance Director	Gordon Weir
Management Group Sponsor	Robin Presswood
Award amount under TCD	Up to £11.7 million
Jobs: Target number of jobs to be created	500
Leverage to be achieved	£5.024 million

## APPENDIX 2



**Abertay University cyberQuarter  
Full Business Case (FBC) - summary version  
May 2021**



*Cover images created by Mariah Jochai for the OpenIDEO Cybersecurity Visuals Challenge, licensed under Creative Commons BY 4.0*

## Contents

Project Description .....	7
Strategic Case .....	16
Economic Case .....	16
Commercial Case .....	18
Financial Case .....	20
Management Case .....	21
Recommendation .....	22

## 11. Project Description

### 11.1. Vision and Strategic Objectives

The cyberQuarter brings together academic researchers and companies to work on cyber security challenges that will led to the creation of new products and services, to make businesses and citizens more resilient. It will form the perfect platform for tech businesses to work together and solve existing and emerging problems, supported by some of the best minds in Scottish universities.

With a global shortage of cyber security skills, the cyberQuarter offers real world experience for students and access to talent for companies keen to recruit from Abertay University's ethical hacking and cyber security programmes, as well as partner colleges, schools and through upskilling/reskilling routes. This increased interaction will generate a new wave of learning and development opportunities tailored to local, national and international demands, and rapidly responding to employer and industry needs.

Through the cyberQuarter, we will:

- Increase industry-academia interaction and collaboration
- Increase technical problem solving for industry
- Increase access to cyber employment opportunities in the area

Our ambition is the creation of a cyber security hub in the heart of the Tay Cities Region which is powered by the supply of talent, internationally renowned academic expertise and the dynamism of the local digital economy ecosystem. The cyberQuarter is for everyone - combining digitally and physically secure premises for cutting edge industrial research with a public facing presence in a Dundee city centre location. Our activities are designed with inclusive growth in mind.

### 11.2. Proposed investment

The cyberQuarter is an academic-industrial partnership designed to establish the Tay Cities region as a centre of best practise in applied research and development and knowledge exchange in cybersecurity. It will exploit Abertay University's distinctive ethical hacking and offensive cybersecurity knowledge.

The cyberQuarter will:

- Deliver collaborative research and development with the cybersecurity industry to develop solutions that will improve cybersecurity amongst small and medium sized businesses;
- develop ethical hacking and offensive security activities to upskill workers and tackle local and national skills shortages;
- support businesses to raise awareness of cybersecurity risks and increase the adoption of new products and services to become more cyber resilient; and
- deliver jobs growth in cybersecurity firms, from start-ups to large corporations, as new products and services are developed and commercialised.

There are 3 main strands to the project

1. A physical space for collaboration and experimentation using digital tools and technologies, located in Dundee city centre
2. A secure cloud computing infrastructure to enable online teaching and learning, and digital provision of R&D and knowledge exchange activities
3. A pump priming fund to allow the development of new cyber products, services and education programmes

Through the cyberQuarter, we will achieve:

- Increased levels of collaborative R&D with the cybersecurity industry to develop deployable solutions to enhance cybersecurity in the SME sector
- Greater awareness of cybersecurity risks amongst SMEs in all sectors and increase the adoption of new products and services to become more cyber resilient
- Jobs growth in cybersecurity firms as turnover increases and new products/services are commercialised - through a combination of business startup, growth in micro and small enterprises, scaling for medium sized enterprise and expansion of cybersecurity operations in large corporations
- Potential jobs growth in other sectors of the economy where firms adopt the new products/services, as they benefit from increased cyber resilience leading to improved trade and reduced losses from cybercrime
- More ethical hacking and offensive security development activities designed to upskill workers and tackle local and national skills shortages through related channels and initiatives

Together, the innovation hub, the pump priming fund and the wider knowledge exchange and business support activities have been estimated to create £6.90 of monetised benefit



for every £1 of cost at the Tay Cities Region level, £2.70 at the Scotland level and £1.50 at the UK level.<sup>1</sup>

#### Strand 1: Physical premises for the Innovation Hub

The cyberQuarter's home will be created through the repurposing of an existing building to create an **innovation hub** dedicated to cyber security and resilience, comprising

- Up to 1481 sq m of dedicated space for cyber security firms and researchers, designed to facilitate interaction and innovation with the highest standards of physical and digital security, ready from April 2021
- New accommodation comprising office space, learning suites, meeting rooms and a 'dirty lab' allowing for safe experimentation with the latest cyber threats
- Proportion of new accommodation configured for shared cyber security operations activities, facilitating real time information sharing and incident response solutions between operational specialists, academics and the next generation of cyber security professionals

As an innovation hub, the cyberQuarter will provide open-plan desk-space, private meeting and office spaces, seminar rooms and relaxation areas as well as a large area to facilitate collaborative working on specific cyber and digital security projects.

The layout is designed to encourage interaction between students, industry and academia, with all three groups co-located on the site.

In addition, the cyberQuarter will provide the environment to develop a new approach to shared cyber security operations in Scotland through the hub. These SOC's are often configured like a 'bunker', with a physical separation between themselves and the rest of their organisation. The cyberQuarter offers an alternative model for public sector cyber security service delivery by offering space which allows interaction with academics, students and other industry when safe to do so, but with the ability to 'bring the shutters down' and isolate the space, the people and the systems when a critical cyber incident is triggered.

#### Who will use the space?

##### Abertay staff and students

- cyberQuarter staff members
- Academic staff will use the facility for R&D purposes
- Project researchers – PhD or Masters by Research students, post docs, Knowledge Transfer Partnership Associates
- PGT students working with companies on Masters projects and challenge based learning
- Undergraduate students who may be shadowing companies on site, or providing services through organised placement programmes

---

<sup>1</sup> These Benefit Cost Ratios are likely to significantly under-represent the potential impact of this project as they do not include the potential impacts of increased cyber / business resilience. Such impacts are likely to be sizeable but have not been monetised as part of the cost benefit analysis in the Economic Case.

## Industry

- R&D partners and clients – for both collaborative R&D (which includes some level of public funding) and contract R&D (provided on a commercial basis)
- Touchdown spot for locally based employees of large companies
- Satellite offices for companies of any size who need a Scottish or Tay Cities base
- Main office location for local SMEs or SMEs from further afield who wish to reduce their operating costs by relocating to Dundee (with cheaper rents and access to talent)
- Security providers setting up new shared services, e.g. Security Operations Centres
- Vendors seeking access to local or regional markets
- Start ups and scale ups (potentially linked to Tech Scaler implementation)

The cyberQuarter will not operate on a rental model. Instead, a subscription model provides flexibility and affordability for users during the early stages of the project, and generates an early revenue stream for Abertay as we build other income generating workstreams. A range of subscription packages are available to meet the needs of SMEs, large companies, public bodies and third sector organisations depending on requirements for shared or dedicated space.

While the cyberQuarter is essentially a restricted and secure facility, it will act as a beacon for the Region - we want to show a wide range of citizens and businesses what can happen as a result of the innovation and R&D which takes place within. The ground floor/entrance level hosts a shop and cafe (currently closed due to COVID), so this entrance level acts as a billboard for the community, literally a shop window into the cyberQuarter. We will create 'clean' routes from the entrance to zones within the upper floors of the facility (such as larger meeting/training rooms) to allow clearly identified and vetted groups to access these on an occasional, programmed basis.

## Key construction related milestones

Deliverable	Due Date	Status
Refresh previous feasibility study (dated 2019)	February 2021	Complete
Formal design and pre-construction process	March to July 2021	In progress
Works are expected summer 2021 –	August 2021 to Jan 2022	Not started
Building scheduled for operation	April 2022	Not started

## Strand 2 – Cloud computing infrastructure

Abertay University launched the world's first Ethical Hacking degree in 2006 and is a world leader in this field<sup>2</sup>. In December 2020, the National Cyber Security Centre (NCSC) recognised Abertay University as an Academic Centre of Excellence in Cyber Security Education, the first university in Scotland to achieve the Gold Award, one of only 8 universities in the UK to be recognised in this way.

Our specialism in ethical hacking has specific implications for the cyberQuarter and the Tay Cities Deal investment.

Teaching, learning, skills development, research, knowledge exchange and innovation in ethical hacking revolve around a range of questions:

- How do hackers break into computer systems?
- Is it easy to breach a corporate network and steal secrets?
- What steps can organisations take to prevent attacks?
- Do cyber criminals hack systems? Or do they hack people?

Abertay researchers and students take a practical and offensive approach to cyber security by deliberately breaking systems and circumventing security defences. New knowledge and improved skills help cyber security specialists to understand the process behind hacking attacks, develop appropriate countermeasures and test and monitor networks, systems, products and services.

When you are deliberately breaking systems and circumventing security defences, this work must be conducted in an environment that is safe, secure and segregated from any 'normal' IT network. Abertay University has a custom built Ethical Hacking Lab (known as the HackLab) on our campus, accommodating up to 70 users at a time. Every PC in the HackLab is isolated from the main University network and the rest of the online world, allowing users to experiment with all aspects of hacking and information security in a controlled environment. When students and academics are aggressively exploiting flaws and vulnerabilities in digital products and services, removing the ability to cripple existing infrastructure is crucial.

In order to realise the potential for the cyberQuarter, we must create a Virtual HackLab – replicating the same facilities, functionality and security in the cloud.

The Virtual HackLab is a dedicated private cloud computing infrastructure, with appropriate internal and external protection to meet both academic and industrial requirements. It is a private network and virtual machines (VMs) which create a virtual managed classroom or computing lab for the purpose of innovation, R&D and knowledge transfer.

Cloud computing technologies and capabilities will increase, improve and transform over the 10 years of the Deal period. To future proof the Virtual HackLab investment, we will undertake a 3 phase technical development programme. We envisage that this will increase

---

<sup>2</sup> Source – ekosgen Report "International comparator study of Abertay University's Cybersecurity offering for Scottish Enterprise" See SOC, 2017-12-15, Cybersecurity Centre of Excellence V19. Doc – a copy is available at [www.evaluationsonline.org.uk](http://www.evaluationsonline.org.uk)

the nature and volume of collaborative work undertaken as a result of the cloud infrastructure over time - progressing from online teaching in the first instance, providing virtual R&D and innovation capacity for SMEs and tech sector companies at the next stage (which do not require higher levels of information security often required by public bodies), and ultimately offering this virtual R&D and innovation capacity for organisations requiring higher level security (e.g. health, justice, defence) by phase 3.

Phase	Time period	Focus of investment into Virtual HackLab
1	April 2020 to March 2024	Cloud computing infrastructure to support online teaching and MSc projects Additional hardware and equipment
2	April 2024 to March 2027	Cloud computing infrastructure to support online teaching PLUS virtual innovation services to support 'typical' organisations Additional hardware and equipment
3	April 2027 to March 2030	Cloud computing infrastructure to support online teaching PLUS virtual innovation services to support organisations with 'typical' and 'higher level' information security requirements Additional hardware and equipment

### Strand 3: The Pump-Priming Fund

The PPF will be used to resource a small number of projects each year with the specific aim of generating new knowledge to inform cutting edge teaching and learning at Abertay University. Abertay University is renowned for the quality of its teaching – it is the only Gold Standard Academic Centre of Excellence for Cyber Security Education in Scotland (and one of only 7 in the UK<sup>3</sup>) as well as being the UK University of the Year for Teaching Quality in 2021.

Cutting edge teaching and learning will contribute to the higher level digital skills gap locally and nationally, and the skills gap for advanced technical cyber security capability across the world. Pump Priming Fund projects will last 2-3 years and focus on areas of strategic importance for the University, and be informed through cyberQuarter governance structures – examples would include 'secure software development by design', and 'securing healthcare data and systems'. We anticipate that the PPF will support at least 14 projects across the 10 year period.

The economic benefit to Abertay (as required by financial regulations in order to capitalise this element of project funding) will be realised through the creation of new postgraduate level taught courses and non credit bearing short CPD courses, based on the research conducted through Pump Priming Fund projects.

We anticipate that the PPF will result in the creation of 26 new and cutting edge short courses by year 10, resulting in the rapid acquisition of higher level digital skills in the cyber workforce. Each short course will be delivered 3 times per year (once on campus, twice through online delivery), and will have a 'shelf life' of two years to recognise the fast moving nature of the sector and associated technologies.

---

<sup>3</sup> <https://www.ncsc.gov.uk/information/ace-cse-gold-and-silver-awards>

A proportion of these CPD courses will develop further into credit bearing modules at Scottish Credit and Qualifications Framework Level 11. These modules can integrate into Masters level courses or specialist high level cyber skills learning pathways at Abertay, and can also be delivered separately as micro credentials, allowing learners maximum flexibility as they build their own portfolio. We anticipate that the PPF will result in 10 new postgraduate taught modules available across the 10 year period.

The Pump Priming Fund will kickstart and scale collaborations between academia and industry, building capacity and long-term relationships in order to access greater, longer term funding in future or increase the appetite of businesses to invest themselves in R&D.

### 11.3. Who is it for?

The cyberQuarter programme will benefit:

- The cybersecurity industry in the Tay Cities Region, Scotland and the UK by applied R&D and knowledge exchange, increasing cybersecurity critical mass and upskilling the existing professional workforce;
- Businesses (particularly mid-sized SMEs or those with growth/scale ambitions) by improving business resilience to cyber threats;
- The working population, either employed in the digital economy or other sectors which adopt new skills and/or practices;
- The Abertay University student experience, by allowing students to partner with industry to work on real world problems.
- The local economy, by supporting the development of a cybersecurity cluster and the anchoring of cyber-orientated start-ups in the Tay Cities Region, providing high-paid employment opportunities for under-employed local Abertay graduates

### 11.4. What difference will it make?

A detailed Cost Benefit Analysis (CBA) has been performed as part of this Business Case to quantify the potential magnitude of project impacts and to determine the extent to which this project might deliver overall net benefit to society at the UK, Scottish and Tay Cities Region levels. Key results of this analysis are summarised below and demonstrate the significant scale of net benefits that are expected to arise, particularly at the local and Scottish levels.

The benefits that have been monetised in the CBA model mostly refer to those arising from additional teaching by Abertay, additional R&D activity (that enables significant leverage of wider public sector funds) and the salary uplift felt by graduates that stay in the area as a result of more cyber security companies choosing to locate in the Tay Cities Region. The potential impact that greater local supply of cyber security services might have on business resilience and SME performance has not been monetised but would be expected to boost considerably the overall magnitude of the estimated net economic benefits.

*Summary results of the Cost Benefit Analysis (£m, present values, 2019 prices)*

	At the UK Level	At the Scotland Level	At the TCR Level
<b>Economic Costs &amp; Benefits</b>			
Economic Costs	22	17	8
Economic Benefits	33	46	52
Total Net Present Value	11	29	44
<b>Funding Leveraged</b>			
Private sector funding leveraged	3	3	3
Public sector funding leveraged	2	6	18

### 11.5. Why here?

There are a range of features which will make the Tay Cities Region a viable location for an ethical hacking/offensive cybersecurity hub:

- Supply of talent – large student population, Abertay specialism, new HNC/D in Cyber Security in colleges and NPAs in secondary schools
- Abertay University's ethical hacking niche – no competing hub currently exists
- Attractive location for people and business – waterfront development, V&A, tourism
- Established ecosystem to support digital economy – computer games, data centres, app developers, business support, other Tay Cities Deal programmes, professional services
- Digital infrastructure – good connectivity, Smart Cities, 5G testbed
- Central location – reasonable proximity to financial services, digital technologies and energy sectors
- Low business costs and cost of living
- Strong business support bodies in the Tay Cities Region, Scotland and UK

### 11.6. Why now?

Clusters are complex and dynamic structures that are subject to continuous change. Strong clusters can promote economic growth through leveraging innovation and business potential. New employment opportunities, new products and services, new companies, new R&D activities and new patents can be the result of activities within a cluster. With an emerging active cluster management approach in Scotland for the cyber tech sector, as part of the federated network of hubs the cyberQuarter programme can generate opportunities and responses to challenges within an overarching strategy and framework.

Abertay University already have many of the underpinning relationships in place, with a range of commercial organisations already committed to support the programme. The infrastructure investment is based on the repurposing of a building which is immediately available (and could be completed rapidly) leading to visible results for the community early in the Cities Deal period. Improvements and benefits can also be realised rapidly thanks to the applied nature of R&D which is close to market and the adoption and skills work can get underway while the facilities are being prepared.

The role that the cyberQuarter can play in driving demand for cyber security goods and services among SMEs is significant - with an estimated 345,915 private sector businesses operating in Scotland. Almost all of these businesses (98.2%) were small (0 to 49 employees); 3,925 (1.1%) were medium-sized (50 to 249 employees) and 2,380 (0.7%) were large (250 or

more employees). These 343,535 SMEs operating in Scotland are providing an estimated 1.2 million jobs – accounting for 54.9% of private sector employment and 41.5% of private sector turnover<sup>4</sup>.

---

<sup>4</sup> <https://www2.gov.scot/Topics/Statistics/Browse/Business/Corporate/KeyFacts>



## 12. Strategic Case

### 12.1. Strategic drivers

UK Government and Scottish Government policies are explicit that cybersecurity in the UK should be strengthened. Furthermore, they directly call for targeted investment in commercialising innovative opportunities, providing test facilities and supporting start-ups in centres of excellence. The Tay Cities Region is perfectly positioned to respond to this strategic calling.

#### UK level drivers

- Industrial Strategy
- UK Digital Strategy
- National Cybersecurity Strategy 2016 – 2021.
- Initial National Cyber Security Skills Strategy

#### National drivers

- Scotland's Economic Strategy
- Safe, Secure and Prosperous: A Cyber Resilience Strategy for Scotland
  - Cyber Resilience Learning and Skills Action Plan
  - Cyber resilience: public sector action plan 2017-2018
  - Cyber resilience: private sector action plan 2018-2020
  - Cyber resilience: third sector action plan 2018-2020
  - Economic Opportunity Action Plan 2018-2021
- Strategic Framework for a Cyber Resilient Scotland (forthcoming)
- Science, Technology, Engineering and Mathematics: education and training strategy

#### Regional drivers

- Tay Cities Regional Economic Strategy 2019-2039
- Abertay University Strategic Plan 2020-25

### 12.2. The case for change

The overarching investment objective for the cyberQuarter is to support the required strengthening of the cyber security industry in the UK, using the supply of ethical hacking talent from Abertay University as an anchor in the Tay Cities Region.

We will achieve this ultimate objective by working to:

1. Support an increase in the number, size and quality of cyber businesses operating in Scotland
2. Develop closer engagement between business and academia (knowledge exchange, applied R&D and innovation)
3. Support cyber awareness in businesses/making SMEs more cyber resilient
4. Develop and retain cyber skills and knowledge in Scotland and the UK

## 13. Economic Case

### 13.1. Introduction

In the Outline Business Case a range of options were longlisted then shortlisted. A detailed appraisal of each shortlisted option was carried out. The preferred option (Option 3 – refurbished physical hub, secure cloud and Pump Priming Fund) was then forward to the

commercial, financial and management cases for the remainder of the OBC (and subsequent development into this FBC).

### 13.2. Economic Benefits

Summary monetised results of the Cost Benefit Analysis (£m, present values, 2019/20 prices)

	At the UK Level	At the Scotland Level	At the TCR Level
<b>Net Present Value</b>			
Option 3 – PP Fund + Virtual Lab + cQ	10	27	39
<b>Benefit Cost Ratio</b>			
Option 3 – PP Fund + Virtual Lab + cQ	1.5	2.9	5.6

The potential impact that greater local supply of cyber security services might have on business resilience and SME performance has not been monetised but would be expected to boost considerably the overall magnitude of the estimated net economic benefit.

## 14. Commercial Case

### 14.1. Procurement Strategy

Procurement of works and services will be conducted in full compliance with the University's procurement strategy and procedures and in compliance with the provisions of EU directives and Scottish legislation. In common with all public contracting authorities, the procurement of Goods, Works and Services is governed by legislation, including the Procurement Reform (Scotland) Act 2014 and the Public Contracts (Scotland) Regulations 2015 as amended. Over the last few years the University has undertaken significant procurement exercises in relation to refurbishment and cloud computing projects.

#### 1 Physical cyberQuarter building

We have a framework arrangement already in place (SCAPE). Scape Group is a public-sector organisation, dedicated to creating ongoing efficiency and social value via the built environment. Scape offers a suite of fully performance managed construction and consultancy frameworks, property services, design solutions, community investment opportunities and joint ventures. Fully compliant with EU, UK and Scottish procurement, Abertay University can access relevant Scape frameworks for the physical cyberQuarter building.

#### 2 Cloud computing infrastructure

An assessment has been made of available frameworks. Initial work packages for the cyberQuarter cloud requirements have been procured via the GCloud 11 route. This allowed a quick route to market and the GCloud contracting model offers ample flexibility through the work packages required for successful delivery.

### 14.2. Required services

The required contracting services for the three project elements will be captured within Contract Notices following the University procurement processes. These will be developed dependent on each project timeline and specification.

- Physical cyberQuarter building
  - Design, construction and fit out
- Cloud computing infrastructure
  - Design and supply
- Pump Priming Fund,
  - Applied research and industrial collaboration

### 14.3.

### 14.4. Potential for Risk Transfer

Abertay's approach to risk management is informed by the complexity and type of the project scope, scale and design. The University has clear procedures on its procurement & project management processes to ensure the right approach to procurement is selected, which both ensure project risks, which impact time, cost and quality, are kept to a minimum.

### 14.5. Proposed contract lengths

The contract length will be determined by the nature of the services being procured.

The construction project has been planned for delivery over 2 financial years within the Deal profile to take into account differences in timing between the Managing Authority's financial year (April to March) and Abertay University's financial year (August to July).

Provision of cloud computing infrastructure for the project will be procured for the duration of the Deal funding scenario. Delays to signing have resulted in the capital drawdown profile for cloud computing running across years 2 to 10 of the Deal. We anticipate issuing three separate contracts of 3-4 years duration – contract #1 running April 2020 to March 2024, contract #2 April 2024 to March 2027, and contract #3 running April 2027 to March 2030.

## 15. Financial Case

### 15.1. Financial Expenditure

Managing Authority Financial Year	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Deal Year	1	2	3	4	5	6	7	8	9	10
£ '000s	0	4100	1000	943	943	943	943	943	943	942

### 15.2. Overall affordability

The capital expenditure is fully funded. Revenue modelling projects that the project will have a net operating surplus from year 3 onwards.

### 15.3. Impact on the Balance Sheet

Abertay University will take advice from professional advisers regarding the treatment of the investment on the balance sheet. The project may have no tangible impact on the balance sheet as the construction costs are related to the refurbishment of an existing building rather than a discrete new build.

### 15.4. Impact on the Income & Expenditure Account

The capital investment will have no tangible impact on the I&E account as there is no surplus generated from the purchase of required services. Abertay University will be in a break even position due to the cost and claim back position for the funding. The difference in financial year end dates between the Managing Authority and the University will allow Abertay to submit claims to the Managing Authority by 31 March and receive the funding by the university's financial year on the 31 July each year.

### 15.5.

V

#### AT treatment

Abertay University is a registered Scottish charity (SC016040), and our main charitable purpose is the advancement of education. It cannot usually recover VAT incurred on the provision of activities which have research or educational purpose. Therefore, we assume that no VAT recoveries can be made for the cyberQuarter programme and all capital costs have been budgeted with full VAT payable.

## 16. Management Case

### 16.1. Project governance

Abertay University has well established governance procedures. The cyberQuarter will be delivered through two distinct stages, with a managed transition between these.

During Phase One – design, procurement and build (from date of FBC approval to March 2022) – a Project Board will oversee management, governance and be responsible for the delivery of the FBC. This will cover the period of building renovations, design and test for the cloud computing infrastructure and validation of the Pump Priming Fund which will be used to drive industry engagement and knowledge exchange.

Beyond Phase One, we move to a Business As Usual arrangement – once the cyberQuarter facilities are in operation, an Operating Board will oversee the management, governance and benefits realisation strategy for the project.

### 16.2. Benefits realisation

The benefits arising from each component within the preferred option (Virtual HackLab, Pump Priming Fund and physical cyberQuarter) were assessed in the part 2 of the economic case, the cost benefit analysis, in the OBC.

**These are the core benefits and form the initial benefits register.** The **benefits register** will be maintained and owned by the cyberQuarter Project/Operating Board and reviewed and updated monthly.

### 16.3. Outline arrangements for risk management

The Project Board will be responsible for managing and mitigating risks up to the point of transition to the implementation stage, when the Operating Board will take over this responsibility. These duties will be carried out in line with the University's Risk Management Policy and Framework, reporting to University Court through the Executive Group and the Audit & Risk Committee.

### 16.4. Outline arrangements for post project evaluation

At project completion, the components will be evaluated separately and in combination to measure the benefits and associated impacts as outlined in the Business Case. Interim and final reports will be submitted to the Operating Board, Abertay University Court and the Tay Cities Joint Committee.

**17. Recommendation**

Following a detailed appraisal of all options using the 5 case methodology, the preferred option is Option 3, which comprises:

- Development of a physical cyberQuarter facility
- Creation of a Virtual HackLab and
- Creation of a Pump Priming Fund





**REPORT TO:** TAY CITIES REGION JOINT COMMITTEE 18<sup>TH</sup> JUNE 2021

**REPORT ON:** TCD005 & TCD006 RURAL ANGUS AND RURAL PERTH AND KINROSS HIGH SPEED BROADBAND - FULL BUSINESS CASE

**REPORT BY:** DAVID LITTLEJOHN, PERTH & KINROSS COUNCIL

**REPORT NO:** TCRJC11-2021

## **1. PURPOSE OF REPORT**

1.1. This report seeks approval of the Full Business Case (FBC) for **TCD005 & TCD006 Rural Angus and Rural Perth and Kinross Highspeed Broadband**.

## **2. RECOMMENDATIONS**

2.1. The Joint Committee is asked to:

- i. Consider this report and the Executive Summary of the FBC (a full copy of the FBC is available to the Committee on request)
- ii. Note that the Management Group has recommended for approval the FBC for Rural Angus and Rural Perth and Kinross Highspeed Broadband (TCD005 and TCD006) on 27 May 2021, and
- iii. Approve the FBC.

## **3. INTRODUCTION**

3.1. The project was awarded up to £2million capital by the UK Government in the Heads of Terms dated 22 November 2018 and aims to improve digital connectivity across Angus and Perth & Kinross using fixed fibre and wireless solutions. The FBC for Perth and Kinross Highspeed Broadband (TCD005 and TCD006) is presented for approval which if granted will enable the project to draw down the allocated funding from the DCMS Local Full Fibre Network (LFFN) Challenge Fund which it has leveraged. The key project information is at Appendix 1.

## **4. DESCRIPTION OF PROJECT**

4.1. The Heads of Terms of 22 November 2018, states that:

*'The UK Government also commits to invest up to £1 million for connectivity in rural Angus for an effective solution to reaching remote and rural properties via high quality wireless solutions. The UK Government will invest a further £1 million in rural Perth & Kinross to*

*deliver a fibre asset re-use model through which public and private fibre infrastructure will be aggregated to create a common platform’.*

- 4.2. The project aims to develop ‘World Class Digital Infrastructure’ across the Tay Cities to boost economic growth and competitiveness. The UK Government is committed to deliver gigabit-capable broadband across the UK by 2025. Whilst many premises have access to superfast broadband it is mainly delivered by part fibre, part-copper networks. While superfast broadband is fast enough for most household uses today, growing data demands are pushing the limits of the copper-based superfast broadband infrastructure. The coronavirus pandemic has further highlighted the need for widely available and reliable digital connectivity.
- 4.3. The outcome of the project will be the provision of full fibre connections to 186 premises across Angus and Perth & Kinross utilising £1.5m of TCD funding with the other £0.5m being for used for wireless connections in Angus. The TCD funds will leverage nearly £4m of DCMS LFFN grant funding to connect these premises. This will bring faster broadband speeds to the premises themselves – many of which are schools – but will also enable suppliers to invest in the connections to other buildings in the surrounding area more easily.
- 4.4. It should be noted that Fife Council were part of the bid for LFFN funding in the early stages but had to procure a replacement Wide Area Network (WAN) as their existing contract was coming to an end. Gigabit broadband has now been provided to all of Fife Council’s offices, schools and other buildings which means they were not eligible for LFFN funding. Dundee Council also participated in the bid but had to withdraw due to procurement issues. All Councils however participate in the Digital Thematic Board and are working together on a Digital Infrastructure Strategy.
- 4.5. Both Angus and Perth & Kinross have provided allocations from their capital programmes to support the delivery of the project so that it can proceed within the DCMS funding timescales with DCMS grant being drawn down as sites are connected.

## 5. FINANCIAL IMPLICATIONS

- 5.1. This project is currently profiled to spend a total of up to £2 million capital from the Tay Cities Deal funding. The funding is anticipated to be drawn down as below.

**Table: Profile as agreed 17/12/20 and leverage as set out in the Deal Financial Plan\***

Year	Year 1	Year 2	Year 3	Total
	20/21	21/22	22/23	
<b>Profiled draw down TCD grant (£000)</b>		1,800	200	<b>2,000</b>
<b>Leverage DCMS LFFN grant</b>	2,480**	1,500		<b>3,980</b>
<b>TOTAL</b>				<b>5,980</b>

(\*) = leverage has been reduced due to Dundee City Council no longer being part of direct funding

(\*\*) = LFFN grant awarded in 2020 and expenditure by UK Treasury allowed to 30 Sept 2021

5.2. Leverage of £3.98 million has been achieved for the £2m of TCD grant.

## 6. IMPLEMENTATION PLAN

6.1. The project targets and milestones are set out below.

### *Outcomes and Targets*

Targets	Baseline	Target uplift	Date
Number of premises (residential, commercial, public sector) connected to Gigabit fibre	0	186*	Sept 2021
New/safeguarded jobs	0	This is being assessed as part of the community benefit from suppliers' tenders	2034
Leverage of other funding through Tay Cities investment	0	£3.98m	2022
Economic benefit (GVA) to Tay Cities region	£6m	£72m	2034
Inclusive growth target/s	The rurality and deprivation of sites being connected are referenced in FBC at pages 13 and 60 and in Appendix E		2034

\*Total numbers of sites to be connected reduced to 186 from 225 when 39 sites in Dundee were dropped from the procurement

### *Milestones*

Deliverable	Due Dates	Status
PSBU BT contract – 154 sites connected	30 June 2021 -77 sites 30 September 2021 – 77 sites	On track but varied from initial tender submission
PSAT Neos Networks contract – 31 sites connected	31 March 2021 – 9 sites 30 June 2021 – 11 sites 30 September 2021 – 11 sites	On track
Angus Wireless	Core network of 23 sites, connected by Dec 2021	On track

*Key Project Risks and Mitigations*

<b>Risk</b>	<b>Mitigation</b>
DCMS LFFN programme will not fund due to short delivery timescales	Re-scope project based on Tay Cities Region Deal investment only to develop a footprint to stimulate commercial investment and/or move sites into the next BDUK Gigabit Broadband programme.
Procurement process will impact on delivery timescales	Utilise Dynamic Purchasing System (DPS) for Gigabit Capable Infrastructure from Crown Commercial Services working as a framework with suppliers already approved to shorten procurement process. Prioritisation of sites and phasing of project delivery to ensure that DCMS funding is spent by the 30 Sept 2021 deadline and TCD funding can be used on a slightly longer timescale.
Delivery will be impacted by poor project management and delivery	Ensure strong project management by contractor and local authorities including all services impacted by civils work. Project Boards tasked with ensuring barriers to the build are mitigated and each Council allocating a Project Manager to manage the contract in their area.

**7. DECISION PATHWAY**

7.1. The project has met the decision pathway milestones as follows.

<b>Stage</b>	<b>Milestone</b>	<b>Date achieved</b>
<b>OBC</b>	Governments' approval	3/9/2020
	Thematic Board recommendation	28/9/2020
	Management Group approval	29/10/20
	Joint Committee informed	28/1/21
<b>FBC</b>	Governments' approval	13/05/21
	Thematic Board recommendation	23/02/21
	Management Group recommendation	28/05/21
	Joint Committee approval	18/06/21

**8. CONDITIONS**

8.1. None.

**9. POLICY IMPLICATIONS**

9.1. The project has carried out the Equalities and Fairer Scotland assessments as part of the development of the FBC.

## 10. CONSULTATIONS

10.1. The following have approved the presentation of this FBC:

- Local Authority Project Management Officer: Alison Seggie (P&KC) and Mark Davidson (Angus)
- Finance Directors: Stewart MacKenzie (P&KC) and Ian Lorimer (Angus)
- Management Group Sponsor: Director of Strategic Policy, Transformation and Public Sector Reform at Angus Council: Vivien Smith

Governance:

- PMO Project Manager, Alan Dobson
- PMO Finance, Mark Mitchell
- Programme Manager, Mo Saunders
- s95 officer: Robert Emmott

Report author:	David Littlejohn
Title:	Head of Planning & Development at Perth & Kinross Council
Date:	03/06/21

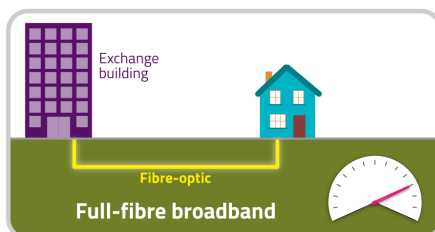
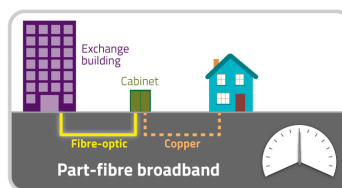
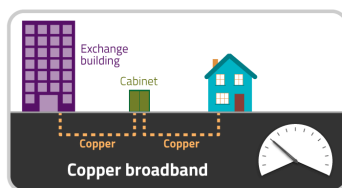
## APPENDIX 1

Project Information		
Project number	TCD005/006	
Project name	Rural Angus and Rural Perth and Kinross Highspeed Broadband	
Project owner	Graham Pinfield	
Project Finance Director	Stewart MacKenzie and Ian Lorimer	
Management Group Sponsor	David Littlejohn	
Award amount under TCD	£2million	
Jobs: Target number of jobs to be created	tbc	
Leverage to be achieved	£3.980 million	By 2022

## APPENDIX 2: EXECUTIVE SUMMARY



# Connected Tay: Rural Angus and Rural Perth & Kinross High Speed Broadband TCD005 & 006



## Building a full-fibre future

Full fibre offers far more reliable, consistent and faster connections - with speeds of up to one gigabit per second

**Ofcom**  
making communications work  
for everyone

## Full Business Case (FBC)



**CONTENTS**

	<b>PAGE</b>
1. Contacts	8
2. Executive Summary	9
3. Strategic Case	9
4. Economic Case	10
5. Commercial Case	11
6. Financial Case	12
7. Management Case	12
8. Recommendation	13

## 1. Contacts

**Lead Organisation:** Perth & Kinross Council

**Address:** Pullar House, 35 Kinnoull Street, Perth, PH1 5GD

<b>Project Lead</b>	<b>Perth &amp; Kinross Council</b>
<b>Name:</b>	Graham Pinfield
<b>Email:</b>	<a href="mailto:gpinfeld@pkc.gov.uk">gpinfeld@pkc.gov.uk</a>
<b>Telephone:</b>	01738 476507 m 07752815926
<b>Authorised Signatory (City Deal Agreement)</b>	
<b>Name:</b>	Barbara Renton
<b>Email:</b>	<a href="mailto:BRenton@pkc.gov.uk">BRenton@pkc.gov.uk</a>
<b>Telephone:</b>	01738 476505
<b>Finance Contact</b>	
<b>Name:</b>	Angela Martin (Perth LFFN) and Mark Davidson (Angus LFFN and Grant Funding Agreement admin)
<b>Email:</b>	<a href="mailto:ATMartin@pkc.gov.uk">ATMartin@pkc.gov.uk</a> <a href="mailto:davidsonma@angus.gov.uk">davidsonma@angus.gov.uk</a>
<b>Telephone:</b>	01738 476562 01382 307915
<b>Other Contacts (if appropriate)</b>	Below are the Project Managers in each LA area for the infrastructure build
<b>Name:</b>	Alistair McLeod (Angus Council); Pauline Haddow (Perth & Kinross Council); Doug Young (Dundee Council – subject to commercial build)
<b>Role:</b>	Project Managers for LFFN implementation
<b>Email:</b>	<a href="mailto:mcleodaf@angus.gov.uk">mcleodaf@angus.gov.uk</a> ; <a href="mailto:doug.young@dundeecity.gov.uk">doug.young@dundeecity.gov.uk</a> ; <a href="mailto:PHaddow@pkc.gov.uk">PHaddow@pkc.gov.uk</a>
<b>Telephone:</b>	Alistair McLeod (01307 492267); Doug Young (01382 434602); James Mullen (01382 307921); Pauline Haddow (01738 476507)

## 2. Executive Summary

### 2.1 Introduction

Included below, information of initial 'ask' and value awarded in Heads of Terms, Including output and benefits of the project.

**Table 1: Summary of TCD ask and award in HoT, leverage, outcomes and benefits**

TCD £	Capital (£'000)	Revenue (£'000)
Tay Cities Deal ask in SOC	£10.8m	
Value awarded in HoT	£2m	
Value of DCMS LFFN grant	£4m	
Tay Cities Deal leverage in FBC	1:2.67 (for £1.5m of TCD £4m of LFFN is leveraged)	
<b>Outcomes/Benefits</b>		
Increase in GVA	£72m	
Premises connected to gigabit broadband	186	
Premises 'passed' and potentially connectable to gigabit broadband	83,000 residences, 8,000 businesses	

The Rural Highspeed Broadband project is part of the Connected Tay theme within the Tay Cities Deal. This theme recognises the critical importance of improving digital and transport connectivity across the region to allow people better access to jobs and training, and to unlock the full economic potential of the region. This has been further accelerated during the Covid-19 pandemic where home working, video conferencing and use of digital communication rather than social interaction has become the norm.

#### 2.1.1 The Strategic Case

##### The Case for Change

Ultrafast fixed-line broadband (effectively from hundreds of Mbps to 1000 Mbps) is essential to maintain the economic competitiveness of the Tay Cities Region, as market investment in the major cities of the UK and Scotland was moving those cities and regions further ahead in terms of digital connectivity than Tay Cities. Given its rurality it is also important that the Tay Cities attract telecoms suppliers to invest in the wider area and not just focus on the populated urban areas.

This project will provide the Tay Cities region with a step-change in its digital infrastructure so that the current and future needs of citizens, businesses and other organisations are met more comprehensively and faster than is currently planned by the national roll-out of superfast broadband in Scotland and commercial deployment of full fibre broadband which is still focused on the main cities and areas of population.

The project focusses mainly on rural locations where connectivity needs are unlikely to be met quickly by the market without state intervention. This means both reaching out to rural premises that would not otherwise be connected by the market (or at least would be left until last) and connecting these buildings prior to other interventions so that they can enjoy the benefits of better broadband connectivity as soon as possible.

If the Tay Cities geography were limited to digital connectivity based on currently available, and known future, deployment there will be unacceptable gaps in both geographical coverage of full-fibre broadband and the timeliness of the deployment of

technology such as 5G which will be based on a full-fibre footprint. The Tay Cities area will therefore be lagging other areas which will disadvantage the Tay Cities economy. This will act as a barrier to inclusive and sustainable growth in the region at a time when the digital sector is one of the fastest growing in Scotland and demands for speed and bandwidth are a critical locational factor for businesses.

## 2.2 The Economic Case

The project brings together full fibre being promoted by UK Government in the Local Full Fibre Network Programme, in several methods for connecting public buildings in Angus and Perth & Kinross; leveraging of this finance using the Tay Cities Deal funding in order to maximise reach and impact of TCD funding. It also provides the foundation for a co-ordinated approach to using local authority premises and assets for developing full-fibre rollout and 5G infrastructure across the Tay Cities area in the linked SG funded 5G test bed.

The project passed through the various approval gates and two separate tenders have been awarded for the two different delivery methods - Public Sector Building Upgrade (PSBU) to BT for 155 sites in Angus and Perth & Kinross mainly using existing infrastructure; and Public Sector Anchor Tenancy (PSAT) to SSE for 31 sites in Perth which uses public buildings as anchor tenants in a wider scheme which will involve new ducts and fibre but also using existing infrastructure where available. As follows:

This project has used the TCD grant allocation to leverage further funding from DCMS LFFN Programme at a ratio of 1:2.6 overall in that for £1.5m of TCD local contribution there is £4m of LFFN grant for the Rural Digital projects. Thus, the very small amounts allocated to digital in the Tay Cities Deal have been multiplied – with other UK Government digital funding - to get part of the way to the original estimate of over £10m estimated to be required for full fibre in the Strategic Outline Case (SOC) *World Class Digital Infrastructure*. The total estimated GVA of £6m of investment in digital infrastructure is estimated to be around £72m.

By using TCD grant as a local contribution to the LFFN project the outcome will be to provide full fibre across the Tay Cities to 186 premises including over 100 schools many of them being rural primary schools. This includes the 134 sites in Perth & Kinross (103 PSBU and 31 PSAT) and around 52 sites in Angus - with sites still being surveyed by contractors so numbers may vary slightly due to on-site issues and premises becoming redundant post-pandemic.

Improved digital connectivity will create a number of **Economic Benefits:** -

- estimated £72m of benefit to the Tay Cities regional economy by 2034
- the potential for up to 83,000 homes to be connected to full fibre ultrafast broadband
- the potential for up to 8,000 businesses to be connected to full fibre ultrafast broadband
- improved economic productivity within the Tay Cities region
- potential to increase the number and value of jobs within the Tay Cities region

- efficiency savings for local authorities through reduced costs for internet connectivity to public buildings

Improved digital connectivity will create a number of **Social Benefits** including: -

- improved on-line learning and educational attainment in schools and home learning settings
- reduced digital exclusion amongst all ages
- the ability to adopt new smart technologies leading to savings and improvements in quality of life, education and environmental benefits

From the options appraisal the preferred option for these projects is Option 5 which is 'Integrated full fibre and 5G gigabit connectivity' which has the widest scope and was the vision for the World Class Digital Connectivity SOC. It meets all of the Critical Success Factors for the project. With this option the Tay Cities and DCMS LFFN funding streams are brought together into a project which helps create a model for world class digital connectivity utilising the entirety of funding in an integrated and joined up way maintaining connections still between full fibre and 5G through the 5G test bed project led by Dundee.

### 2.3 The Commercial Case

Under current arrangements in the UK, digital infrastructure - comprising fibre optic cables, mobile masts, telephone exchanges, datacentres and their interconnections - are recognised in policy and strategy as necessary for modern, functioning economies and societies. Such infrastructure in the context of a privatised UK telecommunications market is generally deployed by commercial suppliers including BT, Virgin Media and a range of other companies including new entrants to the market such as City Fibre, Gigaclear and Hyperoptic.

However, the UK telecommunications market is still dominated by BT and Virgin Media focussing on the large cities of the UK. When deciding where and when to deploy its own investment for best financial return, the private sector will always concentrate on the densest, most profitable geographies. This problem is recognised by UK and Scottish Governments, who – through Building Digital UK (BDUK) and Digital Scotland - already provide a significant degree of state investment and regulation to provide digital infrastructure enhancements over and above that which the market would deploy. The UKG has now made a commitment to provide gigabit capable connectivity across the UK by 2025 and has now launched the £5bn 'Project Gigabit' programme to support this.

The link between fixed fibre and mobile or wireless broadband is also important. There is a need to drive large scale investment in fixed and wireless networks if the UK is to remain globally competitive. Full fibre infrastructure is also vital to underpin and provide a footprint for future 5G coverage. 5G also differs from previous generations in that it is expected to integrate other wireless technologies, such as 4G, Wi-Fi and Internet of Things (IoT) technologies, to create flexible, constantly upgradable and resilient networks.

A full fibre infrastructure across the Tay Cities is a necessary intervention into the commercial market and provides the basis for all the related technologies to happen.

## 2.4 The Financial Case

The project focuses on provision of gigabit-capable full fibre (Fibre to the Premises – FTTP) broadband connections to achieve the best and most future-proofed digital connectivity for premises in the area by bringing streams of funding from the DCMS LFFN Programme grant and Tay Cities Deal grant under a single project and governance arrangement.

It is important to note that the TCD contributions for Angus Council and Perth & Kinross Council are being used in part and in full respectively as ‘local contributions’ to the Local Full Fibre Network funding that the Tay Cities has been allocated by DCMS. The business cases for deployment of full fibre using the LFFN delivery methods of PSAT and PSBU, each have completed their own business cases and Value for Money analysis as part of the DCMS LFFN dialogue and gateway process.

The requirements of the DCMS LFFN funding are that connections to premises and full fibre build need to take place in the period up to September 2021 due to the requirements of LFFN Programme funding. Even prior to Covid-19 lockdown this would have been a challenging timetable. However, for this project the DCMS grant will be spent as a priority and the local body contribution of TCD grant (subject to UKG requirements) will be drawn down in a phased way during 2021/22 to assist.

**Table 2: TCD and LFFN grant allocation and spend profile**

Year	Year 1	Year 2	Year 3	Total
	20/21	21/22	22/23	
<b>TCD grant (£000)</b>		1,800	200	<b>2,000</b>
<b>LFFN grant (£000)</b>	2,480*	1,500		<b>3,980</b>

(\*) = LFFN grant awarded in 2020 and expenditure by UK Treasury allowed to 30 Sept 2021

The DCMS grant of £2.9m will be spent on 155 PSBU sites in Angus and Perth and Kinross and £1m for the 31 PSAT sites in Perth. The allocations of funding and outcomes to be achieved through each delivery method and local authority area are shown in Table 2 above. Additional match funding of £200k has also been confirmed from the Perth and Kinross Town Centre Fund allocation to connect specific town centre sites. The Angus wireless project (£0.5m TCD grant) will take place over five phases with spend totalling £500k with the first sites to be connected by the end of Dec 2021. Both Angus and Perth & Kinross have provided allocations from their capital programmes to support the delivery of the project so that it can proceed within the DCMS funding timescales with DCMS grant being drawn down as sites are connected.

## 2.5 The Management Case

An officer Digital Project Group was established to produce the SOC for World Class Digital Infrastructure for the Tay Cities region. The Project group is made up of Economic Development Officers, ICT Officers from the participating Tay Cities partners including Angus Council, Dundee City Council, Perth & Kinross Council, Fife Council and supported by a Commodity Manager from Tayside Procurement Consortium. This project group has now become the Tay Cities Digital Board which coordinates the work on digital projects under the Tay Cities Deal. It is supported by

Project Boards or similar local arrangements in each local authority area to implement the full fibre network infrastructure build in each area during 21/22.

These teams are multi-disciplinary comprising project management, legal, finance, procurement and streetworks services to enable the project to proceed swiftly and remove barriers in terms of wayleaves or traffic management.

The Tay Cities Deal funding is accompanied by grant funding rules between the UKG, DCMS and the local authorities and contracting rules between the partner authorities, under Tay Cities Joint Committee regulations and the Memorandum of Understanding between the local authorities in terms of the claiming of the grant from DCMS.

The DCMS LFFN funding comes with its own framework of defined rules for disbursement of funds and deployment of infrastructure and outcomes monitoring which can be aligned with the reporting mechanisms for Tay Cities deal funding.

The risk management for Digital Projects is overseen by the Project Boards and Senior Responsible Owners for the project, reporting to the relevant Board. In programme and post-project evaluation will be carried out in line with each Council's wider capital programme monitoring arrangements and the monitoring of the Tay Cities Deal and the LFFN programme.

## 2.6 Recommendation

The SOC for World Class Digital Infrastructure identified overarching strategic outcomes for the Tay Cities region which are critical to the future economic prosperity of the area. The Future Telecommunications Infrastructure Review for the UK identified that full fibre broadband was important, and that the UK lagged the rest of world in rolling it out and that full fibre was also necessary to underpin a countrywide rollout of 5G coverage.

The opportunity for the Tay Cities region to develop both fixed and mobile telecoms infrastructure across the Tay Cities area is vital for the prosperity of the region. With the full fibre connectivity enabled by this project, the Tay Cities can develop the projects and use cases to transform the Tay Cities economy and increase productivity and achieve other benefits. By combining funding from the DCMS LFFN Challenge Fund and the TCD funding allocations identified for rural connectivity the Councils will be able to do this to an extent that wouldn't have been possible without it.



## 2.7 Authorised signatories

### **Project Lead**

Name: Graham Pinfield, Smart Perth Project Coordinator, Perth and Kinross Council

Signature:

Date:

### **Contract Signatory**

Name: Barbara Renton, Interim Chief Executive, Perth and Kinross Council

Signature:

Date:

### **Finance Director (or other senior Finance Representative)**

Name: Stewart Mackenzie, Head of Corporate Finance, Perth and Kinross Council

Signature:

Date:

This page is intentionally left blank



**REPORT TO:** TAY CITIES REGION JOINT COMMITTEE – 18 JUNE 2021

**REPORT ON:** REGIONAL SPATIAL STRATEGY UPDATE AND FUTURE GOVERNANCE

**REPORT BY:** KATE COWEY, ANGUS COUNCIL

**REPORT NO:** TCRJC08-2021

## 1. PURPOSE OF REPORT

- 1.1. This report provides an update on the indicative Regional Spatial Strategy, a review of areas where further partnership working could be possible and proposes future governance arrangements for spatial planning in the Tay Cities area.

## 2. RECOMMENDATIONS

- 2.1. The Joint Committee is asked to consider this report and:
- a) Note the update on the indicative Regional Spatial Strategy work;
  - b) Review and consider opportunities for further partnership working;
  - c) Review and consider opportunities for shared governance with the Tayside RSS; and,
  - d) Agree the future actions proposed.

## 3. FINANCIAL IMPLICATIONS

- 3.1. None.

## 4. PLANNING (SCOTLAND) ACT 2019 AND NATIONAL PLANNING FRAMEWORK 4

- 4.1. The Regional Spatial Strategy Update and Future Governance report was presented to the Tay Cities Regional Deal Management Group on 25 March 2021 where agreement was given to present to Joint Committee:-

“Item 12 of the Minute of Meeting of the Tay Cities Regional Deal Management Group of 25 March 2021, Report No MG054-250321 refers.”

- 4.2. After being partly paused during lockdown due to the Coronavirus pandemic, work towards the implementation of the Planning (Scotland) Act 2019 is back in progress. The Act changes the status of the National Planning Framework in that it makes it part of the statutory Development Plan against which planning applications will be assessed. The Act also sets out the steps to be taken by Scottish Ministers to prepare their policies and proposals for the development and use of land.
- 4.3. On the 26<sup>th</sup> November 2020, the Scottish Government published their Fourth National Planning Framework Position Statement. This Position Statement sets out the Scottish Government's current thinking on the issues that will be addressed when preparing Scotland's fourth National Planning Framework.
- 4.4. The Position Statement is the precursor to a draft NPF4 which Scottish Government propose to publish in Autumn 2021 with consultation and Parliamentary approval then occurring in Spring 2022. At that point, NPF4 will replace the existing TAYplan (2017) Strategic Development Plan. NPF4 and future Local Development Plans in the Tayside region will also inform and be guided by the Tayside Regional Spatial Strategy, when that is formally in place, agreed and finalised.

- 4.5. The NPF4 Position Statement outlines that the Scottish Government will continue to support planning authorities as they develop their early thinking on Regional Spatial Strategies. The Scottish Government state that they expect to broaden the conversation on this emerging thinking around RSSs in the coming months and have published an update on progress alongside the Position Statement.
- 4.6. In summary the Scottish Government identify the following four key NPF4 outcomes:
- *Net Zero Emissions;*
  - *Resilient Communities;*
  - *A Wellbeing Economy; and,*
  - *Better, Greener Places.*
- The Position Statement considers these outcomes in turn and sets out in more detail the relevant emerging thinking on spatial priorities, and the potential changes to national planning policies.
- 4.7. The Planning (Scotland) Act 2019 also establishes a duty for a planning authority, or authorities acting jointly, to prepare and adopt a Regional Spatial Strategy. This duty has not yet been enacted, and in the first instance the Scottish Government is committed to working with authorities to explore the opportunities arising from this new duty, to take a collaborative approach to National Planning Framework 4 (NPF4), and to develop statutory guidance that will inform implementation of the duty. Regional Spatial Strategies will not be statutory documents, nor will they form part of the Development Plan.
- 4.8. The Tayside interim Regional Spatial Strategy (iRSS) includes the local authority areas of Dundee, Perth and Kinross and Angus Council. There will remain an input from Fife Council into this work, but this will be on an ad hoc basis as Fife Council are part of the Edinburgh and South East Scotland regional grouping for Regional Spatial Strategy preparation.
- 4.9. Interim Regional Spatial Strategies will continue to inform the national priorities. In turn, NPF4 can support the delivery of regional priorities by identifying significant place-based opportunities for infrastructure planning to reflect and respond to. Alignment with city and growth deals at this scale will also be critical to ensure that land use planning at a regional and national scale supports delivery of agreed priorities.

## 5.0 INDICATIVE REGIONAL SPATIAL STRATEGY (iRSS) FOR THE TAYSIDE AREA

- 5.1 The role of Regional Spatial Strategies is to set out the long term strategy in respect of strategic development of an area, considering the strategic need for development, the outcomes that strategic development will contribute to, priorities for delivery of strategic development and proposed locations.
- 5.2 Strategic development is defined as development that is likely to have a significant impact on future development within the area of more than one planning authority. Work has started on the production of an interim Regional Spatial Strategy for the Tayside area and an iRSS was submitted to the Scottish Government in October 2020. Following this, work has been undertaken by the Scottish Government to group and summarise submissions from other regions.
- 5.3 For the Tayside area, the two cities of Perth and Dundee are our focus of development and they are linked to a network of towns and rural areas that are rich in tourism and agriculture. The Tayside iRSS strategic diagram included illustrates the focus of development. In summary this strategic diagram shows:
- 5 strategic areas – areas where we think will require a strategic approach and where development is likely to have an impact on more than 1 planning authority.
  - 26 strategic developments and projects – either brought forward from the TAYplan Strategic Development Plan or from more recent work on the Tay Cities deal. The detail of these can be found in Local Development Plans or in the Tay Cities deal work.

- The strategic diagram also shows a number of strategic links beyond the Tayside area. We have looked beyond our area and considered where we require links with other local authorities and regions on matters such as housing, transport and infrastructure.
- 5.4 We are looking to ensure that the RSS coordinates and prioritises projects to be delivered through Local Development Plans, Local Place Plans, the Regional Economic Strategy and the Tay Cities Deal.

## 6.0 NEXT STEPS FOR REGIONAL SPATIAL STRATEGIES

- 6.1 The Scottish Government timescales moving forward are set out in the below table.

Date	Action
April 2021	Finalised iRSS submitted to Scottish Government (included in Appendix 1 for information)
October 2021	Draft National Planning Framework 4 published for consultation
October – December 2021	Publication of guidance on Regional Spatial Strategies
Summer 2022	Publication of National Planning Framework 4
Post Summer 2022	Work on Regional Spatial Strategies in accordance with published guidance.

## 7.0 COLLABORATIVE WORKING

- 7.1 Moving forward it is important for the work around the iRSS to align with that of the Regional Economic Strategy priorities and emerging themes. It is hoped that this could be a continuing progressing process as new guidance, work and direction develops.
- 7.2 Whilst having their own functions, both spatial planning and economic development have synergies. Clearly defined channels of communication will be important moving forward to ensure that this can be maximised.

## 8.0 TAY CITIES/ TAYSIDE IRSS – CLEAN GREEN GROWTH

- 8.1 Clean growth concepts are integral to ensuring that the Tay Cities Region and the Tayside iRSS meet stated goals on climate change mitigation and in promoting an inclusive and sustainable economy. This theme also has particular relevance within spatial planning. It is therefore suggested that this could be given more of a prominence within the emerging iRSS for the Tayside area and in turn feed into work around National Planning Framework (NPF) 4. Clean green growth is likely to be welcomed by the Scottish Government and partners as it promotes the national objectives in planning for 'net-zero emissions' to address and mitigate the climate emergency. This is echoed by the NPF4 position statement (published in November 2020).
- 8.2 *Strategic Development Plan*  
Spatially, clean growth is already informing Development Plan priorities within the Approved TAYplan Strategic Development Plan (SDP) 2017. Montrose and Dundee Port were identified as Strategic Development areas, in addition to reference to North Fife, including St Andrews. In addition, green corridors are identified within the SDP and recognition is given to the need for sustainable travel including enhanced rail infrastructure, knowledge corridors encouraging innovation and research and the future role of the River Tay in supporting sustainable growth.
- 8.3 *National Planning Framework (NPF) 4*  
There is continued recognition of planning for better, greener places by supporting improved digital infrastructure and in the increasing availability and reliance on electric and low carbon

energy sources. NPF4 states that to help inform a plan for net-zero emissions they will bring together and reflect emerging regional spatial strategies and their proposals for strategic development that helps to reduce emissions and aligns with emerging thinking on wider regional land use. It is recognised that the emergence and profile of developments such as the Michelin Innovation Parc, Dundee will be central to achieving this.

- 8.4 The transition from energy intensive to zero carbon economies is a key challenge that is being actively considered, through NPF4, across national and regional scales. It is recognised that the impacts of climate change may be best tackled at a regional scale and therefore the working together of the Tay Cities and the iRSS preparation are considered to be central to this.

8.5 Tay Cities

It is acknowledged that the revised Draft Vision and Proposition (Tay Cities Deal Management Group, Paper MG037/171220) for the Tay Cities (as agreed by workshops and the Innovative, International Thematic Board in November) reflects four areas of distinctive competitive advantage for the Tayside region namely:

- Energy management,
- Sustainable mobility,
- Green agri-tech and;
- The circular economy.

- 8.6 It is recognised that these objectives will provide the basis for an exercise to occur to map Tay Cities' clean growth projects in more depth against key policy/strategy objectives and national research to confirm the region's unique selling points (USPs). It is acknowledged that this will be predicated on the existing Tay Cities Deal programme and Michelin Innovation Parc programme as both of these provide the likely foundation to the region's clean green growth proposition.

- 8.7 It is noted that a commitment has been made (Tay Cities Deal Management Group, Paper MG037/171220) to develop a regional prospectus for CoP26 in 2021. It is understood that this is to promote the city region deal investment to industry and stakeholders.

8.8 iRSS Opportunities

The clean growth focus and commitment to a regional prospectus could also usefully illustrate the region's commitment to align spatial land use strategies around development opportunities and in preparing planning policy and environmental strategies which complement and inform this focus. The River Tay and the Ports of Dundee and Montrose continue to offer opportunities to capitalise in this regard by leveraging private sector investment and encouraging clean growth industry such as decommissioning and renewables. In addition, the decarbonisation of the road and rail arteries serving the area can be achieved by developing policy support and proactively identifying infrastructure networks for digital and electric or hydrogen assets. The existing iRSS provides a foundation for this that can be developed proactively.

- 8.9 From a Tayside region iRSS perspective, the role of 'place' in achieving all of the above is considered to be essential. The planning system requires clean green growth to work alongside developing environments and spaces that are attractive, easy to navigate, move around and co-located with existing services, infrastructure and neighbourhoods. Through joined up thinking between the Tay Cities deal and the Tayside iRSS, the principle of clean, green growth could be an exciting and holistic concept for the region.

## 9.0 OPPORTUNITIES FOR SHARED GOVERNANCE

- 9.1 The Tay Cities Deal governance structure currently has 5 'Boards' that each feed into the Management Group and the Joint Committee.

- 9.2 The establishment of a Spatial Planning and Sustainability Board at the same level as other Boards would provide a strong planning input to the development of the Tay Cities Region. This would also provide for input to the programme for National Planning Framework 4, in

addition to ensuring that the Regional Spatial Strategy for Tayside and the Tay Cities Regional Economic Strategy (including Tay City Deal projects) work in close collaboration with each other.

9.3 It is suggested that the below Board structure could be considered:

#### **Spatial Planning and Sustainability**

*Chair: Mgt Group Member*

- LA planning representative from 3 local authorities and 1 planning representative working directly with the Tayside RSS
- LA climate change/ adaptation representative from 3 local authorities
- HE rep x2
- Regional economic development rep x1
- Regional transport strategy rep x1
- NHS Tayside rep x1

#### **Purpose:**

- To assist in driving forward Tay Cities Regional Economic Strategy (including Tay Cities Deal projects) going forward.
- To align and integrate Regional Spatial Strategies with local authority approaches set out in climate change adaptation strategies, developing a regional cross boundary and collaborative approach to both, in furthering the Tay Cities Region overarching theme of 'Clean Green Growth'.
- To provide a framework through which the Tay Cities deal can input and influence the development of National Planning Framework 4 and discussions thereafter the publication of this.
- To align and develop land use and sustainability strategy and projects, across the Tayside region, with current and forthcoming research developments within the region's higher education institutions.
- To align with transport strategy to achieve climate change targets and promote quality of place and life.

9.4 The above structure is considered to be a positive step forward and aligns with the approach being taken with other City Deal/ Regional Spatial Strategy groupings across Scotland. Work around the Tayside RSS is not considered to be a responsibility of the Tay Cities Project Management Office (PMO). It would remain the role of the Local Authorities to coordinate the RSS going forward. However, working within the existing governance structure of the Tay Cities Deal would provide additional opportunities for collaborative working and the opportunity for strategy to guide current and future projects and the development of these. A working group, within the local authorities, has also been recently re-established. This group would sit alongside the proposed 'Spatial Planning and Sustainability' board and would provide officer resource to undertake RSS work.

## **10. POLICY IMPLICATIONS**

10.1. None.

## **11. CONSULTATIONS**

11.1. The Tay Cities Region Deal Management Group were consulted in the preparation of this report. The Report to Management Group was subsequently approved by the Management Group sponsor, David Littlejohn.

## **12. BACKGROUND PAPERS**

12.1. None.

Report author: Kate Cowey  
Title: Interim TAYplan Manager

Date: 31/05/2021



This page is intentionally left blank

# Tayside

## Indicative Regional Spatial Strategy

*Covering Angus, Dundee and Perth and Kinross*

*April 2021*



## The Tayside Region

Centrally located in Scotland and the gateway to the North and North East, The Tayside region is unique in its potential for growth, quality of life, and environment. The two cities of Dundee and Perth are a focus of development linked to a network of towns and rural areas rich in tourism and agriculture. The Tayside area's Unique Selling Point (USP) is in developing a strategy for 'Clean, Green Growth'.



## Vision

"By 2036 the area will be sustainable, more attractive, competitive, and vibrant without creating an unacceptable burden on our planet. The quality of life will make it a place of first choice where more people choose to live, work, study and visit and where businesses choose to invest and create jobs."

## Outcomes



**We live within Earth's environmental limits**

Linking to climate change and carbon reduction



**More people are healthier**

Linking to quality of life, health and wellbeing



**Through sustainable economic growth the region's image will be enhanced**

Linking to Investment and recovery in the economy, improving equality and eliminating discrimination, we ensure no one is left behind

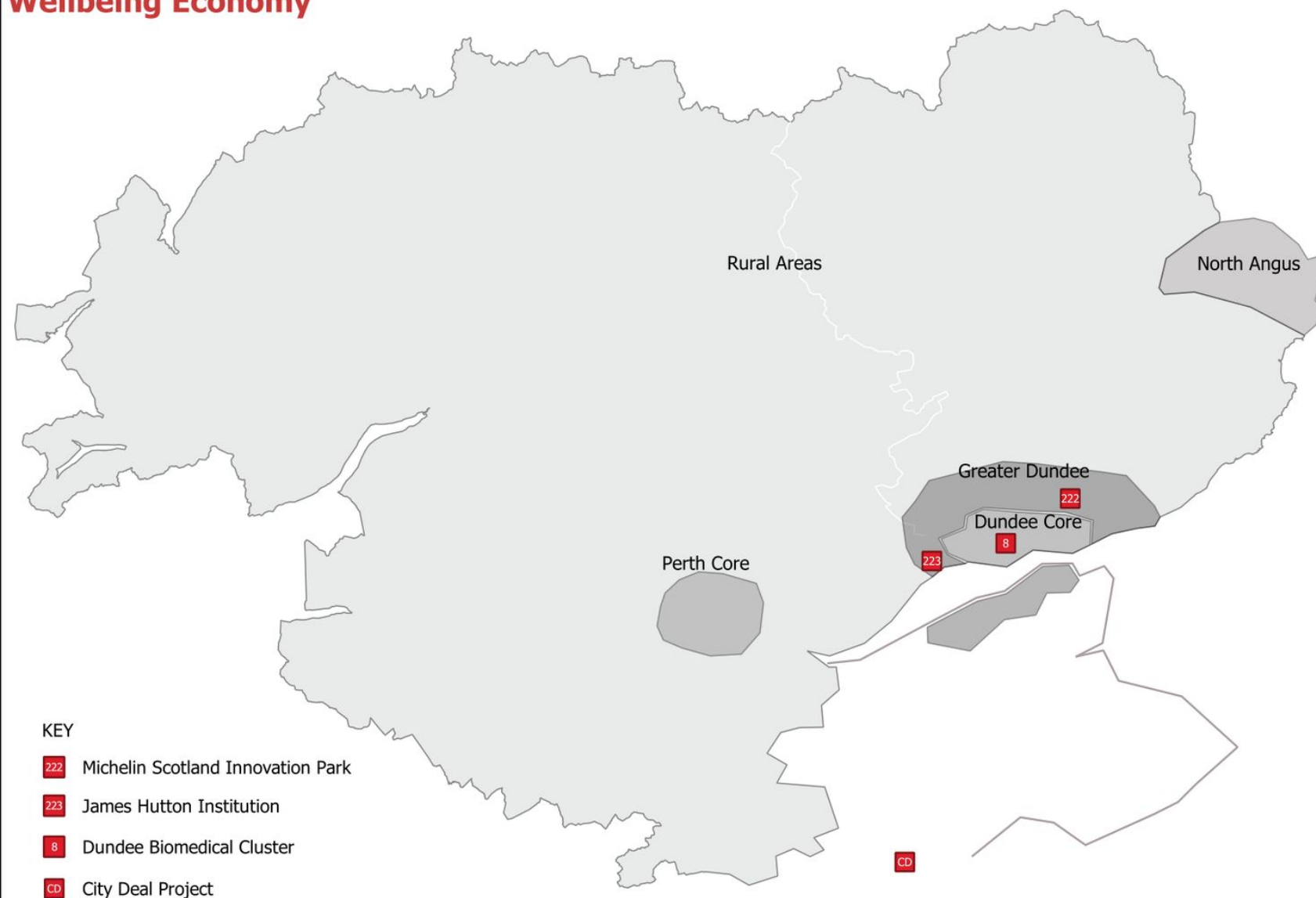


**We live, work and play in better quality environments**

Linking to how we improve, protect and strengthen the special character of our places, securing positive benefits for biodiversity

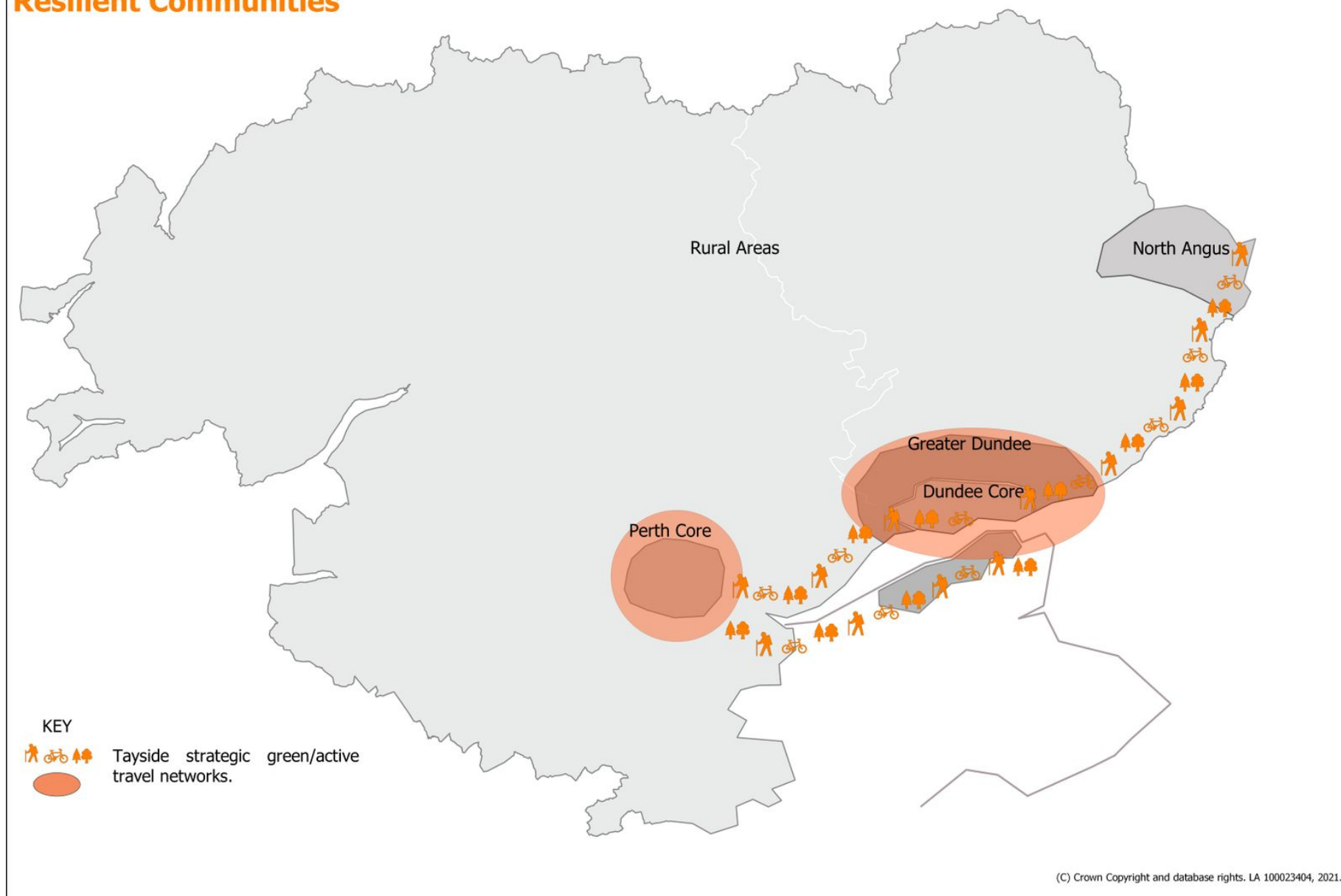
*\*The vision and outcomes are taken from TAYplan (approved 2017). These were reviewed in light of the outcomes set out in the Planning (Scotland) Act 2019 and considered to remain relevant and appropriate.*

## Wellbeing Economy

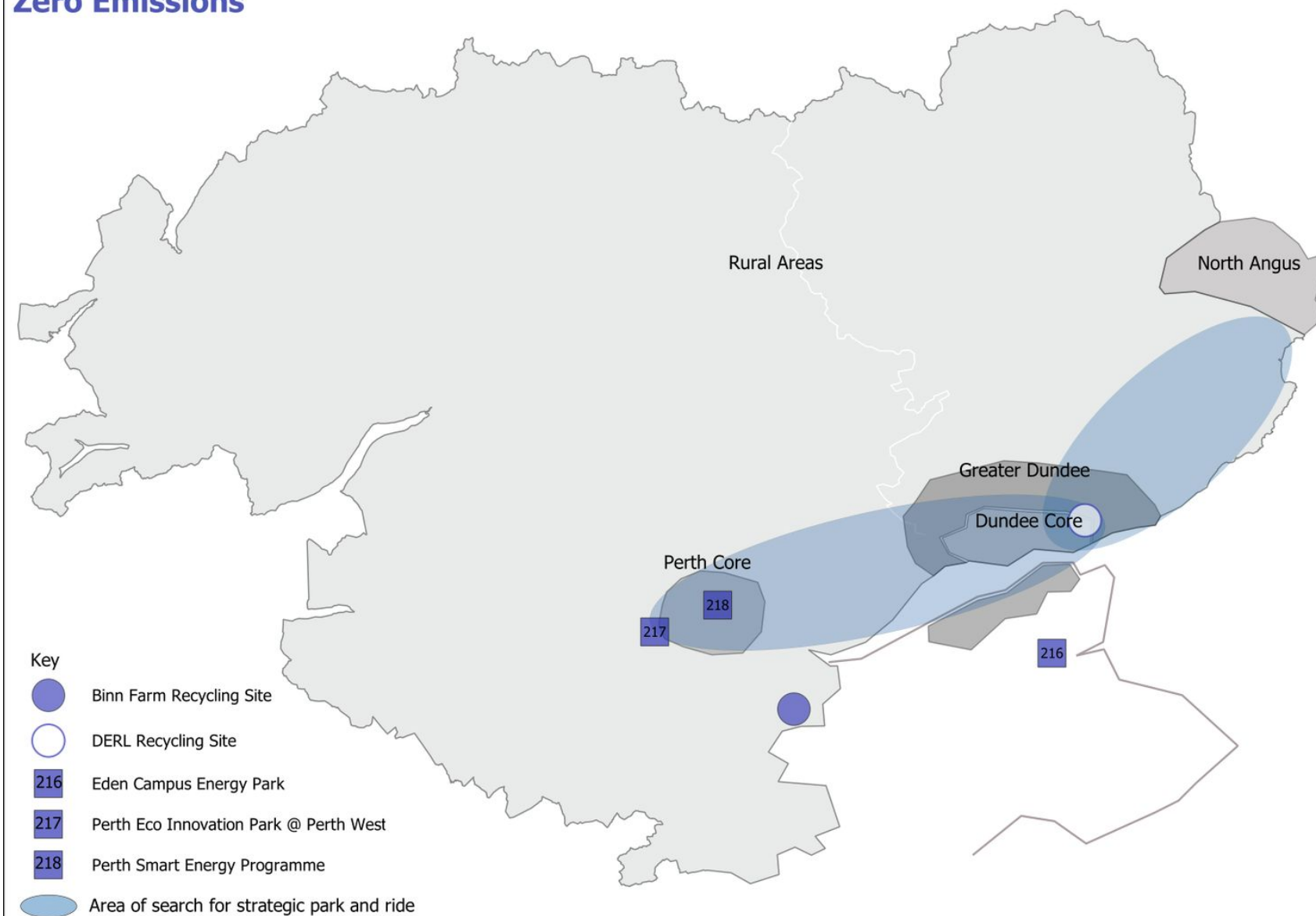


(C) Crown Copyright and database rights. LA 100023404, 2021.

## Resilient Communities

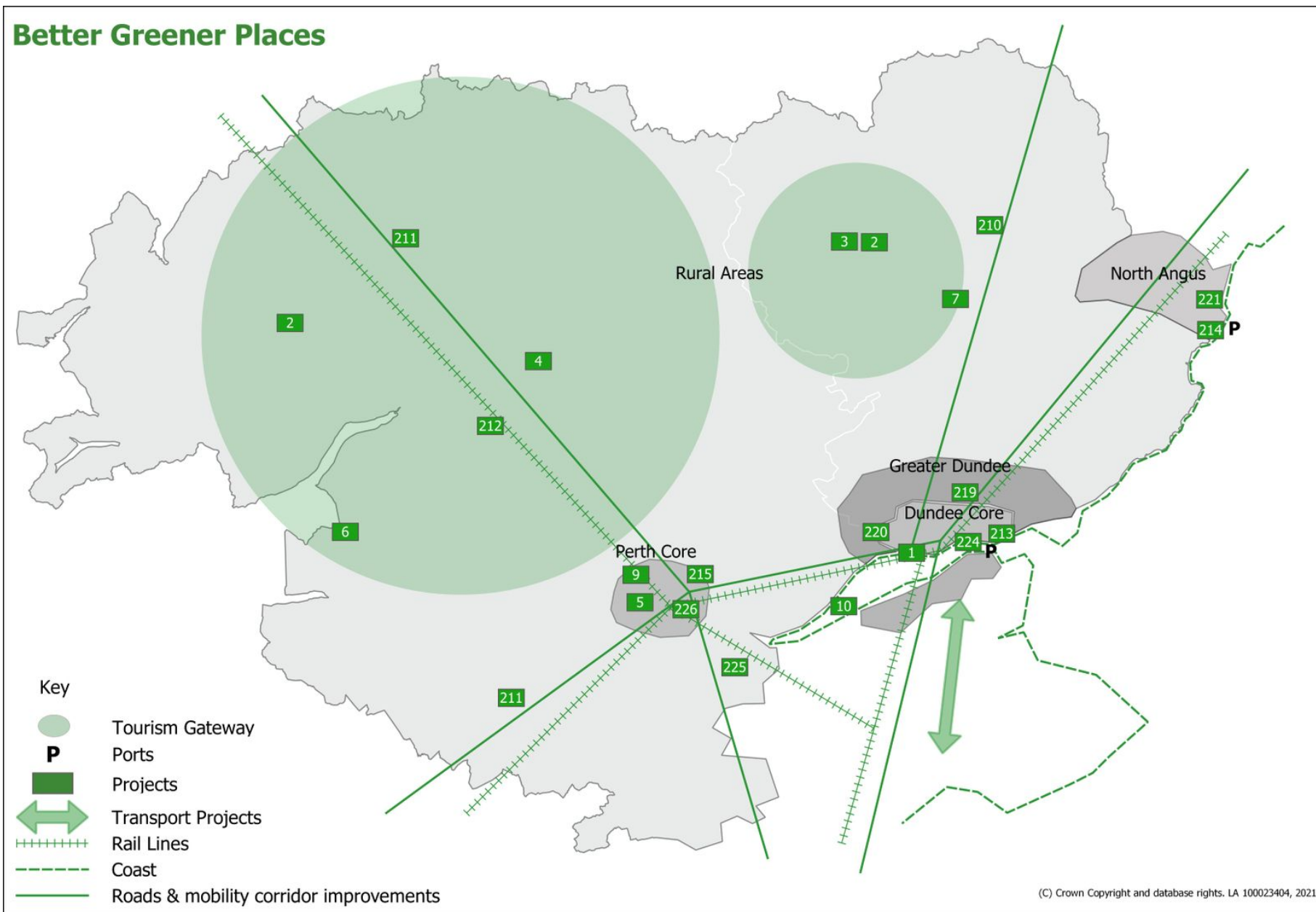


## Zero Emissions



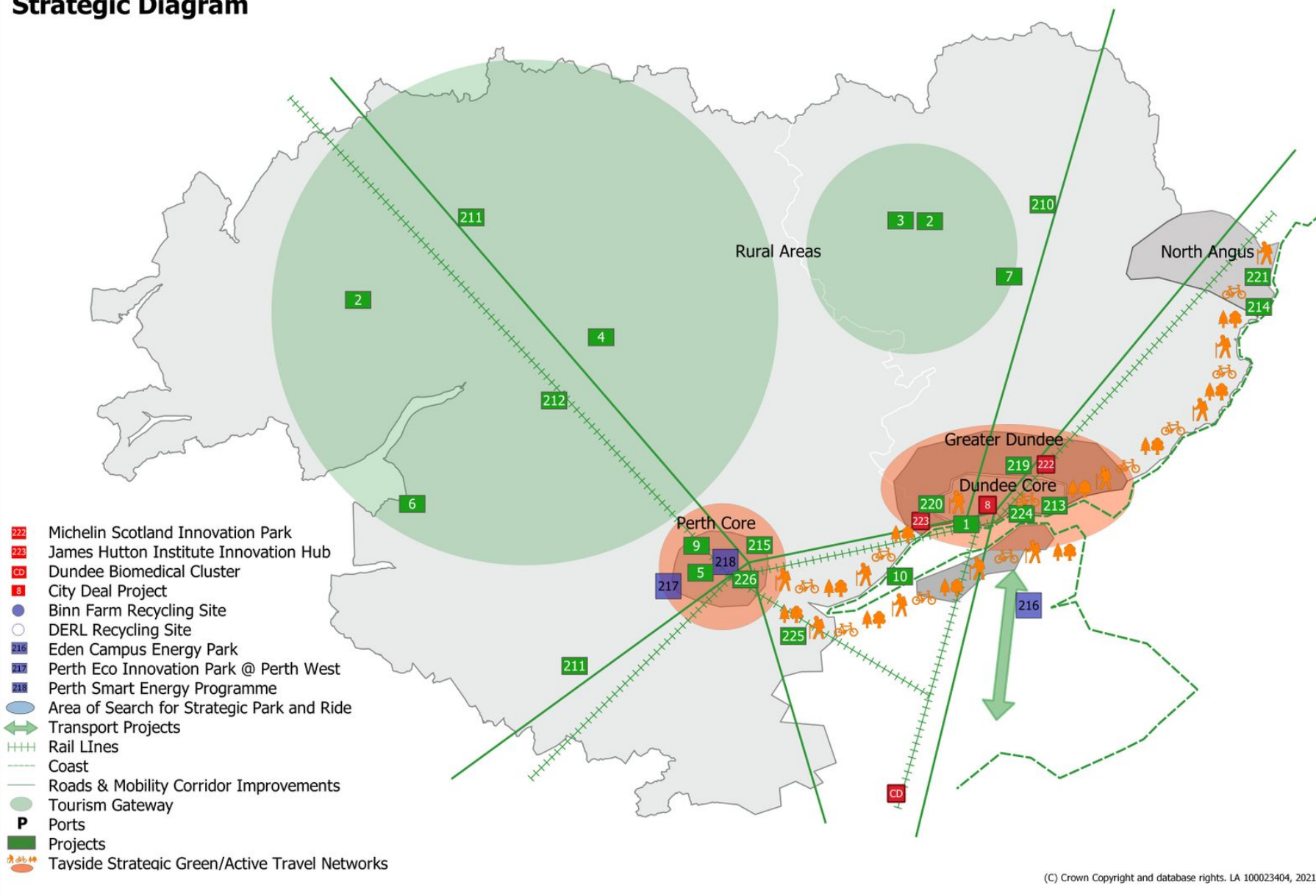
(C) Crown Copyright and database rights. LA 100023404, 2021.

## Better Greener Places





## Strategic Diagram

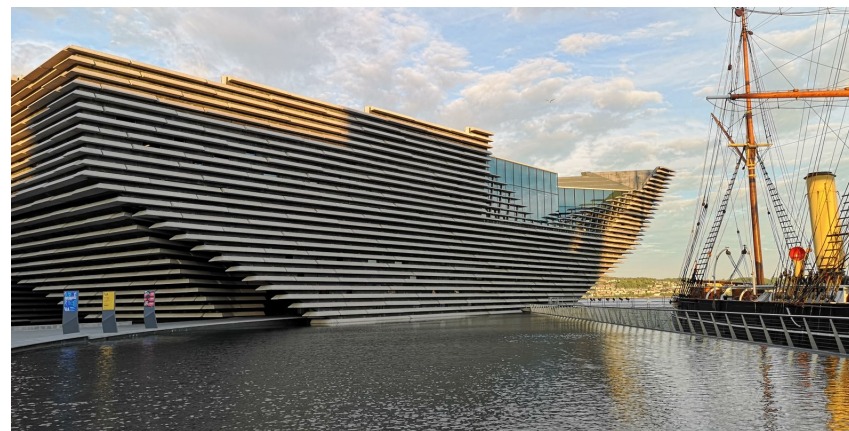


## Delivery - Strategic Areas

The Strategic Diagram shows the key linkages of the Tayside area, as well as the Strategic Developments and Strategic Areas - these are areas where we consider future development will need a particular approach and is likely to have a significant impact on more than one planning authority. The focus of development will continue to be Dundee and Perth Core Areas, followed by the hierarchy of settlements set out in local authorities development plans.

### Dundee Core

Dundee City is a key settlement within the region and as a UNESCO City of Design seeks to promote and deliver high quality sustainable development and investment within the region. The delivery of strategic developments such as Dundee Waterfront, Michelin Scotland Innovation Parc and Dundee Port will make a vital sustainable economic contribution to the area.



The continuing development of the Western Gateway and Linlathen seek to provide housing choice and the creation of sustainable communities which enhance not only the City but the surrounding area. The Dundee core area also includes the settlements of Birkhill/Muirhead, Monifieth, Newport/Tayport/Wormit and Invergowrie, including the James Hutton Institute in recognition of the key cross-boundary links within the region.

## Greater Dundee Area



Parts of South Angus and the Carse of Gowrie in Perth and Kinross form the Greater Dundee Area which demonstrates the need for strong cross-boundary links and co-ordination.

This inter-relationship needs a joint-working approach when considering key infrastructure for the region including housing requirements, transport and active travel as well as employment.

## Perth Core

This area incorporates Perth City, Scone, Almondbank, Bridge of Earn, Oudenarde, Methven, Stanley, Luncarty and Balbeggie, and includes Perth Airport. It includes two strategic development areas at West/North West Perth and Oudenarde and is also the focus of several key transport infrastructure projects (including low carbon proposals).



Development in this area will not only contribute significantly to the provision of housing and future employment opportunities but will also lead to better strategic connections, lower carbon emissions and improved journey experiences between Perth, the Central Belt, the Highlands and the East and North East of Scotland.

## North Angus



North Angus focuses on the coastal town of Montrose, the nearby town of Brechin and the surrounding rural area. The area is attracting investment in key economic sectors and includes the strategic development area of Montrose Port and the 50 hectare Zero Four site in the north of Montrose which has potential to support the renewable energy sector and low carbon uses. It is also the focus of a number of low carbon infrastructure projects to be delivered through the Angus Mercury Programme which seeks to increase economic growth across North Angus and improve strategic connections whilst significantly reducing carbon emissions. These developments have the potential to drive (or stimulate) the economy of the region and impact the infrastructure of Aberdeenshire.

## Rural Areas

Angus and Perth & Kinross council areas are rural in character with towns and villages set in productive and attractive countryside. These areas have potential to accommodate development to deliver on national outcomes to increase the population of rural parts of Scotland, and impact tourism, afforestation, agriculture and food production. There is specific opportunity to address rural disadvantage through improving digital accessibility.





## Delivery - Strategic Developments

The Strategic Developments are set out on the Strategic Diagram. The detail of these developments can be found in the relevant Local Development Plan or in Tay Cities Deal work. These developments include:

### **Map 1 - Wellbeing Economy**

#### **Michelin Scotland Innovation Park (222)**

The site provides an opportunity to explore innovation and creativity in products and services to promote energy efficiency and proactive response to climate change.

#### **James Hutton Institute Innovation Hub (223)**

The hub creates a focal point for translational development and innovation for all barley development in Scotland, the UK and internationally, and to develop innovative technologies for vertical growth systems, the potential cultivation of crops which currently cannot be grown in Scotland, and accelerated development of new crop varieties.

#### **Tay Cities Biomedical Cluster (8)**

The Tay Cities Biomedical Cluster will build on the region's existing life sciences reputation, including drug discovery and medical technologies. It will attract inward investment in new life sciences companies and increase industrial engagement. An Innovation Hub will provide laboratory and office space to enable new companies specialising in life sciences to grow. Many of these companies originate in the work of the University of Dundee's School of Life Sciences.

# Delivery - Strategic Developments

## Map 3 - Zero Emissions

### **Eden Campus Energy Park (216)**

Located in Fife and part of the Edinburgh and South East Scotland iRSS but with strong links to the Tay Cities Deal work, St Andrews strategic growth area will deliver a mixed use development within a high quality environment. The Eden Campus Energy Centre, and associated research and commercialisation hub at Guardbridge is central to the University of St Andrews' strategic drive to become the UK's first energy carbon neutral university.

### **Perth Eco Innovation Park @ Perth West (217)**

Within 274 hectares of mixed use development with 3,000+ homes, Perth Eco Innovation Park will deliver 25+ ha of commercial land as a National exemplar of net-zero carbon development and support business growth and create high value jobs in the clean growth sector. The Park will include a City mobility & 'last mile' logistics Hub, a Commercial & Research facility including a smart mobility corridor part of the 'Perth Innovation Highway' and a Regional freight consolidation centre & hydrogen refuelling facility.

### **Perth Smart Energy City Programme (218)**

With the ambition to become the UK's first city scale off-grid network, the programme will support the development of a distributed energy model that enables the decarbonisation of energy production and distribution for consumption at city scale via dynamic, 'smart' energy systems or grids. Its first phase will link a new renewable energy production assets (solar farm) to specific energy demand assets (transport, school, leisure) along Perth Innovation Highway.

# Delivery - Strategic Developments

## Map 4 - Better Greener Places

### **Dundee Airport Investment (1)**

This project will support the development of new route opportunities, enhancing links with other UK airports and potentially European hubs. These links will ensure the Airport can contribute effectively to the region's wider connectivity requirements, a key enabler of sustainable economic growth.

### **Rural Angus and Rural Perth & Kinross - high speed broadband (2)**

These projects will enhance digital connectivity in rural areas across the region, and will be enhanced by a Local Full Fibre Network programme. Within Rural Angus projects will focus on creating a solution to provide remote and rural properties with high quality wireless connectivity. Within Rural Perth and Kinross projects will re-use and extend existing fibre broadband between Perth city centre and out of town developments.

### **5G digital testbeds (3)**

This project will help improve digital connectivity across the Tayside region, helping to put the region at the forefront of full fibre and 5G deployment. The project will work with places, people, academic institutions and businesses to develop and demonstrate 5G test cases. This work will develop the practical use of 5G and demonstrate the innovation possible, its potential markets and the appeal of these innovations to regional communities and stakeholders. The test cases will be focussed initially on Dundee waterfront but also explore how to use the digital connectivity improvements in rural Angus and Perth and Kinross to roll out 5G case studies there.

## Delivery - Strategic Developments

### **Pitlochry Festival Theatre (4)**

Located in highland Perthshire, the project will help Pitlochry Festival Theatre become a high quality tourism destination.

### **Perth Cultural Transformation (5)**

The project will bring Perth City Hall, a Category B listed building in the original medieval heart of the city, back to life. It will repurpose a deteriorating heritage asset, currently on the Buildings at Risk Register, into a new museum attraction of international significance. City Hall will become a major cultural venue.

### **Crieff International Highland Centre (6)**

The project will assist the location in becoming a world base for Highland sports, dance and music and to maintain and grow these essential elements of Scottish Highland culture. The Centre will provide a large multi-use space and the regeneration will bring cultural, community and economic benefits for the Perthshire and beyond.



## **Delivery - Strategic Developments**

### **Angus Fund (7)**

The purpose is to increase productivity through clean growth, protecting places for future generations to live, work, and visit. The Angus Fund will contribute to the development and implementation of innovative, clean technologies, which will also significantly reduce the region's carbon footprint; contributing to national reductions in carbon use.

### **West/North West Perth (9)**

A strategic area which includes three key strategic sites to the west/north of Perth. Together these sites can accommodate over 7,000 new homes, primary and secondary school provision, and over 50 hectares of employment land.

## Delivery - Strategic Developments

### **Tay Adventure (10)**

This is to support plans to realise the full potential of the Firth of Tay in Scotland's marine tourism market with provision of relevant infrastructure.

### **Creating a Living Lab for Eco Innovation (11) - *not mapped, cross-region project***

Offering alternative fuel sources and encouraging a modal shift. This will complement the project to develop Park and Chose facilities across the region.

### **A9 Improvements (211)**

Work with Transport Scotland to deliver the Electric A9 project. STRP 16: A9 Strategic Connectivity Corridor; improvements to the strategic road network from Perth to Stirling, and A9 improvements to strategic road network from Perth to Inverness.

### **Dundee Port (213)**

A key regional port asset with an established role in export, import and transport of general cargo and bulk. Future investment opportunities through construction of renewable technologies and decommissioning.

### **Montrose Port (214)**

A support, logistics and service hub for the North Sea energy industry and the general cargo market. Used by key oil and gas suppliers and the growing offshore renewables and decommissioning sectors. Provides employment land for port related uses.

## **Delivery - Strategic Developments**

### **Perth Transport Futures Project (215)**

Delivery of the growth identified in Local Development Plan relies upon Shaping Perth Transport Future package of transport measures being delivered alongside this development. This package includes: A9/A85 junction improvements (completed); the Cross Tay Link Road; Bertha Park Connection Road, and Perth City Centre Transport Improvements.

### **Linlathen (219)**

A 40 hectare strategic employment site to the north east of Dundee.

### **Dundee Western Gateway (220)**

A strategic housing and employment site which includes 50 hectares of land for employment uses and comprises three villages totaling over 750 homes.

## Delivery - Strategic Developments

### **Angus Mercury Programme (including Zero Four and Rural Mobility) (221)**

The programme includes various partnership projects to support clean growth development opportunities and low carbon across North Angus. These include improved road connectivity between A90 to Montrose utilising low carbon technologies, reopening the railhead at Montrose to move freight from road to rail and developing new business units demonstrating low carbon building and energy technologies and a Drone R&D Centre of Excellence facility at the Montrose zero four site. The programme will also deliver a Rural Mobility Hub that will enable the decarbonisation of public transport, road freight and private transportation adjacent to the A90.

### **Dundee Waterfront (224)**

The £1 billion transformation of Dundee city waterfront which encompasses 240 hectares of development land stretching 8km along the River Tay. The project includes opportunities and interest for a Marina at Victoria Dock as well as interest for development of proposals at the central waterfront sites such as Studio Dundee and an Esports Arena. The project demonstrates how developing sustainable places with live, work, play can respond to climate change, reducing the need to travel, access to facilities and services as well as access to open space for promote health and wellbeing.

## Delivery - Strategic Developments

### **Oudenarde (225)**

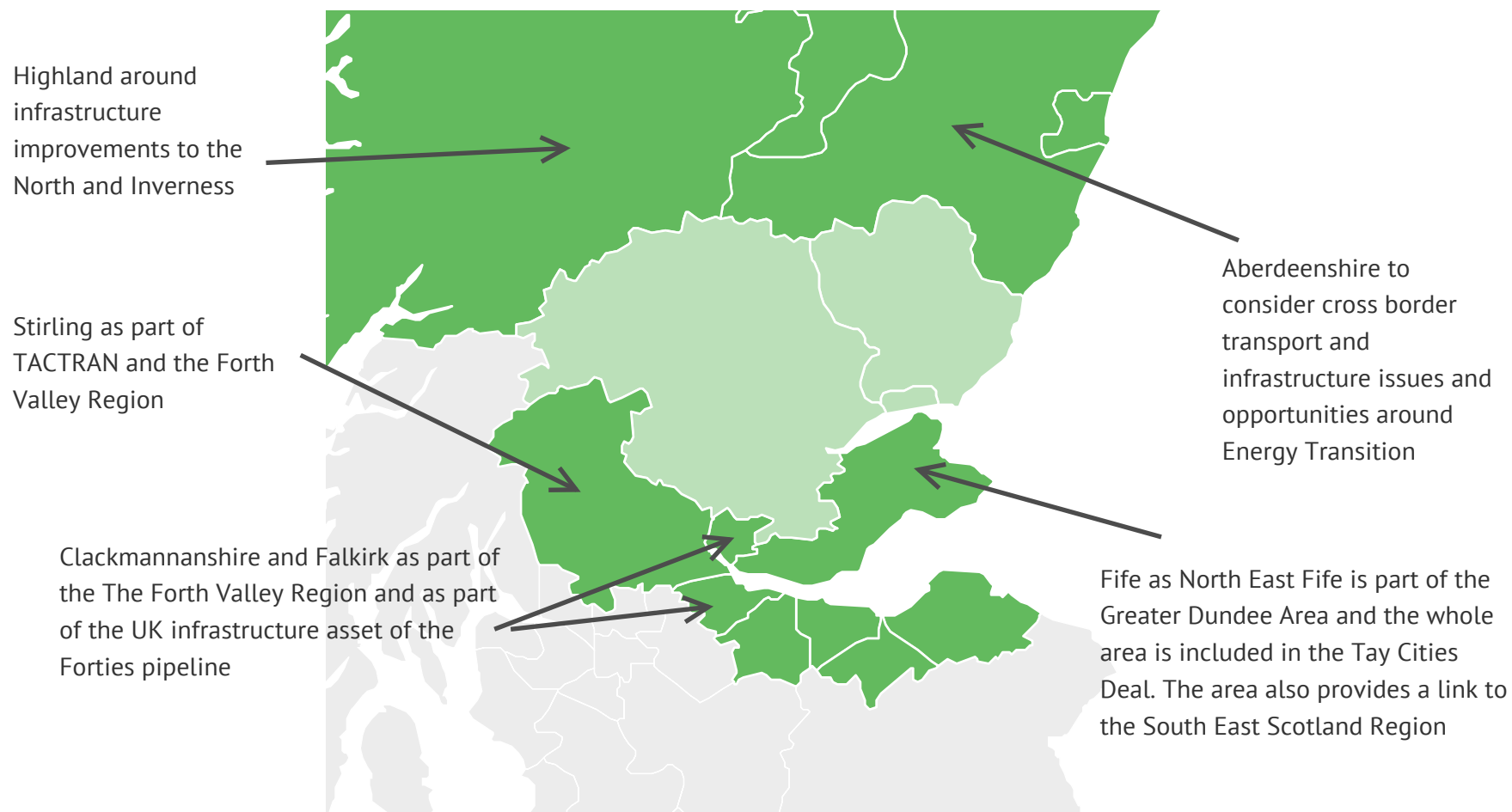
A strategic area to the eastern side of Bridge of Earn and the M90 road just south of Perth. The site can accommodate over 1,600 homes and 34 hectares of employment land.

### **Perth Bus and Rail Interchange (226)**

The project will provide an integrated transport interchange, and offer an improved passenger experience with enhanced connections to other cities across Scotland. The project will help form a new Gateway into the City of Perth providing for a much-enhanced visitor arrival, and creating an opportunity to regenerate from the railway station to the city core, including the regeneration of the Leisure Pool and Ice Rink.

## Delivery - Strategic Links

We will also have to look beyond the region towards surrounding areas. Specifically, we will look to work with:



## Delivery - Next Steps

The projects highlighted in the above maps and Strategic Diagram are considered to be important from a spatial planning perspective, in addition to projects referenced in other documents. As the Development Plan will no longer include a statutory regional dimension, we see the value in strategic planning being an agreed and consistent approach to working together to deliver development in the region through Local Development Plans, Local Place Plans, and co-ordinated and prioritised projects delivered through the Regional Economic Strategy and Tay Cities Deal. The following cross boundary issues will be considered moving forward:



### Wellbeing Economy

- Economic recovery.
- Efficient transport, business infrastructure and digital connectivity.
- Rural economy and accessibility.
- Tourism, heritage, culture and arts.
- Vibrant city and town centres.
- Tay Cities Deal/ Inclusive Tay projects.



### Resilient Communities

- Community resilience including social regeneration, quality neighbourhoods and greenspace.
- Housing needs and demands.
- Homes to meet all needs.
- Health and Wellbeing.
- Prevention infrastructure and flood risk protection.



## Zero Emissions

- Spatial strategy and strategic sites focused on delivering clean green growth.
- Sustainable locations and settlement hierarchy.
- Climate adaptation including heat and energy networks, district heating and energy from waste.
- Low carbon infrastructure, green networks and biodiversity.
- The energy sector and energy networks.
- Engaging with Universities on technical opportunities.



## Better Greener Places

- Sustainable development, connectivity and brownfield regeneration.
- Design quality and green and blue networks.
- Transport, nature rich places and active travel - A connected Tay, including Park and Choose and National Cycle Networks.
- Infrastructure investment, including projects like rail electrification and improvements to road infrastructure in and around Dundee and at North Angus.
- Natural and historic assets.
- Expansion of woodland cover, including native woodland, biodiversity and peatland restoration.
- Coastal protection.

We will seek to reflect the spatial implications of the Regional Economic Strategy and the Regional Transport Strategy in our joint work and through our Plans, and ensure that the spatial considerations are known, agreed and prioritised appropriately in any future work taken forward in the region.