

AYRSHIRE GROWTH DEAL



Annual Report 2020/21

Working together for a successful, fair and inclusive Ayrshire economy



Our Vision is for Ayrshire to be 'a vibrant, outward looking, confident region, attractive to investors and visitors, making a major contribution to Scotland's growth and local well-being, and leading the implementation of digital technologies and the next generation of manufacturing.'



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Executive Summary

Key Achievements



Ayrshire Growth Deal
was signed

19 November 2020



Scotland's first
non-City Region Deal



£251.5m

agreed over 10 years
(2020 - 2030)



19 projects

3 in delivery and
16 in development



£3.8m of government
investment released in 2020/21



£7m of government
investment in total released
since January 2020



3 out of 19 business
cases now approved and
already delivering outputs
and benefits

Executive Summary

Key Achievements



Successful **recruitment of staff** to support Community Wealth Building programme



Community Wealth Building project supported **85 businesses**



167 unemployed individuals engaged with Working for a Healthy Economy service



38.9% anxiety levels reduced



48.9% depression reduced



23.3% health and wellbeing improved



6 gained employment

Executive Summary

Key Achievements



HALO Enterprise and Innovation Centre complete and will open spring 2022



£24m capital, revenue and in-kind support provided for HALO project



HALO project supported **78 FTE** construction jobs



Barclays announce third **Eagle Lab** at HALO Centre



GPA and Astraius

(launch service provider) have entered commercial discussions and have engaged with Civil Aviation Authority to commence licensing process



Completion of outline designs for Phase 1 of **i3 Flex Space**



Confirmation of site for **CoRE project** and early concept images of building developed



AYRSHIRE GROWTH DEAL

Summary of progress - 19 Nov 2020 - 30 September 2021



Forewords

On 19 November 2020 we were joined by the Cabinet Secretary for Transport, Infrastructure and Connectivity, Michael Matheson MSP, and Secretary of State for Scotland, Alister Jack MP, at a virtual event to sign the Ayrshire Growth Deal.

The Ayrshire Growth Deal was the first non-City Region Deal in Scotland. The Growth Deal represents a £251.5 million opportunity to transform communities across Ayrshire, both business and residential.

Ayrshire has particular strengths in aerospace, engineering, life sciences, manufacturing and tourism. Targeted investment from the Growth Deal across these key sectors and strategic locations will act as a powerful catalyst, stimulating growth and resulting in increased prosperity for local people, for Scotland and for the UK as a whole.

We will deliver a range of projects with a clear focus on strengthening innovation, productivity and addressing inequality. The Deal will create new business spaces, improve infrastructure and connectivity, and boost research and development ventures, while growing local talent and providing new opportunities and routes into employment for local people.

Obviously the last two years have been uncertain for all of us. The pandemic has highlighted the inequalities in society and at the heart of the Ayrshire Growth Deal will be equity and inclusivity, with every project delivered sharing the benefits and rewards from the investment across our communities.

Despite challenging circumstances, partners have continued to make great progress and the achievements set out in this report demonstrate our commitment to the Ayrshire Growth Deal and the belief that better times are ahead.

We are delighted that the construction of the low carbon Enterprise and Innovation Hub at the HALO Kilmarnock is complete and due to open its doors to tenants in spring 2022.

Since signing our Deal, the Joint Committee has approved the business case for the £3 million Community Wealth Building project which is providing support to our businesses at a time when assistance has never been more needed to create a regional economy based on wellbeing and inclusion.

The business case for the £5 million 'Working for a Healthy Economy' project has also been approved by the Joint Committee. The importance of public health and the need for a healthy and productive workforce has never been greater in these COVID times. This project is supporting people of working age in Ayrshire who are experiencing health, wellbeing or circumstantial barriers to work, ensuring that they receive targeted interventions and support to maintain secure and meaningful employment.



Cllr Douglas Reid

Leader of East Ayrshire Council



Cllr Joe Cullinane

Leader of North Ayrshire Council



Cllr Peter Henderson

Leader of South Ayrshire Council

Ayrshire Growth Deal Overview

The Ayrshire Growth Deal (AGD) is a £251.5 million, ten-year programme aimed at matching business growth opportunities to employment progression, developing the future workforce and community development. Our programme is based on the achievement of economic growth and inclusive growth, with a clear focus on increasing innovation and productivity, while reducing inequality across the region.

Community Wealth Building (CWB) is a people centred approach to local economic development, which redirects wealth back into the local economy. This will be the cornerstone of the AGD to ensure lasting benefits for our businesses and communities.

The AGD is based around five themes:



Communities

5 projects: Digital (2) Skills (2) Community Wealth Building (1)

£25.5m



Aerospace and Space

4 projects

£80m



Economic Infrastructure

5 projects

£69.5m



Energy, Circular Economy and Environment

3 projects

£53m



Tourism

2 projects

£23.5m

Ayrshire Growth Deal Overview

The AGD partnership is being driven forward by the Scottish Government, the UK Government and East, North and South Ayrshire Councils.

The Deal presents a unique opportunity to strengthen the Ayrshire, Scottish and UK economies and targeted co-ordinated investment throughout the region will act as a powerful catalyst to stimulate growth, resulting in increased job opportunities and prosperity for Ayrshire, for Scotland and for the UK as a whole.

The Deal is projected to unlock private investment of at least £300 million and generate 7,000 jobs.

This annual report summarises progress for the first ten months of the programme, i.e. from the date of Deal signing (19 November 2020) to the end of September 2021, with the exception of the Financial Summary (Table 2) which contains financial information for the financial year 2020/21.



£300m
of private sector
investment

Support
7,000 jobs



Financial Statement

The UK Government and the Scottish Government will each invest £103 million to the AGD over ten years, with the Ayrshire Councils contributing a further £45.5 million, overall representing a Deal worth £251.5 million.

In addition to the £7 million government support for the HALO project, East Ayrshire Council contributed £2 million of capital funding and Diageo contributed £2 million of revenue funding to support infrastructure works around the development site. A further £13.009 million of capital, revenue and in-kind support as at 30 September 2021 was provided to the project by the private sector.

Table 1: AGD Investment Breakdown

Programme	Ayrshire Growth Deal Project	UK Government Grant £'000	Scottish Government Grant £'000	Councils £'000	Other Contributions made by Partners £'000	Total Support £'000
Aerospace & Space	Spaceport Infrastructure	18,000	5,000	0	0	23,000
	Aerospace and Space Innovation Centre (ASIC)	4,000	1,000	6,000	0	11,000
	Commercial Space - Prestwick - Industrial & Hangar	10,000	12,000	7,000	0	29,000
	Prestwick Infrastructure - Roads	0	12,000	5,000	0	17,000
Economic Infrastructure	HALO Kilmarnock	3,500	3,500	2,000	15,009	24,009
	Ayrshire Engineering Park (Moorfield)	0	12,000	4,000	0	16,000
	Ayrshire Manufacturing Investment Corridor (AMIC)	10,000	13,500	0	0	23,500
	i3 Flexible Business Space	0	11,000	4,000	0	15,000
	i3 Digital Processing Manufacturing Centre (DPMC)	5,000	0	1,000	0	6,000
Energy, Circular Economy & Environment	Community Renewable Energy Project (CoRE)	17,000	0	7,500	0	24,500
	Hunterston Strategic Development Area	18,000	0	0	0	18,000
	International Marine Science & Environmental Centre (IMSE), Ardrossan	6,500	0	4,000	0	10,500
Tourism	Great Harbour, Irvine & Ardeer	0	9,000	5,000	0	14,000
	Marine Tourism	0	9,500	0	0	9,500
Communities	Digital Subsea Cable	11,000	0	0	0	11,000
	Digital Infrastructure	0	3,000	0	0	3,000
	Working for a Healthy Economy	0	5,000	0	0	5,000
	Ayrshire Skills Investment Fund	0	3,500	0	0	3,500
	Community Wealth Building Fund	0	3,000	0	0	3,000
TOTAL FUNDING		103,000	103,000	45,500	15,009	266,509

We anticipate that the Deal investment will leverage in further private and public sector funding as projects attract funding from other sources.

In March 2021, we secured further revenue funding totalling £135,000 from the Scottish Government's Regional Recovery Fund. This funding was used to pay for enabling works relating to several of the AGD projects. Also in March, the UK Government funding allocation was compressed from 15 years to 10 years.

The AGD Financial Summary in terms of government grant for the period from date of Deal signing (19 November 2020) to 31 March 2021 is set out in Table 2. Total grant claimed for the year to 31 March 2021 amounts to £3.806 million.

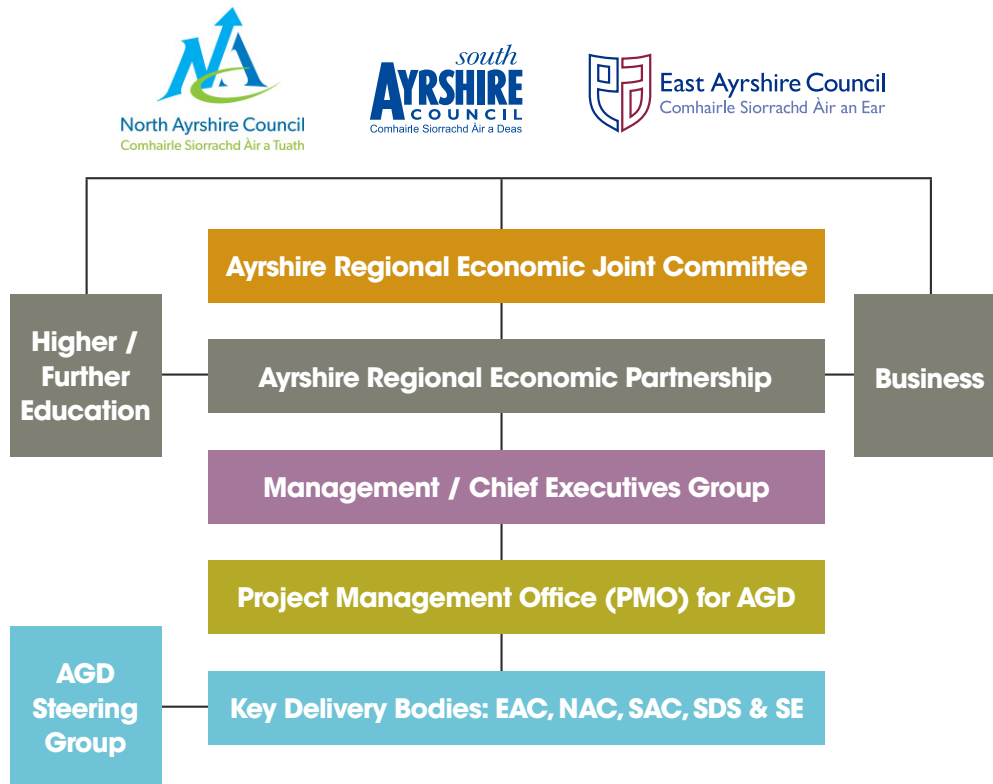
The HALO project received government approval and moved into delivery prior to the Deal being signed in November 2020. Grant of £3.194 million was claimed in 2019/20.

Table 2: Financial Summary

Ayrshire Growth Deal Project	2020/21	Cumulative (2019/20 - 2020/21)	
	AGD Grant Claimed (£'000)	Government Grant Claimed (£'000)	Government Grant % Claimed
Spaceport Infrastructure	0	0	0%
Aerospace & Space Innovation Centre (ASIC)	0	0	0%
Commercial Space - Prestwick - Industrial & Hangar	0	0	0%
Prestwick Infrastructure - Roads	0	0	0%
HALO	3,806	7,000	100%
Ayrshire Engineering Park (Moorfield)	0	0	0%
Ayrshire Manufacturing Investment Corridor (AMIC)	0	0	0%
i3 Flexible Business Space	0	0	0%
i3 Digital Processing Manufacturing Centre	0	0	0%
Community Renewable Energy Project (CoRE)	0	0	0%
Hunterston Strategic Development Area	0	0	0%
International Marine Science & Environmental Centre (IMSE)	0	0	0%
The Great Harbour, Irvine Harbourside & Ardeer	0	0	0%
Marine Tourism	0	0	0%
Digital Subsea cable	0	0	0%
Digital Infrastructure	0	0	0%
Working for a Healthy Economy	0	0	0%
Ayrshire Skills Investment Fund	0	0	0%
Community Wealth Building Fund	0	0	0%
	3,806	7,000	

Governance Overview

The diagram below summarises the governance structure.



The Joint Committee has ultimate control over key strategic and investment decisions required to support the Deal and the wider strategy. The Joint Committee comprises Elected Members from each of the three Ayrshire Councils together with representation from partners and businesses.

The Ayrshire Regional Economic Partnership sits below the Joint Committee with responsibility for progressing the day-to-day business of the Partnership and the AGD. This Board comprises Elected Members from the Joint Committee, as well as more extensive representation from public sector partners, the third sector and businesses.

The Programme Management Office (PMO) meets the UK Government and the Scottish Government quarterly to discuss progress and all parties hold an annual discussion to review performance and look ahead to future activity.



Benefits Realisation Plan

The [Ayrshire Growth Deal \(AGD\) Document](#) states that the realisation and evaluation of the impacts of the AGD is a fundamental requirement of all AGD Partners. The first iteration of the AGD Benefits Realisation Plan (BRP) sets out the overarching approach for monitoring and managing the outcomes of the Deal, in line with delivery plans and objectives; and, if such outcomes are manifest, the resultant wider economic, environmental, social and other beneficial impacts to Ayrshire. We will continue to monitor and evaluate outputs and outcomes each year as our projects develop.

The BRP indicates the importance of measuring Strategic Added Value (SAV) in order to capture the additional benefits of AGD partnership relationships and outcomes.

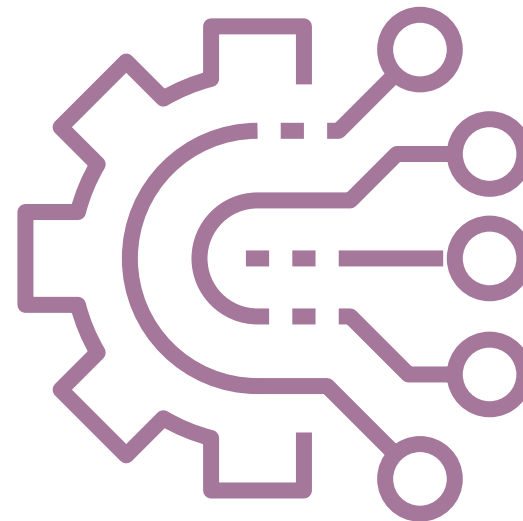
By capturing SAV, we can highlight where partnership working across AGD projects has led to one or more of the effects set out below, using a qualitative ranking approach:

- **Strategic leadership & catalyst:** Articulating and communicating regional development needs, opportunities and solutions to partners and stakeholders in the region and elsewhere;
- **Strategic influence:** Carrying out or stimulating activity that defines the distinctive roles of partners, encouraging commitment to shared strategic objectives and effective fund allocation;
- **Leverage:** Providing financial and other incentives to mobilise partner and stakeholder resources (equipment, people and funding);

- **Synergy:** Using organisational capacity, knowledge and expertise to improve information exchange and knowledge transfer and coordination and/or integration of the design and delivery of interventions between partners; and
- **Engagement:** Setting up the mechanisms and incentives for more effective and deliberative engagement of stakeholders in the design and delivery of regional and sub-regional priorities and programmes.

We will submit the BRP to the Ayrshire Economic Joint Committee for approval in February 2022, and regular monitoring information will be presented by the PMO thereafter.

Evidence of SAV and related benefits are already apparent across a range of AGD activities. Subject to approval of the BRP, SAV examples have not been ranked/scored and can be found within the various programme sections of the report.



Summary of Progress

We have made significant progress, despite the challenges of the COVID-19 pandemic and only ten months since signing the Deal in November 2020. The Programme Management Office (PMO) brings considerable capability and expertise to the partnership, ensuring processes and procedures are in place to support the reporting requirements of the Deal and to maximise the benefits of this level of investment. The AGD has enhanced regional working, collaboration and problem solving which has helped to raise the profile of the area.

Impact of COVID-19 and Brexit

COVID and Brexit have brought much uncertainty. Recent developments within the national and global construction and supply chain markets pose a significant risk to the financial profiling/budget, potentially impacting on timescales to deliver capital projects and value for money.

Although engagement has remained strong across the partnership during the pandemic, project consultation has taken longer in some cases affecting our ability to finalise some project business cases, bringing uncertainty with funding projections and draw-down on available funds. Some projects have experienced delays, for example, the closure of the construction site of the HALO Enterprise and Innovation Centre between March 2020 and May 2020. Despite these challenges, project teams have continued to develop and enhance projects which we expect to move into delivery in 2022/23.

The AGD plays a critical part in realising economic recovery from COVID and while we know it will not solve everything, this investment will inject much needed energy into our economy to deliver inclusive and sustainable growth over the next 10 years.

Inclusive Growth

Economic growth and inclusive growth sit at the heart of the AGD, with a focus on improving existing rates of innovation and productivity, whilst reducing inequality across the region. The Deal is tackling inequality through growing local talent, creating new connections with the world and providing new opportunities and routes into employment. By matching business growth opportunities to employment opportunities and by developing the future workforce, we will ensure that all communities benefit from an inclusive economy.

We are embedding inclusive growth and CWB outcomes in each business case to ensure that projects will have a positive impact across the inclusive growth drivers (job density, health and wellbeing, skills) which were identified as part of our Inclusive Growth Diagnostic work.

With support from Professor Alan McGregor from the University of Glasgow and additional funding from Scottish Enterprise (SE), we have developed an Inclusive Growth Action Plan, which will ensure that we deliver the best inclusive growth outcomes possible and link the opportunities created by the Deal to our resident and business communities. This was the first such plan developed for Scottish Deals.



Progress has been made across all action areas which have been identified in order to maximise the inclusive growth potential:

Maximising benefits for Ayrshire's business base

Following the publication of the Regional Economic Partnership's Food and Drink Action Plan, Scottish Enterprise used Ayrshire as a pilot, which resulted in us successfully securing £500,000 to support 15 local businesses, focusing on business resilience and sustainability issues within the food and drink production sector. Going forward, we will consider how our collective resources can be deployed to greatest effect to build local resilience and opportunities for growth and employment in the region. This will be further enhanced by AGD regional projects and the joint commitment to deliver programmes of activity for skills development, CWB, and digital projects.

Sector-based workstreams for Aerospace and Space, Clean Growth, Food and Drink, Visitor Economy, Digital, and Skills have been established and continue to engage with local businesses and the wider community to design and deliver regional priorities. These workstreams are considering opportunities in respect of the AGD, climate change and CWB.

Key to Ayrshire's future success is its ability to be competitive and having a labour force with the right skills is critical to that. Skills Development Scotland (SDS) is leading on the Ayrshire Regional Skills Investment Plan (RSIP) which will provide a clear understanding of the short, medium and longer-term skills requirements of employers. The scope for the RSIP was agreed with partners making up the Ayrshire Skills Group, including the Ayrshire College, University of the West of Scotland, East, North and South Ayrshire Councils, AGD Programme Management Office, Scottish Enterprise, Scottish Funding Council, sector-based workstream leads, and representatives from the third sector, the business sector and Ayrshire schools. The plan will be aligned to the needs of employers and the regional economy - extensive consultation has already taken place, including one-to-one interviews with stakeholders, a business survey, and separate focus groups with key businesses and young people. The RSIP will be finalised in financial year 2021/22.



Maximising benefits for Ayrshire's businesses and people – skills

The RSIP will establish an evidence-based approach for skills planning, investment and delivery that is aligned to the needs of employers and the regional economy.

The Working for a Healthy Economy project provides effective signposting and referral systems to ensure individuals benefit from the right support to maintain secure and meaningful employment. Since May 2021, 167 unemployed residents across Ayrshire have accessed the service. The next phase will focus on engaging with businesses and employed residents who require support.

The CWB project has been developed in parallel with the wider AGD Regional Skills and Inclusion Programme and the Fair Work element meets both CWB ambitions and the need for a more productive and inclusive workforce in the region. Our CWB Business Locality Officers and Fund will ensure local enterprises benefit from the AGD spend through supplier development. Locality Officers are now engaging business to support the delivery of CWB objectives through specific interventions and grants. The project has supported a range of businesses since implementation and this activity will increase moving forward.

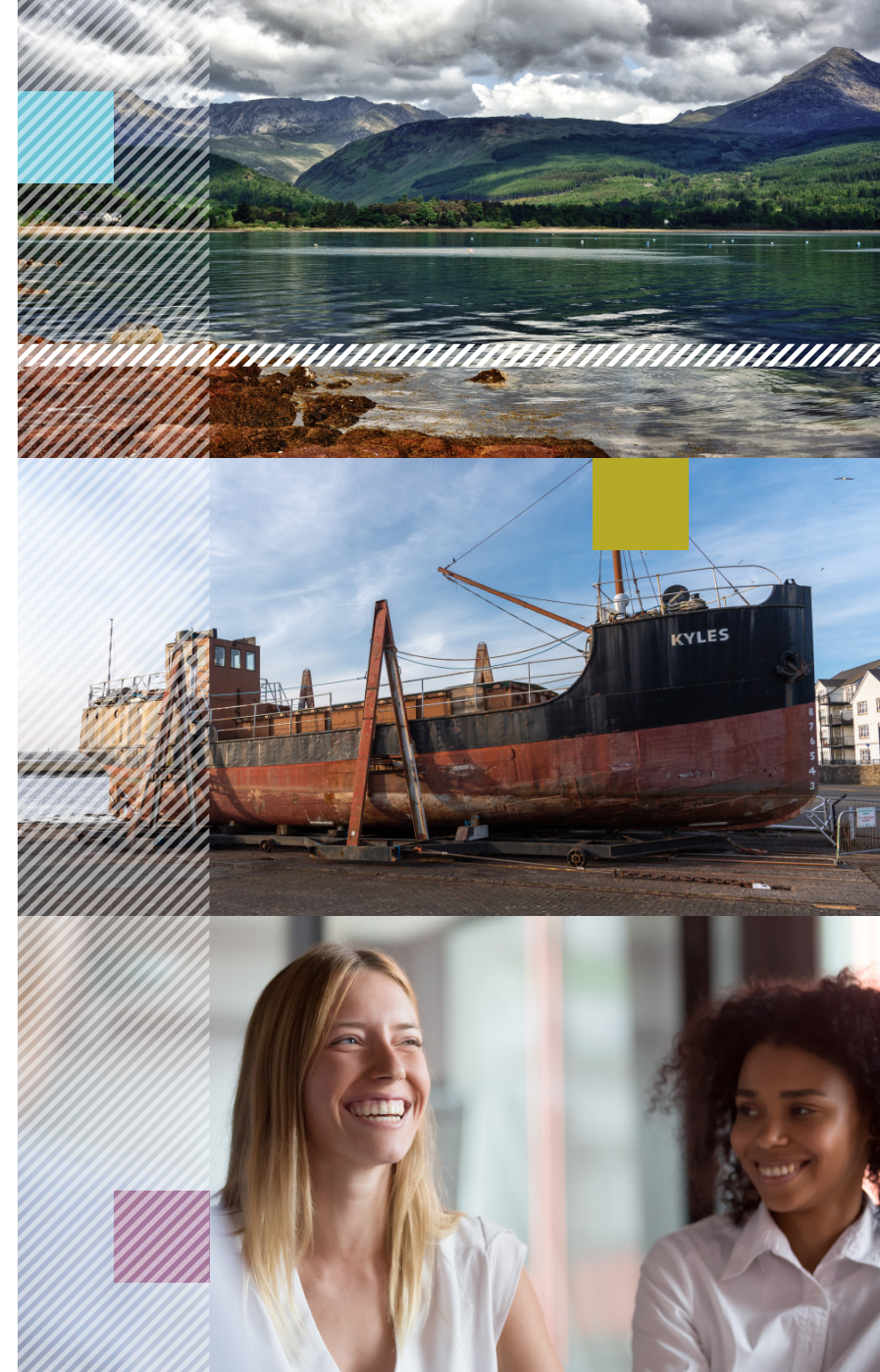
Maximising benefits for people – fair work

The CWB project has established operating principles for the engagement of business across Ayrshire and our CWB Business Locality Officers will engage with business moving forward as part of the Fair Work Ayrshire element.

Maximising benefits for places/communities and equalities groups

CWB and its supporting interventions are the key to delivering a stronger local economy. CWB involves working in partnership with communities and businesses to build a strong and more resilient local economy which supports fair work, encourages local spend, democratic ownership models, and uses the land and assets for the common good.

There are five pillars aimed at growing local wealth: procurement, fair employment, land and assets, financial power and plural ownership. In June 2020 we added a sixth pillar focused on 'climate action' to the agenda.



Ayrshire has demonstrated strong economic leadership in this field, with the launch of Scotland's first CWB strategy in May 2020 by North Ayrshire Council. This strategy sets out a bold new economic model focused on wellbeing and inclusion, which has been developed through regional working. In June 2020, the Ayrshire Economic Partnership and the Ayrshire Economic Joint Committee agreed to establish a regional CWB Commission to underpin this work and the Ayrshire Community Wealth Building Anchor Charter was launched in October 2020.

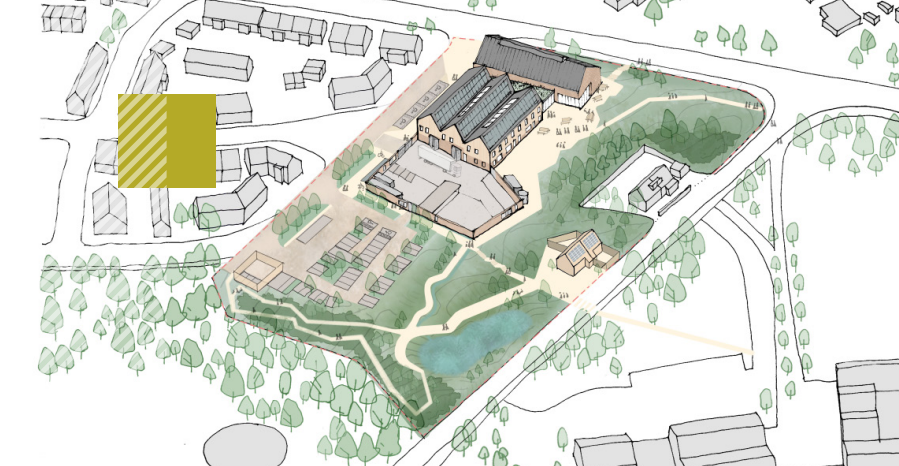
The AGD Benefits Realisation Plan commits partners to measure progress in meeting the Inclusive Growth objectives and impacts associated with the Deal. Partners have also adopted a single mechanism to monitor the delivery of community benefits across Ayrshire. Project leads are required to complete an Equality Impact Assessment for their project and consideration is being given to the creation of internal targets for the number of jobs to be filled from priority groups (young people, female workers, those with long-term health problems, people experiencing poverty).

Maximising benefits for AGD as a programme

We have developed and adopted an AGD Communications Protocol and Communications Action Plan to maximise the publicity of the Deal ensuring Ayrshire is recognised nationally and globally as a desirable place for business, living and investment. The Communications Action Plan is a live document and includes a rolling schedule of engagement activities to different audiences, using a number of different outlets and communications channels, including the [AGD website](#) which was launched in February 2021. Communication and engagement continues with partners and stakeholders in terms of regional development needs, opportunities and solutions, creating confidence in the prospects for economic growth and in the capacity of partners and stakeholders to realise the potential for growth.

To deliver additional benefits, we are working with partners to ensure project interdependencies are managed and enhanced and an 'all Ayrshire' approach is achieved. We are working with research centres, academia and business introducing quality and innovation in AGD interventions through the transfer of good practice.

[Herald feature on CoRE](#)



Maximising benefits by building synergies with mainstream services

Scottish Enterprise has provided support across a number of AGD projects, including: specific support to the HALO project; provision of knowledge and expertise into the development of AGD business cases; working with partners to develop a strategic proposition for Hunterston; working with the i3 Flexible Space team around opportunities in medicine manufacturing aligned to the National Manufacturing Institute Scotland (NMIS) and the Medicines Manufacturing Innovation Centre (MMIC); and £450,000 contribution towards phase 1 of the i3 DPMC project. Scottish Enterprise also assisted with the creation of the regional business support model, thereby reducing duplication of service provision from regional partners.

The Regional Economic Partnership is currently overseeing the development of a Regional Economic Strategy (RES) which will further progress all of the above action areas. COVID-19 has fundamentally altered the baseline for the strategy, giving rise to one of the deepest recessions facing the modern economy. Nevertheless, the broad themes identified prior to the pandemic remain relevant and have the greatest potential to support inclusive growth via the Inclusive Growth Diagnostic for Ayrshire. The RES will focus on creating an inclusive wellbeing economy for the region and given Ayrshire's leading role in this area, CWB will be an overarching theme. This will be coupled with a focus on achieving net zero through a just transition. The aim is to recover and renew, recognising that collaboration, innovation and CWB will be the catalysts for Ayrshire's economy as it emerges from the global pandemic more resilient and more sustainable. Inclusive growth actions will be monitored through the AGD Benefits Realisation Plan.





Sustainable Growth

The AGD is a key element of Ayrshire's recovery and reaffirms the public sector's commitment to the region and the collective desire to support ambitious plans for renewal and long-term sustainable growth.

The Clean Growth workstream will use the knowledge, expertise and insights of its members to develop the actions necessary to deliver the Clean Growth key objectives, taking into consideration the impact of COVID, and the steps that need to be taken to support recovery and renewal.

This workstream is driving forward activities in support of the Scottish Government's targets to cut greenhouse gas emissions to net zero by 2045.

We are working with the Scottish Government to ensure the Deal is aligned with Scotland's transition to net zero carbon emissions by 2045. By adopting the Scottish City Region and Regional Growth Deals Carbon Management Guidance, the carbon emissions impact of the programme and projects will be assessed then minimised at design, construction and operational stages.

The Hunterston and CoRE projects will lead in the development of net zero technologies and solutions. In addition, the HALO Kilmarnock provides a sustainable community approach to a mixed-use development powered by electricity with a net zero carbon footprint.

The AGD has been signed at a time when countries globally are struggling with the need to dramatically cut carbon emissions. AGD projects will seize opportunities to address the climate emergency, with low-carbon innovation helping to accelerate the transition to a circular economy, making the region more resilient to external "shocks", but some projects will incur additional costs as a consequence.

[East, North](#) and [South](#) Ayrshire Councils have a climate change strategy and an Energy Masterplan for Ayrshire is being prepared, funded by the three Ayrshire Councils, Scottish Enterprise and the University of the West of Scotland. The Masterplan will underpin inclusive economic growth and resilience to provide a pathway to achieving net zero that maximises the economic benefits for Ayrshire.



Programmes

Table 3 below lists the programmes and associated projects. More information can be found within the [Deal Document](#).

Table 3: Programmes and associated projects

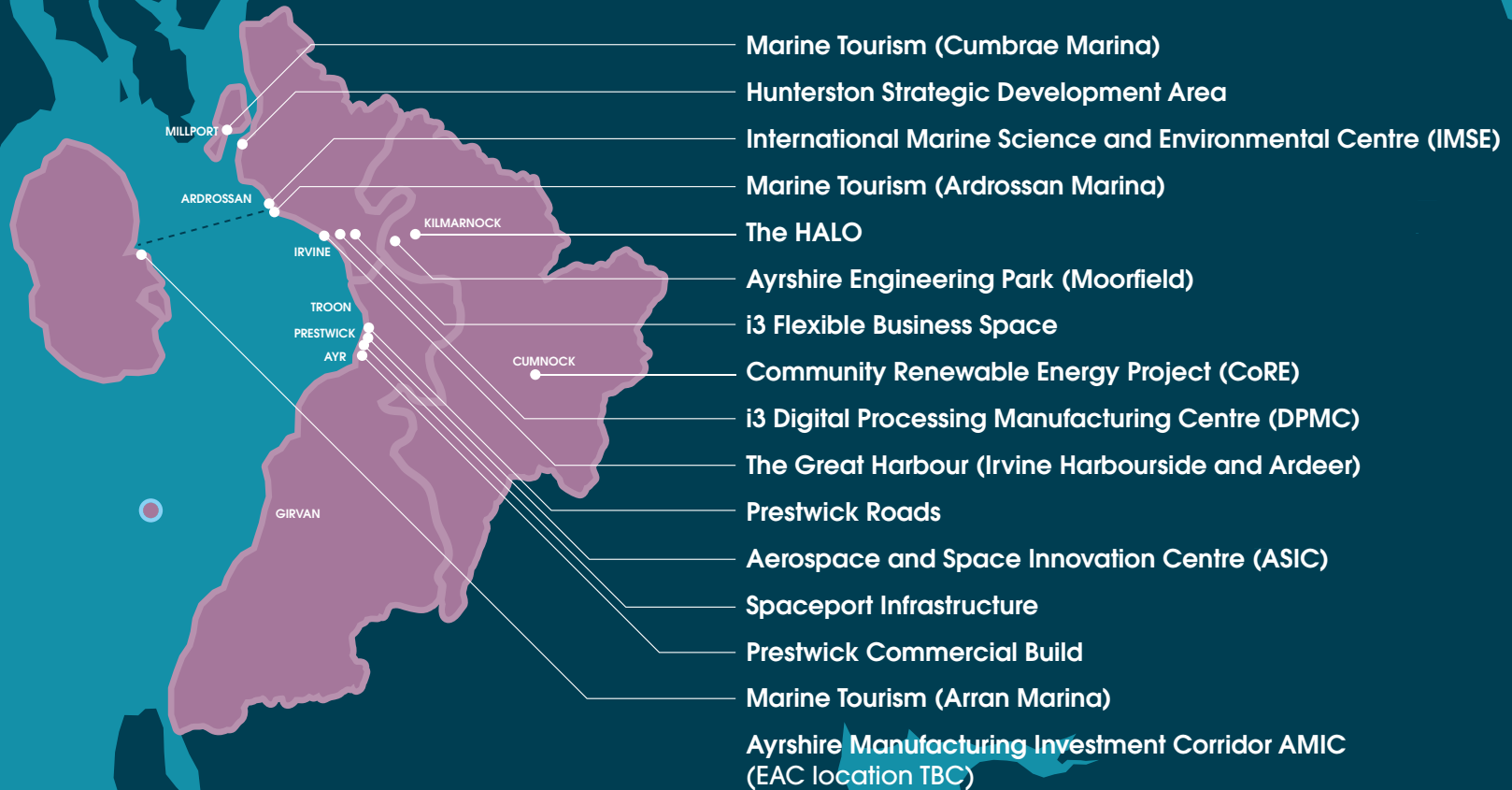
Programme	Ayrshire Growth Deal Project	Project Stage
Aerospace & Space	Spaceport Infrastructure	OBC in Development
	Aerospace & Space Innovation Centre (ASIC)	OBC in Development
	Prestwick Commercial Build	OBC in Development
	Prestwick Roads	OBC in Development
Economic Infrastructure	HALO Kilmarnock	In Delivery
	Ayrshire Engineering Park (Moorfield)	OBC in Development
	Ayrshire Manufacturing Investment Corridor (AMIC)	OBC in Development
	i3 Flexible Space	FBC in Development
Energy, Circular Economy & Environment	i3 Digital Processing Manufacturing Centre (DPMC)	OBC in Development
	Community Renewable Energy Project (CoRE)	OBC in Development
	Hunterston Strategic Development Area	SBC in Development
	International Marine Science & Environmental Centre (IMSE)	SBC in Development
Tourism	The Great Harbour	FBC in Development
	Marine Tourism	OBC in Development
Communities	Digital Infrastructure	OBC in Development
	Digital Subsea Cable	OBC in Development
	Community Wealth Building	In Delivery
	Working for a Healthy Economy	In Delivery
	Ayrshire Skills Fund	OBC in Development



Project locations

As of 30 September 2021, 16 projects are in development, which means that the project's business case is yet to be completed; three projects are in the delivery stage, which means that the project has been implemented and is working towards delivering its objectives.

The map below shows where the projects are located across the region.





Communities Programme

Community Wealth Building

Community Wealth Building is an alternative approach to traditional economic development, which harnesses the power of Anchor Institutions to support the creation of strong and resilient local economies via: procurement; employment; land and assets; financial power; and the plural ownership of the economy to ensure that wealth is locally owned.







Our CWB Business Locality Officers work in localities alongside Anchor Institutions to facilitate CWB, linking with existing local service delivery. The £3 million CWB Fund from the Scottish Government supports place based CWB activity including but not limited to: social enterprise support; employee ownership transition; workplace innovation; supplier development and capacity building; supporting locality entrepreneurship; and a dedicated Fair Work Ayrshire resource engaging key employers (including Anchor Institutions) ensures they recruit inclusively, provide quality and meaningful work, and develop practical steps with employers to position Ayrshire as a Fair Work region.



Strategic Added Value

This project provides resource investment to support the delivery of wider regional CWB ambitions. Ayrshire is leading the way with CWB in Scotland, with the following key strategic developments over recent months:

- The Community Wealth Building Commission was expanded to become an Ayrshire Community Wealth Building Commission in summer 2020, with the agreement of a refreshed remit and a new workplan in December 2020. The regional workplan focuses on three CWB pillars – Procurement, Land and Assets, and Fair Employment. A Lead Officer Working Group comprising officers from across the Anchor Institutions was established in February 2021 to take forward the workplan.
- The Ayrshire-wide Commission will deliver benefits including the establishment of a regional approach to CWB and will ensure that CWB is considered as part of all regional investments. To date the Anchor Charter has been signed by the three Ayrshire Councils; NHS Ayrshire and Arran; Ayrshire College; Scottish Enterprise; the Ayrshire Community Trust (TACT), and the three Ayrshire Integration Joint Boards.
- CWB can be a key tool in supporting the achievement of net zero ambitions. The Ayrshire CWB Anchor Charter encourages partners to consider climate actions alongside commitments to embedding CWB within their organisations.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Feb 21: Outline Business Case approved by Scottish Government	Ongoing recruitment of staff to support the programme Formal launch of Programme
	Feb 21: Full Business Case approved by Ayrshire Economic Joint Committee	
	85 unique enterprises received support from the programme	
	Successful recruitment of staff to support the programme	
	Aug 21: Aerospace and Advanced Manufacturing SME Supply Chain Event at Prestwick Campus	
	£80,000 of the £3 million CWB fund spent as at 30 September 2021	

Working for a Healthy Economy

The Working for a Healthy Economy project commenced in May 2021 and delivers support to individuals, employability support teams and business, engaging directly with individuals to manage and improve their health circumstances, and therefore increase their ability to gain and/or sustain work.

This is a valuable, person centred service for anyone who is experiencing health and wellbeing problems such as anxiety, depression or physical restrictions, e.g. osteoarthritis, sciatica, addictions difficulties, low self-esteem, sleep problems or work related issues.

Working in communities across Ayrshire, our innovative and holistic support is available to anyone of working age who would benefit from engaging with a fully qualified and experienced NHS health professional to explore their current circumstances and receive support to better manage any new/existing health conditions.

We start by looking at areas where individuals may be experiencing difficulties and would like to make positive change. Together we decide on the level of support that would be most beneficial and progress with the agreed support methods including:

- 1:1 Assessment and Action Planning
- Continued 1:1 support for a further five sessions
- Group work focusing on topics such as anxiety, low mood, confidence









Where appropriate, treatments such as counselling, physiotherapy and relaxation therapies are available to enhance recovery and encourage progress.

For businesses, the service helps to create a healthier workplace by providing support with health, wellbeing and absence management policies, providing mental health awareness training and helping to understand and record the cost of absence.

The programme is fully funded by the AGD and East, North and South Ayrshire Councils and there is no charge to any individual, partner agency or business using the support.

Strategic Added Value

- We greatly increase the chance of an early and sustained return to work by helping employers to provide staff with early access to appropriate support whilst attending work or during the early stages of their absence.
- Employers are likely to increase productivity, reduce long-term absence and improve staff retention rates in a highly competitive post-COVID employment market if we provide them with practical measures to encourage a healthy working environment.
- The continuing impact of the pandemic has reaffirmed the rationale behind this project. It supports Inclusive Growth by driving the economic recovery locally and links health and wellbeing into CWB, demonstrating the importance of fair work and employment.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Feb 21: Outline Business Case approved by Scottish Government	Commence service for individuals currently in work Commence service for businesses COVID restrictions permitting, achieve far greater integration with partner agencies to enhance referral/engagement rates and encourage a single delivery approach
	Feb 21: Full Business Case approved by Joint Committee	
	Mar 21: Contractor appointed	
	167 unemployed individuals have engaged with service (May – Sept 2021)	
   	Of the clients fully completing the course during this period, we have observed: <ul style="list-style-type: none"> • 23.3% improvement in overall health and wellbeing • 38.9% reduction in anxiety levels • 48.9% reduction in depression levels • 6 unemployed individuals gained work 	



Case Study:

Salus Health Support

A 48-year-old client was experiencing symptoms of anxiety, depression, stress, low self-esteem, and was lacking motivation and confidence. Her mental health was impacting on her ability to carry out day-to-day tasks; she was unable to focus or complete tasks and was no longer pursuing hobbies. Her sleep was affected and she was also experiencing loss of appetite.

The client was keen to explore different strategies to improve her mental health. Following an initial assessment with an NHS professional, three key areas for support to assist barrier reduction were agreed: anxiety/depression; confidence/self-esteem; and lack of motivation.

An action plan was prepared which included self-help materials and Cognitive Behavioural Therapy (CBT) techniques. Activity planners were used to set small achievable goals to help improve structure around the client's routine and activities such as mindfulness and relaxation and attendance at a local mental health support group were recommended.

The plan was a success and the client developed effective coping strategies through self-help and one-to-one support from the Case Manager using CBT techniques. The client is also now participating in hobbies again, enjoying regular exercise, listening to prayer music and motivational quotes.

The support provided to the client through the Working for a Healthy Economy project has resulted in many positive outcomes including: reduced symptoms of anxiety and depression; increased motivation levels - now setting and achieving goals; practicing relaxation; improved sleep pattern and appetite and increased confidence levels. The client has since started a teaching course at college and is able to cope with different challenges as a student. A number of clinically validated health improvement measures were achieved including: 63% improvement in overall health and wellbeing; 80% reduction in anxiety levels and 100% reduction in depression levels.



Ayrshire Skills Investment Fund

The Ayrshire Skills Investment Fund (ASIF) will establish a responsive skills fund to drive Inclusive Growth to support skills interventions and associated management costs. It will be aligned to a new Regional Skills Investment Plan.

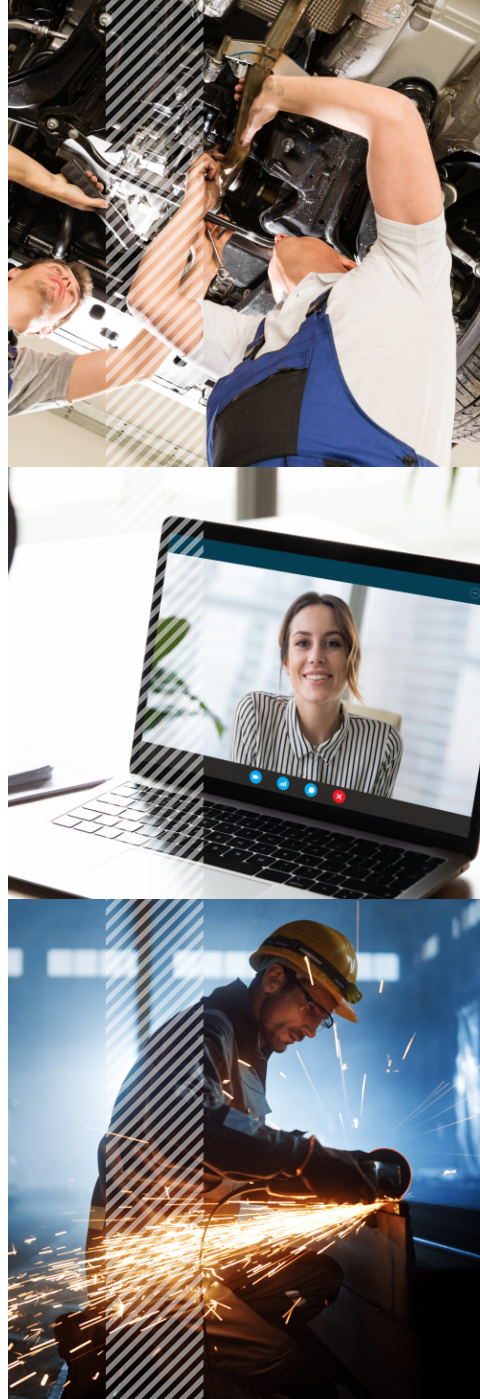
The Fund will support: digital skills; in-work progression; routes into Fair Work for excluded groups; skills support for inward investors; skills support for redundant workers; skills support aligned to AGD projects to ensure residents benefit; responses to demand identified in the Regional Skills Investment Plan; and capacity building to ensure innovation in the skills sector within Ayrshire.

This project will underpin many of the other projects in the Growth Deal as the Ayrshire Skills Investment Fund will support partners to engage employers, understand skills needs and help develop targeted interventions. We are already engaging with projects who will be commissioning and contracting tenders for construction and any potential skills gaps are being considered.

The new Regional Skills Investment Plan will identify future skills needs associated with the AGD and will support the recovery and renewal of the Ayrshire economy post-COVID. This is being finalised and is expected to be completed in financial year 2021/22.

The funding priorities of ASIF will be informed by the new Plan. A governance model for the Fund is under review by the three Councils.

Subject to the agreement of the business case and governance options, a new Regional Board for Skills will be put in place to inform investment priorities for the Fund and seek proposals to address identified gaps and support building skills infrastructure capacity that can support the economic transition required for the Ayrshire economy.



HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Draft Outline Business Case prepared	Establishment of Project Board
		Governance options agreed by partners
		Submission of Outline Business Case to Scottish Government
		Approval of Full Business Case by Joint Committee
		First call for fund proposals

Subsea Cable and Key Digital Infrastructure

This investment will put in place a key piece of the connectivity infrastructure to help attract global businesses, enable the potential creation of a datacentre cluster of national significance, leading to the creation of high value jobs. These projects will make Ayrshire a world-class digitally connected region that is attractive to investors across many elements of the digital economy.

The Digital Programme targets three strands of work, all of which will contribute to the success of the other projects within the AGD:

- £11 million towards a subsea fibre optic cable system and associated infrastructure;
- £1 million enhancing 4G Infill and establishing 5G capability within the rural communities;
- £2 million to upgrade key sites linked to the AGD as regional digital hubs and centres of digital excellence at Prestwick Airport, AMIC, Moorfield, CoRE, HALO Kilmarnock, Hunterston and i3.

Specific investment objectives for this project include:

- Establishment of a subsea fibre optic cable landing point, establishing Ayrshire as a world-class digitally connected region, enabling further investment and the success of the AGD investments;
- Position the region as a place to invest, test and pilot future technologies and data centre applications that require low levels of latency;

- The formation of new businesses to take advantage of enhanced connectivity, diversifying the economy of Ayrshire;
- Expansion of existing businesses into new markets or offering new products;
- Improved domestic competition stimulating economic activity; and
- Improved resilience to the whole of the UK from Scotland having enhanced international connectivity, providing redundancy if links to other parts of the UK were damaged or suffered from an outage.

Having identified a number of potential barriers that would prevent the successful delivery of the subsea cable project as originally scoped, the project team is currently identifying potential options for further discussion with stakeholders and sponsors.



NEXT MILESTONES

October 2021 –
September 2022

Submission of Digital Subsea Cable Outline Business Case to UK and Scottish governments

Submission of Digital Infrastructure Outline Business Case to UK and Scottish governments

Approval of Digital Subsea Cable Full Business Case by Joint Committee

Approval of Digital Infrastructure Full Business Case by Joint Committee

Approval of regulatory consents obtained –specific to key site upgrades



Economic Infrastructure Programme

This programme will create conditions for growth, providing local jobs, strong regional supply chains and skills development across a number of sectors in Ayrshire.

HALO Kilmarnock

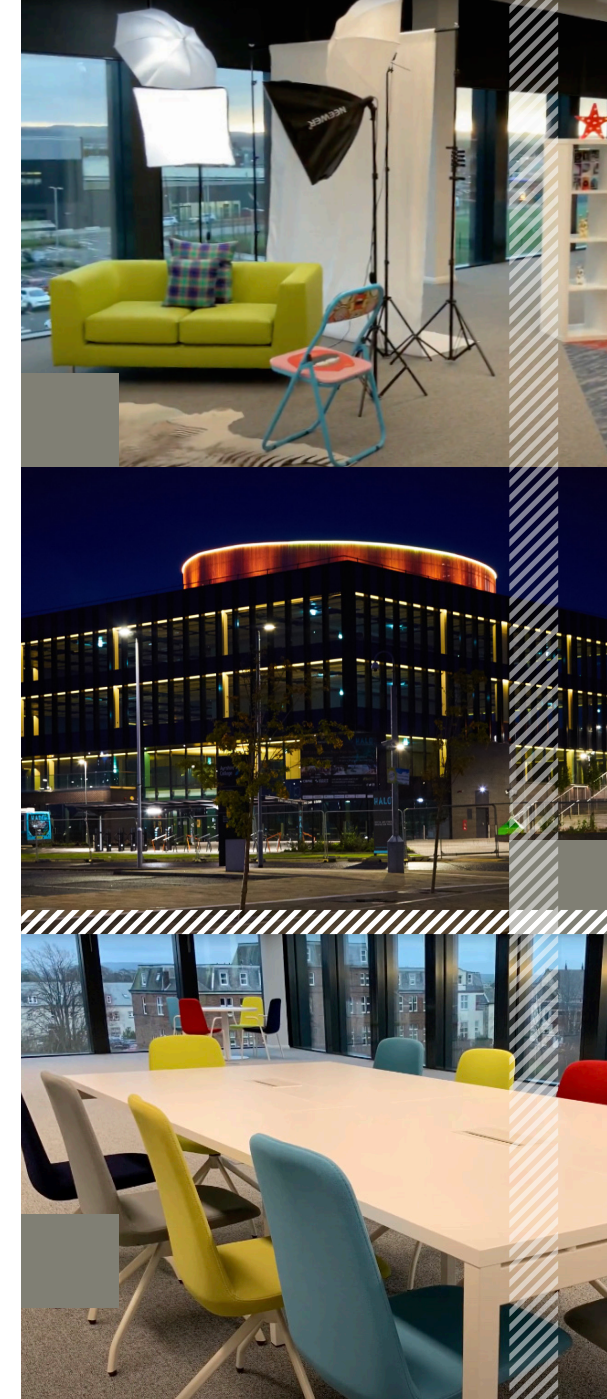
With a vision for a dynamic commercial, educational, cultural, leisure and lifestyle quarter where people can live, work, learn and play, the HALO Kilmarnock provides a sustainable community approach to a mixed-use development, powered by electricity with a net zero carbon footprint.











Completed in April 2021, the [HALO Enterprise and Innovation Centre](#) creates an entrepreneurial ecosystem designed to stimulate innovative business practices between new and established businesses.

New business and employment opportunities will focus on delivering 'workforces of the future' by offering training in digital skills with key partners. This ecosystem will encourage the development of new digital and cyber security products and services, responding to the needs of the energy, health, and space and aerospace sectors.

The completion of phase 1 of the HALO Kilmarnock is a catalyst for the development of the rest of the 23-acre site, previously occupied by Johnnie Walker. By bringing together education and skills, economic growth and low carbon energy systems, the HALO Kilmarnock vision is perfectly aligned with both Scottish and UK governments' intentions for decarbonised heat, transport and electricity, as well as stimulating the future digital and net zero economy.

Lockdown restrictions slightly delayed the opening of the building but it is now due to open its doors to occupants in spring 2022.



HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Apr 21: The HALO Enterprise and Innovation Centre completed	Spring 22: Opening of the HALO Enterprise & Innovation Centre to occupants Application for planning permission for the first phase of housing submitted and obtained Two floors will be let long-term to PRA Group for their new headquarters, safeguarding jobs in the area Top floor will house Barclays Eagle Lab Discussions with prospective tenants will continue
	Supported 78 FTE construction jobs* <i>*Employees working on site more than 30 paid hours per week. Part-time is defined as employees working less than or equal to 30 paid hours per week. Self-employed or contractor staff on site recorded and classified under the same definitions. Aggregate annual totals of FTEs based on the summation of part and full time staff levels.</i>	
	Aug 21: All surrounding works and infrastructure completed	
	Barclays selects the HALO Enterprise and Innovation Centre for site of third Eagle Lab in Scotland which will support entrepreneurs and ambitious start-up businesses collaborate, innovate and grow	
	The Centre has been certified by WiredScore at Platinum level, confirming that it "...is one of the best in the country in terms of broadband and telecom infrastructure." It has also been completed to BREEAM 'Excellent' standard	
    	Grant assistance received from the SPEN Green Economy Fund for the first phase of the development incorporates the following: <ul style="list-style-type: none"> • 60,000 Kilowatt solar panels • 50 Kilowatt battery storage capacity • An electric bus • 2 electric vehicles • Electric bikes • Range of EV charging points and infrastructure 	

Strategic Added Value

- The next phases of the development will continue the creation of an aspirational and visionary campus that inspires not only the Kilmarnock locale but serves as a lighthouse project for Scotland and the future of Scottish communities.
- As the most advanced of the projects, the HALO offers a collaborative environment to accelerate complementary plans and continues to discuss opportunities with a number of organisations. We have been working closely with The HALO Kilmarnock to establish links with other AGD projects.
- Through close working relationships with Scottish Enterprise and Scottish Power, the HALO is developing their 'Growing for Green' capabilities, building on the current site's net zero focus.

Ayrshire Engineering Park (Moorfield)





The Ayrshire Engineering Park will contribute to the expansion and development of Moorfield Industrial Park in Kilmarnock, creating high quality, serviced business space, with a range of units to support the advanced manufacturing and light engineering sectors in Ayrshire.

The site is fully developed with the required access and utilities infrastructure, high-spec digital connectivity, and up to 10,576 square metres of units for growth and expansion of the existing engineering business base and inward investment.



Strategic Added Value

- The project has links to the i3, AMIC and Prestwick Commercial build projects which are developing industrial space to support the growth of local businesses and encourage inward investment. Project Leads are working together to ensure that industrial space is available for the advanced manufacturing and engineering sectors building supply chain and cluster opportunities within Ayrshire. Phasing of the projects will be co-ordinated to manage supply and demand across the lifetime of the projects.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Jan 21: Preliminary site investigations completed	Completion of land purchase
	Aug 21: Access study to the proposed site was undertaken, recommending options for creating new site access from existing roads infrastructure, including estimated costs. Draft report produced in September 2021 is now being finalised.	Submit Outline Business Case to Scottish Government Submit full planning application Planning permission secured Approval of Full Business Case by Joint Committee
	Aug 21: Appointment of an independent valuer to negotiate land purchase. Discussions are ongoing.	Procurement of main contractor commences
	Sep 21: Detailed boreholes and trenching following harvesting of the crops. Verbal reports confirm a positive outcome from the drilling contractor.	Main contractor will be appointed Main contracts work will commence

Ayrshire Manufacturing Investment Corridor Project (AMIC)

The Ayrshire Manufacturing Investment Corridor (AMIC) project will establish a Centre of Excellence with on-site support and start-up units. This will support the creation of new businesses and growth of existing businesses in the food and drink sector, as well as advanced manufacturing sector.



With investment in commercial space, AMIC will deliver high quality premises to support business growth and opportunities for international growth and expansion.

The Centre of Excellence will concentrate on the food and drink sector and will have a complementary focus on

dairy innovation as a niche sub-sector, supporting the proposed Borderlands Dairy Innovation Centre.

In consultation with Transport Scotland, we have undertaken a transport appraisal to determine what potential transport mitigation is required to support East Ayrshire Local Development Plan and the AMIC site. This will determine the costs of potential mitigation, who will deliver this and an associated developer contribution strategy. This work will inform the review of the emerging National Transport Strategy policies and the work on Strategic Transport Projects Review (STPR2) and ensure that appropriate consideration is given to Ayrshire's transport infrastructure and the AGD projects when setting the regional and national policy and intervention priorities.

Strategic Added Value

- The AMIC project will develop co-operative groups across Ayrshire and the south west of Scotland. This will increase the supply of local produce into the supply chain promoting co-operative buying to streamline deliveries to the area, driving down emissions and, in turn, saving money for local businesses.
- With links to the National Manufacturing Institute Scotland (NMIS) through the University of Strathclyde, the AMIC centre will provide pilot plant facilities to allow food and drink manufacturers to test and develop new production and manufacturing practices.
- The Regional Economic Partnership workstream for Food and Drink has developed a strategic action plan which has been led by the business sector and integrates with the development of the AMIC project.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Nov 20: Ambition setting workshop to engage with local businesses, academic institutions and food and drink partners	Submission of Outline Business Case to Scottish & UK governments Confirm site location Purchase land
	Jan 21: Ambition setting workshop to engage with small and micro businesses, with those in attendance confirming the need for food and drink industry support	
	Jul 21: Food flavour and trends webinar to address the needs of businesses in the area to aid recovery post-COVID and support new product development	

i3 Digital Processing Manufacturing Centre (DPMC) & Flexible Business Space




Investment at i3 in Irvine will see the creation of approximately 8,830 square metres of flexible commercial space, which will allow for inward investment and local business growth.

A Digital Processing and Manufacturing Centre (DPMC) facility will also be developed at i3 with links to the NMIS in partnership with the University of Strathclyde and CPI. The DPMC facility will help industry become more efficient and productive by trialling several processing technologies and how these may be applied to their business operations. The facility will be unique to Scotland and will bring an academic presence to the area.

There are three phases to the DPMC project:

- Phase 0 was the agreement of a Memorandum of Understanding (MoU) between North Ayrshire Council, University of Strathclyde and CPI. This was put in place in August 2021 and online training with industry has started and is receiving very positive feedback.
- Partners are now working to deliver Phase 1, which will be in refurbished premises on i3. A grant from SE has been secured for the refurbishment. North Ayrshire Council has committed £1 million of AGD funding to equip the building and partners (University of Strathclyde and CPI) are funding the revenue elements of the project. It is anticipated that the facility will be operational by summer 2022.
- Phase 2 will be the major facility on i3, part of which is to be funded by the AGD. An estimated £10 million capital expenditure requires other funding sources to be brought together and discussions are underway with a variety of potential funders.

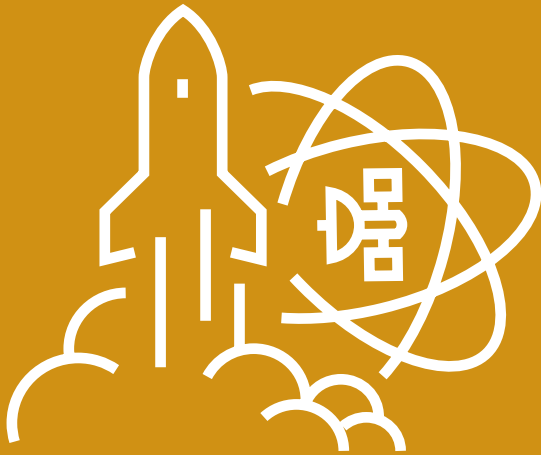


HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
 <p>Jun 21: Approval of Outline Business Case for i3 flexible space received from government</p> <p>Consultation on draft Masterplan (Phase 1)</p> <p>Completion of flexible space outline designs (Phase 1)</p>	<p>Finalise design specifications for planning approval and progress towards land purchase</p> <p>Transfer of land from Scottish Enterprise</p> <p>Complete ground investigations</p> <p>Submission of detailed planning application</p> <p>Planning permission granted</p> <p>Approval of Full Business Case by Joint Committee</p> <p>Procurement commences</p> <p>Award contract and construction begins on Phase 1</p>	
 <p>July 21: First draft of the DPMC Outline Business Case for Phases 1 and 2 submitted to UK and Scottish governments</p>	<p>The feedback received will be addressed to enable the completion and submission of revised Outline Business Case</p> <p>Approval of Outline Business Case from UK and Scottish governments</p>	
 <p>Aug 21: MoU signed for DPMC between North Ayrshire Council, University of Strathclyde and CPI and Phase 0 (online) training launched</p>		

Strategic Added Value

- We are working with NMIS through the University of Strathclyde and with the Centre for Process Innovation (CPI) on the DPMC project to create a centre for digital technologies that supports businesses to adapt to digital as part of the national agenda on Industry 4.0 and the Manufacturing Recovery Plan. The development of the project also includes discussions with the Medicines Manufacturing Innovation Centre (MMIC), Ayrshire College, Scottish Enterprise and the Scottish Manufacturing Advisory Service (SMAS). The MoU that has been signed between the Council, University and CPI and the presence of the University will be significant for North Ayrshire's Community Wealth Building Strategy, in terms of securing them as an anchor institution.
- I3 will provide a unique facility and hub for businesses seeking to improve their productivity and modernise their processes through digital automation for the chemical and life sciences sectors which is very much aligned with the AMIC centre vision. I3 and AMIC will complement the manufacturing industry in general across Ayrshire and the south west of Scotland while focusing on different areas of industry.





Space and Aerospace Programme

The space and aerospace programme consists of four interrelated projects that together, complemented by an Ayrshire-wide digital project, provide the catalyst to achieve the transformative change at Prestwick required to underpin the evolution of Prestwick's aerospace and space sectors.

Spaceport Infrastructure

The Spaceport Infrastructure project will provide the essential infrastructure required to establish technically feasible and financially viable space launch services from Glasgow Prestwick Airport (GPA) from 2023.

The Prestwick Spaceport project will be fulfilled through the AGD governance in partnership with a Launch Service Operator (LSO) and Launch Service Providers (LSP) to deliver a spaceport facility capable of supporting multiple LSPs to launch small satellite payloads (<800Kg) into orbit from Prestwick Spaceport.





The proposed Prestwick Spaceport will deliver a flexible Air-Launch horizontal launch system which will:

- deliver spacecraft into polar, sun-synchronous orbit, geostationary transfer orbit and equatorial orbits serving the earth observation, navigation, and telecommunications markets;
- provide commercially competitive launch services to governmental and commercial organisations;
- meet the needs of multiple launch service providers;
- support over 12 launches per year with a mission turnaround time of less than two weeks;
- support fully licensed LSP, LSO and Range Service provision recognised by the UK Civil Aviation Authority (CAA), European Union Aviation Safety Agency (EASA) & US authorities, and is compliant with the UK-US Technology Safeguards Agreement (TSA); and
- is capable of the first operational launch by the end of 2023.



This project will be central to growing the Scottish space sector at Prestwick, building on its strong foundations in aerospace. It will also attract new companies seeking accommodation to locate at the new space cluster at Prestwick and carry out R&D at ASIC.

The Spaceport Infrastructure project is fully aligned with the UK Government's 'Space Strategy Ten Point Plan' to capture the European market in commercial small satellite launch, and the Scottish Government's 'A Strategy for Space in Scotland 2021': Scottish Launch Programme workstream.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Sept 21: MoU signed between GPA, South Ayrshire Council and Launch Service Provider Astraius to form a framework agreement to explore launch partnership	Submission of Outline Business Case to UK and Scottish governments Complete developed design stage
	Sept 21: Preparation and briefing stage complete	Approval of Full Business Case by Joint Committee Launch service provider secured
	Sept 21: Planning pre-application for preferred site has been submitted	
	Sept 21: Concept design stage initiated	



Case Study:

MoU between Glasgow Prestwick Airport, South Ayrshire Council and Astraius

Glasgow Prestwick Airport (GPA) in partnership with South Ayrshire Council has long-held ambitions for the airport and the surrounding campus to become a host for the emerging space sector and become a horizontal launch spaceport. Engagement with the CAA and UK Space Agency (UKSA) has taken place since UK feasibility studies began in 2012, and in 2015 Prestwick was shortlisted for further development by the UKSA.

On 21 September 2021, GPA cemented this commitment by signing an MoU between GPA, South Ayrshire Council and UK-based horizontal launch company Astraius. The MoU commits the partners into a collaborative agreement to develop horizontal launch capability at Prestwick from 2023.

GPA and Astraius have now entered into commercial discussions and have engaged with the CAA to commence the recently announced licensing process. The announcement was welcomed by members of the UK and Scottish governments and other stakeholders:

Ian Annett, UK Space Agency Deputy CEO stated: *"This partnership declaration is a sign of great confidence in the long-term vision for Prestwick, which will undoubtedly play a central role in Scotland's contribution to the UK space sector. Harnessing the opportunities around commercial spaceflight will feed into our National Space Strategy, and the Government's agenda to level up the UK, and Global Britain – creating high skilled jobs and local opportunities around UK spaceports."*

UK Government Minister for Scotland, Iain Stewart said: *"This is a giant leap for Prestwick and the UK to delivering a horizontal launch spaceport and boosting our growing space industries. Through the Ayrshire Growth Deal, the UK Government is investing £32 million in the aerospace and space programme, which is bringing new jobs and businesses to the area. Across Scotland we are investing more than £1.5 billion in region deals, helping communities to build back better from the pandemic."*

Scotland's Minister for Business, Trade, Tourism and Enterprise Ivan McKee stated: *"The Memorandum of Understanding with Astraius as a launch partner is great news for the Prestwick Spaceport and signifies a major step towards bringing horizontal launch capability to Scotland. Our ambition is for Scotland to be Europe's leading space nation and to have a £4 billion share of the global space market by 2030, whilst developing launch capability – both vertical and horizontal – to serve small satellite producers. The announcement today brings us a step closer to achieving our ambition and proves once again the versatility and dynamism of the Scottish space sector."*

Prestwick Commercial Space

This project will provide the necessary infrastructure to capture the economic benefits derived from the Spaceport - namely supplying high quality ‘factory of the future’ facilities for space related businesses and their suppliers to co-locate. It will facilitate the growth of the existing aerospace cluster, attract new aerospace inward investors, and accommodate a new space cluster at Prestwick Aerospace. Without this project, the full impact of the Prestwick Aerospace and Space Programme cannot be realised.

Over the last year, we have updated the Outline Business Case to reflect market changes as a result of the pandemic and the lessons learned. Strategic changes were required to enable the Prestwick Commercial Space project to meet changing market needs which include: flexibility of approach; the ability to respond quickly to market needs; a move from speculative build to focusing on near-term opportunities; and a change in the financial model to accommodate a reduction in available capital within businesses and a need for their costs to be revenue based.

Provision of aerospace and space commercial space supports all relevant policy measures at governmental and sectoral levels. It also aligns with the UK and Scottish governments’ priorities to build a modern high-tech economy, post COVID-19 and the UK and Scottish governments’ strategic ambition to be globally recognised for their aerospace and space industries, and world class business environment, integrated to Scotland’s transport system.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	A new development strategy was developed and agreed	Update Outline Business Case to realign with external environment changes in light of the COVID-19 pandemic and the aerospace and space sector recovery
	A new financial model was agreed and approved in principle	Submission of Outline Business Case to UK and Scottish governments
	Project is working with 4+ companies on urgent near-term opportunities which would fit with the project	Approval of Full Business Case by Joint Committee
		Commence land assembly
		Procure contractors for first phase
		Submission of Planning Application – outline for masterplan area. Permission for each individual building to follow as and when required



Prestwick Roads Infrastructure

This project is critical to the success of the entire Prestwick Aerospace and Space Programme, creating the transport infrastructure required to enable the Prestwick Aerospace and Space Programme projects: Spaceport Infrastructure, Commercial Build and the Aerospace and Space Innovation Centre (ASIC).


This project not only enables increased aerospace productivity at Prestwick Campus, but it also opens up new development land for space and aerospace activities. Funding for Prestwick Transport Infrastructure provides the local roads distributor network that helps safeguard Prestwick's aerospace cluster and enable the creation of high specification industrial and office spaces provided by the Commercial Build project.

The existing trunk road network bounds the eastern extent of the Prestwick Campus Masterplan but there is an absence of east-west routes from the A77 to the proposed development areas. Furthermore, the existing point(s) to Prestwick's northern aerospace parks are routed through Monkton conservation village centre and the community experiences inappropriate levels of freight and commuter traffic.

The project provides a comprehensive internal road network and direct connections to the A79 and A77 integrated with sustainable travel infrastructure, and will relieve the local roads of commercial traffic. This solution, designed to facilitate regional growth and provide greater travel choice, has the added advantage of addressing ongoing conflicts between resident and commercial needs.

The provision of direct freight and commuter routes to aerospace parks will be a socially productive use of land as this will provide the opportunity to design and re-purpose part of the existing road network within Monkton for sustainable travel. This will alleviate ongoing community concerns over the impact of heavy freight vehicles and commuter traffic on safety and quality of life.

Phase 1 of the project will provide a direct link from the A79 to Main Street/Prestwick East Aerospace Park, which includes the Spirit AeroSystems Campus and the third runway area, Glasgow Prestwick Airport. Phases 2 and 3 will provide the service road link to the Spaceport, and link the Spaceport to Prestwick East Aerospace Park. The project is being developed in association with Ayrshire Roads Alliance and Transport Scotland.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Agreement reached in principle with land owners on the Phase 1 route: direct link from A79 to Main Street / Prestwick East Aerospace Park	Achieve regulatory consent for Phase 1
	Proportionate Strategic Transport Appraisal (STAG) developed to support the Outline Business Case for Phase 1	Submission of Outline Business Case for Phase 1 to Scottish Government
	Outline Business Case developed for Phase 1 in collaboration with landowners and businesses	Approval of Full Business Case for Phase 1 by Joint Committee
	Route options developed to access the preferred Spaceport development site	Complete land assembly and site preparation – Phase 1

Aerospace and Space Innovation Centre (ASIC)

This project includes the design, development, build and fit-out of an in-situ facility that catalyses the practical application of innovations in MRO and space technologies within the Prestwick and wider Scottish clusters, including their supply chains.

ASIC will help firms to engage with existing innovation support provision in Scotland and elsewhere in the UK by providing links with key specialists, building on work that is already happening on a small scale. This Technology Applications facility will fill a key gap in Scotland's innovation ecosystems with respect to space and aerospace by taking technologies and processes that have been proven to have potential and help firms in Scotland to apply these to full effect, concentrating activities around Technology Readiness Levels (TRLs) of 5-6 and above.


This project will be critical for supporting aerospace skills development at the Prestwick Campus, developing the workforce of the future required to deliver increased productivity at site.

The facility will include: a uniquely designed skills/training Academy, providing

learners with unparalleled access to a range of aircraft types and sizes that enables them to develop the broadest range of practical skills; an aerospace and space STEM Experience Centre, presenting the range and depth of potential careers in space and aerospace; a Future Technologies Team that scans for future technologies, and project funding in areas where Scotland's aerospace and space sectors must have future capability if they are to remain competitive; and an Aerospace Leadership Academy for future aerospace leaders delivered through a recognised and prestigious institution.

ASIC will be a practical resource that space and aerospace firms will be able to draw upon to enhance their competencies and will make a strong contribution to economic performance. ASIC will also be attractive to companies seeking to transition to the space sector and carry out cutting edge R&D for aerospace and space.

ASIC is aligning with Scotland's net zero ambitions by supporting the aerospace and space sector through the radical challenges presented by its migration to low carbon, next generation aviation including manufacture, maintenance repair and overhaul of new material components, electric/hybrid aero-engines and associated energy storage refueling/recharging systems.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Launch and delivery of ASIC pilot projects: Supply Chain Aerospace and Aerospace Digital Visualisation Suite led by South Ayrshire Council with investment of £2 million - part funded by having secured £2 million investment through the Advancing Manufacturing Challenge Fund, part funded by 2014-2020 European Structural and Investment Funds	Submission of Outline Business Case to UK and Scottish governments
	ASIC Outline Business Case developed in collaboration with the companies that comprise Prestwick's Aerospace cluster and their supply chain	Complete final project design and procurement documentation
	Relationship building with the Spirit AeroSystems Aerospace Innovation Centre	Secure planning and building warrant approvals
	Application of ASIC principles to support Prestwick's aerospace companies re-start and win new business as this sector re-boots following COVID	Approval of Full Business Case by Joint Committee
	Application of ASIC principles to foster space cluster development at Prestwick building on Spaceport project achievements	Identify specialist equipment suppliers and procure
		Appoint contractor to deliver facility build and general outfitting



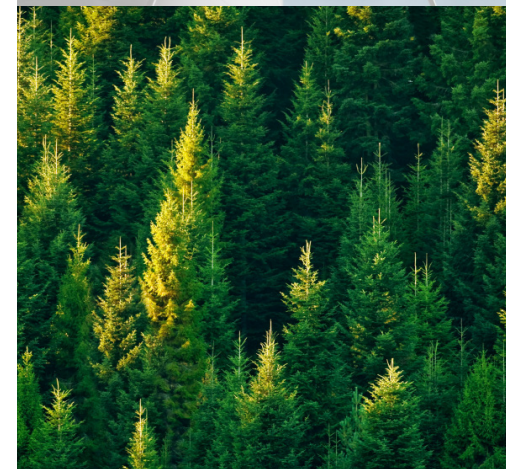
Energy, Circular Economy and Environment Programme

This programme will unlock the benefits of developing low carbon energy technologies and solutions. Ayrshire's location and natural resources offer the potential to create new jobs, reduce carbon emissions and contribute to achieving net zero by 2045.

Community Renewable Energy (CoRE) project

The [Community Renewable Energy project \(CoRE\)](#) (formerly referred to as the National Energy Research Demonstrator project) will revolutionise how renewable energy is generated, stored and used by communities; it will help to deliver some of Scotland's first net zero communities. The project will bring together Energy Systems research and business knowledge to develop a new infrastructure grid integrated with existing arrangements for the supply of power and heat, exploiting the potential of the local area (such as ex-mining sites) to provide low-cost "green" energy to communities located within the vicinity of Cumnock. The project will act as a catalyst for stimulating economic growth by attracting highly skilled jobs, encouraging new business start-ups/diversification within the low carbon sector and will offer STEM education to schools and further education establishments across Scotland.

The CoRE project will deliver a Centre of Excellence (located in Cumnock), two Demonstrator Houses and a programme of Demonstrator projects over an eight-year period (to 2030). The Centre of Excellence (due to open in 2024) will advance understanding of the impacts (technological, societal and economic) that the integration of new technologies with those existing will bring. Coupled with research, the Demonstrator projects will support the development and delivery of these new technologies ensuring that a flexible and locally distributed grid is created that enables communities within the Cumnock area to become energy self-sufficient.



Strategic Added Value

- The CoRE project has benefitted from partnership working between a number of organisations, local businesses and community groups. This has resulted in technical information being produced for the design development of the building, an energy assessment of the area to understand the energy opportunities, and scoping Demonstrator project ideas with University of Strathclyde (the project's Research and Innovation partner). The CoRE project team has also been working closely with the electricity distribution network operator in the area, Scottish Power Energy Networks, who have been advising on viability of the potential Demonstrator projects, as well as providing technical advice for the utility connections to the Centre of Excellence. The project would not have been able to develop without these key partnerships.
- The project will support SMEs located within the Centre of Excellence by connecting them to universities and larger investors and will work with Ayrshire College to ensure appropriate courses are on offer to young people, people out of work, and other vulnerable groups so they have an opportunity to be (re)trained for the renewable energy/data sector.
- The CoRE project will act as a catalyst for Ayrshire to position itself as a leader in transitioning communities to low carbon ensuring that it is a just transition. The Centre of Excellence will foster relationships between academics and business, including several of the national renewable energy companies developing projects within the area, which will stimulate innovation within the region through the trialing and testing of technologies and within the programme of Demonstrator projects. The CoRE project will position itself at the forefront of cutting-edge geothermal minewater research and technology ensuring that Scotland can electrify heat and ensuring that Ayrshire is at the heart of innovation technologies and ideas for generating and storing renewable heat. The Centre and Demonstrator Houses will be built to Passivhaus standard and the intention is also to achieve 'Outstanding' BRE AAM status. Both will be powered by solar panels and heated from a ground source heat pump with a battery and thermal store as back-up. The site will also include EV charging areas which will be powered using the excess wind generation in the area.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Announcement and confirmation of site for CoRE (Knockroon, Cumnock)	Continue discussions with landowner over transfer of land
	Concept design stage report completed	Agree and sign MoU by EAC and University of Strathclyde and confirm operational model
	Renaming and branding of CoRE completed	Complete developed design stage
	Aug 21: Successful Ministerial visit from Ian Stewart MP completed	Secure planning permission
	Early concept images of the CoRE building developed	Submission of Outline Business Case to UK and Scottish governments
		Approval of Full Business Case by Joint Committee
		Appoint contractors

core

Hunterston Strategic Development Area

Hunterston is a strategic site within Scotland's Third National Planning Framework (NPF3), offering a unique industrial capacity associated with strategic infrastructure such as: rail; utilities and grid connections; deep water marine access; and proximity to key academic research and innovation resources across the City Region. As Scotland's largest strategic deep-water port with direct rail and grid connections, the site has a critical role in Scotland's energy, blue economy, offshore wind and the circular economy futures.

Investment within Hunterston will exploit these key assets to address larger scale energy and decarbonisation infrastructures associated with marine renewable energy (3rd generation), energy storage, and production and circular economy drivers. Initial investment will act as an enabler to provide commercial space to support blue, green and circular economies activity on-site.

Activities align with the national Net Zero Carbon Strategy, including transitional arrangements associated with de-carbonised energy, such as manufacturing and servicing support for offshore renewable energy development.

Strategic Added Value

- Partners in the project include the universities of Stirling and Strathclyde, Peel Ports, Scottish Enterprise, Crown Estates and the Nuclear Decommissioning Authority as part of a wider strategic stakeholder working group to maximise the benefit of investment and align outcomes with the nuclear decommissioning at Hunterston. These partners, alongside others such as Skills Development Scotland, Ekos, Ekosgen, Natural Capital Solutions and Ironside Farrar, are contributing to inform the Programme Business Case for Hunterston and IMSE. This will provide an understanding of the blue economy environment that North Ayrshire is part of and how these projects fit into that environment.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	Sept 21: North Ayrshire Council, Peel Ports and Scottish Enterprise signed an MoU, which will drive forward the short, medium and long-term plans for a key part of the Hunterston PARC site	Submission of Programme Business Case for Hunterston and IMSE
		Submission of Outline Business Case for Hunterston project to UK and Scottish governments



International Marine Science and Environmental Centre (IMSE)

The International Marine Science & Environmental (IMSE) project is a Centre of Excellence & Innovation developed between industry and academic partners. It will develop and capture innovation in: marine sciences; marine spatial planning; marine technology; and marine education and training.

The new IMSE will be based at Ardrossan and will ensure that the Firth of Clyde is recognised as an exemplar in the blue economy and marine sustainability. IMSE will be an applied sciences centre and will bring together leading academics.

We have established a positive working relationship with the University of Stirling who are providing academic guidance to project concept development. Academic research is ongoing around the blue economy, aquaculture and strategic fit within national family of science centres.

The project will provide start-up companies within the maritime sector with access to opportunities, support from industry specialists, experts and mentors, in order to develop collaborations.

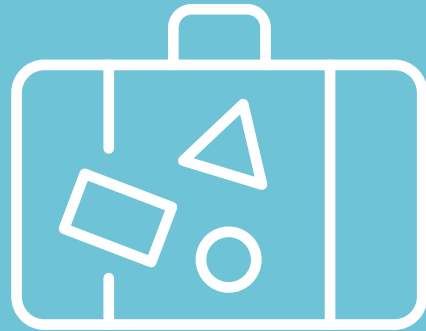
A place based focus between the IMSE project and education, marina and harbour has been created for the development area.

NEXT MILESTONES

October 2021 –
September 2022

Submission of
Programme Business
Case for Hunterston and
IMSE to UK and Scottish
governments





Tourism Programme

Tourism is a key sector in Ayrshire and this programme will build on and strengthen the existing tourism offer to make the region a highly desirable place to visit and live, work and invest in.

The Great Harbour, Irvine Harbourside and Ardeer

The Great Harbour project comprises part of an expansive investment programme to secure The Great Harbour as a major regional destination.

The development will involve a phased programme of works to create a unique coastal destination comprising a number of key assets to attract new visitors to the area and create jobs.

The initial investment will deliver the 'Maritime Mile' at Irvine Harbourside, which will drive the Great Harbour transformation. The investment will be focused on three activity hubs: beach hub through investment in a regional play facility, residential and commercial development; food and events hub through investment in events space, public realm, marina facilities and the development of a commercial food/restaurant investment; and the expansion of the National Maritime Museum on a waterfront site.

The AGD investment will unlock a series of secondary development and investment opportunities which will contribute to the creation of a premium regional coastal destination that secures additional private sector investment and delivers CWB opportunities.

HEADLINE ACHIEVEMENTS	NEXT MILESTONES
19 November 2020 – 30 September 2021	October 2021 – September 2022
 <p>Concept design stage completed</p> <p>Jun 21: Outline Business Case approved by government</p> <p>Project design team appointed for detailed masterplan</p>	<p>Complete detailed design stage</p> <p>Complete technical design stage</p> <p>Early 2022: Public consultation</p> <p>Approval of Full Business Case by Joint Committee</p> <p>Complete procurement documentation</p>



Marine Tourism


The Marine Tourism project will focus on securing infrastructure to support key components, such as sailing and boating, marine leisure, and recreation in North Ayrshire.

Investment at Ardrossan, Arran and Cumbrae will showcase the potential of the Clyde coast region as an inclusive and accessible place for active leisure, through the expansion of Ardrossan marina to become one of the largest marinas in Scotland, and the development of step-ashore facilities and transit marinas at Cumbrae and Arran.



Strategic Added Value

- The Marine Tourism programme has strong links with the Great Harbour programme, with the overall aspiration to increase visitor numbers, private sector investment and employment.
- Strong partnership working creating an MoU between North Ayrshire Council and Crown Estate Scotland is in place to identify opportunities for regeneration and investment in the area.

HEADLINE ACHIEVEMENTS		NEXT MILESTONES
19 November 2020 – 30 September 2021		October 2021 – September 2022
	High level design and outline project cost obtained for Ardrossan Marina extension	Submission of Marine Tourism Programme Business Case to Scottish Government
	Funding applications submitted/options assessed	Ardrossan Marina – complete concept design stage
	Creation of an MoU in June 2020 between NAC and Crown Estate Scotland to identify opportunities for regeneration and investment in the area	Submission of Outline Business Case (Ardrossan) to Scottish Government
	Business case and funding model developed with potential operator of Ardrossan Marina extension	Ardrossan Marina – complete developed design stage
	Key stakeholder engagement undertaken	Ardrossan Marina – complete technical design stage
	Arran and Cumbrae Marinas Viabilities Study commissioned	
	Arran and Cumbrae early stakeholder / community engagement initiated	

The Year Ahead

The COVID-19 pandemic has highlighted the importance of targeted investment and support for our key sectors. We will be closely monitoring the economic landscape as we move forward to ensure that the AGD is well placed to respond to future impacts, challenges and opportunities.

Looking ahead, we will continue to obtain approval of business cases ensuring projects are implemented and outputs and benefits are delivered.

During 2021/22 (1 October 2021 – 30 September 2022) there are a number of projects scheduled to move into delivery, including: CoRE; Ayrshire Engineering Park (Moorfield Phase 3); i3 Flexible Space; i3 DPMC (Phase 1); the Great Harbour (Phase 1); Spaceport Infrastructure; Prestwick Commercial Build; Prestwick Roads; Aerospace and Space Innovation Centre (ASIC); and Ayrshire Skills Fund. We are also looking forward to the official opening of the HALO Enterprise and Innovation Centre in spring 2022, the AGD's first tangible project.

The next phase of the Working for a Healthy Economy roll out will focus on engaging with businesses and employed residents who require support.

The CWB Business Locality Officers will engage with business as part of the Fair Work Ayrshire element which commenced in December 2021.

Regional partnership work will continue to be strengthened, and collaboration, innovation and CWB will be the catalysts for Ayrshire's economy as it emerges from the global pandemic a more resilient and sustainable economy.

We will look to set up mechanisms for more effective stakeholder engagement, introducing quality and innovation in the AGD interventions, and ensure alignment with regional priorities.

The Regional Skills Investment Plan will identify skills demand and supply requirements for Ayrshire. The Regional Energy Masterplan will identify priorities to support Ayrshire's transition to a low carbon economy. The Regional Economic Strategy will build on Ayrshire's key sectoral strengths and natural assets whilst recognising and tackling the social, economic and environmental challenges faced by the region. All three plans are due to be finalised and approved during the year ahead.

We will continue to work with Transport Scotland to support a Regional Transport Appraisal which will underpin investment in accessibility and connectivity and will complement the AGD aspirations helping businesses get goods to market and people to work.

As projects develop, we will update our Benefits Realisation Plan to reflect agreed outputs and outcomes.

Further information



AGD website:

www.ayrshiregrowthdeal.co.uk



Follow us on twitter:

[@AyrshireDeal](https://twitter.com/AyrshireDeal)



For all general enquires, please contact

info@ayrshiregrowthdeal.co.uk

Ayrshire Economic Joint Committee reports can be found on the Ayrshire Growth Deal website - Partnership | Ayrshire Growth Deal

Glossary

AGD	Ayrshire Growth Deal
AMIC	Ayrshire Manufacturing Investment Corridor
AREP	Ayrshire Regional Economic Partnership
ASIC	Aerospace and Space Innovation Centre
ASIF	Ayrshire Skills Investment Fund
BREEAM	Building Research Establishment Environmental Assessment Method
BRP	Benefits Realisation Plan
CAA	Civil Aviation Authority
CBT	Cognitive Behavioural Therapy
CoRE	Community Renewable Energy project
COVID	Coronavirus disease of 2019
CPI	Centre for Process Innovation
CWB	Community Wealth Building
DPMC	Digital Processing Manufacturing Centre
EAC	East Ayrshire Council
EASA	European Union Aviation Safety Agency
FBC	Full Business Case
GPA	Glasgow Prestwick Airport
IMSE	International Marine Science and Environmental Centre
LSO	Launch Service Operator
LSP	Launch Service Providers
MMIC	Medicines Manufacturing Innovation Centre
MoU	Memorandum of Understanding
MRO	Maintenance, Repair and Operations

NAC	North Ayrshire Council
NHS	National Health Service
NMIS	National Manufacturing Institute Scotland
NPF3	Third National Planning Framework
OBC	Outline Business Case
PMO	Programme Management Office for AGD
R&D	Research and Development
RES	Regional Economic Strategy
RSIP	Regional Skills Investment Plan
SAC	South Ayrshire Council
SAMH	Scottish Association for Mental Health
SAV	Strategic Added Value
SDS	Skills Development Scotland
SE	Scottish Enterprise
SMAS	Scottish Manufacturing Advisory Service
SPEN	Scottish Power Energy Networks
STAG	Scottish Transport Appraisal Guide
STEM	Science, technology, engineering and mathematics
STPR2	Second Strategic Transport Projects Review
TACT	The Ayrshire Community Trust
TRLs	Technology Readiness Levels
TSa	Technology Safeguards Agreement
UKG	UK Government
UKSA	UK Space Agency

