



ANNUAL REPORT

2017-2018

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1. FOREWORD

In my first year as chair of the Alliance I have been impressed at the of breadth of activity and achievements generated by the Alliance partnership.

By working together, Scotland's seven cities – Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Perth and Stirling, working closely with the Scottish Government are gaining ground promoting Scotland as a destination of choice for investment and talent in an ever more competitive worldwide stage.

In conjunction with our partners at Scottish Enterprise, we staged a second event at Scotland House, the Scottish Government headquarters in London with Cabinet Secretary for Finance and the Constitution Derek Mackay, creating warm investment leads for key propositions and generating great interest in investing in Scotland's cities with their potential for growth.

At MIPIM Cannes, we held our most ambitious programme to date, with a series of investor focused events and meetings, where we have already attracted international attention from new companies interested in directing their investments into Scottish cities. The Alliance partnership approach to investment promotion was highlighted by high profile speakers as a great way to showcase the breadth and scale of opportunities across Scotland and as we gain even more international recognition, events such as these can only help to bring international investors to our shores. And with a new Pitch Book on the way, there will be an even greater range of robust propositions to promote to a worldwide investor market.

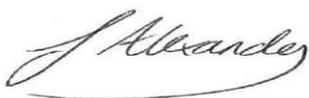
In addition to our drive for investment, work has been underway to bring millions of pounds in EU funding to the hydrogen bus scheme which will see 12 buses rolled out across Dundee in addition to those already in Aberdeen in a bid to decarbonise our cities and drive forward the agenda for a low carbon future. This is allowing Scotland to position itself as one of Europe's leading early adopters of hydrogen technology and attract investment into sectors such as manufacturing, engineering, energy and commercialisation of the technology over the next few years.

The Alliance has also supported my own city, Dundee, to develop an exemplar integrated energy investment proposition combining heat, energy and transportation with an estimated value of £10 million. This will be promoted to investors at targeted investor events and the Alliance is working closely with SE on the hydrogen workstream.

Our Smart Cities work continues to be a great success and this year has seen the development of Open Data platforms for Dundee, Inverness, and Perth, and they will support Scottish cities in making data widely available for use in the development of new products and services.

Our Scotland's 8th City – the Smart City programme has successfully progressed more than 29 co-designed projects across the cities. The new technologies being developed and adopted by the cities as part of these projects are making Scotland's cities more sustainable and more attractive to investors by enabling cities to become more liveable and resilient through the use of data and digital technology.

I am delighted at the progress that has been made by the Alliance partners this year, and look forward to another great year of collaborative efforts.

A handwritten signature in cursive script, reading "J Alexander". The signature is written in black ink and is positioned above the printed name.

Councillor John Alexander
Chair, Scottish Cities Alliance

2. OPERATIONAL PLAN & ACHIEVEMENTS

Promoting Investment

The Alliance continued to help build a strong reputation with investors around the globe, in part through its growing presence at MIPIM, one of the world's biggest and most influential property conferences, and direct investor engagement through Ministerial events in London and ExpoReal in Munich. Working with key stakeholders such as Scottish Development International and the Department for International Trade, the Alliance is increasing the channels to promote the quality investment opportunities in the Pitch Book internationally.

Key Achievements

- Held an investor breakfast in partnership with Scottish Development International at Scotland House in London in May 2017, where the Cabinet Secretary for Finance and Constitution, Derek Mackay, gave an overview of investing in Scotland. The event was attended by more than 40 high value international investors and featured talks from investors as well as the people behind some of the country's top potential investments including Clyde Gateway in Glasgow, International Business Gateway in Edinburgh and the Dundee Waterfront development. Several leads continue to be pursued.
- For the first time, the Alliance attended ExpoReal in Munich, taking a stand partnership with Property EU. Building on the Scottish Government's MoU with the Bavarian Government, and working with Scottish Development International's Germany office, the Alliance set up sector-specific meetings with German investors to build relationships and create the conditions for investment. The Alliance was represented on three separate panel slots speaking about Scotland as a smart and sustainable destination for investment. A significant amount of interest and intelligence was gathered from investors, particularly those looking to expand their portfolio of hotel investments across the Scottish cities and work with investors is ongoing. Inverness has since gone on to secure investment for a 180-bedroom hotel in the city centre and the profile the Alliance has given the city has helped it be named one of the top 5 micro cities for investment as part of the Financial Times FDI awards.
- The Alliance continued its presence at MIPIM UK in London in October 2017, where it was represented on the Department for International Trade's stand and participated in a number of platform events to showcase three investor ready propositions in Inverness, Aberdeen and

Glasgow. The Alliance continues to support the cities to progress warm leads following meetings with two key investors.

- The Alliance arranged a meeting for the Cabinet Secretary Keith Brown with the Consider Canada Cities Alliance during a visit to Canada in October. This provided a valuable opportunity to learn about their approach to working collaboratively as cities on trade and investment activity and in particular how the Canadian cities target specific sectors and skills gaps collaboratively. Going forward the Alliance is looking to develop the relationship with the Canadian cities who are keen to undertake an investment and trade mission to the UK and Ireland in the near future.
- The Alliance held a business breakfast event in partnership with Scottish Enterprise at Scotland House in London in February 2018 at which the Cabinet Secretary for Finance and Constitution, Derek Mackay, gave a keynote speech and praised the collaborative approach of Team Scotland to attract investment to our cities. The event was attended by circa 25 high value investors and showcased some of the country’s top potential investments including Bothwell Street and AMIDS in Glasgow and Queen’s Square in Aberdeen. Warm leads generated were followed up as part of the Alliance’s presence at MIPIM 2018. The Alliance led on the press for the event, securing a comment piece in The Herald for the Cabinet Secretary, as well as coverage in The Herald HQ Business Magazine, The Times, BBC news and Metro, which is also generating leads.
- The Alliance attended MIPIM 2018 in Cannes in March having developed a programme of engagement in partnership with Arup, Henry Boot, the DiT and Property EU. This new partnership approach with the private sector has enabled the Alliance to secure additional funding of £4,212 from the public sector, and more than £10,000 of private sector sponsorship. More than £1.4 billion of investment has been generated as a result of the Alliance’s continued presence at this event. Key highlights and outcomes are detailed in the table below :

HIGHLIGHTS	OUTCOME
Secured coverage of the Hydrogen project in the MIPIM Preview. The publication is distributed to all delegates including investors prior to the event.	<ul style="list-style-type: none"> ✓ Secured high-quality coverage prior to the leading real estate event positioning Scotland as a front runner in innovation. ✓ Showcased SCA’s presence at the event.

Secured coverage in three of four issues of MIPIM Daily News distributed to delegates including investors at the real estate event.	<ul style="list-style-type: none"> ✓ Positioned SCA as a go-to partnership/first point of contact for investment in Scotland. ✓ Showcased SCA propositions. ✓ Encouraged engagement with key audiences.
Held five SCA-hosted events.	<p>These highly targeted events:</p> <ul style="list-style-type: none"> ✓ Positioned SCA as a go-to partnership/first point of contact for investment in Scotland. ✓ Increased exposure to, and engagement with, investors before and during MIPIM. ✓ Raised the profile of SCA's investor-ready opportunities. ✓ Positioned SCA as a leader in innovation and smart city development.
Supported the launch of the DIT's Scotland pitch book at the UK Government Pavilion.	<ul style="list-style-type: none"> ✓ Raised the profile of SCA's investor-ready opportunities. ✓ Positioned Scotland as a highly attractive location for FDI.
Set up five quality meetings with leading real estate/ business journalists.	<p>Coverage in these publications will help to:</p> <ul style="list-style-type: none"> ✓ Improve perception of Scotland as a capital investment location. ✓ Improve understanding of the SCA vision and objectives. ✓ Generate future coverage and interest in SCA and the cities as a result of the relationships you have established.
Arranged an investor dinner	<p>The dinner allowed SCA to:</p> <ul style="list-style-type: none"> ✓ Engage with high calibre investor guests. ✓ Discuss investment propositions. ✓ Establish new relationships with senior investors.
Secured two investor meetings	<p>These meetings helped:</p> <ul style="list-style-type: none"> ✓ Highlight the SCA as a go-to partnership at the Scottish level for major capital development opportunities. ✓ each city to promote their respective investment opportunities. ✓ Improve perception of Scotland as a capital investment location.
Secured four speaking opportunities	<p>These speaking slots helped to:</p> <ul style="list-style-type: none"> ✓ Improve perception of Scotland as a capital investment location. ✓ Position Scotland's cities as leaders in smart cities / future cities.
Worked with Glasgow to host a networking reception as part of the Glasgow Stand	<ul style="list-style-type: none"> ✓ Allowed the cities to network and meet potential investors while also promoting one of Scotland's fastest growing exports, gin.

<p>Planned and delivered a social media campaign. The twitter campaign generated 106.2K impressions up 95 % since last year. Engagement had also increased significantly: with likes up 124 % and retweets up 76 %.</p>	<p>The campaign helped to:</p> <ul style="list-style-type: none"> ✓ Improve understanding of the SCA vision and objectives. ✓ Got experts/ influencers talking about SCA. ✓ Encourage traffic to the SCA website. ✓ Highlight the Alliance as a go-to partnership at the Scottish level for major capital development opportunities. ✓ Position SCA as a leader in innovation and smart city development.
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- Work has begun with Aberdeen and Perth to undertake detailed financial modelling to improve the market readiness of key propositions in both cities. The outcome of the modelling will be tested with “critical friends” in the private sector for robustness and approach to ensure that they meet investor requirements in advance of being promoted in the Alliance’s Pitch Book.
- Undertaken a piece of research to understand the economic opportunities offered by twinning and other city network relationships which is now contributing to the International workstream of the Enterprise and Skills Review.
- Built on a growing data base of more than 300 investor connects with whom the Alliance is promoting its investment offering to on a regular basis through events and social media.

Press and profile –

- Dundee represented the Alliance at the Scottish Property Federation AGM as part of a session on place-making. This offered a unique opportunity to highlight the joined-up approach to investor attraction being developed in Scotland to a wide range of private sector stakeholders.
- The Alliance’s festive press release focused on Smart Cities and Hydrogen activity and was well received. It was used as the night lead on Business Insider (an influential Scottish business news network) and a South Korean hydrogen publication, amongst others.
- Our social media channels are doing well – Twitter and LinkedIn are proving successful platforms to get our news out to stakeholders and the media, with our blogs receiving on average up to 3,000 hits each week.
- The Alliance secured a front page column in the Wall Street Journal for the Alliance’s Chair, highlighting the Alliance’s collaborative activity as part of US Scotland week programme.

- Across both MIPIM UK and ExpoReal, 12 journalist interviews took place with the cities which achieved extensive press coverage for the cities including the pan-European business magazine Property EU and ExpoReal's Daily News which was read by the 42,000 delegates in attendance at the event.
- A promotional campaign to highlight the cities' investment opportunities in the Alliance's Pitch Book was run in City AM. The campaign used a range of formats including traditional print, online and social media to reach the investment communities in the City of London, ExpoReal and MIPIM UK. The Alliance also took an advert in BA's influential High Flyer business in-flight magazine to coincide with MIPIM.

"Arup have been attending MIPIM for over 20 years and is one of the biggest networking events that we attend. For us to build and develop our market knowledge, meet old and new friends and discover new opportunities, being part of the event is a must for us. Partnering with Scottish Cities Alliance at MIPIM 2018 was a fantastic opportunity which produced a well-attended and informed event for both parties. For SCA to attract a global audience, being part of MIPIM provides them with this platform to highlight and showcase Scotland's international investment potential through a smartly co-ordinated approach."

Martin SurrIDGE, Director, Arup

Infrastructure

Scottish cities have world-class offerings due to their diversity, business friendly approach and growing sectors. The Alliance continues to work closely with partners in both the public and private sector to develop new investment opportunities.

Our collaborative approach to developing investable infrastructure propositions of scale builds upon, and is complemented by, the collaborative approach we are taking to providing robust low carbon and smart infrastructure for future investment.

Key Achievements

- The Alliance completed work with EY to explore the potential to create a Scottish Cities Investment Fund to support and enhance the delivery of large scale infrastructure projects across the cities. The recommendations in the report “Funding Future City Infrastructure” have so far been used to maximise opportunities for the cities from the mid-term review of European Structural Funds.
- Working with ALACHO and Scottish Futures Trust, the Alliance has identified an opportunity for the partners to share intelligence on emerging models across cities around build to rent housing and other forms of market and mid-market rent to grow the sector.
- Utilising hotel development modelling undertaken by the Alliance, Inverness is actively promoting two sites at Inverness Airport Business Park and the Inverness Campus in which a number of expressions of interest stemming from profile generated at Alliance events are currently being considered. Perth has used the research to help shape their approach to targeting 4 star plus hotel developments to the city centre. Inverness, Perth and Stirling continue to actively promote these opportunities.
- Building on work undertaken to ensure the city regions are best placed to support future manufacturing opportunities, the Alliance is now in discussion with Scottish Enterprise and Zero Waste Scotland to produce practical design templates for modern industrial premises to ensure that the Tay City Region has an industrial property pipeline to support sustainable business and economic growth in key sectors.

Low Carbon

The Alliance has supported a portfolio of projects which will help to improve services, lessen the impact of climate change and ensure the future economic prosperity of Scotland while making the cities more attractive to potential investors. These projects will support the transformation of the cities into world leading destinations for investment and sustainable economic growth.

Key Achievements

- Following successful bids to Zero Waste Scotland's "Efficient Circular Economy Accelerator" Strategic Intervention, the Alliance continues to support Edinburgh, Perth, Dundee and Aberdeen on work to analyse material flows and identify opportunities for the cities and local business partners to support regional economic growth.
- Related to the Circular Economy, Zero Waste Scotland and the Alliance are supporting the cities to be involved in a CivTech challenge proposal from the NHS to encourage SME's to come forward with an innovative solution aimed at keeping track of assets used by a range of stakeholders across the public sector (e.g social services, NHS, education etc) to ensure the long term use of assets and realise real savings in the delivery of public services.
- Following the Alliance's successful bid to enable Aberdeen, Dundee, Inverness, Perth and Stirling to access £250,000 from Scotland's Energy Efficiency Programme to pilot the methodology to produce Local Heat and Energy Efficiency Strategies (LHEES), all 7 cities are now working together to share resources to input to this work. It is anticipated that pilot strategies will be developed in the following areas:-
 - Aberdeen - Ward of Tillydrone, Seaton and Old Aberdeen
 - Dundee - Lochee Community Planning Partnership area, north of city centre
 - Inverness - Inverness Central, Inverness Millburn and Culloden and Ardersier Wards
 - Perth - Perth City Centre (including Muirton and North Muirton), areas, Perth City North and Strathtay
 - Stirling - Braehead, Forthside and Raploch

The resulting pilot strategies will inform the dialogue with the Scottish Government on how cities can adopt LHEES to plan for energy demand reduction and heat decarbonisation of buildings across their areas, creating opportunities for district heating investments.

- The Alliance supported Inverness and Stirling as well as the James Hutton Institute to develop an INTERREG proposal in collaboration with international partners to take forward a mutual circular economy project.
- The Alliance mapped existing and future district heating projects across the cities and collated key investment information which formed the basis of SE/SDI inward investor pitches to organisation in New York and Canada with the aim of attracting manufacturing companies to Scotland. Two warm leads have been generated from this mission.
- Following the development of strategic outline cases for the cities to enable them to access the Scottish Government's Non-Domestic Energy Efficiency Framework, Dundee has used the framework to procure two packages of work to the value of £3.8 million. Across the cities, work to improve the energy efficiency of the public sector estate has the potential to create a pipeline of job opportunities and realise approximately £2.5 million of savings annually across 111 buildings. The Scottish Government has put in place a Support Unit to provide guidance to public bodies to enable them to access the Framework.
- Obtained membership of CoSLA Scotland's Energy Efficiency Programme (SEEP) reference group, allowing the cities to inform the development of the SEEP programme. The value of SEEP is £500 million over the next 4 years and will produce a programme estimated worth £10 billion over 20 years creating 4,000 new jobs.

Hydrogen

To drive forward the agenda for a low carbon future and help lessen the impact of climate change and ensure the future economic prosperity of Scotland, the Alliance's work on hydrogen has allowed Scotland to position itself as one of Europe's leading early adopters of hydrogen technology and attract investment into sectors such as manufacturing, engineering, energy and commercialisation of the technology over the next few years.

Key Achievements

- 14 European cities involved in the Fuel Cell and Hydrogen Joint Undertaking (FCH-JU) attended the launch of JIVE 2 in Aberdeen in March. Following Aberdeen's success in JIVE 1, Dundee is a partner in the ambitious JIVE 2 programme and has secured €1.8 million of funding for 12 hydrogen fuel cell buses and associated refuelling infrastructure.
- The Alliance has supported Dundee to develop an exemplar integrated energy investment proposition combining heat, energy and transportation with an estimated value of £10 million. The intention is for the proposition to feature in the refreshed Alliance Pitch Book and be promoted to both national and international investors at targeted investor events over the next 12 months.
- The Chair of the Alliance, was a keynote speaker at Scottish Renewables' first Low Carbon Cities conference which explored opportunities for Scotland to embrace the transition to sustainable, clean, green cities. The Minister for Transport and Islands, Humza Yousaf, also made a keynote address on decarbonising transportation and associated infrastructure across our cities. The event highlighted the need for local authorities to understand what financial models are available to fund low carbon projects and what investors are looking for in terms of projects.
- The Chair of the Alliance was a keynote speaker at The Scottish Hydrogen and Fuel Cell Association's Annual Conference in Glasgow in September alongside Paul Wheelhouse, Minister for Business, Innovation and Energy. SHFCA will be holding their Annual Conference in Dundee in 2018, and the Alliance is working with SHFCA's CEO regarding holding a dinner in Dundee as part of the programme with Humza Yousaf, Minister for Transport and the Islands, as a keynote speaker.

- Worked with Scottish Enterprise, St Andrews University and leading energy consultants E4-Tech to carry out research to identify supply chain opportunities across Scotland for hydrogen technologies. The findings were published in September 2017, and the Alliance partners will now work closely with Scottish Enterprise to maximise business opportunities across Scottish cities and their regions.
- A soft market survey was issued to test the market to assess the appetite for the large scale production of hydrogen across the Scottish city regions. The next step is to engage with the 14 stakeholders who responded to review their propositions.

“Green Hydrogen from Scotland’s renewable energy could be a major contributor to the wider UK transition to a low carbon economy. Scotland is a huge contributor to this transition with its abundance of renewable energy and the skills and expertise from the Oil and Gas industry. The decarbonisation of cities will also be a major factor and the role played by the Scottish Cities Alliance will be pivotal in achieving Scotland’s ambitions.”

Dr Graham Cooley, CEO ITM Power plc

Smart Cities

The 8th City Programme is being progressed via a Phase 1 ERDF grant of £10 million enhanced by Scottish cities match funding and funding from the Cities Investment Fund of £14.5 million to create a £24.1 million programme of Smart City projects across all cities.

The 8th City programme now involves the development and delivery of 29 co-designed projects across an ambitious programme of 9 ERDF Operations. The table below shows the range of Operations and the cities participating in projects to support them:

ERDF Operation	City Projects
Open Data	Aberdeen, Dundee, Glasgow, Inverness, Perth, Stirling
Smart Communities: Mobile Working	Glasgow, Perth
Smart Services: Energy	Aberdeen, Stirling
Smart Services: Mobility	Aberdeen, Dundee, Inverness, Stirling
Smart Services: Waste	Dundee, Edinburgh, Glasgow, Inverness, Perth, Stirling
Smart Services: Public Safety	Dundee, Perth
Smart Infrastructure: Innovation Labs	Perth
Smart Infrastructure: Water Management	Glasgow
Smart Infrastructure: Intelligent Street Lighting	Aberdeen, Glasgow, Perth, Stirling

Throughout 2017/18 a number of projects moved from planning and development to delivery.

Key highlights include:-

- Development of **Open Data** platforms for Dundee, Inverness, and Perth. Launched at the Scottish Cities Alliance Smart Cities engagement event at MIPIM 2018, these data platforms will support Scottish cities in making data widely available for use in the development of new products and services. In addition to joint work to ensure that all Scottish cities have access to open data platforms, work has continued on a collaborative approach to data standards, data analytics, and community engagement and capacity building around open data - providing insight, knowledge and methodologies to support the delivery of open data activity across Scotland.

- The Glasgow **Smart Communities (Mobile Working)** project aims to maximise the efficiency of staff working in social care and cleansing/environmental services, through improved access to data and technology, and to improve interaction for users. Use of data and digital technology has led to enhanced communication, streamlined project delivery, and increased levels of user satisfaction; this methodology has been branded the 'App Factory' approach. Information and expertise derived from Glasgow's mobile working initiative has been shared at 'Smart Communities' expo events and as a [Case Study](#) on the Alliance's website.
- The Perth **Smart Communities (Mobile Working)** project is aligned with 'MyAccount' and online services to help deliver a fully integrated end-to-end system. Better use of data and the use of data analytics will support evidence-based decisions to transform and improve services and deliver a smarter city.
- The Stirling **Smart Energy** project is addressing energy consumption challenges by developing an Integrated Smart Energy Management System across Stirling Council buildings with the highest energy demand/consumption. This new Management System enables the integration of all the Council's energy monitoring systems into one platform called "The Energy Hub." This will monitor and review peak energy use, adjusting room temperature through a central control system - reducing energy bills and Council CO₂ emissions.
- Aberdeen, Perth, Stirling and Glasgow are implementing **Intelligent Street Lighting** systems which will deliver a range of benefits, including more controllable and efficient lighting, energy savings and enhanced public and road safety. This will reduce CO₂ emissions by using LED bulbs and sensors to control the lights.
- A number of Scottish cities have developed **Smart Mobility** projects for the 8th City programme. Aberdeen, Dundee, Inverness, and Stirling are working on projects to transform the use of 'car club' vehicles, create mobility monitoring networks, and (in Dundee's case) create the 'ShareMORE' initiative - a portfolio of projects that combine smart mobility and the sharing economy within a Living Laboratory framework.
- Dundee, Edinburgh, Glasgow, Inverness, Perth, and Stirling are working collaboratively on **Smart Waste** projects to identify opportunities for the integration of digital technology and data into a strategic solution which enhances resource efficiency and the transition towards a Circular Economy.

- Smart City events took place throughout 2017/18 across the cities to share learning and experience with key stakeholders. These ranged from ambitious conferences attracting national partners to more informal workshops and discussion sessions and have raised the cities' profile as early adopters of smart technologies.
- Good progress is being made on the development of Phase 2 of the 8th City Programme which is anticipated to run from late 2018/19 to 2022/23. The Alliance has been working closely with the cities to develop detailed project proposals to ensure they are best placed to receive an enhanced award of ERDF in Phase 2 of circa. £10/20 million.
- The Alliance produced a business case which identified that over a 10 year period the Scottish city authorities are likely to realise more than £3 billion worth of savings through improved public sector efficiency through the adoption of smart city standards methodologies. Opportunities to take this forward will be explored as part of Phase 2 of the 8th City Programme.

Research and Best Practice

The Alliance contributes on behalf of its partners to Scottish, UK and European policy forums and consultations, with a view to promoting and accelerating the achievement of the shared aims and ambitions of Scotland's cities.

Key Achievements

- A refreshed Operational Plan was adopted by the Leadership Group in December 2017.
- As part of the Enterprise and Skills International Workstream, the Alliance core team is working collaboratively with a wide range of stakeholders including universities, colleges, Chambers of Commerce and Scottish Government and its agencies to support the "Scotland is Now" approach to inward investment activity.
- A roundtable session with Benny Higgins, Chair of the Scottish National Investment Bank Investment Group, allowed the cities to contribute to the development of the Implementation Plan for the creation of Scotland's National Investment Bank in January. The cities also attended a further consultation in February. Both events enabled the cities to inform the SNIB Investment Group's recommendations to the Scottish Government on how it should proceed in establishing the Bank, what the functions and structures should be, and the relationship that the Bank should have with the Scottish Government and existing financing agencies and interventions.
- The Alliance completed research with the University of Glasgow analysing the vision for transport contained in the economic strategies of the City Regions to help inform the cities' contribution to the refresh of the National Transport Strategy.
- The Alliance hosted the European Housing Partnership (EHP) in Scotland in September 2017. The programme for the visit included:
 - The launch of the research the Alliance led for the EHP in partnership with the University of Glasgow looking at innovative solutions to unlocking the supply of more affordable housing across cities in Western Europe which face similar challenges to Scotland's cities; and
 - A civic reception hosted at Glasgow City Chambers, which provided an opportunity for City Leaders and Directors responsible for housing and planning to network with senior officers responsible for the delivery of housing across European cities, exchange experience and best practice and learn more about how the work of the EHP can help them meet their own ambitions for housing across the Scottish cities.

The research highlighted that Scotland is leading the way in the provision of good quality housing and the research will help inform Europe's Action Plan for housing due to be published later in 2018.

- Supported by Aberdeen, the cities are represented on the Scottish Government Sub-Scotland Economic Statistics Group and also working closely with Scottish Enterprise on the development of their Economic Assets Register. Both pieces of work will enable cities and their regions to access up to date information that will allow them to develop better policy frameworks and programme activity to maximise opportunities for inclusive growth. Going forward, opportunities for the cities to help plug some key data gaps in Scottish Government and Scottish Enterprise's data via the Alliance's Data Cluster operation in the 8th City Programme will also be explored.
- The Leadership Group held a discussion with Joaquim Oliveira Martins, Head of Regional Development Policy Division for the OECD on the OECD's Inclusive Growth Initiative and opportunities for the Scottish cities to participate. Inverness has since joined the Initiative and the other cities are progressing discussions internally.
- Assisted the cities to respond collaboratively to the Scottish Government consultations on Scotland's Energy Strategy, Scotland's Energy Efficiency Programme and District Heating Regulations.
- Supported Dundee to represent the interests of the Scottish Cities on the Europe-China Eco-Cities Link funded project which supports joint working between Chinese and European cities on a range of low and zero carbon activities.
- Linked to the Alliance's membership of Scotland Europa, the Scottish cities informed a delegation from the ERRIN network visiting Quebec seeking partners interested in collaborating with Scottish cities on the Horizon 2020 2018-2020 call. Several links with Quebec were established which were shared with the cities to progress.
- On the back of the Alliance securing an opportunity for Scotland to participate in the EU World Cities Programme 2017-2018 last year, Scotland Europa have continued to build relations with the city of Suwon. A delegation from Suwon visited a number of the Scottish cities in November and connections established with Clyde Gateway and Historic Environment Scotland were followed up by a subsequent visit of these organisations to South Korea in April 2018. The World Cities programme funded by the EU has helped give Scotland access to a network of international cities and established opportunities for knowledge exchange upon which

Scotland can build its ambitions for internationalisation including cities in China, Australia, South Africa and Indonesia.

- Worked closely with Scottish Enterprise's Brexit Steering Group to share information and intelligence around key sectors to enable the cities to maximise the opportunities and mitigate the challenges created by Brexit for the cities and their regions. This will ensure that they remain globally competitive and attractive to the investors and talent essential for them to achieve sustainable economic growth.

3. BUDGET

The Scottish Cities Alliance has two funding sources. The first is an investment fund for specific collaborative projects to accelerate their development and delivery. The second is the Alliance Core Team Budget which includes employment and overhead costs for the Alliance's Core Team based in SCDI.

Cities Investment Fund

The Cities Investment Fund of £7 million was provided by the Scottish Government when the Alliance formed in December 2011.

The purpose of the fund remains unchanged. It continues to be used to leverage additional private finance and/or European funding, to generate income from private sponsorship and support large-scale collaborative projects and to develop programmes which will allow for wider city region investment.

Table 1. Programme Funding

Budget as at 31st March 2018 is detailed below :

	Budget Allocated	Budget Remaining	Total Budget
Infrastructure & Investment Promotion	£2,997,795	£889,169	£3,886,964
Low Carbon & Smart Cities	£2,805,566	£414,946	£3,220,512
Total	£5,803,361	£1,304,115	£7,107,476

Alliance Core Team Budget

Each city, the Scottish Government and the CIF budget contributed to the Scottish Cities Alliance's Core Team budget held by SCDI £215,105 to cover staff costs for the financial year 2017-2018. The Alliance Leadership Group agreed to increase the budget for the Core Team Budget in 2018-2019 to £238,000 to reflect the expansion of activity and responsibilities of the Alliance programme. Procedures remain in place by the SCDI financial management team to monitor expenditure.

4. LOOKING FORWARD

The Alliance has made significant progress on all its operational priorities during 2017-2018 and has expanded its network of strong and credible relationships with a wide range of key agencies and stakeholders both nationally and internationally. Over the next year we will take forward the priorities identified in the Alliance's new Operational Plan 2018-2022, working closely with the city Leaders and the Cabinet Secretary for the Economy, Jobs and Fair Work on our Leadership Group.

Alliance's Focus for 2018-2019

Investment Promotion 2018-2019

- Work with the Scottish Government's Capital Investment Scotland Working Group to better understand the nature of international capital, how best to access it and what overseas investors consider to be investible propositions both in terms of scale and quality.
- Work closely with partners including the Scottish Government's Capital Investment Working Group to develop a stronger strategic focus for investment attraction that supports the "Scotland is Now" brand.
- Delivery of a One Scotland approach to a campaign of events such as MIPIM Cannes and Expo Real, utilising the Scottish Government International Hubs as bases to promote city investment propositions.
- Utilise data from Scottish Enterprise's Economic Asset Register and the Scottish Government's Sub-Scotland Economic Statistics Group to develop more targeted messaging for investors.
- Use the Alliance's new CRM system, to develop an increasingly targeted approach to investor activity.
- Proactively target lead generation activity in key domestic and international markets using a range of media channels.
- Launch the Alliance's new digital pitch book which will take a more sectoral approach to investment promotion and include a wider suite of investor propositions.
- Take forward recommendations on how the cities can maximise the economic opportunities offered by key twinning and other city network relationships as part of the International workstream of the Enterprise and Skills Review. Further to the Minister's meeting with the Consider Canada Cities Alliance in Ottawa in 2017, the Head of Science, Innovation and Energy

at the British High Commission in Canada will meet with the Alliance partners in Scotland this summer to explore collaboration opportunities.

- Develop the relationship with the Canadian cities who are keen to undertake an investment and trade mission to the UK and Ireland in the near future.

Smart Cities Scotland 2018-2019

- Supported by the 8th City PMO, cities will use the early part of 2018/19 to develop project proposals for submission and consideration by the Managing Authority Approval Panel (MAAP) anticipated in June 2018. Phase 2 of the 8th City programme is likely to run from late 2018/19 to 2022/23. In delivering this activity further opportunities will be sought for cross-city collaborative working, information sharing and learning.
- Support Aberdeen and Stirling to deliver their data platforms utilising the same framework as Dundee, Perth and Inverness.
- Utilise the Alliance's membership of the Open and Agile Smart Cities network to ensure cities learn from international best practice in open data and standards.
- Support the cities to link activity they are pursuing collectively via the 8th City Programme to national programmes by working closely with the Scottish Government and other key partners such as the Data Lab, National Services Scotland, Local Government Digital Office and the Future Cities Catapult.
- Support Dundee to deliver the first fully Integrated Energy Park with state of the art hydrogen refuelling / EV charging infrastructure.
- Support Perth in the delivery of their integrated transport hub combining EV and hydrogen refuelling infrastructure that is soon to be under development at Broxden.
- Building on the successful project development activities in Aberdeen and Dundee, the Hydrogen Project Manager will support Glasgow as part of the next phase of hydrogen deployment through the submission of evidence to Glasgow's Connectivity Commission, outlining how hydrogen can form part of the city's approach to implementing Scotland's first Low Emission Zone and create economic opportunities for the city.
- Building on the hydrogen projects in Aberdeen and Dundee, the Alliance aims to support Aberdeen, Perth, Dundee and Fife to create a hydrogen valley project for consideration as part of the FCH-JU's Hydrogen Valleys initiative to be launched in Autumn 2018. The call is anticipated to be worth €30 million and would enable cross city region working to maximise refuelling infrastructure and large scale deployment of zero emission vehicles as well as attract major manufacturers to Scotland.

- Engage with the private sector to explore the viability of large scale hydrogen production in Scotland which can be distributed across city regions. This is a crucial next step for accelerating the uptake of fuel cell technologies to levels at which they can make a meaningful contribution towards Scotland's decarbonisation ambitions.
- Building on work the Alliance has undertaken with the Royal and Ancient and the main patrons Daimler/Mercedes and Doosan relating to the 150th Open in St. Andrews in 2021, the Alliance will take forward discussions regarding an opportunity to showcase Scottish zero/low carbon projects including hydrogen technologies and ULEV vehicles to the global audience of 500 million people set to tune into the event.
- Work closely with Urban Foresight and the MILL Project in Dundee to support the development of the smart mobility sector across the cities for the benefit of Scotland.
- Support Dundee, Perth and Fife in round 2 of the £12 million OLEV funding call for the expansion of hydrogen refuelling infrastructure and vehicle deployment to be utilised by local businesses and NHS Tayside.
- Work to maximise opportunities for Scotland from Innovate UK's circa £200 million Hydrogen Innovation Challenge Fund.
- The Alliance will support the cities to raise the profile of both their energy efficiency and zero carbon activities during All Energy 2018 at which the First Minister will give a key note address.
- The Alliance will continue to oversee the delivery of existing activity in the pipeline for low carbon including the Local Heat and Energy Efficiency Strategies, the Circular Economy Scans being taken forward by Zero Waste Scotland, the potential collaborative CivTech Challenge on the Circular Economy and Interreg.
- The Alliance will work closely with SDI/SE to support the FDI interests in district heating including the development of the itinerary for the investor visits SDI/SE have arranged in September 2018.

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- Utilise the Scottish Government's Brussels hub to participate in a potential event with the European Housing Partnership as part of the European Week of Regions and Cities in October 2018.
- Continue to explore opportunities for the cities to contribute to discussions, that will inform and influence the strategic direction of the Scottish National Investment Bank, and on the possible use of local government pension funds to support delivery of infrastructure.
- Following discussion of the recommendations of the University of Glasgow research on maximising economic opportunities from transport investment across the city regions, the core team will facilitate discussions on agreed cross city priorities with the CEO of Transport Scotland.
- Support the cities to work with both the Scottish and UK Government's and other stakeholders to maximise opportunities from the UK Industrial Strategy and post-brexite successor funding, building on the Scottish cities contribution to the Scottish Government's Economy, Jobs and Fair Work Committee's Inquiry.
- Explore opportunities to align Alliance activity with evolving structures around economic development: City Deals; Regionalisation; Inclusive Growth, Devolved Powers to maximise opportunities for inclusive growth across the cities.
- Explore opportunities for the cities to enhance the data available at a city regional level via Scottish Enterprise's Economic Assets Register, Scottish Government's Open Data Portal for statistics and Scotland's Centre for Regional Inclusive Growth, due to be launched in June 2018.
- The Alliance's operational teams will continue to identify and pursue funding opportunities and influence policy in a way which is supportive of collaborative project activity.
- Continue to work with Scottish Enterprise to share information and intelligence around key sectors to enable the cities to maximise the opportunities and mitigate the challenges created by Brexit for the cities and their regions.