

Document No. 6

From: Bowman K (Katy)
Sent: 29 March 2017 13:01
To: Cabinet Secretary for Economy, Jobs and Fair Work; [REDACTED]
Cc: Gil O (Oonagh); [REDACTED])
Subject: RE: IMPACT Scotland

Hi [REDACTED]

Thanks – really pleased with this response!

I'm happy to be involved in any meeting and would be good to extend to Ms Hyslop too so we can try to move this back into her space whilst acknowledging the city deal process.

Thanks

Katy

From: [REDACTED] On Behalf Of Cabinet Secretary for Economy, Jobs and Fair Work
Sent: 29 March 2017 12:57
To: [REDACTED]
Cc: Gil O (Oonagh); [REDACTED] ; Bowman K (Katy); [REDACTED]
Subject: FW: IMPACT Scotland

[REDACTED] ,

Please see response from Ewan Brown.

I look to set up a meeting after recess.

Thanks

[REDACTED]

[REDACTED] | Deputy Private Secretary to Keith Brown MSP, Cabinet Secretary for Economy, Jobs and Fair Work
The Scottish Government | St Andrew's House, Edinburgh, EH1 3DG | Web: www.gov.scot
Tel: [REDACTED] | Email: CabSecEJFW@gov.scot

From: Ewan Brown [REDACTED]]
Sent: 29 March 2017 12:48
To: Cabinet Secretary for Economy, Jobs and Fair Work
Cc: Bowman K (Katy); [REDACTED]
Subject: IMPACT Scotland

To
Cabinet Secretary for Economy, Jobs & Fair Work

From
Ewan Brown, Chair, IMPACT Scotland

Dear Keith

Thank you for your letter of today's date.

I also want to record my appreciation to Katy Bowman and [REDACTED] for their patient understanding of our need for assurance in deciding whether we can move to the next stage of the project with confidence that public sector support will be provided.

While very disappointed that the City Region Deal discussions were not concluded in March, our board is reassured by the positive messages in your letter. We decided this morning that we will proceed with the process to select an architect-led design team and would expect to be in a position to announce a winner towards the end of April.

You very kindly say that you would be happy to discuss things further. Would it be possible to get a date in the diary for us to meet towards the end of April so that I can gain an understanding of how the UK Government's position is developing. I will also be seeking confirmation from Edinburgh Council of their commitment and whether the May elections could cause us any problems.

Ewan

On 29 Mar 2017, at 09:35, "CabSecEJFW@gov.scot" <CabSecEJFW@gov.scot> wrote:
Good morning

Please find the attached letter from Keith Brown, MSP, Cabinet Secretary for Economy, Jobs and Fair Work.

Kind regards

[REDACTED]
Assistant Private Secretary (Correspondence)
Minister for Business, Innovation and Energy / Cabinet Secretary for Economy,
Jobs and Fair Work
2N.08 St Andrew's House | Regent Road | Edinburgh | EH1 3DG
[REDACTED]

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this e-mail may not necessarily reflect those of the Scottish Government.

Tha am post-d seo (agus faidhle neo ceanglan còmhla ris) dhan neach neo luchd-ainmichte a-mhàin. Chan eil e ceadachd a chleachdadh ann an dòigh sam bith, a' toirt a-steach còraichean, foillseachadh neo sgaoileadh, gun chead. Ma 's e is gun d'fhuair sibh seo le gun fhiosd', bu choir cur às dhan phost-d agus lethbhreac sam bith air an t-siostam agaibh, leig fios chun neach a sgaoil am post-d gun dàil.

Dh'fhaodadh gum bi teachdaireachd sam bith bho Riaghaltas na h-Alba air a chlàradh neo air a sgrùdadh airson dearbhadh gu bheil an siostam ag obair gu h-èifeachdach neo airson adhbhar laghail eile. Dh'fhaodadh nach eil beachdan anns a' phost-d seo co-ionann ri beachdan Riaghaltas na h-Alba.

*

<Sir Ewan Brown.pdf>

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Document No. 7

From: Bowman K (Katy)
Sent: 22 February 2017 16:54
To: 'Ewan Brown'; [REDACTED] Cabinet Secretary for Culture, Tourism and External Affairs
Cc: 'Gavin.Reid@sco.org.uk'; '< [REDACTED] >'
Subject: RE: IMPACT Scotland

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Ewan

Thanks for this – very helpful. I'll keep you updated on any conversations/ progress within SG.

Best,

Katy

(Copying the Cabinet Secretary's updated email address)

Katy Bowman
Special Adviser to the First Minister
Scottish Government | St Andrew's House | Regent Road | Edinburgh | EH1 3DG| [REDACTED]

From: Ewan Brown [mailto:Ewan.Brown@st-andrews.ac.uk]
Sent: 22 February 2017 16:47
To: [REDACTED] zzzCabinet Secretary for Culture, Europe and External Affairs 2014 to 2016
Cc: Bowman K (Katy); Gavin.Reid@sco.org.uk; <petershakeshaft@btinternet.com>
Subject: IMPACT Scotland

To the Cabinet Secretary, Culture

IMPACT Scotland

We thought it might be helpful to update you on the progress we have made since our meeting at Holyrood on 6 October

Announcement

The public announcement on 16 November was very well received. The board of the Queens Hall were appreciative that the SCO had informed them of the plan in advance of the announcement.

RBS

RBS and IMPACT Scotland continue to collaborate in order to achieve a home for the SCO, with excellent acoustics; and also robust enough to ensure there will be "something for everyone" and will adapt to and serve the many and assorted EIF performers and attract visiting music groups, from a very broad range of genres. Discussions with RBS

have highlighted the important role of Edinburgh's Festivals and the value that the new facilities will have in sustaining Edinburgh's preeminent role as a Festival City for all the people and for the engagement with Scotland and the wider UK.

Purchase of 35 St Andrew Square
Dunard Fund expects to complete the purchase from RBS by the end of March

Acoustician

Following a competition, Nagata Acoustics (headed by Dr Toyota) were appointed to be a key part of IMPACT Scotland's team with responsibility for delivering the acoustic brief for the auditorium and rehearsal hall.

Architect-led design team

In December, expressions of interest were invited from architects with the objective of establishing a short list based on design capability and design delivery. A short list of six (from Scotland, London, Switzerland and Canada) selected by the jury panel visited the site on 2 February and were briefed on the project. Interviews to select the winner will be held on 7 April. A decision on whether to proceed with the appointment will depend on whether the IMPACT Scotland board has a sufficient level of confidence that the public sector funding will be confirmed.

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A fundraising reference group under the chairmanship of Colin Buchan has been established. (see Governance below) and the Case for Support is at an advanced stage. A very experienced fund-raiser started work on 1 January. Because he is winding down a current assignment, he will progress from 1 day a week in the first quarter of 2017 increasing to 4 days in the fourth quarter. He has accepted the remit of raising £10 million.

Branding and website

In January, Union (Edinburgh) were appointed following a competition and given the brief of establishing an identity and website for IMPACT Scotland

Charitable status

OSCR approval was received in October; HMRC approval was received in February

Governance

We have established "reference groups" under the IMPACT Scotland board for fund-raising (see above), relationship with RBS, selection of project architect/design team, relationship with Nagata Acoustics, relationship with architect and contractor, planning & programming, public relations & communications, and use of number 35. The chairs of each of these groups have been tasked with bringing their remits to the March board. In February, we agreed that Morag Campbell, chief executive of NYCOS and Donald Shaw of Celtic Connections should be invited to join the IMPACT Scotland project board.

City Region Deal

In November, the IMPACT Project board set itself the objective of getting the public sector element of the project (£25m out of a total project value, including the RBS "value", of £60m) confirmed by the end of March 2017. This would give the board sufficient confidence that it could announce the appointment of an architect-led design team following the interviews by the judging panel on 7 April.

Because we have no direct involvement in the process, the board asked its chair, Ewan Brown, to lead on ensuring the various public sector stakeholders were aware of IMPACT Scotland's plans and timetable.

Edinburgh Council

In December, Edinburgh Council officials confirmed to us that, as part of a £2bn City Region Deal, Councillors would be asked to approve a financial contribution to the project in the range £2.5m to £5m. [REDACTED]

Scotland Office

Carol Grigor and Ewan Brown briefed David Mundell in mid February. He was sympathetic and said he would do what he could to ensure there was good communication between the two Governments. [REDACTED]

HM Treasury

On the introduction of Nick McPherson, the recently retired Permanent Secretary, Ewan Brown met David Willis, Deputy Director, Devolution on 7 February. He was encouraging that there would be an Edinburgh City Region Deal - [REDACTED] He encouraged us to arrange a meeting with Keith Brown.

Scottish Government

Ewan Brown had a very helpful meeting with Katy Bowman at the end of January and has maintained email contact with her, including the timing of a meeting with Keith Brown. The SCO have been keeping [REDACTED] and his team informed,

Ewan Brown also had meetings in January with Janet Archer, chief executive of Creative Scotland and Francesca Osowka, Scotland Office

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Document No. 8

8 Correspondence from Ewan Brown

From: Ewan Brown <[REDACTED]>
Sent: 22 March 2017 10:09
To: [REDACTED] <[REDACTED]> @gov.scot>
Subject: Fw: IMPACT Scotland

For info

From: Ewan Brown
Sent: 22 March 2017 09:40
To: stewart.maxwell2@gov.scot
Subject: IMPACT Scotland

Stewart

Last night's dinner was very enjoyable. I hope that Ministers felt that it was a useful discussion.

Before dinner, I had the opportunity to speak to Keith Brown about our current situation. I had just heard from Edinburgh Council that there would be no announcement of a City Deal before the local elections and told him that we were now facing big decisions.

As agreed, I enclose a short note which I hope you would share with Keith. If there is any further information which you or he needs, or if a meeting would be helpful, please let me know.

Ewan

Attachment:

IMPACT Scotland

For Keith Brown, Cabinet Secretary for Infrastructure, Investment and Cities

Keith

Thank you for listening to me at last night's dinner, which I greatly enjoyed.

I am chairing a board meeting of IMPACT Scotland on 29 March. At that meeting, I have to decide whether I can recommend to the directors that we should proceed with the project.

Following an international competition, we are meeting to choose an architect on 7 April. [REDACTED]

Background

As a reminder, the funding requirement, including contingencies, is £45m. (RBS is granting a 120 year ground lease which has a value of c£15m - giving a total project value of £60m)

Dunard Fund will

- gift £10 million towards the capital cost
- guarantee capital cost overruns
- make its funds available ahead of monies received from public sector sources
- underwrite projected operating deficits for the first 3 years

A fundraising campaign will raise £10 million, part of which is already pledged.

In May, 2016, we made application to the Scottish Government for a grant of £20million. In the summer, a decision was taken to include, as its cultural flagship, the IMPACT Scotland project in an Edinburgh City Region Deal. Edinburgh Council has indicated that it would contribute up to £5m.

[REDACTED]

[REDACTED]

The project and its impacts

The project will secure a new performance venue in the centre of Edinburgh, embracing all music genres, providing a home for the Scottish Chamber Orchestra, reaching out to the local community and beyond, building new audiences, educating young artists - and with unrivalled public transport links to optimise access opportunities. It will be truly transformational for a wide range of communities across Edinburgh and beyond, in terms of reach, innovation and quality.

There will be a 1,000 seat auditorium and a studio providing rehearsal, recital and recording space to rival the best in Europe in terms of acoustics and audience experience. The auditorium meets the need for a purpose-built, mid-sized performance venue, with access for all forms of popular music, jazz, folk, chamber and other small classical music groups as well as solo and song recitals and small dance ensembles.

The new buildings will be immediately behind, and connected with, Dundas House, the RBS head office at 36 St Andrew Square

We have already provided a statement of the major impacts that the project would achieve. It equips Edinburgh as a world-class cultural capital for the future; defends Edinburgh's status as a world-famous festival city and would be the first new building for performance in Edinburgh for 100 years. It also helps to maintain Edinburgh's position as an international Festival City in the face of increasing national and

international competition. Together with the Usher Hall, Edinburgh will be in a much stronger position to retain its position as a leading city of music and performing arts. Its Festivals generate £313m for the Scottish economy and create the equivalent of over 5,000 full-time jobs. Each August, the Edinburgh International Festival which is the world's premier arts festival, would have adopted the new complex as one of its principal, all-day venues for festival performances. [REDACTED]

Sir Ewan Brown
Chair, IMPACT Scotland
22 March 2017

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Document No. 9

From: Bowman K (Katy)
Sent: 14 April 2017 15:30
To: Cabinet Secretary for Economy, Jobs and Fair Work
Cc: Maxwell S (Stewart) (Special Adviser); Cabinet Secretary for Culture, Tourism and External Affairs; [REDACTED]; Pryce JM (Jonathan); [REDACTED]
Subject: FW: IMPACT Scotland

Hi [REDACTED]

See below - I said I'd pass on the meeting request. It would be good to involve Ms Hyslop too to ensure it's still kept in a 'culture space' despite it also being city deal.

[REDACTED] - I saw some emails on this issue whilst I was in the states with FM which seemed positive re DCMS support. If you think holding off until early May is more beneficial for further clarification then happy for that to be looked at instead.

Thanks

Katy

-----Original Message-----

From: Ewan Brown [mailto:Ewan.Brown@st-andrews.ac.uk]
Sent: 10 April 2017 22:02
To: Bowman K (Katy)
Cc: Maxwell S (Stewart) (Special Adviser)
Subject: IMPACT Scotland

Katy

We judged the short-listed architects on Friday and have a clear winner. OJEU procurement rules give the 5 losers a period to object should any of them feel that the process was flawed - and it will therefore be the end of April before the winner is announced.

You kindly indicated that you would try to arrange for me to meet with Keith Brown in the second half of April to get a progress update on the City Region Deal.

I appreciate that any announcement of a Deal would be after the local elections - but it would be hugely helpful for us to get a steer on whether our project will definitely be part of the package [REDACTED].

Ewan

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Document No. 14

From: [REDACTED] <[REDACTED]>
Sent: 15 March 2017 16:17
To: [REDACTED] <[REDACTED]@gov.scot>
Cc: Paul Lawrence <Paul.Lawrence@edinburgh.gov.uk>
Subject: [PROTECT] FW: Edinburgh and South East Scotland City Region Deal

[REDACTED],
See below from [REDACTED].
Trust that clarifies the position.
[REDACTED]

[REDACTED]Tel [REDACTED]



VIEW THE EDINBURGH CITY DEAL VIDEO -
<https://www.youtube.com/watch?v=KjsSLnsAo0k&feature=youtu.be>

From: [REDACTED]
Sent: 15 March 2017 15:53
To: [REDACTED]
Subject: RE: Edinburgh and South East Scotland City Region Deal

[REDACTED],

Yes, we resubmitted a revised negotiating document on 24 February to Government, which had updated figures as stated in the version of my table below.

[REDACTED]

From: [REDACTED]
Sent: 15 March 2017 15:37
To: [REDACTED] <[\[REDACTED\]@edinburgh.gov.uk](mailto:[REDACTED]@edinburgh.gov.uk)>
Cc: [\[REDACTED\]@gov.scot](mailto:[REDACTED]@gov.scot)
Subject: FW: Edinburgh and South East Scotland City Region Deal

[REDACTED]

See below from [REDACTED] , can you double check our last submission, thanks.

[REDACTED]

[REDACTED]

Tel: [\[REDACTED\]](tel:[REDACTED])



VIEW THE EDINBURGH CITY DEAL VIDEO -

<https://www.youtube.com/watch?v=KjsSLnsAo0k&feature=youtu.be>

From: [REDACTED]
Sent: 15 March 2017 12:40
To: [REDACTED]
Subject: RE: Edinburgh and South East Scotland City Region Deal

Can I double check? The negotiating document from January/February 17 said this?

Priority	Project	SG ask (£m)	UKG ask (£m)	Partner contribution (£m)	Private sector contribution	Total (£m)
2.	IMPACT (New Home for Music and the arts)	£10	£2	£3	£51	£66

Has the ask of UKG gone up?

[REDACTED]

From: [REDACTED]
Sent: 15 March 2017 12:33
To: [REDACTED]
Cc: Paul Lawrence
Subject: RE: Edinburgh and South East Scotland City Region Deal

Thanks [REDACTED],

[REDACTED]

From: [REDACTED] [[\[REDACTED\]](#)]
Sent: 15 March 2017 12:23
To: [REDACTED]
Cc: Paul Lawrence
Subject: [PROTECT] Fwd: Edinburgh and South East Scotland City Region Deal

Hi [REDACTED]
 Figures as set out below.
 [REDACTED]

[REDACTED]
 [REDACTED] [\[REDACTED\]](#)
 Tel: [REDACTED]

The figures below are from the latest version of the negotiating document submitted to Government (£3m from the Council)

Project	SG ask (£m)	UKG ask (£m)	Partner contribution (£m)	Private sector contribution	Total (£m)
IMPACT (New Home for Music and the arts)	£10	£7	£3	£25 (plus building in-kind)	£45 (plus building in-kind)

From: [REDACTED] >

Date: 15 March 2017 at 10:59:59 GMT

To: <Paul.Lawrence@edinburgh.gov.uk>

Cc: <[REDACTED]@edinburgh.gov.uk>

Subject: Edinburgh and South East Scotland City Region Deal

Hi Paul,

May I double check something with you? I was speaking to Sir Ewan Brown on Monday, and he mentioned that you had said to him that CEC will support IMPACT with £5m capital funding over a series of years. This isn't quite the same as is in the ESESCRD documents - is Ewan remembering your conversation accurately?

With thanks and best wishes,

[REDACTED]

[REDACTED] , Senior Adviser, Performing Arts, **Culture, Tourism and Major Events Directorate**, 2G North, Victoria Quay, Edinburgh, EH6 6QQ -
[REDACTED]

Document 15

Cabinet Secretary for Economy, Jobs and Fair Work
Keith Brown MSP



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0300 244 4000
E: scottish.ministers@gov.scot

Sir Ewan Brown
Chair
IMPACT

Email: Ewan.Brown@st-andrews.ac.uk

29 March 2017

Dear Sir Ewan

Edinburgh and South East Scotland City Region Deal

Thank you for your email - I too enjoyed the evening at Bute House last week.

As we briefly discussed the Scottish Government is currently in negotiations with the UK Government and with Edinburgh and South East Scotland city region partners to secure a city region deal.

This is a large and complex deal. It aims to build a strong and lasting partnership between Local Authorities, the universities, the colleges, industry and the Scottish and the UK Governments. It is important that we ensure the proposals are robust, that the deal is built on a foundation of strong governance and that it demonstrates value for money.

Together with my Scotland Office counterpart, Lord Dunlop, I wrote to the regional partners on 21 March 2017 confirming that both Governments are fully committed to agreeing a deal for the Edinburgh and South East Scotland city region and welcoming the progress made to date.

As a result of your previous discussions with my Cabinet Secretary colleague, Fiona Hyslop, the Scottish Government prioritised the IMPACT venue for inclusion in the deal and I'm pleased to say it is an area in which good progress has been made. There are on-going positive discussions with UKG about their support for this proposal through the City Deal. Lord Dunlop and I are both well aware of the project - proposals are very advanced and the financial implications are well developed. However in other areas, work continues to clarify the propositions and to find ways for government to support the regional ambitions.

Victoria Quay, Edinburgh EH6 6QQ
www.gov.scot



Both Lord Dunlop and I have committed to the regional partners that we will continue these discussions at pace, but given the pre-election period relating to the local authority elections, the earliest we expect to be able to conclude discussions would be after the May election. We aim to ensure that this is done as quickly as possible.

I appreciate that this timeframe may cause you some difficulty and that you want to offer a degree of assurance to other funders of the IMPACT venue. Although I am unable to confirm the whole City Region Deal at this stage, and obviously I am not in a position to speak for the UK Government, I can confirm that Scottish Government sees the IMPACT venue as one of its key components, given the significance of culture to the economy of Edinburgh and the importance of continued investment in cultural infrastructure to secure this for the future.

I am aware that the overall project is currently facing a funding gap and discussions are well underway to explore how this can be met by a package of financial commitments (including from Scottish Government; UK Government; City of Edinburgh Council) within an overall city region deal. I understand you have also had discussions with City of Edinburgh Council and the UK Government about their proposed contribution.

We are committed to supporting you to find a way to deliver the IMPACT venue and for the venue, once delivered, to make a valuable addition to the cultural landscape of Edinburgh and Scotland.

I would be happy to discuss this further with you should you wish.



Keith Brown

Document No. 23

From: [REDACTED]
Sent: 03 May 2017 11:54
To: gavin.reid@sco.org.uk
Subject: Timings - Confidential

Hi – I talked to Katy about timings and here's the run down:

Sir Ewan said, towards the end of April, that the architect would be announced, but not that the City Deal would be referenced.

At 4pm yesterday Andrew phoned both Katy and I (not on our direct numbers, but through the SG switchboard) to say that he was sending a release through. When he spoke to me he didn't say anything that triggered alarms, as I assumed he was sending it for comment. To Katy he said that it was announcing the architects (he didn't mention it was referencing City Deal), but he did say that there was a quote from Andrew Burns. Katie advised him verbally at that point that that would break purdah rules, but Andrew said that the CEC had advised him that they didn't think it would.

When the release came through, Katie then sent her feedback back to Andrew 20 minutes later (at 6.04pm), which stated clearly that she felt it broke purdah rules, [REDACTED]

Andrew also told Katie that they had sent it to UK Government last night and that they hadn't commented.

[REDACTED]

Going forward we would be really keen for you to keep us updated on any releases if that's ok – we can hold the information confidentially, but it would really help.

With best wishes,

[REDACTED]

[REDACTED], Senior Adviser, Performing Arts, Scottish Government, Culture and Historic Environment Division, 2G North, Victoria Quay, Edinburgh, EH6 6QQ - [REDACTED] **[REDACTED]**

Document No. 30

[REDACTED] From: [REDACTED] **On Behalf Of** Cabinet Secretary for Culture, Tourism and External Affairs

Sent: 02 March 2017 12:04

To: [REDACTED] Cabinet Secretary for Culture, Tourism and External Affairs

Cc: [REDACTED]

Subject: RE: IMPACT Scotland

Thanks [REDACTED] ,

Ms Hyslop has fed back that she does not recognise the yellow paragraph.
[REDACTED]

[OUT OF SCOPE]

Ms Hyslop would also welcome a meeting with officials on this – [REDACTED] can you arrange please?

Regards

[REDACTED] | Deputy Private Secretary
Office of **Fiona Hyslop, Cabinet Secretary for Culture, Tourism and External Affairs**
Telephone: 0131 24 [REDACTED]

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From: [REDACTED]
Sent: 27 February 2017 21:00
To: Cabinet Secretary for Culture, Tourism and External Affairs
Cc: [REDACTED]
Subject: RE: IMPACT Scotland

Thanks [REDACTED] ,

[OUT OF SCOPE] .

May I double check - do you mean that Ms Hyslop doesn't recognise that [REDACTED] The ask of us remains £10m.

Would Ms Hyslop like a briefing for the City Deal Ministers meeting, which I believe is taking place on 9 March? Would official support also be helpful? We can update on quite a few aspect of this City Deal in this briefing, and also give an overview of the cultural elements we know about across the other City/Region Deals too.

With best wishes, apologies again for any inconvenience around the timing of my responses.

[REDACTED]

From: [REDACTED] **On Behalf Of** Cabinet Secretary for Culture, Tourism and External Affairs
Sent: 27 February 2017 12:08
To: [REDACTED]
Cc: Cabinet Secretary for Culture, Tourism and External Affairs
Subject: RE: IMPACT Scotland
Importance: High

Hi [REDACTED] ,

We passed Ewan's email on to Ms Hyslop and she has queried something which I'm hoping you can clarify please.

I have highlighted the line in question, under the Edinburgh Council section; could we have an explanation on this, as she doesn't recognise this?

Grateful for your advice, thanks.

[REDACTED]

[REDACTED] | Deputy Private Secretary | Cabinet Secretary for Culture, Tourism & External Affairs | Fiona Hyslop MSP

From: Ewan Brown [REDACTED]
Sent: 22 February 2017 16:49
To: Cabinet Secretary for Culture, Tourism and External Affairs
Subject: Fw: IMPACT Scotland

To the Cabinet Secretary, Culture

IMPACT Scotland

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In December, Edinburgh Council officials confirmed to us that, as part of a £2bn City Region Deal, Councillors would be asked to approve a financial contribution to the project in the range £2.5m to £5m. [REDACTED]

Scotland Office

Carol Grigor and Ewan Brown briefed David Mundell in mid February. He was sympathetic and said he would do what he could to ensure there was good communication between the two Governments. [REDACTED]

HM Treasury

On the introduction of Nick McPherson, the recently retired Permanent Secretary, Ewan Brown met David Willis, Deputy Director, Devolution on 7 February. He was encouraging that there would be an Edinburgh City Region Deal - [REDACTED]

He encouraged us to arrange a meeting with Keith Brown.

Scottish Government

Ewan Brown had a very helpful meeting with Katy Bowman at the end of January and has maintained email contact with her, including the timing of a meeting with Keith Brown. The SCO have been keeping [REDACTED] and his team informed,

Ewan Brown also had meetings in January with Janet Archer, chief executive of Creative Scotland and Francesca Osowka, Scotland Office

Document No. 36

[REDACTED] From: [REDACTED]) <[REDACTED] @gov.scot> **On Behalf Of** Cabinet Secretary for Culture, Tourism and External Affairs

Sent: 08 May 2017 11:32

To: Bowman K (Katy) <Katy.Bowman@gov.scot>

Cc: [REDACTED]) <[REDACTED] @gov.scot>; [REDACTED]) <[REDACTED] @gov.scot>; [REDACTED]) <[REDACTED] @gov.scot>; [REDACTED]) <[REDACTED] @gov.scot>; [REDACTED] [REDACTED] <[REDACTED] @gov.scot>; [REDACTED]) <[REDACTED] @gov.scot>; Cabinet Secretary for Economy, Jobs and Fair Work <CabSecEJFW@gov.scot>; Maxwell S (Stewart) (Special Adviser) <Stewart.Maxwell2@gov.scot>; Cabinet Secretary for Culture, Tourism and External Affairs <CabSecCTEA@gov.scot>

Subject: RE: IMPACT Scotland news release

Thanks [REDACTED] , Ms Hyslop has noted.

[REDACTED]

[REDACTED] | [REDACTED] | **Cabinet Secretary for Culture, Tourism & External Affairs | Fiona**

Hyslop MSP

[REDACTED], **2N.15, St Andrew's House, Edinburgh, EH1 3DG | BB: [REDACTED]**

CabSecCTEA@gov.scot | www.gov.scot

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From: Bowman K (Katy)

Sent: 03 May 2017 10:13

To: Cabinet Secretary for Culture, Tourism and External Affairs

Cc: [REDACTED]); [REDACTED] [REDACTED]); [REDACTED]); [REDACTED] [REDACTED]); Cabinet Secretary for Economy, Jobs and Fair Work; Maxwell S (Stewart) (Special Adviser)

Subject: FW: IMPACT Scotland news release

[REDACTED]

From: Bowman K (Katy)

Sent: 02 May 2017 18:04

To: 'Andrew Baird'; [REDACTED]

Subject: RE: IMPACT Scotland news release

Hi Andrew

Thanks for sending this on.

[REDACTED]

Happy to discuss further if that's helpful.

Thanks

Katy

Katy Bowman

Special Adviser to the First Minister

Scottish Government | St Andrew's House | Regent Road | Edinburgh | EH1 3DG |
[REDACTED] | [REDACTED]



Office of the First Minister of Scotland

FirstMinister.gov.scot

Prìomh Mhinistear na h-Alba



From: Andrew Baird [<mailto:Andrew.Baird@bigpartnership.co.uk>]

Sent: 02 May 2017 17:46

To: Bowman K (Katy); [REDACTED]

Subject: IMPACT Scotland news release

Hi Katy and [REDACTED] ,

To follow up on the earlier calls, here is the news release to be issued tomorrow morning.

<https://www.colander.co.uk/uploads/assets/competitions/files/IMPACT-Scotland-Press-Release-03.05.17.pdf>

Please let me know if you would like any further info.

Best wishes,

Andrew

Andrew Baird
Director

The BIG Partnership

The Fourth Floor, Venue Studios, 21 Calton Road, Edinburgh, EH8 8DL

Tel: [REDACTED] Mobile: [REDACTED]

www.bigpartnership.co.uk

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—

Document No. 37

From: Ewan Brown
Sent: 14 March 2017 09:02
To: [REDACTED]
Subject: Elevator pitch

[REDACTED]

Found it

Ewan

Begin forwarded message:

From: Ewan Brown
Date: 3 March 2017 at 17:53:58 GMT
To: "Katy.Bowman@gov.scot"
Subject: **Progress??**

Katy

Attached is my 2 minute "elevator pitch" for the IMPACT Scotland project. If you think it would help things to put it before Keith Brown and/or other Ministers, please do so.

Ewan

—
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—

This email has been received from an external party and
has been swept for the presence of computer viruses.

IMPACT Scotland

A Global Opportunity for a Global City - the creation of a new world-class arts centre in the heart of Edinburgh.

The project

A 1,000 seat auditorium; and a studio providing rehearsal, recital and recording space to rival the best in Europe in terms of acoustics and audience experience. The auditorium meets the need for a purpose-built, mid-sized performance venue in Edinburgh, with access for all forms of popular music, jazz, folk, chamber and other small classical music groups as well as solo and song recitals and small dance ensembles.

The new buildings will be immediately behind, and connected with, Dundas House, the RBS head office at 36 St Andrew Square.

Impacts

Economic - the impact of Festivals specifically and performance/culture more generally on the economy is very great - and this project will add significantly to that impact. Also, it is an important, high profile infrastructure project - but it needs to be integrated quickly into the overall £800m St James' Centre redevelopment plan to secure the optimum outcome.

Innovation - it will provide many new and exciting ways of communicating and engaging with existing and new audiences across all generations. It will embrace original, accessible and inclusive performances, significantly enhanced education and outreach programmes and events and new digital formats; as well as pioneering, diverse and sustainable national and international partnerships.

Civic, national and international significance by equipping Edinburgh as a world-class cultural capital for the future

- * a key part of Edinburgh's view of its future
- * building/defending Edinburgh's status as a world-famous festival city
- * a longstanding gap in its provision
- * first new building for performance in Edinburgh for 100 years.

Festival City - it will maintain Edinburgh's position as an international Festival City in the face of increasing national and international competition. Together with the Usher Hall, Edinburgh will be in a much stronger position to retain its position as a leading city of music and performing arts. Its Festivals generate £313m for the Scottish economy and create the equivalent of over 5,000 full-time jobs. Each August, the Edinburgh International Festival which is the world's premier arts festival, will adopt the new complex as one of its principal, all-day venues for festival performances.

Surrounding region - there will be major benefits to the wider community of Edinburgh and the surrounding regions by providing access for all forms of popular music, jazz, folk, chamber and other small classical music and dance groups as well as solo and song recitals, traditional and Celtic music, and high-end experimental rock, pop and electronica.

Funding

The total funding requirement, including contingencies, is £45m.

As part of a City Region Deal that features the project, Edinburgh Council has indicated that it will make a financial contribution of up to £5m.

Dunard Fund (which is a major private sector supporter of the arts in the UK) will;

- gift £10 million towards the capital cost
- guarantee any capital cost overruns
- provide its funds ahead of monies received from the Scottish Government and/or other public sector sources
- underwrite IMPACT Scotland's projected operating deficits for the first three years

A fund-raising campaign will raise a minimum of £10 million, part of which has already been pledged.

RBS will grant IMPACT Scotland a 120 year lease on the site, at nominal rent and is not requiring any cash payment for access to the site.

The aggregate ask from the UK and Scottish Governments is £20m. The money would be required in four annual installments of £5m. If the commitment was split equally between the two Governments, **it would equate to £2.5m each year.**

Conclusion

The project will secure a new performance venue in the centre of Edinburgh that will embrace all music genres, provide a home for the Scottish Chamber Orchestra, reach out to the local community and beyond, build new audiences, educate young artists - and with unrivaled public transport links to optimise access opportunities. It will be truly transformational for a wide range of communities across Edinburgh and beyond, in terms of reach, innovation, quality and impact.

IMPACT Scotland believes that the combination of a £10 million gift that can be used ahead of Government funding, the underwriting of capital cost overruns and early year operating deficits, access to a key heritage site for nil outlay, and the provision of a home for one of Scotland's national performing companies, will never be replicated.

Sir Ewan Brown
Chairman
IMPACT Scotland
3 March 2017

Document No. 41

From: [REDACTED] <[REDACTED]@communities.gov.uk>
Sent: 19 October 2018 09:58
To: [REDACTED] <[REDACTED]@gov.scot>; [REDACTED] <[REDACTED]@scotlandoffice.gsi.gov.uk>
Cc [REDACTED] <[REDACTED]@communities.gov.uk>
Subject: Comments - Edinburgh [OUT OF SCOPE] IMPACT business cases

Hi [REDACTED]

We now have some comments on the [OUT OF SCOPE] IMPACT business cases. Keen to share these with you and agree an approach for going back to Edinburgh. Please find attached. Would it be worth a quick chat to discuss?

In summary, on IMPACT, a bit more clarity is sought about the commercial and financial cases. On DDI, higher level questions from DCMS about the projects and overarching approach.

Does this chime with things from a Scottish Government perspective?

Kind regards,

[REDACTED]

[REDACTED] | Policy Adviser | Devolution Strategy | Cities and Local Growth Unit | Fry Building, 1st Floor, SW Quadrant, 2 Marsham Street, London, SW1P 4DF | [\[REDACTED\]@communities.gov.uk](#) | [REDACTED]
Cities and Local Growth Unit: Government's Local Growth Team – a partnership between BEIS and MHCLG

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Classification: OFFICIAL
Business Case: The IMPACT Centre – OUTLINE BUSINESS CASE
Financial Case review comments

Dated 4th October 2018

Review by [REDACTED] , ALB Finance Business Partner. DCMS

Summary Comments: Although necessary information has been highlighted, the financial case is relatively light considering the funding requirement involved.

- Funding of £25m will come from the City Deal and £10m has been pledged by Dunard Fund. The remaining £10m is reliant on fundraising campaigns of which 50% is already pledged.
- The overall funding requirement is £45m split over two financial years. Annex VII refers to opening in [REDACTED] although, the financial case does not make reference to specific financial years - assumption is that Year 0 relates to 2019/20? Also, need to confirm in the OBC that the cost of the theatre is reasonable for a venue of this nature.
- All funding is classified as Capital. The OBC doesn't mention the split of it's other funding and shows no requirement for Resource funding. Similar business cases factor in an element of Resource costs.
- The forecast plan reaches sustainable profitability in its [REDACTED] year of operation. The OBC needs to make clear that £X costs will be ongoing and not cease in Year [REDACTED]
- A full detailed cost plan is annexed at Annex VII (Trading Accounts, Cash flow, Balance Sheet). Inflation has been ignored? And it is not clear if contingency has been factored in to the funding requirement? Annex VII assumes no corporation tax -this would need to be ascertained.
- All risks have been mitigated by the pledge from Dunard Fund. Has project slippage been factored in to the OBC?

Other comments to consider:

- The Financial Case would benefit from an assumptions section.
- Are there marketing and advertising costs involved.
- Need to consider accommodation and maintenance costs..
- Is there an appropriate management structure in house and the expertise to run the theatre?
- Assume income from catering refers to in-house catering? Is there evidence to support an in-house catering team is better value for money than an external contractor, for instance, evidenced by market analysis, the effect of pension and redundancy liabilities etc
- Has future / ongoing sponsorship and philanthropy income been considered?
- Is there further information on the actual location of the site, are there benefits to consider, for example, attracts local residents which could help align to the overall City Region strategy. This may already be covered in the Economic case.

[REDACTED]

Classification OFFICIAL
Business Case The IMPACT Centre – OUTLINE BUSINESS CASE
Commercial Case review comments

Dated 2nd October 2018

Review by [REDACTED] , DCMS Head of Commercial

Summary

1. Under this situation where we are transferring the HMT funding to the Scottish Government, along with the ongoing total accountability for approval and delivery, the OBC should acknowledge this situation and make reference to the agreement for transfer of funding accountability and the supporting process of governance and assurance that the Scottish government will carry out as the project moves from its current OBC position to its FBC and subsequent draw down of funding to the project.
2. The Commercial Case points to the Procurement Report for the Executive Committee in Appendix 5 to represent the OBC Procurement Strategy in supporting Green Book Guidance. The principals around compliance, route to market, procurement process, choice of contract, and cost certainty are represented at a high level. Further clarity and detail would help support the proposal and provide further confidence.
3. Note:- Whilst the Commercial case includes the funding situation this is to be agreed within the Finance Case.

Review Introduction

4. This review takes guidance from the Green Book in reviewing the proposed Procurement Strategy for compliance, process and cost certainty appropriate to meet the maturity of an OBC. The Commercial Case includes the Procurement Report for the Executive Committee in Appendix 5 taken to be the proposed Procurement Strategy.

The report articulates the nature of the procurement and key objectives and project situation. These are taken as agreed in driving the appropriate procurement approach.

An external reputable construction industry consultant (T&T) has been appointed to manage the Procurement.

5. Compliance

The report proposes compliance with the PCR15 but the specific procedure is not stated. Please confirm which procedure will be used the supporting reasons for its choice. ie. the restricted procedure or competitive procedure with negotiation. We note a restricted procedure is implied with the mention of a PQQ process in section 8.

The report includes the statement “in accordance with EU rules a minimum of 5 companies should be invited to tender.” Whilst this may be good practice please detail where this is a rule.

6. **Procurement Model**

The report focuses principally on the appropriate procurement model in consideration of the key procurement objectives and mindful of the requirement for supplier input into the design process.

A “two stage traditional” approach is recommended. The process described does not provide some detail to complete the picture. Whilst “two stage tradition” has its disadvantages, this is sensible approach in consideration of the project constraints, risks and issues detailed.

Will the tender at RIBA stage 2 be contracted on a NEC3 Option A (Priced contract with activity schedule) or Option C (Target contract with activity schedule) or other Option? The Summary 10.1 states a "Target Cost will be identified" (being Option C). Also Item 4.2 point 7 states that at detailed design stage " will enable firm pricing" implying a move from option C to priced contract Option A. Please clarify.

If Option C is proposed what is the proposed pain gain mechanism.

7. Procurement Process

The details of the procurement process are high level only and do not cover early supplier engagement and evaluation details. Section 8.1 states a Contract Notice will be used to get expressions of interest.

7.1 Early Supplier Engagement

Is there a benefit in carrying out early supplier engagement in supporting supplier appetite, healthy competition and promoting agenda's like SME's and responsible procurement and the SVA in informing the production of the ITT?

7.2 What e sourcing portal will be used?

7.3 Evaluation

What are the technical/commercial weightings (Eg. MEAT 60/40)

Who are the proposed evaluators and their competencies'?

What is the proposal regarding sustainable procurement?

Is there a requirement to include options within the OJEU Notice and subsequent ITT.

8. Contract

The choice of contract (NEC3) is well considered and appropriate. The report should state the primary option and consider secondary options. The report should also confirm is an amended form is proposed and why.

It is recognised that the NEC form of contract requires active contract management, the Commercial Case states T&T are appointed as cost consultants and the process to appoint the building contractors will be managed by T&T. Will they be appointed by the client to provide contract management to completion? More detail on the contract management to be implemented would be useful.

9. Cost Certainty

The Estimated Final Cost (EFC) of £45m has been prepared by T&T. The OBC should include a summary of the cost plan and highlight and represent the level of contingency within the estimate as being sufficient, appropriate and commensurate with the level of design maturity and procurement and delivery risk at this OBC stage. A supporting statement around the estimating quality, maturity and certainty and the basis of this estimate (estimating principals) along with a benchmarking statement would add support to the level of cost certainty.

10. RBS Lease Agreement

The OBC does not include a VFM statement representing the 120 year lease at £15m.

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[OUT OF SCOPE] [OUT OF SCOPE]

[OUT OF SCOPE] [OUT OF SCOPE]
[OUT OF SCOPE] [OUT OF SCOPE]

[REDACTED] | Devolution Strategy | Cities and Local Growth Unit | [REDACTED]

From: [REDACTED]
Sent: 23 October 2018 13:50
To: [REDACTED] @gov.scot' <[\[REDACTED\]](#)>; [REDACTED] <[\[REDACTED\]](#)
[@communities.gov.uk](#)>; [\[REDACTED\]](#) @scotlandoffice.gsi.gov.uk
Subject: RE: Comments - Edinburgh [OUT OF SCOPE] IMPACT business cases

Great – thanks. Does that suit you [REDACTED] ?

[REDACTED]

From: [\[REDACTED\]](#) @gov.scot <[\[REDACTED\]](#) @gov.scot>
Sent: 23 October 2018 09:56
To: [REDACTED]<[\[REDACTED\]](#) @communities.gov.uk>; [REDACTED]<[\[REDACTED\]](#)
[@communities.gov.uk](#)>; [\[REDACTED\]](#) @scotlandoffice.gsi.gov.uk
Subject: RE: Comments - Edinburgh [OUT OF SCOPE] and IMPACT business cases

I'm free.

[REDACTED] | Cities Team, Scottish Government | T: [REDACTED] | 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: [REDACTED] <[\[REDACTED\]](#) @communities.gov.uk>
Sent: 22 October 2018 17:56
To: [REDACTED] <[\[REDACTED\]](#) @gov.scot>; [REDACTED] <[\[REDACTED\]](#)
[@communities.gov.uk](#)>; [REDACTED] <[\[REDACTED\]](#) @scotlandoffice.gsi.gov.uk>
Subject: RE: Comments - Edinburgh DDI and IMPACT business cases

Thanks both. Yes agree definitely worth a chat before Thursday's call with Edinburgh.

[REDACTED] and [REDACTED] could you advise on your availability for a 30min call on Wednesday afternoon? Does 2pm work?

Thanks,

[REDACTED]

[REDACTED] | Devolution Strategy | Cities and Local Growth Unit | [REDACTED]

From: [\[REDACTED\]](#) @gov.scot <[\[REDACTED\]](#) @gov.scot>
Sent: 19 October 2018 16:13
To: [REDACTED] <[\[REDACTED\]](#) @communities.gov.uk>; [\[REDACTED\]](#)

@scotlandoffice.gsi.gov.uk

Cc: [REDACTED] <[\[REDACTED\]@communities.gov.uk](mailto:[REDACTED]@communities.gov.uk)>

Subject: RE: Comments - Edinburgh DDI and IMPACT business cases

Cheers [REDACTED], might be worth a call between us all next week if [REDACTED] can squeeze something in. *[OUT OF SCOPE]*

[REDACTED] | Cities Team, Scottish Government [REDACTED] | 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

[REDACTED]

[REDACTED]

From: [REDACTED] <[\[REDACTED\]@communities.gov.uk](mailto:[REDACTED]@communities.gov.uk)>

Sent: 19 October 2018 09:58

To: [REDACTED] <[\[REDACTED\]@gov.scot](mailto:[REDACTED]@gov.scot)>; [REDACTED] <[\[REDACTED\]@scotlandoffice.gsi.gov.uk](mailto:[REDACTED]@scotlandoffice.gsi.gov.uk)>

Cc: [REDACTED] <[\[REDACTED\]@communities.gov.uk](mailto:[REDACTED]@communities.gov.uk)>

Subject: Comments - *[OUT OF SCOPE]* and IMPACT business cases

Hi [REDACTED]

We now have some comments on the *[OUT OF SCOPE]* and IMPACT business cases. Keen to share these with you and agree an approach for going back to Edinburgh. Please find attached. Would it be worth a quick chat to discuss?

In summary, on IMPACT, a bit more clarity is sought about the commercial and financial cases. *[OUT OF SCOPE]*

Does this chime with things from a Scottish Government perspective?

Kind regards,

[REDACTED]

[REDACTED] | Policy Adviser | Devolution Strategy | Cities and Local Growth Unit | Fry Building, 1st Floor, SW Quadrant, 2 Marsham Street, London, SW1P 4DF | [\[REDACTED\]@communities.gov.uk](mailto:[REDACTED]@communities.gov.uk) | [REDACTED]

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Document No. 43

From: [REDACTED] <[\[REDACTED\]@communities.gov.uk](mailto:[REDACTED]@communities.gov.uk)>

Sent: 25 October 2018 11:01

To: [REDACTED] <[\[REDACTED\]@edinburgh.gov.uk](mailto:[REDACTED]@edinburgh.gov.uk)>; [REDACTED] <[\[REDACTED\]@ed.ac.uk](mailto:[REDACTED]@ed.ac.uk)>

Cc: [REDACTED] <[\[REDACTED\]@communities.gov.uk](mailto:[REDACTED]@communities.gov.uk)>; [REDACTED] <[\[REDACTED\]@gov.scot](mailto:[REDACTED]@gov.scot)>; [REDACTED] <[\[REDACTED\]@scotlandoffice.gsi.gov.uk](mailto:[REDACTED]@scotlandoffice.gsi.gov.uk)>

Subject: RE: *[OUT OF SCOPE]*: Progress Calls

Hi both,

Apologies for the slow response – but look forward to speaking properly at 2.

[OUT OF SCOPE]

On the IMPACT centre *[OUT OF SCOPE]* we have positive feedback from a policy/strategic perspective – and the action now is with us and [REDACTED] to present this to Scottish Govt colleagues (with outstanding questions, issues, conditions) and move into final FBC stages.

[OUT OF SCOPE]

Many thanks,

[REDACTED]

<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>
<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>

<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>	<i>[OUT OF SCOPE]</i>
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[OUT OF SCOPE]
[OUT OF SCOPE]

[REDACTED]

[OUT OF SCOPE]
[OUT OF SCOPE] [OUT OF SCOPE]

Document No. 44

From: [REDACTED] <[\[REDACTED\]@communities.gov.uk](mailto:[REDACTED]@communities.gov.uk)>

Sent: 16 November 2018 17:46

To: [REDACTED] <[\[REDACTED\]@gov.scot](mailto:[REDACTED]@gov.scot)>

Cc: [REDACTED] <[\[REDACTED\]@gov.scot](mailto:[REDACTED]@gov.scot)>; [REDACTED] <[\[REDACTED\]@gov.scot](mailto:[REDACTED]@gov.scot)>; [REDACTED] <[\[REDACTED\]@scotlandoffice.gsi.gov.uk](mailto:[REDACTED]@scotlandoffice.gsi.gov.uk)>; [REDACTED] <[\[REDACTED\]@communities.gov.uk](mailto:[REDACTED]@communities.gov.uk)>; [REDACTED] <[\[REDACTED\]@scotlandoffice.gsi.gov.uk](mailto:[REDACTED]@scotlandoffice.gsi.gov.uk)>; [REDACTED] <[\[REDACTED\]@scotlandoffice.gsi.gov.uk](mailto:[REDACTED]@scotlandoffice.gsi.gov.uk)>; [REDACTED] <[\[REDACTED\]@hmtreasury.gov.uk](mailto:[REDACTED]@hmtreasury.gov.uk)>; [REDACTED] <[\[REDACTED\]@hmtreasury.gov.uk](mailto:[REDACTED]@hmtreasury.gov.uk)>; [REDACTED] <[\[REDACTED\]@communities.gov.uk](mailto:[REDACTED]@communities.gov.uk)>

Subject: UK Government consolidated advice on the Edinburgh IMPACT Centre business case

Hi [REDACTED] ,

Further to our chat a couple of weeks ago, below I set out the UKG advice from Scotland Office and our team on the IMPACT Centre Concert Hall in Edinburgh. This follows work with and appraisal of Edinburgh's business case by UK Government policy leads in line with the way of working set out in the MOU.

I'm conscious you will be just back from leave on Monday (!) but you may have seen Edinburgh have suggested a telekit at 4pm to discuss progress on this. I think it would be good to chat for 10-15mins before that call if you can – in order to see whether this gives you what you need from us, and what should be our joint messages and next steps with Edinburgh in terms of finalising those outstanding points in way we are all comfortable with.

I'll send over a scheduler for 3.30 on Monday and just let me know if that's not feasible or another time is preferable.

Many thanks,

[REDACTED]

UK Government consolidated advice on the Edinburgh IMPACT Centre Concert Hall business case

UKG role in reviewing the IMPACT Centre business case

In line with the working arrangement between our two Governments, articulated in the MOU, UK Government is committed to providing advice to Scottish Government on the feasibility and value for money of projects in reserved policy areas, as part of the assurance Scottish Government Accounting Officer seeks in making decisions to disburse funding.

Given the UK Government policy interest in the IMPACT Centre Concert Hall, this advice is based on our consultation with, and the due diligence (in line with the HM Treasury Green Book) of, relevant UK Government policy departments.

UKG appraisal

Policy leads in DCMS have worked closely with Edinburgh to develop and strengthen this case over the past few months. **They have now signalled to us that they are content the case is**

sound and with it now being finalised, subject to some outstanding points being addressed for the propriety and success of the project (set out below).

As I mentioned in the October Delivery Board meeting, DCMS are fully supportive of the policy and strategic rationale. They feel that the specific points raised below, for example around the procurement strategy, do not warrant another iteration of the case coming back to them – but it should be for Edinburgh and Scottish Government to oversee as the project moves into delivery phase.

The MOU says that the Delivery Board will need to agree to Scottish Government releasing funding. Could you advise how you would intend to seek this agreement? Given the time pressure and the date of the next Delivery Board, I expect that a 'for information' notification by email to the Board chairs would likely be sufficient.

Overseeing delivery

Although Scottish Government is accountable for the financial spend, the joint Government Scottish City Region Deals Delivery Board is expected to retain a role in monitoring the deal, assessing delivery against agreed implementation plans and business cases.

[OUT OF SCOPE]

Feedback comments from UK Government – for Edinburgh and Scottish Government to consider and address in finalising the full business case and delivery:

Commercial case

Summary

1. The OBC should make reference to the supporting process of governance and assurance that the Scottish government will carry out as the project moves from its current OBC position to its FBC and subsequent draw down of funding to the project.
2. The Commercial Case points to the Procurement Report for the Executive Committee in Appendix 5 to represent the OBC Procurement Strategy in supporting Green Book Guidance. The principals around compliance, route to market, procurement process, choice of contract, and cost certainty are represented at a high level. The detail is not sufficient to represent a complete Procurement Strategy with the maturity required to support a OBC.
3. Note:- Whilst the Commercial case includes the funding situation this should be within the Finance Case.

Review Introduction

- This review takes guidance from the Green Book in reviewing the proposed Procurement Strategy for compliance, process and cost certainty appropriate to meet the maturity of an OBC. The Commercial Case includes the Procurement Report for the Executive Committee in Appendix 5 taken to be the proposed Procurement Strategy.
- The report articulates the nature of the procurement and key objectives and project situation. These are taken as agreed in driving the appropriate procurement approach.
- An external reputable construction industry consultant (T&T) has been appointed to manage the Procurement.

Compliance

- The report proposes compliance with the PCR15 but the specific procedure is not stated. Please confirm which procedure will be used and the supporting reasons for its

choice. ie. the restricted procedure or competitive procedure with negotiation. We note a restricted procedure is implied with the mention of a PQQ process in section 8.

Procurement Model

- The report focuses principally on the appropriate procurement model in consideration of the key procurement objectives and mindful of the requirement for supplier input into the design process.
- A “two stage traditional” approach is recommended. The process described does not provide some detail to complete the picture. Whilst “two stage tradition” has its disadvantages, this is a sensible approach in consideration of the project constraints, risks and issues detailed.
- It is unclear if the contract, with design at RIBA stage 2, will be contracted on a NEC3 Option A (Priced contract with activity schedule) or Option C (Target contract with activity schedule) or other Option? The Summary 10.1 states a “Target Cost will be identified” (being Option C). Also Item 4.2 point 7 states that at detailed design stage “will enable firm pricing” implying a move from option C to priced contract Option A, which may not be the intent.
- If Option C is proposed the proposed pain gain mechanism should be included.

Procurement Process

- The details of the procurement process are high level only and do not cover early supplier engagement and evaluation details. Section 8.1 states a Contract Notice will be used to get expressions of interest.
- Early Supplier Engagement:
 - The OBC procurement strategy should identify the potential benefit in carrying out early supplier engagement in supporting supplier appetite, healthy competition and promoting agenda’s like SME’s and responsible procurement and the SVA in informing the production of the ITT.
- The name of the e-sourcing portal should be stated.
- Evaluation:
 - Items to confirm regarding evaluation is not complete and should include for example:
 - The technical/commercial weightings (Eg. MEAT 60/40)
 - The proposed evaluators and their competencies.
 - The proposal regarding sustainable procurement and SVA.
 - The requirement to include options and link to the OJEU Notice and subsequent ITT.

Contract

- The choice of contract (NEC3) is well considered and appropriate. The report should state the primary option and consider secondary options. The report should also confirm if it is an amended form and other key contract clauses.
- It is recognised that the NEC form of contract requires active contract management, the Commercial Case states T&T are appointed as cost consultants and the process to appoint the building contractors will be managed by T&T. This appointment could be detailed further to clarify contract management strategy and plan to completion.

Cost Certainty

- The Estimated Final Cost (EFC) of £45m has been prepared by T&T. The OBC should include a summary of the cost plan and highlight and represent the level of contingency within the estimate as being sufficient, appropriate and commensurate with the level of design maturity and procurement and delivery risk at this OBC stage. A supporting statement around the estimating quality, maturity and certainty and the basis of this

estimate (estimating principles) along with a benchmarking statement would add support to the level of cost certainty as appropriate.

RBS Lease Agreement

- The OBC does not include a VFM statement representing the 120 year lease at £15m.

Finance case

Summary Comments:

Although necessary information has been highlighted, the financial case is relatively light considering the funding requirement involved.

- Funding of £25m will come from the City Deal and £10m has been pledged by Dunard Fund. The remaining £10m is reliant on fundraising campaigns of which 50% is already pledged.
- The overall funding requirement is £45m split over two financial years. Annex VII refers to opening in [REDACTED] although, the financial case does not make reference to specific financial years - assumption is that Year 0 relates to 2019/20? Also, need to confirm in the OBC that the cost of the theatre is reasonable for a venue of this nature.
- All funding is classified as Capital. The OBC doesn't mention the split of its other funding and shows no requirement for Resource funding. Similar business cases factor in an element of Resource costs.
- The forecast plan reaches sustainable profitability in its [REDACTED] year of operation. The OBC needs to make clear that £X costs will be ongoing and not cease in Year [REDACTED] .
- A full detailed cost plan is annexed at Annex VII (Trading Accounts, Cash flow, Balance Sheet). Inflation has been ignored? And it is not clear if contingency has been factored in to the funding requirement? Annex VII assumes no corporation tax -this would need to be ascertained.
- All risks have been mitigated by the pledge from Dunard Fund. Has project slippage been factored in to the OBC?

Other comments to consider:

- The Financial Case would benefit from an assumptions section.
- Are there marketing and advertising costs involved?
- Need to consider accommodation and maintenance costs.
- Is there an appropriate management structure in house and the expertise to run the theatre?
- Assume income from catering refers to in-house catering? Is there evidence to support an in-house catering team is better value for money than an external contractor, for instance, evidenced by market analysis, the effect of pension and redundancy liabilities etc
- Has future / ongoing sponsorship and philanthropy income been considered?
- Is there further information on the actual location of the site, are there benefits to consider, for example, attracts local residents which could help align to the overall City Region strategy. This may already be covered in the Economic case.

[REDACTED]