

# Public Document Pack

## ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

To: Councillor Jenny Laing, Leader of Aberdeen City Council Chairperson; Councillor Martin Kitts-Hayes, Co-Leader of Aberdeenshire Council Vice Chairperson; and Councillor Jim Gifford, Professor Stephen Logan, Mr Patrick Machray OBE, Councillor Richard Thomson, Councillor Ross Thomson MSP, Sir Ian Wood and Councillor Willie Young.

Aberdeen City Council Substitute Members:- Councillors Marie Boulton, Stephen Flynn and Ian Yuill.

Aberdeenshire Council Substitute Members:- Councillors David Aitchison, Karen Clark and Alison Evison.

ONE Substitute Members:- Jennifer Crow, Colin Crosby and Professor Ferdinand Von Prondzynski.

**Please note that a substitute member may only participate in the meeting when a substantive member is absent.**

Town House,  
ABERDEEN, 11 August 2016

### ABERDEEN CITY REGION DEAL JOINT COMMITTEE

The Members of the **ABERDEEN CITY REGION DEAL JOINT COMMITTEE** are requested to meet in **Room 4-W-01 of MARISCHAL COLLEGE** on **MONDAY, 15 AUGUST 2016 at 2.00 pm.**

FRASER BELL  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

### B U S I N E S S

#### DETERMINATION OF EXEMPT BUSINESS

- 1 Members are requested to determine that any exempt business be considered with the press and public excluded
- 2 Minute of Previous Meeting - 10 June 2016 (Pages 3 - 8) – (Public Business)

**CONFIDENTIAL BUSINESS - IN TERMS OF SECTION 50A (3)(A) OF THE  
LOCAL GOVERNMENT (SCOTLAND) ACT 1973**

- 3 To exclude the press and public in terms of Section 50 A(2) of the Local Government (Scotland) Act 1973 and the information is deemed to be confidential in terms of Section 50 A(3)(a) of the Local Government (Scotland) Act 1973 having been furnished by a government department upon terms which forbid disclosure.
- 4 Aberdeen City Region Deal Agreement (Pages 9 - 86) (Confidential Business)
- 5 Oil and Gas Technology Centre Business Plan (Pages 87 - 174) (Exempt Business)
- 6 Programme Update (Pages 175 - 182) (Public Business)
- 7 Programme Update - Additional (Pages 183 - 186) (Public Business)

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Should you require any further information about this agenda, please contact Iain Robertson by tel: 01224 522869 or email [iairobertson@aberdeencity.gov.uk](mailto:iairobertson@aberdeencity.gov.uk)

### ABERDEEN CITY REGION DEAL JOINT COMMITTEE

ABERDEEN, 10 June 2016. Minute of Meeting of the ABERDEEN CITY REGION DEAL JOINT COMMITTEE. Present:- Councillor Laing, Chairperson; Councillor Kitts-Hayes, Vice Chairperson; and Councillors Evison (as substitute for Councillor Richard Thomson) and Gifford (Aberdeenshire Council); and Councillors Ross Thomson MSP and Young (Aberdeen City Council); and Jennifer Craw (as substitute for Professor Stephen Logan), Patrick Machray OBE and Sir Ian Wood (ONE).

Apologies: Councillor Richard Thomson and Professor Stephen Logan.

The agenda and reports associated with this minute can be located at the following link:-

<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=546&MIId=4156&Ver=4>

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

#### OPENING REMARKS FROM THE CHAIR

1. The Chair opened the meeting and apologised for the late circulation of item 4 on today's agenda.

#### MINUTE OF PREVIOUS MEETING OF 22 APRIL 2016

2. The Committee had before it the minute of the previous meeting of 22 April 2016 for approval.

#### The Joint Committee resolved:-

to approve the minute as a correct record.

#### PROGRAMME UPDATE

3. The Joint Committee had before it a report by John-Paul Cleary (CRD Programme Manager, ACC) which provided an update on the Programme to develop the specific projects under the City Region Deal Heads of Terms (£250m).

#### **The report recommended –**

that the Joint Committee note the progress of the Aberdeen City Region Deal Programme.

## ABERDEEN CITY REGION DEAL JOINT COMMITTEE

John-Paul Cleary (CRD Programme Manager, ACC) spoke to the report and advised that all three constituent partners and both governments had agreed to target the approval of the City Region Deal (CRD) Agreement and Implementation Plan by 17 August 2016. Mr Cleary explained that lead officers had met with the UK Government earlier in the week and had been informed that funding would be released in line with key timeframes as set out in the various business cases. He highlighted that the business cases would follow Scottish Enterprise's Five Case Model and the methodology outlined in the UK Treasury's Green Book. Mr Cleary explained that the UK Government would transfer its funding contribution to the Scottish Government who would then allocate the funds for all CRD programmes; with the exception of some transport projects, in which funding would be allocated through Transport Scotland. Mr Cleary then provided the Joint Committee with a progress update on the various CRD programmes and projects:

(i) With regards to the Oil and Gas Technology Centre (OGTC), the Joint Committee was informed that representatives from ONE would be meeting with the Scottish and UK Governments on 17 June 2016 and a business case was being prepared. They were further advised that a Chief Executive would be appointed in the next few weeks and the project had access to £500,000 of funding but would need further investment by September 2016 as it would be delivered ahead of the rest of the CRD programmes;

(ii) With regards to the Agri-Food and Nutrition Innovation Hub, Jennifer Crow explained that the project team would be in place by the end of June 2016 and an outline business case would be developed by August 2016 but they would need further clarity from both governments on the criteria of the programme. Ms Crow highlighted that the scope of the project had been expanded to be more market orientated in order to generate international revenues. Patrick Machray added that the project had been slightly delayed as it was their aim to develop a project of unique value as there was no value in duplication;

(iii) With regards to the Bio-Therapeutic Innovation Centre, Jennifer Crow advised that this project would focus on the region's unique competencies and there was an opportunity to develop an economic base that would be competitive and attractive in a national context. Ms Crow explained that the project's name had been revised as its remit had been refined and would now concentrate on the development of bio-tech related therapies for conditions such as heart disease, cancer and diabetes. She added that the projects were not linear and they had been assessing their strategic options;

(iv) With regards to Digital Infrastructure, John Paul Cleary advised that this project would increase the region's digital connectivity for both industrial estates and major population areas. He explained that a gap analysis was currently in progress but had been held up as commercial sensitivity issues had been identified and these had to be resolved. Simon Haston (Head of IT and Transformation, ACC) explained that he would

## ABERDEEN CITY REGION DEAL JOINT COMMITTEE

be happy to provide members with a date for the completion of the gap analysis, as well as dates for when specific projects would be finalised at the Joint Committee's next meeting. At this point Sir Ian Wood requested that lead officers from the Digital Infrastructure project team meet with representatives of ONE to provide a briefing on the benefits of the planned improvements in the region's digital infrastructure;

(v) With regards to the Strategic Transport Appraisal, John-Paul Cleary informed the Joint Committee that no business case would be required in this area as the STAG process would effectively be the business case process. Derek Murray (Director, Nestrans) added that the two governments had re-profiled the transport appraisal and Nestrans were in discussions with Transport Scotland on how the £5million of funding would be allocated. At this point members agreed to enter into discussions with the Scottish Government to try and persuade them that funding for CRD transportation projects should be allocated through the Scottish Government and not through Transport Scotland, to ensure standardisation of funding allocation for all CRD projects and programmes; and

(vi) With regards to the Harbour Expansion Project, John-Paul Cleary advised that the scope of the project was flexible up to its approval in October 2016 and he explained that they had received a number of additional requests for improvements from the Harbour Board. He stated that the Programme Board were open to these proposals but were mindful that the feasibility of any proposal would be dependent on the development of road infrastructure surrounding the Harbour.

### **The Joint Committee resolved:-**

- (i) to note the progress of the Aberdeen City Region Deal Programme;
- (ii) to request that an action plan be developed that would chart the timeframes for approval by all the CRD Committees; Boards and Programme Groups ahead of the target date of 17 August 2016 for approval by all partners;
- (iii) to request that completion dates for the Digital Infrastructure gap analysis and other CRD digital programmes be presented to the Joint Committee's next meeting on 22 July 2016;
- (iv) to request that lead officers from the Digital Infrastructure project team provide a briefing on the benefits of planned improvements in the region's digital infrastructure to representatives of ONE; and
- (v) to request that lead officers meet with the Scottish Government to discuss the transfer of authority for allocating CRD funding for transportation projects from Transport Scotland to the Scottish Government, to ensure standardisation across all CRD projects and programmes.

## ABERDEEN CITY REGION DEAL JOINT COMMITTEE

### ADDITIONAL PROGRAMME UPDATE

4. The Joint Committee had before it a report by John-Paul Cleary which provided an update on the additional funding of £254m announced by the Scottish Government when the City Region Deal Heads of Terms Agreement was signed in January 2016.

#### **The report recommended –**

that the Joint Committee note the update on the additional funding.

(i) With regards to Housing, Graeme Stuart (Housing Strategy and Performance Manager, ACC) advised that through the Housing Infrastructure Fund, additional funding would be made available to unlock identified housing sites of strategic importance to local authorities. He anticipated that £20million of the recently announced £50million National Infrastructure Fund would be ring-fenced to the North East of Scotland but clarification would be needed from the Scottish Government on the conditions of the funding. Mr Stuart informed the Joint Committee that he and the CRD Programme Manager would be meeting with representatives of the Scottish Government on 14 June 2016 and would raise these issues with them;

(ii) With regards to Digital Infrastructure, John-Paul Cleary highlighted that an additional £10million had been earmarked to contribute to the delivery of digital proposals to create a digital infrastructure fund to enhance service delivery across the North East region in both the public and private sectors; and

(iii) With regards to Transportation, Derek Murray explained that the Laurencekirk improvements would be integrated into Transport Scotland's design and consultation framework and processes, and advised that the outcomes from the STAG appraisal had been accepted and Transport Scotland would be progressing to the next stages of the development which were the route option assessment and the preferred junction study up to the preparation of the Draft Road Orders. In terms of rail to the Central Belt, Mr Murray advised that Nestrans were in discussions with Transport Scotland and Network Rail to improve capacity and journey times and they were currently scoping the extent of works to reduce the journey time between Aberdeen and the Central Belt by 20 minutes. He added that other projects under consideration were a new local service from Arbroath to Glasgow and in the longer term a service from Inverness to Glasgow.

Councillor Thomson MSP informed the Joint Committee that he had been advised that Network Rail had been assessing projects in the North East and would be following Transport Scotland processes but advised that North East transportation developments had been little progress on the Governance for Railway Investment Projects (GRIP) process. At this point the Chair proposed to write to the Cabinet Secretary for Infrastructure, Investments and Cities to ask for clarification on the incorporation of the additional Scottish Government funding of £254million into the existing City Region Deal governance arrangements. The Joint Committee agreed that a letter should be

## ABERDEEN CITY REGION DEAL JOINT COMMITTEE

written and suggested that it should be signed by representatives of the three constituent bodies of the City Region Deal.

### **The Joint Committee resolved:-**

- (i) to note the update on the additional funding; and
- (ii) to request that the Chair write to the Cabinet Secretary for Infrastructure, Investments and Cities to ask for clarification on the incorporation of the additional Scottish Government funding of £254million into the existing City Region Deal governance arrangements, and for this letter to be signed by representatives of the three constituent bodies of the City Region Deal.

### **COMMUNICATION STRATEGY UPDATE**

5. The Joint Committee had before it a report by Takki Sulaiman (Head of Communications and Promotion, ACC) which provided an update on the development of the City Region Deal communications strategy and plan.

### **The report recommended –**

that the Joint Committee

- a) Comment on and approve the integrated approach to develop the communications strategy and project plan as set out in the report;
- b) Approve the communications protocol which would guide all communications activity and ways of working which seeks to complement the programme management approach; and
- c) Note that the communications plan would be developed by a project working group led by the two councils and ONE.

Takki Sulaiman spoke to the report and advised that a detailed communications plan would be submitted to the Joint Committee at its meeting on 9 September 2016. Mr Sulaiman explained the City Region Deal had been covered by national and international media outlets and now that the deal was moving into its secondary stage, there was an opportunity to communicate the CRD's role in delivering change and supporting the North East and national economies, whilst being mindful of managing expectations. Sir Ian Wood requested that this integrated communications approach be adopted by all partners; Boards and programme groups related to the City Region Deal.

### **The Joint Committee resolved:-**

- (i) to approve the integrated approach to develop the communications strategy and project plan as set out in the report;
- (ii) to approve the communications protocol which would guide all communications activity and ways of working which seeks to complement the programme management approach, subject to the necessary revisions being made in terms of presentation;

## ABERDEEN CITY REGION DEAL JOINT COMMITTEE

- (iii) to note that the communications plan would be developed by a project working group with representation from the two councils, ONE and the CRD Programme Manager; and
- (iv) to request that an integrated communications approach be adopted for all partners; Boards and programme groups related to the City Region Deal.

### JOINT COMMITTEE MEETING DATES TO DECEMBER 2017

6. The Joint Committee had before it a set of proposed meeting dates for approval.

The proposed dates were as follows:-

Friday, 16 June 2017;  
 Friday, 28 July 2017;  
 Friday, 8 September 2017; and  
 Friday 10 November 2017.

Sir Ian Wood enquired why there was a longer gap between the Joint Committee's meeting date on 17 March 2017 and 16 June 2017. The Clerk advised that the scheduling had taken cognizance of the Local Government elections on 4 May 2017. The Chair added that there was a mechanism in place for the Joint Committee to be reconvened during this period if urgent business needed to be considered. Members also raised concerns that the required City Region Deal documentation may not be finalised for the Joint Committee's consideration by its next meeting on 22 July 2016. The Chair proposed that a provisional meeting date could be scheduled to ensure that the Joint Committee would be in a position to make a recommendation to its three constituent bodies ahead of the target date of 17 August 2016.

#### **The Joint Committee resolved:-**

- (i) to approve the meeting dates; and
- (ii) to instruct the Clerk to send a provisional meeting appointment to members to support the approval of the City Region Deal by all partners by the target date of 17 August 2016.

**COUNCILLOR JENNIFER LAING, Chairperson.**

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## ABERDEEN CITY REGION DEAL: Powering Tomorrow's World

<b>Progress Report</b>	Aberdeen City Region Deal – Programme Update
<b>Lead Officer</b>	Head of Economic Development (Aberdeen City Council & Aberdeenshire Council)
<b>Report Author</b>	John-Paul Cleary
<b>Date of Report</b>	15 August 2016
<b>Governance</b>	Aberdeen City Region Deal Joint Committee

<b>1:</b>	<b>Purpose of the Report</b>
i.	To provide an update on the Programme to develop the specific projects under the City Region Deal Heads of Terms (£250m).

<b>2:</b>	<b>Recommendations for Action</b>
i.	That the Joint Committee notes the progress on the Aberdeen City Region Deal Programme.

<b>3:</b>	<b>Background</b>
i.	Work on the business cases for each of the City Region Deal projects has continued in parallel with the process to agree the overall Deal. This report provides an update on the progress of this work.

<b>4:</b>	<b>Programme Update</b>
i.	Work is progressing on agreeing the funding and approval processes with both governments for the Deal agreement, individual business cases, distribution of funds and progress reporting.
ii.	The Aberdeen City Region is represented on a 2-day Green Book Workshop on 9 <sup>th</sup> -10 <sup>th</sup> August arranged by the Scottish Government, to help ensure business case development adheres to the expected standards.

**i. Oil and Gas Technology Centre**

Progress to Date

Opportunity North East and Scottish Enterprise have been working closely with the OGA, Technology Leadership Board, Oil and Gas UK, University of Aberdeen and Robert Gordon University to progress the next phase of work for the Oil and Gas Technology Centre.

- The company has been set up and the first Board meeting took place on 14 April 2016.
- £500k start up development funding secured from ONE and SE.
- CEO and Solution Centre Manager (SCM) roles now appointed and will commence late summer.
- The OGTC Business Plan and Business Case in final stages of approval process.

Key Next Steps

- Interim project team in place and will hand over to appointed team when in place.
- Integrate the strategic business case for Big Data into OGTC plan.
- CEO and key staff commence in role September 2016.
- Establish Memorandum of Understanding between the OGTC and Robert Gordon University and University of Aberdeen.
- Secure formal ACRD funding agreement with funding bodies by August 2016; agree draw down tranches and matching funding interlocks.
- First drawdown from ACRD funding by latest September 2016.
- First Solution Centres established.

Issues for attention of the Joint Committee

None

**ii. Agri-Food and Nutrition Innovation Hub**

Progress to Date

The centre would be a flagship project for innovation development for the sector at a regional and national level. It will provide a mix of bespoke development laboratory, test kitchen and pilot production space with demonstration equipment including novel food processing capability, a sensory suite and start-up company space alongside the researchers,

## 5: Project Updates

nutritionists and food technologists. The centre would be a resource for both start-up businesses and existing growth companies.

The Innovation Centre will include:

- A research translation capability to broker projects between industry and research teams.
- A development team including food technologists to manage the product innovation development process from concept through to pilot production for new and novel products. This team would have a strong direct link to the Scotland Food and Drink market research team and will access existing capacity and capabilities at a national level.
- Development laboratory space, test kitchen, pilot production plant and sensory suite.
- An accelerator and incubator space for spin-out companies and high growth start-up businesses.
- A hub for the development and training to advanced level of food industry specific skills including food technology.
- Centre for sustainable and resilient food production.
- Virtual link to other centres of excellence eg labelling, packaging and shelf life.

### Key next steps

- Interim project team to be set up including the ONE Food and Drink Director, plus RGU, University of Aberdeen (Rowett) , ONE Board members and SE.
- Scope the role of project manager and secure resource to develop and deliver the project.
- Benchmark best practise from comparable innovation centres internationally.
- Map and assess the current provision of innovation support accessible to food drink and agriculture companies.
- Further market and demand testing of the concept to be undertaken

### Issues for attention of the Joint Committee

None

### **iii. Bio-Therapeutic Innovation Centre**

#### Progress to Date

Significant progress has been made in refinement of the strategic business case.

Additional testing of the concept is being undertaken with key stakeholders at a local and a national level.

## 5: Project Updates

There is consensus that the Centre should contain both space for existing companies as well as Incubator space for new life science companies. Several companies have expressed an interest in locating into the centre when constructed – estimate of 2019-20.

The centre will be 35- 60,000 sq. ft. will be a mix of shared and dedicated lab space with the option of bespoke fit out for new and existing companies.

The key bioscience competencies have been agreed by the ONE Life Science Board. This model enables historic and present competencies like Peptide and Antibody Engineering to be seen in association with growing competencies like Cell and Gene Therapy. There is a high degree of synergy within the competencies and significant and growing demand for their biopharmaceutical and biological products.

### Key next steps

- Demand testing to be undertaken and an options analysis undertaken to develop and shape the preferred model.
- Draft Business case and Business Plan to be developed by the project team by October 2016.

### Issues for attention of the Joint Committee

None

## **iv. Digital Infrastructure**

### Progress to date

A gap analysis has been completed that maps all the current provision of broadband across the City and Shire. Data from one supplier still to be verified. Considerable gaps identified in in both the City and Shire for superfast fibre and wireless connectivity. Options for closing gaps:

Aberdeen City Digital Place Strategy:

- Aberdeen City Council using existing network contract to leverage further private sector investment over the next 6 years. Contract agreed and first phase of upgrade to Council's network underway. This will provide a basis from which to expand to businesses and residential areas.
- Aberdeen City Council invest in free Wifi across the city and increased coverage of 4G wireless. Installation complete for proof of concept in North Regeneration Area. This will provide a model for roll out to other areas of the city. Goes live in September 2016. First phase of 4G boost live by September 2016.

## 5: Project Updates

### Options for City Regional Deal Investment:

- Leverage existing City initiatives to provide further connectivity to key Aberdeenshire economic corridors.
- Use CRD funding to procure a public sector duct infrastructure where there are limited plans for investment by the private sector.
- Use CRD funding to challenge the market to develop innovative wireless solutions for rural and city areas.

### Key Next Steps

A meeting has been set up for 16<sup>th</sup> August between the project, the Scottish Government, Scottish Futures Trust and Cube Ultra to identify specific projects for CRD investment.

The current plan is to complete a first draft of the business case for initial review by both governments by the end of August, and the completion of the business case by October.

### Issues for attention of the Joint Committee

None

## **v. Strategic Transport Appraisal**

### Progress to date

Initial discussions have taken place between the two Councils, Nestrans and Transport Scotland on the potential scope, extent and timescales of this project, as well governance and decision making arrangements. The group is meeting on 24 August to consider governance, funding arrangements, and scheme priorities.

### Key Next Steps

Key to the appraisal process will be a robust evidence base and development of an updated regional transport model. The current model requires significant upgrading to reflect the existing and future transport network, development pressures and travel patterns. It is proposed that this upgrading takes place in two stages.

- Stage 1, a relatively small scale upgrading of the existing model and data. This will provide information to support the development of the Strategic Development Plan which is being progressed to a timetable set out by statute. A tender has been awarded for this model update, and inception meeting held with the successful tenderers in July 2016.

- Stage 2, a full upgrade to a modern transport modelling tool with new base data including post AWPR surveys. This will then be used to inform the full

**5: Project Updates**

appraisal process.

Bearing in mind that the first stages of the area wide appraisal will be some months away and involve data collection and model upgrading, there may be a need to continue assessment work on projects which are already underway.

These potentially include:

- City Centre Masterplan works (Including redefinition of the roads hierarchy)
- Locking in the benefits of the AWPR (Including radial route assessment)
- Cross City connections.
- Aberdeen to Peterhead/ Fraserburgh corridor study.
- Other strategic transport corridors such as A944, and A947.

Issues for attention of the Joint Committee

None

**vi. Harbour Expansion Project**

Progress to date

Aberdeen Harbour appointed their preferred bidder in July and the estimated overall costs of the Harbour have been revised

scope of works under the City Region Deal has yet to be decided and will be subject to confirmation of the new Harbour project being approved. The decisions on the Harbour approvals is scheduled for October this year.

Key Next Steps

The intention of this project is to overcome some of the strategic access issues to the new harbour and the surrounding area which is highlighted in the published Development Framework for the area. A scoping exercise should be carried out for this project.

Issues for attention of the Joint Committee

None.

**6: Finance and Risk**

- i. The overall financial plan for the Programme is included within the City Region Deal Agreement and will be monitored throughout the life of the Programme.

<b>6:</b>	<b>Finance and Risk</b>
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| <p>ii. The Risks associated with the City Region Deal are considered and varied. Risk Assessments will be carried out as part of each of the workstream Business Cases and will form part of the Programme Risk Register.</p> |
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## ABERDEEN CITY REGION DEAL: Powering Tomorrow's World

<b>Progress Report</b>	Aberdeen City Region Deal – Additional Update
<b>Lead Officer</b>	Head of Economic Development (Aberdeen City Council & Aberdeenshire Council)
<b>Report Author</b>	John-Paul Cleary
<b>Date of Report</b>	15 August 2016
<b>Governance</b>	Aberdeen City Deal Joint Committee

<b>1:</b>	<b>Purpose of the Report</b>
i.	To provide an update on the additional funding of £254m announced by the Scottish Government when the City Region Deal Heads of Terms Agreement was signed in January 2016.

<b>2:</b>	<b>Recommendations for Action</b>
i.	That the Joint Committee notes the update on the additional funding.

<b>3:</b>	<b>Background</b>
i.	In January 2016, a Heads of Terms for an Agreement for a £250m City Region Deal was signed by the UK and Scottish Governments, Aberdeen City Council, Aberdeenshire Council and Opportunity North East (ONE). At the same time, the Scottish Government announced an additional £254m would be available to support the implementation of some elements of the original proposals that would not be funded within parameters of the signed Heads of Terms.
ii.	An agreement on the £254m has yet to be ratified and whether it could be brought into the existing City Region Deal governance arrangements.
iii.	Once this is clarified by government officials, officers will update the Joint Committee on the next steps and stages to finalise this element of an overall City Region Deal Programme.
iv.	This report provides detail on the progress of the work relating to those proposals under the £254 element of the programme.

## **i. HOUSING**

### Progress to Date

Housing infrastructure fund: Details of the terms and conditions of the housing infrastructure fund have now been provided by the Scottish Government. They state that whilst all types and tenures of housing are eligible for support priority will be given to those projects delivering affordable and private rented housing within the next five years.

The Housing Infrastructure Fund comprises two main elements:

- Infrastructure loans (to non-public sector organisations)
- Infrastructure grant available to local authorities and registered social landlords (RSLs) to support affordable housing delivery

Potential project are to be included in the Strategic Housing Investment Plans of the two Councils to be submitted in November 2016.

£130m of affordable housing grant: Both local authorities have developed strategic local programme agreements with the Scottish Government for 2016-17. Sites have been identified in partnership with registered social landlords and developers. Spend of approximately £13.5m in Aberdeenshire and £15 - 21m in Aberdeen City has been identified for 2016-17. These figures may change subject to development timescales and the availability of new opportunities. Both Councils have affordable housing delivery groups comprising the local affordable housing providers and the Scottish Government to closely monitor progress and identify opportunities for further investment. Meetings involving the Scottish Government and the two Councils have commenced to ensure an overview for the City Region is also in place. Work is ongoing with partners to identify projects for delivery through to 2020/21.

### Key Next Steps

Working together the Councils will discuss all potential sites where the infrastructure fund may be of benefit with developers, RSLs and the Councils and report back to a future meeting of the Board will identifying those sites which will benefit most from this support, produce best value for the City Region Deal and best support the delivery of affordable housing..

### Issues for attention of the Joint Committee

The Joint Committee will need to agree the allocation of the housing infrastructure fund once sites have been proposed and assessed.

## ii. DIGITAL

Investment in Digital infrastructure formed part of the Heads of Terms Agreement for the £250m City Region Deal. An additional £10m was earmarked to contribute towards the delivery of the digital proposals to create a digital infrastructure fund which will address the digital challenges of both Aberdeen City and Aberdeenshire and underpin enhanced service delivery across private and public sectors (see Programme Update).

## iii. TRANSPORTATION

### Laurencekirk Flyover

#### Description

This is part of the additional Scottish Government funding to support improvements to the key A90/A937 south junction at Laurencekirk. Nestrans, with Aberdeenshire Council, Transport Scotland, Angus Council and Tactran has completed a STAG appraisal study making a case for the development of improvements to the Laurencekirk junctions including a grade separated junction at the south end of the village. The outcomes from the STAG appraisal have been accepted, and Transport Scotland are committed to progressing the next stage of project development, which is a DMRB Stage 2 (route option assessment) and Stage 3 (development of preferred junction option) study, up to the preparation of Draft Road Orders.

#### Progress to Date

A meeting of the Laurencekirk Partnership Group was held in May 2016, which discussed proposals for the next stages of work.

Transport Scotland are carrying out a procurement exercise with a view to appointing design consultants.

#### Key Next Steps

Transport Scotland to commence DMRB studies, following procurement exercise.

#### Issues for attention of the Joint Committee

None.

## iv. Rail to Central Belt

#### Description

This is part of the additional Scottish Government funding to help improve journey times and increase capacity on key rail links between Aberdeen and

<b>4:</b>	<b>Project Updates</b>
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the Central Belt. Initial discussions have taken place with Transport Scotland and Network Rail. Transport Scotland have indicated that this project will be taken forward using their normal processes. The initial, additional £200m allocated to this project is currently being considered by Transport Scotland and Network Rail. They are scoping the extent of works bearing in mind this additional commitment and the Strategic Transport Projects Review commitment to reducing the journey time between Aberdeen and the Central Belt by 20 minutes.

Progress to Date

Network Rail are currently carrying out a timetabling exercise for the Aberdeen to Central Belt project. This will assist in determining the scope of works for the additional funding.

Key Next Steps

Issues for attention of the Joint Committee

None.

<b>5:</b>	<b>Finance and Risk</b>
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- i. Subject to the clarification by the Scottish Government on these elements of an overall Programme, it is anticipated that a full financial plan for the City Region Deal Programme may include the elements of the £254m announcement. This will be reported to the Joint Committee.
- ii. The Risks associated with the City Region Deal are considered and varied. Risk Assessments will be carried out as part of each of the workstream Business Plans and will form part of the Programme Risk Register.