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ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

To: Councillor Jenny Laing, Chairperson; Councillor Jim Gifford; Vice Chairperson; Councillors Marie Boulton and Douglas Lumsden; Councillors Peter Argyle and Richard Thomson; Professor Stephen Logan, Mr Patrick Machray OBE and Sir Ian Wood.

Aberdeen City Council Substitute Members:- Councillors Stephen Flynn, Gordon Graham and Ian Yuill.

Aberdeenshire Council Substitute Members:- Councillors John Cox, Allison Evison and one vacancy.

ONE Substitute Members:- Colin Crosby, Jennifer Craw 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 23 August 2018

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

The Members of the **ABERDEEN CITY REGION DEAL JOINT COMMITTEE** are requested to meet in **Committee Room 2 - Town House** on **THURSDAY, 30 AUGUST 2018 at 9.30 am.**

FRASER BELL
CHIEF OFFICER - GOVERNANCE

B U S I N E S S

- 1 Determination of Urgent Business
- 2 Determination of Exempt Business
- 3 Declarations of Interest
Members are Required to Intimate any Declarations of Interest in Respect of the Items on Today's Agenda.
- 4 Minute of Previous Meeting of 22 June 2018 - For Approval (Pages 3 - 6)

5 City Region Deal - Financial Update Q1 2018/19 (Pages 7 - 8)

Please note that the appendix associated with this report is attached at the Exempt Section of this agenda at item 9.

6 Progress Update (Pages 9 - 18)

CONFIDENTIAL/EXEMPT BUSINESS

7 Food Hub for Innovation Business Case (Pages 19 - 110)

8 Harbour Transport Action Plan (Pages 111 - 206)

9 City Region Deal - Financial Update - Exempt Appendix (Pages 207 - 208)

10 Housing Infrastructure Funding - To Follow

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Should you require any further information about this agenda, please contact Mark Masson, email mmasson@aberdeencity.gov.uk, or telephone 01224 522989

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World



ABERDEEN, 22 June 2018. Minute of Meeting of the ABERDEEN CITY REGION DEAL JOINT COMMITTEE. Present:- Councillor Jenny Laing, Chairperson; Councillor Jim Gifford, Vice-Chairperson; Councillors Marie Boulton, Douglas Lumsden, Peter Argyle and Richard Thomson; Sir Ian Wood, Ms Jennifer Craw (as substitute for Mr Patrick Machray, OBE) and Professor Ferdinand von Prondzynski (as substitute for Professor Stephen Logan).

DETERMINATION OF EXEMPT BUSINESS

1. The Chairperson proposed that the Committee consider item 6 (Digital Update) of the agenda with the press and public excluded from the meeting.

The Committee resolved:-

In terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting for item 6 of the agenda, so as to avoid disclosure of information of the classes described in paragraph 8 of Schedule 7(A) to the Act. (Article 5 of the minute refers).

DECLARATIONS OF INTEREST

2. No declarations of interest were submitted in respect of the items on today's agenda.

MINUTE OF PREVIOUS MEETING OF 4 MAY 2018 - FOR APPROVAL

3. The Joint Committee had before it the minute of its previous meeting of 4 May 2018, for approval.

The Committee resolved:-

to approve the minute as a correct record.

TRANSPORT UPDATE

4. The Joint Committee had before it a report by Paul Finch, Strategic Transport Projects Manager, Aberdeenshire Council which provided information on (1) the outcomes of the Scottish Transport Appraisal Guidance (STAG) Pre-Appraisal undertaken as a first stage of a Strategic Transport Appraisal component of the Aberdeen City Region Deal; (2) the findings from the STAG Pre-Appraisal and the development of Transport Planning Objectives; and (3) the recommendations on how the study should progress.

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

22 June 2018

The report recommended:-

that the Joint Committee note the draft interim Transport Planning Objectives from the Strategic Transport Appraisal Pre-Appraisal.

Paul Finch provided an overview of the report and advised that it had been approved by Nestrans, Aberdeen City Council and Aberdeenshire Council.

During the discussion, the following was noted:-

- that delays in opening the AWPR would have minimal impact risk to the objectives;
- that the shortlisting process would be considered in August/September with results being known in December/January; and
- dualling the rail track to Dyce would be fundamental and that the AWPR completion would accelerate other projects.

The Committee resolved:-

to approve the recommendations.

In accordance with the decision recorded at article 1 of this minute, the following item of business was considered with the press and public excluded.

DIGITAL UPDATE

5. The Joint Committee had before it a report by John-Paul Cleary, Senior Programme Manager and Heather Martin, Programme Manager, Aberdeen City Council and Roddy Matheson, Infrastructure Services, Aberdeenshire Council, which provided information on the overall digital infrastructure programme of the City Region Deal, its vision, projects, benefits and funding position through the submission of the Digital Infrastructure Masterplan.

The report recommended:-

that the Joint Committee –

- (a) note the contents of the Digital Infrastructure Masterplan (Appendix 1);
- (b) approve the revised Local Full Fibre Network business case proposed in this report (Appendix 2), subject to approval by the UK Government and the Scottish Government; and positive peer review by the Peer Review Group; and
- (c) approve the investment of the amount outlined within the report at section 3(v) in the Local Full Fibre Network project, bringing total funding in the project to the amount outlined within the report at section 3(vi), subject to approval by Aberdeenshire Council in respect of its contribution.

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

22 June 2018

The Joint Committee heard from Stephen Archer, Director of Infrastructure Services, Aberdeenshire Council in relation to the 5 key projects within the report, specifically regarding the extension of Aberdeen City Council Fibre Network; the local Full Fibre Network; Duct Network Extension; Sensor Network and the Regional Data Exchange.

During the discussion, the Joint Committee noted:-

- information in relation to the underspend within the budget and what required to be considered for further investment;
- the details regarding an unsuccessful bid;
- that there required to be early ongoing dialogue with the Department of Culture, Media and Sport;
- that there was comfort in the quality of management to tackle any risk and implementation, including robust preparation work around a future bid specification and dialogue; and
- the information regarding the recruitment of a Digital Lead.

The Joint Committee resolved:-

- (i) to approve the recommendations; and
- (ii) that a briefing paper be circulated to members illustrating all that was currently happening in digital connectivity in the region which would include details of further opportunities and gaps.

- COUNCILLOR JENNY LAING, Chairperson.

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ABERDEEN CITY REGION DEAL: Powering Tomorrow's World

Report Name	City Region Deal – Financial Update Q1 2018/19
Lead Officer	Alan Wood
Report Author	John-Paul Cleary, John Lovie
Date of Report	30 August 2018
Governance	City Region Deal Joint Committee

1:	Purpose of the Report
i.	To update the Joint Committee on the finances of the Aberdeen City Region Deal for the first quarter of financial year 2018/19.

2:	Recommendations for Action
i.	It is recommended that the Joint Committee notes the content of the report and its appendix.

3:	Summary of Key Information
i.	The funding mechanisms of the Aberdeen City Region Deal are centrally managed and monitored by the City Region Deal Programme Manager with support from Aberdeenshire Council Finance Service, and with oversight provided by the Programme Board as part of its normal activities. The membership of the Programme Board includes a Section 95 Officer to provide financial assurance of the programme finances, ensure the financial requirements of both the UK and Scottish Governments are met, and ensure alignment with the financial strategy and procedures of both Councils (through liaison with the Section 95 Officer of the Council not represented directly).
ii.	The 2018/19 full year spend forecast for the Aberdeen City Region Deal is shown in Table 1 of the Appendix. This has been agreed with the UK and Scottish Governments.

3:	Summary of Key Information
iii.	Total spend during Q1 2018/19 across all City Region Deal projects and partners, including private sector investment, was £29,058,031. A detailed breakdown is shown in Table 2 of the Appendix.
iv.	During Q1, a change request was raised against spend for the Strategic Transport Appraisal. An additional cost of £48,862 was approved by Aberdeenshire Council's Head of Transportation for the pre-appraisal work package for additional work on analysis, reporting and stakeholder engagement following consultation with the City Region Deal Transport Workstream Group.
v.	This brought the total cost of the work to £204,483, which was slightly over the estimate of £200,000 brought to the Joint Committee as part of the Strategic Transport Appraisal Business Case approved by the City Region Deal Joint Committee in November 2017.

4:	Finance and Risk
i.	Finance information constitutes the body of the report. There are no additional risks to Aberdeen City Council or Aberdeenshire Council related to this report.

ABERDEEN CITY REGION DEAL: Powering Tomorrow's World

Report Name	Aberdeen City Region Deal Progress Update
Lead Officer	Richard Sweetnam
Report Author	John-Paul Cleary
Date of Report	30 August 2018
Governance	City Region Deal Joint Committee

1:	Purpose of the Report
i.	To update the Joint Committee on the progress of the City Region Deal and its constituent workstreams, through the body of the report and its appendices: <ul style="list-style-type: none"> • Appendix 1 – Programme Dashboard • Appendix 2 – Benefits Monitoring Dashboard.

2:	Recommendations for Action
i.	It is recommended that the Joint Committee – <ul style="list-style-type: none"> a. Notes the content of the report and its appendices, and the progress made.

3:	Summary of Key Information
Annual Report and 'Annual Conversation' Meeting	
i.	At the City Region Deal Joint Committee of 4 th May 2018, the request for an Annual Report and Annual Conversation was discussed, relating to letter received on 18 th April from the Scottish Government. The letter requested the Annual Conversation was to take place in June, however the Scottish Government later altered this to October, and the Annual Conversation meeting has been arranged for 11 th October, with the Annual Report to be issued in advance of that.
Digital Infrastructure Lead	

3:	Summary of Key Information
ii.	At the City Region Deal Joint Committee of 4 th May 2018, funding was approved for the appointment of a dedicated Digital Infrastructure Lead for the Aberdeen City Region Deal. This post has now been filled with the appointment of Wendy Robertson to the role and she has begun work immediately.
	City Network Extension Project
iii.	On 23 rd July, construction work began on the first phase of the £40 million investment into fibre infrastructure in the City, starting with streets in Kincorth and Cummings Park followed by Smithfield.
	Programme Dashboard
iv.	Updates on the progress of individual workstreams and projects are contained in the Programme Dashboard in Appendix 1.
	Economic Benefits Dashboard
v.	The benefits of the City Region Deal are contained in the Economic Benefits Dashboard in Appendix 2. These be reported six-monthly hereafter. The report monitors the agreed benefits for those projects where business cases have been approved and the projects are in implementation stage.

4:	Finance and Risk
i.	The financial implications are included at a high level in the body of the report and its appendices.

ABERDEEN CITY REGION DEAL - PROGRAMME DASHBOARD

30 August 2018

Id	Theme / Project	Lead	Stage	Last Completed Milestone	Next Milestone	Next Milestone Target Date	Timeline	Budget	Resource	Notes
1 Innovation										
1.1	Oil & Gas Technology Centre	Collete Cohen	Implement	Commencement of the build for the National Decommissioning Centre	Establish Subsurface Solution Centre	Dec 2018	G	G	G	Over 90 members of the Solution Centres signed up. 106 approved Projects in progress, with an investment of £56.5m. Asset Integrity call closed in May with 64 submissions, narrowed down to 6 projects. Small Pools call closed in July, with 33 submissions. Over 40 offshore trials planned. Digital and Decommissioning Solution Centres - projects being progressed to approval. Establishment of the Subsurface Solution Centre approved by OGTC Board in August 2018 Governance and Funding Agreement between OGTC and the University of Aberdeen for the National Decommissioning Centre (COE) has been signed. The building of the Hub at the Decommissioning Centre commences on 13th August. Research themes for both National Centres is being developed in collaboration with the Universities and Industry. First cohort for TechX commenced in June, with 10 companies joining for an intensive 16 week period. 2017 Annual report published
1.2	Food Hub for Innovation	Jennifer Crow	Define	Draft business case issued to UK and Scottish Governments for Review	Approval of business case by CRD Joint Committee	Aug 2018	G	G	G	Draft business case issued to UK Government and Scottish Government for review on 3rd July 2018. Further revised version being issued to CRD Joint Committee for approval incorporates peer review feedback and comments. Timeline and Budget reset to Green as budgets and schedules have been rebaselined with the two governments for 2018/19 based on the draft business case.
1.3	Bio-Therapeutic Hub for Innovation	Jennifer Crow	Implement	Business case approved by both governments	Begin design and planning of Hub for Innovation	Dec 2018	G	G	G	Project Management services appointed following competitive tender process. Procurement of Architect Led Design Team, Cost Consultant and Principal Designer underway following OJEU procurement process. Development of detailed project brief underway, including design and technical spec for construction, fit out and operation of building Pilot Life Sciences Business Support programme successfully delivered and follow up support being offered to participant companies through ONE and Partners BioManufacturing feasibility study completed Timeline and Budget reset to Green as budgets and schedules have been rebaselined with the two governments for 2018/19 based on the approved business case.
2 Digital Infrastructure										
2.1	City Network Extension	Julie Richards	Implement	Work started on Network Build in the City	Wayleaves Agreed and signed	16/08/2018	G	G	G	Work started on 23rd July on the network build in the City with the first trial area of 2,500 properties. Budget and Resource now set to Green as additional funding was approved by May Joint Committee.
2.2	Full Fibre Infrastructure	Wendy Robertson	Define	Approval of revised Business Case by Joint Committee	Approval of revised Business Case by UK and Scottish Governments	Sept 2018	G	G	G	In light of unsuccessful bid for DCMS funding, revised business issued to UK and Scottish Governments for review on 10th August. Timeline now reset to Green as schedules will be baselined by the business case. Resource now set to Green on appointment of new Digital Lead.
2.3	Duct Network Extension	Wendy Robertson	Define	Issue of revised Business Case to Joint Committee for information	Approval of revised Business Case by UK and Scottish Governments	Sept 2018	G	G	G	Revised business issued to UK and Scottish Governments for review on 10th August Timeline now reset to Green as schedules will be baselined by the business case. Resource now set to Green on appointment of new Digital Lead.
2.4	Sensor Network	Wendy Robertson	Define	Outline Business Case approved by Joint Committee	Procure Consultancy	TBA	R	G	G	Specification of works currently being developed. Timeline Red due to slippage of 6 months due to departure of original Digital lead. Resource now set to Green on appointment of new Digital Lead.

2.5	Regional Data Exchange	Wendy Robertson	Define	Outline Business Case approved by Joint Committee	Procure Consultancy	TBA	R	G	G	<p>Specification of works currently being developed.</p> <p>Timeline Red due to slippage of 6 months due to departure of original Digital lead. Resource now set to Green on appointment of new Digital Lead.</p>
3 Transportation										
3.1	Strategic Transport Appraisal	Paul Finch	Implement	Pre appraisal - data analysis and consultation	Final pre-appraisal report	30/08/18	A	G	G	<p>Strategic Transport Appraisal - draft findings (including emerging themes and objectives) have been received and discussed. A briefing on these for Elected Members took place on 1st June at Woodhill House, and were approved at committees at the end of June 2018.</p> <p>The draft pre-appraisal report has been received and comments on this have been discussed with the wider client group. Jacobs are now currently working through edits to address the comments of the client group, and a final report is due to be received on the 17th August. The next stage of work is to consider the outcomes of the pre-appraisal stage before commencing to a STAG Part 1 Appraisal.</p> <p>Timeline amber - There is a risk that the AWPR opening schedule will have knock-on impact on timescales. This has to be viewed in the context of the wider programme but is not viewed as critical at this point.</p>
4 Internationalisation										
4.1	Aberdeen Harbour Expansion	Margaret Pattison (ACC Coordinator)	Implement	Piling Commencement	Commencement of N Breakwater Crown Wall	01/03/2019	G	G	G	<p>North breakwater works continuing with core, rock armour and precast armour units. Piling operations in progress on west quay. Accropode production within the Carousel facility in progress. Dredging continues in preparation for the first caisson deliveries.</p> <p>Visitor Centre activity/bookings have slowed due to school holidays. Visitor centre opening hours increased due to holiday period. Now in excess of 2700 visitors.</p>
4.2	Transportation Links to Bay of Nigg (Initial Options Appraisal)	Ken Neil	Implement	Pre-Appraisal Reporting	Draft Part 1 Appraisal	10/08/2018	G	G	G	<p>STAG Pre-Appraisal work has been completed. The STAG Part 1 Stage is nearing completion with Stakeholder Engagement about to commence. Development of the options into a format suitable for consultation to the wider core group has led to a 3 week delay but this will not affect long-term timescales.</p>

ABERDEEN CITY REGION DEAL - OVERALL MEASURES

Benefit	Measures	Measure Frequency	Target	Target Date	Previous Measure	Current Measure	Status
Increase in GVA	Aberdeen City Council and Aberdeenshire Council areas	Annually	£260M	2026	-	-	G
	Scotland	Annually	£222M	2026	-	-	G
	UK	Annually	£190M	2026	-	-	G
Increase in Employment	Total number of new jobs by 2026 (Aberdeen City Council and Aberdeenshire Council areas)	Annually	3,300	2026	-	-	G
Additional Tax Revenues	UK Income tax, national insurance, VAT and oil tax revenues.	Annually	£113M	2026	-	-	G

OIL & GAS TECHNOLOGY CENTRE

Benefit	Delivery Area	Measures	Measure Frequency	Target	Target Date	Previous Measure	Current Measure	Status
Match Funding	OGTC	Co-investment match funding from the private sector (Operators and Supply Chain)	Quarterly	£174.1M	2026	–	£22.0m	G
Increase in GVA	OGTC	Additional GVA	Annually	£8.9B - £26.9B	2036	–	–	G
New Technologies Deployed	OGTC	Increase the number of new technologies that have been deployed on a first user principle	6 Monthly	10	2026	–	0	G
University Standing	Universities	Improve the standing of the two Aberdeen Universities in the research league table for oil and gas technical excellence	-	–	2026	–	–	Measure TBA
Senior Academics	Universities	Significantly increase number of senior academics attracted internationally to work in the two Aberdeen Universities in oil and gas roles	-	–	2026	–	–	Measure TBA
Commercialised Solution Centre Technologies	OGTC - Solution Centres	Number of OGTC Solution Centre funded technologies reaching commercialisation phase (TRL9)	6 Monthly	15	2026	–	2	G
Supply Chain Projects Funded	OGTC - TechX	Number of Supply Chain Technology Accelerator projects co-funded	Quarterly	100	2026	–	10	G
Other Identified Measures								
Benefit	Delivery Area	Measures	Measure Frequency	Target	Target Date	Previous Measure	Current Measure	Status
Total Solution Centre Projects	OGTC - Solution Centres	Number of solution centre projects funded	Quarterly	N/A	N/A	68	80	G
Industry engagement	OGTC	Number of Full or Associate Members	Quarterly	N/A	N/A	81	90	G

DIGITAL INFRASTRUCTURE - CITY NETWORK EXTENSION PROJECT

Benefit	Delivery Area	Measures	Measure Frequency	Target	Target Date	Previous Measure	Current Measure	Status
Increased availability of fibre to the premises in Aberdeen City Region	City Network Extension	Number of premises in Aberdeen City with access to ultrafast services	Quarterly	90,000	2021	-	-	G

BIO-THERAPEUTICS HUB FOR INNOVATION

Benefit	Delivery Area	Measures	Measure Frequency	Target	Target Date	Previous Measure	Current Measure	Status
Life Science support programmes	Bio-therapeutics Hub	Life Science support programme launched	Quarterly	Deliver	2018	–	–	G
Establishment of collaborative bio-therapeutics space	Bio-therapeutics Hub	Establishment of a 69,000-square foot flexible collaborative space	Quarterly	Deliver	2020	–	–	G
	Bio-therapeutics Hub	% occupancy rate of collaborative space	Annually	80%	2026	–	–	G
GVA	Bio-therapeutics Hub	Generate GVA	Annually	£76M - £138M	2047	–	–	G
Startup and spinouts	Bio-therapeutics Hub	Number of spinouts achieved	6 Monthly	24	2026	–	–	G
Networking events focusing on company growth	Bio-therapeutics Hub	Number of networking events per annum	Annually	4	2026	–	–	G
International collaborations	Bio-therapeutics Hub	Number of international collaborations in place over 5 years	Annually	2	2025	–	–	G

STRATEGIC TRANSPORT APPRAISAL

Benefit	Delivery Area	Measures	Measure Frequency	Target	Target Date	Previous Measure	Current Measure	Status
ASAM	Transport	Interim ASAM Upgrade complete	Quarterly	Deliver	2017	–	Complete	G
	Transport	Further ASAM Upgrade	Quarterly	Deliver	2019	–	–	G
Strategic Transport Appraisal	Transport	Initial STAG pre-appraisal complete	Quarterly	Deliver	2018	–	–	G
	Transport	Initial STAG appraisal completed	Quarterly	Deliver	2019	–	–	G
	Transport	Detailed STAG appraisal completed	Quarterly	Deliver	2021	–	–	G

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