

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

ABERDEEN, 13 November 2020. Minute of Meeting of the ABERDEEN CITY REGION DEAL JOINT COMMITTEE. Present:- Councillor Jenny Laing, Chairperson; Councillor Jim Gifford, Vice-Chairperson; Councillors Marie Boulton, Councillor John Cox (as substitute for Councillor Peter Argyle), Douglas Lumsden; and Gwyneth Petrie, Jennifer Craw (as substitute for Patrick Machray, OBE), Professor Stephen Logan and Sir Ian Wood .

The agenda, reports and meeting recordings associated with this minute can be located [here](#).

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.

DETERMINATION OF EXEMPT BUSINESS

1. The Chairperson proposed that the Joint Committee consider agenda item 12 (Digital Infrastructure Business Case – Exempt Appendix) and item 13 (City Region Deal – Financial Update Q2 2020/21) with the press and public excluded.

The Joint 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 at items 12 and 13, so as to avoid disclosure of information of the classes described in paragraph 6 of Schedule 7(A) to the Act.

DECLARATIONS OF INTEREST

2. Members were requested to intimate any declarations of interest in respect of the items on today's agenda, thereafter the following were intimated:-

- (1) Councillor Lumsden declared an interest in item 10 (Aberdeen City Region Deal Quarterly Progress Update), specifically as it contained information in relation to the Bio-Hub, by virtue of him being a Council appointed Board Member of NHS Grampian. He considered that the nature of his interest did not require him to leave the meeting during the consideration of this item;
- (2) Councillor Cox declared an interest in item 8 (Scottish Government Additional Investment Update – Transport Projects) by virtue of him being a Council appointed member of Nestrans Board. He considered that the nature of his interest did not require him to leave the meeting during the consideration of this item;
- (3) Sir Ian Wood declared an interest in item 10 (Aberdeen City Region Deal Quarterly Progress Update), specifically as it contained information in relation to the Bio-Hub, by virtue of him being a Board Member of Opportunity North East. He considered that the nature of his interest did not require him to leave the meeting during the consideration of this item; and

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

13 November 2020

- (4) Professor Stephen Logan and Jennifer Crow declared an interest in item 10 (Aberdeen City Region Deal Quarterly Progress Update), specifically as it contained information in relation to the Bio-Hub, by virtue of them being Board Members of Opportunity North East and Bio Aberdeen. In addition, Jennifer Crow indicated that she was also a Director of Food Hub (NES) Limited. They considered that the nature of their interest did not require them to leave the meeting during the consideration of this item.

MINUTE OF PREVIOUS MEETING OF 21 AUGUST 2020

3. The Joint Committee had before it the minute of its previous meeting of 21 August 2020, for approval.

The Joint Committee resolved:-
to approve the minute.

EQUALITIES TRAINING

4. The Joint Committee had before it a report by the Programme Manager which provided access to the Equalities and Human Rights Training as requested at Joint Committee in November 2019.

The report recommended:-

that the Joint Committee –

- (a) use the link below to download and view the 3 x 30min training sessions <https://we.tl/t-QvhTfo3qvl> and provide comments and observations; and
- (b) complete the evaluation form provided by the trainer (Appendix 1) and return to the e-mail provided on the form, no later than 20 November 2020, noting that the evaluation forms will be used to provide a record of Committee Members training and submitted to the Scottish Government for evaluation and feedback.

The Joint Committee resolved:-
to approve the recommendations.

HARBOUR UPDATE - MICHELLE HANDFORTH

5. The Joint Committee received a presentation from Michelle Handforth, Chief Executive, Aberdeen Harbour Board who provided an update in relation to Aberdeen Harbour.

Ms Handforth provided information in relation to the economic impact on the harbour, which included the following:-

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

13 November 2020

- Revenue & Profitability heavily impacted - revenue reduction 30-40% for a number of months and annual profitability expected to be down by 20% against budget;
- The Board pro-actively offered commercial tenants either rental holidays or discounts to assist tenants badly affected by lockdown;
- The lifeline ferry to the Northern Isles was restricted impacting revenue, normal timetable was resumed on the 22nd June;
- The combination of Covid-19 and a volatile oil price has seen significant reductions in oil & gas related support vessels with summer maintenance campaigns cut back or deferred; and
- Cruise business suspended.

Ms Handforth provided an update on the harbour expansion project, making reference to caisson placement and filling, material consolidation and rock removal. She also intimated that the project was on track for phased opening in 2021/2022; that £34m of contracts had been awarded with a further £30m in market within the next 12 weeks; and a further £70m contracts awarded in 2021.

Ms Handforth concluded by providing details in terms of 'Green Infrastructure', noting the following:-

- Electrification of quaysides will support air quality ambitions and further Energy Transition in the North East of Scotland;
- Hydrogen Hub South Harbour has the capacity to become an international Hydrogen Hub, importing UKCS produced hydrogen and exporting globally;
- Renewables at South Harbour will become a major stabling and assembly hub for offshore and floating wind projects; and
- Green investment in Expanded Quayside Service Trenches will not only future-proof the harbour's electrification and hydrogen capabilities but also enable offshore renewable power to come onshore.

Ms Handforth responded to questions from members of the Joint Committee, specifically in relation to potential risks to the harbour expansion project, electrification of the quayside, Free Ports, placemaking and retaining greenspace, the Horizon 2020 project and Brexit preparations.

The Joint Committee resolved:-

to thank Michelle Handforth for her informative presentation.

OGTC PRESENTATION - COLETTE COHEN

6. The Joint Committee received a presentation from Colette Cohen, Chief Executive Officer, OGTC who provided an update on recent changes to the Oil and

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
13 November 2020

Gas Technology Centre which was established in 2017 as part of the Aberdeen City Region Deal.

Ms Cohen (a) advised that almost all activities were being conducted online and there continues to be a high level of engagement; (b) indicated that the new technology vision included a reduction of offshore emissions, to unlock potential in green and blue hydrogen, and to transform into net zero operations; and (c) made reference to the recent rebranding from the Oil and Gas Technology Centre to just OGTC with the purpose being to develop and deploy technology to deliver an affordable net zero North Sea.

Ms Cohen then showed OGTCs short new Pivot video.

Ms Cohen explained that they have moved from seven solution centres to a single solution centre which will deliver three clear programmes, namely:-

- (1) Emissions Reduction;
- (2) Affordable Integrated Energy Systems; and
- (3) Energy Industry 4.0 (Digitisation and Automation for a net zero).

She indicated that an integrated energy vision would include:-

- Collaborating and sharing knowledge;
- Identify and address key innovation gaps;
- Inspiring this generation and the next;
- Increasing gender diversity and youth; and
- Closing the gap to get to a net zero North Sea.

Colette Cohen responded to questions from members, specifically in relation to recent legislation in terms of green and blue hydrogen; merging oil and gas technology to renewable industries; and the downturn in the oil and gas industry.

The Joint Committee acknowledged the role of the Aberdeen Science Centre which had been educating young people and encouraging interest in the energy sector.

The Joint Committee resolved:-

to thank Colette Cohen for her presentation.

SCOTTISH GOVERNMENT ADDITIONAL INVESTMENT UPDATE - TRANSPORT PROJECTS

7. The Joint Committee had before it a report by Paul Finch, Nestrans which provided details on the progress of the projects being taken forward through the additional Scottish Government investment announced alongside the Aberdeen City Region Deal. This report in particular covered progress on the A90/A937 Laurencekirk

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

13 November 2020

Junction Improvement Scheme and the investment in the rail network to improve services between Aberdeen and the Central Belt.

The update report, provided by officers of Transport Scotland, was provided as an Appendix to the report.

The report recommended:-

that the Joint Committee note the update in the report.

The Joint Committee received an update from Damien Briody (Transport Scotland) and Douglas Rarity (Network Rail) in relation to the Governance for Railway Investment Projects (GRIP 2 - Feasibility stage) and the (GRIP 3 - Option Selection stage), noting that there were eight stages in total.

Mr Briody made reference to the appointments of Atkins Global who developed the Business Case and Siemens to progress the options in collaboration with Network Rail.

Mr Rarity advised that the Aberdeen to Central Belt rail improvements had a timetable led approach and referred to six main challenges to overcome, namely:-

- (1) Space;
- (2) Service and Speed;
- (3) Overtaking;
- (4) Passenger Connectivity;
- (5) Performance; and
- (6) Whole System Challenge.

Mr Rarity indicated that the enhancements required to solve the above challenges including proposed signalling, proposed track loops and other infrastructure and would also require three additional platforms at Aberdeen Railway Station, directional signalling and station junction reconfiguration.

Sir Ian Wood made reference to the substantial £200m investment and expressed his disappointment that these enhancements would only provide a three minute journey time improvement between Aberdeen to Dundee and nine minutes between Aberdeen and Glasgow.

Councillor Lumsden advised that journey times would be improved between Aberdeen to Edinburgh (20 minutes), although this would be achieved through timetable changes only. In response, Mr Briody indicated that freight capacity would increase from three journeys a day to three journeys per hour.

In response to a question from Councillor Gifford regarding the timetable for completing the works, Jeff Jardine (Network Rail) indicated that the Aberdeen to Central Belt rail improvements would be completed on schedule (by 2026).

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

13 November 2020

The Joint Committee resolved:-

- (i) to thank officers from Network Rail and Transport Scotland for their attendance and the updates they provided; and
- (ii) to otherwise approve the recommendation.

ABERDEEN CITY REGION DEAL PROGRESS UPDATE - MOU - HOUSING

8. With reference to article 7 of the minute of meeting of 5 June 2020, the Joint Committee had before it a report by Mel Booth, Senior Housing Strategy Officer, Aberdeen City Council, which provided an update on the progress of the housing workstream of the City Region Deal.

The report recommended:-

that the Joint Committee –

- (a) note the spend made in relation to affordable housing across the City Region;
- (b) note the challenges set out in accessing the £20M Infrastructure Fund; and
- (c) instruct officers to report on progress at the next Joint Committee in 2021.

Mel Booth advised that in terms of recommendation (c), it should read “instruct the Chief Officer – Early Intervention and Community Empowerment to report on progress at the next Joint Committee in 2021.”

Mel Booth responded to questions from members.

The Joint Committee resolved:-

- (i) to approve recommendations (a);
- (ii) to instruct the Chief Officer – Early Intervention and Community Empowerment to report on progress at the next Joint Committee in 2021 to include responses to the correspondence at (vi) and (vii) below;
- (iii) to note with disappointment that none of the sites put forward from Aberdeen City Council or Aberdeenshire Council under the separate Memorandum of Understanding signed by the two Councils with the Scottish Government have been successful for Housing Infrastructure Fund (HIF) grant despite the submissions of Expressions of Interest;
- (iv) to note that the Edinburgh City Region Deal has also been unable to utilise the HIF funding;
- (v) to note that feedback from the developer community is that the loan element of the HIF is not financially viable as lower interest rates can be obtained on a commercial basis;
- (vi) to note that the £20m HIF funding could be used to unlock sites for affordable housing if the criteria were relaxed by the Scottish Government and instructs the Joint Committee to write to the Cabinet Secretary for Local Government, Housing and Planning to seek greater flexibility in the criteria;

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

13 November 2020

- (vii) to note that Scottish Government officials have confirmed verbally that Expressions of Interest will be considered for projects that will complete after 31 March 2021, and instructs the Joint Committee to write to the Cabinet Secretary for Local Government, Housing and Planning to request formal assurances that HIF funding will be available after 31 March 2021 to unlock sites of strategic importance for affordable housing.

ABERDEEN CITY REGION DEAL QUARTERLY PROGRESS UPDATE

9. The Joint Committee had before it a report by the Programme Manager which provided information on the progress of the City Region Deal and its constituent workstreams through the body of the report and had appended, the September to November 2020 Quarterly Progress Report and BioHub Update.

The report recommended:-

that the Joint Committee notes the content of the report, its appendices, and the progress made.

Julie Richards-Wood intimated that she had now received confirmation that the agreement for the advanced funding for the Bio-Hub had now been signed. She also referred to section 4 of Appendix B, highlighting that the Scottish Government confirmed monthly drawn down of funds would be made available for the Bio Hub in line with their construction costs.

In response to a question from Sir Ian Wood, Paul Finch provided an update in relation to the road improvement options leading to the new South Aberdeen Harbour, explaining that consultation on the six options will commence shortly with a report being submitted to the City Growth and Resources Committee in February 2021, following which the agreed Business Case would be presented to the Scottish and UK Governments.

The Joint Committee resolved:-

- (i) to approve the recommendation in the report; and
- (ii) to instruct the Chief Officer – City Growth to continue to provide Bio-Hub quarterly progress reports to the Joint Committee.

DIGITAL INFRASTRUCTURE BUSINESS CASE

10. With reference to article 5 of the minute of the previous meeting of 21 August 2020, the Joint Committee had before it a report by Wendy Robertson, Digital Programme Manager, which provided details of the gap analysis of digital infrastructure which was undertaken for the region and had appended the outline business case on the proposed options to address these gaps (article 11 of this minute refers).

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
13 November 2020

The report recommended:-

that the Joint Committee –

- (a) approve the potential options for interventions into the market as detailed in the business case; and
- (b) approve the outline business case and instruct The Digital Programme Manager to undertake a full business case.

Wendy Robertson and Robin Bosworth (Digital Strategy Consultant) responded to questions from members in relation to the identified gaps and also the R100 programme and complementary voucher scheme.

The Joint Committee resolved:-

to approve the recommendations.

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

DIGITAL INFRASTRUCTURE BUSINESS CASE - EXEMPT APPENDIX

11. The Joint Committee had before it an exempt appendix relating to the Digital Infrastructure Business Case (article 10 of this minute refers).

The Joint Committee resolved:-

to note the information contained within the exempt appendix.

CITY REGION DEAL - FINANCIAL UPDATE Q2 2020/21

12. With reference to article 5 of the minute of meeting of 24 July 2020, the Joint Committee had before it a joint report from the Programme Manager and John Lovie, Aberdeenshire Council, which (1) provided an update on the finances of the Aberdeen City Region Deal for actual expenditure in financial year 2020/21 and updating the 2020/21 forecast; and (2) outlined the indirect costs that are not accounted for as part of approved projects.

The report recommended:-

that the Joint Committee notes the content of the report and appendices A and B.

John Lovie highlighted the key information from the report.

The Joint Committee resolved:-

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
13 November 2020

to approve the recommendation.

- **COUNCILLOR JENNY LAING, Chairperson.**