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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 Gwyneth Petrie; Professor Stephen Logan, Mr Patrick Machray OBE and Sir Ian Wood.

Aberdeen City Council Substitute Members:- Councillors Gordon Graham, Alex Nicoll and Ian Yuill.

Aberdeenshire Council Substitute Members:- Councillors John Cox, Allison Evison and Ann Ross

ONE Substitute Members:- Jennifer Crow, Trevor Garlick and John Harper

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

Town House,
ABERDEEN 06 November 2020

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

The Members of the **ABERDEEN CITY REGION DEAL JOINT COMMITTEE** are requested to meet in **Virtual - Remote Meeting on FRIDAY, 13 NOVEMBER 2020 at 9.30 am.**

FRASER BELL
CHIEF OFFICER - GOVERNANCE

The meetings of this Committee will be held remotely as required. In these circumstances the meetings will be recorded and thereafter published on the Council's website at the following [link](#)

BUSINESS

- 1 Determination of Urgent Business (If any)
- 2 Determination of Exempt Business (If any)
- 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 21 August 2020 (Pages 3 - 6)

- 5 Equalities Training (Pages 7 - 12)
- 6 Harbour Update - Michelle Handforth
- 7 OGTC Presentation - Colette Cohen
- 8 Scottish Government Additional Investment Update - Transport Projects (Pages 13 - 18)
- 9 Aberdeen City Region Deal Progress Update - MOU - Housing (Pages 19 - 22)
- 10 Aberdeen City Region Deal Quarterly Progress Update (Pages 23 - 38)
- 11 Digital Infrastructure Business Case (Pages 39 - 40)

Please note that an Exempt Appendix relating to this item is contained within the Exempt/Confidential Business Section of this Agenda below.

EXEMPT/CONFIDENTIAL BUSINESS

- 12 Digital Infrastructure Business Case - Exempt Appendix (Pages 41 - 94)
- 13 City Region Deal - Financial Update Q2 2020/21 (Pages 95 - 102)

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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, 21 August 2020. Minute of Meeting of the ABERDEEN CITY REGION DEAL JOINT COMMITTEE. Present:- Councillor Laing, Chairperson; Councillor Jim Gifford, Vice-Chairperson; Councillors Boulton, Lumsden, Argyle, Petrie, Professor Stephen Logan, Mr Patrick Machray, OBE 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 (IF ANY)

1. The Chairperson proposed that the Joint Committee consider agenda item 8 (Bio-Hub – Verbal Update) with the press and public excluded.

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 at item 8, 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 Argyle declared an interest in item 7 (Strategic Transport Appraisal Update) by virtue of him being a Council appointed member and Vice Chair 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;
- (2) Councillor Lumsden declared an interest in item 8 (Bio-Hub – Verbal Update) 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; and
- (2) Sir Ian Wood, Professor Stephen Logan and Pat Machray declared an interest in item 8 (Bio-Hub – Verbal Update) by virtue of them being Directors of Opportunity North East. They considered that the nature of their interest did not require them to leave the meeting during the consideration of this item.

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
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MINUTE OF PREVIOUS MEETING OF 24 JULY 2020

3. The Joint Committee had before it the minute of its previous meeting of 24 July 2020, for approval.

The Joint Committee resolved:-
to approve the minute.

GRANT OFFER LETTER REPORTS

4. With reference to article 5 of the minute of the previous meeting of 24 July 2020, the Joint Committee had before it a report by the Programme Manager which outlined the conditions set out in the Grant Offer Letter for 2020/21 totalling £51,320,000 and provided an update on Benefits Realisation.

The report recommended:-
that the Joint Committee –

- (a) review and approve the Implementation Plan;
- (b) review and approve the Benefits Realisation Plan; and
- (c) review and approve the Financial Forecast Table.

Alan Wood, Aberdeenshire Council responded to questions from members in relation to the Oil and Gas Training Centre funding reprofiling.

The Joint Committee resolved:-
to approve the recommendations.

DIGITAL - GAP ANALYSIS PROGRESS REPORT

5. The Joint Committee had before it a report by Wendy Robertson which provided an update in relation to the progress to date of the digital infrastructure Gap Analysis for the region.

The report recommended:-

that the Joint Committee note the progress update and request the Outline Business Case be brought to November's Joint Committee.

The Joint Committee acknowledged that only 3% of Aberdeenshire premises could access full fibre services and that there was a requirement to improve this significantly as a matter of urgency. In response Wendy Robertson advised that the detailed GAP analysis for the City/Shire had identified a number of high level options, although they were awaiting the outcome of the R100 Court case in September and Aberdeenshire

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Council's meeting with Openreach to discuss their digital offering announcement, prior to the preparation and submission of the outline business case at November's meeting.

The Joint Committee resolved:-

to approve the recommendation.

STRATEGIC TRANSPORT APPRAISAL UPDATE

6. The Joint Committee had before it a report by Paul Finch, Strategy Manager, Nestrans which provided details on the progression of the Strategic Transport Appraisal, focussing on the consultation currently being undertaken on the Regional Transport Strategy and priority transport interventions.

The report recommended:-

that the Joint Committee note the ongoing consultation exercise on both the Strategic Transport Appraisal and Regional Transport Strategy.

Paul Finch provided details on the seven interventions which were identified within the consultation documents:-

- (1) Active Travel linking to, and within, the City Centre;
- (2) New Railway Stations on existing Lines;
- (3) Strategic Public Transport Corridor Schemes linked with Park and Ride Sites;
- (4) Trunk Road improvement – Ellon to Toll of Birness, and thereafter to Peterhead/Fraserburgh;
- (5) Local Road improvements on A92 corridor – Wellington Road, links to Aberdeen South Harbour;
- (6) Westhill Corridor – early consideration of connectivity and development pressures
- (7) Improvement of Inter-City Rail connections, to Central Belt and Inverness, including rail freight opportunities

During discussion, the following was noted:-

- that the Regional Transport Strategy consultation will end in October 2020 and that a business case will be submitted to the Joint Committee thereafter;
- that timescales for each project would be included with the business case; and
- that the strategy had been aligned to City and Shire Local Development Plans.

The Joint Committee resolved:-

to approve the recommendation.

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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.

BIO HUB - VERBAL UPDATE

7. The Joint Committee received an update from Richard Sweetnam, Aberdeen City Council and Alan Wood, Aberdeenshire Council in relation to the Bio-Hub Aberdeen Project.

The Joint Committee resolved:-

- (i) to agree in accordance with its powers under Term of Reference number 6, that an interest free loan of £2M be provided for the BioHub project from within the Aberdeen City Region Deal Programme Budget, with repayment due only when funds are required to deliver other approved ACRD projects;
- (ii) to agree that the repayment of the loan would be guaranteed by a third party, and that Opportunity North East (ONE) be asked to seek ONE Board approval to guarantee the loan (to a maximum sum of £2 million), less any additional funding that is subsequently secured from external sources, including the Scottish Government or the UK Government, should repayment to ACRD be required over the 10-year period of the Deal;
- (iii) to instruct officers from both Local Authorities and members of the ONE team to liaise with BioAberdeen Ltd to draft the legal agreement in relation to the loan and the guarantee;
- (iv) to delegate authority to Aberdeenshire Council's Section 95 Officer on behalf of the Chair and Vice Chair of the Joint Committee and the Chair of ONE to sign the legal agreement to provide the loan facility to BioAberdeen Ltd; and
- (v) to note that representatives from the Joint Committee would continue to pursue a meeting with relevant Cabinet Secretaries and Government Ministers to discuss additional funding for the BioHub project.

- **COUNCILLOR JENNY LAING, Chairperson**

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

COMMITTEE	Aberdeen City Region Deal
DATE	13 th November 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Equalities Training
LEAD OFFICER	Richard Sweetnam
REPORT AUTHOR	Julie Wood

1. PURPOSE OF REPORT

- 1.1 To provide Joint Committee with access to the Equalities and Human Rights Training as requested at Joint Committee, November 2019.

2. RECOMMENDATION(S)

That the Joint Committee: -

- 2.1 Use the link below to download and view the 3x 30min training sessions <https://we.tl/t-QvhTfo3qvl> and provide comments and observations.
- 2.2 Complete the evaluation form provided by the trainer, Appendix 1 and return to the e-mail provided on the form, no later than 20th 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.

3. SUMMARY OF KEY INFORMATION

- 3.1 In making decisions on Committee reports, Members of the Committee have a legal duty under section 149 of the Equality Act 2010 to have *due regard to the need to:- (i) eliminate discrimination, harassment and victimisation; (ii) advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and (iii) foster good relations between those who share a protected characteristic and persons who do not share it.*
- 3.2 In September 2019, the Scottish Government invited Chris Oswald to join the Scottish Government Cities Team. His role is to ensure that the opportunities presented by Scotland's City & Regional Deals are shared by women, ethnic minorities, disabled people, and people living in our most deprived communities.

- 3.3 Prior to joining the Government, Chris Oswald worked with the Equality & Human Rights Commission in Scotland for ten years as the Head of Policy & Communications. In a varied career Chris has worked with homeless people, youth work, and the NHS always with a focus on social justice and equality issues.

4. FINANCIAL, LEGAL OR RISK IMPLICATIONS

- 4.1 There are no direct financial, legal or risk implications arising from the recommendations of this report.

5. APPENDICES

- 5.1 Appendix A Evaluation form

Equality Impact Assessment Why, what, and how November 2020

Evaluation

1. Overall, how useful did you find the session?

1 – not helpful

10 – very helpful

1	2	3	4	5	6	7	8	9	10

2. Could you rate each part of the session

The Social & Policy Context

1 – not helpful

10 – very helpful

1	2	3	4	5	6	7	8	9	10

The Equality Act 2010 General & Specific Duties.

1 – not helpful

10 – very helpful

1	2	3	4	5	6	7	8	9	10

EQIA in practice

1 – not helpful

10 – very helpful

1	2	3	4	5	6	7	8	9	10

And the presenters style and approach

1 – not helpful					10 – very helpful				
1	2	3	4	5	6	7	8	9	10

Do you feel more confident about completing an EQIA as a result of the session?

No not really	Yes a bit	Yes a lot

Do you have any comments about the training, or other related training which you would find helpful?

Please return to Julie Wood: JRichardsWood@aberdeencity.gov.uk who will collate and forward to Chris. Thank you

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ABERDEEN CITY REGION DEAL: Powering Tomorrow's World

Report Name	Scottish Government Additional Investment Update – Transport Projects
Lead Officer	Paul Finch
Report Authors	Paul Finch
Date of Report	05 November 2020
Governance	Additional Investment Memorandum Of Understanding

1:	Purpose of the Report
<p>To update the Aberdeen City Region Deal Joint Committee on the progress of projects being taken forward through the additional Scottish Government investment announced alongside the Aberdeen City Region Deal. This report covers progress on the A90/A937 Laurencekirk 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, is provided as an Appendix to this cover report.</p>	

2:	Recommendations for Action
<p>To note the update in the report.</p>	

3:	Summary of Key Information
<p><u>Governance</u></p> <p>3.1 Funding for the two transport projects was announced alongside the City Region Deal by the Scottish Government. These projects are wholly funded by the Scottish Government and are being managed by Transport Scotland. The MoU notes:</p> <p><i>“The transport commitment that forms part of the package of additional Scottish Government investment alongside the City Region Deal is:</i></p> <ul style="list-style-type: none"> • <i>An initial £200 million additional funding to help improve journey times and increase capacity on key rail links between Aberdeen and the Central Belt: and</i> • <i>£24 million of funding for the trunk roads programme to support improvements to the key A90/A937 south junction at Laurencekirk</i> <p><i>There is value in ensuring that the Aberdeen City Region Deal Joint Committee is kept informed of progress with these projects to that it can maximise synergies with the City Region Deal investments.”</i></p>	

3: Summary of Key Information

3.2 Officers from Transport Scotland have attended the Joint Committee on a six-monthly basis to provide updates on the progress of the projects (typically May and November joint committees).

3.3 Both of the Transport Projects have accompanying stakeholder liaison groups. In the case of the Aberdeen to Central Belt group, these meets quarterly, with the last meeting being 30/10/20. For the Laurencekirk project, this is currently meeting on a broadly monthly basis, with the last meeting held on 06/11/20.

3.4 Furthermore, the CRD Transport Working Group meets approximately every 6 weeks, and the two MOU Transport Projects are included on the agenda as a standing item. Representatives from Transport Scotland are invited to this meeting.

A90/A937 Laurencekirk Junction Improvement Scheme

3.5 **Section 1 of the Appendix** sets out the progress update provided by Transport Scotland. Ms Philips from Transport Scotland will be available to answer questions on the update at the Joint Board meeting.

3.6 The most recent stakeholder group meeting focussed on the emerging alternatives available to mitigate the impact of the closed road over rail bridge at Oatyhill, and how officers of Aberdeenshire Council can continue to help progress this work, alongside Transport Scotland and their technical consultants.

Aberdeen to Central Belt Rail Improvements

3.7 **Section 2 of the Appendix** sets out the progress update provided by Transport Scotland. Mr Briody from Transport Scotland will be available to answer questions on the progress update. Representatives from Network Rail will also be available to provide a short presentation on the contents of the GRIP2 feasibility report.

3.8 Members will recall that Mr Briody presented to the Committee 05 June 2020, and that there was a commitment to return to the next Committee with further detail of the emerging proposals. The agenda of the additional meeting on 24 July 2020 did not provide room for this presentation, and whilst Transport Scotland and Network Rail were available and prepared to present to the meeting on 29 August 2020, it was considered inappropriate to take the item due to the tragic rail derailment south of Stonehaven which had occurred earlier that month.

3.9 The Aberdeen to Central Belt stakeholder group meeting held on 23 July 2020 featured a detailed presentation on the GRIP 2¹ report by Network Rail, an abridged version of this being provided for the Joint Committee. The stakeholder group held on 30 October 2020 heard the progress that was being made in commissioning the GRIP 3 stage of work, and associated business case. The

¹ GRIP stands for Governance for Railway Investment Projects. GRIP 2 is Feasibility; GRIP 3 is Option Selection. There are eight stages in total.

3: Summary of Key Information

importance of providing details on programme, and the details of the work packages was emphasised at this meeting.

3.10 The Nestrans Board considered a report on the Aberdeen to Central Belt GRIP 2 report at its meeting on 16 September 2020 as part of a wider rail update. The board noted the potential wider regional benefits that could arise from the proposals set out in the GRIP2 work, including:

- facilitating improved journey times,
- journey time reliability,
- ability to provide improvements to local service patterns (into Aberdeen, but also from Stonehaven/Laurencekirk southbound);
- increasing freight capacity, and
- enabling future provision of local rail stations in the region.

3.11 The link to Energy Transition Zone and potential Hydrogen rail pilots were also discussed, particularly in relation to unblocking current constraints on train movements in and around Aberdeen Station. Concern was expressed at potential future changes to stopping patterns at Stonehaven. The importance of confirming programme and further details was again emphasised.

3.12 Consultation on the Nestrans Regional Transport Strategy concluded on 16 October. Responses from local partners confirmed support in principle for investment in the rail network south of Aberdeen, including electrification of the line. Other elements raised in the consultation responses included: journey time reliability; removing the need for interchange at Montrose for passengers travelling on local services south of Stonehaven and Laurencekirk; future provision of local stations south of Aberdeen; freight capacity (linked to Aberdeen South Harbour/Freeports); interest in local Hydrogen Rail pilots; and overall importance of journey quality and facilities.

4: Financial and Risk Implications

4.1 There are no direct financial implications for the Joint Board arising from the progress report, as the two transport projects are directly funded and project managed by the Scottish Government / Transport Scotland.

4.2 With respect to A90/A937 Laurencekirk Grade Separated Junction project, it is important that partners continue to work together in order to finalise development and assessment of alternative options, in order to minimise programme impact.

4.3 With respect to Aberdeen to Central Belt project, it will be necessary to receive confirmation of the project programmes associated with the GRIP3 and business case work, in order to have assurance of progression within the timescales of the City Region Deal.

Appendix

Report Name	Scottish Government Additional Investment Update
Lead Officer	Amy Phillips, Transport Scotland
Report Authors	Amy Phillips, Darius Astell and Colin McCallum, Transport Scotland
Date of Report	27 October 2020
Governance	Additional Investment Memorandum Of Understanding

Scottish Government Additional Investment Update
1. Laurencekirk A90/A937 Junction Improvement Scheme
<p>1.1 Transport Scotland appointed design consultants (AMEY) for the A90/A937 Laurencekirk Junction Improvement scheme in September 2016 to support progress of the design development and assessment phases based on the standards of good practice set by the Design Manual for Roads and Bridges (DMRB).</p>
<p>1.2 The options from the DMRB Stage 2 assessment process were presented to the public at an exhibition in October 2017 with the preferred option itself announced in July 2018 at a series of public exhibitions. The preferred option consists of a south grade-separated junction with a full diamond layout and bridge over the A90 together with retention of the existing central reserve gaps at the Centre (B9120) and North (A937) junctions.</p>
<p>1.3 The DMRB Stage 3 detailed development and assessment of the preferred option was completed with the culmination in the publication of the draft Orders and an Environmental Impact Assessment Report on 19 December 2019. A public exhibition was held on 10 January 2020 to allow local communities and road users to view and comment on proposals for the scheme. The statutory consultation period closed on 14 February 2020. Three statutory objections were received from landowners directly affected by the Compulsory Purchase Order. The substance of these objections was primarily in relation to loss of land and access arrangements. Aberdeenshire Council as local Roads Authority also lodged a statutory objection on the basis that the stopping up of Oatyhill Junction to the southern end of the Scheme would leave residents with a single point of access over the old Oatyhill Rail bridge which is in poor repair. We continue to negotiate with these parties with a view to progressing the scheme without the need for a Public Local Inquiry. As with all trunk road projects this is the appropriate forum for considering objections received and not withdrawn.</p>
<p>1.4 The outcome of Aberdeenshire Council's structural assessment of Oatyhill Bridge, and specifically its decision to close the bridge as of July 2020 has an impact on the delivery of the Laurencekirk scheme as currently proposed. We continue to work closely with Aberdeenshire Council, as the Roads Authority</p>

Scottish Government Additional Investment Update

with responsibility for maintaining the bridge, and other affected parties, to bring forward a resolution to the issue.

1.5 Construction of the scheme itself can only commence if the scheme is approved under the relevant statutory procedures and thereafter a timetable for its progress can be set.

1.6 A Partnership Group with Aberdeenshire and Angus Councils, along with NESTRANS has been set up to support this scheme by providing a cohesive policy and investment approach which will help to maximise the benefits of the investment. Consultation with the group has been maintained throughout the scheme development and continues generally on a monthly basis and most recently in early October 2020. Further consultation will be conducted as part of the statutory process.

2. Aberdeen to Central Belt Rail Investment

2.1 The Scottish Government has committed £200 million Scottish Government to improve journey times and increase capacity on key rail links between Aberdeen and the Central Belt for passengers and freight.

2.2 A bespoke Aberdeen to Central Belt Key Stakeholders Group meets quarterly to keep stakeholders informed of progress and is attended by an Aberdeen City Region Deal representative.

2.3 The most recent meeting of the Group took place on 30 October 2020, where Network Rail set out its approach to taking the project through the “GRIP 3” or option selection stage of the project. It summarised the work that has been done in validating the signalling and infrastructure interventions and stress-testing the timetables produced during the previous stage. .

2.4 The previous “GRIP 2” or feasibility stage of the project, which typically takes up to two years, was undertaken within a few months and we are looking to take the project through its remaining stages within a similarly accelerated timescale. Atkins was engaged to assist in the GRIP 2 work and Siemens will be playing a key role in delivering GRIP 3 and, potentially, future stages.

2.5 Network Rail indicated at the July Key Stakeholders Group that each of the timetables developed as part of its GRIP 2 work would deliver the service frequencies and journey times specified by the Reference Group, i.e. 2 hours and 30 minutes Aberdeen-Glasgow, 2 hours 10 minutes Aberdeen-Edinburgh and 1 hour 10 minutes Aberdeen-Dundee with half-hourly frequency at peak times for local services into Aberdeen and Dundee and an hourly stopping service between Aberdeen and Dundee. The initial work by Atkins in validating the feasibility of the required signalling and infrastructure enhancements provides assurance that delivering these by 2026 is feasible. Whilst cost estimates at this early stage can only be expressed within considerable ranges,

Scottish Government Additional Investment Update

this early work suggests that these enhancements would be likely to cost at least £200 million.

2.6 During GRIP 3, estimated costs and a draft programme will be developed for the single option selected for progression. The GRIP 3 process will identify specific measures and their contribution to the service frequencies and journey times set out above.

2.7 Work is also on-going to prepare a business case that will be subject to Transport Scotland Governance procedures, which require it to demonstrate value for money and to fulfil the requirements of the Rail Enhancement Capital Investment Strategy (RECIS).

2.8 The Aberdeen to Central Belt Project will be a key enabler to our ambitious decarbonisation strategy for routes to Aberdeen and beyond. Gauging and route clearance on the route, in preparation for electrification, will be undertaken by summer 2021

2.9 To ensure stakeholders are kept up to date we have committed significant resource to the Key Stakeholders Meetings where we provide detailed progress updates along with our industry partners. We would encourage you to continue to raise any queries through your representative on this forum. The next meeting will be held in late-January 2021.

2.10 We appreciate that there is much to cover at Joint Committee meetings. We would take this opportunity to reiterate our offer to attend future Joint Committee Meetings to provide members with the opportunity to ask any questions they may have.

ABERDEEN CITY REGION DEAL: Powering Tomorrow's World

Report Name	Aberdeen City Region Deal Progress Update
Lead Officer	Derek McGowan, Chief Officer, ACC
Report Author	Mel Booth, Senior Housing Strategy Officer
Date of Report	13 November 2020
Governance	City Region Deal Joint Committee

1:	Purpose of the Report
<p>To update the Joint Committee on the progress in relation to the housing workstream of the City Region Deal.</p>	

2:	Recommendations for Action
<p>It is recommended that the Joint Committee:</p> <ol style="list-style-type: none"> I. Note the spend made in relation to affordable housing across the City Region; and II. Note the challenges set out in accessing the £20M Infrastructure Fund; and III. Instruct Officers to report on progress at the next Joint Committee in 2021. 	

3:	Summary of Key Information
<p>3.1) The Memorandum of Understanding for the additional investment for the Aberdeen City Region provides:</p> <ul style="list-style-type: none"> • 5-year certainty on £130m of affordable housing supply grant. The housing commitment that forms part of the package of additional Scottish Government investment alongside the City Region Deal equates to £130m over the 5-year period from 2016/17 – 2020/21. • £20m Housing Infrastructure Fund to unlock sites that are of strategic importance. 	

3: Summary of Key Information

Affordable Housing Supply Grant

3.2) Significant progress has been made in relation to the delivery of affordable housing across the City Region with £158.257m having been spent between 2016/17 - 2019/20 which has delivered 2,044 affordable homes. The table below details number of affordable homes delivered for 2016/17, 2017/18, 2018/19 and 2019/20.

3.3) £50.708m has been allocated for 2020/21 which takes the total spend/allocation to £208.965m and far exceeds the £130m allocation. The £130M MOU investment has stimulated a further £79M additional funding across the City Region.

3.4) The table below shows the number of completed and projects numbers of affordable homes completed across the City Region between 2016/17 and 2020/21.

	2016/17	2017/18	2018/19	2019/20	2020/21
	Units	Units	Units	Units	Units Projected
Aberdeen City Council	117	367	351	401	490
Aberdeenshire Council	223	115	200	270	147
Total	340	482	551	671	637
Cumulative Total	340	822	1,373	2,044	2,681

3.5) The impact of COVID 19 on the construction industry means that 490 out of the 907 planned units in Aberdeen City and 147 out of the 159 in Aberdeenshire are now expected to be completed by March 2021.

3.6) Whilst projected completions have reduced for 2020/21, the City Region has delivered in terms of new supply of affordable housing.

£20m Housing Infrastructure Fund

3.7) Jointly the local authorities have had discussions with the Scottish Government on potential approaches to utilising the £20m Housing Infrastructure Fund.

3.8) The local authorities requested the full funding of £20m be allocated directly to the City Region Deal Joint Committee, to fund the delivery of

3:	Summary of Key Information
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affordable housing across the City Region. The proposal comprised of two parts:

- Housing Infrastructure Fund applications. (£10m)
- Capital costs in relation to delivery of affordable housing. (£10m)

3.9) This proposal was rejected by the Scottish Government as it did not meet the criteria of the Housing Infrastructure fund (HIF).

3.10) Therefore, the local authorities worked together to identify sites in the City Region that could potentially utilise this funding. These sites are:

Aberdeenshire

- Balmedie
- Blackdog
- Ellon
- Fraserburgh
- Mintlaw
- Peterhead

Aberdeen City

- Craighill
- Greenferns
- Kaimhill
- Kincorth
- Summerhill

3.11) All proposals in Aberdeenshire have been rejected due to the sites not meeting the HIF criteria, however, Scottish Government officials continue to engage in discussions regarding the proposals and encourage further Expressions of Interest from both councils.

3.12) Recent discussions explored current and future projects that may align with the aims and criteria of the Housing Infrastructure Fund which are to unlock infrastructure that will support further housing delivery.

3.13) Scottish Government Officials have confirmed that Expressions of Interest will be considered for projects that will complete post March 2021.

3.14) The Summerhill proposal in Aberdeen was rejected as it did not meet the criteria. Three Expressions of Interest have been submitted for:

- Craighill
- Kaimhill
- Kincorth

3:	Summary of Key Information
<p>3.15) Detailed discussions have taken place regarding Greenferns and when the project is further developed, an Expression of Interest is to be submitted.</p> <p>3.16) Indicative costs for the three sites that are being considered amount to £1,995,000 with costs yet to be determined for Greenferns but Officers consider the total amount to be significantly less than the £20m allocation.</p> <p>3.17) Unless the funding criteria can be flexible to cover capital costs in relation to the delivery of affordable housing, which would both meet the Region and Scottish Government priorities and political objectives it is unlikely that the City Region Deal will be able to fully draw down this fund even if these new sites are approved.</p> <p>3.18) Officers are continuing discussions with Scottish Government around accessing the Housing Infrastructure Fund and will report back to the next Joint Committee in 2021 with further detail on how the proposals are progressing.</p> <p>3.19) A verbal update will be provided at Joint Committee on progress with the current Expressions of Interest that have been submitted.</p>	

4:	Finance and Risk
<p>4.1) The value of the Infrastructure Fund allocated through the Memorandum of Understanding is £20m. To date, none of this has been successfully allocated to unlock development sites.</p> <p>4.2) There is a reputational risk that the fund remains unused, and that the City Region is viewed as not accessing available funding to aid local housebuilding.</p> <p>4.3) There is a political risk related to the Scottish Government's target of building 50,000 affordable homes by March 2021.</p> <p>4.4) There is an economic risk that housebuilding fails to meet the levels required to support the growing economy in the City Region.</p> <p>4.5) The approval of the potential sites would mitigate some of these risks if the HIF can be utilised.</p>	

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Report Name	Aberdeen City Region Deal Quarterly Progress Update
Lead Officer	Richard Sweetnam, Chief Officer, ACC
Report Author	Julie Richards-Wood, CRD Programme Manager ACC
Date of Report	14 th November 2020
Governance	City Region Deal Joint Committee

1:	Purpose of the Report
<p>To update the Joint Committee on the progress of the City Region Deal and its constituent workstreams, through the body of the report and Appendix A – Quarterly Progress Report and BioHub Update Appendix B</p>	

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

3:	Summary of Key Information
<p>Programme Dashboard</p> <p>3.1 Programme Update</p> <ul style="list-style-type: none"> • Aberdeenshire City Council undertook an audit of Aberdeen City Region Deal between May and August 2020. The objective of this audit was to ensure adequate controls to protect the interests of Aberdeenshire Council, as Accountable Body, are in place. It found, this is the case, and the full report will be presented to Programme Board next quarter. • The OGTC Check Point Review and the Annual Meeting between the UK/SG and Regional Partners are both planned to take place in December 2020. • The Programme Board noted the progress that is being made in all projects despite the challenges during COVID19. The amber time status for the projects currently in implementation phase reflects the uncertainty around further COVID restrictions and the impact this may have on future milestones. • The Scottish Government have confirmed the monthly drawdown of payments for the BioHub in line with construction schedule. This risk will now be closed. • The Programme Board and Project Leads have access to the Equalities Training shared with Joint Committee. • The Full Fibre project remains a good example of community benefits through procurement with SSE having employed a modern apprentice from the Alford area. SSE will also be providing STEM education sessions via virtual learning to academies. <p>3.2 Workstream updates</p> <ul style="list-style-type: none"> • Updates on the progress of individual workstreams and projects are contained in the Programme Dashboard in Appendix A. <p>1.3 BioHUb Update</p>	

3:	Summary of Key Information
<ul style="list-style-type: none">Appendix B provides the background and decision process for BioHUb funding and asks that the Joint Committee notes that the legal contracts are agreed and in the process of being signed.	
4:	Finance and Risk
<ol style="list-style-type: none">There are no risks for escalation in this report.	

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Projects	RAG	Update
Oil & Gas Technology Centre Innovation		<p>OGTC Business Case Approved 2016, OGTC opened February 2017, 18 Month Checkpoint March 2018 - where targets had been met or exceeded. December 2018 Submission of stretched targets to UK/Scottish Government, which have been agreed. Checkpoint Scheduled for April 2020 has been postponed due to COVID19.</p> <p>Previous Milestone October 2019, 6 Solution Centre funded technologies reach commercialisation phase. Update: Currently at 20</p>
Time	G	<p>Next Milestone The OGTC Checkpoint Review December 2020</p>
Budget	G	<p>Established in October 2016, the OGTC is already delivering significant results as it drives forward the organisation's key goals; to help maximise economic recovery from the UK continental shelf, anchor the supply chain in the North-East of Scotland, and create a culture of innovation in the region. These are driven through Solution Centres, National Centres, Tech X accelerator and the Innovation Hub. A link to case studies on completed and live projects can be viewed at https://www.theogtc.com/projects/.</p>
Resource	G	<p>Progress includes:</p> <ul style="list-style-type: none"> - 250 approved Projects in progress, with a total investment of £157m with OGTC share of £60.4m. - Over 45 offshore trials planned, with a number already completed. - Building work ongoing, with delays due to COVID19, for the National Subsea Centre – launch planned for Q1 2021 - Working closely with industry and government on the Integrated Energy Vision - Published Closing the Gap in partnership with Chrysoar and the SG to identify the technology and innovation gaps to delivering a Net Zero North Sea - Cohort 3 for TechX commenced – programme started in August (slipped from June due to COVID-19) and due to complete in November. - Integration with OGIC is now complete – following Scottish Funding Council approving OGTC to receive funding. - OGTC selected to host AIRTO – access to a key network in the Innovation, Research and Technology Space.

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		<p>- OGTC's first virtual hackathon – “Code[Less] Hackathon” in partnership with Microsoft, took place from September 21-24, the event saw 75 participants team up to solve one of the challenges set, without using coding, to raise awareness of the demand for automation and innovation in the energy sector and the push towards a net zero economy.</p> <p>COVID-19 Update: Staff continue to support both Solution Centre Memberships and Directed projects working from home offices. Webinars have replaced meeting. COVID-19 Impacts along with oil price and impact on industry are being considered.</p>
Projects	RAG	Update
<p>Food Hub for Innovation</p> <p>Time</p> <p>Budget</p> <p>Resource</p>	<p>G</p> <p>G</p> <p>G</p>	<p>JC Approved Business Case August 2018; UK/Scottish Government approved 17th January 2019</p> <p>Previous Milestone: Design and Planning of Hub for Innovation –Design Sept 2020 – Achieved</p> <p>Next Milestone – Planning application submitted - December 2020,</p> <p>The Food Hub is a £21million investment project over ten years to accelerate growth and innovation of existing businesses and start-ups. It will build on the strengths of the food and drink industry in the North-East of Scotland through a consumer-focused, customer-driven approach to innovation across all sectors of the industry.</p> <p>Progress this quarter includes:</p> <ul style="list-style-type: none"> • Stage 2 design approved by Food Hub Board • Stakeholder engagement ongoing. • Procurement underway for main contractor, with Invitation to Tender to be issued to shortlist of bidders in November 2020 <p>Monthly draw payments will be requested from the SG to align with construction payments once works commences.</p> <p>COVID- 19 Update: Design and Planning work is continuing as planned with the design team working with planners remotely using online meetings. Profiled spend for this financial year has not significantly changed.</p>

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Projects	RAG	Update
Bio-Therapeutic Hub for Innovation Time Budget Resource	 A A G	<p>Business Case Approval by JC June 2017 and Funding Partners October 2017</p> <p>Previous Milestone; Retaining wall completed October 2020 Next Milestone: Onsite works in preparation for full contact November 2020</p> <p>The Bio-therapeutics Hub for Innovation (Bio Hub) is a ten year £40million investment project to accelerate growth and build on the strengths of the Life Sciences cluster in the North East of Scotland, which includes the company base, University of Aberdeen, Robert Gordon University and NHS Grampian.</p> <p>Progress this quarter includes:</p> <ul style="list-style-type: none"> • The Scottish Government have confirmed the monthly drawdown of payments for the BioHub in line with construction schedule. This risk will now be closed. • In October 2020 the terms of the legal agreements between Aberdeenshire Council and BioAberdeen, and between Aberdeenshire Council and ONE (as guarantor for the additional BioAberdeen funding) were agreed, with signing due to be concluded in November 2020. Given the terms of the original funding agreement with BioAberdeen, and the ACRD funding agreement with Aberdeenshire Council, the additional funding is described as a repayable grant rather than a loan. • As the funding is a repayable grant, the BioAberdeen will continue to seek funding. The Budget will remain amber as progress is monitored by regional partners. • Enabling works commenced on site in August and will flow through to the full construction project.

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		<ul style="list-style-type: none"> Sector engagement continues through delivery by ONE of Life Sciences Leadership Forum workshops, online network events and pre-commercialisation workshops. A Change Request outlining the revised financial profile and construction milestone schedule will be presented to Programme Board next quarter. <p>COVID-19 Update:</p> <ul style="list-style-type: none"> Construction site work commenced in August 2020. The amber time status for the project reflects the uncertainty around further COVID restrictions and the impact this may have on future milestones.
Projects	RAG	Update
<p>City Network Extension - Digital</p> <p>Time</p> <p>Budget</p> <p>Resource</p>	<p>A</p> <p>G</p> <p>G</p>	<p>CRD JC approved the connection of 57 public sector sites November 2017. CityFibre with Vodafone announced a £40million investment for Fibre to The Premises Build in February 2018</p> <p>Previous Milestone: 40 sites July 2020, completed Nov 2020</p> <p>Next Milestone: 50 sites completed Jan 2021</p> <p>The City Network Extension project will extend Aberdeen City Council's fibre network to 57 additional sites across the City. It has successfully stimulated private investment of up to £40million by CityFibre and Vodafone to extend and deploy fibre, providing most of the City with access to 'fibre to the premises' and creating a 'Gigabit City'.</p> <p>Torry Youth Project, St Clements and Densat Civils are all due for completion November. A change request noted the slippage in milestones, and this was endorsed at October's Programme Board. The project is now due to complete in Summer 2021.</p> <p>Covid 19 Update</p>

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		Localised lockdown and halts to Housing Sites have caused delays to the project as access cannot be given to contractors or ACC staff. This is making it difficult to schedule works. The project has been delayed due to lock down and it is anticipated to now be completed in June 2021 (rather than December 2020). This is subject to change if further restrictions are placed and as such the status for milestones remains at amber.
Projects	RAG	Update
Full Fibre Infrastructure – Digital Time Budget Resource	A G G	<p>In February 2018, the CRD JC approved a revised (January 2017) Digital Infrastructure Project. This Business Case was approved by UK/Scottish Government January 2019.</p> <p>Previous Milestone: Network Build Starts June 2020 Next Milestone: Segment 1 network build completed December 2020</p> <p>Network build started in June 2020. The network build was broken down into segments. Segment 1 (22 sites) is progressing well. Site installations and handover – target completion date 14th Dec 20. In terms of logistics all materials and equipment for Segment 2 sites (46) have been delivered. Also, as part of the project's community benefits commitments, SSE have employed a modern apprentice from the Alford area. SSE will also be providing STEM education sessions via virtual learning to academies.</p> <p>Achieved this period:</p> <ul style="list-style-type: none"> • Wayleave discussions ongoing with site owners and authorities for Segment 2. • Completed all SSE Chamber Upgrades. • Continued with the interconnect builds.

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		<ul style="list-style-type: none"> Completed the internal cabling of 40 / 41 Segment 2 sites. Completed the ODF and BFP splicing for 13/22 Segment 1 sites. Cabled 7/13 PIA areas for Segment 1. Planned the Site Tests. <p>Covid 19 Impact: A change request was approved at Programme Board reflecting a revised timeline and a project completion date of March 2022. This project has been deemed critical by Aberdeenshire Council and work will be prioritised. Work will continue as planned but further COVID19 restrictions or local lockdown may impact timescales, as such the status for time is Amber.</p>
Projects	RAG	Update
Duct Network Extension – Time Budget Resource	A G G	<p>In January 2017 the CRD JC approved the current Duct Network Extension Business Case. UK and Scottish Government approved the Business Case January 2019.</p> <p>Previous Milestone: Begin Implementation Phase 1 October 2020 Next Milestone: Procurement for Phase 2 February 2021</p> <p>Aberdeen City Council already operates a duct network in the City, and this will be expanded to cover key economic areas. Initially this duct network will be used by the Council, followed by engagement with commercial organisations to encourage them to utilise the expanded network to enhance their fibre offering in Aberdeen City, consequently stimulating the market. This project will also provide the enabling infrastructure for the proposed sensor network and provide the opportunity for Aberdeen City to be used as a testbed for autonomous vehicles as well as supporting 5G installations.</p>

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		<p>GCU have been named as preferred supplier. During September pre-start meetings were undertaken for Phase 1 works as well as continued design works for Phase 2. Discussions have also been undertaken with CityFibre as to the potential for duct sharing along the west section (Phase 1). A temporary Roads Inspector is planned to be provided on a part-time basis to assist with the works monitoring given the specialised nature of work.</p> <p>Covid 19 Impact</p> <p>There have been delays due to COVID 19 and a change request outlining the impact on budget will be submitted to Programme Board next quarter. The timeline has been moved to amber, to reflect the possibility of further COVID19 related restrictions. The duct network is still expected to be complete 2023.</p>
Project	RAG	Update
<p>Aberdeen Harbour Expansion</p> <p>Time</p> <p>Budget</p> <p>Resource</p>	<p>A</p> <p>G</p> <p>G</p>	<p>Business Case approved 24th August 2017</p> <p>Previous Milestone: All caisson in place for Dunnottar Quay, completing the east facing Dunnottar Quay Sept 2020</p> <p>Next Milestone: All caissons in place for the north facing Castlegate Quay November 2020</p> <p>The Aberdeen Harbour Extension will include a new South Harbour 7,300m in length. It will be able to accommodate vessels of up to 300metres and more. The new facilities will create new opportunities for energy transition activities, including renewables and decommissioning, and tourism opportunities around the North Sea</p> <p>Covid19 Update:</p> <p>Covid-19 and the subsequent lockdown has affected the scheduling of the construction of the new harbour. As a result of these interruptions, with the Project 70% complete, AHB announced in June 2020 that the main contractor, Dragados UK, would no longer be involved in the Project. AHB have awarded two new contracts for rock removal and revetment work at the South Harbour expansion site,</p>

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		<p>with a total value of £20m. The contracts have been awarded to Van Oord, a global maritime contractor that specialises in dredging, marine engineering, and offshore projects. The contract awards will see the completion of profile work for the harbour basin and add protection to sections of the shore in time for the coming winter.</p> <p>Contract awards have also been made to the value of £4.3m for caisson transfer and placement from their current storage location in the Cromarty Firth, through to their placement within the new harbour. Several companies have been awarded work supporting the various elements of this work scope, including north east companies Ocean Kinetics, Caledonian Towage, Miller Plant, Ashleigh Contract and Leiths. The remaining marine and civils work will be contracted in early 2021 with work starting as early as March 2021, if weather permits.</p> <p>The Programme Board Board endorsed a change request outlining the revised milestones. A potential phased open is now scheduled for summer 2021 with a full opening Summer 2022. The amber time status for the project reflects the uncertainty around further COVID restrictions and the impact this may have on future milestones.</p>
Project	Time	Update
Strategic Transport Appraisal		<p>Business Case Approval: CRD JC November 2017, Aberdeenshire Committee November 2017 and UK/Scottish Government 2017; City Growth and Resources June 2018</p> <p>Previous Milestone: STA report was completed in July 2020</p> <p>Next Milestone: An outline business case will be presented to the Joint Board Q4 2020/21</p>
Time	A	
Budget	G	The Strategic Transport Appraisal will take a 20-year strategic view of the transport implications of the investment unlocked by the Deal across all modes of transport including road and rail. The appraisal will ultimately support decision-making regarding the prioritisation of future transport investment in the region, informing both regional investment plans for transport and infrastructure and national strategies and programmes of work.
Resource	G	<p>STA – STA report was completed in July 2020, and subject to consultation in parallel with Regional Transport Strategy. The draft STA report was presented to the Joint Committee in September 2020 for their consideration. The consultation period on both documents ended mid-October, and consultation responses are now being reviewed, which may prompt revisions to the document.</p>

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		<p>An outline business case will be presented to the Joint Board in the New Year, setting out priorities for further scheme development for the remaining five years of the deal.</p> <p>ASAM – The programme for completion of the model has extended to the end of March 2021, due in part to a delay in modelling information from the national model, opportunity to interrogate further information that has become available nationally, and development issues arising on the “sister” model being prepared for the Tay City region. Costs and programme continue to be managed by the project team.</p> <p>Covid 19 Impact - Covid 19 has disrupted some of our partners’ programmes of work with which the Strategic Transport Appraisal requires to integrate, specifically Transport Scotland’s Strategic Transport Projects Review, and some nationally led forecasting and policy work. These impacts cannot be wholly mitigated by the project. There is also a risk that the some of the previously identified problems, opportunities and priorities may require to be re-visited, or re-profiled, due to impacts on wider economy and capital/revenue availability. The project lead will keep in close contact with key stakeholders, and proactively manage key dependencies. The amber time status for the project reflects this ongoing uncertainty around COVID impacts, and the impact this may have on future milestones.</p>
Project	Time	Update
<p>Transportation Links to Aberdeen South Harbour</p> <p>Time</p> <p>Budget</p> <p>Resource</p>	<p>A</p> <p>G</p> <p>G</p>	<p>CRD JC approved STAG Part 1 final report November 2018: ACC's City Growth & Resources Committee on 27th November 2018 UK/Scottish Government approval of further funding for Part 2 appraisal 13th December 2018</p> <p>Previous Milestone: Model Development and Option Testing in Model- October 2020 Next Milestone: STAG Part 2 Appraisal/Phase 3 Public Consultation – November 2020</p> <p>The Transport Links to Aberdeen South Harbour will develop the initial options to determine the most appropriate external road improvements in relation to external transportation links to the Aberdeen South Harbour Development. This will follow Transport Scotland’s established guidance, <i>Scottish Transport Appraisal Guidance</i> (STAG).</p> <p>Stantec are finalising the STAG Part 2. The development of demand scenarios to take account of the emerging Local Development Plan has been completed. Traffic modelling of options is nearing completion. The Local Development Plan received Committee approval on 2 Mar</p>

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		<p>2020 and Harbour demand scenarios have now been developed based on final land allocations. Energy Transition Zone (ETZ) was approved as part of the LDP and implications for options are being considered.</p> <p>Covid 19 Impact: Pandemic impacts have the potential to impact on milestone timescales and completion date. Whilst there is low risk with regards to upcoming milestones, timescales are indicated as Amber due to medium term risk.</p>
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Appendix B

Report Name	BioHub Update
Lead Officer	Richard Sweetnam
Report Author	Julie Wood
Date of Report	13 th November
Governance	City Region Deal Joint Committee

1: Purpose of the Report

To provide an update to JC on the governance and project process for the Bio Hub advanced funding.

2: Recommendations for Action

It is recommended that the Joint Committee:

- 2.1 Notes that the legal agreements are prepared to support Bio Hub and signing is due to be completed in November 2020.
- 2.2. Instructs officers to continue to report progress via quarterly status reports.

3: Summary of Key Information

3.1 At an additional Joint Committee on 24th July officers presented a paper on the Impact of COVID19, which had an exempt appendix detailing options around funding for the Bio Hub. The Joint Committee recommended proceeding with Option in 3.4 of the report, that the Bio-Hub Board should continue to seek additional funding from other sources and until such time a Project Fund is made available in 2021/22 from the Aberdeen City Region Deal envelope and others funding. The Committee agreed that this should be treated as a temporary arrangement and noted the risks and implications to projects should additional funds not be found. An update was to be provided at August's Committee.

3.2 During early August 2020, Officers and Committee Members met with UK/SG as instructed to discuss funding options.

3.3 On the 21st August 2020, the Joint Committee received a verbal update from Chief Officer City Growth, Aberdeen City Council and Head of Finance, Aberdeenshire Council in relation to the Bio-Hub Project.

3:	Summary of Key Information
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3.4 The Joint Committee resolved: -

- (i) to agree in accordance with its powers under Term of Reference number 6, that an interest free loan of £2M be provided for the Bio Hub project from within the Aberdeen City Region Deal Programme Budget, with repayment due only when funds are required to deliver other approved ACRD projects;
- (ii) to agree that the repayment of the loan would be guaranteed by a third party, and that Opportunity North East (ONE) be asked to seek ONE Board approval to guarantee the loan (to a maximum sum of £2 million), less any additional funding that is subsequently secured from external sources, including the Scottish Government or the UK Government, should repayment to ACRD be required over the 10-year period of the Deal;
- (iii) to instruct officers from both Local Authorities and members of the ONE team to liaise with BioAberdeen Ltd to draft the legal agreement in relation to the loan and the guarantee.
- (iv) to delegate authority to Aberdeenshire Council's Section 95 Officer on behalf of the Chair and Vice Chair of the Joint Committee and the Chair of ONE to sign the legal agreement to provide the loan facility to BioAberdeen Ltd: and
- (v) to note that representatives from the Joint Committee would continue to pursue a meeting with relevant Cabinet Secretaries and Government Ministers to discuss additional funding for the Bio Hub project.

3.5 In August 2020 ONE Board confirmed that it would provide a guarantee to Aberdeenshire Council in respect of the additional funding.

3.6 In October 2020, the terms of the legal agreements between Aberdeenshire Council and BioAberdeen, and between Aberdeenshire Council and ONE (as guarantor for the additional BioAberdeen funding) were agreed, with final signing to be concluded in November 2020. Given the terms of the original funding agreement with BioAberdeen, and the ACRD funding agreement between Aberdeenshire Council and Scottish Government, the additional funding is described as a repayable grant rather than a loan.

3.7 In October 2020, the Scottish Government confirmed monthly drawn down of funds will be made available for the Bio Hub in line with their construction costs.

4:	Finance and Risk
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4:	Finance and Risk
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<p>The £2 million guarantee from ONE noted in 3.4 ii) will require to be formalised in order to remove the risk of compromising the funding arrangements of other Aberdeen City Region Deal projects within the main programme.</p>

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Report Name	Digital Infrastructure Business Case
Lead Officer	Belinda Miller
Report Author	Wendy Robertson
Date of Report	13 th November 2020
Governance	City Region Deal Joint Committee
Exemption	Report is Public- Appendix A is exempt

1:	Purpose of the Report
i.	A gap analysis of digital infrastructure was undertaken for the region and this outline business case (Appendix A) proposes options to address these gaps.

2:	Recommendations for Action
i.	To approve the potential options for interventions into the market as detailed in the business case.
ii.	To approve the outline business case and instruct The Digital Programme Manager to undertake a full business case.

3:	Summary of Key Information
I.	The Aberdeen City Region Deal Digital programme as well as other Council digital initiatives has resulted in a greatly improved level of both fixed and mobile infrastructure investment in the region
II.	National initiatives such as the Scottish Government R100 programme will also drive investment in the region.
III.	The City Region Deal is eager to build upon these initiatives and develop a plan for continued investment and intervention. There is a requirement for a GAP analysis and subsequent proposals to address any infrastructure shortfalls in the region. In order to achieve this the following has been undertaken:

3:	Summary of Key Information
	<ul style="list-style-type: none"> • assess commercial infrastructure currently installed and planned in the priority areas • review public sector infrastructure and requirements • assess implications for future Aberdeen City Region Deal programmes to address gaps in the market and the implications for funding and procurement approach. • A gap analysis of digital infrastructure was undertaken for the region and solutions determined as to how these gaps will be addressed. • Consultation undertaken with the digital working group UK/SG including equalities and have all provided feedback and comment.

4:	Finance and Risk
	<p>i. To be financed from the Digital workstream budget</p>

Exempt information as described in paragraph(s) 6 of Schedule 7A of the Local Government (Scotland) Act 1973.

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