

# Public Document Pack

## ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

To: Councillors Alex Nicoll, Miranda Radley and Ian Yuill (Aberdeen City Council); Councillors Mark Findlater, Gwyneth Petrie and Anne Stirling (Aberdeenshire Council); Jennifer Craw, Professor George Boyne and Sir Ian Wood (Opportunity North East).

Aberdeen City Council Substitute Members:- Councillors to be confirmed.

Aberdeenshire Council Substitute Members:- Councillors John Cox, Isobel Davidson and Allison Evison.

ONE Substitute Members:- Stanley Morrice, Professor Steven Olivier and Vacancy.

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

Town House,  
ABERDEEN 2 June 2022

### ABERDEEN CITY REGION DEAL JOINT COMMITTEE

The Members of the **ABERDEEN CITY REGION DEAL JOINT COMMITTEE** are requested to meet remotely on **FRIDAY, 10 JUNE 2022 at 9.30 am.**

FRASER BELL  
CHIEF OFFICER - GOVERNANCE

### **BUSINESS**

1 Welcome, Introductions and Apologies

2 Appointment of Chairperson

3 Appointment of Vice Chairperson

4 Determination of Urgent Business (If any)

5 Determination of Exempt Business (If any)

6 Declarations of Interest and Transparency Statements

Members are Required to Intimate any Declarations of Interest or Transparency Statements in Respect of the Items on Today's Agenda.

- 7 Minute of Previous Meeting of 4 February 2022, for Approval (Pages 3 - 6)
- 8 Aberdeen City Region Deal Quarterly Programme Update (Pages 7 - 28)
- 9 Strategic Transport Appraisal (Pages 29 - 40)
- 10 Aberdeen City Region Deal Annual Report 2021-2022 (to follow)
- 11 MOU Housing Progress Update (Pages 41 - 44)
- 12 MOU Transport Progress Update (Pages 45 - 50)
- 13 Any Other Competent Business

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

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### ABERDEEN CITY REGION DEAL JOINT COMMITTEE

**04 FEBRUARY, 2022**

**Present:** Councillors P Argyle, A Kille (Chair) and G Petrie (Aberdeenshire Council);

Councillors M Boulton, G Graham (as substitute for Councillor Laing) and R Houghton (Aberdeen City Council); and

Mrs J Craw, Sir Ian Wood (ONE) and Professor S Olivier (as substitute for Professor G Boyne)

**Apologies:** Councillor J Laing and Professor G Boyne.

**Officers:** Aberdeenshire Council – Mr A Wood, Director of Environment and Infrastructure Services, Mr P Macari, Head of Service, Planning & Economy, Ms M Beattie, Head of Finance, Ms S Rochester, Service Manager, Customer & Digital Services; Ms A Gibbs, Principal Solicitor, Ms A McLeod, Committee Officer

Aberdeen City Council – Ms J Richards Wood, Programme Manager, Ms A Gray, PMO Support Officer, Ms W Robertson, Digital Lead, Mr A MacKay, Team Leader, Roads Projects.

ONE – Mr N Anderson, Communications Officer.

**In attendance:** Mr P Finch and Mr R Dickson, NESTRANS; Mr A McEwan, CityFibre.

#### 1. SEDERUNT AND DECLARATION OF MEMBERS' INTERESTS

Apologies were intimated in respect of Councillor Laing, Aberdeen City Council and Professor G Boyne, ONE.

Sir Ian Wood, Mrs Craw and Professor Olivier declared an interest in items 4 and 6, specifically in terms of any issues affecting Opportunity North East (ONE), including the Food Hub and Bio Aberdeen, or the new Energy Transition Zone (ETZ) which may arise in the discussion, by virtue of them being Board Members of ONE. They considered that the nature of their interest did not require them to leave the meeting during consideration of the items. Councillor Kille advised that he had a connection to items 4 and 6 by virtue of being a Board Member of ONE. However, having applied the objective test he had concluded that he had no interest to declare.

## 2. RESOLUTIONS

- (A) Public Sector Equality Duty - In making decisions on the following items of business, the Joint Committee **agreed**, in terms of Section 149 of The Equality Act, 2010:-
- (1) to have due regard to the need to:-
- a. eliminate discrimination, harassment, and victimisation;
  - b. advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and
  - c. foster good relations between those who share a protected characteristic and persons who do not share it.
- (B) Exempt Information - The Joint Committee **agreed**, in terms of Section 50A (2) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 6 and 7 of the business below on account of the likely disclosure of exempt information of the class described in Paragraphs 6 and 8 of Part 1 of Schedule 7A of the Act.”

## 3. MINUTE OF MEETING OF CITY REGION DEAL JOINT COMMITTEE OF 12 NOVEMBER 2021

The Joint Committee had before it and **approved** as a correct record, the Minute of Meeting of the Joint Committee of 12 November, 2021.

- (a) Arising from Item 8 of the Minute – the Joint Committee **agreed** that the meeting dates for 2022/23 be confirmed as follow:  
10 June, 2022,  
9 September, 2022,  
18 November, 2022,  
3 February 2023;
- (b) Arising from Item 4 of the Minute, Mrs Craw, ONE confirmed that in addition to Mr Stanely Morris, Professor Steve Olivier had been appointed as a substitute member of ONE. The Chair welcomed Professor Olivier to the meeting, who was in attendance as substitute for Professor Boyne.

## 4. ABERDEEN CITY REGION DEAL QUARTERLY PROGRESS UPDATE

The Joint Committee had before it and **noted** a report dated 4 February, 2022 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 Appendix 1 – Project Updates.

In respect of the External Links to Aberdeen South Harbour project update, officers were asked to provide some assurances around the timescales for the project, and in particular whether there was any opportunity for an acceleration of the timescales. It was noted that a revised Strategic Business case had been submitted to UK/SG in December 2021, and once the design work was commissioned, an updated and re-profiled timeline and financial projection would be submitted. A further update was

requested on this issue to the next meeting of the Joint Committee, in order to provide some comfort that a potential acceleration of the timescales was being actively considered.

## **5. CITY NETWORK EXTENSION PROJECT**

The Joint Committee had before it a report dated 4 February, 2022 by the Head of Planning and Economy, Aberdeenshire Council informing the Joint Committee that the City Network Extension project under the Digital theme had been completed, and highlighting the benefits realised.

Mr Allan McEwan, CityFibre was in attendance and made a presentation on the Gigabit City Aberdeen Project, advising that UK wide, CityFibre had committed £4bn to roll out future proofed full fibre digital infrastructure to around 30% of the UK market by 2025. In November, 2021, the City Network Extension project had completed the last milestone and connected 57 public sector sites including schools, libraries and other public buildings in the city utilising Aberdeen City Region Deal funding. This funding had attracted a £59 million investment to the city by CityFibre, making Aberdeen a Gigabit City, and the new infrastructure laid the foundation for further connectivity, including the roll out of 5G.

Mr McEwan responded to questions from Members in relation to progress in Aberdeen, compared to other cities in Scotland, noting that Aberdeen was the first Gigabit City announced in Scotland and the first to get underway, and was now one of the best digitally connected cities in terms of connectivity in the UK. There was comment from Members that the installation works by the contractors had been carried out efficiently and with a minimum of disruption and were received very positively.

The Chair thanked Mr McEwan for an interesting and informative presentation.

Thereafter, the Joint Committee **agreed:-**

- (1) To note the completion of the City Network Extension project;and
- (2) To note the benefits which the project had achieved to date.

## **6. BIO HUB – VERBAL UPDATE**

The Joint Committee noted an update by Mrs Craw on ongoing work and discussions in relation to progress with and funding arrangements for the Bio Hub Aberdeen Project.

## **7. DUCT NETWORK EXTENSION CHANGE REQUEST**

The Joint Committee had before it a report dated 4 February, 2022 by the Head of Planning & Economy, Aberdeenshire Council, seeking the approval of the Joint Committee to use identified savings from Phase 1 and Phase 2 of the Duct Network Extension project towards the construction of a Phase 3.

The Joint Committee, having considered the report, **agreed** to approve the change request submitted, which would allow delivery of Phase 3.

Prior to the conclusion of the meeting, the Chair, having advised that this was his final meeting of the Joint Committee, as he would not be standing for re-election at the forthcoming local government elections in May 2022, thanked the Members of the Joint Committee for their support and commitment to the Joint Committee and wished the Members well for the future. Thanks were given to the Chair for his chairmanship over the last year.

Councillor Andy Kille, Chair

DRAFT

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|                       |  |
|-----------------------|--|
| <b>Report Name</b>    | <b>Aberdeen City Region Deal Quarterly Programme Update</b>  |
| <b>Lead Officers</b>  | <b>Richard Sweetnam, Chief Officer, ACC &amp; Mary Beattie, Section 95 Officer, Aberdeenshire Council</b>    |
| <b>Report Authors</b> | <b>Julie Richards-Wood, Service Manager, ACC &amp; John Lovie, Finance Accountant, Aberdeenshire Council</b> |
| <b>Date of Report</b> | <b>10<sup>th</sup> June 2022</b>   |
| <b>Governance</b>     | <b>City Region Deal Joint Committee</b>  |

### 1. Purpose of the Report

#### 1.1 To update the Joint Committee on:

- Programme Summary in relation to Milestones, Benefits, Finance & Risk
- Appendix 1: Projects Update

### 2. Recommendations for Action

**2.1** Notes the content of the Progress Report and Appendix 1

**2.2** Agrees an additional Joint Committee will be scheduled in July/August to approve the Change Request for the updated SeedPod Business Case.

### 3. Programme Summary

#### 3.1 Milestones

**3.1.1** The Aberdeen City Region Deal (ACRD) was signed in 2016 and runs to 2026. All projects are progressing well, but there have been delays due to COVID 19, supply chain and construction cost challenges. The risk profile remains at amber where construction costs are being closely monitored by projects.

**3.1.2** SeedPod, the Digital Programme and the Transport Links to Aberdeen South Harbour require additional Business Case approvals; completion dates for these projects are recorded and monitored as a risk.

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- 3.1.3** The Strategic Business Case for the Transport Links to Aberdeen South Harbour previously approved at Joint Committee has now been approved by Transport Scotland and Scottish Government. Progression to Design Manual for Roads and Bridges (DMRB) Stages 2 and 3 has started and procurement is now underway. An outline Business Case is expected at Joint Committee Q1 2023.
- 3.1.4** Progress in awarding the SeedPod construction contract has been impacted by the challenges presented by cost volatility and inflation in the construction market. The Business case, approved in 2019 is being refreshed to reflect the additional opportunities around high value manufacturing and automation and decarbonisation given the demands on industry in current economic climate and environment. An updated Business Case will be presented in Summer 2022 for approval by Bio-Board, Joint Committee and UK/SG.
- 3.1.5** Information from the Scottish Government (SG) on the R100 premise level data as relevant to the Aberdeen and Aberdeenshire area is now available. The outline Business Case approved at Joint Committee 5th February 2021, approved the recommended option to drive demand stimulation and take up of the SG schemes and vouchers available. Aberdeenshire Council have since employed 3FTEs who have supported 382 residents in utilising R100 funding and have successfully targeted community work for voucher aggregation.
- 3.1.6** Further options regarding infrastructure will be explored. A Business Case will be brought to Joint Committee in September 2022, with a recommended option on how CRD funding can be utilised to build on the infrastructure and coverage we now have in place. Options include introducing financial measures such as loans to rural operators to drive inward investment into rural areas. Loans would be repayable at market rates over an agreed period. This removes barriers to new or smaller operators that may not have access to capital. This option has been used in other rural areas, where the appetite of private sector financiers to invest is lower. Work is underway to establish the benefits to residents across rural Aberdeenshire with regards to digital connectivity. Other options being explored relate to deploying 5G technology with a view to progress with a proposal for Aberdeen and Peterhead Harbours and an Agri-tec investment possibly in Huntly.
- 3.1.7** Substantial progress has been made in the Full Fibre Infrastructure project with the final segment connected. One additional site in Countesswells School will be connected in summer 2023 when the construction of the school is complete. The GO Awards Scotland recognised this project achievement and excellence in procurement. At a ceremony held on 19 April 2022, the Aberdeen City Region Deal funded Full Fibre Project was



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announced as the outright winner of the prestigious Social Value Award. The award specifically recognised innovative and ambitious approaches to community benefits/social value in the Gigabit Framework which was key to the success of the project.

- 3.1.8** The Net Zero Technology Centre continues to work on leveraging innovative technology to ensure a net zero energy future. This year they celebrated a significant milestone, their fifth anniversary. A short film exploring the last five years can be viewed here: <https://www.youtube.com/watch?v=Gh8hclDVT2M&t=2s>
- 3.1.9** Building of the £20M BioHub is on track and main construction phase will complete in late 2022. The project has received a £2 million funding boost from Scottish Enterprise to support the final fit-out of the building and the incubator space for spinout and start-up businesses. Cabinet Secretary for Finance and the Economy, Kate Forbes MSP, visited the site in March.
- 3.1.10** The PMO received the annual Grant Offer Letter for 2022-23 totalling £34,810,000. As part of the reporting requirements an Annual Report for 2021-22, A Benefits Realisation Plan and Implementation Plan will be submitted to the United Kingdom & Scottish Governments (UK/SG) later this quarter.

## 3.2 Benefits

- 3.2.1** In the Heads of Terms, the Aberdeen City Region Deal estimated GVA and jobs created based on modelled assumptions. Working with EKOS, each project will propose a model for capturing measurements, this will include a breakdown of Jobs Created by Sector and development of further Inclusive Economic Growth measurements.
- 3.2.2** Projects will continue to update on Benefits agreed at Business Case and Community Benefits at Procurement Stage and through the Annual Report. The Communications group will continue to work with projects to highlight major milestones and benefits through coverage in the media.
- 3.2.3** Media coverage can be viewed at [www.abzdeal.com](http://www.abzdeal.com) and includes the following coverage from the last quarter:
  - TechX Cohort 4 selected - Net Zero Technology Centre TechX announces new clean energy start-ups
  - An opinion piece focusing on horizon scanning – Scotland can be the energy revolution's guiding light

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- Net Zero Technology Centre 5th Birthday - Media interview with P&J and The Herald
- Net Zero Technology Centre Wind 2 hydrogen report
- Ballylumford press release - Ballylumford Power-to-X Project to accelerate the commercialisation of first-of-a-kind longer duration energy storage
- Floating wind powered hydrogen, an investment opportunity
- Breaking bias and barriers; helping woman soar in the workplace - Opinion piece focusing on STEM & Diversity and Inclusion
- Robert Gordon University and University of Strathclyde announce five-year collaboration at the National Subsea Centre
- GO AWARDS SCOTLAND – Social Value Award for City region Deal Gigabit Connectivity
- Opportunity North East and BioHub have partnered with The Times and Sunday Times Scotland and the University of Aberdeen to deliver the second Life Sciences Summit in Aberdeen
- Aberdeen's transformational BioHub secures £2 million Scottish Enterprise investment
- Net Zero Technology Centre approves more than three hundred projects that powers a net zero energy industry
- Net Zero Technology Centre: 5 Years of Strong Delivery
- BioHub build delivering community and economic benefits in Aberdeen
- BioHub website launch
- Aberdeen Harbour in rebrand as £400m expansion takes shape

## 3.3 Finances

**3.3.1** 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 Joint Committee includes a Section 95 Officer to provide financial assurance of the programme finances, ensure the financial requirements of both the UK and SG 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).

**3.3.2** The draft outturn reported to Scottish Government for 2021/22 amounts to £167.605m, a decrease of £20.789m for the year compared to budget of £188.385m. This is due mainly to NZTC reprofiling as result of expected cash outlays on commitments being re-phased from 2021/22 to 2022/23; the reprofiling of projects associated with the Duct Network

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Extension programme covered in a change request to utilise underspends from Phases 1 and 2; the final contract pricing being confirmed for the Harbour Expansion; SeedPod programme reprofiled to respond to challenges and opportunities presented through Covid, Brexit and significant impacts on the construction market including cost volatility and inflation; Bio Therapeutic Hub programme impacted by supply chain lead times and labour as a result of Covid and alternative funding being utilised in the year.

**3.3.3** Digital Theme Finance Summary: Outturn spend of £12.102m in 2021/22 (£3.606m funded from UKG/SG, £8.496m funded from partners) compared to budget of £14.636m (£5.590m government funded, £9.046m partner funded). Revised Duct Network spend profile accounts for the majority of the £2.534m variance together with one Full Fibre site due to complete in 2022/23.

Table 1 shows a summary of the Digital Theme financial position at Q4 by individual project.

**Table 1: ACRD - Q4 2021/22 - DIGITAL THEME FINANCE BY PROGRAMME**

| Digital Programme | Funding Source | Budget 2021/22 £,000 | Draft Outturn 21/22 £,000 | Variance £,000 | Variance Notes   |
|-------------------|----------------|----------------------|---------------------------|----------------|--|
| Duct Network      | UKG/SG         | 3,471                | 1,374                     | (2,097)        | Underspends accounted for in Phases 1 & 2 due to the cost per meter being lower than anticipated, together with ACC internal Roads Team delivering Phase 2 at a lower cost means new siteworks through Phase 3 can be undertaken in 2022/23 and 2023/24.<br>See above. |
|                   | Partners       | 466                  | 0                         | (466)          |  |
| Full Fibre        | UKG/SG         | 2,119                | 2,232                     | 113            | The progress of the award winning project, which saw 194 sites drastically improve connectivity meant all the remaining government grant could be drawn down in the financial year.<br>Site at Countesswells anticipated to complete Summer 2023.                      |
|                   | Partners       | 2,500                | 2,113                     | (387)          |  |
| City Network Ext. | Partners       | 6,008                | 6,249                     | 241            | Increase in Private Sector contribution allowed for increased investment.  |
| Others            | Councils       | 72                   | 134                       | 62             | Reflects the updated budget for 'Improving Access to Digital Infrastructure' posts approved in 2021/22.  |
| <b>Total</b>      |                | <b>14,636</b>        | <b>12,102</b>             | <b>(2,534)</b> |  |
| <b>Summary</b>    |                |                      |                           |                |  |
|                   | UKG/SG         | 5,590                | 3,606                     | (1,984)        |  |
|                   | Partners       | 9,046                | 8,496                     | (550)          |  |
|                   | <b>Total</b>   | <b>14,636</b>        | <b>12,102</b>             | <b>(2,534)</b> |  |

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**3.3.4** Table 2: Outturn expenditure at Q4 2021/22 amounts to £167.596m

| PROGRAMME                     | FUNDING  | 2021/22 Budget | 2021/22 Draft Outturn | 2021/22 Variance |  |
|-------------------------------|----------|----------------|-----------------------|------------------|--|
|                               | SOURCE   | £,000          | £,000                 | £,000            | Budget v Outturn Note  |
| Net Zero Technology Centre    | UKG/SG   | 25,900         | 22,900                | (3,000)          | Cash outlays on commitments re-phased from 21/22 year to 22/23 year due mainly to delays in allocation of resources diverted to the organisational pivot from OGTC to NZTC earlier in the financial year.  |
|                               | Partners | 28,108         | 22,456                | (5,652)          | Re-profiling of cash commitments that will take place in 2022/23.  |
| Bio Therapeutic Hub           | UKG/SG   | 15,000         | 9,720                 | (5,280)          | Impact of Covid on lead times for some high value materials and equipment resulted in some spend forecast for 2022/23 into the following year. Covid absences and isolation requirements also latterly affected availability of work teams on site. £2m of capital expenditure was funded from Scottish Enterprise grant.  |
|                               | Partners | 908            | 2,335                 | 1,427            | Scottish Enterprise provided a grant to fund £2m of infrastructure materials, with the funding requiring to be drawn down and spent by 31 March 2022. Other partner contributions were reprofiled to 2022/23.  |
| SeedPod                       | UKG/SG   | 3,800          | 393                   | (3,407)          | Main construction contract has not yet been awarded. Business case is being refreshed to reflect the additional opportunities around high value manufacturing and automation and decarbonisation given the demands on industry in current economic climate and environment. Revised business case will also reflect the real construction pricing in 2022.   |
|                               | Partners | 1,350          | 1,350                 | 0                |  |
| Digital                       | UKG/SG   | 5,590          | 3,606                 | (1,984)          | £1.984m underspend for 2021/22 reprofiled to the next two financial years mainly because of the Duct Network Extension changes. Change request asks permission to use the ACC Roads department to deliver Phase 2, for approval to use the underspend from Phase 1 and Phase 2 of the Duct project to undertake a Phase 3 which was approved by Joint Committee on 4th Feb and UK/SG on 25th Feb 2022. 1&2 are approximately 50% underspent as cost per metre was less than expected - for phase 2 ACC internal roads team are delivering with costs lower than anticipated.   |
|                               | Partners | 9,046          | 8,496                 | (550)            | In addition to reprofile of Duct Network noted above, one Full Fibre site completion is now expecting to be completed in 2022/23; Private Sector Investment has been increased; budget updated to account for staffing for 'Improving Access to Digital Infrastructure'. The net underspend amounts to £0.550m which will take place in later years.   |
| Strategic Transport Appraisal | UKG/SG   | 457            | 145                   | (312)            | £312k underspend anticipated and budget reprofiled to later years. Funding received from Bus Fund, STA funding for Aberdeen Rapid transit not needed. When the STAG2 for Wellington Road was reported last Autumn, it was noted that further detailed work would be required to make meaningful progress which delayed progress on the project.  |
|                               | Partners | -              | -                     | -                |  |
| Transport Links               | UKG/SG   | 742            | 70                    | (672)            | Underspend for the year £672k. In August 2021 a report on the Updated Strategic Outline Business Case for the project was approved by Joint Committee and ACC's City Growth and Resources Committee and submitted to Scottish Government for approval. A revised Strategic Business case was re-submitted in February 9 <sup>th</sup> 2022, change request for £1.2m was approved on 31 March 2022.  |
|                               | Partners | -              | -                     | -                |  |
| Aberdeen Harbour Expansion    | UKG/SG   | -              | -                     | -                |  |
|                               | Partners | 97,484         | 96,125                | (1,359)          | Completion is on target for October 2022, though there is still confidence that some form of phased opening may be possible earlier. Progress from the last quarter includes extensive progress towards completion of quayside, service trenches and drainage for quay surfaces, though some delay from winter weather means quay construction work is not quite complete. West Quay has been added back into the project with successful negotiation of further funds from the Scottish National Investment Bank, with the completion of this final area planned by May 2023. |
| Total                         |          | 188,385        | 167,596               | (20,789)         |  |

**3.3.5** Table 3 shows the financial profile for the remainder of the Deal and prior year spend for each of the projects.

The table shows the Deal growing to **£1.001bn** from **£826.200m** primarily because of an increase in private sector contributions worth **67%** of the revised Deal forecast. In addition, an **£11.7m** contribution to the Harbour project from Scottish Enterprise (SE) was announced with a further **£2m** contribution from SE to the Bio Hub project in 2022.

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| Aberdeen City Region Deal - 2016-2026 - Current Profile at May 2022 |  |                 |                 |                 |                 |                |                |                |                |                |                |                  |
|---|--|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| PROGRAMME   |  | Actual          | Actual          | Actual          | Actual          | Actual         | Outturn        | Forecast       | Forecast       | Forecast       | Forecast       | Grand            |
| Project   | Funding Source                           | 16/17<br>£,000  | 17/18<br>£,000  | 18/19<br>£,000  | 19/20<br>£,000  | 20/21<br>£,000 | 21/22<br>£,000 | 22/23<br>£,000 | 23/24<br>£,000 | 24/25<br>£,000 | 25/26<br>£,000 | Total<br>£,000   |
| Net Zero Technology Centre  | UKG/SG                                   | 4,100           | 12,200          | 17,600          | 25,200          | 26,700         | 22,900         | 23,400         | 22,800         | 14,900         | 10,200         | 180,000          |
|   | Partners                                 | 500             | 7,440           | 30,334          | 36,181          | 28,401         | 22,456         | 45,732         | 41,291         | 20,611         | 12,954         | 245,900          |
| Bio Therapeutic Hub   | UKG/SG                                   | 0               | 0               | 318             | 723             | 1,685          | 9,720          | 7,554          | 0              | 0              | 0              | 20,000           |
|   | Partners                                 | 101             | 157             | 532             | 461             | 281            | 2,335          | 3,299          | 3,387          | 2,338          | 2,486          | 15,377           |
| SeedPod   | UKG/SG                                   | 0               | 0               | 0               | 111             | 376            | 393            | 2,611          | 6,509          | 0              | 0              | 10,000           |
|   | Partners                                 | 13              | 21              | 53              | 469             | 424            | 1,350          | 1,772          | 1,624          | 1,624          | 1,626          | 8,976            |
| Digital Theme   | UKG/SG                                   | 0               | 0               | 45              | 257             | 4,142          | 3,606          | 609            | 1,341          | 0              | 0              | 10,000           |
|   | Partners                                 | 0               | 0               | 8,842           | 16,305          | 9,839          | 8,496          | 14,072         | 6,618          | 0              | 2,058          | 66,230           |
| Strategic Transport Appraisal                                       | UKG/SG                                   | 0               | 195             | 177             | 394             | 185            | 145            | 0              | 0              | 1,604          | 2,300          | 5,000            |
|   | Partners                                 | 180             | 0               | 0               | 0               | 0              | 0              | 560            | 950            | 310            | 0              | 2,000            |
| Transport Links to Aberdeen South Harbour                           | UKG/SG                                   | 0               | 28              | 128             | 139             | 106            | 70             | 596            | 500            | 8,000          | 15,433         | 25,000           |
|   | Partners                                 | 0               | 0               | 0               | 0               | 0              | 0              | 0              | 0              | 0              | 0              | 0                |
| Aberdeen Harbour Expansion  | UKG/SG                                   | 0               | 0               | 0               | 0               | 0              | 0              | 0              | 0              | 0              | 0              | 0                |
|   | Partners                                 | 15,989          | 53,749          | 86,151          | 54,613          | 64,126         | 96,125         | 41,620         | 0              | 0              | 0              | 412,373          |
|   | <b>Total</b>                             | <b>20,883</b>   | <b>73,790</b>   | <b>144,180</b>  | <b>134,853</b>  | <b>136,265</b> | <b>167,596</b> | <b>141,825</b> | <b>85,020</b>  | <b>49,387</b>  | <b>47,057</b>  | <b>1,000,856</b> |
| <b>Summary Current Profile</b>                                      | <b>Funding Summary</b>                   | <b>16/17</b>    | <b>17/18</b>    | <b>18/19</b>    | <b>19/20</b>    | <b>20/21</b>   | <b>21/22</b>   | <b>22/23</b>   | <b>23/24</b>   | <b>24/25</b>   | <b>25/26</b>   | <b>Total</b>     |
|   | UKG/SG                                   | 4,100           | 12,423          | 18,268          | 26,824          | 33,194         | 36,834         | 34,770         | 31,150         | 24,504         | 27,933         | 250,000          |
|   | Partners                                 | 16,783          | 61,367          | 125,912         | 108,029         | 103,071        | 130,762        | 107,055        | 53,870         | 24,883         | 19,124         | 750,856          |
|   | <b>Summary Total</b>                     | <b>20,883</b>   | <b>73,790</b>   | <b>144,180</b>  | <b>134,853</b>  | <b>136,265</b> | <b>167,596</b> | <b>141,825</b> | <b>85,020</b>  | <b>49,387</b>  | <b>47,057</b>  | <b>1,000,856</b> |
| <b>Original Deal Profile</b>  | <b>Original Deal (£'000s)</b>            | <b>16/17</b>    | <b>17/18</b>    | <b>18/19</b>    | <b>19/20</b>    | <b>20/21</b>   | <b>21/22</b>   | <b>22/23</b>   | <b>23/24</b>   | <b>24/25</b>   | <b>25/26</b>   | <b>Total</b>     |
|   | UKG/SG                                   | 4,500           | 23,250          | 35,950          | 42,750          | 37,950         | 34,900         | 24,300         | 20,300         | 15,400         | 10,700         | 250,000          |
|   | Partners                                 | 52,070          | 92,945          | 174,485         | 113,600         | 37,500         | 26,900         | 25,100         | 22,200         | 18,800         | 12,600         | 576,200          |
|   | <b>Total</b>                             | <b>56,570</b>   | <b>116,195</b>  | <b>210,435</b>  | <b>156,350</b>  | <b>75,450</b>  | <b>61,800</b>  | <b>49,400</b>  | <b>42,500</b>  | <b>34,200</b>  | <b>23,300</b>  | <b>826,200</b>   |
| <b>Original Deal Profile Compared to Current Profile</b>            | <b>Profile Compared to Original Deal</b> | <b>16/17</b>    | <b>17/18</b>    | <b>18/19</b>    | <b>19/20</b>    | <b>20/21</b>   | <b>21/22</b>   | <b>22/23</b>   | <b>23/24</b>   | <b>24/25</b>   | <b>25/26</b>   | <b>Total</b>     |
|   | UKG/SG                                   | (400)           | (10,827)        | (17,682)        | (15,926)        | (4,756)        | 1,934          | 10,470         | 10,850         | 9,104          | 17,233         | 0                |
|   | Partners                                 | (35,287)        | (31,578)        | (48,573)        | (5,571)         | 65,571         | 103,862        | 81,955         | 31,670         | 6,083          | 6,524          | 174,656          |
|   | <b>Total</b>                             | <b>(35,687)</b> | <b>(42,405)</b> | <b>(66,255)</b> | <b>(21,497)</b> | <b>60,815</b>  | <b>105,796</b> | <b>92,425</b>  | <b>42,520</b>  | <b>15,187</b>  | <b>23,757</b>  | <b>174,656</b>   |

## 4. Finance and Risk

- 4.1 The Deal funding is from 2016-2027 and until the remaining Business Cases are finalised and agreed there is a risk to the timeline.
- 4.2 Capital projects costs are being monitored and discussed with Regional Partners, UK, and Scottish Governments.
- 4.3 The grant offer letter states that "The Grantee and the individual partners will bear the costs of any financial overruns or increased spend on their respective Projects funded as part of the Programme."

# ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

## Appendix 1: Project Update

### 1.1 Net Zero Technology Centre, formerly OGTC

- 1.1.1 **Key Milestones achieved:** The Oil & Gas Technology Centre (OGTC) Business Case Approved 2016, OGTC opened February 2017, 18-Month Checkpoints with UK&SG in March 2018 & December 2020 – targets were met or exceeded. June 2021, new name and pivot change request approved by Joint Committee and UK/SG.
- 1.1.2 **Previous Milestone:** Launch of Simulator with Aberdeen University  
**Next Milestone:** Launch of National Subsea Centre Q3 2022
- 1.1.3 Established in October 2016, the Net Zero Technology Centre, formerly OGTC is 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.
- 1.1.4 Net Zero Technology Centre is focused on developing and delivering affordable technology for a net zero North Sea, with the purpose of the organisation still in support of the Oil and Gas industry and the community we live in. A link to case studies on completed and live projects can be viewed at [Live Projects \(netzerotc.com\)](https://www.netzerotc.com). The number of projects funded have increased from 292 to 331.
- 1.1.5 The focus this quarter has been on: the finalisation of 2022 Goals, commencing Cohort 4 for TechX, launch of the Solution Centre Open Innovation Program which will source technology to fill the technology gaps. There have also been a number of ministerial visits from both Scottish and UK Government. Activity for the next quarter will include review and selection of the 2022 Open Innovation Programme and completion of TechX Cohort 4.
- 1.1.6 **COVID-19 Update:** Staff continue to support both Solution Centre Memberships and Directed projects with hybrid working – whereby the office is now open every day and staff can choose to work from home or the office depending on requirements.
- 1.1.7 **Finance:** NZTC draft outturn 2021/22 of £45.356m (£22.9m funded by governments, £22.456m funded from partners), £8.652m lower than budget of £54.008m. Table 2 provides further information.



Net Zero Technology Centre, formerly OGTC

# ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

## Appendix 1: Project Update

### 1.2 Bio Hub

- 1.2.1 **Key Milestones achieved:** Bio-Therapeutics Hub for Innovation Business Case Approval by Joint Committee in June 2017 and Funding Partners October 2017
- 1.2.2 **Previous Milestone:** £2m of funding secured from Scottish Enterprise. Website now live [www.biohubaberdeen.com](http://www.biohubaberdeen.com), with promotional video launched at Times/Sunday Times Life Sciences summit and available on the website.  
**Next Milestone:** Completion of the brickwork plinth on lower level, curtain walling and glazing in the ground floor foyer space over next few weeks will make the building wind and watertight.
- 1.2.3 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 Northeast of Scotland, which includes the company base, University of Aberdeen, Robert Gordon University and NHS Grampian.
- 1.2.4 Life Science company engagement has continued during the year, with high attendance at online life sciences forums and network events with face to face when possible. Participants in the accelerator programme continue to receive expert support.
- 1.2.5 Work continues at pace with the Interior works progressing and the construction of partitions and plasterboard taping underway on all floors, along with work on service installations at higher levels and the central core ductwork. The main electrical switch gear is scheduled to be installed on the ground floor and the main plant kit dropped onto the roof level will take place in the next quarter. The Internal design concept is agreed, and IT&AV requirements are being scoped and instructed.
- 1.2.6 **COVID-19 Update:** COVID-19 impact introduced significant cost and programme uncertainty to the project which continues to be proactively managed as the project build continues. In the last period, the impact has been on the lead times throughout the supply chain and the availability of staff and contractors on site due to covid cases and isolation requirements. This has delayed the delivery of key mechanical and electrical equipment to site and pushed some high value activity into early 2022/23. The team is working to reduce the impact of long lead times on overall programme by instructing early ordering where possible.
- 1.2.7 **Finance:** Bio Hub draft outturn of £12.055m in 2021/22 (£9.720m funded from governments, £2.335m funded by partners). As a result of the challenges highlighted above expenditure is £3.853m lower than the budget of £15.908m. Table 2 provides further information.

# ABERDEEN CITY REGION DEAL:

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## Appendix 1: Project Update



Caption: January 2022. Progress on Aberdeen's £40 million Bio Hub project with all external works expected to be substantially completed in the coming weeks and by using enviro-wrap the upper-level internal works are progressing as planned.



# ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

## Appendix 1: Project Update

### 1.3 SeedPod

- 1.3.1 **Key Milestones achieved:** The Food Hub Business Case Approval by Joint Committee in August 2018; UK/SG approved 17th January 2019
- 1.3.2 **Previous Milestone:** Planning Permission Granted in May 2021  
**Next Milestone:** Revised Business Case June 2022
- 1.3.3 The Food Hub (SeedPod) 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. A link to the project can be viewed [SeedPod | ONE \(opportunitynortheast.com\)](https://opportunitynortheast.com)
- 1.3.4 Progress in awarding the construction contract has been impacted by the challenges presented by cost volatility and inflation in the construction market. The Business case, approved in 2019 is being refreshed to reflect the additional opportunities around high value manufacturing and automation and decarbonisation given the demands on industry in current economic climate and environment. The revised business case will also reflect the real construction pricing in 2022. Construction is planned to commence in late 2022.
- 1.3.5 **COVID- 19 Update:** There is an ongoing impact on availability and cost of material and resources due to Covid, post Brexit and global supply chain issues which is under constant review.
- 1.3.6 **Finance:** SeedPod draft outturn of £1.743m in 2021/22 (£0.393m funded from governments, £1.35m funded from partners) £3.407m lower than budget of £5.15m. Table 2 provides further information.



Caption: SeedPod is a £21 million investment in the food and drink industry to create a centre of excellence for manufacturing and production in northeast Scotland that will deliver regional and national growth ambition.

## Appendix 1: Project Update

### 1.4 Digital Full Fibre Infrastructure Project

- 1.4.1 **Key Milestones achieved:** In February 2018, Joint Committee approved a revised (January 2017) Digital Infrastructure Project. This Business Case was approved by UK/SG in January 2019. Network build started in June 2020.
- 1.4.2 **Previous Milestone:** Milestone Payment March 2022 for Segment 6  
**Next Milestone:** Additional site in Countesswells School will be connected, when the construction of the school is complete - Summer 2023
- 1.4.3 Substantial progress has been made on the project; the final segment of the project is now connected. One additional site is to be connected in summer 2023 when the construction of the new school is completed.
- 1.4.4 This project has provided significant community benefits to date. The successful contractor, Neos Networks (formerly SSE Telecoms) has supported seven apprenticeships on the project as well as three structured work placements, each lasted five days a week over eight weeks. There have also been further community outreach activities including five facilitated professional courses for the programme team to upskill the workforce, and one hundred hours of staff time working with community organisations, including to help digitally isolated individuals gain access to devices. Neos Networks are also running grass-roots workshops with school pupils to teach them about Science, Technology, Engineering, and Mathematics (STEM) careers and to help develop interview skills for future job applications. They are advocating for STEM graduates to join their organisation, delivering guest lectures at universities, and creating opportunities for interns at Neos Networks.
- 1.4.5 The announcement that the Full Fibre project won the Go Awards Social Value Category has been very well welcomed. Project success in the procurement demonstrates robust and progressive approaches to fair work practices.
- 1.4.6 **Finance:** Full Fibre draft outturn of £4.345m in 2021/22 (£2.232m funded from governments, £2.113m funded from partners) £0.274m lower than budget of £4.619m. Table 1 provides further information.



Photo Caption: Portlethen Academy is among the schools getting faster broadband

## Appendix 1: Project Update

### 1.5 Digital Duct Network

- 1.5.1 **Key Milestones achieved:** In January 2017, Joint Committee approved the current Duct Network Extension Business Case. UK/SG approved the Business Case in January 2019. Phase 2 approval in December 2020. In February 2022, Joint Committee and UK/SG approved Change Request for Phase 3.
- 1.5.2 **Previous Milestone:** Phase 1 and Phase 2 **90%** Complete April 2022  
**Next Milestone:** Phase 1 and Phase 2 **100%** Complete May 2022
- 1.5.3 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 sensors and provide the opportunity for Aberdeen City to be used as a testbed for autonomous vehicles as well as supporting 5G installations.
- 1.5.4 In March 2021 works for Phase 1, which is the West Route (A944) and works for Phase 2 (South route, A956) began. Despite initial delays both Phases are now making good progress with completion due by the end of May 2022.
- 1.5.5 The network design for Phase 3 is now underway with works due to start in September 2022.
- 1.5.6 The Duct Network will be on strategic transport Corridors and will connect all transport system assets. It allows for Connected and Autonomous Vehicles (CAVs) and will enable infrastructure 5G when services are deployed.
- 1.5.7 **Finance:** Duct Network draft outturn of £1.374m in 2021/22 funded from governments, £2.563m lower than budget of £3.937m. Table 1 provides further information.

## Appendix 1: Project Update

### 1.6 Digital Infrastructure Business Case Gap Analysis

- 1.6.1 **Key Milestones achieved:** Outline Business Case approved to proceed to Full Business Case at Joint Committee in May 2020.
- 1.6.2 **Previous Milestone:** Joint Committee gave approval for officers to drive demand stimulation and aggregation activities February 2021  
**Next Milestone:** A Business case to be submitted September 2022
- 1.6.3 Information from the Scottish Government on the R100 premise level data as relevant to the Aberdeen and Aberdeenshire area is now available.
- 1.6.4 The outline Business Case approved at Joint Committee 5<sup>th</sup> February 2021, approved option 3 to drive demand stimulation and take up of the SG schemes and vouchers available. Aberdeenshire Council have since employed 3FTEs who have supported 382 residents utilise the voucher scheme.
- 1.6.5 The remaining options regarding infrastructure will be explored further. Discussions are ongoing to explore potential project with the support of the Scottish government. Research with operators and industry are underway and currently exploring financial models.
- 1.6.6 A Business Case will be brought to Joint Committee in September 2022, outlining recommendations on how Aberdeen City Region Deal funding can be utilised to build on the infrastructure and coverage we now have in place.

## Appendix 1: Project Update

### 1.7 Digital City Network Extension Project – Project Completed

1.7.1 **Key Milestones achieved:** In November 2017 Joint Committee approved this project and connection of fifty-seven public sector sites. CityFibre with Vodafone announced a £40million investment for Fibre to The Premises Build in February 2018. In March 2021 TalkTalk were also announced as an Internet Service Provider (ISP).

In November 2021, last milestone was completed, and final payments made, the City Network Extension project extended Aberdeen City Council's fibre network to fifty-seven public owned buildings sites across the city such as schools and sheltered housing. It has successfully stimulated private investment to extend and deploy fibre, providing most of the city with access to 'fibre to the premises' and creating a 'Gigabit City.'

1.7.2 To date the following benefits have been met and realised:

- Public sector sites that previously had low speed connections, now can work better, and increase their bandwidth. In addition to having the flexibility to expand at these sites, they are pro-actively managed in the event of any performance issues / outages.
- Additional private sector investment has been made sooner than without this Aberdeen City Region Deal investments
- Aberdeen is now a gigabit City with increased availability of fibre to the premises
- The Scale – over 650Km Network build
- There were 85 jobs created throughout the build
- Access to CityFibre's 'City Gigabit Club'
- Utilisation of existing Ducts share and partnership working to reduce digs and carbon impacts.
- CityFibre have been involved in supporting community projects

1.7.3 Benefits still to be fully realised include:

- Laying the foundation for further connectivity such as 5G and Internet of Things. The Council and CityFibre are exploring how new technology can provide benefits and opportunities for services and citizens.
- CityFibre is currently investigating the foundation for expansion into key economic locations

Aberdeen City Region Deal will continue to report on the Benefits of the City Network Extension project in the annual report and Benefits Realisation Plan

## Appendix 1: Project Update

### 1.8 Strategic Transport Appraisal

1.8.1 **Key Milestones achieved:** The Strategic Transport Appraisal Business Case Approval by Aberdeen City Region Deal Joint Committee, Aberdeenshire Committee and UK/SG in November 2017. Checkpoint Reviews with UK/SG Nov 2019 and March 2021.

1.8.2 **Previous Milestone:** Report to Aberdeen City Region Deal Joint Committee on Updated Strategic Business Case May 2021

**Next Milestone:** Commence detailed appraisal and Business Case work on specific schemes

1.8.3 The Strategic Transport Appraisal (STA) is tasked with considering the future transport requirements of the region over the next twenty years, taking account of the impacts arising from the investment associated with the Deal and completion of the Aberdeen Western Peripheral Route etc. The longer-term potential impacts of Covid-19 on travel patterns are now another key consideration.

1.8.4 Work on the Strategic Transport Appraisal to date has successfully informed the Regional Transport Strategy, which has now been approved by the Transport Minister. Local authorities are now basing their Local Transport Strategies on this work.

1.8.5 Proposals for the next five years of work on the Strategic Transport Appraisal were considered by the Aberdeen City Region Deal Joint Committee in May 2021. These were identified and developed by mapping proposals coming out of the Regional Transport Strategy to the key opportunities where CRD funding would facilitate clear progression and added value:

- Completion of Strategic Modelling Work, and subsequent testing of key areas of interest where previous work showed pressures on network performance.
- Appraisal and Business Case Development for Aberdeen Rapid Transit proposals. This element is fully funded by the Bus Partnership Fund following award announcement in June 2021 and was confirmed in STPR2.
- Appraisal and Business Case Development for A90(N) Corridor, north of Ellon. This scheme was not specifically detailed in STPR2 as a national priority, but this would not preclude ongoing development as it forms a key part of the regional strategy.
- Business Case Development for A956 Wellington Road Corridor, following completion of ongoing options assessment on this route, which was reported in November 2021 to Aberdeen City Council and Nestrans.
- Smaller scale “Live-Lab” interventions modelled on proposals being implemented in England, with initial ideas focussing on:
  - Mobility Hubs – City, Suburban and Rural Small Town.
  - Alternative Fuelling Hubs.
  - Rural Mobility as a Service (MaaS) applications / Demand Responsive Transport.

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## Appendix 1: Project Update

- 1.8.6 Progress continues the finalisation of the ASAM modelling tool (base year modelling completed), and receipt of proposals for transport “live labs”. This includes a proposal for deployment of hydrogen fuelling facilities, mobility hubs and Aberdeen City’s GoABZ app.
- 1.8.7 Outlook for the next month is on running the future year forecasts for ASAM and agreeing which of the specific live lab proposals should be taken forward for further development and implementation.
- 1.8.8 **Covid-19 Impact:** The amber time status for the project reflects the delayed milestone and the ongoing uncertainty around COVID impacts, and the impact this may have on future milestones.
- 1.8.9 **Finance:** Draft outturn for the year, funded by governments, is £0.145m compared to budget of £0.457m, a variance of £0.312m. Table 2 provides further information.

## Appendix 1: Project Update

### 1.9 Aberdeen South Harbour

1.9.1 **Key Milestones achieved:** The Aberdeen Harbour Extension Business Case approved in August 2017. From May 2022, Aberdeen Harbour Board was rebranded and will be known as the Port of Aberdeen.

1.9.2 **Previous Milestone:** Crown Wall and South Breakwater complete December 2021  
**Next Milestone:** Completion of Quay construction May 2022

1.9.3 Port of Aberdeen's expansion project at "Aberdeen South Harbour" will add 1,400m in quayside length and accommodate vessels of up to 300metres. The new facilities will create new opportunities for energy transition activities, including renewables and decommissioning, attract new cargo to the port and generate increased tourism through cruise traffic around the North Sea.

1.9.4 The Port is gearing up for operations at Aberdeen South Harbour, with the first commercial vessels expected this summer as a 'soft start' prior to operations fully commencing in October. On completion it will be a unique facility due to its distinctive blend of scale, location, and connectivity. Along with the North Harbour, it will represent an exceptional opportunity for commercial growth and diversification. The Aberdeen South Harbour expansion project is important not only to the local economy but also regionally and nationally to allow for economic recovery and prosperity.

1.9.5 Progress from the last quarter includes extensive progress towards completion of quayside, service trenches and drainage for quay surfaces, though some delay from winter weather means quay construction work is not quite complete. West Quay has been added back into the project with successful negotiation of further funds from the Scottish National Investment Bank, with the completion of this final area planned by May – June 2023.

Activity for the next quarter will include contract awards for commencement of final filling and surfacing works, fendering and welfare and customs posts.

1.9.6 **Covid-19 Impact:** The timeline has been revised to Green as work is proceeding at pace and significant progress has been made in the last quarter despite the continued effects of the global pandemic and challenging supply chain due to global issues.

1.9.7 **Finance:** The two Councils contribution of £11m towards Aberdeen Harbour was drawn down and applied in prior years. The Harbour continues to report on spend for private and other investment, which continues to see an increased investment compared to the forecast at Heads of Terms. £96.125m of expenditure has been incurred in 2021/22, £1.359m lower than budget of £97.484m.



# ABERDEEN CITY REGION DEAL:

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## Appendix 1: Project Update



Photo Caption: The £400 million development at Aberdeen South Harbour has been designed to accommodate larger, wider, and deeper vessels

## Appendix 1: Project Update

### 1.10 External Links to Aberdeen South Harbour

**1.10.1 Key Milestones achieved:** In July 2017, a Strategic Business Case received approval for £100k (extended to £150k in January 2018) to undertake the STAG Pre-Appraisal and Preliminary Options Appraisal stages for the project. Outcomes were reported back to Joint Committee, and ACC's City Growth and Resources Committee in November 2018.

In October 2018, a Strategic Business Case received approval for £250k to undertake the STAG Detailed Options Appraisal stage. The preferred option was reported back to Joint Committee and ACC's City Growth and Resources Committee in February 2021.

**1.10.2 Previous Milestone:** In August 2021, a report on the Updated Strategic Business Case for the project was approved by Joint Committee and ACC's City Growth and Resources Committee and submitted to Scottish Government for approval. This identified the funding requirement of £1.2m for project management resource and costs to complete the design works to Design Manual for Roads and Bridges (DMRB) Stage 2 & 3.

The preferred option, which is illustrated below, improves the existing Coast Road, replaces the existing traffic signal-controlled road-over-rail bridge, linking into Wellington Road at Hareness Roundabout via Hareness Road. Active travel improvements, and options for public transport have also been identified.



The Business Case to draw down funding for Design work has been approved by ACRD Joint Committee, and Aberdeen City Council, City Growth & Resources Committee. Following feedback from UK/SG a revised Strategic Business Case was approved by UK/SG on 31 March 2022.

**Next Milestone:** Appointment of consultants

The tender document for the procurement and commissioning of external consultants has been issued, with submissions due back at the beginning of June. The consultant's will be responsible for progressing the scheme through the Design Manual for Roads and Bridges Stage 2 Route Option Assessment and Stage 3 Scheme Assessment in parallel with an Outline Business Case.

## Appendix 1: Project Update

The progress for next quarter will include an appointment of consultants, commission Design Manual for Roads and Bridges (DMRB) Stage 2/3 Design Process and development of project programme.

- 1.10.3 **Finance:** With a £25m investment from UK/SG this project's main period of expenditure will be towards the end of the Deal period. The expenditure profile will be updated once design consultants are appointed to progress the design phase. Draft Outturn for 2021/22 is £0.070m, a variance of £0.672m compared to budget of £0.742m. Table 2 provides further information.

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## ABERDEEN CITY REGION DEAL:

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|                       |                                  |
|-----------------------|----------------------------------|
| <b>Report Name</b>    | Strategic Transport Appraisal    |
| <b>Lead Officer</b>   | Rab Dickson                      |
| <b>Report Authors</b> | Paul Finch                       |
| <b>Date of Report</b> | 10 June 2022                     |
| <b>Governance</b>     | City Region Deal Joint Committee |

|  |                              |
|--|------------------------------|
| <b>1:</b>  | <b>Purpose of the Report</b> |
| To seek approval of proposals for a programme of development work for the Strategic Transport Appraisal, following confirmation of regional and national transport priorities. |                              |

|   |                                   |
|---|-----------------------------------|
| <b>2:</b>   | <b>Recommendations for Action</b> |
| Support the following activities in FY 22/23 and FY 23/24 in relation to the Strategic Transport Appraisal budget.  |                                   |
| <ol style="list-style-type: none"> <li>1. Update the Case for Change and Preliminary Options Appraisal for A90N / A952 Ellon to Peterhead and Fraserburgh;</li> <li>2. Progress to Outline Business Case key elements of A956 Wellington Road Corridor Study, including junctions at Harness Road and Southerhead Roundabout;</li> <li>3. Undertake an options study on assessing, and accommodating future potential growth in local Rail Freight, focussed on the Craiginches Rail Freight facilities adjacent to East Tullos;</li> <li>4. Application of the regional Transport and Land Use Model (ASAM19) to inform strategic land use decisions for future Development Plans;</li> <li>5. Progress to Outline Business Case the development of two innovative "Live Lab" demonstration projects following the scoping exercise undertaken in the previous year;             <ol style="list-style-type: none"> <li>a) Regional Hydrogen Re-fuelling Facilities (dismountable), aimed at extending the range of hydrogen vehicle use beyond Aberdeen City, facilitating broader geographic range of applications;</li> <li>b) Mobility Hubs, in both urban and rural settings, enabling vehicle e-charging and uptake of alternative mobility solutions, supported by digital applications.</li> </ol> </li> </ol> |                                   |

|  |                                   |
|--|-----------------------------------|
| <b>3:</b>  | <b>Summary of Key Information</b> |
| <b>3.1</b>   | <b>The Deal Commitment</b>        |
| The City Region Deal agreement (2016), set out the following commitment in terms of the Strategic Transport Appraisal. |                                   |

**Aberdeen City Council and Aberdeenshire Council** commit up to £2 million to work with Transport Scotland and NESTRANS [Regional Transport Partnership] to scope out requirements for the next 20 years, building on the completion of the Aberdeen Western Peripheral Route (AWPR) and other planned investments.

**Scottish Government**, through **Transport Scotland**, commits up to an indicative amount of £2.5 million to work with NESTRANS and Aberdeen City Council and Aberdeenshire Council to scope out requirements for the next 20 years, building on the completion of the AWPR and other planned investments. A transport appraisal will take a long-term strategic view of the transport implications of the investment unlocked by this Deal across modes including road and rail. This work will commence in 2016 and will be based on Scottish transport appraisal guidance and will recognise the priorities of local, regional and national transport plans and programmes.

The **UK Government** also made a commensurate commitment of £2.5 million.

### **3.2 Business Case and Progress to Date**

A business case for the Strategic Transport Appraisal was approved by the City Region Deal Joint Committee on 10 November 2017 (Item 6). This established the plan to focus on specific scheme development work, following completion of Regional Transport Strategy, Local Development Plans, national Strategic Transport Projects Review, and National Planning Framework.

This Strategic policy work has now largely been completed, enabling priorities to be determined. Of the £7.0m total funding allocated to the Strategic Transport Appraisal, £5.7m remains uncommitted (£1.8m from Council allocations, £3.9 from UK Government and Scottish Government allocations).

### **3.3 Strategic Focus**

Proposals have been identified considering four key criteria.

- a) Ensuring that it contributes to delivery of the regional transport strategy, and fits with national transport objectives and priorities.
- b) Ensuring that it corresponds to the objectives of the City Region Deal, and the Regional Economic Strategy;
- c) Avoiding duplication with an established funding or delivery mechanism;
- d) Being mindful of the deliverability of the proposed activities within the remaining years of the City Region Deal, and any capital projects that arise following the end of the Deal.

Priorities have been identified aligning with decarbonisation, supporting energy transition, inclusive accessibility in rural and urban areas, and complementing other activities.

Other activities (such as active travel, public transport, city centre initiatives) have not been included, as funding and delivery mechanisms already exist outwith the City Region Deal.

### **3.4 Proposals**

A summary presentation of each proposal is provided in **Appendix 2**.

1. Update Case for Change and Options Appraisal for A90N/A952, Ellon to Peterhead/Fraserburgh.

- Justification – Forms the key corridor linking the region’s major ports, is the focus of the Green Freeport bid, and a core freight route. The AWPR project has delivered substantial benefits on the route south of Ellon, but issues remain north of Ellon. Previous work demonstrated the potential benefits of targeted interventions, including at Toll of Birness.
- Policy Fit - Forms an important element of RTS. National transport policy does not support infrastructure that enables unconstrained traffic growth, with an investment hierarchy prioritising the maintenance and safe operation of existing assets, and making better use of existing capacity, prior to any targeted infrastructure improvements.
- Key Benefits – Reliable freight links (energy transition, seafood), regeneration, supports future investment decision on the route.
- Delivery Mechanism – Consultancy study, managed by Nestrans.
- Fees/Timescales – £160k, between Q3 FY22/23 and Q4 FY23/24.

2. Progress to Outline Business Case key elements of A956 Wellington Road Corridor Study, including junctions at Hareness Road and Southerhead Roundabout.

- Justification – Complements ETZ master-planning work, and External Links to Aberdeen South Harbour. STAG 2 on Wellington Road identified the requirement for further, more detailed assessment of options in these locations, prior to ongoing corridor assessment;
- Policy Fit – Recognised as a key corridor for freight, public transport and active travel in the regional strategy, fits with ongoing work for Bus Partnership Fund;
- Key Benefits – Outcomes can feed into next stage of External Links to Aberdeen South Harbour and ETZ masterplan;
- Delivery Mechanism – Design Study, managed principally by Aberdeen City Council.
- Fees/Timescales - £170k, between Q2 FY22/23, and Q1 FY23/24.

3. Undertake options study on assessing, and accommodating future growth in local Rail Freight, focussed on the Craiginches facilities.

- Justification – Complements wider energy transition initiatives and potential future opportunities at Port of Aberdeen.
- Policy Fit - Supports regional and national rail freight growth policy, with work designed to nest with National Strategic Rail Freight study, opportunities arising from Aberdeen to Central Belt rail project, and ETZ masterplanning exercise.
- Benefits – Ensuring that viable options for future growth at the rail freight terminal are maintained or facilitated.
- Delivery Mechanism – Consultancy study, managed by Nestrans.
- Fees/Timescales –£45k FY 22/23, possible further £40 FY 23/24.

4. Application of the regional Transport and Land Use Model to support strategic land use decisions for future Development Plans.

- Justification – The finalisation of the transport model (updated to post AWPR opening) provides the tool to inform strategic decisions that will influence the next Local Development Plans;
- Policy Fit – Builds on work undertaken to support the Strategic Development Plan, and the growth corridors set out in the National Planning Framework.
- Benefits – Ensuring that land use decisions and transport measures are tied together, facilitating an informed “infrastructure first” approach.
- Delivery Mechanism – Consultancy study, managed by Nestrans.
- Fees/Timescales – £40k, FY 22/23.

5. Progress to Outline Business Case the development of two innovative “Live Lab” projects following a scoping exercise undertaken in FY21/22, focussing on:

- a) Demountable Hydrogen Fuelling Facilities, aimed at extending the range of hydrogen vehicle use beyond Aberdeen City, facilitating broader range of applications; and
- b) Transport Mobility Hubs, in both urban and rural settings, enabling e-charging and uptake of sustainable travel options, supported by digital applications.

- Justification – Scoping work undertaken during FY21/22 considered a wide range of potential innovative interventions, which if implemented would provide wider learning for both regional and national roll-out. When considering deliverability, added regional value, fit with policy and CRD objectives, two prospective proposals have been identified for further development to Outline Business Case.

Demountable Hydrogen Fuelling facilities provide a “frontier” fuelling option for locations outwith the direct radius of Aberdeen City, providing the means for a wide range of public and private fleets to consider hydrogen vehicles, particularly valuable in building a regional hydrogen network. Building on previous work linked to EU funded Hytrec study, and complementing the Aberdeen Hydrogen Hub, the aim would be to confirm a specification, location and feasibility issues. If proven viable, the aim would be to move to procurement and implementation, as a demonstrator project within the STA funding allocation.

Transport Mobility Hubs are facilities which bring together different sustainable travel options within a specific location, supporting the usage of more sustainable and active travel modes, supported by information and e-charging. Such facilities have been identified as opportunities in national policy. The proposal is to develop different types of hubs in urban, sub-urban and rural contexts, in order to inform wider roll out of the concept. This could be supported by digital travel planning applications (such as Aberdeen City’s GoABZ tool).

- Policy Fit – Hydrogen fuelling facilities fit with regional Hydrogen ambition, and national objectives to decarbonise the road haulage freight and



logistics sector (vans and HGVs). Transport Mobility Hubs aim to provide make sustainable and inclusive travel options more accessible, fitting with national and regional policies. In rural areas, they may support tourism objectives.

- Benefits – Hydrogen re-fuelling facilities in the first instance may enable the early introduction of demonstrator van and HGV vehicles to the area, as there would be a viable re-fuelling network, and many freight trips in the area remain in the north east.
- Delivery Mechanism – Feasibility studies leading to OBC, in conjunction with regional partners.
- Fees/Timescales – £40k, Q2-Q3 FY22/23 for Strategic Business Cases  
£200k Q4 FY22/23 - Q1 FY23/24 for Outline Business Cases

#### 4: Financial and Risk Implications

The agreed funding allocation allocates £560k in the current financial year (FY22/23) and £950k in the following year (FY23/24) for STA work, and which is being sourced from the two Councils' allocations. The anticipated spend profile for the above proposals can be accommodated within this budget and is detailed in **Appendix 1**.

Whilst each proposal is associated with different profiles of risk, given that all are at this stage desktop studies, are relatively low risk activities. Client project management is a medium risk due to ongoing work being undertaken in parallel with the proposed programme. Separate project management support resource will be sourced to mitigate this risk, with an estimated allocation of £45k in FY 22/23, and £80k in FY 23/24.

Procurement risk will be managed through the use of established framework arrangements, and is considered low risk.

Programme slippage is a medium risk, due to the programming risk associated with committee reporting timescales, procurement processes etc, to be mitigated through the resourcing strategy and programme management.

The development and progression of options for the A90(N) will be subject to approvals from Transport Scotland, as this is a Trunk Road. Likewise progression of any identified options for the rail freight terminals will be largely determined by demonstration of viable demand, the rail industry, leaseholders of the site, and interface with the wider ETZ master-planning process.

Implementation funding for regional hydrogen re-fuellers, and transport mobility hubs will depend on outcome of the proposed OBCs, and securing timely UK/Scottish Government support for progression of these projects to the next stage of work.

## Appendix 1 – Finance and Programme

| STA 22/23 Onwards Proposal                           | FY 22/23 (£k) |    |     |     | FY 23/24 (£k)<br><i>Italics = Subject to Business Case</i> |     |     |     | FY 24/25 (£k)<br><i>Italics = Subject to Business Case</i> |      |      |            | FY 25/26 (£k)<br><i>Italics = Subject to Business Case</i> |     |     |    |            |
|--|---------------|----|-----|-----|--|-----|-----|-----|--|------|------|------------|--|-----|-----|----|------------|
|  | Q1            | Q2 | Q3  | Q4  | Q1   | Q2  | Q3  | Q4  | Q1   | Q2   | Q3   | Q4         | Q1   | Q2  | Q3  | Q4 |            |
| 0 Committed  |               |    |     |     |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 0.1 ASAM19 completion                                |               | 25 |     |     |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 0.2 Live Labs scoping commission                     |               | 10 |     |     |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 1 A90(N) / A952 Ellon Peterhead Fraserburgh          |               |    |     |     |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 1.1 Evidence update                                  |               |    |     | 40  |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 1.2 Updated Case for Change                          |               |    |     |     |  |     | 20  |     |  |      |      |            |  |     |     |    |            |
| 1.3 Updated Options Appraisal                        |               |    |     |     | 50   | 50  | 50  | 50  |  |      |      |            |  |     |     |    |            |
| 2 A956 Wellington Road                               |               |    |     |     |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 2.1 Technical work on Hareness, Souterhead etc       |               |    | 50  | 50  | 50   |     |     |     |  |      |      |            |  |     |     |    |            |
| 2.2 Input to External Links OBC                      |               |    |     |     | 20   |     |     |     |  |      |      |            |  |     |     |    |            |
| 3 Rail Freight Terminals                             |               |    |     |     |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 3.1 Future Strategic Options for Rail Freight Growth |               |    | 15  | 15  | 15   |     |     |     |  |      |      |            |  |     |     |    |            |
| 3.2 Options Development                              |               |    |     |     |  | 15  | 15  | 10  |  |      |      |            |  |     |     |    |            |
| 4 ASAM 19 Strategic Tests                            |               |    |     |     |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 4.1 Strategic Tests                                  |               |    | 15  | 15  | 10   |     |     |     |  |      |      |            |  |     |     |    |            |
| 5 Regional Hydrogen Refuellers                       |               |    |     |     |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 5.1 Strategic Business Case                          |               |    | 20  | 20  |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 5.2 Outline Business Case                            |               |    |     |     | 40   | 60  |     |     |  |      |      |            |  |     |     |    |            |
| 5.3 Baseline Monitor                                 |               |    |     |     |  |     | 20  |     |  |      |      |            |  |     |     |    |            |
| 5.4 Full Business Case                               |               |    |     |     |  |     | 50  | 50  |  |      |      |            |  |     |     |    |            |
| 5.5 Implement  |               |    |     |     |  |     |     |     | 1000   | 1000 | 1000 | 20         | 20   | 20  | 20  | 20 |            |
| 5.6 Evaluate   |               |    |     |     |  |     |     |     |  |      |      |            | 50   | 50  |     |    |            |
| 6 Transport Mobility Hubs                            |               |    |     |     |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 6.1 Strategic Business Case                          |               |    | 20  | 20  |  |     |     |     |  |      |      |            |  |     |     |    |            |
| 6.2 Outline Business Case                            |               |    |     |     | 40   | 60  |     |     |  |      |      |            |  |     |     |    |            |
| 6.3 Baseline Monitor                                 |               |    |     |     |  |     | 20  |     |  |      |      |            |  |     |     |    |            |
| 6.4 Full Business Case                               |               |    |     |     |  |     | 50  | 50  |  |      |      |            |  |     |     |    |            |
| 6.5 Implement  |               |    |     |     |  |     |     |     | 250  | 250  | 250  | 10         | 10   | 10  | 10  | 10 |            |
| 6.6 Evaluate   |               |    |     |     |  |     |     |     |  |      |      |            | 50   | 50  |     |    |            |
| 7 Project Management                                 |               |    | 15  | 15  | 15   | 20  | 20  | 20  | 20   | 50   | 50   | 50         | 50   | 40  | 40  | 40 | 34         |
|  |               | 35 | 160 | 175 | 190  | 210 | 225 | 185 | 330  | 1300 | 1300 | 1060       | 80   | 170 | 170 | 70 | 64         |
|  |               |    |     |     | £ 560.00   |     |     |     | £ 950.00   |      |      | £ 3,740.00 |  |     |     |    | £ 474.00   |
|  |               |    |     |     |  |     |     |     |  |      |      |            |  |     |     |    | £ 5,724.00 |

## **Appendix 2 – Summary Presentation of Proposals**

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# Strategic Transport Appraisal

£7m to “scope out the requirements for the next twenty years, building on the completion of the AWPR and other planned investments”. Work to date has facilitated regional strategy, and north-east input to national policy.



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1

## Proposals FY22/23 Onwards

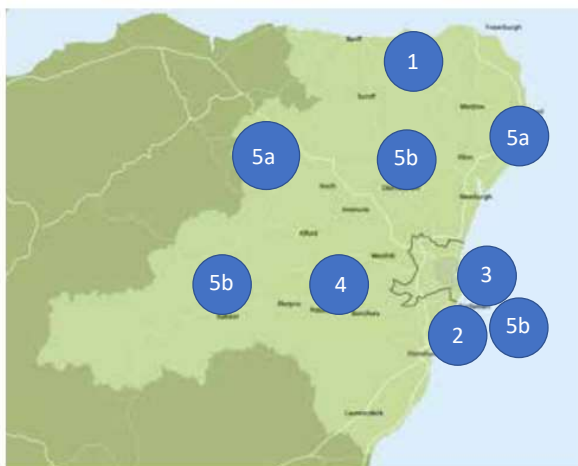


Figure 1 – The Nestrans Region.

1. A90(N) / A952 Ellon to Peterhead & Fraserburgh
2. A952 Wellington Road
3. Craiginches Rail Freight
4. ASAM19 – Strategic Development Pressures
5. Live Lab Demonstrators
  - a. Regional Hydrogen Fuelling Facilities
  - b. Transport Mobility Hubs

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2

## A90/A952 Ellon to Peterhead and Fraserburgh



- **Rationale** Critical linkage north of Ellon to Peterhead and Fraserburgh, with safety and reliability concerns, supports the Green Freeport bid (Aberdeen, Peterhead, St Fergus), and major ports.
- **Proposal** Firstly collate evidence in revised policy context and thereafter update on previous option work.
- **Links** to Green Freeport, Economic Strategy, (Fish, Energy Transition, Regeneration)
- **Benefits** Support decisions to invest in the route, and focus other contributions. Logistical efficiency, opens opportunities for new technologies.

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3

## A956 Wellington Road



- **Rationale** Key corridor facilitating Energy Transition Zone, South Harbour and community linkages
- **Proposal** Requirement to firm up on options for Hareness Roundabout, Souterhead Roundabout.
- **Links** ETZ and Master-planning Exercise, External Links project, and Aberdeen Rapid Transit/Active Travel proposals.
- **Benefits** Outcomes for the junctions could be incorporated into Outline Business Case for External Links Project.
- Design options would consider ETZ master-planning and community connection needs.

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4

## Rail Freight at Craiginches



**Rationale** Key rail freight opportunity site to south of City, part of ETZ masterplan area, adjacent to South Harbour.

**Proposals** Opportunity to determine the growth prospects, and what the implications of these are, to inform ETZ masterplan.

**Links** ETZ masterplan, Green Freeport, national rail freight review, Aberdeen to Central Belt rail project, Wellington Road Corridor work.

**Benefits** Ensure that options for future growth are maintained / facilitated.

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5

## ASAM19 – Strategic Development Pressures & Opportunities



- **Rationale** Previous work identified future network pressures (pre AWPR forecasts). Opportunity to validate and develop post-AWPR, post-Covid
- **Proposals** Targeted testing of future anticipated strategic growth pressures / opportunities to inform the next Local Development Plans.
- **Links** Development Plans, and other strategic growth proposals.
- **Benefits** Tying up of land use decisions and transport measures, facilitating informed “infrastructure first” approach.

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6

## Live Lab Demonstrators – Regional Hydrogen Refuellers



- **Rationale** An expanding network of hydrogen refuellers is key to the region's hydrogen ambition.
- **Proposals** scope up specification, locations, and delivery pathway for “demountable” facilities that enable early adopter van and HGV usage, beyond the radius of Aberdeen.
- **Links** Green Freeport, Regional Hydrogen Ambition, National decarbonisation route map.
- **Benefits** Regional hydrogen refuelling network to facilitate introduction of trials and early adoption of vehicles, particularly the logistics sector.
- **Leads** to implementation, and evaluation, to inform subsequent facilities.

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7

## Live Lab Demonstrators – Transport Mobility Hubs



- **Rationale** Concept to explore different models of transport mobility hubs to see what is most effective in north east context. Seen as being key to enabling a move to decarbonised and integrated transport system.
- **Proposals** develop a variety of hubs across both City and Shire (say 3+3), evaluate, to inform future development. Supported with digital tools such as GoABZ.
- **Links** City Centre Masterplan, Active Travel for Employment Zones, 20min neighbourhood approach, tourism development.
- **Benefits** Inclusive opportunities for communities, tailored to local needs.
- **Leads** to implementation, and evaluation, to inform subsequent facilities.

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

|                       |  |
|-----------------------|--|
| <b>Report Name</b>    | MOU Housing Progress Update                |
| <b>Lead Officer</b>   | David Dunne, Chief Officer, ACC            |
| <b>Report Author</b>  | Mel Booth, Senior Housing Strategy Officer |
| <b>Date of Report</b> | 10 June 2022                               |
| <b>Governance</b>     | City Region Deal Joint Committee           |

|  |                              |
|--|------------------------------|
| <b>1:</b>  | <b>Purpose of the Report</b> |
| <p>To update the Joint Committee on the progress in relation to the housing workstream of the Memorandum of Understanding, which is a Scottish Government commitment to invest a further £254M over the same 10-year period as the City Region Deal.</p> |                              |

|   |                                   |
|---|-----------------------------------|
| <b>2:</b>   | <b>Recommendations for Action</b> |
| <p>It is recommended that the Joint Committee:</p> <ul style="list-style-type: none"> <li>i. Note progress in relation to the Memorandum of Understanding for Housing.</li> </ul> |                                   |

|   |                                   |
|---|-----------------------------------|
| <b>3:</b>   | <b>Summary of Key Information</b> |
| <p><b>3.1 Memorandum of Understanding (MOU)</b></p> <p>The Memorandum of Understanding for the additional investment in relation to housing for the Aberdeen City Region provides:</p> <ul style="list-style-type: none"> <li>1. 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.</li> <li>2. £20m Housing Infrastructure Fund (HIF) to unlock sites that are of strategic importance.</li> </ul> <p>Aberdeen City Region Deal Joint Committee has a governance role in relation to the MOU for Housing. The objective is to ensure that Joint Committee has</p> |                                   |

|  |                                   |
|--|-----------------------------------|
| <b>3:</b>  | <b>Summary of Key Information</b> |
| <p>an overview of the prioritisation, scope of the work and aggregate investment package in order to identify and local challenges and/or deliver additional local opportunities.</p> <p>Joint Committee agreed to receive annual updates in relation to the Housing MOU.</p> <p><b>3.2 Access to HIF</b></p> <p>Joint Committee wrote to the Minister for Local Government, Housing &amp; Planning in December 2020 expressing disappointment with the inability to access the HIF. A response to this letter was received on 05 February 2021 which details the additional funding that has been achieved to support housing delivery plans and states there are no plans to relax the current HIF criteria.</p> <p>The Minister confirmed that given the long-term plans for City Deal delivery in the region, Scottish Government officials will remain engaged with both local authorities to support the delivery of HIF eligible proposals, even if the delivery timescales are beyond March 2021.</p> <p>Both local authorities have had ongoing discussions with the Scottish Government on potential approaches to utilising the £20m Housing Infrastructure Fund.</p> <p>Aberdeen City Council continues to engage with Scottish Government officials in relation to Greenferns and Greenferns Landward which are council owned sites which will deliver new build social housing. The sites are currently going through the Master Planning process and conversations with Scottish Government officials are ongoing.</p> <p>Aberdeenshire Council continues to progress the Mintlaw site. All previously proposed projects have either been funded from another route or are anticipated for delivery later during the next parliamentary term subject to securing appropriate funding.</p> <p><b>3.3 Affordable Housing Supply Grant</b></p> <p>Significant progress has been made in relation to the delivery of affordable housing across the city region with circa £266m having been spent between 2016/17 - 2021/22 which has delivered 3,558 affordable homes.</p> <p>The table below details number of affordable homes delivered from 2016/17 - 2021/22. There are also significant numbers of affordable housing on-site in both local authorities to continue to deliver affordable housing across the city region post 2021/22.</p> |                                   |

| <b>3:</b>             |                | <b>Summary of Key Information</b> |                |                |                |                |
|-----------------------|----------------|-----------------------------------|----------------|----------------|----------------|----------------|
|                       | <b>2016/17</b> | <b>2017/18</b>                    | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> | <b>2021/22</b> |
|                       | Units          | Units                             | Units          | Units          | Units          | Units          |
| Aberdeen City Council | 117            | 367                               | 351            | 401            | 461            | 691            |
| Abshire Council       | 223            | 115                               | 200            | 270            | 153            | 209            |
| <b>Total</b>          | <b>340</b>     | <b>482</b>                        | <b>551</b>     | <b>671</b>     | <b>614</b>     | <b>900</b>     |

£7.9m has been allocated through the HIF loan fund for the site at Grandhome.

| <b>4:</b>  |  | <b>Finance and Risk</b> |
|--|--|-------------------------|
| <ul style="list-style-type: none"> <li>i. 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.</li> <li>ii. 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.</li> <li>iii. There is an economic risk that housebuilding fails to meet the levels required to support the growing economy in the city region.</li> </ul> <p>The ongoing discussions with Scottish Government regarding approval of any potential sites would mitigate some of these risks if the HIF can be utilised.</p> |  |                         |

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## ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

|                       |   |
|-----------------------|---|
| <b>Report Name</b>    | Scottish Government Additional Investment Update – Transport Projects |
| <b>Lead Officer</b>   | Paul Finch  |
| <b>Report Authors</b> | Paul Finch  |
| <b>Date of Report</b> | 17 May 2022   |
| <b>Governance</b>     | Additional Investment Memorandum of Understanding                     |

|   |                              |
|---|------------------------------|
| <b>1:</b>   | <b>Purpose of the Report</b> |
| <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. Transport Scotland's update report is provided as an <b>Appendix</b> to this cover report.</p> |                              |

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

|  |                                   |
|--|-----------------------------------|
| <b>3:</b>  | <b>Summary of Key Information</b> |
| <p><b><u>Governance</u></b><br/>         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"> <li>• <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></li> <li>• <i>£24 million of funding for the trunk roads programme to support improvements to the key A90/A937 south junction at Laurencekirk</i></li> </ul> <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> |                                   |

|  |  |
|--|--|
| <b>3:</b>  | <b>Summary of Key Information</b>      |
| <p>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/June and November joint committees).</p> <p>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 25 April 2022. For the Laurencekirk project, the last meeting was held late 2021.</p> <p>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.</p> <p><b>A90/A937 Laurencekirk Junction Improvement Scheme</b><br/> The <b>Appendix</b> sets out the progress update provided by Transport Scotland.</p> <p>The most recent stakeholder group meetings have focussed on outcomes of the design consultant's assessment of options around Oatyhill Bridge, and subsequent consideration by Transport Scotland.</p> <p><b>Aberdeen to Central Belt Rail Improvements</b><br/> The <b>Appendix</b> sets out the progress update provided by Transport Scotland. The most recent discussion have focussed on option assessment and business case development.</p> |  |
| <b>4:</b>  | <b>Financial and Risk Implications</b> |
| <p>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.</p> <p>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.</p> <p>With respect to Aberdeen to Central Belt project, officers will continue to work with Network Rail and Transport Scotland on the progression of the project, and the delivery of regional benefits.</p>  |  |

# ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

|                       |  |
|-----------------------|--|
| <b>Report Name</b>    | Scottish Government Additional Investment Update |
| <b>Lead Officer</b>   | Amy Phillips                                     |
| <b>Report Authors</b> | Colin McCallum and Darius Astell                 |
| <b>Date of Report</b> | 14 May 2022                                      |
| <b>Governance</b>     | Additional Investment Minute Of Understanding    |

## 1: Purpose of the Report

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.

## 2: Recommendations for Action

To note the update in the report.

## 3: Summary of Key Information

### **A90/A937 Laurencekirk Junction Improvement Scheme**

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).

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.

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

### 3: Summary of Key Information

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. Transport Scotland continues to work with objectors to the scheme, including Aberdeenshire Council, to try and resolve concerns where possible. To date these negotiations have resulted in the successful withdrawal of one landowner's objection. Should we be unsuccessful in removing all objections, a public local inquiry may be required. As with all trunk road projects this is the appropriate forum for considering objections received and not withdrawn.

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

The notification by Aberdeenshire Council in May 2021 to move away from a planned demolition of the existing bridge in late 2021 to instead provide further stabilisation works to retain the bridge in the short/medium term and maintain a walking / cycle link has had an effect on the assessment process to identify an access solution to Oatyhill. Completion of the assessment and recommendation of a preferred option is being progressed as a priority.

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.

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. Regular consultation with the group has been maintained throughout the scheme development, with the last meeting held on 07 December 2021. Further consultation will be conducted as part of the statutory process.

#### **Aberdeen to Central Belt Rail Investment**

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

It is worth noting up front that this entire funding will be devoted exclusively to signalling and infrastructure enhancements on this project.



### 3: Summary of Key Information

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. The most recent meeting of the Group took place on 25 April 2022, where Network Rail (NR) and Transport Scotland (TS) updated the key stakeholders on project progress and on progress with the Outline Business Case (OBC).

The option selection process has concluded, with the package of enhancements identified by the project team for taking forward being currently being reviewed by NR's operations team for Scotland. The package comprises signal enhancements, improvements to station approaches and specific capacity alterations to facilitate the mixed operation of faster and slower trains on the same route. Details were shared with the Key Stakeholders on 25 April and can be shared with the Committee on 10 June.

Network Rail and its partner Siemens, who are delivering the project jointly, have been continuing to work closely with Atkins, which is completing the OBC.

The OBC sets out the context of this project, as part of a comprehensive programme of improvements for the Aberdeen to Central Belt railway which, by 2030, will also see gauge enhancements to enable wider and longer freight trains and decarbonisation of the line, most likely via full electrification.

Indicative planning work continues to provide assurance that the enhancements provided by the City Region Deal project are deliverable for the December 2026 timetable change date.

Delivering this project as part of a wider programme enables efficiencies, not only in terms of costs but also by means of minimising, and making full use of, line possessions, when it is necessary to close the line to passenger and freight traffic. Signalling enhancements for this project will be undertaken in a manner that facilitates the efficient decarbonisation of the line by 2030. The budget and outputs of the City Region Deal project continue, however, to be strictly ring-fenced, and the funding will only be used to deliver the core outputs and scope.

We would continue to encourage you to continue to raise any queries through your representative on the Key Stakeholder Group. The next meeting will be held on 28 July 2022.

We remain willing to attend future Joint Committee Meetings to provide members with the opportunity to ask any questions they may have.

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