

Public Document Pack

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

To: Councillor Alex Nicoll, Chairperson; Councillor Anne Stirling; Vice Chairperson; Councillor Miranda Radley (ACC), Councillor Ian Yuill (ACC), Councillor Mark Findlater (Aberdeenshire Council), Councillor Gwyneth Petrie (Aberdeenshire Council), Professor George Boyne (ONE), Ms Jennifer Craw (ONE) and Sir Ian Wood (ONE).

Aberdeen City Council Substitute Members:- Councillors Ryan Houghton, Sandra Macdonald and Alexander McLellan.

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

ONE Substitute Members:- Stanley Morrice, Professor Steven Olivier and 1 vacancy to be confirmed.

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

Town House,
ABERDEEN, 11 November 2022

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

The Members of the **ABERDEEN CITY REGION DEAL JOINT COMMITTEE** are requested to meet remotely on Teams on **FRIDAY, 18 NOVEMBER 2022 at 9.30 am.**

VIKKI CUTHBERT
INTERIM CHIEF OFFICER - GOVERNANCE

The meetings will be recorded and thereafter published on the Council's website [here](#).

B U S I N E S S

- 1 Welcome and Apologies
- 2 Determination of Urgent Business (If any)
- 3 Determination of Exempt Business
- 4 Declarations of Interest/Transparency Statements

Members are required to intimate any Declarations of Interest or Transparency Statements in respect of the items on today's agenda.

- 5 Minute of Previous Meeting of 7 October 2022, for Approval (Pages 3 - 6)
- 6 Aberdeen City Region Deal Quarterly Programme Update (Pages 7 - 28)
- 7 Scottish Government Additional Investment Update – Transport Projects (Pages 29 - 34)

- 8 Digital Gap Analysis Business Case (Pages 35 - 44)

Please note that there is an exempt appendix relating to this report contained within the Exempt/Confidential Business section of this agenda below.

- 9 Net Zero Technology Centre Goals and the Launch of Technology Services Group (Pages 45 - 48)

Please note that there is an exempt appendix relating to this report contained within the Exempt/Confidential Business Section of this agenda below.

EXEMPT/CONFIDENTIAL BUSINESS

- 10 Digital Gap Analysis Business Case - Exempt Appendix (Pages 49 - 150)

- 11 Net Zero Technology Centre Goals and the Launch of Technology Services Group - Exempt Appendix (Pages 151 - 156)

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

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ABERDEEN, 7 October 2022. Minute of Meeting of the ABERDEEN CITY REGION DEAL JOINT COMMITTEE. Present:- Councillor Alex Nicoll, Chairperson; Councillor Anne Stirling, Vice-Chairperson; Councillors Miranda Radley and Ian Yuill (Aberdeen City Council), Mark Findlater and Gwyneth Petrie (Aberdeenshire Council); and Ms Jennifer Crow and Sir Ian Wood (Opportunity North East).

In Attendance: Richard Sweetnam, John Wilson, Julie Richards-Wood, Graham Chandler, Alan McKay, Aigul Gray, Councillor Sandra Macdonald, Councillor Kairen van Sweeden and Mark Masson (Aberdeen City Council); Councillor John Cox, Alan Wood, Mary Beattie and Paul Macari (Aberdeenshire Council); Rab Dickson (NESTRANS).

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

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

WELCOME AND APOLOGIES

1. The Chairperson welcomed everyone to the meeting of the Joint Committee.

The Clerk advised that apologies for absence had been submitted by Professor George Boyne, Stanley Morrice and Professor Steve Olivier.

DETERMINATION OF EXEMPT BUSINESS

2. The Chairperson proposed that the Joint Committee consider item 4.1 (Seedpod Change Request), with the press and public excluded from the meeting.

The Committee resolved:-

in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the above item so as to avoid disclosure of information of the classes described in the following paragraph of Schedule 7(A) to the Act:- article 8 (paragraphs 6).

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

3. Sir Ian Wood intimated that he and Jennifer Crow had a connection to item 3.3 (SeedPod Change Request) and 4.1 (SeedPod Change Request – Exempt Appendix)

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and any issue affecting Opportunity North East (ONE), in particular matters relating to the Food Hub and BioAberdeen and the new Energy Transition Zone (ETZ), which may arise during this meeting, by virtue of them being Board Members of ONE, BioAberdeen Ltd, Food Hub (NES) Ltd and ETZ. However, having applied the objective test they did not consider that they had an interest to declare and would not be withdrawing from the meeting. This was because in practice, funding was allocated by agreement with government and in line with the tripartite agreement.

The Chairperson and Councillor Radley advised that they had a connection to item 3.2 (External Transportation Links to Aberdeen South Harbour – Progress Update) by virtue of them being Ward members for the area to which it related to, however, having applied the objective test they did not consider that they had an interest to declare and would not be withdrawing from the meeting.

MINUTE OF PREVIOUS MEETING OF 10 JUNE 2022, FOR APPROVAL

4. The Joint Committee had before it the minute of its previous meeting of 10 June 2022, for approval.

The Joint Committee resolved:-

to approve the minute.

ABERDEEN CITY REGION DEAL QUARTERLY PROGRESS UPDATE

5. With reference to article 6 of the minute of the previous meeting of 10 June 2022, the Joint Committee had before it a report which provided an update in relation to programme milestones, benefits, finance and risk.

The report recommended:-

that the Joint Committee notes the content of the Progress Report and Appendix 1.

Jennifer Craw, provided an update on the Bio-Therapeutics Hub project, including the progress of external and internal building works and the programme for engagement with stakeholders. It was noted that a site visit would be arranged prior to the opening date in Spring 2023.

Paul Macari provided information in relation to the Digital Infrastructure Business Case Gap Analysis, noting that the full Business Case would be submitted to the next meeting of the Joint Committee in November 2022 outlining recommendations on how Aberdeen City Region Deal funding could be used.

Rab Dickson, Nestrans Director provided an update in relation to the £200m Rail Project, noting that Transport Scotland had clarified the position in terms of a recent press

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comment which made reference to a possible delay in in the project, however he intimated that that there would not be an impact on the 2026 implementation/delivery timescales.

The Joint Committee resolved:-

- (i) to note that any significant details provided at the forthcoming Regional Transport Partnership Board meeting would be included within the report on the Rail Project to be submitted to the next meeting of the Joint Committee; and
- (ii) to otherwise approve the recommendation contained within the report.

EXTERNAL TRANSPORTATION LINKS TO ABERDEEN SOUTH HARBOUR – PROGRESS UPDATE

6. With reference to article 5 of the minute of the previous meeting of 10 June 2022, the Joint Committee had before it a report which provided an update on the External Transportation Links to Aberdeen South Harbour project, detailing the current progress and programme scenarios.

The report recommended:-

that the Joint Committee –

- (a) instruct the Chief Officer - Capital, Aberdeen City Council, to progress the South Harbour Link Road in line with the “best-case” programme which delivers road opening within Quarter 2, 2026 by starting all processes at the earliest available opportunity;
- (b) note the risk for the wider project programme to extend beyond the timescales of the Aberdeen City Region Deal and instruct the Chief Officer - Capital, Aberdeen City Council, to maintain dialogue on this matter with Transport Scotland/Scottish Government and UK Government as a standing item on the Transportation Working Group; and
- (c) instruct the Chief Officer - Capital, Aberdeen City Council, to review project milestones and spend profile on this basis and submit a Change Request as necessary.

The Joint Committee heard from Alan McKay, Team Leader, Roads Projects, Aberdeen City Council and John Wilson, Chief Officer – Capital, Aberdeen City Council who provided a summary of the report and responded to questions from members regarding the risks of delay, land assembly and the next phases of the project.

In terms of the final route alignment timescale, it was noted that completion of Design Manual for Roads and Bridges Stages 2 and 3 and the Outline Business Case for Aberdeen South Harbour Link Road would be around September/October 2023, based on a best-case scenario.

The Joint Committee resolved:-

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- (i) to approve the recommendations contained within the report; and
- (ii) to note that the Chief Officer – Capital, Aberdeen City Council would circulate a briefing note to members outlining the process of local authority new road design and project development, including details around the mitigation of risks.

SEEDPOD CHANGE REQUEST

7. With reference to article 6 of the minute of the previous meeting of 10 June 2022, the Committee had before it a report which outlined changes between the original SeedPod business case, approved in 2019, and the revised Business Case which incorporated the additional costs identified to deliver the SeedPod construction project under current market conditions. It also provided details of additional opportunities and benefits responding to the acceleration of a transition to Net Zero.

The report recommended:-

that the Joint Committee approve the change request (Appendix A - Exempt) subject to the additional funding being realised.

The Joint Committee heard Jennifer Crow provide an overview of the report and explained the reasons why the change request was required.

The Joint Committee resolved:-

to approve the recommendation contained within the report.

In accordance with Article 2 of this minute, the following item was considered with the press and public excluded.

SEEDPOD CHANGE REQUEST - EXEMPT APPENDIX

8. The Joint Committee had before it an exempt appendix relating to the Seedpod Change Request report, (Article 7 of this minute refers).

The Committee heard from Jennifer Crow in relation to financial aspects and construction costs for the project.

The Joint Committee resolved:-

to approve the revised timeline and change request.

- **COUNCILLOR ALEX NICOLL, Chairperson.**

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Report Name	Aberdeen City Region Deal Quarterly Progress Update
Lead Officers	Richard Sweetnam, Chief Officer, Aberdeen City Council & Mary Beattie, Section 95 Officer, Aberdeenshire Council
Report Authors	Julie Richards-Wood, Service Manager, Aberdeen City Council & John Lovie, Finance Accountant, Aberdeenshire Council
Date of Report	18th November 2022
Governance	City Region Deal Joint Committee

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 Programme Update and Appendix 1

2.2 Approves the Committee Dates for 2023/2024 as 12th May; 8th September; 17th November and 9th February 2024

3. Programme Update

3.1 Check-Point Reviews

3.1.1 In October Government officials from UK and Scottish Government visited several ACRD projects as part of their scheduled eighteen-month Checkpoint Review. The discussion at the NZTC Review focussed on the success of exceeding targets, the launch of the Technology Services Group as well as plans for sustainability post Deal. On BioHub and SeedPod, the discussion focussed on sharing best practice including the Community benefits being delivered during the BioHub construction and the planned activities in the updated SeedPod Business Case. Government officials were interested in the alignment of both projects to wider sectoral activity and how challenges for two major construction projects were overcome. The Digital Checkpoint

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acknowledged the achievements to date, the Digital Gap Analysis Report, and the proposed recommendations within the draft Business Case.

3.2 Just Transition Fund

3.2.1 The Net Zero Technology Centre (NZTC) received £2.12million from Scottish Government's Just Transition Fund (JTF) to support delivery of its Hydrogen Offshore Production Project (HOP2). The HOP2 project will be delivered over four years to accelerate Scotland's decarbonisation goals and contribute towards hydrogen production, distribution, and export.

3.2.2 SeedPod welcomed an announcement of £3.1 million of capital funding over two years from Scottish Government investment via the Just Transition Fund. This investment will accelerate economic diversification in the region and supports the sector's ambition to create green jobs.

3.3 Governance

3.3.1 The Programme Management Office circulated to regional partners the proposed above dates for Joint Committee in-line with the reporting process outlined in the Grant Offer Letter. The preferred dates are 12th May; 8th September; 17th November and 9th February 2024.

3.3.2 The Annual Conversation between the UK/SG and Regional Partners is planned for 12 December 2022. In line with Grant Offer Letter, the purpose of the Annual Conversation to present an opportunity to celebrate success and progress on the deal to date, to reflect on and work through any challenges, and to discuss short-, medium- and long-term ambitions for the deal going forward.

3.4 Benefits

3.4.1 Deal partners have been working with EKOS to produce an ACRD Benefits Realisation Plan which is currently with partners for a final review. The Benefits Realisation Plan will be aligned to the new Regional Economic Strategy and presented to both governments and Joint Committee.

3.4.2 Projects will continue to update on Benefits agreed at Business Case and Community Benefits at Procurement Stage through the Annual Report. The Communications group will continue to work with projects to highlight major milestones and benefits through coverage in the media.

3.4.3 Media coverage can be viewed at www.abzdeal.com and includes the following coverage from the last quarter:

- NZTC – Technology Leadership Board - North Sea Transition report
- Net Zero Technology Centre has awarded £8 million to net zero technologies with an additional estimate of £12m Industry Contribution, as part of its 2022 open innovation programme
- Neos Networks enables Aberdeen's smart city ambitions
- NZTC awarded £2.12million from Just Transition Fund to demonstrate feasibility

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- The SeedPod centre of excellence for food and drink manufacturing will receive £3.1 million from Just Transition Fund repurposing existing assets to produce green hydrogen
- NZTC launched its Technology Services announcement press release
- Aberdeen's £400 million port expansion nears completion. The article highlights the handover from construction to operations for Dunnottar, Crathes and Castlegate (East) Quays.
- A report to be published by the Net Zero Technology Centre identifies global innovation priorities across traditional hydrocarbon basins, including blue and green hydrogen, offshore wind, oil and gas electrification, carbon capture and storage, and digital transformation technologies to achieve the Paris Agreement emissions targets and create integrated net zero energy systems.
- In October, NZTC were joined by Chris Stark, CEO of the UK Climate Change Committee (CCC) in their latest *Transition Talks Podcast* to discuss the actions required to deliver net zero.

3.5 Finances

- 3.5.1** The funding mechanisms of the Aberdeen City Region Deal are centrally managed by Aberdeenshire Council Finance Service, with support from the PMO and oversight by the Programme Board. The membership of the Programme Board includes Aberdeenshire Council's 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 Aberdeen City Council Section 95 Officer).
- 3.5.2** Actual expenditure for Q2 2022-23 is £57.595m. Estimated actuals have been included for BioHub and SeedPod and these will be updated when reporting Q2 to Joint Committee. Forecast expenditure for the financial year is £141.376m, compared to the budget £142.029m a variance of £0.653m outlined in 3.3.4 - Table 2.

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3.5.3 Digital Theme Finance Summary:

Table 1 shows a summary of the Digital Theme financial position at Q2 2022-23 by individual project.

Table 1: ACRD – Q2 2022/23 – DIGITAL THEME FINANCE BY PROGRAMME						
Digital Programme	Funding Source	Budget	Q2 Actual Expenditure	Forecast for year	Variance	Variance Notes/ Additional Comments
		£,000	£,000	£,000	£,000	
Duct Network	UKG/SG	609	148	609	0	
	Partners	1,000	0	391	(609)	Restrictions on the roads network means it is prudent to commence works later in Q3 reducing the forecast for the year.
Full Fibre	UKG/SG	0	0	0	0	
	Partners	250	179	317	67	Milestone Payment Winter 2022 for additional site.
City Network Ext.	Partners	12,667	7,000	12,667	0	This project connected 57 public sector sites and was completed in November 2021. However, City Fibre have continued with their commercial roll out in the city with a further £19m of Private Investment over next two years. £7m has been invested this quarter.
Others	Councils	155	87	155	0	Staff resource costs to support the Digital programme.
Total		14,681	7,414	14,139	(542)	

Summary				
UKG/SG	609	148	609	0
Partners	14,072	7,266	13,530	(542)
Total	14,681	7,414	14,139	(542)

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3.5.4 Table 2: Actual expenditure at Q2 2022/23 amounts to £57.595m

Table 2: ACRD						
Programme	Funding Source	Budget	Q2 Actual Expenditure	Forecast for Year	Variance	Variance Notes
		£,000	£,000	£,000	£,000	
Net Zero Technology Centre	UKG/SG	23,400	8,600	23,400	0	
	Partners	45,732	17,470	42,398	(3,334)	Timing of R&D project activity has been reprofiled between 2022/23 and 2023/24.
BioHub	UKG/SG	7,554	4,784	7,554	0	
	Partners	3,299	325	1,457	(1,842)	Reflects the later handover of BioHub. Partner spend includes significant fit out by new tenants on the upper floors in BioHub which will not now get underway until 2023/24; start up support from ONE and others also moves into next year, ONE's contribution towards initial operating costs which is now required for a shorter time period in 2022/23. The expenditure budgeted for an investment fund and for specialist equipment will also not be secured until BioHub is open.
SeedPod	UKG/SG	2,651	51	51	(2,600)	A rephasing of ACRD funding is required to reflect the contract award date towards the end of Q4 2022/23 and to accommodate other fundings scheduled for receipt in 2022/23.
	Partners	1,772	720	2,305	533	This increase reflects the additional Just Transition funding which will be required in the year.
Digital	UKG/SG	609	148	609	0	
	Partners	14,072	7,266	13,530	(542)	Restrictions on the roads network means it is prudent to commence Duct Network works later in Q3 reducing the forecast for the year. A milestone payment also forecast for an additional Full Fibre site in Winter 2022.
Strategic Transport Appraisal	UKG/SG	0	0	0	0	
	Partners	560	32	400	(160)	Resources anticipated to develop the A90(N)/A952 project during the summer period were not realised which means re-profiling the main work to 2023-24 and 2024-25.
Transport Links	UKG/SG	760	48	552	(208)	Budget was enhanced to reflect Change Request requirement. However, variance reflected due to delay in receipt of Inception Report/Approved Programme.
	Partners	0	0	0	0	
Aberdeen Harbour Expansion	UKG/SG	0	0	0	0	
	Partners	41,620	18,151	49,120	7,500	West Quay has been added back into the project with successful negotiation of further funds from the Scottish National Investment Bank
Total		142,029	57,595	141,376	(653)	

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3.5.5 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 £1.014bn from £826.200m primarily because of additional investment from the Private Sector alongside an additional £11.7m contribution to the Harbour project from Scottish Enterprise (SE) that was announced in 2017 and a further £2m contribution from SE to the Bio Hub project.

Table 3: ACRD

PROGRAMME		Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Grand
Project	Funding Source	16/17 £,000	17/18 £,000	18/19 £,000	19/20 £,000	20/21 £,000	21/22 £,000	22/23 £,000	23/24 £,000	24/25 £,000	25/26 £,000	Total £,000
Net Zero Technology Centre	UK/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	24,710	42,398	41,625	21,694	12,954	246,238
BioHub	UK/SG	0	0	318	723	1,685	9,720	7,554	0	0	0	20,000
	Partners	101	157	532	460	281	2,374	1,457	4,237	3,288	2,735	15,622
Seedpod	UK/SG	0	0	0	111	376	393	51	9,069	0	0	10,000
	Partners	13	21	53	469	424	1,350	2,305	6,977	1,471	1,476	14,559
Digital Theme	UK/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	13,530	7,227	0	2,058	66,230
Strategic Transport Appraisal	UK/SG	0	195	177	394	185	145	0	0	1,604	2,300	5,000
	Partners	180	0	0	0	0	0	400	870	550	0	2,000
Transport Links to Aberdeen South Harbour	UK/SG	0	28	128	139	106	70	552	655	8,293	15,029	25,000
	Partners	0	0	0	0	0	0	0	0	0	0	0
Aberdeen Harbour Expansion	UK/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	49,120	0	0	0	419,873
Total		20,883	73,790	144,180	134,852	136,265	169,889	141,376	94,672	51,800	46,815	1,014,522

Summary Current Profile

Funding Source	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	Total
UK/SG	4,100	12,423	18,268	26,824	33,194	36,834	32,166	33,865	24,797	27,529	250,000
Partners	16,783	61,367	125,912	108,028	103,071	133,055	109,210	60,807	27,003	19,286	764,522
Summary Total	20,883	73,790	144,180	134,852	136,265	169,889	141,376	94,672	51,800	46,815	1,014,522

Original Deal Profile

Funding Source	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	Total
UK/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

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Summary Total	56,570	116,195	210,435	156,350	75,450	61,800	49,400	42,500	34,200	23,300	826,200
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Original Deal Profile compared to Current Profile											
Funding Source	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	Total
UK/SG	(400)	(10,827)	(17,682)	(15,926)	(4,756)	1,934	7,866	13,565	9,397	16,829	0
Partners	(35,287)	(31,578)	(48,573)	(5,572)	65,571	106,155	84,110	38,607	8,203	6,686	188,322
Summary Total	(35,687)	(42,405)	(66,255)	(21,498)	60,815	108,089	91,976	52,172	17,600	23,515	188,322

4. Finance and Risk

- 4.1 The Tripartite financial agreement offers grant funding between 2016-2027. Until the remaining Business Cases and associated timelines are finalised and agreed there is a risk that funding will be required post Deal. Partners will begin exploring options with government on how this risk can be mitigated.
- 4.2 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.
- 4.3 Increased costs, reflecting the current economic position are being monitored and discussed with Regional Partners, UK, and Scottish Governments.
- 4.4 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."

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Appendix 1: Project Update

1.1 Net Zero Technology Centre

- 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 and October 2022 – targets were met or exceeded. June 2021, NZTC name change and pivot endorsed by Joint Committee and UK/SG.
- 1.1.2 **Previous Milestone:** NZTC Check point Review October 2022
Next Milestone: Launch of National Subsea Centre 11th January 2023
- 1.1.3 NetZero 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 331 to 334.
- 1.1.4 The Open Innovation Programme has announced 20 winners and awarded £8 million funding across 20 game changing net zero technologies. The funding competition this year focused on developing and deploying technologies that will reduce offshore emissions, accelerate clean energy production, and enable delivery of the UK's net zero ambitions.
- 1.1.5 In October 2022, NZTC announced the launch of the Technology Services group. Technology Services will offer consultancy services utilising the Solution Centre technical experts and will develop a portfolio of solutions / tools to deliver differentiating high value services to industry in transition, capitalising on NZTC knowledge and relationships. The overall objective of Technology Services is to support high carbon emitting industries to accelerate to net zero by better understanding the potential routes and solutions available to them and the associated costs.
- 1.1.6 **Finance:** Actual expenditure for Q2, including matched funding, amounts to £26.070m, of which £8.6m is funded by UKG/SG and £17.47m is funded from Partners. Partner funded R&D projects estimated at £3.334m have been refiled across 2022/23 and 2023/24.



Net Zero Technology Centre

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Appendix 1: Project Update

1.2 BioHub

- 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. Checkpoint review with UK/SG in January 2020 and October 2022.
- 1.2.2 **Previous Milestone:** Water connection completed in September 2022
Next Milestone: Handover of building – Q4 2022/23
- 1.2.3 The Bio-therapeutics Hub for Innovation (BioHub) 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. The BioHub website can be viewed at www.biohubaberdeen.com
- 1.2.4 Life Science company engagement continues with increasing attendance at face-to-face events. Participants in the accelerator programme continue to receive expert support.
- 1.2.5 Progress from the last quarter includes:
- Final cladding elements to be completed this month
 - Scottish water connection completed and results of water testing imminent
 - M&E commissioning commenced mid-October
 - Building finishes underway (inc. doors, glazed screens, decoration, ceiling and floor installation)
 - Entrance atrium and toilet fitout underway
 - Building services final fix ongoing
 - Road entrance setting out complete; car park setting and site level preparation underway.
- 1.2.6 Scottish Water completed the connection to BioHub in September, a two-month delay, resulting in the handover date moving to early 2023.
- 1.2.7 The next phase is the completion of the building services, hard landscaping and the sample lab fitout, and commencement of the commissioning.
- 1.2.8 **Finance:** £5.109m of actual expenditure at Q2, £4.784m funded from UKG/SG and £0.325m funded from Partners. Table 2 provides detail on the slippage of £1.824m of Partner funded expenditure compared to original budget of £3.299m.

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Appendix 1: Project Update



Caption: October 2022. BioHub external



Caption: October 2022. BioHub internal

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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; the UK/SG January 2019 an updated Business Case was approved by JC and UK/SG last quarter. Successful Checkpoint review took place in January 2020 and October 2022.
- 1.3.2 **Previous Milestone:** Updated Business Case approved last quarter.
Next Milestone: Finalise grant offers from new funders; receive and review contracts.
- 1.3.3 The Food Hub (SeedPod) is a £25 million investment project over ten years to accelerate the 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 at [SeedPod | ONE \(opportunitynortheast.com\)](https://www.opportunitynortheast.com/seedpod-one)
- 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 updated Business case outlines the additional opportunities around high value manufacturing, automation and decarbonisation given the demands on industry in current economic climate and environment. The final construction contract will be awarded towards the end of Q4 2022/23.
- 1.3.5 **Finance:** £0.771m of actual expenditure at Q2, £0.051m funded from UKG/SG and £0.72m funded from Partners. Table 2 provides detail on the slippage of £2.6m of UKG/SG funded expenditure and the increased forecast in Partner funded spend of £0.533m.



Caption: SeedPod is a £25 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. Original contract network build completed March 2022. Successful Checkpoint reviews with UK/SG took place in 2019, 2020 and October 2022.
- 1.4.2 **Previous Milestone:** Milestone Payment May 2022 for final site from contract
Next Milestone: Milestone Payment Winter 2022 for new additional site
- 1.4.3 The final segment from the original contract is connected. One additional site – a new school, currently in construction, was added. Construction works to be completed in November ahead of schedule and school handover is now scheduled for early 2023.
- 1.4.4 This project has provided significant community benefits. 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 been community outreach activities including five facilitated professional courses for the programme team to upskill the workforce, and one hundred hours of staff time collaborating 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 Full Fibre project won the Go Awards Social Value Category in April 2022. Project success in the procurement demonstrates robust and progressive approaches to fair work practices.
- 1.4.6 **Finance:** Table 1 provides a note on the forecast increase of £0.067m on Partners original budget of £0.25m for the year. Actual expenditure at Q2 amounts to £0.179m.



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 Duct Network Extension Business Case with UK/SG approval following in January 2019. A Phase 2 was approved in December 2020 and Phase 3 approved in February 2022. Successful checkpoint reviews with UK/SG took place in 2019, 2020 and October 2022.
- 1.5.2 **Previous Milestone:** Phase 1 **100%** Complete September 2022
Next Milestone: Phase 2 **100%** Complete February 2023; Phase 3 construction starts end of October 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 use 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 have made significant progress, Phase 1 completed in September 2022 and Phase 2 is due to complete in February 2023 once works on the Queen Elizabeth bridge are completed. This is delayed due to roadworks on Bridge of Dee/ King George bridge works.
- 1.5.5 Phase 3 construction commenced late October 2022 at the Holburn Street/Holburn Road junction.
- 1.5.6 **Finance:** Actual expenditure at Q2 amounts to £0.148m, funded by UKG/SG. Table 1 provides further information on underspend forecast of £0.609m compared to original Partners budget.

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 Nov 2020. Checkpoint review with UK/SG in October 2022.
- 1.6.2 **Previous Milestone:** Joint Committee gave approval for officers to drive demand stimulation and aggregation activities February 2021
Next Milestone: Business case to be considered at Joint Committee in November 2022
- 1.6.3 Since establishing in November 2021, the Digital Engagement Team has established itself as a useful resource for residents, businesses and communities, in navigating the processes for better digital connectivity. Successfully promoting and stimulating the Reaching 100% (R100) programme, the Digital Engagement Team has engaged with 1,176 premises (as of 10/11/22), and helped residents utilise available support, such as the Scottish Broadband Voucher Scheme, to gain better broadband solutions. Through this work, the Aberdeen City Region (Aberdeen City & Aberdeenshire) has the highest number of Scottish Broadband Vouchers used in Scotland, with 690 vouchers utilised to date which is over 30% of all the vouchers used in Scotland. Equally, Voucher uptake is at 9.6% in Aberdeenshire, massively above the national average of 3.2%.
- 1.6.4 Through pro-active community engagement, social media usage, and close working with local and national telecoms operators, the Digital Engagement Team has generated awareness and understanding of the different support mechanisms available. Additionally, as a public-facing team, the Digital Engagement Team are actively supporting residents, businesses and communities on both individual and wider community levels, to ensure the best support is given to everyone, in improving digital connectivity in the region.”
- 1.6.5 The Digital Business Case proposal to be presented to ACRD Joint Committee has four recommendations on how Deal and MOU funding can be used to build on the infrastructure and coverage we now have in place. The first option is to maximise fibre opportunities at pace in the areas in the region identified with very low/ or no coverage. Work is on-going to agree with governments a suitable model within the financial agreements and could include the provision of loans to telecommunications operators to stimulate investment in full fibre infrastructure in the Region. This will leverage additional commercial investment and accelerate and increase the availability of full fibre over and above that provided by existing planned commercial investments and public sector interventions such as R100. It is recommended that officers continue to work on an agreement with governments to accelerate coverage to these areas and report back to committee.
- 1.6.6 The second option is the provision of investment to Port of Aberdeen to procure a private 5G infrastructure in the new Aberdeen South Port to increase productivity and reduce operational costs, making Aberdeen comparable with leading ports across the world. Initial discussions with Peterhead Port on their ambitions for 5G are in progress, with the opportunity to explore 5G provision in the future learning from the roll out of 5G at the Port of Aberdeen.

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- 1.6.7 The third option is an investment in 5G infrastructure to ScotEID/SAOS (www.scoteid.com) to facilitate the delivery of industry leading Agri-tech applications and services and environmental monitoring in rural Aberdeenshire using Huntly as an initial area.
- 1.6.8 The fourth option is to fund a mobile 'pop up' network in the region to enable companies to test applications in a real-life environment. A test-bed for 5G has been established in Aberdeen to help businesses explore the potential applications of next generation mobile connectivity. Scotland 5G Centre and Opportunity North East (ONE) are collaborating to drive the adoption of 5G in key sectors of the economy – including energy, utilities, ports and logistics.

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 the 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). CityFibre recently announced plans worth a further £19million to connect more premises in the City. Successful checkpoint reviews with UK/SG took place in 2019, 2020 and October 2022.

In November 2021, the 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 750Km Network build
- There were eighty-five 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 innovative 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.

Appendix 1: Project Update

1.8 Strategic Transport Appraisal

- 1.8.1 **Key Milestones achieved:** The Strategic Transport Appraisal Business Case Approval by Joint Committee, Aberdeenshire Committee and UK/SG in November 2017. Checkpoint Reviews with UK/SG November 2019 and March 2021. Report to Joint Committee on Updated Strategic Business Case May 2021.
- 1.8.2 **Previous Milestone:** Approval of proposals for a programme of development work for the Strategic Transport Appraisal
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 Joint Committee in May 2021 and were updated at the June 2022 Committee to reflect progression of work. These were identified and developed by mapping proposals coming out of the Regional Transport Strategy to the key opportunities where City Region Deal (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 A90(N) Corridor, building on draft outcomes of Transport Scotland's Strategic Transport Projects Review 2 (STPR2), and on the work previously done for Nestrans which considered junction upgrades to the Ellon by-pass, Toll of Birness junction and other associated safety and reliability measures.
 - 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.
 - Future demand and options study for Rail Freight, linked to facilities adjacent to Aberdeen South Harbour.
 - "Live-Lab" demonstration projects, addressing:
 - Transport Mobility Hubs – City, Suburban and Rural Small Town;
 - Alternative Fuelling Hubs;
- 1.8.6 Progress in this month continues with Aberdeen Sub-Area Model (ASAM) modelling report and application, "live labs" report, rail terminals tender, scoping of work for A90(N)/A952 and A956.

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- 1.8.7 Outlook for the next month is audit for ASAM and commencing work on business cases as presented at June committee, including rail terminals commission.
- 1.8.8 **Finance:** Actual expenditure at Q2 amounts to £0.032m. Forecast for the year shows an underspend of £0.16m compared to Partners budget. 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:** Completion of North, East & South East Quay construction August 2022; More than 60% of Port of Aberdeen's South Harbour development is now operational
Next Milestone: Castlegate (West) is scheduled to open in December 2022 and the remaining Balmoral Quay will be brought into service in Q2 2023
- 1.9.3 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.
A link to 2022/23 Annual Report can be viewed below
https://www.portofaberdeen.co.uk/images/uploads/POA_Annual_Review_2022-23.pdf
- 1.9.4 More than 25 vessels have berthed at Aberdeen South Harbour during a 'soft start' to operations which began in July. A host of new and existing customers have already benefitted from Aberdeen's safe and efficient port services and generous quayside space. Work on the West Quay has now commenced.
- 1.9.5 Activity for the next quarter will include completion of fendering and customs posts.
- 1.9.6 **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. Q2 £18.151m of expenditure has been incurred in 2022/23.

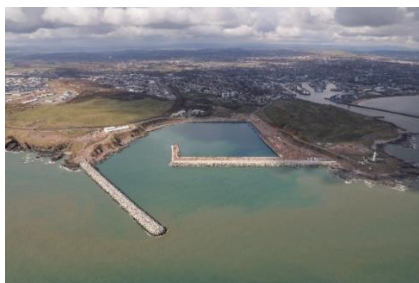


Photo Caption: The £400 million development at Aberdeen South Harbour has been designed to accommodate larger, wider, and deeper vessels.

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 to undertake the STAG Pre-Appraisal and Preliminary Options Appraisal stages for the project. Outcomes were reported back to Joint Committee, and Aberdeen City Council's (ACC's) City Growth and Resources Committee in November 2018. In October 2018, a Strategic Business Case received approval 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. Following the selection of the preferred road option the Strategic Business Case was updated and approved by both Joint Committee and ACC's City Growth and Resources Committee during August 2021. The Updated Strategic Business Case was submitted to UK/SG for approval and following feedback from the Governments the revised Strategic Business Case was resubmitted in February 2022, and subsequently approved on 31 March 2022.
- 1.10.2 **Previous Milestone:** Appointment of consultants and approval of Change Request – Design Manual for Roads and Bridges (DMRB) 2 & 3 Outline Business Case & Planning
Next Milestone: Develop Preferred Route
- 1.10.3 The preferred option (Option A4 & C4) 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.



- 1.10.4 Progress from the last quarter includes an ongoing engagement with Energy Transition Zone Ltd (ETZ) and the associated Masterplanning process. Initial meeting with Port of Aberdeen has taken place and ground Investigation Scoping is underway. New Roads and Street work Act C2 notices have been issued to the public utilities, the topographical survey is currently being procured through Public Contract Scotland. A draft Basic Asset Protection Agreement (BAPA)

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has been received from Network Rail and has been reviewed by Aberdeen City Council Legal. Land ownership model has been developed.

- 1.10.5 Consultants are currently reviewing the work done to date, preparing Inception Report for the commission, including a wider project programme to project delivery.
- 1.10.6 Outlook for the next quarter will include approval of Inception Report, completion of Topographical Survey, progress preferred corridor development further and commence Procurement of Ground Investigation.
- 1.10.7 **Finance:** With a £25m investment from UKG/SG this project's main period of expenditure will be towards the end of the Deal period. Forecast expenditure is anticipated to be £0.208m lower than budget this year. Table 2 provides further information. Actual expenditure at Q2 amounts to £0.048m.

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Report Name	Scottish Government Additional Investment Update – Transport Projects
Lead Officer	Rab Dickson
Report Authors	Paul Finch
Date of Report	07 November 2022
Governance	Additional Investment Memorandum of Understanding

1:	Purpose of the Report
<p>To update the Aberdeen City Region Deal Joint Committee on the progress of projects being taken forward through the additional Scottish Government investment announced alongside the Aberdeen City Region Deal. This report covers progress on the A90/A937 Laurencekirk Junction Improvement Scheme and the investment in the rail network to improve services between Aberdeen and the Central Belt. Transport Scotland's update report is provided as an Appendix to this cover report.</p>	

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

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

3:	Summary of Key Information
<p>25 October, taking the format of a joint presentation to the Boards of Nestrans and Tactran. 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>A90/A937 Laurencekirk Junction Improvement Scheme The Appendix 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>Aberdeen to Central Belt Rail Improvements The Appendix sets out the progress update provided by Transport Scotland. The most recent discussion has focussed on option assessment and business case development.</p>	
4:	Financial and Risk Implications
<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>	

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Report Name	Scottish Government Additional Investment Update
Lead Officer	Adam Priestley
Report Authors	Colin McCallum and Darius Astell
Date of Report	18 November 2022
Governance	Additional Investment Minute of Understanding

1:	Purpose of the Report
<p>To update the Aberdeen City Region, Deal Joint Committee on the progress of projects being taken forward through the additional Scottish Government investment announced alongside the Aberdeen City Region Deal. This report covers progress on the A90/A937 Laurencekirk Junction Improvement Scheme and the investment in the rail network to improve services between Aberdeen and the Central Belt.</p>	

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

3:	Summary of Key Information
<p>A90/A937 Laurencekirk Junction Improvement Scheme</p> <p>Transport Scotland appointed design consultants (AMEY) for the A90/A937 Laurencekirk Junction Improvement scheme in September 2016 to support progress of the design development and assessment phases based on the standards of good practice set by the Design Manual for Roads and Bridges (DMRB).</p> <p>The options from the DMRB Stage 2 assessment process were presented to the public at an exhibition in October 2017 with the preferred option itself announced in July 2018 at a series of public exhibitions. The preferred option consists of a south grade-separated junction with a full diamond layout and bridge over the A90 together with retention of the existing central reserve gaps at the Centre (B9120) and North (A937) junctions.</p> <p>The DMRB Stage 3 detailed development and assessment of the preferred option was completed with the culmination in the publication of the draft Orders and an Environmental Impact Assessment Report on 19 December 2019. A public exhibition was held on 10 January 2020 to allow local communities and road users to view and comment on proposals for the scheme. The statutory consultation period closed on 14 February 2020. Three statutory objections were received from landowners directly affected by the Compulsory Purchase Order. The substance of these objections was primarily in relation to loss of land and access arrangements. Aberdeenshire Council as local Roads Authority also lodged a statutory objection</p>	

3: Summary of Key Information

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 this has resulted in the successful withdrawal of one landowner's objection, and we continue to make positive progress in this regard. 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 with regular consultation undertaken with Aberdeenshire Council as part of this process

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. Consultation with the group has been maintained throughout the scheme development stages, with further engagement with the Group planned as part of the ongoing scheme development.

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.

As previously reported, this entire funding will be devoted exclusively to signalling and infrastructure enhancements on this project.

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 October 2022, when Network Rail (NR) updated the key stakeholders, alongside a joint virtual session of the Nestrans and Tactran boards, on project progress and on progress with the Outline Business Case (OBC).

The option selection process has concluded, following a revisit by NR's timetable team of the package of enhancements identified by the project team for taking forward. The slightly

3: Summary of Key Information

expanded 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. Up to date details were shared with the Key Stakeholders, and with the Nestrans and Tactran boards, on 25 October.

Network Rail and its partner Siemens, who are delivering the project jointly, have been continuing to work closely with Atkins, in the completion of an OBC. This is being submitted to Transport Scotland decision-makers for approval and funding to take the project through its next stage.

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. 2023 will see the completion of the design stage of the project and will also see route clearance work for gauge enhancement and electrification.

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 and opportunities are currently being considered to modernise the signalling along the length of the route in parallel with this project and the decarbonisation project, producing further efficiencies. 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 in late January 2023.

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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Report Name	Digital Gap Analysis Business Case
Lead Officer	Paul Macari
Report Author	Wendy Robertson
Date of Report	18 th November 2022
Governance	City Region Joint Committee
Exemption	Report is Public - Appendix A is exempt under paragraph 6

1:	Purpose of the Report
	<ul style="list-style-type: none"> i. To seek approval from the Joint Committee for the Digital Infrastructure Business Case within the Digital theme of the Aberdeen City Region Deal.

2:	Recommendations for Action
	<p>It is recommended that the Joint Committee:</p> <ul style="list-style-type: none"> i. Instruct the Head of Service, Planning and Economy of Aberdeenshire Council to explore options on how to proceed with Recommendation 1 in the business case for Digital Infrastructure at Appendix A, set out in the Programme Overview, and to report back to the Joint Committee at its next meeting, and note that approval will be required by the Scottish Government, UK Government and Aberdeenshire Council; ii. Approves Recommendations 2,3 and 4 in the business case (programme overview page 5, detailed options pages 44-48) for Digital Infrastructure at Appendix A subject to approval of the business case by the Scottish Government and UK Government and Aberdeenshire Council; iii. Notes Integrated Impact Assessment at Appendix B completed as part of Digital Infrastructure Business Case;

3:	Summary of Key Information
	<ul style="list-style-type: none"> i. Background- The CRD has delivered the following projects to date. The City Network Extension project connected 57 Aberdeen City Council sites to fibre, enabling City Fibre to invest £57m for their commercial roll out of fibre, offering residents high speed fibre to the premises (FTTP) services. 75% of the city is now "ready for service". The Full Fibre project connected 192 Aberdeenshire, Aberdeen city and NHS sites to gigabit capacity speeds across the region. The Duct network project will deliver 30km of duct infrastructure across the city to complete a strategic transport link around the city. This infrastructure will futureproof for 5G, autonomous vehicles and other emerging technologies. The

3: Summary of Key Information

project will also provide the opportunity for internet service providers to lease space in these ducts to provide services to residents and business. This will cause less disruption to the public potentially preventing the need to excavate the roads

- i. A gap analysis was completed to map broadband service coverage across the region at premise level detail. Mobile network coverage was also mapped. This work highlighted the gaps within the region notably the “white” areas or premises, where there is no qualifying broadband infrastructure, and none is likely to be developed within three years. The purpose of the digital business case is to look at ways that the CRD can address some of these gaps with the budget of £7m that remains, but also to have a meaningful economic impact.
- ii. The Digital Programme of the Aberdeen City Region Deal is an investment in the Digital Connectivity and associated telecommunications infrastructure of the region. This includes but is not limited to full fibre fixed connectivity and associated infrastructure, 4G, 5G and Internet of Things wireless networks.
- iii. The programme will deliver the essential underlying Infrastructure required to support and underpin the regions broader economic development. It will help to ensure that the region is equipped with future-proofed Digital Infrastructure that will provide the transformative foundations for City Deal interventions and wider regional growth.
- iv. The project streams presented in this business case are:

Recommendation 1: The first option is to maximise fibre opportunities at pace in the areas in the region identified with very low/ or no coverage. Work is on-going to agree with governments a suitable model within the financial agreements and could include the provision of loans to telecommunications operators to stimulate investment in full fibre infrastructure in the Region. This will leverage additional commercial investment and accelerate and increase the availability of full fibre over and above that provided by existing planned commercial investments and public sector interventions such as R100. It is recommended that officers continue to work on agreement with governments to accelerate coverage to these areas and report back to committee.

Recommendation 2: The provision of investment to Port of Aberdeen to procure a private 5G infrastructure in the new Aberdeen South Harbour to increase productivity and reduce operational costs, making Aberdeen comparable with leading ports across the world. Initial discussions with Peterhead Port on their ambitions for 5G have taken place, with the opportunity to explore 5G provision in the future learning from the roll out of 5G at the Port of Aberdeen

Recommendation 3: The provision of investment to ScotEID/SAOS (www.scoteid.com) to facilitate the delivery of Industry leading Agri-tech applications and services and

3:	Summary of Key Information
<p>Environmental monitoring in rural Aberdeenshire using Huntly as an initial area.</p> <p>Recommendation 4: A test-bed for 5G has been established in Aberdeen to help businesses explore the potential applications of next generation mobile connectivity. Scotland 5G Centre and Opportunity North East (ONE) are collaborating to drive the adoption of 5G in key sectors of the economy –including Tourism, Food and Drink, Energy, Utilities, Ports and Logistics and Agritech. This option will expand its activities by funding mobile ‘pop up’ coverage in the region to enable companies to test applications in a real-life environment.</p> <p>v. The relationship between the project streams and a transition to net zero according to Scotland’s Climate Change Plan is assessed and presented. Indeed, each of the options has beneficial impact: Wider availability of broadband in rural homes reduces the need for travel and aids the efficiency of delivery of public services. The reduction of CO2 in ports is a major benefit, as there will be a reduction in the need for construction activities and operationally the port will make greater use of autonomous vehicles and reduce the waiting times for vessels. A key goal of the Agri-tech programme is to monitor environmental impacts in rural areas.</p>	
4:	Finance and Risk
<p>i. To be funded by the £7m remaining budget in the Digital theme of the City Region Deal.</p>	

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Integrated Impact Assessment Pre-screening Stage 1

The Integrated Impact Assessment (IIA) supersedes the previous Equality and Human Rights Impact Assessment (EHRIA) form.

The pre-screening (Stage 1) will determine if your proposal requires a full impact assessment (Stage 2). Stage 2 will look at details of your proposals, the impact and any mitigations in place.

Note: This form should be completed using the guidance contained in the document: 'Guide to Completing an Integrated Impact Assessment'. Please read the guidance before completing this form.

This assessment and accompanying guidance use the term 'policy' for any activity within Aberdeen City Council. Therefore 'policy' should be understood broadly to embrace the full range of your policies, provisions, criteria, functions, practices and activities including the delivery of services – essentially everything you do.

Purpose:

Aberdeen City Council wants Aberdeen to be a place where all people can prosper. We want everyone in Aberdeen to have fair opportunities regardless of their background and circumstances. The aim of this assessment is to allow you to critically assess:

- the impact of the policy / proposal on different communities.
- whether Aberdeen City Council is meeting its legal requirements in terms of [Public Sector Equality Duty](#), [Equality Outcomes](#) and [Human Rights](#);
- whether [Children's Rights](#) have been impacted;
- whether [Socio-economic disadvantage](#) is reduced;
- whether any measures need to be put in place to ensure any negative impacts are eliminated or minimised which will be covered in Stage 2.

Title* Name your business case, policy, strategy or proposal	Aberdeen City Region Deal (ACRD) - Digital Infrastructure Business Case
------------------------------------------------------------------------	-------------------------------------------------------------------------

(including budget proposals)			
Is this a new or existing policy/ proposal?	New Proposal		
Brief description of policy / proposal (including intended outcomes and purposes)	<p>The Digital Programme of the Aberdeen City Region Deal is an investment in the Digital Connectivity and associated telecommunications infrastructure of the region. This includes but is not limited to full fibre fixed connectivity and associated infrastructure, 4G, 5G and Internet of Things wireless networks. The programme will deliver the essential underlying Infrastructure required to support and underpin the regions broader economic development. It will help to ensure that the region is equipped with future-proofed Digital Infrastructure that will provide the transformative foundations for City Deal interventions and wider regional growth.</p> <p>The project streams presented in the Digital Infrastructure Business Case are:</p> <ul style="list-style-type: none"> • The provision of loans to telecommunications operators to stimulate investment in full fibre infrastructure in the Region. This will leverage additional commercial investment and accelerate and increase the availability of full fibre over and above that provided by existing planned commercial investments and public sector interventions such as R100. • The provision of investment to Port of Aberdeen to procure private 5G infrastructure in the new Aberdeen South Port to increase productivity and reduce operational costs, enabling Aberdeen comparable with leading ports across the world. • The provision of investment to ScotEID/SAOS to facilitate the delivery of industry leading Agri-tech applications and services and environmental monitoring in rural Aberdeenshire using Huntly as an initial area. A key goal of the Agri-tech programme is to monitor environmental impacts in rural areas. • A test-bed for 5G has been established in Aberdeen to help businesses explore the potential applications of next generation mobile connectivity. Scotland 5G Centre and Opportunity North East (ONE) are collaborating to drive the adoption of 5G in key sectors of the economy – including energy, utilities, ports and logistics. There is potential to expand its activities by funding mobile ‘pop up’ coverage in the region to enable companies to test applications in a real-life environment. <p>The relationship between the project streams and a transition to net zero according to Scotland’s Climate Change Plan is assessed and presented. Indeed, each of the streams has beneficial impact:</p> <ul style="list-style-type: none"> • Wider availability of broadband in rural homes reduces the need for travel and aids the efficiency of delivery of public services • The reduction of CO2 in ports is a major benefit. There is a reduction in the need for construction activities and operationally the port will make greater use of autonomous vehicles and reduce the waiting times for vessels • A key goal of the Agri-tech programme is to monitor environmental impacts in rural areas. <p>The project has been categorised following Scottish City and Growth Deal Carbon Guidance according to its Control (3) and Influence (A) over carbon in a Carbon Emissions Impact.</p>		
Do you consider this proposal to have an impact on the:			
a. Human Rights of people?	Yes	No X	Unsure
	Yes	No X	Unsure

b. Rights of Children and Young people?								
What is your assessment of the impact on groups with: a. Protected characteristics b. Children and young people c. Other For example – consider the impact of your policy on people and how they will be able to access goods, services and information with no barriers.	H	High negative impact	H	M	L	N	P	U
	M	Medium negative impact						
	L	Low negative impact						
	N	No impact						
	P	Positive impact						
	U	Unsure						
		Age						X
		Disability						X
		Gender Reassignment						X
		Marriage and Civil partnership						X
		Pregnancy and Maternity						X
		Race						X
		Religion or Belief						X
		Sex						X
	Sexual Orientation						X	
	Children and young people						X	
	Other						X	
Socio-Economic Inequalities Not every person / family has access to regular income or savings. Will your proposal have an adverse or high impact on them?	Yes	No There will be no adverse impact on people with low or no income as a result of this project. The project has the ability to increase the ability of remote and low socio-economic areas to better access services, support, care and training by developing robust digital infrastructures and facilitating investment in the area and ensuring investors develop and deliver community benefit programmes to address local issues.	Unsure					
What considerations did you have when making the above selections?								
Internal or existing data Please detail your sources	The Aberdeen City Region Deal Digital programme has resulted in a greatly improved level of both fixed and mobile infrastructure investment in the region. This includes extensive City Fibre infrastructure in Aberdeen City and the on-going deployment of Fibre-To-The-Premise by City Fibre and Vodafone, the procurement of open access fibre infrastructure from Neos Networks linking public sector sites in the key development corridors of Aberdeenshire within the housing market area, continued upgrade and investment in Aberdeen City Council's duct network which is available for commercial use by providers. National initiatives such as the Scottish Government R100 programme are also driving investment and enhancing connectivity in the region.							

The City Region Deal is eager to build on these initiatives with continued investment and intervention, therefore a gap analysis was completed to review infrastructure shortfalls in the region;

The current availability of broadband services in the region is shown in the following table (Source: Ofcom Spring 2022).

	Premises	% Availability Superfast (>30Mbps download)	% Availability Ultrafast (>100Mbps download)	% Availability full fibre
Aberdeen City	127,838	94.8%	68.8%	61.6%
Aberdeenshire	126,756	83.7%	15.7%	15.6%

Broadband Availability in Aberdeen City Region Deal (source: Ofcom 2022)

It should be stated that the goal of the Aberdeen City Region Digital Connectivity programme is the provision of ubiquitous coverage of broadband services in the region and will not be selective. Hence there will not be an adverse impact of the equality of access to services. As part of the assessment process the regional broadband provision was overlaid with Scottish Index of Multiple Deprivation data to assess any correlation between poor broadband service provision and levels of deprivation this showed that the quality of broadband service provision was actually driven by issues such as remoteness, investment cost per line and density of population rather than a function of the wealth of an area. Many of the gaps in service provision actually lie in affluent areas that are less densely populated.

Consultations with officers or partner organisations
Please list your sources

This proposal is subject to approval of the Aberdeen City Region Deal Programme Board and Joint Committee, the Scottish Government and UK Government, and Aberdeenshire Council.

The setup of Aberdeen City Region Deal Governance can be accessed from ACRD website (www.abzdeal.com) and Annual Report <https://investaberdeen.co.uk/City%20Region%20Deal%202022%201.5.pdf>

We will be working with partner organisations to ensure that any procurement has community benefits embedded within the bids. Further detail on the community benefits will be at the procurement stage.

Other:
Please list your sources

The Aberdeen City Region Deal Benefits Realisation Plan (BRP) will detail the realisation of benefits across the Digital Infrastructure Programme, bringing focus and alignment to the new Regional Economic Strategy.

Does this proposal contribute to the [Public Sector Equality Duty](#) to eliminate discrimination, harassment and victimisation, advance equality of

Yes –
The aim of the project to provide better access to services, support, care and training by developing robust digital infrastructures. This will also allow for improved engagement with online remote resources that were previously inaccessible which will advance equality of opportunity for stakeholders with protected characteristics. Digital access opens opportunity for many, the option of flexible working contributes to reduction of carbon

No

Unsure

opportunity and foster good relations?	emissions due to less travel, improving overall health and wealth.		
Does this proposal contribute to the Council's Equality Outcomes 2021-25?	<p>Yes – This project will support delivery of EO1 by increasing the accessibility of robust digital infrastructures extending access to services, support, care and training, particularly for the young, elderly and those with disabilities.</p> <p>In addition, from the E02 delivery perspective, the access to digital services and support will increase response rate and support faster which will enable people to have a more independent life in their own homes. There will be opportunities to create digital communities that would support social and learning opportunities.</p> <p>With the offer of more hybrid and accessible information and events, the project aims to increase civic participation of people with protected characteristics as per outcome E03.</p>	No	Unsure

Please note for any high negative or medium negative impacts identified (red or amber), a full Integrated Impact Assessment will be required (stage 2).

Please provide a brief high-level summary that your policy will bring about:
 In line with the ACRD’s focus on inclusive and sustainable growth, Aberdeen City is aligned to the national average of 94% availability of superfast broadband services (>30Mbps). Higher speed full fibre services are key to maintaining business competitiveness, however there are considerable gaps in Aberdeenshire, even after the R100 deployment due to the lack of infrastructure being ubiquitous and the slow pace and depth of work to extend coverage by commercial providers. Even with the roll out of the R100 scheme 9,500 sites will remain un-served across the region.

In addition, national operators have been reluctant to proactively invest in rural communities other than on a small scale. Feedback provided after engagement with all registered local and national telecoms operators capable of deploying superfast broadband solutions was that Aberdeenshire is too rural, and too remote from central backhaul infrastructure and is not commercially viable for operators to spend capital in infrastructure expansion for a small number of potential customers.

The key quantifiable benefits identified for the successful completion of project streams are:

- Local enterprise growth
- Enterprise productivity growth
- Increased teleworker productivity
- Increased participation of carers and the disabled
- Reduced travel as more people is able to work at home and there is reduced need for face-to-face meetings due the availability of variety of platforms like Teams, Zoom etc
- Access to education: Learners in all ages and abilities will benefit from tools and resources, for example able to access lessons and content on line. This could be measured through course take up and attendance and possibly monitoring of individual performance

- Improved access to health care. This may include the provision of care at home services, remote, monitoring of individuals health through sensors, monitoring of home environment. The key quantifiable benefit is that people are able to be cared for longer at home rather than be housing in care homes or NHS facilities. Digital options are more likely to improve response rates for most emergency services hence the spreading out of the offer into rural areas spreads the access and benefits.
- Employment: Workers are able to more easily find and access jobs on line and be more flexible in their work patterns. Also, with the increase of both hybrs and remote working, employment opportunities are likely to increase for those with protected characteristics and living in socio economic disadvantage.
- Reduction of superfast broadband not spots – notably (but not exclusively) in rural communities and reduction of wait for service provision
- Operational cost savings and increased productivity to Port of Aberdeen
- Enhanced rural productivity
- Enhanced environmental monitoring and control in rural areas
- Community resilience: workers are able to work and live in more rural locations rather than having to migrate to more urban areas to find employment

Will a full assessment be required?	Yes	No X	Unsure
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Assessment completed by: Name and job title	Wendy Robertson - Digital Infrastructure Lead, Aberdeen City Council Aigul Gray - Project Support Office, Aberdeen City Council
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Date:	27 October 2022
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Signed and approved by Chief Officer (Name and signature)	 Richard Sweetnam
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ABERDEEN CITY REGION DEAL: Powering Tomorrow's World

Report Name	Net Zero Technology Centre Goals and the Launch of Technology Services Group
Lead Officer	Richard Sweetnam, Chief Officer, ACC
Report Author	Nicola McIntosh, NZTC
Date of Report	18th November 2022
Governance	City Region Deal Joint Committee

1:	Purpose of the Report
1.1	To update Aberdeen City Region Deal Joint Committee on the Launch of Net Zero Technology Services and 2026 Goals presented at 54 Month Net Zero Technology Centre Checkpoint review.

2:	Recommendations for Action
2.1	It is recommended that the Joint Committee notes the content of the report and its Appendix 1, and the progress made.

3:	Summary of Key Information
3.1	<p>Introduction</p> <p>The Net Zero Technology Centre (NZTC) was established as part of the Aberdeen City Region Deal (ACRD) and with a clear remit to maximise the potential of the North Sea and the North East of Scotland, enhance local university R&D capability and create a culture of innovation. We were provided with £180M funding over 10 years by the UK & Scottish government, starting in late 2016 with an agreed drawdown profile.</p> <p>The design of the centre and the programme was driven by the Wood Review which championed a tri-partite (industry, government, research institute) approach to technology development and deployment in the North Sea and we have shown that it works. We have been identified by both UK and Scottish government as an exemplar in the City Region Deal programme in the UK and this is in large part because of our funding model.</p> <p>While an independent company controlled by a Board, NZTC has a reporting requirement to both governments associated with the funding. As part of those discussions, the government representatives have challenged us from the second year to make a plan to be independently sustainable at year 10. The Technology Services proposal is one element of the work ongoing by the NZTC team to build new</p>

3:	Summary of Key Information
	<p>revenue streams in addition to competing for new funding through EU, BEIS, Scottish Government and other funding opportunities.</p> <p>3.1 NZTC Technology Services</p> <p>The NZTC purpose remains unchanged and we have expanded our strategy to embrace a broader set of opportunities to drive sustainability.</p> <p>NZTC will continue to operate the Solution Centre and TechX, along with the introduction of Net Zero Technology Services. The new offering will provide the energy industry and investors with insights and foresights on current and emerging net zero technologies, helping organisations leverage technology to navigate and accelerate their journey to net zero.</p> <p>Two new solutions are introduced with the launch, Technology Roadmapping and Technology Due Diligence, both of which are powered by the Net Zero Technology Services proprietary NetZeroTS™ database.</p> <p>The Technology Roadmapping solution provides organisations with high carbon emitting plants and assets unmatched insight and foresight into proven, emerging and future technologies across zero emissions power, zero routine flaring, venting and fugitive emissions. It determines which innovative technologies can be adopted and deployed across assets to help achieve decarbonisation goals.</p> <p>Technology Due Diligence provides insight to help investors make better technology investment decisions; ascertaining the legitimacy of a technology, its true technology readiness level, gaps in readiness and scalability, and how investable it is.</p> <p>The new solutions are already being actively used by industry and investors, with a number of successful pilots underway and Technology Due Diligence scopes delivered.</p> <p>The Technology Services team will be supported by the Solution Centre technical experts and will develop a portfolio of solutions/ tools to deliver differentiating high value services to industry in transition, capitalising on NZTC knowledge and relationships. The overall objective of Technology Services is to support high carbon emitting industries to accelerate to net zero by better understanding the potential routes and solutions available to them and the associated costs.</p> <p>NZTC has a strong foundation, powerful partnerships with key players in the net zero transition both industrial and in government, with a strong portfolio and a track record of delivery, NZTC is already delivering both the Scottish net zero industrial transition roadmap and the technology element of the roadmap for the North Sea Transition Deal and has excellent academic and cross sector alliances.</p> <p>3.2 NZTC Original Business Case Targets</p> <p>Delivery to date shows that NZTC is on target to deliver, if not exceed the original targets. Since the original goals were set, the focus of both governments has also</p>

3:	Summary of Key Information
	<p>extended to net zero ambitions and targets. The NZTC ACRD goals have been updated to reflect an increase in ambition in delivery for the Centre, the addition of the technology services group and net zero goals.</p> <p>Appendix 1 contains a detailed update on Launch of Net Zero Technology Services and 2026 Goals introduced at 54 Month ACRD Checkpoint review in October 2022.</p>

4:	Finance and Risk
4.1	There are no direct financial implications arising from this report.

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Exempt information as described in paragraph(s) 8 of Schedule 7A of the Local Government (Scotland) Act 1973.

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