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ABERDEEN CITY REGION DEAL:
Powering Tomorrow's World

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

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

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

<u>ONE Substitute Members</u>:- 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, 27 January 2023

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

The Members of the **ABERDEEN CITY REGION DEAL JOINT COMMITTEE** are requested to meet in **Virtual - Remote Meeting on <u>FRIDAY, 3 FEBRUARY 2023 at 9.30 am</u>.**

JENNI LAWSON
INTERIM CHIEF OFFICER - GOVERNANCE

The Press and Public can observe the meeting live on Teams here or view the recording via this link shortly after the meeting.

B U S I N E S S

1 <u>Welcome and Apologies</u>

2 <u>Determination of Urgent Business (If any)</u>

3 <u>Determination of Exempt Business (If any)</u>

4 <u>Declarations of Interest/Transparency Statements</u>

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

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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 067556

ABERDEEN CITY REGION DEAL:
Powering Tomorrow's World

ABERDEEN, 18 November 2022. Minute of Meeting of the ABERDEEN CITY REGION DEAL JOINT COMMITTEE. Present:- Councillor Alex Nicoll, Chairperson; Councillor Anne Stirling, Vice-Chairperson; Councillors Mark Findlater, Alex McLellan (as substitute for Councillor Ian Yuill), Gwyneth Petrie and Miranda Radley; and Professor George Boyne, Ms Jennifer Craw and Sir Ian Wood .

In Attendance: Julie Richards-Wood, Alan McKay, Aigul Gray, Councillor Sandra Macdonald and Mark Masson (Aberdeen City Council); Councillor John Cox, Alan Wood, Mary Beattie and Paul Macari (Aberdeenshire Council); Rab Dickson and Paul Finch (NESTRANS); Graeme Stewart (Network Rail) and Nicola McIntosh (Net Zero Technology Centre).

The agenda, reports and recording of the meeting associated with this minute can be located [here.](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 Councillor Yuill and that Councillor McLellan would be substituting for him.

DETERMINATION OF EXEMPT BUSINESS

2.   The Chairperson proposed that the Joint Committee consider item 10 (Digital Gap Analysis Business Case – Exempt Appendix) and item 11 (Net Zero Technology Centre Goals and the Launch of Technology Services Group – Exempt Appendix) 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 items so as to avoid disclosure of information of the classes described in the following paragraph of Schedule 7(A) to the Act:- articles 9 and 10 (paragraphs 6).

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
18 November 2022

DECLARATIONS OF INTEREST/TRANSPARENCY STATEMENTS

3. Sir lan Wood intimated that he, Jennifer Craw and Professor George Boyne had a connection to item 6 (Aberdeen City Region Deal Quarterly Programme Update) and any other 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 intimated that he too had a connection to item 6 (Aberdeen City Region Deal Quarterly Programme Update) and any other issue affecting Opportunity North East (ONE), by virtue of him being the Council's representative as a ONE Board Member. However, having applied the objective test he did not consider that he had an interest to declare and would not be withdrawing from the meeting.

MINUTE OF PREVIOUS MEETING OF 7 OCTOBER 2022, FOR APPROVAL

4. The Joint Committee had before it the minute of its previous meeting of 7 October 2022, for approval.

The Joint Committee resolved:-
to approve the minute.

ABERDEEN CITY REGION DEAL QUARTERLY PROGRAMME UPDATE

5. With reference to article 5 of the minute of the previous meeting of 7 October 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 –
(a)   note the content of the Programme Update and Appendix 1;
(b)   approve the Committee Dates for 2023/2024 as 12th May; 8th September; 17th November and 9th February 2024.

Jennifer Craw acknowledged and welcomed the Just Transition funding received from the Scottish Government, which contributed to the funding of two City Region Deal projects and that they would seek to secure additional public funding as the projects develop over time.

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
18 November 2022

The Joint Committee heard from Alan McKay, Team Leader, Roads Projects, Aberdeen City Council provide an update in relation to the external transportation links to Aberdeen South Harbour project, advising that there was no change in terms of the project's key milestones.

The Joint Committee resolved:-
(i)   to approve the recommendations contained within the report; and
(ii)   to note that any issues or changes to key milestones in relation to the external transportation links to Aberdeen South Harbour project would be reported to the Joint Committee.

SCOTTISH GOVERNMENT ADDITIONAL INVESTMENT UPDATE – TRANSPORT PROJECTS

6.   The Joint Committee had before it a report which provided an update on the progress of projects being taken forward through the additional Scottish Government investment announced alongside the Aberdeen City Region Deal, including the A90/A937 Laurencekirk Junction Improvement Scheme and the investment in the rail network to improve services between Aberdeen and the Central Belt. The report had attached by way of an appendix, Transport Scotland's update report.

The report recommended:-
that the Joint Committee note the update.

Paul Finch, Strategy Manager, Nestrans highlighted the key information from the report, making reference to a meeting of the Aberdeen to Central Belt Liaison Group, held on 25 October 2022, which took the format of a joint presentation to the Boards of Nestrans and Tactran.

Graeme Stewart, Project Officer, Network Rail and Paul Finch provided an update on the £200m Aberdeen to Central Belt Rail improvement projects advising that the programme objectives/timescales remain unchanged with completion by the end of 2026.

The Joint Committee resolved:-
(i)   to note that Paul Finch would circulate headline/milestone dates of the key activities for the Aberdeen to Central Belt Rail improvement projects to the members; and
(ii)   to otherwise approve the recommendation contained within the report.

DIGITAL GAP ANALYSIS BUSINESS CASE

7.   The Joint Committee had before it a report which sought approval for the Digital Infrastructure Business Case within the Digital theme of the Aberdeen City Region Deal.

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
18 November 2022

The report recommended:-
that the Joint Committee –
(a)   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;
(b)   approve 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; and
(c)   note the Integrated Impact Assessment at Appendix B completed as part of Digital Infrastructure Business Case.

The Joint Committee heard from Paul Macari, Head of Planning and Environment, Aberdeenshire Council who provided a summary of the report, making reference to the four recommendations of the digital business case including details of (1) maximising fibre opportunities at pace in the areas in the region identified with very low/no coverage; (2) investment to the port of Aberdeen to procure a private 5G infrastructure in the new Aberdeen South Harbour; (3) 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; and (4) the test-bed for 5G which had been established in Aberdeen to help businesses explore the potential applications of next generation mobile connectivity.

In response to a question from the Chairperson, Mr Macari advised that discussions would be held with the two Governments regarding loan agreements, following which, a report would be submitted to the Joint Committee in February 2023 if required.

The Joint Committee resolved:-
to approve the recommendations contained within the report.

NET ZERO TECHNOLOGY CENTRE GOALS AND THE LAUNCH OF TECHNOLOGY SERVICES GROUP

8.   The Joint Committee had before it a report which provided an update on the launch of Net Zero Technology Services and the 2026 goals presented at 54 Month Net Zero Technology Centre (NZTC) checkpoint review.

The report recommended:-
that the Joint Committee note the content of the report and its Appendix 1, and the progress made.

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
18 November 2022

The Joint Committee heard from Nicola McIntosh, Finance and Commercial Director, NZTC who highlighted the key information from the report.

Councillor Findlater made reference to his recent enjoyable visit to the Net Zero Technology Centre and the successful work that they were undertaking and encouraged other members to attend.

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.**

DIGITAL GAP ANALYSIS BUSINESS CASE - EXEMPT APPENDIX

9.   The Joint Committee had before it an exempt appendix relating to the Digital Gap Analysis Business Case report, article 7 of this minute refers.

The Joint Committee resolved:-
to note the details within the appendix.

NET ZERO TECHNOLOGY CENTRE GOALS AND THE LAUNCH OF TECHNOLOGY SERVICES GROUP - EXEMPT APPENDIX

10.   The Joint Committee had before it an exempt appendix relating to the Net Zero Technology Centre Goals and the Launch of Technology Services report, article 8 of this minute refers.

The Joint Committee resolved:-
to note the details within the appendix.
-   COUNCILLOR ALEX NICOLL, <u>Chairperson</u>.

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ABERDEEN CITY REGION DEAL:
Powering Tomorrow's World

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 Wood, Service Manager, Aberdeen City Council & John Lovie, Finance Accountant, Aberdeenshire Council
Date of Report	3rd February 2023
Governance	City Region Deal Joint Committee

1. Purpose of the Report

1.1 To update the Joint Committee on:

- Programme Summary in relation to Governance, Milestones, Benefits, Finance & Risk
- Appendix A: Projects Update
- Appendix B: Integrated Impact Assessment

2. Recommendations for Action

2.1 It is recommended that the Aberdeen City Region Deal Joint Committee:

- Notes the content of the Programme Update and Projects Update at Appendix A
- Notes the updated Integrated Impact Assessment 3.1.4 and Appendix B

3. Programme Update

3.1 Governance

3.1.1 In December 2022, Regional Partners met with the United Kingdom (UK) and Scottish Governments (SG) for the Aberdeen City Region Deal (ACRD) Annual Conversation. The UK/SG noted the good progress on the deal to date.

3.1.2 Audit Scotland have conducted a review of the impact of their 2020 audit on City and Growth deals. ACRD returned an update with evidence on their work to date under the listed headings: governance and accountability, partnership working, financial management, measuring success, risks and opportunities, and lessons learnt.

3.1.3   The ACRD Programme Board completed their annual review of the Terms of Reference in January 2023 to reflect relevant updates in reporting arrangements and membership.

3.1.4   The ACRD Integrated Impact Assessment (IIA) is a statutory requirement that is published and should be refreshed for the Deal regularly. Each project also has an IIA. The IIA provides an update on the Deal's impact on groups with protected characteristics, shows consideration and contribution to socio-economic inequalities, public sector equality duties and council's equality outcomes, it also reflects the Benefits Realisation Plan and is presented in Appendix B.

3.2   Major Milestones Achieved

3.2.1   The National Subsea Centre (NSC) has been officially opened on 11 January 2023 in Dyce, Aberdeen by Michael Matheson, Scottish Government Cabinet Secretary for Net Zero, Energy and Transport and Lord Offord of Garvel, UK Government Parliamentary Under Secretary of State. The National Subsea Centre is a multi-million-pound Centre of Excellence for subsea research and technology development, delivered through a partnership between Robert Gordon University (RGU) and Net Zero Technology Centre (NZTC) as part of the Aberdeen City Region Deal. The Centre is at the forefront of innovative, inclusive, and adventurous marine research, with the purpose of accelerating the energy transition through smart technologies applied to industrial and environmental challenges in subsea and related marine sectors. The NSC is focused on realising the full potential of our oceans which complements and contributes to key government strategic commitments, including the Scottish Government's National Strategy for Economic Transformation, the forthcoming Energy Strategy and the UK Government's Net Zero Research and Innovation Framework.

3.3   Benefits

3.3.1   The Benefits Realisation Plan is a requirement from UK/SG laid out in the Grant Offer Letter. It provides:

- Deal overview, including key inputs, outputs, outcomes, and impacts.
- Target audiences.
- Programme-level theory of change (logic model), demonstrating the expected causal relationship between inputs, outputs, outcomes, and impacts.
- Approach to measurement, evaluation, and baselining.
- Governance and oversight arrangements.

Projects will continue to report on the plan through the Annual Report and the annual Benefits update. The Communications group will continue to work with projects to highlight major milestones and benefits through coverage in the media.

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

- NZTC – The Offshore Renewable Energy (ORE) Catapult announcing the WINTOG programme to examine pathways for integrated floating offshore wind technology
- NZTC - Project launched to create Hydrogen Highway from Scotland to Rotterdam
- Net Zero Technology Centre launches offshore energy data sharing project with Palantir Technologies and IndHu
- NZTC Open Innovation Programme 2023 - NZTC offering up to £500K per technology project in latest funding competition
- National Subsea Centre Officially Open in Aberdeen

3.4 Finances

3.4.1 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).

3.4.2 Actual expenditure for Q3 2022-23 is £100.958m. Forecast expenditure for the financial year is £135.953m, compared to the budget £142.029m a variance of £6.076m outlined in 3.4.4 - Table 2.

3.4.3 Digital Theme Finance Summary:

Table 1 shows a summary of the Digital Theme financial position at Q3 2022-23 by individual project.

Table 1: ACRD – Q3 2022/23 – DIGITAL THEME FINANCE BY PROGRAMME						
Digital Programme	**Funding Source**	**Budget**	**Q3 Actual Expenditure**	**Forecast for year**	**Variance**	**Variance Notes/ Additional Comments**
		£,000	**£,000**	**£,000**	**£,000**	
Duct Network	UKG/SG	609	212	609	0	
	Partners	1,000	0	327	(673)	Restrictions on the roads network means it is prudent to commence works later in Q3 reducing the forecast for the year and rescheduling costs to 2023/24.

Full Fibre	UKG/SG	0	0	0	0	
	Partners	250	182	316	66	Milestone Payment Winter 2022 for additional site.
City Network Ext.	Partners	12,667	9,501	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. £12,667m this financial year.
Others	Councils	155	128	155	0	Staff resource costs to support the Digital programme.
	Total	14,681	10,023	14,074	(607)	

Summary				
Funding Source	**Budget**	**Q3 Actual Expenditure**	**Forecast for year**	**Variance**
UKG/SG	609	212	609	0
Partners	14,072	9,811	13,465	(607)
Total	14,681	10,023	14,074	(607)

3.4.4   Table 2: Actual expenditure at Q3 2022/23 amounts to £100.958m.

Table 2: ACRD						
Programme	**Funding Source**	**Budget**	**Q3 Actual Expenditure**	**Forecast for Year**	**Variance**	**Variance Notes**
		£,000	**£,000**	**£,000**	**£,000**	
Net Zero Technology Centre	UKG/SG	23,400	10,600	19,100	(4,300)	Revised Drawdown schedule with £4.3m re-phased to 2023/24 - note funds committed however due to timing of payments, items will be paid in the following year.
	Partners	45,732	27,576	41,796	(3,936)	Revised profile of cash between financial years, activity re-phased to 2023/24.
BioHub	UKG/SG	7,554	6,691	7,251	(303)	Although construction expected to complete, some fit-out costs such as comms switches with long lead times forecasting to fall into Q1 2023/24.
	Partners	3,299	390	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	151	(2,500)	A rephasing of ACRD funding is required to reflect the contract award date towards the end of Q4 2022/23 and to accommodate other funding scheduled for receipt in 2022/23.

	Partners	1,772	1,194	2,305	533	This increase reflects the additional Just Transition funding which will be required in the year and partly offsets the reduction in ACRD funding.
Digital	UKG/SG	609	212	609	0	
	Partners	14,072	9,811	13,465	(607)	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	62	159	(401)	Resourcing issues have delayed the start of a number of projects including A90(N)/A952 project. These have now been addressed, although with the consequential delay to spend. Revised forecast prepared for Q3 and Q4, with spending re-profiled into FY2023/24, and FY2024/25.
Transport Links	UKG/SG	760	83	540	(220)	A change to the activity schedule with the technical consultants has been agreed which offsets a delay to the start of the ground investigation works which will now substantially take place in 2023/24.
	Partners	0	0	0	0	
Aberdeen Harbour Expansion	UKG/SG	0	0	0	0	
	Partners	41,620	44,288	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	100,958	135,953	(6,076)	

Summary

Funding Source	Budget	Q3 Actual Expenditure	Forecast for year	Variance
UKG/SG	34,974	17,637	27,651	(7,323)
Partners	107,055	83,321	108,302	1,247
Total	142,029	100,958	135,953	(6,076)

3.4.5   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

ACRD PROGRAMME REPORT (01)

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	19,100	27,100	14,900	10,200	180,000
	Partners	500	7,440	30,334	36,181	28,401	24,710	41,796	42,228	21,694	12,954	246,238
BioHub	UK/SG	0	0	318	723	1,685	9,720	7,251	303	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	151	8,969	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	13,465	6,659	504	2,120	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	159	610	600	451	2,000
Transport Links to Aberdeen South Harbour	UK/SG	0	28	128	139	106	70	540	875	8,085	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**	**135,953**	**99,299**	**52,146**	**47,265**	**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	27,651	38,558	24,589	27,529	250,000
Partners	16,783	61,367	125,912	108,028	103,071	133,055	108,302	60,711	27,577	19,736	764,522
Summary Total	**20,883**	**73,790**	**144,180**	**134,852**	**136,265**	**169,889**	**135,953**	**99,803**	**51,642**	**47,265**	**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
Summary Total	**56,570**	**116,195**	**210,435**	**156,350**	**75,450**	**61,800**	**49,400**	**42,500**	**34,200**	**23,300**	**826,200**

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	3,351	18,288	9,189	16,829	0
Partners	(35,287)	(31,578)	(48,573)	(5,572)	65,571	106,155	83,202	38,511	8,757	7,139	188,322
Summary Total	**(35,687)**	**(42,405)**	**(66,255)**	**(21,498)**	**60,815**	**108,089**	**86,553**	**57,303**	**17,442**	**23,965**	**188,322**

ACRD PROGRAMME REPORT (01)

4. Finance and Risk

4.1   The Tripartite financial agreement offers grant funding between 2016-2027. Until the remaining Business Cases (Digital and Transport Links to Aberdeen South Harbour) and associated timelines are finalised and agreed there is a risk that funding will be required post Deal. Partners have started exploring options with government on how this risk can be mitigated.

4.2   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."

Appendix A: 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. In October 2022, NZTC announced the launch of the Technology Services group.

1.1.2   **Previous Milestone:** Launch of National Subsea Centre 11th January 2023
Next Milestone: Launch of Open Innovation Program 2 in Quarter 4 2022/ 2023

1.1.3   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). The number of projects funded have increased from 331 to 342.

1.1.4   The focus this quarter has been on: completing Cohort 4 for TechX, commencement of TechX Cohort 5 program, award of the Open Innovation Program which will source technology to fill the technology gaps. The launch of National Subsea Centre on the 11th of January. Activity for the next quarter will include the launch of Open Innovation Program 2 which will be focussed on Digital Technology Developments.

1.1.5   **Finance:** Actual expenditure for Q3, including matched funding, amounts to £38.176m, of which £10.6m is funded by UKG/SG and £27.576m is funded from Partners. Partner funded R&D projects estimated at £3.936m have been reprofiled across 2022/23 and 2023/24.

Net Zero Technology Centre

Appendix A: 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   Construction progress from the last quarter includes:
- Externals
  - Main cladding works complete to all elevations
  - Kerbing and paving complete to west and south elevation
  - Louvre plant screens nearing completion.
  - Bridge foundations complete with bridge on site
  - Curtain walling complete
  - Basecourse applied to all tarmac areas
  - External doors are completed
  - Entrance cladding soffit works are now complete
  - Plant room roof complete with all flashings.
  - External brickwork complete to all elevations
- Internals
  - Lift no3 installation complete with lift 1&2 ongoing
  - Incubation labs and offices nearing completion with snagging ongoing
  - Vinyl to corridors nearing completion on level1
  - Sanitary ware complete to level 1,2 and 3
  - Doors and frames complete to level 1,2,3 and Mezz
  - Bulk heads and blind boxes complete to all level
  - Decoration ongoing to all levels.
  - Glazed screens complete to all levels
  - Handrails complete in stair 1

1.2.6   Stakeholder engagement planning is underway with a programme being developed for community, Foresterhill community, key partners, stakeholders and industry in the lead up to official opening late Spring 2023.

Appendix A: Project Update

1.2.7   **Finance:** £7.081m of actual expenditure at Q3, £6.691m funded from UKG/SG and £0.390m funded from Partners. Table 2 provides detail on the slippage of £0.303m of UKG/SG funding compared to original budget of £7.554m and slippage of £1.842m of Partner funded expenditure compared to original budget of £3.299m.

Caption: October 2022. BioHub external

Caption: October 2022. BioHub internal

Appendix A: 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:** Grant offers from Just Transition and Scottish Enterprise signed
Next Milestone: Receive and review construction contract cost and award construction contract

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)

1.3.4 An updated Business case outlining additional opportunities around high value manufacturing, automation and decarbonisation given the demands on industry in current economic climate and environment secured offers for additional grant funding from Scottish Enterprise and the Just Transition Fund. Grant offers were signed in November and December 2022.

1.3.5 Following the challenges presented by cost volatility and inflation in the construction market, revised Stage 4 designs have been completed and sub-contractor work packages are being tendered by the preferred main contractor with a proposed contract sum to be delivered early Q4 2022/23. The final construction contract will be awarded towards the end of Q4 2022/23.

1.3.6 **Finance:** £1.245m of actual expenditure at Q3, £0.051m funded from UKG/SG and £1.194m funded from Partners. Table 2 provides detail on the slippage of £2.5m 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 A: 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 Business Case which was then 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 Winter 2022 for new additional site
Next Milestone: Additional site connected in Spring 2023 with Project close thereafter.

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 **Finance:** Table 1 provides a note on the forecast increase of £0.066m on Partners original budget of £0.25m for the year. Actual expenditure at Q3 amounts to £0.182m.

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

Appendix A: 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 3 construction commenced in October 2022
Next Milestone: Phase 2 **100%** Complete February 2023

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   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. Works have stopped until February due to the roadworks Christmas restrictions. Phase 3 due to be completed at the end of December 2024.

1.5.6   **Finance:** Actual expenditure at Q3 amounts to £0.212m, funded by UKG/SG. Table 1 provides further information on underspend forecast of £0.673m compared to original Partners budget.

Appendix A: 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 approved recommendations 2, 3 & 4 in the Business case in November 2022
Next Milestone: Recommendation 1 to be explored further and to be reported back to Joint Committee in Feb 2023

1.6.3 In February 2021, a Digital Engagement Team (up to 2.5FTE) was approved and to date has supported residents, and businesses, in navigating the processes for better digital connectivity. Successfully promoting the Reaching 100% (R100) programme, they have engaged with 1,308 premises, 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 700 vouchers utilised to date which is over 30% of all the vouchers used in Scotland. Voucher uptake is at 12% in Aberdeenshire, is above the national average of 3.2%.

1.6.4 In November 2022, Port of Aberdeen 5G was approved at ACRD Joint Committee – this project will provide investment to the 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. Completing formal subsidy control process and drafting Legal agreement.

1.6.5 In November 2022, Huntly 5G was approved at ACRD Joint Committee - this project will provide investment in 5G infrastructure to ScotEID/Scottish Agricultural Organisation Society (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. Completing formal subsidy control process and drafting Legal agreement.

1.6.6 In November 2022, ONE 5G Pop Up Network was approved at ACRD Joint Committee – this project will 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, food and drink, tourism, ports and logistics. Completing formal subsidy control process and drafting Legal agreement.

Appendix A: Project Update

1.6.7   The November Business Case also outlined the urgent requirement to maximise fibre opportunities at pace in the areas in the region identified with very low/or no coverage. Officers have been meeting with Building Digital UK's Project Gigabit Team and the Scottish Government to discuss how Project Gigabit will be rolled out within the region. Project Gigabit is a £5bn UK Government initiative which aims to extend the reach of Gigabit Broadband into hard-to-reach communities. Project Gigabit will target premises currently unable to access gigabit speeds and that are not currently included in broadband suppliers' delivery plans.

In England, a number of Project Gigabit procurements have already been launched, with contracts awarded for delivery in Cumbria, North Northumberland and Teesdale in recent months. Procurements in England have been led by Broadband Delivery UK. It is anticipated that Project Gigabit procurements in Scotland will be developed jointly by the UK Government and Scottish Government through a collaborative approach, in which it is expected that the Scottish Government will be the lead partner on implementation management. Such procurements will be ADDITIONAL and complementary to any coverage provided by the R100 contracts and would not require City Deal funding. Further detail is expected to be available in the coming months. Therefore, to avoid duplication it is prudent to wait until then before any further progress investigating financial models for connecting up the region are made.

Appendix A: 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 768Km 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 A: 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 December 2022 continued with receipt of draft final Aberdeen Sub-Area Model (ASAM) model reports enabling commencement of audit. Inception completed for evidence

review commission for A90(N)/A952. Progression of commission for Rail Freight Terminals study, ongoing support to progress the two "live labs" projects. Scoping discussions for A952 Wellington Road, and procurement strategy agreed.

1.8.7   Outlook for the next month is audit for ASAM; continued progression of work on rail terminals and A90(N)/A952 commissions; progression of work on the two "live-labs" studies, and commissioning of design work on Wellington Road.

1.8.8   **Finance:** Actual expenditure at Q3 amounts to £0.062m. Forecast for the year shows an underspend of £0.401m compared to Partners budget. Table 2 provides further information.

Appendix A: 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:** More than 60% of Port of Aberdeen's South Harbour development is operational
Next Milestone: Castlegate (West) is scheduled to open in January 2023 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 40 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. Q3 £44.288m 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 A: 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
Next Milestone: Completion of Design Manual for Roads and Bridges (DMRB) Stage 2 on 30/04/2023

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 Consultants have reviewed the work done to date, have submitted an initial draft of the Inception Report, Quality Plan and Quality Statement for the commission, including project programme to project delivery. A Groundsure report has been produced/ Ground Investigation walkover undertaken; procurement documentation being prepared. Initial Ecological site surveys undertaken. Initial development of horizontal alignments and bridge options have been progressed.

1.10.5 Outlook for the next quarter will include Topographical Survey to be completed, preferred corridor to be development further and commence Procurement of Ground Investigation.

Appendix A: Project Update

1.10.6 **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 £0.220m lower than budget this year. Table 2 provides further information. Actual expenditure at Q3 amounts to £0.062m.

1.10.7 A summary of the key risks for the External Links project and mitigations is provided below

Description	Mitigation (Counter Measures)
Project programme extends beyond the agreed funding window of the City Region Deal (2026).	On-going monitoring of the project programme and early dialogue with City Region Deal funders if programme likely to go beyond City Region Deal window (2026)
Quality of Service –The developed solution does not meet the long-term expectations of key stakeholders such as ETZ, Port of Aberdeen, Community Groups and other Road Users	Regular liaison with Key Stakeholders at an early stage to confirm design requirements from the outset.
Reaching agreement with Network Rail on construction of new railway bridge. Network Rail seeking to control design process. Could result in project delays and cost over runs.	1. Establish points of contact with Network Rail. 2. Request and obtain asset information and Bridge Asset Protection Agreement (BAPA). 3. Review and agree BAPA. 4. Consult NR throughout the assessment work.
If Utility Companies do not perform in accordance with the programme, then delays and extra costs could arise resulting in delay in completion of the Scheme.	Close and regular liaison with utilities throughout -contact established with Utilities providers -Key clashes to be identified and regular consultation undertaken to minimise impact during development of preferred option.
Necessary statutory approvals for development cannot be gained or are delayed resulting in overall project delays and cost increases	Early and continual engagement with ACC planning department, roads department and external statutory consultees.
Unable to acquire third party land required.	If land acquisition required, early engagement and discussion with relevant landowners to take place. Compulsory purchase process would be progressed in parallel to voluntary acquisition discussions
Landowners may not permit access for surveys/ ground investigation	Prepare Road Scotland Act S140 Notices in advance of any surveys or investigations
Ineffective internal communication	Hold regular senior management meetings. Prepare matrix of key personnel and note what information personnel should be kept up to date with.
Act of God/ Force Majeure/ Covid	To be guided by national strategies
Adverse reactions from public and businesses due to changes in traffic management and impacts of construction works on traffic flow in and around Altens.	Need careful communications and stakeholder engagement to ensure support for the scheme. Public consultation on all proposed route options has taken place with selected route corridor being preferred option. Detailed design of the preferred alignment to follow similar process.
Political support not achieved resulting in significant delays.	Preferred route corridor option already agreed by Elected Members on the City Resources and Growth Committee. Further stakeholder engagement and regular briefings of project delivery team, senior management team Elected Members and Cabinet.

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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 (including budget proposals)	Aberdeen City Region Deal (ACRD)
Is this a new or existing policy/ proposal?	Existing Proposal
Brief description of policy / proposal (including intended outcomes and purposes)	Aberdeen City Region Deal ("the Deal") is one delivery mechanism for the Region's economic vision which focuses on transformational investment supporting the evolution of the region's key sectors, sustainable business growth and creating green jobs for the future. This Deal consists of a blend of public and private sector partners to stimulate diversification of the economy into new areas of activity and markets through programme areas of: Innovation; Digital; Transport; and Inclusive Economic Growth. The industry-led Net Zero Technology Centre, formally known as Oil & Gas Technology Centre (OGTC) was established to maximise the potential of the North Sea. It is already delivering significant results as it drives forward the organisation's key goals; to help maximise economic recovery from the UK continental shelf, anchor the supply chain in the North-East of Scotland, and create a culture of innovation in the region. These are driven through Solution Centres, National Centres, Tech X accelerator and the Innovation Hub. In addition, the Deal supports both the life sciences and food, drink and agriculture sectors. The BioHub project seeks to accelerate growth and build on the strengths of the Life Sciences cluster in the North East of Scotland by leveraging the experience and knowledge of existing companies in the region, including NovaBiotics, TauRx and Elasmogen and the research base within the University of Aberdeen, Robert Gordon University, the Rowett Institute and the James Hutton Institute. BioHub will facilitate the region's vibrant Life Sciences cluster and create a supportive ecosystem to accelerate the number of spinouts, new starts and growth companies, capitalising on our regional assets and strong collaborative links – the triple helix of

ACRD Integrated Impact Assessment

clinical, commercial and academic researchers on the Foresterhill Health campus, Europe's largest integrated medical, research and teaching location.

The Food Hub (SeedPod) will accelerate growth and innovation of existing businesses and start-ups. The food and drink sector has long been important in the North East with 17,000 individuals employed across the sector. The purpose of this project to encourage entrepreneurs to convert ideas to start-ups, increase the rate of adoption of new technology and productivity rates, increase investment in research to accelerate innovation and increase turnover growth rates to 5% per annum. SeedPod will be located on SRUC's Craibstone campus near Aberdeen providing incubator space, product development kitchens and demonstrator space, and will deliver support programmes based on strong consumer insights, to encourage the growth of a vibrant sector.

The most tangible benefit of the Deal to our new way of working is in the digital progress we are making with the transformation of Aberdeen to a Gigabit City. Improving the region's digital infrastructure addresses constraints to both growth and inclusion to benefit the long-term future of the local economy. Digital connectivity drives innovation through the better use of physical and digital assets to enhance public and private service delivery, to tackle inequality and to improve social outcomes.

The Deal's investment in Transport will support connectivity for all and support for the Aberdeen South Harbour expansion recognises its strategic importance, not just to the energy sector, but also to the wider diversification of the region.

The Deal is consistent with the Aberdeen Regional Economic Strategy (RES) and considers the Public Sector Equality Duty and Fairer Scotland Duty, identifying people impacts, actively considering how we can reduce inequalities of outcome caused by socioeconomic disadvantage and applicable mitigation measures.

Do you consider this proposal to have an impact on the:			
a. Human Rights of people? b. Rights of Children and Young people?	Yes **X** This response reflects the positive impact described in following sections in relation to freedom of discrimination, progressive	No	Unsure

	approaches to fair work practices, gender equality encouragement and promotion of a culture of respect.						
	Yes X This response reflects the positive impact described in following sections in relation to community engagements and skills development programmes.					No	Unsure

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 **M** Medium negative impact **L** Low negative impact **N** No impact **P** Positive impact **U** Unsure	**H**	**M**	**L**	**N**	**P**	**U**
	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 (Tourism)					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 X** The Aberdeen City Region Deal Transport links project assessed positive impact as the project will deliver improvements to the existing infrastructure with the provision of a new bridge over the railway and active travel routes. In addition, the road may potentially increase the economic potential of businesses in and around Aberdeen South Harbour and improving local job creation.	No	Unsure
What considerations did you have when making the above selections?			

ACRD Integrated Impact Assessment

Internal or existing data Please detail your sources	All organisations working within the Aberdeen City Region Deal have a responsibility to promote equality, prevent discrimination and protect the human rights of their employees, customers, service users and everyone affected by their policies and plans. Recognising the investment and commitments from stakeholders that the Deal is delivering, the potential impact upon protected characteristics has been considered and addressed by taking into account views and input from organisations such as Disability Equity Partnership (DEP) and community consultations (Transport), skills development programmes (NZTC) that link in with schools, colleges and universities to ensure alignment between the skills needed and training provided. Further funding has been awarded through the North East Economic Regional Skills Funds providing further opportunities related to these sectors. Compassionate and considerate approaches to physical, social and information accessibility will be integral to the Design of facilities such as SeedPod and BioHub. Recent announcement that the Full Fibre Project is the winner of the prestigious "Go Awards" (Social Value Category) demonstrates our achievements in the procurement and progressive approaches to fair work practices. In addition, the Deal will continue to promote gender equality in job opportunities, as well as encouraging gender equality in the use of all service and facilities. Overall, the Deal projects take part in engagement with communities, schools, colleges, universities and community donations. Last year alone, the Deal has hosted 6 Student placements, 7 apprenticeships, 23 Internships and 5 Career Ready students. For further information on how each project considers these approaches, engagements, and applicable mitigation measures, please see the Aberdeen City Region Deal Benefits Realisation Plan.
Consultations with officers or partner organisations Please list your sources	The setup of the Aberdeen City Region Deal Governance structure of the Joint Committee, Programme Board, Programme Management Office (PMO) and UK/SG supports this proposal to reduce unfair or unequal effects on different groups of people within the community or the workforce and promotes a culture of respect. Joint Committee members, the Programme Board and Project Managers have all undertaken the Equalities Training delivered by the Equalities Commission. Access to this training is available for new members on request if required.

Other: Please list your sources	The Aberdeen City Region Deal Benefits Realisation Plan (BRP) details the realisation of benefits across the Programme, bringing focus and alignment to wider regional cohesion and economic development benefits achieved by utilising partner resources.		
Does this proposal contribute to the Public Sector Equality Duty to eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations?	**Yes** – please explain In order to advance equality of opportunity between people who share a protected characteristic and those who do not, projects with building works take steps to ensure that there are no adverse impacts and that the building itself will be fully accessible, with ramps for mobility and inclusive signage etc for those who have visual impairments or mobility issues.	No	Unsure
Does this proposal contribute to the Council's Equality Outcomes 2021-25? Shire outcomes link	**Yes** – please explain The Aberdeen City Region Deal will support delivery of refreshed proposal to the Council's Equality Outcomes 2021-2025 by: EO1 • Increasing the accessibility of information and extending access to diverse services. For example, the refreshed Aberdeen City Region Deal website has functionality to translate website content into different languages to ensure everyone has access to the information. • It is important to recognise that the Deal support in digital connectivity allow people to take advantage of online education resources, or elderly and those with disabilities to access online services from home that would not be possible without reliable access to fast broadband. EO 2 • Recognising that diverse communities in Aberdeen and Aberdeenshire should have an increased sense of safety and belonging within their neighbourhood, the Deal development of proposals for innovative transport pilot projects aimed at providing inclusive transport connectivity, including Transport Mobility Hubs, in both urban and rural settings, enabling vehicle e-charging and uptake of alternative mobility solutions supported by Digital Applications. EO 3	No	Unsure

Page 36

ACRD Integrated Impact Assessment

| | • The increased of digital accessibility allow more people to access online civic resources such as live streaming of Council and Committee meetings, online registers of committee decisions, agenda and reports. Additionally, the Deal partners and connected stakeholders aim to encourage and inspire different communities that everyone have fair opportunities. In April 2021, the Net Zero Technology Centre's CEO Colette Cohen along with five other inspiring female leaders in the energy sector came together to discuss their career paths; the challenges they have faced, the highs and lows, and everything in between. You can revisit the event in the recording available on here. | | |

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:
- The Digital Connectivity will improve the City Region's physical capital by leveraging public sector funding to develop the region's digital infrastructure and encourage further private sector investment. Additionally, by addressing market failures that prevented the private sector roll out of superfast fibre, the digital theme improves the region's human and social capital, as it will increase access to superfast broadband which will allow residents to take advantage of the growth in working from home and remain connected online.
- Provide economic benefits due to more efficient commuting, business related travel and wider economic benefits from improved transport infrastructure.
- Create an entrepreneurial environment and infrastructure that inspires and supports companies and individuals to innovate and grow
- Have engaged and committed leaders, with the Council and partners working together to reduce inequality and promote a culture of respect.

Will a full assessment be required?	Yes	No **X**	Unsure

Assessment completed by: Name and job title	Aigul Gray, ACC – ACRD Project Support
Date:	11 January 2023

ACRD Integrated Impact Assessment

Signed and approved by Chief Officer (Name and signature)	*[signature]* Richard Sweetnam, Chief Officer

If you have any queries or require this form in an alternative format, please contact equality_and_diveristy@aberdeencity.gov.uk

A fully completed and signed form should be mailed as a PDF to the above email address for publishing your assessment.

ABERDEEN CITY REGION DEAL:
Powering Tomorrow's World

Report Name	ACRD Benefits Realisation Plan
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Date of Report	19th January 2023
Governance	Aberdeen City Region Joint Committee

1:	Purpose of the Report

i. To present the Aberdeen City Region Deal Benefits Realisation Plan and gain approval from the Joint Committee for its wider publication and implementation.

2:	Recommendations for Action

i. It is recommended that the Joint Committee endorses the report.

3:	Summary of Key Information

i. The Benefits Realisation Plan is a requirement from UK and Scottish Government (UK/SG) laid out in the Grant Offer Letter. It will form the basis of the Annual Conversation and will be produced following the annual report.

ii. Deal partners have been working with EKOS to produce the Aberdeen City Region Deal Benefits Realisation Plan (ACRD BRP). The ACRD BRP is at a programme level, across three themes and nine component projects. Of particular interest to Scottish Government is the contribution to policy priorities in relation to inclusive growth and net zero/just transition.

iii. There are a few minor updates that will be incorporated into the BRP when they are available. These are dependent upon activity taking place elsewhere and we do not anticipate any issues in ensuring their inclusion in the BRP. These updates include:

- Incorporating the vision from the new North East Regional Economic Strategy currently under development and alignment to any additional relevant indicators in the strategy not currently included in the BRP once the strategy is published in 2023;
- The Department for Levelling Up, Housing and Communities (DLUHC) is developing a report, expected in March 2023, with additional indicators on City Region Deal performance. This report will allow the DLUHC to advise on how these indicators can showcase Aberdeen City Region Deal in the best possible light and we will then consider including any relevant indicators;
- Including a template to capture the data to record the benefits for project leads to complete (currently being developed);
- Awaiting the UK/SG expectations on post deal reporting requirements.

3:	Summary of Key Information
	• Clarification with UK/SG officials around the detail of producing the BRP including issues around retrospective reporting, the ability to gather information on all indicators and interim evaluation expectations.
iv.	The ACRD BRP will be made widely available, including through the City Region Deal, Aberdeen City Council, Aberdeenshire Council, UK Government and Scottish Government websites.

4:	Finance and Risk
i.	No new financial or risk implications.

2

Aberdeen City Region Deal – Benefits Realisation Plan

For Aberdeen City Council and Aberdeenshire Council

Final Version for approval by ACRD Programme Board | January 2023

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Contents

Executive Summary

ACRD Benefits Realisation Plan

The Benefits Realisation Plan sets out a framework for measuring and capturing progress on delivery against objectives. It highlights the direct, indirect, and causal linkages between/within investments, provides accountability to partners, funders, and beneficiaries, and helps to develop the evidence base to inform future investments.

Aberdeen City Region Deal

The Aberdeen City Region Deal (ACRD) Deal is an agreement between the UK Government and the Scottish Government with Aberdeen City Council, Aberdeenshire Council and Opportunity North East (ONE).

The Deal Approval was signed in 2016 with a total value of £826m which has grown to £1.01bn.

	UK/ Scottish Government	Local Authorities	Partners	Total
	(£000s)	(£000s)	(£000s)	(£000s)
Digital theme	10,000	7,000	59,230	76,230
Innovation theme	210,000	0	276,418	486,418
Transport theme	30,000	13,000	408,873	451,873
Total	**250,000**	**20,000**	**744,521**	**1,014,521**

Note: Total excludes MoU contribution

Investment has been prioritised across three cross-cutting core thematic areas for intervention[1] – Digital, Innovation, and Transport.

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[1] Please note that within the ACRD programme governance and management structure, Aberdeen South Harbour is considered under the 'innovation' theme. However, for the purposes of benefits realisation it is categorised within the 'transport' theme,

Figure 1: ACRD Deal - Programme Overview
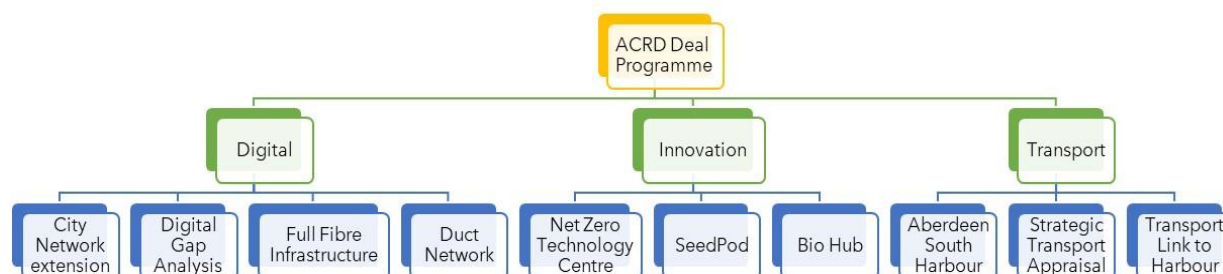
Specifically, we highlight that the ACRD Deal demonstrates a strong fit and contribution to relevant policy priorities outlined within the UK Government Levelling Up White Paper (2022) and National Strategy for Economic Transformation (2022). In additon, the Deal has been aligned with Scotland's National Performance Framework, which sets out a succession of desired outcomes - create a more successful country, give opportunities to all people living in Scotland, increase the wellbeing of people living in Scotland, create sustainable and inclusive growth, and reduce inequalities and give equal importance to economic, environmental and social progress.

Strategic Vision and Objectives

The ACRD Deal is a priority intervention that will support partners to deliver the vision outlined in the new Aberdeen City and Shire Regional Economic Strategy.

"By 2035, North-East Scotland will be the Energy transition capital of Europe. Our economy will continue to transform and diversify and to lead in the production of new green energy sources. Our region will have growing digital and technology, food and drink, tourism, life sciences and creative sectors. Our economic growth model will value wellbeing and sustainability, be outward-looking, and prepared for the challenges and opportunities arising from long-term drivers, including: the climate emergency, an ageing population and digital transformation."

Aberdeen City and Shire Regional Economic Strategy

Once the new vision for RES is agreed then the quote will be updated

To achieve our vision, the over-arching strategic objectives for the ACRD Deal are to:

Strategic Objective 1: Accelerate the decarbonisation of industry and support the transition from traditional high carbon emitting sectors toward emerging clean energy sectors like circular decommissioning and renewable energy systems.

Strategic Objective 2: Develop an innovation ecosystem that promotes and supports innovation within industry across the innovation journey from knowledge creation through to application and exploitation.

Strategic Objective 3: Enable the continued growth and diversification of the Aberdeen City-Region business and employment base and the enabling upstream and downstream supply chains.

Strategic Objective 4: Increase trade and investment and help the city-region access new economic opportunities.

Strategic Objective 5: Make the Aberdeen City-Region one of the physically and digitally best-connected regions in the UK.

Strategic Objective 6: Create an inclusive economy that provides opportunities for our residents to access fair work, training, and skills development.

Equalities Objectives: The ACRD has a series of objectives in relation to supporting individuals with protected characteristics, these are: gender, ethnicity, disabled people, and age.

ACRD Deal - Theory of Change

Inputs	Activities	Output	Outcomes – short term	Outcomes – medium term	Economic Impacts	Social and environmental impacts

Public Sector Partners
- ACRD funding – UK and Scottish Government
- Aberdeen City Council
- Aberdeenshire Council
- Scottish Enterprise
- NESTRANS
- NHS Grampian

Higher Education
- Robert Gordon University
- University of Aberdeen

Private Sector Partners
- Aberdeen Harbour
- Vodafone/ CityFibre
- Opportunity North East

Digital

Inputs	Activities	Output	Outcomes – short term	Outcomes – medium term
Total funding – £76.2m • City Network extension • Full Fibre Infrastructure • Duct Network • Digital Gap Analysis	Projects completed: • City Network • Full Fibre Infrastructure • Duct Network • KM/M of fibre cable fitted/laid	• Construction and supply chain (contracts, jobs, salaries, GVA) • Community Benefits (employment, training and skills development, business development)	• Premises (residential, commercial, civic) with access to highspeed and ultrafast Broadband • Broadband providers secured	• Digital uptake (residential, commercial, civic) • Digital exclusion (residential, commercial, civic)

Innovation

Inputs	Activities	Output	Outcomes – short term	Outcomes – medium term
Total funding –£486.4m • Net Zero Technology Centre - £426.2m • SeedPod - £24.6m • Bio Hub - £35.6m	Projects completed: • Net Zero Technology Centre • SeedPod • Bio Hub • New floorspace delivered	• Construction and supply chain (contracts, jobs, salaries, GVA) • Community Benefits (employment, training and skills development, business development)	• Innovation active businesses • New collaborations/ partnerships • Start-ups/ Spinouts • Funding and investment secured	• Firms taking new products/ processes/ services to market • New products/ processes/ services launched

Transport

Inputs	Activities	Output	Outcomes – short term	Outcomes – medium term
Total funding – £451.9m • Aberdeen Harbour Expansion - £419.9m • Strategic Transport Appraisal - £7.0 • Transport Link to Harbour - £25.0m	Projects completed: • Aberdeen South Harbour Expansion • Strategic Transport Appraisal • Transport Link to Harbour • Sqm of Harbourside hardstanding and deep-water berthing capacity	• Construction and supply chain (contracts, jobs, salaries, GVA) • Community Benefits (employment, training and skills development, business development)	• Increased freight and commercial harbour traffic • Reduced journey times and congestion • Cruise ships and passengers	• Value of Exports (direct and supply chain) • Increased expenditure – visitor economy • Investment leveraged - land/ site development • Business diversification/ sustainability

Economic Impacts
- Increase in GVA
- Increase in employment
- Additional Tax Revenues
- Business Enterprise expenditure on R&D (BERD)
- Improved business survival rates

Social and environmental impacts
- Sector transition
- Net greenhouse gas/ CO2 emissions
- Energy generated from renewable/ low carbon sources
- Service user satisfaction with the quality of local services (health services, schools, etc)
- Social and geographic isolation
- Air quality
- Water quality

Policy Fit and Contribution

The ACRD Deal contributes to the following cross-cutting policy priorities:
- Utilising innovation, enterprise, and entrepreneurship to boost productivity and economic output.
- Creating sustainable, good quality, and well-paid employment opportunities across a diverse sector base.
- Supporting a just and fair transition to net zero.
- Embedding inclusive growth and wellbeing into investment decision-making.

Underlying Evidence and Assumptions

- Enabling and digital infrastructure has a key role to play in delivering productive businesses and regions (National Strategy for Economic Transformation, see here).
- Transport Infrastructure underpins economic resilience, provision of services and the effective operation of the economy, enables inclusive and sustainable growth – demand side impact, supply side impact, market impact, and social and environmental impact (Office of Chief Economic Advisor, see here).
- Digital access will contribute to sustainable places and inclusive economic growth - investing in digital connectivity and inclusion to help businesses, workers and service users to accelerate the uptake of digital services and reduce the need to travel. In addition, digital connectivity has a wider role (particularly within rural communities) in helping people stay connected (Infrastructure Investment Plan, see here).
- One of the central drivers for supporting innovation is that it a key driver for economic growth and productivity - through the development of new products, processes, services and business models, which increase sales, and thus economic output, ultimately creating wealth and employment (Department for Business, Energy & Industrial Strategy, see here).
- The benefits arising from innovation more widely are not just economic - innovation helps us develop better medicines, deliver more effective public services, help develop sustainable agricultural techniques, and greener energy solutions to accelerate the path to net zero, with resulting social and environmental benefits (UKRI, see here).

Strategic Added Value

The qualitative and agglomeration effects that are challenging to measure but nonetheless important to understand - the scale and scope of these effects are to be tested and assessed at the relevant review periods:

- Partnerships – strengthening existing and creating new relationships with regional partners.
- Synergy and influence – promoting shared aspirations and 'values' for the city region.
- Engagement and collaboration – ensuring all partners and stakeholders have a platform for meaningful engagement and dialogue
- Increased trust, civic engagement and buy-in.
- Alignment and strengthening complementary strategic agendas.

Monitoring and Evaluation

Informed by the Theory of Change, a detailed Framework of indicators has been prepared to capture and measure the progress and success of the Deal across the: inputs, activities, outputs, short-term outcomes, medium-term outcomes, and impacts.

In additon, in recognition of the wider benefits/impacts that the Deal will generate, the BRP also measures the following:

- Contribution to inclusive growth.

- Qualitive and less tangible or "softer" benefits.

- Carbon categorisation.

Partners have adopted a good practice approach to monitoring and evaluation that includes the following:

- Quarterly and Annual Monitoring and Reporting - gathering the relevant data and intelligence required to populate the Master Benefits Tracker that will populate the BRP.

- Annual Report – public facing document that provides an update on progress and relevant case studies that help demonstrate the wider benefits generated through the investment.

- Ongoing Internal Review and Audit:
  - Bi-annual checkpoint reviews – to assess overall progress of the projects.
  - Annual conversation – informed by the Annual Report and Benefits Realisation Plan present an opportunity for the Scottish City Region and Growth Deal Delivery Board to engage with the Deal at senior official level, to celebrate success and discuss progress. In additon, the conversations present an opportunity to reflect and work through any concerns that Regional Partners and Governments have about the implementation of the Programme and the ambitions for the Programme going forward.

- End of Project Report - At project completion, all projects will provide a final summary report evaluating the performance against the project outcomes.

- Interim and Final Evaluation – in line with HM Treasury Magenta guidance:
  - interim process evaluation - "what can be learned from how the intervention is being delivered?"
  - final impact and value for money evaluation – "what difference has the intervention made?" and "is this intervention a good use of resources?"

1 Objectives and Vision

1.1 Overview

The City Region Deals (CRD's) are packages of funding, agreed between Scottish Government, UK Government, and local partners (for example, local authorities, universities, and NHS Health Boards). They are designed to bring about long-term strategic approaches to improving regional economies, leverage investment, create new jobs and accelerate inclusive economic growth.

The Deals are tailored to the region, reflecting individual economic strengths and weaknesses, and comprise a programme of interventions to support positive, transformative change. The appraisal and programme/project selection processes are structured around the HM Treasury Green Book 'five case model.'

In addition to preparing HM Treasury compliant Business Cases, each regional partnership is required, as a condition of grant to develop a Benefits Realisation Plan (Benefits Realisation Plan). The Benefits Realisation Plan sets out a framework for measuring and capturing progress to delivering against objectives, highlights the direct, indirect, and causal linkages between/within investments, provides accountability to partners and funders, and helps to develop the evidence base to inform future investments. Further detail on the intended use and application of the Benefits Realisation Plan is provided at **Section 3**.

1.2 Aberdeen City Region Deal

The Aberdeen City Region Deal (ACRD) Deal is an agreement between the UK Government and the Scottish Government with Aberdeen City Council, Aberdeenshire Council and Opportunity North East (ONE).

The Deal Approval was signed in 2016 with a total value of £826m which has grown to £1.01bn because of additional investment that the programme has leveraged from private and public sector partners. Of note, the ACRD Deal has secured/leveraged the largest absolute and proportionate contribution from the non-public sector partners[2] of any Deal within Scotland; with contributions accounting for £745m / 73%.

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[2] The non-public sector partners include industry/private sector, Higher Education Institutions, and stakeholder bodies.

The scope and scale of the leveraged investment secured reflects the ACRD Deal's ambition to engage with, and utilise, the collective skills, experience, and industry knowledge of the private sector partners to deliver a suite of investments that will bring about significant commercial and economic benefit for the region.

To achieve the Deal level programme objectives (considered further at **Section 3)** and deliver the aspirations of partners, the Deal has prioritised investment across three core thematic areas for intervention – Digital, Innovation, and Transport.

An overview of the Deal is presented in **Figure 1.1**, with summary details of supported projects provided in the table below.[3]

Figure 1.1: ACRD Deal - Programme Overview

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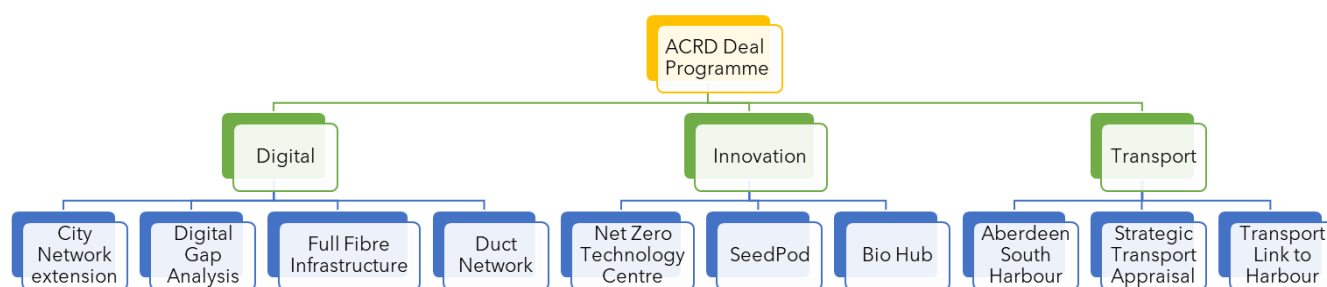
[3] At the time of Deal finalisation, in parallel with the final Deal, Transport Scotland agreed to progress several key projects, identified in a separate, but related, Memorandum of Understanding (MoU). These include rail improvements between Aberdeen and Central Belt, a grade separated Junction at Laurencekirk, and funding support to facilitate development to enable housing. Progression of the MoU is regularly reported to CRD Joint Committee - these potential investments have not been included within the Benefits Realisation Plan.

Table 1.1: ACRD Deal – Project Summary

Theme	Project	Summary
Digital Rationale for Investment: Improving the digital infrastructure is key to the long-term future of the regional economy. It will drive innovation through the better use of physical and digital assets to enhance public and private service delivery, to tackle inequality and to improve social outcomes.	**City Network Extension**	The project will develop an aggregate public-sector model to act as an anchor tenant for full fibre Broadband. City Fibre Holdings and Vodafone will invest £59m to provide full fibre to the premises (1,000 mbps) to over 90,000 households and business, Aberdeen City schools and connect people to vital service provision.
	Full Fibre Infrastructure	This project aims to stimulate investment by the private/commercial sector in full fibre within the City Region by delivering new dark fibre infrastructure to public sector sites within key economic areas. It is envisaged that approximately 200-250km of new ducting and fibre will be built in the chosen network footprint. This requires ducts and chamber infrastructure, subducting, and cabling plant to be deployed along the streets in the key target settlement as well as along the key trunk routes between Inverurie, Westhill, Portlethen, Stonehaven and Aberdeen City.
	Duct Network	The project aims to extend Aberdeen City's duct infrastructure and provide the necessary foundations for the delivery of the wider digital theme within the City Region Deal, The deployment of the duct network will focus on the strategic road corridors, with an aim to provide connected corridors fit for future growth particularly around Connects and Autonomous Vehicles (CAV's).
	Digital Gap Analysis	On completion of the three core projects that comprise the data theme, a gap analysis was completed to map broadband service coverage across the region at premise level. Three additional projects have been identified/recommended – a) Support procurement of a private 5G infrastructure in the new Aberdeen South Harbour (a key ACRD project) to increase productivity and reduce operational costs. b) Invest in network improvements/upgrades to support delivery of the Scottish Agricultural Organisation Society's (SAOS) ScotEID project which will facilitate the delivery of industry leading Agri-tech applications and services and environmental monitoring in rural Aberdeenshire. c) Collaboration between the Scotland 5G Centre and Opportunity North East (ONE) to drive the adoption of 5G in key sectors of the economy – 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.

Innovation	Net Zero Technology Centre	The Net Zero Technology Centre (formerly the Oil and Gas Technology Centre) aims to develop and deploy technology that will support and accelerate the energy industries transition to net zero. The project has several core areas of activity, including:
Rationale for Investment: Innovation is a vital driver of long-term sustainable economic growth. The Deal will invest in Hubs where the region has strong industrial, academic and research foundations: Energy, Agri-Food and Nutrition and Life Sciences. The centres will create a thriving innovation eco-system that help attract and retain key businesses, skills, and expertise in the region.		• Solution Centres – plan, direct, and manage technology development programmes, working closely with the industry's Technology Leadership Board. This will include adopting technology from other sectors, adapting existing technology and developing new technology. • Centres of Excellence – utilising existing and developing new R&D capabilities within the universities and industry, including investing in highly specialised equipment and testing facilities. • Supply Chain Technology Accelerator Programme – a supply chain technology accelerator programme that will stimulate and accelerate supply chain innovation and facilitate a substantial increase in supply chain led R&D. The programme will provide matched funding for R&D projects and incubation support and facilitate working with operators and Tier 1 and Tier 2 service companies. • Technology Network Hub – will build relationships with other innovation centres, both nationally and internationally, with universities across the UK and internationally, Catapults, Innovate UK, Government, OGA and others. They will also provide market intelligence to inform technology development projects and across the supply chain.
	SeedPod	The project will create a physical hub/centre for the food and drink sector that provides incubator space, product development kitchens and demonstrator space, and will deliver wrap-around support programmes and accelerators to enable and catalyse the sustainable growth of a vibrant sector.
	Bio Hub	Based at the Foresterhill Health campus, the Bio Hub will create a vibrant Life Sciences cluster and a supportive ecosystem to accelerate the number of spin-outs, new starts and growth companies. The Hub will provide space for industry to collaborate and innovate in creating the next generation of products and therapies in known areas of research strength such a biotherapeutics, modern epidemics, medtech, diagnostics and nutrition.
Transport Rationale for Investment:	Aberdeen South Harbour Expansion	This major capital project will transform the capacity of Aberdeen South Harbour through the creation of over 1,400 metres of deep-water quay and over 125,000 square metres of quayside laydown area. The harbour will become Scotland's largest port in terms of berthage and able to accommodate vessels of up to 300 metres in length.

| Transport infrastructure and connectivity is a fundamental enabler of economic growth and prosperity. | **Strategic Transport Appraisal** | The project will deliver a Regional Strategic Transport Appraisal that will support and inform decision-making regarding the prioritisation of future transport investment in the region. |
| Aberdeen South Harbour is the principal commercial port serving the North East of Scotland and one of Europe's leading marine support centres for offshore energy.

The projects will enhance the capacity of the Harbour to help meet existing and future demands from industry. | **Transport Link to Harbour** | With the increased capacity and anticipated demand for Aberdeen Harbour South, there is a desire to maximise the impact of the harbour expansion on the wider regional and national economy. The project will deliver improvements to the existing, and develop new, road and active travel infrastructure.

In addition, the road will help open-up investment and development opportunities at land/sites adjacent to the Harbour, supporting partners' ambitions to create an Energy Transition Zone (ETZ). |

1.2.1 Targets

The ACRD Deal has three over-arching targets/measures of success to be delivered by 2027 (10-year Deal funding period).

Figure 1.2: ACRD Deal – Programme Targets

INCREASE IN GVA - £260M PER ANNUM   INCREASE IN EMPLOYMENT – 3,300 JOBS   ADDITIONAL TAX REVENUES – £113M PER ANNUM

The high-level targets were agreed with UK/Scottish Government through the Deal Agreement (Heads of Terms) and are to be achieved/delivered over the lifetime of the Deal (and beyond).

In addition, GVA, employment and tax revenues where appropriate will be monitored for the individual projects.

Note on ACRD Deal – Programme Targets

While the targets are useful and relevant to measuring the overall success of the Deal investments, it is important to utilise a wider range of metrics and indicators that provide a more robust and holistic view of what partners aspire to deliver through investment. The Theory of Change, as set out at **Section 3,** considers the (intended and unintended) changes, benefits, outcomes, and impacts that we anticipate will be achieved. This is supported by **Section 4**, which provides details on the Measurement Framework (indicators and metrics) that partners will employ to capture the intermediate indicators of progress and success.

1.3 Project Funding

As noted, since its launch in 2016, the total value of the ACRD Deal has grown from £826m to £1.01 bn (+ £18m / 23%) as a result of additional investment that the programme has leveraged from private and public sector partners. **Table 1.2** provides a breakdown of funding by core theme and individual projects.

The innovation and transport themes comprise the majority of funding, with the NZTC and Aberdeen South Harbour being the two largest component projects.

Table 2.2: ACRD Deal Programme Funding

		UK/ Scottish Government	Local Authorities	Partners*	Total	% of total funding	% of total public sector funding
		(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)
Digital theme							
Digital theme total**		**10,000**	**7,000**	**59,230**	**76,230**	**8%**	**6%**
Innovation theme							
Innovation	Net Zero Technology Centre***	180,000	0	246,237	426,237	42%	67%
	SeedPod	10,000	0	14,559	24,559	2%	4%
	Bio Hub	20,000	0	15,622	35,622	4%	7%
Innovation theme total		**210,000**	**0**	**276,418**	**486,418**	**48%**	**78%**
Transport theme							
Transport	Aberdeen Harbour Expansion	0	11,000	408,873	419,873	41%	4%
	Strategic Transport Appraisal	5,000	2,000	0	7,000	1%	3%
	Transport Link to Harbour	25,000	0	0	25,000	2%	9%
Transport theme total		**30,000**	**13,000**	**408,873**	**451,873**	**44%**	**16%**
Total		**250,000**	**20,000**	**744,521**	**1,014,521**	**100%**	**100%**

Source: ACRD PMO reporting (in November 2022). Total excludes MoU contribution

* Note 1: Partners include the university sector, private sector and others.

** Note 2: Project specific data for the digital theme is commercially sensitive and confidential

***Note 3: NZTC has also received funding through the Scottish Industrial Energy Transformation Fund (SIETF), Decommissioning Challenge Fund (DCF) and Scottish Funding Partners (SFP) which consists of Scottish Government, Scottish Funding Council, and Scottish Enterprise.

1.4 Strategic Context

The ACRD Deal programme has been developed (and continues to be developed/evolve) in recognition of the emerging policy context at a national, regional, and local level. We have summarised the fit with, and contribution to, relevant policy and strategy below.

Note on Strategic Fit

While the Deal was originally approved and launched in 2016, the geo-political, economic and policy landscape has changed considerably, for example, EU Exit, Covid-19 Pandemic, and the climate emergency to name just a few events that have shaped our regional and national economies since 2016.

From a policy perspective, there has been a continued focus on areas such as innovation and digital technologies as drivers of productivity and prosperity, however there is now enhanced recognition in policy for themes such as inclusive growth, "levelling-up" and more recently, wellbeing – all of which feature strongly in UK and Scottish Government Policy. The focus has shifted from measuring success on the primary basis of economic growth (output and productivity) and there is now a wider and more nuanced position that recognises the importance of other dimensions, like quality of life, environmental sustainability, and achieving a "just transition."

Much of this thinking has been led by the OECD and the 'four capitals' approach which promotes a sustainable balance across - economic capital, human capital, social capital, and natural capital, and features strongly in the new Regional Economic Strategy.

To ensure the Benefits Realisation Plan is up-to-date, robust and fit-for-purpose to support future delivery, we have considered the Deals position and role within the current policy landscape.

1.4.1 UK Level

Levelling Up White Paper

From 2019, the UK Government's approach to reducing regional inequalities through economic development has been encapsulated through its vision to 'level up' the UK's regions.

The vision was solidified in the 2022 'Levelling Up the United Kingdom[4]' white paper, which highlights the aims, framework, and outcomes the Government hopes to achieve through Levelling Up.

Regarding the policy's aims, there are four objectives which Levelling Up seeks to address:

- Boosting the UK's productivity, pay, jobs, and living standards by growing the private sector.

- Spreading opportunities around the UK and boost public services.

- Restoring a sense of community, pride, and belonging.

- Empowering local leaders and communities.

Advancing these aims requires a framework. Here, the Government point to six drivers of regional disparities and suggest that Levelling Up-related activity support development of these drivers.

1. Physical capital - infrastructure, machines, housing.
2. Human capital – the skills, health, and experience of the workforce.
3. Intangible capital – innovation, ideas, and patents.
4. Financial capital – resources supporting the financing of companies.
5. Social capital – the strength of communities, relationships, and trust.
6. Institutional capital – local leadership, capacity, and capability.

While certain activities may be more associated with individual capitals, they are not mutually exclusive. They produce mutually reinforcing conditions that facilitate agglomeration effects, which underpin successful places. Consequently, the central aim of Levelling Up is share prosperity across the UK by developing places that are rich in these capitals.

Thinking about the ACRD Deal, it is important to consider about how the deal fits within the broad aims and framework that was outlined in the Levelling Up white paper. Despite agreement and roll-out before the White Paper, the Deal's digital, innovation, and transport themes show clear alignment with the six drivers of Levelling Up and are likely to contribute towards the policy's aims.

The digital theme aligns with Levelling Up as it will improve the City Region's physical capital by leveraging public sector funding to develop the region's digital infrastructure and encourage further private sector investment.

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[4] Levelling Up the United Kingdom

Additionally, by addressing market failures that prevented the private sector roll out of superfast fibre, the digital theme improves the region's human and social capital, as it will increase access to superfast broadband which will allow residents to take advantage of the growth in working from home and remain connected online.

The Deal's innovation theme addresses several areas, including human, intangible, and institutional capital by providing the facilities, services, and insight that local businesses need to grow.

Beyond the capitals, the Innovation theme is particularly well-aligned with the Levelling Up aim of boosting productivity, pay, and jobs through the private sector, as projects like the Bio Hub and SeedPod will enable high-growth-potential businesses to develop their business/markets and adopt new technologies in the life sciences and food and drinks sector.

Finally, the transport theme aligns well with the physical capital dimension, as it will provide significant infrastructure investment that will greatly increase the capacity of Aberdeen's harbour alongside the associated road-based and active travel infrastructure. The effect will be to provide enablers for the burgeoning industries like decommissioning, wind turbine servicing, and marine tourism.

1.4.2 Scottish Level

Scotland's National Performance Framework

Scotland's National Performance Framework (NPF) sets the overarching framework for everyone in Scotland to work together and outlines out a series of National Outcomes which are designed to help Scotland's progress towards a wellbeing economy. Each of the 11 National Outcomes, which cover areas like culture, the economy, health, and the environment, have a vision that is aligned with several UN Sustainable Development Goals.

The NPF functions by providing partners across the public, private, and third sectors a clear picture of the Government's objectives and the progress that is being made against these objectives, according to the 81 National Indicators.

It's important that the Deal's activities and projects are considered in terms of their contribution to the National Outcomes, as this will provide direction to the programme's evaluation.

In this respect, the Deal's themes align with the Scottish Government's vision in several areas. The innovation theme will provide the infrastructure and support to ensure that the City Region is able to grow sustainably and increase productivity, showing clear alignment with the Economy and Fair Work and Business themes.

For instance, the NZTC works in partnership with academia and industry to deliver the North Sea Net Zero 2050 commitment through the Net Zero R&D Programme, the National Decommissioning Centre, and National Subsea Centre and supports innovative entrepreneurs through Tech X, and works to increase female representation in STEM.

The digital theme also aligns directly with certain outcomes and indicators, although it's important to recognise that providing the digital infrastructure the City Region requires will have an indirect impact across more areas, given the necessity of fast, reliable broadband in the 21st century.

Beyond the long-term economic benefits associated with the infrastructure being developed through the transport theme, it's worth noting that the projects have also been mindful of their impact on the local environment, using technology like bubble curtains to minimise the disruption to marine mammals and developing active travel infrastructure around the harbour.

A summary table of the fit and contribution with the NPF outcomes and indicators is presented at **Appendix A**.

National Strategy for Economic Transformation

Aligned with Scotland's National Performance Framework, the National Strategy for Economic Transformation (NSET) is a high-level strategic document, sitting above other national policies and strategies, with a vision of creating a wellbeing economy in Scotland by 2032.

This vision is based on an ambition for Scotland to be **Fairer**, with fair work that pays better wages, reducing poverty and improving life chances; **Wealthier**, with a more productive economy that is founded on entrepreneurship and innovation; and **Greener**, providing global leadership in the transition to a Net Zero and the development of a nature positive economy that rebuilds natural capital.

The Government have identified five interconnected, mutually reinforcing policy programmes which are designed to transform Scotland and facilitate the wellbeing economy:

1. Entrepreneurial People and Culture:
    a. Aim: establish Scotland as a world-class entrepreneurial nation founded on a culture that encourages, promotes, and celebrates entrepreneurial activity in every sector of our economy.
2. New Market Opportunities:
    a. Aim: strengthen Scotland's position in new markets and industries, generating new, well-paid jobs for a just transition to Net Zero.

3. Productive Businesses and Regions:
   a. Aim: make Scotland's businesses, industries, regions, communities, and public services more productive and innovative.
4. Skilled Workforce:
   a. Aim: ensure that people have the skills they need at every stage of life to have rewarding careers and meet the demands of an ever-changing economy and society and that employers invest in the skilled employees they need to grow their businesses.
5. A Fairer More Equal Society:
   a. Aim: reorient Scotland's economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth, to significantly reduce structural poverty, particularly child poverty, and improve health, cultural and social outcomes for disadvantaged families and communities.

The wide variety of activities supported through the Deal's themes span the Scottish Government's policy programmes and go some way to delivering a fairer, wealthier, and greener Aberdeen City Region. For example, the innovation theme covers three of the five policy programmes by creating space for entrepreneurs/academics and industry to collaborate and commercialise intellectual property; developing facilities/infrastructure required by businesses to develop products and expand their markets; and generating the ideas, leadership, and technology required to drive innovation, productivity, and the transition to Net Zero.

The digital theme also spans multiple areas, as it will bridge the urban-rural divide in terms of access to superfast Wi-Fi, creating a fairer society; improve productivity through better public sector service delivery; and allow residents to take advantage of emerging trends like the move to working from home. Additionally, it's important to recognise the indirect, or facilitating, roll that the digital theme plays. For instance, while the theme is unlikely to directly contribute to a more skilled workforce, it will allow people to take advantage of online education resources that would not be possible without reliable access to fast broadband.

Finally, the transport theme will provide the infrastructure Aberdeen requires to capitalise on the developments associated with the other themes and is also likely to bring direct benefits to areas by expanding the harbour capacity to handle larger cruise vessels, which should grow the local tourism and hospitality industries.

1.4.3 Regional Level

A new Aberdeen City and Shire Regional Economic Strategy (RES) [5]. was launched in March 2023 and sets out the partners priorities and aspirations to transform the regional economy over the next 10 years.

In line with the Scottish Government's membership of the Wellbeing Economy Governments (WEGo) group, the RES reflects the region's ambition to deliver economic success not just in terms of output, but to value resilience, sustainability, and equality.

While creating a diverse and thriving economy sits at the core of the RES, this is balanced with a renewed focused on protecting and enhancing the natural environment and ensuring that local people and communities have access to high-quality education, housing, health and social care.

Specifically, we would note that the RES highlights the aspiration to grow key sector opportunities such as low carbon utilities to support the ongoing diversification from oil and gas. Further, the improved utilisation and exploitation of the regions' transport and digital assets will support internationalisation – catalysing exporting and securing new inward investment.

Delivering inclusive economic growth is a key objective of the ACRD Deal and throughout the development of the Benefits Realisation Plan there was ongoing discussion and collaboration to ensure alignment and synergy with the refreshed RES.

1.4.4 Policy Conclusions

As evidenced, the ACRD Deal demonstrates a strong fit and contribution to relevant priorities. The focus on three cross-cutting themes of digital, innovation and transport help ensure that the Deal will advance UK Government and Scottish Government priorities, and in turn support an innovative, prosperous, and inclusive regional economy.

Figure 1.3 presents a 'spider diagram' that shows the cross-cutting links and areas of synergy across the core themes and relevant national policy.

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[5] Inc hyperlink to new RES

Figure 1.3: Links Between the Aberdeen City Region Deal's Themes and Government Policies
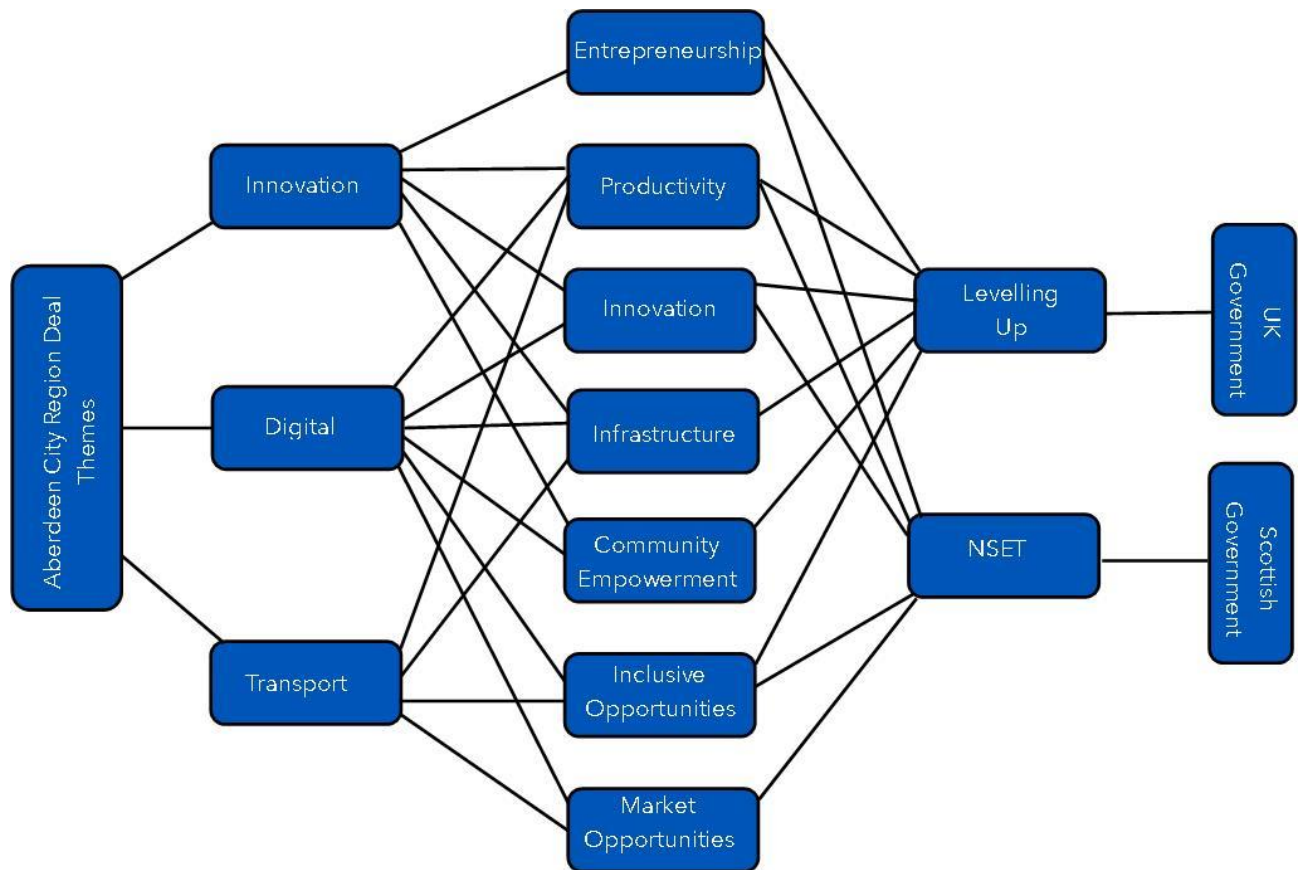
While further detail on evaluation is presented in **Section 5**, the role and contribution of the Deal to delivering against policy priorities will be reviewed as part of a final evaluation review at the end of the 10-year funding period, post-2027.

2 Purpose and Remit of the Benefits Realisation Plan

2.1 Intended Use

This section summaries the intended use(s) for the Benefits Realisation Plan, which has been shaped by the requirements of the target audiences, such as the funders, partners, and beneficiaries.

2.2 Alignment with Key Documents

First, we have outlined the Benefits Realisation Plan's fit and alignment with other important Deal Programme level documentation such as the Deal Agreement, Annual Report, and Benefits Tracker. Taken together, as well as being able to monitor and report on progress and overall performance, this important suite of documents will be used to:

- Provide valuable information and intelligence that will contribute to the various reporting requirements of funders, stakeholders, and partners.

- Better understand how people and places will benefit from the ACRD Deal.

- Assess the efficiency and effectiveness of the activities delivered, giving an early indication of any challenges/ issues, and informing future activity.

Deal Agreement

The Deal Agreement between the UK Government, Scottish Government and partners sets out the strategy for the Deal and outlines the commitment of funding over the 10-year period.

Alignment with the Benefits Realisation Plan: The Deal Agreement provides the overarching and guiding principles for the Benefits Realisation Plan – it sets the vision and aspirations of partners and the Benefits Realisation Plan provides the strategic framework for delivering this vision.

Annual Report

The ACRD Deal publishes an Annual Report[6] which provides a summary of the previous year's activities – what was delivered/ achieved, the successes, and feedback from partners, stakeholder, and beneficiaries. This is provided to all partners, and importantly, is a publicly available document that provides a rich source of information about the Deal and its progress towards delivering wider activity, such as Community Benefits.

As considered further in **Section 4**, while understanding what the Deal has delivered in terms of Community Benefits is important, there is value in looking beyond the quantification of achievements to tell the full story of how the region is delivering inclusive growth and contributing to the wellbeing agenda.

At **Section 4**, The Benefits Realisation Plan recommends a series of approaches including case studies, video blogs, and story maps, etc… to complement the quantitative metrics and indicators.

Alignment with the Benefits Realisation Plan: The Benefits Realisation Plan sets out the Programme level strategic objectives to help frame and define what success looks like and sets the metrics and indicators for measuring progress - which will be captured through the Master Benefits Tracker (discussed below).

The Annual Report provides the detail and narrative to partners and other interested stakeholders and beneficiaries on what has been achieved to provide tangible examples of the activities and outputs delivered.

It is the intention that the Annual Report and BRP are reported/published at the same time each year – with the Annual Report telling the story of what has been delivered and successes achieved in the past 12 months, and the BRP providing the data and evidence to support this.

Benefits Reporting Template and Master Benefits Tracker

The Benefits Reporting Template is the mechanism by which the PMO gathers data from the project leads and reports on the progress of the Deal based on the agreed indicators and metrics; both for the overall programme and by individual project (project level indicators are set out within the approved Business Cases).

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[6] ACRD Deal Annual Report (2021 – 22), see here.

The data gathered via the Benefits Reporting Template is used to update the Master Benefits Tracker - a live document that is updated regularly with data and the quantitative outputs achieved for the relevant reporting period (typically quarterly and annually).

The Tracker therefore provides robust and real-time information to funders and partners on progress against the relevant metrics and indicators. The Benefits Tracker is available on the ACRD Deal Intranet and the data feeds into the Annual Report.

Alignment with the Benefits Realisation Plan: The Benefits Realisation Plan has established the Deal programme level metrics and indicators that are collated, analysed, and reported through the Benefits Reporting Templates and Benefits Tracker.

Please note that the current Benefits Reporting Templates (referred to internally as Project Status Reports) used by project leads will be updated to reflect the agreed indicators and metrics outlined within the Benefits Realisation Plan at **Section 4**.

2.3 Supporting Future Monitoring Activity

While the BRP has been designed specifically to measure the performance and progress of the Deal, we would note that it has been developed in tandem with the RES and with significant input from regional partners/stakeholders. It is therefore intended that the BRP can be used in the future as a good practice "template" or "tool kit" to support regional partners adopt a robust and consistent approach to performance measurement and ensure that appropriate processes are adopted at project/programme inception. For example, this could include activities delivered through the RES, Shared Prosperity Fund (SPF) or Levelling up Fund (LUF).

2.4 Target Audiences

It is recognised that the Benefits Realisation Plan will have several 'audiences' depending on the nature of their role and involvement in the ACRD Deal. Audiences who will wish to use or have an interest in the outputs of the monitoring and evaluation approaches proposed within this Plan are summarised in **Table 2.1**.

The approach to engagement and dissemination of information is informed by the ACRD Deal Communication Strategy and Partners Communication Protocol.

Table 2.1: Target Audiences

Organisations	Role in informing the Deal and Benefits Realisation Plan	What is their interest in the Benefits Realisation Plan	How we will keep them informed and engaged
Core Funders			
UK Government Scottish Government, Aberdeen City Council, Aberdeenshire Council	Core funders and setting strategic direction	To understand and measure what will be achieved with the funding committed	Submission of documentation and reports via the City Region Deal Joint Committee
Governance and Management			
Scottish City Region and Growth Deal Delivery Board	Accountable body for the Deal	To consider achievements and understand what evidence is available and how it is collected.	Submission of documentation and reports via the City Region Deal Joint Committee
Joint Committee	Strategic oversight of the Deal	To monitor how delivery is progressing with a focus on how it is contributing to strategic regional priorities	Quarterly updates from the PMO
Programme Board	Management and delivery governance and oversight for the Deal	To monitor how delivery is progressing and to provide evidence for future funding applications and development of the Deal.	Quarterly updates from the PMO
Programme Management Office	Responsibility for the development, implementation, and delivery of the Benefits Realisation Plan	Providing all partners with data and information progress to delivering against targets	NA
Strategic Stakeholders, Advisory and Intermediaries			
Industry bodies	Helping to establish the strategic case for project intervention and providing wider guidance	To understand what the Deal has invested in (and where) and the benefits for the region	Annual Report and summary of BRP performance

Delivery Partners			
Opportunity North East, Robert Gordon University, University of Aberdeen, NESTRANS, NHS Grampian, CityFibre, Vodafone	Proving resources and supporting the operational delivery of the projects. Some partners have also contributed funding to support delivery of Deal activities.	Gathering and providing data and intelligence to populate the Benefits Tracker	Annual Report and summary of BRP performance
Beneficiaries			
Business base – private and third sector enterprises that are in the city-region and/or have a commercial interest in the Deal activities General public - residents and businesses within Aberdeen City and Shire	The needs and demands have been assessed through the development of the Business Cases	To understand what the Deal has invested in (and where) and the benefits for the region	Annual Report and summary of BRP performance

3 Programme Objectives and Theory of Change

3.1 Introduction

One of the main areas where the Benefits Realisation Plan delivers added value is through promoting a greater understanding of the long-term changes that funders and partners want to bring about across Aberdeen City and Shire through the Deal investments. At **Section 3.3** we have set out the overarching vision and strategic objectives for the Deal and **Section 3.4** sets out our Theory of Change – how we will deliver against the objectives.

Before we turn to the programme level strategic objectives and our Theory of Change, it is first, important to understand the:

- Underlying issues/challenges that were/are negatively impacting upon the regional economy.
- Opportunities that investment through the ACRD could unlock.

Once we understand the need and opportunity that we are trying to address, we can set objectives for what we want to achieve with the investment. When we have set objectives, then we can start to consider the different approaches to delivering against these objectives (our Theory of Change) and thereafter set indicators and metrics for measuring progress and success.

3.2 Economic Challenges and Opportunities

We have not sought to provide a detailed assessment or baseline of all the challenges and opportunities that provided the rationale and market failure evidence for intervention - these have already been covered (and accepted) within the Deal Agreement and the subsequent Business Cases which were subject to the HM Treasury Gateway assessment process.

Instead, we have summarised the economic and wider context in which the overall Deal programme and component projects were developed, and how the landscape/ecosystem has changed in the intervening period.

3.2.1 Regional Challenges

While the City Region has been a strong performer in the Scottish and British economies, the area faces a particular set of structural challenges that pose a significant risk to the area's prospects and future prosperity. Understanding these challenges is important, as the solutions to these challenges underpin many of the opportunities available to the region.

Oil, Gas, and Net Zero

The challenges in respect to oil and gas fall into two categories. The first major challenge was the collapse in oil prices during the mid-2010s, which coupled with the increased cost of extracting oil, made the North Sea an increasingly unviable option both in terms of the development of future wells and extraction from existing ones. The result was massive job losses between 2014-15, with Oil and Gas UK estimating some 65,000 people were made redundant[7].

While extraction challenges have remained an issue, the industry was presented with an existential challenge during the second half of the decade following the Paris Accords, which called for the transition to net zero by the middle of the 21st century. Although the continued need for oil and gas in many industrial processes and the recent developments in Ukraine improve the outlook for the industry, any future opportunities will inevitably decrease in scale through the rest of this century. Indeed, the complex mix of domestic, geopolitical, environmental, and ethical challenges associated with the oil and gas extraction leave the industry, and by implication the City Region, exposed to significant risk.

Implications for the Region

In the short-to-medium-term, there is a clear need to drive innovation and efficiency in the industry to increase the viability of North Sea oil and gas. The massive increase in oil prices (and associated supply chain costs) which followed Russia's invasion of Ukraine helps in this regard. However, there is still a need for innovation to reduce the carbon emissions that are associated with oil and gas extraction.

The inevitable decline of the oil and gas industry means the area faces substantial economic and social challenges over the medium to long term. Oil and Gas has generated massive revenues and made the region one of the most productive places in the UK outside of London. If the industry is not replaced by something that drives innovation and has a high potential for growth, the area's economic prospects will suffer.

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[7] Oil & Gas UK Economic Report 2015

Alongside this, there is potential for 'brain drain,' as skilled workers leave the area in search of better opportunities – not to mention the challenges facing older workers who may end up retiring rather than retraining.

Agriculture, Fishing, and EU Exit

The EU Exit presents several challenges for an area with a large fruit and fishing industry. In the first instance, the fruit industry heavily relied on EU migrant labour, which is problematic insofar as this has removed the right of EU nationals to come and work in the UK on a seasonal basis. While UK Government introduced the Seasonal Workers Visa Scheme, the industry still faces significant challenges, with the British Summer Fruits organisation noting the scheme fell far short of what the sector requires[8].

While the exit from the EU has meant that there has been more catch available for UK fishermen[9], exporters have faced significant difficulties exporting UK caught fish to the EU, resulting in a significant market reduction. This presents challenges for the City Region, which accounts for 50% of Scotland's fish landings and has several substantial fishing communities in places like Peterhead and Aberdeen[10].

Implications for the Region

It seems likely that the agricultural sector will continue to struggle to attract domestic workers and will be unable to fill adequately shortfalls with foreign workers. If the sector is unable to offer improved conditions or adopt new technologies to increase efficiency, there is clear potential for decline.

The picture for fishing is more unclear. If relations between Westminster and Brussels improve, there will be opportunities to reassess the UK's access to European markets. However, at the time of writing, relations are extremely poor and there will likely be further deterioration should the UK Government introduce the Northern Ireland Protocol Bill. It is therefore important that the Region tries to manage the impact of this uncertainty and provide opportunities for those no longer able to work in the fishing industry.

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[8] Labour shortages in the food and farming sector (parliament.uk)
[9] Note that EU quotas will not full transfer to the UK until 2025 (Fishing quota changes after Brexit | Epthinktank | European Parliament)
[10] Invest Aberdeen: Food and Drink

Digital Exclusion

The rural nature of Aberdeenshire has meant that there has been a market failure regarding the development of, and access to, superfast broadband (>30Mbps), with access estimated at 83%[11].

Relatively low level of access in rural areas may act as a driver of depopulation, with residents leaving rural communities in order to access better infrastructure and services in more urban areas. Indeed, it's important to recognise this scale of this problem, as the pandemic-related shift to working/ schooling from home highlighted wider issues around digital exclusion[12].

Implications for the Region

Without nationally competitive digital infrastructure, the City Region will be unable to attract the companies and people it will need in order to grow and diversify its economy. Indeed, this is likely to become increasingly problematic over the coming decades as smart technologies become increasingly embedded in cities.

Beyond attracting business and people to the region, it must be recognised that having sub-standard digital infrastructure will increasingly impact the lives of residents in the region – particularly in Aberdeenshire. If residents are unable to access broadband services that are available to the rest of the population, then there is a clear risk of them being left out and left behind.

National Competition

Aberdeen's strong research base was highlighted in 2017, when it was Scotland's leading city for innovation patents per 100,000 population[13]. However, there are two points to note here. First, many of these patents come from the oil and gas industry, meaning that the number of patents may decline in line with the industry. Second, the area has lacked the infrastructure required to attract the necessary investors to support commercialisation of intellectual property in the region.

Implications for the Region

Faced with a potentially declining rate of innovations and lacking the infrastructure to support spin outs, the City Region is at risk of being coming less productive over time. While institutions like the University of Aberdeen and Robert Gordon University will continue to support commercial activity (e.g., spin-outs), this may be negatively affected without the necessary support available within the region.

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[11] Connected Nations 2021: Scotland report
[12] Digital exclusion | Audit Scotland
[13] Aberdeen had over 8 patents per 100,000. The average is 2.9 Scottish-Cities-Outlook

The potential implications are that thew North East misses out on the investment and dynamism needed to drive the region's economy forward. Beyond this, without the ability to support these high growth opportunities, skilled graduates could leave the region in search of better opportunities, which will act as a further drag on its potential.

3.2.2 Regional Opportunities

Although the City Region faces significant challenges, there are clear opportunities. For the most part, the opportunities that are available are inverse to the challenges that exist. In other words, seizing the opportunities below should mitigate the challenges discussed above.

Oil and Gas Decommissioning

While the structural position of the oil and gas industry is one of long-term decline, there are still opportunities to exploit the North Sea's rich fossil fuel resources. Doing so will require a steady feedthrough of technology to ensure efficiency during extraction and that extraction-related remissions are reduced to as low a level as possible.

The transition away from oil and gas presents opportunities in several areas. For example, there is a substantial decommissioning market, which is estimated to be worth £47bn by 2040[14]. The developments at the South Harbour will improve Aberdeen's position within the decommissioning supply chain by ensuring that the region is better able to import material for decommissioning and export the processed outputs.

Renewables

Beyond its fossil fuel endowment, the Aberdeen City Region has substantial renewables potential, particularly in the wind turbine subsector. For example, the Crown Estate's ScotWind project is predominantly concentrated around Scotland's North East coast, **Figure 3.1**. Consequently, there will be opportunities in areas including wind turbine installation, maintenance, and decommissioning – which will provide jobs well into the future. Indeed, the proposed North East Green Freeport speaks to the opportunities available in this space.

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[14] Decommissioning report (gmbscotland.org.uk)

Figure 3.1: ScotWind Sites from Leasing Round 1
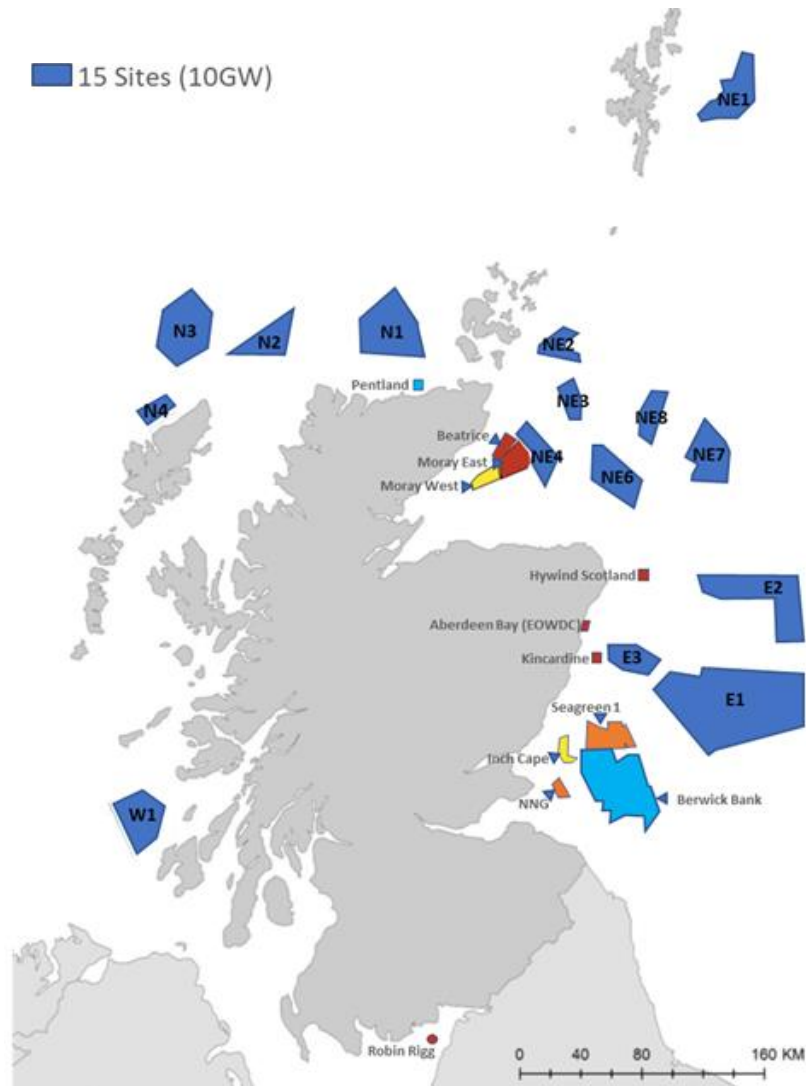
Source: Reuters

There will also be opportunities in other renewables sub-sectors, including hydrogen. Thanks to the H2 Aberdeen vision set out in the 2015 Hydrogen Strategy[15], the city has become one of Europe's pioneering hydrogen cities. This status was recently evidenced by the recent BP decision to design, build, and operate the Aberdeen Hydrogen Hub, which will result in the delivery of a green hydrogen production facility.

The Hydrogen Hub highlights the broader potential to engage with the oil majors as they diversify to ensure that they continue to invest in the City Region and provide opportunities for people who are currently working in the oil and gas industry.

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[15] AberdeenHydrogenStrategy

Tourism

Beyond the energy sector, the North Sea will continue to provide opportunities for people who live in Aberdeen/shire, with clear potential in marine tourism. Again, the developments in the South Harbour will be beneficial here, with the massive increase in cruise ship capacity likely increasing the size of area's the visitor economy. Going forward, this will provide opportunities to develop further regional assets and attractions, like the NC 250, to help the area capture more tourist spend. In this respect, there is potential to capture tourist spend both within the City of Aberdeen and wider Aberdeenshire. Both will mean that there are increasing job opportunities in the tourism and hospitality sector alongside opportunities for new businesses/ entrepreneurs to service the increased market.

Innovation Pipelines

In the wider economy, there is potential in the life sciences and food and drink sectors, which have a strong base in the regional economy. For example, both the Bio Hub and SeedPod will be based at existing University campuses in the region; with Bio Hub at Foresterhill and SeedPod at SRUC's Craibstone campus.

Locating the infrastructure and support at these campuses will create a clear space for academia-industry collaborations, allowing the region to capitalise on its expertise and develop innovative, high growth businesses that make sizable contributions to the local economy.

Digital Economy

Finally, and in order to capitalise on the above opportunities, there will need to be a concerted effort to make the City Region an attractive place to live and work. Projects like Full Fibre and the City Network help in this regard by leverage public sector resources to address market failures and create a favourable market which will benefit City Region residents, who should receive cheaper access to superfast broadband and improved access to quality public services.

Beyond ensuring that every citizen has access to adequate broadband, which should be considered as crucial as access to water, gas, and electricity in the 21st century, there will be a need to future proof the City Region's infrastructure in order to allow the ease implementation and roll out of smart city technologies as they come online.

3.2.3 A Changing Landscape

There have been several strategic and contextual changes that have occurred since the ACRD was launched. It's important to recognise that these changes impact the operating environment and create new objectives which the ACRD programme needs to recognise.

One major change has been the 'finalisation' of Great Britain's exit from the EU with the introduction of the Trade and Co-operation Agreement. The UK's changed relationship with the EU creates several new challenges, particularly in a location with a well-developed fishing industry. As discussed previously, the situation remains fluid, with clear potential for further deterioration in UK-EU relations, which will likely result in further trading difficulties.

In 2019, Scotland became one of the first countries in the world to announce a climate emergency in response to advice received from the Committee on Climate Change. Consequently, Scottish Government announced a target for Scotland to transition to Net Zero by 2045. Achieving the target will require drastic transformative change, which undoubtedly presents several challenges. Chief amongst these is the need to ensure a just transition, ensuring that existing inequality is not exacerbated and that people in declining industries are not locked out of the future economy.

Closely tied to the just transition is Scottish Government's vision to develop a wellbeing economy. The wellbeing economy, which is the central objective of the NSET, is based on an inclusive and sustainable growth that delivers prosperity and resilience for the whole of Scotland. Across the economy, this requires providing a range of opportunities to ensure that Scotland can lead on green/ sustainable innovation while also providing fair work in good jobs to people who have traditionally been locked out of the labour market. At both a national and regional level, Community Wealth Building is viewed as a key tool to achieving these aims as it encourages large anchor institutions, like hospitals to localise their supply chains in order to create multiplier effects that result in more money being spent locally.

The Aberdeen City Region has recently launched it updated Regional Economic Strategy. Alongside the ACRD, the RES will provide the strategic direction for the City/Shire economy by focusing on the four capitals:

- Natural Capital.

- Economic Capital.

- Human Capital.

- Social Capital.

3.3 Strategic Vision and Objectives

3.3.1 Our Vision

Confirm once the RES been agreed

Taken from the recently launched RES, by 2035, North-East Scotland will be the Energy transition capital of Europe. Our economy will continue to transform and diversify and to lead in the production of new green energy sources. Our region will have growing digital and technology, food and drink, tourism, life sciences and creative sectors. Our economic growth model will value wellbeing and sustainability, be outward-looking, and prepared for the challenges and opportunities arising from long-term drivers, including: the climate emergency, an ageing population and digital transformation.

Communities, visitors, and businesses throughout our region will be part of:

- **A thriving economy:** Driving growth across the key sectors of our economy with a world-class low carbon utilities and transport infrastructure, digital and physical connectivity. Internationalisation will be supported to ensure the region creates green jobs, attracting people and investment. Businesses will have access to the people and skills required to thrive.

- **An outstanding natural environment:** From the mountains to the sea, our unique natural environment and biodiversity will be preserved and protected, to ensure the region remains a stunning and productive place to live, work and visit.

- **People:** High-quality education at all life stages, access to affordable housing, green and marine-spaces, health, and social care, will be widely available to all to ensure all residents and communities are empowered to lead healthy and happy lives.

- **A strong community and cultural identity:** Reducing gender, racial and other inequalities in the region. Address poverty in our region and commit to being a real living wage region and invest in arts and culture to enhance regional identity and ensure all residents have the opportunity reach their potential and to feel pride in the region.

3.3.2 Our Strategic Objectives

To achieve our vision, the over-arching strategic objectives for the ACRD Deal are to:

Strategic Objective 1: Accelerate the decarbonisation of industry and support the transition from traditional high carbon emitting sectors toward emerging clean energy sectors like circular decommissioning, and renewable energy systems (offshore wind and hydrogen).

How we will achieve this: The Net Zero Technology Centre is the ACRD Deals flagship project to help the City Region meet its net zero commitments through facilitating co-investment with industry and working in partnership with the public and private sectors to fund R&D and influence policy.

Strategic Objective 2: Develop an innovation ecosystem that promotes and supports innovation within industry across the innovation journey from knowledge creation through to application and exploitation.

How we will achieve this: The Deal will invest in sector-specific centres of excellence to capitalise on the regions' existing strengths and emerging areas of opportunity in net zero, food and drink and life sciences. The Deal will support and catalyse collaboration and investment in R&D – supporting the business base and inward investors to access our universities' world-class research expertise/capabilities, providing access to state-of-the-art R&D and testing facilities, and through the provision of wider wraparound support and promotion.

Strategic Objective 3: Enable the continued growth and diversification of the Aberdeen City-Region business and employment base and the enabling upstream and downstream supply chains.

How we will achieve this: Aligned to Strategic Objective 2, the investments will create spatial clusters and a critical mass of new economic activity – helping businesses to scale at pace, creating an entrepreneurial culture (business start-ups and spin outs), securing inward investment, and attracting and retaining skilled workers to the city-region. The Deal will focus on supporting innovation across three priority sectors – net zero technologies, food and drink, and life sciences.

Strategic Objective 4: Increase trade and investment and help the city-region access new economic opportunities.

How we will achieve this: The Deal will invest in vital infrastructure at Aberdeen South Harbour to increase the berthing and quayside capacity which will help address an existing unmet demand. Through the Harbour expansion we will:

- Increase importing and exporting activity.

- Create opportunities for energy transition activities, including renewables and decommissioning.

- Support the city-region to access emerging opportunities within the visitor economy – cruise ships.

Strategic Objective 5: Make the Aberdeen City-Region one of the physically and digitally best-connected regions in the UK.

How we will achieve this: The expansion of Aberdeen South Harbour, which includes enhancing the physical berthing and quayside capacity at the harbour will improve the accessibility of the North East - expanding existing importing/exporting activities and opening new market opportunities in renewables and cruise ships.

In additon, Broadband is now widely regarded as the 'fourth utility' and the Deal will invest in the fibre and other infrastructure to catalyse further private sector investment to ensure that residents, businesses, and service providers have access to super-fast and ultra-fast broadband. Through digital technologies this will help to reduce digital exclusion and lead on the implementation of smart city technology.

Strategic Objective 6: Create an inclusive economy that provides opportunities for our residents to access fair work, training, and skills development.

How we will achieve this: We will prioritise the delivery of social value through procurement contracts and deliver community benefits such as placements, apprenticeships, training, and employment opportunities.

In addition, and in line with our commitment to the public sector equality duty, we will support our partners to target those with protected characteristics with a focus on four priority groups – sex (specifically encouraging more females into STEM), disabled people, ethnicity, and age.

3.3.3 Equalities Objectives

The ACRD has set a series of objectives in relation to supporting individuals with protected characteristics, these are:

1. Promote greater gender diversity, specifically encouraging more girls and woman interested in studying and working in STEM.
2. Ensure that there are a range of employment opportunities across a diverse sector base for those from all ethnic backgrounds.
3. Target specific demographic groups, including young people aged 16-24 and extending working lives (aged 50+).
4. Work with employers and the private sector to ensure that disabled people have equal opportunity to access services and employment.

Progress to delivering against our equalities' objectives form part of our approach to benefits realisation and monitoring, see **Section 4**.

3.4 Theory of Change

The Theory of Change presents the underlying assumptions and rationale that explains how (and why) inputs and activities contribute to a succession of intermediate outputs and outcomes that lead to the intended or observed impacts. The Theory of Change will:

- Support policy and decision-makers better understand how, where, and who will benefit from the ACRD Deal.

- Identify relevant indicators for gathering information and intelligence that will evidence the progress and success of the investment and contribute to the various reporting requirements – the Benefits Tracker and Annual Report.

- Identify gaps or weaknesses in available data and the evidence base – intimating where alternative approaches to gathering data need to be adopted – as already highlighted there is the need to better evidence the Deals' wider contribution to inclusive growth.

- Inform future evaluation – making sure that the relevant questions are considered/asked and providing a consistent position - did the investment deliver the intended change.

ACRD Deal - Theory of Change

Inputs	Activities	Output	Outcomes – short term	Outcomes – medium term	Economic Impacts	Social and environmental impacts
Public Sector Partners	**Digital**				**• Increase in GVA** • Increase in employment • Additional Tax Revenues • Business Enterprise expenditure on R&D (BERD) • Improved business survival rates	• Sector transition • Net greenhouse gas/ CO2 emissions • Energy generated from renewable/ low carbon sources • Service user satisfaction with the quality of local services (health services, schools, etc) • Social and geographic isolation • Air quality • Water quality
• ACRD funding – UK and Scottish Government • Aberdeen City Council • Aberdeenshire Council • Scottish Enterprise • NESTRANS • NHS Grampian	Total funding – £76.2m • City Network extension • Full Fibre Infrastructure • Duct Network	Projects completed: • City Network • Full Fibre Infrastructure • Duct Network • KM/M of fibre cable fitted/laid	• Construction and supply chain (contracts, jobs, salaries, GVA) • Community Benefits (employment, training and skills development, business development)	• Premises (residential, commercial, civic) with access to highspeed and ultrafast Broadband • Broadband providers secured	• Digital uptake (residential, commercial, civic) • Digital exclusion (residential, commercial, civic)	
Higher Education	**Innovation**					
• Robert Gordon University • University of Aberdeen	Total funding – £486.4m • Net Zero Technology Centre - £426.2m • SeedPod - £24.6m • Bio Hub - £35.6m	Projects completed: • Net Zero Technology Centre • SeedPod • Bio Hub • New floorspace delivered	• Construction and supply chain (contracts, jobs, salaries, GVA) • Community Benefits (employment, training and skills development, business development)	• Innovation active businesses • New collaborations/ partnerships • Start-ups/ Spinouts • Funding and investment secured	• Firms taking new products/ processes/ services to market • New products/ processes/ services launched	
Private Sector Partners	**Transport**					
• Opportunity North East • Aberdeen Harbour • Vodafone/ CityFibre	Total funding – £451.9m • Aberdeen Harbour Expansion - £419.9m • Strategic Transport Appraisal - £7.0 • Transport Link to Harbour - £25.0m	Projects completed: • Aberdeen South Harbour Expansion • Strategic Transport Appraisal • Transport Link to Harbour • Sqm of Harbourside hardstanding and deep-water berthing capacity	• Construction and supply chain (contracts, jobs, salaries, GVA) • Community Benefits (employment, training and skills development, business development)	• Increased freight and commercial harbour traffic • Reduced journey times and congestion • Cruise ships and passengers	• Value of Exports (direct and supply chain) • Increased expenditure – visitor economy • Investment leveraged - land/ site development	

Policy Fit and Contribution

The ACRD Deal contributes to the following cross-cutting policy priorities:

- Utilising innovation, enterprise, and entrepreneurship to boost productivity and economic output.
- Creating sustainable, good quality, and well-paid employment opportunities across a diverse sector base.
- Supporting a just and fair transition to net zero.
- Embedding inclusive growth and wellbeing into investment decision-making.

Underlying Evidence and Assumptions

- Enabling and digital infrastructure has a key role to play in delivering productive businesses and regions (National Strategy for Economic Transformation, see here).
- Transport Infrastructure underpins economic resilience, provision of services and the effective operation of the economy, enables inclusive and sustainable growth – demand side impact, supply side impact, market impact, and social and environmental impact (Office of Chief Economic Advisor, see here).
- Digital access will contribute to sustainable places and inclusive economic growth - investing in digital connectivity and inclusion to help businesses, workers and service users to accelerate the uptake of digital services and reduce the need to travel. In additon, digital connectivity has a wider role (particularly within rural communities) in helping people stay connected (Infrastructure Investment Plan, see here).
- One of the central drivers for supporting innovation is that it a key driver for economic growth and productivity - through the development of new products, processes, services and business models, which increase sales, and thus economic output, ultimately creating wealth and employment (Department for Business, Energy & Industrial Strategy, see here).
- The benefits arising from innovation more widely are not just economic - innovation helps us develop better medicines, deliver more effective public services, help develop sustainable agricultural techniques, and greener energy solutions to accelerate the path to net zero, with resulting social and environmental benefits (UKRI, see here).

Strategic Added Value

The qualitative and agglomeration effects that are challenging to measure but nonetheless important to understand - the scale and scope of these effects are to be tested and assessed at the relevant Gateway review periods:

- Partnerships – strengthening existing and creating new relationships with regional partners.
- Synergy and influence – promoting shared aspirations and 'values' for the city region.
- Engagement and collaboration – ensuring all partners and stakeholders have a platform for meaningful engagement and dialogue
- Increased trust, civic engagement and buy-in.
- Alignment and strengthening complementary strategic agendas.

4 Monitoring and Evaluation

4.1 Good Practice Principles of Monitoring

The Benefits Realisation Plan will adhere to the following principles:

- Identify and record the desired benefits.

- Identify the stakeholders affected by each benefit.

- Identify the outcomes and enablers required for the realisation of each benefit.

- Record the metric by which each outcome is to be measured – ideally these metrics should have baseline values to compare against measured pre-project.

- Allocate a responsible person to each benefit who is responsible for measuring.

- Prioritise benefits against each other where appropriate to do so.

- Identify the expected delivery of benefits.

4.2 Monitoring - Indicators and Metrics

Following on from the Theory of Change in **Section 3** which sets the overarching framework for measurement - the metrics, and indicators that we will utilise are outlined below. Bespoke Benefits Reporting Templates will be developed, and project leads given clear guidance to ensure a robust and consistent approach to data collection and reporting[16].

The data being captured and reported will evidence and demonstrate progress to delivering against the objectives of the ARCD Deal and help inform future interventions.

Please note that when designing the metrics and indicators we have given cognisance to the following key criteria:

- Net zero and carbon reduction.

- Inclusive growth and wellbeing.

- Equalities[17] and the Public Sector Equality Duty with a focus on supporting four identified priority groups with protected characteristics: sex, disability, ethnicity, and age.

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[16] Please note that the programme-level Benefits Realisation Plan will be updated and reported annually. Nevertheless, individual projects may be required to gather and report data on a more regular basis to satisfy internal and other funders requirements. This will be noted within the Benefits Reporting Templates.
[17] Equalities and Human Rights Commission, see here.

4.2.1 Input Indicators

The input indicators relate to the capital and revenue financial expenditure incurred in implementing projects, with the additional aim of tracking the expenditure made by/ leveraged from the various partner bodies.

Table 4.1: Indicator Menu – INPUTS

Indicator	Who will capture and provide the data	Source of data	Measure	Mechanism for data capture	Reporting frequency*
What is being measured?	**Who is responsible?**	**Where will we get the data?**	**The unit of measurement**	**How will it be captured/reported?**	**How often is it reported within the BRP?**
Total funding	Project leads – all projects	Approved Business Cases and project expenditure sheets	Value (£) – forecast and actual Value (£) by core theme – forecast and actual Value (£) by project – forecast and actual	Finance and Project Status Reports	Annually
Leveraged funding: Public sector	Project leads – all projects	Approved Business Cases and project expenditure sheets	Value (£) – forecast and actual Value (£) by core theme – forecast and actual Value (£) by project – forecast and actual	Finance and Project Status Reports	Annually
Leveraged funding: Private sector	Project leads – all projects	Approved Business Cases and project expenditure sheets	Value (£) – forecast and actual Value (£) by core theme – forecast and actual Value (£) by project – forecast and actual	Finance and Project Status Reports	Annually

*Note 1: Financial and spend data is gathered and reported to the Joint Committee Programme Board quarterly. To avoid duplication, data on the inputs (funding) will be reported within the Benefits Realisation Plan annually at the same time as the publication of the Annual Report

4.2.2 Activity Indicators

Table 4.2: Indicator Menu – ACTIVITIES

Indicator	Who will capture and provide the data	Source of data	Measure	Mechanism for data capture	Reporting frequency	Contribution to objective
What is being measured?	Who is responsible?	Where will we get the data?	The unit of measurement	How will it be captured/reported?	How often is it reported within the BRP?	Which strategic objectives will the indicator contribute towards?
Digital Theme						
Project status – capital works and operational activity: o City Network o Full Fibre Infrastructure o Duct Network o Digital Gap Analysis	Project leads – all projects under the digital theme	Benefits Reporting Template and Annual report (update on progress) End of Project Report	Has the project completed (count) – not started, ongoing, completed	Benefits Reporting Template	Annually	Strategic objective: 3, 5, 6
Fibre cable fitted/laid	Project leads – Full Fibre Infrastructure, Duct Network, and Digital Gap Analysis	End of Project Report/ construction completion certificate	KM/M	Benefits Reporting Template	Annually	Strategic objective: 3, 5, 6
Number of corporate sites connected to ultra-fast broadband networks	Project leads - City Network and Digital Gap Analysis	End of Project Report/ construction completion certificate	Count of sites	Benefits Reporting Template	Annually	Strategic objective: 3, 5, 6
Innovation Theme						
Project status – capital works and operational activity: o Net Zero Technology Centre o SeedPod o Bio Hub	Project leads – all projects under the innovation theme	Benefits Reporting Template and Annual report (update on progress) End of Project Report	Has the project completed (count) – not started, ongoing, completed	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3, 4, 6
New floorspace delivered	Project leads – SeedPod and Bio Hub	End of Project Report/ construction completion certificate	Sqm	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3, 4, 6
Transport Theme						
Project status – capital works and operational activity: o Aberdeen South Harbour Expansion o Strategic Transport Appraisal o Transport Link to Harbour	Project leads – all projects under the transport theme	Benefits Reporting Template and Annual report (update on progress)	Has the project completed (count) – not started, ongoing, completed	Benefits Reporting Template	Annually	Strategic objective: 4, 6
Quayside hardstanding	Project leads - Aberdeen South Harbour Expansion	End of Project Report/ construction completion certificate	Sqm	Benefits Reporting Template	Annually	Strategic objective: 4, 5, 6
Seaside deep-water berthing capacity	Project leads - Aberdeen South Harbour Expansion	End of Project Report/ construction completion certificate	Sqm	Benefits Reporting Template	Annually	Strategic objective: 4, 5, 6
Upgraded or improved road infrastructure	Project leads - Transport Link to Harbour	End of Project Report/ construction completion certificate	KM	Benefits Reporting Template	Annually	Strategic objective: 4
New cycle infrastructure	Project leads - Transport Link to Harbour	End of Project Report/ construction completion certificate	KM	Benefits Reporting Template	Annually	Strategic objective: 4

Table 4.3: Indicator Menu – OUTPUTS

Indicator	Who will capture and provide the data	Source of data	Measure	Mechanism for data capture	Reporting frequency	Contribution to objective
What is being measured?	Who is responsible?	Where will we get the data?	The unit of measurement	How will it be captured/reported?	How often is it reported within the BRP?	Which strategic objectives will the indicator contribute towards?
Output Indicators						
Construction contracts	Project leads – all projects	Project procurement and expenditure sheets	Value (£) by core theme Value (£) by project	Benefits Reporting Template	Annually	Strategic objective: 6
Construction employment	PMO	Project procurement and expenditure sheets – PYE to be measured via standard co-efficient*	Person Year Equivalent: ○ By core theme ○ By project	Benefits Reporting Template	Annually	Strategic objective: 6
Inclusive Growth Indicators						
Construction jobs that pay at least the Real Living Wage	Project leads – all projects	Construction contracts and suppliers	Total Count Count by protected characteristic	Benefits Reporting Template	Annually	Strategic objective: 6
Training and employment opportunities delivered via Community Benefits clauses related to the capital works that were taken by people with protected characteristics –	Project leads – all projects	Community Benefits Tracker – linked to individual capital projects	Total Count: Count by protected characteristic	Benefits Reporting Template	Annually	Strategic objective: 6
Apprenticeships related to the capital works that have been completed by the end of contract	Project leads – all projects	Community Benefits Tracker - linked to individual capital projects	Total Count: Count by protected characteristic	Benefits Reporting Template	Annually	Strategic objective: 6

* Note 1 - one construction PYE created by every £160,956 of capital expenditure – the PMO will calculate the construction employment based on contract value data provided by project leads

Qualitative Metrics

The outputs will be supported by the following indicative qualitative metrics:

- Case studies with apprentices – engage with those that were taken by people with protected characteristics.

The case studies will be agreed with project leads and reported as part of the Annual Report.

Table 4.4: Digital – SHORT- AND MEDIUM-TERM OUTCOMES

Indicator	Who will capture and provide the data	Source of data	Measure	Mechanism for data capture	Reporting frequency	Contribution to objective
What is being measured?	Who is responsible?	Where will we get the data?	The unit of measurement	How will it be captured/ reported?	How often is it reported within the BRP?	Which strategic objectives will the indicator contribute towards?
Short Term Outcome Indicators – Across all Projects						
Residential dwellings that have access to fast internet download speeds (min 30mbps)	PMO	OFCOM	Percentage	Benefits Reporting Template – set a baseline and ongoing review	Annually	Strategic objective: 5, 6
Commercial premises that have access to fast internet download speeds (min 30mbps)	PMO	OFCOM	Percentage	Benefits Reporting Template – set a baseline and ongoing review	Annually	Strategic objective: 3, 5, 6
Civic premises that have access to fast internet download speeds (min 30mbps)	PMO	OFCOM	Percentage	Benefits Reporting Template – set a baseline and ongoing review	Annually	Strategic objective: 5, 6
Medium Term Outcome Indicators – Across all Projects						
Number of Smart City projects tested/rolled out as per the ACC Smart City Strategy and Action Plan	Project leads	Via survey/engagement with project managers for ACC Smart City programmes	Count and by Smart theme (Public Sector, Technology, Mobility, Digital Skills, Tourism, Living)	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3, 5, 6
Number of industry-specific applications successfully trialled and launched	Project leads – Digital Gap Analysis	Via survey/engagement with partners/beneficiaries	Count and by sector if appropriate e.g., Tourism, Food and Drink, Energy, Utilities, Ports and Logistics and Agritech	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3, 5, 6
Inclusive Growth Indicators						
Digital exclusion - accessibility	PMO	(OFCOM/ONS)	% of residential dwellings that have access to fast internet download speeds (min 30mbps: o rural/semi-rural areas* o communities in the SIMD top 20%	Benefits Reporting Template – set a baseline and ongoing review	Annually	Strategic objective: 5, 6

Note 1: Based on the Scottish Government Urban Rural Classification, 2016

Qualitative Metrics

The outcomes will be supported by the following indicative qualitative metrics:

- Case studies – improved service provision (engage with service providers and users e.g., NHS, banks, social services, Citizens Advice Bureau, etc).

- Case studies/workshops - school pupils that have benefitted from improved connectivity (for school learning and at home).

- Case studies and Secondary research on digital exclusion and service costs – review the average annual Broadband service costs (£) in communities where (pre-Deal) this was regarded as 'expensive' or 'unaffordable' and the role/contribution of the digital projects in alleviating this challenge.

The case studies will be agreed with project leads and reported as part of the Annual Report.

Table 4.5: Innovation – SHORT AND MEDIUM- TERM OUTCOMES

Indicator	Who will capture and provide the data	Source of data	Measure	Mechanism for data capture	Reporting frequency	Contribution to objective
What is being measured?	Who is responsible?	Where will we get the data?	The unit of measurement	How will it be captured/reported?	How often is it reported within the BRP?	Which strategic objectives will the indicator contribute towards?
Short Term Outcome Indicators						
Businesses and others accessing support	Project leads – all projects	Engagement with businesses accessing support from the project	Count	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3,
Funding (grants) provided to projects - Tech X and Solutions Centre	Project lead - NZTC	Internal records and Benefits Reporting Templates	Count and value (£) of grant funding	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3,
Innovation active businesses	Project leads – all projects	Engagement with businesses accessing support from the project	Count*	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3,
New (Academia - business / business-to-business) collaborations/partnerships	Project leads – all projects	Engagement with businesses and others accessing support from the project	Count	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3
Follow-on investment secured	Project leads – all projects	Engagement with businesses and others accessing support from the project	Value (£)	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3, 4
Medium Term Outcome Indicators						
Business Start-ups	Project leads – all projects	Engagement with businesses accessing support via the project	Count by sector	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3, 4, 6
Academia and Industry Spin outs	Project leads - SeedPod and Bio Hub	Engagement with businesses and others accessing support via the project and HE-BCI returns	Count by sector	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3, 4, 6
New to firm and/or market products/ processes/ services**	Project leads - all projects	Engagement with businesses and others accessing support via the project	Count Value (£)	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3, 4, 6
Businesses using or investing in net zero/low carbon technologies	Project lead – NZTC	Engagement with businesses and others accessing support via the project	Count	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 6
Inclusive Growth Indicators						
Business Start-ups and academic spinouts	Project leads - all projects	Engagement with businesses and others accessing support via the project	By industry sector % ownership by those with protected characteristic*** % remaining in North East at 3 and 5 years	Benefits Reporting Template	Annually	Strategic objective: 1, 2, 3, 4, 6
Businesses and others accessing support	Project leads - all projects	Project data sheets – internal monitoring	% participating with protected characteristic	Benefits Reporting Template	Annually	Strategic objective: 2, 6
Number of school/FE/HE visits and/or careers fairs to promote project and wider sector opportunities	Project leads - all projects	Project data sheets – internal monitoring	Count	Benefits Reporting Template	Annually	Strategic objective: 6

* Note 1: Based on the UK Innovation Survey definition of innovation active businesses, see here

**Note 2: This includes both new to firm and new to market products, processes, services

*** Note 3: Ownership characteristics at the point of start-up or spin-out

Qualitative Metrics

The outcomes will be supported by the following indicative qualitative metrics:

- Case studies - school visits.

- Case studies - women encouraged into STEM jobs or participated in accelerator or training programmes.

- Case studies - students participating in the career ready programme.

- Case studies – wider benefits that businesses/individuals gain from accessing support e.g., access to networks, increased confidence, etc.

The case studies will be agreed with project leads and reported as part of the Annual Report.

Table 4.6: Transport SHORT AND MEDIUM-TERM OUTCOMES

Indicator	Who will capture and provide the data	Source of data	Measure	Mechanism for data capture	Reporting frequency	Contribution to objective
What is being measured?	Who is responsible?	Where will we get the data?	The unit of measurement	How will it be captured/reported?	How often is it reported within the BRP?	Which strategic objectives will the indicator contribute towards?
Short Term Outcome Indicators						
Increased freight and commercial harbour traffic	Project lead – Aberdeen South Harbour	Port of Aberdeen internal records Secondary sources: UK Port Freight Statistics	Tonnes per annum	Benefits Reporting Template	Annually	Strategic objective: 3, 4
Reduced journey times	Project lead – Transport link to harbour	Travel Time – survey based	Journey Time Statistics	Benefits Reporting Template	Annually	Strategic objective: 4, 6
Cruise ships and passengers	Project lead – Aberdeen South Harbour	Port of Aberdeen internal records Secondary sources: Marine Scotland, Transport Scotland, Cruise Scotland	Count of vessels Count of passengers	Benefits Reporting Template	Annually	Strategic objective: 4, 6
Medium Term Outcome Indicators						
Scottish business involved with exporting - directly or within the supply chain	Project lead – Aberdeen South Harbour	Port of Aberdeen internal records	Count	Benefits Reporting Template	Annually	Strategic objective: 3, 4, 6
Increased expenditure – visitor economy	PMO	VisitScotland standard co-efficient data* Survey of cruise ship passengers	Value (£)	Benefits Reporting Template	Annually	Strategic objective: 3, 4, 6
Investment leveraged –site development at ETZ	Project lead – Aberdeen South Harbour (with support of partners)	Planning applications Engagement with developers and investors Partners	Value (£) Sqm new floorspace	Benefits Reporting Template	Annually	Strategic objective: 1, 3, 4
Business diversification	Project lead – Aberdeen South Harbour	Port of Aberdeen internal records	Count of companies by sector renting quayside space	Benefits Reporting Template	Annually	Strategic objective: 3
Inclusive Growth Indicators						
Active travel – number of users (walking or cycling)	Project lead – Transport link to harbour	Counters or surveys	Count	Benefits Reporting Template	Annually	Strategic objective: 6
Number of school trips to Harbour visitor centre	Project lead – Aberdeen South Harbour	Port of Aberdeen project data sheets – internal monitoring	Count of schools from North East Count of pupils	Benefits Reporting Template	Annually	Strategic objective: 6
Number of school/FE/HE visits and/or careers fairs to promote project and wider sector opportunities	Project lead – Aberdeen South Harbour	Port of Aberdeen project data sheets – internal monitoring	Count	Benefits Reporting Template	Annually	Strategic objective: 6

* Note 1: Average spend data sourced from Visit Scotland and Cruise Scotland can be used to estimate expenditure (average spend * number of passengers, by profile)

Qualitative Metrics

The outcomes will be supported by the following indicative qualitative metrics:

- Case studies - school visits.

- Case studies – financial and other support provided to charities and community groups.

- Case studies – feasibility studies that identified new (mixed mode) transport routes that has helped better connect rural communities.

The case studies will be agreed with project leads and reported as part of the Annual Report.

Table 4.7: Economic, Social, and Environmental **IMPACTS**

Indicator	Who will capture and provide the data	Source of data	Measure	Mechanism for data capture	Reporting frequency	Contribution to objective
What is being measured?	Who is responsible?	Where will we get the data?	The unit of measurement	How will it be captured/ reported?	How often is it reported within the BRP?	Which strategic objectives will the indicator contribute towards?
Economic Impact Indicators						
Jobs created and/or safeguarded	Project leads – all projects	Engagement with businesses and others accessing support from the project	Count	Benefits Reporting Template	Annually Assessed externally at interim / final evaluation	Strategic objective: 3, 4, 6
GVA created and/or safeguarded*	Project leads – all projects PMO	Project leads to provide input data that will inform the GVA model * Engagement with businesses and others accessing support from the project – turnover, salaries, profits	Value (£): ○ Total ○ Average per employee	Benefits Reporting Template	Annually Assessed externally at interim / final evaluation	Strategic objective: 3, 4, 6
Tax revenues*	Project leads - NZTC PMO	Project leads to provide input data that will inform tax revenue model * Engagement with businesses and others accessing support from the project – turnover and sales	Value (£)	Benefits Reporting Template	Annually Assessed externally at interim / final evaluation	Strategic objective: 1, 3
Business survival rates	Project leads – all innovation theme projects	Engagement with businesses and others accessing support from the project	Count: ○ by sector ○ percentage at 3- and 5-years post-support	Benefits Reporting Template	Annually Assessed externally at interim / final evaluation	Strategic objective: 3, 4, 6
Business Enterprise R&D (BERD)	Project leads - all innovation theme projects	Engagement with businesses and others accessing support from the project and HE -BCI returns	Value Percentage of costs	Benefits Reporting Template	Annually Assessed externally at interim / final evaluation	Strategic objective: 1, 2, 3,
Value of exports (direct and supply chain)	PMO	ONS Export Statistics Scotland	Value (£)	Benefits Reporting Template	Annually Assessed externally at interim / final evaluation	Strategic objective: 3, 4
Social Impact Indicators						
% of service users who are fairly or very satisfied with the quality of local services	PMO	Scottish Household Survey Engagement with, and survey of service users	Percentage	Evaluation evidence	Assessed externally at interim / final evaluation	Strategic objective: 6
% of adults who felt lonely in the last week "some"/"most"/"all or almost all" of the time	Project leads – digital theme PMO	Scottish Household Survey Engagement with, and survey of residents in areas benefitting from improved Broadband connectivity	Percentage	Evaluation evidence	Assessed externally at interim / final evaluation	Strategic objective: 6
Environmental Impact Indicators						
CO2 abatement	Project lead - NZTC Environment statistics - Scottish Government	Engagement with businesses and others accessing support from the project (NZTC have target forecast)	CO2 Tonnes per annum	Evaluation evidence	Assessed externally at interim / final evaluation	Strategic objective: 6
Air quality	Project lead – Aberdeen South Harbour	Technical testing and monitoring	Air Quality Index	Benefits Reporting Template	Annually Assessed externally at interim / final evaluation – change against the baseline	Strategic objective: 6

Water quality	Project lead – Aberdeen South Harbour	Technical testing and monitoring	Water Quality Index	Benefits Reporting Template	Annually Assessed externally at interim / final evaluation – change against the baseline	Strategic objective: 6
Inclusive Growth Indicators						
Median salaries (as a proxy for GVA)	Project leads – all projects	Engagement with businesses and others accessing support from the project – gathered via salary bandings	% of jobs and average value (£)	Benefits Reporting Template Evaluation evidence	Annually Assessed externally at interim / final evaluation	Strategic objective: 6
Jobs created and/or safeguarded that pay the RLW	Project leads – all projects	Engagement with businesses and others accessing support from the project	Count	Benefits Reporting Template Evaluation evidence	Annually Assessed externally at interim / final evaluation	Strategic objective: 3,4, 6
Jobs created/safeguard – taken by those with protected characteristics	Project leads – all projects	Engagement with businesses and others accessing support from the project	Count	Benefits Reporting Template Evaluation evidence	Annually Assessed externally at interim / final evaluation	Strategic objective: 3, 4, 6

Note 1: * Please note that, as outlined in the Actions at **Section 4.3**, the PMO will develop GVA and tax revenue models to ensure a consistent and proportionate approach to tracking progress. The project leads will be required to provide the input data to populate the models – the requirements will be detailed within the Benefits Reporting Template

The impacts will be supported by the following qualitative metrics:

- Case studies – the NZTC role and wider contribution to supporting the transition to net zero.

- Case studies – innovation activity within the business base: food and drink, life sciences and net zero technologies.

- Case studies – role of Aberdeen South Harbour in growing the export market and helping diversify the North East economy.

- Case studies – role of improved Broadband connectivity on promoting hybrid working and reducing the number of journeys undertaken.

- Case study – businesses that have been supported and now export to internal markets.

The case studies will be agreed with project leads and reported as part of the interim and final evaluation.

Table 4.8: Indicator Menu – Carbon Categorisation*

Indicator	Who will capture and provide the data	Source of data	Measure	Mechanism for data capture	Reporting frequency
What is being measured?	Who is responsible?	Where will we get the data?	The unit of measurement	How will it be captured/reported?	How often is it reported within the BRP?
Project Carbon Category (Control)	Project leads – all	Project leads to provide input data that will inform the carbon impact model *	Categorised following SCRGD Carbon Guidance according to its Control (1-5) o By project	Businesses cases Benefits Reporting Template	Annually
Project Carbon Category (Influence)	Project leads – all projects PMO	Project leads to provide input data that will inform the carbon impact model *	Categorised following SCRGD Carbon Guidance according to its influence (A-C) o By project	Businesses cases Benefits Reporting Template	Annually
Carbon Management Methodology	Project leads – all projects PMO	Project leads to provide input data that will inform the carbon impact model *	Confirmation of approach to carbon management o By project	Businesses cases Benefits Reporting Template	Annually
Construction carbon	Project leads – all projects PMO	Project leads to provide input data that will inform the carbon impact model *	(£/tonne per year) o By project	Businesses cases Benefits Reporting Template	Annually
Operational carbon	Project leads – all projects PMO	Project leads to provide input data that will inform the carbon impact model *	(£/tonne per year) o By project	Benefits Reporting Template	Annually

* Note 1: Please note that, as outlined in the Actions at **Section 4.3**, the PMO will develop carbon capture models to ensure a consistent and proportionate approach to measuring the whole life carbon impacts and cost of the investments. The project leads will be required to provide the input data to populate the models – the requirements will be detailed within the Benefits Reporting Templates

** Note 2: Further detail on the approach capturing and calculating carbon impacts is available here.

4.3 Measuring the Contribution to National Policy

Appendix D provides a summary of the key policy aims and objectives of the Levelling Up White Paper and National Strategy for Economic Transformation and maps the outcome and impact indicators that are appropriate/relevant to measure and evidence progress in contributing towards these objectives.

4.4 Actions to Support Monitoring

The Theory of Change and indicator/metric menu presented above provides the delivery framework to support partners measure and monitor the effects of the investment made through the ACRD Deal programme.

However, in terms of implementation of the Benefits Realisation Plan, we note the following key actions are required:

- Develop and update the Benefits Reporting Templates to ensure they are consistent and are accessible to project leads to support them to capture the required data to populate the Master Benefits Tracker.

- Develop Project Beneficiary Engagement Forms – these will be used to support project leads engage directly with beneficiaries to gather relevant data.

- Gather baseline data (from a range of sources) and set targets to help measure progress and establish a "where have we come from" and "where do we want to go" approach."

- Develop models to help measure and track programme performance in relation to the high-level impacts of GVA and tax revenues. The models will be the responsibility of the PMO; however, they will require input data from the project leads.

- Develop models to help measure and track programme performance in relation to carbon emissions. Based on Scottish Government guidance, the models will be the responsibility of the PMO, however, they will require input data from the project leads.

See **Section 5.4** with regards to resource requirements.

4.5 Evaluation

This section sets out the processes and principles that will underpin the partners approach to continuous learning and evaluation. As per HM Treasury Magenta Book[18]

"Evaluation is a systematic assessment of the design, implementation and outcomes of an intervention. It involves understanding how an intervention is being, or has been, implemented and what effects it has, for whom and why. It identifies what can be improved and estimates its overall impacts and cost-effectiveness."

Embedding evaluation within the Benefits Realisation Plan is therefore crucial to support:

- Accountability – the investment of public monies should be accountable and transparent. Importantly, this is not just concerned with inputs (i.e., what money is spent on) but gathering and presenting evidence on an intervention's outcomes and impact (i.e., what it has achieved).

- Learning – to better understand what works and improve current and future interventions.

Quarterly and Annual Monitoring and Reporting

As the body responsible for developing and managing the Benefits Realisation Plan, the PMO will engage with project leads to gather the relevant data and intelligence required to populate the Master Benefits Tracker on an ongoing annual basis – the benefits tracker will act as a live document with the data collected informing reports to the Joint Committee and UK and Scottish Government on overall programme performance.

The project leads will have two key documents to support the data collection:

- Project Beneficiary Engagement Forms – these will be used to support project leads engage directly with beneficiaries to gather relevant data.

- Benefits Reporting Template form will be developed that can be deployed consistently across the programme and project leads will be given further guidance and instructions for completion.

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[18] HM Treasury Magenta Book, see here

Annual Report

As highlighted at **Section 1**, the data gathered through the Benefits Tracker will be used to support the development and publication of the Annual Report. The Annual Report will provide the relevant qualitative case study evidence delivered through the Deal – in line with the Theory of Change and indicator menus at **Table 4.1** to **4.8**.

As noted, the Annual Report will be published online and available to download.

Ongoing Internal Review and Audit

As part of the good practice approach to programme management, the ACRD Deal has the following internal processes in place:

- Bi-annual checkpoint reviews – to assess overall progress.

- Annual conversation – informed by the Annual Report and Benefits Realisation Plan present an opportunity for the Scottish City Region and Growth Deal Delivery Board to engage with the Deal at senior official level, to celebrate success and discuss progress. In addition, the conversations present an opportunity to reflect and work through any concerns that Regional Partners and Governments have about the implementation of the Programme and the ambitions for the Programme going forward.

- Annual due diligence and compliance Audits.

End of Project Report

At project completion, all projects will provide a final summary report evaluating the performance against the project outcomes. The report will be proportionate to the size of the project/investment and the project leads will be responsible for preparing. A standardised scope has been developed by the PMO to ensure consistency, presented at **Appendix B** and covers the following points:

- A summary of the activities and deliverables.

- A summary of the project execution (management and delivery), including whether the project met its objectives and targets.

- Details of the project's budget performance and timeline performance.

- If appropriate, details on the factors that affected (positively or negatively) the project results and any lessons learned.

- A description/forecast of the impact or other benefits the project will provide.

- Ongoing risks or other factors.

- Document storage for future audit.

Interim and Final Evaluation

The interim and final evaluation are part of the overall programme process which begins with an ex-ante appraisal and ends with an ex-post evaluation.

Figure 4.1: ROAMEF Cycle
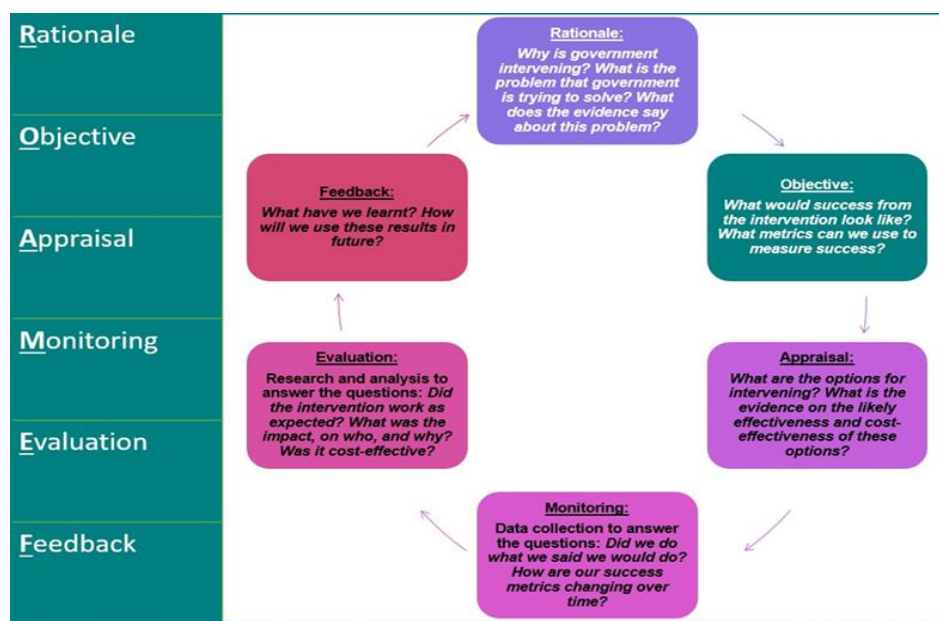
Source: HM Treasury Magenta Book

The programme will procure (through a competitive open tendering process like Public Contract Scotland) an external independent organisation to undertake both an interim and final evaluation at the following stages:

- Interim evaluation at end of year 2024/25.
- Final evaluation upon programme completion at end of year 2027.

Both interim and final evaluation will be delivered in line with the HMT Magenta Book guidance.

Interim Evaluation Review

An interim evaluation will be undertaken after delivery has commenced in 2024/25. The suggested approach is to commission a process evaluation – "what can be learned from how the intervention is being delivered?"

Final Evaluation Review

A final evaluation will be undertaken upon programme completion – in 2027. This is with a view to reviewing how successful the programme has been in meeting its aims and objectives.

The suggested approach is to commission a combined evaluation that covers:

- Impact evaluation - "what difference has the intervention made?"

- Value for money evaluation - "is this intervention a good use of resources?"

The final evaluation will consider the core themes (and sub-projects) and the ACRD Deal programme as a whole.

Evaluation Questions and Considerations

A detailed scope will be prepared for the interim and final evaluation with the input of both UK[19] and Scottish Government but will consider (as a minimum) the following key questions as outlined in the HM Treasury Magenta guidance, see **Table 4.9**.

The evaluations will include direct survey and engagement with beneficiaries[20] of the investments/projects and will be used to help fill the gaps where only secondary data is available and test the attribution and additionality of the programmes impacts.

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[19] For example, UK Government are establishing an evaluation task force to provide guidance and advise on good practice approaches to measure the impact of the Deals post-funding.
[20] The beneficiaries will be bespoke to each project.

Table 4.9: Interim and Final Evaluation Questions

Process evaluation questions: What can be learned from how the intervention was delivered?	Impact evaluation questions: What difference did the intervention make?	Value-for-money evaluation questions: Was this a good use of resources?
Was the intervention delivered as intended? • *Were there enough resources?* • *Were there any unexpected or unintended issues in the delivery of the intervention?* • *To what extent has the intervention reached all the people that it was intended to?* What worked well, or less well, for whom and why? What could be improved? What can be learned from the delivery methods used? • *Could the intervention have been procured and delivered for less cost?* How has the context influenced delivery? • *How did external factors influence the delivery and functioning of interventions?* • *How did external factors influence the attitudes and behaviours of target groups?*	Did the intervention achieve the expected outcomes? • *To what extent?* • *Did the intervention cause the difference?* • *To what extent can the outcomes be attributed to the intervention? How confident can we be that the intervention caused the observed changes?* • *What causal factors resulted in the observed impacts?* • *How much can be attributed to external factors?* • *What would have happened anyway?* How has the context influenced outcomes? • *Has the intervention resulted in any unintended outcomes?* • *Have the outcomes been influenced by any other external factors?* To what extent have different groups been impacted in different ways, how and why? Can the intervention be reproduced? What generalisable lessons have we learned about impact?	How cost-effective was the intervention? • *Cost per unit (outcome, participant, etc.)* • *What were the costs of delivering the intervention?* • *Has the intervention been cost-effective (compared to alternatives and compared to doing nothing)?* • *What is the most cost-effective option?* What was the value-for-money of the intervention? • *What are the benefits?* • *What are the costs?* • *Do the benefits outweigh the costs?* • *What is the ratio of costs to benefits?* Is the intervention the best use of resources? • *How does the ratio of costs to benefits compare to that of alternative interventions?*
Future Learning: Are the intervention's goals relevant, in different contexts? Can the policy be expected to work in other contexts? Is the intervention sustainable from financial, economic, social, and environmental perspectives? What has been learned about how to intervene in this intervention space that can be transferred to other initiatives and future appraisals?		

A roadmap for the monitoring and evaluation activities is presented in **Table 4.10**. Please note that the roadmap only reflects the Deal funding period up to 2027. It is recognised that the projects have been developed to have a 'legacy impact' that exceeds this timeline, and it is the responsibility of the Managing Authorities to agree future (appropriate) ongoing monitoring and evaluation of these projects.

Table 4.10: BRP Review and Evaluation Roadmap

	2022/23		2023/24				2024/25				2025/26				2026/27			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
End of Project Reports																		
City Network Extension*																		
Full Fibre Infrastructure				▪														
Duct Network							▪											
Digital Gap Analysis **																		
Net Zero Technology Centre																		▪
SeedPod																		▪
Bio Hub																		▪
Aberdeen Harbour Expansion					▪													
Strategic Transport Appraisal																		▪
Transport Link to Harbour																		▪
Annual Conversation	▪				▪				▪				▪				▪	
Annual Report			▪				▪				▪				▪			▪
BRP			▪				▪				▪				▪			▪
Interim Evaluation								▪										
Final Evaluation*																		TBC

* Note: project completed in November 2021, and an end of project report prepared

** Partners are currently undertaking a digital gap analysis, once projects have been identified/approved then the monitoring and evaluation roadmap will be updated
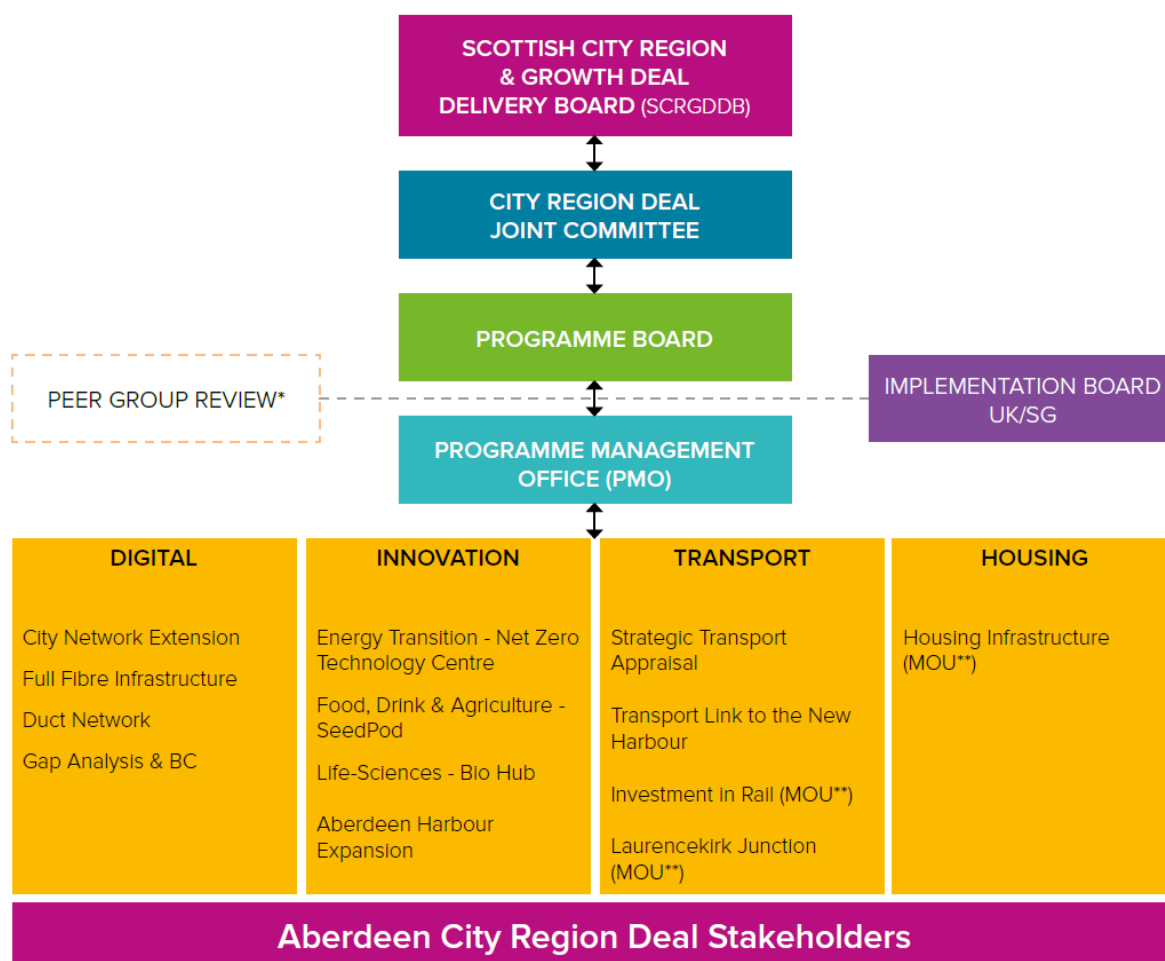
*** Date/timeline for final evaluation to be confirmed

5 Governance and Oversight

5.1 Governance

An overview of the ACRD Deal governance structure is provided in **Figure 5.1**.

Figure 5.1: ACRD Deal Governance

Summary details on the roles and responsibilities of the relevant groups with regards to the Benefits Realisation Plan is provided below.

5.1.1 Roles and Responsibilities

Programme Management Office

The Programme Management Office will have responsibility for the development, implementation, and delivery of the Benefits Realisation. Plan. This includes the following key responsibilities:

- Baselining – gathering relevant data and intelligence to establish the baseline position to act as a benchmark for measuring performance.

- Monitoring – the PMO will have two key roles:
  - Gathering the relevant data and input from project leads to populate the Master Benefits Tracker. The Benefits Tracker will be updated as required with the project leads required to provide the relevant data to complete the Benefits Reporting Template.
  - The PMO will take ownership and responsibility for gathering and reporting the data for indicators where only secondary sources are available.

- Developing and taking ownership and responsibility for gathering and reporting the data for the GVA, tax revenues and carbon impact models - with the project leads required to provide the relevant data to complete.

- Updates – recommending any changes or updates such as amending targets or timescales for delivery.

- Reporting – providing relevant updates and information to stakeholders when required. This includes providing intelligence to support the quarterly Programme Board and Joint Committee meetings and the case study evidence for the Annual Report.

- Evaluation:
  - Instructing and reviewing the end of project reports.
  - Commissioning and project managing the external (interim and final evaluations).

The key contacts within the Programme Management Office are:

Benefits Realisation Plan Managers:

- Julie Wood, External Partnerships Service Manager, Aberdeen City Council.

- Jamie Coventry, Economic Adviser, Aberdeen City Council.

Benefits Realisation Plan Administration Support - Aigul Gray, Project Support Officer, Aberdeen City Council.

Project Leads and Sponsors

The project leads will be the 'benefit owners' with responsibility for ensuring that projects are on track to deliver against targets and gathering/collecting and reporting the relevant data and intelligence to the Programme Management Office to update the Master Benefits Tracker.

As noted, all project leads will have access to the Project Beneficiary Engagement Forms and Benefits Reporting Template (and guidance for completion) to ensure a consistent and robust monitoring process is followed. This includes further detail on how, what, when, why they should engage with beneficiaries of the project to gather relevant data.

The project leads and sponsor for the individual projects are highlighted in **Table 5.1**.

Table 5.1: Project Leads and Sponsors

Project	Project Lead	Sponsor
Digital		
City Network Extension Full Fibre Infrastructure Duct Network	Wendy Robertson - Digital Infrastructure Lead, Aberdeen City Council	Paul Macari - Head of Planning and Environment, Aberdeenshire Council
Innovation		
Net Zero Technology Centre	Nicola McIntosh - Finance and Commercial Director, Net Zero Technology Centre	Richard Sweetnam, Chief Officer City Growth
Bio Hub	Lindsay McKenzie - Commercial Director, Opportunity North East	Jennifer Craw - Chief Executive, Opportunity North East
Seed Pod	Lindsay McKenzie - Commercial Director, Opportunity North East	Jennifer Craw - Chief Executive, Opportunity North East
Transport		
Aberdeen South Harbour	Jon Oakey – Chief Financial Officer, Port of Aberdeen	Richard Sweetnam, Chief Officer City Growth
Transport Link to Aberdeen South Harbour	Alan McKay - Team Leader, Roads Projects, Aberdeen City Council	John Wilson - Chief Officer Capital, Aberdeen City Council
Strategic Transport Appraisal	Paul Finch - Transport Strategy Manager, Nestrans	Rab Dickson - Director, Nestrans

Programme Board and Joint Committee

The **Programme Board** oversees the management and operations of the Deal and has overarching responsibility for ensuring the implementation of the Benefits Realisation Plan and delivery against targets.

The Benefits Realisation Plan Senior Responsible Officer (SRO) is the Chair of the Programme Board, Richard Sweetnam.

The **Joint Committee** drives and governs the implementation of the City Region Deal programme and its links to the Regional Economic Strategy. The Joint Committee has a strategic oversight role to ensure that the benefits being delivered through the Deal are aligned with, and contribute to, the regional policy priorities and prosperity of the region.

The Programme Management Office will report directly to the Programme Board and Joint Committee on a quarterly basis – papers with the relevant performance monitoring data (extracted from the Benefits Tracker) will be prepared in advance of scheduled meetings.

5.2 Change Control

The Business Realisation Plan will be subject to the same Change Control process as all activities delivered under the ACRD Deal. For any minor changes or updates (for example, reprofiling targets by a few months) then the Chair of the Programme Board has delegated power to approve change requests in the capacity of Chief Officer- City Growth. The Programme Board will provide details of these changes to the Joint Committee.

If there are any significant changes proposed, then the partners will follow the official programme/project change guidance issued by UK and Scottish Government to all City or Growth Deal partners.

5.3 Resources

The Programme Management Office is hosted within Aberdeen City Council with both partner council's providing financial, technical, legal, and other logistical "in-kind" support. It is recognised that implementation of the Benefits Realisation plan and associated monitoring will put additional pressures on already stretched resources. To ensure the Benefits Realisation Plan is implemented and to support the ongoing monitoring and evaluation, it is recommended that the partners provide the following dedicated resources.

Programme Management Office

The PMO will provide dedicated monitoring, evaluation, and administration support service. It will act as a 'regional resource' to support project leads with gathering and reporting of data.

As noted at **Section 4.3**, early actions to support implementation of the Benefits Realisation Plan include:

- Develop the Benefits Reporting Templates to ensure they provide detail and guidance on the data to be gathered and reported, are consistent, and are accessible to project leads.

- Develop Project Beneficiary Engagement Forms – these will be used to support project leads engage directly with beneficiaries to gather relevant data.

- Gather baseline data and set targets to help measure progress.

- Develop models to help measure and track programme performance in relation to the high-level impacts of GVA and tax revenues.

- Develop models to help measure and track programme performance in relation to carbon emissions.

Evaluation

In line with partners aspirations to promote continuous learning and help support UK and Scottish Government better understand the impacts and value generated through the Deal investment, it is recommended that process, impact, and value for money evaluations are undertaken.

5.4 Communication

In addition to the Annual Report, the Deal partners have agreed and signed up to the ACRD Deal Communications Protocol. The protocol provides the framework for how partners will work with the UK and Scottish Government City-Region Dela Communications Group to promote the work of City Region Deals and the value added delivered through the investments.

The communication and implementation plan outlines the approach to communication, engagement and promotion through several mechanisms such as: City Voice, City Region Deal Website, Social Media Platforms and press coverage.

Appendix A: Fit with NPF

A summary of the ACRD Deal's fit with, and contribution to, the outcomes and indicators outlined within Scotland's National Performance Framework is presented below.

Theme	National Outcomes	Indicators
Digital	**Economy**: We have a globally competitive, entrepreneurial, inclusive and sustainable economy	Productivity Economic growth Carbon footprint Access to superfast broadband Entrepreneurial activity
	Fair Work and Business: We have thriving and innovative businesses, with quality jobs and fair work for everyone	The number of businesses High growth businesses Innovative businesses Economic participation
	Poverty: We tackle poverty by sharing opportunities, wealth and power more equally	Relative poverty after housing costs Wealth inequality Cost of living
	Communities: We live in communities that are inclusive, empowered, resilient and safe	Perceptions of local area Loneliness Social capital
	Education: We are well educated, skilled and able to contribute to society	Educational attainment Workplace learning Engagement in extra-curricular activities Young people's participation Skill profile of the population
	Human Rights: We respect, protect and fulfil human rights and live free from discrimination	Quality of public services
Innovation	**Economy**: We have a globally competitive, entrepreneurial, inclusive and sustainable economy	Productivity International exporting Economic growth Carbon footprint Greenhouse gas emissions Spend on research and development Entrepreneurial activity
	International: We are open, connected and make a positive contribution internationally.	Scotland's reputation International networks
	Environment: We value, enjoy, protect and enhance our environment	Energy from renewable sources
	Education: We are well educated, skilled and able to contribute to society.	Workplace learning Engagement in extra-curricular activities Young people's participation Skill profile of the population Skill shortage vacancies Skills underutilisation
	Health: We are healthy and active	Healthy life expectancy Healthy weight Premature Mortality
Transport	**International**: We are open, connected and make a positive contribution internationally	Scotland's reputation International networks
	Fair Work and Business: We have thriving and innovative businesses, with quality jobs and fair work for everyone	The number of businesses High growth businesses Innovative businesses Economic participation Employees on the living wage

50

Appendix B: End of Project Reporting Template

Project Name			
Author			
Sponsoring Cluster		Version	
Senior Responsible Officer		Date	

Handover to Operational Management
.

Contract Management

User and Stakeholder Views

Project Budgets

Post-Project Budgets

Benefits Realisation
What agreed benefits have been realised to date?
What agreed benefits have still to be realised after project completion?
Are there any additional benefits (not initially identified) that are expected to be achieved as a result of this project?

Post Project Evaluation Gate

Post Occupancy Evaluation / Benefits Review Gate

Outstanding Risks				
Ref	Description	Score	Action	New Owner

Outstanding Issues				
Ref	Description	Priority	Action	New Owner
	.			

Other Outstanding Actions		
Action	Deadline	New Owner

Location of Project Documentation

Document Revision History			
Version	Reason	By	Date

Appendix C: Benefits Reporting Templates

To be updated once template agree

Appendix D: Measuring the Contribution to National Policy

The table provides a summary of the key policy aims and objectives of the Levelling Up White Paper and National Strategy for Economic Transformation and maps the outcome and impact indicators that are appropriate/relevant to measure and evidence progress in contributing towards these objectives.

Objectives/Aims	Themes	BRP Outcome Indicators	BRP Impact Indicators
Levelling Up White Paper			
Boosting the UK's productivity, pay, jobs, and living standards by growing the private sector.	All projects		• Jobs created and/or safeguarded • GVA created and/or safeguarded • Median salaries (as a proxy for GVA) • Jobs created and/or safeguarded that pay the RLW
	Digital Theme	• Residential dwellings that have access to fast internet download speeds (min 30mbps) • Commercial premises that have access to fast internet download speeds (min 30mbps) • Civic premises that have access to fast internet download speeds (min 30mbps)	
	Innovation Theme	• Innovation active businesses • Business Start-ups • Academia and Industry Spin outs	• Business survival rates • Business Enterprise R&D (BERD)
	Transport Theme	• Scottish business involved with exporting - directly or within the supply chain • Increased expenditure – visitor economy	• Value of exports (direct and supply chain)

Spread opportunities and improve public services, especially in those places where they are weakest	All projects	• Training and employment opportunities delivered via Community Benefits clauses related to the capital works that were taken by people with protected characteristics – • Apprenticeships related to the capital works that have been completed by the end of contract	• Jobs created/safeguard – taken by those with protected characteristics
	Digital Theme	• Digital exclusion - accessibility	• -% of service users who are fairly or very satisfied with the quality of local services • % of adults who felt lonely in the last week "some"/"most"/"all or almost all" of the time
	Innovation Theme	• Number of school/FE/HE visits and/or careers fairs to promote project and wider sector opportunities	-
	Transport Theme	• Number of school trips to Harbour visitor centre • Number of school/FE/HE visits and/or careers fairs to promote project and wider sector opportunities	-
Restoring a sense of community, pride, and belonging.	Digital Theme	• Residential dwellings that have access to fast internet download speeds (min 30mbps) • Digital exclusion - accessibility	
	Innovation Theme		
	Transport Theme	• Investment leveraged –site development at ETZ	
Empowering local leaders and communities.	Aims relate to English Local Authorities – not appropriate to measure through the ACRD BRP		

Objectives/Aims	Themes	BRP Outcome Indicators	BRP Impact Indicators
National Strategy for Economic Transformation			
Entrepreneurial People and Culture Aim: establish Scotland as a world-class entrepreneurial nation founded on a culture that encourages, promotes, and celebrates entrepreneurial activity in every sector of our economy.	Digital Theme	• Number of industry-specific applications successfully trialled and launched	
	Innovation Theme	• Innovation active businesses • New (Academia - business / business-to-business) collaborations/partnerships • Business Start-ups • Academia and Industry Spin outs • New to firm and/or market products/ processes/ services**	• Business Enterprise R&D (BERD)
	Transport Theme	• Business diversification	
New Market Opportunities Aim: strengthen Scotland's position in new markets and industries, generating new, well-paid jobs for a just transition to Net Zero.	Digital Theme	• Commercial premises that have access to fast internet download speeds (min 30mbps) • Number of Smart City projects tested/rolled out as per the ACC Smart City Strategy and Action Plan • Number of industry-specific applications successfully trialled and launched	
	Innovation Theme	• Funding (grants) provided to projects - Tech X and Solutions Centre • Innovation active businesses • New (Academia - business / business-to-business) collaborations/partnerships • Businesses using or investing in net zero/low carbon technologies	• CO2 abatement • Value of exports (direct and supply chain)

	Transport Theme	• Scottish business involved with exporting - directly or within the supply chain • Investment leveraged –site development at ETZ	• Air quality
Productive Businesses and Regions Aim: make Scotland's businesses, industries, regions, communities, and public services more productive and innovative.	All projects		• Jobs created and/or safeguarded • GVA created and/or safeguarded
	Digital Theme	• Residential dwellings that have access to fast internet download speeds (min 30mbps) • Commercial premises that have access to fast internet download speeds (min 30mbps) • Civic premises that have access to fast internet download speeds (min 30mbps)	
	Innovation Theme	• Businesses and others accessing support • Innovation active businesses	• Business survival rates
	Transport Theme	• Increased freight and commercial harbour traffic	
Skilled Workforce: Aim: ensure that people have the skills they need at every stage of life to have rewarding careers and meet the demands of an ever-changing economy and society and that employers invest in the skilled employees they need to grow their businesses.	All projects	• Training and employment opportunities delivered via Community Benefits clauses related to the capital works that were taken by people with protected characteristics – • Apprenticeships related to the capital works that have been completed by the end of contract	
	Digital Theme		
	Innovation Theme		
	Transport Theme		

A Fairer More Equal Society: Aim: reorient Scotland's economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth, to significantly reduce structural poverty, particularly child poverty, and improve health, cultural and social outcomes for disadvantaged families and communities.	All projects	• Training and employment opportunities delivered via Community Benefits clauses related to the capital works that were taken by people with protected characteristics – • Apprenticeships related to the capital works that have been completed by the end of contract	• Median salaries (as a proxy for GVA) • Jobs created and/or safeguarded that pay the RLW • Jobs created/safeguard – taken by those with protected characteristics
	Digital Theme	• Digital exclusion - accessibility	• % of service users who are fairly or very satisfied with the quality of local services • % of adults who felt lonely in the last week "some"/"most"/"all or almost all" of the time
	Innovation Theme	• Business Start-ups and academic spinouts (by protected characteristics) • Businesses and others accessing support (by protected characteristics) • Number of school/FE/HE visits and/or careers fairs to promote project and wider sector opportunities	
	Transport Theme		

Page 114

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