

# Public Document Pack

## ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

To: Councillor Ian Yuill, Chairperson; Councillor Anne Stirling; Vice Chairperson; Councillor Christian Allard (ACC), Councillor Gillian Owen (Aberdeenshire Council), Councillor Gwyneth Petrie (Aberdeenshire Council), Councillor Miranda Radley (ACC), Professor George Boyne (ONE), Ms Jennifer Crow (ONE) and Sir Ian Wood (ONE).

Aberdeen City Council Substitute Members:- Councillors Ryan Houghton, M.Tauqeer Malik and Alexander McLellan.

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

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

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

Town House,  
ABERDEEN, 08 November 2024

### ABERDEEN CITY REGION DEAL JOINT COMMITTEE

The Members of the **ABERDEEN CITY REGION DEAL JOINT COMMITTEE** are requested to meet in **Committee Room 2 - Town House on FRIDAY, 15 NOVEMBER 2024 at 9.30 am.** This is a hybrid meeting and Members may also attend remotely.

ALAN THOMSON  
INTERIM CHIEF OFFICER - GOVERNANCE

### **B U S I N E S S**

- 1 Welcome and Apologies
- 2 Determination of Urgent Business (If any)
- 3 Determination of Exempt Business (If any)
- 4 Declarations of Interest/Transparency Statements  
Members are required to intimate any Declarations of Interest or Transparency Statements in respect of the items on today's agenda.
- 5 Minute of Previous Meeting of 6 September 2024 (Pages 3 - 8)

- 6 Aberdeen City Region Deal Quarterly Dashboard Update (Pages 9 - 36)
- 7 Digital Connectivity - SAOS 5G Huntly Phase 1 - Presentation
- 8 Internal Audit Action Plan Update (Pages 37 - 40)
- 9 Annual Report and Benefits Update 2023/24 (Pages 41 - 88)
- 10 Strategic Transport Appraisal (Pages 89 - 96)
- 11 External Transportation Links to Aberdeen South Harbour - Progress Report  
(Pages 97 - 100)
- 12 Scottish Government Additional Investment Update – Transport Projects (Pages  
101 - 112)

**EXEMPT/CONFIDENTIAL BUSINESS**

- 13 NZTC Phase 3 Update (Pages 113 - 116)

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Should you require any further information about this agenda, please contact Mark Masson, email [mmasson@aberdeencity.gov.uk](mailto:mmasson@aberdeencity.gov.uk), or telephone 01224 067556

## ABERDEEN CITY REGION DEAL:

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ABERDEEN, 6 September 2024. Minute of Meeting of the ABERDEEN CITY REGION DEAL JOINT COMMITTEE. Present:- Councillor Ian Yuill, Chairperson; Councillor Anne Stirling, Vice-Chairperson; Councillors Christian Allard, Gillian Owen, Gwyneth Petrie, Miranda Radley; and Professor George Boyne, Stanley Morrice (as substitute for Jennifer Crow) and Sir Ian Wood.

Also in Attendance:- Stuart Bews, Alan McKay, Ross Stevenson, Aigul Gray, Jess Anderson, Mark Masson and Lynis Masson (Aberdeen City Council); Councillor John Cox, Alan Wood, Paul Macari, Mary Beattie, Sarah Rochester and Jack Rigby (Aberdeenshire Council); Rab Dickson and Paul Finch (NESTRANS); and Lindsay McKenzie (Opportunity North East).

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

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

### **WELCOME AND APOLOGIES**

1. The Chairperson welcomed everyone to the meeting.

The Clerk advised that apologies for absence had been intimated from Jennifer Crow and Julie Wood.

### **DETERMINATION OF EXEMPT BUSINESS (IF ANY)**

2. The Chairperson proposed that the Joint Committee consider item 9 (Digital Connectivity – Memorandum of Understanding), with the press and public excluded from the meeting.

#### **The Committee resolved:-**

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

**ABERDEEN CITY REGION DEAL JOINT COMMITTEE**

6 September 2024

**DECLARATIONS OF INTEREST/TRANSPARENCY STATEMENTS**

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

- (1) Stanley Morrice on behalf of himself, Sir Ian Wood and Professor George Boyne made a transparency statement indicating that they had a connection to any issues affecting Opportunity North East, in particular matters relating to the Food Hub, BioAberdeen and the new Energy Transition Zone (ETZ), which may arise during the meeting, by virtue of them being Board Members of ONE and Sir Ian Wood also being a Board Member of ETZ Ltd. However, having applied the objective test he indicated that they did not consider that they had an interest to declare and would remain in the meeting. This was because, in practice, funding was allocated by agreement with government and in line with the tripartite agreement;
- (2) Councillor Owen made a transparency statement, by virtue of being a Board Member of Opportunity North East. Having applied the objective test she had concluded that she did not have an interest to declare and she would remain in the meeting; and
- (3) Councillor Allard made a transparency statement, by virtue of being a Board Member of Opportunity North East. Having applied the objective test he had concluded that he did not have an interest to declare and he would remain in the meeting.

**MINUTE OF PREVIOUS MEETING OF 10 MAY 2024, FOR APPROVAL**

4. The Joint Committee had before it the minute of its previous meeting of 10 May 2024, for approval.

**The Joint Committee resolved:-**

to approve the minute.

**ABERDEEN CITY REGION DEAL QUARTERLY DASHBOARD UPDATE**

5. With reference to article 6 of the minute of the previous meeting of 10 May 2024, the Joint Committee had before it a report which provided an update in relation to the progress of the last quarter of the Aberdeen City Region Deal Programme under the headings Governance, Milestones, Benefits and Finance. The report also included a Programme Dashboard and a detailed quarterly Financial Summary in Tables 1 to 5.

**The report recommended:-**

that the Joint Committee notes the content of the quarterly Programme Dashboard.

## ABERDEEN CITY REGION DEAL JOINT COMMITTEE

6 September 2024

The Joint Committee heard from Stuart Bews, ACRD Programme Manager who highlighted the key information from the report, specifically regarding the progress on the construction relating to Seedpod, advising that it would be completed by the end of 2024 with a launch event and opening being held around March/April 2025.

In relation to BioHub occupancy, Stuart advised that there were currently two significant tenants but discussions were ongoing.

**The Joint Committee resolved:-**  
to approve the recommendation.

### EXTERNAL TRANSPORTATION LINKS TO ABERDEEN SOUTH HARBOUR – PROGRESS REPORT

6. With reference to article 9 of the minute of the previous meeting of 10 May 2024, the Joint Committee had before it a report by Ross Stevenson, Senior Engineer which provided an update on timescales and the project finance costs.

**The report recommended:-**  
that the Joint Committee –

- (a) note the ongoing discussions with both Governments with regard to the Outline Business Case;
- (b) note the progress of the scheme with regard to the ongoing detailed design work, Planning Application, and the progression of the Compulsory Purchase Order; and
- (c) note the ongoing consideration of traffic management measures restricting access by Heavy Good Vehicles to Torry and Cove via the Coast Road, and the requirement for any unresolved objections to be reported to the Aberdeen City Council Net Zero, Environment and Transport Committee.

The Joint Committee heard from Alan McKay, Team Leader Roads Project who provided a summary of the report, specifically regarding design refinement at the Hareness coast road junction, the planning application process, noting that decision in this regard would be taken in the Autumn and the implications an disruption relating to traffic management

In response to a question, Mr McKay indicated that the project at this time would be fully funded from the budget that was allocated.

**The Joint Committee resolved:-**

- (i) to note that any changes or potential risks with the project would be reported to members at the earliest opportunity; and
- (ii) to otherwise approve the recommendations contained within the report, outlined above.

**ABERDEEN CITY REGION DEAL JOINT COMMITTEE**

6 September 2024

**ACRD INTERNAL AUDIT ACTION PLAN**

7. The Joint Committee had before it a report which provided an update on the decisions taken by the Audit Committees of Aberdeen City and Aberdeenshire Council by way of an Action Plan of all agreed actions.

**The report recommended:-**

that the Joint Committee –

- (a) notes progress made towards implementing agreed recommendations of the Internal Audit report dated 25 March 2024 and;
- (b) instructs the Aberdeen City Region Deal Programme Manager to continue to report on progress at each Joint Committee until all the agreed recommendations of the Internal Audit report have been accepted as implemented by the Internal Audit team.

Stuart Bews provided a summary of the report and responded to questions from members, noting that the annual benefits realisation report would be submitted along with the annual report to the next meeting in November 2024.

**The Joint Committee resolved:-**

to approve the recommendations contained within the report, outlined above.

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

**DIGITAL CONNECTIVITY – MEMORANDUM OF UNDERSTANDING**

8. The Joint Committee had before it a report which advised that the Aberdeen City Region Deal Programme Management Office had been informed verbally by Scottish Government officials that the Scottish Government would not be able to commit any of the unallocated Memorandum of Understanding (MOU) Digital Connectivity Funds during this financial year.

**The report recommended:-**

that the Joint Committee agree that a letter should be written to Deputy First Minister from the Chairperson of the Joint Committee seeking clarification on access to Memorandum of Understanding Funding.

Stuart Bews provided a summary of the report.

**The Joint Committee resolved:-**

**ABERDEEN CITY REGION DEAL JOINT COMMITTEE**

6 September 2024

- (i) to agree that a letter should be written to the Deputy First Minister from the Chairperson and Vice Chairperson of the Joint Committee seeking clarification on access to Memorandum of Understanding Funding; and
  - (ii) to note that the Aberdeen City Region Deal Programme Manager and Head of Planning and Economy, Aberdeenshire Council were to meet with the Deputy Director of the Digital Division, Scottish Government to discuss the MOU.
- **COUNCILLOR IAN YUILL, Chairperson**

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## ABERDEEN CITY REGION DEAL:

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<b>COMMITTEE</b>	<b>Aberdeen City Region Deal Joint Committee</b>
<b>DATE</b>	<b>15 November 2024</b>
<b>EXEMPT</b>	<b>No</b>
<b>CONFIDENTIAL</b>	<b>No</b>
<b>REPORT TITLE</b>	<b>Aberdeen City Region Deal Quarterly Dashboard Update</b>
<b>LEAD OFFICERS</b>	<b>Stuart Bews, Interim ACRD Programme Manager, Aberdeen City Council Mary Beattie, Section 95 Officer, Aberdeenshire Council</b>
<b>REPORT AUTHORS</b>	<b>Aigul Gray, Project Support, Aberdeen City Council John Lovie, Finance Accountant, Aberdeenshire Council</b>
<b>REPORT DATE</b>	<b>23 October 2024</b>

### 1. Purpose of the Dashboard report

To update the Joint Committee on:

- 1.1. The progress of the last quarter of the Aberdeen City Region Deal Programme under the headings Governance, Finance, Risk and Benefits. Programme Dashboard includes a detailed quarterly Financial Summary in Tables 1 to 5.

### 2. Recommendations for Action

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

- 2.1. Notes the content of the quarterly Programme Dashboard.
- 2.2. Approves the ACRD Joint Committee meeting dates for 2025/2026 as 9th May 2025; 12th September 2025; 7th November 2025 and 13th February 2026.

PROGRAMME HEADINGS	LAST COMPLETED MILESTONE	TIMELINE	BUDGET	RESOURCE	NEXT MILESTONE
GOVERNANCE-01	PMO received SCRGDD – Grant Offer Letter 2024/25 which includes the Fair Work clause, therefore all Aberdeen City Region Deal (ACRD) Funding Agreements required to be amended to include revised conditions.				The proposed variation of the ACRD Funding Agreements have been issued to the Regional Partners. The agreements are currently under review by the respective partners. Once the revised agreements are accepted, PMO and Legal will proceed to have them signed by all parties.
GOVERNANCE-02	As part of the Grant Offer Letter an Annual Performance Report for 2023/24 submitted to UK Government and Scottish Government (UK/SG) in Q2 2024/25 and presented at Joint Committee incorporating both Governments' feedback.				Once Annual Performance Report is endorsed, it will be published on the Aberdeen City Region Deal website in Q3 2024/25.
GOVERNANCE-03	Internal Audit				Joint Committee instructed to update on progress made in respect of any action plan agreed by Aberdeen City and Aberdeenshire Council in relation to the internal audit report.
GOVERNANCE-04	The Programme Management Office circulated the proposed 2025 dates for the Joint Committee to regional partners. The preferred dates are 9th May 2025, 12th September 2025, 7th November 2025, and 13th February 2026.				Once the 2025 dates for the Joint Committee are approved, hybrid meeting invites will be issued, and Woodhill House will be booked.
GOVERNANCE-05	Programme Board are informed about an inquiry into the implementation and effectiveness of the Deals with views to be submitted by 14 November 2024. The nature of the questions asked mean that it is unlikely any single organisation would be placed to provide a response to the inquiry in full. A link to the call is provided <a href="#">here</a> .				Programme Board members agreed to submit their responses individually and ACRD Programme Manager will take part in an evidence session at the Economy and Fair Work Committee on 4 December 2024.

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## Part 1: PROGRAMME DASHBOARD

## ABERDEEN CITY REGION DEAL:

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PROGRAMME HEADINGS	DESCRIPTION	TIMELINE	BUDGET	RESOURCE	NOTES
FINANCE-01	The funding mechanisms of the Aberdeen City Region Deal (ACRD) 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 UK Government and Scottish Government are met, and ensure alignment with the financial strategy and procedures of both Councils (through liaison with Aberdeen City Council Section 95 Officer).				The Deal has grown from £826.2m to £1.013bn primarily because of additional investment from the private sector for the Net Zero Technology Centre, Digital, ONE BioHub and ONE SeedPod, and Aberdeen South Harbour Expansion. The Financial Summary is set out in -Table 1, Table 2, Table 3 and Table 4.
	<b>TOTAL UK/SG GRANT</b>	<b>TOTAL UK/SG DRAWDOWN TO 30/09/24</b>		<b>2024/25 UK/SG GRANT ALLOCATION</b>	<b>2024/25 UK/SG DRAWDOWN TO 30/09/24</b>
	<b>£250,000,000</b>	<b>£191,412,686</b>	<b>77%</b>	<b>£27,188,972</b>	<b>£11,677,254</b>
FINANCE-02	Digital projects were approved to be funded from the £10 million Scottish Government Memorandum of Understanding (MoU) additional investment announced alongside the City Region Deal in 2016. The Aberdeen City Region Deal Joint Committee will be kept informed of progress with the overall digital project so it can maximise synergies with the rest of the City Region Deal investments.				In August 2024, Scottish Government (SG) advised Aberdeen City Region Deal Programme Management Office that they will not be able to commit any of the unallocated Memorandum of Understanding Digital Connectivity Funds during this financial year. It was stated that projects which are already approved by the ACRD Joint Committee and underway would be able to continue to drawdown funding. It is uncertain if or when the remaining £2m will be made available by the Scottish Government. The Financial Summary of live 5G projects is set out in Table 5.
	<b>TOTAL SG MOU INVESTMENT</b>	<b>TOTAL SG MOU DRAWDOWN TO 30/09/24</b>		<b>2024/25 SG MOU ALLOCATION</b>	<b>2024/25 SG MOU DRAWDOWN TO 30/09/24</b>
	<b>£10,000,000</b>	<b>£5,764,176</b>	<b>58%</b>	<b>£1,662,390</b>	<b>£764,176</b>

RAG STATUS: GREEN ON TRACK, AMBER – ITEMS ARE BEING MONITORED AND MANAGED, RED - ITEMS ARE BEING ESCALATED

## Part 1: PROGRAMME DASHBOARD

## ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

PROGRAMME HEADINGS	DESCRIPTION	TIMELINE	BUDGET	RESOURCE	NOTES
RISK-01	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”				As well as regular monitoring and reporting, regular update meetings are held with partners and Scottish Government which provides a forum for raising and resolving any issues that may arise.
RISK-02	No funding for Deal functions such as PMO, for staffing, promotion & communication of Deal success.				The effective management of the Deal continues to rely upon the in-kind contributions of Aberdeen City and Aberdeenshire Councils.
RISK-03	The UK/SG budgets for deals are capped, with younger deals being asked to develop flat profiles. Approval of reprofiling requests is contingent on the performance of other deals and the availability within the capped deal program budget. Reprofiling is not guaranteed, nor is approval for a specific year. Any reprofiling requires agreement from both the UK and SG governments.				Engage with ACRD programme board, Joint Committee, and UK/SG through regular meetings is in place. Each project underspends/reprofiles is indicated at the quarterly project dashboard via RAG status and relevant commentary included in the Finance section of the report.
BENEFITS-01	The Communications group continues to work with projects to highlight major milestones and benefits through coverage in the media.				The Deal media and update of individual projects can be viewed at <a href="http://www.abzdeal.com">www.abzdeal.com</a> .
BENEFITS-02	As part of the Aberdeen City Region Deal Benefits Realisation Plan, Regional Partners are working on Interim Evaluation Scope which was agreed with UK Government and Scottish Government.				Interim Evaluation to be undertaken and concluded spring 2025.
BENEFITS-03	As part of the Grant Offer Letter an Annual Benefits Dashboard for 2023/24 submitted to UK/SG in Q2 2024 alongside with the Annual Performance Report and presented at Joint Committee incorporating both Governments' feedback.				Annual Benefits Dashboard and Annual Performance Report will form the Annual Conversation to be scheduled in January 2025.

**THEME: INNOVATION**

**PROJECT: NET ZERO TECHNOLOGY CENTRE (NZTC)**

	OVERALL STATUS LAST PERIOD	OVERALL STATUS THIS PERIOD	TIMELINE	BUDGET	BENEFITS	RISK/ISSUE
	<p>TechX Cohort 7 planning commenced with the launch of the application process in September and closing on October 27, 2024 . NZTC is focusing on Phase 3, aiming for financial self-sustainability, including signing of Commercial Agency Agreement with EuroMechanical which will enable NZTC expansion into the UAE. Engagement plan with governments for continued funding post ACRD funding and potential linkage with GB Energy. A financial request for £14m for 2025/26 was submitted to the Department for Energy Security and Net Zero. NZTC will attend the ADIPEC Exhibition &amp; Conference and the 29th Conference of the Parties (COP29) in Q3 2024/25.</p>					


PROJECTS	MILESTONE DATE	UPDATE
OPEN INNOVATION PROGRAMME (OIP) 2	31/03/2026	IN PROGRESS - Continued delivery of OIP1/2 projects with all projects closed out by March'26.
TECHX COHORT	31/03/2025	IN PROGRESS - NZTTP is driving the development of key technologies for green growth in Scotland and the UK. Government funding for NZTTP completes in March'25 in line with the grant award conditions.
	03/09/2024	IN PROGRESS - <a href="#">Cohort 7 application opened in September'24</a> . Next milestone is Cohort 7 launch in February'25.
NZTC PHASE 3	20/10/2024	IN PROGRESS - TechX Roadshow events to be completed in October'24.
	30/09/2026	IN PROGRESS - Focus on financial self-sustainability. The completion date has moved to September'26 as this is the focus of NZTC activity over the remaining period of ACRD funding.

A link to case studies and live projects can be viewed at [Live Projects \(netzerotc.com\)](https://www.netzerotc.com)

RISKS/ISSUES	BUSINESS CASE BENEFIT	MEASURES	TARGET	2022 REVISED TARGET	TARGET DATE	CURRENT MEASURE
	MATCH FUNDING	Co-investment match funding from the private sector (operations and supply chain)	£174.1m	£220m	2026	£205m
	INCREASE IN GVA	Additional GVA	£8.9bn - £26.9bn	£8.9bn - £26.9bn	2036	£10bn- £17bn
	NEW TECHNOLOGIES DEPLOYED	Increase the number of new technologies that have been deployed on a first user principle by year 10	10	50	2026	162
	COMMERCIALISED SOLUTION CENTRE TECHNOLOGIES	Number of NZTC solution centre funded technologies	15	45	2026	59


**Part 2: LIVE PROJECTS DASHBOARD**

			reaching commercialised phase (TRL9) by year 10					
		<b>SUPPLY CHAIN PROJECTS FUNDED</b>	Number of supply chain technology accelerated projects co-funded within the 10 years	100	100	2026	69	
		<b>TECHNOLOGY SCREENED</b>				2,500	2026	3,135+
		<b>FIELD TRIALS</b>				200	2026	159
		<b>THOUGHT LEADERSHIP CONTRIBUTIONS</b>				500	2026	350+
		<b>TECHNOLOGY SERVICES PROJECTS</b>				30+	2026	11
		<b>MILLION TONNES CO2 p.a. abated by 2030</b>				5	2030	42+
<b>FINANCE</b> <i>Detailed breakdown can be found in Table 3 &amp; 4</i>	<b>TOTAL UK/SG GRANT ALLOCATION</b>	<b>TOTAL UK/SG DRAWDOWN TO 30/09/24</b>		<b>2024/25 UK/SG GRANT ALLOCATION</b>		<b>2024/25 UK/SG DRAWDOWN TO 30/09/24</b>		
	<b>£180,000,000</b>	<b>£148,696,582</b>	<b>83%</b>	<b>£15,693,233</b>		<b>£3,735,896</b>	<b>24%</b>	

THEME: INNOVATION							
PROJECT: ONE BIOHUB							
 <a href="#">ONE BioHub</a>	OVERALL STATUS LAST PERIOD	OVERALL STATUS THIS PERIOD	TIMELINE	BUDGET	BENEFITS	RISK/ISSUE	
	<p>ONE BioHub construction was delivered within budget and the building officially opened to users on August 31, 2023. The first tenant for ONE BioHub was signed up in September 2023. In July 2024, <a href="#">Scottish Brain Sciences were announced in as the first significant anchor tenant.</a></p> <p>A fit-out project to prepare 4,500 sq ft of grow-on space for occupation is scheduled to get underway in Q3 2024/25. Current forecasts indicate that 4 companies will be occupying ONE BioHub by end of March 2025. ONE will continue to support BioHub to work with partners to identify and secure funding to fit out future growth spaces within the building for identified tenants.</p> <p>In addition, ONE Life Sciences continues to deliver support to Life Sciences Companies through the delivery of activities, programmes and networking events.</p>						
MILESTONES		MILESTONE DATE	UPDATE				
BESPOKE TENANT FIT OUT COMMENCE		31/03/2024	COMPLETED				
RISKS/ISSUES			BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	CURRENT MEASURE
			LIFE SCIENCES SUPPORT PROGRAMMES	Launch a Life sciences support programme	Deliver	2017	Delivered
			ESTABLISHMENT OF COLLABORATIVE BIO-THERAPEUTICS SPACE	Establishment of a 69,000 sq. ft flexible collaborative space	Deliver	2019	Delivered
				% occupancy rate of collaborative space by year 5	80%	2025	In Progress
			STARTUP AND SPINOUTS	Number of spinouts achieved by year 5	24	2025	In Progress
			NETWORKING EVENTS FOCUSING ON COMPANY GROWTH	Number of networking events per annum	4	-	24
			INTERNATIONAL COLLABORATIONS	Number of International collaborations in place over 5 years	2	2022	In Progress
			GENERATE GVA		£76m - £138m	2047	£18m
FINANCE	TOTAL UK/SG GRANT ALLOCATION	TOTAL UK/SG DRAWDOWN TO 30/09/24		2024/25 UK/SG GRANT ALLOCATION	2024/25 UK/SG DRAWDOWN TO 30/09/24		
<i>Detailed breakdown can be found in Table 3 &amp; 4</i>	£20,000,000	£20,000,000	100%	-	-	-	

**THEME: INNOVATION**

**PROJECT: ONE SEEDPOD**

 <a href="#">ONE SeedPod</a>	OVERALL STATUS LAST PERIOD	OVERALL STATUS THIS PERIOD	TIMELINE	BUDGET	BENEFITS	RISK/ISSUE
	Commissioning of mechanical and electrical services is underway and progressing as planned. External landscaping work has advanced significantly, and the main lift installation is complete. Internal glazing is finished, and the fit-out of the Demo Kitchen and New Product Development (NPD) kitchen has started, marking an important step in the project's completion. Final finishes for the feature stair have been agreed upon, with installation set for October 2024.					

MILESTONES	MILESTONE DATE	UPDATE
AV AND FURNITURE INSTALLATION COMMENCES	31/12/2024	IN PROGRESS - A site visit has taken place to confirm furniture requirements. External fibre connection has been instructed and internal Wi-Fi and AV installations are underway.
FM CONTRACT AWARDED	31/12/2024	COMPLETED – Milestone completed ahead of planned date.
CONSTRUCTION PROJECT COMPLETE	31/12/2024	ON TRACK - The project remains on track for handover in line with milestones; An action plan is in place to prepare ONE SeedPod for operational activity.
MAJOR MILESTONE - HUB FOR INNOVATION LAUNCH	31/03/2025	ON TRACK - The launch planned for March'25.


RISKS/ISSUES	BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	CURRENT MEASURE
	GENERATE GVA		£69M - £109M	2049	In Progress
	ESTABLISH A PHYSICAL HUB	Build and open a 30,000 sq. ft flexible space	Deliver	2021	In Progress
	ACCELERATOR	First cohort of 10 start-ups participating in the accelerator programme	Minimum 10 Companies	2020	Delivered
		10 start-ups achieved by year 5	2 per year	2025	4
	BUSINESS GROWTH	1 growth programme per year with 10 company participants each	1 per year	2021-25	2 growth Prgm. with 17 bus. & 22 participants
	BUSINESS GROWTH	Increase in company turnover by min 5% per annum	5% Growth	2025	In Progress
	BUSINESS GROWTH		20 companies	2028	In Progress

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**Part 2: LIVE PROJECTS DASHBOARD**


				20 companies to have achieved significant sales (10% of turnover) in new markets	2 (international)		
			<b>MANUFACTURING 4.0</b>	4 companies per year investing in advanced processing technology /smart manufacturing – achieving 25% gain in productivity	4 companies	2021-25	In Progress
			<b>FOODS OF THE FUTURE</b>	10 companies investing in R&D, 5 of these in collaboration with academia	2 per year	2025	5
<b>FINANCE</b> <i>Detailed breakdown can be found in Table 3 &amp; 4</i>	<b>TOTAL UK/SG GRANT ALLOCATION</b>	<b>TOTAL UK/SG DRAWDOWN TO 30/09/24</b>		<b>2024/25 UK/SG GRANT ALLOCATION</b>	<b>2024/25 UK/SG DRAWDOWN TO 30/09/24</b>		
	<b>£10,000,000</b>	<b>£9,258,301</b>	<b>93%</b>	<b>£7,678,606</b>	<b>£6,935,920</b>	<b>90%</b>	


THEME: DIGITAL						
PROJECT: DIGITAL CONNECTIVITY PROGRAMME						
	OVERALL STATUS LAST PERIOD	OVERALL STATUS THIS PERIOD	TIMELINE	BUDGET	BENEFITS	RISK/ISSUE
	<p>There is remaining Digital funding to be committed. Partners have been awaiting confirmation of how Project Gigabit will be delivered within the region. In Q2 2024/25 there has been positive progress with Project Gigabit, as a procurement lot was opened for the North East of Scotland. The size and scope of this procurement lot has been determined with input from telecoms operators and the telecoms industry through a rolling Open Market review process. The Digital Engagement Team are working with data provided by UK &amp; Scottish Governments, to fully assess the need, and scope of work that will be required, by the successful operator(s) in the Project Gigabit deployment across the Aberdeen City Region.</p>					
PROGRAMME UPDATE		MILESTONE DATE	NOTES			
ACRD DIGITAL BUSINESS CASE - MOBILE CONNECTIVITY MAPPING PROJECT		TBC	ON HOLD – The Aberdeen City Region Deal Digital Working Group have been meeting every 4 weeks since February'24 to develop project ideas, and those most suitable options have been developed into business cases to bring to the Aberdeen City Region Deal Joint Committee seeking to utilise the funding from the Memorandum of Understanding (MoU). Due to uncertainty about MoU funding availability in 2024/25 the new project idea is currently on hold until clarification on access to the remaining funding is provided.			
RISKS/ISSUES	<ol style="list-style-type: none"> <li><b>RISK DESCRIPTION:</b> The Tripartite financial agreement offers grant funding between FY 2016-2027. Allocation of the remaining funding within Digital theme is subject to approval of forthcoming business cases for projects capable of delivering within the remaining timescale of the Deal. <b>RISK MITIGATION (COUNTER MEASURES):</b> The Digital Programme is supported by a Digital Working Group made up of expertise and representation from wider networks. The Group meets regularly to collaborate and explore new project ideas qualifying criteria for the remaining Digital infrastructure funding.</li> <li><b>ISSUE DESCRIPTION:</b> Scottish Government (SG) advised that they will not be able to commit any of the unallocated Memorandum of Understanding Digital Connectivity Funds during this financial year. This creates an unforeseen risk to the Digital Programme as</li> </ol>		BENEFITS	<p>The Aberdeen City Region Deal provides the opportunity to create a sustainable infrastructure from which the region can transform into a world class digital area. At the core is the need to deliver ultrafast connectivity and use this to grow existing businesses; attract further investment; create new businesses; deliver excellent public services; support mobility and protect the environment; and enhance the area's attractiveness as a place to live and work.</p>		

## Part 2: LIVE PROJECTS DASHBOARD


	<p>it will greatly reduce the time available to approve and use uncommitted funds before the Deal ends.</p> <p><b>MITIGATION ACTIONS (COUNTER MEASURES):</b> It was agreed that a letter will be written to Deputy First Minister from the Chairperson and Vice Chairperson of the Joint Committee seeking clarification on access to Memorandum of Understanding Funding. In addition, the Aberdeen City Region Deal Programme Manager and Head of Planning and Economy, Aberdeenshire Council were to meet with the Deputy Director of the Digital Division, Scottish Government to discuss the MOU clarification on access to Memorandum of Understanding Funding.</p>		
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<b>FINANCE</b> <i>Detailed breakdown can be found in Table 1, 3, 4 &amp; 5</i>	<b>TOTAL UK/SG ALLOCATION</b>	<b>TOTAL UK/SG DRAWDOWN TO 30/09/24</b>		<b>TOTAL SG MOU INVESTMENT</b>	<b>TOTAL SG MOU DRAWDOWN TO 30/09/24</b>	
	£10,000,000	£9,305,180	93%	£10,000,000	£5,764,176	58%
	<b>TOTAL COUNCILS ALLOCATION</b>	<b>TOTAL COUNCILS DRAWDOWN TO 30/09/24</b>				
	£7,000,000	£3,939,723	56%			


THEME: DIGITAL							
PROJECT: DUCT NETWORK EXTENSION							
	OVERALL STATUS LAST PERIOD	OVERALL STATUS THIS PERIOD	TIMELINE	BUDGET	BENEFITS	RISK/ISSUE	
	The Phase 3 program works are progressing, with 1.7km completed on the Union Street, Holburn Street to Garthdee route, and 3.8km completed from Garthdee Roundabout to Haudagain (Hilton Drive). The project will incur an additional cost for vacuum hire once the framework is established. The addition of a second squad will double the current labour costs. Overtime will also be required to align with the traffic management of the capital resurfacing scheme on Anderson Drive.						
MILESTONES		MILESTONE DATE	UPDATE				
PHASE 3 50% COMPLETE		31/10/2024	IN PROGRESS - ACC Road Team planned/purchased to get the operative included with the machine to work with the squad.				
PHASE 3 75% COMPLETE		30/04/2025	ON TRACK				
RISKS/ISSUES	RISK DESCRIPTION: The resources availability at wintertime continues to be at risk. RISK MITIGATION (COUNTER MEASURES): The capital surfacing scheme is due to end on 15th November 2024 which will release further capacity that can be allocated to Public Sector Fibre. ACRD PMO and Aberdeen City Council (ACC) Roads Team have monthly meeting to monitor this risk regularly.		BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	CURRENT MEASURE
			STIMULATE THE MARKET TO INCREASE COMPETITION	No. of communication providers in the local market	2	2023	Delivered
			INCREASE ATTRACTIVENESS TO TECHNOLOGY ENABLERS	No. of organisations attracted to deploy pilot or test solutions	-	-	In Progress
			QUICKLY DEPLOYING 5G SMALL CELL	No. of small-cell communication sites, Uptake of 5G and Cost of 5G	To be identified	Post 2026	Progress to be monitored from 2026 annually
			EARLY ADOPTION OF AUTONOMOUS VEHICLES	No. of suppliers testing autonomous vehicles in Aberdeen	-	2025	-
			COST-EFFECTIVE ENABLING DIGITAL INFRASTRUCTURE	Connecting transport systems along the duct network route	-	2023	47
				Number of duct partners (e.g.: NHS, Police, Universities, etc)	3	2023	Delivered
	Km passed	-	2023	33km			
FINANCE	TOTAL UK/SG GRANT ALLOCATION	TOTAL UK/SG DRAWDOWN TO 30/09/24		2024/25 UK/SG GRANT ALLOCATION	2024/25 UK/SG DRAWDOWN TO 30/09/24		
<i>Detailed breakdown can be found in Table 1, 3 &amp; 4</i>	£4,000,000	£3,305,180	83%	£941,000	£290,505	31%	

THEME: DIGITAL						
PROJECT: 5G HUNTLY						
	OVERALL STATUS LAST PERIOD	OVERALL STATUS THIS PERIOD	TIMELINE	BUDGET	BENEFITS	RISK/ISSUE
	<p>During this reporting period, significant progress was achieved in the project. A Phase 1 report was produced, detailing the challenges and solutions related to 5G coverage in rural areas. Engineering development and planning for wireless network deployment continued, including site visits and connection of the base network hub to commercial ultrafast fibre. Next-generation fixed wireless access technology was installed and tested, and Ofcom licences were secured. Various network installations, including LoRaWAN and public Wi-Fi in Huntly, were completed or initiated. In partnership with Food Integrity Assurance, farm sensor monitoring for improved farm assurance and audit efficiency was scoped and explored. Public engagement was conducted at the Huntly Hairst event. Optional use cases, such as tourism and environmental monitoring and Ambient Assisted Living, were also advanced. Key tasks planned for the next period include continued infrastructure development, furthering farm assurance sensor pilots, and deploying home environment monitoring sensors.</p> <p>A non-material change request will be submitted following an approved change control process. Additional milestones will be added to align with the quarterly claim submission and provide additional benefits to the project. There will be no impact on the project profile or overall cost.</p>					
MILESTONES		MILESTONE DATE	UPDATE			
FINALISATION OF SYSTEMS INTEGRATION		31/07/2024	COMPLETED - Finalisation of systems integration requirements, presentation to ACRD and commercial partners.			
ACRD HUNTLY 5G NETWORK PROJECT - PHASE ONE		23/10/2024	IN PROGRESS – Presentation at Digital Working Group; Presentation at ACRD Joint Committee in November'24.			
RISKS/ISSUES				BUSINESS CASE BENEFIT/MEASURES		TARGET
				BUSINESS CASE BENEFIT	Improved environmental monitoring	To be identified
				BUSINESS CASE BENEFIT	Enhanced livestock tracking	To be identified
				BUSINESS CASE BENEFIT	Improved land management	To be identified
				BUSINESS CASE BENEFIT	Development of a centre of excellence for Scotland	To be identified
				BUSINESS CASE BENEFIT	Demonstration of commercial model to be replicated across Scotland	To be identified
FINANCE	TOTAL SG MOU INVESTMENT	TOTAL SG MOU DRAWDOWN TO 30/09/24		2024/25 SG MOU ALLOCATION	2024/25 SG MOU DRAWDOWN TO 30/09/24	
<i>Detailed breakdown can be found in Table 5</i>	£1,500,000	£613,101	41%	£750,000	£413,371	55%


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THEME: DIGITAL							
PROJECT: 5G ONE POP UP NETWORK							
	OVERALL STATUS LAST PERIOD	OVERALL STATUS THIS PERIOD	TIMELINE	BUDGET	BENEFITS	RISK/ISSUE	
	Valuable insights from engaging in the initial 5G 'pop-up' deployment activity has prompted a review of the proposed implementation process and project programme to ensure the successful delivery of project outcomes. These learnings, particularly around technical challenges, and deployment timelines will require changes to the project approach to maximise the impact for recipient businesses.						
MILESTONES		MILESTONE DATE	UPDATE				
3 DEPLOYMENT GRANTS AWARDED		30/06/2024	PROGRESS DELAYED - impact of learnings from pilot implementation on milestones will be captured in a change request and revised accordingly once approved.				
2 ADDITIONAL LOCAL PRIVATE 5G NETWORKS IN THE REGION		30/09/2026	PROGRESS DELAYED - Impact of learnings from pilot implementation on milestones will be captured in a change request and revised accordingly once approved.				
RISKS/ISSUES	ISSUE DESCRIPTION: To ensure that the technology can be fully implemented and utilised by companies, it is anticipated that the 5G equipment will need to remain on a site for longer than originally anticipated, reducing the number of deployments possible in the available time period. This will result in fewer, but more impactful, case studies delivered over the course of the project. MITIGATION ACTION (COUNTER MEASURES): A change request to be submitted in Q3 2024/25 will include a summary of learnings, particularly around technical challenges and deployment timelines, describing the requirement of changes to the project approach to maximise the impact for recipient businesses and proposal to adjust key deliverables to focus on fewer, more impactful deployments withing the overall project funding.		BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	CURRENT MEASURE
			5G CASE STUDY	Demonstrate Case studies to key sectors in Aberdeenshire, showing how private 5G networks are revolutionising business and highlighting the economic benefits of each	3 per year	2025	In Progress
			5G DEPLOYMENTS	Ensure a minimum of 3 deployments of the portable network in the first year	3	2024	In Progress
				Ensure a further 6 in the second year	6	2025	In Progress
			GRANT SCHEME DEPLOYMENT	Support the deployment of at least 2 mobile networks in the region through the Grant Scheme in year 1	2	2024	In Progress
Support the deployment of a further 8 networks in year 2	8	2025		In Progress			
FINANCE <i>Detailed breakdown can be found in Table 5</i>	TOTAL SG MOU INVESTMENT	TOTAL MOU SG DRAWDOWN TO 30/09/24		2024/25 SG MOU ALLOCATION	2024/25 SG MOU DRAWDOWN TO 30/09/24		
	£327,200	£103,576	32%	£112,390	£3,600	3%	

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THEME: DIGITAL						
PROJECT: 5G PORT OF ABERDEEN						
	OVERALL STATUS LAST PERIOD	OVERALL STATUS THIS PERIOD	TIMELINE	BUDGET	BENEFITS	RISK/ISSUE
	North SV Limited obtained frequency licences in September, identified locations for equipment, and took necessary measurements. The equipment has been ordered and delivered. Demonstrations for air quality monitoring, vessel management, and vehicle management use cases were conducted. Installation is set to begin on October 3rd, with completion expected by the end of Q3. Initial deployment of use cases in South Harbour is also planned.					
MILESTONES		MILESTONE DATE	UPDATE			
INSTALLATION AND UPGRADE OF MOBILE NETWORK INFRASTRUCTURE		28/02/2025	PROGRESS DELAYED - Installation and upgrade of mobile network infrastructure commenced. The completion is estimated to be late Q3 2024/25 for the South Harbour (Phase 1) and North Harbour (Phase 2) in the second half of 2025 subject to the successful completion of the trial.			
AWARD OF OFCOM LICENCE		23/09/2024	COMPLETED			
5G NETWORKING MASTS INSTALLED AND COMMISSIONED		30/11/2024	IN PROGRESS			
LORAWAN AND WIFI CONNECTIVITY INSTALLED AND COMMISSIONED		28/02/2025	IN PROGRESS			
RISKS/ISSUES	<b>ISSUE DESCRIPTION:</b> The project experienced a delay due to the late issuance of Ofcom licenses, which caused a hold for several months. The project team could not proceed with ordering equipment until the frequency bands were confirmed, making the delay unavoidable.  <b>MITIGATION ACTION (COUNTER MEASURES):</b> Concerns regarding bandwidth overlap were resolved and the necessary license was granted.		BUSINESS CASE BENEFIT/MEASURES			TARGET
			BUSINESS CASE BENEFIT	Reduced capital investment in establishment of South Harbour	To be identified	
			BUSINESS CASE BENEFIT	Increased flexibility in operation as equipment and cameras can be rapidly relocated	To be identified	
			BUSINESS CASE BENEFIT	Ability to monitor and transmit operational data in real time	To be identified	
			BUSINESS CASE BENEFIT	Enhanced health and safety, and security	To be identified	
			BUSINESS CASE BENEFIT	Cost savings through automation of machinery and remote operation and management	To be identified	
			BUSINESS CASE BENEFIT	Dedicated IOT connectivity to support data to/from cranes, vehicles and staff, smart devices and more	To be identified	
			BUSINESS CASE BENEFIT	Reduced CO2 emissions	To be identified	
FINANCE	TOTAL SG MOU INVESTMENT	TOTAL SG MOU DRAWDOWN TO 30/09/24		2024/25 SG MOU ALLOCATION	2024/25 SG MOU DRAWDOWN TO 30/09/24	
<i>Detailed breakdown can be found in Table 5</i>	£1,000,000	£47,500	5%	£800,000	£47,500	6%

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THEME: TRANSPORT							
PROJECT: STRATEGIC TRANSPORT APPRAISAL							
	OVERALL STATUS LAST PERIOD	OVERALL STATUS THIS PERIOD	TIMELINE	BUDGET	BENEFITS	RISK/ISSUE	
	<p>A90(N)/A952 Preliminary Options Appraisal has been completed and approved, with a Detailed Appraisal underway. A956 Wellington Road design work is progressing, with Stage 2 outcomes expected in Q3 2024/25 and Stage 3 to commence in Q4 2024/25. Freight surveys are ongoing, and mobility hub proposal in Ballater is being advanced with a steering group formed. Baseline evidence from ASAM transport model for the councils' LDP processes have been completed, and the ART Strategic Business Case to be completed in March 2025.</p>						
PROJECTS	MILESTONE DATE	UPDATE					
A90(N) / A952 ELLON PETERHEAD FRASERBURGH	01/03/2025	IN PROGRESS - Preliminary Options Appraisal completed and approved by the Nestrans Board. Detailed Appraisal is now being progressed, including traffic and freight survey work. Work is tying into the future proposals for Investment Zones, Development Pressures and Route Safety concerns. The completion date of the Updated Options Appraisal has moved from October'24 to February'25. The DMRB process discussion with the design team at Aberdeenshire has commenced.					
A956 WELLINGTON ROAD JUNCTIONS	01/07/2024	COMPLETED WITH DELAY – Design work has progressed through Design Manual for Roads and Bridges (DMRB) Stage 2 Route Option Assessment, preferred option to be reported in Q3 2024/25. DMRB Stage 3 to be commenced in Q4 2024/25.					
RAIL FREIGHT TERMINALS REVIEW	01/04/2026	IN PROGRESS - Freight surveys commissioned to inform further work, alongside discussion with strategic partners such as Port of Aberdeen.					
REGIONAL HYDROGEN REFUELLERS	01/10/2024	IN PROGRESS - Consultants ARUP have now finalised report. Client team continue to progress potential opportunities for business case development.					
MOBILITY HUBS	01/07/2024	PROGRESS DELAYED – Options for City Mini Hubs being considered; Proposal for Ballater being progressed. The consultation in Ballater undertaken in July regarding mobility hub proposal, pointing towards design and strategic business case work. Steering group formed to take this forward.					
ASAM 19 STRATEGIC TESTING	01/09/2026	IN PROGRESS - Final report on evidence baseline to support councils' LDP processes (evidence report) submitted. Scoping discussions underway for cumulative assessment work, capturing key regional land use development pressures to support LDPs for both councils. The completion of this milestone is estimated in September'26.					
ABERDEEN RAPID TRANSIT DEVELOPMENT	31/07/2024	COMPLETED – The Strategic Dimension is completed. Next milestone is the completion of ART Strategic Business Case including Detailed Options Appraisals in March'25.					
RISKS/ISSUES			BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	CURRENT MEASURE

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<p><b>RISK DESCRIPTION:</b> In February 2024, ACRD Joint Board approved the principle of allocating funding from the STA programme to cover risk provision for the External Transportation Links to Aberdeen South Harbour project, sourced from the Councils' respective allocations.</p> <p><b>RISK MITIGATION (COUNTER MEASURES):</b> Discussions have commenced on the governance required to secure this re-allocation of funding between the different transport projects, totalling £1.150m.</p>	<p><b>REVISED REGIONAL TRANSPORT STRATEGY (RTS), &amp; TRANSPORT INPUT TO DEVELOPMENT PLANS</b></p>	Completion of the RTS and the SDP	Finalisation of key Regional documents	2020	Delivered
	<p><b>STPR2 AND NPF4 DOCUMENTS REFLECTING NORTH EAST PRIORITIES</b></p>	Completion of key documents, with content reflecting key North East priorities for transport.	Finalisation of key national documents	2020	Delivered
	<p><b>STRATEGIC INPUT TO CITY CENTRE PLANS</b></p>	Ensuring City Centre Masterplan and Beach Development framework reflect strategic priorities in the RTS, including walking, cycling and public transport.	Evidence and Business Cases for future City Centre projects	2026	In Progress
	<p><b>DEVELOPMENT AREAS ABLE TO NOT ONLY OPERATE AT CURRENT CAPACITY BUT ALSO TO ACCOMMODATE FURTHER GROWTH</b></p>	Cumulative Transport Appraisal	Deliver	2026	Delivered
		Input into Development Plans	Support for Development Plans	2026	In Progress
		Ongoing support for growth areas	Evidence for Business Cases	2026	In Progress
	<p><b>STRATEGIC INPUT TO IMPROVEMENTS ON KEY TRANSPORT CORRIDORS (A90 NORTH &amp; SOUTH, A96 AND A947)</b></p>	Input into option appraisals and business cases seeking improvements along these key corridors.	Evidence and Business Cases for future corridor improvement projects	2026	In Progress
	<p><b>STRATEGIC INPUT TO DEVELOPMENT OF EFFECTIVE GATEWAYS INTO THE CITY</b></p>	Input into option appraisals and business cases seeking improvements at key gateways and key City Centre routes and active travel	Evidence and Business Cases for future corridor improvement projects.	2026	In Progress
	<p><b>IMPROVED REGIONAL TRANSPORT MODEL (ASAM), MADE AVAILABLE FOR DEVELOPMENT AND PLANNING INDUSTRY</b></p>	Availability of ASAM14	Completion of audited models	2021	Delivered
Availability of ASAM19		Completion of audited models	2021	Delivered	
<p><b>POST OPENING TRAFFIC AND TRANSPORT DATA COLLECTION, MADE AVAILABLE FOR DEVELOPMENT AND PLANNING INDUSTRY</b></p>	Availability of survey information	Availability of data upon request from planning / development industry	2020	Delivered	

<p><b>FINANCE</b> <i>Detailed breakdown can be found in Table 2, 3 &amp; 5</i></p>	<p><b>TOTAL UK/SG GRANT ALLOCATION</b></p>	<p><b>TOTAL UK/SG DRAWDOWN TO 30/09/24</b></p>		<p><b>2024/25 UK/SG GRANT ALLOCATION</b></p>	<p><b>2024/25 UK/SG DRAWDOWN TO 30/09/24</b></p>	
	<p>£5,000,000</p>	<p>£1,532,786</p>	<p>31%</p>	<p>£1,000,000</p>	<p>£71,494</p>	<p>7%</p>
	<p><b>TOTAL COUNCILS ALLOCATION</b></p>	<p><b>TOTAL COUNCILS DRAWDOWN TO 30/09/24</b></p>				
	<p>£2,000,000</p>	<p>£179,768</p>	<p>9%</p>			

**THEME: TRANSPORT**

**PROJECT: EXTERNAL TRANSPORTATION LINKS TO ABERDEEN SOUTH HARBOUR**



OVERALL STATUS LAST PERIOD	OVERALL STATUS THIS PERIOD	TIMELINE	BUDGET	BENEFITS	RISK/ISSUE
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The External Transportation Links to Aberdeen South Harbour project is being progressed by Aberdeen City Council, as Local Roads Authority. Following the early Scottish Transport Appraisal Guidance (STAG) assessment stages the project has progressed through the Department for Transport (DfT), Design Manual for Roads and Bridges (DMRB), Scheme Assessment Reporting processes. Q2 progress update include:

- An Outline Business Case (OBC) has been submitted to the governments for review, comments received and currently being considered.
- Detailed design second phase underway with design packages being submitted and reviewed.
- Additional surveys for drainage, topographic, ground penetrating radar and traffic surveys have been carried out.
- Additional Ground Investigation works to be undertaken
- Planning application submitted.
- Compulsory Purchase Order has been notified, advertised and objection period has now been closed. Ongoing discussions to address objections received.
- Constructability and Phasing assessment has commenced.

MILESTONES	MILESTONE DATE	UPDATE
SUPPLIER SELECTION - COMPLETE SPD	11/09/2024	PROGRESS WITH DELAY – Alternative procurement route being considered.
STRUCTURE - TECHNICAL APPROVAL (ACC AND NETWORK RAIL)	07/11/2024	PROGRESS WITH DELAY – Further Ground Investigation work required in Q3 to be completed in Q4.
COMPLETE DETAILED DESIGN	01/11/2024	PROGRESS WITH DELAY – To be completed in Q3.
POST DESIGN PUBLIC EXHIBITION	01/11/2024	PROGRESS WITH DELAY – To be completed in Q4.
FINAL BUSINESS CASE SUBMITTED	01/04/2025	PROGRESS WITH DELAY – Still to be completed in Q1 2025/26.

RISKS/ISSUES	BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	CURRENT MEASURE
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<p>1. <b>RISK DESCRIPTION:</b> Quality of Service –The developed solution does not meet the long-term expectations of key stakeholders such as Energy Transition Zone (ETZ), Port of Aberdeen, Community Groups and other Road Users. <b>RISK MITIGATION (COUNTER MEASURES):</b> Regular liaison with Key Stakeholders at an early stage to confirm design requirements from the outset.</p> <p>2. <b>RISK DESCRIPTION:</b> Reaching agreement with Network Rail on construction of new railway bridge. Network Rail (NR) seeking to control design process. Could result in project delays and cost over runs. <b>RISK MITIGATION (COUNTER MEASURES):</b> 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.</p> <p>3. <b>RISK DESCRIPTION:</b> 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. <b>RISK MITIGATION (COUNTER MEASURES):</b> 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.</p> <p>4. <b>RISK DESCRIPTION:</b> Necessary statutory approvals for development cannot be gained or are delayed resulting in overall project delays and cost increases. <b>RISK MITIGATION (COUNTER MEASURES):</b> Early and continual engagement with Aberdeen City Council (ACC) planning department, roads department and external statutory consultees.</p> <p>5. <b>RISK DESCRIPTION:</b> Unable to acquire third party land required. <b>RISK MITIGATION (COUNTER MEASURES):</b> 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.</p> <p>6. <b>RISK DESCRIPTION:</b> Landowners may not permit access for surveys/ ground investigation. <b>RISK MITIGATION (COUNTER MEASURES):</b> Prepare Road Scotland Act S140 Notices in advance of any surveys or investigations.</p>	<p><b>TPO1A - REDUCE JOURNEY TIMES FOR HGVS BETWEEN ASH /PROPOSED ETZ SITES AND ABERDEEN WESTERN PERIPHERAL ROUTE (AWPR)/ CHARLESTON JUNCTION AND KING GEORGE VI BRIDGE</b></p>	Journey times survey	To be baselined in 2025	2025-2032	In Progress
	<p><b>TPO 1B - REDUCE THE ENVIRONMENTAL AND NUISANCE IMPACTS OF HGV TRAFFIC BETWEEN ASH /PROPOSED ETZ SITES AND ABERDEEN WESTERN PERIPHERAL ROUTE (AWPR)/ CHARLESTON JUNCTION AND KING GEORGE VI BRIDGE</b></p>	Noise monitoring, Carbon and Air quality monitoring	To be baselined in 2025	2025-2032	In Progress
	<p><b>TPO 2A - IMPROVE CONNECTIVITY BY ALL MODES (CAR, PUBLIC TRANSPORT, AND ACTIVE TRAVEL) BETWEEN ASH / ETZ AND PROSPECTIVE WORKERS AT THE SITES</b></p>	Route user intercept surveys and Census data	-	2025-2032	In Progress
	<p><b>TPO 2B - IMPROVE CONNECTIVITY BETWEEN PROPOSED ETZ AND OTHER ENERGY-RELATED BUSINESSES IN THE ABERDEEN AREA (BUSINESS TO BUSINESS)</b></p>	Census data and Journey times survey	To be baselined in 2025	2025-2032	In Progress

## Part 2: LIVE PROJECTS DASHBOARD

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 28</p>	<p>7. <b>RISK DESCRIPTION:</b> Adverse reactions from public and businesses due to changes in traffic management and impacts of construction works on traffic flow in and around Altens. <b>RISK MITIGATION (COUNTER MEASURES):</b> 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.</p> <p>8. <b>RISK DESCRIPTION:</b> Political support not achieved resulting in significant delays. <b>RISK MITIGATION (COUNTER MEASURES):</b> 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.</p> <p>9. <b>RISK DESCRIPTION:</b> If the Scheme Costs exceeds the current available funding it may not be possible to deliver the project in its entirety, this may reduce the benefits of the scheme. <b>RISK MITIGATION (COUNTER MEASURES):</b> As the detailed design for the project progresses further design development and value engineering will be conducted to reduce costs. Options for additional funding routes or potential phasing of delivery are being investigated</p>	<p><b>TPO 3 - IMPROVE ACCESS TO THE ETZ / ASH FOR THE WIDEST RANGE OF ABNORMAL LOADS POSSIBLE AND MINIMISE THE IMPACT ON RESIDENTIAL AND BUSINESS PROPERTIES OF ABNORMAL LOADS TRAVELLING FROM AND TO THE ETZ / ASH</b></p>	<p>Survey data combining ATCs and MCCs at locations not suitable for ATCs</p>	<p>To be baselined in 2025</p>	<p>2025-2032</p>	<p>In Progress</p>														
		<p><b>TPO 5 - IMPROVE THE INTERMODAL OPPORTUNITIES BETWEEN THE PROPOSED ETZ/ASH AND THE EXISTING RAIL NETWORK</b></p>	<p>Journey times survey</p>	<p>-</p>	<p>2025-2032</p>	<p>In Progress</p>														
		<p><b>PROCUREMENT DESIGN &amp; CONSTRUCTION IMPROVE ACCESS TO EMPLOYMENT /TRAINING, BUT ALSO ACCESS TO GREENSPACE</b></p>	<p>Support for training/ apprenticeships and local supply chain, also opportunity for habitats/interpretation improvement along coast path.</p>	<p>To be determined at Full Business Case</p>	<p>2028</p>	<p>In Progress</p>														
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">FINANCE</th> <th style="width: 20%;">TOTAL UK/SG GRANT ALLOCATION</th> <th colspan="2" style="width: 25%;">TOTAL UK/SG DRAWDOWN TO 30/09/24</th> <th style="width: 20%;">2024/25 UK/SG GRANT ALLOCATION</th> <th colspan="2" style="width: 20%;">2024/25 UK/SG DRAWDOWN TO 30/09/24</th> </tr> </thead> <tbody> <tr> <td style="font-size: small;">Detailed breakdown can be found in Table 3 &amp; 4</td> <td style="text-align: center;">£25,000,000</td> <td style="text-align: center;">£2,619,838</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">£1,876,133</td> <td style="text-align: center;">£643,440</td> <td style="text-align: center;">34%</td> </tr> </tbody> </table>							FINANCE	TOTAL UK/SG GRANT ALLOCATION	TOTAL UK/SG DRAWDOWN TO 30/09/24		2024/25 UK/SG GRANT ALLOCATION	2024/25 UK/SG DRAWDOWN TO 30/09/24		Detailed breakdown can be found in Table 3 & 4	£25,000,000	£2,619,838	10%	£1,876,133
FINANCE	TOTAL UK/SG GRANT ALLOCATION	TOTAL UK/SG DRAWDOWN TO 30/09/24		2024/25 UK/SG GRANT ALLOCATION	2024/25 UK/SG DRAWDOWN TO 30/09/24															
Detailed breakdown can be found in Table 3 & 4	£25,000,000	£2,619,838	10%	£1,876,133	£643,440	34%														

**TABLE 1: A SUMMARY OF THE DIGITAL THEME POSITION AT Q2 2024/25 BY INDIVIDUAL PROJECT.**

TABLE 1: ACRD – DIGITAL THEME FINANCE SUMMARY						
Digital Connectivity Programme	Funding Source	Budget	Q2 Actual Expenditure	Forecast for the Year	Variance (Under)/Over	Variance Notes/ Additional Comments
		£,000	£,000	£,000	£,000	
Duct Network Extension	UKG/SG	941	291	781	(160)	Some works planned for 2024/25 are now deferred to 2025/26 with plans to hire vacuums for the duration of the project. There is a need to work within the traffic management of the resurfacing scheme on Anderson Drive, Aberdeen.
	Partners	0	0	0	0	
Others/City Network Extension	Partners	3,156	15	3,156	0	
<b>Total</b>		<b>4,097</b>	<b>306</b>	<b>3,937</b>	<b>(160)</b>	

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SUMMARY				
Funding Source	Budget	Actual Q2	Forecast	Variance (Under)/Over
	£,000	£,000	£,000	£,000
UKG/SG	941	291	781	(160)
Partners	3,156	15	3,156	0
<b>Total</b>	<b>4,097</b>	<b>306</b>	<b>3,937</b>	<b>0</b>



**TABLE 2: A SUMMARY OF THE STRATEGIC TRANSPORT APPRAISAL POSITION AT Q2 2024/25 BY INDIVIDUAL WORKSTREAM.**

TABLE 2: ACRD – STRATEGIC TRANSPORT APPRAISAL FINANCE SUMMARY						
Strategic Transport Appraisal workstreams	Funding Source	Budget	Q2 Actual Expenditure	Forecast for the Year	Variance (Under)/Over	Variance Notes/ Additional Comments
		£,000	£,000	£,000	£,000	
A90(N) / A952 Ellon Peterhead Fraserburgh	UKG/SG	155	39	155	0	
	Partners	0	0	0	0	
A956 Wellington Road Junctions	UKG/SG	150	0	150	0	£72k pending incurred in Q1-Q2
	Partners	0	0	0	0	
Rail Freight Terminals review	UKG/SG	0	0	9	+9	
	Partners	0	0	0	0	
Regional Hydrogen Refuellers	UKG/SG	50	0	46	-4	
	Partners	0	0	0	0	
Mobility Hubs	UKG/SG	100	0	100	0	
	Partners	0	0	0	0	
ASAM	UKG/SG	40	7	40	0	
	Partners	0	0	0	0	
Aberdeen Rapid Transit Development	UKG/SG	500	26	500	0	£25k pending incurred in Q2
	Partners	0	0	0	0	
Project Management	UKG/SG	5	0	0	-5	
	Partners	0	0	0	0	
<b>Total</b>		<b>1,000</b>	<b>72</b>	<b>1,000</b>	<b>0</b>	

SUMMARY				
Funding Source	Budget	Actual Q2	Forecast	Variance (Under)/Over
	£,000	£,000	£,000	£,000
UKG/SG	1,000	72	1,000	0
Partners	0	0	0	0
<b>Total</b>	<b>1,000</b>	<b>72</b>	<b>1,000</b>	<b>0</b>

**TABLE 3: OUTLINES THE DEAL ACTUAL EXPENDITURE FOR Q2 2024/25 INCLUDING FORECAST EXPENDITURE FOR THE FINANCIAL YEAR COMPARED TO THE ALLOCATED BUDGET AND VARIANCE NOTES.**

TABLE 3: ACTUAL EXPENDITURE COMPARED TO FORECAST						
ACRD Programme	Funding Source	Budget	Q2 Actual Expenditure	Forecast for the Year	Variance (Under)/Over	Variance Notes/ Additional Comments
		£,000	£,000	£,000	£,000	
Net Zero Technology Centre	UKG/SG	15,693	3,736	14,732	(961)	Re-phasing from 24/25 to 25/26
	Partners	21,148	11,510	22,732	1,584	Re-phasing from 24/25 to 25/26
ONE BioHub	UKG/SG	0	0	0	0	
	Partners	3,810	1,905	3,810	0	
ONE SeedPod	UKG/SG	7,679	6,936	7,679	0	
	Partners	1,471	400	1,471	0	
Digital	UKG/SG	941	291	781	(160)	Reprofiling of Duct budget (see Table 1).
	Partners	3,156	15	3,156	0	
Strategic Transport Appraisal	UKG/SG	1,000	72	1,000	0	
	Partners	0	0	0	0	
External Transportation Links to Aberdeen Harbour Expansion	UKG/SG	1,876	643	1,876	0	
	Partners	0	0	0	0	
<b>Total</b>		<b>56,774</b>	<b>25,508</b>	<b>57,237</b>	<b>463</b>	



SUMMARY				
Funding Source	Budget	Actual Q2	Forecast	Variance (Under)/Over
	£,000	£,000	£,000	£,000
UKG/SG	27,189	11,678	26,068	(1,121)
Partners	29,585	13,830	31,169	1,584
<b>Total</b>	<b>56,774</b>	<b>25,508</b>	<b>57,237</b>	<b>463</b>

**TABLE 4: OUTLINES THE FINANCIAL PROFILE FOR REMAINDER OF DEAL AND PRIOR SPEND.**

TABLE 4: ACRD PROFILE														
ACRD Programme	Funding Source	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Grant Total
		16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	
Net Zero Technology Centre	UKG/SG	4,100	12,200	17,600	25,200	26,700	22,900	19,100	17,161	14,732	16,842	3,465	0	180,000
	Partners	500	7,440	30,334	36,181	28,401	24,710	46,274	31,193	22,732	11,272	0	0	239,037
ONE BioHub	UKG/SG	0	0	318	723	1,685	9,720	6,977	577	0	0	0	0	20,000
	Partners	101	157	532	460	281	2,374	550	896	3,810	3,634	3,600	3,600	19,995
ONE SeedPod	UKG/SG	0	0	0	111	376	393	245	1,196	7,679	0	0	0	10,000
	Partners	13	21	53	469	424	1,350	2,751	5,898	1,471	1,476	1,409	1,401	16,736
Digital	UKG/SG	0	0	45	257	4,142	3,606	589	375	781	205	0	0	10,000
	Partners	0	0	8,842	16,305	9,839	8,496	11,711	4,721	3,156	2,930	0	0	66,000
Strategic Transport Appraisal	UKG/SG	0	195	177	394	185	145	136	517	1,000	1,970	281	0	5,000
	Partners	180	0	0	0	0	0	0	0	0	0	1,820	0	2,000
External Transportation Links to Aberdeen Harbour Expansion	UKG/SG	0	28	128	139	106	70	551	956	1,876	9,950	7,980	3,216	25,000
	Partners	0	0	0	0	0	0	0	0	0	0	0	0	0
Aberdeen South Harbour Expansion	UKG/SG	0	0	0	0	0	0	0	0	0	0	0	0	0
	Partners	15,989	53,749	86,151	54,613	64,126	96,125	47,120	2,234	0	0	0	0	420,107
<b>Total</b>		<b>20,883</b>	<b>73,790</b>	<b>144,180</b>	<b>134,852</b>	<b>136,265</b>	<b>169,889</b>	<b>136,004</b>	<b>65,724</b>	<b>57,237</b>	<b>48,279</b>	<b>18,555</b>	<b>8,217</b>	<b>1,013,875</b>

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	26/27	27/28	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	
UKG/SG	4,100	12,423	18,268	26,824	33,194	36,834	27,598	20,783	25,881	29,153	11,726	3,216	250,000
Partners	16,783	61,367	125,912	108,028	103,071	133,055	108,406	44,942	31,169	19,312	6,829	5,001	763,875
<b>Total</b>	<b>20,883</b>	<b>73,790</b>	<b>144,180</b>	<b>134,852</b>	<b>136,265</b>	<b>169,889</b>	<b>136,004</b>	<b>65,725</b>	<b>57,050</b>	<b>48,465</b>	<b>18,555</b>	<b>8,217</b>	<b>1,013,875</b>

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	26/27	27/28	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	
UKG/SG	4,500	23,250	35,950	42,750	37,950	34,900	24,300	20,300	15,400	10,700	0	0	250,000
Partners	52,070	92,945	174,485	113,600	37,500	26,900	25,100	22,200	18,800	12,600	0	0	576,200
<b>Total</b>	<b>56,570</b>	<b>116,195</b>	<b>210,435</b>	<b>156,350</b>	<b>75,450</b>	<b>61,800</b>	<b>49,400</b>	<b>42,500</b>	<b>34,200</b>	<b>23,300</b>	<b>0</b>	<b>0</b>	<b>826,200</b>

ORIGINAL DEAL VS CURRENT PROFILE													
Funding Source	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	
UKG/SG	-400	-10,827	-17,682	-15,926	-4,756	1,934	3,298	483	10,481	18,453	11,726	3,216	0
Partners	-35,287	-31,578	-48,573	-5,572	65,571	106,155	83,306	22,742	12,369	6,712	6,829	5,001	187,675
<b>Total</b>	<b>-35,687</b>	<b>-42,405</b>	<b>-66,255</b>	<b>-21,498</b>	<b>60,815</b>	<b>108,089</b>	<b>86,604</b>	<b>23,225</b>	<b>24,598</b>	<b>23,333</b>	<b>18,555</b>	<b>8,217</b>	<b>187,675</b>



**TABLE 5: THE FINANCIAL SUMMARY OF THE 5G DIGITAL POSITION AT Q1 2024/25 BY INDIVIDUAL PROJECT.**

TABLE 5: MOU - DIGITAL THEME FINANCE SUMMARY						
Digital Connectivity Programme	Funding Source	Budget	Q2 Actual Expenditure	Forecast for the Year	Variance (Under)/Over	Variance Notes/ Additional Comments
		£,000	£,000	£,000	£,000	
Port of Aberdeen 5G project	SG (MoU)	800	47	150	(650)	The project underspend/reprofile is due to the issue noted in the respective project dashboard and delay of the installation start and therefore costs haven't been incurred as quickly in the first stages of the project.
Huntly 5G project	SG (MoU)	750	413	750	0	
ONE 5G Pop Up Network	SG (MoU)	112	4	112	0	
<b>Total</b>		<b>1,662</b>	<b>464</b>	<b>1,012</b>	<b>(650)</b>	

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SUMMARY				
Funding Source	Budget	Actual Q2	Forecast	Variance (Under)/Over
	£,000	£,000	£,000	£,000
SG (MoU)	1,662	464	1,012	(650)
<b>Total</b>	<b>1,662</b>	<b>464</b>	<b>1,012</b>	<b>(650)</b>

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

<b>COMMITTEE</b>	Aberdeen City Region Deal (ACRD) Joint Committee
<b>DATE</b>	15 November 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	ACRD Internal Audit Action Plan Update
<b>LEAD OFFICERS</b>	Stuart Bews
<b>REPORT AUTHORS</b>	Stuart Bews
<b>REPORT DATE</b>	24 October 2024

<b>1:</b>	<b>Purpose of the Report</b>
	<ul style="list-style-type: none"> <li>i. Provide an update on progress towards implementation of the agreed recommendations from the ACRD Internal Audit</li> </ul>

<b>2:</b>	<b>Recommendations for Action</b>
	<p>It is recommended that the Joint Committee:</p> <ul style="list-style-type: none"> <li>i. Note that the recommended actions within the Internal Audit report have been accepted as implemented by Internal Audit in the following areas: Delegated Powers, Mitigation of Variances, Project Closure Report and Progress Reporting.</li> <li>ii. Note the ongoing work to gain implemented status in the following areas: Funding Agreements, Expenditure Records.</li> </ul>

<b>3:</b>	<b>Summary of Key Information</b>
	<ul style="list-style-type: none"> <li>i. An Internal Audit is undertaken every 2 years on the Aberdeen City Region Deal (ARCD) to assess and review the effectiveness of control measures which Aberdeen City and Aberdeenshire Council ("the Local Authorities) put in place to administer ACRD funding.</li> <li>ii. The recent Internal Audit report highlighted a number of areas where it is recommended that further steps should be taken to provide an enhanced level of assurance over the governance of public funds.</li> </ul>

**3: Summary of Key Information**

- iii. Both Local Authority Audit Committees have now agreed the report and it is for Programme Management Office (PMO) to implement the agreed recommendations. The agreed recommendations are taken from the Internal Audit report to form an action plan.
- iv. PMO will present evidence of implementation to Internal Audit to review, and it will be the decision of Internal Audit as to whether the recommendations have been implemented, or if further action is still necessary to provide greater assurance over the identified risk.
- v. Internal Audit team will provide updates to both Local Authority Audit Committees, and the PMO intend to continue to update ACRD Joint Committee on the implementation of the Internal Audit Action Plan until fully implemented.
- vi. The table below provides a summarised version of the Action Plan, to give an overview as to the progress made to date.

Table 1 – Recommendations Implemented

<b>Risk</b>	<b>Status</b>	<b>Actions to Date</b>	<b>Further Action Required</b>
Delegated Powers	Implemented	ACRD Joint Committee approved an explicit delegation of power in February 2024.	N/A
Mitigation of Variances	Implemented	Change control process has been drafted and approved by ACRD Joint Committee on 9 February 2024.	N/A
Project Closure Reports	Implemented	Project closure template has been updated.	N/A
Progress Reporting	Implemented	Provided internal audit with written procedure of PMO for review of project status reports.	N/A

Table 2 – Recommendations in progress towards implementation status

<b>Risk</b>	<b>Status</b>	<b>Actions to Date</b>	<b>Further Action Required</b>	<b>Expected Resolution Date</b>
Funding Agreements	Ongoing	Annual Grant Letter was signed off 26 <sup>th</sup> June	Variation of grant agreements signed by partners and accountable body, provided to internal audit for review.	November 2024

3: Summary of Key Information					
Expenditure records	Ongoing	A template has been developed to enable the documentation of all checks undertaken.	This template has been tested with partners and shared with Internal Audit for review.	December 2024	

4: Finance and Risk	
<ul style="list-style-type: none"> <li>i. There are no financial implications arising from this report at this time.</li> <li>ii. Risks associated with the content of this report are already logged within the ACRD Risk Register and contained within the ACRD Quarterly Programme report.</li> </ul>	

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

<b>COMMITTEE</b>	Aberdeen City Region Deal (ACRD) Joint Committee
<b>DATE</b>	15 November 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	ACRD Annual Report and Benefits Update 2023/24
<b>LEAD OFFICERS</b>	Stuart Bews
<b>REPORT AUTHORS</b>	Aigul Gray
<b>REPORT DATE</b>	15 October 2024

<b>1:</b>	<b>Purpose of the Report</b>
1.1	To present the Aberdeen City Region Deal Annual Report and Benefits Dashboard 2023-24 to gain approval from the Joint Committee for its wider publication.

<b>2:</b>	<b>Recommendations for Action</b>
	It is recommended that the Joint Committee:
2.1	Note the content of Appendix A - Annual Report 2023/24 which provides a comprehensive overview of the Programme and projects key achievements for the past year.
2.2	Note the content of Appendix B – Benefits Dashboard 2023/24 detailing the realisation of benefits across the Programme, that align to wider regional economic development objectives achieved by utilising partner resources.
2.3	Endorse these reports for wider publication.

<b>3:</b>	<b>Summary of Key Information</b>
3.1	The Aberdeen City Region Deal (ACRD) Annual Report and Benefits Realisation Plan is an annual requirement from United Kingdom Government and Scottish Government laid out in the Grant Offer Letter.

3:	Summary of Key Information
	<p>The format of the Annual Report follows the Scottish Governments preferred template.</p> <p>3.2 The update in Appendix A - Annual Report for April 2023 to March 2024 provides information on the progress made, and further expected developments to come. In addition, it demonstrates that Aberdeen City Region Deal investment is having a significant impact upon the City Region Deal area.</p> <p>3.3 The Aberdeen City Region Deal Benefits Realisation Update is presented via an overview update in the Annual Report on page 14 and a Benefits Dashboard in Appendix B to capture progress against the Deal's objectives.</p> <p>3.4 In 2023/24 progress was made in benefit realisation monitoring and reporting.</p> <ul style="list-style-type: none"> <li>• <b>Overall Economic Impact:</b> The Deal has generated over £310 million in GVA from CRD projects and £320 million from construction employment, creating over 1,300 new jobs and safeguarding 1,900 jobs to date.</li> <li>• <b>In 2023/24:</b> the Deal generated £150 million in GVA, created around 600 new jobs, and safeguarded 1,000 jobs, with 500 construction jobs paying at least the Real Living Wage.</li> <li>• <b>Wider Economic Benefits:</b> The Net Zero Technology Centre and Aberdeen South Harbour (and the ongoing external transport links project) are expected to have significant future GVA and employment impacts, supporting activity around energy transition and tourism from cruise ship visitors. These will continue to be measured and reported.</li> <li>• <b>Future Projections:</b> There will also be additional GVA and employment impacts from future projects not yet completed. These include the construction impacts of ONE Seedpod and the economic impacts of start-ups in both ONE Biohub and ONE Seedpod. Both the economic impact from these wider economic benefits and from future projects give confidence that the overall Deal targets of £260m GVA per annum and the 3,300 total new jobs created by 2026 will be achieved.</li> </ul> <p>3.5 These reports will form the basis of the Annual Conversation scheduled on 30 January 2025.</p> <p>3.6 The Annual Report will be made widely available, including through the City Region Deal, Aberdeen City Council, Aberdeenshire Council, UK Government and Scottish Government websites.</p>

<b>3:</b>	<b>Summary of Key Information</b>
3.7	Once Appendix B - Benefits Dashboard is published in the public domain and endorsed by the ACRD Joint Committee, a link to it will be added to page 14 of the Annual Report.

<b>4:</b>	<b>Finance and Risk</b>
4.1	Any financial implications are included in the Annual Report.

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# ABERDEEN CITY REGION DEAL

ANNUAL REPORT  
APRIL 2023 - MARCH 2024

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



Scottish Government  
Riaghaltas na h-Alba  
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## FOREWORD



**Cllr Ian Yuill**

Chairperson of the ACRD Joint Committee and Co-Leader of Aberdeen City Council

It is my pleasure to introduce the Aberdeen City Region Deal Annual Progress Report for April 2023 to March 2024. This report provides an overview of the progress made in the implementation of the Aberdeen City Region Deal, a partnership between the UK Government, the Scottish Government, Aberdeen City Council, Aberdeenshire Council, and Opportunity North East (ONE).

The report outlines the key achievements and milestones of the various projects and initiatives supported by the Deal, including the ONE BioHub and Aberdeen South Harbour opening, and continues progress made in the innovation, transport, and digital themed projects. It also provides a financial statement and details on the governance and accountability of the Deal.

The Aberdeen City Region Deal represents a significant investment in the future of the region, with the aim of driving economic growth, creating jobs, and supporting the transition to a net-zero economy. The progress made to date is a testament to the hard work and dedication of all those involved in the implementation of the Deal.

I hope that this report provides valuable insights into the progress made and the exciting developments to come. On behalf of the Deal partners, I would like to thank our project partners and stakeholders and the businesses within our key industry sectors across the city and region for their continued support. In addition I would like to thank all the Joint Committee members and Anne Stirling for her service as Chair from 2023-24.

### THE DEAL 2016

*The Deal is the Agreement between the UK Government and the Scottish Government with Aberdeen City Council, Aberdeenshire Council and Opportunity North East (ONE) on a city region deal. It follows the signing of a “Heads of Terms” Agreement in January 2016 by the Secretary of State for Scotland; the Cabinet Secretary for Infrastructure, Investment and Cities; the Leader of Aberdeen City Council; one of the Co-Leaders of Aberdeenshire Council; and the Chair of ONE.*



**Cllr Anne Stirling**

Vice Chairperson of the ACRD  
Joint Committee and Deputy  
Leader of Aberdeenshire Council

It is a privilege to be involved in one of the longest established deals in Scotland, and to have seen demonstrable progress year-on-year in Deal investment and programmes. This year alone we have seen projects come to completion this year, seen projects literally get off the ground and seen the expansion of networks and connectivity.

To be pushing ahead with Deal projects valued at £1bn, in partnership across Aberdeenshire Council, Aberdeen City Council, Opportunity North East, the UK and Scottish Governments as well as other partners including Port of Aberdeen and Nestrans shows that our deal lives up to what it was intended to, real public and private sector partnerships in the interests of the wider Deal area. Since it began the partnership ambitions have always remained the same: to provide the conditions for enterprise and businesses to invest and innovate, to access new markets, to maintain and grow the region's skilled workforce and provide work opportunities.

Those will continue to be our focus, working together in the coming year in areas where we can affect collective change. It is sometimes feared that Deal investments can be quite abstract, but the progress contain in this annual report shows without doubt that our deal investment is making a practical, real-world difference to the City Region Deal area.



**Sir Ian Wood KT GBE**

Chair, Opportunity North East

Opportunity North East (ONE) leads action and investment to diversify northeast Scotland's economy, focusing on innovation-led entrepreneurship in key growth sectors.

Over the past eight years, the private-sector-led economic development model has challenged, inspired, and defined ambition in digital tech, food, drink and agriculture, life sciences and adventure tourism.

ONE has boosted the entrepreneurial environment with its funding and resources, built a team of specialists to support startups and scaling businesses with entrepreneurship, innovation, leadership, and market development, and worked with partners and co-founders to develop transformational projects and secure significant growth resources.

Today, ONE continues to strengthen and build the entrepreneurial ecosystem and equip founders and business leaders with the insights, knowledge, skills and tools to create and scale innovation-led businesses.

The Aberdeen City Region Deal provided capital funding from the Scottish Government and UK Government to create innovation hubs as purpose-built homes to support sector growth ambitions: ONE BioHub for life sciences and ONE SeedPod for food and drink manufacturing and production.

ONE BioHub opened in August 2023, providing much-needed laboratory, office, and collaboration spaces. It is home to tailored programmes, connections to expert networks, and mentoring for founders developed and delivered by ONE and partners. It welcomed its first anchor tenant in July 2024.

ONE SeedPod is in its main construction phase and will open in 2025. It will provide in-demand commercial manufacturing and innovation space with the ONE team delivering comprehensive sector support.

ONE is committed to maximising the long-term impacts of these projects, including working with partners to secure new resources, funding, and investment to drive economic diversification and growth.

# REGIONAL ECONOMIC STRATEGY AND ABERDEEN CITY REGION DEAL

In the last decade, the North East\* economy has faced significant challenges due to successive oil price shocks, the global pandemic, EU Exit and other external supply chain shocks. During this time new policy developments have emerged particularly in the energy sector, supported by funding from the Scottish Government and UK Government. These include offshore renewables under the Innovation and Targeted Oil & Gas (INTOG) and ScotWind licensing rounds, carbon capture, utilisation and storage and green hydrogen production.

The refreshed [Regional Economic Strategy](#) approved in 2024 provides both an economic strategy for the region and a blueprint for sustainable economic growth that governments, local government, employers, the private sector and partner organisations can draw on as responses are developed across a number of priorities for the region.

***Our vision is for a regional economy that enables us to thrive. It is leading a just energy transition, diversifying our economy, enabling entrepreneurship and innovation, and delivering a wellbeing economy for our people – a post fossil-fuel future.***

***By 2035, our economy will be leading the transition to and production of future energy solutions, new green energy and will be diversifying through growth in our digital technology, food and drink, tourism, life sciences and creative sectors.***

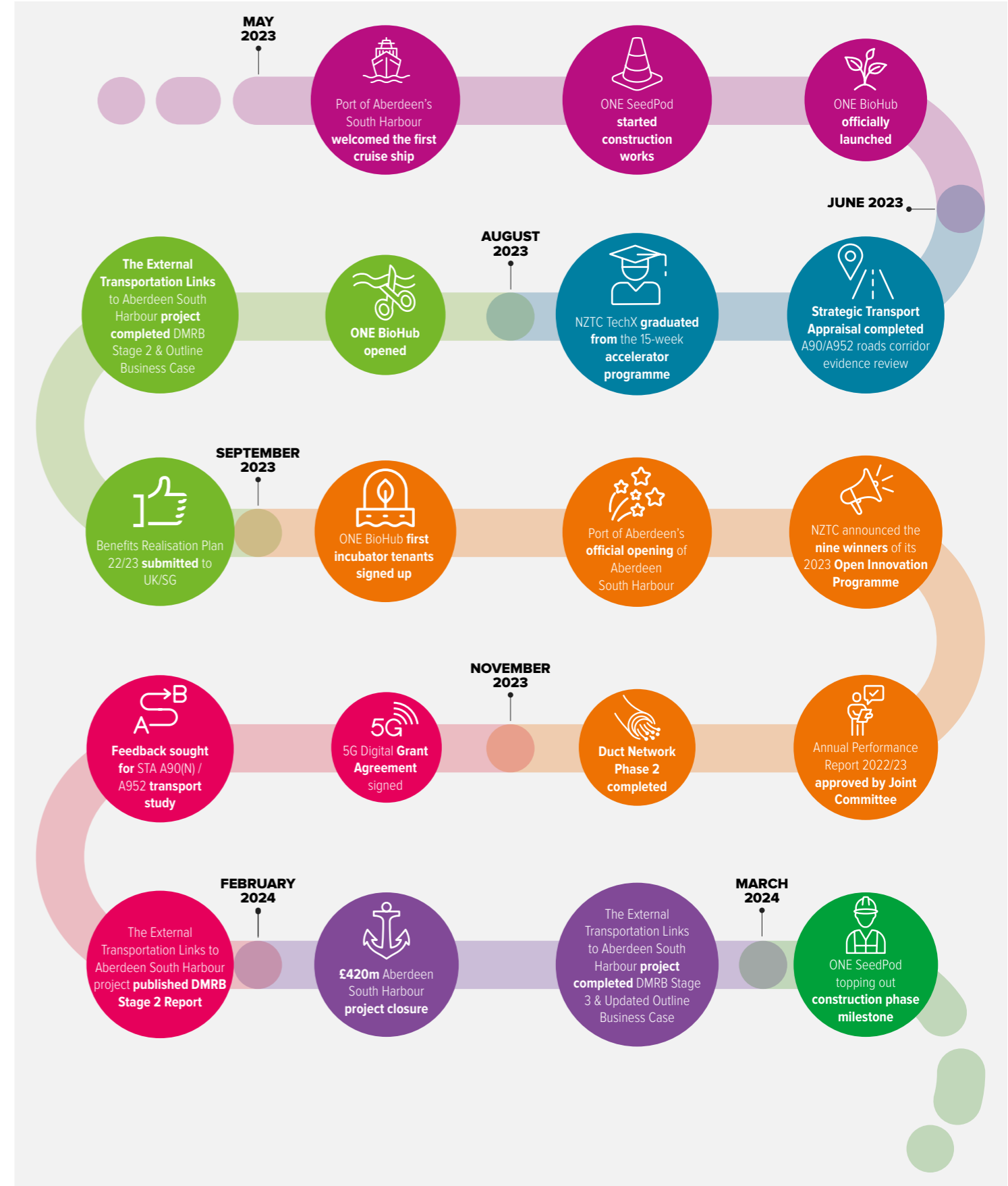
The 10-year Aberdeen City Region Deal is one key policy programme to help realise this economic vision. Aberdeen City Council, Aberdeenshire Council and Opportunity North East, UK Government and Scottish Government are working together to address the challenges of growth and diversification by capitalising on the substantial economic opportunities in the region.

\* Geographic definition

For the purposes of the analysis, the North East refers to the Aberdeen City Council and Aberdeenshire Council local authority areas.



# ABERDEEN CITY REGION DEAL 2023/24 KEY SUMMARY



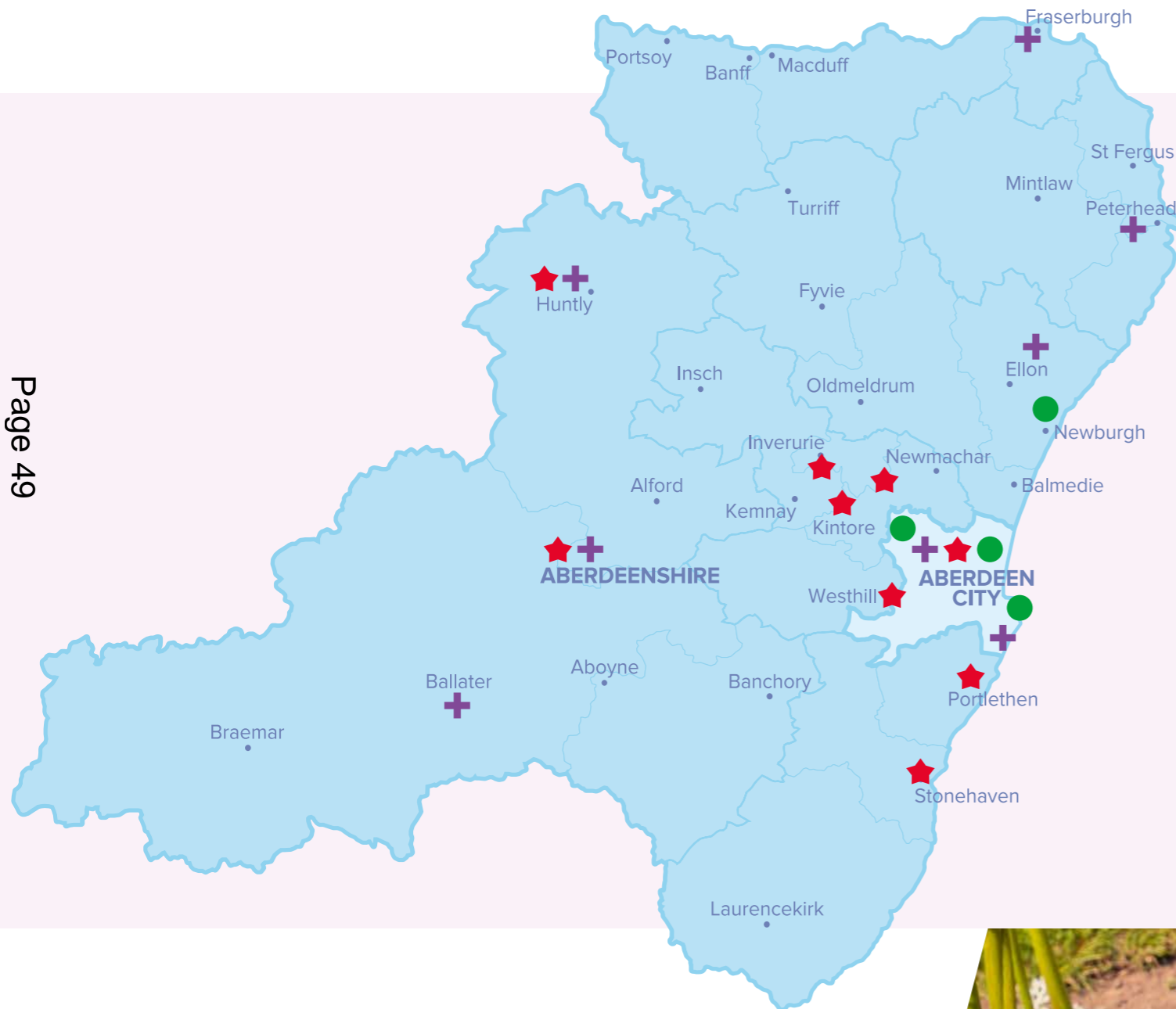


# ABERDEEN CITY REGION DEAL GEOGRAPHICAL OVERVIEW

The North East has a track record as one of the most investable, productive and entrepreneurial economies in the UK, with high levels of business start-up, research and development, exports and disposable income. This [Aberdeen City Region Deal map](#) shows where the projects and National Centres (delivered via Net Zero Technology Centre) are located across the region. Digital Connectivity and Strategic Transport Appraisal projects span across the region.



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## ● INNOVATION THEME PROJECTS

- [Net Zero Technology Centre](#), Queens Road, Aberdeen
- [ONE BioHub](#), Foresterhill Campus, Aberdeen
- [ONE SeedPod](#), Craibstone, Aberdeen
- [Aberdeen South Harbour](#), Aberdeen
- [National Decommissioning Centre](#), Newburgh, Aberdeenshire
- [National Subsea Centre](#), Dyce, Aberdeen

## ★ DIGITAL THEME PROJECTS

- [City Network Extension](#), Aberdeen
- [Full Fibre Infrastructure](#), Aberdeen and Aberdeenshire
- [Duct Network](#), Aberdeen
- [Port of Aberdeen 5G](#), Aberdeen
- [Huntly 5G](#), Aberdeenshire
- [ONE 5G Pop Up Network](#), Aberdeen and Aberdeenshire

## + TRANSPORT THEME PROJECTS

- [Strategic Transport Appraisal \(STA\)](#), Aberdeen and Aberdeenshire
- [STA - A90\(N\) / A952 Ellon to Peterhead & Fraserburgh](#), Aberdeenshire
- [STA - A952 Wellington Road](#), Aberdeen
- [STA - Craiginches Rail Freight](#), Aberdeen
- [STA - ASAM – Strategic Tests](#), Aberdeen and Aberdeenshire
- [STA - Aberdeen Rapid Transit/Bus Corridors](#), Aberdeen and Aberdeenshire
- [STA - Live Labs Demonstrators](#):
  - [Regional Hydrogen Fuelling Facilities](#), Aberdeenshire
  - [Transport Mobility Hubs](#), Aberdeen and Aberdeenshire
- [External Transportation Links to Aberdeen South Harbour](#), Aberdeen



# ABERDEEN CITY REGION DEAL FINANCIAL STATEMENT

The **only Deal** signed to date with a **significant Private Investment** of **59%** which has **grown to 66%**



The Deal is now worth **£1.013 billion** (excluding MOU) of which **87%** of the available resources have been utilised as of 31 March 2024

**72%** of total Government Funding Drawn Down



## ABERDEEN CITY REGION DEAL PROGRAMME PROFILE

	UK Government	Scottish Government	Councils	Regional Partners	Total
	(£'000s)	(£'000s)	(£'000s)	(£'000s)	(£'000s)
<b>INNOVATION THEME</b>					
Net Zero Technology Centre	£90,000	£90,000	£0	£238,345	£418,345
ONE BioHub	£10,000	£10,000	£0	£19,995	£39,995
ONE SeedPod	£5,000	£5,000	£0	£16,626	£26,626
Aberdeen South Harbour	£0	£0	£11,000	£409,107	£420,107
<b>DIGITAL THEME</b>					
Digital projects	£5,000	£5,000	£7,000	£59,000	£76,000
<b>TRANSPORT THEME</b>					
Strategic Transport Appraisal projects	£2,500	£2,500	£2,000	£0	£7,000
External Transportation Links to Aberdeen South Harbour	£12,500	£12,500	£0	£0	£25,000
<b>Total</b>	<b>£125,000</b>	<b>£125,000</b>	<b>£20,000</b>	<b>£743,073</b>	<b>£1,013,073</b>

In addition to the Aberdeen City Region Deal Funding, the Scottish Government as part of a Memorandum of Agreement (MoU), announced a further £254 million of funding.

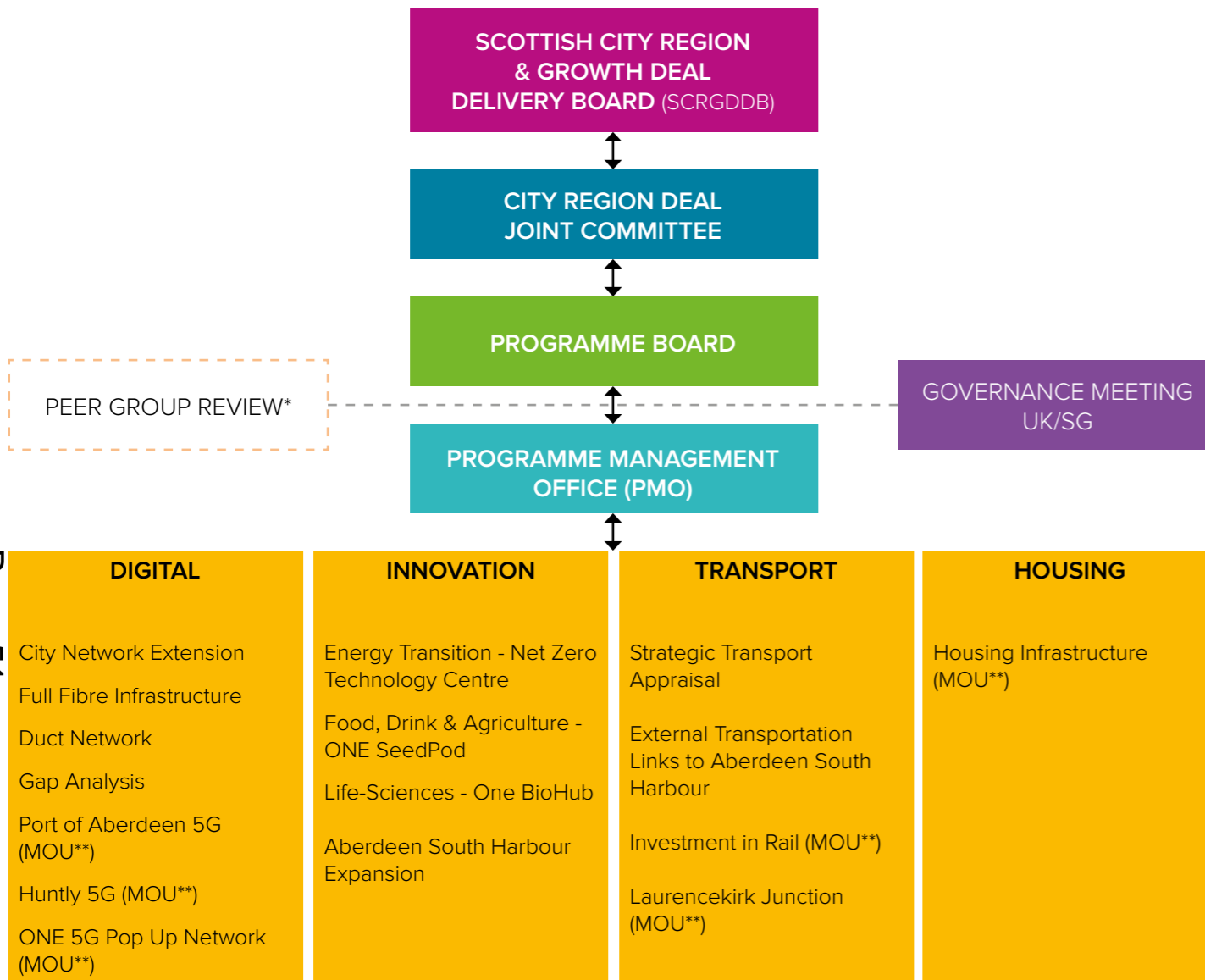
- The Transport Theme was allocated £224 million additional investment to improve connectivity to and within the North East of Scotland.
- £20 million Infrastructure Funding was allocated, intended to release sites of strategic importance and provide certainty on the £130 million affordable housing supply grant.
- The Digital Theme received £10 million.

In 2018, City Fibre and Vodafone announced a £40 million investment to make Aberdeen a Gigabit City through a Fibre to the Premises (FTTP) Programme. In 2022, City Fibre announced an additional investment of £19 million to roll out gigabit connectivity, bringing the total private investment to £59million, an increase of £44 million compared to the Deal's original £15 million budget for private contributions.

The Deal is growing from £826.2 million to £1.013 billion primarily due to an increase in private sector contributions for the innovation and digital theme projects. The funding that has been secured by the projects are committed beyond March 2026.

# ABERDEEN CITY REGION DEAL GOVERNANCE AND ACCOUNTABILITY

The Aberdeen City Region Deal Governance Structure reflects the links between the City Region Deal and Housing Infrastructure fund under a separate Memorandum of Understanding with the Scottish Government.



## Aberdeen City Region Deal Stakeholders

\*As required to develop Business Cases  
\*\*MOU - Memorandum of Understanding

### JOINT COMMITTEE

The Joint Committee drives and governs the implementation of the City Region Deal programme and its links to the Regional Economic Strategy. It works to maximise the economic benefits of the Deal. It is made up of three Aberdeen City Council Councillors, three Aberdeenshire Council Councillors and three Opportunity North East Board Members.

The clerking of the Aberdeen City Region Deal Joint Committee is shared between Aberdeen City Council and Aberdeenshire Council.

- [Aberdeen City Council Joint Committee website](#)
- [Aberdeenshire Council Joint Committee website](#)

### PROGRAMME MANAGEMENT OFFICE (PMO)

The PMO reports directly to a Programme Board which oversees the operations of the Deal, and a formal Review is held between the Programme Board and United Kingdom and Scottish Governments annually known as the Annual Conversation.

The reporting schedule is set out in the Annual Grant Offer Letter by the United Kingdom and Scottish Governments and includes:

- A monthly report and meeting to discuss the financial spend and forecast
- A quarterly report and meeting to discuss the finance, milestones, benefits, risks & issues
- A quarterly update and meeting to discuss communications
- Checkpoint reviews for each project

Annually the PMO provides:

- An Annual report
- An updated implementation Plan
- An updated Benefits Realisation Plan

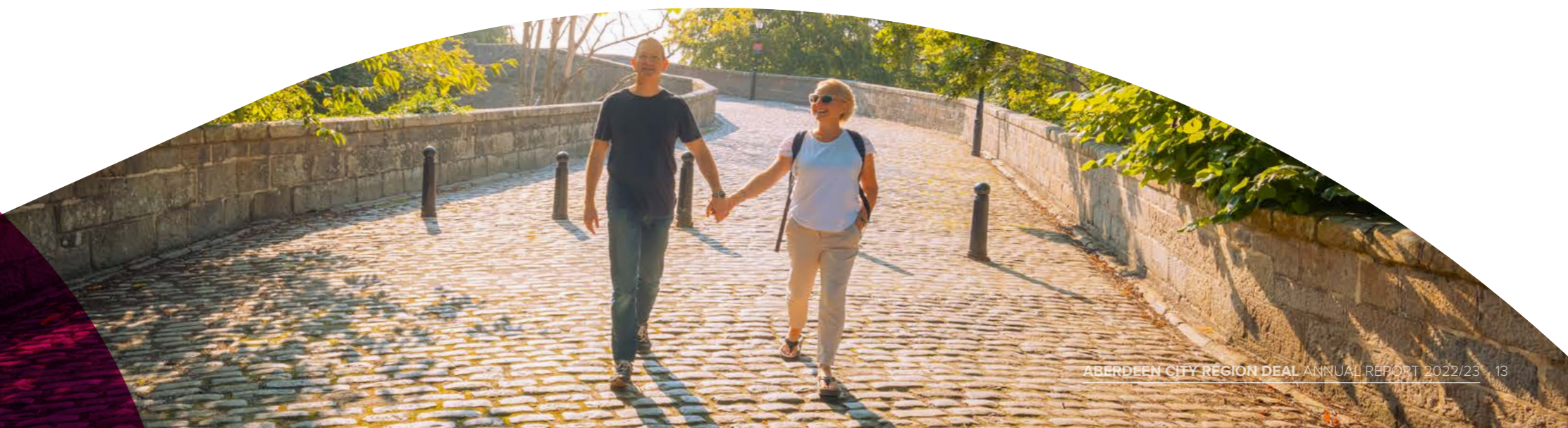
The PMO is also part of a wider City & Growth Deals United Kingdom PMO group that meets regularly.

### AUDIT

The Programme is subject to internal audit every two years as required by the Grant Offer Letter and has taken part in audits by Audit Scotland relating to the Deal externally. The findings, recommendations and progress on follow up actions are reported to the Joint Committee.

### REGIONAL PARTNERS

The Digital and Transport Themes have working groups which oversee and drive forward the projects. Aberdeen South Harbour, Net Zero Technology Centre, ONE BioHub and ONE SeedPod are each governed by their own Board.



# ABERDEEN CITY REGION DEAL 2023/2024 BENEFITS REALISATION UPDATE

In February 2023, Joint Committee approved the [Aberdeen City Region Deal Benefits Realisation Plan \(BRP\)](#). The BRP sets out a framework for measuring and capturing progress on delivery against the Deal's 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 ECONOMIC IMPACT IN THE REGION

- The only Deal signed to date with a significant Private Investment
- The Deal approved 10 Business cases
- The Deal delivered Community Benefits on City Deal sites

### IN 2023/24

- £150m GVA generated from CRD projects
- Around 600 new jobs created and a further 1,000 jobs safeguarded
- Around 500 Construction jobs that pay at least the Real Living Wage

### TO DATE

- Over £310m GVA generated from CRD projects
- Over £320m GVA from construction employment
- Over 1,300 new jobs created and a further 1,900 jobs safeguarded
- Over 1,000 Construction jobs that pay at least the Real Living Wage
- 68 apprenticeships employed
- 450 training and employment opportunities delivered

This is a significant contribution to the region's GVA of around £16 billion and the total employment in the region of around 270,000.

It should be noted that in addition to the GVA and jobs figures above there are a range of wider economic benefits not included in these figures. These include:

- The Net Zero Technology Centre support of GVA and jobs in the energy sector across the UK. Forecasts based upon the GVA impact of current and future commercialised technologies developed from NZTC activity and the NZTC National Centres suggests that NZTC will have a further GVA impact of £10bn-17bn by 2036 across the UK supporting around 100,000-170,000 jobs across that period.
- The wider economic impact of the Aberdeen South Harbour (and the ongoing external transport links project) in enabling economic activity supporting in particular activity around energy transition and tourism from cruise ship visitors.
- The positive economic impact of digital connectivity projects on the population impacted.

There will also be additional GVA and employment impacts from future projects not yet completed. These include the construction impacts of ONE Seedpod and the economic impacts of start-ups in both ONE Biohub and ONE Seedpod.

Both the economic impact from these wider economic benefits and from future projects gives us confidence that we will reach both the overall Deal targets of £260m GVA per annum and the 3,300 total new jobs created by 2026. For more information see the Aberdeen City Region Deal Benefits Dashboard.

## WHAT'S NEXT

An Interim Evaluation to assess the delivery of the Aberdeen City Region Deal projects to date is planned from Autumn 2024 until Spring 2025. This work will also include a fuller discussion of progress to date and forecasts against the Deal economic targets as well as a further analysis of the wider economic benefits and future projects identified above.

# ABERDEEN CITY REGION DEAL INNOVATION, TRANSPORT AND DIGITAL THEMED PROJECT PROGRESS UPDATE



# 1. NET ZERO TECHNOLOGY CENTRE

Net Zero Technology Centre (NZTC) works with industry, government and academia driving technology innovation to accelerate the energy transition to net zero. The Centre does this by co-investing with industry to fund and develop technology projects, working in partnership with pioneering technology developers; supporting clean energy start-ups through their annual TechX accelerator programme; collaborating with partners across the world. Through its Net Zero Technology Services business, they also provide clients with insights and foresights on current and emerging technologies, helping them navigate and accelerate their journeys to net zero and make the right technology investment decisions.

Technology focus areas:

- Industrial emissions reduction
- Renewables power and energy storage
- Hydrogen & alternative fuels
- Carbon capture utilisation & storage
- Digital and data integration
- Smart assets
- Robotics & autonomous systems

## FUNDING PARTNERS AND GOVERNANCE

In 2023 NZTC welcomed its new CEO, Myrtle Dawes, and new Board Chair Peter Mather. There is more information about [Net Zero Technology Centre Leadership Team and Board on the NZTC website](#).

## RECOGNISED FOR COLLABORATIVE INNOVATION

### COLLABORATE TO INNOVATE (CTI) AWARDS

NZTC was shortlisted in The Engineer's 2023 Collaborate To Innovate (CTI) Awards, recognising projects that address some of the biggest engineering challenges the industry faces at present.

Under the category of 'Energy & Environment', NZTC along with project partners was recognised for two key projects:

- Liquid Organic Hydrogen Carriers for Hydrogen Transport from Scotland to Rotterdam (LHyTS)
- Renewables for Subsea Power

To find out more about the two projects visit the [NZTC website](#).

### OFFSHORE ACHIEVEMENT AWARDS 2024

Under the category of Collaboration, NZTC was shortlisted for the Hydrogen Backbone Link (HBL) project, which saw collaborative partners come together to explore and validate the concept of an all-new hydrogen pipeline from Scotland to Europe, using Germany as a case study, giving recognition to the UK in supporting European growth.

NZTC continued to address global challenges, shining a light on local solutions at key events including COP28 in Dubai, All Energy in Glasgow, and Offshore Europe in Aberdeen.

NZTC inspired progress through their research and thought leadership with the launch of several reports, amongst these were Hydrogen Backbone Link, Technology Without Borders, and Advancing Remote Operations all of which highlight technology and market maturity, gaps, and opportunities.

## Since inception



Image © Felix Moortenaar



## DEVELOPING AND DEPLOYING TECHNOLOGY

This year, to find the next big breakthroughs, NZTC launched their 2023 Open Innovation Programme, held a call for field trial ready technology in the areas of Corrosion Under Insulation (CUI), and a call to find innovative solutions to improve electrolyser efficiency.

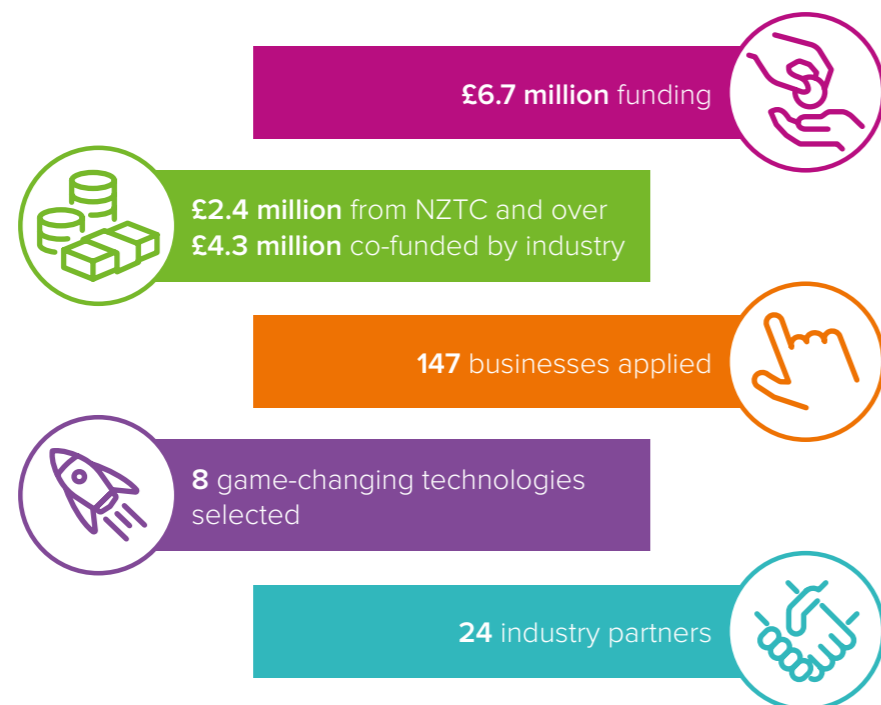
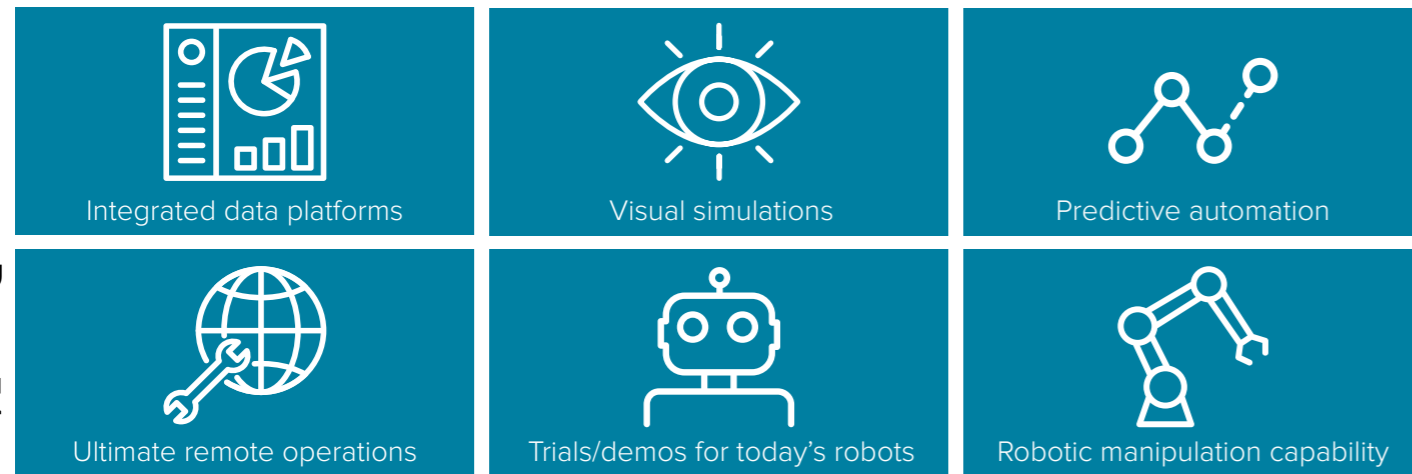
### OPEN INNOVATION PROGRAMME 2023

NZTC 2023 Open Innovation Programme call for technologies focused on developing and deploying data and digital technologies, including robotics, that aim to reduce offshore emissions, and accelerate clean energy production, to enable delivery of the UK's net zero ambitions.

Global businesses were given the opportunity to apply for up to £500K NZTC funding, with the potential of additional match funding from industry to support their technology development and deployment projects.

It was a key requirement that projects would support the transition towards net zero with an obligation of trialling and deploying technology within the UK continental shelf. As well as funding, the projects also gained access to data, facilities, and technical expertise from industry.

### Six technology focus areas have been identified for the funding competition:



*"We had a fantastic response to our latest call for ideas and the competition was strong, which demonstrates the appetite for developing net zero focused technologies. By harnessing the power of real-time data collection, analysis, and predictive modelling, robotics, and artificial intelligence the energy industry can access unique insights, make smarter decisions, reduce emissions and enhance safety. These technologies will accelerate progress towards net zero and facilitate the energy transition."*  
**Rebecca Allison, Chief Operations Officer, Net Zero Technology Centre.**

*"I welcome this progress supporting cutting-edge technology which will help Scotland reach net zero by 2045. These innovative projects can help us create an economy which is fair, green, and growing."*  
**Neil Gray, former Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, Scottish Government.**

*"This will play an important part in securing the future prosperity of our energy sector and achieving our net zero goals."*  
**Lord Malcolm Offord, Parliamentary Under-Secretary of State for Scotland.**

### ACCELERATING INNOVATIVE CORROSION UNDER INSULATION (CUI) SOLUTIONS

Net Zero Technology Centre call for field trial-ready technology in the areas of Corrosion Under Insulation detection and monitoring offered developers the chance to test their technology in a real-world environment under the [Non-Intrusive Inspection Field Trial Accelerator \(NIIFTA\) collaboration](#).

### VIDEO HIGHLIGHTS

The asset integrity technologies selected will provide solutions to improve safety, efficiency and compliance. [Find out more about Asset Integrity on the NZTC Youtube channel.](#)

The selected technologies will be given the opportunity to field trial their equipment on an onshore terminal operated by one of the NIIFTA members, enabling demonstration of capability and further testing and development.

### THE SELECTED TECHNOLOGIES WERE:

#### Subtera:

Subtera's novel CUI and moisture detection method utilises its patented passive sub-terahertz sensing technology platform. The technology's direct measurement approach is unique, measuring photons being naturally radiated from corroded metal and moisture.

#### Fluves:

Fluves CUI-CONTROL is a unique method to monitor CUI with a non-intrusive installation process that does not require the cladding to be removed. The CUI-CONTROL system monitors 24/7 for early signs of moisture ingress in the insulation with an accuracy of half a meter.

*"Reducing CUI is essential for the offshore industry to achieve net zero emissions and maintain high levels of safety, and such trials can help identify and facilitate the technologies that will help us achieve this."*  
**David Cameron, Programme Manager – Industry Collab & New Projects, Net Zero Technology Centre.**

## PROJECTS PROPELLING THE ENERGY TRANSITION

As well as supporting individual technology developers, Net Zero Technology Centre also applies their expertise and thought leadership to research and feasibility projects, as well as joint innovation programmes. Below is just a small selection of the projects that are making significant strides:

### WELL DECOMMISSIONING COLLABORATION INITIATIVE

The United Kingdom Continental Shelf (UKCS) is forecast to have a total of 2,102 wells decommissioned between 2022 and 2031, at a cost of more than £20 billion over the next decade.

Technology best practice and innovation have a key role in helping operators reduce the cost of well plug and abandonment (P&A) and deliver CO2-compatible techniques.

The Well Decommissioning Collaboration Initiative facilitates risk and cost-sharing among organisations confronting similar challenges, minimising the gap between technology developers and end users. It is accelerating the testing, validation, and qualification in multi-operator collaboration field trials of solutions that provide alternative barrier materials to cement. It also focuses on enabling and verification technologies that allow for rigless P&A to be possible.

The initiative aims to fund up to five technologies per year, supporting a minimum of three field trials for each, with the goal to have a minimum of six technologies successfully qualified and adopted by 2025.

Partners include North Sea Transition Authority (NSTA), Technology Leadership Board, OEUK, Repsol, Conoco, Petrobras, Total and Harbour Energy.

### HYDROGEN BACKBONE LINK (HBL)

The HBL project aims to connect Scotland to the European Hydrogen Backbone to create export opportunities for green hydrogen and hydrogen technologies.

Phase 1 of the project demonstrated the technical feasibility and commercial viability of what could be one of the most critical pieces of infrastructure required to enable Europe to reach net zero. It proposed a new pipeline directly from either Shetland's Sullom Voe Terminal or Orkney's Flotta Terminal to Europe, using Emden in Germany as a study case.



700 new jobs initially, enabling 300,000 green economy jobs by 2045



Scotland could meet up to 10% of Europe's projected hydrogen import demand by the mid-2030s

The HBL Project continues to Phase 2 with the goal of connecting Scotland to Europe by the 2030s.



*"The Scottish Government recognises the importance of developing hydrogen pipelines to unlock Scotland's export potential. We want to work collaboratively with partners across Europe to advance infrastructure which ensures security of supply in Europe and positions the North Sea as a centre for low-cost hydrogen production."*

*"The Scottish Government supports the Hydrogen Backbone Link project because it gives valuable insight into the viability of repurposing or developing new pipelines. This can help us understand any barriers where government support is required to unlock investment and realise Scotland's export potential."*

**Neil Gray, former Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, Scottish Government.**

### SMART-DAC

Removing carbon from the atmosphere to either store permanently underground or to utilise in the generation of carbon neutral products is considered a necessity if we are to achieve our net zero ambitions. NZTC is working with DAC technology developer CO2CirculAir to develop their novel direct air capture technology, SMART-DAC.

The novel solution captures CO<sub>2</sub> directly from air by utilising natural airflow, avoiding using energy-intensive air blowers, while harnessing renewable energy to power the absorbent regeneration process - making it a zero emissions solution for CO<sub>2</sub> capture. 2023 saw a significant milestone in the acceleration of the technology with the construction of the pilot plant in Larne, Northern Ireland. In September 2023, SMART-DAC successfully demonstrated the capture of CO<sub>2</sub>, one of the first projects to demonstrate CO<sub>2</sub> capture from the atmosphere in the UK, and is expected to capture at least 100 tonnes of CO<sub>2</sub> from the air every year. Built on a modular design, the scale-up of a commercial plant to capture at least 50kt of CO<sub>2</sub> a year is expected by 2030. This would be big enough to combine with green hydrogen to manufacture green methanol, which can be used as a shipping fuel, or possibly other synthetic fuels.





### LIQUID ORGANIC HYDROGEN CARRIERS (LOHC):

The LHyTS project investigated the feasibility of a pilot trial for transporting hydrogen from Scotland to Rotterdam. The project analysed critical infrastructure and technology requirements; the logistics of loading, transporting, and storing Toluene (TOL) and Methylcyclohexane (MCH); and preparing the hydrogen for end users. Two potential export terminals in Scotland were considered (St Fergus and Sullom Voe Terminal) with the import location being Koole Terminals in the Port of Rotterdam.

The project outlined two pilot trial scales: a small-scale scenario resulting in the export of 40,100 tonnes of hydrogen per year by 2027, and a large-scale scenario corresponding to 250,500 tonnes of hydrogen per year by 2031. Scotland has the potential to become a net exporter of hydrogen by 2045 and this project paves the way forward in making transporting hydrogen at scale a reality.

Phase three has been recommended by engineering contractor ERM and NZTC. This would include further stakeholder engagement with for example potential hydrogen off-takers on the destination side (Europe) and potential shipping operators who would own/operate the LOHC carrier vessels. and project funding applications.

### TECHNOLOGY WITHOUT BORDERS

In December 2023, along with six international Research and Technology Organisations, NZTC launched its Technology Without Borders initiative, bridging the net zero energy transition gap between nations in the Global North and South.

Announced during COP28 this initiative embodies a ‘just and inclusive’ ethos to tackle emissions reduction and will facilitate technology transfer, local adaptation and deployment, support knowledge and capacity building of local technical expertise, while strengthening supply chains.

To find out more information [visit the news page on the NZTC website.](#)



*“COP28 must listen to the voices of the Global South and those affected most by climate change. That is why we welcome the launch of the Technology Without Borders initiative, which follows the Scottish Government’s £90 million Aberdeen City Region Deal investment in the Centre.”*

*“Their work is vital to helping address the injustice at the heart of climate change by supporting those communities which are suffering the most but have done the least to cause the climate emergency.”*

**Màiri McAllan, former Cabinet Secretary for Transport, Net Zero and Just Transition, Scottish Government**

*“We must all do our part to ensure developing nations are not bearing the brunt of climate disruption.”*

*“Technology Without Borders is a fantastic initiative that will deliver innovative and affordable solutions through information sharing to help secure the future prosperity of the energy sector and achieve our much-needed net zero goals. I encourage all partners to consider joining the programme.”*

*“The UK Government is investing £90 million in the Net Zero Technology Centre to support sustainable economic growth in North East Scotland, as part of our more than £2.7 billion investment to level up across Scotland.”*

**Lord Malcolm Offord, Parliamentary Under-Secretary of State for Scotland**

### NET ZERO TECHNOLOGY TRANSITION PROGRAMME: TWO YEARS ON

NZTC’s Net Zero Technology Transition Programme (NZTTP) is driving the development of key technologies for green growth in Scotland and the UK, to create jobs, attract investment and help establish a world-class net zero supply chain.

<p><b>£15.8M</b> from Scottish Governments Energy Transition Fund</p>	<p><b>7 projects</b></p>	<p><b>76 partners</b></p>
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#### Expected delivery impact:

<p><b>4% reduction</b> in UK emissions (14 MTCO2e)</p>	<p>Cumulative economic output for <b>£403bn</b></p>	<p>Create <b>21,000 jobs</b> by 2050</p>
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#### VIDEO HIGHLIGHTS

Two years on from inception, the seven projects involved in this program have brought measurable contribution to net zero transition. [Find out more about the Net Zero Technology Transition Programme \(NZTTP\) on the NZTC YouTube channel.](#)

### ACCELERATING THE NEXT GENERATION OF CLEAN ENERGY START-UPS

*“TechX continues to welcome start-ups with promising solutions, that can propel the adoption of clean and affordable energy. These are the companies of the future, poised to reshape the energy landscape and help lead us towards net zero.”*

**Mark Anderson, Chief Acceleration Officer & TechX Director**

The latest cohort launched in February 2024 attracted over 220 applications, spanning 45 countries. These 12 trailblazing start-ups are advancing new solutions across low-carbon hydrogen, alternative fuels, carbon capture and storage, renewable power, digitalisation and decarbonised industrial heat.

The programme transforms inspiring potential into ground-breaking reality, through grant funding, dedicated mentorship and unrivalled access to industry and investors.

The programme maintains steadfast support from TechX’s global strategic partners, ADNOC, bp, ConocoPhillips and Equinor, with ConocoPhillips joining in February 2024, broadening the opportunities for our start-ups to thrive and flourish. TechX’s strategic partners are complemented by support from professional services partner, Accenture.





[Find out more about TechX Cohort 6 and selected start-ups by visiting the NZTC website.](#)

TechX boasts 53 alumni who continue to scale, both technologically and commercially, securing further funding and investment, with an accelerated path to market entry.

 <p>The TechX Pioneers have raised over <b>£84M</b> in equity since graduating the programme and are currently raising another <b>£58M</b></p>	 <p>Pioneers provided work for at least <b>175</b> employees and contractors in 2023</p>
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### ENERGY INCUBATION AND SCALE-UP HUB (EISH)

TechX alumni will benefit from the recently announced Energy Incubation and Scale-up Hub (EISH), which will form a key part of Aberdeen's Energy Transition Zone, and is due to open in 2025.

As a delivery partner, NZTC will offer support to the start-up tenants of the hub, which will foster an environment for engagement and collaboration with peers, SMEs, universities, and investors to collectively accelerate the transition to net zero.

This additional growth offering solidifies NZTC's commitment to supporting entrepreneurs and in building a thriving clean energy ecosystem in the North East of Scotland and beyond.

### GROWING TECHNOLOGY SERVICES

In October 2022, NZTC launched their suite of Net Zero Technology Services (NZTS), providing companies with unparalleled insight and foresight on current and emerging technologies to help them decarbonise their business and make the right technology investment decisions.

Following the launch of the Technology Roadmapping and Technology Due Diligence services in 2022, NZTS launched their Horizon Scanning service in February 2023.

Horizon Scanning delivers regular, unique bespoke insights to organisations on emerging technologies, industry trends, global projects, and policy. NZTS expert-led Horizon Scanning service helps future-proof businesses and provide better understanding of the developing technology landscape, to support diversification strategies and planning.

### SUSTAINABILITY





NZTC is committed to contributing to the UN Sustainable Development Goals (SDGs). The Centre does this through their own operations, and through their Technology Services advisory offering for our clients. The contribution through their own operations impacts eight SDGs and the contribution through their advisory services impacts four SDGs. The NZTC greatest external area of impact is on SDG 7 Affordable & Clean Energy and SDG 13 Climate Action.

NZTC has a target to reduce its scope 1-3 greenhouse gas emissions by 50% by 2025, against a 2019 baseline, and to be a net zero organisation by the end of 2030. The 2019 baseline is 106 tonnes CO<sub>2</sub>e, for the calendar year 2019. In 2024, NZTC moved to calculating its emissions data by financial year, to align with other reporting done by the organisation, though the Centre 2025 and 2030 targets remain unchanged.

## INCLUSIVE ECONOMIC GROWTH

### INSPIRING THE NEXT GENERATION

Through collaborations with industry partners, regional organisations, schools, and universities, NZTC actively promotes STEM subjects to young people while showcasing the exciting and dynamic opportunities available in the energy industry.

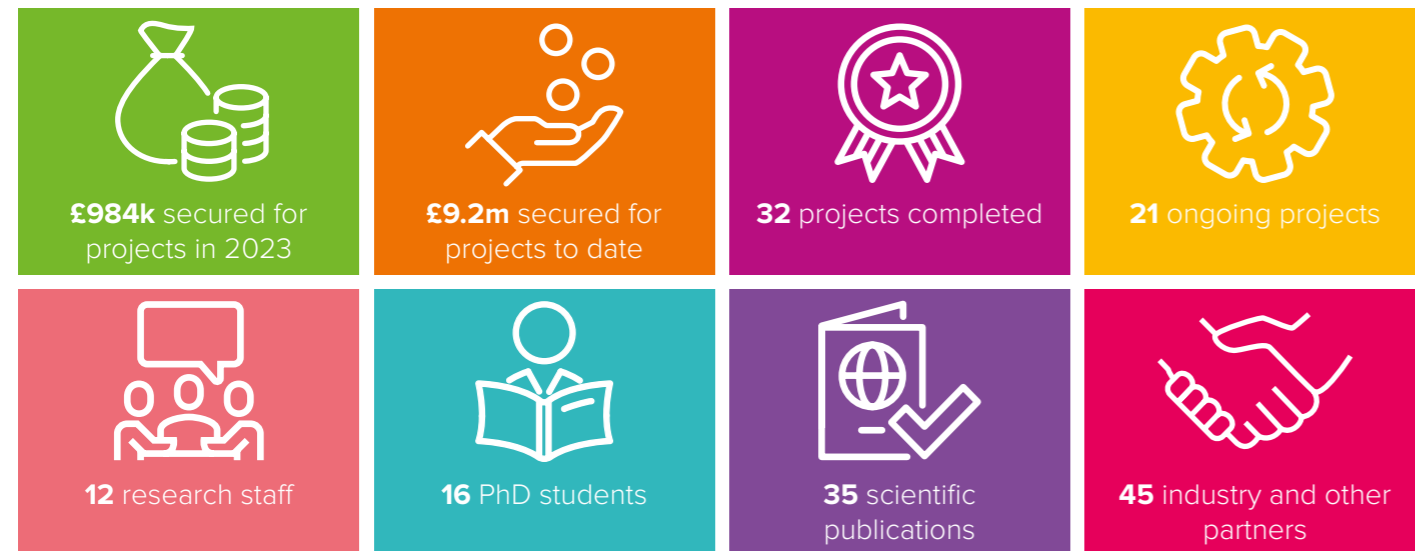
 <p>20 interns</p>	 <p>4 career ready students</p>	 <p>122 early career support attendees at events</p>	 <p>3 events hosted</p>
 <p>4 graduates</p>	 <p>2 careers fairs attended</p>	 <p>1 graduate apprentice</p>	

*"Empowering the next generation of innovators is not just a commitment; it's a catalyst for transformation. NZTC is dedicated to fostering brilliance in the energy industry, nurturing talent for the future workforce which will help lead us to net zero."*  
**Kirsty Robertson, Head of HR, Net Zero Technology Centre**

## NET ZERO TECHNOLOGY CENTRE ACADEMIC PARTNERSHIPS

### A. NATIONAL DECOMMISSIONING CENTRE (NDC)

The National Decommissioning Centre is a partnership between NZTC, the University of Aberdeen and the energy industry. It is a global leader in research and development (R&D) working with the industry to deliver cost and emissions reductions, improve environmental outcomes, transform approaches to provide sustainable decommissioning and accelerate the energy transition. To find out more about the NDC's projects with industry view the [National Decommissioning Centre Video](#).



#### NATIONAL DECOMMISSIONING CENTRE REGIONAL IMPACT

Working across the oil and gas, nuclear and renewables sectors the NDC adds value and creates competitive advantage by linking industry demand with academic capability and skills. The centre builds on the world-leading expertise at the University of Aberdeen in areas such as decommissioning technologies, predictive modelling, environmental assessment and the economics and regulatory aspects of decommissioning.

The NDC collaborates nationally and globally with universities, R&D institutions, and innovation centres active in decommissioning and energy transition including organisations in Australia, Canada, Norway and Thailand, and partners with fishing, marine, safety and environment organisations.

The centre has strengthened its R&D capabilities by investing in state-of-the-art facilities, such as a marine simulator, high power fibre laser (15kW) and a well plugging and abandonment (P&A) barrier qualification test chamber. Other facilities include high specification engineering laboratories, a large hangar space for the design and development of decommissioning technology, and a suite of environmental commercial testing facilities.

“The underwater laser cutting project brings many benefits when compared with conventional cutting methods including vastly reducing the time and cost to perform decommissioning activities. The technology development and cutting trials to date give us confidence that we can deliver significant improvements on cutting performance and therefore energy efficiency when compared to some current techniques deployed in offshore and nuclear decommissioning.”

**Craig Baxter, Decommissioning Technical Manager, Claxton, speaks about partnering the NDC on the underwater laser cutting project. Feb 24.**

#### HEADLINE ACHIEVEMENTS IN THE PAST YEAR

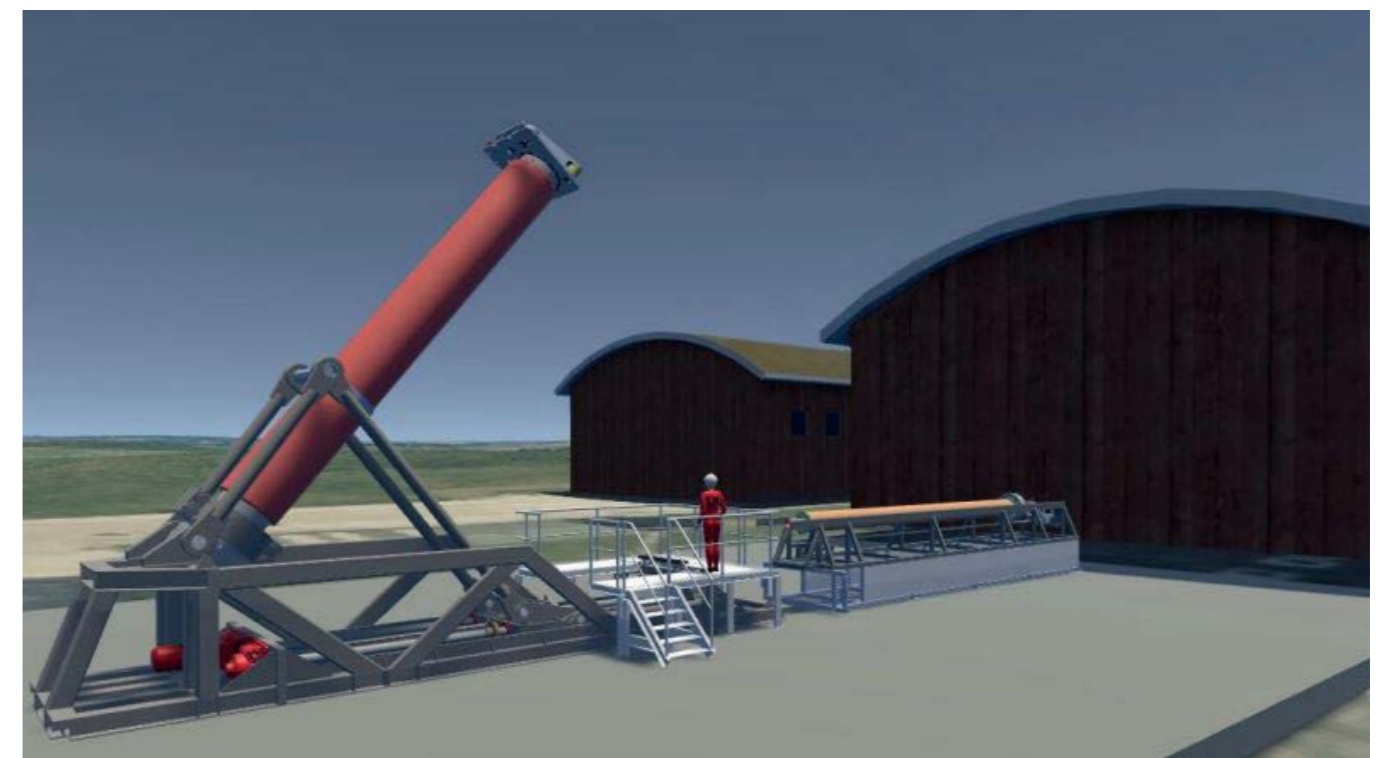
- NDC Nuclear Decommissioning Authority (NDA) partnership expanded with additional funding, supporting interdisciplinary and cross sector R&D and innovation delivery.
- NDC's Chevron partnership extended to 2026 with expanded work scopes and additional funding.
- Simulator used to de-risk 4 innovative technologies for offshore floating wind and deliver team expanded.
- £130k industry funding secured to test underwater laser cutting system for the nuclear decommissioning market.
- Invited onto the European EoLO HUB's advisory board for wind turbine blade decommissioning.
- 6 PhD studentship projects completed including 2 Chevron projects.
- Project on floating offshore wind supported by NDC shortlisted as a finalist in the 2023 Ventus Awards, the offshore wind industry's highest level of professional recognition.

“We are tasked with decommissioning the UK's oldest nuclear sites safely, securely, sustainably and cost effectively. The real strength in the NDA – NDC partnership is that there are numerous areas where we can collaborate to help us achieve this. It has been a resounding success since it was launched with several key outcomes already achieved including providing impartial insights to regulators, government, stakeholders, and advisory groups.”

**Heather Barton, Cross-Industry Learning Manager at the NDA, speaks about the benefits of collaborating with the NDC, Jan 24.**

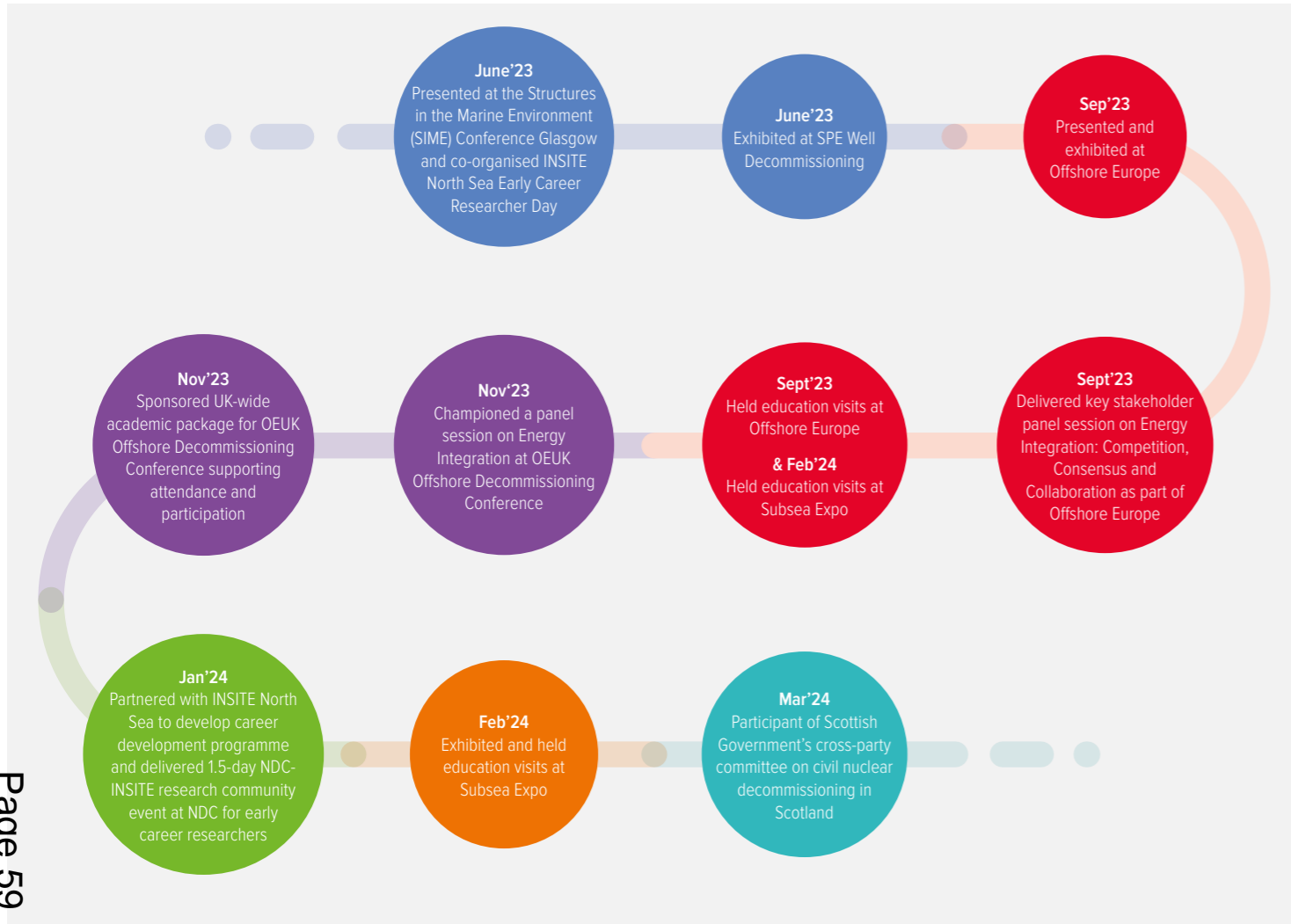
#### NEXT KEY MILESTONES

- Launch Barrier Qualification Test Chamber to trial alternative well plugging and abandonment technologies in realistic well conditions (available Q2 25).
- Underwater Laser Cutting system – further offshore trials with project partners (Q2 25).
- On going development of laser technology for nuclear decommissioning.
- First oil and gas decommissioning scenario project utilising full simulator capabilities.



Virtual representation of Barrier Qualification and Test Chamber at the NDC

## NATIONAL DECOMMISSIONING CENTRE TIMELINE OF KEY EVENTS



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## B. NATIONAL SUBSEA CENTRE (NSC)

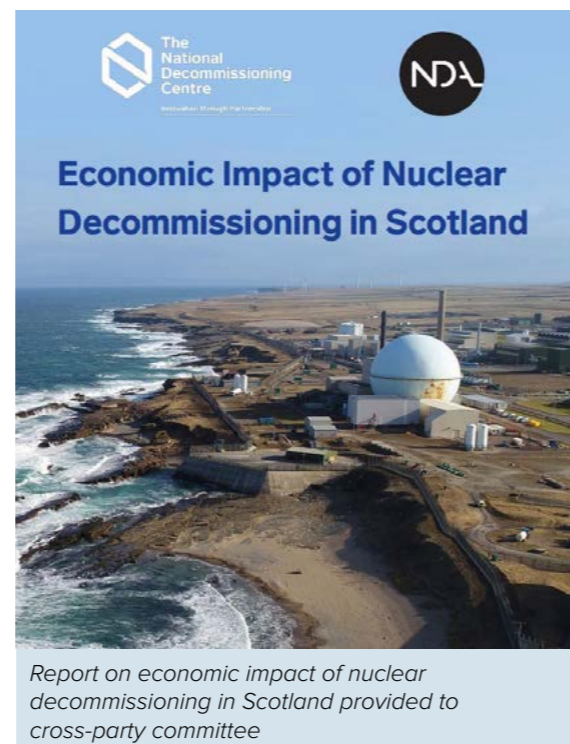
The National Subsea Centre (NSC) is a multi-million-pound Centre of Excellence for subsea research and technology development, delivered through partnership between Robert Gordon University (RGU) and Net Zero Technology Centre (NZTC), through the Aberdeen City Region Deal (ACRD).



The NSC aims to develop smart digital and engineering technologies to enable a faster, more cost-effective and sustainable transition to a net zero energy basin, locally in the North Sea and globally in energy environments. [Find out more by watching the National Subsea Centre Introduction Video.](#)



NDC OE23 panel session on Energy Integration





The NSC is harnessing NZTC's extensive industry network alongside the University's academic expertise, research capability and facilities to establish a world-class research and development centre.

The centre's interaction with industry, government and the net zero funding ecosphere allows the team to identify important challenges then define smart technology roadmaps to address these and deliver high value solutions. By bringing together eager problem solvers, world class facilities and novel engagement with a host of stakeholders, the NSC's technical capabilities are ever growing.

The challenges addressed by smart technologies often recur across multiple industries, meaning that solutions often have cross-industry transferability. The development of smart subsea and marine technologies can be accelerated by importing and adapting relevant solutions from other industries, or by developing cross-industry solutions to common challenges with diverse partner consortia: Energy (Renewables and Oil & Gas), Defence, Aquaculture, Transport & Logistic Networks, Oceanographic & Scientific.

#### NATIONAL SUBSEA CENTRE REGIONAL IMPACT

The National Subsea Centre (NSC) has contributed over £3M towards research addressing key challenges faced by industry, using smart technologies to accelerate the energy transition. The four NSC research programmes: Transparent Ocean, Integrated Energy, Net Zero Operations and Cyber-Physical Systems are creating new and unique capabilities in underwater machine vision, cheaper, faster, cleaner and de-carbonised offshore energy industry, future energy infrastructure designs and robust and reliable autonomous offshore operations. The NSC has established a strong local and international network with industry, government and academia and is playing its part in the coordinated interdisciplinary effort to address the pressing problems of the energy transition.

#### NATIONAL SUBSEA CENTRE TIMELINE OF KEY EVENTS



## 2. ONE BIOHUB

### INNOVATION HUB IS HEART OF THE REGION'S ENTREPRENEURIAL LIFE SCIENCES ECOSYSTEM



ONE BioHub is the region's new focal point for life sciences growth

North East Scotland is putting entrepreneurship at the heart of its distinctive life sciences cluster to accelerate the commercialisation of research and innovation and the sector's growth.

The region is home to world-class enterprises tackling modern epidemics, from neurodegenerative diseases and infectious diseases to cancer, diabetes and cardiovascular diseases. The businesses share a strong entrepreneurial drive, take novel research from the laboratory bench to commercialisation and attract significant investment.

The industry's ambition is to double the size of the life sciences cluster in Aberdeen as part of the region's economic diversification.

ONE BioHub, which opened in August 2023 on the city's Foresterhill Health Campus, is the new focal point for action and investment led by Opportunity North East (ONE) with partners to put the sector at the heart of the future economy.

ONE BioHub has significantly enhanced the region's entrepreneurial ecosystem. It offers laboratory, office and collaboration spaces for innovative start-ups, spinouts and scaling businesses, tailored programmes and connections to expert networks and mentoring for life sciences entrepreneurs and founders to enable them to commercialise new therapies, treatments, technology and solutions for health and wellbeing.

Since opening, ONE BioHub has hosted national industry trade bodies, international investors, and sector programmes to inspire the next generation of entrepreneurs and founders from within the region's universities and support startup and scaling businesses with best-in-class entrepreneurial education and mentoring. Over 2,000 members of the region's commercial, research, academic, and clinical life sciences community have used the hub.

Commercial discussions are advancing with several potential tenants for bespoke fit-out space within the hub.

### SUMMIT HIGHLIGHTS GROWTH POTENTIAL OF REGIONAL CLUSTERS



In March 2024, the third life sciences summit staged by The Times and ONE in Aberdeen focussed on commercialising research and innovation and entrepreneurial growth in the sector

At the 2024 Times & Sunday Times Scotland and ONE Scottish life sciences summit in Aberdeen, business leaders, funders, investors, industry experts, and influencers emphasised the sector's growth opportunity. They also highlighted the challenge of successfully commercialising world-class research and innovation and consistently raised access to scale-up funding as a critical issue.

The event at the end of March, previously held in 2020 and 2022, is established as an important forum for life sciences commercialisation. It attracted a capacity audience of almost 200 delegates and 40 speakers who shared their experiences and insights on creating and growing high-value life sciences businesses, securing investment and translating research and innovation into products and solutions in the market to produce real-world impacts.

**Opening the summit, Dr Deborah O’Neil, chair of the ONE life sciences board and founder and CEO of NovaBiotics, said:** *“This region had the vision to build on its life sciences strengths—a cluster of ambitious companies, strong research assets, and talented people—and put the sector at the heart of its future economy. We have created what we said we would: incubation and grow-on space, labs, and offices, along with meeting, event, and collaboration spaces where our community of entrepreneurs and founders, researchers and innovators, clinicians and practitioners come together to share, learn, innovate, and grow. ONE BioHub is the focal point for our growth ambitions and the entrepreneurial ecosystem we are building.”*

*“What I love about ONE is that they’re challenging government and the private sector with the question, ‘Why can’t we do what we’ve already done for one sector?’”* he said. *“Aberdeen is a global centre for the oil sector, so why can’t it also become a global centre for life sciences? It’s a great question, and I can’t come up with a reason why it can’t.”*

**Sinclair Dunlop, managing partner at Epidarex Capital, praised ONE for its work to diversify the north east’s economy beyond oil and gas.**

## ENTREPRENEURS, TENANTS AND USERS HAIL ONE BIOHUB IMPACT

Dr Ayham Alnabulsi is co-founder and CTO of EpitoGenX. Its EpitoGen® and AI EpitoPredikt™ technologies come together to create a powerful game-changing platform that will transform diagnostics, vaccine design, biotherapeutics, and antibody development. With the support of Innova Medical Group Inc, the company aims to provide accurate, simple, accessible, and affordable point-of-care testing systems. Previously, Ayham co-founded and led Vertebrate Antibodies and AiBiologics. He has extensive knowledge in medical genetics, immunology and mathematics, and he is a co-inventor of the game-changer EpitoGen technology.

Dr Soumya Palliyil is the Head of Scottish Biologics Facility at the University of Aberdeen, where she leads a team of scientists and PhD students developing therapeutic and diagnostic monoclonal antibodies in the areas of Alzheimer’s disease, Gram-negative bacterial infections, fungal infections, chronic liver diseases and most recently COVID-19. She is also co-founder of BrlgID Biologics, which is developing next generation antibody-based drugs with the assistance of an innovative drug discovery platform that identifies specific fungal targets.

Both share a common mission to translate innovation into meaningful real-world impact and see scientific entrepreneurship as the most effective path to achieve this.

**Ayham Alnabulsi said:** *“The dynamic support available in Aberdeen is a catalyst for life sciences start-ups to commercialise research and innovation. It’s crucial to acknowledge the individuality of each journey but we are fortunate to have a very collaborative life sciences ecosystem in the region, which supports people throughout their entrepreneurial journey.”*

*“My team and I possess a complementary skill set, allowing us to build on each other’s expertise. Additionally, the significance of networking cannot be overstated. Participating in ONE BioHub’s monthly meetups and the ONE life sciences network has expanded my professional connections and has opened up new commercial opportunities that will enable the growth of EpitogenX.”*

**Soumya Palliyil said:** *“Being part of ONE Life Sciences accelerator program kick-started my entrepreneurial journey. It equipped me with the right methods and tools for customer discovery, value proposition models, and understanding decision-makers. The opening of ONE BioHub is really exciting for north east Scotland, and has already presented me with valuable opportunities including the chance to pitch and network with a substantial group of global investors brought to Scotland by Scottish Development International in November.”*

ONE BioHub welcomed Genomes.io as its first co-working tenant. Genomes.io is a secure DNA data storage and sharing application that allows users to sequence, store and commercialise their genomic data and enables biotech organisations to access genomic data equitably.

**Aldo de Pape, Founder at Genomes.io said:** *“Locating at ONE BioHub aligned with our goals to establish ourselves in the ecosystem and grow the company. Being based at ONE BioHub allows collaboration with the life science ecosystem, and the support and opportunities from ONE enable us to accelerate our business. The co-working space itself provides a vibrant and inviting atmosphere, featuring smaller meeting rooms for private discussions. I admire the ambition of ONE BioHub and the role it takes in ensuring that the biotech industry has a significant and growing voice in Scotland and the UK. The biotech and life sciences community here is impressive whilst remaining collaborative and open.”*

## VIDEO HIGHLIGHTS

Andy Porter is Professor in Medical Biotechnology at the University of Aberdeen, a serial life sciences entrepreneur and a director of several Scottish biotechnology companies. In this interview, he explains the difference that ONE BioHub will make to the life sciences cluster in the region and the people turning research and innovation into new solutions for health challenges. [The video can be viewed on the ONE BioHub YouTube channel.](#)

## PARTNERS CELEBRATE LANDMARK PROJECT FOR SECTOR



In May 2023, following the completion of the new build and ahead of final commissioning works, the project partners formally launched ONE BioHub to the industry and stakeholders.

## VIDEO HIGHLIGHTS

You can watch highlights from the launch event in this film: [ONE BioHub Launch Event](#)

**Sir Ian Wood, chair of ONE, said:** “ONE BioHub will be the transformational place in the north east of Scotland for the entrepreneurial life sciences community and growth sector to meet, share, learn, start up, innovate and grow. It will be a new game-changing technology and business cluster in Aberdeen, accelerating life sciences commercialisation, translating research into solutions in the market, improving health and wellbeing, creating high-growth businesses and high-value jobs, and harnessing the potential of science, technology and innovation to diversify the economy. This adds an exciting new business dimension to our economy.”

**Deborah O’Neil said:** “The region is home to world-class research and innovation in the University of Aberdeen, Robert Gordon University and NHS Grampian, a thriving community of 2,500 life scientists and a cluster of dynamic biotech, medtech and healthtech businesses. ONE BioHub will make more of all these strengths, assets and talented people. It will inspire the next generation of bio-entrepreneurs to commercialise innovation in the city, solve health challenges and create lasting economic value.”

**Minister for Small Business, Innovation, Tourism and Trade, Scottish Government, Richard Lochhead said:** “ONE BioHub will be a tremendous asset for the north east and the whole of Scotland. It will allow the already thriving life sciences cluster in the region to continue growing, innovating and succeeding.”

**Lord Malcolm Offord, Parliamentary Under-Secretary of State for Scotland said:** “This fantastic ONE BioHub facility is an important new platform for the region’s life sciences industries, and I have no doubt that it will rapidly forge an international reputation for excellence. The products developed here will improve lives, and reduce pain and suffering worldwide, while the companies based here will bring high quality jobs and investment to the local community.”

**Neil Francis, Scottish Enterprise’s Managing Director for Major Projects, said:** “Projects such as the ONE BioHub, bringing together our innovators, entrepreneurs and big thinkers in one place, are crucial to the success of Scotland’s future economy. As Aberdeen transitions to the growth sectors of the future, ONE BioHub will be at the heart of its ambitions to become a leading life sciences destination.”

**Professor George Boyne, Principal and Vice-Chancellor of the University of Aberdeen, said:** “ONE Biohub recognises the leading life sciences research expertise we have here at the University of Aberdeen and across the region and will help nurture that expertise and take it closer to market which in turn will contribute to health, wellbeing and prosperity. The University of Aberdeen is enhancing its support for commercialisation of research and we are excited by the role that ONE Biohub can play in accelerating our impact on the life sciences sector.”

**Alison Evison, Chair of NHS Grampian, said:** “We are delighted that our partners in innovation will be here on the Foresterhill Campus. This cements our commitment to exploring new and innovative ideas with industry and life sciences within our healthcare systems.”

## ICONIC BUILDING DESIGN DRIVEN BY PURPOSE

ONE BioHub is an iconic addition to Aberdeen’s innovation landscape. Its striking design is informed by its purpose of driving commercialisation and entrepreneurial growth.

BDP (Building Design Partnership Ltd) designed the building and Robertson Construction was the main contractor for ONE BioHub.



**Christoph Ackermann, Principal, BDP commented:** “The ONE team has a strong appreciation of the importance of collaboration and understanding of how the right environment can facilitate knowledge clusters and accelerate innovation. ONE BioHub is the built manifestation of our client’s mission to drive transformational change to diversify the North East economy. The design and layout of the building enables and encourages research in the life science sector to co-locate and to collaborate on the Foresterhill Health Campus. The fully electric building supports life science innovation, economic development and the drive to net zero.”

## VIDEO HIGHLIGHTS

[In this interview](#), Christoph Ackermann, Architect & Principal at BDP, discusses the process that led to ONE BioHub’s distinctive design.

**Elliot Robertson, Chief Executive Officer, Robertson Group, said:** “ONE BioHub has been used to inspire and expand knowledge since its inception and will continue to be a place of collaboration with the potential to address global health challenges, whilst creating employment and opportunity.”

## VIDEO HIGHLIGHTS

[In this interview](#), Alistair Broadley, Operations Manager at Robertson Construction reflects on the journey of turning a concept into reality.

## FUNDING PARTNERS AND GOVERNANCE

ONE BioHub includes £20 million of capital funding from the UK Government and Scottish Government through the Aberdeen City Region Deal. ONE has committed up to £3.6 million of funding to deliver ONE BioHub’s objectives and Scottish Enterprise contributed £2 million. The project was developed by the ONE Life Sciences sector board, which includes life sciences business leaders, the University of Aberdeen, Robert Gordon University, and NHS Grampian.

ONE created a not-for-profit company, BioAberdeen Limited with an industry board, to deliver the capital project and for the ongoing operation of ONE BioHub.

### 3. ONE SEEDPOD

#### FOOD MANUFACTURING INNOVATION HUB MARKS CONSTRUCTION MILESTONE

The new ONE SeedPod industry innovation hub for the North East's £2.4 billion food manufacturing sector marked a major construction milestone in March 2024.

The project partners celebrated the "topping out", or highest point, of the new build on the outskirts of Aberdeen.

ONE SeedPod is a key industry innovation project supported by the Aberdeen City Region Deal to drive growth in the food and drink sector and support economic diversification.

ONE SeedPod will offer a range of benefits to ambitious businesses. It provides a platform to scale production in food-grade manufacturing units, develop new products and processes in the new product development kitchen and pilot plant, and showcase their products online and in person in the demonstration kitchen. It also offers a vibrant community for entrepreneurs, founders, and business leaders to connect and access tailored support to accelerate growth. [The overview video is available on the ONE SeedPod YouTube channel.](#)

The 30,000-square-foot new building is in its main construction phase and is scheduled to open in 2025.

Opportunity North East (ONE) is leading and co-funding the project, with substantial funding from the UK Government, Scottish Government, Scottish Enterprise, and the Just Transition Fund. Scotland's Rural College (SRUC) is the strategic partner, providing the serviced site for ONE SeedPod on its Craibstone Campus.

**Sir Ian Wood, chair of ONE, said:** "The Aberdeen City Region Deal was the first of its kind with a vision to diversify our economy by investing in key sector innovation and growth. Food and drink is this region's biggest industry after energy, employing 22,000 people, and the UK's largest manufacturing sector. ONE and the project partners are investing in the growth potential of new and established businesses. We celebrate a milestone in the build today and look ahead to ONE SeedPod becoming the focal point for practical growth support to the sector."

**David Kilshaw chairs Food Hub (NES) Ltd, the not-for-profit created to develop the capital project. He said:** "ONE SeedPod is a unique home for the entrepreneurial ecosystem that provides ambitious businesses with commercial facilities, sector expertise, growth support and industry connections under one roof. It is where businesses will scale production, develop new products and processes, and showcase their products. The region's ambitious community of entrepreneurs, founders and business leaders will meet and share ideas and inspiration, and access tailored support to accelerate growth and create new, high-skill jobs."

The project partners highlighted the significance of ONE SeedPod to the sector and to diversifying the region's economy.



The project partners marked the "topping out" of ONE SeedPod in March 2024

**UK Government Minister for Scotland John Lamont said:** "It was a pleasure to visit ONE SeedPod to mark this significant milestone on the journey to levelling up the region and Scotland more broadly. I can't wait to see the food and drink innovation hub up and running as it will help boost the local and national economy. The UK Government is backing the facility with £5 million investment - part of our £125 million commitment to the Aberdeen City Region Deal. In total we are investing more than £3 billion to level up across Scotland."

**Scottish Government Energy, Just Transition and Fair Work Minister Gillian Martin said:** "The food and drink industry is a major contributor to our economy, including rural and island communities, with £15 billion turnover and supporting around 129,000 jobs. This is another major step towards completion of a centre for innovation in the north east and across Scotland. More than £8 million Scottish Government funding through our Just Transition Fund and the City Deal will help growth and create jobs. This development of demonstration kitchens, food manufacturing units and collaboration spaces can support one of our most important sectors and build a fair, green and growing economy."



**Adrian Gillespie, Chief Executive of Scottish Enterprise, said:** *“This is a welcome milestone in the development of ONE SeedPod, which will provide the ecosystem, infrastructure and expertise to maximise opportunities for Scotland’s top international export sector – food and drink. Creating and nurturing more innovative Scottish start-ups and scale-ups is vital to achieving the economic transformation we are targeting.”*

**Professor Jamie Newbold, Provost & Deputy Principal of Scotland’s Rural College (SRUC), said:** *“The North East of Scotland has long had a thriving local food and drink sector and we are delighted to be working with Opportunity North East on ONE SeedPod. We are excited to mark the next stage in its development and look forward to working with ONE and other businesses to grow the size and value of the region’s food and drink sector.”*

## SUPPORTING A KEY GROWTH SECTOR

North East Scotland’s food and drink sector has a national impact and a crucial role to play in the region’s economic diversification. It currently provides more than 22,000 jobs. The region’s industry ambition is to grow at 5% annually by leading in premium product and market development, high-value manufacturing and high-skill jobs, and innovation-driven productivity and sustainability.

Key figures in the sector welcomed the progress of ONE SeedPod.

**Bill Dean, Managing Director of Dean’s of Huntly, said:** *“ONE Seedpod will be another key milestone within the food and drink sector here in the north east. Our region has been a leading light for the industry for many decades. The ONE Seedpod Innovation hub will play vital part in encouraging collaboration and growing an exceptional and innovative food and drink sector here in our region.”*

**Stuart Common, Managing Director of Mackie’s of Scotland, said:** *“There’s a huge number of amazing food and drink businesses in the north east. Whether they’re just starting out or looking to grow and scale, the ONE SeedPod promises to provide vital support and facilities to support all sorts of food and drink companies. From kitchen spaces to industry advice, ONE SeedPod’s practical support will help set food and drink manufacturers up for success, helping the industry continue to fly the flag for Scotland and the region. Development work never stops at food and drink businesses. ONE SeedPod will be an asset for all those development teams able to use it, whether they are looking to tweak their existing products, to find production efficiencies or to come up with the next new thing.”*

## SUMMIT PUTS SECTOR’S GROWTH IN SPOTLIGHT



*The Future of Food and Drink Summit was a national platform to share the region’s growth ambition and ONE SeedPod’s role in supporting entrepreneurship and innovation*

Brand leaders and industry experts shared their experiences and insights on enabling start-ups to scale faster, aligning ambitious businesses with supportive investors, product innovation, advanced manufacturing, and the next mega-trends at the Future of Food & Drink Summit in Aberdeen in November 2023.

The summit, co-created by The Times & Sunday Times Scotland and ONE, was a forum to inspire ambition, focus on sector growth and share the region’s industry vision, action and investment with an influential national audience of entrepreneurs, investors and innovators.

Held at P&J Live, the event showcased ONE SeedPod’s role in accelerating growth and innovation in food and drink manufacturing to more than 200 industry professionals from across the UK and enabled new industry connections to be made.



The summit speakers included Giles Brook, CEO of WhiteSpace Ventures, and a renowned serial start-up CEO, entrepreneur, and investor who has been a leading factor behind the success of flagship challenger brands including Innocent, BEAR, Vita Coco, Bio & Me, and Pip & Nut. He said: *“What’s happening here in Scotland today, working with Opportunity North East, gives a platform for the region to be a leading force in food evolution.”*

## CONSTRUCTION PHASE DELIVERS ECONOMIC IMPACTS AND COMMUNITY BENEFITS

The construction of ONE SeedPod started in summer 2023 and Robertson Construction Eastern is the main contractor. The main construction phase is scheduled to be completed in late 2024. The project will then move into its fit-out and commissioning phases before launch and opening in 2025.

The build-phase has had a significant economic impact and the contractor is committed to enhancing local communities where it works.

By the end of March 2024, the project had supported 416 construction jobs.

The site team has delivered Construction Careers Information, Advice & Guidance (CCIAG) events, supported primary and secondary school curriculum activities and volunteered 110 hours to support local community projects and charitable organisations.

**Elliot Robertson, Chief Executive Officer, Robertson Group, said:** *“As the strategic partner of choice in the delivery of ONE SeedPod, Robertson fully supports the steps being taken in the diversification and transformation of the Aberdeen city region economy. The quality of the building is a reflection of the high reputation that the area has for its food and drink sector and will become a focal point for innovation and creativity. With over 22,000 people regionally employed in the sector, there’s a great wealth of experience and knowledge that will benefit the aspirations of ONE as it continues its important role in securing an alternative economic future for Aberdeen and Aberdeenshire.”*

## FUNDING PARTNERS AND GOVERNANCE

ONE SeedPod includes £10 million of capital funding provided jointly by the UK Government and Scottish Government via the Aberdeen City Region Deal (ACRD). ONE has committed £5.4 million of funding towards the delivery of ONE SeedPod’s objectives and set up not-for-profit Food Hub (NES) Limited with an industry board to take the project forward.

Scotland’s Rural College (SRUC) is the strategic delivery partner and is providing the serviced site for ONE SeedPod on its Craibstone campus outside Aberdeen.

The Scottish Government’s Just Transition Fund is providing £3.1 million for the project and Scottish Enterprise £2 million.



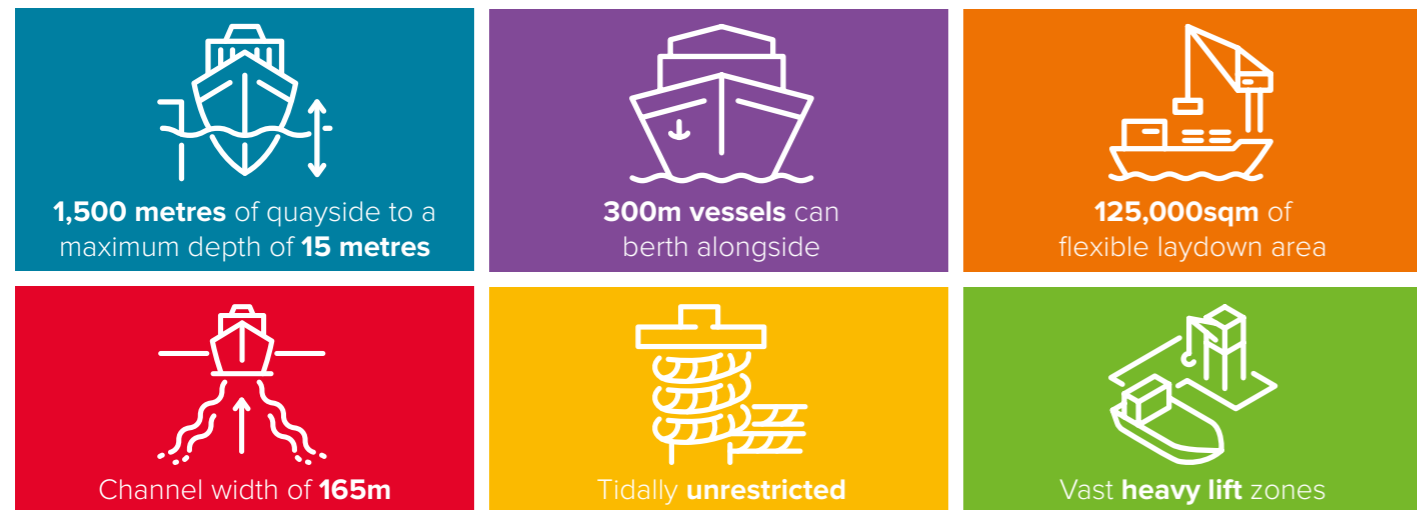
## 4. ABERDEEN SOUTH HARBOUR EXPANSION

### PORT OF ABERDEEN'S TRANSFORMATIONAL £420 MILLION EXPANSION PROJECT IS NOW FULLY OPERATIONAL



Aberdeen South Harbour officially opened in September 2023 and the expanded port now offers its customers and port users 7.6km of quayside, making it Scotland's largest berthage port.

South Harbour adds an additional 1.5km of deepwater berths (up to a maximum of 15m depth) to the port estate and can accommodate ships up to 300m in length, a significant increase to the port's previous capability of 165m. It also has extensive heavy-lift zones, and 125,000m<sup>2</sup> of flexible laydown space with expansive project areas.



Her Royal Highness The Princess Royal officially opened South Harbour on Friday 22 September 2023 marking the completion of the UK's largest marine infrastructure project.

During the event, The Princes Royal engaged with a wide range of people who helped take Aberdeen South Harbour from concept to completion, as well as representatives from the private, public and third sectors.

#### VIDEO HIGHLIGHTS

[Aberdeen South Harbour Official Opening](#)

The Aberdeen City Region Deal (ACRD) Joint Committee has marked an important milestone, with the official project closure being signed off for Port of Aberdeen's Aberdeen South Harbour expansion.

The ACRD investment in the project ran to £11 million, made up of Aberdeen City Council and Aberdeenshire funding. This recognised the wider impacts for the city and shire region of an expanded harbour offering, which has the potential to support 17,500 jobs and deliver £2.4billion Gross Value Added annually.

The expanded port is a national strategic asset and supports the economy of the North East of Scotland, contributing to national and international connectivity, vital freight connections, the drive to net zero and Scotland's Just Transition.

The Joint Committee of the City Region Deal considered a project closure report in February 2024. That marks the formal completion of this significant investment. However the Joint Committee will continue to keep a close eye on the benefits coming from the investment through monitoring reports. A separate deal project remains in progress, supporting the development with improved local road infrastructure.

**Outgoing Chair of the ACRD Joint Committee is Aberdeenshire Cllr Anne Stirling. She said:** "Construction on this project started in 2017, and the Aberdeen City Region Deal Joint Committee have been following progress on it closely ever since. Being present at the official opening was a privilege, and testament to the partnership working which went into seeing this through to completion. When we first agreed to support this project as a committee it was because we had a shared vision of the future opportunities that this presented us, and we are already seeing that coming to fruition. My congratulations to everyone involved in the project."

**Vice chair of the Joint Committee is Aberdeen City councillor Ian Yuill:** "Aberdeen South Harbour is a tremendous asset for the North East. It enhances the already thriving port's offering in the region and continue unlocking new opportunities for regional growth, jobs, and investment in energy, trade and tourism. I am delighted the Aberdeen City Region Deal was one of the investment opportunities to allow for the South Harbour expansion and I look forward to seeing the transformational impact it will have on the North East in future."

**Bob Sanguinetti, CEO, Port of Aberdeen, said:** "Aberdeen's expanded port promises a vibrant future for energy, trade, and tourism across Scotland on the road to net zero, unlocking new jobs and attracting investment to the region. We look forward to working with our partners across the private sector and public sector to maximise the potential of this new facility."

### SOUTH HARBOUR CONSTRUCTION, REGIONAL AND COMMUNITY BENEFITS

At the peak of construction, there were 300 people working onsite and more than 30 companies from across the North East of Scotland were involved in the construction of Aberdeen South Harbour. These local organisations played an instrumental role in the successful completion and benefitted from contact awards of £44 million since 2020, with a further £16 million of work delivered by companies across the rest of Scotland.

## VIDEO HIGHLIGHTS

[The video showing how much has changed at the South Harbour, from beginning of construction to completion is available on the Signal Aberdeen YouTube channel.](#)



The new facility has been heavily utilised since the phased opening began in July 2022. The new harbour has generated more than £3 million of revenue during its phased opening and is attracting vessels and projects that would have previously sailed past the city, often destined for a European port.

This increased activity in energy, trade and tourism supports local jobs, attracts local supply chain spend and investment, and the profits generated are reinvested back into the port to improve the facilities for future generations.

## TOURISM BOOST IN THE NORTH EAST OF SCOTLAND

Between May and October 2023, Port of Aberdeen welcomed 43 cruise calls with more than 28,000 guests from across the UK and Europe visiting the region. The season was delivered with zero HSE incidents and generated an increase in revenue for the port.

The Port currently has 58 cruise calls scheduled for 2024, including 22 maiden calls, highlighting Aberdeen and Aberdeenshire's growing appeal as a cruise destination. Bookings extend as far as 2027, by which time over 100 cruise calls are anticipated, featuring industry giants like Fred. Olsen Cruises and Holland America.

**Bob Sanguinetti, Chief Executive, Port of Aberdeen said:** *"The 2023 cruise season was a great success, delivered with an excellent safety record, and positive feedback provided from both guests and cruise lines. We're working with our regional partners and the cruise lines to ensure we can further improve our offering for 2024 and beyond."*

VisitAberdeenshire's 'Welcome to Aberdeenshire' volunteering programme has been pivotal in providing cruise guests a unique experience when they arrive in the city. The volunteers play a significant role in educating and assisting guests in discovering what Aberdeen and Aberdeenshire has to offer.

**Chris Foy, CEO, VisitAberdeenshire, said:** *"The 'Welcome to Aberdeenshire' volunteers have been a mainstay during the cruise season and have inspired and guided arriving guests. Their dedication and enthusiasm for the region is hugely valued, and we will begin recruiting for new volunteers later in the year."*

*"Demand for future visits indicates that South Harbour and the wider region have already impressed cruise operators. We will continue to work closely with Port of Aberdeen, and with shore excursion companies to both attract more vessels and to disperse excursions across the City and Shire."*

## VIDEO HIGHLIGHTS

[The AIDAura video capturing the warm welcome of one of the cruise ship arrivals is available to watch on the Signal YouTube channel.](#)

## NET ZERO PORT AND FUTURE AMBITIONS

Port of Aberdeen has set the ambitious target to be the first UK port to achieve net zero by 2040.

Over the next decade, the port will invest up to £55million to become a leading exemplar in environmental stewardship and sustainability, pioneering green port innovation and facilitating energy transition solutions.

Port of Aberdeen's net zero strategy has three work streams - reducing emissions, facilitating future fuels, and supporting the energy transition. These guide all projects, investment, and decision-making.

## VIDEO HIGHLIGHTS

[The video about UK's first Net Zero port is available on the Signal YouTube channel.](#)

## IN THE COMMUNITY

2023 saw a total of £70,000 in community charitable awards with a significant increase to £100,000 for its charitable donations in 2024, including the creation of strategic, multi-year partnerships with four Aberdeen based charities. The aim of these partnerships is to deepen the port's positive impact on the community and to build strong, lasting relationships with charities.

**RENEWABLES:** Offshore wind is our most significant opportunity for growth. The sector currently accounts for 10% of our overall vessel traffic and we expect this to increase significantly in the coming years.



**OIL & GAS:** Port of Aberdeen handles the largest volume of Platform Supply Vessel turnarounds in the UK and has bespoke infrastructure and on-site service providers to support platform and drilling operations. The Port will play a vital role as our customers decarbonise their operations, with the development of future fuels.



**DECOMMISSIONING:** The port's operating environment safely and efficiently handles the full lifecycle of decommissioning projects. The expanded port provides extensive deepwater berths, significant heavy lift working areas and an expert local supply chain to deliver dismantling, recycling and reuse services.



**CRUISE:** Port of Aberdeen is a gateway to the amazing attractions in the North East. The Port welcomed 43 cruise vessels in its inaugural cruise season with an average spend by every passenger in the region of £134 per day in the immediate Aberdeen region. The Port looks forward to growing this work with the international cruise industry, with 80 cruise calls planned for 2024, many of which involve larger cruise ships carrying thousands of passengers.



**GENERAL CARGO:** With extensive storage and landside facilities, the Port of Aberdeen supports the safe and efficient handling of cargo across multiple sectors. The Temporary Storage and Wharf Approval with GVMS facilitates faster clearance of goods with pre-lodged declarations.



## FUNDING PARTNERS AND GOVERNANCE

The Aberdeen Harbour Board (trading as Port of Aberdeen) operates as a Trust Port, created by an Act of Parliament. It is run by an independent Board for the benefit of its stakeholders and governed by its own legislation. The Board members have expert knowledge in Law, Construction, Finance, Oil and Gas, Port Operations, Commercial, Marine and Property.

The expansion project was significantly self-funded by the port with valuable support from the European Investment Bank, Scottish National Investment Bank, Scottish Enterprise, and Aberdeen City Council and Aberdeenshire Council through the Aberdeen City Region Deal.

## 5. TRANSPORT

Two transport projects are being progressed within the City Region Deal, the Strategic Transport Appraisal, and External Transportation Links to Aberdeen South Harbour.

**TABLE 1: STATUS OF TRANSPORT THEME PROJECTS – 31 MARCH 2024**

PROJECT	LOCATION	STATUS
Strategic Transport Appraisal	Aberdeen City and Aberdeenshire	In Progress
STA sub-project: Aberdeen Sub-Area Model (ASAM) Strategic Tests	Aberdeen City and Aberdeenshire	In Progress
STA sub-project: A90(N)/A952 Ellon Peterhead Fraserburgh	Aberdeenshire	In Progress
STA sub-project: A956 Wellington Road Junctions	Aberdeen City	In Progress
STA sub-project: Rail Freight Terminals	Aberdeen City	In Progress
STA sub-project: Regional Hydrogen Refuellers	Aberdeenshire	In Progress
STA sub-project: Transport Mobility Hubs	Aberdeen City and Aberdeenshire	In Progress
STA sub-project: Rapid Transit/Bus Corridors	Aberdeen City and Aberdeenshire	In Progress
External Links to Aberdeen South Harbour	Aberdeen City	In Progress

### PROJECT 1. STRATEGIC TRANSPORT APPRAISAL

The Strategic Transport Appraisal takes a 20-year strategic view of the transport implications of the investment unlocked by the Deal across all modes of transport including road and rail. The appraisal helps prioritise future transport investment in the region, guiding local and regional spatial planning decisions, as well as national strategies and work programmes. With the Strategic Transport Appraisal now completed, work is underway on a series of business cases and live pilots which were identified by the appraisal:



#### PROGRESSING A RAPID TRANSIT SYSTEM FOR THE NORTH EAST WITH ASAM

A key project stemming from the Strategic Transport Appraisal has been to update the Aberdeen Sub Area Model (ASAM). The multi-modal strategic model covers the main road and public transport network of Aberdeen and Aberdeenshire. The model is used to appraise and forecast transport patterns and trends, helping to inform regional policies and projects. With the ASAM update complete and tested, the model is now in use on a range of regional project. In particular, it has been used to provide a quantitative analysis on prospective routes for a future bus rapid transit system for Aberdeen.

*“The Aberdeen Rapid Transit (ART) project has used the newly updated ASAM model to test a range of different route options for the proposed Bus Rapid Transit network in Aberdeen. Outputs from this work have enabled us to identify likely demand for ART services, anticipated public transport mode shift and park and ride usage as well as understand the impacts of the proposals on the wider road network. The use of ASAM has provided the quantitative evidence required to inform recommendations on a preferred network, a key stage in the development of the Business Case for ART.”*

**Kirsty Chalmers, Bus Partnership Fund Programme Manager, Aberdeen City Council**

### IMPROVING KEY CONNECTIONS: A956 WELLINGTON ROAD

The A956 Wellington Road is a key corridor which links Aberdeen city centre and the southern areas of Aberdeen city to the A90 (South) trunk road. This study focuses on the busy route connecting the Charleston Interchange through to Queen Elizabeth Bridge, passing Souterhead and Hareness junctions. It aligns with the investment in the adjacent Aberdeen South Harbour, and improved transport links, as well as the Energy Transition Zone. The multi modal study looks to appraise options for improving all modes of transport along the corridor including freight, public transport and active travel. It seeks to evaluate solutions that will maximise connectivity, improve resilience and efficiency, and futureproof what is a rapidly developing area.



This work, led by Aberdeen City Council, has now progressed to Design Manual for Roads and Bridges (DMRB) Stage 2 and Outline Business Case, set to be finalised in Spring 2024. Future steps look to extend the scope to DMRB Stage 3 (detailed design), ensuring coverage between Craigshaw Drive and Charleston Road North. This ensures the work can focus on a number of developing projects in the area, including the Energy Transition Zone masterplan, investment zone agreements, the active travel link at Craigshaw Drive, and progressing work on Aberdeen Rapid Transit.

### IMPROVING KEY CONNECTIONS: A90(N)/A952

The A90(N)/A952 corridor is a vital link between our region's key ports, a core freight route, and an important link to investment zones. Connecting Aberdeen with Ellon, Peterhead, and Fraserburgh, the routes provide connections for regional and local bus services, as well as facilitating active travel between the area's communities. This project looks to strengthen the case for improving transport along this corridor, addressing accessibility, connectivity, and road safety pressures.

In 2023 an evidence review looked at earlier studies on the A90(N) and A952 corridors. This built on the previous work which considered upgrades to the Ellon by-pass, Toll of Birness junction, and implementing additional safety and reliability measures along the routes.

Stakeholder and public consultations were undertaken in parallel with the Buchan Sustainable Transport Study, a piece of work that looks at longer-term investment, and is led by Campaign for North East Rail and Aberdeen & Grampian Chamber of Commerce, funded by the Just Transition Fund. Together, the feedback received from the two studies has helped build a comprehensive and conclusive picture of transport to the north of Aberdeen. A Case for Change report and Preliminary Options Appraisal are now nearing completion, before work progresses to a Detailed Options Appraisal.

**Councillor Alan Turner, chair of Nestrans said:** "Addressing road safety, journey times, and reliability north of Aberdeen is a prominent issue for communities, businesses, and those travelling in the area. In collaborating with the Buchan Sustainable Transport Study, we're ensuring that those views are captured efficiently and shared among partners to progress these important pieces of work."

### ASSESSING POTENTIAL FOR OUR REGION'S RAIL FREIGHT

Efficient freight movement plays a vital role in the success of our area's economy, with an interest and desire both regionally and nationally to see more sustainable and efficient movement of freight by rail.

The Rail Freight Terminals study sought to understand current and future demand for rail freight to and from the region. It looked at opportunities for growth, with a particular focus on Aberdeen due to the opening of the new Aberdeen South Harbour, and development of the Energy Transition Zone.

The study has also considered opportunities linked to the future development of hydrogen rail facilities in the region. A policy review, stakeholder interviews, and freight flow forecasting have all confirmed the significant potential for growth in the future.

The study's findings will be used to inform master-planning development, incentives for decarbonising freight, as well as guiding the strategic priorities of local authorities, and key stakeholders such as Port of Aberdeen and Energy Transition Zone Limited.

### LIVE LABS:

#### MOBILITY HUBS – IMPROVING THE TRAVEL INTERCHANGE EXPERIENCE

A mobility hub is a convenient location for different modes of transport to connect. Trains, buses, bikes, and car sharing can meet in a centred location, allowing people to interchange seamlessly.

In the North East, the City Region Deal is helping to develop proposals for regional mobility hubs across the area. A feasibility study has explored how different models might work across five locations in the North East and now further work will focus on the two most promising plans: a hub at Ballater and network of mini facilities in Aberdeen.

#### EXPLORING SUPPORT FOR OUR GROWING NETWORK OF HYDROGEN-POWERED VEHICLES

The City Region Deal is also supporting Aberdeen's position as a leader of energy through a study on portable hydrogen refuellers. The North East is a pioneer of hydrogen technology for both transportation and energy, and this study has explored the feasibility and benefits of developing a flexible hydrogen refuelling facility, to further support the adoption of hydrogen vehicles. The study has provided valuable information on refueller footprints and equipment requirements, risks and costs.

#### PARTNERS/GOVERNANCE

The Transport Working Group is made up of the following organisations: Transport and Planning Officers from Aberdeen City and Aberdeenshire Councils; regional transport partnership Nestrans; and Transport Scotland. The group is chaired by Nestrans, who as the statutory regional partnership for North East of Scotland, have a co-ordinating role across each of the transport projects, and inter-linkages with projects being taken forward outwith the CRD programme. Over the past years the group has also been supported by the attendance of officers from the Scottish and UK Governments.



## PROJECT 2. EXTERNAL TRANSPORTATION LINKS TO ABERDEEN SOUTH HARBOUR

The External Transportation Links to Aberdeen South Harbour project is being progressed by Aberdeen City Council, as Local Roads Authority. Following the early Scottish Transport Appraisal Guidance (STAG) assessment stages the project has progressed through the Department for Transport (DfT), Design Manual for Roads and Bridges (DMRB), Scheme Assessment Reporting processes.

In September 2023 the DMRB Stage 2 Route Option Assessment process identified a preferred route option within the STAG preferred corridor. The preferred route option included new active travel provision on Coast Road and Hareness Road, a revised Hareness Road/ Coast Road priority junction and upgraded Coast Road; including a new road crossing over the Aberdeen to Dundee railway line to the south of the existing bridge.

The DMRB Stage 2 preferred route option was subsequently refined and then subject to DMRB Stage 3 Scheme Assessment, where the advantages and disadvantages, in environmental, engineering, economic and traffic terms were assessed. The DMRB Stage 3 design was reported to the Aberdeen City Region Deal Joint Committee in February 2024.

The Stage 3 design includes segregated uni-directional cycle facilities on both sides of Hareness Road to its junction with Coast Road, improving walking, cycling and wheeling facilities for all active travel users.

A revised right/ left stagger at the Hareness Road/ Hareness Place/ Coast Road priority junction is provided with the mainline priority given to Hareness Road / Coast Road north. Coast Road south, towards Burnbanks Village and Cove, becomes the minor road, with a right turn ghost island to facilitate safe turning movements and preventing delay to mainline through traffic movements.

The new bridge over the Aberdeen to Dundee Railway line to the south of the existing bridge removes the current shuttle working and constrained horizontal alignment, allowing for improved journey times and facilitating the movement of larger vehicles accessing the south harbour.

An Outline Business Case (OBC) has been prepared which sets out the case for the intervention. The OBC has been developed in line with relevant STAG and DfT Transport Analysis Guidance (TAG). The OBC summarises the rationale, objectives, scope, and expected outcomes of the project, as well as the estimated costs, benefits, risks, and delivery options of the project.

Detailed Design for the project has commenced. Voluntary and compulsory processes for, discussions on the acquisition of the required land for the scheme are underway. Pre-planning application engagement has concluded and submission will be made Spring 2024. Construction procurement is expected to commence within the calendar year.

[Find out further information on the Aberdeen City Council website.](#)

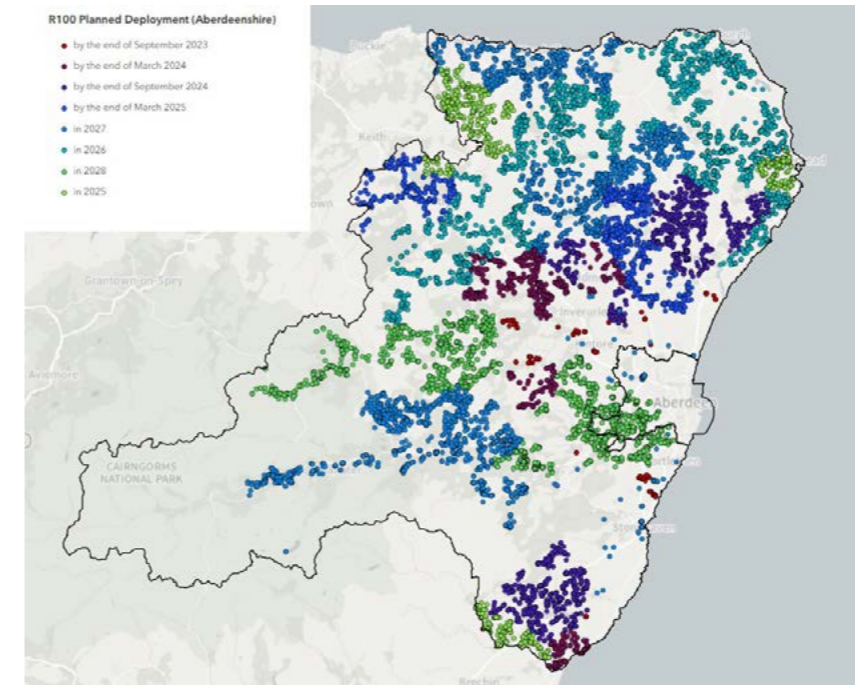


## 6. DIGITAL CONNECTIVITY

The Aberdeen City Region Deal provides the opportunity to create a sustainable infrastructure from which the region can transform into a world class digital area. At the core is the need to deliver ultrafast connectivity and use this to grow existing businesses; attract further investment; create new businesses; deliver excellent public services; support mobility and protect the environment; and enhance the area's attractiveness as a place to live and work.

Improving the region's digital infrastructure is key to the long-term future of the local 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.

### DIGITAL CONNECTIVITY PROGRAMMES

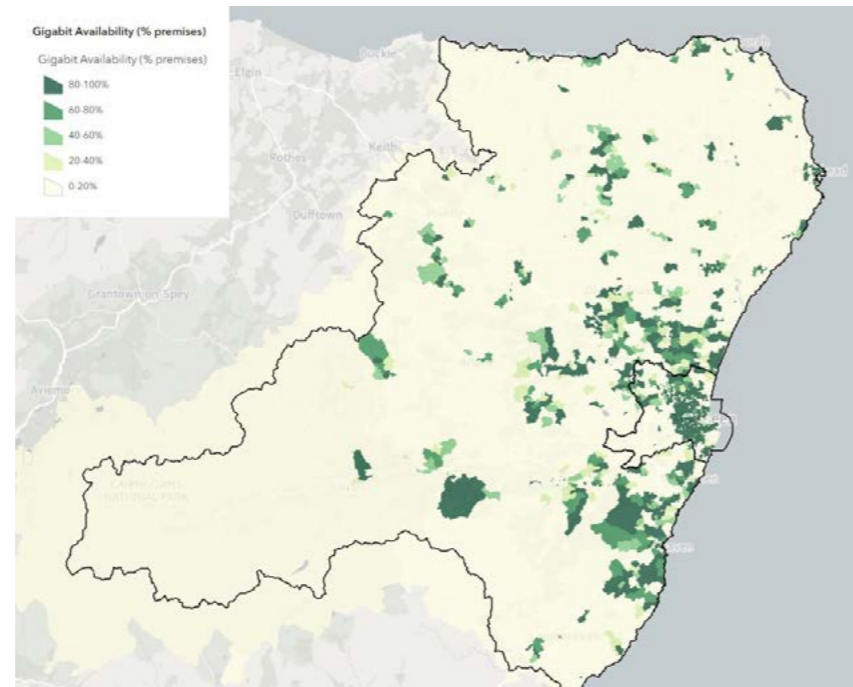


In addition to the Aberdeen City Region Deal (ACRD) funded projects, the Scottish Government's Reaching 100% programme, and UK Government's Project Gigabit, provide support for premises with internet speeds below 30Mbps. The Digital Engagement Team (funded by the ACRD) set up in November 2021, works to stimulate demand in these programmes, supporting residents to find the best possible solutions for each property, whilst working closely with a wide network of telecoms operators, to encourage impactful bespoke solutions for residents and communities. Up to £5,000 of funding is available for premises which will not receive connectivity upgrades by other means.

To date, the Aberdeen City Region Deal has the highest uptake of these support programmes in Scotland. As of March 2023, across the Aberdeen City and Aberdeenshire local authority area 902 Scottish Broadband Voucher Scheme vouchers have now been utilised, with Aberdeenshire having the highest uptake of vouchers in volume and percentage terms.

The Reaching 100% programme has delivered an additional 4,770 Fibre to the Premises (FTTP) connections across the Region, in addition to the ACRD funded projects, and the telecoms industry own commercial upgrades. A further 11,604 full-fibre broadband connections will be connected in the Region by the end of the Reaching 100% Programme in 2028.

Project Gigabit is being finalised for rollout in Scotland, through collaboration with UK and Scottish Governments. Much of the Aberdeen City Region has been confirmed to be included within a procurement lot for Project Gigabit, inviting telecoms operators to bid in for the work to deliver gigabit capable broadband connections to more premises, which can already access superfast broadband, but are not in scope for planned upgrades to gigabit capable. The procurement process is expected to take place through 2024, into 2025.



The Digital Engagement Team is also actively engaging with rural communities, and clusters of disadvantaged properties, to continue the gap analysis in digital connectivity, and to identify opportunities to aggregate subsidy value with which to encourage investment from local and national telecoms operators. With this approach, there has been successful community solutions identified and delivered, in numerous hard-to-reach areas of the region. Since inception, the Digital Engagement Team has directly supported over 3,700 residents in matters relating to digital connectivity. Additionally, the team has held 18 public events in the past year to provide advice, support and information directly to communities and stakeholders.

## DIGITAL INFRASTRUCTURE BUSINESS GAP ANALYSIS

The outcome of the digital infrastructure gap analysis produced three new projects to deliver 5G networks in the region. To further address the gaps in digital infrastructure across the Region it is prudent to wait to see how Project Gigabit will be rolled out in Scotland. As mentioned above, Project Gigabit procurements in Scotland are being developed jointly by the UK Government and Scottish Government through a collaborative approach, in which 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 2024. The Aberdeen City Region Deal Digital Working Group will be working through 2024 to develop project proposals to further expand and improve digital infrastructure.

## PARTNERS/GOVERNANCE

The Digital Programme is supported by a Digital Working Group made up of expertise and representation from Digital and Technology, Roads and Data and Insights Teams from Aberdeen City and Aberdeenshire Council. The NHS, Aberdeen & Grampian Chamber of Commerce, Opportunity North East, Robert Gordon University, University of Aberdeen, Data Lab, Censis and Scottish Enterprise. Over the past years the group has also been supported by the attendance of officers from the Scottish and UK Governments.

The list of following projects have been identified to improve digital infrastructure in the Aberdeen City Region, with varying geographic implications.

**TABLE 2: STATUS OF DIGITAL THEME PROJECTS – 31 MARCH 2024**

PROJECT	LOCATION	STATUS
City Network Extension (City-wide Fibre Connectivity)	Aberdeen City	Complete
Full Fibre Infrastructure (Gigabit Connectivity)	Aberdeen City and Aberdeenshire	Complete
Duct Network Phase 1	Aberdeen City	Complete
Duct Network Phase 2	Aberdeen City	Complete
Duct Network Phase 3	Aberdeen City	In Progress
Port of Aberdeen 5G*	Aberdeen City	In Progress
Huntly 5G*	Aberdeenshire	In Progress
ONE 5G Pop up network*	Aberdeen City and Aberdeenshire	In Progress

\*Memorandum of Understanding (MoU) Funding

## PROJECT 1. DUCT NETWORK EXTENSION

Initially this duct network would be for the Local Authority strategic transport needs, followed by engagement with commercial organisations to encourage them to utilise the expanded network to enhance their fibre offering in Aberdeen City, consequently stimulating the market. This project also provides the enabling infrastructure for sensors and provide the opportunity for Aberdeen City to be used as a testbed for connected and autonomous vehicles and support 5G installations.

A saving in the budget allowed to have three phases for delivery. Phase 1 works for the West Route (A944) completed in September 2022 and Phase 2 (South route, A956) completed in September 2023. In February 2022 the Joint Committee approved Phase 3 with the preferred route as follows:

- Union Street, Holburn Street to Garthdee Roundabout
- Garthdee Roundabout to Haudagain (Hilton Drive)
- Completion of Northern Route (King St north to AWPR)

This route has been selected as it would follow standard communications design for maximum coverage and to have multiple resilience points to reduce any downtime. It should be noted this is in reference to a communications network for the traffic management network.

These works would then allow for majority of the strategic road network to be completed and an additional 175km build within the project.

Phase 3 Design works started in October 2022 and project completion is planned in March 2026 due to impact of weather conditions and risk associated with resource.





## PROJECT 2. PORT OF ABERDEEN 5G

This project provides the provision of investment to Port of Aberdeen to procure a private 5G infrastructure in the new Aberdeen South Harbour to increase productivity and reduce operational costs, making Aberdeen comparable with leading ports across the world.

Ports offer unique potential for the use of 5G services in fields such as logistics, environmental monitoring, crane operation, customs, operations and the exchange of images and data. It is accepted that this is a key long-term area for investment.

The 5G private network for the port operation would be procured by the Port of Aberdeen and part funded by investment from the Port and Aberdeen City Region Deal.

A tender process for the Port of Aberdeen 5G network was commenced in October 2023 and following extensive reviews of the applications made under the process a contract was awarded to North for installation work to commence in the first quarter of the new financial year in 2024.

## PROJECT 3. HUNTLY 5G

Huntly 5G project provides investment in 5G infrastructure, systems and data transfer technologies to [ScotEID/Scottish Agricultural Organisation Society](#) to facilitate the delivery of industry leading Agri-tech applications and services and environmental monitoring in rural Aberdeenshire using Huntly as an initial area.

The project will be centred on Huntly along with contiguous river valleys including those of the Deveron and Bogie.



The provision of enhanced connectivity into the region



The development of mandatory use cases in Environmental Control and Agriculture



Optional use cases of benefit to the region in Transport provision, Tourism and Delivery of community services such as health, education and community safety

Following discussion with industry the concept was to take a rural settlement and provide ubiquitous access to full fibre, 5G and other wireless technologies to implement the above applications in a commercially sustainable, real-world way. Once proven the concept could scale and be replicated across rural economies in Scotland.

The provision of 5G, fibre and/or any other suitable data transfer technologies within the project location will enable the provision of Agri-tech and environmental use cases. The goal is to demonstrate the commercial viability of investment in rural communities and the provision of commercial use cases in the sector. This will be used to leverage commercial investment across other rural settlements.

Standalone 5G network has been procured (currently in-build) and will be used to support a range of agriculture uses cases as identified with ScotEID. Ongoing engagement with farmers and other rural stakeholders to align with emerging requirements of the sector.

## PROJECT 4. OPPORTUNITY NORTH EAST 5G “POP UP” NETWORK

This project aims to enable businesses to innovate, increase competitiveness, and grow through the use of private 5G networks, particularly in rural or remote locations and critical growth sectors, including food and drink manufacturing and production, agriculture, and tourism.

Through the project, ONE is collaborating with the Scotland 5G Centre to expand the impact of the fixed 5G innovation test bed in ONE Tech Hub in Aberdeen with a complimentary transportable private 5G network for deployment in regional businesses. This approach will facilitate the development of digital solutions for industry by enabling in-situ testing and demonstration in the field.

Combined with ONE Tech Hub and the business support available to the growth sectors, the project provides businesses a unique opportunity to innovate and adopt state-of-the-art digital technology quickly.

During the year, the project progressed through its planning phase and moved into implementation. A memorandum of understanding was prepared between ONE and the Scotland 5G Centre, outlining the roles and responsibilities of each party. The implementation plan was developed, detailing the project’s timeline, key milestones, and expected outcomes. The equipment specification was completed and procurement started, ensuring that the project has the necessary technology to achieve its goals. The equipment specified is a first-of-its-kind mobile solution for indoor and outdoor use with weather and damage protection to suit a variety of environments.

The first pilot project site was identified in a rural farm location in Aberdeenshire, and the Scotland 5G centre undertook a survey. The 5G equipment has been successfully installed and is in operation, capturing data to monitor livestock health.

Alongside this initial project activity, an industry engagement event was held at ONE Tech Hub in January 2024 to highlight the 5G opportunity to businesses within key growth sectors and promote the project to prospective beneficiaries.

In 2024-25, the project will be in its full implementation phase, with activity including the receipt, testing, and commissioning of equipment, business engagement, and 5G projects developed. The first in-situ project will be successfully completed, and two further in-situ project sites will be identified. Applications for project funding are open, and screening is in progress.

## CHALLENGES, OPPORTUNITIES AND NEXT STEPS

Project	Challenges	Opportunities
Net Zero Technology Centre	Access to additional funding opportunities.	Active engagement on cross industry net zero projects.  Grow Technology Services portfolio, sales pipeline and footprint.
ONE BioHub	Start-up and spinout companies and scaling businesses face a challenging environment for raising investment.  Funding to support the capital fit-out costs on grow-on space.	There is now a focal point for the entrepreneurial ecosystem with space for spinout, startup & scaling businesses.  Pipeline of commercialisation opportunities emerging from research institutes.
ONE SeedPod	Revised construction programme with opening in 2025	There is industry demand for innovation space & expertise across all sizes of business, driven by commercial and market needs.
Aberdeen South Harbour Expansion	To deliver the full envisaged benefits of the project in an ever changing political and economic environment, being subject to decisions on North Sea transition, vessel environmental fuels and changing climate that are outside the Port’s control.	Repositioning of the North East as the Net Zero Capital of Europe.  Working with Energy Transition Zone (ETZ) to meet the needs of the new business opportunities associated with the transition to renewables.  Continuing to establish Port of Aberdeen to be the strategic choice for all vessel support requirements for ScotWind successful constructors - 18GW of power will be generated by offshore developments within 100 nautical miles of the North East of Scotland. There is no better location for developing of renewables than here.  Attracting investment to the region in support of both energy and other industries - as a trade hub alone, the Port of Aberdeen exported around £950m of goods worldwide in 2022.

## NEXT STEPS

Strategic Transport Appraisal	COVID 19 introduced significant disruption to travel patterns, and accelerated changes in other travel demands and behaviors, some of which will have a lasting legacy. This impacts how previously identified problems, opportunities and priorities are addressed. There area also emerging constraints on capital / revenue funding availability.	The conclusion of the Strategic Transport Projects Review (STPR) process during 2022 brought some clarity around the route-map for the development and implementation of several regionally significant transport schemes, although funding issues are now impacting this.  Enhancements being built into the revised Transport Model provide opportunities to test a wider range of future scenarios, which is being augmented by regionally specific research on travel patterns.
External Transportation Links to Aberdeen South Harbour	The challenge has been to maintain the pace of the design process whilst, continuing to take into account the significant public and stakeholder interest in the project. Programme risks require to be carefully managed with respect to ongoing design, land assembly, and third-party interfaces, alongside the currently available grant funding window.	Improved Transport Links will be important to realising our Net Zero Vision and linking together proposed opportunity sites.
Digital Connectivity	Continue attract additional commercial investment in digital infrastructure and gigabit solutions for the most remote and isolated parts of the region.  To identify areas not covered in line with unknown Government future plans.  Ensure voucher scheme through Scottish Government is taken-up (where appropriate).	Promote the Aberdeen 5G Hub and maximise opportunities for 5G technology. Update the Smart City Strategy to ensure the digital infrastructure in the city region is fully utilised.  Investigate and promote the use of the duct network extension for commercialisation.  Realise the community benefits through good working with contractors and partners and to help ensure the city region has a confident, digital ready workforce.

Project Area	Implementation Plan 2024/25 Key Milestones
Net Zero Technology Centre	<ul style="list-style-type: none"> <li>• Deliver upon Core Projects and diversify portfolio</li> <li>• TechX Cohort 6 Delivered</li> <li>• Thought Leadership - demonstrate at key events including COP29</li> <li>• Key partner in regional ecosystem working towards Just Transition</li> <li>• Active STEM programme</li> <li>• Launch of Geothermal Centre</li> <li>• Government business case submission for future funding</li> </ul>
ONE BioHub	<ul style="list-style-type: none"> <li>• Continue attract new tenants and users</li> </ul>
ONE SeedPod	<ul style="list-style-type: none"> <li>• Q3 2024/25 – construction project complete</li> <li>• Q4 2024/25 – ONE SeedPod launch</li> </ul>
Aberdeen South Harbour Expansion	<ul style="list-style-type: none"> <li>• Records for longest, tallest and largest vessel to visit Port of Aberdeen have all been broken</li> <li>• All Quays are in service</li> <li>• Continue to grow and expand cruise visits</li> </ul>
Strategic Transport Appraisal	<ul style="list-style-type: none"> <li>• Wellington Road Junctions complete Design Options in October 2023</li> <li>• *ASAM19 – Strategic Testing to be completed in January 2024</li> <li>• Mobility Hubs complete Strategic Business Case including Feasibility delivered in April 2024</li> <li>• Rail Freight Terminals Study to be completed in April 2024</li> <li>• Hydrogen Re-fuellers – Complete Outline Business Case in April 2024</li> <li>• A90/A952 Corridor Study to be completed in October 2024</li> </ul> <p>* Aberdeen Sub-Area Model (ASAM)</p>

<p>External Transportation Links to Aberdeen South Harbour</p>	<ul style="list-style-type: none"> <li>• Updated Outline Business Case &amp; DMRB Stage 3 Report submitted to UK/SG, Transport Scotland</li> <li>• Submission of Planning Application</li> <li>• Complete Detailed Design</li> <li>• Post Design Public Exhibition</li> <li>• Supplier Selection - Complete SPD</li> <li>• Conclusion of statutory processes</li> <li>• Structure – Technical Approval (ACC and Network Rail)</li> <li>• Final Business Case Submitted</li> </ul> <p>* Design Manual for Roads and Bridges (DMRB)</p>
<p>Digital Connectivity</p>	<p><b>Duct Network Extension</b></p> <ul style="list-style-type: none"> <li>• October 2024 Phase 3 50% Complete</li> <li>• April 2025 Phase 3 75% Complete</li> <li>• March 2026 – Completion Phase 3</li> </ul> <p><b>Port of Aberdeen 5G</b></p> <ul style="list-style-type: none"> <li>• January 2024 – Contract Awarded</li> <li>• April 2024 – Begin installation and upgrade of mobile network infrastructure</li> <li>• October 2025 – Delivery of use cases and applications</li> </ul> <p><b>ONE 5G “Pop Up” Network</b></p> <ul style="list-style-type: none"> <li>• November 2023 – Legal Agreements signed</li> <li>• March 2024 – Procurement tender of network infrastructure</li> <li>• June 2024 – Grant scheme goes live</li> <li>• March 2026 - 9 Deployment grants awarded</li> </ul> <p><b>S.A.O.S Huntly 5G</b></p> <ul style="list-style-type: none"> <li>• October 2023 – Legal agreements signed</li> <li>• March 2024 – Use case specification, demonstration and requirements capture completed</li> <li>• July 2024 – Finalisation of systems integration requirements and presentation to ACRD and commercial partners</li> <li>• September 2024 – Procurement of commercial partner to implement commercial network in study footprint areas and subsequently scale across Scotland</li> <li>• March 2025 – Installation and upgrade of fixed and mobile network infrastructure</li> </ul>

## COMMITTEE, BOARD AND MANAGEMENT

### THE ABERDEEN CITY REGION DEAL JOINT COMMITTEE

- Cllr Ian Yuill**, Chairperson of the ACRD Joint Committee and Co-Leader of Aberdeen City Council
- Cllr Miranda Radley**, Aberdeen City Council
- Cllr Christian Allard**, Aberdeen City Council
- Cllr Anne Stirling**, Vice Chairperson of the ACRD Joint Committee and Deputy Leader of Aberdeenshire Council
- Cllr Gillian Owen**, Aberdeenshire Council
- Cllr Gwyneth Petrie**, Aberdeenshire Council
- Sir Ian Wood KT GBE**, Chairman, Opportunity North East
- Jennifer Crow**, Chief Executive, Opportunity North East
- Professor George Boyne**, University of Aberdeen, Opportunity North East

### THE ABERDEEN CITY REGION DEAL PROGRAMME BOARD

- Julie Wood**, Interim Chief Officer - City Growth, Aberdeen City Council and Chair of the ACRD Programme Board
- Alan Wood**, Director of Infrastructure, Aberdeenshire Council
- Jennifer Crow**, Chief Executive, Opportunity North East
- Mary Beattie**, Head of Finance, Aberdeenshire Council
- Paul Macari**, Head of Planning and Environment, Aberdeenshire Council
- Matthew Lockley**, Head of Innovation & Place in NE, Scottish Enterprise
- Rab Dickson**, Director, Nestrans
- Jessica Anderson**, Team Leader, Regulatory & Compliance Team, Legal Services, Aberdeen City Council
- Nicola McIntosh**, Chief Financial Officer, Net Zero Technology Centre
- Stuart Bews**, Interim ACRD Programme Manager, Aberdeen City Council
- John Wilson**, Chief Officer – Capital, Aberdeen City Council
- Sarah Rochester**, Service Manager, Communications and Marketing, Aberdeenshire Council

### THEME LEADS

- Paul Finch**, Strategic Transport, Nestrans
- Alan McKay**, External Links to Aberdeen South Harbour, Aberdeen City Council
- Ross Stevenson**, External Links to Aberdeen South Harbour, Aberdeen City Council
- Nicola McIntosh**, Net Zero Technology Centre
- Lindsay McKenzie**, ONE BioHub & ONE SeedPod Lead, Opportunity North East
- Jon Oakey**, Port of Aberdeen
- John Lovie**, Accountant, Finance, Aberdeenshire Council
- Aigul Gray**, PMO support
- Jamie Coventry**, Economic Adviser, Aberdeen City Council

# CONTACTS

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For more information visit:

[abzdeal.com](http://abzdeal.com)

[investaberdeen.co.uk](http://investaberdeen.co.uk)

## WHO TO CONTACT:

Aberdeen City Region Deal

**Stuart Bews** - [StBews@aberdeencity.gov.uk](mailto:StBews@aberdeencity.gov.uk)

Interim ACRD Programme Manager



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THEME: INNOVATION

PROJECT: NET ZERO TECHNOLOGY CENTRE (NZTC)



The Net Zero Technology Centre focuses on developing and deploying technology to support the energy industry's transition to net zero. Key activities include:

- Solution Centres: Manage technology development programs, adopt and develop new technologies.
- Centres of Excellence: Enhance R&D capabilities in universities and industry, invest in specialized equipment and testing facilities.
- Supply Chain Technology Accelerator Programme: Stimulate supply chain innovation and increase R&D.
- Technology Network Hub: Build relationships with innovation centres and provide market intelligence.

INCLUSIVE GROWTH/SHORT AND MEDIUM TERM OUTCOMES/ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS (CUMULATIVE)

Delivered in 2023/24:	BUSINESS CASE BENEFIT	MEASURES	TARGET	2022 REVISED TARGETS	TARGET DATE	2022/23	2023/24	
	<p><b>Benefits to date (up to March 2024):</b></p> <ul style="list-style-type: none"> <li>• NZTC has created 585 jobs and safeguarded a further 970 jobs in the energy sector all of which pay at least the Real Living Wage. These jobs have contributed around £150m GVA.</li> <li>• Almost 60% of businesses engaging with NZTC are existing businesses while around 1 in 5 were new start-ups.</li> <li>• There have been 8 school visits to promote the NZTC to date and wider sector opportunities. 20 career ready students have been supported and 72 internships have been hosted.</li> <li>• Over 80% of businesses since their involvement with NZTC are now innovation active businesses.</li> <li>• Nearly 90% of respondents reported having used or invested in net zero/low carbon technologies.</li> <li>• Around 2/3rds of the 154 respondents have undertaken collaborative work with academia or other businesses.</li> <li>• 130 have responded on whether they have since secured investment (loan, grant, private equity). Over 40% of these have done so, with investment of over £52m.</li> </ul>	MATCH FUNDING	Co-investment match funding from the private sector (operations and supply chain)	£174.1m	£220m	2026	£180m	£205m
INCREASE IN GVA		Additional GVA	£8.9bn - £26.9bn	£8.9bn - £26.9bn	2036	£15bn-£20bn	£10bn-£17bn	
NEW TECHNOLOGIES DEPLOYED		Increase the number of new technologies that have been deployed on a first user principle by year 10	10	50	2026	64	162	
COMMERCIALISED SOLUTION CENTRE TECHNOLOGIES		Number of NZTC solution centre funded technologies reaching commercialised phase (TRL9) by year 10	15	45	2026	30	59	
SUPPLY CHAIN PROJECTS FUNDED		Number of supply chain technology accelerated projects co-funded within the 10 years	100	100	2026	57	69	
TECHNOLOGY SCREENED					2,500	2026	2,170	3,135+
FIELD TRIALS					200	2026	175	159
THOUGHT LEADERSHIP CONTRIBUTIONS					500	2026	290	350+
TECHNOLOGY SERVICES PROJECTS					30+	2026	7	11
MILLION TONNES CO2 p.a. abated by 2030					5	2030	42+	42+

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**THEME: INNOVATION**

**PROJECT: ONE BIOHUB**



Based at the Foresterhill Health campus, the ONE BioHub creates a vibrant Life Sciences cluster and a supportive ecosystem to accelerate the number of spin-outs, new starts and growth companies. The Hub provides 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.

**INCLUSIVE GROWTH/SHORT AND MEDIUM TERM OUTCOMES/ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS (CUMULATIVE)**

	BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	2022/23	2023/24
<p><b>Delivered in 2023/24:</b></p> <ul style="list-style-type: none"> <li>During this reporting period, 17 businesses (41 participants) benefitted from support funded and provided through ONE BioHub, to strengthen the region's Life Sciences ecosystem.</li> <li>Since ONE BioHub opening, a total of 9 events were held with 290 participants including researchers, innovators and entrepreneurs, leaders, and stakeholders.</li> <li>During this reporting period, 6 events were delivered to 168 school students and HE graduates.</li> </ul> <p><b>Benefits to date (up to March 2024):</b></p> <ul style="list-style-type: none"> <li>244 employment opportunities have been delivered via Community Benefits clauses that pay at least the Real Living Wage. This is significantly higher (960%) than the projected numbers (23) at the commencement of the project. This figure includes work placements (15), apprenticeships (16), graduate employment opportunities (1) and general jobs (212).</li> </ul>	LIFE SCIENCES SUPPORT PROGRAMMES	Launch a Life sciences support programme	Deliver	2017	Delivered	Delivered
	ESTABLISHMENT OF COLLABORATIVE BIO-THERAPEUTICS SPACE	Establishment of a 69,000 sq. ft flexible collaborative space	Deliver	2019	Delivered	Delivered
		% occupancy rate of collaborative space by year 5	80%	2025	-	In Progress
	STARTUP AND SPINOUTS	Number of spinouts achieved by year 5	24	2025	-	In Progress
	NETWORKING EVENTS FOCUSING ON COMPANY GROWTH	Number of networking events per annum	4	-	15	24
	INTERNATIONAL COLLABORATIONS	Number of International collaborations in place over 5 years	2	2022	In Progress	In Progress
	GENERATE GVA		£76m - £138m	2047	£17m (including GVA from construction)	£18m



THEME: INNOVATION

PROJECT: ONE 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.

INCLUSIVE GROWTH/SHORT AND MEDIUM TERM OUTCOMES/ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS (CUMULATIVE)

<p><b>Delivered in 2023/24:</b></p> <ul style="list-style-type: none"> <li>The construction of ONE Seedpod has so far created 416 jobs all of which are paid at least the Real Living Wage.</li> <li>7 apprenticeships have been completed.</li> <li>There have been 11 Construction Careers information and guidance events and 6 Curriculum support activities in primary and secondary schools.</li> <li>During this reporting period (FY 23-24), a total of 228 businesses participated in networking events, creating valuable opportunities for collaboration and industry connections. Additionally, business support programmes provided direct support to 49 businesses, all of which are identified as innovation-active, enhancing their capacity to innovate and remain competitive.</li> <li>In the 2023 Leadership Forum, five participants from four distinct businesses engaged in a structured programme focused on networking, knowledge exchange, and skill development.</li> <li>GVA from construction jobs, jobs created and safeguarded to be included in 2024/25 reporting period.</li> </ul> <p><b>Benefits to date (up to March 2024):</b></p> <ul style="list-style-type: none"> <li>Over 35 start-ups participating in the accelerator programme which is above the project target.</li> </ul>	BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	2022/23	2023/24	
		ESTABLISH A PHYSICAL HUB	Build and open a 30,000 sq. ft flexible space	Deliver	2021	In Progress	In Progress
		ACCELERATOR	First cohort of 10 start-ups participating in the accelerator programme	Minimum 10 Companies	2020	37	Delivered
			10 start-ups achieved by year 5	2 per year	2025	4	4
		BUSINESS GROWTH	1 growth programme per year with 10 company participants each	1 per year	2021-25	2 growth Prgm. with 17 bus. & 22 participants	2 growth Prgm. with 17 bus. & 22 participants
		BUSINESS GROWTH	Increase in company turnover by min 5% per annum	5% Growth	2025	-	In Progress
		BUSINESS GROWTH	20 companies to have achieved significant sales (10% of turnover) in new markets	20 companies	2028	-	In Progress
				2 (international)		-	
		MANUFACTURING 4.0	4 companies per year investing in advanced processing technology /smart manufacturing – achieving 25% gain in productivity	4 companies	2021-25	-	In Progress
		FOODS OF THE FUTURE	10 companies investing in R&D, 5 of these in collaboration with academia	2 per year	2025	3	5
GENERATE GVA			£69M - £109M	2049	-	-	

THEME: INNOVATION

COMPLETED PROJECT: ABERDEEN SOUTH HARBOUR



This major capital project transformed the capacity of Aberdeen South Harbour through the additional 1.5km of deepwater berths (up to a maximum of 15m depth) to the port estate and can accommodate ships up to 300m in length, a significant increase to the port's previous capability of 165m. It also has extensive heavy-lift zones, and 125,000m2 of flexible laydown space with expansive project areas. Aberdeen South Harbour officially opened in September 2023 and the expanded port now offers its customers and port users 7.6km of quayside, making it Scotland's largest berthage port.

INCLUSIVE GROWTH/SHORT AND MEDIUM TERM OUTCOMES/ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS (CUMULATIVE)

BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	2022/23	2023/24	
<p><b>Delivered in 2023/24:</b></p> <ul style="list-style-type: none"> <li>11 completed apprenticeships, 8 school visits to the Harbour with roughly 15 pupils a visit and 6 academy career fairs.</li> <li>248,153 tonnes of cargo passed through Aberdeen South Harbour.</li> <li>7 businesses were involved in exporting activities. (Timber and pipe).</li> <li>12 permanent jobs have been created and a further 2 safeguarded that pay the Real Leaving Wage at the South Harbour since the project began.</li> <li>Estimated increase expenditure of £2.6m from passengers on cruise ships.</li> </ul> <p><b>Benefits to date (up to March 2024):</b></p> <ul style="list-style-type: none"> <li>Delivered 42,000 square metres of quayside hardstanding.</li> <li>Over £380m construction contract supporting an estimated 2,375 construction jobs over the duration of the contract.</li> </ul>	<b>INCREASE IN GVA BY YEAR 20</b>	City Region from 2025	£0.8b	2040	£1m	£299m
		Scotland from 2025	£0.9b	2040	-	-
	<b>INCREASE IN JOBS BY YEAR 20</b>	City Region from 2025	5,550	2040	11	2,378
		Scotland from 2025	7,160	2040	-	-
	<b>CRUISE VESSEL VISITS</b>	From 2025	60	2025	-	43
		From 2030	75	2030	-	-
		From 2035	85	2035	-	-

**THEME: DIGITAL**

**PROJECT: DIGITAL CONNECTIVITY PROGRAMME**



The Aberdeen City Region Deal provides the opportunity to create a sustainable infrastructure from which the region can transform into a world class digital area. At the core is the need to deliver ultrafast connectivity and use this to grow existing businesses; attract further investment; create new businesses; deliver excellent public services; support mobility and protect the environment; and enhance the area's attractiveness as a place to live and work.

**INCLUSIVE GROWTH/SHORT AND MEDIUM TERM OUTCOMES/ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS (CUMULATIVE)**

Within the Aberdeen City Region Deal, the Digital Theme encompasses work being carried out by various stakeholders, to bring improved digital connectivity to the region, and to nurture innovation in the use of digital technology and connectivity, to bring economic benefits to the region. Within this workstream, the Digital Engagement Team was created with a remit to directly support residents, businesses, and communities, in matters relating to digital connectivity, and to work with all necessary stakeholders to find ways to improve digital connectivity for the Region.

**Delivered in 2023/24:**

- 97.70% of residential dwellings had access to fast internet download speeds (min 30mbps).
- 85.39% of commercial premises that have access to fast internet download speeds (min 30mbps)

**Benefits to date (up to March 2024):**

- Across all digital projects nearly £30m GVA has been created from construction projects and job creation alone.

THEME: DIGITAL

PROJECT: DUCT NETWORK EXTENSION



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).

INCLUSIVE GROWTH/ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS (CUMULATIVE)

<p><b>Delivered in 2023/24:</b></p> <ul style="list-style-type: none"> <li>47 transport systems connected along the duct network route.</li> <li>33km passed enabling effective duct network infrastructure.</li> <li>Phase 2 and Phase 3 delivered by Aberdeen City Council and all employees are 100% paid at least the Real Living Wage.</li> </ul> <p><b>Benefits to date (up to March 2024):</b></p> <ul style="list-style-type: none"> <li>2 communication providers delivered in the local market as per project target.</li> <li>5 construction jobs were created all of which were paid at least the Real Living Wage. In addition a further 5 jobs were safeguarded.</li> <li>17 employment opportunities were delivered via Community Benefits clauses.</li> </ul>	BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	2022/23	2023/24
	<b>STIMULATE THE MARKET TO INCREASE COMPETITION</b>	No. of communication providers in the local market	2	2023	2	Delivered
	<b>INCREASE ATTRACTIVENESS TO TECHNOLOGY ENABLERS</b>	No. of organisations attracted to deploy pilot or test solutions	-	-	In Progress	In Progress
	<b>QUICKLY DEPLOYING 5G SMALL CELL</b>	No. of small-cell communication sites, Uptake of 5G and Cost of 5G	To be identified	Post 2026	-	-
	<b>EARLY ADOPTION OF AUTONOMOUS VEHICLES</b>	No. of suppliers testing autonomous vehicles in Aberdeen	-	2025	-	-
	<b>COST-EFFECTIVE ENABLING DIGITAL INFRASTRUCTURE</b>	Connecting transport systems along the duct network route	-	2023	38	47
		Number of duct partners (e.g.: NHS, Police, Universities, etc)	3	2023	3	Delivered
	Km passed	-	2023	25km	33km	

**THEME: DIGITAL**

**COMPLETED PROJECT: CITY NETWORK EXTENSION (City-wide Fibre Connectivity)**



The project developed an aggregate public-sector model to act as an anchor tenant for full fibre Broadband. City Fibre Holdings and Vodafone invested £59m to provide full fibre to the premises, business, Aberdeen City schools and connect people to vital service provision.

**INCLUSIVE GROWTH/ ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS (CUMULATIVE)**

	BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	CURRENT MEASURE
<p><b>Benefits to date:</b></p> <ul style="list-style-type: none"> <li>57 public sector sites had been connected and transitioned to the corporate network</li> <li>150 jobs created and 30 safeguarded through the duration of the project.</li> <li>Increased the number of Internet Service Providers using City Fibre’s full fibre network offering greater consumer choice and competitive broadband packages.</li> <li>Increased business resilience and productivity as well as improving the ability to work from home through better connectivity.</li> </ul> <p><b>CityFibre have worked with, or supported, several community groups:</b></p> <ul style="list-style-type: none"> <li>Donation to local youth football club in Aberdeen to participate in the Edinburgh Cup.</li> <li>A collaborated with the Silver City Surfers to ensure digital inclusiveness and deliver a series of digital training sessions to residents living in sheltered housing, helping them to stay connected with loved ones and friends during the pandemic.</li> <li>Sponsorship of CLAN’s ‘Light the North’ trail. This was 50 lighthouses at specific locations in the Northeast of Scotland and Northern Isles. The money raised from the initiative went towards supporting vital cancer support services across the region and helped local artists impacted by the pandemic.</li> <li>A community donation to the West End/Queen’s Cross Christmas Lights in December 2021.</li> </ul>	<b>PRIVATE SECTOR INVESTMENT</b>	Investment from the private sector in fibre infrastructure	£15m	2021	£59m
	<b>INCREASED AVAILABILITY OF FIBRE TO THE PREMISES IN ABERDEEN CITY REGION</b>	Number of premises in Aberdeen City with access to ultrafast services	90,000	2021	105,000 homes
	<b>TIMING ADDITIONALITY – SECURING A LEVEL OF INVESTMENT SOONER</b>	Direct Network Build Benefits	£25m (over 15 years)	2030	£59m
	<b>SCALE ADDITIONALITY – SECURING A LEVEL OF COVERAGE AND FUTURE ROLL-OUT</b>	Network Build in Aberdeen City	km network built	2021	807Km
	<b>TRANSFORMATION OF ABERDEEN CITY INTO ONE OF THE UK’S MOST CONNECTED CITIES WITHIN TWO YEARS</b>		Deliver	2019	Delivered
	<b>LAYS THE PLATFORM FOR FURTHER CONNECTIVITY, SUCH AS 5G AND THE INTERNET OF THINGS</b>		Deliver	2030	In Progress
	<b>LAYS THE FOUNDATION FOR EXPANSION INTO KEY ABERDEENSHIRE ECONOMIC DEVELOPMENT LOCATIONS</b>		2 programmes of work	2021	In Progress

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**THEME: DIGITAL**

**COMPLETED PROJECT: FULL FIBRE INFRASTRUCTURE (Gigabit Connectivity)**



This project aimed 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.

**INCLUSIVE GROWTH/ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS (CUMULATIVE)**

Benefits to date:	BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	CURRENT MEASURE
	<ul style="list-style-type: none"> <li>The dark fibre network stretches for some 275km and links 6 major locations - Aberdeen, Westhill, Stonehaven, Banchory, Inverurie and Ellon as well as the smaller communities in between. This network connects 192 public sector buildings is within reach of 44,000 homes and 1,700 business premises. Dark fibre is unused fibre optic cables within the network. These fibre optic cables can be offered commercially to residents and businesses across the region.</li> <li>The project delivered 3 construction jobs and 7 apprenticeships all of which at least paid the Real Living Wage.</li> <li>5 School Engagements – Invigorating future workforce by running workshops on employability and STEM.</li> <li>5 Activities for Higher Education Students – 2 x placements, 3 x STEM Guest Lectures.</li> <li>Upskilling the workforce – funding provided to upskills project staff with BT PIA accreditations.</li> <li>Supporting other sectors – 2 x donations have been made to charities (Absafe for £2,395.00 and the other to Four Pillars for £2,446.40)</li> </ul>	BUSINESSES AND HOMES WILL HAVE ACCESS TO ULTRAFAST DIGITAL SERVICES	No. of businesses passed by fibre (within 50 metres)	2,433	2022
No. of residential properties passed by fibre (within 50 metres)			9,415	2022	13,250
INCREASED NUMBER OF PREMISES WITHIN ABERDEENSHIRE TO BE ADDRESSABLE BY FULL FIBRE (WITHIN 200 METRES)		No. of urban premises	65,841	2022	10,520
		Number of rural premises	2,657	2022	36,420
INVEST IN ULTRAFAST FIBRE ALONG THE DEVELOPMENT CORRIDORS TO KEY EMPLOYMENT CENTRES AND LEISURE LOCATIONS		Fibre along primary travel to work routes (km)	-	2022	275km
INCREASED NUMBERS OF SCHOOLS WILL HAVE ACCESS TO ULTRAFAST FIBRE		No. of schools	54	2022	55
INCREASED NUMBERS OF NHS PREMISED WILL HAVE ACCESS TO ULTRAFAST FIBRE		No. of NHS premises	53	2022	56

**THEME: TRANSPORT**

**PROJECT: 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.

**INCLUSIVE GROWTH/ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS (CUMULATIVE)**

Delivered in 2023/24:	BUSINESS CASE BENEFIT	MEASURES	TARGET	TARGET DATE	2022/23	2023/24
<p><b>Delivered in 2023/24:</b></p> <ul style="list-style-type: none"> <li>Aberdeen Sub Area Model (ASAM) transport model completed and being used for range of projects across the region to assist with future year forecasts for appraisals. Being used as an input to “evidence reports” for each local authority’s Development Plan. <a href="#">The link showcases ASAM information being utilised.</a> Noting that ASAM and wider work also fed into Aberdeen Rapid Transit/Bus Corridors work, <a href="#">please see the link for more information.</a></li> <li>Evidence Review for A90/A952 Appraisal completed summer 2023; Case for Change and Preliminary Options Appraisal completed in 2023/24 that linked to improved routes, please see <a href="#">enclosed link for the document.</a> Work has been accelerated and fits with Investment Zone proposals.</li> <li>Other appraisal work, such as the Aberdeen to Laurencekirk corridor study is benefitting from the wider scope of transport planning work being funded by the STA programme,</li> </ul>	<p><b>REVISED REGIONAL TRANSPORT STRATEGY (RTS), &amp; TRANSPORT INPUT TO DEVELOPMENT PLANS</b></p>	Completion of the RTS and the SDP	Finalisation of key Regional documents	2020	Delivered	Delivered
	<p><b>STPR2 AND NPF4 DOCUMENTS REFLECTING NORTH EAST PRIORITIES</b></p>	Completion of key documents, with content reflecting key North East priorities for transport.	Finalisation of key national documents	2020	Delivered	Delivered
	<p><b>STRATEGIC INPUT TO CITY CENTRE PLANS</b></p>	Ensuring City Centre Masterplan and Beach Development framework reflect strategic priorities in the RTS, including walking, cycling and public transport.	Evidence and Business Cases for future City Centre projects	2026	In Progress	In Progress
	<p><b>DEVELOPMENT AREAS ABLE TO NOT ONLY OPERATE AT CURRENT CAPACITY BUT ALSO TO ACCOMMODATE FURTHER GROWTH</b></p>	Cumulative Transport Appraisal to support Strategic Development Plan (2019)	Deliver	2026	Delivered	Delivered
		Input to new Development Plans (2029-39)	Support for Development Plans	2026	In Progress	In Progress
		Ongoing support for growth areas	Evidence for Business Cases	2026	-	In Progress
	<p><b>STRATEGIC INPUT TO IMPROVEMENTS ON KEY TRANSPORT CORRIDORS (A90 NORTH &amp; SOUTH, A96 AND A947)</b></p>	Input into option appraisals and business cases seeking improvements along these key corridors.	Evidence and Business Cases for future corridor	2026	In Progress	In Progress

demonstrated in the studies Preliminary Options Appraisal report ( <a href="#">see link</a> ).			improvement projects			
	<b>STRATEGIC INPUT TO DEVELOPMENT OF EFFECTIVE GATEWAYS INTO THE CITY</b>	Input into option appraisals and business cases seeking improvements at key gateways and key City Centre routes and active travel	Evidence and Business Cases for future corridor improvement projects.	2026	In Progress	In Progress
	<b>IMPROVED REGIONAL TRANSPORT MODEL (ASAM), MADE AVAILABLE FOR DEVELOPMENT AND PLANNING INDUSTRY</b>	Availability of ASAM14	Completion of audited models	2021	Delivered	Delivered
		Availability of ASAM19	Completion of audited models	2021	-	Delivered
	<b>POST OPENING TRAFFIC AND TRANSPORT DATA COLLECTION, MADE AVAILABLE FOR DEVELOPMENT AND PLANNING INDUSTRY</b>	Availability of survey information	Availability of data upon request from planning / development industry	2020	Delivered	Delivered



## ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

<b>COMMITTEE</b>	Aberdeen City Region Deal (ACRD) Joint Committee
<b>DATE</b>	15 November 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Strategic Transport Appraisal – Update
<b>LEAD OFFICERS</b>	Rab Dickson, Director Nestrans
<b>REPORT AUTHORS</b>	Paul Finch, Strategy Manager Nestrans
<b>REPORT DATE</b>	5 November 2024

<b>1:</b>	<b>Purpose of the Report</b>
1.1	To seek approval from the Joint Committee for progression of a cumulative transport appraisal within the Strategic Transport Appraisal (STA) to support the Councils' Local Development Plan processes, and otherwise note progression of work within the STA suite of projects.

<b>2:</b>	<b>Recommendations for Action</b>
	It is recommended that the Joint Committee:
2.1	Approve the proposals for the progression of a regional Cumulative Transport Appraisal, linked to both Councils' development plan process, as part of the Aberdeen Sub-Area Model (ASAM) project line.
2.2	Note that the Director of Nestrans has committed to report back on the completion of the business cases, and at other relevant milestones in their development.

<b>3:</b>	<b>Summary of Key Information</b>
	<b>Governance</b>
3.1	The STA element of the Deal is focussing on the progression of Business Cases for regional transport projects, with a view to subsequent implementation when future funding opportunities arise. A total of £7m has been allocated to the project, £5m from the two governments, and £1m each from the two local authorities. The outline

3:	Summary of Key Information
	<p>business case for this programme was agreed by the Joint Committee in November 2017.</p>
3.2	<p>Seven areas of work are currently being undertaken in the current FY24/25 Financial Year, as detailed to the Joint Committee in February 2024.</p> <ul style="list-style-type: none"> <li>a) Completion and application of the Aberdeen Sub-Area Model (ASAM) strategic transport model to inform the Council's Local Development Plan process;</li> <li>b) A90/A952 Ellon-Peterhead-Fraserburgh Corridor Appraisal;</li> <li>c) A965 Wellington Road Junction Appraisals and Design;</li> <li>d) Rail Freight Terminals Review;</li> <li>e) Regional Hydrogen Refuellers;</li> <li>f) Mobility Hub Development; and</li> <li>g) Aberdeen Rapid Transit proposals.</li> </ul>
3.3	<p>These themes of work were identified by overlaying outcomes of the following strategic policy documents:</p> <ul style="list-style-type: none"> <li>a) Second National Strategic Transport Projects Review (STPR2);</li> <li>b) Regional Transport Strategy and associated supporting evidence; and</li> <li>c) Key transport opportunities identified in the Regional Economic Strategy.</li> </ul>
	<p><b>Progress to Date</b></p>
3.4	<p>Updates are provided in the quarterly update dashboard reports considered during each Joint Committee meeting, but a summary position is provided below.</p>
	<p><b><i>ASAM Transport Model and Strategic Testing</i></b></p>
3.5	<p>The model is now completed, and being used for a range of projects across the region to assist with baseline and future year forecasts for appraisals. It is currently being used as an input to "evidence reports" for each Local Authority's Development Plan. The evidence report is now available on the Strategic Transport Appraisal section of the Nestrans website:</p> <p><a href="https://www.nestrans.org.uk/about-nestrans/organisation/documents-crd-sta/">https://www.nestrans.org.uk/about-nestrans/organisation/documents-crd-sta/</a></p>
3.6	<p>Following the adoption of Scottish Government's National Planning Framework 4 (NPF4), it has been highlighted to our Planning Authorities that there will be a requirement to assess the transport impacts of their emerging Local Development Plans on the strategic transport network,</p>

3:	Summary of Key Information
	<p>including consideration of mitigation options. Due to the inter-relationship of the strategic transport network between both the local authorities, it is proposed to undertake this work on a regional basis, funded from the Strategic Transport Appraisal ASAM strategic testing allocation. The business case for the STA notes that it will look at the long-term strategic view of the transport implications of regional investment across modes including road and rail, and is therefore considered to be fully within the scope of the STA.</p>
3.7	<p>Work is now ongoing with both planning authorities and Nestrans to scope up this work, which can be completed within the previously stated milestone for ASAM Strategic Testing. Additional funding would be required to support this work, (current project estimate £160k), requiring virement of £100k from other budget lines within the STA programme. It is proposed to vire £50k each from budget lines associated with Mobility Hubs and Hydrogen Refuellers to fund this from the anticipated FY25/26 STA budget lines. This proposal has been supported by the Transport Working Group, and Programme Board.</p>
3.8	<p>The required additional funding for ASAM from the Mobility Hubs and Hydrogen Refuellers STA workstreams will not impact the completion of the respective project milestones. The allocation of these funds has been carefully planned to ensure that all project timelines and deliverables remain on track. This strategic approach allows to address the financial needs of the ASAM workstream while maintaining the commitment to achieve the established milestones for both the Mobility Hubs and Hydrogen Refuellers projects.</p>
	<p><b><i>A90/A952 (Ellon, Peterhead, Fraserburgh) Appraisal</i></b></p>
3.9	<p>Work on the Detailed Options Appraisal of short to medium term proposals is now progressing, following reporting and approval of the Preliminary Options Appraisal in June 2024 by the Nestrans Board. (Available at <a href="https://www.nestrans.org.uk/projects/studies/">https://www.nestrans.org.uk/projects/studies/</a>). Alongside other interventions, the appraisal includes emerging proposals for Toll of Birness junction (A90/A952), and this continues to be a focus for discussion linked to the North East Investment Zone, housing development opportunities in Mintlaw, and wider safety/network reliability issues. Whilst recent traffic surveys have been undertaken to inform the appraisal, specific Specialised Goods Vehicle Counts have also been commissioned to support the work. It is currently planned for the detailed appraisal to be completed in Q4 of financial year 2024/25.</p>

3:	Summary of Key Information
3.10	<p>In order to enable a seamless transition between scheme appraisal, and detailed design, preparations are now in place with Aberdeenshire Council to commence procurement for professional services to progress the design works (Design Manual for Roads and Bridges, Stages 2 and 3) and Outline Business Case for the next stages of the project.</p>
<p><b><i>A956 Wellington Road Junctions</i></b></p>	
3.11	<p>Design work on Hareness and Souterhead junctions and adjoining road sections (including active travel, controlled road crossings, and public transport/freight priority) has progressed to the end of the DMRB Stage 2 (Route Option Assessment). This was reported to Aberdeen City Council's Net Zero, Environment and Transport Committee on 12 November 2024.</p>
3.12	<p>The work recognises the linkages with the External Transportation Linkages to Aberdeen South Harbour project, Aberdeen Rapid Transit proposals, and the wider connectivity of the Energy Transition Zone / North East Investment Zone proposals. Details of the study work are published as part of the Committee Agenda, <a href="#">Agenda item - Wellington Road Junction Improvements (WRJI) – Progress Report - CR&amp;E/24/299</a>.</p>
3.13	<p>The preferred option arising from the DMRB Stage 2 work includes:</p> <ul style="list-style-type: none"> <li>a) Additional signalised pedestrian crossings on Hareness Roundabout;</li> <li>b) Improved signalised crossing facilities on Souterhead Roundabout;</li> <li>c) Carriageway widening to accommodate a dedicated bus and freight lane between Charleston Road North to Souterhead Roundabout;</li> <li>d) Two-way segregated cycle track on the west side of the corridor from Charleston Road North to Hareness Roundabout;</li> <li>e) Reallocation of carriageway space to create a dedicated bus and freight lane between Souterhead Roundabout to Hareness Roundabout;</li> <li>f) Two-way segregated cycle track on the east side of the corridor from Hareness Roundabout to Craigshaw Drive; and</li> <li>g) No change to existing carriageway between Hareness Roundabout to Craigshaw Drive.</li> </ul>
3.14	<p>The factors that have influenced the selection of the preferred option, relative to other options, are as follows:-</p>

<b>3:</b>	<b>Summary of Key Information</b>
	<ul style="list-style-type: none"> <li>a) Prioritising facilities for sustainable transport modes along the corridor;</li> <li>b) Provision of improved, safer, more inclusive active travel facilities;</li> <li>c) Recognition of the strategic importance of freight on the corridor;</li> <li>d) Less disruption to traffic and the existing carriageway through the construction phase;</li> <li>e) Having the potential for a relatively lower impact on utilities; and</li> <li>f) Providing a cost-effective solution.</li> </ul>
3.15	<p>Subject to ACC Committee approval, the next stages of the project would be to advance the DMRB Stage 3 Scheme Assessment, including public and stakeholder engagement on the preferred option, and continued development of the Outline Business Case. This would be commenced in the current financial year, with the STA funding of £500k allocated across FY 25/26 until the end of Q2 in FY 26/27.</p>
	<p><b><i>Rail Freight Terminals Review</i></b></p>
3.16	<p>The current stage of study work was completed in November 2023. There is no immediate requirement for further options development, and any further work is pending outcome of other workstreams, such as progression of the Aberdeen to Central Belt Rail Enhancements projects, and any further work on East Tullos master-planning. However, freight counts undertaken at A90/A952 at Toll of Birness, and additional sites at A96 Inverurie and A956 Loriston Loch, provide key baseline information on freight flows and commodities which can inform future assessment of options, and will be used to facilitate continued discussion with key stakeholders on rail freight development opportunities.</p>
	<p><b><i>Regional Hydrogen Refuellers</i></b></p>
3.17	<p>Feasibility work has been completed and has been published on the Nestrans website, setting out the key factors for a stand-alone hydrogen vehicle refuelling site, land requirements, capital and revenue costs, and other key risk and deliverability considerations. (<a href="https://www.nestrans.org.uk/about-nestrans/organisation/documents-crd-sta/">https://www.nestrans.org.uk/about-nestrans/organisation/documents-crd-sta/</a>)</p>
3.18	<p>Overall, this study confirmed there are viable options for hydrogen refuelling stations that can be applied across the North East of Scotland. The standard footprint developed is both adaptable and modular to scale up to meet hydrogen requirements over time. Standardised footprint costs could be in the region of £7m to £10m capital and £500k-£900k</p>

### 3: Summary of Key Information

operational cost per annum depending on scale, based on 250kg/day demand (which is a longer-term demand projection). Alternative scales of demand and reduced specifications would reduce both capital and operating costs, potentially to £2m-£3m capital, and in the order of £100k to £200k operational cost. To progress, further work will be required to develop a business case, including establishing potential users, the necessary supply chain issues, and adaptations to suit physical site constraints.

- 3.19 It is recognised that the take-up of hydrogen vehicles in the private and public sector is taking place over a longer-term horizon than had been previously anticipated, despite recognition of its value as part of future energy mix for heavy goods vehicles. With a focus on the progression of low carbon haulage, complementary work on Battery Electric Vehicle freight recharging requirements / hubs would also be beneficial, in order to compare market status, risk and deliverability issues. It is proposed that this is also now explored as a next stage of project development.

#### ***Mobility Hubs***

- 3.20 Feasibility work has been completed across a range of sites across the North East and has been published on the Nestrans website. One of the studied options, at Ballater, offers the potential to meet community, local authority, and other stakeholder ambitions, as confirmed following recent community and stakeholder consultation. The emerging proposals would assist with the management of local buses, tour buses, and facilitating wider sustainable transport choices. A steering group including Aberdeenshire Council, Nestrans and Cairngorms National Park has been formed to procure detailed design and business case professional services for this option. Work continues to consider options for how mobility hubs in other urban areas in Aberdeenshire and Aberdeen City might be deployed.

#### ***Aberdeen Rapid Transit***

- 3.21 Work continues on the finalisation of the Strategic Business Case, due for the end of March 2025. A re-structure of the project was agreed by the Nestrans Board in September 2024. Following identification of preferred ART route alignments, the previously defined milestone for the individual corridors have now been wrapped up into milestones that relate to the whole ART project. Work also continues on ensuring a consistent level of outline design for each of the identified corridors and procurement of communications and engagement support for business case development.

<b>3:</b>	<b>Summary of Key Information</b>
<b><i>Risk Allocation for External Transportation Links to Aberdeen South Harbour</i></b>	
3.22	In February 2024, the ACRD Joint Committee also indicated support for the reallocation of £1.150m of funding from STA, from the two Local Authority contributions, to cover the medium to high-risk provision associated with the External Links to Aberdeen South Harbour project.
3.23	Initial discussions have commenced regarding the governance required to facilitate this. It is noted that this will be a material change, and a change to previously agreed business case, and would require sign off from the two local authority responsible committees in both Aberdeen City Council and Aberdeenshire Council, as well as approval from the two Governments. However, the proposal is being promoted with the aim of ensuring delivery of the key overall aims of the Deal, making best use of the committed funding.
3.24	Officers are now discussing with legal and committee officers the commencement of this governance and change process.

<b>4:</b>	<b>Finance and Risk</b>
4.1	The STA business case projects continue to progress within the overall financial allocations set for this phase of work, with the project ending in March 2027.
4.2	Realisation of the funding allocations continues to be contingent on any necessary committee and gateway approvals when moving from one stage to another. It is also highlighted that the during the process of working through early feasibility, design work, and assessment of costs and risks, some projects will not progress, whilst others may require review.

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



<b>COMMITTEE</b>	Aberdeen City Region Deal (ACRD) Joint Committee
<b>DATE</b>	15 November 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	External Transportation Links to Aberdeen South Harbour – Progress Report
<b>LEAD OFFICERS</b>	John Wilson
<b>REPORT AUTHORS</b>	Ross Stevenson
<b>REPORT DATE</b>	8 November 2024

<b>1:</b>	<b>Purpose of the Report</b>
<p>At the Aberdeen City Region Deal Joint Committee of 8 September 2023 the committee instructed:</p> <p>i. <i>that regular update reports be provided in respect of the timescales and project finance costs to each future meeting of the Joint Committee;</i></p> <p>The purpose of this report is to update the Joint Committee on timescales and the project finance costs.</p>	

<b>2:</b>	<b>Recommendations for Action</b>
<p>i. Note the ongoing discussions with both Governments with regard to the Outline Business Case.</p> <p>ii. Note the progress of the scheme with regard to the ongoing detailed design work, Planning Application, and the progression of the Compulsory Purchase Order.</p> <p>iii. Note the commencement of discussions on utilising one of the Governments' Construction Frameworks as an alternative procurement route from the two stage Restricted Procedure previously envisioned.</p>	

<b>3:</b>	<b>Summary of Key Information</b>
<p>i. Following consideration by the Joint Committee the Aberdeen South Harbour Link Road Design Manual for Roads and Bridges (DMRB) Stage 3 Scheme</p>	

3:

### Summary of Key Information

Assessment and Updated Outline Business Case were submitted to the governments. Feedback on the OBC has been received and discussions to allow progression of the project beyond Full Business Case continue.

- ii. The detailed design for the project continues to progress with the second phase alignment design, fencing, road restraint systems, earthworks, pavement, traffic signs & road markings, and street lighting packages all completed.
- iii. Further drainage, traffic, topographic and ground penetrating radar surveys have been progressed since the project was last reported to the Joint Committee in September. Additional ground investigation works are programmed to commence in November 2024.

#### Structures Package

- iv. The detailed design package has been passed to Aberdeen City Council and Network Rail. The current design package includes piling into fractured rock for the foundation of the abutment of the east side of the railway line. Additional ground investigation work is required to finalise this element of the design.

#### Planning Application

- v. A planning application for the project was submitted to Aberdeen City Council on 20 May, this application was subsequently validated on Monday 27 May 2024. Nine consultees raised feedback on the submission with one further letter of support. Further documentation has since been submitted and subsequently responded to the consultees for further feedback. It is anticipated that a decision on the planning application will be made in autumn 2024.

#### Compulsory Purchase Order

- vi. As previously advised to the Committee, notice was served for The Aberdeen City Council (Aberdeen South Harbour Link Road) Compulsory Purchase Order 2024 and those with an interest in the affected land were given until 10 July 2024 to submit objections to the Scottish Ministers. Two objections were received. Whilst the project continues to attempt to resolve the issues raised in the objections, they have now also been referred to Planning and Environmental Appeals Division for consideration by a Reporter.

#### Procurement

- vii. Officers are currently in discussions with Aberdeen City and Shire Central Procurement Unit over the potential use of National Construction Frameworks one of which has recently been established. The use of these frameworks

removes the need to undertake the Single Procurement Document (SPD) process and could streamline the procurement process.

- viii. Steps to ensure that the construction framework is available are underway with the Central Procurement Unit progressing the necessary governance towards the adoption of the framework. On the conclusion of the adoption process it is intended to publish an Expression of Interest (EOI) to start the call off process.
- ix. The key benefits of using the new Construction Framework include, Value for Money, Speed to Market, Sustainability (Net Zero / Carbon embedded in Scope), Fair Work commitments, Community Benefits and Performance, this is measured on environmental, social and fair work metrics.

#### Construction

- x. Through ongoing dialogue with representatives from the Aberdeen Hydrogen Hub (AHH), it has become apparent that the scale of construction works within both Hareness Road and Coast Road prior to the commencement of the Aberdeen South Harbour Link Road project is extensive. It is anticipated that the two projects will be able to work together to minimise direct conflict, however due to competing project demands and programs it is unlikely that these works can proceed concurrently. As such the AHH works are likely to commence in advance of the ASHLR contract prolonging the duration of disruption experienced by the travelling public.
- xi. SSE are bringing forward major works for the refurbishment of their high voltage power distribution route in the south of the city, some of these works occur on Wellington Road. It is likely that this will include the closure of one carriageway on Wellington Road for an extended duration. With this in mind further discussions with Port of Aberdeen, ETZ, AHH and SSE are required to further develop the Constructability and Phasing Assessment.

#### Programme and Milestones

- xii. Due to the requirement for additional Ground Investigation works there is a delay to the project. This delay is currently estimated at 6- 8 weeks, technical advisors are currently reviewing the delay, mitigation measures and impact on the critical path. Until this can be fully updated the milestones below will be delayed.

**3:** Summary of Key Information

Project Milestones	Planned Date	
Supplier Selection – Complete SPD	11/09/2024	Alternative procurement route being reviewed.
Complete Detailed Design	01/11/2024	Progress with delay
Post Design Public Exhibition	01/11/2024	Delayed
Structure – Technical Approval (ACC and Network Rail)	07/11/2024	Progress with delay
Issue of Invitation to Tender	13/01/2025	Progress with delay
Conclusion of statutory processes	20/12/2024	In progress
Final Business Case	01/04/2025	Progress with delay
Major Milestone: Road Infrastructure Open for use	12/02/2027	On track

**4:** Finance and Risk

- i. Ongoing global factors are having a significant impact on the supply of construction materials with associated impact on overall scheme costs, as such the Project Team will regularly review the scheme cost estimate.
- ii. Following procurement of the construction contracts the financial profile for the project will be updated and the Joint Committee will be updated as part of the regular progress updates.
- iii. Timescale risks associated with the statutory approvals and the acquisition of third party land remain.

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

<b>COMMITTEE</b>	Aberdeen City Region Deal (ACRD) Joint Committee
<b>DATE</b>	15 November 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Scottish Government Additional Investment Update – Transport Projects
<b>LEAD OFFICERS</b>	Rab Dickson
<b>REPORT AUTHORS</b>	Paul Finch
<b>REPORT DATE</b>	04 November 2024

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

<b>2:</b>	<b>Recommendations for Action</b>
	<p>It is recommended that the Joint Committee:</p> <p>i. Note the update in the report.</p>

<b>3:</b>	<b>Summary of Key Information</b>
	<p><b>Governance</b></p> <p>i. Funding for the two transport projects was announced alongside the City Region Deal by the Scottish Government. These projects are wholly funded by the Scottish Government and are being managed by Transport Scotland. The Memorandum of Understanding notes:...</p>

### 3: Summary of Key Information

*“The transport commitment that forms part of the package of additional Scottish Government investment alongside the City Region Deal is:*

- An initial £200 million additional funding to help improve journey times and increase capacity on key rail links between Aberdeen and the Central Belt: and*
- £24 million of funding for the trunk roads programme to support improvements to the key A90/A937 south junction at Laurencekirk.*

*There is value in ensuring that the Aberdeen City Region Deal Joint Committee is kept informed of progress with these projects to that it can maximise synergies with the City Region Deal investments.”*

- ii. Officers from Transport Scotland have attended the Joint Committee on a six-monthly basis to provide updates on the progress of the projects, typically the May/June and November joint committees.
- iii. Both of the Transport Projects have accompanying stakeholder liaison groups. In the case of the Aberdeen to Central Belt group, these meet quarterly, with the last meeting being 17 September 2024. For the Laurencekirk project, the last meeting of the group was held late 2021, although regular communications between Aberdeenshire Council and Transport Scotland have continued since this time. Given the passing of time, and some recent progress, officers are seeking to arrange a stakeholder meeting in early 2025.
- iv. In addition, the CRD Transport Working Group meets approximately every 6 weeks, and the two MoU Transport Projects are included on the agenda as a standing item. Representatives from Transport Scotland attend this meeting and provide a point of liaison with the respective road and rail project teams.
- v. As reported to the May 2024 Joint Committee, during evidence provided to the Scottish Parliament’s Net Zero, Energy and Transport Committee on 30<sup>th</sup> January 2024 by the Cabinet Secretary, (related to Budget Scrutiny for Financial Year 24/25), it was confirmed that aspects of the programme for the Aberdeen to Central Belt were now under review. Following correspondence and further updates, it has been confirmed that the Scottish Government continues its commitment to both projects, but that a programme review is necessary due to wider budgetary constraints across the Scottish Government.

#### **Aberdeen to Central Belt Rail Improvements**

<b>3:</b>	<b>Summary of Key Information</b>
	<ul style="list-style-type: none"> <li>i. <b>Appendix A</b> presents the progress update provided by Transport Scotland.</li> <li>ii. Officers have continued to liaise with both Network Rail and Transport Scotland including at the project stakeholder meeting in September 2024, and via wider regional rail liaison meetings. An update was also provided to the Nestrans Board held on 25 September 2024. Across each of these forums, the importance of delivering the improvements associated with Aberdeen to Central has been emphasised, as a means to unlocking journey time improvements, accessibility improvements, decarbonisation, and rolling stock renewal. Completion of the programme is also recognised as helping to unlock the region’s rail freight potential, and opportunities for local rail stations south of Aberdeen station.</li> </ul> <p><b>A90/A937 Laurencekirk Junction Improvement Scheme</b></p> <ul style="list-style-type: none"> <li>i. <b>Appendix B</b> presents the progress update provided by Transport Scotland.</li> <li>ii. Officers from Aberdeenshire Council have confirmed that their dialogue with TS continues on the project. Significantly, these discussions enabled Aberdeenshire Council to lift their formal technical objection to the scheme (related to Oatychill Bridge) in February 2024, and it is reported that all other objections have now been removed.</li> </ul>
<b>4:</b>	<b>Financial and Risk Implications</b>
	<ul style="list-style-type: none"> <li>i. There are no direct financial implications for the Joint Board arising from the progress report, as the two transport projects are directly funded and project managed by the Scottish Government / Transport Scotland.</li> <li>ii. With respect to A90/A937 Laurencekirk Grade Separated Junction project, it is important that partners continue to work together in order to minimise programme impact.</li> <li>iii. With respect to Aberdeen to Central Belt project, officers will continue to work with Network Rail and Transport Scotland on the progression of the project to enable the delivery of regional benefits.</li> </ul>

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# ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

<b>COMMITTEE</b>	Aberdeen City Region Deal (ACRD) Joint Committee
<b>DATE</b>	15 November 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Scottish Government Additional Investment Update
<b>LEAD OFFICERS</b>	Mairi Joyce
<b>REPORT AUTHORS</b>	Alastair Camelford
<b>REPORT DATE</b>	21 October 2024

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

<b>2:</b>	<b>Recommendations for Action</b>
	<p>It is recommended that the Joint Committee:</p> <p>i. Note the update in the report.</p>

<b>3:</b>	<b>Summary of Key Information</b>
	<p><b>Aberdeen to Central Belt Rail Corridor Investment</b></p> <p>The Scottish Government has committed £200 million to improve journey times and increase capacity on key rail links between Aberdeen and the Central Belt for passengers and freight.</p> <p>A bespoke Aberdeen to Central Belt Key Stakeholders Group meets quarterly to keep stakeholders informed of progress and is attended by an Aberdeen City Region Deal representative, Nestrans, Tactran, Network Rail and ScotRail. The most recent</p>

### 3: Summary of Key Information

meeting of the Group took place on Tuesday 17<sup>th</sup> September 2024, where an update was provided on project progress.

The option selection process for the project concluded in 2023. The final package selected comprises signal enhancements, improvements to station layouts at Dundee, Aberdeen, Arbroath and Montrose, and specific capacity alterations, including freight loops, to facilitate the mixed operation of faster and slower trains on the same route.

Given the extremely challenging financial climate, and following the UK Autumn Statement, Ministers had to take difficult decisions in setting the budget for 2024-25 which impacted upon our planning for this project. As the Cabinet Secretary Ms McAllan outlined to the Scottish Parliament, when budgets are constrained, it is only right to consider the time over which projects can be completed.

An outline Outline Business Case (OBC) for the wider Aberdeen Route Upgrade which encompasses both the Service Improvements Project and the route Decarbonisation Project was concluded in the Summer of 2024. The OBC took a whole corridor approach, examining journey time improvements, route decarbonisation, gauge improvements and signalling renewals.

The OBC was duly considered by Transport Scotland's Investment Decision Making Board. A decision to progress with procurement of new trains has subsequently been progressed, however options for implementing the next stage of the Aberdeen – Central Belt Service Improvements Project remain under consideration. In the interim, design works are continuing and are fully funded in financial year 2024/25.

#### **Service Improvements Project (formerly know as Journey Time Improvements)**

The contract for the 'Approval In Principle design' with Siemens is ongoing for the selected scope. Works continue on developing the design and an integrated schedule. These shall continue throughout 2024 and are due to conclude in 2025.

Signal sighting, signalling design, track design and inter-disciplinary checks have continued to progress since our previous six-monthly update.

Updated cost estimates have been prepared as part of OBC development. These are being considered by Transport Scotland as part of planning for the next phases of the project.

#### **Decarbonisation Works**

Following conclusion of a route wide Outline Business Case. The case for replacing the ScotRail High Speed Train fleet, which operates on routes between Glasgow and Edinburgh to Aberdeen, was endorsed by Ministers. The commencement of a

### 3: Summary of Key Information

procurement exercise to replace the HST train fleet was announced to parliament on 3<sup>rd</sup> September 2024.

ScotRail will run an open competition for the replacement trains, so it is not possible to say exactly what the new rolling stock will be. However, the requirement will be for a train of an Intercity type to serve long-distance travellers, with the corresponding levels of passenger comfort and passenger amenities.

The extent of electrification required, if any, will be determined by the outcome of the procurement exercise. The cost of infrastructure to support the replacement fleet, is part of our financial planning.

In terms of the route decarbonisation works, we note that Route Clearance works is concluded at 3 bridges and 2 tunnels (Kippenross and Moncrieffe).

The location of the proposed Dundee Feeder Station (To serve railway electrification) is now planned to be east of Dock Street. A contract has been placed with National Grid for a new Feeder Station at Drumlithie.

#### **Dunblane and Barnhill**

Works to support the journey time improvements are complete at Barnhill (east of Perth) and Dunblane.

The Barnhill line speed improvements were completed in late 2023, with capacity benefits planned for the December 2024 timetable. The works will allow an increase in line speed for trains from 20mph to 50mph in this location.

At Dunblane the track enhancements were completed in early 2024. A new crossover provides a capacity increase which will lead to less delay and cancellations and provides an opportunity for additional services. Operational improvements between Glasgow and Aberdeen have been in place since the June 2024 timetable. The new crossover means trains will be able to arrive and then depart from platform 3 towards Edinburgh and Glasgow, without having to leave the station. This will reduce delays and improve train performance while increasing capacity for freight on the line between Dunblane and Perth by almost 40%.

The Final Cost is £6.8m for Barnhill and £11.2m for Dunblane enhancements.

#### **General**

We continue to encourage you to continue to raise any queries through your representative on the Key Stakeholder Group. The next meeting of this group will be held in January 2025.



<b>COMMITTEE</b>	Aberdeen City Region Deal (ACRD) Joint Committee
<b>DATE</b>	15 November 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Scottish Government Additional Investment Update
<b>LEAD OFFICERS</b>	Mairi Joyce
<b>REPORT AUTHORS</b>	Rebecca Long
<b>REPORT DATE</b>	22 October 2024

<b>1:</b>	<b>Purpose of the Report</b>
	<p>i. To update the Aberdeen City Region Deal Joint Committee on the progress of projects being taken forward through the additional Scottish Government investment announced alongside the Aberdeen City Region Deal. This report covers progress on the A90/A937 Laurencekirk Junction Improvement Scheme.</p>

<b>2:</b>	<b>Recommendations for Action</b>
	<p>It is recommended that the Joint Committee:</p> <p>i. Note the update in the report.</p>

<b>3:</b>	<b>Summary of Key Information</b>
	<p><b>A90/A937 Laurencekirk Junction Improvement Scheme</b></p> <p>Transport Scotland appointed design consultants (AMEY) for the A90/A937 Laurencekirk Junction Improvement scheme in September 2016 to support progress of the design development and assessment phases based on the standards of good practice set by the Design Manual for Roads and Bridges (DMRB).</p> <p>The options from the DMRB Stage 2 assessment process were presented to the public at an exhibition in October 2017 with the preferred option itself</p>

### 3: Summary of Key Information

announced in July 2018 at a series of public exhibitions. The preferred option consists of a south grade-separated junction with a full diamond layout and bridge over the A90 together with retention of the existing central reserve gaps at the Centre (B9120) and North (A937) junctions.

The DMRB Stage 3 detailed development and assessment of the preferred option was completed with the culmination in the publication of the draft Orders and an Environmental Impact Assessment Report on 19 December 2019. A public exhibition was held on 10 January 2020 to allow local communities and road users to view and comment on proposals for the scheme. The statutory consultation period closed on 14 February 2020. Three statutory objections were received from landowners directly affected by the Compulsory Purchase Order. The substance of these objections was primarily in relation to loss of land and access arrangements. Aberdeenshire Council as local Roads Authority also lodged a statutory objection on the basis that the stopping up of Oatyhill Junction to the southern end of the Scheme would leave residents with a single point of access over the Oatyhill Rail bridge which is in poor repair.

Transport Scotland reached a formal agreement with Aberdeenshire Council on 20 February 2024 regarding the provision of a new bridge at Oatyhill and associated funding liability which enabled Aberdeenshire Council to withdraw its objection.

Transport Scotland has continued to work with all three landowners who objected to the scheme and has now successfully resolved all outstanding objections. Whilst resolution of the final objection represents a significant milestone for the scheme, it is important to note that the decision of Aberdeenshire council to close Oatyhill Bridge to vehicular traffic following publication of draft Orders directly impacts on the deliverability of the scheme as currently being promoted. It is therefore necessary to publish supplementary Orders for a new bridge at Oatyhill. Work is being progressed by Transport Scotland to prepare and publish these supplementary draft Orders as a priority.

Transport Scotland will work with directly affected parties to reduce the likelihood of further objections being received as far as possible during the design development and promotion of the new bridge providing access to Oatyhill. Should further objections be received, a public local inquiry may be required. As with all trunk road projects this is the appropriate forum for considering objections received and not withdrawn.

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

<b>3:</b>	<b>Summary of Key Information</b>
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A Partnership Group with Aberdeenshire and Angus Councils, along with Nestrans has been set up to support this scheme by providing a cohesive policy and investment approach which will help to maximise the benefits of the investment. Consultation with the group has been maintained throughout the scheme development stages, with further engagement with the Group planned as part of the ongoing scheme development.

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

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