

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

Quarterly Progress Report Appendix 1: 5th June 2020

The Oil & Gas Technology Centre

Time	G	Budget	G	Resource	G
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Established in October 2016, the OGTC is already delivering significant results as it drives forward the organisation's key goals; to help maximise economic recovery from the UK continental shelf, anchor the supply chain in the North-East of Scotland, and create a culture of innovation in the region. These are driven through Solution Centres, National Centres, Tech X accelerator and the Innovation Hub.

Major Milestones: Business Case Approved 2016; Opened February 2017; 18-Month Checkpoint Review March 2018, Submission of stretched targets to UK/Scottish Government agreed December 2018.

Previous Milestone: October 2019, 6 Solution Centre funded technologies reach commercialisation phase. Update: Currently at 20.

Next Milestone: The OGTC Checkpoint Review Scheduled for April 2020 has been postponed due to COVID-19.

A link to case studies on completed and live projects can be viewed at <https://www.theogtc.com/projects/>.

Progress Update:

- ✓ Considerable levels of engagement across the industry to drive participation in both the Solution Centre Memberships and Directed Projects.
- ✓ Over 138 members of the Solution Centres currently in place, with further expected to join in the coming months.
- ✓ 237 approved Projects in progress, with a total investment of £149m with OGTC share of £56.2m.
- ✓ Over 50 offshore trials planned, with a number already completed – potential slippage of field trials due to COVID19 impact and oil price crash.
- ✓ The research themes for both National Centres is being developed in collaboration with the Universities and Industry.
- ✓ Innovation Hub continues to have a busy program with consistently positive feedback being received – several events have now been moved to virtual hosting.
- ✓ Building sourced for the National Subsea Centre – launch planned for late Q3 / Q4 2020 depending on length of COVID19 lockdown
- ✓ Working closely with industry and government on the Integrated Energy Vision
- ✓ Cohort 3 for TechX selected – programme due to start in August along with planning for delivery of a virtual cohort (depending on COVID19 impact) (slipped from June due to COVID-19)
- ✓ Transfer of OGIC activities completed - funding agreement agreed with SFC, SE and Scot Govt for just under £3 over the next 3 years

COVID-19 Update: Staff continue to support both Solution Centre Memberships and Directed projects working from home offices. Webinars/Virtual on-line are used for meetings and communications. COVID-19 Impacts along with oil price and impact on industry are being considered.

Appendix 1 RAG Key:

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Food Hub for Innovation (SeedPod)

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The Food Hub is a £21million investment project over ten years to accelerate growth and innovation of existing businesses and start-ups. It will build on the strengths of the food and drink industry in the North-East of Scotland through a consumer-focused, customer-driven approach to innovation across all sectors of the industry. Construction is projected to start 2020/21 with Seedpod opening to its first tenants in 2022.

Major Milestones: JC Approved Business Case August 2018; UK/Scottish Government approved Business Case 17th January 2019; £10M Capital funding from UK/SG approved and £4.4M funding from Opportunity North East (ONE) approved; A newco Food Hub (NES) Ltd set up to manage the construction project and ongoing operation of the Food Hub; Seedpod launched January 2020; Checkpoint Review February 2020.

Previous Milestone: Design and Planning of Hub for Innovation –July 2020

Next Milestone: Planning Permission Sept 2020

Progress Update:

- Successful SeedPod launch event in January 2020.
- Initial designs produced within project budget
- Masterplan for wider site underway by landlord
- Contractual terms agreed with project team (Architect Led Design Team, Cost Consultant, Principal Designer)
- Initial discussions held with Aberdeen City Council Planning Department

COVID- 19 Update: Design and Planning work continues as planned with the design team working with planners remotely using online meetings. Profiled spend for this financial year has not significantly changed.

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Bio-Therapeutic Hub for Innovation

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The Bio-therapeutics Hub for Innovation (Bio Hub) is a ten year £40million investment project to accelerate growth and build on the strengths of the Life Sciences cluster in the North East of Scotland, which includes the company base, University of Aberdeen, Robert Gordon University and NHS Grampian. Construction is projected to start in 2020 with the Bio-Hub opening to its first tenants in 2021. Opportunity North East (ONE) supports companies across the Life Sciences sector.

Major Milestones: Business Case Approval by JC June 2017 and Funding Partners October 2017 for £20M capital funding); £3.6m ONE funding approved and Life Sciences Support Programme Launched October 2017; Formal launch January 2018; Checkpoint Review January 2020; Planning application approved March 2020.

Previous Milestone: Planning application approved March 2020

Next Milestone: Complete Tendering and Contracting of Build (Stage 2 - March 2020 DELAYED)

Progress Update: Follow up support continues to be delivered to companies participating in the Pilot Life Sciences Business Support programme through ONE and Partners.

COVID-19 Update: There is a significant change to the expected BioHub drawdown this year, with the figure reducing from £9.1m to £2.6m. The current Coronavirus situation not only means that construction cannot get underway, but also that there is significant uncertainty throughout the supply chain in terms of costs, timelines and availability of materials and resources. The implications of engaging with and working on an NHS site during the current pandemic also impacts on delivery. Considering this, the site start date (previously forecast for April 2020) has been delayed by an estimated 5 months. This effectively takes 5 months of construction costs out of the 2020/21 drawdown forecast and into next years. The uncertainty due to the current situation means that the revised timeline and budget may need to be updated in the following months and has therefore the status has moved from Green to Red (Time) and Amber (Budget).

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City Network Extension - Digital

Time	A	Budget	G	Resource	G
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The City Network Extension project will extend Aberdeen City Council's fibre network to 57 additional sites across the City. It has successfully stimulated private investment of £40million by CityFibre and Vodafone to extend and deploy fibre, providing most of the City with access to 'fibre to the premises' and creating Scotland's first 'Gigabit City'. The project is due to complete December 2020.

Major Milestones:

CRD JC approved the connection of 57 public sector sites November 2017. CityFibre with Vodafone announced a £40million investment for Fibre to The Premises Build; Work commenced Summer 2018.

Previous Milestone:

20 sites completed by February 2020 (Update: 25 sites connected)

Next Milestone:

40 sites July 2020

Progress Update:

30 sites have now been connected. Private Sector investment has covered the areas of: Kincorth, Torry, Northfield, Middlefield, Garthdee, Ferryhill, Hilton, Ashgrove, Cornhill, Hilton, Seaton and Bridge of Don.

Covid 19 Update:

Due to the coronavirus outbreak GCU stopped works in March-May, which will have a knock-on impact on milestones and delivery dates. Work commenced mid- May, working closely with Aberdeen City Council's Roads Department to ensure social distancing measures are in place.

The full impact on the timeline is currently unknown and has therefore changed from Green to Amber.

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Full Fibre Infrastructure – Digital

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Building on what has been achieved in the City Network Extension project, an aggregated public sector demand approach is being taken to extend fibre further into the City Region. This will be primarily achieved by connecting Aberdeenshire Council sites (with NHS and City sites being a beneficiary) to dark fibre. This will enable public services to be delivered to the community that will result in improved delivery of education, health, transport and other services.

The project will also result in an increased footprint of fibre across the City Deal Region which may act as a catalyst for further investment by commercial parties to build off this network to provide fibre to our homes and businesses.

Suppliers were invited to tender for new 'Gigabit Connectivity' procurement framework. Responses have been evaluated and successful bidders are now appointed as Framework Suppliers. This project is due to complete 2022.

Key Milestones:

In February 2018 the CRD JC approved a revised (January 2017) Digital Infrastructure Project. This Business Case was approved by UK/Scottish Government January 2019.

Previous Milestone: Signing of the contract April 2020

Next Milestone: Network Build Starts June 2020

Progress Update: Contract signed this quarter.

Covid 19 Impact:

A revised timeline is being worked on. There is less build required than with other fibre projects as existing ducting and infrastructure will be used where possible. Access to sites may be an issue over the coming months.

The full impact on the timeline is currently unknown and has therefore changed from Green to Amber.

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Duct Network Extension – Digital

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Aberdeen City Council already operates a duct network in the City, and this will be expanded to cover key economic areas. Initially this duct network will be used by the Council, followed by engagement with commercial organisations to encourage them to utilise the expanded network to enhance their fibre offering in Aberdeen City, consequently stimulating the market. This project will also provide the enabling infrastructure for the proposed sensor network and provide the opportunity for Aberdeen City to be used as a testbed for autonomous vehicles as well as supporting 5G installations. The Duct network is due to be completed in 2023.

Major Milestones: In January 2017 the CRD JC approved the current Duct Network Extension Business Case. UK and Scottish Government approved the Business Case January 2019.

Previous Milestone: Begin Procurement Contract One March 2020

Next Milestone: Procurement Award June 2020 (extended to July 2020)

Progress Update: Officers undertook the design work for the ducting for the west route (A944) and included the additional connection for the hospital-this was undertaken in late 2019/ early 2020. Following this the procurement preparation work has been undertaken and is now out for tender. Officers are now working on the design work for phase 2.

COVID-19 Impact The tender deadline was extended by 2 weeks. This will not have a significant impact on timescales and delivery of the project.

Regional Data Exchange- Digital

Time	A	Budget	G	Resource	G
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A Regional Data Exchange is a repository to collect, store, standardise and publish data. The exchange function facilitates transaction of data sets between stakeholders allowing scrutiny, analysis and the application of the data to generate insights, develop better predictive tools and create service and product opportunities.

Major Milestones: CRD JC Approved Outline Business Case 9 February 2018; The Strategic Commissioning Committee approved procurement 20th November 2018.

Previous Milestone: Check point Review January 2020

Next Milestone: Business Case to Joint Committee -November 2020 (Revised date through Change Request)

Progress Update: The Digital Programme Lead, and Digital Project Sponsor are in discussion with IBI on progress to date.

COVID- 19 Impact: A report on the Digital Programme, to reflect the need for high speed digital connectivity and inclusion will be prepared by the Digital lead and submitted to Joint Committee.

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Sensor Network – Digital

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Aberdeen City currently has a network of over 1,000 sensors which are used to manage traffic flow and monitor the environment. The

Sensor Network project will expand this existing network to enable better transport management (both private and public sector); facilitate smart travel and autonomous vehicles; enable anonymised data to be made available for delivering commercial and public services more efficiently.

Major Milestones: CRD JC approved Outline Business Case 9 February 2018; Strategic Commissioning Committee approved procurement 20th November 2018.

Previous Milestone: Check point Review January 2020

Next Milestone: Business Case to Joint Committee November - 2020 (Revised date through Change Request)

Progress Update: The Digital Programme Lead, and Digital Project Sponsor are in discussion with IBI on progress to date.

COVID- 19 Impact: A report on the Digital Programme, to reflect the need for high speed digital connectivity and inclusion will be prepared by the Digital lead and submitted to Joint Committee.

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Aberdeen Harbour Expansion

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The Aberdeen Harbour Extension will include a new South Harbour 7,300m in length. It will be able to accommodate vessels of up to 300metres and more. The new facilities will create new opportunities for energy transition activities, including renewables and decommissioning, and tourism opportunities around the North Sea.

Key Milestones: Business Case approved 24th August 2017

Previous Milestone: First of the 22x 6,000 Tonne caisson unit arrives

Next Milestone: Completion of North Breakwater Autumn 2020 now scheduled for 2021

Progress Update:

Nusrat Ghani MP UK Government Maritime Minister, the Rt. Hon. Oliver Dowden, Minister for the Cabinet Office, and more than 40 members of the North Sea Commission, visited the South Harbour Visitor Centre between January and March 2020. Dragados UK, are the principal contractor for the Aberdeen Harbour Expansion Project and progress can be followed at <http://www.ahep.co.uk/ConstructionProgramme.aspx>

COVID-19 Impact:

In line with Government recommendations all construction work has stopped. The Harbour Board are continuing to work with partners to start works as soon as this is viable and safe to do. The status therefore remains at Amber until further information is available.

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Transportation Links to Aberdeen South Harbour

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The Transport Links to Aberdeen South Harbour will develop the initial options to determine the most appropriate external road improvements in relation to external transportation links to the Aberdeen South Harbour. This will follow Transport Scotland's established guidance, *Scottish Transport Appraisal Guidance* (STAG). The final report is due to Committee in September 2020.

Key Milestones: CRD JC approved STAG Part 1 final report November 2018, at ACC's City Growth & Resources Committee on 27th November 2018; UK/Scottish Government approval of further funding for Part 2 appraisal 13th December 2018

Previous Milestone: Development of Demand Scenarios – March 2020

Next Milestone: Model development and option testing – June 2020

Progress Update: Engineering Feasibility and costing, Model Development and Phase 2 Engagement have taken place

COVID-19 Impact: Work continues as planned. Consultation is planned for Summer 2020 and this could be delayed if restrictions are still in place. Work will continue with the development of Demand Scenarios, Option Testing of the Model and STAG Part 2 Appraisal. The timeline has been moved from Green to Amber as there is a risk that the final report will not meet the key milestone date September 2020 if Consultation is delayed. Further update will be provided once this is known.

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Strategic Transport Appraisal

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The Strategic Transport Appraisal will take a 20-year strategic view of the transport implications of the investment unlocked by the Deal across all modes of transport including road and rail.

The appraisal will ultimately support decision-making regarding the prioritisation of future transport investment in the region, informing both regional investment plans for transport and infrastructure and national strategies and programmes of work.

As previously reported the delayed opening of the AWPR has caused delays of programming the model upgrade and detailed appraisal. This is not expected to affect the Completion date of STAG 2 - April 2021.

Key Milestones: Business Case Approval: CRD JC November 2017, Aberdeenshire Committee November 2017 and UK/Scottish Government 2017; City Growth and Resources June 2018

Previous Milestone: Checkpoint Review November 2019

Next Milestone: Strategic Transport Appraisal- Complete STAG 1 Appraisal of Options June 2020

Progress Update: ASAM: Work has progressed on updating traffic signal information, inputting national planning data and trips, processing and cleansing of traffic and other data, and use of mobile phone data for trip patterns.

Strategic Transport Appraisal: draft appraisal completed, and the outcomes have been fed through to draft Regional Transport Strategy. Due to impact of COVID-19 the stakeholder and elected Member consultation was cancelled.

COVID-19 Impact: Programming issues, and issues co-ordinating with other elements of work (specifically Transport Scotland's Strategic Transport Projects Review), due to current uncertainty are expected.

There is also a risk that the some of the previously identified problems, opportunities and priorities may require to be re-visited, or re-profiled, during the recovery phase of Covid 19, due to impacts on wider economy and capital/revenue availability.

These impacts cannot be wholly mitigated by the project, but at the earliest possible time, a revised programme will be developed. The project lead will keep in close contact with key stakeholders

In Quarter two progress will be made with:

ASAM

- Base model trip and demand matrix development.
- Interface with national modelling information.

Strategic Transport Appraisal:

- Review and finalisation of draft appraisal and responding to stakeholder consultation comments.
- Preparation of document for consultation alongside RTS.
- Support for Strategic Environmental Appraisal.

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