

# ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

## Quarterly Progress Report September – November 2020 – Appendix 1

Projects	RAG	Update
Oil & Gas Technology Centre Innovation		<p><b>OGTC Business Case Approved 2016, OGTC opened February 2017, 18 Month Checkpoint March 2018 - where targets had been met or exceeded. December 2018 Submission of stretched targets to UK/Scottish Government, which have been agreed. Checkpoint Scheduled for April 2020 has been postponed due to COVID19.</b></p> <p><b>Previous Milestone</b> October 2019, 6 Solution Centre funded technologies reach commercialisation phase. <b>Update:</b> Currently at 20</p>
Time	<b>G</b>	<p><b>Next Milestone</b> The OGTC Checkpoint Review December 2020</p>
Budget	<b>G</b>	<p>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. A link to case studies on completed and live projects can be viewed at <a href="https://www.theogtc.com/projects/">https://www.theogtc.com/projects/</a>.</p>
Resource	<b>G</b>	<p>Progress includes:</p> <ul style="list-style-type: none"> <li>- 250 approved Projects in progress, with a total investment of £157m with OGTC share of £60.4m.</li> <li>- Over 45 offshore trials planned, with a number already completed.</li> <li>- Building work ongoing, with delays due to COVID19, for the National Subsea Centre – launch planned for Q1 2021</li> <li>- Working closely with industry and government on the Integrated Energy Vision</li> <li>- Published Closing the Gap in partnership with Chrysoar and the SG to identify the technology and innovation gaps to delivering a Net Zero North Sea</li> <li>- Cohort 3 for TechX commenced – programme started in August (slipped from June due to COVID-19) and due to complete in November.</li> <li>- Integration with OGIC is now complete – following Scottish Funding Council approving OGTC to receive funding.</li> <li>- OGTC selected to host AIRTO – access to a key network in the Innovation, Research and Technology Space.</li> </ul>

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		<p>- OGTC's first virtual hackathon – “Code[Less] Hackathon” in partnership with Microsoft, took place from September 21-24, the event saw 75 participants team up to solve one of the challenges set, without using coding, to raise awareness of the demand for automation and innovation in the energy sector and the push towards a net zero economy.</p> <p><b>COVID-19 Update:</b> Staff continue to support both Solution Centre Memberships and Directed projects working from home offices. Webinars have replaced meeting. COVID-19 Impacts along with oil price and impact on industry are being considered.</p>
<b>Projects</b>	<b>RAG</b>	<b>Update</b>
<p><b>Food Hub for Innovation</b></p> <p>Time</p> <p>Budget</p> <p>Resource</p>	<p><b>G</b></p> <p><b>G</b></p> <p><b>G</b></p>	<p><b>JC Approved Business Case August 2018; UK/Scottish Government approved 17th January 2019</b></p> <p><b>Previous Milestone:</b> Design and Planning of Hub for Innovation –Design Sept 2020 – Achieved</p> <p><b>Next Milestone</b> – Planning application submitted - December 2020,</p> <p>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.</p> <p>Progress this quarter includes:</p> <ul style="list-style-type: none"> <li>• Stage 2 design approved by Food Hub Board</li> <li>• Stakeholder engagement ongoing.</li> <li>• Procurement underway for main contractor, with Invitation to Tender to be issued to shortlist of bidders in November 2020</li> </ul> <p>Monthly draw payments will be requested from the SG to align with construction payments once works commences.</p> <p><b>COVID- 19 Update:</b> Design and Planning work is continuing as planned with the design team working with planners remotely using online meetings. Profiled spend for this financial year has not significantly changed.</p>

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<p><b>Bio-Therapeutic Hub for Innovation</b></p> <p>Time</p> <p>Budget</p> <p>Resource</p>	<p><b>A</b></p> <p><b>A</b></p> <p><b>G</b></p>	<p><b>Business Case Approval by JC June 2017 and Funding Partners October 2017</b></p> <p><b>Previous Milestone;</b> Retaining wall completed October 2020  <b>Next Milestone:</b> Onsite works in preparation for full contact November 2020</p> <p>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.</p> <p>Progress this quarter includes:</p> <ul style="list-style-type: none"> <li>• The Scottish Government have confirmed the monthly drawdown of payments for the BioHub in line with construction schedule. This risk will now be closed.</li> <li>• In October 2020 the terms of the legal agreements between Aberdeenshire Council and BioAberdeen, and between Aberdeenshire Council and ONE (as guarantor for the additional BioAberdeen funding) were agreed, with signing due to be concluded in November 2020. Given the terms of the original funding agreement with BioAberdeen, and the ACRD funding agreement with Aberdeenshire Council, the additional funding is described as a repayable grant rather than a loan.</li> <li>• As the funding is a repayable grant, the BioAberdeen will continue to seek funding. The Budget will remain amber as progress is monitored by regional partners.</li> <li>• Enabling works commenced on site in August and will flow through to the full construction project.</li> </ul>

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		<ul style="list-style-type: none"> <li>• Sector engagement continues through delivery by ONE of Life Sciences Leadership Forum workshops, online network events and pre-commercialisation workshops.</li> <li>• A Change Request outlining the revised financial profile and construction milestone schedule will be presented to Programme Board next quarter.</li> </ul> <p><b>COVID-19 Update:</b></p> <ul style="list-style-type: none"> <li>• Construction site work commenced in August 2020. The amber time status for the project reflects the uncertainty around further COVID restrictions and the impact this may have on future milestones.</li> </ul>
<b>Projects</b>	<b>RAG</b>	<b>Update</b>
<p><b>City Network Extension - Digital</b></p> <p>Time</p> <p>Budget</p> <p>Resource</p>	<p><b>A</b></p> <p><b>G</b></p> <p><b>G</b></p>	<p><b>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 in February 2018</b></p> <p><b>Previous Milestone:</b> 40 sites July 2020, completed Nov 2020</p> <p><b>Next Milestone:</b> 50 sites completed Jan 2021</p> <p>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 up to £40million by CityFibre and Vodafone to extend and deploy fibre, providing most of the City with access to 'fibre to the premises' and creating a 'Gigabit City'.</p> <p>Torry Youth Project, St Clements and Densat Civils are all due for completion November. A change request noted the slippage in milestones, and this was endorsed at October's Programme Board. The project is now due to complete in Summer 2021.</p> <p><b>Covid 19 Update</b></p>

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		<p>Localised lockdown and halts to Housing Sites have caused delays to the project as access cannot be given to contractors or ACC staff. This is making it difficult to schedule works. The project has been delayed due to lock down and it is anticipated to now be completed in June 2021 (rather than December 2020). This is subject to change if further restrictions are placed and as such the status for milestones remains at amber.</p>
<b>Projects</b>	<b>RAG</b>	<b>Update</b>
<p><b>Full Fibre Infrastructure – Digital</b></p> <p>Time</p> <p>Budget</p> <p>Resource</p>	<p><b>A</b></p> <p><b>G</b></p> <p><b>G</b></p>	<p><b>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.</b></p> <p><b>Previous Milestone:</b> Network Build Starts June 2020  <b>Next Milestone:</b> Segment 1 network build completed December 2020</p> <p>Network build started in June 2020. The network build was broken down into segments. Segment 1 (22 sites) is progressing well. Site installations and handover – target completion date 14<sup>th</sup> Dec 20. In terms of logistics all materials and equipment for Segment 2 sites (46) have been delivered. Also, as part of the project's community benefits commitments, SSE have employed a modern apprentice from the Alford area. SSE will also be providing STEM education sessions via virtual learning to academies.</p> <p>Achieved this period:</p> <ul style="list-style-type: none"> <li>• Wayleave discussions ongoing with site owners and authorities for Segment 2.</li> <li>• Completed all SSE Chamber Upgrades.</li> <li>• Continued with the interconnect builds.</li> </ul>

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		<ul style="list-style-type: none"> <li>Completed the internal cabling of 40 / 41 Segment 2 sites.</li> <li>Completed the ODF and BFP splicing for 13/22 Segment 1 sites.</li> <li>Cabled 7/13 PIA areas for Segment 1.</li> <li>Planned the Site Tests.</li> </ul> <p><b>Covid 19 Impact:</b> A change request was approved at Programme Board reflecting a revised timeline and a project completion date of March 2022. This project has been deemed critical by Aberdeenshire Council and work will be prioritised. Work will continue as planned but further COVID19 restrictions or local lockdown may impact timescales, as such the status for time is Amber.</p>
<b>Projects</b>	<b>RAG</b>	<b>Update</b>
<b>Duct Network Extension –</b>  Time  Budget  Resource	<b>A</b>  <b>G</b>  <b>G</b>	<p><b>In January 2017 the CRD JC approved the current Duct Network Extension Business Case. UK and Scottish Government approved the Business Case January 2019.</b></p> <p><b>Previous Milestone:</b> Begin Implementation Phase 1 October 2020  <b>Next Milestone:</b> Procurement for Phase 2 February 2021</p> <p>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.</p>

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		<p>GCU have been named as preferred supplier. During September pre-start meetings were undertaken for Phase 1 works as well as continued design works for Phase 2. Discussions have also been undertaken with CityFibre as to the potential for duct sharing along the west section (Phase 1). A temporary Roads Inspector is planned to be provided on a part-time basis to assist with the works monitoring given the specialised nature of work.</p> <p><b>Covid 19 Impact</b></p> <p>There have been delays due to COVID 19 and a change request outlining the impact on budget will be submitted to Programme Board next quarter. The timeline has been moved to amber, to reflect the possibility of further COVID19 related restrictions. The duct network is still expected to be complete 2023.</p>
<b>Project</b>	<b>RAG</b>	<b>Update</b>
<p><b>Aberdeen Harbour Expansion</b></p> <p>Time</p> <p>Budget</p> <p>Resource</p>	<p><b>A</b></p> <p><b>G</b></p> <p><b>G</b></p>	<p><b>Business Case approved 24th August 2017</b></p> <p><b>Previous Milestone:</b> All caisson in place for Dunnottar Quay, completing the east facing Dunnottar Quay Sept 2020</p> <p><b>Next Milestone:</b> All caissons in place for the north facing Castlegate Quay November 2020</p> <p>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</p> <p><b>Covid19 Update:</b></p> <p>Covid-19 and the subsequent lockdown has affected the scheduling of the construction of the new harbour. As a result of these interruptions, with the Project 70% complete, AHB announced in June 2020 that the main contractor, Dragados UK, would no longer be involved in the Project. AHB have awarded two new contracts for rock removal and revetment work at the South Harbour expansion site,</p>

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		<p>with a total value of £20m. The contracts have been awarded to Van Oord, a global maritime contractor that specialises in dredging, marine engineering, and offshore projects. The contract awards will see the completion of profile work for the harbour basin and add protection to sections of the shore in time for the coming winter.</p> <p>Contract awards have also been made to the value of £4.3m for caisson transfer and placement from their current storage location in the Cromarty Firth, through to their placement within the new harbour. Several companies have been awarded work supporting the various elements of this work scope, including north east companies Ocean Kinetics, Caledonian Towage, Miller Plant, Ashleigh Contract and Leiths. The remaining marine and civils work will be contracted in early 2021 with work starting as early as March 2021, if weather permits.</p> <p>The Programme Board Board endorsed a change request outlining the revised milestones. A potential phased open is now scheduled for summer 2021 with a full opening Summer 2022. The amber time status for the project reflects the uncertainty around further COVID restrictions and the impact this may have on future milestones.</p>
Project	Time	Update
<b>Strategic Transport Appraisal</b>		<p><b>Business Case Approval: CRD JC November 2017, Aberdeenshire Committee November 2017 and UK/Scottish Government 2017; City Growth and Resources June 2018</b></p> <p><b>Previous Milestone:</b> STA report was completed in July 2020</p> <p><b>Next Milestone:</b> An outline business case will be presented to the Joint Board Q4 2020/21</p>
Time	<b>A</b>	
Budget	<b>G</b>	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.
Resource	<b>G</b>	<p><b>STA –</b> STA report was completed in July 2020, and subject to consultation in parallel with Regional Transport Strategy. The draft STA report was presented to the Joint Committee in September 2020 for their consideration. The consultation period on both documents ended mid-October, and consultation responses are now being reviewed, which may prompt revisions to the document.</p>



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		<p>An outline business case will be presented to the Joint Board in the New Year, setting out priorities for further scheme development for the remaining five years of the deal.</p> <p><b>ASAM</b> – The programme for completion of the model has extended to the end of March 2021, due in part to a delay in modelling information from the national model, opportunity to interrogate further information that has become available nationally, and development issues arising on the “sister” model being prepared for the Tay City region. Costs and programme continue to be managed by the project team.</p> <p><b>Covid 19 Impact</b> - Covid 19 has disrupted some of our partners’ programmes of work with which the Strategic Transport Appraisal requires to integrate, specifically Transport Scotland’s Strategic Transport Projects Review, and some nationally led forecasting and policy work. These impacts cannot be wholly mitigated by the project. 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, due to impacts on wider economy and capital/revenue availability. The project lead will keep in close contact with key stakeholders, and proactively manage key dependencies. The amber time status for the project reflects this ongoing uncertainty around COVID impacts, and the impact this may have on future milestones.</p>
<b>Project</b>	<b>Time</b>	<b>Update</b>
<p><b>Transportation Links to Aberdeen South Harbour</b></p> <p>Time</p> <p>Budget</p> <p>Resource</p>	<p><b>A</b></p> <p><b>G</b></p> <p><b>G</b></p>	<p><b>CRD JC approved STAG Part 1 final report November 2018: ACC's City Growth &amp; Resources Committee on 27th November 2018</b>  <b>UK/Scottish Government approval of further funding for Part 2 appraisal 13th December 2018</b></p> <p><b>Previous Milestone:</b> Model Development and Option Testing in Model- October 2020  <b>Next Milestone:</b> STAG Part 2 Appraisal/Phase 3 Public Consultation – November 2020</p> <p>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 Development. This will follow Transport Scotland’s established guidance, <i>Scottish Transport Appraisal Guidance</i> (STAG).</p> <p>Stantec are finalising the STAG Part 2. The development of demand scenarios to take account of the emerging Local Development Plan has been completed. Traffic modelling of options is nearing completion. The Local Development Plan received Committee approval on 2 Mar</p>

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		<p>2020 and Harbour demand scenarios have now been developed based on final land allocations. Energy Transition Zone (ETZ) was approved as part of the LDP and implications for options are being considered.</p>
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**Covid 19 Impact:** Pandemic impacts have the potential to impact on milestone timescales and completion date. Whilst there is low risk with regards to upcoming milestones, timescales are indicated as Amber due to medium term risk.