

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

FRIDAY, 9TH FEBRUARY, 2024

- Present:** Councillors A Stirling (Chair), Cllr I Yuill (Vice-Chair), G Owen, G Petrie, Cllr C Allard, Cllr M Radley and J Crow.
- Apologies:** Councillors Prof G Boyne and Sir I Wood
- Officers:** Mary Beattie, Lauren Cowie, Paul Macari, Alison McLeod, Jack Rigby, Alan Wood, (Aberdeenshire Council); Julie Richards-Wood, Stuart Bews, Alan McKay, Ross Stevenson, Aigul Gray, (Aberdeen City Council).
- In attendance:** Rab Dickson (Nestrans), Paul Finch (Nestrans), Jon Oakey (Port of Aberdeen), Sandy Jamieson and Adam Gould (Transport Scotland), Myrtle Dawes and Nicola McIntosh (Net Zero Technology Centre).

1 SEDERUNT AND DECLARATION OF MEMBERS' INTERESTS

The Chair asked Members if they had any interests to declare, in terms of the Councillors' Code of Conduct.

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.

Councillor Yuill made a transparency statement, by virtue of being a Board Member of Nestrans. Having applied the objective test he had concluded that he did not have an interest to declare and he would remain in the meeting.

Councillor Radley made a transparency statement, by virtue of being a Board Member of Nestrans. Having applied the objective test he had concluded that he did not have an interest to declare and he would remain in the meeting.

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.

Mrs Jennifer Crow intimated that she 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 being a Board Member of ONE. However, having applied the objective test she did not consider she 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(A) PUBLIC SECTOR EQUALITY DUTY

In taking decisions on the undernoted items of business, the Committee **agreed**, in terms of Section 149 of the Equality Act 2010:-

- (1) To have due regard to the need to:-
 - (a) eliminate discrimination, harassment and victimisation;
 - (b) advance equality and opportunity between those who share a protected characteristic and persons who do not share it; and
 - (c) foster good relations between those who share a protected characteristic and persons who do not share it, and
- (2) to consider, where an Integrated Impact Assessment has been provided, its contents and to take those into consideration when reaching a decision.

2(B) EXEMPT INFORMATION

The Committee **agreed**, in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting during consideration of the items specified below so as to avoid disclosure of exempt information of the classes described in the undernoted paragraphs of Part 1 of Schedule 7A of the Act.

| Item No | Paragraph No of Schedule 7A |
|---------|-----------------------------|
| 12 | 6 |
| 13 | 8 |

3 MINUTE OF THE MEETING OF THE ABERDEEN CITY REGION DEAL JOINT COMMITTEE OF 17 NOVEMBER 2023.

On consideration of the circulated Minute of Meeting of the Committee of 17 November, 2023, Members **agreed** to approve it as a correct record.

4 ABERDEEN CITY REGION DEAL QUARTERLY PROGRESS REPORT

With reference to Item 4 of the minute of the previous meeting of 17 November, 2023, the Joint Committee had before it a report dated 9 February, 2024, providing an update on the delivery of the Aberdeen City Region Deal Programme under the headings Governance, Milestones, Benefits and Finance.

The Joint Committee heard from Julie Richards-Wood, Interim Chief Officer, City Growth, Aberdeen City Council, who provided an overview of the report, which highlighted progress in respect of project progress during the past quarter. She advised that Aberdeen South Harbour Expansion project had closed as a project and would continue to report its benefits through the annual Benefits Realisation Plan and

a representative of the Port of Aberdeen was in attendance to give a presentation on the project. She noted that the checkpoint reviews with the UK and Scottish Governments for the Transport Projects had been carried out at the end of 2023, In December 2023, Regional Partners had their annual conversation with both Governments and it was very positive but the Partners were reminded that there was no guarantee that future funding could be rolled over from year to year and the Programme Board continued to manage that as a risk going forward.

Mrs Craw, Opportunity North East, advised that the BioHub drawdown was complete and it was proposed to give a presentation to a future meeting of the Joint Committee on the close of the project. She also provided an update on SeedPod which had been subject to some redesign works to do with the steel, with a resulting delay in terms of drawdown, with a completion due in 2024/25.

Mr Macari, Head of Planning and Economy, Aberdeenshire Council highlighted that in terms of the digital workstream work continued to progress and a further report would be considered further down the agenda.

Mr Finch, Nestrans advised that there had been good progress on the appraisal and business case development for the A90(N)/A952 corridor on the routes between Ellon, Peterhead and Fraserburgh and on the business case development for the A956 Wellington Road corridor.

Thereafter, the Joint Committee **agreed**:

- (1) To note the content of the Programme Update and Projects Update at Appendix A; and
- (2) To endorse wider publication of the Aberdeen City Region Deal 7-year progress video, which was presented to the Joint Committee.

Link to video:

<https://vimeo.com/892202069/20c04db216?share=copy>

5 ABERDEEN CITY REGION DEAL GOVERNANCE - DELEGATION TO OFFICERS

The Joint Committee had before it a report dated 9 February 2024 which outlined the existing delegation to officers in respect of Aberdeen City Region Deal business and proposing that the Joint Committee agree to delegate authority to the Chief Officer, City Growth, Aberdeen City Council to formalise and document the Change Control Process.

The Joint Committee heard from Stuart Bews, Programme Manager, who provided some background to the report and advised that the amendment proposed would give a delegation of authority to approve non-material change requests to the Chief Officer, City Growth, Aberdeen City Council, who was also the Chair of the City Regional Programme Board.

During discussion, Mrs Craw highlighted that clarification of the delegation arrangements highlighted within the report should be borne in mind when future audits of ACRD projects were being undertaken, which may have been progressed prior to the report being brought to the Joint Committee.

Thereafter, the Joint Committee **agreed** to:

- (1) Delegate authority to the Chief Officer – City Growth of Aberdeen City Council, who is also Chair of the ACRD Programme Board, to:
 - a. Approve and submit, following consultation with the City Region Deal Programme Board, and the Chair and Vice Chair of ACRD Joint Committee, any non-material change requests (as defined in ACRD change control process document) which are submitted or required in relation to City Region Deal Projects within the scope of the Grant Offer letter from the Scottish Ministers.
 - b. Submit reports, mandatory or otherwise following consultation with the City Region Deal Programme Board, required in relation to City Region Deal Projects by request from the United Kingdom or Scottish Governments, or both;
- (2) Note that Aberdeen City Region Deal Programme Manager will continue to provide a full summary of non-material change requests and mandatory or other reports which have been made and/or approved to the Aberdeen City Region Deal Joint Committee for noting within the Quarterly Programme Report at its next available meeting;
- (3) Endorse **Appendix A (draft)** - Aberdeen City Region Deal Governance – Roles and Remit document; and
- (4) Endorse **Appendix B (draft)** - Aberdeen City Region Deal Change Control Process document; and
- (5) Instruct the Chief Officer – City Growth of Aberdeen City Council to amend Term of Reference of the Programme Board to reflect the recommendation of this report.

6 FUTURE REGIONAL FUNDING GOVERNANCE PROPOSAL

The Joint Committee had before it a report dated 9 February 2024 which provided an update on progress of the Regional Economic Partnership and Investment Zone proposal and sought agreement in principle that the Aberdeen City Region Deal Joint Committee remit was expanded to receive future regional funding where a local authority was required to undertake the role of accountable body, subject to the detail being presented to a future meeting of the Joint Committee.

The Joint Committee heard from Julie Richards-Wood, Interim Chief Officer, City Growth, that Aberdeen City Council, Aberdeenshire Council and Opportunity North East had all approved the North East of Scotland Regional Economic Strategy for the period to 2035 in May/June 2023 and had approved the creation of a Regional Economic Partnership which was due to meet on 15 February 2024. In June 2023 the North East of Scotland was announced as having been allocated Investment Zone status by the UK Government, and a short-term Investment Zone Steering and Working Group had been established to oversee the development of the Investment Zone proposal. The submission of the Investment Zone proposal was expected in

Summer 2024 and an agreement in principle was being sought to expand the Joint Committee remit to allow detailed proposals on governance for the Investment Zone to be developed and the terms of reference for an extended Joint Committee agreed ahead of submission. This would allow the Joint Committee to receive future regional funding, including the Investment Zone.

During discussion, it was noted that in respect of timescales the proposals being developed would be submitted to both Councils and ONE for approval, and would then be referred to the Joint Committee for approval, with an estimated timescale for agreement being in place by September 2024.

Thereafter, the Joint Committee **agreed** to:

- 1) Agree in principle that the Aberdeen City Region Deal Joint Committee remit is expanded to receive future regional funding where a local authority is required to undertake the role of accountable body;
- 2) Agrees in principle that the ten year £160M Investment Zone Funding is governed through the Joint Committee and that Aberdeenshire Council undertake the role of accountable body;
- 3) Instruct the Chief Officer - City Growth, Aberdeen City Council, to work with partners to draft the expanded terms of reference for the Joint Committee and bring to a future meeting for approval;
- 4) Notes the decision of [Aberdeenshire Council on 28th September 2023](#) to approve Aberdeenshire Council undertaking the role of the accountable body for the North East of Scotland Investment Zone;
- 5) Notes that paragraph 3.25 of the report to [Aberdeenshire Council on 28th September 2023](#) stated: *“There are significant similarities between the governance, scrutiny, and fiscal requirements of the Scottish and UK Governments Growth Deal and Investment Zone policies. These duties are discharged by the Joint Committee for the Aberdeen City Region Deal. Therefore, it is proposed to expand the remit of the Aberdeen City Region Deal Joint Committee to discharge the fiscal duties of the North East of Scotland Investment Zone. This approach is resource efficient and builds upon the knowledge and expertise in managing UK and Scottish Government funds by both Councils and their respective Elected Members.”* and
- 6) Notes that [Aberdeen City Council](#) received a report titled North East of Scotland Investment Zone 11th October 2023 and 5.4 within the report outlines the above proposals.

7 ABERDEEN SOUTH HARBOUR

The Joint Committee had before it a report dated 9 February 2024 to inform the Joint Committee that the Aberdeen South Harbour Expansion project had been completed and to highlight the benefits to date. Mr Jon Oakey, Chief Financial Officer, Port of Aberdeen was in attendance and provided an overview of the project and future plans for the Port. He noted that the South Harbour provides a cluster of accessible offshore renewable energy research, manufacturing and support services, together with cruise vessel support to the wider tourism industry and the potential for servicing the wider North East economy including food and drink and timber. He advised that the new facilities were creating new opportunities for energy transition activities, including renewables and decommissioning and would attract new cargo to the port and generate increased tourism through cruise traffic around the North Sea.

He concluded his presentation by providing a video presentation prepared following the completion of the project. The presentation can be found here - [Port of Aberdeen | South Harbour Time \(youtube.com\)](#)

The Chair thanked Mr Oakey for his contribution and update on the success of the South Harbour project and thereafter the Joint Committee **agreed**:

- (1) To note the completion of the Aberdeen South Harbour Expansion project; and
- (2) to note the benefits which the project has achieved to date.

8 DIGITAL CONNECTIVITY

The Joint Committee had before it a report dated 9 February 2024 providing an update on the delivery of Project Gigabit in Scotland, plans on digital connectivity improvements for the Aberdeen City Region, updates on the progress being made through the Reaching 100% Programme and ongoing work being carried out by the Digital Engagement Team through the Aberdeen City Region Deal Digital Theme.

The Joint Committee heard from Paul Macari, Head of Planning and Economy and Jack Rigby, Digital Stakeholder Lead Officer, Aberdeenshire Council, who advised that work was continuing in the City and Shire in terms of enhancing the digital offering, with the object of Project Gigabit to increase availability of gigabit capable broadband connections to 85% of the UK by the end of 2025, and a further goal to reach the rest of the country by 2030. They referred to the Reaching 100% Programme, referred to as R100, which was the Scottish Government programme to ensure every premises in Scotland can access a minimum of a superfast broadband service, providing at least 30Mbps and noted that work continued and in the Aberdeen City Region over 4,200 premises had now been connected to full-fibre FTTP broadband and over 12,000 further connections were planned between 2024 and 2028. Finally, they highlighted the ongoing work of the Digital Engagement Team to support businesses, residents and communities in matters relating to digital connectivity and in increasing the profile of the work being done in the area by the Aberdeen City Region Deal.

Thereafter, the Joint Committee **agreed** to:

- (1) Note the updates on Project Gigabit; and
- (2) Note the progress on work being delivered by the Digital Engagement Team.

9 STRATEGIC TRANSPORT APPRAISAL

The Joint Committee had before it a report dated 9 February 2024 which sought approval for updated proposals for the future business case development and associated funding allocations for the remaining three years of the City Region Deal. The report note that the current programme had been reviewed reflecting on outcomes of Hydrogen Refueller study with indicated a reduced scope and funding requirement, alongside other pressures and opportunities.

The Joint Committee heard from Paul Finch, Strategic Transport, Nestrans, who reminded Members that the Strategic Transport Appraisal element of the Deal was focussed on the progression of Business Cases for regional transport projects, with a view to subsequent implementation when funding opportunities arise. The report outlined the six areas of work which were being undertaken in 2023/24 and updated the progress made to date, as well as proposals for the next three financial years to the end of the deal. He highlighted that the proposals reflect a reduced scope of works for regional hydrogen refueller project and mobility hub project; work on mobility hub Strategic Business Case continued, albeit with a smaller number of locations under consideration. This had allowed an expanded scope of works on projects which link to the regional investment zone proposals in Aberdeen and Aberdeenshire, including provision for design development on the A90/A952 corridor and provision for continuation of design development on the A956 Wellington Road. Furthermore, it allowed the inclusion of business case development for the Aberdeen Rapid Transit proposal and associated multi-modal corridor studies. In addition, it was considered appropriate to include a risk provision for the External Links to Aberdeen South Harbour project in future years, capturing experience from other construction projects and the importance of this project.

After discussion, the Joint Committee **agreed** to:

- (1) Approve the proposals for future Business Case development, as set out in Table 3.1 of the report; and
- (2) Instruct the Director of Nestrans to report back on the completion of the business cases, and at other relevant milestones in their development.

10 SCOTTISH GOVERNMENT ADDITIONAL INVESTMENT UPDATE

With reference to the Minute of Meeting of the Joint Committee of 17 November 2023 (Item 7), the Joint Committee had before it a report dated 9 February 2024 providing an update on the progress of the A90/A937 Laurencekirk Junction Improvement Scheme.

Paul Finch, Nestrans provided an update and advised that Nestrans, Aberdeenshire Council and Transport Scotland had been in regular communication on the project and work was continuing to seek to resolve concerns which would allow the removal of all objections and progression to a final draft Heads of Terms Agreement. Officers from

Transport Scotland Design Team were in attendance and provided reassurance that the Scottish Government was committed to taking forward the Laurencekirk junction Improvement Scheme and Transport Scotland were continuing to engage constructively and actively with Aberdeenshire Council to seek to resolve concerns and get in place the necessary agreement that would allow the objection to be withdrawn and the scheme to be moved forward.

After discussion, the Joint Committee **agreed** to note the update in the report.

11 NET ZERO TECHNOLOGY CENTRE

The Joint Committee had before it a report dated 25 January 2024 providing an update on the plans for the Net Zero Technology Centre (NZTC) over the remaining term of the Aberdeen City Region Deal and asking the Joint Committee to agree that Phase 3 is in line with the approved Business Case and to note the key milestones against the ACRD funding for 2024/25.

Myrtle Dawes, CEO of the NZTC and Nicola McIntosh, Chief Finance Officer, NZTC were in attendance and Myrtle gave a brief overview of the work of the NZTC, which had become an established and successful global offshore oil and gas mature basin technology development centre, since its inception in late 2016 as the Oil & Gas Technology Centre (OGTC) to its evolution to the NZTC in 2021. She noted that the Centre supported the industry's commitment to a net zero North Sea and the local regions commitment to net zero. The NZTC was now moving into Phase 3 of its operation in line with the approved Business Case, which envisaged a global 'go to' technology venture based in Aberdeen for the delivery of technology innovation driven by industry. This ambition was further supported by the exit strategy in the approved Business Case, where NZTC was expected to be financially self-sufficient to enable operations post the end of the ACRD funding period.

Thereafter, after further discussion, the Joint Committee **agreed** to:

- 1) note the NZTC delivery to date;
- 2) agree that Phase 3 is in line with the approved Business Case; and
- 3) note the key milestones against the ACRD funding for 24/25 (related to Phase 3).

12 NET ZERO TECHNOLOGY CENTRE - SUPPLEMENTARY INFORMATION

The Joint Committee had before it and **noted** exempt Appendices 1, 2 and 3 to the report on Net Zero Technology Centre which had been provided as background to item 11 on the agenda.

13 EXTERNAL TRANSPORTATION LINKS TO ABERDEEN SOUTH HARBOUR

The Joint Committee had before it a report dated 9 February 2024 which presented the Aberdeen South Harbour Link Road Design Manual for Roads and Bridges (DMBR) Stage 3 Scheme Assessment, sought approval for the Updated Outline Business Case (OBC), provided an update on the project progress and outlined the

next steps required to expedite the project towards completion at the earliest opportunity.

The Joint Committee heard from Alan McKay, Team Leader, Roads Projects, Aberdeen City Council who provided an update on the project including a summary of the Stage 2 Preferred Option Consultation Feedback, an update on the Business Case DMRB Stage 3 update, and a summary of the next stages. He advised that due to current outturn costs, as part of the BMRB Stage 3 design development process a value engineering exercise was undertaken to determine areas where costs may be reduced without impacting on the project outcomes and he highlighted the identified proposed areas of reductions, as well as the option to consider separate phased delivery.

During discussion, Members were keen to ensure that any traffic disruption at the South Harbour would be minimised during the construction period. Mr McKay advised that temporary arrangements would be examined as part of the detailed design to address this issue and this information would be reported back through future updates.

Thereafter, the Joint Committee **agreed** to:

- (1) note the proposed scheme as detailed within the Design Manual for Roads and Bridges Stage 3 Scheme Assessment (Appendix [A]);
- (2) subject to the recommendations within item 09 being approved by the Joint Committee, approve the updated Outline Business Case (Appendix [C]);
- (3) note the feedback received from the Stage 2 consultation;
- (4) instruct the Chief Officer – Capital, Aberdeen City Council, following consultation with the Chief Officer - Operations and Protective Services, to consider the viability of further restricting access by Heavy Good Vehicles to Torry and Cove via the Coast Road and bring a report to the Joint Committee on any proposals;
- (5) note the intention to progress with the voluntary acquisition of land required for the scheme where possible;
- (6) note the Chief Officer – Capital, Aberdeen City Council, will be recommending to Aberdeen City Council that it uses Compulsory Purchase powers in order to acquire land for the delivery of the Project;
- (7) instruct the Chief Officer – Capital, Aberdeen City Council, to progress all necessary procurements, approvals, permissions, licenses, agreements and consents required to develop and implement the External Transportation Links to Aberdeen South Harbour within its budget;
- (8) instruct the Chief Officer - City Growth, Aberdeen City Council, in their remit as Chair of the Programming Board to submit the updated OBC to the UK and Scottish Governments;
- (9) instruct the Chief Officer – City Growth, Aberdeen City Council to request, from the UK and Scottish Government, the drawdown of the remainder of the funds

allocated to this project as and when required to develop and implement the scheme; and

- (10) Agreed that where any urgent decisions are required to be taken by the Joint Committee to ensure this project is not delayed, that it be delegated to the Chief Officer, Capital, Aberdeen City Council, following consultation with the Chair, Vice Chair and a representative of ONE. For the avoidance of doubt, this delegation should only be used where it is not possible to convene a special meeting in order to avoid any delays and will be reported back to the next meeting for information.

Draft