

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

Progress Report	Aberdeen City Region Deal – Programme Update
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Date of Report	15 August 2016
Governance	Aberdeen City Region Deal Joint Committee

1: Purpose of the Report

- i. To provide an update on the Programme to develop the specific projects under the City Region Deal Heads of Terms (£250m).

2: Recommendations for Action

- i. That the Joint Committee notes the progress on the Aberdeen City Region Deal Programme.

3: Background

- i. Work on the business cases for each of the City Region Deal projects has continued in parallel with the process to agree the overall Deal. This report provides an update on the progress of this work.

4: Programme Update

- i. Work is progressing on agreeing the funding and approval processes with both governments for the Deal agreement, individual business cases, distribution of funds and progress reporting.
- ii. The Aberdeen City Region is represented on a 2-day Green Book Workshop on 9th-10th August arranged by the Scottish Government, to help ensure business case development adheres to the expected standards.

5: Project Updates

i. Oil and Gas Technology Centre

Progress to Date

Opportunity North East and Scottish Enterprise have been working closely with the OGA, Technology Leadership Board, Oil and Gas UK, University of Aberdeen and Robert Gordon University to progress the next phase of work for the Oil and Gas Technology Centre.

- The company has been set up and the first Board meeting took place on 14 April 2016.
- £500k start up development funding secured from ONE and SE.
- CEO and Solution Centre Manager (SCM) roles now appointed and will commence late summer.
- The OGTC Business Plan and Business Case in final stages of approval process.

Key Next Steps

- Interim project team in place and will hand over to appointed team when in place.
- Integrate the strategic business case for Big Data into OGTC plan.
- CEO and key staff commence in role September 2016.
- Establish Memorandum of Understanding between the OGTC and Robert Gordon University and University of Aberdeen.
- Secure formal ACRD funding agreement with funding bodies by August 2016; agree draw down tranches and matching funding interlocks.
- First drawdown from ACRD funding by latest September 2016.
- First Solution Centres established.

Issues for attention of the Joint Committee

None

ii. Agri-Food and Nutrition Innovation Hub

Progress to Date

The centre would be a flagship project for innovation development for the sector at a regional and national level. It will provide a mix of bespoke development laboratory, test kitchen and pilot production space with demonstration equipment including novel food processing capability, a sensory suite and start-up company space alongside the researchers,

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nutritionists and food technologists. The centre would be a resource for both start-up businesses and existing growth companies.

The Innovation Centre will include:

- A research translation capability to broker projects between industry and research teams.
- A development team including food technologists to manage the product innovation development process from concept through to pilot production for new and novel products. This team would have a strong direct link to the Scotland Food and Drink market research team and will access existing capacity and capabilities at a national level.
- Development laboratory space, test kitchen, pilot production plant and sensory suite.
- An accelerator and incubator space for spin-out companies and high growth start-up businesses.
- A hub for the development and training to advanced level of food industry specific skills including food technology.
- Centre for sustainable and resilient food production.
- Virtual link to other centres of excellence eg labelling, packaging and shelf life.

Key next steps

- Interim project team to be set up including the ONE Food and Drink Director, plus RGU, University of Aberdeen (Rowett) , ONE Board members and SE.
- Scope the role of project manager and secure resource to develop and deliver the project.
- Benchmark best practise from comparable innovation centres internationally.
- Map and assess the current provision of innovation support accessible to food drink and agriculture companies.
- Further market and demand testing of the concept to be undertaken

Issues for attention of the Joint Committee

None

iii. Bio-Therapeutic Innovation Centre

Progress to Date

Significant progress has been made in refinement of the strategic business case.

Additional testing of the concept is being undertaken with key stakeholders at a local and a national level.

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There is consensus that the Centre should contain both space for existing companies as well as Incubator space for new life science companies. Several companies have expressed an interest in locating into the centre when constructed – estimate of 2019-20.

The centre will be 35- 60,000 sq. ft. will be a mix of shared and dedicated lab space with the option of bespoke fit out for new and existing companies.

The key bioscience competencies have been agreed by the ONE Life Science Board. This model enables historic and present competencies like Peptide and Antibody Engineering to be seen in association with growing competencies like Cell and Gene Therapy. There is a high degree of synergy within the competencies and significant and growing demand for their biopharmaceutical and biological products.

Key next steps

- Demand testing to be undertaken and an options analysis undertaken to develop and shape the preferred model.
- Draft Business case and Business Plan to be developed by the project team by October 2016.

Issues for attention of the Joint Committee

None

iv. Digital Infrastructure

Progress to date

A gap analysis has been completed that maps all the current provision of broadband across the City and Shire. Data from one supplier still to be verified. Considerable gaps identified in both the City and Shire for superfast fibre and wireless connectivity. Options for closing gaps:

Aberdeen City Digital Place Strategy:

- Aberdeen City Council using existing network contract to leverage further private sector investment over the next 6 years. Contract agreed and first phase of upgrade to Council's network underway. This will provide a basis from which to expand to businesses and residential areas.
- Aberdeen City Council invest in free Wifi across the city and increased coverage of 4G wireless. Installation complete for proof of concept in North Regeneration Area. This will provide a model for roll out to other areas of the city. Goes live in September 2016. First phase of 4G boost live by September 2016.

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Options for City Regional Deal Investment:

- Leverage existing City initiatives to provide further connectivity to key Aberdeenshire economic corridors.
- Use CRD funding to procure a public sector duct infrastructure where there are limited plans for investment by the private sector.
- Use CRD funding to challenge the market to develop innovative wireless solutions for rural and city areas.

Key Next Steps

A meeting has been set up for 16th August between the project, the Scottish Government, Scottish Futures Trust and Cube Ultra to identify specific projects for CRD investment.

The current plan is to complete a first draft of the business case for initial review by both governments by the end of August, and the completion of the business case by October.

Issues for attention of the Joint Committee

None

v. Strategic Transport Appraisal

Progress to date

Initial discussions have taken place between the two Councils, Nestrans and Transport Scotland on the potential scope, extent and timescales of this project, as well governance and decision making arrangements. The group is meeting on 24 August to consider governance, funding arrangements, and scheme priorities.

Key Next Steps

Key to the appraisal process will be a robust evidence base and development of an updated regional transport model. The current model requires significant upgrading to reflect the existing and future transport network, development pressures and travel patterns. It is proposed that this upgrading takes place in two stages.

- Stage 1, a relatively small scale upgrading of the existing model and data. This will provide information to support the development of the Strategic Development Plan which is being progressed to a timetable set out by statute. A tender has been awarded for this model update, and inception meeting held with the successful tenderers in July 2016.

- Stage 2, a full upgrade to a modern transport modelling tool with new base data including post AWPR surveys. This will then be used to inform the full

5:	Project Updates
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appraisal process.

Bearing in mind that the first stages of the area wide appraisal will be some months away and involve data collection and model upgrading, there may be a need to continue assessment work on projects which are already underway.

These potentially include:

- City Centre Masterplan works (Including redefinition of the roads hierarchy)
- Locking in the benefits of the AWPR (Including radial route assessment)
- Cross City connections.
- Aberdeen to Peterhead/ Fraserburgh corridor study.
- Other strategic transport corridors such as A944, and A947.

Issues for attention of the Joint Committee

None

vi. Harbour Expansion Project

Progress to date

Aberdeen Harbour appointed their preferred bidder in July and the estimated overall costs of the Harbour have been revised

scope of works under the City Region Deal has yet to be decided and will be subject to confirmation of the new Harbour project being approved. The decisions on the Harbour approvals is scheduled for October this year.

Key Next Steps

The intention of this project is to overcome some of the strategic access issues to the new harbour and the surrounding area which is highlighted in the published Development Framework for the area. A scoping exercise should be carried out for this project.

Issues for attention of the Joint Committee

None.

6:	Finance and Risk
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- i. The overall financial plan for the Programme is included within the City Region Deal Agreement and will be monitored throughout the life of the Programme.

6:	Finance and Risk
ii.	The Risks associated with the City Region Deal are considered and varied. Risk Assessments will be carried out as part of each of the workstream Business Cases and will form part of the Programme Risk Register.