

North East Scotland Investment Zone

Scottish Investment Zones Gateway 2

Sector and Geography Template

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Information to complete this document

At this stage of the co-development process, we want to work together to choose the priority sector(s) the Investment Zone (IZ) will support, the cluster you will focus on developing, and how this could support IZ objectives. You should also consider how you might locate and use spatially specific interventions such as Tax sites and Non Domestic Rate Retention (NDRR) sites in your proposed IZ.

You will be required to provide the detail requested at each question to proceed. **Please refer to the draft criteria you have been provided with as you complete these questions.**

We have provided word counts throughout the document - **in the interest of proportionality you should not expand beyond these word counts. We expect you may have developed much of the information required to answer these questions as part of your wider economic strategies and encourage you to draw on that existing evidence base wherever possible.**

The criteria set out the expectations for the detail of your response at each question including the information/evidence your response should contain. It also highlights potential examples of the types of information you should include where this would benefit the answer provided. **To be clear, we do not expect you to provide information against all the examples listed in the criteria.** You should be guided by the nature and focus of your proposal.

The responses to questions at this gateway should build upon the work you have done thus far to assess the economic landscape of your region and align your proposal with existing Regional Economic Strategies, as well as relevant strategic frameworks published by both Governments such as the Scottish Government's National Strategy for Economic Transformation, and the UK Government's Levelling Up White Paper. This will provide a useful and known context within which proposals can be developed further.

Please note that information submitted at this point will be shared with other UKG and SG departments (OGDs) as part of the co-development process to help UKG and SG appraise proposals and consider how they could be strengthened. Advice from other UKG and SG departments could result in UKG and SG requiring you to revise and/or update answers during this process. We will consider proposals against:

- UKG and SG understanding of regional sectoral strengths, clusters, and specific challenges/opportunities;
- Alignment with UKG and SG policy, strategies, and investment;
- Opportunities to go further and consider if the proposed options are credible ways of addressing the stated issues;
- Opportunities to drive additional private sector investment and meet UKG's Levelling Up ambitions across the UK, and SG's inward investment priorities.

FINAL

- How well the options embed Wellbeing Economy approaches such as Fair Work and Community Wealth Building as means to contribute to reducing economic inequality across the region.

We do not expect the answers here to be final, and REPs will have the opportunity to update and iterate returns as they advance through the IZ gateways.

The guidance from the criteria document has been included in each of the text boxes below, please remove this when returning your first draft of this document.

We will advise Ministers as proposals develop, to allow them to consider the whole IZ programme as it develops and will provide feedback to REPs at regular intervals.

Questions

We have split the questions into thematic sections to help guide thinking and set them out in a structured way, in line with the programme's Theory of Change. However, please do consider these questions in the round and how this Gateway will influence the development of your proposal through future Gateways.

As we co-develop these proposals and proceed through future Gateways, we expect that previous templates might need to be iterated to reflect on-going and evolving discussions.

As set out in correspondence to date, UKG and SG will reserve the right to not take forward proposals if agreement cannot be reached and proposals will only be formally signed off in full at the conclusion of the process.

Sector and Cluster

At this gateway REPs are expected to identify the priority sector(s) they intend to support through their IZ; the nature and geography of the existing target cluster, and the key challenges and opportunities IZ tools could address.

These questions set out the evidence a place will need to provide if it wishes to pursue a focus on more than one priority sector, to support a coherent economic cluster.

SECTOR

Question 2.1: What priority sector will your IZ support and why is it a strength?

Please tick one of the boxes below. If you are proposing more than one priority sector, subject to evidence that these sectors intersect as part of a coherent economic cluster, please tick all the relevant boxes.

- ☐ Advanced Manufacturing
- ☐ Creative Industries
- ☒ Digital and Tech
- ☒ Green Industries
- ☐ Life Sciences

Your answer should not be longer than 500 words.

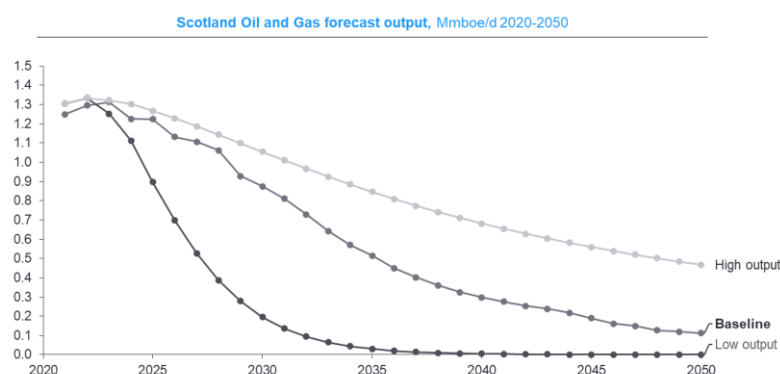
North-East Scotland Investment Zone (NESIZ) Vision and Ambition 2035 Vision

North-East Scotland's (NES) vision is for a regional economy that enables its people, communities, businesses and key sectors to thrive. The IZ will be integral to the region's economic diversification by embracing entrepreneurship and innovation and leading its transition to net zero. This will deliver a just, sustainable, and prosperous economy for residents and business founded upon two interlinked priority sectors to transition from an oil and gas economy and transform and lead in digital technology:

1. A clear economic growth story in **Green Energy**, unlocked by NESIZ status and the regions natural and geological characteristics to transition the regions significant and unique legacy oil and gas supply chain, and skills-base into a hotbed of Green Energy supply chain innovation and investment that delivers both transitional and new jobs and growth.
2. Capitalising on the regions industrial **Digital Technology** revolution and latent potential to unleash the deep, applied Digital Technology expertise in creating and scaling new high growth innovation-led international businesses including EnergyTech, ClimateTech, HealthTech and AgriTech to deliver the high productivity, high value jobs that will underpin the NES economy of the future.

Exposition of the Green Energy sector

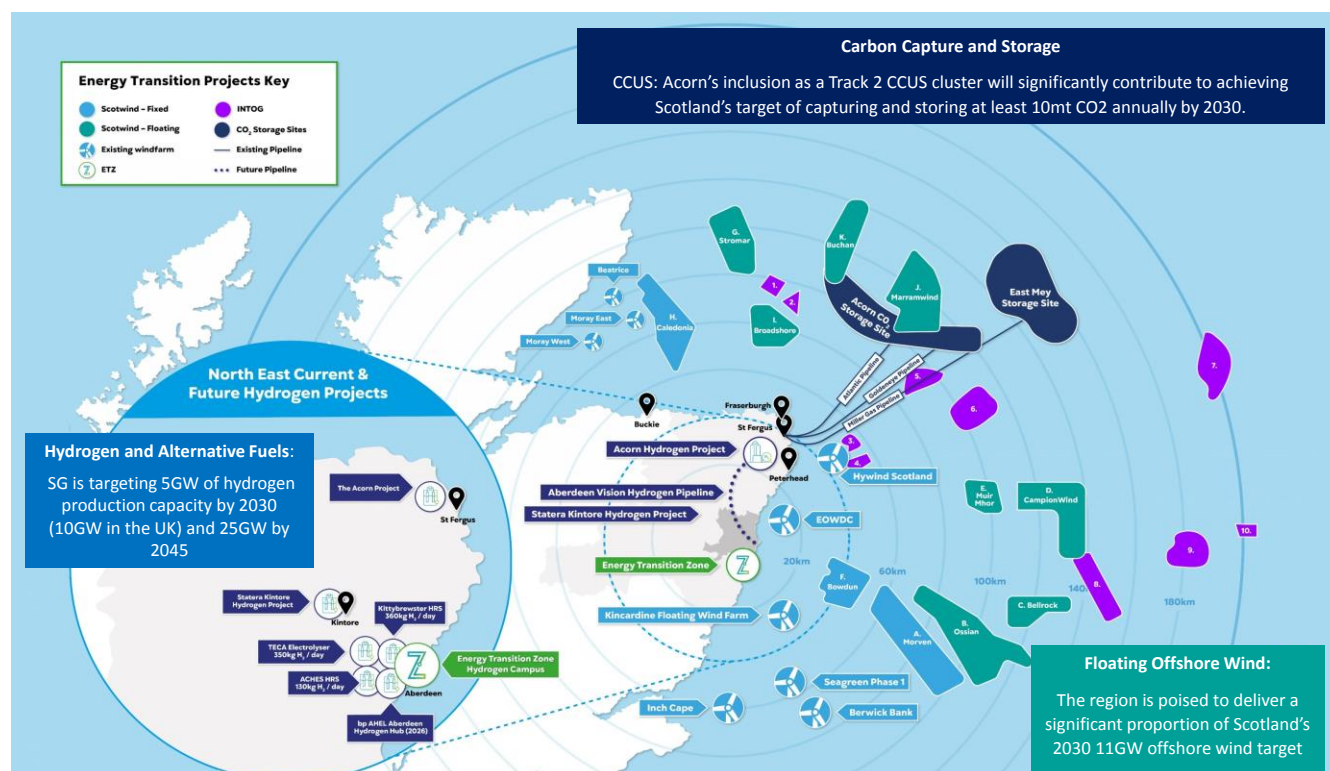
With the majority of Scotland's 79,000 Oil and Gas jobs based in NES¹, the region risks significant job losses of 26,500 and gross value added (GVA) reduction of £10.4bn by 2050² due to forecast declining output. NESIZ will underpin NES's strategic realignment towards the green energy sector as both an environmental imperative and to safeguard the region and Scotland's economic sustainability.



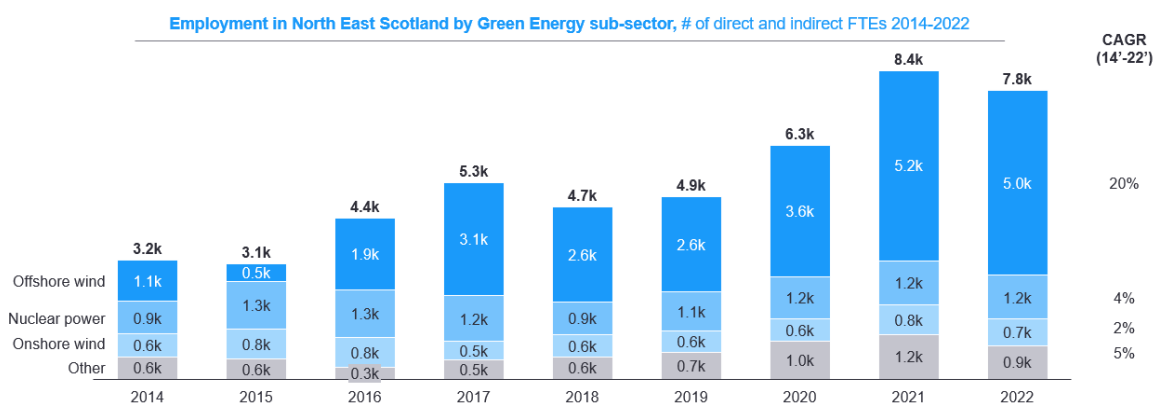
¹ Source: EY – Just Transition Review of the Scottish Energy Sector (2022) [\[link\]](#)

² Source: EY – Just Transition Review of the Scottish Energy Sector (2022) [\[link\]](#)

The IZ will empower three core complementary energy sub-sectors: Offshore Wind (particularly floating), Hydrogen and Alternative Fuels, and Carbon Capture and Storage, integrated across the value chain from production to end use as illustrated in the diagram overleaf³:



NES's green energy sector employed 7,800 full-time equivalents (FTEs) in 2022⁴, with employment in offshore wind, the most established of the three sectors, increasing at a compound annual growth rate (CAGR) of 20% between 2014 to 2022.

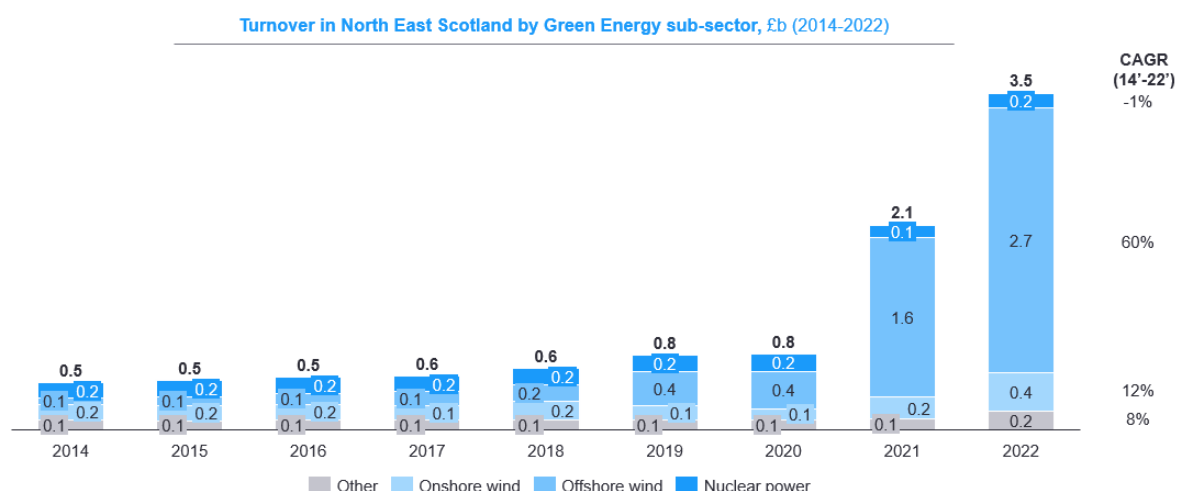


In 2022, the green energy sector in NES generated a turnover of £3.5bn⁵ (33% of Scottish green energy turnover), marking a substantial increase of over 60% from the £2.1bn recorded in 2021.

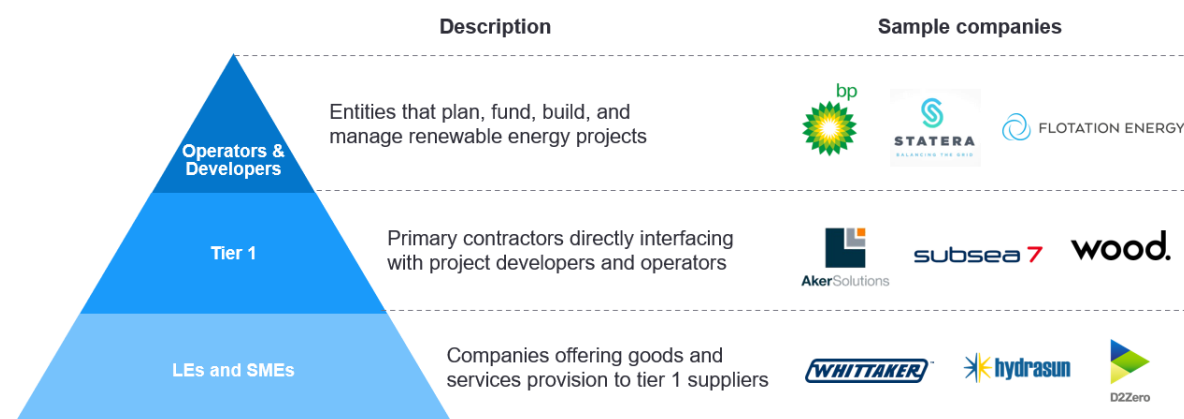
³ The wider green energy sector constitutes onshore and offshore wind, hydrogen, CCS, solar, hydropower, nuclear, wave and tidal, and bioenergy. As stated above the three subsectors of NESIZ are Offshore Wind (Particularly floating), hydrogen and alternative fuels, CCUS.

⁴ Source: ONS – Low carbon and renewable energy economy estimates (2024) [\[link\]](#)

⁵ Source: ONS – Low carbon and renewable energy economy estimates (2024) [\[link\]](#); Values were apportioned for North East Scotland based on its proportion of Scotland's energy production across onshore wind, offshore wind, hydrogen, carbon capture, utilisation and storage (CCUS), solar, nuclear, and other renewable energies.



NESIZ will strengthen the SME base within the green energy supply chain providing goods and services to Tier 1 contractors, who interface with the core renewable energy generators and operators. The region's presence of multinationals through to SME's (who generate the majority of innovation), many of whom with years of world leading experience developing technical solutions across the Oil and Gas lifecycle that are readily transferable to renewables, provides the strength of demand and agglomeration effects needed to drive forward the design, construction and operation of complex, sustainable energy projects:



This supply chain is supported by a significant concentration of specialist research and innovation institutions across the target sub-sectors (detailed fully in 2.2 and 2.11).

Exposition of The Digital Technology Sector

The Digital Tech sector is forecast to be grow by 31% (£1.8bn GVA) in Scotland by 2033, outpacing forecast Scottish average +14%⁶. The NE cluster is amongst the fastest growing tech-related sectors in the UK, with more than 300 companies who employ 4,400 people (1.6% of total NES jobs), and an annual turnover of £520m a year⁷, providing software and AI solutions, including a range of SaaS products across key growth industry sectors.

⁶ Source: Own elaborations on Skills Development Scotland - Sectoral Skills Assessment: Digital Technologies (October 2023) [link]

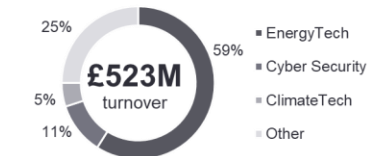
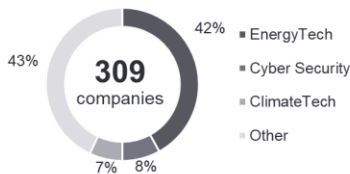
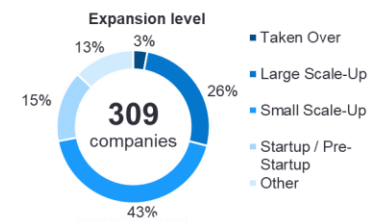
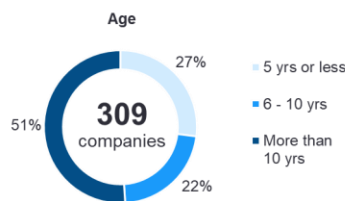
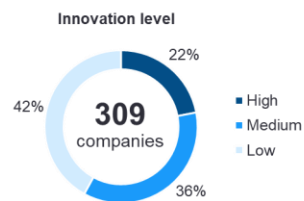
⁷ Source: Scottish Enterprise, Company Connecting & Analysis Logic for ONE Digital Tech - Digital Tech Sector Insights for NE Scotland (June 2023)

FINAL

309
companies

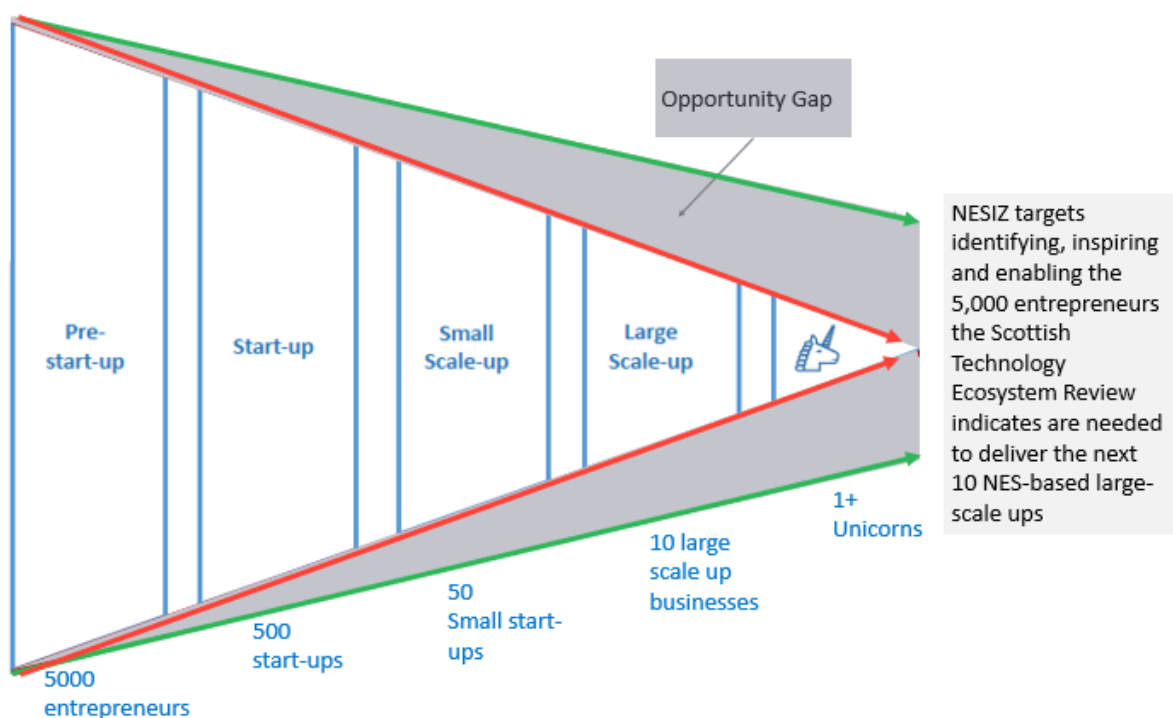
4,392
employees

£523M
turnover



The number of Digital Technology businesses in NES has almost doubled since 2019. The businesses in the region are primarily micro and small enterprises (<50 employees) that serve a growing local, national, and international EnergyTech market, as well as other key markets such as ClimateTech, HealthTech and AgriTech⁸. More than half of companies in the NES boast a high or medium level of innovation, 69% have successfully scaled-up since launch (with a third of those achieving large scale growth).

This SME foundation is supported by specialist research and innovation institutions with longstanding expertise in AI and digital technologies (detailed in 2.2 and 2.11) alongside the ONE Tech Hub – home to the region's tech ecosystem.



Intersection of Two Sectors

The NESIZ will benefit from both the individual strengths of the Digital Tech and Green Energy sectors, and the overlap between the two sectors to create a coherent economic cluster. HMG and SG recognise that the digitisation of the Green

⁸ Source: Scottish Enterprise, Company Connecting & Analysis Logic for ONE Digital Tech - Digital Tech Sector Insights for NE Scotland (June 2023)

Energy sector is critical for ensuring the interoperability of the energy system in Scotland and the UK as it transitions to net zero⁹. The National AI Strategy, Green Industries Growth Accelerator and the Scottish AI Strategy all reinforce digital and AI technologies as a key priority to transition to a climate neutral economy¹⁰.

The NES region has a track record of successfully integrating both sectors; the Aberdeen City Region Deal funded the Net Zero Technology Centre to develop technology and digitalisation projects in renewables¹¹, and including the funding of the two national centres (National Subsea Centre and National Decommissioning Centre). Furthermore, the ONE EnergyTech program connects Digital Tech businesses with established green energy enterprises through a collaboration programme to innovate in new digital solutions and products. The One, Codebase and Barclays Eaglelab collaboration has driven innovation in both Digital Technology and Energy with SMEs raising over £20m from VC funds, creating more than 250 jobs, and fostering international market connections and meeting global demand. This makes it imperative that the NESIZ similarly continues to integrate and seize growth opportunities across both sectors.

Opportunity 1: Accelerating growth in target sectors

Green Energy

The UK continues to have first leader advantage in floating wind. There are projects totalling up to 19GW within 100 nautical miles of the region, accounting for 75% of the Scottish floating wind projects and around 25% of the global floating wind pipeline. IZ status will be a catalyst for the supply chain to take advantage of commercial scale developments to build technology solutions, concentrating supply chain expertise and investment with associated export potential. IZ incentives will also play a core role in viability for the supply chain to deliver on the regional target to produce over 1GW of low carbon hydrogen by 2030¹², underpinned by the Acorn CCUS Project and its hydrogen developments at St Fergus and BP Aberdeen Hydrogen Hub.

Digital Technology in Green Energy

NES Energy & Utilities GVA is forecast to grow by 18% between 2024 and 2032¹³ driving continued demand for the region's solutions including:

- Monitor and enhance energy systems, such as energy management systems, renewable energy monitoring, carbon tracking and the automation of key energy processes.
- Data for AI and predictive models such as predictive maintenance systems, AI powered asset management systems, AI enabled alarm monitoring and process control, remote emissions data collection and monitoring.
- World leading robotics and autonomous monitoring for a wide range of industrial applications across offshore green energy, manufacturing, logistics, transport and healthcare.
- Improve energy performance and efficiency such as smart grid solutions and optimisations, energy efficiency software, energy modelling and simulation software and digital twins.
- Revolutionise productivity through blockchain-enabled energy platforms, energy trading and market platforms, demand response platforms, regulatory compliance and reporting solutions.

These services augmented with NISEZ will accelerate growth in both the Green Energy and Digital Tech cluster and support the region's goal to grow the number of active technology companies as a share of Scottish total from 7% to 15% by 2030 and an additional 10,000 jobs by 2032.

Digital Technology in Other Verticals

The EnergyTech cluster has been a testbed for enabling business solutions and NESIZ will provide replicable software, knowledge transfer and enable operations into high-growth adjacent verticals such as AgriTech, CleanTech, ClimateTech, Cyber Security, FinTech, and HealthTech, where businesses are growing¹⁴ and confident of Digital Technology demand¹⁵.

⁹Source: UK Parliament Post - Post Note n.655 [\[link\]](#)

¹⁰Source: Innovate UK - Opportunities (2024) [\[link\]](#)

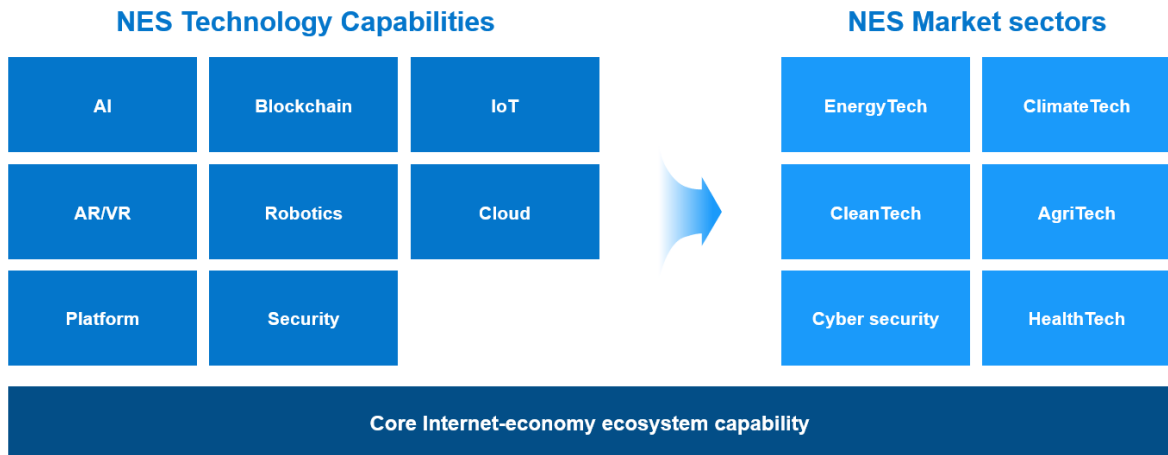
¹¹Source: Aberdeen City Region Deal Quarterly Progress Update (February 2024) [\[link\]](#)

¹²Source: NES Hydrogen Ambition Steering Committee - North East Scotland's Hydrogen Ambition (2021)

¹³Source: Own elaborations on Oxford Economics - UK Regional Forecasts: Detailed industry GVA (2023)

¹⁴Source: Own elaborations on Nomis - UK Business Counts: enterprises by industry and employment size band (2023) [\[link\]](#)

¹⁵Source: ScotlandIS - Scottish Technology Industry Survey 2024 (2024)



Green Energy and Digital Technology Export Potential

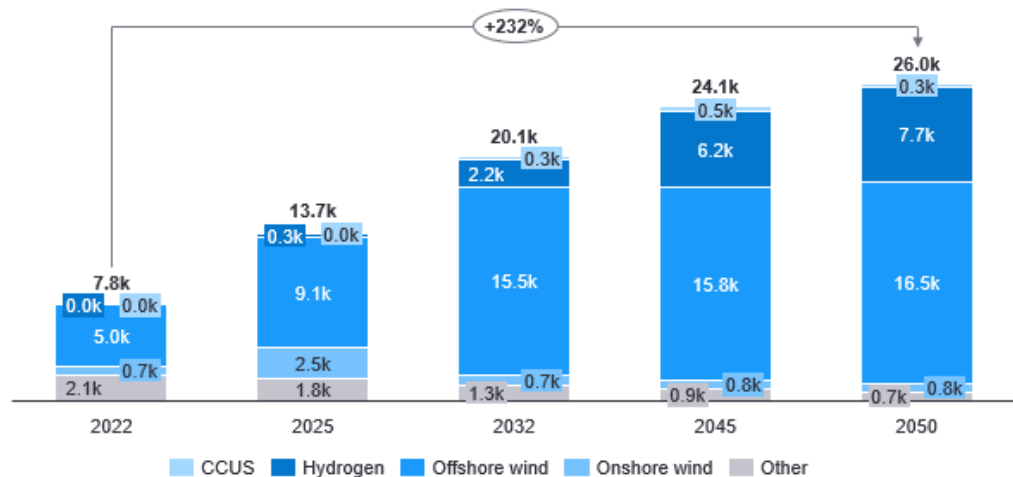
The global pipeline of offshore wind projects stands at 1.23 TW¹⁶, with the UK's pipeline of 99.8 GW being second only to China's. This presents a substantial export opportunity for the energy supply chain. Similarly, the Digital Tech sector demonstrates significant export potential, with national exports doubling since 2012. Within the region, 71% of the Digital Tech cluster provides products and services to international markets making up 44% of revenues from overseas American, Middle East and Gulf State markets, primarily driven by Green Energy markets.

Opportunity 2: Building the skills for a Digital and Net Zero Future

Green Energy Skills Transition

More than 90% of NES's current O&G workforce has medium to high skills transferability to adjacent energy sectors¹⁷, IZ status will secure the employment space, business and skills investment needed to accommodate both existing workers transitioning from Oil and Gas to renewables and new entrants needed to meet the Green Energy employment demand for 20,100 FTEs by 2032 and 26,000 FTEs by 2050.

Green Energy employment forecast in North East Scotland by Green Energy sub-sector, # of direct and indirect FTEs



Digital Technology

¹⁶ Source: ETZ – Offshore wind update (2023)

¹⁷ Source: RGU Aberdeen – Making the switch (2022) [\[link\]](#)

Demand for Digital Technology skills are growing exponentially with two-thirds of Scottish Technology businesses seeking data and AI or Machine Learning skills, founded on growth of Digital Technologies including AI, Robotics and Cloud software¹⁸. To meet the NES target to double the size of the sector by 2030 and contribute £1bn to regional GDP, the existing employee base of 4.400 workers skilled in digital technology will need to double¹⁹. Career pathways provided into data and digital careers, covering the basic and key skills in schools, college, and apprenticeships through to advanced postgraduate training and research in AI, robotics and other advances digital technologies. training provision, part-time short courses, online programs, and micro-credentials are increasingly important as they complement the supply of talent from traditional learning opportunities and are particularly relevant for reskilling and career changes. 80% of existing Digital Technology roles in the region are classified as high-value jobs²⁰ evidencing the prosperity opportunity for the region.

Opportunity 3: Leveraging innovation specialisms within the Supply Chain and Research institutions

Green Energy

Floating wind and hydrogen sectors will unlock innovation and concentrate specialisms within the legacy Oil and Gas supply chain. The sector possesses between 60% and 80% of the capabilities required to develop the UK's low carbon energies²¹ with regional specialisms including offshore and subsea design, operations and maintenance, and use of dangerous gases. Regional research and innovation assets include UoA's Interdisciplinary Centre for Energy Transition, National Decommissioning Centre, Robert Gordon University's (RGU's) Energy Transition Institute and the National Subsea Centre. The clustering effects of Green Energy businesses, research and physical capital operating in close proximity will provide dynamic, multiplicative effects for existing and new businesses, increasing the energy supply chain's work outside of oil and gas beyond 50% by 2030, alongside providing significant export opportunities given solutions have global applicability²².

Digital Technology

The region holds significant and unique Digital Technology innovation solutions such as predictive AI maintenance, renewable energy monitoring and simulation IP with the potential for global applicability that require scale-up, investment and commercialisation support. Research intensity from institutions such as the UoA Department of Computing Science and the Interdisciplinary Centre for Data and AI, and RGU's School of Computing, along with the multi-sector application of research from the National Subsea Centre, will foster innovation specialisms. These specialisms are expected to create cyclical and reciprocated benefits between the research institutions and the private sector. This collaboration is particularly valuable for solutions with export potential²³.

Question 2.2: Please describe the existing economic cluster your IZ will support and strengths of the wider eco-system?

Your answer should not be longer than 500 words.

The North East Scotland Investment Zone (NESIZ) will support two significant economic clusters – Green Energy and Digital Technology – which each benefit from established entrepreneurial and innovation ecosystems in the region. The existing cluster and strengths of each are described below:

The Green Energy Cluster

The NES region has the potential to become an integrated energy basin ecosystem, interconnecting fixed and floating wind, hydrogen and carbon capture to produce net-zero energy, with operations unlocked through Digital Technology. The diagram illustrates this scaled green energy value chain vision, as foundational elements are being established by ScotWind, the Acorn Track 2 project and INTOG, while identifying targets for the future NESIZ supply chain:

¹⁸ Source: ScotlandIS - Scottish Technology Industry Survey 2024 (2024)

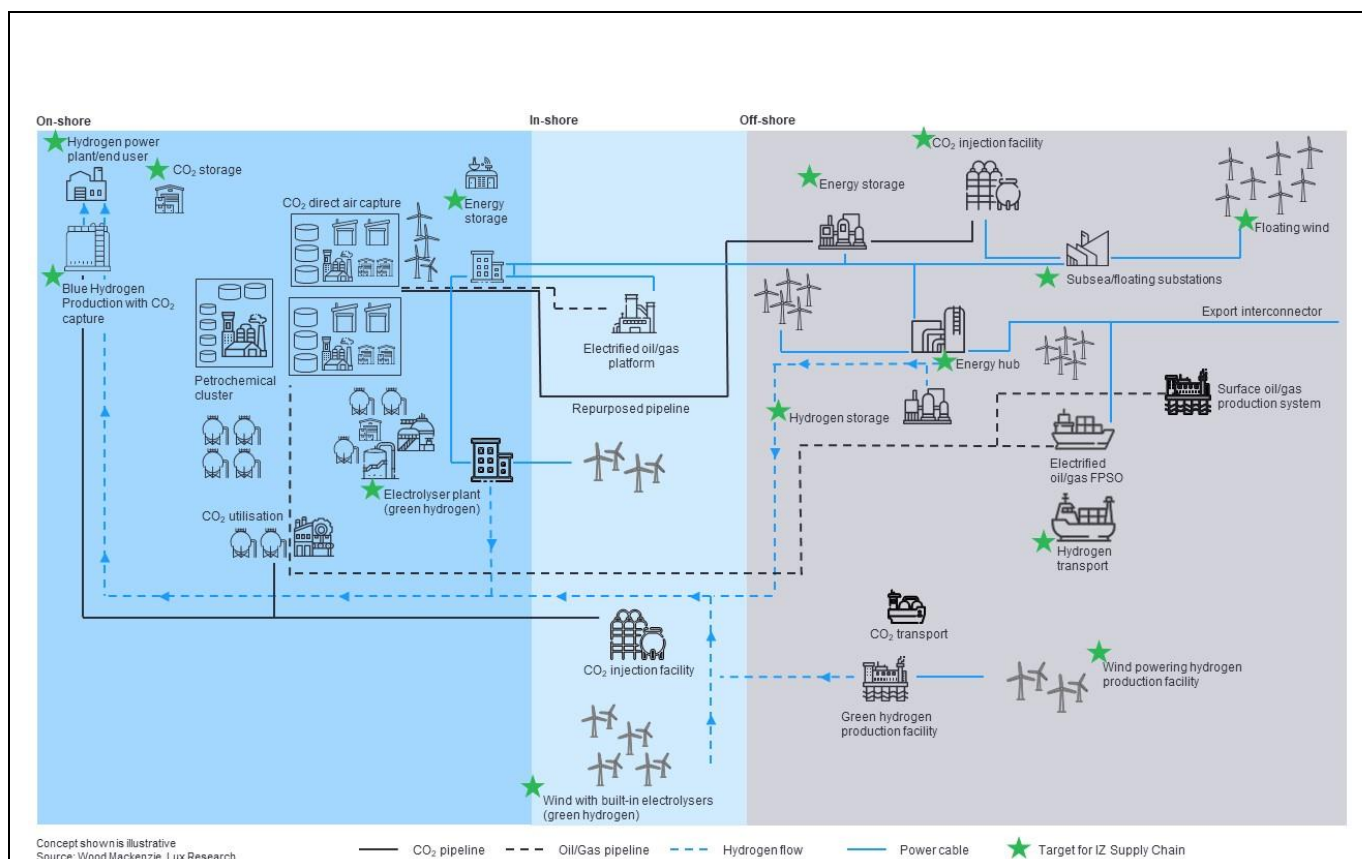
¹⁹ Source: Scottish Enterprise, Company Connecting & Analysis Logic for ONE Digital Tech - Digital Tech Sector Insights for NE Scotland (June 2023)

²⁰ Source: Salaries in excess of 120% of Scottish average of £27,710 - Our focus on economic transformation (scottish-enterprise.com)

²¹ Source: Rystad Energy – UK O&G supply chain and opportunities in the energy transition (April 2024)

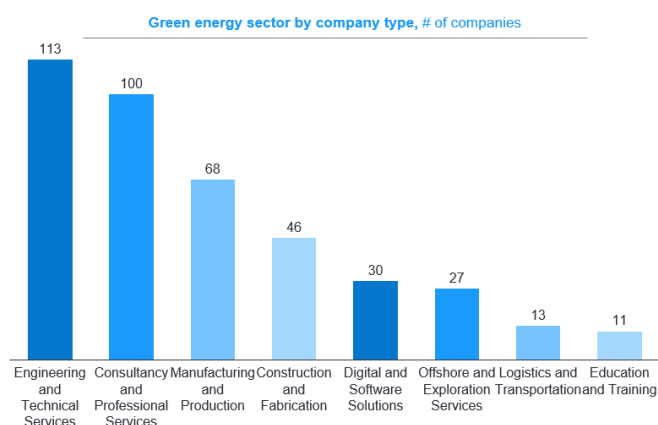
²² Source: Aberdeen and Grampian Chamber of Commerce (AGCC) survey (Oct 2023) in ETZ document

²³ Source: ESPON - European Special Economic Zones (2020) [\[link\]](#)



NES Green Energy Supply Chain

As noted in 2.1, the strength of this value chain in NES lies in its coverage of multinational presence, underpinned by tier 1 operators and a wider supply chain; Scottish Enterprise has identified 400 established companies core to the green energy supply chain in NES²⁴, characterised primarily by engineering (28%) and consultancy (25%) companies, followed by manufacturing (17%), construction (11%) and digital and software companies (7%)²⁵, whilst not exhaustive this indicates the broad range of NES companies and the energy sectors covered by them:



North-East Scotland's Energy employment concentration

About 60,000 energy jobs are located in NES²⁶, with around 85% employed in the oil and gas industry; the remaining 15% supply regional offshore wind, hydrogen, carbon transportation and storage activities, and other sub-sectors²⁷. Economic

²⁴ Source: North East Energy Supply Chain (2023)

²⁵ Source: North East Energy Supply Chain (2023)

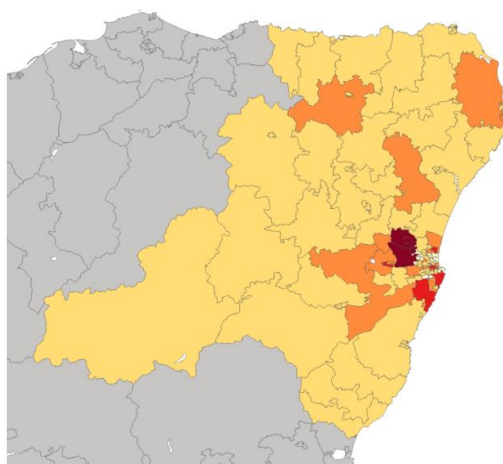
²⁶ Source: EY – Just Transition Review of the Scottish Energy Sector (2022) [\[link\]](#)

²⁷ Source: RGU Aberdeen – Making the switch (2022) [\[link\]](#)

value associated with offshore energy operations is evident: GVA per filled job in the North-East is 4.5% higher than the UK average and 8.5% higher than Scotland. In 2019 GVA per filled job in the region was £59,260 compared with a GVA per filled job of £56,670 for the UK and £54,662 for Scotland²⁸. In terms of educational attainment, the region's qualification statistics underline the strengths of its overall workforce: the North-East of Scotland ranks fourth highest in the UK in terms of educational achievement, with over half of the workforce educated to degree level⁶. Maintaining and increasing the quality of future jobs in the region, enabled through NESIZ, will be critical to workforce retention.

Employment in the Energy Sector by Intermediate Zone (2021)

Energy Sector Clusters ● Cluster 1: 3,000+ ● Cluster 2: 1,000 - 2,999 ● Cluster 3: 100 - 999 ● Cluster 4: 5 - 99 ● Cluster 5: 1 - 4
Total Employment: 29,900



Digital Technology employment concentration

Employment is concentrated around the city of Aberdeen and the South of the city²⁹ and employs prevalently high-value individuals³⁰ (80% of the cluster's workforce)³¹. Productivity of the workforce is in line with Scottish averages at £37 GVA per hour³² and high wage jobs are evidenced with a median salary in NES for Technology occupations of £40,100 up by 12% with respect to 2020 figures³³. The workforce is also highly qualified: the Scottish Digital Tech sector has an estimated 75% of workers that are qualified as SCQF Level 7 or above, against a Scottish average of 53%³⁴.

²⁸ Source: ONS – Nominal (smoothed) GVA per filled job (£) (2021)

²⁹ Source: Scottish Enterprise, Company Connecting & Analysis Logic for ONE Digital Tech - Digital Tech Sector Insights for NE Scotland (June 2023)

³⁰ High value jobs are defined as jobs whose salaries are paid higher than 20% of the Scottish average salary (of £27.7k – [link](#)). To estimate how many high value jobs exist in the cluster it was assumed that: for companies employing less than 20 people, 100% of the workforce are employed in high value jobs, and for companies employing more than 20 people, 60% of the workforce is employed in high value jobs.

³¹ Source: Scottish Enterprise, Company Connecting & Analysis Logic for ONE Digital Tech - Digital Tech Sector Insights for NE Scotland (June 2023)

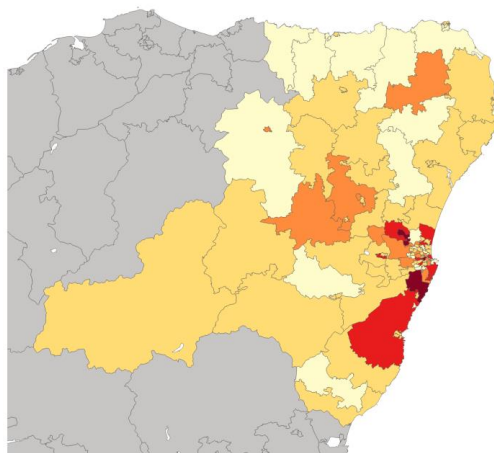
³² Source: Own elaborations on ONS - Subregional productivity: labour productivity indices by UK ITL2 and ITL3 subregions (2023) [link](#)

³³ Source: ScotlandIS - Scottish Technology Industry Survey 2024 (2024)

³⁴ Source: Skills Development Scotland - Sectoral Skills Assessment: Digital Technologies (October 2023) [link](#)

Employment in the Digital Sector by Intermediate Zone (2021)

Digital Sector Clusters ● Cluster 1: 500+ ● Cluster 2: 150 - 499 ● Cluster 3: 50 - 149 ● Cluster 4: 5 - 49 ● Cluster 5: 0

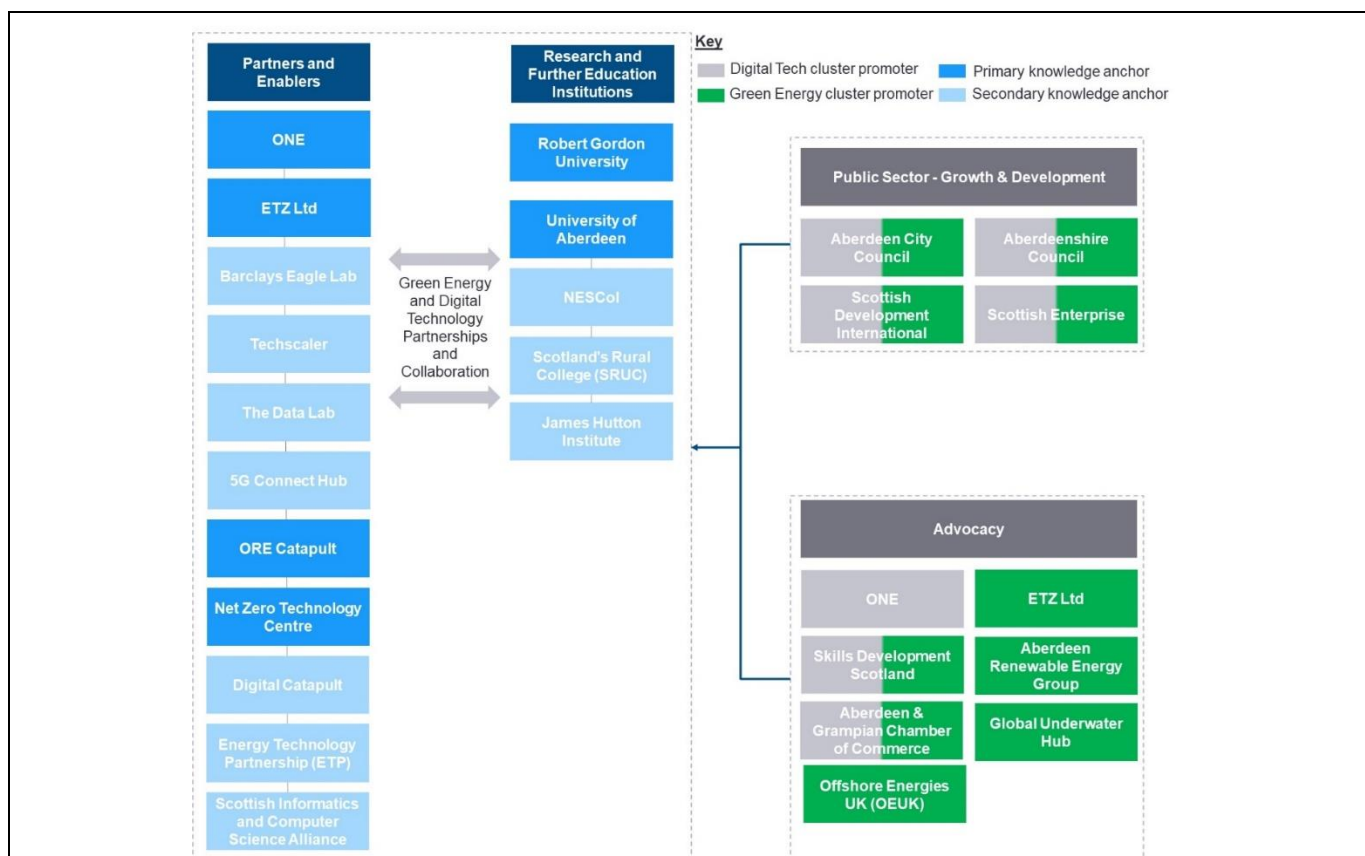


Nonetheless, Scottish employers throughout the Digital Technology are reporting numerous skill shortages: 23% of these businesses report a lack of basic data skills and 37% a lack of advanced digital skills among existing workforces³⁵. This problem is further exacerbated when compounded with limited access to talent: Digital Tech businesses in NES have reported they struggle to attract and retain talent; graduates move to the central belt, or further afield, to larger companies that offer more competitive salaries, like the O&G sector)³⁶.

Green Energy and Digital Technology Knowledge Anchors

³⁵ Source: ScotlandIS - Tech Experts asked to partner with schools to help shape education (2023) [\[link\]](#)

³⁶ Source: Optimat - ONE Digital Tech: Developing an Actionable Strategic Roadmap for the North East of Scotland (2023)



NES has a long academic heritage in Energy and Digital Technology research and development (with research in AI stretching back nearly 60 years), complemented by more recent development and innovation initiatives that underpin sector momentum, exemplified by:

- The University of Aberdeen submitted over 200 academic FTEs to REF 2021 in units of assessment aligned with Green Energy and Digital Technology (with 84% of activity across those units ranked internationally excellent or world-leading); post REF investment in Computer Science has grown academic capacity by another 20 FTEs. Key assets supporting the Green Energy sector include the Interdisciplinary Centre for Energy Transition, the National Decommissioning Centre, the Centre for Applied Dynamics Research, and the Fluid Mechanics Research Group (which plays a key role in advancing renewable energy technologies). The University also contributes significantly toward research and innovation intensity in Digital Technologies through its Interdisciplinary Centre for Data and AI that has attracted funding from UKRI, the EU and Industry and is a member of the UK's Turing Network.
- RGU has an international reputation for its industry-focussed inter-disciplinary research, thought-leadership, enterprise, and teaching with particular strengths in energy and digital, evidenced by national awards and listings. Key relevant assets include the National Subsea Centre, RGU Energy Transition Institute, Hy-One and digital visualisation and simulation suites. Energy and digital/data strengths include Integrated Energy Technologies and Net Zero Operations; Composite Materials; Economics and Workforce Dynamics; AI and Reasoning; Computational Intelligence; Interactive Machine Vision; and Cyber Security. The majority of these areas are interdisciplinary in their approach, particularly involving digital tech and energy. The University is particularly recognised for its entrepreneurial approach which is also embedded within its research and teaching programmes. For REF 2021 submission, 64% of activity across the computing science unit of assessment was internationally excellent and world leading and 58% for the engineering unit of assessment.
- The James Hutton Institute is a RESAS-funded interdisciplinary scientific research institute working in fields including food and energy security, biodiversity, and climate change; the Institute was instrumental in crafting the "2020 Route map for Renewable Energy in Scotland".
- ONE Tech Hub in Aberdeen serves as the focal point for the NES digital tech ecosystem, offering flexible space to grow and foster collaboration among businesses and the wider digital community. Since reopening in February 2022, its occupancy rates have more than doubled, going from 33% to 83%, housing incubators of national importance like CodeBase, Barclays Eagle Lab and Techscaler, as well as research and innovation partners like DataLab and 5G Connect Hub.

- Offshore Renewable Energy (ORE) Catapult is the UK's leading innovation centre for offshore renewable energy and operates the national Floating Wind Innovation Centre (FLOWIC), a recent partnership with ETZ Ltd focussed on development of commercially viable technologies applicable to floating offshore wind. It provides technical expertise and market pathway support alongside large scale plant test capabilities to scale supply chain growth.
- The Net Zero Technology Centre focuses on reducing carbon emissions through innovative research and technology, driving forward the agenda for a cleaner energy future, and the centre offers the TechX Clean Energy Accelerator, an ambitious programme for startups willing to accelerate the path to net zero.
- The innovation base of Aberdeen City is consistently ranked the best in Scotland for patent applications per capita and has been in the top 10 in the UK since 2015.
- NESCol, one of the largest providers of vocational education and training in Scotland, supports the digital and energy transition through dedicated skills courses. It is an active member of the Energy Skills Partnership and the National Energy Skills Accelerator (NESA). NESA is a collaboration between the University of Aberdeen (UoA), RGU, NESCol, Skills Development Scotland (SDS), and ETZ Ltd, which has secured £1 million from the Scottish Government's Just Transition Fund to enhance green energy skills development. This partnership aims to accelerate the training and skills needed for Scotland's energy transition, ensuring the workforce is well-equipped for the future demands of the energy sector.

Both the Green Energy and Digital Technology clusters are further enabled by financial services, physical assets such as the key three east coast ports, and Data Centres, that are detailed within 2.3, 2.4 and 2.8. Both clusters align closely with SG and HMG Government Policy detailed in question 2.9.

Question 2.3: What are the constraints or unrealised opportunities that if addressed could boost the cluster's growth potential?

Your answer should not be longer than 500 words.

The NESIZ will deploy the financial, collaboration and investment levers of the IZ policy to unlock identified human, physical, intangible and financial capital constraints that exist across the region. These are considered below:

Key	
	Constraint for Green Energy cluster
	Constraint for Digital Technology cluster

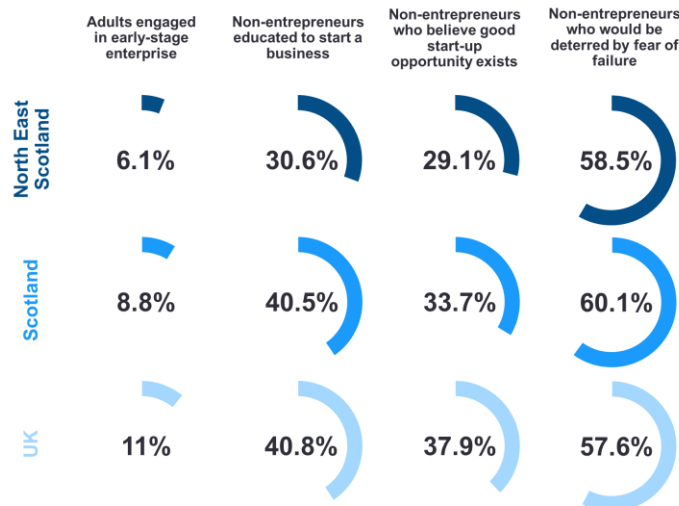
Human capital constraints and opportunities

-  **Existing Oil and Gas skill base:** One in five workers across the region is employed in the offshore oil and gas sector³⁷. With 80% of skills in this sector transferable into renewable energy roles, this provides a generational opportunity to create the 14,000 workers needed to be reskilled by 2030 for renewable energy sectors³⁸.
-   **Entrepreneurial activity:** IZ interventions are ripe for driving up entrepreneurial confidence and enhancing spin-out volumes. NES lags Scotland on entrepreneurial activity: only 6.1% of adults are engaged in early-stage enterprise (Scotland 8.8%) and only 30.6% of the non-entrepreneurial population feels equipped to start a business (Scotland 41%)³⁹;

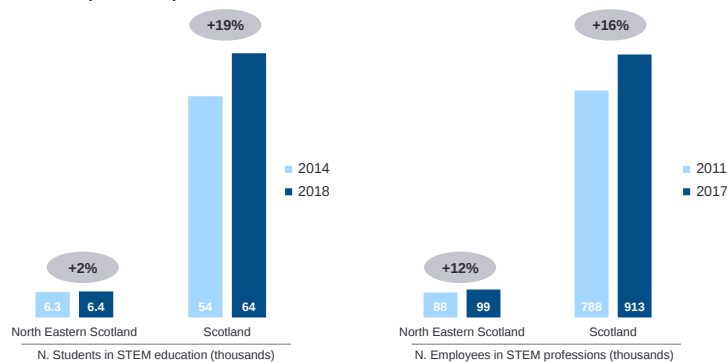
³⁷ Source: RGU Energy Transition Institute – Powering up the Workforce, 2023 [\[link\]](#)

³⁸ Source: RGU Energy Transition Institute – Powering up the Workforce, 2023 [\[link\]](#)

³⁹ Source: Global Entrepreneurship Monitor - Scotland Report 2022/2023 (2023) [\[link\]](#)



 **STEM education volumes and career pathways:** Both target clusters offer STEM education routes that have faced slower growing full-time student numbers and employees than Scottish averages^{40,41}. To meet the NES targets, both the digital tech and green energy sectors need to double their employment by 2030. Additionally, per 2.1 talent retention is a critical issue for NES business further underscoring the significance of addressing STEM education volumes and career pathways:



 **Technology Demand:** With 2,689 Digital Tech jobs vacant across 2022, Aberdeen had the third highest shortage of tech talent in Scotland⁴², with businesses demanding a range of skillsets such as SQL (83%), JavaScript (78%), Python (67%) and Java skills (56%) through to broader software and web development (29%)⁴³.

Physical capital constraints and opportunities

 **Supply of Industrial Land and Supply Chain Facilities:** Land assembly issues at both the Energy Transition Zone and Peterhead could be unlocked by NESIZ status which would enhance the development attractiveness of sites, alongside targeting higher quality developments to fill underutilised and empty sites. There is a significant investment pipeline of companies wishing to establish a footprint in NES, but the existing land and property offer does not meet the level of demand.

 **Infrastructure services are inhibiting developable commercial plots:** Investment to enhance partial services of water, gas, telecoms and electrical infrastructure would bring prospective sites into use and more attractive for commercial development.

 **Access to test and demonstration facilities:** Innovators require both the space to develop pre-commercial technologies and access to specific environments to test them, whether through structured access to commercial operations or dedicated demonstrator facilities or sandboxes. Dedicated test facilities in the region including the

⁴⁰ Own elaborations on UK Government (Department for Business, Energy & Industrial Strategy) - Total number of STEM students [\[link\]](#)

⁴¹ Own elaborations on ONS - Employment in STEM occupations and industries, Scotland, 2011 and 2017 (2019) [\[link\]](#)

⁴² Source: Tech Nation - People and skills report 2022 (2022) [\[link\]](#)

⁴³ Source: ScotlandIS - Scottish Technology Industry Survey 2024 (2024)

European Offshore Wind Deployment Centre, National Hyperbaric Centre, National Subsea Centre, National Decommissioning Centre, and FLOWIC will be better leveraged with growing supply chain in close proximity.



Resilient physical data fabric and (high performance) computing infrastructure is essential for deploying AI and digital technologies at scale and supporting the regional ecosystem's needs. The NESIZ will further strengthen existing HPC and GPU capabilities at the Universities and ensure accelerated deployment of AI and digital technologies, facilitate cutting edge R&D and catalyse innovation in the tech cluster.



Innovation and commercialisation infrastructure: limited access to dedicated and supported innovation and commercialisation spaces embedded within academic centres of excellence to accelerate the rate and scale of spin-outs, start-ups and industry-academic partnerships.

Intangible capital constraints and opportunities



Commercialisation of IP: Applied research conducted in universities could be converted into commercialised businesses opportunities. As of 2023, the University of Aberdeen had a total of 19 spinouts that were still active three years after creation, while RGU had four (compared to UK average of 7). At the same time, research income from industry contracts per academic FTE was £10.5k (UoA) and £0.9k (RGU)⁴⁴.



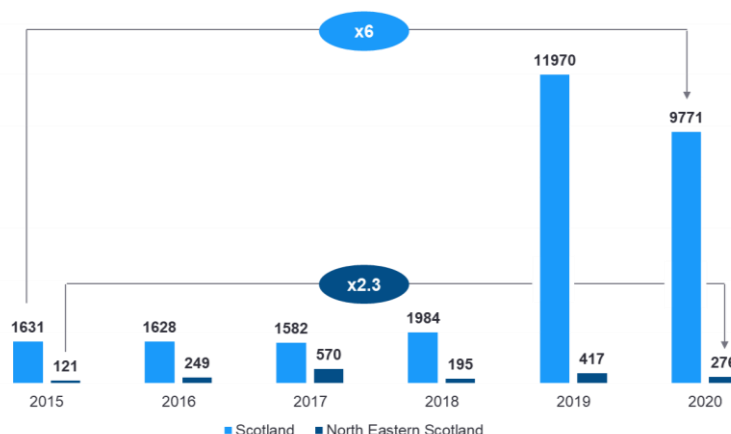
Cohesive approach to scaling in some markets: Given the nascency of some technologies and markets, such as floating offshore wind and the hydrogen economy, there is significant uncertainty in the activities across the value chain, their location and the regulatory framework that can lead to stasis or misaligned decisions. NESIZ engendered collaboration, and the application of tools and techniques including AI, geospatial modelling, research and multicriteria decision analysis can support development of the supply chain to capitalise on major investments in offshore wind, hydrogen and CCUS projects, rather than losing these opportunities over eas.

Financial capital constraints and opportunities



Foreign direct and venture capital investment: Since 2019, Aberdeen has only secured approximately £169m in VC investment (6% of the total investments made in Scotland); this is equivalent to £10.5 per £1,000 GVA, about half of the Scottish average of £18.8⁴⁵. Focussing on the impact for the digital cluster using ICT as a proxy for investment, NES secured a 2.3 increase across the five years from 2015 to 2020, versus Scotland as a whole securing 6.0 multiplier.

Information and Communication net FDI international investment position (£ million) by region and year



Funding uncertainty: The NESIZ will shift positively project certainty and viability to unlock private investment and reduce project risks, to mitigate against rapid government policy shifts and inconsistent investment strategies

⁴⁴ Source: HESA HE-BCIS data [\[link\]](#)

⁴⁵ Source: Own elaborations on Dealroom.co database (2024) [\[link\]](#)

that can act as barriers to growth in Green Energy⁴⁶, and in Digital Technology on costs of research and developing minimum viable products.

 **Access to funding for RD&I and investment pull:** There is an acute issue with early-stage funding within the Digital Technology company base, evidenced by Innovate UK and Research Council's funding in the area amounting to £14m (3% of Scotland's total funding and 0.3% of the UK's); this equates to an investment of £28 per person (three times below Scotland wide averages)⁴⁷.

 **Private sector resilience:** The number of private businesses within the North East has declined, reaching its lowest level since 2010 at 22,170 in 2022, and the business start-up rate in the North East, typically higher than in Scotland, has remained lower than the national average since the onset of the COVID-19 pandemic (18.2 business start-ups per 10,000 working-age adults in the North East, compared to 20.2 in Scotland).

Geography

The questions below ask you to identify the proposed spatial focus of your IZ intervention and set out how this will support agglomeration, Levelling Up, and NSET. It also asks for information on potential tax and business rate retention sites to understand how they align with the existing and proposed spatial focus.

You should consider how the package of interventions you are beginning to design will come together across a coherent geography to be more than the sum of their parts. This might mean targeting specific support to increase R&D and mechanisms to encourage spinouts around the existing cluster of companies or core research assets, and then using interventions around local infrastructure and skills to ensure local communities in the surrounding area can benefit. You should think carefully about how this expresses itself geographically.

As you determine the spatial focus you should consider how any proposed sites, be they tax, NDR, or proposed sites for planning and bringing forward development, link to that economic geography. For example, where you are proposing tax levers you could set out how they are supporting agglomeration by encouraging businesses to cluster together around research institutions assets.

Geography

Question 2.4: What is the proposed spatial focus of your IZ?

Your answer should not be longer than 500 words.

IZ Boundary

The economic catchment of NESIZ covers a strategic, coherent and purposefully broad boundary across the North-East of Scotland, with the following rationale:

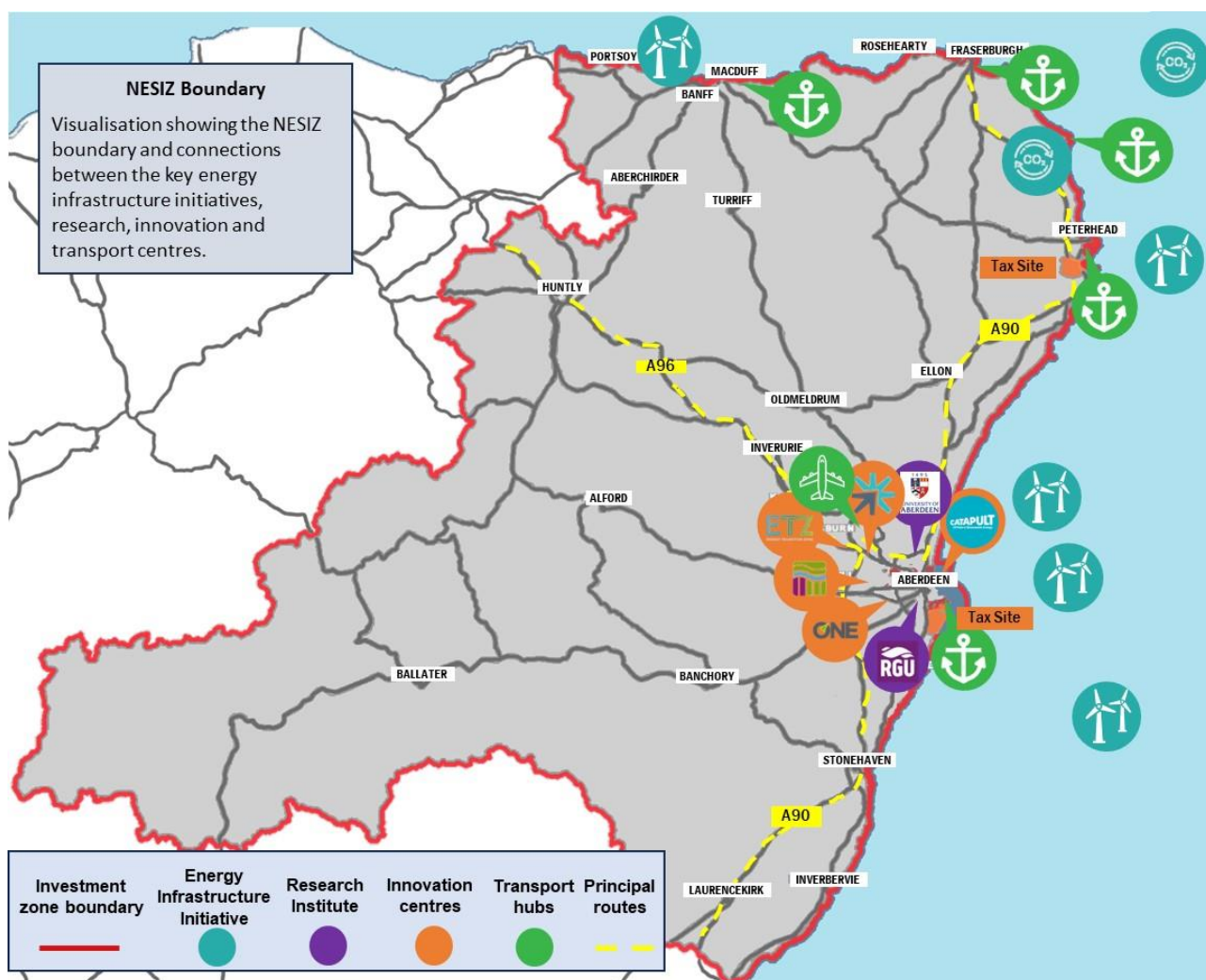
1. Maximises the inclusion of local growth and diversification areas and the regeneration priority areas, including SIMD data zones of deprivation and low pay, identified by National Planning Framework 4. The North-East of Scotland Regional Economic Strategy and the respective Council Local Development Plans, ensuring regeneration objectives align with regional and national strategy.

⁴⁶ Rt Hon Chris Skidmore MP – Mission Zero (2023) [\[link\]](#)

⁴⁷ Source: Own elaborations on UKRI - Geographical Distribution of UKRI Spend in 2019-20 and 2020-21 (2022) [\[link\]](#)

2. Unites all innovation assets across the North-East of Scotland and promotes maximisation of the supply chain opportunities that will emerge from the Acorn project in St. Fergus and the ScotWind and INTOG offshore wind opportunities.
3. All tax sites interlink with Aberdeen and Peterhead Travel-to-Work Areas and areas within a commutable distance of Aberdeen and Peterhead.

Both Tax Site boundaries represent underdeveloped, underutilised, and well-connected land parcels that will facilitate the development of large-scale onshore infrastructure, servicing substantial offshore wind and hydrogen activity – the rationale is captured in 2.5.



Connectivity within the IZ boundary and Tax Site Interlinkages

The IZ boasts unparalleled multi-modal connectivity strengths across land, sea and air, further enhanced by excellent broadband and 5G connectivity.

Transport Connectivity:

The IZ demonstrates critical reliable road connectivity that will ensure the supply chain base can interact and underlying goods and components can flow efficiently within the IZ and for wide export:

- A90 Trunk Road – Connects the proposed Tax Sites, Aberdeen international Airport, Aberdeen South Harbour, Peterhead, St. Fergus, Fraserburgh and the full Energetica energy corridor.
- Planned upgrades to the Hareness Road and Coast Road deploying £25m of City Region Funding to reduce journey times, improve access for wide loads and intermodal connectivity between the Energy Transition Zone and the rail freight network.
- Linkages between the Energy Transition Zone and the NETSRANS Aberdeen Rapid Transport ambitions, which would connect the Altens and East Tullos site with the city, alongside the regional ambitions for active travel.

Sea Connectivity

- **Port of Aberdeen:** The £420m investment in the South Harbour expansion provides the international gateway for Scotland's Energy Transition Zone, creating direct-to-market export opportunities for high-value manufacturing across green energy sectors, providing a focus for supporting principal offshore wind developments off the North-East coast, deep port and subsea capabilities and hydrogen production.
- **Peterhead Port:** Providing a strategic shore-base for multiple offshore wind developments that can also support the acquisition and storage of goods for infrastructure projects such as the globally significant Acorn Carbon Capture & Storage plant. The Port also has the potential to support the export of green hydrogen derivatives and provide local offtake/use for vessels and local businesses and stakeholders.
- **Fraserburgh Harbour:** With key infrastructure such as a shiplift, dry dock, high value marine services including engineering, fabrication and specialist marine electronics Fraserburgh offers the opportunity for high quality vessel repair and maintenance, is experienced in operations and maintenance provision for offshore renewables in the Moray Firth, alongside freight and berthing that integrates into the wider east coast trade offer.

Air Connectivity

- **Aberdeen Airport:** ABZ provides worldwide access for passengers and freight through a varied schedule of domestic and international flights and is a critical link in high value, high-tech supply chains that rely on the timely shipment of goods. The airport hosts leading global logistics providers and provides an offshore heliport alongside a prospective testing zone for drones use cases such as remote and automated emissions data collection and offshore wind monitoring.

How will the IZ promote agglomeration effects?

IZ status will close the viability gap for attracting the right supply chain into the target sites and promote a concentration of knowledge sharing, innovation and collaboration within the NESIZ alongside the business space and facilities to amplify and accelerates initiatives such as:

- **Campus approach to securing green energy investment at Energy Transition Zone:** Within the Tax Site boundary Innovation, Skills, Wind, Hydrogen and Marine Gateway hubs connect within tight spatial distances of major research and innovation hubs in the city.
- **World leading research institutions in UoA and RGU:** Both with dedicated centres of excellence in relation to Green Energy and Digital Technology that drive research and innovation intensity in the region and nationally, providing knowledge exchange and IP licensing opportunities for current businesses, creation of new spin-out and start-ups by academic staff and students, degree programmes, short courses and upskilling opportunities.
- **ONE Tech Hub:** Is the home to north east Scotland's digital tech ecosystem and an ambitious cluster of tech start-ups and scaling businesses; providing a place where a fast-growing community of entrepreneurs and founders, innovative businesses and support organisations meet, share, learn, work and grow together within Aberdeen city centre, alongside a tech enabled learning space for schools, tech industry led Foundation Apprenticeships, and STEM and digital programmes equipping people with the required digital tech skills.
- **Energy Incubator and Scale-up Hub:** ETZ Ltd in partnership with the Net Zero Technology Centre, National Manufacturing Institute Scotland, BP and Scottish Enterprise are spearheading a £9m 3000m² facility to support supply chain expansion and deliver a cutting-edge innovation ecosystem within the Energy Transition Zone. IZ interventions will underpin the EISH to provide a focal point of support for start ups and scaling companies in high value manufacturing to form a critical hub for cluster networks and industrial expansion.
- **ORE-Catapult Floating Wind Innovation Centre:** In partnership with ETZ Ltd sits at the centre of the Wind Campus of the Energy Transition Zone and supports technology development, test, validation, and collaboration on floating wind. ORE's role as a lead innovation partner for the IZ will draw collective benefit alongside providing concept testing facilities to businesses when the site is fully developed following IZ status.
- **W-Zero 1 Facilities:** A case study in these effects: Investment in vacant property has unlocked 100% occupancy within 6 months of fully opening with three anchor tenants including creation of Floating Wind Innovation Centre (FLOWIC) and five co-working tenants.

How will the IZ deliver Levelling Up?

The IZ will grow the private sector boosting productivity, pay, jobs and living standards against the post oil counterfactual

The IZ will facilitate both entry-level and high skilled job growth across the Investment Zone attracting new component manufacturers, Digital Tech, and maintenance and operations companies to North-East Scotland and encouraging

expansionary investment in skills from local and national firms. The Tax Sites provide a nucleus for job growth; the ETZ site is neighboured by areas of high deprivation such as Torry East (with an income deprivation rate of 22%), Torry West (16%) and Kincorth, Leggart and Nigg North (13%) – the conversion of undeveloped or poorly utilised land into effective employment space will generate job creation, alongside growth of the Digital Energy sector in the city centre, which is also near the SIMD zones. The Tax Site in Peterhead is underdeveloped and also interlinks and targets employment from some of the top 10% most deprived areas in Scotland; Peterhead Harbour and Ugieside for example are both SIMD zones where income deprivation exceeds 20%, and employment deprivation exceeds 15%, and both have nearby Town Centre focussed Levelling Up Funded projects. The Aberdeenshire wide boundary facilitates targeted interventions beyond the Tax Site, utilising UoA, RGU and NESCol regional footprints to drive levelling up objectives and spans research and innovation as well as education pathways to promote green energy and digital workforce participation and inclusion to 2030 and beyond.

The IZ public investment will be a multiplier force for private investment

Scotland's spend on Research and Development is growing slower than other UK country and regions (4.9% versus 7% UK wide between 2020 and 2021) and is also comprised of a smaller volume of business research and development investment (1.85% versus 2.01% UK)⁴⁸. Per question 2.8, the prospect of the IZ is encouraging business to accelerate R&D investment to leverage the fiscal incentives, increased direct involvement and collaboration of the research institutions and clustering effects of companies in similar industries working in close spatial networks.

The IZ will intervene on skills outcomes in the region

The IZ will develop interventions for Gateway 4 that target skills shortages in Green Energy and Digital Technology clusters and drive-up tertiary skills in the population. On Green Energy these could include Aberdeen's Energy Transition Skills Hub⁴⁹, to be located within the Energy Transition Zone and the National Energy Skills Accelerator (a partnership between the three local academic institutions), which through the Just Transition Fund provided over 650 fully funded training places across NESIZ to meet the Future Energy Skills needed in 2030⁵⁰. Digital skills development and inclusion will be powered by NESIZ building on the success of existing partnerships such as the Aberdeen Computing Collaborative between (Aberdeen City Council, UoA, RGU, NESCol and ONE), alongside programmes such as the ONE Digital Accelerator in conjunction with CodeBase.

Supporting the development of digital technology skills is an important way to address inequality, as these roles are expected to increase in number and often offer higher-than-average salaries. Additionally, encouraging collaborative efforts to rapidly retrain the existing workforce, who are at risk of displacement due to technological advancements, plays a crucial role in assisting employers and promoting equality.

Please only complete 2.5 if you intend to propose tax sites. If you do not wish to propose tax sites, please simply include N/A in bold in that box. If you propose tax sites, you will be responsible for attracting investment to the sites and should work with landowners to ensure that investment on the site is appropriate and can demonstrably support growth of the cluster and the wider objectives of the IZ. You should be able to demonstrate an ability to ensure this, e.g., plans for MoUs with relevant landowners.

Early indications of tax interventions

Question 2.5: How many tax sites are you proposing, and where are you planning to locate those tax sites?

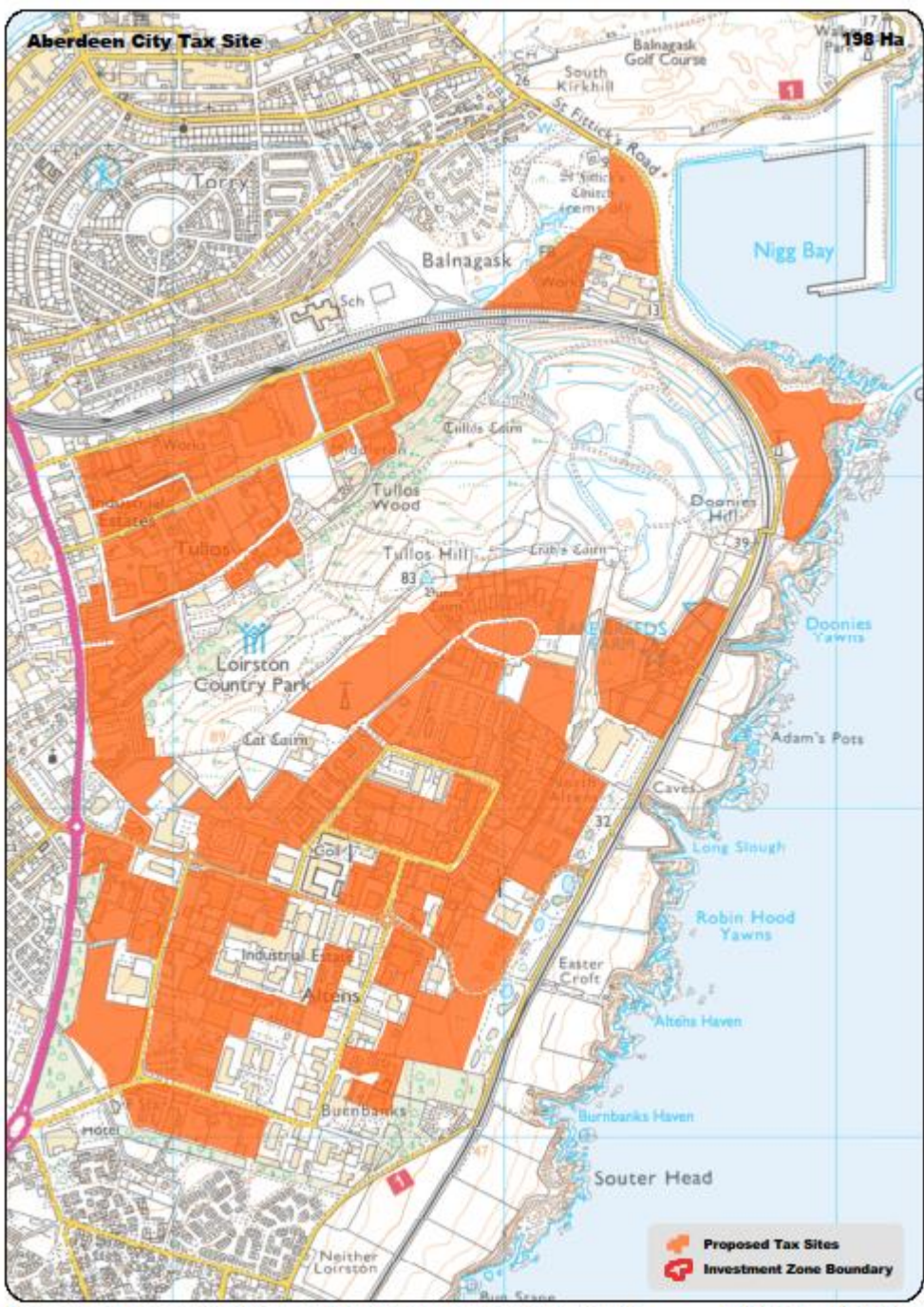
Map and up to 500 words

Tax Site 1: Aberdeen – Energy Transition Zone

⁴⁸ GERD Statistics Scotland 2021

⁴⁹ [ETZ | Aberdeen's New Energy Transition Skills Hub Set to Open in 2024... \(etzltd.com\)](https://etzltd.com)

⁵⁰ [NESA | Just Transition Fund – Future Energy Skills 2023-2030 \(the-nesa.org\)](https://the-nesa.org)

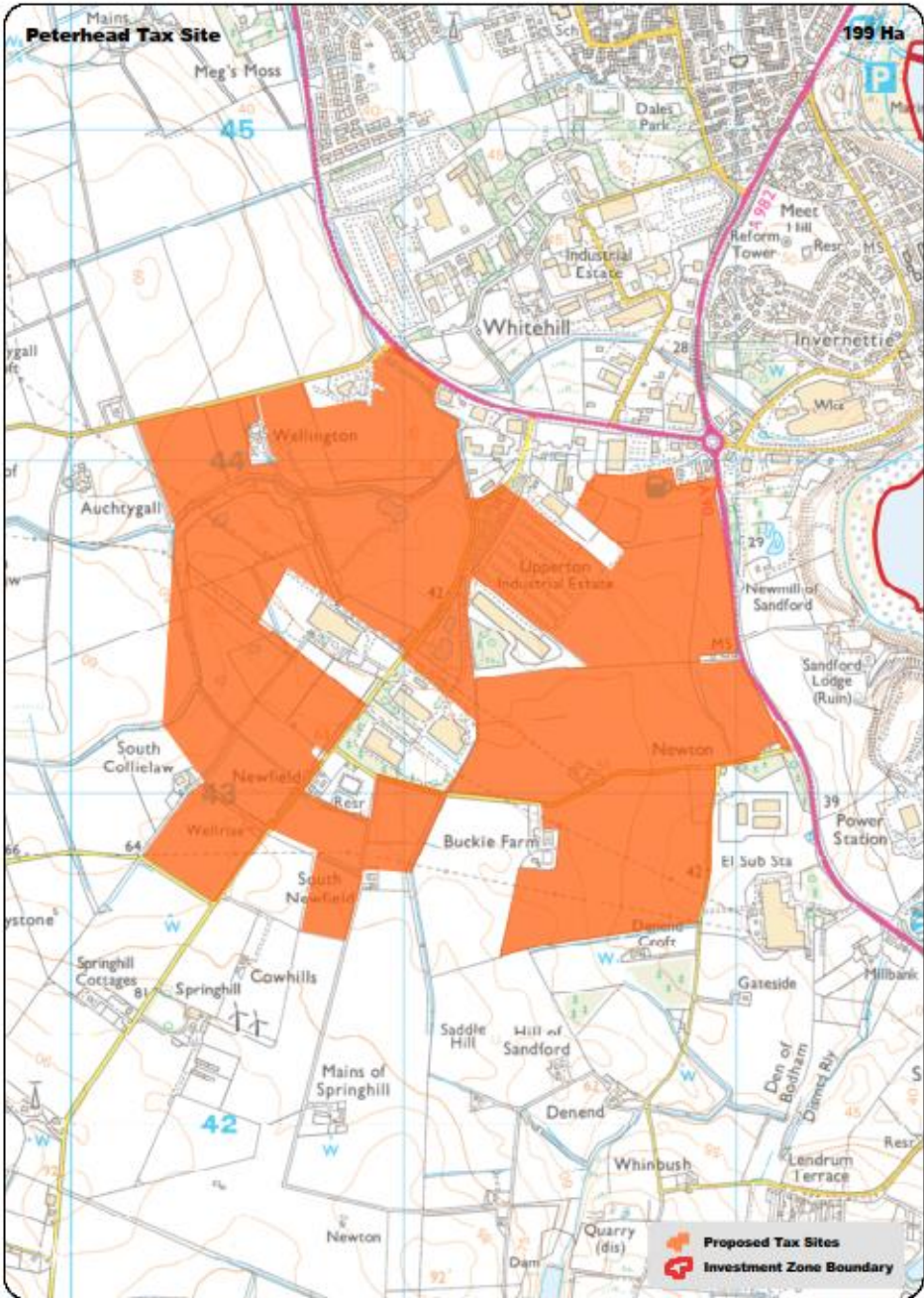
	
	Response
Total hectares	198 hectares
Postcodes that will be included across tax sites	AB11 8TT, AB11 8TU, AB12 3AX, AB12 3AY, AB12 3BG, AB12 3BH, AB12 3BJ, AB12 3BQ, AB12 3BS, AB12 3BT, AB12 3GX, AB12 3GZ, AB12 3HB, AB12 3HT, AB12 3JX, AB12 3JZ, AB12 3LB, AB12 3LE, AB12 3LF, AB12 3LG, AB12 3LH, AB12 3LT, AB12 3LU, AB12 3LW, AB12 3LY, AB12 3PG, AB12 3QL, AB12 3QY, AB12 3SN.
Assessment against underdevelopment criteria	The tax site is comprised of: • 26 hectares undeveloped greenfield land at the North of the site and well connected into the Port and Harbour. • 47 hectares of undeveloped brownfield land.

FINAL

	125 hectares of underutilised land, comprised of either vacant buildings, buildings with lease events requiring refurbishment, or buildings suitable for redevelopment, in all cases allowing new or expanding businesses to construct, renovate, purchase or lease. All tax site land is suitable for development or offer the opportunity for renovation and/or site assembly to attract new investment through either purchase or lease resulting in redevelopment of assets at the end of economic life for growth and job creation. A significant exercise has been undertaken to exclude all buildings that do not meet the undeveloped criteria, and those who do not have lease events in the next five years.
Landowners	Primary landowners are Aberdeen City Council, Shell, Port of Aberdeen and Forbes Homes Ltd who have all provided letters of support, alongside letters of support from real estate developers confirming the importance of fiscal incentives to support financial viability of future development and investment. ETZ Ltd was established to support the transition of this site and effectively manage, with its partners, the landowners on the site.
Planning status of the site	- National Planning Framework 4 designates Aberdeen South Harbour as a National Development, including regenerating existing industrial land and reorganising land use around harbour in line with LDP. Planning Permission in Principle application is pending. - Aberdeen LDP 2023: Allocates land for Energy Transition Zone. There is a presumption in favour of development required to support renewable energy related industries. - The ETZ Masterplan has been adopted as Aberdeen Planning Guidance January 2024. - Planning Permission in Principle submitted. All national and local planning policy and guidance supports the regeneration of the existing brownfield industrial estates.
Agreement from landowners	 Aberdeen Tax Site - Letters of Support.pdf
Why tax site is needed to support proposal	Land and Site Quality High vacancy is a common trend across the tax site, around 100,000 metres squared is currently vacant (30% of Aberdeen's Industrial Supply). Recently relinquished space is either being demolished or occupied by charities to mitigate against vacant business rates. Rateable values fell by around 20% in 2023, and 93% of properties require refurbishment and little development has taken place in recent years. Without intervention these trends will continue, however properties that have had investment to refurbish or repurpose have had success in attracting occupiers and investment. Viability The coordinated existing Investment plans underpinned by ETZ Ltd include £53m of confirmed funding from UK and Scottish Governments to deliver infrastructure improvements and innovation projects. There is significant infrastructure development of regional and national significance in the tax site, including £420m Port of Aberdeen South Harbour and Aberdeen Harbour Link Road (funded by Aberdeen City Region Deal) and will open in 2027. Unlocking Economic Opportunity The site has significant economic potential to be regenerated into an exemplar low-carbon innovation, supply-chain, and advanced manufacturing hub built on existing established cluster of energy companies such as Shell, Wood, and the Aberdeen Hydrogen Hub, a joint venture between bp and Aberdeen City Council. Letters of support have been provided from potential new investors demonstrating the opportunity. The Energy Transition Zone also holds some of the innovation assets that will leverage the deep Port and subsea assets within the boundary. ETZ Ltd are delivering significant interventions in development and innovation such as the Floating Wind Innovation Centre, Energy Incubator, Scale Up Hub and Energy Transition Skills Hub, which will enable the region to continue to support Green Energy growth and high-value jobs. Summary

	The Tax Site is ideally timed to build on the green energy cluster and landmark investments, NESIZ status would unlock immediate investment given the strong planning context and buildings ripe for refurbishment. The proposed tax site compliments wider Investment Zone proposals and proposed Aberdeenshire tax sites, in terms of delivery timeframe and target sectors. The existing brownfield properties have an imperative role to play.
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Tax Site 2: Peterhead



	Response
Total hectares	199 hectares
Postcodes that will be included across tax sites	AB42 3AE, AB42 3AF, AB42 3AJ, AB42 3AL, AB42 3BD, AB42 3BH, AB42 3BJ, AB42 3BZ, AB42 3GL, AB42 3GT, AB42 3JH, AB42 3JP, AB42 3JQ

FINAL

Assessment against underdevelopment criteria	An undeveloped site with no known constraints preventing development and expansion this site offers marine access via the Peterhead Port, closely connected to large employment zones across Peterhead and connection to Aberdeen and St. Fergus via the A90 trunk road. All occupied premises and any sites with significant incumbent employment have been removed from the proposed tax site, leaving only empty land and/or serviced but vacant and undeveloped sites.
Landowners	There are a significant number of landowners within the Peterhead Tax site. The key landowners include Scottish Enterprise, Score and SSE. NESIZ have received letters of support from landowners with a significant share of land within the tax site. The governance committee will monitor progress and continue to engage smaller landowners within the tax site as the Investment Zone develops.
Planning status of the site	• National Planning Framework 4: Identified as an Industrial Green Transition Zone • Allocated within the Aberdeenshire Local Development Plan 2023. Appendix 7B: Settlement Statements Buchan • There is a presumption in favour of development required to support renewable energy related industries. • R2 Reserved for development related to major energy development (NPF3) • CC1 Commercial Centre • OP4 Employment Land • OP5 Employment Land • BUS4 Safeguarded for Business Uses • SR1 Strategic Reserved Land
Agreement from landowners	 Peterhead Letters of Support.zip
Why tax site is needed to support proposal	Land status The site is undeveloped, with no known constraints preventing development and expansion. There are no planning permission or masterplans in place for this tax site. Viability Aberdeenshire Council are currently dealing with a number of pre-planning enquiries related to green energy, offshore wind supply chain and hydrogen production. Fiscal incentives, such as tax reliefs may unlock these enquiries and encourage projects from feasibility stage into development here rather than elsewhere in UK/Europe. Unlocking Economic Opportunity Despite the obvious opportunities and resources in this area, the private sector can lack confidence as a result of historic socio-economic issues and market failure. The geographical constraints of a tax site in Peterhead, along with natural synergies between industries, easy access to Peterhead Harbour, a critical mass of wind energy and network upgrades would help facilitate a cluster of skilled workforce, partnerships, innovation, and research to address common challenges facing the industry. This links to preliminary work for reopening strategic rail connectivity between Fraserburgh and Peterhead. Summary Within NPF4 Peterhead's role as an industrial green transition zone has been identified as a key strategic vehicle for industrial decarbonisation, energy generation, and the transportation and storage of captured carbon given its port access, natural access to key storage sites and connectivity to St. Fergus and Aberdeen.

Please only complete 2.6 if you intend to propose NDR sites. If you do not wish to propose NDR sites, please simply include N/A in bold in that box. If you propose NDR sites, you should work with the relevant billing authorities to ensure that any growth in business rates relative to the agreed

baseline is used to support the growth of their sectoral cluster, that this is guided by a clear strategy for reinvestment, and that decisions about the use of retained business rates are taken in an appropriate, transparent way that enables you to remain responsible to UKG and SG for the overall IZ programme.

Early indication of Non-domestic Rates Retention (NDRR) sites
Question 2.6: How many NDRR sites are you proposing, if any, and where are you planning to locate those sites?
Your answer should not be longer than 500 words.
The NDRR sites are consistent with the tax sites proposed in Question 2.5. Per guidance from DLUHC, refer to Question 2.5 for further detail.

Planning

Developments will be expected to take account of the Scotland's National Planning Framework (NPF4), and the relevant local development plan for the area (which together form the development plan). Areas should look to best practice and follow innovative approaches where they would add value. These could include the establishment of project-focussed teams, proactive master-planning, use of planning protocols or processing agreements and aligning consent procedures where appropriate. We envisage each area using their core IZ funding to support this planning offer.

We expect planning interventions to contribute to physical intermediate outcomes as development sites are unlocked at a faster rate (and at a higher quality) through these activities to speed up the planning process.

Early indication of planning interventions
Question 2.7: How will your planning offer help accelerate the progress of the IZ proposal.
Your answer should not be longer than 500 words.
The Peterhead Tax Site has been designated both National Development status by National Planning Framework 4 and Industrial Green Transition Zone status. The Aberdeen Energy Transition Zone Tax site lies adjacent to the Aberdeen South Harbour, also a designated National Development by National Planning Framework 4. Each Tax Site has been designated by the respective Aberdeen City and Aberdeenshire Local Development Plans as areas where development within Classes 4, 5 and 6 of the Town and Country Planning (Use Classes) (Scotland) Order 1997 as amended will be supported. To accelerate investment and growth within the IZ, we will develop and adopt a masterplan for each Tax Site. Masterplans will provide the framework for high-quality phased development of Tax Sites and a programme for delivery of essential infrastructure required including interventions contained within the Regional Transport Strategy. Masterplans will ensure development is situated in the right location and timing is used in the delivery of the Tax Site intervention, maximising development and investment opportunities and economic, social, and environmental value. Tax Site Masterplans will be developed through a co-design process with landowners. A masterplan has already been developed for the Aberdeen Tax Site and a masterplan will be developed for the Peterhead tax site. Thereafter, once Section 15 of the Planning (Scotland) Act 2019 has been enacted, masterplan consent area schemes (MCAS) will be developed for each Tax Site. An additional MCAS will be developed for a strategic housing site within Peterhead to expedite the delivery of a supply of high-quality energy efficient modern housing for the incumbent workforce associated with the development of the Peterhead Tax Site. MCAS act as a grant of authorisation for carrying out, within the area to which the scheme relates, development that is specified within the scheme. They remove the need to formally obtain planning permission and de-risking investment. Until Section 15 of the Act has been enacted and MCAS delivered, development within designated IZ Tax Sites will be

regulated through a planning protocol developed by Aberdeen City Council and Aberdeenshire Council (planning authorities for the IZ area) and Tax Site landowners.

The planning protocol will ensure that the councils prioritise the determination of IZ planning permission applications and other associated regulatory consent applications that need to be obtained by investors/ developers. To achieve this, the protocol will ensure:

- Both councils identify a single point of contact within the respective regulatory services to deal with IZ development proposals, ensure uniformity of process and consistency of interpretation of policy and proposals to expedite the consenting process.
- A mechanism to escalate issues to senior officers when agreed timescales and actions are not being met in the interests of expeditious decision making.
- The use of Planning Performance Agreements for larger and more complex proposals, to programme manage proposals from pre-application, through to application submission, determination, and discharge of conditions.
- The councils' internal consultees provide clear consistent advice on applications and pre-application.
- Pre-application engagement at initial stages in the formulation of a project to identify issues and solutions early.

Private Sector Investment and Support

The policy prospectus set out the programme's intention to grow the private sector and ensure IZ proposals were of a scale required to leverage in private sector investment. This question is focused on understanding:

- Private sector support for the overall proposal
- Existing and future investment opportunities
- Scope to attract additional or expanding businesses

At Gateway 4 we will ask about your plans to leverage in private sector funding, so please consider that as you answer this question.

Private Investment

Question 2.8: How will the IZ proposal help to secure additional private investment?

Your answer should not be longer than 500 words.

NESIZ's proposition has been designed to align with and capitalise on the evidenced Green Energy and Digital Technology investor momentum in the region and build on SG's Shaping Scotland's Economy Inward Investment strategy. Designation of NESIZ will drive the next wave of investment in these clusters, unlocking investment in the private investment market by significantly enhancing the viability case for hard and soft infrastructure, innovation and research and expansionary investment and providing planning and funding certainty. The region has a track record in securing investment from diverse sources including:

Category	Landmark engaged investors in the region
Sector specific private investment	Opportunity North East: Private sector catalyst diversifying NES's economy with a focus on digital tech. ETZ Ltd: Private sector-led, not for profit organisation spearheading Scotland's energy transition ambition with a focus on supporting delivery of an Energy Transition Zone in NES.
Sustainable Real Estate and Infrastructure	Green Volt: a £3bn 50-50 joint venture between Aberdeen based Floation Energy and Norwegian Vårgrønn in floating wind project in NES. Ineos: £1bn investment to power Ineo's Grangemouth plant with hydrogen made from natural gas while capturing the carbon dioxide; this will provide the tier one and supply chain opportunities needed for company growth within the Energy Transition Zone.

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Institutional Investors	Par Equity Ventures: Launched a £100m fund to invest in digital tech companies in Scotland. Scottish National Investment Bank: Development investment bank established to support Scottish business to deliver environmental, social, and financial returns. SNIB has a portfolio of green energy investments, such as: Port of Aberdeen, Trojan Energy, Iona Wind Partnership amongst others. Green Investment Group: A specialist investor dedicated to the green transition, managing a £1bn fund targeting green energy projects across Scotland to accelerate sustainable development.
VC and Angel	ETZ Challenge Fund Grants: Funding ranging from £50k-250k to accelerate green energy innovation with multiple investments in NES green energy SMEs. EOS Advisory: A venture capital firm that invests in science, engineering, and technology sectors, leveraging its co-investment status with Scottish Enterprise to fund innovative projects. One Tech Hub: With a £1.5 million investment, ONE Tech Hub aims to accelerate digital tech business growth and enhance the broader entrepreneurial ecosystem in NES.
Public	Aberdeen City Region Deal: Focused on capitalising on economic opportunities to drive growth and diversification in the region. UKRI: Public body that funds research and innovation in the UK across all academic disciplines and sectors, including universities, research organisations, businesses, charities, and government departments. Scottish Government Emerging Energy Technologies Fund: Designed to support the development and implementation of new energy technologies in Scotland, aiming to accelerate the country's transition to a low-carbon future.

All will be engaged through the NESIZ investor activities to promote the benefits of the NESIZ, activity coordinated in conjunction with Invest Aberdeen, Chamber of Commerce, ONE and ETZ Ltd to be detailed in Gateway submission 5. Further, the following table sets a shortlist of qualified, high-value investment opportunities for whom all have been engaged on prospective Tax Benefits of the NESIZ and investors who have acknowledged the importance of designation to their investment decision:

Investment opportunity	Sector	Opportunity summary	Investment status
Offshore Wind Supply Chain	Green Energy	Inward Investment enquiry associated with manufacture of anchor and mooring systems associated with offshore wind	Detailed discussions ongoing with Aberdeen selected as preferred location
Offshore Wind Supply Chain	Green Energy	Established manufacturing company seeking to develop a secondary steel manufacturing facility to meet demand from offshore wind	Detailed discussions ongoing underpinned by strong demand for product
Offshore Wind Supply Chain	Green Energy	Large multi-national supply chain company looking to expand operations in North East to support delivery of offshore wind and hydrogen projects	Recent merger and fundraise has accelerated expansion and transition plans. Initial base established within Aberdeen Tax site and discussions to progress operations facility ongoing
Offshore Wind Developer	Green Energy	Offshore Wind developer seeking to establish O&M base. Further enquiries of similar nature are also at an earlier stage	Initial discussions have taken place and expected to progress following recent consent
Offshore Wind – Supply Chain	Green Energy	Engineering, fabrication and site servicing supply chain company	Detailed discussions ongoing underpinned by strong demand for product
Hydrogen production	Green Energy	A large international energy company interested in hydrogen production and possible applications in production of emethane, emethanol in Peterhead	Detailed discussions ongoing.

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Hydrogen production & export	Green Energy	HyLion has an international network of partners developing a project to establish an end-to-end green hydrogen supply chain from Scotland to Germany	Seeking investment, with plans to be operational by 2027
Hydrogen production & export	Green Energy	£1BN project to produce liquid hydrogen and export to confirmed off-takers in Germany with associated significant supply chain benefits	Detailed discussions ongoing with FEED.
Hydrogen – supply chain	Green Energy	Established supply chain company have secured new investment and seeking to develop volume manufacturing facility for hydrogen storage	Detailed discussions ongoing with Investment dialogue continuing through 2024
CCUS	Green Energy – CCUS	International energy company seeking to establish CCUS manufacturing base in the region	In development
Large data centre	Digital Technology	An international technology company will develop a 200MW-300MW hyperscale data centre. Land search ongoing. A 200MW facility will generate 154 jobs with an average salary of £72k. CAPEX is expected to be £1.9bn	Commitments made and Phase 1 construction in 2026

The list reflects the different growth trajectories for both sectors – the Digital Tech sector is focussed on entrepreneur growth, with additional private sector investment opportunities arising in later years.

Strategic Alignment

IZ's sit within a wider set of interventions both from central and local UKG and SMG. This ranges from local initiatives, such as the work of job centre pluses, local skills improvement plans and local business/sector initiatives, to strategies such as the [NSET](#), [SG's National Innovation Strategy](#), [UK Science and Technology Framework](#), [the UK's technology strategy](#), and major planned infrastructure. Please use the answer to this question to consider how your IZ proposal can align with and amplify existing local and national strategies to support the programme's aims wherever possible.

REPs should also, throughout the design and delivery of their IZ proposal, ensure that is done in a way to ensure additionality.

Strategic assessment		
Question 2.9: How will the IZ interact with other live policy interventions?		
Your answer should not be longer than 250 words.		
Local and national economic policy has been a fundamental consideration for the regions Investment Zone ambitions, with complementarity assessed below:		
Policy	Complementarity	Basis for Assessment
National Policy		
Scotland's National Strategy for Economic Transformation (NSET)	 High	The NSET commits to strengthening Scotland's position in new markets (e.g., hydrogen, offshore wind, CCUS) and boosting Scotland's contributions to the digital revolution. The IZ can help meet these commitments due to its unique physical, enterprise and innovation capabilities. NESIZ will be a key delivery vehicle for the NSET Productive Businesses and Regions ambitions, directly realising the ambitions of

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		Project 10: unlocking the potential of the economic and community assets and strengths of Scotland's Regions.
National Just Transition outcome	 High	NESIZ will contribute directly toward the Scottish Government's National Just Transition Outcomes through accelerating decarbonisation in the NES whilst supporting innovative technologies to commercialise, ready for export across Scotland, the UK and internationally.
Scottish Government's Fair Work First Policy	 Medium	The governance of the Tax Sites will facilitate a key interface with individual tenants to allow Government policy to be embedded; for example, all businesses within the NESIZ will be supported to build capacity around the principles of Fair Work First, ensuring jobs are high-quality and attractive, including groups traditionally underrepresented and facing barriers to employment.
Scotland's AI Strategy	 High	The Scottish AI Strategy is designed to foster investment in the AI ecosystem and facilitate the transition to an AI-enabled economy. This speaks directly to the ambitions of the Digital Tech sector. Additionally, the NESIZ capability strands in AI powered asset management systems providing round-the-clock snapshot of an Energy assets performance condition and future states of safety-critical systems targeted by the AI strategy.
UK and Scottish Government's Innovation Strategies	 High	The strategies set the vision and supports UK's (and Scotland's) research, development and innovation system. The Scottish strategy specifically speaks to the need to create value for all aspects of society, including developing a road map to Net Zero. This speaks directly to the ambitions of NESIZ, and the interconnectivity between the sectors.
Entrepreneurial Campus Blueprint for Scotland	 Medium	NESIZ will be a key delivery vehicle for the Scottish Government Entrepreneurial Campus Blueprint which also integrates with NSET. The Blueprint captures the role of the higher education sector as a driving force for the entrepreneurial ecosystem.
Regional Policy Initiatives		
North East Regional Economic Strategy 2035	 High	NESIZ delivers on objectives 1, 2 and 3 of the RES; placing the region as a pioneer of energy transition and digital tech, diversifying the economy, maintaining its share of Scotland's overall GVA and increasing economic participation; mitigating the risk of employment displacement out of the region as oil and gas production declines.
Aberdeen City Region Deal (ACRD)	 High	The IZ will leverage the physical investments already supported by the ACRD, including key transport projects (including Aberdeen Port), the energy innovation investment in NZTC, SSCE and university investment to drive technology to develop a specialist high-value supply chain.
<i>Steps to support additionality and mitigate displacement.</i> NESIZ recognises the risk of displacement and will design a number of safeguards within its Governance model, for example through undertaking investment assessments and withholding levers. The Governance design will be detailed in Gateway submission 3.		

Objectives

IZs are about boosting productivity, providing more high priority jobs in places and levelling up the economy. As you answer this question you should consider the specific objectives you intend to deliver through an IZ and how these will contribute towards the overall programmes objectives as set out in the prospectus:

- Growing strengths in national priority sectors;
- Addressing economic disparities that persist between and within regions.

You should set out how your IZ will:

- Boost productivity in the region
- Increased real earnings for high and low skilled workers within the region
- Increased international competitiveness of companies within the cluster
- Internationally demanded new technologies

You should begin to consider how the objectives you described at this stage will influence the interventions you pursue and the outputs/outcomes you will focus on delivering.

Outcomes
Question 2.10: Taken together, how will the sectoral focus and geography of IZ intervention support the overall IZ programme objectives? Your answer should not be longer than 500 words. NESIZ has ambitions to deliver on all of the IZ objectives. Target 1: Boost productivity in the region <i>Protecting and boosting productivity</i> NES has witnessed a decline in its working-age population (16-64) of 4% (~14,000 individuals) in six years, in contrast to Edinburgh and Glasgow which have increased 5%. Worker productivity in NES, once the highest in Scotland, has been falling with real GVA per head at £31,586 in 2021 the lowest it has been since 2005, bar 2020. The prospective productivity benefits realised through NESIZ focus on innovation, digitalisation and automation therefore offer an alternative route to maintaining cluster productivity beyond relying on new job migration. <i>Developing commercial and industrial space</i> The target clusters will attract new and expansionary investment both directly through bringing c.350 hectares of undeveloped land into effective employment use, and indirectly through wider supply chain benefits in the region. 199 hectares at the Peterhead Tax Site will be converted from vacant and undeveloped land into thriving Offshore Wind, Hydrogen and Alternative Fuel high-density employment sites. In Energy Transition Zone 112 hectares of greenfield and brownfield land will secure the investment required to unlock more economically productive land use, alongside 70 hectares of vacant and poorly utilised sites; form a dense and concentrated supply chain at the site focused on green energy activity and supporting high value manufacturing, supply chain development and innovation. Target 2: Increase real earnings for high and low skilled workers within the region <i>Increasing regional earnings</i> Although the regional has a strong GVA and average earnings levels, it faces significant headwinds; in 2022 and 2023 regional average real wages declined faster and further than they did nationally. Increasing real earnings for low skilled workers is critical given the region has a higher rate of those employed in low-skilled jobs (16.1%) compared with Scotland (15.1%); the UK (15%); Glasgow City (13.7%) and City of Edinburgh (8.4%). The NESIZ will reskill existing and new workforces to provide the 14,000 needed by 2030 to transition to renewable energy role and meet the demand of the growth in digital tech sector with new skills and career pathways developed to provide access to jobs with higher-than-average earnings. <i>Foreign Investment Potential for Wage Uplift</i> Aberdeen places 8th in the UK's largest recipients for inward investment in the last five years⁵¹ and it is 7th in the City UK Competitiveness Index⁵². OECD research recognises the positive effects FDI has on host countries' labour markets, with wage increases corresponding with skill levels and productivity uplifts. Evidence indicates that positive wage effects tend to be concentrated among employees of multinational enterprises (MNEs), relevant for NESIZ given the presence of BP, Shell and SLB already operational in NES, this research identifies a small positive impact on wages in domestic firms participating in the supply chains established by MNEs⁵³, fundamental to the NESIZ proposition.

⁵¹ EY European Investment Monitor (EIM) 2018-2022

⁵² UK Competitiveness Index 2023

⁵³ OECD Impact of FDI on Wages, 2008

Target 3: increase international competitiveness of companies within the cluster

Emergent Green Technologies require subsidies to provide certainty for investment and trialling, the NESIZ incentives allows Scotland to compete in an international market shaped by the US Inflation Reduction Act. Principally the flexible spend available to the IZ would accelerate growth of Digital Tech firms in NES and enable them to compete more vigorously in the global marketplace. Floating offshore wind and green hydrogen projects are transitioning from pre-commercial to commercial deployment, thereby gaining a first mover advantage. This shift is enhancing the supply chain capability and boosting the export potential of these technologies. This will be supported by Scottish Enterprise's approach to demand-led innovation in these energy sectors, which will focus on demand validation and value chain mapping, collaboration with industry, Open Innovation portals and integrating the customer (company) journey across innovation products and services.

Additionally, the collaboration and wider supporting ecosystem benefits that the IZ can drive, will grow the number of innovations, and build the profile of the area as a key tech hub, and the attention of digitally focused financial analysts and investors needed to further enhance inward investment. In a sector where firms are highly flexible regarding the location of technology centres and development teams, entrepreneurial education, skills base, tax advantages, international collaboration, and financing support all play a key role. Importantly, the IZ will support the region's repositioning from an oil and gas-based economy to a green energy economy.

Target 4: internationally demanded new technologies

Reinforced by NESIZ status, both clusters have the right components, agglomeration opportunities and innovation networks to drive export growth, irrespective of the pace of domestic programmes such as Acorn. In particular, the solutions designed for new technologies like offshore floating wind and green hydrogen that drive down costs, increase efficiency and support deployment at scale, present significant exportable growth opportunities. For example, the recent ONE DT Business Growth Programme (Cohort 2) comprised primarily SaaS and/or product focused enterprises; 71% had international customers that made up an average of 44% of sales from markets across USA, Canada, Middle East/Gulf States, Norway, Netherlands, Spain, Sweden and Africa. Operating predominantly in EnergyTech (71%) most of the companies have recurring revenues over £1m and up to £10m. Two relevant regional success case studies include:

- **Solab IT Services – Onboard Tracker™** – a SaaS product for workforce utilisation and management software in energy, renewables and marine sectors; at the end of 2023 – 100,000 Energy, Renewables, and Marine personnel across 110 countries, spanning 8000+ on and offshore sites. Including Apache, CRC Evans, Stena Drilling, Score Group, Archer, James Fisher. Onboard Tracker™ has not only streamlined clients' processes but has also fortified its position in the global market.
- **Fennex** – leveraging data and AI to deliver efficiencies, leaner, safer operations and a lower carbon footprint. Key markets are oil & gas, offshore wind, carbon capture & hydrogen, since 2020/21 Fennex has quadrupled revenues, with 70% of revenues driven from international sales and are targeting £10m in international sales by 2028.

Such case studies evidence the underlying innovation assets that require the scale up, skills and profile support offered by the IZ, building on the Digital Supply Chain capabilities referenced in 2.1 such as Energy Management Systems (EMS), Renewable Energy Monitoring and Management: Smart Grid Solutions and Blockchain-enabled Energy Platforms. Simulation modelling, test and demonstration and surrounding multi-scale modelling capabilities initiated in the NESIZ can be deployed in other green transition zones such as the US and Scandinavia.

Research Institution

IZ proposals should be co-designed and to ensure that a relevant local research institution will need to co-sign the final proposal. You should be able to evidence this as you proceed through the gateways.

Each IZ is expected to ensure strong collaboration between UKG and SG, industry and research institutions. As you consider which of your research institutions (it can be more than one) will

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provide sign off, please think about how your IZ proposal can be used as an opportunity to leverage the role of universities, colleges and local research institutions.

This could include nurturing and supporting local talent, building knowledge networks, collaborating on research commercialisation, and supporting scaleup and adoption of promising innovations following spinout to raise the productive potential of the whole area. We envisage this will mean establishing and leveraging partnerships with research institutions in the same functional economic area; however, we are open to additional collaborations over a longer distance.

Research Institution Co-Sign	
Question 2.11: Considering the focus of your IZ, which research institution(s) will co-sign your IZ proposal?	
Your answer should not be longer than 250 words. UoA and RGU are the two TRAC based institutions who will cosign the NESIZ proposal. The other co-signatories are Aberdeen City Council, Aberdeenshire Council and ONE. An introduction to their research specialisms is below:	
Sector Applicability	Appropriateness of partnership application
University of Aberdeen	
UoA has a significant focus on Data & AI and Green Energy, as outlined in the Aberdeen 2040 Strategy ⁵⁴ .	Founded in 1495, the University of Aberdeen is a broad-based research-intensive institution. Key assets supporting the Green Energy sector include the Interdisciplinary Centre for Energy Transition, the National Decommissioning Centre (a partnership with the Net Zero Technology Centre), the Centre for Applied Dynamics Research, and the Fluid Mechanics Research Group (which plays a key role in advancing renewable energy technologies). The University also has a world-wide reputation in AI-related research (stretching back nearly 60 years), is a member of the UK's Turing Network and through its Interdisciplinary Centre for Data and AI is home to several major UKRI investments, including the SUSTAIN Centre for Doctoral Training.
Robert Gordon University	
The sectors are embedded within RGU's published Strategy and have been the University's sectoral focus for many years	A University based in Aberdeen, RGU is recognised not only for its sectoral strengths of Energy, Digital and AI, and Health but also its inter-disciplinary focus, industry connectivity and entrepreneurial approach. This is illustrated through its research and teaching but also its nationally leading Centres which include: RGU Energy Transition Institute which advises government and industry on the investment, people and skills required across the energy sector to meet the energy trilemma of security, affordability and net zero; the National Subsea Centre, a partnership with the Net Zero Technology Centre, focussed on development of novel AI, digital and engineering technologies; the Visualisation Solutions Centre which uses immersive technologies to support decision making, building on the University's simulation suite; and its Entrepreneurship and Innovation Group which drives innovation across the University and with external partners.

⁵⁴ [Interdisciplinary Challenges | Aberdeen 2040 | The University of Aberdeen \(abdn.ac.uk\)](#)

Decision Making

Decision Making

Question 2.12: Can you provide your initial thoughts on what your decision-making structure might look like for delivering the IZ? You can propose using or evolving existing structures to manage and monitor the design and delivery of the IZ.

Your answer should not be longer than 250 words.

The region has demonstrable evidence of effective governance structures incorporating the public and private sector through the Aberdeen City Region Deal which has a Joint Committee which has instructed officials to consider option to expand its remit*. Options for NESIZ delivery will be developed at Gateway 3 with the organisations set out below who are engaged in the development phase.

Development Structure of the Investment Zone submission

 This image cannot currently be displayed.

Co-Signatories

Aberdeen City Council (ACC)** includes the Council acting as Planning and Billing Authority, Aberdeenshire Council*** includes the Council acting as Planning and Billing Authority, UoA, and RGU, together with Opportunity North East Ltd (ONE).

Both local authorities and ONE agreed with their respective Councils/Boards:

- The governance structure to oversee the development of the Investment Zone.
- That the final submission be brought back to Council/Board for approval (Summer 2024).
- That Aberdeenshire Council be the accountable body for the Investment Zone.
- Nominated elected members/board members to the Steering Group.

Given their role as research institution co-signatories, the University Court of the UoA and the Board of Governors of RGU will expect to be consulted prior to signing of the submission of the bid.

Steering Group Members	Working Group Members
• ONE (Chair) • Aberdeen City Council¹ • Aberdeenshire Council¹ • UoA • RGU • North East Scotland College (NESCOL) • Scottish Enterprise • Aberdeen and Grampian Chamber of Commerce • Sector Representatives: ○ Digital Technology	• Aberdeenshire Council² (Chair) • Aberdeen City Council² • UoA • RGU • ONE • North East Scotland College (NESCOL) • Scottish Enterprise • Skills Development Scotland • James Hutton Institute • ETZ Ltd

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○ Energy (2) ○ Food, Drink & Agriculture ○ Life Sciences	• Net Zero Technology Centre • Fraserburgh Harbour • Peterhead Port Authority • Port of Aberdeen • AGS Airports
¹ Elected Members ² Officials Sub-Groups and Consultation Other stakeholders are being brought into sectoral workstream activities, including the Offshore Renewable Energy Catapult and CodeBase and Datalab. * ABERDEEN CITY COUNCIL (modern.gov.co.uk) ** North East of Scotland Investment Zone Proposal.pdf (aberdeencity.gov.uk) *** 12 IZ Report v.02.pdf (modern.gov.co.uk)	