

# ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

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| <b>Report Name</b>    | Aberdeen City Region Deal Quarterly Progress Update |
| <b>Lead Officer</b>   | Richard Sweetnam, Chief Officer, ACC                |
| <b>Report Author</b>  | Julie Richards-Wood, CRD Programme Manager ACC      |
| <b>Date of Report</b> | 8 <sup>th</sup> November 2019                       |
| <b>Governance</b>     | City Region Deal Joint Committee                    |

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| <b>1:</b>  | <b>Purpose of the Report</b> |
| <p>To update the Joint Committee on the progress of the City Region Deal and its constituent workstreams, through the body of the report and Appendix 1 – Quarterly Progress Report.</p> |                              |

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| <b>2:</b>   | <b>Recommendations for Action</b> |
| <p>It is recommended that the Joint Committee:</p> <ul style="list-style-type: none"> <li>i. Notes the content of the report, its appendix, and the progress made.</li> </ul> |                                   |

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| <b>3:</b>  | <b>Summary of Key Information</b> |
| <p><b>Programme Dashboard</b></p> <p><b>3.1 Programme Update</b></p> <p>The Annual Conversation took place on 10<sup>th</sup> September with representatives from all the Deal Partners. The Annual Report and progress to date were noted by UK and SG. The development of a monitoring and evaluation framework with input from both the UK/SG to ensure consistency and agreed methodology was discussed and the creation of a benefits Realisation Working Group to take this work forward was agreed at ACRD Programme Board.</p> <p>Three-year Checkpoint Reviews with each project will take place next quarter with representatives from UK/SG.</p> <p><b>3.2 Workstream updates</b></p> <p>Updates on the progress of individual workstreams and projects are contained in the Programme Dashboard in Appendix 1.</p> |                                   |

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| <b>3:</b>   | Summary of Key Information |
| <p>By exception:</p> <p><u>Aberdeen Harbour Extension:</u> As reported in the press on 8<sup>th</sup> October, the Aberdeen Harbour's expansion is delayed.</p> <p>Despite several significant weather events in the course of the last 18 months, the construction project in Nigg Bay has progressed well, with a number of elements of the work scope in a more advanced state than anticipated. The project has now entered the most demanding and complex phase of the work, as it moves into deeper water, and with another winter period approaching, technical challenges in the dredging programme associated with the South Breakwater are anticipated.</p> <p>It is currently unclear as to the exact impact these challenges will have on the project schedule, nor what impact winter weather conditions, such as sea-states and high tides might have on each element of the project, but the project is now working to a phased South Harbour completion programme in 2021.</p> <p>This will impact on cruise customers who have activity in South Harbour planned for 2020 and the Harbour will continue to liaise with all stakeholders. The North Harbour cruise activities will continue unaffected.</p> <p>The Programme delay was discussed at Programme Board and a phased completion is being planned for 2021. The timeline milestone has been moved to Amber until further detail of the phased completion is known. However, this is expected to return to green as the project is still within the delivery time of the funding period.</p> <p><u>The Data Exchange and Sensor Network</u></p> <p>The ACRD Programme Board have asked IBI Consultancy who are developing the Business Case for the Data Exchange and Sensor Network for further details on the Benefits and Costs to be included in the Business Case before it is presented for approval.</p> <p>Further workshops are being planned with the Digital working Group to explore key development areas such as tourism, agriculture, food and drink, and to narrow down future operating models. This will allow more detailed benefits and costs to be presented in the Business Case.</p> <p>The timeline has been moved to Amber until the timeline for completion of the Business case has been presented to Programme Board. However, this is expected to return to green once this detail has been provided as the project is still within the delivery time of the funding period.</p> |                            |

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| <b>4:</b>  | Finance and Risk |
| <p>i. Risks that are to be escalated to Joint Committee would be included in Appendix 1. There are no risks for escalation in this report.</p> |                  |

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## Quarterly Progress Report July-September 2019– Appendix 1

| Projects                                     | RAG | Update  |
|--|-----|---|
| Oil & Gas<br>Technology Centre<br>Innovation |     | <p><b>OGTC Business Case Approved 2016, OGTC opened February 2017, 18 Month Checkpoint March 2018 - where targets had been met or exceeded. December 2018 Submission of stretched targets to UK/Scottish Government, which have been agreed.</b></p> <p><b>Previous Milestone</b> October 2019, 6 Solution Centre funded technologies reach commercialisation phase. <b>Update:</b> Currently at 8</p> <p><b>Next Milestone</b> The OGTC Checkpoint will be scheduled for December 2019</p>   |
| Time   | G   | Established in October 2016, the OGTC is already delivering significant results as it drives forward the organisation's key goals; to help maximise economic recovery from the UK continental shelf, anchor the supply chain in the North-East of Scotland, and create a culture of innovation in the region. These are driven through Solution Centres, National Centres, Tech X accelerator and the Innovation Hub.   |
| Budget                                       | G   | A link to case studies on completed and live projects can be viewed at <a href="https://www.theogtc.com/projects/">https://www.theogtc.com/projects/</a> . Progress this quarter includes:  |
| Resource                                     | G   | <ul style="list-style-type: none"> <li>- Considerable levels of engagement across industry to drive participation in the Solution Centre Memberships and Directed Projects.</li> <li>- Over 132 members of the Solution Centres currently in place, with further expected to join in the coming months.</li> <li>- 206 approved Projects in progress, with a total investment of £128m with OGTC share of £50.2m.</li> <li>- Nearly 50 offshore trials planned, with a number already completed.</li> <li>- Success at Offshore Europe with a good presence on OGTC stand.</li> <li>- The net zero solution centre was successfully launched in September.</li> <li>- The research themes for both National Centres is being developed in collaboration with the Universities and Industry.</li> <li>- The 2<sup>nd</sup> TechX Cohort graduated in September and will now receive a further 12 month support through TechX +.</li> <li>- Innovation Hub continues to have a busy program with consistently positive feedback being received.</li> <li>- Continued positive engagement with UK and Scottish Governments, with visits from Senior MP's</li> <li>- Launch of the Members Portal so members have live data on the ongoing activities within the Solution Centres.</li> <li>- Continued engagement with potential Anchor and Research Partners for the National Centres</li> <li>- Agreement reached on the Governance and Funding Agreement for the National Subsea Centre with RGU</li> </ul> |

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| Projects                       | RAG      | Update  |
|--------------------------------|----------|---|
| <b>Food Hub for Innovation</b> | <b>G</b> | <b>JC Approved Business Case August 2018; UK/Scottish Government approved 17th January 2019</b>   |
| Time                           | <b>G</b> | <b>Previous Milestone:</b> BC approved Jan 2019   |
| Budget                         | <b>G</b> | <b>Next Milestone:</b> Checkpoint Review December 2019  |
| Resource                       |          | <p>The Food Hub is a £21million investment project over ten years to accelerate growth and innovation of existing businesses and start-ups. It will build on the strengths of the food and drink industry in the North-East of Scotland through a consumer-focused, customer-driven approach to innovation across all sectors of the industry.</p> <p>Progress this quarter includes:</p> <ul style="list-style-type: none"> <li>• Stakeholder engagement ongoing.</li> <li>• Lease negotiations for preferred site continuing.</li> <li>• ONE Food Hub Project Director in post and engaging with wider industry network and potential Hub users.</li> <li>• Relationship established with National Manufacturing Institute of Scotland.</li> <li>• Turner &amp; Townsend appointed as project managers.</li> <li>• OJEU Procurement process underway to appoint Architect Led Design Team. 17 companies submitted initial responses, with 6 to be asked to provide a full tender response.</li> <li>• Design brief underway in advance of appointment of design team.</li> <li>• Procurement process for project management services commenced.</li> <li>• Application for Advancing Manufacturing Challenge Funds submitted, through to the next stage.</li> </ul> |

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| Projects                                  | RAG      | Update  |
|---|----------|---|
| <b>Bio-Therapeutic Hub for Innovation</b> |          | <b>Business Case Approval by JC June 2017 and Funding Partners October 2017</b>   |
| Time                                      | <b>G</b> | <b>Previous Milestone</b> Design and planning of Hub for Innovation- Concept Design, (Complete)   |
| Budget                                    | <b>G</b> | <b>Next Milestone:</b> The Bio- therapeutic Checkpoint Review December 2019   |
| Resource                                  | <b>G</b> | <p>The Bio-therapeutics Hub for Innovation (Bio Hub) is a ten year £40million investment project to accelerate growth and build on the strengths of the Life Sciences cluster in the North East of Scotland, which includes the company base, University of Aberdeen, Robert Gordon University and NHS Grampian.</p> <p>Construction is anticipated to commence in January 2020, with the Bio Hub opening to its first tenants in 2021. Follow up support continues to be delivered to companies participating in the Pilot Life Sciences Business Support programme through ONE and Partners.</p> <p>Progress this quarter includes:</p> <ul style="list-style-type: none"> <li>• Stage 3 developed design and costs completed and construction signed off by BioAberdeen board. Construction project remains within the initial budget.</li> <li>• OJEU procurement process completed for appointment of preferred main contractor under Pre-Construction Services Agreement (PCSA) to work with design team in delivery of stage 4 (Technical Design). PCSA awarded to Robertsons Construction Eastern Ltd</li> <li>• Planning approval progressed and additional work instructed to address SEPA objection.</li> <li>• Follow up support continues to be delivered to companies participating in the Life Sciences Business Support programmes through ONE and Partners.</li> <li>• Further workshops held at Universities to generate interest in Life Sciences commercialisation and university spin outs.</li> </ul> |

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| Projects   | RAG  | Update  |
|--|--|---|
| <b>City Network Extension - Digital</b><br><br>Time<br><br>Budget<br><br>Resource    | <br><br><b>G</b><br><br><b>G</b><br><br><b>G</b> | <p><b>CRD JC approved the connection of 57 public sector sites November 2017. CityFibre with Vodafone announced a £40million investment for Fibre to The Premises Build in February 2018</b></p> <p><b>Previous Milestone:</b> 14 completed by end of July 2019<br/><b>Next Milestone:</b> 20 sites completed by February 2020</p> <p>The City Network Extension project will extend Aberdeen City Council's fibre network to 57 additional sites across the City and has successfully stimulated private investment of up to £40million by CityFibre and Vodafone to extend and deploy fibre, providing the majority of the City with access to 'fibre to the premises' and creating Scotland's first 'Gigabit City'. Work continues with two subcontractors GCU and Activo working across the City. The commercial roll out offering Vodafone fibre products to residents is now available in Kincorth, Torry and Northfield.</p>   |
| <b>Full Fibre Infrastructure – Digital</b><br><br>Time<br><br>Budget<br><br>Resource | <br><br><b>G</b><br><br><b>G</b><br><br><b>G</b> | <p><b>In February 2018 the CRD JC approved a revised (January 2017) Digital Infrastructure Project. This Business Case was approved by UK/Scottish Government January 2019.</b></p> <p><b>Previous Milestone:</b> Announcement of successful bidders to framework, July 2019<br/><b>Next Milestone:</b> Contract Award November 2019</p> <p>Building on what has being achieved in the City Network Extension project, an aggregated public sector demand approach is being taken to extend fibre further into the City Region. This will be primarily achieved by Aberdeenshire Council sites (with NHS sites being a beneficiary) acting as an anchor tenant and delivering new build dark fibre infrastructure into economically important areas in the City Region.</p> <p>Suppliers invited to tender for new 'Gigabit Connectivity' procurement framework. Responses evaluated and successful bidders appointed as Framework Suppliers. New framework agreement used to produce draft contract for the supply of services to City, Shire and NHS sites in the CRD region in the form of a mini competition call off contract.</p> <p>The contract was due to be awarded in August 2019 and this is now profiled as November 2019. This is not expected to impact on the Network Build completion date of March 2022 at this time.</p> |

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| Projects                        | RAG      | Update  |
|---------------------------------|----------|---|
| <b>Duct Network Extension –</b> |          | <b>In January 2017 the CRD JC approved the current Duct Network Extension Business Case. UK and Scottish Government approved the Business Case January 2019.</b>  |
| Time                            | <b>G</b> | <b>Previous Milestone:</b> Begin design Phase Feb 2019<br><b>Next Milestone:</b> Complete design phase – Feb 2020   |
| Budget                          | <b>G</b> | Aberdeen City Council already operates a duct network in the City, and this will be expanded to cover the main economic areas. Initially this duct network could be for Council use, followed by engagement with commercial organisations to encourage them to utilise the expanded network to enhance their fibre offering in Aberdeen City, consequently stimulating the market. This project will also provide the enabling infrastructure for the proposed sensor network and provide the opportunity for Aberdeen City to be used as a testbed for autonomous vehicles as well as supporting 5G installations. The Design Team are currently undertaking a Desk Top Study for network Design |
| Resource                        | <b>G</b> |   |
| Projects                        | RAG      | Update  |
| <b>Sensor Network</b>           |          | <b>CRD JC approved Outline Business Case 9 February 2018; Strategic Commissioning Committee approved procurement 20th November 2018.</b>  |
| Time                            | <b>A</b> | <b>Previous Milestone:</b> Stakeholder Workshop June 2019<br><b>Next Milestone:</b> Business Case to Joint Committee November 2019  |
| Budget                          | <b>G</b> | Aberdeen City currently has a network of over 1,000 sensors which are used to manage traffic flow and monitor the environment. The  |
| Resource                        | <b>G</b> | Sensor Network project will expand this existing network to enable better transport management (both private and public sector); facilitate smart travel and autonomous vehicles; enable anonymised data to be made available for delivering commercial and public services more efficiently.<br><br>The timeline has changed to Amber until the timeline for completion of the Business case has been presented to Programme Board. However, this is expected to return to green once this detail has been provided as the project is still within the delivery time of the funding period.  |

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|---|--|--|
| <b>Regional Data Exchange</b><br><br>Time<br><br>Budget<br><br>Resource | <br><br><b>A</b><br><br><b>G</b><br><br><b>G</b> | <p><b>CRD JC Approved Outline Business Case 9 February 2018</b><br/> <b>Strategic Commissioning Committee approved procurement 20th November 2018.</b></p> <p><b>Previous Milestone:</b> Stakeholder Workshop June 2019<br/> <b>Next Milestone:</b> Business Case to Joint Committee -TBS</p> <p>A Regional data exchange is a repository to collect, store, standardise and publish data. The exchange function facilitates transaction of data sets between stakeholders allowing scrutiny, analysis and the application of the data to generate insights, develop better predictive tools and create service and product opportunities.</p> <p>The ACRD Programme Board have asked IBI Consultancy who are developing the Business Case for further details on the Benefits and Costs to be included in the Business Case before it is presented for approval.</p> <p>The timeline has changed to Amber until the timeline for completion of the Business case has been presented to Programme Board. However, this is expected to return to green once this detail has been provided as the project is still within the delivery time of the funding period.</p> |
| Project   | Time   | Update   |

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| <p><b>Strategic Transport Appraisal</b></p> <p>Time</p> <p>Budget</p> <p>Resource</p> | <p><b>G</b></p> <p><b>G</b></p> <p><b>G</b></p> | <p><b>Business Case Approval: CRD JC November 2017, Aberdeenshire Committee November 2017 and UK/Scottish Government 2017; City Growth and Resources June 2018</b></p> <p><b>Previous Milestone:</b> Strategic Transport Appraisal – Commence STAG1 Appraisal of Options August 2019<br/> <b>Next Milestone:</b> Strategic Transport Appraisal- Complete STAG 1 Appraisal of Options Jan 2020</p> <p>The Strategic Transport Appraisal will take a 20year strategic view of the transport implications of the investment unlocked by the Deal across all modes of transport including road and rail.</p> <p>The appraisal will ultimately support decision-making regarding the prioritisation of future transport investment in the region, informing both regional investment plans for transport and infrastructure and national strategies and programmes of work.</p> <p>As previously reported the delayed opening of the AWPR has caused some delays of programming the model upgrade and detailed appraisal. This is not expected to affect the Completion date of STAG 2 - April 2021. The timeline has therefore changed from Amber to Green. The initial appraisal work milestones will be updated to reflect the slippage.</p> <p>Key progress this quarter:</p> <ul style="list-style-type: none"> <li>• Pre-Appraisal Option Generation and Sifting report presented to, and approved by, Aberdeenshire, Aberdeen City and CRD boards. Presented to Nestrans Board at RTS Members’ workshop and supported.</li> <li>• Brief issued for Initial Appraisal of options.</li> <li>• Consultants commissioned for ASAM post AWPR upgrade, inception completed, data collection exercise scoped.</li> </ul> <p>Ongoing discussions with partners regarding progression of MoU schemes</p> |
| <p><b>Projects</b></p>  | <p><b>RAG</b></p>                               | <p><b>Update</b></p>  |

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|--|---|---|
| <p><b>Aberdeen Harbour Expansion</b></p> <p>Time</p> <p>Budget</p> <p>Resource</p>                     | <p><b>A</b></p> <p><b>G</b></p> <p><b>G</b></p> | <p><b>Business Case approved 24th August 2017</b></p> <p><b>Previous Milestone:</b> First of the 22x 6,000 Tonne caisson unit arrives<br/><b>Next Milestone:</b> Completion of North Breakwater Autumn 2020 now scheduled for 2021</p> <p>The Aberdeen Harbour Extension will include a new South Harbour 7,300m in length. It will be able to accommodate vessels of up to 300metres and more. Expected benefits include increased Cruise activity, renewables and decommissioning works.</p> <p>Work continues through Dragados UK, principal contractor for the Aberdeen Harbour Expansion Project. Progress can be followed at <a href="http://www.ahep.co.uk/ConstructionProgramme.aspx">http://www.ahep.co.uk/ConstructionProgramme.aspx</a></p> <p>As reported in the press on 8<sup>th</sup> October, the Aberdeen Harbour's expansion is delayed due to the dredging programme having technical difficulties. The Programme delay was discussed at Programme Board and a phased completion is being planned for 2021. The timeline has changed to Amber until further detail is known but this is expected to return to green as the project is still due to complete within the funding timeline.</p> |
| <p><b>Transportation Links to Aberdeen South Harbour</b></p> <p>Time</p> <p>Budget</p> <p>Resource</p> | <p><b>G</b></p> <p><b>G</b></p> <p><b>G</b></p> | <p><b>CRD JC approved STAG Part 1 final report November 2018; ACC's City Growth &amp; Resources Committee on 27th November 2018 UK/Scottish Government approval of further funding for Part 2 appraisal 13th December 2018</b></p> <p><b>Previous Milestone:</b> Development of Demand Scenarios September 2019<br/><b>Next Milestone:</b> Model development and option testing – March 2020</p> <p>The Transport Links to Aberdeen South Harbour will develop the initial options to determine the most appropriate external road improvements in relation to external transportation links to the Harbour Development. This will follow established guidance Transport Scotland's, Scottish Transport Appraisal Guidance (STAG).</p> <p>Progress this quarter includes</p> <ul style="list-style-type: none"> <li>• Transport Planning Objectives Review</li> </ul>   |

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|  | <ul style="list-style-type: none"><li>• Case Study Review</li><li>• Geo-environmental and Geo-technical inputs</li><li>• Engineering Feasibility and costing</li><li>• Public Transport Feasibility and Costings</li><li>• Phase 2 Engagement</li><li>• Development of Demand Scenarios</li></ul> |
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