

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

2 MAY, 2019

Present: Councillors P J Argyle, J Gifford, and R Thomson (Aberdeenshire Council);

Councillors M Boulton, G Graham (as substitute for Cllr D Lumsden) and J Laing,(Aberdeen City Council); and

Professor S Logan, Mr P Machray; and Ms Jennifer Craw(as substitute for Sir Ian Wood (ONE)).

Apologies: Cllr D Lumsden, Aberdeen City Council.

In attendance: A Scott, Chief Executive, Aberdeen City Council; J Savege, Chief Executive, Aberdeenshire Council; A Wood, Head of Finance, Aberdeenshire Council; E Wallace, Head of Transportation, Aberdeenshire Council; R Sweetnam, Head of Economic Development and Chief Officer, City Growth, Aberdeen City Council; I Meredith, Solicitor (Democratic Services), Aberdeenshire Council; J Richards-Wood, Programme Manager, Aberdeen City Council; W Robertson, Digital Programme Manager, Aberdeen City Council; R Dickson, Acting Director, NESTRANS; R Simpson, Head of Housing, Aberdeenshire Council; P Finch, Strategic Transport Manager, Aberdeenshire Council; M Booth, Senior Housing Strategy Officer, Aberdeen City Council; J Lovie, Accountant, (Aberdeenshire Council); and J McRobbie, Committee Officer, Aberdeenshire Council.

1. APPOINTMENT OF CHAIR AND VICE CHAIR

The Clerk indicated that , as first item of business, in terms of Standing Orders, and the rotation between the two Councils was the appointment of a Chair for the joint committee and requested nominations.

Councillor Laing moved, seconded by Councillor Argyle, that Councillor Gifford, of Aberdeenshire Council, Chair the Joint Committee for the City Region Deal. There being no further nominees, the Joint Committee **agreed** that Councillor Gifford be appointed Chair of the City Region Deal Joint Committee.

Cllr Gifford took the Chair and called for nominations for the appointment of Vice Chair for the City Region Deal Joint Committee.

Councillor Gifford moved, seconded by Councillor Bolton, that Councillor Laing, of Aberdeen City Council, be nominated as Vice Chair. There being no further nominations, the Joint Committee **agreed** that Councillor Laing be appointed Vice Chair of the City Region Deal Joint Committee.

2. SEDERUNT AND DECLARATION OF MEMBERS' INTERESTS

Apologies were intimated in respect of Councillor Lumsden, Aberdeen City Council, and Sir Ian Wood (ONE).

In terms of declaration of interest, in respect of item 5, Aberdeen City Region Deal Quarterly Update, Councillor Gifford declared an interest as his wife's company had submitted a bid for funding in terms of the OGTC, however, having applied the objective test, considered his interest to be remote and insignificant therefore he would take part in the item.

3. RESOLUTIONS

(A) Public Sector Equality Duty

In making decisions on the following items of business, the Joint Committee **agreed**, in terms of Section 149 of The Equality Act, 2010;-

(1) To have due regard to the need to:-

- (a) Eliminate discrimination, harassment, and victimisation;
- (b) Advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and
- (c) Foster good relations between those who share a protected characteristic and persons who do not share it; and

(2) Where an Equality Impact Assessment was provided, to consider its content and take this into account when reaching a decision.

(B) Exempt Information

The Joint Committee **agreed**, in terms of Sections 50A (4) and (5) of The Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of items 10 and 11, so as to avoid disclosure of exempt information of the class described in 6 of Part 1 of Schedule 7A of the Act.

4. MINUTE OF MEETING OF CITY REGION DEAL JOINT COMMITTEE OF 7 FEBRUARY 2019

The Joint Committee had before them and **approved** as a correct record, the Minute of Meeting of the Joint Committee of 7 February, 2017.

5. ABERDEEN CITY REGION DEAL QUARTERLY PROGRESS UPDATE

There had been circulated a report by the Programme Manager, providing an update on the City Region Deal (CRD) and its constituent workstreams, and in particular reporting on the January, 2019 meeting with Audit Scotland, as part of a national assessment, expected to be reported in Autumn, of all City Region Deals; the outcomes of an inclusive economic growth workshop for City Region Deal Leads, held in February, 2019 which had led to the review of the Equality and Human Rights Impact Assessment proforma; and the work to respond to the reporting requirements of the Scottish Government's grant letter.

The Joint Committee heard further from the Programme Manager that Audit Scotland, in comparing the City Region Deal with its peers, had been impressed at the significant level of private sector investment, (currently 59%); that feedback was awaited from the Scottish Government on the Oil & Gas Technology Centre (OGTC) point review conditions and two Business Cases relating to the Digital Landscape project, but that this was not impacting on progress; of the approval of change requests to reprofile the timeline and budget for Digital Landscape; and that all actions, with the exception of Transport appraisal, now "green".

There was discussion of the comparative level of private sector investment in other City Region Deal areas; and clarification was sought as to (a) the number of field trials which had

been completed of the 50 planned and (b) what was meant by “well calls”, both in the Oil & Gas Technology Centre Innovation update.

The Joint Committee **agreed:-**

- (1) that officers provide clarification on the O>C queries; and
- (2) in all other respects to note the updates provided.

6. SCOTTISH GOVERNMENT ADDITIONAL INVESTMENT UPDATE

There had been circulated a report dated 12 April, 2019, by Fiona Brown and David Torrance of Transport Scotland, providing an update on the projects being taken forward through the additional Scottish Government investment, covering progress on the Laurencekirk junction improvements, and investment in the rail network to improve services between Aberdeen and the Central Belt.

Having heard from the Acting Director, NESTRANS of Network Rail’s continuing exploration of options to reduce the journey time between Aberdeen and Glasgow and Edinburgh, and of a profitable round-table discussion of the matters when Aberdeen & Grampian Chamber of Commerce had hosted Bill Revie, Head of Rail, (Transport Scotland) at a recent meeting, the Joint Committee **agreed:-**

- (1) to welcome the junction improvements at Laurencekirk; and
- (2) to note in all other respects the terms of the report.

7. MEMORANDUM OF UNDERSTANDING – HOUSING

There had been tabled a report dated 2 May, 2019 by the Senior Housing Strategy Officer, Aberdeen City Council, providing an update on the progress of the Memorandum of Understanding with the Scottish Government for an additional investment of £20M Infrastructure Funding, intended to release sites of strategic importance and provide 5-year certainty on the £130M affordable housing supply grant.

There was discussion of the positive conversations being progressed with the Scottish Government, seeking to rebrand the funds, currently available to developers as a loan, and with limited uptake nationally, to a more appropriate distribution.

Having heard assurances from Officers that the rebranded distribution proposals, if agreed, could be delivered by 31 March, 2021; that there was capacity in the local construction industry to build; and that the issue of housing did not fall under the current remit of the City Region Deal but had been reserved by both Councils, the Joint Committee **noted**, for their information, the terms of the report.

8. EQUALITY AND HUMAN RIGHTS IMPACT ASSESSMENT

There had been circulated a report dated 2 May, 2019 by the Project Manager, requesting the consideration of an updated Equality and Human Rights Impact Assessment Form.

The Joint Committee heard from the Project Manager of a recent workshop presentation, commissioned by the Scottish Government for all city region deals in Scotland, delivered by the Equalities Commission, which had highlighted opportunities for projects to contribute to equality outcomes.

Having noted that the newer City Region Deals were shaped to include Equality and Human Rights Impact Assessment (EHRIA) reporting and monitoring, and although this could not be retrospectively applied to Aberdeen City Region Deal, guidance was awaited from the Scottish Government on equality measures and that there were acknowledged areas within the

Inclusive Economic Growth, and other areas of work which could be assessed as assisting in the progression of equalities and human rights, the Joint Committee **agreed:-**

- (1) to approve for immediate application the revised Equalities and Human Rights Impact Assessment proforma, as appended to the report;
- (2) that any new business cases specifically consider, in addition to any benefits which could be accrued for community benefit through the procurement process, equalities and human rights issues; and
- (3) that a training session for all members, including substitutes, be arranged for a future meeting date; and
- (4) to note that the statutory requirement to publish any EHRIA on Aberdeen City Council's website.

9. DIGITAL LANDSCAPE

There had been circulated a report dated 2 May, 2019 by Wendy Robertson, Digital Lead, Aberdeen City Council, providing an update on the digital infrastructure projects within the innovation theme of the Aberdeen City Region Deal. The report presented a profile of the current provision, identified where the City Region Deal had contributed, and was to contribute to the roll out of service, highlighted areas of gaps, and reported suggestions to address the rural element, including the current Digital Scotland Superfast Broadband infrastructure upgrade programme and SSE Telecom backbone fibre provision along the key transport routes in Aberdeenshire, noting that all of the allocated funding had already been utilised.

Having welcomed the developments to-date in the City, there was discussion of (a) challenges in meeting rural provision, and the knock-on effect on the retail and tourism economy of any inability to accept cashless payments, in addition to the barriers for farmers accessing digital stock management applications, which could impair their participation as supplier as stores, moved more to source-identified products; (b) the terms of Spectrum radio frequency allocations for the provision of mobile and related services, linking to socio-economical community benefits with access to improved speeds, and potentially additional capacity and greater coverage; and (c) the potential to access additional funding streams to continue the rural works.

Officers advised that the Spectrum frequency allocations rested with the Westminster government, and that there had not yet been an award which stipulated the inclusion of harder to reach areas along with the more commercially lucrative and more densely populated areas.

The Joint Committee **agreed:-**

- (1) that representations be made to the Westminster Government that any future Spectrum allocations should stipulate a defined provision in the harder to reach, rural areas;
- (2) that officers look at other funding possibilities, including the Scottish Futures Trust;
- (3) that concerns be expressed that the Scottish Government's R100 programme had not worked as anticipated; and
- (4) in all other respects, to note the terms of the update.

10. CITY FUNDING UPDATE – QUARTER 4 2018/2019

There had been circulated a joint report dated 2 May, 2019 by the Head of Finance, Aberdeenshire Council, and the Project Manager, providing an update on the actual expenditure for the financial year 2018/19 and a forecast of spend for 2019/20.

The Joint Committee heard further from the Head of Finance of the reasons for slippage in some of the programmed expenditure, and of ongoing discussion with the Scottish Government on the timing of release of fund, needed to progress phased projects without detriment to the participating sectors.

There was discussion of the roll on and reprofiling of projects, and the parallel movement of supporting funds and the Joint Committee **agreed:-**

- (1) that officers continue discussions with the Government about the timing for the release of funds;
- (2) that clarification be provided as to whether the 2019/20 figures included sums identified as variances in the 2018/19 actual expenditure in all cases; and
- (3) in all other respects, to note the terms of the report.

11. CITY REGION DEAL FUNDING UPDATE

There had been circulated a report dated 2 May, 2019 by the Head of Finance, Aberdeenshire Council, providing an update on the City Region Deal funding, and highlighting, in particular, the Scottish Government's fundamental change in the operational workings of city region deal finances, including additional reporting requirements.

There was discussion as to the implication for projects, and for Council cashflow, as a result of Scottish Government reimbursement being moved to the end of each quarter, and the additional reporting requirements which made changes to previously accepted working practices. The Joint Committee heard from officers of continuing discussions to resolve the matter, and the willingness of both Councils' Chief Executives to escalate the discussions if needed.

The Joint Committee **agreed:-**

- (1) to note the updates provided and commend staff on their progression towards resolving the issue;
- (2) that members be provided with appropriate updates on the resolution of the issue; and
- (3) to note, in all other respects, the terms of the report.

12. DATE OF NEXT MEETING

The Joint Committee **noted** that the next meeting was to be held on Thursday, 29 August, 2019.

Councillor Jim Gifford, Chair

Councillor Presiding Over Meeting

Name

Signature

Date
