

## **REPORT TO INFRASTRUCTURE SERVICES COMMITTEE - 16 JUNE 2016**

### **OPPORTUNITY NORTH EAST – UPDATE REPORT**

#### **1 Recommendations**

**The Committee is recommended to:**

- 1.1 Note the development of Opportunity North East and the areas of joint work with Aberdeenshire Council; and**
- 1.2 Seek that a further report on Opportunity North East work is provided to the Committee in six months.**

#### **2 Discussion**

- 2.1 The purpose of this report is to provide an update on progress with regard to Opportunity North East (ONE). The Council on the 16 December 2015 (Item 4, Page 1110) appointed Council Co-Leader Cllr Richard Thomson to be the Council's representation on the new ONE Board. Council also sought that regular updates on ONE's activities are presented to the Infrastructure Services Committee, replacing the six monthly updates on ACSEF. A report to this Committee on 28 January 2016 (Item 16, Page 1246) noted the establishment of ONE and sought that a report on ONE's development and work be submitted every 6 months.
- 2.2 The new partnership was established in 2015 by Sir Ian Wood. ONE is a private sector led body, focused on ensuring a sustainable economic future for north-east Scotland.
- 2.3 The ONE Board Directors are:
  - Sir Ian Wood, Chairman
  - Patrick Machray, ANM Group and Vice-Chairman
  - Jennifer Craw, Chief Executive, ONE
  - Colin Crosby, VisitAberdeenshire
  - Professor Sir Ian Diamond, University of Aberdeen
  - Martin Gilbert, Aberdeen Asset Management
  - Adrian Gillespie, Scottish Enterprise
  - Edel Harris, Aberdeen & Grampian Chamber of Commerce
  - Professor Stephen Logan, NHS Grampian
  - Gary McEwan, Elevator
  - Deirdre Michie, Oil & Gas UK
  - Professor Ferdinand von Prondzynski, Robert Gordon University
  - Cllr Richard Thomson, Aberdeenshire Council
  - Cllr Jenny Laing, Aberdeen City Council
  - Bill Duguid, Rydens

- 2.4 ONE aims to broaden and strengthen the region's economy by investing in and accelerating the delivery of projects of scale and impact through four sector boards:
- ONE Oil & Gas Board– chaired by Sir Ian Wood.
  - ONE Food, Drink & Agriculture Board (which includes the fisheries industry) – chaired by Patrick Machray. Peter Cook has been appointed as the Director for this sector.
  - ONE Life Sciences Board– chaired by Professor Stephen Logan. Magnus Nicolson has been appointed as the Director.
  - Tourism – ONE will work closely with Visit Aberdeenshire, current interim chair is Colin Crosby, which on the 1 April become a combined destination management organisation, covering all of Aberdeenshire and Aberdeen City. The Chief Executive of Visit Aberdeenshire is Steve Harris.
- 2.5 ONE will focus on investment and action to stimulate economic growth, safeguard jobs and create new employment opportunities over the medium to long term. It will provide co-funding and resources to develop and bring forward high-impact projects that support the growth of these key sectors in partnership with the public and private sectors.
- 2.6 ONE has been established with a co-investment fund of up to £25million of operational and project capital from The Wood Foundation. The intention is that this funding will catalyse and facilitate co-investment from Scottish Enterprise and other public and private sector sources. It is therefore anticipated that at least £50million will be available for operations and projects, which will be significantly invested in the four sectors, over the next five years.
- 2.7 ONE's economic leadership board, chaired by Sir Ian Wood, will also be the private sector partner in the City Region Deal and fulfil the roles of the regional advisory board for Scottish Enterprise and the Economic Forum for Aberdeen City and Aberdeenshire Councils.
- 2.8 ONE's sector-specific and outcome-focused agenda will complement the infrastructure investment proposals within the City Region Deal, including improved sea and air links, significant city centre improvements, extended leisure and recreation facilities and dramatic improvements to digital and wider physical infrastructure and, where appropriate, support specific projects such as the Oil & Gas Technology Centre.
- 2.9 The Head of Finance and Monitoring Officer within Business Services have been consulted and are in agreement with the contents of this report.
- 3 Aberdeenshire Council work with ONE**
- 3.1 As ONE has been started from scratch, a lot of work to this point has related to the establishment of ONE as an operating body. This has included the appointment of the Chief Executive and relevant Directors, as outlined above. Work to scope out its remit, ways of working and areas of focus has been developed in this time also.

- 3.2 Tourism, along with Food, Drink, and Agriculture are key themes of ONE and is also some of the key industries that Aberdeenshire Council supports. The Head of Economic Development and Protective Services has joined the ONE Food and Drink and Agricultural Board. The board is chaired by Patrick Machray of ANM Group and vice chair is Andrew Booth of The Store. A number of meetings have been held to explore the scope of the work of the Board. The approach will now be firmed up and led by Peter Cook as the Director for this theme. Discussions on how to ensure aligned working with Aberdeenshire Council are ongoing with regard to the activities Grampian Food Forum. Opportunities have also been discussed on how to support the agricultural sector and in regard to the recent announcement to close the dairy in Tullos and its impact on the NE Agricultural sector. The Board is also developing a link with tourism and will be working with Visit Aberdeenshire to develop this. The Head of Economic Development and Protective Services has indicated willingness to work with ONE on this.
- 3.3 The City Region Deal is a key area of joint work between the Council and ONE, and with Aberdeen City Council. Since the announcement in January of the intended funding package for the City Region Deal, work on the projects within that deal have been in development and are working towards an outline business plan for each project. The work on the three innovation hubs business plans are being led by ONE with Scottish Enterprise and the sector boards. The Oil and Gas Technology Centre (including Big Data), will support the innovation in the oil and gas industry and aim to maximise the economic recovery of the remaining reserves from the UK Continental Shelf, anchoring the supply chain for the longer term and ensuring the retention of high value jobs in the UK. The Biopharmaceuticals innovation hub and the Food Science and Drink innovation Hub will build on the existing expertise in the region and increase incubator space, broaden research opportunities and increase the volume of start-ups in these growing industry sectors.

#### **4. Financial, Equalities and Staffing Implications**

- 4.1 There are no direct financial implications arising from this report.as there is no direct funding for the operation of ONE being sought from the Council. There may be project specific requests for funding on a case by case basis. This funding will be from within existing budgets.
- 4.2 As this is an update report on a partner organisation, an equality impact assessment is not required because the recommended actions do not have a differential impact on people with protected characteristics.

**Stephen Archer**  
**Director of Infrastructure Services**

Report prepared by Belinda Miller, Head of Economic Development and Protective Services, 18 May 2016.

