



**REPORT TO INFRASTRUCTURE SERVICES COMMITTEE
20 JUNE 2019**

REGIONAL ECONOMIC STRATEGY AND PARTNERSHIPS UPDATE

1 Recommendations

The Committee is recommended to:

1.1 Consider and comment on the contents of this report; and

1.2 Instruct the Head of Economic Development and Protective Services to submit a further update report to the Committee in six months.

2 Background / Discussion

- 2.1 The purpose of this report is to update members on work associated with the Regional Economic Strategy and regional partnerships which have a bearing on the work and direction of the Economic Development Service. The last report was 24 January 2019 (Item 12).
- 2.2 Along with Aberdeenshire Council, the Regional Economic Strategy Group submitted a response to the new Infrastructure Commission's initial call for evidence (available [here](#)). The Commission is to provide an independent assessment of the long term 30-year strategy for infrastructure to meet the future economic growth and societal needs of Scotland. The response highlighted the key infrastructure priorities of the North-east, in areas like housing, water supply, transport and broadband.
<https://infrastructurecommission.scot/>
- 2.3 In April 2019, the Scottish Government and COSLA agreed to adopt a Place Principle. This is to help overcome organisational and sectoral boundaries, to encourage better collaboration and community involvement, and improve the impact of combined energy, resources and investment in Scotland's regions, cities, towns, neighbourhoods, villages and islands.
www.gov.scot/publications/place-principle-introduction/ . Other policy areas are also creating an increased focus on place, such as the Planning Bill, the Town Centres Fund and the devolution of local taxation like the transient visitors tax and the workplace parking levy.
- 2.4 The Principle asks that all those responsible for providing services and looking after assets in a place need to work and plan together, and with local communities, to improve the lives of people, support inclusive and sustainable economic growth and create more successful places.
- 2.5 COSLA has acknowledged that local authorities already use place based approaches in policy making and service delivery for improving outcomes in communities. Some examples in Aberdeenshire Council include the work of Economic Development to apply the Town Centre First Principle, regenerate key areas and actively engage in partnership initiatives like the City Region

Deal. The council also meets the obligations imposed by the Community Empowerment Act, to give communities new ways to participate in decision-making (e.g. participation requests) and to create plans alongside community planning partners aimed at addressing inequalities with “place” in mind (Locality Plans and Local Outcome Improvement Plans). Local Community Plans are being phased out in favour of Place Plans, and engagement tools like the Place Standard are frequently used to plan service delivery.

Invest Aberdeen

- 2.6 Following approval at Infrastructure Services Committee, 30 November 2017 (Item 16), for the Council’s involvement in the regional investment hub, Invest Aberdeen was formally established as a partnership between Aberdeenshire Council and Aberdeen City Council in April 2018. This followed a period of intensive work with Scottish Enterprise, Aberdeen City Council and other key stakeholders on the transition of the Energetica programme in to Invest Aberdeen and on shaping the future Invest Aberdeen offer.
- 2.7 Recruitment to the Invest Aberdeen team concluded in the spring of 2018. Aberdeenshire Council appointed an Inward Investment Executive and a Marketing and Communications Officer who work directly and solely on Invest Aberdeen activity. They work across services with colleagues in Economic Development who support investment activity on a more ad-hoc basis. Aberdeen City Council has also recruited two full-time staff, a Project Officer and Project Support Officer who work directly and solely on Invest Aberdeen activity with support from City Growth staff. Staff are managed as part of the wider Invest Aberdeen team, which reports to both councils through the respective Head of Economic Development / Chief Officer.
- 2.8 Since Invest Aberdeen was established, a number of steps been achieved in the first year of operation including launch events for the initiative, website launch, extensive stakeholder engagement, promotion of key sector opportunities, familiarisation visits with key government agency staff, development of capital investment opportunities, active management and handling of investment enquiries, generating investment and regional growth leads, integration of an online Customer Relationship Management (CRM) system and promotion and profile growth through specialist publications. Further information is available in the more detailed update attached to this report as Appendix 1.
- 2.9 Officers are planning an annual briefing session with Elected Members from each Council to be held each autumn to update them on progress and get their input to future priorities.

3 Opportunity North East

- 3.1 Opportunity North East (ONE) is a private sector led and funded economic development body established in late 2015 to catalyse action and investment to deliver a sustainable economic future for north-east Scotland through business growth and diversification. ONE works through its main Economic Leadership Board and Sector Boards for each of its priority sectors (Food, Drink & Agriculture; Life Sciences; Oil, Gas & Energy; Tourism; and Digital & Entrepreneurship. The composition of these Boards is primarily private sector

and includes representatives from Aberdeenshire Council, Aberdeen City Council, the two Universities, NESCOL, and Scottish Enterprise. In addition to its own workstreams, ONE is the private sector partner in the Aberdeen City Region Deal and is the lead partner for the three innovation projects within the Deal.

- 3.2 Aberdeenshire Council is a key partner in ONE's work to support the food, drink, agriculture and fishing industries, including via the North East Scotland Food & Drink Network (formerly Grampian Food Forum), the North East Scotland Food & Drink Awards and by supporting Aberdeenshire based companies participate in the Food & Drink Business Growth Programme.
- 3.3 Grow your Business Through Export was the topic for the North East Scotland Food and Drink Network Event on Wednesday 20 February at the Marcliffe Hotel and Spa. Speakers included representatives from SDI and AGCC. Company case studies came from Andrew Chapman at Keith Brewery and Lewis Maclean of Macleans Highland Bakery who imparted a lot of practical information and were very well received by the other businesses. The event introduced the ONE Export Development programme with several businesses signing up on the day. 34 delegates attended, 15 of those from food and drink businesses.
- 3.4 50 delegates attended the Network Workshop on 23 April, held in conjunction with Taste of Grampian, which focussed on how to become 'Event Ready', to "prepare, present well and profit" from their exhibition attendance as well as helping them to "future proof" sales and customer engagement. Workshop sessions with Sandra Reid of Fare Consulting were supported with case studies from rora dairy and Summerhouse Drinks.
- 3.5 In general entries to the North East Scotland Food & Drink Awards were of a good standard, and it was recognised that the range and quality of entries were particularly strong in Food & Drink Tourism, Innovation and the new Export Business category. From the survey of entrants, all elements of the awards competition process and judging rated higher than the target of 4 (very good); with "the experience for you/your business overall" rating 4.4 out of 5. Entrants stated the main benefits from participation; 71% said that it provides an opportunity for their business to generate its own PR, 64% said the comments received from the judges were helpful/constructive and 57% said it provides a good networking opportunity. There were 11 companies winning 13 Awards - Associated Seafoods Ltd (2), Brew Toon, Dean's, Esker Spirits, Forest Farm - The Organic Dairy, Glen Garioch Distillery, John Ross Jr (Aberdeen) Ltd, Mackie's of Scotland, Macphie Ltd, rora dairy (2) and Summerhouse Drinks. 244 attended the Awards Presentation Dinner at Ardoe House Hotel on Thursday 21 March.
- 3.6 The 2019 Business Growth Programme cohort have reached the half-way stage in the programme and during March and April participated in workshops and 1 to 1 sessions covering accreditation, costings, building their brand and reviewing their financial position. They have also participated in preparing for "Meet the Buyer" sessions and two real buyer introductions - Sarah Mackie, Scottish Procurement Director for Brakes and Barry Knight, Procurement Director for Entier and the Full Range. The programme connects participants to important contacts and sources of support – the NES Food & Drink Network, Aberdeenshire Council SAB grants and loans, and ONE & Scotland Food and Drink market development activities.

- 3.7 ONE is also working on a number of new renaissance projects in the region with industry and key partners, including Aberdeenshire Council,. Details are available on their website <http://www.opportunitynortheast.com/blog/>. The projects are as a result of an extensive regional engagement undertaken in late 2017 and early 2018, to inform the refresh of the Regional Economic Strategy Action Plan.
- 3.8 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report their comments are incorporated within the report and they are satisfied that the report complies with the Scheme of Governance and relevant legislation.

4 Scheme of Governance

- 4.1 The Committee is able to consider this item in terms of Section F.1.1b of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to policy and resource matters falling within the remit of Economic Development.

5 Implications and Risk

- 5.1 An equality impact assessment is not required because recommendations do not have a differential impact on any of the protected characteristics. A town centre assessment is not required as there are no new impacts on any of the identified town centres.
- 5.2 There are staffing and financial implications arising from this report which will be accommodated within existing resources.
- 5.3 The following Risks have been identified as relevant to this matter on a Corporate Level: Working with other organisations; and at a Strategic Level: Economic Development.

Stephen Archer, Director of Infrastructure Services

Report prepared by Belinda Miller, Head of Economic Development and Protective Services and James Welsh Invest Aberdeen Manager, Irina Bonavino, Policy Officer. 24 May 2019

UPDATE TO INFRASTRUCTURE SERVICES COMMITTEE – 20 JUNE 2019

Invest Aberdeen – 1 YEAR UPDATE

1 Introduction & Background

- 1.1 Infrastructure Services Committee, at their meeting of 30 November 2017 (Item 16), approved involvement in a region wide inward investment hub. In May 2018 Invest Aberdeen was formally established, as a partnership between Aberdeenshire Council and Aberdeen City Council. This followed a period of intensive work with Scottish Enterprise, Aberdeen City Council and other key stakeholders on the transition of the Energetica programme in to Invest Aberdeen and on shaping the future Invest Aberdeen offer.
- 1.2 Recruitment to the Invest Aberdeen team concluded in the spring of 2018. Aberdeenshire Council appointed an Inward Investment Executive and Marketing and Communications Officer who work directly and solely on Invest Aberdeen activity. They work across services with from colleagues in Economic Development who support investment activity on a more ad-hoc basis, in response to specific investor enquiries. Aberdeen City Council has also recruited two full-time staff, a Project Officer and Project Support Officer who work directly and solely on Invest Aberdeen activity with support from City Growth staff. Staff are managed as part of the wider Invest Aberdeen team, which reports to both councils through the respective Head of Economic Development / Chief Officer and through annual updates to the appropriate Committees of each.

2 Activity Update

- 2.1 Since the Invest Aberdeen team was established in May 2018, the following outputs have been achieved in the first year of operation:
- 73 inward investment and regional growth enquiries have been actively managed by the team, with 18 of these live at the time of writing this report. These enquiries range from the relocation of energy supply chain companies to Aberdeen through to significant capital investment by and expansion of local food and drink companies, covering all the Regional Economic Strategy priority sectors;
 - 46 investment and regional growth leads have been proactively generated by the team, to introduce potential investors to opportunities. This is in addition to the numbers above and is where the team actively targets investors through networks and introductions or speculative approaches;
 - A series of successful launch events took place, both in Aberdeen and at other national and international events (i.e. All Energy in Glasgow, OTC in Houston, ExpoReal in Munich and ONS in Stavanger), raising the profile of Invest Aberdeen, the 'soft landing' services it provides and investment opportunities in the city region;
 - Stakeholder engagement was an early priority, with two local stakeholder events delivered followed by a programme of one-to-one and team-to-team engagements to identify areas of common ground and

scope out collaboration with Scottish Development International (SDI and Department for International Trade (DIT);

- Significant engagement activity has been undertaken with priority growth sectors from the Regional Economic Strategy, with Invest Aberdeen officers now embedded within sector forums and business groups. The team worked with stakeholders to develop of suite of sector propositions to provide an overview of Aberdeen's key sector capabilities and these have been used by UK and Scottish stakeholders in supporting inward investment into Aberdeen;
- The [Invest Aberdeen](#) website was launched in May 2018, providing a one-stop resource hub for potential investors and for local stakeholder organisations;
- An [Invest Aberdeen film](#) was commissioned to support launch activity and ongoing profile raising. This has been well received by local, national and international partners and stakeholders and is widely used by third party agencies to promote the area;
- The team has hosted familiarisation visits from UK and Scottish Government agencies (i.e. Department for International Trade and the Scottish Government's Trade and Investment team) and shared new collateral with these agencies;
- The development of an Invest Aberdeen property portfolio ('pitchbook') containing capital investment opportunities within the region. This was presented at MIPIM¹ 2019;
- The integration of an online Customer Relationship Management (CRM) system to track business contacts and investment enquiries;
- Invest Aberdeen has promoted regional activity and investment opportunities through a range of specialist publications including Business Insider, Commercial Property Monthly, the MJ inward investment guide to name a few. Examples;
[Business Insider](#); [Energy Voice](#); [The MJ at MIPIM](#) - page 22

2.2 Invest Aberdeen was a lead Partner to the Scottish Government led pavilion at MIPIM in March 2019. MIPIM is the leading global property investment expo and conference whose attendance includes approximately 4,800 global investors. Invest Aberdeen was a partner to the Scottish Government and Scottish Enterprise / Scottish Development International alongside Invest Glasgow and Invest in Edinburgh who represent their respective city region areas. 2019 was the first year for a Scottish Government led presence at the show. This particular activity was led by Aberdeen City Council, as the scale and type of investment opportunities promoted at MIPIM are largely city based. Invest Aberdeen is working with Aberdeenshire Council's Property Service to identify any strategic capital investment opportunities of scale that could be promoted at future property events, including MIPIM.

2.3 As a result of attending the show the Aberdeen delegation had a series of private 'one to one' meetings with 17 investors who were attending MIPIM. From these meetings, 13 follow ups were issued and a further four meetings have been arranged to discuss specific investment opportunities that are of direct interest. These meetings are, in the main, with international investment

¹ Le Marche International des Professionnels de l'Immobilier (MIPIM), an international property and investment event.

houses, fund managers and potential developer partners, looking at investment in schemes such as Aberdeen Harbour South, Aberdeen City Council's Housing programme and Queen Street, and two further regeneration opportunities in the centre of Aberdeen. These discussions are at early stages and it may be some time before any investment is secured.

- 2.4 Outcomes in terms of the level of invested money or jobs created from these activities are not yet available, as this is the first year of operation and it would not be accurate to conclude the achievements to date. Work is underway to measure, as far as possible, the impact of the teams work and this will be reported in future years.

3. Forward Priorities

- 3.1 Feedback from some stakeholders on the first year of Invest Aberdeen activity indicates that certain sectors may still lack awareness of the resource available within Invest Aberdeen, to support local and regional developers, investors and inward visits to the region. This is an important aspect of raising the Aberdeen region's profile nationally and internationally, as the local network acts as an important inward investment ambassador. In response, it is proposed that the team continues to engage with strategic and private sector partners in the city region and ensure the benefits of Invest Aberdeen and the support it can provide is fully understood.
- 3.2 Offshore Europe 2019 at The Event Complex Aberdeen (TECA) is a significant strategic and operational priority (and opportunity) for Invest Aberdeen to promote and articulate regional investment opportunities to inbound international delegations while they are visiting the region. There will be an Invest Aberdeen stand supported by both Aberdeenshire Council and Aberdeen City Council as part of the agreed approach to more efficient and joint event attendance. The stand will be part of the national 'Scotland is Now' pavilion and will be used to host investor events and meetings. There will be a programme of investment related activity and opportunities for developers and project sponsors to use the stand to launch and promote initiatives alongside other partners.
- 3.2 At operational level, a priority for 2019-20 is to develop and launch an Invest Aberdeen soft landing service to offer help and practical assistance to aid a new investor's transition into the region. Invest Aberdeen will seek to work closely with private sector service providers to offer investors, currently based outside of the region an inclusive package of support. This could include:
- Developing a portfolio of rent-free or rent-reduced, flexible initial property options for incoming investors;
 - Offering preferential access to Invest Aberdeen and other city region business networking events and forums;
 - Introductions to key contacts and networks in the city region, including through the proposed Advisory Board;
 - Consideration of financial incentives, where feasible, working with the two governments;

- Brokering effective recruitment and skills support to deliver a seamless recruitment solution for incoming investors and growing local businesses;
- Free introductory and consultation meetings with local accountancy, banking and legal specialists
- PR opportunities through the Invest Aberdeen website and social media accounts.

3.3 Continue to work with Aberdeenshire Council's Property Service and private sector partners to identify property related investment opportunities that can be promoted to an investor audience.

James Welsh
Inward Investment Executive
24 May 2019