

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

29 AUGUST, 2019

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

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

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

Apologies: Cllr D Lumsden, Aberdeen City Council.

Officers: S Archer, Director of Infrastructure Services, Aberdeenshire Council; A Wood, Head of Finance, Aberdeenshire Council; B Miller, Head of Economic Development and Protective Services, Aberdeenshire Council; R Sweetnam, Head of Economic Development and Chief Officer, City Growth, Aberdeen City Council; M Lockley, Service Manager, Economic Development, Aberdeenshire Council; R O' Hare, Principal Solicitor, Aberdeenshire Council; J Richards-Wood, Programme Manager, Aberdeen City Council; W Robertson, Digital Programme Manager, Aberdeen City Council; P Finch, Strategic Transport Manager, Aberdeenshire Council; and J McRobbie, Committee Officer, Aberdeenshire Council.

In attendance: C Cohen, Chief Executive Officer, and N McIntosh, Finance and Commercial Director, the Oil & Gas Technology Centre.

1. SEDERUNT AND DECLARATION OF MEMBERS' INTERESTS

Apologies were intimated in respect of Councillor Lumsden, Aberdeen City Council.

No interests were declared.

2. 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 9 and 10, so as to avoid disclosure of exempt information of the class described in 6 of Part 1 of Schedule 7A of the Act.

3. MINUTE OF MEETING OF CITY REGION DEAL JOINT COMMITTEE OF 2 MAY 2019

The Joint Committee had before them and **approved** as a correct record, subject to the addition of a recommendation at Item 8, (Equality And Human Rights Impact Assessment), to agree training, on the revised assessment process, to be provided for all substantive and substitute members, the Minute of Meeting of the Joint Committee of 2 May, 2019.

4. DIGITAL LANDSCAPE - R100 AND SPECTRUM – CORRESPONDENCE WITH SCOTTISH AND WESTMINSTER GOVERNMENTS

With reference to the Minute of 2 May, 2019, (Item 9), there had been circulated a report dated 21 August, 2019 by the Digital Programme Manager, Aberdeen City Council, containing correspondence with The Cabinet Secretary for Transport Connectivity and Infrastructure, the Scottish Parliament and the Minister for Digital and the Creative Industries (DCMS), Westminster respectively on the issues.

The Joint Committee heard further from the Service Manager, Economic Development, Aberdeenshire Council on (a) the continued concern about the timescale and coverage of the delivery for R100, particularly in rural areas, with the official wording now stressing “fantastic coverage” and not the “100%” coverage initially promoted and (b) the joint bid submitted by Perth & Kinross Council and the Cairngorms National Park for 5G coverage.

There was discussion of the critical requirement for stable connectivity for tourism and agricultural operations in order for them participate in initiatives such as “farm to plate” resource tracking and support the “cashless” payment expectations by customers; and of the potential consideration of north east involvement in Scottish Government pilots of other schemes intended to address areas where broadband enablement had not yet been fully established.

The Joint Committee **agreed**:-

- (1) to note the correspondence and updates provided on R100 and Spectrum;
- (2) that a briefing paper be provided in due course on the 5G bid awards; and
- (3) that officers actively encourage private sector participation in any Scottish Government pilot initiatives.

5. ABERDEEN CITY REGION DEAL QUARTERLY PROGRESS UPDATE

There had been circulated a report by the Programme Manager, Aberdeen City Council, providing an update on the City Region Deal (CRD) and its constituent workstreams, and the Joint Committee heard from the Programme Manager as to specific projects.

There was discussion of the timing for the Aberdeen Western Peripheral Route assessment, to be reflective of an established usage pattern and not reflect the inaugural 6 month

“experimental” usage and the Joint Committee **agreed** to welcome and note the updates provided.

6. ANNUAL REPORT

There had been circulate a report by the Programme Manager seeking members’ (a) consideration of the proposed Aberdeen City Region Deal Annual Report 2018-19 and (b) approval for its wider publication.

Having heard from the Programme Manager of the feedback which had been received to date from both City Region Deal members and the Scottish and Westminster Governments, there was discussion of the inclusion of reference to the £200M which had been allocated and covered by a Memorandum of Understanding, outwith the City Region Deal, but not yet spent, for improvements to the transport infrastructure.

The Joint Committee **agreed:-**

- (1) to delegate to officers, in consultation with the Chair and Vice Chair and ONE spokesperson, final approval of the annual report, with revised wording making appropriate reference to the complementary funding allocated to the North East for travel improvements;
- (2) that the revised report be approved for wider publication; and
- (3) to commend officers on the report.

7. STRATEGIC TRANSPORT APPRAISAL: OUTCOME OF OPTION GENERATION AND SIFTING

There had been circulated a report dated 22 August, 2019 by the Strategic Transport Manager, Aberdeenshire Council, providing an update in respect of the option development and sifting stage of work on the Strategic Transport Appraisal, identifying the proposed next steps in accordance with the approved outline business case for the project.

Having heard from the Transport Manager as to the specifics of the various work streams, there was discussion of Network Rail’s continuing exploration of options to reduce the journey time between Aberdeen and Glasgow and Edinburgh, and, in particular which timescale reduction had been originally suggested.

The Joint Committee **agreed:-**

- (1) to approve the outcomes of the option generation and sifting process as presented in the Appendix to the report;
- (2) instruct Officers to continue to update this Committee via appropriate reports or briefings as the appraisal work progresses through the next stages of work; and
- (3) commend officers on their choreography of the strategy and its consideration across partner bodies and other interested organisations.

8. MEMORANDUM OF UNDERSTANDING – PROGRESSION OF TRANSPORT ELEMENTS

There had been circulated a report dated 22 August, 2019 by the Strategic Transport Manager, Aberdeenshire Council, providing an update on the progress of the transport schemes include in the Memorandum of Understanding with the Scottish Government, signed in 2016 alongside the City Region Deal.

The report particularly highlighted the delays in the spending of the £200m currently allocated for rail improvements between Aberdeen and the Central Belt and reported on changes to journey times which did not always evidence an overall reduction.

Having noted Transport Scotland, the Scottish Government, and the Cabinet Secretary for Finance, Economy, and Fair Work had confirmed that the funds allocated remained fully committed for rail schemes within the timeframe of the City Region Deal, there was discussion of other elements which might prove to be of greater transport benefit to the North East of Scotland should the rail improvements not be deemed achievable in the timescale, and whether any additional proposals, already developed to STAG approvals, might be deliverable within the life of the City Region Deal.

The Joint Committee **agreed:-**

- (1) that a joint approach be made by all three partners to Transport Scotland and the Minister, seeking meetings to discuss possible alternative investment in the North East of Scotland of the £200m allocation currently allocated to improve journey times between Aberdeen and Glasgow/ Edinburgh, with an alternative portfolio of agreed projects to be presented for consideration;
- (2) that clarification be sought from Transport Scotland on the rail journey time reduction target and expected outcome; and
- (3) in all other respects to note current progress in the delivery of the transport elements in the Memorandum of Understanding.

9. FINANCIAL UPDATE – QUARTER 1, 2019/2020

There had been circulated a report dated 15 August, 2019 by the Head of Finance, Aberdeenshire Council, providing an update on the actual expenditure in the financial year 2019/20 and providing information on the forecast 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 funds, as per the letter of agreement, which had previously been managed to negate any unnecessary impact on the cash flow for projects, and not require Aberdeenshire Council to provide funding in advance of the release of Scottish Government monies or impact negatively on the progress phased projects without detriment to the participating sectors. Whilst this was manageable for small sums, such as a £70,000 bill which the Council had paid and would be refunded, in looking at the greater capital requirements of other ongoing projects, officers were concerned that larger schemes could not be supported in this way by Aberdeenshire Council.

There was discussion of the roll on and reprofiling of projects, and the parallel movement of supporting funds, and it was noted that, being the most successful in attracting private sector funding for schemes, the City Region Deal might be well positioned to successfully make the case for the previous operating methods to be continued. The Joint Committee **agreed:-**

- (1) that officers continue discussions with the Scottish Government as to means to avoid the need for retrospective release of funds, including possible formal correspondence from the Joint Committee; and
- (2) in all other respects, to note the terms of the report,

10. THE OIL AND GAS TECHNOLOGY CENTRE – UPDATE

The Chair, on behalf of the Joint Committee, welcomed Ms Colette Cohen and Ms Nicola McIntosh, of the Oil & Gas Technology Centre (OGTC) to the meeting, which thereafter heard from Ms Cohen of the Centre's continued support for the work commissioned under the City

Region Deal for the Oil and Gas sectors, an opportunity to differentiate itself as a leader of technology development and deployment, with particular focus on mature assets, subsea, and decommissioning. This work, developing in partnership with industry, the regulators, universities, and government to deliver on this vision was intended to make OGTC the go to centre for the industry, and was now to be complemented by a separately funded remit, to be formally announced at the 2019 Offshore Europe Conference later in the week, to consider additional work, prompted by the continued evolution of the industry, to become a centre of excellence for alternative technologies, more supportive of a low carbon future, in which hydrogen and carbon sequestration may be of increasing interest as a development of the current industry experience, skill, and local resources. At present, all solutions were economically challenged and there was a huge imperative to undertake detailed research and development to support industry to mitigate existing energy commitments, offsetting the remaining levels, and also repurpose facilities towards hydrogen generation and carbon sequestration. Ms Cohen spoke of the funding partners who were supporting this new area of work and reiterated that this would be in addition to the Centre's work in Oil and Gas sponsored by the City Region Deal, but would be of complementary benefit to the original remit.

There was discussion of the implications for the progression of the original workload with the new work, and the Joint Committee **agreed:-**

- (1) to commend the Oil and Gas Technology Centre for the attraction of additional private sector funding for the exploration of this complementary area of work;
- (2) to be assured that the work was in addition to the Centre's role in supporting the City Region Deal and not instead of that locus; and
- (3) in all other respects to note the update and thank Ms. Cohen for her presentation.

11. DATE OF NEXT MEETING

The Joint Committee **noted** that the next meeting was to be held on Friday, 8 November, 2019.

Councillor Jim Gifford, Chair