

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World



ABERDEEN CITY REGION DEAL JOINT COMMITTEE

8 NOVEMBER, 2019

- Present:** Councillors Gifford (Chair), Cox (as substitute for Councillor Argyle); and Thomson, Aberdeenshire Council;
Councillors Laing (Vice-Chair), Boulton, and Lumsden, Aberdeen City Council; and
Ms J Craw (as substitute for Sir Ian Wood), and Mr P Machray, ONE.
- Apologies:** Councillor Argyle, (Aberdeenshire Council); Prof S Logan and Sir Ian Wood, ONE.
- Officers:** Mr J Savage, Chief Executive, Aberdeenshire Council; Mrs A Scott, Chief Executive, Aberdeen City Council; Ms B Millar, Head of Economic Development and Protective Services, Aberdeenshire Council; Mr A Wood, Head of Finance, Aberdeenshire Council; MS R O'Hare, Principal Solicitor, Aberdeenshire Council; Ms J Richards-Wood, Programme Manager, Aberdeen City Council; W Robertson, Digital Programme Manager, Aberdeen City Council; Ms S Rochester, Service Manager, Customer Communications and Improvement, Aberdeenshire Council; Mr P Finch, Strategic Transport Manager, Aberdeenshire Council; Mr R McGregor, Strategic Transport Officer, Aberdeenshire Council; Mr R Dickson, Director, NESTRANS; and Ms J McRobbie, Committee Officer, Aberdeenshire Council.
- In attendance:** Mr D Rennie, Head of Partnerships/Oil and Gas, Scottish Enterprise; Ms A Philip, Head of Development and Regional Transport Planning, Transport Scotland; and Mr D Briody, Commercial and Regulatory Manager, Rail.

1. SEDERUNT AND DECLARATION OF MEMBERS' INTERESTS

Apologies were intimated from Councillor Argyle, Aberdeenshire Council and Professor S Logan and Sir Ian Wood, ONE.

No interests were intimated.

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 Item 9, so as to avoid disclosure of exempt information of the classes described in paragraph 6.

3. MINUTE OF MEETING OF CITY REGION DEAL JOINT COMMITTEE OF 28 AUGUST, 2019

There had been circulated, and was **approved** as a correct record, the Minute of Meeting of 28 August, 2019.

In respect of the proposed equalities training for members, it was **agreed** that a training session be scheduled for the conclusion of the next meeting, of 7 February, 2020.

4. ABERDEEN CITY REGION DEAL QUARTERLY PROGRESS UPDATE

There had been circulated a report dated 8 November, 2019 by Programme Manager 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.

It was noted that the annual conversation with the Scottish Government had gone well , with the City Region Deal's progress noted and an encouragement to capture, report, and monitor projects.

There was discussion of the additional work to be carried out by the Oil and Gas Technology Centre, outwith the City Region Deal funding; the timetable for the development of the national sub-sea centre;

The Joint Committee heard further from Mr Machray, ONE detailed progress on the Food hub for Innovation, to be launched at Deans of Huntly in January 2020, with the appointment of a design team and architect expected by the end of January, and a target completion date of August 2022 anticipated.

Ms Crow provided an update on the work for the bio-hub and the challenges of designing its location on a tight corner site, the announcement of a preferred contractor imminent; continuing positive relationships with life sciences and NHS Grampian on the data set. There was discussion of the timescale for planning permission and SEPA's comments on the site, and also the interrelationship between the site and the adjacent planning applications for a new mortuary and new green space to the south of the proposed bio-hub.

The Joint Committee heard from Ms Robertson, Digital Programme Manager that by the end of December it was expected that 21 out of the 58 identified suites would be completed, with others scheduled for 2020; that the Private Investment for Digital anticipated £15m investment had been realised /spent in the City to date. A further £25m has been committed by CityFibre as per their £40m announcement.and that the tender for full fibre in the Shire and NHS closed on 18 November, with an appointment hoped for mid-December. In respect of the duct network contracts, one was due to complete by the end of the year and a workshop to be held on 25 November to explore opportunities and inform business cases.

Mr Finch spoke of a very successful checkpoint review which had just taken place with Transport Scotland and the Scottish Government and other partners, on the Strategic Transport. The two main issues had been the updating of the Strategic Transport model, informed by user interviews as well as an analysis of on the ground infrastructure, to be coordinated with data already collected by Transport Scotland on the A96 consultation. In terms of the external road linkages to Aberdeen south harbour, useful workshops had been held with the Harbour Board and consultants, which would lead to an economic appraisal early in 2020.

There was discussion of the A90 challenges through and to Ellon , which was beginning to impact negatively on local land use development projects, and the Joint Committee were advised of ongoing micro-surveys focussed on Ellon which would be shared with Aberdeenshire Council's Formartine Area Committee when completed.

In respect of the well-publicised delays in the harbour expansion, the Programme Manager advised that a phased outcome was now in place and that there would be no negative impact on either the cash draw down or expected benefits. There was discussion on the impact of this delay in the support available for cruise ships which would have nowhere to berth.

The Joint Committee **agreed:-**

- (1) that an update presentation by Michelle Handforth, Chief Executive, on the mitigations which were proposed to facilitate the advent of cruise ships, be made to the Spring meeting;
- (2) to note that the transport surveys on the A90 would be reported to Aberdeenshire's Council's Formartine Area Committee in due course;
- (3) that an update on net zero solution be provided within 6 months; and
- (4) in all other respects to note the terms of the updates provided.

5. BENEFITS REALISATION WORKING GROUP

There had been circulated a report by the Programme Manager, advising of the creation of a Benefits Realisation Working Group to support the assessment of outcomes of the City Region Deal. This would support the monitoring and evaluation framework which had been agreed with input from both the Scottish and UK Governments and partner organisations to support all projects in fully maximising the benefits arising from the Aberdeen City Region Deal Investment as well as making recommendations and providing assurance to Aberdeen City Region Deal Programme Board through a monitoring and evaluation framework which will be agreed with input from.

There was discussion of the potential challenges in trying to retro-fit benefits measurements to projects that were already in place and, and also assessing the economic benefit of works which would not necessarily impact within the 10 years of the City Region Deal; the need to be aware where impacts are established, proportional to the timescale set out the original approved business cases; and the inability to measure what was not intended to be delivered in terms of the innovation projects; of the valid opportunities to link benefits realisation to new procurements, especially for physical developments and employment; the governance route for the reporting back to the working group; and the potential measures against which progress might be assessed.

The Joint Committee **agreed:-**

- (1) to note the establishment of a Benefits Realisation Working Group, and its Terms of Reference;
- (2) that officers consider and report, prior to any gathering of data, the proposed scope of the application of the benefits realisation.

6. MEMORANDUM OF UNDERSTANDING – TRANSPORTATION PROGRESS REPORT

There had been circulated a report dated 29 October, 2019 by Transport Scotland providing an update on the progress of additional projects being taken forward through the additional Scottish Government investment, including progress on the A90 Laurencekirk junction improvement scheme and the investment in the rail network to improve services between Aberdeen and the Central Belt.

The Chair, on behalf of the Joint Committee, welcomed Amy Phillips and Damien Briody of Transport Scotland to the meeting which heard from the officers further details of the progression of the schemes additional to those set out in the accompanying agenda report.

During his presentation Mr Briody confirmed the following:-

- a) The Aberdeen to Central Belt Reference Group met on 12 September, 2019 in Dundee, and heard proposals for investment in a route signalling upgrade between Aberdeen and Dundee, complementing other planned investment on the rail network. These investments would work together to deliver journey time goals, within the CRD timescale of 2026;
- b) The journey time improvement vision presented to the Reference Group was for a 2hr10min journey time Aberdeen to Edinburgh, 2hr30min Aberdeen to Glasgow, and 1hr10min Aberdeen to Dundee. These would be improvements to average journey times;
- c) The project was now recognised as a rail enhancement project, moving from the rail policy team to the rail delivery team within Transport Scotland. Network Rail had been remitted to develop the scheme to GRIP4 (single preferred option and outline business case).
- d) The reference group was now being wound up, to be replaced by a rail industry project delivery group. Representatives of the City Region Deals and Regional Transport Partnerships would be kept closely informed of progress and actions.
- e) It was expected that the total cost of investment between Aberdeen and Dundee would exceed £200m. The precise set of benefits, and mixture of interventions would only be confirmed when Network Rail had produced their single design option and outline business case. The interventions would likely involve signalling, targeted line-speed improvement, freight loops, timetabling, and rolling stock improvements.
- f) The programme and associated milestones for the project would be available in January 2020.
- g) Future plans to electrify the rail network by 2035 would be considered within the development of the proposed signalling improvements.
- h) The scheme would be required to take full account of the current and proposed mix of rail services on the route (inter-city, local, freight), as well as future regional aspirations for development of the local rail service.
- i) The signalling improvements may provide greater flexibility to facilitate any required improvements to connections between trains to the Central Belt, and trains north of Aberdeen, with the aim of developing fully connected communities.

In response to the presentation, Members spoke of their concerns that the journey time improvements set out in the previously presented Arup report (around 2 minutes) had seemed a very small return for the £200M, and that there were other infrastructure projects being considered within the region which potential had a greater economic impact on the region as a whole to which the funds might have been more competently directed. Members considered that there seemed little of substance and detail in the update provided to give full assurance on delivery and benefits. Mr Briody indicated that more detail would be available in January, 2020, following Network Rail's response to the development remit. It was also noted that meetings had still to be held with the Cabinet Secretary and that this might provide additional assurance.

In respect of the road improvements to the A90 at Laurencekirk, the Joint Committee heard from Ms Phillips that draft Orders arising from the preferred option announcement of July.

2018 were expected to be published by the end of the year. This work was being supported by an ongoing programme of survey, design, and assessment work. However it was not yet possible to set a timetable for construction or completion, as it was currently unknown whether there would be any objections to the scheme following publication of draft Orders, and whether or not these would then lead to a requirement for Public Local Inquiry.

The Joint Committee **agreed:-**

- (1) that Mr Briody be requested to attend future meetings to provide updates on the options chosen and provide feedback requested in letter to committee when received;
- (2) to note the updates provided and request a further report to the next committee on breakdown of costs against each intervention and milestone; and
- (3) to thank Ms Phillips and Mr Briody for their informative presentation.

7. MEMORANDUM OF UNDERSTANDING - HOUSING PROJECTS

With reference to the Minute of Meeting of 2 May, 2018, (Item 7), there had been circulated a report dated 8 November, 2020 by the Senior Housing Strategy Officer, Aberdeen City Council, providing an update on progress in relation to the housing workstream, where the additional investment of £20M Infrastructure funds was to unlock sites of strategic importance and provide 5 year certainty on £130M of affordable housing supply grant.

The report indicated that five sites had been identified, with expressions of interest submitted to the Scottish Government on which decisions were expected at the scheduled meeting on 20 December.

The Joint Committee **agreed:-**

- (1) that a further update report on the 5 bid sites be reported to the Joint Committee in February, 2020; and
- (2) to note in all other respects the terms of the report.

8. PROPOSED MEETING DATES.

The Joint Committee noted the proposed dates for meetings in 2020 and, having heard that confirmation was awaited from ONE as to the suitability of the dates, **agreed:-**

- (1) to approve in principle the undernoted dates of meeting for 2020:
 - 7 February, 2020 (already in diary);
 - 5 June, 2020;
 - 4 September, 2020; and
 - 13 November, 2020;
- (2) to delegate to the Programme Manager, in consultation with the Chair and Vice-Chair, final confirmation of these dates; and
- (3) to note that from April 2020, meetings would be supported by, and hosted by Aberdeen City Council.

9. FINANCIAL UPDATES - QUARTER 2 2019/2020

There had been circulated a report dated 8 November, 2019 by the Head of Finance, Aberdeenshire Council and the Programme Manager, Aberdeen City Council, providing an update on the finances of the City Region Deal for actual expenditure to quarter 2 in 2019/20, and updating the forecast for 2019/20.

The meeting heard from the Head of Finance of the figures represented in the report, that each project streams were progressing well, with expenditure in line with what was expected at this stage of the financial year; of positive discussions with the Scottish Government which

looked to provide assurance against the implications for cash flow of the payments being made quarterly in arrears; and of a report which would be considered by Aberdeenshire Council on 21 November which would allow him greater authority as a Section 95 officer, in regard to cash flow for projects, should the timing of release of funding from the government become an issue.

Mr Wood also spoke of his intent to maximise the transparency of reporting of financial updates in the public domain and sought guidance as to the level of detail required by the Joint Committee to provide them with assurances in terms of scrutiny of the financial management and progress of the City Region Deal.

The Joint Committee **agreed:-**

- (1) to welcome the positive discussions with the Scottish Government to facilitate the express release of funds when required;
- (2) to note that Aberdeenshire Council would consider a system to mitigate in cases of any delayed drawdown of funding from the Scottish Government;
- (3) that officers consider and report the proposed future split of the financial update reports between public and exempt documents; and
- (4) to note, in all other respects, the terms of the report.

Councillor Jim Gifford, Chair