

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

Report Name	Terms of Reference
Lead Officer	Ruth O'Hare
Report Author	John-Paul Cleary / Alan Thomson
Date of Report	9 February 2018
Governance	City Region Deal Joint Committee

1:	Purpose of the Report
<p>i. This report sets out the background against which the City Region Deal Joint Committee Terms of Reference has been revised, and proposes a revised Terms of Reference to allow the Joint Committee to operate more effectively.</p>	

2:	Recommendations for Action
<p>i. It is recommended that the Joint Committee:</p> <ol style="list-style-type: none">1. Note the proposed revised City Region Deal Joint Committee Terms of Reference in Appendix 1.2. Remit the revised City Region Deal Joint Committee terms of Reference to the Constituent Authorities for approval.	

3:	Summary of Key Information
<p>i. The City Region Deal ("the CRD") Agreement was approved by Aberdeen City Council on the 17th August 2016 and by Aberdeenshire Council on the same date. The CRD is an agreement between the UK and Scottish Governments, Aberdeen City Council, Aberdeenshire Council and Opportunity North East to provide a mechanism for future economic development within the Region.</p> <p>ii. Aberdeen City Council and Aberdeenshire Council (together, the Constituent Authorities) formed a Joint Committee, under section 57 of the Local Government (Scotland) Act 1973 (the 1973 Act) between,</p>	

3:	Summary of Key Information
	<p>which also includes representatives from Opportunity North East (ONE). The Constituent Authorities determine the powers delegated to the Joint Committee under this legislation, and as such, only the Constituent Authorities can amend its powers and Terms of Reference.</p> <p>iii. The original Terms of Reference were agreed by the Constituent Authorities on 16 December 2015 at a time when the structure, working practices and governance processes that would need to be employed to deliver the deal were largely unknown. Since that time, the City Region Deal has been approved, and the implementation stage of the programme has begun.</p> <p>iv. With the City Region Deal entering this new phase, it is now necessary to review the original Terms of Reference of the City Region Deal Joint Committee to ensure it has the necessary powers and agreed governance processes to support the implementation of the Deal. This is in line with the original Terms of Reference which state they <i>“will be kept under review by the Constituent Authorities, ONE and the Joint Committee throughout the implementation of the City Region Deal to ensure sufficient accountability of public funds provided through City Region Deal funding”</i>.</p> <p>v. Appendix 1 details proposed amendments to the Terms of Reference which reflect how the Joint Committee has been operating in practice recently. A “clean” copy of the revised Terms of Reference is attached at Appendix 2 for convenience.</p> <p>vi. In its 17th August 2016 decision, Aberdeen City Council approved its contribution of £10 million to the overall City Region Deal programme to be funded from the Council’s Capital Fund, and devolved the power to the Joint Committee to approve all relevant business cases. This power was not reflected in the original Terms of Reference.</p> <p>vii. Further, Aberdeenshire Council, at its meeting on 17 August 2016, reserved the power to approve business cases. Aberdeenshire Council delegated this power to its Infrastructure Services Committee.</p> <p>viii. As mentioned previously, the proposed amendments to the Joint Committee Terms of Reference reflect how the Joint Committee has been operating in practice, taking into account the process for approval dictated by the UK and Scottish Governments and will enable the Joint Committee to make effective decisions, and to mitigate the risk of projects being impacted through delays in funding.</p> <p>ix. Under the terms of the Joint Committee’s formation under section 57 of the 1973 Act, only the Constituent Authorities can approve changes to the Joint Committee Terms of Reference. Once the Joint Committee has noted that amendments to the Terms of reference, they will have to be remitted to the Constituent Authorities for approval.</p>

3:	Summary of Key Information
x.	The revised Terms of Reference will be presented to Aberdeen City Council for approval, as part of the wider Scheme of Governance report, on the 5 th March 2018. A report will go to Aberdeenshire Council on the 8 th March 2018, seeking approval for the revised Terms of Reference.

4:	Finance and Risk
i.	There is no financial risk associated with amendments to the Joint Committee Terms of Reference.
ii.	If the Terms of Reference are not amended as suggested, there is a risk that projects will be impacted by delays in the decision making process affecting the delivery timescales of City Region Deal projects.

APPENDIX 1

**ABERDEEN CITY REGION DEAL
JOINT COMMITTEE
TERMS OF REFERENCE**

The Aberdeen City Region Deal Joint Committee is a Joint Committee established by Aberdeen City Council and Aberdeenshire Council (the “Constituent Authorities”) under sections 56 and 57 of the Local Government (Scotland) Act 1973.

~~The Joint Committee undertakes to appoint three named representatives and three named substitutes of ONE to the membership of the Joint Committee.~~

The creation of the Joint Committee represents the joint commitment of the Constituent Authorities and Opportunity North East (“ONE”) ONE to support and oversee the implementation of the Aberdeen City Region Deal.
In particular it shall have the power to:

1. 1. Approve Business Cases for City Region Deal projects and any other related documentation with the exception of those where approval is reserved to either or both of the Constituent Authorities.

~~Make recommendations to the Constituent Authorities, and ONE, in respect of projects within the recipients of the City~~

~~Region Deal funding and other relevant organisations and groups regarding City~~

2. Region Deal Strategic and Policy plans, ~~and other related documents.~~

~~2. Prioritise projects for recommendation to the Constituent Authorities and ONE within the City Region Deal Strategic and Policy plans.~~

3. Monitor the effectiveness of the implementation and the delivery of the City Region Deal and to ~~identify potential improvements and make recommendations to the Constituent Authorities and ONE~~ report to the Constituent Authorities on progress.

~~4. To make recommendations to the Constituent Authorities and ONE in respect of the City Region Deal funding arrangements. Receive updates from the UK and Scottish Governments in connection with any aspect of the City Region Deal or additional Scottish Government investment and any related projects.~~

5. Approve (i) the overall programme funding for the City Region Deal; and (ii) the detailed breakdown and use of the Constituent Authorities’ financial contributions to the City Region Deal in relation to such overall programme funding for the City Region Deal where this relates to programme funding already committed and approved by the relevant Constituent Authority

~~Make recommendations to the Constituent Authorities and ONE on the setting of budgets for the City Region Deal.~~

6. Approve operational expenditure within agreed Aberdeen City Region Deal Joint Committee budgets allocated by the Constituent Authorities and/or ONE in order to further the aims of the City Region Deal.

7. Provide feedback to the Scottish Government or the United Kingdom Government on the implementation of the City Region Deal and any strategic, economic or infrastructure activities associated with the City Region Deal.

8. _____-To appoint three representatives and three named substitutes of ONE to the membership of the Joint Committee.

These terms of reference will be kept under review by the Constituent Authorities, ONE and the Joint Committee throughout the implementation of the City Region Deal to ensure sufficient accountability of public funds provided through City Region Deal funding.

~~16 December 2015~~DRAFT

APPENDIX 2

**ABERDEEN CITY REGION DEAL
JOINT COMMITTEE
TERMS OF REFERENCE**

The Aberdeen City Region Deal Joint Committee is a Joint Committee established by Aberdeen City Council and Aberdeenshire Council (the “Constituent Authorities”) under sections 56 and 57 of the Local Government (Scotland) Act 1973.

The creation of the Joint Committee represents the joint commitment of the Constituent Authorities and Opportunity North East (“ONE”) ONE to support and oversee the implementation of the Aberdeen City Region Deal.

In particular it shall have the power to:

1. Approve Business Cases for City Region Deal projects and any other related documentation with the exception of those where approval is reserved to either or both of the Constituent Authorities.
2. Make recommendations to the Constituent Authorities and ONE in respect of projects within the City Region Deal Strategic and Policy plans.
3. Monitor the effectiveness of the implementation and the delivery of the City Region Deal and to report to the Constituent Authorities on progress.
4. Receive updates from the UK and Scottish Governments in connection with any aspect of the City Region Deal or additional Scottish Government investment and any related projects.
5. Approve (i) the overall programme funding for the City Region Deal; and (ii) the detailed breakdown and use of the Constituent Authorities’ financial contributions to the City Region Deal in relation to such overall programme funding for the City Region Deal where this relates to programme funding already committed and approved by the relevant Constituent Authority
6. Approve operational expenditure within agreed Aberdeen City Region Deal Joint Committee budgets allocated by the Constituent Authorities and/or ONE in order to further the aims of the City Region Deal.
7. Provide feedback to the Scottish Government or the United Kingdom Government on the implementation of the City Region Deal and any strategic, economic or infrastructure activities associated with the City Region Deal.
8. To appoint three representatives and three named substitutes of ONE to the membership of the Joint Committee.

These terms of reference will be kept under review by the Constituent Authorities, ONE and the Joint Committee throughout the implementation of the City Region Deal to ensure sufficient accountability of public funds provided through City Region Deal funding.

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