

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

To: Councillor Jenny Laing, Leader of the Council (Chairperson); Councillor Richard Thomson (Vice-Chairperson); Councillor Alison Evison, Councillor Jim Gifford, Professor Stephen Logan, Mr Patrick Machray OBE, Councillor Ross Thomson MSP, Sir Ian Wood and Councillor Willie Young.

Aberdeen City Council Substitute Members:- Councillors Marie Boulton, Stephen Flynn and Ian Yuill.

Aberdeenshire Council Substitute Members:- Councillors David Aitchison, Karen Clark and John Cox.

ONE Substitute Members:- Colin Crosby, Jennifer Craw and Professor Ferdinand von Prondzynski.

Please note that a substitute member may only participate in the meeting when a substantive member is absent.

Town House,
ABERDEEN 08 March 2017

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

The Members of the **ABERDEEN CITY REGION DEAL JOINT COMMITTEE** are requested to meet in 4-W-01 of Marischal College on **FRIDAY, 17 MARCH 2017 at 9.30 am.**

FRASER BELL
HEAD OF LEGAL AND DEMOCRATIC SERVICES

B U S I N E S S

DETERMINATION OF EXEMPT BUSINESS

- 1 Members are requested to determine that any exempt business be considered with the press and public excluded
- 2 Minute of the Previous Meeting of 20 January 2017 - for approval (Pages 3 - 8)
- 3 Progress Update (Pages 9 - 12)
- 4 Aberdeen Harbour Expansion - Supporting Infrastructure Business Case (Pages 13 - 20)
- 5 Revised Joint Committee Terms of Reference (Pages 21 - 26)

ITEMS WHICH THE COMMITTEE MAY WISH TO CONSIDER IN PRIVATE

- 6 Financial Update (Pages 27 - 32)
- 7 Transportation Links to Bay of Nigg (Pages 33 - 42)

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Should you require any further information about this agenda, please contact Emma Parr, emparr@aberdeencity.gov.uk, tel 01224 522607

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

ABERDEEN, 20 January 2017. Minute of Meeting of the ABERDEEN CITY REGION DEAL JOINT COMMITTEE. Present:- Present:- Councillor Jennifer Laing, Chairperson; Councillor Richard Thomson, Vice Chairperson; and Councillor Alison Evison, Gifford, Professor S Logan, Mr P Machray, Thomson, Sir Ian Wood and Young.

DETERMINATION OF EXEMPT BUSINESS

1. The Chair proposed that the Committee consider items 7 and 8 with the press and public excluded.

The Joint Committee resolved:-

in terms of Section 50 (A) (4) of the Local Government (Scotland) Act 1973 to exclude the press and public from the meeting for items 7 and 8 so as to avoid disclosure of information of the class described in paragraph 6 of schedule 7 (A) of the Act.

DECLARATION OF INTERESTS

The Chair and Vice Chair declared interests by virtue of their positions as substantive Board members of ONE but remained in the meeting as per the requirements of the Standards Commission Dispensation provided to members of the Joint Committee on 9 August 2016.

MINUTE OF THE PREVIOUS MEETING OF 11 NOVEMBER 2016

2. The Joint Committee had before it the minute of its previous meeting of 11 November 2016 for approval.

The Joint Committee resolved:-

to approve the minute as a correct record subject to the change that under declarations of interest, the Chair and Vice Chair were referred to as both substantive and substitute Board members of ONE but that they should be referred to as substantive members only.

PROGRAMME DASHBOARD

3. The Joint Committee had before it a report by the City Region Deal (CRD) Programme Manager for Aberdeen City Council which provided an update on the City Region Deal, its constituent workstreams and also the work programme under the additional £254 million.

The report recommended:-

That the Joint Committee note the content of the report and the progress made.

ABERDEEN CITY REGION DEAL JOINT COMMITTEE

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The CRD Programme Manager presented the report and in relation to the programme finances advised the Joint Committee that the financial agreement had been signed by both Councils on 15 November. The second interim agreement between Aberdeenshire and Oil and Gas Technology Centre (OGTC) was in place for quarter 4 2016/17 funding with a more substantive agreement being drawn up for 2017/18. The process of moving finances between the two Councils was currently being defined with a meeting set up to discuss.

The Joint Committee was advised that the Communications and Marketing was to be led by Kate Bond, Aberdeenshire Council, and that a representative would be at future meetings.

In relation to the OGTC, the first three Solution Centres had been identified and there were regular meetings set up between the CRD Programme Manager and OGTC managers. The Joint Committee was also advised that the website for the Centre had been launched.

In relation to the Agri-Food and Nutrition Innovation Centre, the CRD Programme Manager advised that work was underway on the business case but that there will be a delay of three months due to availability of the consultants involved in putting together the business case.

In relation to the Strategic Transport Appraisal workstreams, the CRD Programme Manager advised that there was some slippage of interim Aberdeen Sub Area Model upgrade reported and that the forecast expenditure this year reduced from £970k to £180k due to expenditure on existing project studies not approved to begin by the Transport Workstream Group.

The Joint Committee resolved:-

- (i) to note the content of the report and the progress made;
- (ii) to note that the Scottish Government will report to the Board every 6 months regarding the additional £254 million funding; and
- (iii) to note that the Housing workstream will be reported to the Board on a regular basis.

FINANCIAL UPDATE - VERBAL

4. Alan Wood, Aberdeenshire Council, advised there was nothing further to add to the update provided on the programme dashboard.

The Joint Committee resolved:-

to note the position.

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
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MATTER OF URGENCY

The Chair intimated that she had directed in terms of Section 50 (B) 4 (b) of the Local Government (Scotland) Act 1973 that the following item be considered as a matter of urgency due to enable the business case to be approved at the earliest opportunity.

DIGITAL INFRASTRUCTURE BUSINESS CASE

5. The Joint Committee had before it a report by the Digital Programme Manager at Aberdeen City Council which sought approval of the business case for the Digital Infrastructure project within the Innovation theme of the Aberdeen City Region Deal.

The report recommended:-

That the Joint Committee approve the business case subject to –

- (a) approval of the business case by the UK Government and the Scottish Government;
- (b) changes required to reflect additional information obtained on the R100 national digital programme and other UK Government and Scottish Government feedback; and
- (c) positive peer review by the Enabling Group.

The Digital Programme Manager advised that they were working with the Scottish Government to help shape the National Programme and to ensure Aberdeen City Region Deal's regional objectives were met and that timescales were still feasible.

The Committee resolved:-

to approve the recommendations.

HARBOUR EXPANSION PROJECT

6. The Joint Committee had before it a report by the CRD Programme Manager which provided an update on progress of the Aberdeen Harbour Expansion Project.

The report recommended:-

That the Joint Committee note the content of the report.

James Bell, Financial Director for the Aberdeen Harbour Board was in attendance for this report.

The Chair emphasised that it was important that the schedules for the work at Aberdeen Harbour tie up with other scheduled works in the area, for instance the Energy from Waste project, to minimise disruption to the public.

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
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The Joint Committee resolved:-

- (i) to note the content of the report; and
- (ii) to note that a business case for the £11 million supporting infrastructure project is to be reported to a future meeting of the Joint Committee with clarity on the legal position ensuring state aid compliance.

In accordance with the decision recorded under Article 1 of this minute, the following items were considered with the press and public excluded.

DIGITAL INFRASTRUCTURE BUSINESS CASE - MARKET ASSESSMENT - GAP ANALYSIS

7. The Joint Committee resolved:-

to note the appended exempt information for the Digital Infrastructure Business Case.

DIGITAL INFRASTRUCTURE BUSINESS CASE - APPENDIX B

8. The Joint Committee resolved:-

to note the exempt appendix B for the Digital Infrastructure Business Case.

- COUNCILLOR JENNIFER LAING, Chair

ABERDEEN CITY REGION DEAL JOINT COMMITTEE
20 January 2017

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ABERDEEN CITY REGION DEAL: Powering Tomorrow's World



Report Name	City Region Deal Progress Update
Lead Officer	Richard Sweetnam
Report Author	John-Paul Cleary
Date of Report	17 March 2017
Governance	City Region Deal Joint Committee

1: Purpose of the Report

- i. To update the Joint Committee on the progress of the City Region Deal and its constituent workstreams.

2: Recommendations for Action

- i. It is recommended that the Joint Committee notes the content of the report and the progress made.

3: Summary of Key Information

- i. The detailed information is contained in Appendix 1 – the Aberdeen City Region Deal Programme Dashboard.

4: Finance and Risk

- i. There are no direct financial implications in relation to the progress updates provided.

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17 March 2017

Id	Theme / Project	Lead	Stage	Last Completed Milestone	Next Milestone	Next Milestone Target Date	Timeline	Budget	Resource	Notes
1 Programme Workstreams										
1.1	Governance	John-Paul Cleary		Set up governance procedures with UKG and SG	First Implementation Board meeting with UK and Scottish Governments	9 March 2017	G	G	G	Monthly Implementation Board progress meetings set up with two governments with the first taking place here in Aberdeen on 9th March.
1.2	Programme Finances	Alan Wood		Long-term grant agreement signed with OGTC	First Quarterly Financial Report presented to Joint Committee	17 Mar 2017	G	G	G	Long-term grant agreement with OGTC signed in January. Financial process between two councils being developed.
1.3	Communications & Marketing	Kate Bond		OGTC Official Launch			G	G	G	Joint Aberdeen City Council / Aberdeenshire Council / ONE comms team in place. Lead identified and in place. Comms schedule will continue to be developed as projects progress.
1.4	Economic Benefits	Jamie Coventry			Agree OGTC economic measures and progress indicators	March 2017	G	G	G	The third reporting stream along with progress and financial is the economic dashboard This will be at a Programme level and also at a project level for each project as they come on stream. Currently in discussion with OGTC on how to measure the indicators in the OGTC business case and also define other more specific project indicators.
2 Innovation										
2.1	Oil & Gas Technology Centre	Collete Cohen	Implement	MOU signed with Universities for Centres of Excellence	First three Solution Centres underway	31 Mar 2017	G	G	G	Official launch of the Oil and Gas Technology Centre took place on 10th February. Memorandum of Understanding signed with Aberdeen University and Robert Gordon University for the Field Life Extension and Decommissioning Centre of Excellence. Three Solution Centre projects to be sanctioned – two for Asset Integrity, one for Well Construction. Innovation Hub build to commence in March 2017.
2.2	Agri-Food and Nutrition Hub for Innovation	Jennifer Crow	Define	Project Management / Implementation Group established	Business Case issued for SG/UKG Review	June 2017	A	G	G	Ongoing development of the Business Case with UK and Scottish Governments and industry key stakeholders. Timeline amber - Timeline for development of the business case has been extended due to delays in initial market research due to availability of external consultancy. Also Scottish Government and Scotland Food and Drink plan to bring project leads of all food and drink related city deal projects together to discuss synergy and contribution to Scotland's ambition, which may affect scope and project timescales.
2.3	Bio-Therapeutic Hub for Innovation	Jennifer Crow	Define	Project Management / Implementation Group established	Business Case issued for SG/UKG Review	28 Feb 2017	A	A	G	Delivery Model options assessed and scored, and Options Appraisal on potential sites undertaken. Timeline amber as release of Business Case may slip into March. Budget amber due to funding model from non CRD sources including Scottish Enterprise still to be developed.
3 Digital Infrastructure										
3.1	Digital Infrastructure	Simon Haston	Define	Approval of business case by CRD Joint Committee	Successful peer review of business case	10 March 2017	A	G	G	Business case approved by CRD Joint Committee on 20th January. Timeline remains amber as key issue is around coordinating the project with the national R100 programme.
4 Transportation										
4.1	Strategic Transport Appraisal	Paul Finch	Define	Budget management model agreed	Interim ASAM Upgrade Complete	31 May 2017	A	G	G	Transport Working Group to consider procurement strategy, process framework, and consultants brief for pre-appraisal. Progression on finalising and issuing brief for pre-appraisal. Timeline amber as there is a risk of late completion of Interim ASAM Upgrade. However this will not have a major impact on longer-term milestones.
5 Internationalisation										
5.1	Aberdeen Harbour Expansion	ACC Contact - John-Paul Cleary	Define	Road strengthening works commenced	Production of revised works programme by contractor	Feb 2017	G	G	G	Land-based construction and road strengthening work began in February, with breakwater construction commencing in May.

5.2	Aberdeen Harbour Expansion - Transportation Links to Bay of Nigg (Initial Options Appraisal)	Mark Wilkie / Cameron Baillie	Define	Draft business case issued to UK and SG Governments for Review	Business Case approved by Joint Committee	17 Mar 2017	G	G	G	Business case issued to UK and Scottish Governments for review. Peer review in progress by Transport Workstream Group.
5.3	Aberdeen Harbour Expansion - Supporting Infrastructure	John-Paul Cleary	Define	Draft business case under review	Business Case approved by Joint Committee	17 Mar 2017	G	G	G	Draft business case currently under review. Joint State Aid assessment with Scottish Enterprise underway
5.4	Aberdeen Harbour Expansion - Community Benefits	Heather Farquar	Define	First Community Benefit Steering Group held on 25th Jan	Three Meet the Buyers events completed	27 Feb 2017	G	G	G	By the time of the Joint Committee, three Meet the Buyer events will have been hosted by ACC. Next Community Benefit Steering group planned for 22nd February where Community Ambassador, Time Bank and Community Investment fund Initiatives will be discussed.
Additional £254m										
6 Housing										
6.1	Housing	Derek McGowan	Define	Local briefing by Scottish Government on Housing Infrastructure Fund	Reform CRD Housing Workstream Group	1 Mar 2017	G	G	G	New heads of service in place for both Councils. CRD Housing Workstream Group to meet 1st March to develop plans going forward.

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

Report Name	Aberdeen Harbour Expansion – Supporting Infrastructure Business Case
Lead Officer	John-Paul Cleary
Report Author	John-Paul Cleary
Date of Report	17 March 2017
Governance	City Region Deal Joint Committee

1:	Purpose of the Report
i.	To update the Joint Committee on the business case for the Aberdeen Harbour Expansion – Supporting Infrastructure project.

2:	Recommendations for Action
i.	It is recommended that the Joint Committee notes the content of the report and the business case in Appendix 1.

3:	Summary of Key Information
i.	Aberdeen Harbour is a key commercial port serving the North East of Scotland and one of Europe's leading marine support centres for offshore energy. In order to accommodate existing and future demands for harbour services in the area including support for decommissioning, offshore renewables, large cruise liners and a larger Northern Isles ferry, Aberdeen Harbour Board (AHB) is expanding the Harbour into Bay of Nigg, south of the existing harbour.
ii.	The overall cost of the core harbour project (excluding any major road improvements) is expected to be around £350m. This will mostly be privately funded but in order to support the overall funding position, the Aberdeen City Region Deal includes a commitment of up to £11m Council funding to the core harbour project. Appendix 1 contains the draft business case on how this funding will be provided.
iii.	A £20m programme of work has been identified by Aberdeen Harbour

3:	Summary of Key Information
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	Board as potentially state aid compliant. These items are currently undergoing a state aid assessment by Aberdeen City Council and Aberdeenshire Council with support from Scottish Enterprise. Each Council will need to formally identify its own state aid position.
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4:	Finance and Risk
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| i. | Financial detail is provided in Appendix 1. There are no specific risks related to this report. |
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ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

BUSINESS CASE

Project name	Aberdeen Harbour Expansion – Supporting Infrastructure
Theme	Internationalisation
Lead	John-Paul Cleary
Date	20 February 2017

THE STRATEGIC CASE

Aberdeen Harbour is a key commercial port serving the North East of Scotland and one of Europe's leading marine support centres for offshore energy. In order to accommodate existing and future demands for harbour services in the area including support for decommissioning, offshore renewables, large cruise liners and a larger Northern Isles ferry, Aberdeen Harbour Board (AHB) is expanding the Harbour into Bay of Nigg, south of the existing harbour.

The Aberdeen Harbour Expansion project is listed in the Scottish Government's National Planning Framework 3 (June 2014) as one of "Scotland's Key Gateways". The Scottish Government has said that the project has regional and national significance and its expansion will "strengthen its key role in supporting the economy in the North East".

In addition, the Regional Economic Strategy recognises the importance of investment in the region's ports and harbours. This contributes the "internationalisation" theme of the strategy, with the following stated objectives:

- Improve attractiveness for international trade and investment
- Support companies in the oil and gas supply chain to internationalise in key global markets.

The Aberdeen City Region Deal is one delivery mechanism of the Regional Strategy and includes a commitment of up to £25m from both the UK Government (£12.5 million) and the Scottish Government (£12.5m) towards off-site non-operational road infrastructure improvements and £11m from Aberdeen City Council (£5.5m) and Aberdeenshire Council (£5.5m) for supporting infrastructure.

The Scottish Government approved the Marine Licenses and Harbour Revision Order (HRO) for the Aberdeen Harbour Expansion during the final quarter of 2016 and the project was officially sanctioned by Aberdeen Harbour Board on 19th December. The construction contract with its preferred bidder, Dragados UK Ltd, was signed on 20th December.

Land-based construction and road strengthening work began in February 2017, with breakwater construction scheduled to start in May 2017. The project's target completion date is June 2020.

The Nigg Bay Development Framework was agreed by Aberdeen City Council in January 2016, which considers the opportunities presented by the potential investment in the new harbour for the wider Nigg, East Tullos and Altens area. This is being taken forward alongside the emerging Aberdeen Local Development Plan.

Planning Permission in Principle was obtained from Aberdeen City Full Council on 11th May 2016 for construction of the inland infrastructure components required to facilitate the creation and provision of the harbour:

- Road Realignment - Coast Road, Greyhope Road & St Fitticks junction.
- Potential Temporary Construction/Site Establishment Areas.
- Off-road Cycle Path Improvements.

The Proposal and Objectives

The overall cost of the core harbour project (excluding any major road improvements) is expected to be around £350m. This will mostly be privately funded but in order to support the overall funding position, the Aberdeen City Region Deal includes a commitment of up to £11m Council funding (£5.5m Aberdeen City Council; £5.5m Aberdeenshire Council) will contribute to the £350m budget for the core harbour project by funding supporting infrastructure.

The objectives of this supporting infrastructure project are as follows:

- Fund the core Harbour Expansion Project by up to but not exceeding £11m
- Support the maximisation of economic benefits to the City Region
- Adhere to State Aid regulations

THE ECONOMIC CASE

According to the report 'Economic impact of Aberdeen Harbour Nigg Bay (Biggar Economics, 19th December 2014) commissioned by Scottish Enterprise, the expansion of the harbour is estimated to provide the following benefits* by year 20:

Benefits to Aberdeen City and Aberdeenshire

- 5,550 additional jobs
- £0.8b GVA to the local economy per year

Benefits to Scotland

- 7,160 additional jobs

- £0.9b GVA to the Scottish economy per year

**Assumes the Full Development Scenario including improvement to external roads infrastructure, also supported by Aberdeen City Region Deal under a separate but related workstream and business case(s).*

Benefits from Cruise Ship Visits

Of the benefits to Aberdeen City and Aberdeenshire, the facility to support significantly larger cruise ships (up to 3000 passengers) is expected to provide the following benefits:

- By 2025 – 9.6m Euros
- By 2030 – 12m Euros
- By 2035 – 13.5m Euros.

This is based on the following assumptions:

Cruise Vessel visits:

- 2025 – 60
- 2030 – 75
- 2035 – 85

Average passenger number per vessel - 1,800 with approximately 680 crew.

Average spend per head (source - Cruise Scotland website):

- Passengers - €80
- Crew members - €23

This gives an average spend into the local economy of 160,000 Euros per cruise ship visit.

Environmental Impacts

During its consultation of the HRO, AHB in discussion with Aberdeen City Council, identified a number of environmental and community issues related to the development of the new harbour. A programme of mitigations is being concluded by AHB and Aberdeen City Council to address these issues and these will be delivered during the life of the project. The Environmental impact of this work is covered under the review of the Aberdeen Harbour Expansion Harbour Revision Order.

Related Projects

The City Region Deal project to improve the external roads infrastructure supporting the harbour expansion through £25m UK Government / Scottish Government funding is not included in the £350m budget for the core harbour project. That is considered to be a

separate project and will be the subject of separate business case(s).

THE COMMERCIAL CASE

Market appetite and procurement strategy are not relevant to this business case, as neither market involvement nor procurement will be taking place under this business case. It is envisaged that procurement, implementation work and associated management will be carried out by Aberdeen Harbour Board, with the costs claimed back through an agreed process.

Key Risks

- If the Harbour Expansion Project is cancelled at any time then investment through this project made would potentially be lost. However clawback clauses will be considered as part of the grant funding agreement between Aberdeenshire Council (on behalf of the City Region Deal) and Aberdeen Harbour Board.

THE FINANCIAL CASE

Aberdeen City Region Deal will provide £11m of funding under this business case, split 50:50 between Aberdeen City Council (£5.5m) and Aberdeenshire Council (£5.5m). The forecast expenditure is shown in Table 1 below.

Table 1 – Forecast Expenditure

Forecast Expenditure (£'000s)			
Year:	2017/18	2018/19	2019/20
Expenditure:	3,000	4,000	4,000

State Aid Assessment

A £20m programme of work has been provided by Aberdeen Harbour Board as potentially state aid compliant. These items are currently undergoing a state aid assessment by Aberdeen City Council and Aberdeenshire Council with support from Scottish Enterprise. Each Council will need to formally identify its own state aid position.

There are four possible avenues through which funding can be provided. These are all currently being explored:

1. No aid – those items in the programme of work that have been assessed as state aid compliant.
2. GBER - Article 17 – Investment Aid to SMEs – Up to 7.5m Euros of funding (£6.4m)
3. GBER – Article 56 – Investment Aid for Local Infrastructures – Up to 10m Euros of funding (£8.5m)
4. GBER – Article 56b – Investment Aid for Maritime Ports – max aid up to 50% of eligible costs where eligible costs are between 50m Euros and 100m Euros (£42m). This is a new regulation that is still in draft and so could change. It is not due to come into force until the end of March 2017.

Funding Agreement and Technical Accounting Considerations

A grant funding agreement and associated financial process for movement of money will be agreed between Aberdeen Harbour Board and Aberdeenshire Council (as the City Region Deal financial lead). Consideration will be made as to the inclusion of key milestones to be achieved for release of funding and review points to ensure project progress in line with expenditure forecasts.

THE MANAGEMENT CASE

As agreed by the Aberdeen City Region Deal Joint Committee (“Programme Approach Report”, Aberdeen City Region Deal Joint Committee, 22nd April 2016), responsibility for delivery for each Project in the City Region Deal will be under each of the themes (innovation, digital, housing, transport). Each workstream group has an identified lead officer who will work with and be supported by the Programme Manager. Supporting development and implementation, the Aberdeen City Region Deal stakeholders will commit to ensuring that the relevant resource is allocated to these specific projects.

A Workstream Group to manage this project will be set up with membership from Aberdeen City Council, Aberdeenshire Council, Aberdeen Harbour Board and the Aberdeen City Region Deal Programme Manager.

The Workstream Group will act as the de facto Project Board, reporting to the Aberdeen City Region Deal Programme Board on an operational basis with the Aberdeen City Region Deal Joint Committee providing approvals of key project stages.

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ABERDEEN CITY REGION DEAL: Powering Tomorrow's World

Report Name	Terms of Reference
Lead Officer	Richard Sweetnam
Report Author	John-Paul Cleary
Date of Report	17 March 2017
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
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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.

- 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.
- 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 *“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”*.
- v. Appendix 1 details proposed amendments to the Terms of Reference which reflect how the Joint Committee has been operating in practice recently.
- 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 has not been reflected in the current Terms of Reference.
- vii. Further, Aberdeenshire Council, at its meeting on 17 August 2016, reserved the power to approve business cases to Council. Aberdeenshire Council delegated this power to its Infrastructure Services Committee.
- viii. Due to this divergence in the Constituent Authorities approvals processes, it means that all business cases and decisions need to go past Aberdeenshire Council’s Infrastructure Services Committee. This means that any decision of the Joint Committee must currently also go past the Infrastructure Services Committee before any funding can be released. Due to the time-lag between committees, this two-stage approval process will have a significant impact on the delivery schedules of individual projects and an adverse effect on the City Region Deal’s overall timescales.
- ix. Now that the CRD has been agreed by both Constituent Authorities along with ONE, the Scottish Government and the UK Government, it

3:	Summary of Key Information
	<p>would be appropriate to streamline the decision making process to allow the Joint Committee approve business cases without causing unnecessary delay to the CRD projects.</p> <p>x. 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>xi. 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>

4:	Finance and Risk
	<p>i. There is no financial risk associated with amendments to the Joint Committee Terms of Reference.</p> <p>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.</p>

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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 creation of the Joint Committee represents the joint commitment of the Constituent Authorities and ONE to support and oversee the implementation of the Aberdeen City Region Deal. In particular it shall have the power to:

1. Approve any relevant business case, detailed financial breakdowns, Strategic plans Policy plans and other related documents or plans submitted to it, relating to the City Region Deal Agreement.
2. (a) Monitor and scrutinise the effectiveness of the implementation and the delivery of the City Region Deal and to report [on a regular basis] on such to, and receive feedback from; (i) the City Region Deal Programme Board, (ii) the relevant Council Committee as determined by each Constituent Authority and, (iii) ONE.

(b) To identify and make recommendations to the City Region Deal Programme Board for potential improvements in the implementation and the delivery of the City Region Deal.

3. Receive updates from the UK and Scottish Governments in connection with any aspect of the City Region Deal in addition to any other related projects and funding streams.
4. Approve any operational expenditure within agreed Aberdeen City Region Deal Joint Committee budgets allocated by the Constituent Authorities and/or ONE to fund the management of the programme or other central work streams.
5. Provide feedback to the United Kingdom Government or the Scottish Government on the implementation of the City Region Deal and any strategic, economic or infrastructure activities associated with the City Region Deal.
6. Appoint three representatives and three named substitutes of ONE to the membership of the Joint Committee to join the three representatives and three named substitutes of Aberdeen City Council and the three representatives and three named substitutes of Aberdeenshire Council.

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 they remain appropriate, fit for purpose and sufficient to provide assurance and accountability in respect of the City Region Deal.

March 2017

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