

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
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REPORT NUMBER	COM/21/026
DIRECTOR	N/A
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1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform Committee on the main findings of the third annual report by the Economic Policy Panel, an independent panel formed to advise on the city region's economic performance in order to support the annual credit reassessment by Moody's Investment Services of the Council.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Notes the Policy Panel's third annual report; and
- 2.2 Approves the proposed officer responses to each recommendation as detailed in paragraph 3.6 (Table 1) below.

3. BACKGROUND

- 3.1 In November 2016, the Council became the first Scottish local authority to issue index-linked bonds through the debt capital markets, raising £370 million to drive forward an ambitious capital programme supporting vital infrastructure throughout the city. Each year an independent analysis of the Aberdeen City Region economy has been provided by an Economic Policy Panel to support the Council's annual credit rating assessment by Moody's Investor Services.
- 3.2 The annual assessment involves an analysis of the Council's financial and institutional framework, as well as a detailed assessment of the current and future economic performance of Aberdeen and the North East of Scotland. As well as supporting the Moody's review, this analysis and commentary also provides assurance on the medium-to-long-term economic outlook of Aberdeen and the region to existing and future investors.
- 3.3 In its second report, published in 2019, the Panel found that the Aberdeen City Region's economy remained resilient in the context of global political and economic instability and continued the recovery signalled in the first year's

report. In this report, the Panel noted that prior to the Covid-19 pandemic, the North East economy was continuing its recovery. However, the impact from Covid-19 has had an even greater effect coinciding as it has with a fall in April 2020 of the oil price. The Panel notes however that while the pandemic is a key challenge for the region, the long-term drivers of success, such as diversification, infrastructure, investment and skills, the transition to net zero, highlighted in previous reports will continue to secure the prosperity and resilience of the region in the medium and longer term.

- 3.4 In producing this report and in making its recommendations, the Panel has monitored and considered developments in the Aberdeen City Region, Scottish, UK and international economies. The Panel undertook its own analysis and considered any other relevant research. It also provided a forum for discussion of emerging issues in relation to the future wellbeing of the city region economy.
- 3.5 The Panel consulted with city and regional stakeholders including: Aberdeen and Grampian Chamber of Commerce (AGCC); Aberdeen City Council, Aberdeenshire Council; Federation of Small Businesses (FSB); Aberdeen City and Shire Hotels Association; Aberdeen Harbour Board; Aberdeen International Airport; Bon Accord Centre; Burness Paull; CBRE; Deloitte; Internet for Business; Knight Frank; KPMG; Offshore Renewable Energy Catapult; Oil and Gas Authority; OGTC; Oil and Gas UK; Opportunity North East (ONE); P&J Live; Pinsent Masons; Ryden; Scottish Development International (SDI); Scottish Government officials; Shell; Skills Development Scotland (SDS); Union Square; University of Aberdeen; VisitAberdeenshire and VisitScotland. These consultations informed the data analysis by providing qualitative evidence on the current state of the local economy, outlook and future opportunities and challenges. A copy of the 2020 report can be found at [here](#).
- 3.6 The Panel's recommendations are shown in Table 1 below. This includes an update and response to each recommendation by officers.

Table 1: 2020 Economic Policy Panel Recommendations and Officer Response

Panel Recommendation	Officer Response
<p>1 Setting out a new Route Map for the Transformation of Aberdeen the Place. It will need to adapt and be flexible to changing economic conditions and have a clear focus on implementation. It requires that the Panel's recommendations from previous reports are adhered to and that it has the key ingredients set out below;</p>	<p>See further detail provided below in response to recommendations 6. and 7.</p> <p>Since its 2019 report, and in response to certain recommendations, the Council has approved a number of strategic frameworks that will be used to set out a route map for place transformation.</p> <ul style="list-style-type: none"> • Net Zero Vision for Aberdeen • Strategic Infrastructure Plan – Energy Transition • Socio Economic Rescue Plan • The proposed Local Development Plan to replace the 2017 Plan <p>It is also anticipated that the Local Outcome Improvement Plan (LOIP) will be refreshed to reflect the recent challenges and impact from Covid-19.</p>
<p>2 A new and enhanced approach to diversification which builds on the sectoral approach already identified and looks to go further and faster in establishing a wider range of economic activities in the region;</p>	<p>The Aberdeen City Region Deal focuses on diversification of the economy into new areas of activity and markets. At the recent annual review of the Deal, the UK Government and the Scottish Government noted the progress made by the OGTC, Bio Hub, SeedPod, Digital, Transport and Aberdeen South Harbour; and noted the catalytic impact the investment was having on enabling opportunities, investment and growth within the Life Sciences, Food and Drink, Digital Connectivity, Energy Transition and the ambitions for the energy transition to net zero.</p> <p>The Panel recognised the progress made and endorses the overall approach to reduce the reliance on oil and gas production and improve overall resilience to external shocks.</p> <p>In response to the immediate challenge of Covid-19, the Regional Economic Strategy Group, has reviewed the existing approach reflecting new ambitions around supporting key sectors of energy, life sciences, food, drink and agriculture and leisure tourism. There is also recognition that there is likely to be greater demand in the care, health, retail and distribution sectors.</p>

Panel Recommendation		Officer Response
3	<p>Building on the digital strand of the City Region Deal and strengthening the technology ecosystem to support the establishment of new businesses and improve the digital infrastructure;</p>	<p>The Aberdeen City Region Deal investment, has leveraged private investment over £40 million and will give Aberdeen City residents, access to gigabit internet speeds, being one of the first cities in Scotland to have this.</p> <p>In Aberdeenshire, SSE are delivering gigabit capacity to corporate sites across the region and are encouraged to offer gigabit internet to residents and businesses.</p> <p>This infrastructure has provided the base layer on which other technology can build upon including Internet of Things (IOT) and 5G.</p> <p>A full business case addressing the gaps in digital infrastructure in the region is being progressed which considers the governments roll out programme and voucher schemes.</p> <p>Within the digital programme, and supporting work by the Council on deployment of ‘smart city’ applications, officers will continue to explore Aberdeen’s potential to develop a 5G test bed hub, and, building on the Civitas Portis project, explore digital opportunities for Aberdeen Harbour.</p> <p>The Logan Review on technology focuses on digital challenges, and the impacts on the wider technology ecosystem. OGTC has established TechX as a key to scale up capability in the region. Dedicated grant funding for start-ups remains a challenge in high technology sectors and is potentially an area of focus for the Scottish National Investment Bank. OGTC and its continuing leadership in technology transfer, is a conduit for the city region being a ‘best practice’ deliverer of elements of Logan, along with the two universities.</p> <p>Work continues through the Regional Digital Working Group, which includes, ONE CodeBase, Censis, DataLab, Chamber of Commerce, NHS and both Universities and Councils.</p>

Panel Recommendation	Officer Response
<p>4 Ensuring that the transition to net zero continues at pace and addresses all three essential components of:</p> <ul style="list-style-type: none"> i. the transition within the energy sector into renewable energy sources; ii. the transition of the wider city economy to low carbon economic sectors (and businesses within existing sectors to low carbon activities); iii. the transformation of the city itself to net zero through greener travel, enhanced energy efficiency, and provision of accessible and connected green space; 	<ul style="list-style-type: none"> i. Being led by industry for example through the OGTC and OGUK development of a a North Sea Transition ('sector') Deal supported by both the UK Government and the Scottish Government. This is a key outcome of the Aberdeen City Region Deal and OGTC continues to deliver technology solutions for the offshore energy sector and across existing and emerging supply chains. ii. The Net Zero Vision and supporting Strategic Infrastructure Plan – Energy Transition set out the overall ambition and framework for progress. Its governance has seen the creation of a Leadership Board supported by a Delivery Unit to progress net zero priorities including hydrogen. Following the approval of the Council's Net Zero Vision, the Scottish Government announced a £62m Energy Transition Fund. Officers have been focussed on development of two projects with ear marked funding. First, the Energy Transition Zone to maximise the opportunities at Aberdeen Harbour South from Crown Estate Scotland Scotwind seabed leasing round. This project is being led by Opportunity North East on behalf of a range of stakeholders. The second priority, being led by the Council is the development of the next phase of the Aberdeen Hydrogen Hub. iii. The Net Zero Leadership Board has prioritised progress in transport/ mobility, energy efficiency (buildings) and circular economy (including waste), and this work is being delivered through the supporting Delivery Unit. A route map for the city's transformation to net zero by 2045 is currently being developed and will require the development of appropriate place based strategies in order to deliver the route map. <p>In December 2020 the Scottish Government launched its Hydrogen Policy Statement that aims for Scotland to become a leading Hydrogen nation, highlighting the scale of the economic opportunity in terms of potential GVA and jobs and the ambition of generating 5GW of renewable and low-carbon hydrogen by 2030. It highlights a number of opportunities to deliver this ambitious target and refers to a vision for a 'hydrogen coast' to St Fergus, recognising the progress and investments made to date in Aberdeen in developing this important sector for the Scottish economy.</p>

Panel Recommendation		Officer Response
		<p>There is a commitment of £100 million funding for hydrogen to help accelerate the hydrogen economy in Scotland, and officers are continuing to work with government, industry and investors to ensure continued support to the next phases of the hydrogen hub – for heating and ultimately production of green hydrogen and maximising export opportunities. This work is supported by Invest Aberdeen showcasing of the city region’s energy transition projects to international investors.</p> <p>Officers are also working with SE and ONE to develop a vision/ ambition statement for the Aberdeen City Region that will support both the Scottish Government’s policy statement and the UK Government’s Ten Point Plan for a Green Industrial Revolution.</p>
5	<p>An updated skills strategy that takes account of the existing skills gaps, the labour market implications of the Covid-19 economic crisis (particularly for the young, those people who will lose their jobs and those who may wish to work from home in the future) and how the longer-term skills challenges change as we emerge from the crisis;</p>	<p>The Net Zero Vision approved by the Council is very clear on the objective to retain and attract energy skills in the city region. As the effects of Covid-19 became apparent, the short-term response was to focus on employability support and interventions. For example, the Council is now supporting delivery of No One Left Behind – an all-age, all-stage employability support programme; Young Person Guarantee – an employability intervention for 16-24-year-olds not in employment, education or training; Parental Employability Support Fund – providing employability support to parents, including young parents still in school, who are experiencing in-work poverty or unemployment; PACE Plus – redundancy support activity providing intensive keyworker support; and a number of locally developed initiatives as part of these programmes in line with the Socio-Economic Rescue Plan and LOIP objectives.</p> <p>The Council has also been approved as a gateway organisation for Kickstart – an employer recruitment incentive scheme which will provide young people on Universal Credit at risk of long-term unemployment with six month paid work placements, and as a Kickstart employer, with 155 Kickstart placements within the Council already secured.</p> <p>In March 2020, in approving the proposed Local Development Plan, the Council instructed that a jobs plan was provided that would ensure that local people in the immediate vicinity of Aberdeen Harbour South Expansion would benefit from any new</p>

Panel Recommendation		Officer Response
		<p>employment opportunities that would arise if the ScotWind offshore wind licenses were constructed/ operated/ serviced from Aberdeen.</p> <p>This work is being developed within a wider city region energy transition jobs/ skills plan being led by Skills Development Scotland (SDS), supported by NESCoI, the universities, officers from the Council's City Growth, Education and Locality teams and ONE.</p> <p>The Plan will focus on immediate opportunities in the sector, and, ultimately, ensuring that the city region is responding to new areas of demand in the next phase of offshore/ subsea engineering around offshore renewables; supply chain skills to support manufacture, operations, assembly and maintenance; and development of hydrogen power to produce, store and distribute at scale.</p> <p>Each of these areas provide opportunities for new inward investment into the city region, and the supply of skills in future will be an important element of securing such investment. The Plan will also look at the wider demand and therefore skills to deliver the scaling up of new construction methods, or, with trades, plumbing/ heating engineering to support energy transition in buildings and housing sectors, for example boiler replacement or retrofitting.</p> <p>The work will align to work being done at the UK and Scottish levels including the UK Government Green Jobs Taskforce and the Scottish Government's Youth Guarantee, National Transition Training Fund, Individual Training Accounts and Green Jobs Fund. In December 2020, SDS published a Climate Emergency Skills Action Plan that aims to capitalise on the employment opportunities arising from Climate Change targets, and specifically highlights new and emerging jobs in hydrogen and the work on the Energy Transition Zone.</p>
6	Reassessing infrastructure plans at the local level and ensuring that sufficient priority is given to investing in the fundamental assets (economic, social, human and natural) that will	In previous years the Panel highlighted the importance of infrastructure planning, and ensuring that plans adapted in response to new opportunities, and to the delivery of the Council's previous Strategic Infrastructure Plan (SIP).

Panel Recommendation	Officer Response
<p>improve the attractiveness of Aberdeen the place. This needs to be complemented by a more ambitious approach to infrastructure investment from the Scottish and UK Governments which accelerates the transition to net zero and improves connectivity for Aberdeen;</p>	<p>In response, a new SIP, focused on energy transition infrastructure has been approved by the Council. Referred above in recommendation 4, this will provide an overview of the infrastructure required to support the transition toward net zero. The infrastructure needs in the following strategies are being refreshed: Local Transport Strategy, Waste Strategy, Open Space Strategy and an Energy Strategy.</p> <p>In the short term, the following will be progressed: the implementation of the electric vehicle framework subject to committee approval, the implementation of the projects included within the bid to the Bus Partnership Fund subject to approval and the implementation of the active travel plan, subject to committee approval and the delivery of the approved hydrogen hub and subsequent phases. In particular the ambition of Scottish Government to deliver hydrogen powered ferries and rolling stock present opportunities for the city, given it is a strategic transport hub for the north east and the islands.</p> <p>Aberdeen city region has a key role to play in delivering its contribution to UK Government and Scottish Government climate change targets. Physical connectivity remains crucial to continue to attract globally mobile investment, including availability of direct air access (or international hub access). This investment in turn generate the wealth and the associated taxation revenues.</p> <p>The pandemic will also likely increase the proportion of people working at home on a more permanent basis. For many people rail and road journey times from Aberdeen to the Scottish central belt and to London will influence where they choose to locate as it will businesses on their choice of location of investment decisions in the UK. In this sense efficient road and rail access to the central belt and London remain important.</p> <p>The connectivity of the region is a focus within the regional transport strategy and the current and refreshed local transport strategy and officers will monitor the recommendations of the Union Connectivity Review. (see also Recommendation 9. below).</p>

Panel Recommendation	Officer Response
<p>7 Strategic thinking and a future plan for Aberdeen city centre in a post-Covid-19 world, including a review of the City Centre Masterplan. The creation of new uses for the empty office, hotel and retail property that will likely result from the crisis and changes in commuting, shopping, and working patterns that it will generate. This will need to be backed by a new approach to planning policy that is sufficiently flexible and nimble to facilitate change of use. The local authority should also review its own asset base within the city and how this could be used to maximise future opportunities;</p>	<p>Work on the development and delivery of the Socio Economic Rescue Plan has focussed on immediate responses under themes of business, people and place. This work has considered the effect of Covid-19 on how the city is operating and in particular the impact on ‘city centre supply chains’ – retail, office space, hotel, leisure and hospitality, conventions/ events and cultural assets. That plan focused on ‘rescue’ responses in the short term (2020/21), working closely with the Aberdeen Business Resilience Group set up to coordinate the response by the Council and industry.</p> <p>However,, as we enter the second year of a global pandemic we will hopefully see a stepping down from pandemic status to epidemic and the associated slow exit from the current public health measures . The city will then move into recovery phase. Indications are that it will be some time before consumer, business and visitor confidence returns, even to pre Covid levels. Cities, and particularly retailers, were already facing challenges and in response to the report it is worth reviewing the CCMP to ensure it remains on track to deliver a longer term response to covid-19 effects, and in particular the challenge of population change and the effect on commuting, property, rents and yields. Investments in projects such as the Aberdeen Art Gallery or Union Terrace Gardens will provide safe environments to attract footfall as lockdown measures reduce. But the review may also need to explore what the CCMP vision and objectives need to be in response to the challenges and opportunities arising from economic, social and environmental legacy of Covid-19. Examples include</p> <ul style="list-style-type: none"> - Finance – levers, non domestic rates – local levies to reflect specific sectoral challenges, and a single system does not ‘fit’ all cities - Repurposed cities - focus on housing/ family-based accommodation - Agglomeration – small office/ home office working impacts; impact of commuting flows as a result in changing work patterns; - Rents/ Yields – will result in new uses and demand from traditional office investment - Shift towards social and cultural capital in response to work-life balance, as the costs of doing business in cities has changed

Panel Recommendation	Officer Response
	<ul style="list-style-type: none"> - City Centre Planning Guidance – living, retail, active travel, tourism/ leisure/ recreation and hospitality, culture, public realm - Governance – to extend the scope of the short run Business Resilience Group and respond to Council decision to set up a Task Force to support the city’s plan to mitigate the medium to longer term effects from Covid-19. This could include representatives from relevant place-based teams in national agencies eg Scottish Enterprise or Transport Scotland. <p>Officers have been discussing approaches by cities to the current challenges with officers from other cities within the Scottish Cities Alliance and officials from the Scottish Government’s Regeneration Unit and it is clear that all cities are reviewing their thinking and planning for the future of their city centres.</p>
<p>8 Prioritising and investing in quality of life as a means to attract people to live and work in the city and to secure new business opportunities. This should centre on the key elements that attract families and businesses to an area: attractive affordable housing; sustainable effective transport (including safe and clean public transport); access to green spaces; a healthy environment; quality education; and cultural/ recreational offerings;</p>	<p>Aberdeen has a number of workstreams in train around the quality of life elements to attract families to live in the city. These include:</p> <p>Attractive Affordable Housing</p> <ul style="list-style-type: none"> - ACC’s current programme of building 2,000 houses - RSL sectors - Private sector housing development within the LDP - As part of the review of the city centre masterplan, officers propose to review the current city centre living strategy <p>Transport</p> <ul style="list-style-type: none"> - Officers will continue to implement the current local transport strategy and will revise the strategy following the approval of the new regional transport strategy - Officers will prepare plans for the expansion of the concessionary travel for free travel to under 19 year olds. <p>Access to Green Space and a healthy environment</p> <ul style="list-style-type: none"> - Work continues in readiness for the introduction of the LEZ - Subject to committee approval, officers will implement the next 5 year active travel plan

Panel Recommendation	Officer Response
	<p>Quality Education</p> <ul style="list-style-type: none"> - Officers will continue to progress the implementation of the statutory duty to expand the provision of early learning and child care to 1,140 hours a year - Subject to the approval by the Scottish Government/COSLA Local Governance Board, officers will progress opportunities to improve the senior phase of schools in partnership with NESCOL and the two universities <p>Cultural/Recreational Offerings</p> <ul style="list-style-type: none"> - Capitalise on the re-opening of Aberdeen Art Gallery and museums, and the delivery of internationally recognised exhibitions; - Maximise the opening of Provost Skene's House in 2021. - Maximise opportunities from the year-long accreditation of winner of the Museum of the Year; - Supporting Events 365 activity and the re-opening of P&J Live for conferences, exhibitions and entertainment events; - Maximise opportunities from one-off events – eg Tour of Britain - Raising the profile of the city centre as a vibrant safe and welcoming place to visit and work
<p>9 Improved connectivity between Aberdeen and key economic centres around the UK so that the city can respond to the likely changes in mobility as people reevaluate the relationship between where they live and work;</p>	<p>The average rail journey time from London to Edinburgh is 5 hours and 2 minutes, yet to travel on to Aberdeen from Edinburgh takes an average of 2hours and 37minutes - taking more than half the time to travel less than a third the distance. Furthermore, services by LNER from London to Aberdeen often stop at only four stations between London and Edinburgh yet stop at eight stations between Edinburgh and Aberdeen, adding to delays.</p> <p>Road freight remains an intrinsic part of the North East economy. Whether moving fish and fish products from North Sea fishing ports or moving infrastructure to support growth in offshore renewables, road infrastructure remains a vital link. Of particular importance to the economy is the A(M)90 from Aberdeen to Edinburgh and the A(M)1 from Edinburgh south to London.</p>

Panel Recommendation	Officer Response
	<p>An officer response to the Union Connectivity Review was submitted in December 2020, highlighting the case for improving the road, and rail links between Aberdeen and economic centres around the UK. Through the City Region Deal Joint Committee, progress and value for money in journey times to the central belt will continue to be monitored.</p> <p>For air, flights from Inverness airport are exempt from the payment of Air Passenger Duty (APD) related to essential services from Orkney and Shetland to Inverness that has seen APD removed from the whole airport. This means it can offer significantly cheaper flights to flights around the world that connect via London. Similarly, Dundee airport also benefits from a separate public service obligation through the UK Government for its London route.</p> <p>In responding to this recommendation, Aberdeen International Airport is unfairly disadvantaged compared to its two neighbouring airports. Therefore a priority for Aberdeen International Airport is to operate on a 'level playing field' to the airports within the immediate north east of Scotland catchment.</p>
<p>10 In time, a refreshed Regional Economic Strategy which: builds on the progress made in recent years; continues to concentrate on the long-term focus and priorities set out in the last strategy; and puts Aberdeen the place at its heart, with a focus on the region's approach to sustainable, inclusive economic growth and improved wellbeing. This should be underpinned by a clear implementation plan with detailed SMART objectives</p>	<p>Refer also to Recommendation 2. above. As the city region emerges from the immediate effects of lockdown, and into recovery phase, this refresh will be considered by the Regional Economic Strategy Group as part of its remit.</p> <p>In order to help secure inward investment, and maximise opportunities from new trading regimes, officers have been working with counterparts in Aberdeenshire Council, Aberdeen Harbour Board and Peterhead Port on the feasibility of a free port/ enterprise area model for the city region. Officers have responded to both the UK Government and Scottish Government consultations on freeports/ place-based economic zones. On 21 January 2021, the Minister for International Trade, Innovation and Public Finance reported in response to the Scottish Government consultation:</p> <ul style="list-style-type: none"> - Place-based economic policies have a role to play in inclusive and sustainable recovery from COVID-19 and that there was support for a 'Scottish approach' to

Panel Recommendation	Officer Response
	<p>the Freeport model - using them to support renewable energy and net-zero transition, as well as high-skilled jobs;</p> <ul style="list-style-type: none"> - The Scottish Government has opted to adapt the UK Government's Freeports proposals to target their own objectives - instead naming them 'Greenports', with the intention that they will encourage the adoption of best practice for businesses and will be attached to commitments to net-zero, and measures to avoid economic displacement; - Officers will use the feasibility study to clarify the divergence, if any, to the UK Government's model and its 'levelling up'/ regeneration agenda; - The application prospectus, which will include further detail on the criteria of the Scottish greenport model will be published in March and it is anticipated that the bidding process will then run for three months to the summer 2021, and that Greenports could be launched in the later stages of 2021, similar to UK Freeports. <p>At this point it is not clear what mechanisms Greenports will include (eg reserved or devolved matters) or how many Greenports will be established.</p> <p>Work continues on an assessment of the economic viability of a freeport and this work will now consider the implications of the Scottish Government's Greenports proposals. The findings from the assessment will be reported to committee.</p>
<p>11 Using the Council's new longer-term financial analysis, which highlights the ongoing structural financial pressures faced by the authority, to encourage discussion and planning at the local and national level about how they will be addressed. This conversation must extend to include how new mechanisms can give the Council the financial flexibility required to address the multiple challenges the regional economy faces;</p>	<p>Officers will support political leaders in their engagement with the cosla and Scottish Parliament processes which determine the funding settlement for all councils.</p> <p>The Scottish Government's recently refreshed Climate Change Action Plan indicates the intention of government to consult on proposals to develop guidance to support the implementation of the Workplace Levy which was introduced as a result of the Transport Bill. Officers will engage in this proposed consultation.</p> <p>Council officers will engage in any bidding process, subject to committee approval, which is associated with the Shared Prosperity Fund, the successor to EU funding being administered by the UK Government.</p>

Panel Recommendation		Officer Response
12	<p>Co-creation (previously highlighted by the Panel as a strength in the region) should be the foundation of policy development so that all stakeholders are engaged and can contribute to the strategic direction. This is particularly important given the unequal impacts of the Covid-19 pandemic on different elements of society. Aberdeen cannot achieve its ambitions alone and close working with the UK and Scottish Government continues to be crucial.</p>	<p>Throughout the Covid-19 pandemic, the local response has been characterised by significant collaboration, particularly with the business sector. As the LOIP is refreshed this year, officers will explore how the collaboration and co-design experienced throughout Covid-19, can be embedded further as we prepare to respond to the long-term impact of Covid-19.</p> <p>Officers will engage with the consultation processes of both the UK and Scottish Governments, as they adapt the regulatory and tax systems to support the energy transition agenda being progressed by both governments, with a particular focus on achieving the principles from the Just Transition Commission.</p>

4. FINANCIAL IMPLICATIONS

- 4.1 In March 2017, the Council approved estimated costs of £60,000-£80,000 per annum to deliver the Economic Policy Panel report. This includes the work of the three panel members, reporting and any additional data requirement. Actual expenditure for 2020/1 is in the region of £51,000.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	Implementing the recommendations could require additional cost (for example any purchasing of new regional data for data monitoring).	L	Close monitoring of spending commitments against project budget, and within existing City Growth budgets
Legal	None, any legal risks identified as a result of implementing the recommendations will be dealt with in future reports	n/a	
Employee	Implementing the recommendations requires a significant increase in human resources.	M	Monitor the demands on staff throughout the year. Ensure flexible deployment of human resources across ACC is available to help assist with work demands across the year.
Reputational	Not adequately responding to the recommendations	M	Develop a plan to respond to the recommendations

	Risk	Low (L), Medium (M), High (H)	Mitigation
	of the Economic Policy Panel could damage the reputation of Aberdeen City Council.		with named individuals and timescales.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	<p>The proposals within this report support the delivery of unleashing the non-oil and gas economic potential of the city programme in the Policy Statement.</p> <p>The successful implementation of the North East Economy Performs framework will assist ACC in becoming a data and intelligence led organisation better able to predict and understand the economy of the North East as well as indicate solutions to any underlying economic problems.</p>
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	Successful implementation of the recommendations will impact on all 4 primary drivers of Prosperous Economy, Investment in Infrastructure, Inclusive Economic Growth, Innovation and Internationalisation.
Regional and City Strategies	The proposals within this report support the Regional Economic Strategy by recommending closer working with partners and the strengthening of existing relationships should support the delivery of a Prosperous North East Economy. The proposed officer response includes a number of instances of partnership working across organisations to deliver these recommendations.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	The recommendations arising from this report do not require that a full Equality and Human Rights Impact Assessment is completed.

Data Protection Impact Assessment	Not required.
Duty of Due Regard / Fairer Scotland Duty	This report meets the Fairer Scotland Duty.

9. BACKGROUND PAPERS

- 9.1 Report CHI/17/052 Bond Financing Strategy – Economic Policy Panel
- 9.2 Aberdeen Economic Policy Panel Report 2 November 2018
- 9.3. Aberdeen Economic Policy Panel Report 5 November 2019
- 9.4 Aberdeen Economic Policy Panel Report 11 November 2020

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