

# ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

<b>Report Name</b>	City Region Deal – Financial Update Q3 2020/21 (Public)
<b>Lead Officer</b>	Mary Beattie
<b>Report Author</b>	Julie Richards-Wood, John Lovie
<b>Date of Meeting</b>	5 February 2021
<b>Governance</b>	City Region Deal Joint Committee

## 1: Purpose of the Report

- 1.1 To update the Joint Committee on the finances of the Aberdeen City Region Deal for actual expenditure in financial year 2020/21 and updating the 2020/21 forecast. Confidential details have been omitted to allow the report to be presented in the public domain.

## 2: Recommendations for Action

- 2.1 It is recommended that the Joint Committee notes the content of the report and its appendix.

## 3: Summary of Key Information

- 3.1 The funding mechanisms of the Aberdeen City Region Deal are centrally managed and monitored by the City Region Deal Programme Manager with support from Aberdeenshire Council Finance Service, and with oversight provided by the Programme Board as part of its normal activities. The membership of the Joint Committee includes a Section 95 Officer to provide financial assurance of the programme finances, ensure the financial requirements of both the UK and Scottish Governments are met, and ensure alignment with the financial strategy and procedures of both Councils (through liaison with the Section 95 Officer of the Council not represented directly)

### 3: Summary of Key Information

- 3.2 Table 1 of Appendix 1 shows the 2020/21 revised budget of £119,710,000. Table 4 shows the budget updated for Q3 developments resulting in a revised forecast of £120,561,000.
- 3.3 Actual expenditure for Q3 in 2020/21 is shown in Table 2 totalling £99,700,000 (83% of budget).
- 3.4 Table 3 shows the forecast variance anticipated during the financial year when compared to the budget, a net estimated increase of £851,000 (1% of budget) which results in a revised budget at Table 4 of £120,561,000.
- 3.5 OGTC project continues to progress well with spend to Q3 (covering both cash and matched funding) amounting to £47,799,000 (87% of the 2020/21 budget). It is anticipated that spend to the end of the year will be £628,000 (1% of budget) higher than previously forecast.
- 3.6 Spend amounting to £1,208,000 (28% of budget) in Q3 has been accounted for Bio-Therapeutic Hub. Due mainly to the impact of Covid-19 it is anticipated spend will be £2,167,000 (51% of budget) lower than previously forecast and the budget for later years will be adjusted by the same amount.
- 3.7 Expenditure for SeedPod amounts to £594,000 (36% of budget). Anticipated spend for the remainder of the year is expected to be £357,000 (21% of budget) lower than expected and the budget for later years will be adjusted for this.
- 3.8 Digital Theme expenditure for Q3 amounts to £5,897,000 (56% of budget). Forecast for the year will be higher than anticipated showing a net increase of £897,000 (9% of budget) projected for the year due to the earlier than anticipated completion of the first segment of the Full Fibre programme.
- 3.9 Strategic Transport Appraisal expenditure at Q3 totals £137,000 (36% of budget). Forecast expenditure is anticipated to be £150,000 (40% of budget) lower than expected due to delays to the receipt of the third party information and wider announcements have constrained planned expenditure during this quarter.
- 3.10 Expenditure at Q3 for the Aberdeen Harbour Expansion project totals £43,964,000 (92% of budget). An increase of £2,000,000 (4% of budget) is forecast for the remainder of the year. Completion will be before the end of 2022, with targeted full opening by October, though there is still confidence that some form of phased opening will be possible earlier than the full completion date.

**3:** Summary of Key Information

3.11 Transportation Links to Aberdeen South Harbour actual spend at Q3 totals £101,000 (89% of budget) with no changes to original forecast expected.

**4:** Expenditure to Date

4.1 Appendix 2 shows the total expenditure, to date, from the start of the Deal until 31 December 2020 by UK and Scottish Governments and Regional Partners. Partners include Aberdeenshire Council, Aberdeen City Council, Private Sector, Universities, Scottish Enterprise, Scottish Government Decommissioning Fund. £488,881,000 has been spent to date which represents 59.2% of the total Deal budget of £826,200,000.

**5:** Finance and Risk

5.1 Finance information constitutes the body of the report. There are no additional risks to Aberdeen City Council or Aberdeenshire Council related to this report.