

COMMITTEE	Finance, Policy & Resources
DATE	03 December 2015
DIRECTOR	Pete Leonard
TITLE OF REPORT	Economic Leadership Board
REPORT NUMBER	CHI/15/326
CHECKLIST COMPLETED	Yes/No

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1. PURPOSE OF REPORT

The purpose of this report is to recommend that Members appoint the Leader of the Council to a new Economic Leadership Board for the north east of Scotland.

2. RECOMMENDATION(S)

It is recommended that the Committee appoints the Leader of the Council as the Council's representative on a new Economic Leadership Board for the north east of Scotland.

3. BACKGROUND/MAIN ISSUES

On 29 October 2015, ACSEF (Aberdeen City & Shire Economic Future) Board Members agreed to its dissolution. This followed discussions by the Council and its partners, and industry representatives on the optimum economic leadership model for the North East of Scotland to take account of new industry leadership around supporting the key sectors<sup>1</sup> of the regional economy, diversification of the regional economy and providing representation on any emerging governance structure that would be needed to oversee the negotiation and development of a City Region Deal.

As a result of the decision, ACSEF will cease to operate and some of its functions transition to the new model that will comprise:

- An Economic Leadership Board that will be led by the private sector.

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<sup>1</sup> Four main workstreams for the new Board are oil and gas, food, drink and agriculture, tourism and life sciences.

- A 'Regional Advisory Board' function for SE (Scottish Enterprise)<sup>2</sup>; and
- Within this, a regional economic forum that promotes and enhances the long-term prosperity of Aberdeen, Aberdeenshire and the North East of Scotland.

Officers from the Council's Economic Development Service are working with representatives from the partners on supporting the transition to the new model. It is likely that the Head of Economic Development will participate in a new Operational/ Coordination Group that aims to coordinate effectively the work of the Council to that of other public sector agencies and the new Board itself, aligned to the overall aims of the emerging regional economic strategy.

#### 4. FINANCIAL IMPLICATIONS

There are no additional financial implications to the Council from the recommendation. It is anticipated that the Council's Economic Development Service will provide support to the new Board from within its existing resources. The Head of Economic Development will discuss with the new Board, SE and Aberdeenshire Council the nature and cost of that support in the context of the existing budget of £169,000 that supported the operations of ACSEF.

There are no state aid implications arising from this report.

#### 5. OTHER IMPLICATIONS

The new Board will meet on 30<sup>th</sup> November 2015 for the first time and will seek to maintain a diverse membership base that reflects a partnership led by the private sector, but involving the Council, Aberdeenshire Council, SE and education interests.

Membership will therefore comprise representatives from the two Councils, SE, the two universities and nine private sector members, of which four will lead four key sector groups.

Board members will normally be appointed for a period of three years, with a possible second three year term. In the initial start-up phase, Board members will be appointed for varying periods to allow for a phased transition, retaining knowledge and experience as new Board members are recruited over time.

Public sector representatives will be drawn from the Council, Aberdeenshire Council, SE, the University of Aberdeen and Robert

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<sup>2</sup> Operating across Scottish regions, RABs advise the SE Executive Leadership Team on the best way to maximise the regional economic contribution of regions and providing strategic direction, prioritising resource, identifying and advising on development of major projects.

Gordon University. The Council's representation will be determined by the local government election cycle.

The Board will operate on the basis of one member one vote. The Councils will not be bound by decisions made by the Board where that decision has an impact on the Councils or their finances. In such cases, Board decisions would be required to be referred to the appropriate Council(s) for approval by them.

This report proposes to recommend the appointment of the Leader of the Council to the new Board. At the November 30<sup>th</sup> meeting, the new Board will formally agree its Terms of Reference and these will be distributed to Committee Members following that date.

Any elected member appointed to the Board will require to have regard to the Councillors' Code of Conduct (and the associated guidance produced by the Standards Commission) in relation to potential conflicts of interest.

## 6. IMPACT

### **Improving Customer Experience –**

Participation in the new Board will ensure that the Council continues to work closely with the private sector and other stakeholders to support delivery of the emerging regional economic strategy and secure the long-term economic wellbeing and prosperity of the city and wider region.

### **Improving Staff Experience -**

The new Board offers an opportunity for strengthening the collaboration and leadership, across sectors, to support delivery of the regional economic priorities and the contribution by Council officers to this partnership approach.

### **Improving our use of Resources –**

The Council's participation in the new Board, and any operational/ coordination group will result in the most effective and efficient use of resources that align to the overall economic priorities of the city and the region.

### **Corporate -**

The Council's participation in the new Board ensures that the Council is maintaining its key leadership role in the long term economic growth of the city and the region.

### **Public –**

This report is not of direct interest to the public as the financial implications of the report are minimal, and no new policy or strategy is proposed. There are no requirements for an EHRIA or a PIA.

## 7. MANAGEMENT OF RISK

The risk to the Council will be managed by an understanding that the Council is not bound by decisions made by the Board where that decision has an impact on the Council or our finances. In such cases, decisions would be required to be referred to the appropriate Council(s) for approval by them.

## 8. BACKGROUND PAPERS

There are no background papers to be considered.

## 9. REPORT AUTHOR DETAILS

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