

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

Progress Report	Aberdeen City Region Deal – Additional Update
Lead Officer	Head of Economic Development (Aberdeen City Council & Aberdeenshire Council)
Report Author	Richard Sweetnam & Belinda Miller
Date of Report	22 April 2014
Governance	Joint Committee

1:	Purpose of the Report
i.	To provide an update on the additional funding of £254m announced by the Scottish Government when the City Region Deal Heads of Terms Agreement was signed in January 2016.

2:	Recommendations for Action
i.	That the Joint Committee notes the update on the additional funding.

3:	Background
i.	In January 2016, a Heads of Terms for an Agreement for a £250m City Region Deal was signed by the UK and Scottish Governments, Aberdeen City Council, Aberdeenshire Council and Opportunity North East (ONE). At the same time, the Scottish Government announced an additional £254m would be available to support the implementation of some elements of the original proposals that would not be funded within parameters of the signed Heads of Terms.
ii.	An agreement on the £254m has yet to be ratified and officers are working with the Scottish Government on this and whether it could be brought into the existing City Region Deal governance arrangements.
iii.	Once this is clarified by government officials, officers will update the Joint Committee on the next steps and stages to finalise this element of an overall City Region Deal Programme.
iv.	This report provides detail on the progress of the work relating to those proposals under the £254 element of the programme.

TRANSPORTATION

- i. **Laurencekirk: This is part of the additional Scottish Government funding to support improvements to the key A90/A937 south junction at Laurencekirk.** Nestrans, with Aberdeenshire Council, Transport Scotland, Angus Council and Tactran has developed a STAG Part 1 study making a case for the development of improvements to the Laurencekirk junctions including a grade separated junction at the south end of the village.

Transport Scotland have indicated that they will now take the lead for this project and will follow their usual procedures in developing the project. A meeting of the Project Steering Group, those bodies mentioned above, has been set for 25 April 2016. The next part of the process will be to conclude a STAG Part 2 appraisal which will determine junction arrangements, development of Road Orders, Compulsory Purchase Orders and any necessary Public Local Inquiry.

There are related consequences for Aberdeenshire Council in mitigating any impacts on Laurencekirk High Street. Both Aberdeenshire Council and Angus Council will be involved in discussions with Transport Scotland regarding any developer contributions that might be allocated to the project.

There may be consequential considerations for the Strategic and Local Development Plans as they are progressed.

- ii. **Rail to Central Belt: This is part of the additional Scottish Government funding to help improve journey times and increase capacity on key rail links between Aberdeen and the Central Belt.** Initial discussions have taken place with Transport Scotland and Network Rail. Transport Scotland have indicated that this project will be taken forward using their normal processes. The initial, additional £200m allocated to this project is currently being considered by Transport Scotland and Network Rail. They are scoping the extent of works bearing in mind this additional commitment and the Strategic Transport Projects Review commitment to reducing the journey time between Aberdeen and the Central Belt by 20 minutes.

The recent announcement on the local Inverurie to Montrose service with the possibility of express services on the Aberdeen to Central Belt routes will also require full consideration. Scotrail, now in a deep alliance with Network Rail, are currently considering a timetable recast to accommodate the proposed new services and to enhance service operation.

4: Project Updates

DIGITAL

- iii. Investment in Digital infrastructure formed part of the Heads of Terms Agreement for the £250m City Region Deal. An additional £10m was earmarked to contribute towards the delivery of the digital proposals to create a digital infrastructure fund which will address the digital challenges of both Aberdeen City and Aberdeenshire and underpin enhanced service delivery across private and public sectors (see Programme Update in Item 3).

HOUSING

- iv. Housing Infrastructure Fund - from the addition Scottish Government funding to unlock housing sites that are of strategic importance to the local authorities as well as 5 year certainty on £130 million of affordable housing grant

Officers are in discussion with Scottish Government officials regarding the terms and conditions under which the infrastructure fund will be available to support the acceleration of Affordable Housing throughout Aberdeen City and Shire. A number of meetings are scheduled and it is believed that once clarity in the scheme is available officers of the local authorities will carry out feasibility studies to identify those sites which will benefit most from this support, produce best value for the City Region Deal and best support the delivery of affordable housing. In addition, officers are seeking to clarify whether further funds could be available following the feasibility studies from the recently announced national £50m infrastructure fund should it be needed. In the meantime officers in both authorities are progressing with the delivery of their affordable housing program through the Strategic Housing Investment Plan (SHIP).

5: Finance and Risk

- i. Subject to the clarification by the Scottish Government on these elements of an overall Programme, it is anticipated that a full financial plan for the City Region Deal Programme may include the elements of the £254m announcement. This will be reported to the Joint Committee.
- ii. The Risks associated with the City Region Deal are considered and varied. Risk Assessments will be carried out as part of each of the workstream Business Plans and will form part of the Programme Risk Register.