

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

Progress Report	Aberdeen City Region Deal – Additional Update
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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.

4: Project Updates

i. HOUSING

Description

Housing infrastructure fund – additional Scottish Government funding to unlock housing sites that are of strategic importance to the local authorities.

£130m of affordable housing grant – five-year certainty of affordable housing grant for Aberdeen City and Aberdeenshire.

Progress to Date

Housing infrastructure fund: Officers are in discussion with Scottish Government officials regarding the terms and conditions of the housing infrastructure fund that will be available to support the acceleration of Affordable Housing throughout Aberdeen City and Shire. The Housing Infrastructure Fund has been considered at the Future Infrastructure Requirements Group which is keen to have a role in its development going forward.

£130m of affordable housing grant: Both local authorities have developed strategic local programme agreements with the Scottish Government for 2016-17. Sites have been identified in partnership with registered social landlords and developers. Spend of approximately £12.3m in Aberdeenshire and £18m in Aberdeen City has been identified for 2016-17. These figures may change subject to development timescales and the availability of new opportunities. Both Councils have affordable housing delivery groups comprising the local affordable housing providers and the Scottish Government to closely monitor progress and identify opportunities for further investment. A meeting involving the Scottish Government and the two Councils is being organised to ensure an overview for the City Region is also in place.

Key Next Steps

It is anticipated that guidance and an application form for the housing infrastructure fund will be made available shortly. Local partners will need to meet to consider the suitability of the terms and conditions and its attractiveness to the private sector. Once the scheme is in place, 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.

4: Project Updates

Issues for attention of the Joint Committee

The Joint Committee will need to agree the allocation of the housing infrastructure fund once sites have been proposed and assessed.

ii. DIGITAL

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).

iii. TRANSPORTATION

Laurencekirk Flyover

Description

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 completed a STAG appraisal 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. The outcomes from the STAG appraisal have been accepted, and Transport Scotland are committed to progressing the next stage of project development, which is a DMRB Stage 2 (route option assessment) and Stage 3 (development of preferred junction option) study, up to the preparation of Draft Road Orders.

Progress to Date

A meeting of the Laurencekirk Partnership Group was held in May 2016, which discussed proposals for the next stages of work.

Key Next Steps

Transport Scotland to commence DMRB studies, following procurement exercise.

Issues for attention of the Joint Committee

None.

iv. Rail to Central Belt

Description

4: Project Updates

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.

Progress to Date

Key Next Steps

Issues for attention of the Joint Committee

None.

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.