Cabinet Secretary for Communities, Social Security and Equalities

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Office of Chief Executive
Aberdeen City Go

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low Angela

Thank you for your letter of 14 July to the First Minister regarding the location of the Scottish social security agency. I am replying as this matter sits within my portfolio.

I welcome Aberdeen City Council's continued interest in the establishment of the new agency. As I previously set out to Councillor Jenny Laing, we are not yet at the stage of making a decision on the location of the agency, and there will be many potential locations to consider the length and breadth of Scotland. However, please be assured that we will continue to engage with stakeholders, including local authorities, as the business case for the new agency is developed.

I also note that you refer to the creation of 300 jobs through the agency. Please be aware that this figure has not come from the Scottish Government. Our work developing a detailed business case for social security will provide accurate staffing figures in due course.

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Your Ref.

Our Ref.

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14th July 2016

Rt Hon Nicola Sturgeon MSP First Minister The Scottish Government

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Dear First Minister

Scottish Benefits Agency

At its meeting last month, Aberdeen City Council considered and agreed a motion in the following terms from Councillor Jenny Laing, the Council Leader:

"Council notes the announcement by the Scottish Government indicating its intention to set up a new Scottish Benefits Agency and the letter written by the Council Leader to the First Minister on this matter.

Council agrees that Aberdeen City is best placed to host these 300 new jobs and urges the Scottish Government to confirm Aberdeen as its preferred location for this new flagship organisation that will oversee the delivery of benefits in Scotland.

Council instructs the Chief Executive to write to the Prime Minister and the First Minister outlining the benefits of locating or relocating any flagship organisation in Aberdeen, providing a copy of her letter to all members, with any replies from the Prime Minister or First Minister going to the August Council meeting for consideration."

The benefits of locating government departments or agencies away from administrative centres such as London, or Edinburgh/Glasgow are well documented.

For Aberdeen, we believe that our overall inward investment proposition would be significantly enhanced in the event of setting up the new Scottish Benefits Agency here or relocating to the City any existing government agency. Its location here would be a major incentive for other potential private sector occupiers to come to Aberdeen.

> ANGELA SCOTT CHIEF EXECUTIVE









Inward investment is a key plank in our economic strategy for Aberdeen and the North East of Scotland, and such a development would raise the investment profile of the City against a current backdrop of a downturn in the Oil & Gas sector. It would also enhance our ability to attract much larger investment, to the region and Scotland, if a government location can be achieved.

Existing research also suggests that every 10 jobs in public administration generate up to five more in the wider economy. Our own initial estimates suggests this development could deliver around 100 additional jobs, as well as providing much needed opportunities for existing skilled residents among the 300 direct jobs.

As instructed I have written in similar terms to the Prime Minister and I will share your response with the members of the Council.

Yours sincerely

Angela Scott
Chief Executive