

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	John-Paul Cleary
Date of Report	15 August 2016
Governance	Aberdeen City Deal 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 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

Progress to Date

Housing infrastructure fund: Details of the terms and conditions of the housing infrastructure fund have now been provided by the Scottish Government. They state that whilst all types and tenures of housing are eligible for support priority will be given to those projects delivering affordable and private rented housing within the next five years.

The Housing Infrastructure Fund comprises two main elements:

- Infrastructure loans (to non-public sector organisations)
- Infrastructure grant available to local authorities and registered social landlords (RSLs) to support affordable housing delivery

Potential project are to be included in the Strategic Housing Investment Plans of the two Councils to be submitted in November 2016.

£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 £13.5m in Aberdeenshire and £15 - 21m 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. Meetings involving the Scottish Government and the two Councils have commenced to ensure an overview for the City Region is also in place. Work is ongoing with partners to identify projects for delivery through to 2020/21.

Key Next Steps

Working together the Councils will discuss all potential sites where the infrastructure fund may be of benefit with developers, RSLs and the Councils and report back to a future meeting of the Board will identifying 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..

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).

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.

Transport Scotland are carrying out a procurement exercise with a view to appointing design consultants.

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

This is part of the additional Scottish Government funding to help improve journey times and increase capacity on key rail links between Aberdeen and

4:	Project Updates
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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

Network Rail are currently carrying out a timetabling exercise for the Aberdeen to Central Belt project. This will assist in determining the scope of works for the additional funding.

Key Next Steps

Issues for attention of the Joint Committee

None.

5:	Finance and Risk
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- 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.