



Candidate Brief: Aberdeen Economic Policy Panel



**Shaping
Aberdeen**

Contents

Background	Page 3
Aberdeen City Council	4
The Economy	5
The Role of the Panel	6
Knowledge and skills	7
Time commitment	7
Further information	7
How to apply, closing date and interview date	8

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Background

Aberdeen is an internationally recognised business centre with globally competitive industries, and is one of the most prosperous and strategically important cities for Scottish and UK governments:

- It is the third largest city in Scotland with continued demographic appeal
 - Population of 229,000 (4.3% of Scotland's population); strong population growth of 11% between 2004 and 2014 (at c.489,490 for the wider region), largely due to migration both internationally and from within the UK
- It has disproportionately large economic contribution to Scottish and UK economies relative to resident population
 - GVA contribution at £18bn, with GVA per head of £36,242 being the second highest in the UK after Inner London (65% higher than Scottish average)
- It is a prosperous city region with high productivity and propensity for innovation
 - 25% higher workplace full-time weekly employee earnings versus Scottish average with 79% employment rate (71% Scottish average)
 - It ranks second out of 63 UK cities on number of patents per 100,000 of population
- Strategically important to UK and Scottish governments as an economic powerhouse and Energy Capital of Europe:
 - Significant contributor to the UK Exchequer largely due to oil and gas industry - ranks eighth in the "tax take per worker" (2014) in the UK, ranking higher than all other Scottish regions
 - It is the UK's gateway to maximising economic recoveries from the UK Continental Shelf, growing the UK and Scottish supply chain base and capitalising on the £46bn North Sea decommissioning market
 - Politically supported ambition to become a globally recognised offshore technology base with internationally exportable expertise
 - Research and innovation activities backed by the top Scottish Universities and significant research centres
- It secured over £500m funding commitment from UK and Scottish government evidences overwhelming support for Aberdeen and the region:
 - The City Region deal – a tripartite agreement between Scottish government and UK government with both governments committing to jointly investing £250m over next 10 years towards innovation, digital infrastructure and connectivity
 - Additionally, SG pledge for another £254m funding towards infrastructure projects to act as catalyst for economic growth

Aberdeen City Council

Aberdeen City Council is leading an unprecedented period of city-wide transformation.

Our organisation delivers services to more than 115,000 households, 8,600 businesses and directly to a population in excess of 229,000 as part of the wider north-east population of 489,000.

In the 2017 Scottish Council Elections 45 councillors were returned to serve Aberdeen City Council across 13 multi-member wards. A coalition administration has been formed by Scottish Conservative and Unionist (11 members), Aberdeen Labour (nine members) and Independent Alliance Group (three members) councillors.

We have 8,600 employees and their commitment, professionalism and expertise is critical to everything Aberdeen City Council does. There is great pride in the knowledge, expertise and experience we call upon within the organisation.

From the largest infrastructure roads project in Europe in the Aberdeen Western Peripheral Route to investment in affordable housing to building new schools to a £30m project to renovate our Art Gallery, Aberdeen is changing.

This massive programme of regeneration and renewal is not just limited to our services and infrastructure. There is a determined focus on developing our workforce and improving our use of resources to ensure we support the people of Aberdeen in a progressive and forward thinking way.

We are changing the way we do business as we embark on one of the most important periods in the history of the city. Underpinning all of this activity is a clear aim to improve the experiences of our customers and staff to shape the future of Aberdeen.

Aberdeen - The Smarter City (2013-18), provides the strategic goals of the Council. The Plan makes commitments to build on the Council's current performance and make further improvements across the City in key areas including:

- Digital infrastructure
- Educational attainment
- Jobs and economic development
- Affordability and quality of social housing
- Recycling, carbon management and sustainable transport
- The strength and safety of our local communities

The full Business Plan is available at:

http://www.aberdeencity.gov.uk/nextfiveyears/nfy_home.asp

This was refreshed in 2016 to include restated and updated objectives, and is available at:

<https://committees.aberdeencity.gov.uk/documents/s66660/Strategic%20Business%20Plan.pdf>



The Bond and Credit Rating

In November 2016, the Council became the first Scottish local authority to issue an index linked bond through the debt capital markets, raising £370m to drive forward an ambitious capital programme, supporting vital infrastructure throughout the city

A key element of this process was the need to obtain a suitable credit rating from a credit ratings agency. The Council was rated at Aa2 by Moodys Investors Service, just one notch below the UK sovereign rating. The rating had a negative outlook, mirroring the UK sovereign rating following the UK voting to leave the European Union. In terms of investor confidence in Aberdeen City Council, it is important that the Council maintains its credit rating level. This credit rating shall be reviewed by Moodys on an annual basis, commencing in autumn 2017.

As part of the credit rating appraisal, Moodys required an assessment of the Council's financial

and institutional framework, as well as a detailed assessment of the current and future economic performance of Aberdeen and the North East of Scotland. Independent economic commentary will both support the Council's credit rating reviews by providing assurance on the medium to long term economic outlook of Aberdeen and the North East of Scotland to existing and future investors.

In March 2017, the Council instructed the Chief Executive to undertake a national advertisement with a view to recruiting appropriately qualified members for the Aberdeen Economic Policy Panel.



The Economic Policy Panel

The Economic Policy Panel is to be set up as part of a new governance that was designed as part of the Council's successful Bond Issue and supporting credit rating assessment (Council Report available here: <https://committees.aberdeencity.gov.uk/documents/s64876/Bond%20Financing%20Strategy.pdf>)

While the focus of a Panel would be to support the Council's annual credit rating review, it could also provide further benefits in relation to informing the delivery of the Regional Economic Strategy and the key economic priorities in the city and wider region in the context of responding to implications of Brexit, the Council's medium term financial planning and providing independent commentary on any major proposals.

In order to meet the aims to support the annual credit rating assessment for the Council, the objectives of the panel are to:

- Provide independent commentary of the state of the Aberdeen economy in the form of an annual report that will be presented at the Council's Finance, Policy & Resources Committee. This could include:
 - Commentary on the strength of the economy in Aberdeen and the North East of Scotland;
 - Outlook for the economy and, generally, national, world economies and financial markets
 - The economic cycle in Aberdeen and the North East of Scotland.
- Provide a 'sounding board' for any emerging issues in relation to the wellbeing of the Aberdeen and regional economies; and
- Meet on a six monthly basis with regional stakeholders – elected members, industry, /businesses to discuss emerging issues from economic data and returns provided by officers.

Throughout the year, members will be required to monitor and consider all the developments in the Aberdeen city region as data becomes available. Members will need to undertake their own analysis and also consider the need for any detailed research that could be commissioned to help them reach conclusions on the above for their reports.

The Panel is independent from both the Council and industry, but the Council has agreed that its Finance, Policy & Resources Committee shall have due regard to the reports and other work of the Panel. In this sense the Convenor can request additional reports at any point in the year should economic and/or fiscal conditions change significantly between annual reports. Any such additional work would be agreed separately to this remit for the Panel.

The Council's budget and financial planning can be found here:

<https://committees.aberdeencity.gov.uk/documents/s66669/General%20Fund%20and%20NHCP.pdf> and <https://committees.aberdeencity.gov.uk/documents/s67252/Approved%20Budget.pdf>.

Composition

The Panel will be made up of at least 3 leading independent economists that can bring together the right mix of experience and skills. Panel members will be engaged by the Council's Chief Executive for up to 3 years.

The Chair of the Panel will be selected from the members who are engaged.

Knowledge and Skills

Members will be leading independent economists that can bring diverse and cumulative knowledge and extensive experience from one or more of the following:

- Developing and implementing economic policy, for example at a central bank or within government
- Advising government on the macroeconomic implications of tax and spending decisions
- Holding senior economics positions in the private sector, where experience is relevant to the Aberdeen city region economy
- Leading relevant academic research and leading expert in field eg macroeconomic and fiscal policy.

Specific expertise required includes:

- The ability to work well as part of a team and to work with others in making recommendations
- Taking a pragmatic approach to economic policy making and implementation
- The ability to reach conclusions and make recommendations on the basis of the information available
- Demonstrating strong communication skills and ability to express economic issues in a non-technical manner

Support

The Council's Economic Adviser will act as Secretary to the Panel and its local support – arranging/preparing for meetings, providing the information needed and analysis required for the Panel's reports. The Panel can draw on any other sources of information that it sees fit and may require. The Economic Adviser will work with the Council's research unit as well as local/regional partners to improve (where feasible) the amount of economic data available and to meet the data requirements of the Panel, and, if necessary, commission additional research on the Panel's behalf.

Time Commitment

The Economic Policy Panel is expected to require around one day a month of members' time, although this will not be evenly spread over the course of the year. Demands are likely to be higher when the Panel meets to gather evidence and prepare its reports around the annual credit rating process.

Payment will be c£15,000 - £17,000 p.a.

Appointment will be for a period of up to three years.



Further Information

If you have queries about the work of the Economic Policy Panel which have not been answered in this pack, please contact:

Steve Whyte, Head of Finance, swhyte@aberdeencity.gov.uk or

Richard Sweetnam, Head of Economic Development, rsweetnam@aberdeencity.gov.uk

How to Apply

Please apply in writing with a CV to: **Angela Scott**, Chief Executive (chiefexecutive@aberdeencity.gov.uk).

Closing Date

The closing date for applications is **5:00pm on Monday 26th June 2017**.

Interview Date

Interviews will be held at Marischal College, Aberdeen on the afternoon of **Tuesday 4th July 2017**.

