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COUNCIL

11 SEPTEMBER 2023

The Council had before it a report by the Chief Officer - Corporate Landlord which provided an update on the planning status of sites under Council ownership at Aberdeen South Harbour. The report presented options to collaboratively develop three strategic sites within a strategic partnership with Energy Transition Zone Ltd (ETZ Ltd) and Port of Aberdeen (PoA), owned and operated by Aberdeen Harbour Board (AHB) to drive a transition towards renewable energy technologies and sustainable practices.

The report recommended:-

that the Council -

- (a) note that the Aberdeen Local Development Plan had now been approved and had designated sites at St Fittick's, Gregness and Doonies for development as part of the Energy Transition Zone (ETZ). The three strategic sites made up around 10% of the total ETZ area;
- (b) note that Gregness OP62 and part of St Fittick's OP62 was under the ownership of Aberdeen City Council but leased to the Aberdeen Harbour Board who had an option to purchase this land;
- (c) approve that St Fittick's OP56 and Doonies OP61 be made available to support future investment and development in the ETZ, whilst also improving local amenity;
- (d) instruct the Chief Officer - Corporate Landlord that the St Fittick's OP56 and Doonies OP61 sites were only to be made available for lease and must remain in Council ownership and that, furthermore, any such lease agreement was only to be entered into at the point where financial close was reached on a particular development;
- (e) instruct the Chief Officer - Corporate Landlord to enter formal dialogue with ETZ Ltd and PoA to discuss the optimum partnership arrangements to take forward the future development of the sites and ensure the delivery of the outcomes identified by ETZ Ltd in their masterplan and in Aberdeen's Regional Economic Strategy;
- (f) instruct the Chief Officer - Corporate Landlord, following consultation with the Chief Officer – Finance and Chief Officer - Governance, to consider as part of such potential partnership arrangements how returns from the sites could be re-invested in both the further development of the ETZ and in the local community; and
- (g) instruct the Chief Officer - Corporate Landlord to report the outcome of these discussions to the meeting of the Finance and Resources Committee in December 2023.

Councillor Allard moved, seconded by Councillor Greig:-

That the Council -

- (1) instruct the Chief Officer - Corporate Landlord, in Aberdeen City Council's capacity as land owner, that St Fittick's OP56 and Doonies OP61 sites

were only to be made available for lease and must remain in Council ownership and that, furthermore, any such lease agreement was only to be entered into at the point where an end user was agreed by Aberdeen City Council and financial close was reached;

- (2) instruct the Chief Officer - Corporate Landlord to enter formal dialogue with ETZ Ltd and PoA to discuss the optimum partnership arrangements to take forward the future development of the sites and ensure the delivery of the outcomes identified by ETZ Ltd in their masterplan and in the North East Regional Economic Strategy and in line with Best Value principles;
- (3) instruct the Chief Officer - Corporate Landlord, following consultation with the Chief Officer - Finance and Chief Officer - Governance, to consider as part of such potential partnership arrangements how a proportion of the lease income from the sites could be used for the benefit of the local community;
- (4) agree that approval of any leases was contingent on Council approval of the community benefit package, which was to progress, so far as was practical, parallel with the granting of leases;
- (5) note that in a recent briefing to elected members of Aberdeen City Council, the Chief Executive of ETZ Ltd wrote: "...we are in advanced discussions with a number of inward investors focused on cable manufacturing, moorings and anchorings, seeking to locate on the site (subject to planning) for these very reasons.";
- (6) instruct the Chief Officer - Corporate Landlord to engage with PoA, ETZ Ltd, and any other interested party, as to any proposals they had to develop the site, including full details of the development, the rationale for the location of their business and any mitigations proposed to minimise the impact on local residents;
- (7) note community amenity and wellbeing were key considerations for Aberdeen City Council as the landowner; and instruct the Chief Officer - Corporate Landlord that individual lease agreements must include details of the community impact remediation steps that would be implemented at the termination of the lease;
- (8) instruct the Chief Officer - Early Intervention and Community Empowerment and Chief Officer - Commercial and Procurement to report through a service update on how the local community may participate in any decision-making process for the disbursement of funds that may be identified for the benefit of communities;
- (9) **recommend to the Planning Development Management Committee that any future reports of the ETZ Masterplan be reported to the earliest appropriate meeting of Full Council;** and
- (10) instruct the Chief Officer - Corporate Landlord to report the outcome of discussions regarding St Fittick's OP56 and Doonies OP61 sites to the earliest appropriate meeting of Full Council.

Councillor Watson moved as an amendment, seconded by Councillor Malik:-

That the Council -

- (1) note over 90% of the total area required for the ETZ can be brought forward without the need to develop St Fittick's Park;

- (2) agree that in 2008, Audit Scotland held a “Best Value” Audit into Aberdeen City Council. Agree this report is insufficient for the purposes of deciding on “Best Value” given the following:-
- a. The report does not identify who, if anybody, the Council has spoken to other than ETZ Ltd regarding the use of Council land
 - b. Removing St Fittick’s Park has serious implications for the Council’s aspirations in respect of delivering its Local Outcome Improvement Plan (LOIP) and Anti-Poverty and Inequality strategies which has identified lifting people out of poverty and reducing mental health as one of its key drivers. The report says nothing about any tangible social and economic benefits that will be realised for Torry residents from the proposed officer recommendations. Noting Councillor Allard leads on both the LOIP and the Anti-Poverty and Inequality Committee
 - c. There are no background reports within the report which would give new elected members any additional information required to make an informed decision
 - d. Recommendation (e) of the report is asking Council to enter formal dialogue with ETZ Ltd and others to discuss the optimum partnership arrangements to take forward the future development of the site, noting the legal implications state “Best Value” cannot be determined until discussions take place between the parties. Agree this would mean that “Best Value” for the Council is limited as not all options for “Best Value” have occurred meaning Aberdeen City Council may be selling itself short in both financial and wellbeing terms.

Notwithstanding the above, if elected members are not content to seek the above information before making an informed decision, Council agree the following:-

- (3) approve that Doonies OP61 be made available for lease subject to the Council receiving full commercial rates to support future investment and development in the ETZ, whilst also approving local amenity;
- (4) approve that St Fittick’s OP56 is **NOT** made available for lease or sale;
- (5) instruct the Chief Officer - Corporate Landlord that Doonies OP61 sites are only to be made available for lease subject to the Council receiving market rental value and must remain in Council ownership and that, furthermore, any such lease agreement is only to be entered into with consent of Full Council;
- (6) instruct the Chief Officer - Corporate Landlord to explore all options to identify other potential partners for the site excluding St Fittick’s Park OP56 to ensure the delivery of the outcomes identified in Aberdeen’s Regional Economic Strategy; reporting back to Council in December 2023;
- (7) instruct the Chief Officer - Corporate Landlord, following consultation with the Chief Officer - Finance and Chief Officer - Governance, to consider as part of any potential partnership arrangements how returns from the site could be re-invested in both the further development of the ETZ and in the local community as per (6) above with a report coming back to Council in December 2023; and

- (8) instruct the Chief Officer - Corporate Landlord to submit a progress report on actions in (6) and (7) to the meeting of Council in December 2023.

On a division, there voted:-

For the motion (32) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Boulton, Bouse, Brooks, Hazel Cameron, Clark, Cooke, Copland, Cormie, Crockett, Cross, Davidson, Fairfull, Farquhar, Greig, Henrickson, Hutchison, MacGregor, McLellan, McLeod, McRae, Massey, Mennie, Nicoll, Radley, Mrs Stewart, van Sweeden and Yuill.

For the amendment (12) - Councillors Ali, Blake, Bonsell, Graham, Grant, Kuszniir, Lawrence, Macdonald, Malik, Thomson, Tissera and Watson.

Absent from the division (1) - Councillor Houghton.

The Council resolved:-
to adopt the motion.