

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	7 th May 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Investment Zone – Joint Committee Terms of Reference and Standing Orders
REPORT NUMBER	CR&E/25/097
EXECUTIVE DIRECTOR	Gale Beattie
CHIEF OFFICER	Julie Wood
REPORT AUTHOR	Stuart Bews
TERMS OF REFERENCE	3.4

1. PURPOSE OF REPORT

- 1.1 To seek approval of updated Terms of Reference and Standing Orders for the new North East Scotland Investment Zone Joint Committee and Programme Board following endorsement by the North East Scotland Investment Zone Steering Group.

2. RECOMMENDATIONS

That the Committee:-

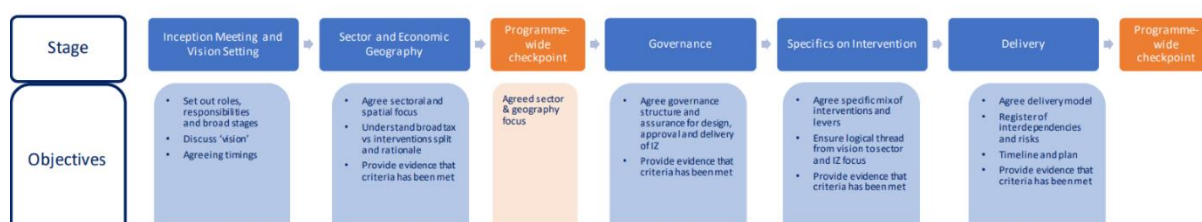
- 2.1 Note the slightly amended Terms of Reference at Appendix 1 have been endorsed unanimously by the North East Scotland Investment Zone Steering Group;
- 2.2 Approves the slightly amended North East Scotland Investment Zone Joint Committee Terms of Reference and Standing Orders in Appendix 1; and
- 2.3 Agree that the North East Scotland Investment Zone Joint Committee will come into effect following submission of Gateway 5(Delivery).

3. CURRENT SITUATION

- 3.1 In October 2023 [Council](#) agreed to participate in a North East Scotland Steering Group to develop the North East Scotland Investment Zone proposal, and a report would be provided by officers on progress of the Investment Zone proposal.
- 3.2 On 5th February 2025 Council received a detailed [report](#) and agreed to a set of recommendations in regards to the Governance of the Investment Zone. This included the creation of a new Joint Committee, the terms of reference for that Joint Committee and the Standing Orders for the Joint Committee. The report

summarised an options appraisal undertaken to identify the most robust and effective governance model, the terms of reference and Standing Orders presented were taken from the Aberdeen City Region Deal Joint Committee.

- 3.3 Following the decision of Council on 5th February 2025, a meeting of the North East Scotland Investment Zone Steering Group took place on 13th February. The Steering Group members were updated on the decision taken by Aberdeen City Council on 5th February 2025.
- 3.4 At the Steering Group meeting on 13th February, members of the Steering Group asked both Local Authorities to review both the Terms of Reference and the Standing Orders, noting that they were not explicit about non-voting participation/observer status, and also that there was no scheduled review period for membership of the North East Scotland Investment Zone Joint Committee.
- 3.5 Officers from both Aberdeen City Council and Aberdeenshire Council reviewed the Terms of Reference and Standing Orders which had been approved by Aberdeen City Council on 5th February 2025, and made some minor amendments to incorporate the comments from Steering Group members.
- 3.6 Appendix 1 to this report shows the proposed minor modifications to the Terms of Reference and Standing Orders which are being proposed. These have been endorsed unanimously by the North East Scotland Investment Zone Steering Group on 6th March 2025.
- 3.7 The process proposed for developing Investment Zones in Scotland comprises of 5 stages/ gateways as detailed in the diagram below:



- Stage/ Gateway 1 Vision setting – covering the overall vision for the proposal.
- Stage/ Gateway 2 Sector and economic geography – agreeing a sector focus and spatial focus for the Investment Zone, understanding the broad approach to tax and flexible spend interventions, and reviewing evidence that the criteria have been met.
- Stage/ Gateway 3 Governance – agreeing the governance structure and assurance processes for the design, approval, and delivery of the Investment Zone and reviewing evidence that the criteria have been met.
- Stage/ Gateway 4 Interventions – agreeing the specific mix of interventions and levers to be deployed and where, ensuring a logical link from the vision to the key opportunities and challenges

identified, the portfolio of interventions selected and outputs, intermediary and overall outcomes for interventions and reviewing evidence that the criteria have been met.

- Stage/ Gateway 5 Delivery – agreeing the delivery model or models, including any delivery vehicles for planning interventions, register of interdependencies and risks, finalising timelines, and plans, and reviewing evidence that the criteria have been met.

4. FINANCIAL IMPLICATIONS

- 4.1 No financial implications arising from the recommendations contained within this report.

5. LEGAL IMPLICATIONS

- 5.1 The Standing Orders attached at Appendix 1, for which approval is being sought, comply with the provisions of the Local Government (Scotland) Act 1973.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Proposal does not meet Council priorities	Proposal will align to the Regional Economic strategy and inward investment plans.	L	Yes
Compliance	Proposal does not meet statutory or regulatory requirements	As part of the development of the proposal, legal implications relating to subsidy control, trade, tax and planning will be considered.	L	Yes
Operational	Conflict of interests	Conflict of interest protocol will be developed and documented.	L	Yes

Financial	No significant risks identified	At proposal development stage just now. Financial risks will arise at a later date in the process.	L	Yes
Reputational	Failure to conclude agreement on a governance model	Aberdeenshire council and Aberdeen City council have both supported the inception of a new Joint committee.	L	Yes
Environment / Climate	No risks identified	N/A	L	Yes

8. OUTCOMES

<u>Council Delivery Plan 2024</u>	
	Impact of Report
<p>Aberdeen City Council Policy Statement</p> <p><u>Working in Partnership for Aberdeen</u></p>	<p><u>A City of Opportunity</u></p> <ul style="list-style-type: none"> • The focus on priority sectors such as Green Industries, Digital and Technology, Advanced Manufacturing, Creative Industries and Life Sciences will have the potential to ensure everyone has the best potential start in life, creating opportunities for employment, innovation and economic growth. <p><u>Building a Greener and Sustainable City</u></p> <ul style="list-style-type: none"> • The likely emphasis on Green Industries as a priority sector aligns with the goal of promoting sustainability and environmental responsibility. • The proposal will seek to attract investment that contributes to a sustainable and low carbon future. <p><u>A Prosperous City</u></p> <ul style="list-style-type: none"> • The proposal aims to stimulate economic growth by supporting existing and emerging clusters, creating new jobs and attracting new investment. • The proposal will encourage collaboration between industries, research institutions, and local partners to drive prosperity in the region. <p><u>Supporting People with the Cost of Living</u></p> <ul style="list-style-type: none"> • While the direct impact on this aspect may be limited, the creation of new job opportunities and the economic growth attributed to Green Industries, could indirectly contribute to supporting people by increasing job creation and supporting the just

	<p>transition away from the predominant oil and gas sector.</p> <p><u>Empowering Aberdeen’s Communities</u></p> <ul style="list-style-type: none"> • The proposals seek to ensure collaboration with local partners, research institutions and involve any regional stakeholder, this proposal development process aligns with the concept of empowering communities and engaging with them in shaping the economic future of the region.
<p><u>Local Outcome Improvement Plan 2016-2026</u></p>	
<p>Prosperous People Stretch Outcomes</p>	<p><u>4. 90% of children and young people report they feel listened to all of the time by 2026:</u> The proposals emphasis on community engagement and collaboration, especially with educational institutions, can contribute to a more inclusive and participatory environment, where children and young people feel their voices are being heard.</p> <p><u>6. 95% of children living in our priority neighbourhoods (Quintiles 1 & 2) will sustain a positive destination upon leaving school by 2026:</u> The focus on creating economic growth and attracting investment, can potentially lead to increased opportunities and positive destinations for children in priority neighbourhoods, especially in the potential tax sites and business rates retention zones as these are to be in underdeveloped areas. Whilst the focus on collaborating with research institutions will support children reaching positive destinations.</p> <p><u>7. 83.5% fewer young people (under 18) charged with an offence by 2026:</u> The proposal's emphasis on economic growth, job creation, and skills development can contribute to reduced youth unemployment and potentially lead to lower rates of youth offending.</p> <p><u>10. Healthy life expectancy (time lived in good health) is five years longer by 2026:</u> While the proposal's primary focus is on economic growth, the potential increase in job opportunities and improved overall well-being can have positive impacts on healthy life expectancy.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p><u>13. Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate:</u></p>

	The proposals likely focus on Green Industries and on building a greener and sustainable region aligns with efforts to reduce carbon emissions, promote climate adaptation measures and support the regions transition away from the predominant oil and gas sector.
Regional and City Strategies	The proposals are not developed enough at this time to determine the impact these will directly have on regional city strategies. However it is clear that proposals will support the key sectors as identified in the refreshed Regional Economic Strategy, especially around Green Industries. The proposal clearly states that places are expected to build on their existing local strategies for the area to develop the Investment Zone. Proposals should evidence what strategies, funding and infrastructure, is already in place and focus on how interventions will build on this to attract new investment and additional growth

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	<i>No assessment required. I confirm this has been discussed and agreed with Julie Wood, Chief Officer City Development & Regeneration on 11th April 2025.</i>
Data Protection Impact Assessment	N/A
Other	N/A.

10. BACKGROUND PAPERS

- 10.1 North East Scotland investment Zone - CR&E/24/355 – 11 December 2024 Council Meeting

11. APPENDICES

- 11.1 Appendix 1 – Proposed updated Terms of Reference and Standing Orders for the North East Scotland Investment Zone Joint Committee

12. REPORT AUTHOR CONTACT DETAILS

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