

## Local Government and Communities Committee

### City Region Deals

#### Submission from Aberdeen & Grampian Chamber of Commerce

Aberdeen & Grampian Chamber of Commerce (AGCC) is North-east Scotland's leading private sector, member-focused, business organisation. The Chamber represents more than 1,250 businesses with around 125,000 employees in the private sector covering all industry sectors. The Chamber's objective is to promote businesses and economic growth in the North-east and welcomed the investment in the region through the Aberdeen City Deal.

Valued at more than £826 million over ten years (Aberdeen City Council<sup>1</sup>), the Aberdeen City Region Deal was agreed in November 2016 and as such the deal is still in a very early phase and therefore it is too premature to evaluate the impact of the deal.

The purpose of your inquiry is to identify the extent to which the deal is on course to meet the original objectives of the City Region Deal, bearing in mind that it is only six months since the deal was agreed.

#### AGCC response to inquiry on the City Region Deal

The purpose of the City Deal is to encourage economic growth through the development of infrastructure, technological advance and innovation. However, each City Deal across the UK varies in their nature and scale.

The Aberdeen City Region deal has a range of interventions and for the purposes of this responses we are not focusing on the 'additional' commitments announced by Scottish Government which included the Laurencekirk road safety improvements and rail improvements.

The City Region deal will provide financial resources needed to move forward with plans for development and infrastructure. We are in no doubt that without City Region Deal support initiatives such as the Oil & Gas Technology Centre and innovation hubs for Food & Drink and Life Sciences would not have gone ahead. In that respect the City Region Deal is certainly delivering additionality and addressing a market failure which will lever more private funding. Perhaps unlike other regions our Deal is more important in terms of its timing as the activities will help diversify our industrial structure over the medium to long-term.

A major benefit of the Deal has been the creation of a strong partnership between the public and private sector with requisite governance supporting this. Again without the impetus of the City Region Deal we are unsure if the impetus would have existed to create such structures. We believe this governance model could have longer term enduring benefits particularly if the Skills and Enterprise review looks to allocate more ability to drive economic growth from a regional base.

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<sup>1</sup> Aberdeen City Council (no date) City Region Deal. Accessed 28/4/17. Available at [http://www.aberdeencity.gov.uk/council\\_government/shaping\\_aberdeen/City\\_Region\\_Deal.asp](http://www.aberdeencity.gov.uk/council_government/shaping_aberdeen/City_Region_Deal.asp)

It is far too early to assess the impact of the City Region Deal with the exceptions of process, partnership and governance. However, we have had early wins in the North-east and the Oil & Gas Technology Centre is now open and functioning. This project will benefit the whole of the UK.

The next 18 months will see significant deliverables put in place but above all we are hopeful this can set the framework which will demonstrate that local empowerment can deliver great economic benefit. For that reason we will be keenly interested to see if the process could be a basis for further devolution of power in the future, particularly fiscal responsibilities.

In conclusion, we are satisfied with progress to date and are keen to understand the longer-term plans for regional empowerment in line with the City Region Deal approach. Locally we need to ensure our wider population feels engaged in the City Region Deal not in its delivery but in what we are trying to achieve.