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ADDITIONAL CIRCULATION



To: Councillor Young, Convener; Councillor Donnelly, Vice Convener; and Councillors Allan, Cameron, Crockett, Dickson, Jackie Dunbar, Flynn, Len Ironside CBE, Laing, Milne, Nicoll, Reynolds, Jennifer Stewart, Taylor, Townson and Yuill.

Town House,
ABERDEEN 16 September 2016

FINANCE, POLICY AND RESOURCES COMMITTEE

The undernoted items are circulated in connection with the meeting of the **FINANCE, POLICY AND RESOURCES COMMITTEE** to be held here in the Town House on **TUESDAY, 20 SEPTEMBER 2016 at 2.00 pm.**

FRASER BELL
HEAD OF LEGAL AND DEMOCRATIC SERVICES

B U S I N E S S

- 7.14 Review of Bookings and Letting Procedures in Schools and Learning Centres (REPLACEMENT APPENDIX) (Pages 3 - 4)
- 7.15 European Projects & Funding Update (REPLACEMENT REPORT) (Pages 5 - 24)
- 7.16 Environmental and Flood Prevention Works to Heathryfold
Please note that this item has been moved to the private section of the agenda at 10.7
- 7.17 Refurbishment of Provost Skene's House (Pages 25 - 30)

ITEMS THE COMMITTEE MAY WISH TO CONSIDER IN PRIVATE

- 10.6 Aberdeen Sports Village - Funding Arrangements (Pages 31 - 34)
- 10.7 Environmental and Flood Prevention Works to Heathryfold (Pages 35 - 42)

Should you require any further information about this agenda, please contact Mark Masson, tel. 01224 522989 or email mmasson@aberdeencity.gov.uk

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Appendix 1 (amended)

Proposed operating procedures and charges for Northfield Dyce 3G Pitches

Programming of Facilities

Midweek

- In term-time the pitch will be for school use only during weekdays 8.30am to 3.30pm, and for school extra-curricular use Mondays to Thursdays 3.30pm to 5.30pm.
- The pitch will be reserved for school football matches on Saturday mornings.
- At all other times the pitch will be available for booking by clubs and members of the public.
- The pitch will close 10.00pm weekdays and 5.00pm at weekends.
- The pitch will be split into thirds for booking purposes, with the exception of Saturdays and Sunday mornings when only the whole pitch will be bookable.
- Bookings will be available on the hour and for a minimum of a one hour block
- Changing facilities will be available within the main school building
- All bookings are subject to janitor availability – a janitor must be on duty to provide access to the pitch and school

Pricing

- The proposed hourly charge for use of the pitches, based on the existing user categories as per the Council's bookings and lettings policy, is as follows:

	Standard	Concession	Development Rate (Standard)	Development Rate (Concession)	Community Commercial	Community Commercial (Concession)	Commercial Rate
Third of Pitch	£30.00	£15.00	£22.50	£11.25	£60.00	£30.00	£90.00
Whole Pitch	£90.00	£45.00	£67.50	£33.75	£180.00	£90.00	£270.00

All charges shown above are exclusive of VAT. We are required to charge VAT for all sports bookings. Clubs may be eligible to apply for exemption from VAT charges and details of how to apply for exemption will be provided to clubs as part of the booking process.

User Category	Criteria
Standard Rate	Adults (groups aged 16yrs +)
Concession Rate (50% discount of standard)	<ul style="list-style-type: none"> • Juniors or students • Senior Citizens • Disability Groups • Access to Leisure
Development Rate (25% discount on standard or concession rate)	Sports Clubs which have achieved the Council's enhanced level ClubCAP or other recognised Quality Assurance schemes
Community Commercial Rate (Standard rate X2)	Commercial service provider – groups or individuals which may be profit-making, or in the case of self-employed people where an income is made, but where the service provided is deemed to be of significant community benefit and in line with the Council's objectives.
Commercial Rate	Commercial organisations – profit-making

- It is proposed that the above charges are introduced for both pitches with immediate effect, and they should be frozen at these levels until August 2018, when they would be subject to review alongside all other bookings and lettings charges.

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Resources & Policy
DATE	20 th September 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	European Projects & Funding Update
REPORT NUMBER	CHI/16/188
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To provide Elected Members an update on the work of the Projects, Partnerships & Funding team;

To seek agreement to participate in projects; and

To provide evidence of the benefits to Aberdeen of participating in external funding projects.

2. RECOMMENDATION(S)

It is recommended that members:

- a) Approve the Council's participation in the 'Blue Green Infrastructure through Social Innovation' (BEGIN) and, pursuant to such participation;
 - i) the making by the Council of an application to Interreg North Sea Region for grant funding of €300,000
 - ii) expenditure by the Council of that grant funding and the additional sum of €300,000 (£257,908) from existing flood management budgets (revenue and capital) towards the abovementioned project
 - iii) overseas travel for partner meetings and annual conferences connected with this project
 - iv) the signing of or entry into any legal agreement or other documentation (whether same are governed by the law of Scotland or the law of another country) which may be necessary or desirable for the purposes of the abovementioned project, subject to approval of the terms by the Head of Legal

- b) Approve the Council's participation in the project 'UseIT' and, pursuant to such participation;
 - i) The making by the Council of an application to Interreg North Sea Region Programme for grant funding of €180,150
 - ii) Expenditure by the Council of that grant funding and the additional sum of €180,150 (£154,894) from the relevant Council service budget towards the abovementioned project and
 - iii) Overseas travel for partner meetings and annual conferences connected with project
 - iv) the signing of or entry into any legal agreement or other documentation (whether same are governed by the law of Scotland or the law of another country) which may be necessary or desirable for the purposes of the abovementioned project, subject to approval of the terms by the Head of Legal

- c) Approve the Council's participation in the project 'Hydrogen Transport Economy in the North Sea Region 2' (HyTrEc 2) and, pursuant to such participation;
 - i) The making of the Council of an application to Interreg North Sea Region for grant funding of €789,831
 - ii) Expenditure by the Council of that grant funding and the additional sum of €789,831 (£679,041) from the relevant Council service towards the abovementioned project
 - iii) Overseas travel for partner meetings and annual conference connected with project
 - iv) the signing of or entry into any legal agreement or other documentation (whether same are governed by the law of Scotland or the law of another country) which may be necessary or desirable for the purposes of the abovementioned project, subject to approval of the terms by the Head of Legal

- d) Approve the Council's participation in the project 'Accelerating Condominium Energy Retrofitting' (ACE Retrofitting) and, pursuant to such participation;
 - i) The making of the Council of an application to Interreg North West Europe for grant funding of €242,632.80
 - ii) Expenditure by the Council of that grant funding and the additional sum of €161,755 (£139,065) from the relevant Council service towards the abovementioned project

- iii) Overseas travel for partner meetings and annual conference connected with project
 - iv) the signing of or entry into any legal agreement or other documentation (whether same are governed by the law of Scotland or the law of another country) which may be necessary or desirable for the purposes of the abovementioned project, subject to approval of the terms by the Head of Legal
- e) To note successful application and associated spend for Horizon 2020 'CIVITAS PORTIS' project which is €2,768,275 (£2,375,716) and is 100% funded (no financial cost to Aberdeen City Council).
- f) Approve participation in the ERDF Scotland's 8th City-the Smart City projects and, pursuant to such participation;
 - i) The making of the Council of applications to European Regional Development Fund (ERDF) for the following; Open Data Platform, Warm Connected Homes, Digital Data Deployment and Intelligent Street Lighting
 - ii) Expenditure by the Council of the ERDF grant funding towards the abovementioned projects.
- g) Note the approval of CH&I Committee report CHI/16/160 to participation in the Office of Low Carbon Vehicles (OLEV) funding call spend of monies if successful. If successful the project will draw in £631,614 of external funding and will require £8,822 of match-funding from the Council over 3 years.
- h) Note the approval of CH&I Committee report CHI/16/160 to participate in Erasmus+ Funding Programme for Training of Technicians of Hydrogen Fuel Cell (FCH) Vehicles
 - i) The making of the Council of an application to Erasmus+ for grant funding of €44,030 (£36,941)
 - ii) Expenditure by the Council of that grant funding and the additional sum of €8,806 (£7,390) from the Fleet Services and Economic Development revenue budgets towards the abovementioned project
 - iii) Overseas travel for any associated partner meetings and conferences connected with the project
- i) Note that due diligence will be undertaken in relation to financial, legal and all other implications on each project.

3. FINANCIAL IMPLICATIONS

The Interreg North Sea Region Programme requires a 50% match-funding rate.

The Interreg North West Region Programme has a co-financing rate of 60% therefore the Council requires to match-fund the remaining 40%.

CIVITAS PORTIS is 100% grant funding therefore is fully funded and will not impact upon Council budgets.

Some overseas travel will be required by Officers to attend the relevant project partner meetings and annual conferences. This will be met from identified service budget as outlined in Appendix 1 and the relevant funding programme.

In the development of externally funded projects, focus is centred on ensuring that projects are aligned with the delivery of national, regional and Council and service strategies in order to maximise use of existing budgets and enhance resource in the specified area of expertise.

4. OTHER IMPLICATIONS

EU Referendum Outcome

Following the recent outcome of the EU Referendum vote there are currently no implications on EU projects as the UK is still full a member of the European Union. Applications submitted under ERDF, Interreg North Sea Region and Interreg North West Europe will be considered under the same criteria and rules as before the referendum.

For all EU funding programmes there is a guarantee that expenditure until December 2018 is safe, however after this date there is uncertainty. If the UK opts to leave the EU one of the conditions may be to cease project participation which raises the question of risk exposed to the Council as to whether we will need to pick-up the remainder of cost of the project, whether the Council exits the projects or if the UK or Scottish Government will provide the funding. An Action Plan to look at other funding options and strategies is currently being drafted to minimise risk to the Council.

Legal

When new projects are undertaking the application process legal and democratic services will be involved at the earliest stage possible and resource will be sought from them in order that the Council are not entering into any funding contract at risk.

All funded projects are required to adhere to funding guidance and compliance and conditions within the funding applications are legally bound. Together, EDS and legal and democratic services will ensure that all grant conditions are met accordingly.

Sustainability

Aberdeen City Council has a clear contribution to make to sustainable

development with an emphasis on enhanced productivity through improved resource efficiency, new business opportunities in the developing market for sustainable technologies and delivering better and more efficient Council services.

Environmental

European activities are implemented in line with the aim of achieving a high quality and sustainable environment.

Social

The principles of Social inclusion underpin European cohesion policy.

Economic

The Council's Economic Development Service (EDS) has developed a service plan in response to the new Regional Economic Strategy. This includes the development and delivery of activities that contribute to the City's delivery of business growth, employability and jobs and trade and investment with the additional funding required being sought from EU and National funding programmes.

5. BACKGROUND/MAIN ISSUES

i) Approve the Council's participation in the project 'Blue Green Infrastructure through Social Innovation' (BEGIN)

The Council is involved in a consortium as a pilot city for the project 'Blue-Green Infrastructure through Social Innovation' (BEGIN) under the Interreg North Sea Region Programme. The City of Dordrecht is Lead Partner. This project was initially approved by CH&I Committee (report number CHI/15/207) on the 27th August 2015 however the project application was re-submitted due to recommendations by the Interreg North Sea Secretariat.

This project focuses on developing an approach to climate resilience for cities that mimics nature's potential to deal with flooding. Blue and Green Infrastructure (BGI) supports urban areas to cope with extreme weather events and improves urban liveability. The project is also designed to help cities overcome BGI's implementation barriers through Social Innovation (SI) that empowers multiple stakeholders to contribute to the design, construction and maintenance of BGIs.

Through transnational collaboration this better enables opportunities to incorporate BGI into urban investments due to a lack of local technical and social innovation capacities.

ACC will be a pilot city within this project to demonstrate how BGI and SI can generate effective climate change adaptation solutions that are financially feasible and can be incorporated in urban planning

approaches. Lessons learnt will be shared with larger city and European networks.

ACC will benefit from the project in the following ways:

- Collaborative working with key European partners
- Build knowledge on how to manage social inclusion
- Build guidance for developers on how to incorporate urban drainage into their schemes
- Create and provide tools for the assessment of urban drainage risk

The funding rate is 50% and the total budget for ACC is €600,000 of which €300,000 will be met from existing flood management budgets (revenue and capital) and €300,000 (£257,908) from Interreg North Sea Region over the four years project duration. Successful projects will be notified in September 2016. A funding break-down is given below

Draft Budget BEGIN						
Staff Costs	Office and Admin	Travel & Accommodation	External Expertise & Services	Infrastructure	Total Budget	Eligible Grant Funding to ACC
235,000€	35,250€	49,750€	180,000€	100,000€	600,000€	300,000€

It is recommended if the project is successful Committee approve participation in BEGIN and spend of monies.

ii) Approve the Council's participation for the project 'UseIT'

A full application has been submitted to Interreg North Sea Region Programme for the project 'UseIT' where Aberdeen City Council is a project partner.

The project 'UseIT' would focus on the increased development and use of ICT and the profound changes and the optimisation of existing business processes and services. Local authorities need to keep up with this acceleration of digitalisation and adapt to the needs to the increasing demands for easy accessible, better structured and an increased number of digital services whilst being faced with increased budget pressures.

The project partners will work together on the above challenges to drive cost efficiencies for local authorities and develop a systematic holistic approach to public service innovation.

The benefits to the Council from the project are:

- Move towards being a smarter place
- Encourage and promote use of digital
- Try to drive service and budget efficiencies
- Try and drive better outcomes for citizens
- Through transnational working learn best practice from other cities and partners
- Contribute to and accelerate Aberdeen's 'Digital Place Strategy'

The total budget for ACC is €360,300 of which €180,150 (£154,894) will be met through existing staff resources within Corporate Governance and the remaining 50% from Interreg North Sea Region. Successful projects will be informed September 2016. A break-down of the funding is given below

Draft Budget UseIT					
Staff Costs	Office and Admin	Travel & accommodation	External Expertise and Services	Total Budget	Eligible Grant Funding to ACC
223,000€	33,450€	18,000€	85,850€	360,300€	180,150€

It is recommended if the project is successful Committee approve participation in UseIT and spend of monies.

iii) Approve the Council's participation in the project 'Hydrogen Transport Economy in the North Sea Region 2' (HyTrEc 2)

A full application was submitted for the project 'HyTrEc 2' which will be a continuation of the successful HyTrEc project led by Aberdeen City Council in developing hydrogen transport. HyTrEc 2 will build on the success of HyTrEc by testing a range of fuel cell, range extenders and dual fuel vehicles where commercialisation has not been fully met yet. These vehicles are mainly vans but cars, large trucks and refuse collection lorries will also be trialled. A small number of prototype testing was undertaken within HyTrEc however this project will trial a larger number of different vehicle types.

The project will also explore the production, storage and distribution of hydrogen. One of the major challenges facing the hydrogen sector is the need to produce green hydrogen more cheaply.

With the recent downturn in the oil and gas market, there is greater need and emphasis for the development of a supply chain for hydrogen transport. The partnership will identify companies that can join the supply chain and the training needs. It is important that the hydrogen

economy further develops and matures and ensure there is a supply of skilled labour that can take up the growth of jobs in this developing technology.

The project will provide the following benefits to the Council:

- Delivery of Aberdeen's Regional Economic Strategy and Hydrogen Strategy
- Increase demand for hydrogen refuelling station
- Further development of the hydrogen supply chain and production of green hydrogen
- Help diversify the regional economy

The total budget for HyTrEc2 for ACC is €1,579,662, which includes the shared costs of €677,051 (£576,098) which will be met from the other project partners as project management fee to the Council. Therefore total match funding is €451,305 (£384,044) over the four years which will be met from existing staff and resource budget within Economic Development. A break-down of budget is given below:

Draft HyTrEc 2 Budget						
Staff Costs	Office & Admin	Travel & Accommodation	External Expertise & Services	Equipment	Total Budget	Eligible Grant-Funding to ACC
875,793€	131,369€	57,500€	100,000€	415,000€	1,579,662€	789,831€

It is recommended if the project is successful Committee approve participation in HyTrEc2 and spend of monies.

iv) Approve the Council's participation in the project 'Accelerating Condominium Energy Retrofitting' (ACE Retrofitting)

Interreg North-West Europe (NWE) is a European Territorial Cooperation Programme funded by the European Commission with the ambition to make the North-West Europe area a key economic player and an attractive place to work and live, with high levels of innovation, sustainability and cohesion. It invests EUR 370 million of European Regional Development Fund (ERDF) in activities based on the cooperation of organisations from eight countries: Belgium, France, Germany, Ireland, Luxembourg, The Netherlands, Switzerland and the United Kingdom.

Aberdeen City Council is partner in this European consortium for the project 'ACE Retrofitting' which is led by Energy Cities. Energy Cities is an European association to help public local authorities transition to low

carbon and sustainable solutions. Other participating partner pilot cities include Paris and Frankfurt.

All applications under Interreg North West Europe are a 2 stage process. ACE Retrofitting was successful through the Stage 1 application and a Stage 2 application was made and submitted in late June 2016. Successful applications will be notified in September 2016.

ACE Retrofitting focuses on buildings within the North West Europe region which are still energy inefficient and in need of deep renovation to achieve the greatest potential carbon and financial savings. The project will develop and promote a strategy that overcomes the legal, human and financial barriers of retrofitting apartment blocks. A web based platform tool will be developed and adapted by the pilot partner cities for both owners and building professionals to cultivate trust relationships and generate direct and indirect jobs.

The project will provide the following benefits:

- Toolkit to empower householders
- Creation of a framework for building professionals
- Creation of an ICT tool for information and project management which can be used by the Council
- Assistance to promote and undertake retrofitting in the city

The funding rate is 60% from Interreg and 40% match funding. The total budget for ACC is €404,388.20 of which €242,632.80 would be met from Interreg North West Europe and €161,755.40 (£139,065) match-funding through existing staff resources over the duration of the project.

Draft ACE Retrofitting Budget						
	2016 (€)	2017 (€)	2018 (€)	2019 (€)	2020 (€)	Total (€)
Staff Costs	20,137	78,379	44,987	68,991	20,774	233,268
Flat Costs						34,990.20
Travel & Accommodation	1,680	3,360	3,360	2,050	1,680	12,130
External Expertise	3,000	58,000	17,000	13,500	7,500	99,000
Equipment		25,000				25,000
Total	24,817	164,739	65,347	84,541	29,954	404,388.20
Interreg Grant Funding (60%)						242,632.80€
ACC Match Funding over 5 years (40%)						161,755.40€

It is recommended Committee approve participation if the project application is successful and spend of monies.

v) To note successful application and associated spend for Horizon 2020 project 'CIVITAS PORTIS'

Following report CHI/16/010, the Council was recently informed that the consortium it is involved in has been successful for Horizon 2020 funding for the project 'CIVITAS PORTIS'. The project will test sustainable urban mobility solutions in five European port cities - Aberdeen (UK), Antwerp (Belgium), Trieste (Italy), Constanta (Romania) and Klaipeda (Lithuania) – and the Chinese city-port of Ningbo. PORTIS will support their different roles as a city, port and interface to the shared hinterland by developing a collaborative port-city governance model, fostering greener mobility modes and enhancing seamless and more efficient freight movements.

The total project budget is €16.4million and Aberdeen City Council has been awarded €2,768,275 and including the local partnership (NESTRANS, Robert Gordon University, Aberdeenshire Council and Aberdeen Harbour Board) the total is €3,816,460 to the North East Region which is 100% funded, therefore there is no financial cost to ACC.

The project will officially kick-off in September in Antwerp who is the Lead Partner. Two Officers from Aberdeen City Council will attend and a nominated Elected Member to demonstrate to EU Officials our political commitment to the project.

vi) Approve the Council's participation in ERDF 'Scotland's 8th City-the Smart City' projects.

One of the Scottish Government's Strategic Interventions for European Regional Development Funds (ERDF) is 'Scotland's 8th City-the Smart City' which has a funding pot of £10 million.

Aberdeen City Council has five applications which have been submitted to this funding stream and the following have approval in principle from the Managing Authority (the Managing Authority is Scottish Government):

- **Open Data**
This project would build on the Scottish Government's Open Data Strategy (2015) and help ensure the city fulfils European and international agreements on the provision of open and spatial data. The project would create data publication platforms and data analytics to allow the city to make evidence based decisions to improve services and delivery.
- **Digital Data Deployment (DDD)**
The project will help the city to further deploy smart networks such as sensors to better support our Intelligent Transportation Systems leading to a better managed transport network.

- **Intelligent Street Lighting (ISL)**
This project will help extend the deployment of LED technology to increase the quality of lighting within the city along with the deployment of a Central Management System (CMS) to fully monitor and control the street lighting.
- **Warm Connected Homes**
The project will involve the installation of sensors and temperature monitoring equipment to collate and analyse data. This can help provide insight into how households are managing heating and energy consumption. Data generated will drive improvements in service delivery to address issues such as health, property maintenance, fuel poverty and education.

These applications are now waiting for Ministerial Approval. Should they be approved this will draw in external funding to Aberdeen City Council to accelerate and enable projects which further our Smarter City ambitions.

Project	ERDF (£)	Cities Investment Fund (£)	ACC Match-Funding (£)	Match-Funding Budget	Total (£)
Open Data Platform	76,000	25,000	114,000	IT and Transformation Budget	215,000
Smart Infrastructure (DDD and ISL)	499,351.51	/	750,000	Street Lighting Replacement Budget	1,249,351.51
Warm Connected Homes	234,306.67	/	351,460	Housing Capital Budget	585,766.67
Total	£809,658.18	£25,000	£1,215,460	/	£2,050,118.18

It is recommended Committee approve participation in the ERDF projects and spend of monies should they receive Ministerial Approval. Projects have already received approval from the Strategic Infrastructure Board.

vii) Note the approval to participate in the Office of Low Carbon Vehicles (OLEV) funding call

At Communities, Housing & Infrastructure on the 25th August 2016 committee approval was given to report CHI/16/160 to participate in this funding call. It is recommended FP&R Committee note the approval of ACC participation in the project and spend of monies if it is successful.

ACC has been at the forefront of developing the hydrogen economy, not only in Scotland but also across the UK as a whole. The council already has significant experience in hydrogen transport, with Europe's largest hydrogen bus project having been successfully operating for over a year (10 vehicles). ACC has also begun deploying lighter duty vehicles into its fleets, including Renault Kangoo ZE-H₂ vans (2 vehicles) and a fleet of Hyundai ix35 Fuel Cell cars (4 vehicles). ACC is bringing this experience to bear in this project, which seeks to expand the council's own fleet of FCEVs, and introduce FCEVs into the fleets of two other public sector organisations, NHS Grampian and the Scottish Environmental Protection Agency (SEPA).

The funding is requested for the following:

16 Toyota Mirai FCEVs, of which:

- 10 will be used by NHS Grampian
- 5 will be used by ACC officers
- 1 will be used by the Scottish Environmental Protection Agency

The vehicles will be used for promotion and dissemination events as well as by Council officers for their everyday business travel. When not being used for such promotional activities, the FCEVs will be part of the pool of vehicles for ACC officer use, managed by Co-Wheels. This will allow the vehicles to be tested in the business environment, with a view to greater adoption by ACC as the hydrogen economy expands. These vehicles will replace existing vehicles in the fleet which are due to be retired out of service.

The total amount of funding requested from OLEV is £632,614. Match funding for the ACC vehicles will be total £8,822 over three years which will be met from existing committed budget for the lease of fleet vehicles.

ix) Note the approval to participate in Erasmus+ Funding Programme for Training of Technicians of Hydrogen Fuel Cell (FCH) Vehicles

At Communities, Housing & Infrastructure on the 25th August 2016 committee approval was given to report CHI/16/160 to participate in the funding call. It is recommended Committee note the approval for spend of match-funding and participation in project.

ACC is involved within a transnational consortium for Erasmus+ for the training of technicians of hydrogen and fuel cell (FCH) vehicles. This project will contribute to the improvement and extension of the existing education offer for auto mechanics. There is currently little or no training available within the UK for FCH vehicles. By adding new and innovative elements to the auto mechanics education, this project

contribute to the further strengthening of key competences and helps ACC with the delivery of the Hydrogen Strategy.

Education and training in the fuel cells and hydrogen sector is critical for the current and future workforce and thereby supports indirectly the commercialisation of the technology. Knowledgeable and capable workforce that understands the functioning of both technology and underlying fundamental processes, but also knows about obstacles and technological restrictions is essential for successful development, planning and implementation of FCH technology. It is widely accepted that job opportunities for technicians and workers within the fuel cells and hydrogen applications will emerge in the short term, but there is also a lack of appropriate training for technicians.

The co-financing rate is 80% and 20% match-funding. A total award of €44,030 has been granted to ACC which will require €8,806 match-funding from existing staff resources (fleet services) and existing Economic Development budget.

6. IMPACT

Improving Customer Experience –

Participating in externally funded projects enhances services and facilities which customers use within the City, particularly in relation to Smart City projects which are designed to improve service efficiencies. In particular, European projects allow customers to experience innovation which they might not get the chance to otherwise. In particular, projects will have the business customer in mind to have a positive impact on the City's economy.

Improving Staff Experience –

Through participation in European projects staff members have been given the opportunity to exchange best practice with their equivalent peers and colleagues in other countries. This has resulted in staff returning with new, innovative ideas to implement within the City and have a direct impact on staff and customers. Continued participation in projects will create new opportunities to bring new technologies, as well as new thinking to enhance the city.

Through externally funded projects staff get to see, first hand, the impact that external funding can bring to the city that they live and work in.

Improving our use of Resources –

Externally funded projects, and European projects in particular, are centred on new innovative ideas and technologies. It is essential that the Council keeps up to date with current strategies, locally, nationally and transnationally and also looks forward to ensuring that Aberdeen is at the forefront on delivering within the strategies.

Officers within EDS ensure that projects are focused around the current priorities within the Council so that public funding can be maximised to provide the best service possible.

Expertise of accessing external funding lies within the EDS and without this expertise the City, and Council would lose out on added financial opportunities and delivery of funding programmes would not be possible.

Corporate -

The contents of the report support the Regional Economic Strategy to secure the well-being of the place and our people in the North East of Scotland across the key programme areas of investment in infrastructure, innovation, inclusive economic growth and internationalisation, as well as the key sector priorities of:

- Energy
- Tourism
- Education
- Food and drink
- Health and life sciences

The contents of the report also relate to delivering some economic development aspects of the Administration's Smarter Aberdeen vision.

The projects that the Council has been involved in, and are looking to participate in all have a degree of partnership working whether that is local, national or international.

All projects vary, but are centred on addressing the issues laid out within the relevant administration priorities and linking into strategies such as the Regional Economic Strategy, City Centre Masterplan, City Region Deal, Digital Place Strategy, Powering Aberdeen, and A Hydrogen Economy Strategy for Aberdeen City Region etc.

Public –

It is likely that the public will have an interest in the aforementioned projects as they are intended to make a positive contribution to the region for the benefit of the citizens. It is important to ensure that the City and Council's reputation is upheld throughout all external projects.

7. MANAGEMENT OF RISK

It is important that Aberdeen is fully represented in all European matters and that all opportunities for influencing policy and the development of transnational projects for the City's benefit are grasped in order that opportunities are maximised. If this is not done the Council could be at risk of not being able to draw down European grant monies.

This level of participation will help to increase the understanding of the new programmes and will assist in developing the capacity to successfully develop new projects and work with other European cities that will benefit Aberdeen City.

All projects follow an audit process, both internal and external which ensures that any potential financial risk to the council is eliminated.

8. BACKGROUND PAPERS
None

9. REPORT AUTHOR DETAILS

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Project name	Summary	Funding programme	Lead/Service	Total project value	ACC Total eligible budget	Grant	Match-funding by ACC	Co-financing rate	Council approval date	Status	Match-Funding Source(s)
Economic Development											
HyTrEc 2 (Hydrogen Transport Economy in the North Sea Region 2)	Test of fuel cell, range extenders and dual fuel vehicles. Explore production, storage and distribution of hydrogen.	Interreg North Sea Region	Stuart Bews & Yasa Ratnayeke Project Team <i>Economic Development</i>	5,246,271.00 €	1,579,662 €	789,831 €	789,831 €	50%	03 December 2015	Submitted in March 2016	Existing staff and resources from Economic Development budget.
FCH Train (Training of technicians of FCH vehicles)	Contribute to the improvement and extension of the existing education offer for auto mechanics.	Erasmus+	Projects Team <i>Economic Development</i>	360,393.00 €	55,037.00 €	44,030 €	8,806 €	80%		Approved, Approved CH&I Committee 25th August 2016	Fleet Services and Economic Development
Hydrogen cars	<i>Funding been requested to increase the number of operational FCEVs</i>	Office of low emission vehicles (OLEV)	Yasa Ratnayeke <i>Economic Development</i>	£ 631,614.00	N/A	£ 473,711.00	£ 8,822.00	N/A		Approved CH&I Committee 25th August 2016	Economic Development
Other services											
CIVITAS PORTIS	Test sustainable urban mobility solutions.	H2020	Hugh Murdoch <i>Planning and Sustainable Development</i>	16,376,774.63 €	2,768,275.00 €	2,768,275.00	0 €	100%	15 March 2016	Approved	Not Required, 100% Funding
ACE-Retrofitting (Accelerating Condominium Energy Retrofitting)	Introduce and promote a governance arrangement that overcomes the legal, human and financial barriers.	Interreg North-West Europe	Kevin Christie <i>Land and Property Asset</i>	3,000,000.00 €	404,388.20 €	242,632.80 €	161,755.40 €	60%		Stage 2 Submitted June 2016	Existing ACC Staff Resources (Energy Management)
Use IT (Cultural Change towards ICT use)	To look at challenges facing local authorities in face of the acceleration of digitalisation.	Interreg North Sea Region	Ian Watt <i>Corporate Governance</i>	4,072,485.00 €	360,300.00 €	180,150 €	180,150 €	50%		Submitted in March 2016	Existing ACC Staff Resources (Customer Services and IT and Transformation)
BEGIN (Blue Green Infrastructure through Social Innovation)	Demonstrate and mainstream improved blue green infrastructure based climate change adaptation solutions.	Interreg North Sea Region	Will Burnish <i>Public Infrastructure and Environment</i>	7,525,000.00 €	600,000.00 €	300,000 €	300,000 €	50%	27 August 2015	Re-Submitted in March 2016	Existing Flood Management Budgets (revenue and capital)
ERDF Scotland's 8th City- the Smart City											
Open Data	Create data publication platforms and data analytics to allow city to make evidence based decisions	ERDF	Ian Watt, <i>Corporate Governance</i>		£ 215,000.00	76000 + 25000 (CIF)	£ 114,000.00	40%	Will go to FP&R 20th Sept	Submitted January 2016	IT and Transformation Budget, Approved SIP Board
Smart Infrastructure	Extend deployment of LED technology and installation of sensors and deployment of smart networks to support Intelligent Street Lighting	ERDF	Neale Burrows/George Collie, <i>Public Infrastructure and Environment</i>		£ 1,249,351.51	£ 499,351.51	£ 750,000.00	40%	Will go to FP&R 20th Sept	Submitted January 2016	Street Light Replacement Budget, Approved SIP Board
Warm Connected Homes	Installation of sensors and temperature monitoring equipment to collate and analyse data	ERDF	Gordon Wright/ Kevin Christie, <i>IT and Transformation</i>		£ 755,100.00	£ 302,040.00	£ 453,060.00	40%	Will go to FP&R 20th Sept	Submitted January 2016	Housing Capital Budget, Approved SIP Board

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Project name	Funding programme	Lead/Service	Total project value	Total eligible budget	Grant	Match-funding	Co-financing rate	Council approval date	Status	Notes
Economic Development										
HighVLOCity	Fuel Cells and Hydrogen Joint Undertaking (FCH JU)	Andrew Win <i>Economic Development</i>	13,491,724.00 €	3,288,096 €	2,466,072 €	822,024 €	75%	25 January 2012	on-going	
HyTransit	Fuel Cells and Hydrogen Joint Undertaking (FCH JU)	Andrew Win <i>Economic Development</i>	6,999,999.00 €	4,803,704.00 €	3,602,778.00 €	1,200,926.00 €	75%	25 January 2012	on-going	
Hyacinth	Fuel Cells and Hydrogen Joint Undertaking (FCH JU)	Andrew Win <i>Economic Development</i>	661,584.00 €	30,624.00 €	24,499.20 €	6,124.80 €	80%	12 November 2013	on-going	

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	20 September 2016
DIRECTOR	Gayle Gorman
TITLE OF REPORT	Refurbishment of Provost Skene's House
REPORT NUMBER	ECS\16\058
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to seek Committee approval to note the work undertaken to prepare the refurbishment brief, include the refurbishment of Provost Skene's House within the overall City Centre Masterplan and further to allocate capital funding from the City Centre Masterplan.

2. RECOMMENDATION(S)

2.1 It is recommended that the Committee agree:

- (i) To note the work undertaken to prepare the brief for the refurbishment of Provost Skene's House;
- To include the refurbishment of Provost Skene's House within the City Centre Masterplan;
- To allocate £1.5 million from the City Centre Masterplan resources to facilitate the refurbishment of Provost Skene's House; and
- Otherwise note the contents of this report.

3. FINANCIAL IMPLICATIONS

3.1 The developers of Marischal Square had previously allocated £500,000 towards the refurbishment of Provost Skene's House. To date £125,000 has been spent to protect the House during the demolition of St Nicholas House and the construction of Marischal Square. This leaves £375,000 for the transformation of Provost Skene's House.

3.2 In order to deliver a museum which can incorporate interactive attractions within a modern and comfortable environment a further £1.5 million is required.

3.3 Should Committee agree to the funding allocation from the City Centre Masterplan, the total available funding of £1.875 million would be allocated as follows:

- Essential building works / professional fees £875,000
and contingency (5%)
- Interpretation works and design* £1,000,000

*The interpretation and design works includes a number of display mechanism including digital interactive and audio features alongside more traditional museum displays, free wifi access and the fit out of a shop within Provost Skene's House.

4. OTHER IMPLICATIONS

4.1 Nil

5. BACKGROUND/MAIN ISSUES

5.1 When the demolition of St Nicholas House took place, Provost Skene's House was vacated and boarded up for protection. It was always Council policy that the House would reopen as a museum and the further narrative in this section sets out the officer vision for the future of Provost Skene's House.

5.2 Market research and consultation work was carried out in May this year which engaged with both previous visitor and non-visitors. A total of 706 responses were gathered through public consultation, both on street and online. These comprised 482 previous visitors and 224 people who had not previously visited PSH. In general both groups were dominated by the local market with some representation from the day trip market (79%). There were fewer tourists (19%).

5.3 Specific findings were:

- Previous visitors can be considered active and engaged with all Aberdeen Gallery and Museum sites.
- A considerable proportion of current non-visitors are considered "within reach" as a result of their existing engagement with other Aberdeen Gallery and Museum sites and/or existing tendency to visit/interest in historic house / castle / property attractions. Awareness of Provost Skene's House is a key issue.

- There is useful opportunity for audience sharing and cross promotion of Provost Skene's House with the Maritime Museum and the Tolbooth.
 - Both visitors and non-visitors expressed a consistent and high level of interest in future plans.
- 5.4 The local, day trip and tourist market all form potential visitor markets for Provost Skene's House. Analysis was carried out to quantify the visitor market potential, the new development will not house a café, due to both space restrictions, operational costs and the close proximity of food and drink offers in the surrounding Marischal Square development. The visitor survey findings indicated that the café was the main driver for 20% of visits to Provost Skene's House in the past. There is however a real opportunity to widen the audience by engaging families and children at Provost Skene's House. Currently visitors with children to historic houses comprise only 13% of the audience, a relatively small proportion. The market research indicates a strong desire for a family-friendly experience within the redeveloped house. The quality of the visitor offer is paramount to maximise the market opportunity.
- 5.5 The redevelopment and transformation of Provost Skene House provides an opportunity to extend and enhance the cultural offer for local residents and visitors to Aberdeen and to extend its reach to new audiences including families and young adult audiences. It is therefore proposed that Provost Skene's House becomes a celebration of what Aberdeen as a city has given to the world, focusing on the important Aberdonians through history but also providing a chance for visitors to the House to see current iconic figures from the city. It is for these reasons and its central location that it is recommended that the redevelopment of Provost Skene's House becomes a project within the City Centre Masterplan.
- 5.6 It is proposed that the displays in the house become fully interactive, making best use of technology. This will also allow for displays to be updated at appropriate times and for new displays to be seamlessly integrated into Provost Skene's House. It is also intended that displays in Provost Skene's House would also point out other cultural attractions in the city to visitors.

Indicative Project Timeline

- 5.7 The project timeline has the opening of the newly refurbished Provost Skene's House in July 2017, which coincides with the opening of Marischal Square. The detail below provides the key milestones against which progress will be monitored to ensure successful delivery within the

Design Phase
Planning Approval

April 2016 – October 2016
October 2016

Appointment of Contractor	November 2017
Start on Site	January 2017
Construction Completion	May 2017
Fit Out	May – June 2017
Opening	July 2017

6. IMPACT

Corporate

- 6.1 Provost Skene's House plays an important part of the cultural life of Aberdeen. This project aims to further enhance the cultural offering to city residents and visitors to Aberdeen by promoting and celebrating what Aberdeen and its residents have provided to the world. This will play a key role in delivering the objective of having Aberdeen as a place to live and visit.
- 6.2 The cultural policy of Aberdeen includes the redevelopment of Provost Skene's House and to highlight the contribution of culture in the city and its centre. The creation of an innovative and technologically driven museum at Provost Skene's House will stimulate visitor numbers and assist in the delivery of these objectives.

7. MANAGEMENT OF RISK

- 7.1 The delivery of a refurbished Provost Skene's House is set against a very defined timeline, which is set out in paragraph 5.7 above. The project will be monitored through a variety of groups including:
 - Project Delivery Group: Led by the Estates Manager (ECS);
 - ECS Estates Group : Chaired by the Head of Policy, Performance and Resources;
 - City Centre Masterplan Board: Chaired by the City Centre Director
 - Strategic Asset and Capital Programme Board: Chaired by the Director of Communities, Housing and Infrastructure
- 7.2 In addition, the project features on the Dashboard report which is submitted for scrutiny by this Committee.

8. BACKGROUND PAPERS

Nil

9. REPORT AUTHOR DETAILS

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