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ADDITIONAL CIRCULATION



To: Councillor Crockett, Convener; Councillor Taylor, Vice Convener; and Councillors Allan, Blackman, Boulton, Corall, Finlayson, Jaffrey, MacGregor, McCaig, Milne, Jean Morrison MBE, Thomson, Young and Yuill.

Town House,
ABERDEEN 29 August 2014

ENTERPRISE, STRATEGIC PLANNING AND INFRASTRUCTURE COMMITTEE

The undernoted items are circulated in connection with the meeting of the **ENTERPRISE, STRATEGIC PLANNING AND INFRASTRUCTURE COMMITTEE** to be held here in the Town House on **THURSDAY, 4 SEPTEMBER 2014 at 2.00 pm.**

JANE G. MACEACHRAN
HEAD OF LEGAL AND DEMOCRATIC SERVICES

B U S I N E S S

5 ENTERPRISE

- 5.5 Management of Events in Aberdeen Parks and Open Spaces (This Item has been Withdrawn from the Agenda)
- 5.6 Hydrogen Fuel Cells and Electro-Mobility in European Regions (HyER) (Pages 1 - 6)
- 5.7 H2 Aberdeen - Hydrogen Vehicle Fleet (Pages 7 - 10)

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

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Strategic Planning & Infrastructure
DATE	4 th September 2014
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Hydrogen Fuel Cells and Electro-Mobility in European Regions (HyER) and Smart Cities
REPORT NUMBER:	EPI/14/250
CHECKLIST RECEIVED	Yes

1. PURPOSE OF REPORT

This report is to seek approval for travel of Cllr Crockett as Convenor of ESPI Committee and an Officer to Hydrogen Fuel Cells and Electro-Mobility in European Regions (HyER) meeting the 16th September 2014.

The report also seeks approval for travel associated with future HyER meetings.

The report seeks approval for travel for a nominated Officer to attend the European Innovation Partnership on Smart Cities and Communities workshop and kick-off meeting, Brussels, Belgium, 8-9th October 2014.

2. RECOMMENDATION(S)

That the committee:

1. Approves the travel for Cllr Crockett and one Officer to attend the HyER meeting in Brussels, Belgium the 16th September 2014.
2. Approves the travel for Cllr Crockett and an officer for future HyER meetings.
3. Approves travel for a nominated Officer to attend the European Innovation Partnership on Smart Cities and Communities workshop and kick-off meeting in Brussels, Belgium 8-9th October 2014.

3. FINANCIAL IMPLICATIONS

- Costs for Cllr Crockett and Officer's attendance at the HyER meeting will be met from the current service travel budget. Approximate costs £1,000.
- Costs for any future travel to HyER meetings will be met from the current service travel budget.
- Costs for an Officer attendance at the Smart Cities and Communities meeting will be met from the current service travel budget. Approximate costs £500.

4. OTHER IMPLICATIONS

Travel

As far as possible, measures relevant to the destination will be taken to reduce any risks in line with Council Policy.

Risk Management

It is important that Aberdeen is fully represented in all European matters, especially those dealing with energy issues, and all opportunities for influencing policy and the development of transnational projects for the City's benefit are grasped in order that opportunities are maximised. This level of participation will help 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.

Human Rights/Equality/Diversity

European Policy takes full account of the Equal Opportunities Policy of the Council.

Sustainability

Aberdeen City Council has a clear contribution to make to sustainable development with an emphasis on enhancing productivity through improved resource efficiency, new business opportunities in the developing market for sustainable technologies and delivering better and more efficient Council services. By attending these events, it will give Aberdeen City Council the opportunity to look at the possibilities of best practice and drawing down more funds from EU programmes to raise the quality of life through increasing economic opportunity for all on a socially and environmentally sustainable basis. Attendance at this event will help ensure Aberdeen promotes awareness as an internationally recognised energy efficiency hub and pool for generating innovative solutions.

Environmental

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

Social

The principles of Social Inclusion underpin European cohesion policy.

Economic

European representation and inter-regional networking contributes to the City's overall effort to maximise opportunities and to promote its interests, both at home and overseas with the aim of creating sustainable economy and energy efficiency environment.

5. BACKGROUND/MAIN ISSUES

5.1 HyER Meeting in Brussels, Belgium, 16th September 2014.

It is proposed Cllr Crockett as Convenor of ESPI Committee and an Officer of Aberdeen City Council attend the Hydrogen Fuel Cells and Electro-Mobility in European Regions (HyER) meeting in Brussels, Belgium the 16th September 2014.

HyER is an association which was established in collaboration with the EU Commission in 2008 and supports the deployment and uptake of hydrogen and fuel cell technologies and electro-mobility in Europe. This is in order to contribute positively to the carbon dioxide emissions reduction, environmental protection as well as economic growth and employment. HyER represents over 30 regions and cities in Europe. The association seeks to develop fact-based policy at EU, national and local level to establish robust local deployment channels and a first customer base. HyER is currently facilitating development European wide electro-mobility monitoring facility to collect data and experiences of electro-mobility projects.

EP&I Committee the 3rd June 2014 approved the nomination of the Cllr Crockett to the HyER Board, as well as travel for an Officer to attend the HyER AGM in Copenhagen in June 2014.

Since the AGM in June, HyER have arranged a meeting between its members for the 16th September in Brussels. It is important to have Aberdeen City Council representation at this meeting to identify potential partners and projects for future European funding calls, particularly the 'Fuel Cell and Hydrogen Joint Undertaking' (FCH JU). This is a significant funding stream which would further the development of hydrogen technology in the Aberdeen City Region under the Hydrogen Economy Strategy 2013.

5.2 Future HyER Meetings

The HyER Board members meet three times a year in Brussels, or another member location, as well as once a year via teleconference. As Aberdeen City Council is a member of HyER we

seek approval for any future travel associated with HyER meetings by Elected Members and Officers.

5.3 European Innovation Partnership on Smart Cities and Communities

The European Innovation Partnership on Smart Cities and Communities (EIP-SCC) brings together cities, industry and citizens to improve urban life through more sustainable integrated solutions. This includes applied innovation, better planning, a more participatory approach, higher energy efficiency, better transport solutions, intelligent use of Information and Communication Technologies (ICT), etc.

The aim of EIP-SCC is to bring about scalable and transferable solutions to contribute to the EU's 20/20/20 climate action goals and reduce high energy consumption, green-house-gas emissions, bad air quality and congestion of roads. The Partnership also aims to overcome bottlenecks impeding the changeover to smart cities, to co-fund demonstration projects and to help coordinate existing city initiatives and projects, by pooling its resources together.

Aberdeen City Council has been invited to join the invited to join the action cluster Sustainable Districts and Built Environment and will play an important part in the common effort to build a dynamic market-place for smart city projects and solutions in Europe.

The kick-off of the action clusters and start of the implementation phase of this partnership will begin with a workshop "European Innovation Partnership on Smart Cities and Communities - integrating sectors, solutions and citizens" on the 8th October in Brussels. This event is addressed at cities and regions and the two main topics are:

- funding and financing opportunities for cities,
- city commitments, financing needs and regional cooperation between cities.

This event will be followed with the kick-off meeting of the action clusters and hence the start of the implementation phase of this partnership on 9th October in Brussels. It is proposed that a nominated Officer from the External Funding team will attend the workshop and meeting to be present at initial discussions and disseminate information to ACC Officers on their return. The information and discussions from the partnership platform can be used in ACC's high profile projects and initiatives to be a 'Smarter Aberdeen'.

Several of the challenges of the Community Plan identified in the Single Outcome Agreement are also supported, such as: Leading the City, Being Informed, Getting Involved, Land Use and the Environment and Clean City, Prosperity and Jobs, and Aberdeen's Image.

7. MANAGEMENT OF RISK

As far as possible, measures relevant to the destination will be taken to reduce any risks in line with Council Policy.

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.

8 BACKGROUND PAPERS

None

9 REPORT AUTHOR DETAILS

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COMMITTEE	Enterprise, Strategic Planning & Infrastructure
DATE	4 th September 2014
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	H ₂ Aberdeen - Hydrogen Vehicle Fleet
REPORT NUMBER:	EPI/14/249
CHECKLIST RECEIVED	Yes

1. PURPOSE OF REPORT

Aberdeen City Council has been awarded additional external funding from Transport Scotland to deploy a number of hydrogen vehicles within the City which supports the City Regions Hydrogen Strategy Framework. This funding is only available for financial year 2014/15 and therefore must be spent by March 2015.

The purpose of this report is to ask Committee to approve this expenditure whilst waiving normal procurement procedures due to both the specialist nature of these vehicles and the time restriction imposed by this unique funding arrangement.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- Approves the expenditure to purchase up to 10 hydrogen plug in fuel cell electric vehicles with an estimated expenditure of £366,000. It is noted that the cost of 5 of the 10 hydrogen plug in fuel cell electric vehicles will be purchased by the Council as part of normal fleet replacement (an estimated £71,000) with the balance coming from the external funding source (an estimated £295,00);
- Approves the estimated expenditure of £250,000 for up to 2 Hyundai ix35 fuel cell electric vehicles from external grants with no cost to the Council;
- Approves to waive normal procurement procedures due to the highly specialised equipment and the time restriction imposed by this funding offer (there is currently only one company which we are aware of which is offering range extended hydrogen vans commercially and only Hyundai are currently offering hydrogen fuel cell passenger cars commercially).

3. FINANCIAL IMPLICATIONS

Transport Scotland has offered Aberdeen City Council funding for financial year 2014/15 to deploy up to 10 HyKangoo vans for use within the council fleet. Aberdeen City Council will contribute the normal price for 5 electric hybrid vans as part of normal fleet replacement whilst the external funding will contribute for an additional 5 electric hybrid vans and 10 fuel cell range extenders.

Purchasing the HyKangoo vans will be priority however if the external funding allows, there may also be the opportunity to secure up to 2 Hyundai ix35 fuel cell passenger cars on lease for 4 years which will be partly funded by Transport Scotland and CoWheels car club. The estimated lease price is subject to on-going negotiations.

It is intended to deploy these ix35s within the City's car club to act as a highly visible, publicly accessible hydrogen vehicle. There will be very few of these launched within the UK market in 2015 therefore it would be a UK first for Aberdeen City Council to deploy one within the City's car club.

4. OTHER IMPLICATIONS

Advice has been sought from the legal department in regards to waiving normal procurement procedures and procuring the items directly from SymbioFCCell and Hyundai and the associated risk of not following these procedures has been considered.

There is a risk of challenge arising from direct award raised by other companies that can provide this specialised vehicle. This challenge is mitigated but not reduced to zero due to the fact that this is a specialised market and there is only one company which we are aware of that can provide these specialised vehicles.

The purchase of hydrogen vehicles will support the reduction of emissions from operational fleet in line with the Council's Carbon Management Programme.

5. BACKGROUND/MAIN ISSUES

Aberdeen City Council has a strategic aim to position the city as a leading energy city, by attracting innovative renewable energy developers to the city. Hydrogen is an important opportunity here.

The strategic hydrogen programme, H₂ Aberdeen helps to promote Aberdeen as a globally significant innovator in energy technologies. The 2020 Strategy Framework – A Hydrogen Economy for Aberdeen City Region, outlines this vision and high level actions to ensure Aberdeen is a world-class energy hub leading a low carbon economy and at the forefront of hydrogen technology in Europe.

One such high level action is to support the take up of hydrogen technologies including further deployment of vehicles in order to support and develop the City's hydrogen refuelling infrastructure.

To date, 10 fuel cell electric buses and 2 hydrogen hybrid transit vans have been delivered to the City as demonstration vehicles.

The Council has been offered additional funding from Transport Scotland to increase the roll out of hydrogen vehicles supporting the aims of the City's strategic hydrogen programme. With this additional funding it is proposed to purchase a combination of hydrogen vehicles primarily Renault HyKangoo vans for deployment within the Council's fleet.

The Renault HyKangoo vans are electric vans with a hydrogen fuel cell range extender which essentially doubles the driving range compared to a standard

electric vehicle, with zero exhaust emissions, making it ideal for fleet operations within the City.

6. IMPACT

Corporate – Smarter Environment, Smarter Economy and Smarter Mobility: H2 Aberdeen is about supporting new technologies for a low carbon transport economy and enhancing the competitiveness of the City Region.

Public – This external funding opportunity will provide Council fleet vehicles and is therefore unlikely to be of public interest however if the external funding allows, there may also be the opportunity to secure up to 2 Hyundai ix35s which will be deployed to the City's Co-wheels car club which is more likely to be of public interest.

7. MANAGEMENT OF RISK

Advice has been sought from the legal department in regards to waiving normal procurement procedures and the associated risk of not following these procedures has been considered. The risk of challenge because of a direct contract award is not considered as a significant risk as there is only one company that can provide this specialised vehicle.

The need to waive normal procurement procedures is essential as there is defined time limit associated with the funding offer. If normal procurement procedures were undertaken there is a significant risk that the Council could not take advantage of this external funding opportunity.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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