

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
DATE	5 December 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Scotland's 8th City ERDF Smart Energy – Warm Connected Homes Project Update
REPORT NUMBER	PLA/19/428
DIRECTOR	N/A
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Wendy Robertson
TERMS OF REFERENCE	1.2.3 take such action as necessary to ensure that the Council's budget is always balanced

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update Committee on works around Smart Cities and confirm withdrawal from the Aberdeen City Council (ACC) Warm Connected Homes Project from Scotland's 8th City European Regional Development Fund (ERDF) Programme.

2. RECOMMENDATION(S)

That the Committee: -

- 2.1 Instructs the Chief Officer – City Growth to confirm withdrawal from the Aberdeen Warm Connected Homes project from Scotland's 8th City ERDF Programme with the lead partner and write to the relevant body; and
- 2.2 Reallocate the Warmer Homes budget to support Smart City projects within the Smart City Strategy.

3. BACKGROUND

- 3.1 The Smart City Strategy and Action Plan is a multi-agency and collaborative approach and governed and reported through the City Region Deal working group, Programme Board and Joint Committee for those projects within the Digital workstream. Other emerging projects are assessed and reported upon through the Multi -Agency Management Group.
- 3.2 The vision for a smart city is to be a “sustainable city at the forefront of digital connectivity, technologies and infrastructure, where everyone can prosper, to ensure digital inclusion for all and to bridge the digital skills gap and to ensure the city is an attractive place to invest, live and visit” and to collaborate with multi- agency partners to maximise the opportunities that this strategy will create.

- 3.3 Local authorities have increased demand on resources, rising populations alongside declining budgets and less funding from central government. There needs to be a channel shift to deliver services differently while thinking about these pressures. There is a need for collaboration between all service areas within the council, and collaboration with our multi-agency partners to ensure a smart city perspective is accounted for when making service and city-wide decisions.
- 3.4 Key initial themes explored are as follows:
- Smart Public Sector
 - Smart Technology
 - Smart Mobility and Transport
 - Smart Digital Skills
 - Smart Tourism
 - Smart Living
- 3.5 Smart Living: At the most fundamental level, smart buildings deliver useful building services that make occupants productive (e.g. lighting, heating, air quality, physical security, sanitation, and many more) at the lowest cost and environmental impact over the building lifecycle. Reaching this vision requires adding intelligence from the beginning of design phase through to the end of the building's useful life.
- 3.6 This theme aligns with the visioning work for the future social housing that is currently being developed. The visioning work will focus on carbon neutral buildings, digital technologies and sensors, health and early intervention to reduce demand management.
- 3.7 For social housing we can look at how technologies can enable a reduction in fuel poverty, increased health and wellbeing for residents and how these technologies can impact on our most vulnerable residents.
- 3.8 For our corporate buildings, there is a focus on interconnected technologies to make buildings more intelligent and responsive, ultimately improving their performance. It is important to encompass the wider, fundamental outputs of the built environment, such as; wellbeing and productivity, as well as consideration of long-term future-proofing and whole-life costs, suggesting that truly 'smart' buildings are those that deliver better environmental, social and economic conditions.
- 3.9 Finance, Policy and Resources Committee approved the Council's participation in Scotland's 8th City ERDF Programme for the Warm Connected Homes project on 3rd December 2015. Further to the approval to participate, Communities, Housing and Infrastructure Committee approved the expenditure of funds successfully obtained from the ERDF on 15th March 2016.
- 3.10 The Warm Connected Homes project was to connect homes, with a primary focus on fibre technologies, to a robust always on network to enable smart remote data monitoring to measure the internal temperatures and energy use of the buildings. Subsequent advances in fibre technologies and recent

installations across Aberdeen City progressed under Aberdeen City Region Deal means that the original project no longer offers best value to the Council and requires to be reassessed for delivery with technology advances made available under the Smart City agenda.

- 3.11 The timetable of the original ERDF programme has already been extended from December 2018 to December 2019. Advances in technology have moved faster than the original project scope and in order to reassess delivery options the Council needs to withdraw from the current project.
- 3.12 At the time of considering the original initiative the City Fibre programme had not commenced and there are now new and wider opportunities to deliver many of the connectivity benefits via this programme, which did not exist in 2015.
- 3.13 Furthermore, as technology has advanced at great pace since the original committee report was approved in March 2016 it is recommended to consider smart homes technology that will align with the visioning work for the future social housing that is currently being developed. The visioning work will focus on carbon neutral buildings, digital technologies and sensors, health and early intervention to reduce demand management.

4. FINANCIAL IMPLICATIONS

- 4.1 The Council will be permitted to withdraw from the project, at no cost to it, provided formal notification of withdrawal is provided to lead partner.

5. LEGAL IMPLICATIONS

- 5.1 ACC are currently party to a grant agreement with Glasgow City Council (as the Lead Authority) and would have to write a formal letter to request withdrawal. However, as the grant has not been drawn down, it is not envisaged that there are any penalties for withdrawing from the agreement. Glasgow City Council are aware of ACC's wishes to withdraw.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Financial	If the recommendations are not implemented then the Council is likely to end up incurring additional	H	Withdraw from project

	cost as, without an eligible match it would be unable to claim the grant funding from ERDF		
Legal	If the recommendations are not implemented and the ERDF project goes ahead, then it can no longer be completed within the timescales specified in the funding agreement, meaning that the Council may be in breach of the conditions of the grant funding.	H	Withdraw from project
Employee	No risks to employees		
Customer	No risks to customer		
Environment	No risks to environment		
Technology	No risks to technology		
Reputational	If the Council continues with a project that it is unable to fully fund and deliver in the timescales required, then this damages its reputation	H	Withdraw from project

7. OUTCOMES

7.1 The proposals in this report have no impact on the LOIP

Design Principles of Target Operating Model	
	Impact of Report

Customer Service Design	By withdrawing from the ERDF project, the likelihood is reduced of incurring unbudgeted costs which would likely affect service delivery if they had to be covered from elsewhere. We are also reducing the likelihood of not delivering the project on time which would be poor customer service
Governance	Withdrawing from the ERDF project will contribute to running the organisation in an efficient and effective way as the project cannot be delivered without financial risk to the Council or in the time available
Partnerships and Alliances	Withdrawing from the ERDF project will allow the Council to maintain good relationships with partners. As the project can no longer be delivered in the timescales necessary for the funding, not withdrawing would lead to an incomplete project which could affect relationships with the funders.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	N/A

9. BACKGROUND PAPERS

Healthy Homes - CHI/16/033 – report submitted to Communities, Housing and Infrastructure Committee on 15th March 2016

10. APPENDICES (if applicable)

N/A

11. REPORT AUTHOR CONTACT DETAILS

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