

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise Planning and Infrastructure
DATE	15 March 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Energy Futures Centre Status Report
REPORT NUMBER:	EPI/10/120

1. PURPOSE OF REPORT

This report advises members on the status of the proposed Energy Futures Centre.

2. RECOMMENDATION(S)

That Committee note that given constraints on economic activity and in the property development market in particular that this project is currently on hold.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report as no finance is requested. Subsequent proposals will require to be reported to committee, including any financial implications.

4. OTHER IMPLICATIONS

There are no implications arising from this report in legal terms, or for resources, personnel, property, equipment, sustainability, environment or health and safety.

5. BACKGROUND/MAIN ISSUES

Background

Previous reports have been made to Council Committee regarding the proposal that an Energy Futures Centre be developed in Aberdeen. The basis of the proposal is to create a multi-function building which will emphasise the City's pre-eminence in energy – both oil and gas and renewables. Proposed functions could include:

- Specialist employment zone for non-commercial organisations engaged in energy development
- Centre for research and education
- Visitor attraction and public realm space
- Conference and meeting space
- Office development
- On-site renewable energy generation and state of the art energy efficiency features

It was the decision of a previous Committee of Council that officers be authorised to work with the Aberdeen Renewable Energy Group (AREG) to develop the proposal. Work to date has concentrated on the development of a viable business model. Site options across the City were also considered and two sites on the Queen's Links shortlisted.

Issues

Four financial models were developed, all of which relied on a combination of earned income and public sector funding. Given current constraints on economic activity, public sector finances and the ability to borrow or raise development capital, none of the financial models are currently regarded as sustainable. Improvements in the economic climate or specific opportunities arising may in the future allow a sustainable business model to be developed.

Given that the project is on hold, it is possible that Council may wish to consider any other credible development proposals for one or both of the sites.

6. IMPACT

This subject of this paper supports many of the priorities within Aberdeen City's Single Outcome Agreement. In particular the potential to anchor the oil and gas industry in Aberdeen; Diversify Aberdeen's economy, ensure high quality education opportunities, a sufficient number of skilled people, reduce carbon emissions and minimize our environmental impact. Similarly, this also supports the Vibrant Dynamic and Forward Looking initiatives in particular promoting Aberdeen as an Energy Capital, addressing the skills shortage in the city, ensuring a sustainable economy and advancing the Council's target of being carbon neutral overall by 2020.

This paper does not require an Equalities Human Rights Impact Assessment nor does it require a Strategic Environmental Assessment.

7. BACKGROUND PAPERS

8. REPORT AUTHOR DETAILS

Morag McCorkindale
Chief Operating Officer
Aberdeen Renewable Energy Group
e-mail: mmccorkindale@aberdeencity.gov.uk
tel: 01224 523630