

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Planning and Infrastructure
DATE	24 May 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Securing the Benefits from the Next Energy Revolution Policy Statement
REPORT NUMBER:	EPI/11/100

1. PURPOSE OF REPORT

On 18 January 2011, the Enterprise Planning and Infrastructure Committee agreed that officers were to prepare a Policy Statement which would address the issues highlighted with the Scottish Government's consultation into securing the benefits from the next Energy revolution. This Policy Statement has been developed as a result of that consultation and the need to consolidate the Aberdeen City Council's (ACC) sustainability Policies.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a. approves this Policy Statement;
- b. instructs officers to prepare an alternative energy strategy; and
- c. approves that officers arrange a "renewables awareness" workshop in 2011 for Elected Members and interested parties.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications to this report.

4. OTHER IMPLICATIONS

This report supports many of the priorities within ACC's Single Outcome Agreement. In particular the potential to anchor the oil and gas industry in Aberdeen; diversify Aberdeen's economy, ensure high quality educational opportunities are available, ensure a sufficient number of skilled people are in the labour force, reduce carbon emissions and minimize ACC's environmental impact. This report also supports the economic, environmental, social and financial options

within the ACC's Five Year Fully Costed Business Plan. Similarly, this report 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 ACC's target of being carbon neutral by 2020. The Policy Statement also advances the European Union's 2020 growth strategy for a smarter, sustainable and inclusive Europe. Furthermore the Policy Statement promotes the ethos of social justice and inclusiveness by championing a public dividend in the form of funds to those communities directly affected by the production of renewable and alternative energy.

5. BACKGROUND/MAIN ISSUES

In 2002, the ACC published its first Climate Change Action Plan. Since then it has worked to progress Local Agenda 21 through its Carbon Management Plan and the range of sustainability strategies and policies. Elected Members have requested that ACC's strategies and policies be extended to ensure that ACC's activities assist in advancing ACC's Community Plan and Current Single Outcome Agreement. There is also impetus to make provision for the long term benefits for the citizens of Aberdeen. The Council's Five Year Business Plan also considers renewable energy as not only a way of efficiency savings but a contributor to income generation. ACC in partnership is looking to the future, the Energetica Eco-Hub north of the city which is part of the Energetica Corridor. This gives a glimpse of a potential low-carbon renewable future. This is further enhanced through the activities of Aberdeen renewable Energy Partnership (AREG) to which ACC is a partner.

ACC has maximised community benefits through renewable and carbon reducing projects such as the 3Rs Project, the De-centralised Energy Programme and the Marischal College Re-development. ACC's future strategies, policies and associated activities should consider the impact of renewable energy and the potential public dividends.

Each generation faces challenges as it uses the natural resources that are available to it. Aberdeen has been at the heart of conventional energy development since the 1960s with the exploration of oil and gas in the North Sea. The city has broadened its interests and is now an important centre for the creation and development of renewable energy technology. This policy statement aims to ensure that the benefits which can be gained locally from ACCs carbon management are returned locally through efficiency savings to the citizens of Aberdeen. The policy statement also promotes that similar benefits from land and water are managed wisely and that the potential benefits are shared.

This policy statement takes into account ACC's Aalborg Commitments, activities to continue to advance Local Agenda 21, the Sustainable Building Code for Council Buildings, the Alternative Energy Strategy for Council Owned Buildings, the Environmental Management Policy Statement, the Strategy to Transform Environmental Services and the policy statements and guidance within ACC's current and future Development Plans.

A sustainable low carbon economy is founded on the right mix of access to education and upon opportunities for "green jobs" being available at the right time, in the right place. This policy statement recognises that Aberdeen is well placed in the areas of research and development and specialist knowledge based services. These are transferable skills into a "green knowledge" economy which have come into recent development. Such industries, if nurtured and promoted, can assist in growing the city's economy. The regular international energy City Events such as 'Offshore Europe', 'All Energy' have many Aberdeen firms demonstrating their role in this growing industry. Aberdeen has an engineering supply chain which has been predominant in the advancement of initiatives supporting the installation and maintenance of renewable technologies. This policy statement acknowledges this need and ACC's commitment to the Security of the City's Energy supply. With these economic attributes in mind, this policy statement promotes a common understanding of a new way of living in a low carbon society.

This policy statement also clarifies the policy issues which were identified as part of the Scottish Government's consultation in 'Securing the Benefits from the Next Energy Revolution' in February 2011. Currently The Scottish Government lacks the legislative powers to be fully able to secure the full benefits from the next energy revolution. The Scottish Government and Scottish Local Authorities may approve, through the planning law regime, a range of renewable energy and low carbon initiatives. Whilst it is outwith both the powers of this Authority and the Scottish Government, the Policy Statement supports any type of national fund that is developed from the proceeds of renewable energy which is accessible to communities. It is suggested by the Scottish Government that reporting royalties and returns from renewable / low-carbon energy should be reported nationally¹ as this would help in quantifying the value of any potential Scottish Energy Fund. Whilst the creation and disbursement of a Scottish Energy Fund is outwith the powers of this Authority, ACC is consistent in advocating a fair and transparent funding formula for the disbursement of funding for the public benefit.

The Crown Estate manages Scottish Crown property rights over the seabed within Scotland's territorial waters. Whilst this Council has no direct powers with respect to the Crown Estate as this is a

¹ At a Scottish level including the Crown estates.

constitutional matter, ACC supports the view that there are equitable financial returns from public assets that directly benefit those communities that are located by those assets. A number of such assets, if not already, have the potential to generate additional revenue streams from renewable and low carbon energy production. ACC also supports the case for all revenues generated from renewable / low carbon energy production to be utilised to provide a local benefit from where it is generated.

6. Policy Statement

6.1 This Policy Statement outlines ACC's position regarding the next energy revolution. It is now taken as a given that reducing carbon emissions can not only reduce environmental impact, improve economic circumstances and create job opportunities, but it is also "the right thing to do". It is vital for a smart, sustainable and inclusive economy to ensure that both ACC and Aberdeen directly benefit from the future opportunities which will be created by the development of the Council's renewable and low carbon energy sources.

6.2 Council Operations

6.2.1 ACC will ensure that in its business operations that it will adhere to its annual targets in its carbon management plan, or any subsequent successor, to reduce its own carbon emissions. By doing so it aims to demonstrate leadership in energy management and carbon reduction.

6.2.2 ACC will ensure that it pursues not only technical solutions to reduce its greenhouse gas emissions but that will actively promote public and staff awareness to reduce carbon emissions.

6.2.3 ACC will ensure that it will use the most appropriate techniques and technology to reduce its green-house gas emissions. These elements are and will, continue to be central to its planning guidance and the city's competitive economic and environmental advantage. By doing so, ACC aims to demonstrate leadership towards local, regional, national, UK and European carbon reduction

6.3 The Aberdeen Community

6.3.1 ACC aims to ensure a legacy from a low carbon economy that is real, sustainable and socially inclusive. Initiatives such as ensuring its communities have access to affordable district heating, energy efficient buildings, a green environment and access to alternative energy solutions remains a high priority as a social return on public investment.

6.3.2 ACC will actively pursue renewable / low carbon initiatives that will not only secure the city's energy supply but will improve the quality of life for its citizens. By doing so ACC aims to ensure an equitable balance between economic, environmental and social needs.

6.4 Green Economy

6.4.1 ACC aims to enable and support the industries required to keep Aberdeen in the forefront of the energy sector.

- 6.4.2 ACC will work collaboratively with willing partners, locally, nationally, UK, through out Europe and globally in order to ensure that the city is well placed to build on its existing credentials to enable through “green knowledge” real “green jobs” in the city and the North East of Scotland region. This is not only for the regions benefit but for Scotland as a whole.
 - 6.4.3 ACC recognises the need to have secure energy supplies in order to effectively undertake business and living in Aberdeen. ACC’s current work in its De-centralised Energy Programme is the basis to support activities towards an alternative energy network across the city to support the environmental, social and economic requirements of a thriving sustainable city.
 - 6.4.4 ACC will ensure a sustainable economic future through ensuring it not only has a skilled and motivated work force who are job ready, but a place where there is well designed sustainable living, and an attractive low-carbon city which is ready to do business. It is through the city’s and ACC’s experience and our natural resources that lies at the heart of Aberdeen’s competitive advantage.
- 6.5 National Issues
- 6.5.1 ACC agrees in the concept of any potential energy fund for Scotland being sourced from the proceeds from both renewable and low carbon energy. Should such a fund be created, a fairer funding formula may be required that considers the facets of equity and need. Such a formula should make provision for the impact of diseconomies of scale to ensure that communities in remote Scotland are considered. It should be noted that there may also be a need to provide support to those communities which may host renewable / low carbon energy solutions.
 - 6.5.2 ACC supports that if such an energy fund is established to benefit the communities, priority should be given to re-investment into renewable / low carbon energy initiatives in preference to other use, as this would assist in advancing Scotland to meet its low carbon targets. Such a fund will require clear direction as to how these funds will be applied and to whom. This would be a predominant facet of the initiative.

7. IMPACT

An Equalities Human Rights Impact Assessment has been undertaken and is attached to this document. The outcomes of this assessment has been considered in the as part of writing this policy statement. A Strategic Environmental Assessment is not required for this Policy Statement.

8. BACKGROUND PAPERS:

Securing the Benefits of Scotland's Next Energy Revolution on 29 November 2010

Securing the Benefits of Scotland's Next Energy Revolution January 2011

Scotland's Low Carbon Economy Strategy

UK Climate Change (Scotland) Act 2009

The European 2020 Strategy

Aberdeen City Council's The Aalborg Commitments Report 2006

Decentralised Energy Programme 2008,

Strategy to Transform Environmental Services 2008

<http://www.aberdeencity.gov.uk/nmsruntime/saveasdialog.asp?IID=7385&sID=3795>

9. REPORT AUTHOR DETAILS

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