

ABERDEEN CITY COUNCIL

COMMITTEE	* Enterprise Planning and Infrastructure
DATE	* 21 st May 2013
DIRECTOR	* Gordon McIntosh
TITLE OF REPORT	* Update on EU Funding, Lottery, North Sea Commission (NSC) & the Conference Of Peripheral and Maritime Regions
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1. PURPOSE OF REPORT

This report provides an update on the Council's activities associated with the North Sea Commission and the Conference of Peripheral and Maritime Regions.

2. RECOMMENDATION(S)

That the Committee:

- a) Approves the Leader of the Council submitting a nomination for membership of the Board of Energy Cities and the City's bid to host the Energy Cities Annual Conference in 2015.
- b) Approves both Member and officer travel and attendance at relevant NSC, CPMR General Assemblies and thematic group meetings for 2013/14 and officer travel to European Project development meetings within Europe Member States in 2013/2014.
- c) Note the European promotional activities which will be undertaken and approves travel 2013/14
- d) Approves, in principle, the Council's participation in the following European / Lottery projects subject to detailed reports back in each case for final approval
 - HESTON – Landfill Gas to Hydrogen
 - HYACINTH – Hydrogen Public Acceptance Initiative
 - ClearGEN – Hydrogen 1 MW Fuel Cell project for district heating
 - Care North 2
 - Coastal Communities (Torry – Nigg Bay) Solar project

- e) Approves a financial contribution of up to £5000 from current budgets to Aberdeenshire Council to host the NSC General Assembly in June 2014.
- f) Approves the Council's additional match funding by £39,098.00 from current Service budgets for the HyTrEc (Hydrogen Transport Economy for the North Sea Programme) project.

3. FINANCIAL IMPLICATIONS

The projects set out in this report are in line with a similar level of funding as in 2012/2013.

- Costs for the elected member attending various meetings of the NSC will be met from the elected Members travel budget
- Costs of approximately £2000 for the officers accompanying elected Members (Approximately £2,000), officers attending NSC and project development meetings will be met from the relevant Service's Budget. 50% of these costs will be recovered from the projects if successful. Where an officer has to travel on NSC thematic group work all costs are covered by the North Sea Commission
- In the case of match funding being required to partner EU funded projects this will be met from existing budgets from the relevant Services. Once project applications have been successful separate committee reports detailing benefits to the Council and Aberdeen will be forwarded to Committee for final approval, subject to budgets being available.
- The cost of travel in connection to promoting Aberdeen's European projects has been provided for within the service budget and is managed by service management team and through internal approvals in each case.

4. OTHER IMPLICATIONS

European policy, representation and best practice supports the Council's objective of representing the interests of the people and organizations of Aberdeen within North East Scotland, the UK, and Europe. The Europe 2020 Strategy aims for a Smart, Sustainable and Inclusive Europe which is in the Council's 2011-2016 5 Year Business Plan.

5. BACKGROUND/MAIN ISSUES

5.1 Conference of Peripheral and Maritime Regions

Being located along Europe's shoreline brings both advantages and specific difficulties, so some 160 Regions have come together to form the Conference of Peripheral Maritime Regions of Europe (CPMR).

They are from 28 countries and represent almost 200 million people. They

work together to ensure that EU institutions and national governments take account of their common interests, and cooperate on practical projects in order to enhance their assets.

The CPMR is made of seven geographical Commissions in order to make it easier to articulate the particular circumstances of each of the major sea basins. The geographical commissions are:

- **The Islands Commission** – To defend the notion that being an island is not synonymous with isolation
- **The Atlantic Arc** – To make the western European seaboard more dynamic in face of the shift of the centre of gravity to the east.
- **The North Sea Commission** – Working to turn its sea basin into a major economic entity
- **The Intermediterranean Commission** – Focuses on the south of the Mediterranean and the development of the Euro-Mediterranean dialogue
- **The Baltic Sea Commission** – In anticipation of successive waves of EU enlargement, it promotes cooperation with the new members and Russia
- **The Black Sea and the Balkans Commissions** – They merged in order to develop joint projects and promote peace and stability

5.2 North Sea Commission

The North Sea Commission was founded in 1989 to facilitate and enhance partnerships between regions which manage the challenges and opportunities presented by the North Sea. Furthermore, to promote the North Sea Basin as a major economic entity within Europe, by encouraging joint development initiatives and political lobbying at European Union level.

The North Sea Commission has determined that its activities must be action orientated, involving co-operation programmes, research activities, funding applications, and joint policy statements which bring positive benefits to the people of the North Sea Basin.

The North Sea Commission currently has five thematic groups namely:

- The Innovation and Education Group
- The Transport Group
- The Sustainable Development Group
- The Tourism and Culture Group
- The Maritime and Fisheries Group

It should be noted that the NSC has recently adopted a NSC 2020 strategy and has identified the following challenges that face the North Sea Region..

- Managing Maritime Space
- Increase Accessibility and Attractiveness
- Tackling Climate Change
- Promoting Innovation and Excellence
- Sustainable Liveable Communities

5.3 Aberdeen City's Involvement

Aberdeen City Council is a full member of the CPMR and by this is also a member of the North Sea Commission. In order for the Council to take full advantage of our role in influencing European Policy, and drawing down EU funds it is important that the Council, where possible, is well represented on the Executive Committees of the North Sea Commission. This enables the Council to be kept fully informed of all new European Policy and funding opportunities and access through networks to the various EU funding programmes. Such activity also contributes to the Council being able to draw down external monies to develop and deliver projects for the Council.

5.4 Forthcoming European Promotional Activities

Resilient Cities: 2013 ICLEI (Local Governments for Climate Change)

The 4th Global Forum on Urban Resilience and Adaptation will take place in Bonn on the 31st of May and the Council has been invited to present papers and poster at this conference. Both documents focus on the economic, social and environmental opportunities that are possible for Aberdeen adapting from moving from an economy based on Oil and Gas to an alternative fuels and growing knowledge economy.

We will highlight the effect of the trans-national learning / Public Private partnership to finance local projects and how best to connect Local Government with potential investors which will be derived from the Council's experience with European Projects and the social and environmental dividend. This is a high profile opportunity to show case the city's successes as a spring board for other opportunities in Europe and in the rest of the world.

European Public Sector Awards (EPSA) 2013

An application to the above awards in the Theme: Economic Development Funding Strategy was submitted on 24th April 2013.

5.5 Future Participation in EU and Lottery Funded Projects

The three Hydrogen projects mentioned below if approved by the EU funding body will assist Aberdeen in becoming a leading City for Hydrogen in Northern Europe. It will encourage vehicle manufacturers and other to look at deploying vehicles in Aberdeen and also establishing and developing supply chains for this industry. These projects are at the very early stages of development and we are in discussions/negotiations as to our participation. Future involvement

will be based on providing match funding and to the project assisting with the delivery of our Business Plan, Vision and Outcomes

HESTON

This project will be funded by the Fuel Cell Hydrogen Joint Undertaking (FCHJU) part of the Frame Work Seven Funding Programme. The Hydrogen energy station project is about the deployment of a ne, efficient route to the generation of renewable hydrogen from biogas. The project combines a state of the art high temperature molten carbonate fuel cell (MCFC) producing renewable power and heat. It has an added exhaust gas clean up system to extract high purity hydrogen from the fuel cell. Using this tri-generation concept, high purity hydrogen can be made available for fuel cell based transport applications (Buses / Cars) and/or industrial use.

HYACINTH

The project is also funded by the FCHJU and its aim is gathering and understanding public attitudes and perceptions and levels of acceptance of hydrogen technologies at two main levels (country-level and project level) in various EU countries. The project assumes, as shown by social research on energy technologies, that public attitudes towards a general technology might be fundamentally different from attitudes towards specific developments.

ClearGen

Another project that will be funded by the FCHJU, ClearGen is for a 1 MW fuel cell. Its main objectives are:

- 1) The development and construction of a large scale fuel cell system, purpose-built for the European market,
- 2) The validation of the technical and economic readiness of the fuel cell system at the megawatt scale, and
- 3) The field demonstration and development of megawatt scale system for the use in District heating

CARE NORTH 2

This is a continuation of the current Care North project in which the council are a partner. Building on the successful approach of the CARE-North project, which delivered the following:

- Setting up of the Aberdeen Car Club. Without additional technical advice from Partners and financial support for promotion the Club would not be the fastest growing in the UK (Carplus, 2012), be the first Car Club in Scotland with electric vehicles, the first in the UK with a disability accessible vehicle and the first in the World to trial hydrogen

vehicles. Now shortlisted for 2 Scottish Transport Awards and being submitted to the National Transport Awards for contribution to sustainable transport

- Initiation of the Sustainable Urban Mobility Plan. CARE North enabled the facilitation of delivery of the transport element of the City Centre Development Framework by match funding staff time. Now shortlisted for a Scottish Transport Award and winner of the EC's Do the Right Mix Campaign Award.
- Released funding for feasibility of projects such as freight consolidation centre, on-street bike rental, idling strategy, freight distribution in the city centre, on-street bus ticketing, Low Emission Zone and Emission Based Parking Charges. Many of these projects have been/ are now being implemented and will be incorporated into the LTS Review to ensure delivery alongside the AWPR (locking in the benefits) as appropriate.
- Delivered extensive travel awareness, promotional activities such as events and leaflets by providing additional funding to extend campaigns and match fund staff time.
- Enabled a closer working relationship with RGU on a variety of initiatives but particularly public consultation on transport issues for Aberdeen.

The CARE-North consortium will further promote a comprehensive, strategic and practical approach to urban and regional transport/accessibility in the North Sea Region in the context of climate change and declining oil supplies. While the North Sea Region deals with the effects of Climate Change, the traditional understanding of transport is leading to a continued increase in CO2 emissions, undermining other climate protection efforts. The project will make use of a wide range of communication channels to raise awareness about the theme of low carbon transport/accessibility and will link to the Europe 2020 Strategy

Coastal Communities (Torry – Nigg Bay) Solar Project

Aberdeen City Council and its associate the Aberdeen Renewable Energy Group (AREG) have an aspiration to develop the solar energy resources of an area south of the city, which is linked to the coastal community of Torry. The project would cover 50% of the costs of the first phase of 1 MW of solar panels. The matching 50% will be met by Aberdeen City Council. There is a strong element of job creation associated with the project specifically in regards to the training within Solar Energy industry. Currently the nearest place that training is provided for this trade is Dundee, by having training in the same region this will allow jobs to be created within the trade for the Aberdeen region. It is intended a new facility could provide - in conjunction with The Robert Gordon University, University of Aberdeen and Aberdeen College - opportunities to train local young people in the new trades of solar panel installation and maintenance. Aberdeen College already has some solar panel equipment in its Engineering School, but lacks the capability of

working in real-life field facilities. There will be a link to the new hydrogen technologies which could also provide a significant number of training opportunities to the project and city. Photo Voltaic systems at the Nigg site would grow therefore leading to training opportunities associated with several different manufacturers' equipment being available.

5.6 Energy Cities

Energy Cities is the European Association of local authorities in energy transition, from 2013 to 2015; Energy Cities is currently under the Presidency of the City of Heidelberg with a board of directors from 11 European Cities. The association created in 1990 represents now more than 1,000 towns and cities in 30 countries. The offices of the Energy Cities are situated in Brussels and Besancon in France. Its main objectives are:

- To strengthen its members role and skills in the field of sustainable energy.
- To represent its members interests and influence the policies and proposals made by European Union institutions in the fields of energy, environmental protection and urban policy.
- To develop and promote its members initiatives through exchange of experiences, the transfer of know-how and the implementation of joint projects.

Aberdeen City Council has been approached to host the Annual Conference of the Energy Cities. This will provide the opportunity to build and develop future partnerships for promoting and influencing current and future policy and the development of projects. This conference will attract over 250 EU visitors to Aberdeen.

5.7 North Sea Commission General Assembly in 2014

Aberdeenshire Council bid for and has been successful in winning the hosting of the 2014 North Sea Commission General Assembly in June 2014. This is an important year for the NSC and for and the North Sea Programme as it is the new funding round for Europe and the new programme (2014 to 2021) will be just taking shape. It is therefore of huge benefit and an opportunity to the council that the General Assembly is being held here.

Aberdeenshire Council has written formally to officers and requested financial support of £20,000. This figure matches the contribution they made to this council in 2010 for the CPMR General Assembly.

From discussions with the North Sea Commission and the North Sea Programme we understand that both contribute financially towards the hosting of the General Assembly unlike the circumstances for CPMR General Assembly. As such a financial contribution to a maximum £5,000 would be seen as adequate subject to the Shire declaring all their costs of the conference and the main event being held at the AECC.

5.8 HyTrEc (Hydrogen Transport Economy for the North Sea Region).

Following the report to this Committee of 31st May 2012, which approved Aberdeen City Council's participation in the Interreg IVB HyTrEc project as the Lead Partner, the project was approved by the North Sea Programme. However since this approval Aberdeen City Council's budget in this project has increased to accommodate the conversions of two of its fleet vans to Hydrogen.

6. IMPACT

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, Transport and Connections, Prosperity and Jobs, and Aberdeen's Image.

6.1 Human Rights/Equalities/Diversity

European Policy is consistent with the Equal Opportunities Policy of the Council.

6.2 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 us 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.

6.3 Environmental

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

6.4 Social

The principles of Social inclusion underpin European cohesion policy.

6.5 Economic

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

7. MANAGEMENT OF RISK

There will inevitably be some risks associated with overseas travel. 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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