



ABERDEEN  
CITY COUNCIL

**ABERDEEN**  
**INVESTLIVEVISIT**



Smart  
**ABERDEEN**  
2020

STRATEGY  
FOR  
GROWTH



Smart  
ABERDEEN 2020 STRATEGY  
FOR GROWTH

# FOREWORD

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The European Commission's 2020 Strategy for Growth provides an ambitious vision for Europe for the end of this decade. It recognises the need for economic growth which is smart, sustainable and inclusive to take Europe forward after the financial crisis.

Such an ambitious agenda requires significant investment and co-ordination between different levels of governance including the European Union (EU), Member States, regional and local authorities.

Aberdeen City Council recognises the important influence of this strategy and the impact it will have on the coming years, particularly in terms of European funding. It is for this reason that Aberdeen is dedicated to the alignment of its priorities to Europe's.

For the Europe 2020 Strategy (EU2020) to be realised, public policies and funds need to be applied in a way which is smart, sustainable and inclusive. Aberdeen City Council wishes to use this opportunity to put forward the city's (public and private sector) contribution to the strategy's implementation and progress made so far towards its targets.

*Leader of  
Aberdeen City Council,  
Barney Crockett*

*Chief Executive,  
Valerie Watts*



# EXECUTIVE SUMMARY

The economic downturn and the crisis in several national economies have created a sense of urgency to move towards a smart, sustainable and inclusive economy. This has resulted in a determination that every Member State should outline the serious steps it is taking towards progress on long-term targets.

The European Commission's drive for measurable progress brings a renewed focus on demonstrating the effectiveness and long-term impact of actions funded. The European Commission has asked each Member State to develop National Reform Programmes (NRPs) which outline progress and contribution to the EU2020 targets. It is anticipated that future EU Funding Programmes will also need to demonstrate fit with the EU 2020 Strategy, including meeting the EU's headline targets.

The Scottish Government annually submits a complimentary Scottish National Reform Programme to the European Commission as well as contributing to the UK Government NRP. The purpose of this document is to demonstrate that Aberdeen as a city also has a coherent and integrated set of policies, programmes and projects at a local level that fit within this strategy.

The overall context of change and the unpredictable nature of what EU, UK and Scottish political discussions will mean for Aberdeen-EU engagement in the years ahead will remain a common theme in our work for the coming few years. With the approval of the Multiannual Financial Framework (MFF) for the coming period 2014-2020 the finalising of the framework will be of critical importance to Scotland and Aberdeen and will hold significant opportunities for Aberdeen. We are prepared and ready to positively engage in developing these opportunities in several areas, aligned with our domestic and regional strategies to support Scottish sustainable, inclusive economic growth.

Europe 2020 is an important strategic document and it is clear that any local authority wishing to be taken seriously must demonstrate its commitment to it. For Aberdeen City Council which is so actively engaged in European partnership working, this document demonstrates its recent successes, current efforts and indicates its future priorities.





# ABERDEEN: A SMARTER CITY

## Smart: adjective;

1. Having or showing a quick-witted intelligence, quickness and ease in learning.
2. Programmed so as to be capable of some independent action. Capable of making adjustments, especially in response to changing circumstances.
3. Fashionable.
4. Quick, brisk. Energetic or quick in movement.
5. Showing mental alertness and calculation and resourcefulness.

The earliest royal charters, granted in 1179 (by William I) and 1319 (by Robert the Bruce), indicate that Aberdeen was already a commercial and cultural centre linking North East Scotland to the trading cities of northern Europe and the Baltic.

**Aberdeen Harbour** is the oldest running business enterprise in the United Kingdom, having been founded by charter signed by King David I in 1136. The commercial importance of Aberdeen from an early date is also illustrated by the fact that it was the first Scottish town outside Edinburgh to have its own bank - the Aberdeen Banking Company founded in 1749.

**Aberdeen Grammar School** was founded in 1263 and is one of the oldest schools in Britain. **The University of Aberdeen** is Scotland's third oldest (founded in 1495) and the fifth oldest in the UK. The first Chair of Medicine in the English speaking world was established at the University of Aberdeen in 1497.

Among the many pioneers who have been associated with the University of Aberdeen are five Nobel Laureates: Nobel Prize in Chemistry 1921, Nobel Prize in Medicine 1923, and the Nobel Prize in Physics 1937. The Rowett Institute in Aberdeen also won a Nobel Prize in Chemistry in 1952 and the Nobel Peace Prize in 1947. During the Scottish Enlightenment, the

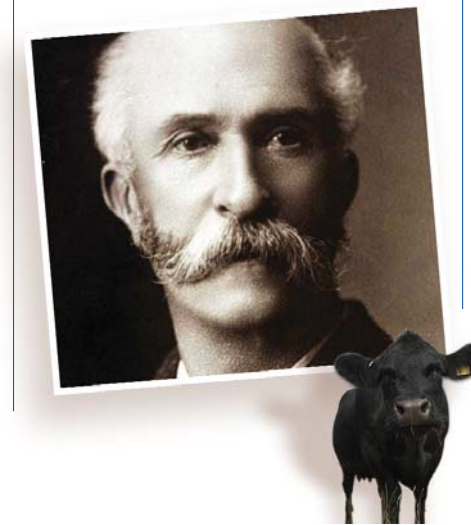
Aberdeen Philosophical Society or 'Wise Club' was founded in 1758. **Thomas Reid**, founder of the Wise Club, also founded the Scottish philosophical school of 'common sense', wrote 'An Inquiry Into the Human Mind on the Principles of Common Sense' and was a professor at King's College Aberdeen.

**Sir Thomas Sutherland** (1834 - 1 January 1922) was an Aberdonian banker and Liberal Party politician. He founded The Hong Kong and Shanghai Banking Corporation which was the founder member of HSBC Group and directed the P&O Company. He was educated at Aberdeen University.

**Thomas Glover** was born in Aberdeenshire in 1838 and arrived in Japan in 1859. He was one of the founders of Japan's industrial revolution, which has led to the country's present-day prosperity and is a national hero in Japan. He provided expertise as well as the equipment for ship-building and coal mining, helping to found the shipbuilding company which was later to become the Mitsubishi Corporation of Japan.

**Chivas Brothers** traces its roots to the opening of a grocery store at 13 King St, Aberdeen in 1801. In the early 1900s, Chivas Brothers decided to create their most aged blended Scotch whisky to export to the U.S. The whisky was named Chivas Regal and became a leading brand there.

The **Aberdeen-Angus** breed of cattle was developed in the early part of the 19th century from the polled and predominantly black cattle of North East Scotland. The breed's establishment was entirely due to the efforts of three very progressive lairds and farmers of that time: by line breeding and selection for type, these early pioneers established the foundation for what is arguably the greatest beef breed in the world.





# INTRODUCTION TO EU2020

Europe 2020 is the European Union's 10 year growth strategy. It aims to advance the EU to be a **smart, sustainable** and **inclusive** economy. These three priorities encourage Europe and its member states to deliver high levels of employment, productivity and social cohesion. The EU2020 strategy sets out an ambitious agenda which is built on a partnership between the institutions of the EU, national parliaments and national, local and regional authorities, so that every level of governance is involved in delivering the vision.

The strategy puts forward three mutually reinforcing priorities under which sit seven flagship initiatives to catalyse progress:

- **Smart growth:** developing an economy based on knowledge and innovation
  - Innovation Union
  - Youth on the Move
  - A Digital Agenda for Europe
- **Sustainable growth:** promoting a more resource efficient, greener and more competitive economy
  - Resource Efficient Europe
  - An Industrial Policy for the Globalisation Era
- **Inclusive growth:** fostering a high-employment economy delivering social and territorial cohesion
  - An Agenda for new Skills and Jobs
  - European platform against Poverty

The European Commission also proposes five measurable targets for 2020 that will steer the process and be translated into national targets. They represent the direction each member state should take and gives something against which to measure success. The targets are:

- **75% of the population aged 20-64 should be employed**
- **3% of the EU's GDP should be invested in Research and Development (R&D)**
- **The "20/20/20" climate/energy targets should be met**
- **The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree**
- **20 million less people should be at risk of poverty**

These targets are backed up by concrete proposals to make sure they are delivered. The flagship initiatives show how the EU can make a decisive contribution.

Europe 2020 will rely on two pillars: the thematic approach outlined above, combining priorities and headline targets; and country reporting, helping Member States to develop their strategies to return to sustainable growth.

Europe can succeed if it acts collectively, as a Union. The strategy is designed to help us come out stronger from the crisis and turn the EU into a smart, sustainable and inclusive economy. All national, regional and local authorities should implement the partnership, closely associating parliaments, as well as social partners and representatives of civil society. By establishing a permanent dialogue between various levels of government, the priorities of the Union are brought closer to citizens, strengthening the ownership needed to deliver the Europe 2020 strategy.

*We can see now that all of the above definitions for "Smart" can be applied to Aberdeen in some way:*

*The City has proven itself capable of learning quickly and adapting to changing circumstances and trends – it is innovative and outward looking and always has been. Its intelligence is also evidenced in the outstanding achievements of its academic institutions, the impact that its people have had all over the world and today's progression in terms of technical developments and innovative solutions.*

*Aberdeen is independent and thinks independently –*

geographically it may be one of the most peripheral cities in the UK but it refuses to be left out and plays a major role in the whole of Scotland and the UK. It takes its own direction, driven by its own unique position and reacts rapidly to changing circumstances, much like smart technology today.

*Aberdeen is fashion-forward* in as much as it is always a step ahead, taking the materials and knowledge that it has and using it to produce what the next generation will demand.

*Aberdeen is certainly quick to move* when it comes to innovation and developing new technologies, particularly in terms of energy: anchoring the oil and gas industry and embracing renewable energy technologies and their advancement. The City does not wait for opportunities to arise from elsewhere.

*Awareness, calculation and resourcefulness* describe the strategic approach of the city to capitalise on its position as leading energy hub and to negotiate its way into the best position possible. All of this is done in order to boost the economies of the UK and Europe and play a key role in their recoveries.



**Professor John Mallard**, the head of Physics at Aberdeen University, lead the physicists team who developed and tested the MRI (Magnetic Resonance Imaging) body scanning machine and brought its wide spread use to the medical profession.

**Bertie Forbes**, Scottish financial journalist, author and founder of the Forbes publishing empire was born in New Dear, Aberdeenshire in 1880. The empire's flagship publication, the Forbes magazine, is published biweekly and in 2009 was estimated to value \$750 million.

A century and a half ago Aberdeen was the hub of a thriving fishing industry; its harbours built, housed and skippered trawlers, tall clipper ships, deep sea schooners and whaling vessels. As a merchant marine capital it was second only to Glasgow in Scotland and Liverpool south of the border.



Launched in August 19th, 1868, THERMOPYLAE was one an extreme composite clipper ship built for the Aberdeen White Star Line. On her maiden voyage, THERMOPYLAE sailed to Melbourne in just 60 days, breaking speed records on each leg of the journey - only steamers had previously matched such speeds and this is still the fastest trip under sail. Elissa is a three-masted, iron-hulled sailing ship built in 1877 in Aberdeen, as a merchant vessel in a time when steamships were overtaking sailing ships.

Over the last 40 years, Aberdeen has reinvented itself from a provincial regional centre dependent upon fishing, farming and tourism to become the centre of the UK's national oil and gas exploration and production activity and Europe's most enterprising energy capital. With a track record of four decades of oil and gas exploration, and pioneering new technologies including marine renewables, Aberdeen is recognised as a Global Energy Hub.

In the last four decades the UK has produced nearly 28 billion barrels of oil and gas and still has substantial potential. It is estimated that 16 – 25 billion barrels of oil and gas remain to be recovered and Aberdeen is set to remain at the heart of the energy industry for the next 20-30 years.

Aberdeen is home to the largest concentration of upstream offshore experience in the world outside of Houston with around 1,000 energy-related businesses, agencies, government bodies and research institutes. A number of major energy businesses have significant offices in Aberdeen.

Aberdeen City and Shire boasts the largest concentration of subsea companies, technology, services and experience in the world. A 2011 study by Subsea UK revealed that the country's subsea oil and gas industry generates £5.9 billion in revenues, of which 50% is export sales. Around 75% of this input is based in Aberdeen City and Shire, making the region a global centre of subsea excellence. The subsea oil and gas sector is effectively transferring its knowledge, expertise and experience into marine renewables.



# ABERDEEN'S STRATEGIC ECONOMIC DIRECTION

## From European to National and Regional Levels

The Scottish Government's refreshed Government Economic Strategy (GES) states that:

"Central to our approach will be a renewed focus on cities and their regions, recognising the critical contribution they make as the drivers of economic growth."

The core of the Agenda focuses on building new partnerships and developing new ways of accessing finance to deliver large scale investment programmes. Scotland needs collaborative approaches that bring together the expertise of the public and private sectors at city region and national levels.

The public and private sectors have different strengths to offer and greater alignment and partnership between them will create even more compelling investment propositions.

At a regional level Aberdeen City Council takes its strategic economic direction from Aberdeen City and Shire Economic Forum (ACSEF), a regional public-private partnership wholly committed to securing economic stability in the short-term and delivering growth in the medium to long-term. It does this by influencing, facilitating and delivering projects and initiatives that ensure the right infrastructure is in place to anchor existing businesses and attract new investment and investors. This collaborative action is very much in keeping with the Scottish Cities strategy.

The public sector partners, Aberdeen City and Aberdeenshire Councils, as well as Scottish Enterprise, VisitScotland and Skills Development Scotland are fully signed up to the delivery of ACSEF's vision for the region for 2025. ACSEF provides a single voice to drive economic development that is absolutely unique in Scotland, if not in the UK.

**Vision:** "We aim by 2025, for Aberdeen City and Shire to be recognised as one of the most robust and resilient economies in Europe with a reputation for opportunity, enterprise and inventiveness that will attract and retain world-class talent of all ages... Our environment, our accessibility and our hospitality will make Aberdeen City and Shire one of the most interesting and enjoyable locations in the UK in which to visit, live, work and grow up."

This approach ties in with the European Commission's ideas for partnership work and for public and private collaboration. The teamwork approach exhibited by the Scottish Cities and the ACSEF strategies show that all players at all levels must work together to achieve such ambitious objectives.

The administrative coalition which constitutes the political power of Aberdeen City Council from the period 2012 – 2017, The Aberdeen City Scottish Labour Party, Conservative and Unionist Party, and Independent Alliance Group of Councillors have adopted a Programme for Aberdeen City Council for their time in office. The vision is for Aberdeen to be an ambitious, achieving, smart city where:

"We will ensure all citizens are encouraged and supported appropriately to make their full contribution... We will define the image of an international 21st century energy city, leading a new leaner, cleaner industrial revolution using the intensity of our social, business and community connections... At the centre of the vision lies the concept of 21st century sustainable living... We will take a European lead in adapting new transport and communication technologies to make this possible... We will help every citizen to improve their knowledge and skills, together contributing to our success as a learning city... We will challenge inequalities wherever they exist and bring our communities closer together."

The Programme is composed of 6 headings which neatly fit within the EU's own Strategy for growth:

- Smarter Governance (Participation)
- Smarter Living (Quality of Life)
- Smarter People (Social and Human Capital)
- Smarter Environment (Natural Resources)
- Smarter Economy (Competitiveness)
- Smarter Mobility (Transport and ICT)

# CLEAN POWER FOR TRANSPORT STRATEGY

Aberdeen is working in line with the latest European initiatives and priorities in achieving EU objectives and encouraging innovation. As detailed in a perfect example below, we are on track with highly developed projects which echo the aims of the European Commission and fit perfectly within the Union's own strategies.

The European Commission has an ambitious package of measures to promote an increase of alternative fuel stations across Europe with common standards for their design and use. The Commission is proposing binding targets on Member States for a minimum level of infrastructure for clean fuels such as electricity, hydrogen and natural gas, as well as common EU-wide standards for equipment needed.

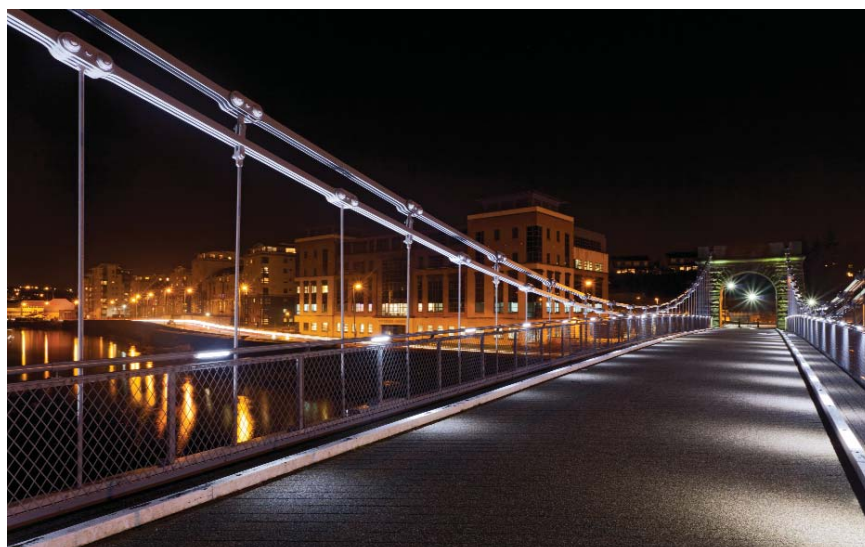
The Clean Power for Transport Package looks to steer the development of transport technologies, and focuses on infrastructure and standards to support national research, development and deployment efforts. The package of measures will be examined by the Council of the EU and the European Parliament, for final approval possibly by the end of 2013.

Clean fuel infrastructure is something currently being pioneered by Aberdeen where a number of key industry and public sector players have joined forces to demonstrate the EU's largest integrated renewable hydrogen project. Utilising Scotland's abundance of wind energy, the project both allows the greater development of renewable energy (by easing grid constraints) and the fuelling of Europe's largest fleet of hydrogen fuel cell buses.

The first phase of the project involves a budget of £20 million, which by early 2014 will deliver the following green hydrogen infrastructure in the city of Aberdeen: hydrogen production from a 1MW electrolyser powered by a wind turbine; means of transporting the hydrogen to the refuelling station; a state-of-the-art hydrogen refuelling station; and a fleet of 10 hydrogen buses.

Aberdeen City Council are also lead partner in the European-funded project HyTrEc, which aims to improve access to and advance the adoption of hydrogen as an alternative energy vector across the whole of the North Sea Region. The project is identifying and addressing structural impediments constraining the development of, access to and adoption of this alternative fuel in urban and rural settings.

Through HyTrEc, Aberdeen is providing a platform to support the collaborative development of strategy and initiatives and that will inform and shape the development of infrastructure, technology, skills and financial instruments to support the application of hydrogen based technologies across the entire region. This is very much in line with the principles of the Europe 2020 strategy as well as supporting the principles of the new Clean Power for Transport package.





# ABERDEEN WITHIN THE EUROPEAN CONTEXT

Over the years, Aberdeen City Council has successfully engaged with the European agenda in a number of ways. With the majority of legislation coming directly from the European Union, it is crucial that Scottish local government is represented in the heart of Europe so our engagement includes influencing European policy development through active membership of European networks. As well as this, Aberdeen City Council has successfully accessed significant amounts of European funding to deliver projects of both local and regional importance which in turn has delivered substantial private investment into the area. Aberdeen may be one of the most peripheral cities in the UK but it nevertheless displays a very active engagement with Europe.

## European Networks

Aberdeen City Council is actively engaged in several European networks which support its work relating to the influencing of policy and development of legislation, access to funding and the exchange of best practice:

- **Conference of Peripheral Maritime Regions (CPMR)**

In its dealings with EU institutions and national governments the CPMR has, since 1973, been targeting its action towards ensuring the needs and interests of its member Regions are taken into account in all policies with a high territorial impact. In particular, the CPMR is striving to ensure a strong EU regional policy targeted at all of Europe's regions and is also working towards the delivery of an integrated maritime policy designed to contribute towards Europe's economic growth.

- **Convention of Scottish Local Authorities (COSLA) Brussels Office**

COSLA is the representative voice of Scottish local government and also acts as the employer's association on behalf of all 32 Scottish Councils. COSLA's European work aims to ensure that the interests and rights of Scottish local government are safeguarded and advanced by EU policy and legislation.

- **The Covenant of Mayors**

The Covenant of Mayors is the mainstream European movement involving local and regional authorities, voluntarily committing to

increasing energy efficiency and use of renewable energy sources on their territories. By their commitment, Covenant signatories aim to meet and exceed the European Union 20% CO2 reduction objective by 2020. Covenant signatories undertake to prepare a Baseline Emission Inventory and submit a Sustainable Energy Action Plan outlining the key actions they are undertaking.

- **East of Scotland European Consortium (ESEC)**

Established in 1991, ESEC is a non statutory joint committee representing the interests of its local authority members in Eastern and North Eastern Scotland. Members collaborate on a shared European agenda centred on knowledge and information on EU funding, developing joint EU funded projects, influencing EU policy change and ensuring policy engagement.

- **Energy Cities Association**

Energy Cities is the European Association of local authorities inventing their energy future. Its main objectives are to strengthen local authorities' role and skills in the field of sustainable energy; to represent their interests and influence the policies and proposals made by EU institutions in the fields of energy, and environmental protection; to develop and promote their initiatives through exchange of experiences and the implementation of joint projects.

- **Local Authorities International Environmental Organisation (KIMO)**

KIMO was founded by local municipalities with a shared concern for the state of the environment. KIMO is designed to give municipalities a political voice at the international level, to share best practice and to find solutions to marine political problems that affect coastal communities. KIMO engages using practical, diplomatic and research based approaches.

- **North Sea Commission (NSC)**

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. The North Sea Commission also promotes the North Sea Basin as a major economic entity within Europe, by encouraging joint development initiatives and political lobbying at European Union level.

- **Scotland Europa**

Scotland Europa is a membership-based organisation that promotes Scotland's interests across the institutions of the EU and to the representatives of Europe's regions and Member States. Membership comprises a broad range of interests including business, education, local government, trade unions and voluntary sectors. Aberdeen City Council is a member of Scotland Europa through ESEC and this membership provides a direct link to Brussels-based intelligence and conference facilitates.

- **World Energy Cities Partnership**

In October 2009, nine WECP members signed the Calgary Climate Change Accord. These cities commit to being environmental leaders and catalysts for change by utilizing official policies and plans to reduce municipal government greenhouse gas (GHG) emissions. The Partnership is committed to addressing challenges through leadership and cooperation in energy capitals around the world.

- **Town Twinning**

Town twinning is an important way of promoting awareness of Europe and of European affairs. Aberdeen has 3 European twin cities: Regensburg (Germany), Clermont-Ferrand (France) and Stavanger (Norway). The links with our twin city partnerships are very active and have involved visits and projects in cultural, music, sport, educational, economic and training aspects. They can help provide a platform for: exchange of experiences and creation of networks, increased cultural awareness, building international relations, finding solutions to common problems and sharing knowledge and best practice.





## Glossary

<i>ACC</i>	Aberdeen City Council.	<i>Public Sector</i>	A part of the state that deals with either the production, delivery and allocation of goods and services by and for the government or its citizens, whether national, regional or local/municipal.
<i>ACSEF</i>	Aberdeen City and Shire Economic Forum.	<i>Rowett Institute</i>	The Rowett Institute of Nutrition and Health was founded in 1913 and has been part of the University of Aberdeen since 2008.
<i>Best Practice</i>	a method, process, or activity which conventional wisdom regards as more effective at delivering a particular outcome than any other technique.	<i>Subsea</i>	Subsea is a general term frequently used to refer to equipment, technology, and methods employed in offshore oil and gas developments and offshore wind power industries.
<i>EU2020</i>	The European Commission's Strategy for Smart Sustainable and Inclusive Growth by 2020.	<i>Sustainable</i>	Able to be maintained at a certain rate or level. Able to be upheld or defended. Especially of development, exploitation, or agriculture: conserving an ecological balance by avoiding deletion of natural resources.
<i>Framework</i>	An essential supporting structure underlying a system, concept or a text	<i>Town Twinning</i>	The cooperative agreements between towns, cities and even counties in geographically and politically distinct areas to promote cultural and commercial ties.
<i>Granite</i>	A type of rock. Granite is hard and tough and therefore has gained widespread use as a construction stone.	<i>Upstream</i>	The upstream oil sector is a term commonly used to refer to the searching for and the recovery and production of crude oil and natural gas. The upstream oil sector is also known as the exploration and production (E&P) sector.
<i>Local Authority Networks</i>	An administrative unit of local government. A group of people who exchange information, contacts, and experience for professional or social purposes.		
<i>NRP</i>	National Reform Programme.		
<i>Partnership</i>	A cooperative relationship between people or groups who agree to share responsibility for achieving some specific goal.		
<i>Private Sector</i>	Organizations and entities that are not part of any governmental structure. Includes for-profit and not-for-profit organizations, formal and informal structures, commerce and industry, private emergency response organizations, and private voluntary organizations.		

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