

## ABERDEEN CITY COUNCIL

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COMMITTEE	Communities, Housing & Infrastructure
DATE	13 January 2015
DIRECTOR	Pete Leonard
TITLE OF REPORT	External Funding Plan
REPORT NUMBER	CHI/14/084
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

The purpose of this report is to present the external funding plan to committee for approval along with a request for future overseas travel necessary to support the implementation of the plan.

The External Funding Plan and associated travel has been prepared to outline the clear links between EU policy, national policy and local strategies such as the Single Outcome Agreement, Strategic Infrastructure Plan, Aberdeen: A Smarter City and project development. By establishing these links the team can identify potential sources of grant funding which can be used to implement local objectives whilst contribution to wider national and EU policies and strategies.

Many of the EU and national polices are focused upon long term sustainable development. By taking a lead on these areas the team ensure that Aberdeen is an early mover in the adoption of new technologies, such as the Hydrogen Bus Project, a leading city in developing innovative projects, which helps to attract investment in the region creating jobs and sustainable growth.

There are growing pressures on all public funds, and therefore the ability to secure external grant funding enables the Council to be able to do more with the existing resources. The bidding process for external funds means that it is important to be able to demonstrate why one region is a better candidate over another to secure external funds. For this reason, an external funding plan and associated travel is an important document to demonstrate the joined up partnership at local, national and international level.

### 2. RECOMMENDATION(S)

It is recommended that committee:

- a) Approves the External Funding Plan (Appendix 1) and travel identified within, valid up to and including 2020. ( Cllr Crockett to travel for CPMR and NSC related work as Council's elected member)
- b) Approves travel in connection with HyEr of one officer and Cllr Crockett (Board Chair) for up to four meetings per year within the EU, up to and including 2020. (ref. 5.1)
- c) Approves travel in connection with the European Innovation Partnership of Smart Cities for 1 officer. A maximum of 4 meetings per year within the EU up to and including 2020.(ref 5.2)
- d) Approves travel in connection with the CPMR Energy and Maritime Group for one officer for up to four meetings per year, up to and including 2020. (ref 5.3)
- e) Approves travel for two officers to attend the Hydrogen Fuel Cell Conference February 2015, including a visit to Toyota and Nagasaki, Japan. (ref 5.4)
- f) Approves travel for two officers to attend the Hannover Messe, Europe's largest hydrogen, fuel cell and battery exhibition, in April 2015. (ref 5.5)
- g) Approves travel in April 2015 for two officers to attend the Canadian Hydrogen Fuel Cell conference in Vancouver in April 2015. (ref 5.6)

### 3. FINANCIAL IMPLICATIONS

This report has no state aid implications.

The cost of travel will be met from existing service budget, with travel prioritised for meetings which have added value to the council.  
Where any additional costs are to be incurred beyond existing budgets then committee approval will be required first.

### 4. OTHER IMPLICATIONS

Legal – All external funding grant awards must be signed off by legal.

Legal – All projects must be given committee approval prior to accepting any offer of grant.

Resource – Travel costs will be met from existing service budget.  
Where match funding is necessary from the Council this will require to be identified on a project by project basis. As each project is subject to a committee report then the resource implications will be considered on a case by case basis.

Whilst the External Funding Plan has a primary focus on securing external funding, the team also undertake work to ensure the projects are aligned to EU, national and local policy, to maximise the impact of the projects at a local level.

## 5. BACKGROUND/MAIN ISSUES

An internal audit praised the work of the Projects, partnership and Funding team, but noted that there was not a formalised approach to the work of the team. Since the internal audit the team have examined their work, and the approach and looked to formalise this to evidence the strategic and practical nature of their work.

The External Funding Plan is a comprehensive overview of the areas of work of the team and it sets out the support which the team provides. There is evidence of past success in securing significant amounts of external funding, making the team one of the most successful in Europe.

<b>Project Title</b>	<b>Programme</b>	<b>€ Grant Awarded</b>
Lively Cities	INTERREG North West	111,246
MUSIC	INTERREG North West	322,576
IMCORE	INTERREG North West	47,605
SURF	INTERREG North West	209,668
Build With CaRe	INTERREG North Sea	492,010
Care North	INTERREG North Sea	205,000
Hydrogen Transport Economy	INTERREG North Sea	221,549
LOWCAP	INTERREG North Sea	89,750
North Sea SEP	INTERREG North Sea	198,334
StratMoS	INTERREG North Sea	153,000
PERIURBAN	INTERREG IVC	97,640
ACHES	ERDF	842,850 (£757,630)
Hyacinth	FCH-JU	37,664
Hydrogen Bus Project	FCH-JU	9,820,000
EOWDC	EU Economic Recovery Fund	40,000,000
	<b>TOTAL</b>	<b>52,848,892</b>

In order to continue to secure external grants and be a leading EU region, the external funding plan recognises the importance of participation in a number of networks which help to position the council

as a leading EU city and maintain our reputation as a trustworthy and diligent partner in transnational cooperation projects.

Participation in these networks often requires overseas travel and therefore this report includes requests for overseas travel, both within the report (where paramount to the work of the team), and externally within this report for areas which form parts of ongoing work streams.

The reasons why these travel requests are included now are to enable bookings to be made earlier and therefore at lower cost. The number of meetings put forward is a maximum number and all travel will be kept to the minimum necessary. However, committee approval at this time will support the finding of Internal Audit, that a more strategic and long term approach should be taken to ensure efficiency and maximum impact and the least cost possible to the Council.

- 5.1 **HYER** – At EP&I Committee on 3<sup>rd</sup> June 2014 (EPI14/117) committee resolved to “Approves the request to nominate a member of the EP&I Committee to the HyER Board. Their role would be to support decision-making on the actions of HyER.”

The HyER Board meets three times a year in Brussels, or another member location, as well as once a year via teleconference. There are also informal Board update calls every Wednesday in which the latest HyER and relevant regional, national and EU activities are discussed.

Given Aberdeen City Council’s leadership in Hydrogen Fuel Cells, for example the recent arrival of the hydrogen bus to the city, it is appropriate to consider the nomination of Cllr Barney Crockett to the HyER Board to observe the actions of other member countries as well as decision making for the running of HyER. Their nomination to the Board can also possibly lead to hosting the HyER AGM where the city can demonstrate its forward looking vision and further promote our international and business links. Participation on the board can further lead to join Taskforces such as Smart Cities and Communities and Ten-T (The Trans-European Transport corridor) as examples. It also allows Aberdeen City Council to disseminate information on Aberdeen City on an international scale. It will ensure Aberdeen remains at the forefront of research and innovation, continuing to make the city an internationally recognised energy and sustainability hub.

The recommendation requests approval for travel to meet the requirements identified with the board position in the June report and seeks approval for that travel up to and including 2020, or earlier if the board position is no longer held.

- 5.2 **EIP Smart Cities – European Innovation Partnership on Smart Cities and Communities**

The European Innovation Partnership on Smart Cities and Communities (EIP-SCC) brings together cities, industry and citizens to improve urban life through more sustainable integrated solutions. This

includes applied innovation, better planning, a more participatory approach, higher energy efficiency, better transport solutions, intelligent use of Information and Communication Technologies (ICT), etc.

The aim of EIP-SCC is to bring about scalable and transferable solutions to contribute to the EU's 20/20/20 climate action goals and reduce high energy consumption, green-house-gas emissions, bad air quality and congestion of roads. The Partnership also aims to overcome bottlenecks impeding the changeover to smart cities, to co-fund demonstration projects and to help coordinate existing city initiatives and projects, by pooling its resources together.

Aberdeen City Council has been invited to join the invited to join the action cluster Sustainable Districts and Built Environment and will play an important part in the common effort to build a dynamic market-place for smart city projects and solutions in Europe.

The kick-off of the action clusters and start of the implementation phase of this partnership will begin with a workshop "European Innovation Partnership on Smart Cities and Communities - integrating sectors, solutions and citizens" on the 8<sup>th</sup> October in Brussels. This event is addressed at cities and regions and the two main topics are:

- funding and financing opportunities for cities,
- city commitments, financing needs and regional cooperation between cities.

This event will be followed with the kick-off meeting of the action clusters and hence the start of the implementation phase of this partnership on 9<sup>th</sup> October in Brussels. It is proposed that a nominated Officer from the External Funding team will attend the workshop and meeting to be present at initial discussions and disseminate information to ACC Officers on their return. The information and discussions from the partnership platform can be used in ACC's high profile projects and initiatives to be a 'Smarter Aberdeen'.

- 5.3 **CPMR Energy** - 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 Conference of Peripheral Maritime Regions, North Sea Commission and on the various EU funding programmes in order that we are kept fully informed of all new European Policy and funding opportunities through its continuing attendance and input into the Conference of Peripheral Maritime Regions (CPMR), NSC, the various thematic groups and project development meetings. Such activity will also contribute in us being able to draw down external monies to develop and deliver projects for the Council.

The CPMR "Energy - Climate" working group was created by the CPMR in 2004.

Its objectives are:

- In general, to develop a comprehensive approach to the energy issue, but with special attention on the energy balance and the use of energies of marine origin.
- To reflect on the nature of the relationship between production sites and places of consumption of energy in the context of a market economy and within the framework of the European Union and in particular, to promote the energy potential of Peripheral and Maritime Regions.
- To better understand, given the experience of the various regions, the places of power and decision-making in terms of energy.
- To promote better forms of governance amongst other things, to better manage conflicts that may occur in a region where the development of energy production is fraught with various oppositions.

To this end, the "Energy - Climate" Working Group intends:

- To inform and advise all the CPMR on matters relating to energy,
- To lead in accordance with decisions taken by the CPMR bodies, the actions necessary to defend the specific interests of Peripheral and Maritime Regions by intervening as appropriate to the European institutions during the development and implementation of European laws.
- To promote the exchange of experiences and good practices between the Peripheral and Maritime Regions.

The CPMR Energy - Climate Working Group is currently chaired by the Autonomous Region of Navarre.

Its work is developed by a Steering Committee and coordinated by Mr Jean-Didier Hache.

**5.4 Japan** - The 11<sup>th</sup> International Hydrogen Fuel Cell Expo is being held in Tokyo from the 25<sup>th</sup> to the 27<sup>th</sup> of February 2015. This Exhibition and Conference attracted over 75,000 visitors from all over the world last year and it is the largest Fuel Cell event in the world. The exhibition area is so large and attended by various Politician's and officers that it is essential to have a senior Politician and a few officers that we could make best use of attending and viewing various technologies, meetings and meet different industry partners and suppliers that could help Aberdeen become a leading City in Hydrogen from renewable energy.

This exhibition and conference on Hydrogen Fuel Cells (technical side) is a multi-disciplinary international conference on the production of hydrogen through various methods as well as its use in various systems. It will have particular value and interest to researchers, scientists, engineers and practitioners who are working in the field of hydrogen production technologies, ranging from policy making and technical development to management and marketing.

It will provide a forum for the exchange of latest advances and technical information, dissemination of new research developments in the areas of hydrogen production and usage, and presentations

involving the future directions and priorities in the hydrogen economy for a sustainable future. This time the focus goes even beyond hydrogen production with a special emphasis on storage.

The on-going work with the Hydrogen Strategy means that attendance at these events is necessary to ensure that the private sector can see Aberdeen as a region with a strategic vision to develop a sustainable low carbon economy. By being an early mover we will be well positioned to attract investment and benefit from the development of the necessary skills and expertise for these new economic markets, which are created as a result of the conditions of long term EU policy such as Europe 2020.

Toyota Car Corporation Hydrogen Research team visited Aberdeen this September after Aberdeen City Officers visited them in February 2014 in Japan. The Toyota research team have confirmed that they were very impressed with Aberdeen's interest in Hydrogen and will be approaching their sales team to look at how Toyota can place some of their fuel cell cars in Aberdeen in 2015/16 and have requested that Aberdeen City send some its officers to their headquarters to participate in talks with their commercial team. They have also assured us that they will look at making arrangements for us to visit their Hydrogen bus team to look at possibilities to the deployment of their buses in Aberdeen.

We will also take this opportunity to visit Nagasaki to strengthen our friendship with this city and try and convince Mitsubishi Corporation that they should look at investing more in Aberdeen.

5.5 **Hannover** - The Hannover Trade Fair and Industry Technology is the biggest event of all Renewable technologies in Europe. Last year it had over 6,550 exhibitors from around the globe and this event covers a huge area that requires buses to transport you around the exhibition areas. They have a fully dedicated exhibition space for Hydrogen Fuel Cells and as members of HyER we will work with HyER to use part of their stand to showcase Aberdeen and its great work in Hydrogen technology its aspirations of becoming a leading city in this new emerging technology.

EU and national policies and targets dictate that we must see an increase in the uptake of renewable energy as well as a reduction in carbon emissions. In addition, there is an obligation on Aberdeen to improve air quality. Local policies and strategies such as the Hydrogen Strategy and the development of the Sustainable urban Mobility Plan aim to ensure that Aberdeen can reach these targets. These challenges are not unique to Aberdeen though, and if we want to ensure that we find the solutions then we need to promote our vision at events such as this so that we can attract the necessary investment into the area which will lead to the achievement of these targets. Events such as this are an opportunity to showcase the planning and vision of the city and to promote it as an area where the private sector should look to make investments.

5.6 **Canada –** The Canadian Hydrogen and Fuel Cell 2015 conference is a premier summit for this industry and with Fuel Cells in our Hydrogen buses from Ballard in Canada and the ACHES fuelling station being built by Hydrogenics from Canada it is important that the City is well represented at this conference and try our best to attract manufacturers from Canada to invest in Aberdeen and make use of the existing knowledge within the oil industry, the two universities and the developing renewables industry.

Attendance at this event will help to position Aberdeen as a city which is open for investment from the private sector. Having a presence at this event will help to promote the existing Hydrogen Economy For Aberdeen City and give confidence that the City is working to develop the conditions to support and enable a long term sustainable economy, which looks beyond the lifetime of finite resources.

## 6. IMPACT

The External Funding Plan demonstrates the links between the Smarter City priorities and how external funds are targeted to support its implementation fully and with the offer of support to all council services. The travel requests which are primarily focused on Hydrogen and renewable energy events which will help to implemented a number of the Smarter Aberdeen priorities;

### **Smarter city**

“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.” The recommendations within this report are all focussed upon ensuring that the ways in which we work give us an international dimension to ensure that we work with industry and are also seen as being a region which is supportive of investment and development of a low carbon economy.

“Smarter Economy – We will work with partners to promote the city as a place to invest, live, work and export from.” Having a presence at exhibitions is necessary to promote the city to those industry bodies outside of the region if we want them to invest in the area.

“Smarter Mobility – We will provide and promote a sustainable transport system, including cycling, which reduces our carbon emissions.” Much of the on-going work relating to hydrogen is focussed on transport. In addition there are numerous external funding opportunities coming on board in the near future which relate to the green of transport and the development of a low carbon transport system. The External funding team will support services to maximise

their resources through securing external funding to increase the resources available.

**The External Funding Plan** which is recommended for approval has been designed to give the team a more strategic approach to securing external grants. The plan outlines the significant amount of external funds secured since 2007. As a consequence of reduced public budgets, there is an increasing competitiveness to secure external funding, and therefore the external funding team have developed their plan to take a more strategic approach to our work. The recommendations within this report are all relevant to enabling the team to undertake their duties, and the strategic approach is allowing us to plan further ahead than has been the case in the past.

## 7. MANAGEMENT OF RISK

All projects are required to include a risk assessment. The development of an external funding plan is a measure undertaken to outline the strategic approach of the council in securing external funds. This approach is intended to reduce risk by focusing on key areas which support implementation of existing priorities of the council.

The External funding plan is designed to reduce risk to the council by ensuring a strategic approach to the external networks which we use to support access to external funds, as well as how we approach project development for external funds.

## 8. BACKGROUND PAPERS

## 9. REPORT AUTHOR DETAILS

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## **APPENDIX 1 – EXTERNAL FUNDING PLAN**

### **Foreword**

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, Member States, regional and local authorities.

Aberdeen City Council recognises the important influence of the Europe 2020 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 those of Europe.

For the Europe 2020 Strategy (EU 2020) to be realised, public policies and funds need to be applied in a way which is smart, sustainable and inclusive. Aberdeen City Council has already launched, in 2013, the City's contribution to the strategy's implementation and progress made so far towards the targets in our Smart Aberdeen 2020 Strategy for Growth document. This was published alongside a Smart Aberdeen document which outlines the existing work going on in the City to support implementation of Europe 2020, demonstrating our high level of partnership working and ability to deliver.

This External Funding Plan is designed to ensure that we continue to draw down external funding to enable continued implementation of Europe 2020 within the 2014-2020 funding period. In order to maximise our ability to be a leading European City we must have a clear strategy in place so that we make the best use of external funding and that it provides the maximum value added where awarded.

The purpose of this plan is to identify the objectives of the Council within the new funding period and align them to EU objectives. An overview of the main funding programmes is provided to demonstrate where there may be potential opportunities to support delivery of Council objectives. The External Funding team will work to identify these opportunities and exploit them to the benefit of Aberdeen City Council. As these are new programmes, some of which are not finalised, it is not possible to go so far as to match individual projects to programme. In many cases a project may be eligible within more than one programme. The External Funding Team will use their knowledge to identify the most appropriate programme.

## **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 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 (NRP's) which outline progress and contributions 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 annual submits a complimentary Scottish National Reform Programme to the European Commission as well as contributing to the UK Government NRP. The purpose of this External Funding Plan is to ensure that there is a strategic approach taken by Aberdeen City Council in the 2014-2020 period to accessing external funding. This document will demonstrate the links between the key local strategies and identified actions to the implementation of EU 2020, and further demonstrate a strategic approach towards accessing external funding.

Aberdeen City Council has published its Strategic Investment Plan (SIP) for the next five years, the timing of this allowing for identification of opportunities to attract EU funding for enhanced delivery of the SIP in the area. There are other key Plans and Strategies in the area which we will demonstrate alignment to the priorities of EU Programmes in order to attract external funding towards delivery of these plans. The Single Outcome Agreement is fundamental in demonstrating the links between local, national and EU objectives, particularly as EU funding can be used to enable additional activity, often helping to improve the work within the area to the benefit of citizens and businesses in Aberdeen.

Europe 2020 is an important strategic document and it is clear that any local authority wishing to be taken seriously at EU level must demonstrate their commitment to it. For Aberdeen City Council which is so actively engaged in European partnership working, the Aberdeen 2020 document outlines our highly successful track record, as well as setting out our strategic approach towards future partnership working across Europe.

## **Why do we need an External Funding Strategy**

As is the case for many Local Authorities we continuously have to make financial cutbacks. To continue to deliver our key targets and objectives it is important that we draw down external funding from a range of sources. In order to be successful and efficient there must be a strategic approach, whereby local strategies and plans are aligned to EU 2020 and that relevant funding programmes are identified and approached to support delivery of the local, national and EU targets and objectives, as well as those of the specific funding programme.

To undertake projects at EU level there is a need for a partnership approach. This helps to ensure that common solutions can be developed for shared issues and that by working together this will enable the sharing of best practice.

An External Funding Strategy will provide a clear vision of the priorities for Aberdeen City Council, giving potential project partners a clear understanding of the priority areas where we want to develop projects. It is also very helpful for internal purposes so that other Council services responsible for delivery of key actions will be made aware of the role which the team play in developing projects and partnerships, and the after care support to ensure full compliance with EU financial regulations. This then allows those services to focus fully on the physical project delivery.

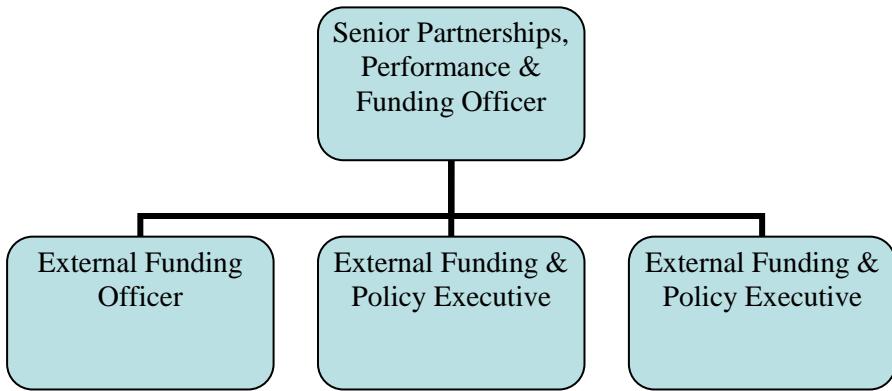
## **Background**

Aberdeen City Council has a vast amount of experience of working at the EU level. In the 2007-13 programme period Aberdeen City Council were involved in a large number of projects, which have had a very positive impact and supported implementation of local, national and European objectives.

Having established a strong reputation at EU level as a reliable and efficient partner, many other regions are now interested in working with Aberdeen in the future programme period 2014-2020.

Before we fully engage in any partnerships for this period it is important that we take a strategic approach towards identifying the areas where we are looking to develop partnerships which will help Aberdeen to realise its objectives with EU support. This External Funding Plan will provide the foundation for our future EU engagement, outlining the areas where we are seeking to engage with other regions across Europe. The main reason for developing such a plan is to demonstrate the clear alignment between local, national and European policies, which provides a clear justification to undertake projects to support their implementation.

## External Funding Team



Alongside this External Funding Plan will sit guidance on the development, management and delivery of externally funded projects. This will outline the role of the External funding team at all stages from the project initiation to its closure. This plan is not intended to outline the various external funding programmes, but to outline the priority areas for which external funding shall be sought to enable delivery.

The team are here to ensure access to external funding is maximised and in order to do this it is important that knowledge of funding opportunities is communicated across the Council. In order to achieve this, the team will run a minimum of one workshop per annum to increase awareness of the opportunities and the remit of the team. In addition there will be regular reports to committee with updates on external funded projects.

Previous Internal Audits have noted that importance of the team remaining involved throughout the duration of the project. This is not towards physical project delivery, but to ensure compliance with funding programmes and ensure that financial returns are accurate and that funding bodies have a constant contact at the Council. It is important to develop and maintain good working relationships with these programmes and build trust so that where there are any issues, the Programme have confidence in our ability to resolve these quickly.

### Role of the External Funding Team

At a time when Local Authorities are being faced with a reduction in their budgets, it is important to seek external sources of funding to enable delivery of projects which will ensure long terms sustainable economic growth within the area.

In order to play a key role in this the External Funding team shall;

- **Seek the maximum intervention rate available from the funding programmes to ensure the maximum grant can be secured.**
- **Seek to secure match funding from other external funding sources to reduce the total costs to the Council.**

At the same time, it must be noted that the resources of the External Funding Team are also limited. Most projects require a significant lead in time, particularly to ensure that strong partnerships are in place and funding packages can be put together as well as development of project applications. Therefore it is essential that the External Funding Team;

- **Prioritise our resources towards strategic projects which are outlined within this document. Other projects may be developed, but will not be given priority.**

The External Funding Team is in place to enable colleagues to secure the necessary funding and partnerships for the delivery of projects. The team also provide ongoing support to ensure that projects remain compliant with the rules of the various funding programmes. In order to ensure that Elected Members are aware of the opportunities to secure external funding to the Council the External Funding Team will;

- **Organise an event with speakers from External Funding bodies to discuss the benefits to Aberdeen of participating in projects supported by those programme.**

To ensure that officers are aware of the availability of external funding, and the role of the External Funding Team in accessing these funds, the External Funding Team will;

- **Develop guidance documentation to outline the roles and responsibilities of the External Funding Team and Project Managers.**
- **Deliver training and guidance workshops.**

A key requirement of the team is to develop and maintain transnational partnerships for project delivery. Two of the main bodies used for this are the North Sea Commission and the Conference of Peripheral Maritime Regions. In addition officers require to develop and maintain strong working relationships with bodies in Brussels such as Scotland Europa, Horizon 2020, European Commission, European Parliament.

To ensure that officers are able to attend meetings when called at short notice the team will, on approval of this plan, have committee approval to travel within Europe for the following meetings each calendar year from 2014- 2020 (inclusive), if deemed necessary. This approval will still be subject to corporate approval.

- North Sea Commission General Assembly (1 per year)
- North Sea Commission Executive Committee (up to 3 per year)
- North Sea Commission Economic Development Group (up to 4 per year) – 1 officer plus Cllr Crockett (group vice-Chair)
- North Sea Commission Climate Change Group (up to 4 per year) – 1 officer and 1 elected member (to be nominated)
- Conference of Peripheral Maritime Regions (1 per year)
- Brussels Business trips (up to 8 per year)
- \*Project Development Meetings (up to 12 per year)

\*These meetings typically take place prior to the project going to committee for approval and are necessary to develop the grant application. They cannot go to committee for approval in advance as the meetings are necessary to determine the funding package.

It should also be noted that as far as possible the team will make use of teleconference and video conference facilities to minimise costs.

## **EU Funded Projects 2007-13**

In order to maximise the limited resources which Aberdeen City council has it is important to secure external funding to enable delivery of projects which otherwise may not be able to proceed due to a lack of funding.

The table below outlines the projects which Aberdeen City Council has secured external funding for in the 2007-13 programme period.

Whilst the external funding itself is a huge benefit to Aberdeen City Council, there are other benefits of partnership working, particularly on a transnational level. The opportunity to exchange best practice and develop common solutions to shared problems across wider geographic boundaries will help to ensure that Aberdeen City Council continues to be seen as an area which is leading Europe towards achievement of the EU2020 objectives.

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Lively Cities	INTERREG North West	111,246
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IMCORE	INTERREG North West	47,605
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Hydrogen Bus Project	FCH-JU	9,820,000
EOWDC	EU Economic Recovery Fund	40,000,000
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\*ERDF – European Regional Development Fund

\*FCH-JU – Fuel Cell Hydrogen – Joint undertaking

## **Policy Alignment & Implementation**

The EU's overarching economic strategy, "Europe 2020", aims to create a framework for a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. This document will guide all future EU activity, including funding programmes and sets targets for Member States on the key priorities. It has 3 key priorities which have been used to set a framework for this strategy.

### **Europe 2020 - Main priorities:**

- **Smart growth:** developing an economy based on knowledge and innovation.
- **Sustainable growth:** promoting a more resource efficient, greener and more competitive economy.
- **Inclusive growth:** fostering a high-employment economy delivering social and territorial cohesion.

The 3 main priorities are complemented by seven flagship priorities for growth:

- **Innovation Union** – to improve framework conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs.
- **Youth on the Move** – to enhance the performance of education systems and to facilitate the entry of young people to the labour market
- **A Digital Agenda for Europe** – to speed up the roll out of high speed internet and reap the benefits of a digital single market for households and firms
- **Resource Efficient Europe** – to help economic growth from the use of resources, support the shift towards a low-carbon economy, increase the use of renewable energy sources, modernise our transport sector and promote energy efficiency
- **An Industrial Policy for the globalisation era** – to improve the business environment, notably for small and medium sized enterprises (SMEs) and to support the development of a strong, sustainable industrial base able to compete globally.
- **An Agenda for New Skills and Jobs** – to modernise labour markets and empower people by developing their skills throughout the life cycle with a view to increase labour market participation and better match labour supply and demand, including through labour mobility
- **European Platform Against Poverty** – to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.

At a local level there are two overarching key documents which are aligned with EU policy and towards investment. The Strategic Investment Plan focuses on the key projects for Aberdeen which are of high strategic importance. The Single Outcome Agreement sets out our measurable objectives linked to National Policy. These objectives can be closely aligned to EU 2020 and the table below demonstrates these links. Delivery of those objectives will therefore be linked towards implementation of EU 2020.

EU 2020 Strategy		Community Planning/SOA	
Main Priority	Flagship Initiative	Theme(s)	Local Objectives
Smart Growth	Innovation Union Youth on the Move Digital Agenda	Learning & Workforce Digital City	<ul style="list-style-type: none"> <li>- Reduced levels of unemployment</li> <li>- Universal literacy</li> <li>- Aberdeen is digitally connected ensuring equal opportunity of access to services for all people and support for business development</li> </ul>
Sustainable Growth	Resource Efficient Industrial Policy	Economic Growth Integrated transport	<ul style="list-style-type: none"> <li>- The city is recognised as good place to invest, live, work, visit and export from</li> <li>- Aberdeen is easy to access and move around in</li> </ul>
Inclusive Growth	Skills and jobs  Platform Against Poverty	Safer  Health & Wellbeing  Older People  Children & Young  Priority families	<ul style="list-style-type: none"> <li>- People feel safe in Aberdeen's communities</li> <li>- Improved mental and physical health and social inclusion of long term unemployed by equal access to employability opportunities</li> <li>- More older people in Aberdeen are benefiting from "Active aging"</li> <li>- Every child and young person in Aberdeen enjoys being young and at the same time feels safe, nurtured, healthy, active, included, respected and responsible</li> <li>- Communities demonstrate independence, resilience, confidence, self-esteem and aspiration. Preventative approaches reduce the number of families experiencing multiple and complex negative outcomes</li> </ul>

## **Strategic Infrastructure Plan**

Delivery of the Strategic Investment Plan (SIP) is more prescribed, with specific projects identified. Projects within the SIP present opportunities for the development and demonstration of innovative approaches and techniques to what are seen as common challenges across Europe. The table below lists the identified projects and the EU 2020 Flagship Initiative which their delivery can support implementation of.

<b>Project</b>	<b>EU 2020 Priority</b>	<b>EU 2020 Flagship Initiative</b>
Enable delivery of Affordable Houses	Inclusive Growth Sustainable Growth	Platform Against Poverty Resource Efficient
Housing element of the Strategic Development Plan	Inclusive Growth Sustainable Growth	Platform Against Poverty Resource Efficient
Housing and Wider Regeneration	Inclusive Growth Sustainable Growth Smart Growth	Skills and jobs Resource Efficient Youth on the Move
Accelerate Aberdeen	Inclusive Growth Sustainable Growth  Smart Growth	Skills and jobs Resource Efficient Industrial Policy Digital Agenda Innovation Union
Central Road Infrastructure	Sustainable Growth	Resource Efficient Industrial Policy
Dyce Drive Link Road	Sustainable Growth	Resource Efficient Industrial Policy
Third Don Crossing	Sustainable Growth	Resource Efficient Industrial Policy
Access from the South	Sustainable Growth	Resource Efficient Industrial Policy
Cross-city Transport Connections	Smart Growth Sustainable Growth	Digital agenda Resource Efficient Industrial Policy
Promote Oil and Gas Academy for Scotland	Smart Growth Inclusive Growth	Innovation Union Skills and Jobs
Marischal Square Development	Sustainable Growth Inclusive Growth	Resource Efficient Skills and Jobs
City Centre Regeneration	Smart Growth Sustainable Growth Inclusive Growth	Digital Agenda Resource Efficient Skills and Jobs
Art Gallery Redevelopment	Smart Growth Inclusive Growth	Youth on the Move Skills and Jobs
Aberdeen Exhibition and Conference Centre (AECC)	Inclusive Growth Smart Growth  Sustainable Growth	Skills and Jobs Innovation Union Digital Agenda Resource Efficient Industrial Policy
Aberdeen Western Peripheral Route	Sustainable Growth	Resource Efficient Industrial Policy
Aberdeen Hydrogen Project	Sustainable Growth  Smart Growth Inclusive Growth	Resource Efficient Industrial Policy Innovation Union Skills and Jobs

### ***Aberdeen A Smarter City***

This is a vision of Aberdeen City Council which is broken down into six themes. The implementation of this vision will require projects to be developed and delivered. These projects have not been developed and therefore the External Funding team will look to make use of existing networks to develop partnerships and projects which can aid the delivery of this vision.

<b>Smart Aberdeen</b>	<b>EU 2020</b>
Smarter Governance	Inclusive Growth
Smarter Living	Inclusive Growth, Sustainable Growth
Smarter People	Inclusive Growth, Smart Growth
Smarter Environment	Sustainable Growth
Smarter Economy	Inclusive Growth, Sustainable Growth
Smarter Mobility	Smart Growth, Sustainable Growth

The links between the local vision for Aberdeen and the EU 2020 Strategy mean that access to external funding is much more likely because of the strategic alignment and common objectives which most Programmes demand to see as part of the wider strategic fit of projects within EU, national and local policy objectives.

### **ACSEF**

Recognising that ACSEF is the regional economic vision for both Aberdeen and Aberdeenshire, external funding teams within both local authorities have agreed to work in cooperation to identify any external funding opportunities which could enable implementation of the action plan.

### **NESTRANS**

Nestrans purpose is to develop and deliver a long-term regional transport strategy and takes forward strategic transport improvements that support and improve the economy, environment and quality of life across Aberdeen City and Shire. In order to facilitate this, officers from both Aberdeen and Aberdeenshire Council will cooperate to seek to identify and external funding opportunities which could enable implementation of the Regional Transport Strategy.

## INTERREG North Sea Region Programme

Priority Axes for the North Sea Region Programme 2014 - 2020  
as concluded in November 2013



Thematic Objective	Investment Priority	Specific Objective
<b>I) Thinking Growth - Revitalising economies in the North Sea Region</b>		
1) Strengthening research, technological development and innovation	c) Promoting business investment in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education, in particular product and service development, technology transfer, social innovation and public service applications, demand stimulation, networking, clusters and open innovation through smart specialization supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in Key Enabling Technologies and diffusion of general purpose technologies	Develop new or improved knowledge partnerships between businesses, knowledge institutions, public administrations and end users with a view to long-term cooperation (post project) on developing specific products and services
		Enhance regional innovation support capacity so that it will allow regions to effectively increase innovation levels after the end of the funding period and particularly in line with smart specialization strategies
		Stimulate the public sector in generating innovation demand and innovative solutions for improving public service delivery
<b>II) Renewable North Sea Region – Continuing to lead on sustainable growth</b>		
4) Supporting the shift towards a low carbon economy in all sectors	f) Promoting research, innovation and adoption of low carbon technologies	Develop new products, services and processes that reduce carbon emissions
5) Promoting climate change adaptation, risk prevention and management	a) Supporting investment for adaptation to climate change	Demonstrate new and/or improved methods for improving the climate resilience of target sites
6) Protecting the environment and promoting resource efficiency	d) Protecting and restoring biodiversity, soil protection and restoration and promoting ecosystem services including NATURA 2000 and green infrastructures	Develop new methods for the long-term sustainable management of North Sea ecosystems
	g) Supporting industrial transition towards a resource efficient economy and promoting green growth	Develop new products, services and processes to accelerate greening of the North Sea economy
<b>III) Green Mobility – Leading the way in sustainable transport and logistics</b>		
7) Promoting sustainable transport and removing bottlenecks in key network infrastructures	c) Developing environment-friendly and low-carbon transport systems including river and sea transport, ports and multimodal links	Develop demonstrations of innovative and/or improved transport and logistics solutions with potential to move large volumes of freight away from long-distance road transportation
		Stimulate the take-up and application of green transport solutions for goods and personal transport

## INTERREG North West Europe Programme

NWE Thematic focus for 2014-2020

The NWE Member States have started to prepare the content of the future Programme and they have agreed on the following Thematic Objectives:

- *Strengthening research, technological development and innovation.* The Programme will invest in enhancing the capacity of the NWE territory to generate innovation, on the basis of its existing potential and quadruple helix actors. It will seek to reduce the innovation capacity gaps between regions and contribute to the implementation of the smart specialisation strategies of participating regions.
- *Supporting the shift towards a low-carbon economy in all sectors.* The Programme will invest in the area's climate change mitigation potential, reduction of GHG emissions, energy efficiency and the share of renewable energy sources in the consumption and production mix.
- *Protecting the environment and promoting energy efficiency.* The Programme will invest in eco-innovation and resource efficiency. The purpose is to reduce the environmental footprint of human activity on the environment, and decouple the growth curve from the material consumption curve.

## **Horizon 2020**

Horizon 2020 will replace a number of the previous EU funding programmes into a larger framework programme. The diagram below outlines the headline areas where funding is to be allocated for supporting delivery of projects which fit within the calls for proposals.



## **Big Lottery Fund (BIG)**

The Big Lottery Fund is a series of funding programmes which are used to support the delivery of projects with community benefit.

Whilst the majority of the funds are allocated to community groups, the Fund can also allocate grants to local authorities.

Some of the current programmes within The Big Lottery Fund are listed below;

- Awards for All Scotland
- Basic Online Skills
- Celebrate
- Communities & Families Fund
- Forces in Mind
- Heroes Return
- International Communities
- Investing in Communities: Growing Community Assets
- Investing in Communities: Life Transitions
- Investing in Communities: Supporting 21<sup>st</sup> Century Life
- Investing in Ideas
- Research for Impact: Disabled People
- Rethinking Parks
- Scottish Land Fund
- Young Start

## **European Structural & Investment Funds (ESIF)**

The European Structural and Investment Funds (ESIF) is a combination of a number of EU funds to be co-ordinated by Scottish Government. A breakdown of the main thematic objectives is provided below;

- *Strengthening research, technological development and innovation.* The aim is to increase the number of businesses investing in innovation and drawing on the strong research base to maintain and increase global competitiveness.
- *Enhancing access to and use and quality of ICT.* The Programme will support the delivery of broadband in the Highlands and Islands for areas identified as hard to reach. Aberdeen City Council will not be eligible for this part of the Programme.
- *Enhancing the competitiveness of SMEs.* Support will be provided to enable business growth in the region. The Programme intends to support the capacity of SMEs to engage in regional, national and international markets and in innovation processes.
- *Supporting the shift towards a low-carbon economy in all sectors.* The Programme will fund actions to support the promotion of low-carbon strategies for all types of territories in particular for urban areas, including the promotion of sustainable urban mobility, mitigation and relevant adaptation measures. In addition, support will be provided to promote research innovation and adoption of low-carbon technologies.
- *Protecting the environment and promoting resource efficiency.* The Programme will aim to support industrial transition towards a resource-efficient economy and promoting green growth, eco-innovation and environmental performance management in public and private sectors. There will also be support for actions to improve the urban environment, revitalisation of cities, reduction of air pollution and noise reduction measures.
- *Promoting employment and supporting labour market mobility.* The Programme will support access to employment for job-seekers and inactive people, including local employment initiative and support for labour mobility.
- *Promoting social inclusion and combating poverty.* The programme will support active inclusion in particular with a view to improving employability. Promoting social entrepreneurship and vocational integration in social enterprises to facilitate access to employment.
- *Investing in education, skills and lifelong learning.* Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems; including improving the quality of vocational education and training and the establishment and development of work-based learning and apprenticeship schemes such as dual learning systems

## **External Groups**

To ensure that Aberdeen City council can effectively meet new partners and share project results on a wider basis there are a number of external groups with which the Council engages.



#### *CPMR – The Conference of Peripheral Maritime Regions*

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.



#### *NSC – The 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. The NSC also promotes the North Sea Basin as a major economic entity within Europe, by encouraging joint development initiatives and political lobbying at EU level.

### SCOTLAND EUROPA

#### *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. Membership of Scotland Europa provides a direct link to Brussels-based intelligence and early notifications and thematic developments and funding opportunities. Aberdeen City Council is a member through our subscription to ESEC.



#### *ESEC – The East of Scotland European Consortium*

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.



#### *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 EU 20% CO<sub>2</sub> reduction target 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.



#### *Hydrogen Fuel Cell and Electro-Mobility in European Regions*

HyER supports the deployment and commercialisation of hydrogen and fuel cell technologies and electro-mobility in Europe as well as the development of their associate infrastructure in Europe contributing to a low-carbon economy and to a sustainable EU transport and energy system.

Electro-mobility, as understood by industry and utilities, comprises battery electric as well as hydrogen/fuel cell powered vehicles and the relevant infrastructure needed for the supply with energy. Both propulsion technologies offer complementary transport solutions but have many elements in common. HyER is therefore actively seeking to support the deployment of the full range of electric transport solutions, battery electric vehicles (BEV) as well as fuel cell vehicles (FCEV), leveraging budgets and links to clean energy networks to ensure sustainable market and infrastructure build-up. Through the active monitoring and collecting of relevant project results and industrial developments and as partner in several EU projects for dissemination and communication, HyER seeks to develop fact-based policy at EU, national and local level to establish robust local deployment channels and a first customer base.

## **Process and Ownership**

Securing external funding is a complex process and requires a number of specialist skills. Cross service cooperation is always essential, however it is important to ensure that there are clear lines of ownership for various stages in the process for securing external funding, and then ensuring compliance with regulations to avoid repayment of grants.

The table below indicates the key tasks required in the process and identifies who is responsible for completion of the action. This is a necessary step to ensure that the team are able to maintain a strong working relationship with funding bodies and can strengthen applications for external funds by using the knowledge and expertise which exists in the team.

The ownership column indicates who will lead on this activity, but it is widely expected that they will communicate with other parties and not act independently.

Action	Ownership
Source match funding	Project Manager
Source external funding	PPF Team
Report to Committee for project approval	Project Manager
Develop project application	Project Manager
Provide feedback on application to Project Manager	PPF Team
Submit application to funding body	PPF Team
Complete Contract with Funding body	PPF Team with legal support
Project Delivery	Project Manager
Claim preparation – gathering evidence of costs	Project Manager
Claim pre-submission check	PPF Team
Claim submission to funding body	PPF Team
Funding body verification check on claim	PPF Team
Final Project Report Preparation	Project Manager
Feedback on Final Project Report to Project Manager	PPF Team
Final report submission to funding body	PPF Team

## **Corporate Governance**

As well as ensuring compliance with the requirements of the external funding body, it is equally as important to ensure compliance with the Council's own internal procedures. The external funding team are familiar with the requirements, from both legal and financial perspectives and are able to advise Project Managers as to the necessary steps which must be taken to ensure that corporate governance procedures are followed.

Prior to the project even starting it is necessary to secure corporate approval, with committee approval being necessary for the confirmation of full expenditure of project costs as well as project participation.

It is vital to speak with finance to ensure that a project cost centre can be established. For the purposes of recovering grant this is vital so that all costs can be easily traced and stand up to audit.

Should the application for grant be successful, an offer of grant will be received and must be signed off by legal services.

The legal and financial compliance rules do vary between external funding programmes, which is another reason why the external funding team should be utilised to ensure that the Council remains complaint with these programmes and do not breach the rules and risk recovery of grant.

### **Audit Compliance**

Where the External Funding Team are successful with an application for a project grant, there is then a need to ensure compliance with the funding programme's rules to ensure that we retain that grant and are not forced to return it through non-compliance.

Audit compliance is largely a financial matter and requires that all costs claimed are firstly eligible, and secondly can be evidenced all the way to bank statement. Project Managers are responsible for collating the evidence and providing this to the external funding team who will ensure that all evidence is present and costs claimed are eligible. Internal Audit will only sign off financial claims once the External Funding Team has given its approval that the claim is accurate and complete.

The External Funding Team strongly recommends that Project Managers create a separate budget code for individual projects and ensure that all costs are correctly coded. This ensures greater transparency from an audit perspective and allows for closer budget management.

### **Claim Preparation**

Project Managers must collate evidence of all costs incurred within the claim period and present these to the External Funding Team.

For general costs there should be a purchase order, an invoice and subsequent evidence of payment (receipt, BACS run, bank statement). It is necessary to show evidence of the payment leaving the Council bank account as grant payments will only be made on evidence of defrayed costs.

For costs relating to the organisation and delivery of an event, there should be also be evidence of the event taking place; agenda, attendee's list, promotional material and any follow up report. Photographic evidence would also be recommended.

For staff costs there must be timesheets (where staff member is not 100% of their time on the project), payroll evidence, BACS run and bank statement relating to the payment of the staff members salary. Employers NI and Superannuation contributions are also eligible and should be included.

The External Funding Team will provide a template for the calculation of hourly rates of staff to project managers. This will include columns for salary, employers NI and superannuation contributions.

Any promotional/communication materials must be kept and these must contain the logo of the funding body as this is a requirement for the costs to be deemed eligible.

Claims should not include VAT. Aberdeen City Council is able to recover any VAT paid and therefore is not entitled to recover grant on VAT.

## **File Retention**

All project documentation and materials are required to be held by the project manager for the auditable life of the project. This is typically until the programme has been fully signed off, and can take up to 20 years. The PPF team will advise project managers when it is safe to destroy project documentation and materials. It should be noted that for audit purposes, only the original document will be accepted in hard copy. Electronic copies or photocopies of original documents may not be accepted by auditors and could result in grants being recovered by the awarding body.