

## ABERDEEN CITY COUNCIL

---

COMMITTEE	Full Council
DATE	11 May 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Powering Aberdeen: Aberdeen's Sustainable Energy Action Plan – Draft for Public Consultation
REPORT NUMBER	CHI/15/247
CHECKLIST COMPLETED	Yes

---

### 1. PURPOSE OF REPORT

This report brings before Full Council the draft of Powering Aberdeen: Aberdeen's Sustainable Energy Action Plan (SEAP) and associated Impact Assessments for Public Consultation. The SEAP has been developed under a voluntary agreement through the European Union initiative-Covenant of Mayors and sets out the city's ambition to reduce carbon emissions in line with the targets set in the plan.

Powering Aberdeen is a developing programme of activity that seeks to drive the energy transition necessary for Aberdeen to become a smart, low emission city building on the significant activity that has been undertaken to date and drawing this together to the maximum benefit of Aberdeen citizens.

This report outlines the importance of Powering Aberdeen to delivering Aberdeen's ambition to become "The Smarter City", a proposed governance structure and provides an early draft of the action plan and supporting documentation.

### 2. RECOMMENDATION(S)

That the Council:

- approve the draft Powering Aberdeen and associated impact assessments for Public Consultation;
- act as an enabler across the city, being ambassadors for the projects under Powering Aberdeen's umbrella;

- agree to immediate implementation of Powering Aberdeen’s governance structure; and
- instruct officers to report back with:
  - an update on implementation of the governance structure; and
  - a final draft of Powering Aberdeen for approval, including the findings of the Public Consultation; and
- acknowledge the strategic importance of Powering Aberdeen within future city wide decision making.

### 3. FINANCIAL IMPLICATIONS

Powering Aberdeen is being co-ordinated and managed by the SEAP Programme Manager, a bespoke fixed-term post funded through existing budgets.

Funding for projects in the action plan outlined in the accompanying SEAP (Appendix 1) is largely in place as these projects have already been committed to. As future projects develop funding will need to be sought by the lead stakeholder. Examples of possible funding routes include:

- Capital investment programmes, i.e. Strategic Infrastructure Plan.
- Government funding / subsidies / support packages.
- Public / private partnerships.
- Joint procurement and collaborative working.
- Private investment.
- Bank loans/Grants.
- Crowd funding / share offers.
- Capitalisation of budgets based upon ring-fenced savings.
- Charitable work, voluntary support

Having a SEAP approved by Committee is increasingly essential to be able to submit funding applications to the EU Commission as this shows organisational commitment to reducing emissions. Aberdeen City Council are currently funding partners in a bid to obtain funding to support our transition to becoming a smarter city by considering how digital applications can help us improve the efficiency of our services and the quality of service we are able to offer our citizens.

This bid is worth in the region of 4M euros and is 100% funded. The money would go towards feasibility studies to consider how we can use digital technology to improve areas such as demand management within buildings, transport management and deliver a smarter heat network. Part of the funding can be used to install relevant digital infrastructure. This will all help to accelerate Aberdeen’s ambition to become a smarter city and the integration of energy management

within this. If we are successful a separate report will go to Committee for approval to participate.

The funding bid described above is conditional on receiving Full Council approval for the SEAP presented in support of this paper.

#### 4. OTHER IMPLICATIONS

Implementing Powering Aberdeen effectively will require greater co-ordination of projects being undertaken across the Council as well as time invested in engaging external stakeholders to support the programme through their own projects and actions.

The Programme Manager will co-ordinate Powering Aberdeen's day to day management; supporting the work of the Project Sponsor, Pete Leonard and Project Champion, Councillor Jean Morrison.

As new projects arise the legal, contractual, financial and other issues will need to be considered on a project by project basis. Any work undertaken as part of Powering Aberdeen will be in compliance with all relevant Health, Safety regulations and protocols, risk measures and policy requirements. Legal issues will need to be addressed by the lead stakeholder. Such issues could include compliance with topic specific statute, internal Standing Orders of the Council, EU State Aid/Procurement, review of collaborative agreements and tenders.

#### 5. BACKGROUND/MAIN ISSUES

Aberdeen aspires to transition to become a smarter city. This includes using technology to become greener and more efficient and developing an economy based on innovation and technology.

A more efficient, low carbon infrastructure is essential to delivering this vision. This means reviewing how we generate energy and how we live and do business.

Powering Aberdeen will build on and grow the many projects already taking place in Aberdeen that are supporting reductions in emissions, improving efficiency and in turn improving the quality of life for Aberdeen citizens. Aberdeen has an extensive heat network which provides low carbon, low cost heat to many homes across the city which has helped alleviate fuel poverty and improve quality of life. New heat sources will be coming on stream through the Energy from Waste facility and the development of the proposed energy centre at the new AECC which provide an opportunity to significantly extend the city heat network to the benefit of both citizens and local businesses. Aberdeen City Council is currently considering the best delivery mechanism for this which includes exploring the possibility of establishing an ESCO.

Through improving energy efficiency costs can be reduced. Aberdeen City Council has an ongoing programme to reduce energy costs in buildings, this has included the installation of renewable energy on public buildings and an extensive programme to refurbish and upgrade the social housing stock including external cladding, insulation and building infrastructure improvements. The current programme to convert to LED street lighting will also provide significant cost savings as well as reducing carbon emissions. Powering Aberdeen will seek to identify additional efficiency gains that can benefit both the City Council and external stakeholders.

Aberdeen can show case a range of renewable technology and there is the opportunity to build on this experience. This includes off shore wind farm developments, local-onshore applications including photovoltaics, air source heat pumps and biomass, the most extensive hydrogen network in the UK with 10 buses operating on Hydrogen supported by what will soon be two fillings stations and the cities first community renewables project Donside Hydro. Aberdeen is also home to one of the fastest growing car clubs which is helping to reduce reliance on the private car.

In addition there is a developing city wide smart network which will make superfast broadband widely available and an extensive WiFi network. These combined developments provide a real opportunity to manage energy more efficiently to reduce costs, better exploit decentralised energy systems and encourage behaviour change. Exploiting this technology can provide the opportunity to improve quality of life, reduce service costs, diversity the economy and build new businesses.

Aberdeen City Council has already committed significant investment towards making the city smarter and greener. This includes:

- £120M in the new Energy from Waste plant which will remove the need for landfill and reduce carbon emissions by 16,000 tonnes per annum. The establishment of a heat network in Torry will significantly increase the opportunity for further carbon savings.
- £3.8M in a city wide digital strategy which will provide superfast broadband that will enable improved energy management.
- £17M over the past three years on energy efficiency measures at the Cairncry and Seaton multistories on overcladding and new windows. The over cladding programme in Seaton will save nearly 500 tonnes of carbon per year.
- Through the Home Energy Efficient Programme for Scotland (HEEPS) £5.8M worth of insulation measures have been installed in the private sector over the past three years, this includes loft, cavity wall, underfloor, and external wall.

- Since 2002 £25M has been invested in the establishment of the Aberdeen Heat and Power network which now provides low cost heat to over 2000 flats and 13 public buildings. This has removed fuel poverty from the properties added to it and provides a low carbon fuel source reducing carbon emissions by around 40%.
- £21M has been secured from the European Union to fund the Hydrogen buses and associated fuelling stations.

Powering Aberdeen will build on all these investments and seek to ensure that they provide maximum benefit to Aberdeen's citizens. Powering Aberdeen will help develop a strategy for the city which will ensure that Aberdeen is at the forefront of exploiting new technology and provide a framework for attracting investment and additional funding. This will in turn improve wellbeing and quality of life, and support diversification of the economy through growth of renewables and new technology that supports smarter, more efficient living.

No organisation can deliver this change alone. Powering Aberdeen will provide a framework to engage both internal and external stakeholders across the city and beyond to drive this transition.

### Progress to date

Powering Aberdeen arose from Aberdeen City Council's voluntary commitment to reduce carbon emissions as a signatory to the Covenant of Mayors -a European initiative to encourage cities to commit to increase energy efficiency and move towards greater use of renewable energy.

As part of developing Powering Aberdeen, baseline emissions for the city have been established and modelling has been undertaken to estimate realistic emission reductions that can be achieved. This has resulted in the following targets:

- 31% reduction in city wide emissions by 2020
- 50% reduction in city wide emissions by 2030 from a 2005 baseline.

There has also been extensive stakeholder input to support this process including multiple stakeholder workshops described further on the [Shaping Aberdeen regeneration webpage](#)<sup>1</sup>.

The output from the above is the first draft of Powering Aberdeen provided within Appendix One. This will be finalised once it has incorporated feedback from the public consultation which will run in parallel with the review of the Strategic Environmental Assessment report. This is scheduled from the date of this Full Council for a six week period, subject to approval.

---

<sup>1</sup> [http://www.aberdeencity.gov.uk/council\\_government/shaping\\_aberdeen/SustainableEnergyActionPlan.asp](http://www.aberdeencity.gov.uk/council_government/shaping_aberdeen/SustainableEnergyActionPlan.asp)

### Governance

It is proposed that Powering Aberdeen will be governed by a steering group representing different stakeholders groups within the city. It will be chaired and championed by Councillor Jean Morrison.

A working group will be established to oversee project direction and implementation. This will be chaired by the project sponsor, Pete Leonard.

Topic specific sub-groups may also develop as the need arises. Specialist advisers may also be called upon for various projects; collectively forming an advisory panel. Figure six within Appendix One provides an illustration of the proposed governance structure.

### Next steps

The next step will be to build on the many projects and programmes already taking place across Aberdeen to strengthen their impact, ensure that learning is shared and encourage greater engagement and impact.

Strong leadership will be vital due to a local authority's unique position to influence other actors in the city. Successful SEAP's have local political leaders who champion projects and act as enablers to make a concept become reality. As sustainable projects can last for decades, it is important that the approach taken has a long-term focus and the ability to look beyond short term political cycles.

## 6. IMPACT

### **Improving Customer Experience –**

Some examples of how Powering Aberdeen will improve customer experience are identified below.

- Alleviating fuel poverty.
- Offering potential for energy security through energy saving and local energy production.
- Improving air quality (in compliance with the city's Air Quality Action Plan and National Low Emissions Framework) and the subsequent impact this has upon the health and wellbeing of our citizens.
- Making properties affordable to heat and the subsequent impact this has upon the health and wellbeing of our citizens.
- Increased mobility through improvements in public transport. This improved urban mobility aligns with the city's Local Transport Strategy and priorities of our local transport providers.
- Improved digital connectivity and access to the internet allowing remote working, which will reduce transport associated emissions

and increasing citizen access to greater opportunities via online platforms.

- Ensuring Aberdeen is adaptable and resilient to change.
- Improved health and wellbeing, reducing the strains placed upon care and welfare services.

### **Improving Staff Experience –**

The SEAP Programme Manager will oversee day to day management of Powering Aberdeen with support from service colleagues. They will ensure holistic working is promoted and will be responsible for communicating progress and engaging multiple stakeholders throughout every stage of the programme.

### **Improving our use of Resources –**

Powering Aberdeen will consider the use of city wide resources carefully; given that it forms an integral part of this strategic programme. Further, it has the potential to:

- Attract investment and identify opportunities to access national and European funding.
- Progress operating efficiencies that could save money and free up resource that could be allocated elsewhere.
- Use innovative technology and research and development to manage our resources more efficiently.
- Work collaboratively to share resources and establish best practice.

### **Corporate –**

Powering Aberdeen is directly aligned to the goals and priorities set out in Aberdeen – the Smarter City.

- **Smarter Governance:** *Powering Aberdeen will encourage community schemes relating to alternative forms of energy.*
- **Smarter Living:** *Energy efficiency will alleviate fuel poverty, reduce costs and raise awareness, active healthier lives will be encouraged through promoting active travel.*
- **Smarter People:** *Moving to alternative systems to generate and manage energy will encourage market diversification and skills development.*
- **Smarter Environment:** *this lies at the heart of Powering Aberdeen through taking measures to reduce emissions.*
- **Smarter Mobility:** *through promotion and provision of sustainable transport systems.*

It is also aligned to the both Government and local strategies and policies described in detail in Section 2 of Appendix 1.

Powering Aberdeen will only succeed through collaborative working across the public, private and third sectors. The governance structure reflects this and continual stakeholder engagement will be required.

### **Public –**

In accordance with the Equality and Human Rights Impact Assessment (EHRIA) outcomes, Powering Aberdeen will be of interest to the wider public, employees and multiple stakeholders in a positive context. Projects and actions that form part of the programme would be assessed on an individual basis and may require their own EHRIA. Projects developed as part of Powering Aberdeen that have no Council input will be governed by the leading organisations own policies and practices.

Implementation of projects arising from Powering Aberdeen will help to advance equality of opportunity, eliminate discrimination and foster good relations, as follows:

- Removing or minimising disadvantage; through alleviation of fuel poverty, creating better living conditions and enabling understanding of energy usage.
- Meeting the needs of different groups; for example improving air quality which will directly impact upon those vulnerable to respiratory diseases taking account of people with disabilities, older people, people who are not so strong or able, and those living in deprivation.
- Some projects within Powering Aberdeen will seek to engage the community to raise awareness of the issues associated with emissions and how energy matters to them; such work will encourage increased participation of under-represented groups. This will also work towards the aims of tackling prejudice and promoting understanding.
- Through participation of wider society, it demonstrates the Council's role in improving local democracy.

A copy of the EHRIA accompany this report.

## **7. MANAGEMENT OF RISK**

This report is making recommendations that could impact positively or negatively on the Council and city stakeholder's financial resources, employees, citizens, the environment and reputation; dependent upon the decision taken to approve or decline pursuit of Powering Aberdeen.

Powering Aberdeen has been incorporated into the Council's corporate risk register. Doing nothing could impact our reputation and our ability to achieve emission reductions in line with legislation as set out in Figure 3, Appendix 1. We would also not benefit from efficiency



measures. Opportunities to attract investment could be diminished which could impact upon the local economy.

Risks associated with specific projects and actions implemented as part of Powering Aberdeen will be managed through individual project / risk management processes by the lead organisation.

## 8. BACKGROUND PAPERS

Background papers that were consulted in preparation of Powering Aberdeen and this report include:

- [Aberdeen City Emissions Scenario Report](#)<sup>2</sup>
- [Aberdeen Baseline Energy and Emissions Inventory](#)<sup>3</sup>
- [Aberdeen Monitoring Energy and Emissions Inventory](#)<sup>4</sup>
- [Powering Aberdeen – in the Making](#)<sup>5</sup>
- [About Aberdeen](#)<sup>6</sup>
- [Policy and strategy literature review](#)<sup>7</sup>, covering multiple stakeholder documents
- Programme definition document – available on request

## 9. REPORT AUTHOR DETAILS

Amy Gray  
Senior Sustainable Development Officer,  
[amgray@aberdeencity.gov.uk](mailto:amgray@aberdeencity.gov.uk)  
01224 522725

Terri Vogt  
Programme Manager,  
[TeVogt@aberdeencity.gov.uk](mailto:TeVogt@aberdeencity.gov.uk)  
01224 522677

---

<sup>2</sup> <http://www.aberdeencity.gov.uk/nmsruntime/saveasdialog.asp?IID=64524&sID=25580>

<sup>3</sup> <http://www.aberdeencity.gov.uk/nmsruntime/saveasdialog.asp?IID=64528&sID=25580>

<sup>4</sup> <http://www.aberdeencity.gov.uk/nmsruntime/saveasdialog.asp?IID=64520&sID=25580>

<sup>5</sup> <http://www.aberdeencity.gov.uk/nmsruntime/saveasdialog.asp?IID=70270&sID=25580>

<sup>6</sup> <http://www.aberdeencity.gov.uk/nmsruntime/saveasdialog.asp?IID=70264&sID=25580>

<sup>7</sup> <http://www.aberdeencity.gov.uk/nmsruntime/saveasdialog.asp?IID=70268&sID=25580>