

ABERDEEN CITY COUNCIL

COMMITTEE	Communities, Housing and Infrastructure
DATE	24 th May 2017
REPORT TITLE	SEEP Funding Application to develop pilot Local Heat and Energy Efficiency Strategies
REPORT NUMBER	CHI/17/142
INTERIM DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Terri Vogt

1. PURPOSE OF REPORT:-

The purpose of this report is to support a bid for project funding through the Scottish Energy Efficiency Programme (SEEP) Pathfinder Fund Pilot Projects 2017-18

2. RECOMMENDATION(S)

That the Council

- a) Agree to pursue the project bid.
- b) In the event that Aberdeen City Council and partners are successful in obtaining funding for the project through the SEEP Pathfinder Fund 2017-2018 approve to proceed with procurement.

3. BACKGROUND

In January 2017 the Scottish Government issued the Scottish Energy Strategy for consultation along with a number of supporting consultations one of which was the Consultation on Heat, Energy Efficiency Strategies, Regulation of District Heat.

This consultation proposes that local authorities be given a statutory duty to develop Local Heat and Energy Efficiency Strategies (LHEES) to support the delivery of heat decarbonisation and energy efficiency to help achieve national carbon reduction targets.

Through the Scottish Cities Alliance (SCA), Aberdeen City Council (ACC), acting as lead Council, and five other local authorities (Stirling Council, Highland Council, Dundee City Council, Perth and Kinross Council and City of Edinburgh Council) put together a first round bid to the SEEP Pathfinder Fund to undertake a project to develop Local Heat and Energy Efficiency Strategies (LHEES) in a pilot area in each participating city. This bid was successful and a second round application has been prepared.

The proposed project will involve developing LHEES in pilot areas to test the practical implications of developing and implementing LHEES. The projects will have the following benefits for Aberdeen City Council:

- It will allow ACC to gain a better understanding of the practical implications of developing LHEES on a wider basis in the future and the likely resource and cost implications.
- The findings will support the development of national standards and processes for developing LHEES in the future
- The output will be a strategy for a pilot area in Aberdeen which can inform future plans for delivering low carbon heat and energy efficiency programmes in the pilot area.
- By working with other cities ACC will also gain learning from applying LHEES in different locations.

The project will assist Aberdeen City Council in obtaining a better understanding of how they will need to deliver on potential future statutory obligations. It also provides a local strategy to reduce carbon emissions in a local area which supports the objectives of Powering Aberdeen and also supports our programmes to assist local residents reduce energy costs through energy efficiency measures.

The proposed pilot area for Aberdeen is the ward of Tillydrone, Seaton and Old Aberdeen. This area was selected as it is an area of mixed development incorporating buildings of different age and structure, parts of the area are already served by a heat network and the findings from this area are likely to be replicable across other parts of Aberdeen.

SEEP bids require match funding. On the 25th April 2017 the SCA Delivery Group agreed to match fund the project. On this basis no additional funding is required from Aberdeen City Council although there will be time required from ACC officers to deliver the project, Support to the lead Council will be provided by the project Officer at SCA.

The second round funding application had to be submitted by the 12th May 2017. As this was an extremely short timescale and coincided with local government elections an application has been submitted. It is anticipated that funding will be awarded in June 2017. Following a procurement exercise to identify a consultant to deliver the project it is anticipated the preparation of the LHEES will take 9 to 11 months and the project will be completed by 28th February 2019. The costs of the overall project to the funding bodies will be £250,000.

4. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the recommendations of this report. The total value of the project for all participating cities is £250,000. SCA has agreed to fund 50% of the project with the remaining funding being sought through the SEEP Pathfinder Fund Pilot project 2017-18.

5. LEGAL IMPLICATIONS

There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

This project provides the opportunity to develop a much clearer understanding of what is involved in developing LHEES. The risk of not participating in the project is that we are less well prepared for regulatory changes and will have a much poorer understanding of what implications these potential new statutory duties will have for

the Council in the future. There could be a reputational risk to the Council if the project bid is withdrawn and we don't proceed.

7. IMPACT SECTION

This section demonstrates how the proposals within this report impact on the strategic themes of Aberdeen City Council and Community Planning Aberdeen, as set out in the [Aberdeen City Local Outcome Improvement Plan 2016-26](#) and the [Aberdeen City Council Strategic Business Plan](#).

Economy

Development of a pilot LHEES will enhance our understanding of the potential benefits to building owners of improving energy efficiency and decarbonising heat which will over the long term have positive benefits for the local economy as well as the potential for future growth in jobs and skills in these areas.

People

Improved energy efficiency and lower cost heat will support the reduction of fuel poverty. Fuel poverty will also be an important consideration in developing the LHEES strategy.

Place

The development of a pilot LHEES provides the opportunity to understand how energy efficiency and low carbon heat can improve the quality of life for people in the local area and start the process of engaging with local communities on how they can enhance their local communities through embracing these issues.

Technology

The LHEES needs to look at the available technologies to decarbonise heat and improve energy efficiency and may lead to the development of new technology and introduce new technology in these areas to Aberdeen.

8. BACKGROUND PAPERS

Copy of bid submission provided as Appendix 1.

9. APPENDICES

Appendix 1 – Copy of bid submission

10. REPORT AUTHOR DETAILS

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