

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy & Resources
DATE	1 December 2017
REPORT TITLE	Projects, Partnerships & Funding Update
REPORT NUMBER	CHI/17/259
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Laura Paterson Yasa Ratnayeke

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### **1. PURPOSE OF REPORT:-**

- 1.1 The purpose of this report is to provide an update of Projects, Partnerships and Funding Activity.

### **2. RECOMMENDATION(S)**

- 2.1 It is recommended that Committee:
- a) Note that the Projects, Partnerships & Funding Team has secured approximately £16.5m of external funding to support £29.7m of project activity in Aberdeen in 2016-17;
  - b) Approve the submission of the SMART-HY-AWARE project application;
  - c) Approve the development of the FUEL CELL CARGO PEDELECS (FCCP) project application;
  - d) Approve the signing of a Clean Bus Declaration, issued by the European Commission, which has no financial implications or commitments;
  - e) Nominate an Elected Member to the role of Vice-Chair of the East of Scotland European Consortium (ESEC);
  - f) Approve international travel of an Elected Member and Officer to attend a business familiarisation visit to Brussels in March 2018, organised and part-funded by ESEC and Scotland Europa;

### **3. BACKGROUND**

#### **3.1 CURRENT PROJECT ACTIVITY**

The Projects, Partnerships & Funding Team have generated approximately £16.5m of external funding to support £29.7m of project delivery in Aberdeen City in the calendar years of 2016 and 2017. This equates to £1.25 of external funding to every £1 spent by Aberdeen City Council on project delivery. This is an approximation rather than exact amount as some of the funding sources are European, hence subject to change based on exchange rates. Sources of

funding include national and international funding programmes, such as OLEV and Interreg. The projects which are being delivered include capital works which support Council programmes, such as Powering Aberdeen, and projects which enable local communities, such as supporting employability and the redevelopment of Aberdeen Science Centre. Full details of projects from 2016-17 is included in Appendix 1.

## 3.2 FUTURE PROJECT ACTIVITY

### 3.2.1 SMART-HY-AWARE

SMART-HY-AWARE is a transnational cooperation project seeking funding from the Interreg Europe Programme. The project aims to promote hydrogen-electric mobility by tackling infrastructure and market uptake challenges surrounding this technology. “To maximise the potential of hydrogen” is a key objective of the Regional Economic Strategy and participating in the project ensures that Aberdeen is at the forefront of hydrogen technology in the UK which contributes to the city’s reputation as an innovation leader. This report seeks approval to apply for this project and update Elected Members on the outcome of the funding decision which is expected in December 2017.

### 3.2.2 FUEL CELL CARGO PEDELECS (FCCP)

The FCCP project is a transnational project seeking funding from the Interreg North West Europe Programme. It is led by the German Aerospace Centre and involves cooperation with eight European partners. The project addresses transport and emission issues caused by the final stages of goods delivery. Increased internet shopping has led to more individual goods journeys within populated areas, often by larger vehicles. This project will develop solutions to transporting goods for the final transit miles by looking at the logistic delivery chains and alternative modes of carbon-friendly transport, specifically the development of fuel cell powered bikes. This project has the potential to benefit citizens of Aberdeen through the reduction in air pollution. This project is in the very early stages of delivery and estimated costs are still to be determined but 60% of total costs would be recoverable through the Interreg NEW Programme. This report recommends that the project application continue to be developed with a report back to committee detailing costings and application progress.

## 3.3 CLEAN BUS DECLARATION

Aberdeen City has demonstrated commitment to green transport through the development of a hydrogen bus fleet in the city – the largest in Europe. The European Commission’s Directorate-General for Mobility and Transport (DG MOVE) has issued a Clean Bus Declaration to be signed by cities and regions which are committed to transitioning to low-emission modes of transport. This is a Mayor’s Covenant and is required to be signed by the Lord Provost. The Declaration is an acknowledgment that the city is committed to exploring the development of low emission vehicles and has no financial or legal implications. A copy of the declaration is included in the appendix.

## 3.4 NOMINATION OF ELECTED MEMBER TO VICE-CHAIR OF THE EAST OF SCOTLAND EUROPEAN CONSORTIUM (ESEC)

Aberdeen City Council is a member of the East of Scotland European Consortium (ESEC). ESEC is a partnership of seven local authorities which

collaborates on EU policy developments, lobbying and funding opportunities. Following local elections in May, an Elected Member was nominated to be Aberdeen City's representative on the Policy Board. At the first Policy Board Meeting in August, nominations were sought for Depute Chairs to the Board and a motion was placed for Aberdeen City's representative to be Vice Chair. Responsibilities as Vice Chair include chairing meetings and representing ESEC at external events in the absence of the Chair. The full Constitution, including role of Office Bearers, is attached in Appendix 3. This appointment to Vice Chair ensures the city's interests are strongly represented on the Policy Board and raises the profile of the city at national and international events where there is an ESEC presence. Being a member of ESEC gives ACC access to Scotland Europa services, including access to offices in Brussels. The Brussels office is very well connected and opens the door for Officers and/or Members to meet EU officials where there is an issue which requires input.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 It is anticipated that SMART-HY-AWARE will cost €255,100 with €216,835 (85%) of project activity recoverable from the Interreg Europe programme. The remaining €38,265 will be met through existing staff time spent on the project over a three year period from the Projects, Partnerships & Funding Team.
- 4.2 ESEC are organising a business familiarisation visit to Brussels in March 2018 in conjunction with Scotland Europa. This visit happens once every five years, following the appointment of new Policy Board Members after Local Elections. The aim of the meeting is to familiarise new Policy Board Members with influential organisations in Brussels and this visit will include meetings with various leading European bodies and businesses. Meetings will also be arranged with consulates who are not members of the EU, but who still participate in European Programmes, to learn from the effective transnational policies and partnerships which they have created so that group members are better placed to cultivate internal partnerships and ensure strong deals for the region in a post-Brexit landscape. ESEC will pay for accommodation and meals whilst in Brussels, at an estimated cost of £1,500. Transport to Brussels is estimated at a total of £400 for Elected Member and Officer if booked in advance.

#### **5. LEGAL IMPLICATIONS**

- 5.1 All contracts and appointments are and will continue to be subject to review and approval of Head of Commercial and Procurement Service and Head of Legal & Democratic Services respectively.

#### **6. MANAGEMENT OF RISK**

##### **6.1 Financial**

- 6.1.1 Existing projects detailed financial risks when presented to Committee. There are minimal risks from the SMART-HY-AWARE project as spend is

predominantly related to revenue through staff costs. All spend is subject to existing Aberdeen City Council Procurement procedures. The External Funding Team are experienced with the administration of grant programmes, ensuring programme compliance to enable delivery of funds to the Council from programmes.

Risk – Low

## **6.2 Employee**

6.2.1 New project work will complement existing workloads. Members and Officers will be fully briefed on travel protocol to ensure safety.

Risk – Low

## **6.3 Customer/Citizens**

6.3.1 Projects have engagement and communication policies in place to ensure that the public are fully consulted and aware of projects.

Risk – Low

## **6.4 Environmental**

6.4.1 A number of projects directly enhance environmental practices, including the development of hydrogen technology and blue-green infrastructure. Projects have environmental policies in place.

Risk - Low

## **6.5 Technological**

6.5.1 A number of projects continue to enhance the development of Smart Technology in Aberdeen, such as through the Scotland's 8<sup>th</sup> City Programme. Projects have individually assessed such risks and put mitigations in place where appropriate.

Risk – Low

## **6.6 Legal**

6.6.1 All contracts and agreements are subject to review by Legal & Democratic Services before signing.

Risk – Low

## **6.7 Reputational**

6.7.1 Participating in internal programmes and active involvement with consortiums demonstrates Aberdeen City Council's commitment to innovative services in the city.

Risk – Low

## **7. IMPACT SECTION**

## **7.1 Economy**

- 7.1.1 Participating in external funding programmes enables significant project delivery in Aberdeen City and reduces spend from Council budget. Projects support the strategic aims and programmes of Aberdeen City Council, including Powering Aberdeen and the Hydrogen Strategy.

## **7.2 People**

- 7.2.1 Projects support a number of strategic themes which empower local communities, developing skills of a future workforce through the ESF Employability Pipeline and Erasmus+ Modern Languages 1+2 Programme.

## **7.3 Place**

- 7.3.1 A number of projects are committed to enhancing environmental issues in the city, such as developing blue-green infrastructure and district heat networks.

## **7.4 Technology**

- 7.4.1 Projects have a positive impact on the enablement of innovative technology developing initiatives in the city such as smart street lighting and flood alerts.

## **8. BACKGROUND PAPERS**

None

## **9. APPENDICES**

1. External Funding Activity 2016-17
2. Clean Bus Declaration
3. Constitution: East of Scotland European Consortium (ESEC)

## **10. REPORT AUTHOR DETAILS**

Yasa Ratnayeke  
Team Leader – Partnerships & Funding  
[yratnayeke@aberdeencity.gov.uk](mailto:yratnayeke@aberdeencity.gov.uk)  
01224 524604

Laura Paterson  
External Funding & Policy Officer  
[lapaterson@aberdeencity.gov.uk](mailto:lapaterson@aberdeencity.gov.uk)  
01224 523082

### **HEAD OF SERVICE DETAILS**

Richard Sweetnam  
Head of Economic Development  
[rsweetnam@aberdeencity.gov.uk](mailto:rsweetnam@aberdeencity.gov.uk)  
01224 522662