

REPORT TO INFRASTRUCTURE SERVICES COMMITTEE - 16 JUNE 2016

ENERGETICA: PROGRESS REPORT

1 Recommendations

The Committee is recommended to:

- 1.1 **Note the actions being undertaken and progress being made under the Energetica Programme; and**
- 1.2 **Seek a further progress report in six months.**

2 Discussion

2.1 The purpose of this report is to provide Elected Members with an update on progress with regard to Energetica Programme activity. The Council on the 16 December 2015 (Item 4) sought that regular updates on Energetica activities are presented to the Infrastructure Services Committee, replacing the six monthly updates there were normally contained within the ACSEF Progress Report.

2.2 Energetica Programme

- 2.2.1 Energetica is a 25-year programme, originally built around the ACSEF¹ vision for Aberdeen City and Shire to be recognised as one of the most robust and resilient economies in Europe with a reputation for opportunity, enterprise and inventiveness that will attract and retain world-class talent of all ages.
- 2.2.2 The programme is run as a partnership by three public sector stakeholders; Scottish Enterprise, Aberdeenshire Council and Aberdeen City Council. Additionally, other key stakeholders sit on the Energetica Steering Group to provide leadership, direction and activity prioritisation for the programme.
- 2.2.3 The overall aim is to make the region the location of choice for high-value oil and gas and renewable energy organisations, and a first choice for organisations of all sizes operating in other high value, quality, niche markets. This aligns with and reflects the aims and aspirations of the Aberdeen City & Shire Regional Economic Strategy (RES) agreed in December 2015.
- 2.2.4 The Energetica Programme concentrates its activity on a specific geographic area, often referred to as the Energetica 'corridor'. The corridor is approximately 30-miles long extending from Bridge of Don in Aberdeen, north to Peterhead and west to Aberdeen International Airport covering an area of roughly 300 square miles.

¹ In November 2015 ACSEF was replaced by Opportunity North East (ONE) a private sector led body, which also fulfils the role of the Regional Advisory Board.

2.2.5 Energetica offers businesses the great location in which to base themselves and grow and provides workforce with a great location to live. Energetica actively promotes and markets the economic and lifestyle offering that the North East has in response to competition from other international and regional locations. Proximity to Europe's largest offshore oil and gas resources, new and innovative renewable energy projects and readily available access to supply chain and knowhow in the North East cannot be underestimated and the Energetica brand is used to capture these important 'selling points' for the Region.

2.2.6 Energetica currently works towards four strategic objectives:

- To consolidate and grow the Region's position as one of the world's major energy centres and the energy capital of Europe;
- To attract new high value investment and people to the region;
- To grow the international trade of indigenous business; and
- To create a location that seeks to maximise both quality of design/development and quality of life.

2.3 Energetica Activity Update

2.3.1 The two Energetica staff are currently working from a number of premises to be as flexible and visible as possible. Officers are currently working on a regular basis from Elevator premises at Bridge of Don as well as Aberdeenshire Council and Scottish Enterprise offices. This has helped to raise awareness of Energetica as well as familiarisation with staff working on the programme.

2.3.2 Energetica has identified strategic locations within the Energetica corridor to locate signage. Energetica promotional signage will be used to create a physical presence on the ground within the corridor, focusing on key gateway routes into the area at the Dyce, Bridge of Don, Ellon and Peterhead. Advertisement consent has been agreed for the first of these sites at Ellon. At the time of writing legal agreements are being concluded to allow access to the site to erect the signage. This agreement will be in place by the end of May 2016.

2.3.3 The Energetica website has been refreshed to enable tablet and mobile users a better accessibility. The website content has also been refreshed providing a new look and clearer information for a range of users including details of events, as well as investment opportunities and business support available within the corridor.

2.3.4 The Energetica Summer Festival has continued to grow in terms of its reach and participants whilst offering improved value for money. The 2015 Energetica Summer Festival grew from the annual weekend Walking and Wildlife Festival. 2015 was the first time that the Festival ran over the whole of the summer period covering an array of events from photography workshops to coastal walks with the purpose of showcasing what the North East coastline has to offer for both residents and visitors alike and promoting the high quality of life in the region to retain and attract workforce. The Walking and Wildlife Festivals drew tens of visitors, whilst the opening event of the 2016 Summer Festival alone drew 150 visitors to Ellon Castle Gardens with over 40 further events to run up until the end of August 2016. We expect

that the Festival will continue to grow its reach and public awareness of Energetica. Details of the festival can be found at <http://www.energetica.uk.com/festival2016>.

- 2.3.5 Energetica has continued in raising its profile, showcasing the best of North East Scotland as well as investment opportunities and support available to investors through a range of activities both domestically and overseas. Over the last nine months Energetica has exhibited at Offshore Europe, Subsea Expo, Aberdeenshire Towns Conference and Offshore Technology Conference (Houston) and will also exhibit at Offshore Northern Seas (Stavanger) in August. Greater awareness of Energetica is now being recorded anecdotally and through enquiries, website and social media traffic.
- 2.3.6 The Energetica Development Manager has presented at a number of speaking engagements including a session at Offshore Europe in September and at the Aberdeen-Houston Gateway Shire Showcase in March.
- 2.3.7 The Energetica Development Manager has targeted increased co-ordination and awareness raising with Scottish Development International (SDI) working with field officers based in Calgary, Houston and Stavanger. Through briefings, tours and Energetica specific marketing materials, staff working in international locations are now able to provide information and opportunities associated with Energetica to companies interested in investing in Europe, Scotland and particularly the North East. This work has resulted in a Canadian company being made aware of Energetica through the Calgary SDI office and subsequently choosing to locate its European operation within the Energetica corridor. This is a notable example of progress of the initiative, in a difficult economic climate.
- 2.3.8 Energetica has provided support to indigenous business by creating opportunities to feature as case studies in relevant, selected industry publications, promoting innovative projects or new start-ups within Energetica corridor. Energetica recently featured the successful launch of JBS Engineering's subsea division and "Sea-Axe" subsea tool from its base in Peterhead.
- 2.3.9 In spring 2016 the front cover of the Commercial Property Monthly featured Energetica and its nine business parks. This was the first time that the front cover did not feature a central belt project. This was distributed at Europe's largest commercial property exhibition, MIPIM in Cannes.
- 2.3.10 Energetica has and continues to advocate for City Region Deal innovation related project spend to be directed towards the Energetica area. This work will continue as the individual City Region Deal projects develop.
- 2.3.11 The Energetica Steering Group are currently reviewing the positioning of the Energetica Programme in relation to the new economic governance framework that has emerged over the last six months with the formation of Opportunity North East (ONE) and the approval of a new North East Regional Economic Strategy and City Region Deal. The area is entering a new phase of activity with renewed priority around the diversification of the wider North East economy.

- 2.4 The Head of Finance and the Monitoring Officer within Business Services have been consulted and are in agreement with the content of this report.

3 Financial, Equalities and Staffing Implications

- 3.1 The two year Energetica funding and resourcing ends in July 2016 and is provided through various sources with the majority coming from Scottish Enterprise. Scottish Enterprise has agreed to provide a further 12 months of funding on the same basis as the current contract agreement.
- 3.2 Any Energetica resourcing and funding beyond that currently agreed which has financial implications for Aberdeenshire Council will be reported to Policy and Resources Committee and to Infrastructure Services Committee if additional costs are identified. There are currently no new policy or sustainability implications.
- 3.3 As this is an update report on a partner programme, an equality impact assessment is not required because the recommended actions do not have a differential impact on people with protected characteristics.

Stephen Archer

Director of Infrastructure Services

Report prepared by James Welsh, Energetica Development Manager

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