

Report title: REPLICATE Project Grant Agreement sign off

Wards affected: Ashley, Easton, Lawrence Hill

Strategic Director: Nicola Yates

Report Author: Kevin O'Malley and Luke Loveridge

RECOMMENDATION for the Mayor's approval:

-The Mayor to agree to the City Council's continued participation in the REPLICATE project

-The Mayor to agree to designate authority to the Service Director Bristol Futures to sign the project Grant Agreement which commits the City Council to deliver the project and unlocks the project funding

Key background / detail:

a. The purpose of this report is to inform Cabinet of a successful large-scale smart city project funding bid won under the European Commission's Horizon 2020 programme, and to secure agreement to sign up to the Grant Agreement which confirms the City Council's participation and unlocks access to funding to support our activities

b. Key details:

1. Bristol has formed a consortium with Florence and San Sebastian to deliver this project
2. The consortium have been awarded 25 million euros to deliver integrated Smart solutions across transport and energy domains in a designated area of the City
3. The value of the award to Bristol is 7 million euros
4. The project activities will be delivered in the Ashley, Easton and Lawrence Hill Neighbourhood Partnership area of the City. Ward Councillors have been alerted to this and will be briefed in detail following sign off
5. Other local partners include Bristol Is Open, Toshiba, University of Bristol, UWE, and Knowle West Media Centre
6. The European Commission have significantly reduced the time originally designated to partners to secure organisational sign off
7. Agreement to sign the Grant Agreement must be secured by 27th November to avoid potential delays to the programme and potentially a risk to Bristol's continued participation in the project

**BRISTOL CITY COUNCIL
CABINET
24/11/2015**

REPORT TITLE: REPLICATE Project Grant Agreement sign off

Ward(s) affected by this report: Ashley, Easton and Lawrence Hill

Strategic Director: Nicola Yates, City Director

Report author: Kevin O'Malley, City Innovation Team Manager

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Purpose of the report:

The purpose of this report is to inform Cabinet of a successful large-scale smart city project funding bid won under the European Commission's Horizon 2020 programme, and to secure agreement to sign up to the Grant Agreement which confirms the City Council's participation and unlocks access to funding to support our activities

RECOMMENDATION for the Mayor's approval:

- 1. The Mayor to agree to the City Council's continued participation in the REPLICATE project**
- 2. The Mayor to agree to designate authority to the Service Director Bristol Futures to sign the project Grant Agreement which commits the City Council to deliver the project and unlocks the project funding**

The proposal:

- The purpose of this report is to inform Cabinet on a successful large-scale smart city bid that was submitted to the European Commission's Horizon 2020 programme in May 2015, and to secure approval to sign the Grant Agreement unlocking the agreed funding and committing the Authority to work with partners to deliver the project. The Mayor attended and was part of a panel session at the European Innovation Partnership on Smart Cities and Communities (EIP SCC) conference in Berlin in June 2015; the partnership that develops and administers this call. This was a highly competitive award: forty-two consortia applied and four consortia were awarded; the bid Bristol is participating in was marked top. A consortium involving London, Milan and Lisbon was also successful. Nottingham and Manchester were successful in the previous year's call – so this is part of a great success story for UK cities as leaders in smart city solutions.
- Bristol and the wider consortium have been awarded 25 million euros under the Smart Cities and Communities (SCC1) 2015 call to focus on an area of the city and look at

integrating energy, mobility and ICT smart city solutions. The value of the award to Bristol is 7 million euros.

3. In Bristol the focus of the award is in the **Ashley, Easton and Lawrence Hill Neighbourhood Partnership area**. Ward Councillors have been informed about this project. As detailed project planning begins Local Councillors, stakeholder groups and individuals will be invited to engage more directly.

4. Bristol formed a consortium for this call with Florence and San Sebastian as the three lead cities as we have previously worked successfully together on another European project (STEEP). The STEEP project informed the Council's Climate and Energy Security Framework.

5. Other UK consortia partners include Bristol Is Open, NEC, Toshiba, Oxford University, University of Bristol, UWE, and Knowle West Media Centre.

6. The overarching vision of the REPLICATE project is:

To increase the quality of life for citizens across Europe by demonstrating the impact of innovative technologies used to co-create smart city services with citizens, and prove the optimal process for replicating successes within cities and across cities.

7. REPLICATE aims to use learning from the STEEP project, where a methodology based on systems thinking was created to aid in smart city planning, whilst deploying large demonstrations of solutions in districts in each of the three lead cities.

8. Each lead city will deploy a number of smart integrated solutions in a district. In Bristol, the Ashley, Easton and Lawrence Hill Neighbourhood Partnership area was chosen as the target district as the project could bring a number of benefits to this area that contributes to the Mayors Vision on tackling inequalities, active citizens and Green Capital, including:

- Reduce the cost, and amount, of energy consumed to tackle **fuel poverty**.
- Use more local **renewable** sources of energy to increase local **resilience**.
- Enable greater sustainable mobility to increase **health and wellbeing** as well as enable better access to **training and employment**.
- Engages citizens in their energy use and travel patterns to change **behaviour**.
- Contribute to an overall aim to significantly **reduce CO2 emissions**.

9. Bristol will receive approximately £4m-£5m to deploy solutions including;

- energy efficient refitting of homes,
- development of local renewable energies,
- connected homes,
- 32 e-bikes,
- 6 electric car club vehicles,
- an on-demand bus electric bus service,
- electric vehicle charging infrastructure,
- personalised mobility applications,
- integrated infrastructures,
- development of a smart city platform (Bristol Is Open),
- energy demand management service

10. The European Commission will sign the Grant Agreement with the Consortium Co-ordinator on **27th November 2015**. Bristol City Council, and the other local and international partners, will be required to sign following this in order to unlock access to the project funding.

11. The Council's authorised representative signs the agreement on behalf of the Authority committing the Council to work with partners to deliver the programme.

12. The REPLICATE project will start in February 2016 and will run for five years.

Consultation and scrutiny input:

a. Internal consultation:

Ward Councillors have been informed about the project and will be involved further as the project develops. Transport and Energy colleagues have been fundamentally involved in project development. A Scrutiny Member briefing has been organised.

b. External consultation:

A range of local stakeholders and businesses have been involved in scoping the project. As detailed project development gets underway more individuals and community groups will be consulted.

Other options considered:

The City Council could decide to withdraw from the REPLICATE project at this stage before signing the Grant Agreement and committing to delivering the project. As a consequence the Authority and local partners would no longer be able to access the funding designated for project delivery in order to implement the smart transport and smart energy interventions planned.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	By signing the Grant Agreement the Authority commits to deliver the project and subsequently discovers that it is not deliverable in the agreed form	High	Low	The project has been scoped in consultation with delivery experts who have advised on deliverables and resource requirements. Project Finances and deployment targets have also been structured with contingency to allow for unexpected occurrences or expenses. In the event that elements of the project are impossible to deliver the Authority can use standard Change Management processes to change scope.	Med	Low	Kevin O'Malley

FIGURE 2

The risks associated with not implementing the (subject) decision:

No.	RISK	INHERENT RISK		RISK CONTROL MEASURES	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Threat to achievement of the key objectives of the report Decision not to sign or a delay in agreement to sign Grant Agreement causes European Commission to remove the Council and its partners from the Consortium. The impact would include reputational damage, the opportunity costs associated with the loss the grant, and the lost investment by the Council and partners in bidding for this grant.	High	High	Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation). The Authority has informed the European Commission about the decision pathway within the Authority and the requirement to secure sign off at multiple levels. We are endeavouring to manoeuvre through the decision process as efficiently as possible.	High	Medium	Kevin O'Malley

Public sector equality duties:

Before making a decision, section 149 of the Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.*
- ii) advance equality of opportunity between persons who share a relevant protected characteristic and those do not share it. This involves having due regard, in particular, to the need to:*
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic.*
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);*
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.*
- iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to tackle prejudice and promote understanding.*

Public sector equality implications:

There are no specific equalities impacts associated with this request to sign the Grant Agreement. There may be equalities issues which need to be addressed in the project delivery. This will be addressed with equalities colleagues and local equalities groups in the delivery area.

Eco impact assessment

There are no specific eco impacts associated with this request to sign the Grant Agreement. There will be a range of substantial eco impact issues to consider in the project delivery. The project has been developed in partnership with Sustainability colleagues, and specifically builds upon the Council’s new “Framework for Climate and Energy Security”. As the project delivery is further defined sustainability will remain a central concern.

Resource and legal implications:

Finance

In signing the Grant Agreement the Authority commits to work with Consortium partners to deliver the REPLICATE project and will receive the following funding from the European Commission to achieve this. The City Council's revenue and capital costs are 100% covered by the grant.

a. Financial (revenue) implications:

The Council's revenue costs incurred in delivering this project are 100% recoverable [a further 25% is also recoverable on personnel costs to cover overheads].

The Commission has agreed a total revenue budget for Bristol City Council of **€1,446,250 (approximately £1,013,484)**.

Advice given by Janet Ditte / Service Manager Finance Business Support
Date 30th October 2015

b. Financial (capital) implications:

The Council's capital costs incurred in delivering this project are 100% recoverable. The budget will be made available in Euro. The total value of the grant in pounds will be dependent upon exchange rates.

The Commission has agreed a total capital budget for Bristol City Council of **€1,930,200 (approximately £1,352,620)** (of which €1,166,396 is sub-contracting, €438,804 is for energy efficient retrofitting of residential buildings, €79,000 travel, €1,000 equipment depreciation, and other goods and services of €245,000).

"Finance Business Support have reviewed the Capital and Revenue budgets to be made available to deliver the REPLICATE project. We have made a specific recommendation that the project managers involved with delivering this be adequately trained in the administration and financial management of European Projects."

Advice given by Janet Ditte / Service Manager Finance Business Support
Date 30th October 2015

Comments from the Corporate Capital Programme Board:

No advice has yet been sought from the Corporate Capital Board.

c. Legal implications:

Consulted with Interim Service Director Legal and Democratic Services, requested and received legal support in reviewing the Consortium Agreement and Grant Agreement documentation and were advised,

"The terms of the grant will need to be considered carefully before being entered into and

replicated in the consortium agreement so as to minimise any risk to the Council.”

Advice given by **Shahzia Daya / Interim Service Director Legal and Democratic Services**

Date **3 November 2015**

d. Land / property implications:

None sought

e. Human resources implications:

“The project has engaged with the HR Service Director and gone through the Objectives and approach to deliver the project. It was agreed that there are no HR impacts and no further action is required from HR unless the project raises these by exception.”

Advice given by **Richard Billingham / Service Director Human Resources**

Date **30 October 2015**

Appendices:

NONE

Access to information (background papers):

REPLICATE Project Background Paper- <http://bit.ly/1ObDGha>