

The City of Edinburgh Council

10am, Thursday, 22 September 2016

Energy for Edinburgh - Board of Directors Appointment

Item number 8.2
Report number
Executive/routine
Wards

Executive Summary

A recruitment exercise to the Board of Directors to Energy for Edinburgh has now been completed. Following shortlisting and interviews, a Board of Directors has now been selected and recommended for approval by the Council. Five Directors have been selected and if approved will offer the ESCO an invaluable mix of experience and skills sets and bring a balance of experience from the energy sector. The approval of the Board of Directors will allow Energy for Edinburgh to become incorporated and begin the process of developing energy projects.

Links

Coalition Pledges [P50](#) [P53](#)
Council Priorities [CO18](#) [CO19](#)
Single Outcome Agreement [SO4](#)

Energy for Edinburgh - Board of Directors Appointment

1. Recommendations

- 1.1 The Council is asked to:
 - 1.1.1 approve the appointment of Councillor Chas Booth to the Board; and
 - 1.1.2 approve the appointment of five external Board members.

2. Background

- 2.1 The Council has made a number of political pledges to the reduction of carbon emissions across the city. The Sustainable Energy Action Plan (SEAP) approved in February 2015 is the key programme for this agenda. It details a number of sustainable energy projects aimed at reducing carbon emissions and delivering social, economic and environmental benefits including, alleviating fuel poverty, providing affordable energy, new jobs and greater energy security.
- 2.2 An energy services company (ESCo) is seen as an important vehicle for achieving the SEAP's objectives and a key response from the Council to delivering affordable energy for Edinburgh's residents and businesses.
- 2.3 At the Council meeting of 10 March 2016, the establishment of Energy for Edinburgh (the Council ESCO) was approved. This report provides details on the recruitment process and proposed appointments of the Board of Directors to the company.

3. Main report

- 3.1 The Council has already approved three Councillors to the Board with Councillor Adam McVey and Councillor Lesley Hinds having been previously formally approved. Following the meeting of the 10 March, it was proposed that Councillor Chas Booth would replace Councillor Iain Whyte on the Board. This decision would need formal ratification at a subsequent meeting of the Council.

This report now seeks formal approval of Councillor Booth as the final Council Director to sit on the Board of Directors.

Recruitment: Shortlisting of External Directors

- 3.2 The recruitment process for the external directors to the Board was overseen by HR and followed similar processes as would be undertaken for the recruitment of Chief Officer posts to the City of Edinburgh Council.

- 3.3 A detailed recruitment pack was compiled outlining the strategic context of Energy for Edinburgh, the role of the Directors, person specification and recruitment arrangements. The recruitment pack was advertised on My Job Scotland, S1 Jobs, Indeed and Total Jobs, a job advert was also distributed through a number of internal and external networks. The link to the recruitment pack ran for a total of three weeks in June.
- 3.4 An editorial piece outlining the establishment of Energy for Edinburgh and the recruitment of Board Directors also featured in the Sunday Herald. A printed advert and leader board also featured in the Herald.
- 3.5 A total of 34 applications were submitted from a wide range of candidates. This was a very positive response, reflecting not only an interest in this agenda but also in the Council's plans for sustainable energy. Each application was measured against a number of key criteria and a shortlist of twelve candidates were selected to progress to interview.
- 3.6 These twelve candidates were selected based on their high calibre, extensive experience in the energy sector and the balance of skills that they each could offer as Board members. This covered relevant areas of expertise including, financial, commercial, community, and technical within the energy sector.

Recruitment: Interview Process

- 3.7 The interview process was undertaken on four dates throughout August. An interview panel was set up which included Councillor Adam McVey (Chair) Councillor Lesley Hinds and David Lyon, Head of Environment. Two independent advisors were also present at the interviews (Janice Pauwels, Sustainable Development Manager and Eleanor Kay, Senior HR Business Partner).
- 3.8 The interview process consisted of a ten minute presentation by the candidates outlining how they would balance and prioritise projects against the four core objectives of Energy for Edinburgh. This was followed by a series of questions from the interview panel.
- 3.9 Following the interview process the panel selected five of the original 12 candidates based on the strong mixed skills set that they each bring to the board and the balance that this provides. Overall they offer the Board a strong mix of commercial, financial, technical and community expertise within the energy sector.

Final Board of Directors

- 3.10 The final number of Directors appointed to the Board is eight.
The make up the final Board of Directors for Energy for Edinburgh is recommended as follows:

Three Council Directors (all elected members, one of whom will always be Chair);

Councillor Adam McVey (Interim Chair) - Vice Convenor Transport and Environment Committee

Councillor Lesley Hinds - Convenor Transport and Environment Committee

Councillor Chas Booth

Five external Directors;

Toby Tucker: subject to employer approval

Kathryn Dapre

Andrew Joss

Caroline Acton

Teresa Bray

Next Steps

- 3.12 If the Council approves the appointment of the Board of Directors to Energy for Edinburgh the next immediate steps would be arranging the first meeting of the Board to begin the process of agreeing the Business Plan and developing detailed delivery plans for projects.

4. Measures of success

- 4.1 The success of Energy for Edinburgh will be measured qualitatively and quantitatively through key performance indicators (KPIs). These KPIs might include number of projects delivered or carbon reduction achieved or financial measurements. For the purposes of the first Business Plan, a number of KPIs will be developed with agreement between the Shareholder Group and Energy for Edinburgh Board for monitoring performance. A key focus for the Shareholder Group will be on assessing what is going well, what is not being achieved, the reasons for both, and accordingly identifying and implementing changes to ensure the Business Plan is met.

5. Financial impact

- 5.1 There is no anticipated financial impact associated with the appointment of the Board of Directors as all of the positions are non-remunerative.

6. Risk, policy, compliance and governance impact

- 6.1 A table of risks are detailed in the draft Business Plan. A key risk will be to ensure the financial viability of the company post the ending of the start up funding from the Council. Robust projects and Business Plans will be required to ensure that there are defined projects to be taken forward that can provide a funding stream for Energy for Edinburgh. There are now a number of funding schemes that provide finance for the development of full Business Cases. The Council has already applied for funding for these and a number of Business Cases are already

underway. These are projects that can be handed over to the Company to take forward although it does not preclude it from pursuing other projects.

- 6.2 The development of Energy for Edinburgh as a company focusing exclusively in sustainable energy will provide a means of co-ordinating energy activity across the city which will contribute (potentially) significantly to the aims and objectives of the SEAP. This will contribute to the relevant legislation for local authorities including compliance with the Climate Change (Scotland) Act 2009 as well as the mandatory Climate Change reporting (commencing this October).

7. Equalities impact

- 7.1 A key objective of the ESCo will be to deliver affordable energy and alleviate fuel poverty. By delivering this objective, the Council ESCo will contribute positively to key equalities outcomes of reducing inequality, poverty and deprivation.

8. Sustainability impact

- 8.1 The appointment of the Board of Directors to Energy for Edinburgh will allow the ESCo to begin the process of delivering projects. This will potentially have a significant impact on the sustainability of the city. By taking a strategic role and overseeing energy initiatives across the city, it will contribute positively to the Council's pledges and targets on carbon. The ESCo is seen as a key delivery mechanism for the SEAP which aims to meet a 42% reduction in carbon emissions by 2020.

9. Consultation and engagement

- 9.1 There has been ongoing consultation and engagement in the development of the ESCo with Council officers and members. In addition regular updates have been provided through the Edinburgh Sustainable Development Partnership and the Member Officer Working Group.

10. Background reading/external references

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11. Links

Coalition Pledges	P50 Meet greenhouse gas targets, including the national target of 42% by 2020.
	P53 Encourage the development of Community Energy Co-operatives.
Council Priorities	CO18 Green- we reduce the local environmental impact of our consumption and production.
	CO19 Attractive Places and well maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm.
Single Outcome Agreement	SO4 Edinburgh’s communities are safer and have improved physical and social fabric.
Appendices	