

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
DATE	6 th February 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Trade and European Partnerships Travel Plan 2019/20 Update
REPORT NUMBER	PLA/20/024
DIRECTOR	N/A
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Morag McCorkindale
TERMS OF REFERENCE	2.2 Strategies for city growth and place planning

1. PURPOSE OF REPORT

- 1.1 To seek approval for an amendment to the international trade priorities for 2019-20 and for the associated travel plan.

2. RECOMMENDATION(S)

That Committee:-

- 2.1 Approve the changes to the Trade and European Partnerships Travel Plan as detailed in paragraph 4 of the report and outlined as follows:-
- (a) the Lord Provost and one officer visit Esbjerg before the end of March 2020;
 - (b) the Lord Provost and one officer attend CERAWeek, Houston 9-13 March 2020;
 - (c) the Lord Provost and one officer to attend the HighWind Conference which will take place 17–19 March 2020 in Stavanger;
 - (d) the Lord Provost and one officer to attend the Barents Sea Conference to be held in Hammerfest, Northern Norway on 20–22 April 2020;
 - (e) one elected member and one officer to visit Tamaulipas, Mexico in April 2020 to explore the potential for relationship development with the state and with a view to sign a Memorandum of Understanding (MOU);
 - (f) potential visits to Doha, Halifax, Karamay, Pemba and Brazil be reviewed as part of the Travel Plan for 2020–2021, and subject to Council budget setting process;
 - (g) that Uganda be removed from the travel plan; and
 - (h) Delegate authority to the Chief Officer - City Growth to authorise only necessary and appropriate travel set out in paragraph 4 and associated expenditure to fulfil the travel plan occurring between April 2020 - March 2021, provided the cost of such travel is reasonable and does not exceed the budget allocation set out in the report.

3. BACKGROUND

- 3.1 At the meeting of the City Growth and Resources Committee on 25 April 2019 approval was given for the International Trade and European Partnership priorities for 2019-20 and for associated travel expenditure [PLA/19/230].
- 3.2 Authority was given to the Chief Officer - City Growth (as the budget holder) to authorise only necessary and appropriate travel and associated expenditure to fulfil the agreed plans for 2019-20, provided the cost of such travel is reasonable and does not exceed the budget envelopes set out in the report. All travel will be booked in accordance with the Council's policies on travel.
- 3.3 Aberdeen City Council takes an active role in international trade as a result of its global profile and the reach and status of its civic, business and academic networks. This is supported by membership of a number of key European and global partnerships and the leadership shown by the Council in transnational projects such as those related to hydrogen and renewable energy.
- 3.4 Officers from the City Growth service maintain an active watching brief on UK and wider intelligence to ensure that market opportunities for Aberdeen companies are understood and promoted. This work focuses on those countries where the Council can play an active role in facilitating market access, usually alongside UK and/or Scottish Government agencies. The Council also has ten memoranda of understanding (MoU) with cities around the world (Atyrau, Barranquilla, Georgetown, Halifax, Kobe, Lafayette, Mokpo, Pemba, Villahermosa and Ciudad del Carmen) that support more direct and structured bilateral activity. These MoUs are at differing levels of activity.
- 3.5 MOUs are built around specific economic and trade objectives and are structured in such a way that alternate year visits to MoU partner cities are agreed within the MoU provisions, subject to this commitment being fulfilled in both directions.

4. INTERNATIONAL TRADE PRIORITIES

- 4.1 The approved travel Plan for 2019 – 2020 identified Doha (Qatar), Halifax (Canada), Karamay (China), Pemba (Mozambique), Uganda and Brazil as markets for development.
- 4.2 It is proposed that market development visits to Doha, Halifax, Karamay, Pemba and Brazil be reviewed as part of the Travel Plan for 2020–2021, and subject to Council budget setting process.
- 4.3 Uganda shows promise for new oil and gas production in Africa with licences issued to Total, Tullow Oil and CNOOC and production estimated to begin in 2021. However, establishing the contacts and relationships required to assist Aberdeen companies to enter the market has been slower than expected and therefore Uganda should be re-categorised as a “watching brief” market and be removed from the Travel Plan.

New international trade priorities

Since the approval of the 2019–2020 travel plan, new market priorities have developed.

4.4 Esbjerg

The Lord Provost of Aberdeen currently holds the Presidency of the World Energy Cities Partnership (WECP) and the Mayor of Esbjerg currently holds Vice-Presidency of the partnership. This change in leadership officially came into effect on 1 January 2020. WECP has also developed a new strategic plan for the partnership from 2020-2025 which was approved at the 2019 WECP Board of Directors meeting. Given the change in leadership within WECP, and also given the new strategic plan, subject to Committee approval, it is proposed that the Lord Provost and one officer visit Esbjerg before the end of March to meet with the Mayor to discuss the future of WECP and implementation of the new strategic plan under their leadership.

4.5 CERAWeek

WECP is again partnering with CERAWeek, the world's leading energy forum. This will take place in Houston on 9th–13th March 2020. The theme of CERAWeek 2020 "Waves of Change: Charting the Energy Transition", is linked to the 2020-2025 WECP Strategic Plan. A specific programme for WECP Mayors and civic leaders has been agreed which will give the opportunity to have a direct dialogue with some of the global energy executives and senior members of the policy, financial, industrial and technological communities who attend the event. In addition to fulfilling a WECP obligation this will reinforce Aberdeen's position as a global energy capital and lead to new opportunities in global markets.

Positive feedback was received from WECP Mayors who attended CERAWeek 2019 and therefore WECP aims to continue the relationship with CERAWeek in the long term, with a view to moving the spring WECP Working Group meeting from coinciding with the Offshore Technology Conference (OTC), held in Houston in May, to instead coincide with CERAWeek. Given the Lord Provost's current role as WECP President, it is recommended that he attend CERAWeek to represent the partnership. Subject to Committee approval, it is proposed that the Lord Provost and one officer attend CERAWeek in March 2020.

Enquiries are also being made to partner organisations, regarding the opportunity for start-up entrepreneurs and academics to participate in the CERAWeek Innovation Agora program to advance their profile in clean energy technologies.

4.6 Highwind

Aberdeen has a longstanding relationship with Stavanger, which is also a member of the WECP. There are active economic links between the cities particularly through their oil and gas industries. Stavanger now intends to expand its energy activity into offshore wind and is keen to work with Aberdeen and its supply chain to achieve this.

The new Mayor of Stavanger has invited the Lord Provost to attend and participate in a panel session during the HighWind Conference which will take place 17th–19th March 2020 in Stavanger. This conference is directly linked to WECP, the key topic of energy transition and the opportunities and challenges of developing offshore wind in the North Sea. Attending this event should produce additional economic opportunities for Aberdeen companies and enable the building of a relationship with the new Mayor, which is of strategic importance. Subject to Committee approval, it is proposed that the Lord Provost and one officer attend the Highwind conference in March 2020.

4.7 Barents Sea conference

The Barents Sea Conference is the leading forum for energy activity in the Barents Sea. It is the central meeting place for policy and decision makers in industry, government, technology and finance with interests in the Barents Sea. It will take place in Hammerfest, Northern Norway on 20th–22nd April 2020

The Barents Sea, has two producing fields (Snøhvit and Goliat) with three more production fields (John Castberg, Alta/Gohta and Wisting) expected by 2030. The Barents Sea has long-term prospects with regards to resource development with the Norwegian Petroleum Directorate reporting in 2018 that over 60% of Norway's yet-to-find hydrocarbon resources lying in the Barents Sea basin.

In recent years there has been significant activity between Aberdeen and Northern Norway, working closely to develop and provide opportunities for Aberdeen companies in the region. Subject to Committee approval, it is proposed that the Lord Provost and one officer attend the Barents Sea conference. It is intended that a Memorandum of Understanding (MoU) will be signed between Aberdeen and Hammerfest to continue to develop this relationship for mutual benefit.

4.8 Matamoros, Tamaulipas, Mexico

The state of Tamaulipas intends to become Mexico's deepwater oil and gas hub. It contains four basins within its boundaries two of which are considered the top potential prospects to produce oil and gas by hydraulic fracturing. There is also evidence that oil and gas assets have been under-exploited. Therefore there are opportunities for UK companies in both deep and shallow waters, with UK operators like Petrofac and Premier Oil owning blocks in the Burgos basin. This represents a particular opportunity for Aberdeen-based companies with activities in Houston given the proximity to the resources.

Matamoros is a port city in the north of the state which has expressed a particular interest in developing a relationship with Aberdeen. The city, its port and industry require rapid development to service the Mexico oil and gas industry and this offers opportunities for Aberdeen businesses.

Subject to Committee approval, it is proposed that one elected member and one officer visit Tamaulipas in April 2020 to explore the potential for relationship development with the state and with a view to sign an MOU.

5 FINANCIAL IMPLICATIONS

- 5.1 A total budget of £78,000 was approved by the City Growth and Resources Committee on 25th April 2019 and is available to support international trade related travel activity and the World Energy Cities Partnership in 2019-20. The £78,000 budget comprises £29,000 from the Common Good Fund and £49,000 from the City Growth budget.
- 5.2 The total cost of the updated Trade and European Partnerships Travel Plan for 2019/20 is estimated as £21,100 from the Common Good Fund and £22,000 from the City Growth budget. This can be accommodated within the approved budget for 2019/20.

6. LEGAL IMPLICATIONS

- 6.1 Elected Members' travel can only be funded where it is classed as an 'approved duty' in the Local Government (Scotland) Act 1973. Approved duties include *the carrying out of any other duty approved by the local authority, or anything of a class so approved for the purposes of, or in connection with, the discharge of functions of the local authority or any of its committees or sub-committees.*
- 6.2 Local authorities are subject to statutory controls and have a statutory duty to secure best value. The Council has Travel Policies for both members and officers. All travel should be booked in accordance with the arrangements set out in these policies to ensure the most cost – effective travel arrangements are utilised.

7. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	None		
Legal	Spend not in line with approved duties.	L	All travel will be booked and managed in accordance with Council's Travel Policies for Members and Officers. Legal officers will ensure compliance with Local Government (Scotland) 1973 Act.
Employee	Risks associated with travel outwith the UK are managed on a case-by-case basis following advice from	M	A thorough risk analysis is undertaken prior to any travel outwith the UK. This forms part of the pre-travel briefing.

	the UK Foreign and Commonwealth Office and in-country contacts.		The Council has sufficient travel insurance in place.
Customer	None		
Environment	None		
Technology	None		
Reputational	There are reputational risks for the city if it does not actively participate in international partnerships (MOUs) and in developing market relationships. These are vital to ensuring that the city's global profile is maintained	M	Working with the UK Government (DIT) on emerging markets creates relationships which facilitate exports by Aberdeen companies that contribute to economic activity.

8. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	The recommendations in this report will contribute to LOIP stretch outcome Economy 1. New economic activity is important for the economy of Aberdeen and promotional activities and the formation of relationships in international markets assists Aberdeen companies.

Design Principles of Target Operating Model	
	Impact of Report
Partnerships and Alliances	The report seeks approval for continued work across international partnerships and proposes priority markets for the development of further activity and possibly Memoranda of Understanding. In addition, the collaborative approach with Scottish Enterprise, Scottish Development International and the

	Department for International Trade should deliver efficiency benefits.
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9. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

10. BACKGROUND PAPERS

PLA/18/006 – Inward Investment and Trade Priorities, report to City Growth and Resources Committee, 24 April 2018 – approved
 PLA/19/230 - Trade and European Partnerships Travel Plan 2019/20, report to City Growth and Resources Committee, 25th April 2019 - approved

11. APPENDICES (if applicable)

None.

12. REPORT AUTHOR CONTACT DETAILS

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