

## ABERDEEN CITY COUNCIL

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COMMITTEE	Communities Housing and Infrastructure
DATE	25 August 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	World Energy Cities Partnership Annual Report
REPORT NUMBER	CHI/16/120
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

This report seeks the approval of Committee of an annual update on the activities of the World Energy Cities Partnership (WECP). Aberdeen is a founding member.

### 2. RECOMMENDATION(S)

It is recommended that Committee:

- a. Note the activities of the WECP in 2015/2016
- b. Instruct officers from the Economic Development service to report to the Committee annually on the activities of the WECP.
- c. Approves the payment of the annual membership fee to WECP.

### 3. FINANCIAL IMPLICATIONS

There are no further financial implications as the Economic Development service budget contains provision for the annual membership fee of US\$8,000 (£6,100) as approved at CH&I Committee on 20 Jan 2016 within Report CHI/15/300 (link below):

<http://councilcommittees.acc.gov.uk/documents/s53374/International%20Trade%20and%20Investment%20Appendix%201.pdf>

There are no State Aid implications.

### 4. OTHER IMPLICATIONS

Staffing: The Council's Business and Skills Manager (within the Economic Development Service) is the key contact for the WECP Secretariat in Houston, chairs the WECP Economic Development Committee, develops and supports relevant WECP projects including inward visits, and supports and advises the Lord Provost, who is on the WECP Board of Directors. The Head of Economic Development also contributes where required.

### 5. BACKGROUND/MAIN ISSUES

The WECP was founded in 1995 by Aberdeen, Houston, Perth (Australia) and Stavanger with the aim of creating a global network of cities that host energy industries. In 2016, the WECP membership numbers 19 cities:

Aberdeen, Scotland, UK  
Atyrau, Kazakhstan  
Calgary, Canada  
Cape Town, South Africa  
Dammam, Saudi Arabia  
Daqing, China  
Doha, Qatar  
Dongying, China  
Esbjerg, Denmark  
Halifax, Canada  
Houston, USA  
Karamay, China  
Kuala Lumpur, Malaysia  
Luanda, Angola  
Perth, Australia  
Rio de Janeiro, Brazil  
St John's, Canada  
Stavanger, Norway  
Villahermosa, Mexico

WECP's Board of Directors comprises the Mayors of each city, supported by designated WECP officers from the city authorities. The elected President is Mayor Mike Savage of Halifax, Canada and WECP is supported by a Secretariat based in Houston.

WECP meets twice a year, once in Houston each May for a working meeting to coincide with the Offshore Technology Conference and once in a member city each October for an Annual General Meeting. Attendance by the Lord Provost (or his/her representative on an exceptional and pre-agreed basis) and WECP designated officer at both annual meetings is a requirement of WECP membership.

#### Recent WECP Activities

**Economic Indicators Project:** Stavanger, Aberdeen and Halifax have collaborated on a project to develop a set of economic indicators to allow member cities to benchmark their economic performance, identify areas of good practice and share learning, and develop new ideas for joint work. A full baseline set of indicators will be presented at the 2016 AGM in Cape Town in October 2016.

**Inward visits:** At the time of writing, 10 of the 17 inward business or Government delegations that the Economic Development service has hosted to date in 2016 were from fellow WECP cities (Esbjerg, Cape Town, Houston x 3, Kuala Lumpur, Halifax, Stavanger x 2, Dongying).

**Academic links:** Both of Aberdeen's universities have been closely involved in developing joint projects and funding bids with WECP member city universities in recent years, notably Stavanger and Esbjerg.

#### 6. IMPACT

**Corporate** - The contents of the report relate to supporting the Regional Economic Strategy for the North East of Scotland and in particular, the internationalisation priorities and anchoring the oil and gas sector and diversifying the economy – within the energy sector itself; and into other key sectors. The contents of the report also relate to delivering some economic development aspects of the Administration's Smarter Aberdeen vision.

**Public** – Neither an Equality and Human Rights Impact Assessment nor a Privacy Impact Assessment is required for this report. There may be some public/media interest in overseas travel by Elected Members and Officers undertaken as a requirement of WECP membership.

**Improving Customer Experience** – Aberdeen's membership of WECP supports the customer (in this case the Aberdeen business community) experience by:

- Utilising WECP global contacts to facilitate direct business to business links, paving the way for Aberdeen companies to win new export business
- Maintaining and building on the profile of Aberdeen as a global energy capital and world centre of excellence for subsea technology

**Improving Staff Experience** – Supporting WECP membership provides the staff involved with valuable experience of dealing with a wide range of internal (Elected Members, senior officers) and external (businesses, Government

personnel, diplomats etc) customers from a range of countries, cultures and backgrounds.

**Improving our use of Resources** – By building strong relationships and sharing good practice with other global energy cities, the Council is able to showcase its strengths and learn from other cities facing similar challenges and opportunities within the oil and gas sector itself, and the wider energy sector.

## 7. MANAGEMENT OF RISK

Health and Safety: Membership of WECP requires two overseas visits per year by the Lord Provost and the designated WECP Officer (or their representatives), once in Houston each May for a working meeting to coincide with the Offshore Technology Conference and once in a member city each October for an Annual General Meeting. The health and safety implications of all overseas journeys are taken into account during planning, with any exceptional implications to be addressed at the time. Officers regularly review the travel advice provided by the Foreign and Commonwealth Office and are in contact with counterparts in-country to ensure information is accurate and up-to-date. When participating in overseas journeys, Council officers and Elected Members are covered by the Council's insurance policy. A risk assessment is carried out for each overseas journey.

Risk Management: The risks associated with **not** continuing member of WECP are:

- Aberdeen's position as a global energy capital would be compromised and there would be a serious risk of loss of visibility on the world energy industry stage if profile was not maintained and enhanced through WECP meetings and links;
- With the current low oil price and general downturn in the global oil and gas sector, the greatest opportunities for growth are to be found in established and emerging export markets, so support to enable businesses to exploit these opportunities is much needed.
- The Council would not be fulfilling its economic objectives in the Single Outcome Agreement, the vision for Smarter Aberdeen, or the Regional Economic Strategy, which has internationalisation as one of its four pillars.

## 8. BACKGROUND PAPERS

- Regional Economic Strategy
- 2016/2017 International Trade and Investment Plan CHI/15/300 approved at Communities Housing and Infrastructure Committee on 20/1/16

## 9. REPORT AUTHOR DETAILS

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