

ABERDEEN CITY COUNCIL

COMMITTEE	Finance Policy and Resources
DATE	20 September 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Aberdeen Japan Strategy Update Report
REPORT NUMBER	CHI/16/198
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to bring before Elected Members an interim report on progress with the delivery of the Aberdeen Japan Strategy approved at Finance Policy and Resources Committee on 18 February 2015.

2. RECOMMENDATION(S)

Committee is recommended to:

- a) Note the activity outlined in the report and the proposed next steps;
- b) Accept one further (final) report in January 2017 at the conclusion of the Strategy period, detailing the activity delivered in Year 2 (2016) and evaluating the impact of the Strategy overall.

3. FINANCIAL IMPLICATIONS

There is no additional budget available to support the delivery of the Aberdeen Japan Strategy, therefore all activities to date have been resourced from within existing budgets.

This will continue to be the case in 2016 and, where appropriate, partnership working with other organisations and external funding will be used to further support the ongoing delivery of the Strategy. The amount of activity will also depend on other team/service priorities and the staffing and budget resources available and will be strictly focused on areas where impact can be maximised.

4. OTHER IMPLICATIONS

None

5. BACKGROUND/MAIN ISSUES

The Finance Policy and Resources Committee on 20th February 2014 decided to "approve the commissioning of a wide-scoping study by external specialists to develop and deliver an Aberdeen-Japan strategy to further develop trade, tourism, academic and sporting links at a cost not to exceed the sum detailed by the Vice Convenor with a report back to the next meeting of the Committee".

Following delays in procuring an appropriate external specialist, in February 2015, Finance Policy and Resources Committee approved the Aberdeen Japan Strategy and the Economic Development team was tasked with implementing it.

Activities delivered since February 2015 include

1) Hosting inward business and Government delegations throughout the year from:

- Hitachi
- Japan Smart Community Alliance
- Japan Local Government Centre
- Kagoshima
- Mitsui
- Panasonic
- Toyota
- Kobe

2) An Economic Development officer attended the 11th International Hydrogen and Fuel Cell Expo in Tokyo in March 2015 to build on Aberdeen's hydrogen transport sector development as part of the H2 Aberdeen Strategy. As a result of this the Council has attracted numerous inward visits.

3) The Chief Officer for Aberdeen City Health and Social Care Partnership participated in the 2015 Japan Local Government Centre Study Tour to Yamanashi and Tokyo to learn about the Japanese approach to care for its ageing population.

4) An Economic Development officer attended the 12th International Hydrogen and Fuel Cell Expo in Tokyo in March 2016 to further develop Aberdeen's hydrogen sector. This resulted in an agreement with Toyota to supply 10 hydrogen cars to Aberdeen and the leveraging of a grant from the Office of Low Emission Vehicles for 75% of the costs with a value of £400,000. The vehicles will be deployed to the NHS, SEPA, Aberdeen City Council and the car club. Toyota are also sending a mission to Aberdeen from the bus company HINO to study the Aberdeen Bus project to assist with the development of infrastructure and planning for the Olympic Games in 2020.

5) An informal visit from Tokyo Sangyo Co. and the University of Tokyo.

6) Visit to Aberdeen by the Mayor of Nagasaki and representatives of Nagasaki City August 2016.

7) The Robert Gordon University (RGU) is hosting a group of fifteen Japanese students as part of the Nippon Marine Pioneers of the Future sponsorship programme in a bid to enhance capacity building in Japan. RGU are also working with Japan on environmental monitoring and health.

Next Steps in 2016/2017

Planned activities in 2016 include:

1) Hosting a seminar for local businesses interested in the trade opportunities with Japan, particularly around technology development and renewable energy

2) Work is currently being undertaken to establish the potential to:

- Establish a network for businesses that trade with, or are interested in trading with, Japan
- Consider low-cost options to promote Aberdeen to Japanese visitors, evaluate their feasibility and make recommendations
- Support the local supply chain development of SMEs in renewables, particularly hydrogen, and particularly as it relates to Japan

3) Outward visit to Japan led by the Lord Provost, February 2017.

Depending on the outcomes of the feasibility study on the future use of Glover House, further activities may be planned and Committee will be kept informed.

6. IMPACT

Improving Customer Experience – The Strategy aims to benefit local businesses by enhancing their awareness of trading opportunities with Japan and facilitating their connections with key decision-makers in Japanese companies, while building a strong, multi-faceted relationship between Aberdeen and Japan.

Improving Staff Experience – The staff involved in hosting Japanese delegations or working on overseas trade missions gain valuable experience of working with a diverse range of internal (Elected Members, senior officers) and external (businesses, trade associations, Government personnel, diplomats) customers.

Improving our use of Resources – To date, careful planning has enabled all activities to be funded from within existing budgets and officers will seek to continue this while seeking external funding and support from partner organisations to cover any additional activities.

Corporate – The contents of the report relate to delivering the economic development aspects of the **Single Outcome Agreement**:

National Outcome 1 – We live in a Scotland that is the most attractive place for doing business in Europe
National Outcome 2 - We realise our full economic potential with more and better employment opportunities for our people
Local Outcome – Anchor the Oil and Gas Industry
Local Outcome – Diversification of the Economy

The contents of the report also relate to delivering the economic development aspects of the Administration's **Smarter Aberdeen** vision.

Internationalisation is a key theme in the **Regional Economic Strategy** and **City Region Deal**. In both cases the Aberdeen Japan Strategy provides an important additional framework for business development opportunities with Japan in technology development and renewable energy.

Public – Neither an Equality and Human Rights Impact Assessment nor a Privacy Impact Assessment is required for this report. There may be some public interest in the Council's work with Japan.

7. MANAGEMENT OF RISK

Overseas visits are risk assessed on a case by case basis.

8. BACKGROUND PAPERS

Aberdeen Japan Strategy (Finance, Policy and Resources Committee, 18/2/2015)

International Trade and Investment Plan 2015/2016 (Communities, Housing and Infrastructure Committee, 13/1/2015)

International Trade and Investment and Funding and Partnerships Plan 2016/2017 (Communities, Housing and Infrastructure Committee, 20/1/2016)

9. REPORT AUTHOR DETAILS

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