

ABERDEEN CITY COUNCIL

COMMITTEE	Communities Housing and Infrastructure
DATE	24 January 2017
DIRECTOR	Pete Leonard
TITLE OF REPORT	International travel proposals to May 2017
REPORT NUMBER	CHI/16/293
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The report seeks approval for the Council's outbound international trade activity up to the end of May 2017 and the associated travel costs for the attendance of officers and Elected Members at key overseas events.

2. RECOMMENDATION(S)

It is recommended that Committee:

- a) Approve the report and the activities described herein, subject to the Council's 2017-2018 budget-setting process.
- b) Agree that a new Memorandum of Understanding with the city of Barranquilla, Colombia and a refreshed Memorandum of Understanding with the city of Villahermosa and the State of Tabasco, Mexico are signed.
- c) Approve the associated travel by officers and Elected Members for the activities as described in the report, subject to the Council's 2017-2018 budget-setting process.
- d) Authorise the Head of Economic Development to approve the necessary arrangements for identified international travel up to the end of May 2017, subject to the required budgets being approved by the Council's budget process.
- e) Instruct officers to report to the March 2017 meeting of the Council with proposals for delivery of the Council's inward investment, international trade and partnerships and funding priorities for 2017-18. This report will include an update on the Brexit-related reviews of overseas trade

development and external funding requested by the Council at its meeting on 14th December 2016.

- f) Instruct officers to provide a Bulletin report on each activity alongside the Elected Members Overseas Travel Bulletin submitted to each meeting of Council.

3. FINANCIAL IMPLICATIONS

The activity to May 2017 proposed within this report is consistent with previous years and is considered to be the minimum required to maintain Aberdeen's reputation and relationships with core partners in the World Energy Cities Partnership; in Mexico and with emerging partners in Colombia.

The anticipated costs of travel during April and May 2017 are as follows:

EVENT	TIME AND PLACE	OFFICER all on a whom failing basis	MEMBER all on a whom failing basis	BUDGET - estimates
Petroleum Exhibition and Conference of Mexico (PECOM), Villahermosa, Mexico. Trade mission and re-signing of MoU. Extend trip to Barranquilla to enable signing of new MoU	Villahermosa, Mexico March 28-30 2017 Barranquilla, Colombia April 1-3 2017	One officer	Depute Provost	Approximately £3,500 [Depute Provost costs are met from separate budget]
Offshore Technology Conference (OTC); World Energy Cities Partnership working meeting Trade Mission	Houston, USA 1-4 May 2017	One officer	None	Approximately £3,500
			Total	£7,000

The report to the March 2017 meeting of the Council will include a review of the Council's existing Memoranda of Understanding alongside sector and market analysis to inform the prioritisation of trade activity going forward in the context of budgets and new inward investment priorities. The cost implications of the Council's portfolio of MoUs will be considered in the report.

There are no State Aid implications.

4. OTHER IMPLICATIONS

This report considers outbound international trade activity to the end of May 2017 only and is brought to Committee at this point in the cycle due to the need to book associated travel and accommodation for the proposed activities. The report to the March 2017 meeting of the Council will have a

wider perspective in terms of inward investment and inbound international activity (i.e. hosting of trade delegations) alongside proposals for outbound activity.

Staffing: The International Trade and Investment team is currently staffed by one full-time Team Leader (International Trade and Investment), one full-time International Trade Project Officer, one full-time Investment Project Officer (vacant) and two Project Support Officers. The Head of Economic Development and Business and Skills Manager are also actively involved in international and investment activity given its significance for the Council and the Aberdeen economy.

5. BACKGROUND/MAIN ISSUES

International Trade

The Regional Economic Strategy, which was agreed in 2015, includes internationalisation as one of its four priorities. This is consistent with the Scottish Government's Economic Strategy. The specific actions that are relevant to the Council's international trade and investment proposals are:

- Support NESTG (North East of Scotland Trade Group) to develop and enhance international trade and investment support;
- Maximise the opportunity from Offshore Europe 2017 and 2019 and develop a programme of ancillary activity that broadens the appeal of the region to a global audience;
- Provide internationalisation support to businesses in existing priority and new markets linking existing innovation and R&D capability, in both the private sector and academia;
- Lobby and participate in key international, EU and national networks that can support delivery of our economic priorities

The International Trade and Investment team helps to create the conditions for sustainable economic growth in the City by providing tailored support to City businesses to enhance their internationalisation (i.e. increase their export of products and services). The team does this by working effectively in partnership with key local, national and international partners to enhance the City's strategic profile and position as a global energy capital and centre of excellence in subsea technology. In practical terms, this means:

- supporting trade missions;
- hosting inward business delegations;
- facilitating contacts between local and international companies;
- holding business seminars and providing market intelligence;
- attending key industry conferences and exhibitions;
- leading in the creation of new international links in markets in which Aberdeen City Council is particularly well placed as a facilitator

To maximise benefit to the business community, the team frequently works in partnership with the Department for International Trade (DIT), Scottish Development International, and other local and national organisations via the North East Scotland Trade Group to ensure there is a coordinated approach

to international trade activity planning, avoiding duplication and addressing gaps in service provision.

International partnerships

Aberdeen City Council is a founding member of the World Energy Cities Partnership – a 19-strong network of global energy cities that encourages the exchange of energy industry knowledge and economic and infrastructure development strategies and good practice. The network is a powerful example of how city-to-city connections can “open doors” and facilitates direct business-to-business links and market entry.

Representatives of the City Council attend two WECP meetings per year: the working meeting during the Offshore Technology Conference in Houston annually in May and the Annual General Meeting in October.

Aberdeen City Council has nine existing Memoranda of Understanding (MoU) with various cities and regions around the world. The MoUs with the state of Tabasco and Villahermosa in Mexico are due to be refreshed and re-signed in 2017. This report includes a recommendation that Aberdeen City Council should enter into a new Memorandum of Understanding with the city of Barranquilla, Colombia. This builds on a letter of intent signed by both cities and the Colombian government when Aberdeen hosted a delegation to the city in November 2016, which recognised the potentially strong economic benefits of greater co-operation to both cities and regions.

Subject to approval, the intention would be for this MoU to be signed on a visit to Barranquilla by the Depute Provost which is planned for April 2017. This would form part of a wider trade mission to central America, aligned to the Petroleum Exhibition and Conference Mexico (PECOM) which takes place in Villahermosa, Mexico from 28-30 March 2017. Aberdeen City Council will be supporting a wider trade mission at the event in Villahermosa.

6. IMPACT

Corporate

Internationalisation is a key theme in the Regional Economic Strategy and Aberdeen City Region Deal and the implementation of the activities outlined in this report is expected to have a direct positive impact on Aberdeen companies' export success. The Council has a significant leadership role to play in terms of building civic and economic relationships that will deliver long-term economic benefits for the city and region. The contents of the report also relate directly to delivering the economic development aspects of the Administration's **Smarter Aberdeen** vision.

Public

No impact assessments are required for this report. There may be some public/media interest in overseas travel by Elected members and/or officers.

Improving Customer Experience

Delivering the activities outlined is expected to improve the experience of customers (Aberdeen's business community) by:

- Raising awareness among Aberdeen companies of business opportunities and how to access them in new, existing and target export markets in the energy sector
- Better positioning Aberdeen companies to win new export business by facilitating direct business to business links and using effectively existing strategic partnerships like World Energy Cities Partnership and Memoranda of Understanding (economic cooperation agreements)
- Maintaining and building on the profile of Aberdeen as a global energy capital and world centre of excellence for subsea technology

Improving Staff Experience

Delivering the activities outlined 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 working in partnership with North East Scotland Trade Group partners on the delivery of coordinated trade development activities the Council is able to share the workload and take lead or supporting roles where appropriate, without compromising the level of service delivered to the customer.

7. MANAGEMENT OF RISK

Health and Safety: The health and safety implications of all overseas journeys are taken into account during planning. 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.

Risk Management: A personalised risk assessment is carried out for each overseas journey. When participating in overseas journeys, Council officers and Elected Members are covered by the Council's insurance policy. Aside from operational risks, the primary risks associated with **not** undertaking the activity outlined in this report are as follows:

- Aberdeen's position as a global energy capital could be compromised if the City Council did not participate in the World Energy Cities Partnership meetings and did not support the Aberdeen delegation to the Offshore Technology Conference;
- Aberdeen-based companies could lose their competitive edge in new markets if targeted export market entry support (i.e. in Mexico and Colombia) was withdrawn;
- With the current volatility in the global oil and gas sector, the greatest opportunities for growth and diversification are to be found in established and emerging export markets, so the City Council's support to enable businesses to exploit these opportunities is much needed and highly regarded;
- The City Council's leadership role in terms of the internationalisation strand of the Regional Economic Strategy and its reputation amongst partners and the business community could be weakened;

8. BACKGROUND PAPERS

- Scottish Government Economic Strategy
- Regional Economic Strategy
- *Leaving the European Union* report to Council and decision log, 14 December 2016
- Bulletin report on the outcomes of each overseas visit undertaken by Elected Members submitted to Council 14 December 2016

9. REPORT AUTHOR DETAILS

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