

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	1 February 2018
REPORT TITLE	External Partnership Activity
REPORT NUMBER	CHI/17/320
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Laura Paterson

1. PURPOSE OF REPORT:-

- 1.1 The purpose of this report is to seek approval for nomination of an Elected Member to the North Sea Commission's Transport Thematic Group and approval for a working trip to Pemba, Mozambique in February 2018 in order to sign the Memorandum of Understanding between Aberdeen and Pemba.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee:
- a) Nominate an Elected Member to the role of Vice Chair of the North Sea Commission's Transport Thematic Group;
 - b) Approve international travel of an Elected Member and Officer to attend up to four meetings per annum of the NSC Transport Thematic Group, subject to Aberdeen City Council's 2018/19 budget setting process;
 - c) Approve the working trip to Pemba, Mozambique and associated costs of a maximum of £1,680 as outlined in this report.

3. BACKGROUND

North Sea Commission

- 3.1 The North Sea Commission (NSC) is an international consortium of local and regional authorities from the North Sea Periphery area. The NSC aims to develop partnerships between the nations. Through co-operation, research, funding, policy statements and lobbying at European level, the NSC aims to promote the region as an economic entity.
- 3.2 There are four thematic groups within the NSC focussing on different areas, such as Blue Growth and Transport. Each group has a Steering Group composed of Elected Members from the different regions to guide policy

debate and political lobbying. Groups meet up to four times per year. Representatives from member regions are eligible to join thematic groups.

- 3.3 Nominations are currently being sought for the vacant position of Vice-Chair of the Transport Group. The Transport Group's work programme includes priorities such as Clean Transport and development of transnational transport projects.
- 3.4 An Elected Member was nominated to be Aberdeen City's NSC representative following local elections in May. Details of appointments to external organisations are included in Appendix 1. This member is eligible to sit on a NSC Thematic Group and be nominated for a position therein. An active member of a Steering Group ensures that Aberdeen's economic interests are firmly represented within an international context.
- 3.5 Membership of these thematic groups has resulted in the development of externally funded projects, such as hydrogen transport. Participation in these programmes reduces the financial spend by ACC towards projects as external funds are received which support projects. Development of these projects ensures that Aberdeen maintains its reputation as being innovative and forward thinking.
- 3.6 Holding a Chair within the NSC Transport Group also reinforces representation of the region's economic interests. Local organisations have previously expressed interest in Aberdeen joining the European Commission's Trans-National Transport Network (TENT-T). A Vice-Chair position within the Transport Group could leverage discussions with the EU's Directorate-General for Mobility and Transport to lobby for the cause. This would strengthen the region's position in applying for money from externally funded programmes.
- 3.7 Eight nations are members of the NSC – Denmark, England, Germany, France, the Netherlands, Norway, Sweden and Scotland. Norwegian regions are some of the most active partners in the partnership as being members of the NSC provide opportunities for transnational cooperation with EU Members. Having an active role in the NSC Transport Group demonstrates a continued commitment from Aberdeen City Council to continue to participate in transnational cooperation projects and programmes in the future. It is particularly pertinent in the Transport Group as organisations, such as Aberdeen Harbour, and programmes, including the roll-out of hydrogen transport technology, are enhanced by good relations with and continued investment from international partners.

Pemba, Mozambique

- 3.8 In March 2017, Council approved an international trade plan for 2017-18 and noted proposals for an outline plan for 2018-19. The latter included a trip to Pemba, Mozambique, in order to fulfil commitments that were anticipated as part of the Memorandum of Understanding that was proposed between Aberdeen and Pemba. The MoU was scheduled to be signed in the UK in 2017 (having been approved by CH&I Committee in January 2016) but this did not ultimately prove achievable.

- 3.9 Subsequent to Council's approval of the international trade plan, a further report was approved by CH&I in August 2017 which reduced the level of expenditure on overseas travel as part of the corporate savings and efficiency process. The trip to Pemba in 2018-19 was no longer included due to budget constraints. However Mozambique was still recognised as being a key emerging market for Aberdeen businesses.
- 3.10 In December 2017, Cllr John Reynolds had a meeting with the Mozambique High Commissioner in London. As a result of this meeting, it was proposed that a trip to Pemba be considered in February 2018 so that the MoU signing could take place. The UK Government Department for International Trade (DIT) agreed to pay the full travel costs for one Elected Member and one officer, therefore meaning a substantial reduction to the overall cost to Aberdeen City Council.
- 3.11 The proposed trip would take place from Tuesday 13th – Saturday 17th February. Two nights' accommodation in Pemba and subsistence costs associated with the trip would be incurred by Aberdeen City Council. It is anticipated that a maximum of £1,680 would be required to cover these costs.
- 3.12 DIT is currently working with the Mozambique High Commission and the regional and city-level governments in Mozambique on an itinerary for the time that will be spent in Pemba. This will include opportunities to meet key local civic and business leaders and to visit infrastructure projects that are being delivered to support the oil and gas sector in the city and region.
- 3.13 A country and opportunity profile for Mozambique is appended as appendix 2 to this report.

4. FINANCIAL IMPLICATIONS

- 4.1 Nomination to the role of Vice Chair of the NSC Transport Group will result in participation in up to four international meetings per annum. It is estimated that costs for attending these meetings will be £4,000. This is subject to Aberdeen City Council's 2018/19 budget setting process. A pre-payment from the 18/19 budget will be created for any costs incurred within the remainder of financial year 17/18.
- 4.2 The cost of the Pemba trip detailed below will be funded from within existing Economic Development Budgets in 2017/18.
- 4.3 DIT's willingness to pay for two return flights to Pemba has reduced the overall cost significantly, from an estimated £6,000 to a maximum of £1,680 as set out below.

Item	Approximate cost
Two standard rooms at the Avani Pemba hotel for two nights, with breakfast	£120 per room per night Total - £480
Sponsorship of bilateral dinner for UK / Mozambique governments, regional	£400

government and Pemba civic leaders	
Subsistence costs (meals whilst travelling and in country – five days / four nights in total)	£200
Travel vaccinations / precautionary treatments	£300
Contingency	£300
Maximum anticipated cost	£1,680

5. LEGAL IMPLICATIONS

- 5.1 Membership of external bodies and subsequent appointments are and will continue to be subject to review by the Head of Democratic and Legal Services.

6. MANAGEMENT OF RISK

6.1 Financial

There are no identified financial risks associated with this report.
Risk – Low

6.2 Employee

Members and Officers will be fully briefed on travel protocol prior to travel.

- 6.2.1 The working trip to Mozambique is being organised by the UK Government's Department for International Trade and their in-country team. A briefing for the Elected Member and officer travelling will be provided and will be based on the latest advice for travel to Mozambique that is provided by the Foreign and Commonwealth Office. In Mozambique, all activities will be organised by DIT and their officers will accompany the Council's Elected Member and officer at all times.

Risk – Low

6.3 Customer/Citizen

There are no identified risks to customer/citizens with this report.
Risk – Low

6.4 Environmental

All travel is made by public transport, thus reducing impact to environment.
Risk – Low

6.5 Technological

There are no identified technological risks associated with this project.
Risk – Low

6.6 Legal

External partnerships and subsequent appointments are subject to review by Head of Democratic and Legal Services.
Risk – Low

6.7 Reputational

Participating in external partnerships and active involvement with consortiums demonstrates Aberdeen City Council's commitment to innovative services in the city.

Risk - Low

7. IMPACT SECTION

7.1 This section demonstrates how the proposals within this report impact on the strategic themes of Aberdeen City Council and Community Planning Aberdeen, as set out in the [Aberdeen City Local Outcome Improvement Plan 2016-26](#) and the [Aberdeen City Council Strategic Business Plan](#).

7.1 Economy

7.1.1 Participating in external partnerships creates networks from which externally funded projects are developed. These enable significant project delivery in Aberdeen City and reduce spend from Council budget. Projects support the strategic aims and programmes of Aberdeen City Council, including Powering Aberdeen and the Hydrogen Strategy.

7.1.2 The Mozambican economy is showing some signs of recovery after a difficult 2016, which saw a sharp slowdown in growth and shocks to both the country's currency and to inflation. First quarter GDP growth in 2017 picked up to 2.9%, more than double the growth rate of the preceding quarter. The *metical*, which had been steadily depreciating in the first ten months of 2016, is now more stable, having strengthened by 28% against the US dollar in the last 9 months. A strong monetary policy was key to this shift, which also helped inflation to slowly begin easing by mid-2017. Strengthening prices for coal, aluminum, and gas, a post-el Niño recovery in agriculture, and progress in the peace talks, could steer growth to 4.6% in 2017, and toward 7% by the end of the decade. [World Bank, October 2017]

7.1.3 With some of the largest gas fields in the world, no supply chain and an immediate, significant demand for skilled workers, there are vast areas of opportunity for oil and gas companies in the energy supply chain to export their products, services and expertise. Particular areas of opportunity for Aberdeen companies include:

- subsea engineering, procurement, installation and commissioning
- original equipment manufacturers of drilling and subsea systems
- offshore support
- manpower services

7.2 People

7.2.1 The implementation of projects, developed through these external partnerships, has had a positive impact on citizens of Aberdeen. The development of low carbon transport, for example, has resulted in lower air and noise pollution emissions.

7.3 Place

7.3.1 Participation in these external partnerships has resulted in the implementation of projects that have benefitted the city, such as the BEGIN project which is tackling flood alleviation in the city.

7.4 **Technology**

7.4.1 Membership of these organisations has resulted in the delivery of projects which have been innovative in their use of technology, such as the roll out of hydrogen transport.

8. **BACKGROUND PAPERS**

Memorandum of Understanding with Pemba, Mozambique (CHI/15/302), report to CH&I Committee, 20 January 2016, approved.

International trade and partnership proposals (CHI/17/047), report to Council, 15 March 2017, approved.

Emerging markets – international trade (CHI/17/181), report to CH&I, 29 August 2017, approved.

9. **APPENDICES**

1. External Partnership Activity
2. Country profile, Mozambique

10. **REPORT AUTHOR DETAILS**

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