

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
DATE	19 June 2018
REPORT TITLE	World Energy Cities Partnership AGM
REPORT NUMBER	PLA/18/031
DIRECTOR	Steve Whyte
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Matt Lockley
TERMS OF REFERENCE	2.3

1. PURPOSE OF REPORT

- 1.1 To present an appraisal of the submission by Aberdeen City Council to host the World Energy Cities Partnership AGM in September 2019.

2. RECOMMENDATION(S)

That Committee:-

- 2.1 Note the appraisal of the bid to host the World Energy Cities Partnership AGM in September 2019 and the anticipated costs and benefits; and
- 2.2 Approve the Council's continued participation in the formal bidding process as set out in the report

3. BACKGROUND

WORLD ENERGY CITIES PARTNERSHIP AGM

- 3.1 At its meeting on 24th April 2018, City Growth and Resources Committee resolved to support the submission of a bid from Aberdeen City Council to host the World Energy Cities Partnership (WECP) AGM in 2019, subject to such a bid not committing the Council to expenditure in excess of £60,000. The Committee also resolved to receive a report including an appraisal of the bid and further details on costs and benefits at its next meeting.
- 3.2 Aberdeen City Council is a founding member of the WECP, a partnership which was established in 1995 with 5 founding members. Today, the partnership has 20 member cities from across the world, all of which are established energy capitals within their respective countries or markets. From an initial focus on the oil and gas sector, the partnership has in recent years extended its scope

to cover renewable energy, reflecting global shifts in energy production and new and innovative technologies.

- 3.3 The WECP meets formally twice each year; once for a working meeting alongside the Offshore Technology Conference in Houston and once in the autumn for its AGM. The latter meeting is hosted by a different member city each year following a competitive bidding process. Recent hosts have been Rio de Janeiro (2015), Cape Town (2016) and Halifax (2017). The 2018 AGM will be hosted by Kuala Lumpur from the 16th-19th October. Attendance at this year's AGM for the Lord Provost and two officers was approved at Council on 5th March 2018. Aberdeen last hosted the AGM in 2008.
- 3.4 The Lord Provost of Aberdeen currently holds the Vice-Presidency of the WECP. Mayor Mike Savage of Halifax, Nova Scotia, is the President and Mayor Sylvester Turner of Houston is the General Secretary. The President and Vice-President roles will be due for election at the 2019 AGM.
- 3.5 The WECP has a formal bidding process for each year's AGM, which requires a bid to be submitted by potential host cities by 1st June on the preceding year. Potential host cities are then invited to present on their plans at the AGM in the preceding year, where a formal vote on the next AGM is taken. Subject to Committee approving continued participation in the bidding process, Aberdeen City Council would therefore be expected to present on its 2019 AGM bid and programme during the AGM meeting in Kuala Lumpur.
- 3.6 WECP AGMs follow a set pattern, usually over three days, and the successful bid must confirm that a number of formal meetings, informal networking opportunities, social activities and a formal dinner will be provided. They are also expected to be aligned with a significant 'anchor' event that adds value to delegations attending the AGM. With this in mind, the Aberdeen bid for 2019 is aligned to Offshore Europe to maximise business to business and networking opportunities for WECP delegations.
- 3.7 The full bid document is included as appendix A to this report with indicative costings provided at point 4.1. In brief, the provisional schedule (bearing in mind that Offshore Europe runs from 3rd-6th September) is as follows:

Date	Morning	Afternoon	Evening
Weds 4 th September			Civic welcome / reception event
Thurs 5 th September	Officer Committee meetings (x4)	Informal / social activity	Formal WECP dinner
Fri 6 th September	Breakfast seminar / panel discussion Officer Strategy meeting / Mayors informal meeting	Site / project visit	Informal dinner, WECP members and delegations only

Sat September	7 th	AGM	Informal lunch	
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3.8 In any given year, between 14 to 17 of the 20 member cities attend the AGM. These will be high profile delegations, headed by the respective Mayors of each city. Some cities will also invite national government representatives and trade delegations will be encouraged. Based on previous years' AGMs, there would be in the region of 70 people attending representing cities and municipalities and up to a similar number as part of trade delegations. Opportunities for delegations to extend their stays in Aberdeen will also be part of the package and officers are working on a complementary programme with Visit Aberdeenshire.

COSTS AND BENEFITS

3.9 The majority of the costs associated with hosting the AGM fall to the host city. The WECP provides a small amount of support, usually not exceeding \$10,000 (£7,300 at current exchange rates). Officers have therefore carefully designed a programme that creates maximum impact and opportunity to showcase the city whilst mitigating costs and identifying opportunities for corporate sponsorship, where possible. For example, official meetings will be held either in Marischal College or the Town House and sponsorship will be sought for the headline events to lever in supporting funding. Financial contributions may also be sought from city and regional stakeholders, where appropriate. Initial approaches have been made to UK and Scottish Government agencies.

3.10 An outline budget is included at 4.1 below. It estimates that the total costs of a successful bid could be around £52,000. Clearly these costs, and any income streams coming forward may change over the coming months and negotiations will continue up to and beyond the WECP's decision on the 2019 AGM which will be made in October this year. If a positive decision about Aberdeen's bid is reached, more formal discussions on sponsorship opportunities will also be opened with relevant industry leaders and stakeholders in the city.

3.11 In terms of benefits, there will be significant international profile gained for the city by hosting the AGM and the high-level delegations that will be in Aberdeen. In addition, business to business opportunities will be a major focus and pre-work on this to ensure effective business matching and introductions will be a priority.

3.12 There will also be tangible economic benefits to hosting the AGM. Based on industry standards for international visitors and daily spend (£407 per day), and assuming four day stays for a minimum of 70 people, direct economic benefit to the city of £113,960 can be expected. This does not take into account any trade delegations above the core 70 expected from member city delegations or any extended stays, or wider indirect or induced effects.

3.13 Finally it is worth noting that travel costs associated with the Lord Provost and two officers attending the WECP AGM are ordinarily in the region of £7,500 - £9,000, depending on the host city location. This budget would not be required if Aberdeen were to host and would instead be set against the costs of hosting.

The remaining costs would be met from the international trade and investment budgets within City Growth (subject to approval of the Council's 2019/20 budget).

4. FINANCIAL IMPLICATIONS

4.1 The estimated costs as at the time of this report are summarised in the table below:

Expenditure		
Cost heading	Estimated cost	Comment
Venue hire / catering	£2,500	Formal WECP officer meetings (x6), AGM
Reception	£9,100	Based on 150 guests
Lunches / dinners	£20,500	Lunches for WECP delegation members (x70), formal dinner for 100
Conference breakfast	£3,000	Based on 150 attending
Social / leisure activity	£4,240	For WECP delegation members (x70)
Transport / transfers	£7,000	
Marketing / website / comms	£5,500	
Total	£51,840	

5. LEGAL IMPLICATIONS

5.1 None anticipated.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	The cost to the Council could escalate beyond the £60,000 ceiling agreed by City Growth and Resources Committee.	L	Initial estimated costs have been calculated at the top end of expectations. Contributions from the WECP and from sponsorship will reduce the overall cost to the Council. The Chief Officer – City Growth, will maintain a close watching brief on the budget

			associated with hosting the AGM.
Legal	None	-	
Employee	The timing of the AGM, running alongside Offshore Europe, will mean a significant amount of preparation and long working hours during the week concerned in September 2019. Employee health and wellbeing will need to be central to planning considerations.	M	Chief Officer – City Growth will identify core project teams for both Offshore Europe and WECP AGM and will identify contingency staff resources within the function to support the successful completion of both events.
Customer	None		
Environment	None		
Technology	None		
Reputational	Withdrawing from the bidding process could have detrimental reputational implications for Aberdeen within the World Energy Cities Partnership	L	City Growth and Resources Committee oversight of the bid and the costs and benefits of hosting the AGM should secure political commitment and mitigate the risk of withdrawal.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	Aberdeen City Council's active participation in the World Energy Cities Partnership is focussed on the opportunities that the partnership brings for developing trade and investment relationships with the 19 other countries that form the partnership. Examples of this include bilateral activity with cities such as Halifax and Barranquilla, where WECP membership has facilitated the development of business opportunities to the mutual benefit of each city. Trade missions between WECP partner cities are common and Aberdeen regularly hosts trade delegations from its WECP partners.

	<p>The City Council's work with the WECP supports the Regional Economic Strategy's objectives around internationalisation of the economy and, related, inward investment. Invest Aberdeen is a new initiative to deliver increased inward investment to the city region and WECP membership is a significant advantage in this regard.</p> <p>Hosting the AGM and an associated business-to-business programme will result in a diverse range of international opportunities being showcased in Aberdeen and it is anticipated that trade associations and agreements will be a positive outcome.</p> <p>All of this activity contributes to the Prosperous Economic theme of the LOIP as it is focussed on the creation of jobs and value add to the Aberdeen economy in terms of international diversification.</p>
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Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	None
Organisational Design	None
Governance	None
Workforce	None
Process Design	None
Technology	None
Partnerships and Alliances	The report seeks approval for continued work across international partnerships and a central, high-profile role for Aberdeen in the WECP in 2019. It should also build on strong partnerships with the UK and Scottish Governments in delivering a major international trade and investment event.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required

Privacy Impact Assessment	Not required
<u>Children's Rights Impact Assessment/Duty of Due Regard</u>	Not applicable

9. BACKGROUND PAPERS

[World Energy Cities Partnership – annual review](#) (CHI/17/203) – report to Communities, Housing and Infrastructure Committee, 29th August 2017, recommendations approved.

[World Energy Cities Partnership and international trade opportunities](#) (CHI/18/014) – report to Council, 5th March 2018, recommendations approved.

[Inward investment and trade priorities](#) (PLA/18/006) – report to City Growth and Resources Committee, 24th April 2018, recommendations approved (with amendments).

10. APPENDICES (if applicable)

Appendix A – WECP AGM – Aberdeen 2019 bid document

11. REPORT AUTHOR CONTACT DETAILS

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