

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	City Growth and Resources
<b>DATE</b>	7 <sup>th</sup> February 2019
<b>REPORT TITLE</b>	World Energy Cities Partnership AGM, Presidency and Travel
<b>REPORT NUMBER</b>	PLA/19/178
<b>DIRECTOR</b>	N/A
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Matt Lockley
<b>TERMS OF REFERENCE</b>	2.2 determine the Council's strategies for city growth and place planning except in relation to major infrastructural planning; 2.3 consider reports on key actions by the Council towards the delivery of the Regional Strategy and the Inward Investment Plan; 7.2 appointments to outside bodies

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### 1. PURPOSE OF REPORT

- 1.1 To request consideration of the Lord Provost seeking the Presidency of the World Energy Cities Partnership at the organisation's next AGM and to request approval for travel to CERAwEEK in Houston in March 2019.

### 2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Approve the Lord Provost seeking nomination to become the President of the World Energy Cities Partnership at its AGM in September 2019 and note the wider opportunities this would bring for the city; and
- 2.2 Approve travel and accommodation for the Lord Provost and one officer to attend CERAwEEK in Houston in March 2019.

### 3. BACKGROUND

#### World Energy Cities Partnership AGM

- 3.1 The Council is one of five founding members of the WECP, which was established in 1995. Today, the partnership has 20 member cities from across the world, all of which are established energy capitals within their respective

countries or markets. The initial focus was on the oil and gas sector, but in recent years the partnership has extended its scope to cover renewable energy, reflecting the new and innovative technologies in wider energy production.

- 3.2 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), Halifax (2017) and Kuala Lumpur (2018). Aberdeen's bid to host the 2019 AGM in the city was approved at the 2018 AGM in Kuala Lumpur.
- 3.3 Aberdeen will host the WECP AGM alongside Offshore Europe (OE) in September 2019. OE runs from Tuesday 3<sup>rd</sup> to Friday 6<sup>th</sup> September. The WECP AGM is deliberately scheduled to overlap with this so that incoming international delegations can spend time at OE before the WECP's formal programme commences. That will run from the evening of Wednesday 4<sup>th</sup> to the lunchtime of Saturday 7<sup>th</sup> September.
- 3.4 The WECP AGM presents a significant opportunity to promote Aberdeen on a global stage. Officers and WECP secretariat are developing a programme and it is anticipated that it will commence with a Networking Reception and conclude with the formal Annual General Meeting itself on the morning of Saturday 7<sup>th</sup> September. There will be a formal AGM dinner on the evening of Thursday 5<sup>th</sup> September, hosted by the Lord Provost. Other activity will include:
  - Ministerial contributions from the UK and Scottish Governments;
  - A joint programme with the OE conference organisers, the Society of Petroleum Engineers;
  - Industry visits to Aberdeen's tier one supply chain companies and major projects;
  - Seminars hosted at some of the city's key initiatives such as the Oil and Gas Technology Centre (OGTC).
- 3.5 Relevant Chief Officers have met to discuss how their functions can support the delivery of a first-class global event. Early priorities are focussed on the digital aspects of hosting the event as a new web platform will need to be available by the spring of 2019 to enable delegates to book accommodation and register for the event. A marketing and communications plan is also being developed. Officers from City Growth are working closely with external partner organisations (including VisitAberdeenShire, OGTC, Aberdeen & Grampian Chamber of Commerce) and with the Lord Provost's office on programme content and collaboration opportunities.

### **World Energy Cities Partnership Presidency**

- 3.6 The Lord Provost of Aberdeen has been the Vice-President of the WECP since January 2018. The period of office is two years, concluding in December 2019. A vote on a new President and Vice-President will take place at the AGM in Aberdeen in September 2019. Mayor Savage of Halifax, Canada, is the

incumbent President but he has indicated that he will not seek another term as President as he has held the office for four years.

3.7 The byelaws of the WECP state that:

3.7.1 *The President shall be nominated from among the Board of Directors [i.e. the Mayors / civic leaders] by two members of the Board of Directors prior to the last AGM of the current two-year term. Following nomination, the candidate city will submit a statement of interest to the Board of Directors through the General Secretariat for consideration at the next duly convened meeting [in this instance, the AGM in Aberdeen] where a quorum of voting Directors are present. A majority of voting Directors will confirm the President.*

3.8 Should Committee consider that seeking the Presidency would be a positive step for the Lord Provost and the city, the Lord Provost would then need to work with his counterparts to secure nomination from two members of the Board of Directors. It is likely that any discussion and confirmation of this could be undertaken at the WECP's Working Group meeting in Houston in May.

3.9 Holding the Presidency of the WECP could bring significant benefits to Aberdeen. The below are some examples that Halifax, the current hosts of the Presidency, have provided and endorsed:

- The Lord Provost and the city would have enhanced international profile as the President of the WECP is routinely invited to speak at major events in the international energy calendar;
- Invaluable profile raising in market for Aberdeen at WECP events – i.e. the annual working group meetings in Houston and the rotating AGM – where the President acts as spokesperson for the partnership but is also able to promote their own city;
- The Presidency brings VIP access to both public and private meetings with government ministers and business and civic leaders. Significantly enhanced leadership role for Aberdeen with much larger cities and capitals;
- It provides more opportunities to promote the city as an international trade and investment hub, and developing relationships for the city and businesses;
- Potential cost savings as the WECP allocates a \$10,000/year budget to support the President's travel; and
- The President also has an important role in strategic leadership for the WECP organisation, with opportunities to shape how the partnership develops into the future

3.10 If successful, the Lord Provost's holding of the Presidency would commence formally in January 2020 and conclude in December 2021. It is possible that there could be additional travel requirements (estimated to be no more than two additional trips per year) for the Lord Provost. These could be related to visiting WECP applicant cities or cities that have disengaged from the partnership (for example, in his role as president, Mayor Savage visited Doha in spring 2018 with a view to seeking their reengagement).

## **CERAAweek, Houston, 11<sup>th</sup>-15<sup>th</sup> March 2019**

- 3.11 The WECP has secured a pilot partnership with CERAAweek, the world's leading energy forum, for March 2019. A letter from Mayor Turner of Houston (Secretary General of the WECP) setting out the invitation to join CERAAweek and the agreement between CERAAweek and the WECP are appended to this report.
- 3.12 A specific programme (Future of Cities) has been agreed which will give WECP Mayors and civic leaders the opportunity to have a direct dialogue with some of the global energy executives and senior members of the policy, financial, industrial and technological communities who attend the event. In addition, the partnership includes:
- A high-profile speaking role at the Future of Cities session;
  - Mayors Reception: a VIP, invitation only event during the conference;
  - Complimentary CERAAweek passes (which retail at \$8,000) for Mayors / civic leaders and two officers – giving access to all of the conference programme, industry networking and insight sessions;
  - Access to private meeting space for discussions with senior global energy leaders;
  - Complimentary passes to the CERAAweek Innovation Agora, which provides cities with the opportunity to profile their clean energy initiatives
- 3.13 Subject to Committee approval, it is proposed that the Lord Provost and one officer attend CERAAweek in March 2019. Given that two officer passes are available, enquiries are being made with other interested parties (i.e. the Oil and Gas Authority and the Oil and Gas Technology Centre) as to their potential attendance to promote Aberdeen (at their cost in terms of all travel and associated expenses).

## **4. FINANCIAL IMPLICATIONS**

- 4.1 The financial implications of hosting the WECP AGM were noted in the report to CG&R in June 2018 (PLA/18/031). The costs associated with the AGM will be robustly monitored and managed throughout the development and implementation phases but it is anticipated that costs associated with hosting the WECP AGM will not exceed £60,000. These will be met from existing budgets, subject to the Council's annual budget setting process for 2019/20. A targeted approach to securing financial contributions from potential collaborators has been initiated, led by the Lord Provost. Any contributions secured will be used to offset the overall costs of hosting the event.
- 4.2 If the Lord Provost and Aberdeen were successful in seeking to hold the Presidency of the organisation, there could be additional financial implications for international travel. The WECP has a budget of \$10,000 per year to support the President's travel costs which would go some considerable way to offsetting the Council's costs. Beyond that, travel costs would be managed through City Growth's international trade budget, subject to this being confirmed in the Council's annual budget setting process.

- 4.3 The implications of this are that some international travel to support the Council's Trade Plan or participation in EU Partnerships may need to be ceased.
- 4.4 In addition, there would be additional staff resource needed if Aberdeen holds the Presidency. The Council would have to confirm a lead officer to support the strategic development of the partnership and to manage the relationship between the President and the formal secretariat, which is hosted by the City of Houston. The lead officer also chairs several of the Officer Committees of the partnership and has a key role in advising the Board of Directors. Officers recommend that the lead officer role can be accommodated within the existing City Growth function, on the assumption that it is prioritised over other areas of work. It is also anticipated that there may be additional requirements for supporting the Lord Provost in terms of correspondence, requests for meetings and communications and PR. It is anticipated that this resource will be made available from within the Civic Office function.
- 4.4 Maximum anticipated costs for attendance at CERAAweek in Houston are estimated at £5,000. Costs can be met from the Lord Provost's international travel budget (Common Good) for 2018-19.

## **5. LEGAL IMPLICATIONS**

- 5.1 The WECP is a non-profit corporation organised under the laws of the State of Texas, United States of America (USA). It is governed by Bylaws which set out how the WECP is to operate. This means that if any legal advice is needed on the governance arrangements of the WECP it will need to be provided by lawyers qualified to advise on the law of the State of Texas, USA.
- 5.2 Additionally, any lawsuits brought against the WECP are likely to be dealt with under the law of the State of Texas, USA (as it is the place which holds the power to make legal decisions and judgements ("jurisdiction"). The instruction of lawyers who are qualified to advise on the law of the State of Texas, USA and any necessary attendances at legal courts within the State of Texas, USA, will have cost implications.
- 5.3 In terms of appointments to Outside Bodies such as the WECP, the Council's Policy for the Appointment of Elected Members to Outside bodies should adhered to. This Policy sets out:
- the criteria that will inform recommendations to the Council in respect of appointments or nominations of Elected Members to Outside Bodies; and
  - the responsibilities of Elected Members once appointed to an Outside Body.
- 5.4 In 2018, the Council's legal team undertook a largescale review of Elected Members appointments to Outside Bodies. The Appointment of an Elected Member to the WECP being confirmed as acceptable. As set out in Section 3

of this Report, Aberdeen has been a member of the WECP since 1995 being one of the founding members.

- 5.5 It is worth noting that as the President is likely to be seen as the figurehead of the WECP. Lawsuits could potentially be taken against the President personally. Even if the lawsuit is meritless the President could be forced to incur large legal bills in order to defend against the frivolous claim. It is therefore strongly recommended that the Lord Provost investigates what insurance arrangements the WECP has in place and whether it maintains sufficient directors' and officers' liability insurance cover.

## 6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
<b>Financial</b>	<p>The WECP AGM costs have been worked on in some detail and were subject to a separate report to this Committee in June 2018.</p> <p>There are potential risks associated with demands flowing from holding the WECP Presidency.</p>	<p>M</p> <p>L</p>	<p>Costs will continue to be monitored and every effort is being made to secure income to offset the Council's contribution.</p> <p>Manage the partnership's expectations. Utilise \$10,000 allocated by the partnership to President's travel to mitigate impact. Continue to allocate Lord Provost international travel budget through Common Good.</p>
<b>Legal</b>	<p>WECP governed by law of the State of Texas, USA. This could have significant cost implications if any lawsuits against the President are brought as legal advice would need to be obtained from external agents and representation may be required in Texan courts.</p>	L	<p>The Lord Provost will follow the Standards Commission's Code of Conduct thus ensuring no legal risks.</p> <p>The Lord Provost will need to ensure adequate insurance arrangements are in place.</p>
<b>Employee</b>	<p>Significant workload pressures may flow from servicing the requirements of holding the WECP Presidency.</p>	M	<p>Managing expectations of the Presidency. Chief Officer recognition of distinct and discrete activities required to service Presidency and reprioritisation of tasks accordingly.</p>
<b>Customer</b>	No risks identified	NA	None

<b>Environment</b>	No risks identified	NA	None
<b>Technology</b>	No risks identified	NA	None
<b>Reputational</b>	There is an expectation amongst partner cities that Aberdeen will seek the Presidency in 2019, given that it currently holds the Vice-Presidency. Potential fallout for the partnership if decision is taken not to proceed.	L	Proceed to seek nomination for Presidency. Alternatively, make it clear as early as possible that Aberdeen will not be pursuing the Presidency so that partners can discuss other options.
	CERAweek – there is a risk that Aberdeen will not be perceived as a significant global player if it does not attend the event.	M	Attendance at the event.

## 7. OUTCOMES

<b>Local Outcome Improvement Plan Themes</b>	
	<b>Impact of Report</b>
<b>Prosperous Economy</b>	<p>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 cities 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> <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</p>

	<p>international opportunities being showcased in Aberdeen and it is anticipated that trade associations and agreements will be a positive outcome.</p> <p>If Aberdeen is successful in seeking the Presidency of the organisation, there will be significant additional opportunities to promote the city on the world stage and at global events.</p> <p>All of this activity contributes to the Prosperous Economy 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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<b>Design Principles of Target Operating Model</b>	
	<b>Impact of Report</b>
<b>Partnerships and Alliances</b>	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

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	None required.
<b>Privacy Impact Assessment</b>	None required.
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not applicable

## 9. BACKGROUND PAPERS



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

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

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

[World Energy Cities Partnership AGM](#) (PLA/18/031) – report to City Growth and Resources Committee, 19<sup>th</sup> June 2018, recommendations approved.

**10. APPENDICES (if applicable)**

- (A) Letter of invitation to CERAweek from Mayor Turner of Houston;
- (B) CERAweek letter of understanding

**11. REPORT AUTHOR CONTACT DETAILS**

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