

**Report to the City of
Nottingham and
Nottinghamshire Economic
Prosperity Committee**

25th November 2016

Agenda Item: 5

**REPORT OF THE CHIEF EXECUTIVES OF NOTTINGHAMSHIRE COUNTY
COUNCIL AND NOTTINGHAM CITY COUNCIL**

**MIDLANDS ENGINE TRADE MISSION TO CHINA 28TH OCTOBER- 4TH
NOVEMBER 2016**

Purpose of the Report

1. This report updates the Economic Prosperity Committee (EPC) on the recent N2 participation in the Midlands Engine Trade Mission to the People's Republic of China and outlines potential opportunities.

Background

UK-China Golden Era

2. In 2015 the UK and China strengthened bilateral relations with a State Visit by President Xi Jinping. The visit was said to usher in a “golden era” in relations and provide a platform for political, economic, financial, trade and investment relations, and people-to-people exchanges in the decade ahead. The Midlands Engine work regionally, and the existing and new work in Nottingham and Nottinghamshire is set in this context.

Midlands Engine

3. The Midlands Engine (ME) is a partnership between the Local Enterprise Partnerships (LEPs), local councils, businesses and local government across the Midlands with the aspiration of boosting economic growth and productivity. The ME has a budget of £5m to join collective strengths across the area.
4. It has been seen as important for the N2 area to proactively engage with ME from the outset. This would help counter-balance economic uncertainties associated with Brexit and to realise the benefits of the UK Government's ambitions that the Midlands economy should grow by £34 million by 2030. One of the key planks of this initiative is to grow trade and investment.

5. Participating in the Trade Mission to China was a clear demonstration of local commitment to the Midlands Engine. It also sought to capitalise on the high profile presence on the mission of Sir John Peace, Chair of ME, and the Secretary of State (SoS) for Communities and Local Government, the Rt. Hon Sajid Javid MP (who endorsed the ME Prospectus when SoS for Business Innovation and Skills).
6. Unfortunately the SoS had to withdraw at the last minute due to pressing parliamentary business – nevertheless his initial engagement had secured high level Chinese Government representation.

The Trade Mission

7. The Mission itself was focused on Eastern China and was the formal launch of the “Midlands Engine for Growth” pitch to Chinese institutional, state owned and private investors at a strategic and ministerial level – with UK government backing.
8. The mission’s main programme of activity was supported by the Foreign and Commonwealth Office (FCO), the Department for International Trade (DIT – formerly the UKTI) and the China- Britain Business Council (CBBC). The City and County Councils received particular assistance in developing their bespoke programmes from the British Consulate General in Shanghai and the China Council for the Promotion of International Trade (CCPIT).
9. 60 delegates attended the overall Mission consisting:
 - a. 6 Council Leaders or Chief Executives including:
 - i. A party from Nottingham City led by Ian Curryer
 - ii. A party from Nottinghamshire County Council led by Anthony May and Councillor Diana Meale, Chair of Economic Development
 - b. 7 Universities including:
 - i. Nottingham Trent University
 - ii. The University of Nottingham
 - c. 25 businesses including:
 - i. 8 from N2
10. The Mission activities comprised 6 regional City or Provincial visits focused on Eastern China. Each meeting achieved senior engagement with the direct participation of the respective Mayor or Governor of that area.
11. Furthermore, over 100 business and investment meetings took place during the visit.
12. The two keystones of the ME Programme were in Shanghai:
 - a. The Regional Leaders Summit (RSL); and
 - b. CBBC 2nd Outbound Conference.

The role and intent of Nottinghamshire County Council

13. The Nottinghamshire delegation was driven by the desire to build on the Chief Executive’s visit to Ningbo in 2015 at the invitation of the University of Nottingham, and to further capitalise on business sector and trade intelligence gathered with N2 partners in 2016. This had resulted in the focus on Zhejiang Province, to complement

the work and “brand recognition” of the City Council and the University of Nottingham in that area.

14. The aim of the delegation was to:

- a. Explore mutual opportunities and interest in Zhejiang around the Province’s 5 year strategic and sectoral ambitions.
- b. Explore the interest and capacity of Nottinghamshire businesses to trade with Zhejiang
- c. Explore opportunities to tailor the Nottinghamshire offer (heritage, culture, sport and education) to meet the primary needs of the Province.
- d. The best use of resources to achieve scale and impact.

15. In terms of the business offer, the county showcased the following sectors by producing a brochure which outlined the heritage of and unique opportunities within Nottinghamshire, including:

- a. Pharmaceutical and Medical Innovation
- b. Advanced Manufacturing
- c. Agricultural Innovation
- d. Food and Drink Manufacturing

To view the Nottinghamshire brochure [click here](#)

16. The County Council’s activity sought to complement the work and relationships of the City Council and the University of Nottingham. In fact, the County Council delegation joined the City Council and University in Ningbo, before travelling to Shanghai.

The role and intent of Nottingham City Council

17. The City Council’s activities meanwhile were aimed at deepening long established relationships in Ningbo and Zhejiang and continuing the delivery of its International Strategy (2014-17). This is aimed at attracting investment and supporting international trade and the visitor economy.

18. The City Council’s activities were in the context of Nottingham and Ningbo’s long established and productive relationship. This has resulted in the award of “best city to city relationship” by the Chinese People’s Association of Friendship with Foreign Countries (CPAFFC).

19. The strength of the City Council’s relationship with Ningbo and their knowledge and understanding of their respective economies is reflected in a specific sectoral focus on life sciences, creative and digital and clean tech/low carbon. During the visit, the City Council delegation facilitated:

- Formal links between Nottingham University Hospital Trust and Ningbo equivalents in research, training and back office functions.
- A visit from East Midlands Airport to create links with Ningbo airport.
- Participation in a documentary charting the relationships between Ningbo and Nottingham.

- Dedicated meetings with Chinese investment companies – pitching major investment projects to underpin “Building a Better Nottingham”, Nottingham City’s Pitch Book, with interest in residential, infrastructure, urban regeneration and energy projects.

20. Furthermore, the visit was an opportunity for City Council colleagues to meet their newest employee, Lai Xi, the Trade and Investment Officer based in Ningbo. Lai Xi comes from Pingan Bank, one of the largest financial institutions in China. Her goal is to encourage and support trade and investment between the two cities. During her first week, she helped facilitate key investment meetings including one with CNTY which may lead to investment into Nottingham’s green energy sector. The role is funded by Ningbo government and she is located at the University of Nottingham’s Ningbo campus.

Key Outcomes and Opportunities

21. The Regional Leaders Summit (RSL) was an event hosted by the CPAFFC. It was built around the Midlands Engine visit on the basis of existing commercial links (Jaguar Land Rover, Rolls Royce etc.), educational links (particularly through the University of Nottingham), sporting links (Chinese investment in Midlands Football Clubs) and existing key relationships with Eastern China including Derby-Hefei, Solihull-Changzhou, Birmingham-Nanjing and in particular Nottingham City’s relationship with Ningbo.

22. The RSL is one of four high level dialogues between the UK and China and was brought forward to coincide with the ME trade mission. The County and City Councils led the first open session of the Summit, working with Derbyshire County Council, Derby City Council and Wolverhampton City Council to showcase sports in the Midlands.

23. It is hoped that this event and the underpinning discussion will lead to a formal “Statement of Intent” between Eastern China and ME. Whilst currently under consideration, discussions are likely to lead to a commitment to facilitate the following:

Business to Business:

- a. More advanced discussions between areas to develop “smoother” trade between businesses.
- b. Co-promotion of investment opportunities.
- c. Collaboration and partnership on future trade missions.
- d. Exploration of business exchange opportunities to promote people to people links and improved understanding between business communities.

Government to Government:

- e. Midlands Engine and Eastern China local/provincial governments to work with their respective central governments to articulate current and potential links within the context of the golden era agenda.

- f. Formal central government endorsement of the links between Eastern China and the ME.
- g. Collaboration and information sharing between partners on their own individual relationship building.

People to People:

- h. Support to sporting and cultural exchanges.
 - i. Continuance and expansion of work with educational institutions with the common objective of improving the clarity of communications between regions.
 - j. Increasing the exchange of people between the regions – covering business, education, sport etc.
24. Before this can be realised, there are several strategic steps to be completed. ME has committed to produce a report on the mission, focusing on opportunities in the context of the above. This will be presented to Government by Sir John Peace. It is hoped that from this, a reciprocal Chinese delegation will visit the Midlands to strengthen their understanding and help capitalise on future opportunities.
25. Furthermore, in 2017, it is intended to commit to a further ME visit to Eastern China.
26. Other key agreements during the Trade Mission include:
- a. Shanghai has agreed to establish an economic cooperation partnership with ME.
 - b. Chengdu city and Sichuan Province have agreed to establish economic cooperation partnerships with ME.
27. Importantly, meetings with the Provincial Governor of Zhejiang and the Vice Director General for Foreign Affairs have led to a mutual commitment to develop formal relationships between the County and the Province focusing on:
- Tourism – Nottinghamshire cultural/ historic and natural assets as well as responding to an emerging demand in China – agricultural tourism.
 - Advanced Manufacturing.
 - Agri-Tech and Creative Industries.
 - Policy and Best practice exchanges – particularly in relation to social care, culture and school leadership.
 - Inward investment opportunities.

The County Council will work to establish mutual priorities with Zhejiang which are achievable and have clear outcomes. This work will be in partnership with the University of Nottingham, City Council and District and Borough Councils.

Reason(s) for Recommendations

28. This Report is for information and noting only.

Other Options Considered

29. Doing nothing to engage with ME or the Trade Mission to China could negatively impact future growth and trading opportunities for N2.

RECOMMENDATION/S

30. It is recommended that the Economic Prosperity Committee notes:

- a) The successful engagement of Nottingham City and Nottinghamshire County Council in the Midlands Engine Trade Mission to China.
- b) The opportunity to further enhance the relationships and activity, for both the City and County Councils, by building on the work in Ningbo and developing a bi-lateral agreement with the province of Zhejiang.
- c) The opportunity for District and Borough Councils (and the Local Enterprise Partnership) to collaborate with this initiative, working with the Chief Executives of the City and County Councils.

Anthony May, Chief Executive Nottinghamshire County Council and Ian Curryer, Chief Executive Nottingham City Council

For any enquiries about this report please contact:

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Electoral Division(s) and Member(s) Affected

All