

REPORT OF THE LEADER OF THE COUNCIL

MIDLANDS ENGINE TRADE MISSION TO CHINA

Purpose of the Report

1. To seek approval for the Chairman of Economic Development Committee and the Chief Executive to participate in the Midlands Engine Trade Mission to the People's Republic of China (China) from 28 October 2016 to 4 November 2016.

Information and Advice

Midlands Engine Trade Mission

2. The Department for International Trade (formerly UKTI) is organising a Midlands Engine Trade Mission to take place in early November.
3. Following the highly successful visit of President Xi Jinping to the UK last year, the Government is now seeking more substantive, long term engagement with China. With China's foreign direct investment increasing year on year, the potential for cooperation is better than ever.
4. The Midlands Engine is a partnership organisation, chaired by Sir John Peace, which has the single ambition of promoting regional economic productivity and growth in order to generate an additional £34bn over the next fifteen years and create 300,000 jobs. A key factor in delivering this will be international trade and investment. The Midlands Engine has [formal aims and objectives for growth](#) which are listed as a background paper to this report.
5. The Mission will be led by a senior Government Minister who will be accompanied by a multi-sector Midlands delegation of over 53 business representatives and civic leaders and chief officers from at least 7 local authorities including; Wolverhampton, Derby, Derbyshire, Nottingham, Birmingham, Solihull and Leicester.
6. Of the 53 Midlands businesses, there is a strong representation from Nottingham and Nottinghamshire with both the University of Nottingham, Nottingham Trent University and 16 businesses expressing participatory interest. The Council is proactively engaging with local businesses to strengthen this further.
7. The advantages for the local region include a vibrant and diverse economy, world class research and innovation capabilities, along with sector strengths that match China's needs.

8. The overarching goal of the Mission will be to showcase the Midlands and make it a favoured investment destination, with the specific objectives to:
 - Formally launch the 'Midlands Engine for Growth' pitch to Chinese institutional, state owned and large private investors at a strategic level with ministerial and UK Government backing
 - Engage Chinese development and construction companies in live investment projects across the region
 - Encourage cities and counties to build partnerships and create further economic opportunities
 - Run a trade mission to support small and medium sized enterprises to establish stronger trade connections in China
 - Support Midlands based Higher Education institutions to further increase commercial innovation, creative and research collaboration with Chinese partners
 - Agree with the Chinese Government a pathway for the Midlands Engine and East China to develop more official partnership agreements and a 'five year plan' focusing on trade and investment between the regions.
9. The delegation will be based in the city of Shanghai and will participate in the [4th CBBC China Outbound Conference](#). (The China – Britain Business Council). The programme for this is listed as a background paper to this report.
10. Delegates will engage in discussions regarding investment policies with senior members of the Chinese and UK Governments, find out about new trends and opportunities in key sectors and learn from case studies of leading Chinese businesses investing in the UK.

Promoting Nottinghamshire's interests

11. Given the importance of this initiative for the local economy, it is proposed that Nottinghamshire sends a two person senior delegation consisting of the Chairman of the Economic Development Committee, who is also the Director of Marketing Nottingham and Nottinghamshire, and the Chief Executive.
12. This would enable the Council to engage at an appropriate level with this major initiative, whilst evaluating the potential of any future participation prior to the investment of any substantial resource. By way of comparison, Nottinghamshire's representation would be amongst the smallest in the wider delegation, with other authorities sending between 3 and 6 delegates.
13. Additionally, under the auspices of the formal Trade Mission programme, there will also be specific opportunities for Nottinghamshire. The trip would also allow for a series of high level business, civic and political meetings which would focus on Nottinghamshire's sector strengths that match China's needs and promote the County as a well-connected, cost competitive location for trade and investment.
14. To this end, the Chief Executive has already held exploratory discussions with the Director General of the China Council for the Promotion of International Trade who is the Chinese Government's representative in the UK. The British Consulate-General in Shanghai have also offered Nottinghamshire their support in arranging appropriate meetings.

15. The proposed geographical focus of this would be in the Zhejiang province, primarily in the capital city of Hangzhou and the city of Ningbo. This will build on the Chief Executive's [September 2015](#) visit to Ningbo which was hosted by the University of Nottingham and fits well with other local initiatives working in partnership with the University of Nottingham and Nottingham City Council on their well-established relationships in the city of Ningbo.
16. The programme and outcome of the Chief Executive's visit to Ningbo is listed as a background paper to this report.

Realising longer term benefits

17. As stated earlier in this report, both the University of Nottingham and the City Council have already developed positive links with China through an established link with the city of Ningbo. To this end, the City Council has developed an International Strategy for the Period 2014 to March 2017. This aims to attract investment, support and international trade and grow the visitor economy, in order to boost growth.
18. Other neighbouring local authorities are prioritising international relations including Derbyshire who have recently (29 June 2016) signed a Memorandum of Understanding with Anhui province in China to work together on investment, trade, education, culture, tourism and skills. Leicestershire have established a relationship with Sichuan and Lincolnshire are involved in similar discussions and negotiations with Henan Province.
19. This visit aims to provide an initial platform for engagement with east China. The next phase would be to ascertain the most effective way to substantiate any future relationship. Following the trip, a review of benefits and outcome of the visit will be brought back to Economic Development Committee within 12 months. This will include an assessment of options for a Nottinghamshire International Strategy and/or a Memorandum of Understanding with the region.

Other Options Considered

20. The Council could decline the Department for International Trade's invitation, however, this would prevent the County from fully benefitting from the opportunities that the Trade Mission and wider programme offers in terms of potential economic development.

Reason/s for Recommendation/s

21. To enable the Council to be represented on this Trade Mission.

Statutory and Policy Implications

22. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

23. The Council will be required to meet the cost for travel and accommodation for 7 nights including all internal transport in China. The anticipated cost is up to £7,100, or £3,550 per person, and will be contained within Members Allowances and the Chief Executive's travel budgets.

RECOMMENDATION/S

- 1) It is recommended that Policy Committee approves the participation of the Chairman of Economic Development Committee and the Chief Executive to participate in the Midlands Engine Trade Mission as detailed in the report.

Councillor Alan Rhodes
Leader of the Council

For any enquiries about this report please contact: Paula Mullin, Project Manager 0115 9774298/ paula.mullin@nottsc.gov.uk

Constitutional Comments (JFW 07/09/16)

24. Policy Committee has the authority to approve this recommendation.

Financial Comments (NS 08/08/16)

25. The financial implications are set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Draft itinerary for the Midlands Engine Trade Mission
- [The draft programme for the 4th CBBC China Outbound Conference](#)
- [The Midlands Engine for Growth Prospectus](#)
- [Report to Policy Committee on 17 June 2015 to seek approval for the Chief Executive to visit China and Malaysia with the University of Nottingham](#)
- [Report to Economic Development Committee on 23 February 2016 reporting the outcome of the Chief Executive's visit to China and Malaysia](#)

Electoral Division(s) and Member(s) Affected

- All