

REPORT OF THE LEADER OF THE COUNCIL**NOTTINGHAMSHIRE DELEGATION TO CHINA - SEPTEMBER 2017****Purpose of the Report**

1. To report on the work undertaken in China during a recent visit led by the Leader of the County Council and the Chief Executive.
2. To seek the approval of Policy Committee to progress the Council's Friendship Agreement with the People's Government of Zhejiang Province (Zhejiang), as set out in this report.

Background

3. Commitment number 10 of "Your Nottinghamshire, Your Future" is to make Nottinghamshire a great place to invest and do business. This commitment states an ambition to raise the profile of Nottinghamshire, doing all we can to create the best conditions for investment and growth, and to build on our links with China.
4. In May 2017, the County Council entered into a Friendship Agreement with the Zhejiang. This coincided with the visit to Nottinghamshire by Madam Liang Liming, Vice Governor of Zhejiang, and a bilateral business symposium attended by a wide range of Zhejiang and Nottinghamshire businesses.
5. In June 2017, Policy Committee approved a County Council delegation to Ningbo and Hangzhou (second and capital cities of Zhejiang) in September 2017. The purpose of this visit was to negotiate the further development of the Friendship Agreement.

The September 2017 Visit to Zhejiang

6. The County Council was represented by the Leader of the Council and the Chief Executive. The visit took place between the 16-23 September and was in two parts:
 - a. 17-19 September – the County Council took part in the University of Nottingham's "On Location" visit to its Ningbo campus.
 - b. 20 -23 September - the Leader and Chief Executive travelled to Hangzhou, the seat of the Provincial Government. They were

accompanied by a wider Nottinghamshire delegation comprising the D2N2 Local Enterprise Partnership (LEP), Nottingham Trent University (NTU), the China Britain Football Council, and Nottingham Forest Football Club. The delegation was supported by the British Consulate General. The full programme is attached as Appendix 1.

7. The Programme was designed for the delegation to experience both the business and culture of Zhejiang and to undertake key meetings with the government departments aligned to the various strands of the Friendship Agreement. These included:
 - a. The Department of Foreign Affairs
 - b. The Department of Education
 - c. Department of Commerce
 - d. The Sports Bureau.
8. Other key meetings and visits included:
 - a. The China Council for the Promotion of International Trade –Zhejiang (CCPIT)– our partners in delivering the highly successful June 2017 Trade and Investment Symposium
 - b. Hangzhou Normal University; and
 - c. Visits to Alibaba and Geely (Volvo) Group who each have Headquarters in Hangzhou.
9. The key meeting, however, was with the Governor of the Province Mr. Yuan Jiajun, who is responsible for the Provincial Government services provided to 56 million people across Zhejiang. This meeting was attended by all the senior members of the Governor’s team and all of the senior members of the Nottinghamshire delegation. Highlights from the meeting were later broadcast on Chinese television. The meeting concluded with an ongoing mutual commitment to developing specific actions to support the Friendship Agreement.
10. The Council also presented the Governor with a letter on behalf of Sir John Peace in his capacity as Chair of the Midlands Engine, this set out the importance of building up a relationship with China and in particular Zhejiang and the importance of the County Council’s role in this. An invite was extended to Mr. Yuan to visit the county and wider Midlands area. This invitation was reiterated by the Leader of the Council.

Next Steps and Role of the County Council

11. The visit to Hangzhou was useful in further defining the role of the County Council and Zhejiang in the Friendship Agreement. In doing so, both sides agreed their primary role as a broker, linking the specific actions in the Friendship Agreement to key partners. This will help ensure that the activity and potential benefits of the friendship are spread as widely as possible across the County Council’s partners, and is a recognition of the Council’s limited capacity to dedicate significant specific resource to the project, given the financial climate. There are already some good examples of where this brokerage is paying

dividends, through the work of NTU, Nottingham Forest, the LEP and the East Midlands Chamber of Commerce.

12. The Friendship Agreement provides an umbrella document under which other Nottinghamshire agreements and activities can flourish. Some developments along these lines have already happened. For example, at the Trade and Investment Symposium in June, the East Midlands Chamber signed a Memorandum of Understanding with CCPIT to support trade collaborations going forward. Equally, NTU has an already established relationship with Hangzhou Normal University but intends to use the high level introduction to the Governor and his Director Education to pursue new opportunities in Zhejiang.
13. Working in this distributed way will require ongoing bilateral cooperation, and overarching governance. In order to ensure effective oversight, it was agreed with the Governor that the Chief Executive of the County Council and the Deputy Director of Zhejiang's Foreign Affairs Office will co-chair a bi-lateral Steering Group. During the visit both sides agreed that this will be helpful in facilitating further introductions and sub-agreements and keeping track of agreed actions.

Actions for Development

14. During the programme some tangible projects were identified, including:
 - a. A commitment by the Zhejiang Department of Commerce and CCPIT to host a Nottinghamshire business delegation in 2018
 - i. Officers will work with the LEP, the China British Business Council and Chamber of Commerce, to agree how best to take this forward and to identify a lead agency.
 - b. Opportunities for more enhanced working between NTU and Hangzhou Normal University
 - i. The Vice Chancellor of NTU will visit Hangzhou in November and the Chief Executive has written to the Director of Education, to broker a meeting between the Vice Chancellor and the Director.
 - ii. During this visit, the Vice Chancellor will explore further collaboration with Hangzhou Normal, and any other potential mutually beneficial partnerships. Specifically, some consideration is being given to a focus on e-commerce, given NTU's existing links with the Alibaba business school.
 - c. Development of further school to school relationships and a teaching partnership between Nottinghamshire Schools and the Confucius Institute, to develop Mandarin Teaching exchanges. The County Council will play a brokerage role in developing this partnership and discussions are underway with the University of Nottingham Ningbo Campus Confucius Institute.
 - d. Opportunities to support inward investment to the county supported by a better articulation of the County's investment priorities and offer, and clearly defined pathway as to how enquiries will be handled. Using the example of the Zhejiang Shelf Company, this will involve the County Council's Economic Development Team working with Marketing

Nottingham and Nottinghamshire, and their peers in District and Borough Councils.

- e. A programme of football coaching exchanges between Zhejiang and Nottingham Forest, led by the China Britain Football Council
- f. Opportunities for heritage and cultural collaboration. There is a growing interest in China for national and international tourism, and travel outside of China. The County Council can work with local cultural services, agencies and the local visitor economy to explore these opportunities further. Additionally, some local faith communities have expressed an interest in the Friendship Agreement and ideas are under consideration as to how best to incorporate this interest.
- g. Further collaboration between the County Council and the Midlands Engine (including the potential to host the Governor in 2018). This work will focus on exploiting the potential of the recently published Midlands Engine Vision for Growth report and the forthcoming Midlands Engine China Strategy.

Other Options Considered

15. The Council could decide not to pursue this project, particularly as by its nature it is a long term commitment and offers no guarantee of success. However, building on the good work of the previous administration, the signs are very positive, particularly in relation to the reported inward investment success. All work will contribute to the outcomes of the Council's new 4-year plan, "Your Nottinghamshire, Your Future" and will help add value to the work of the Midlands Engine – increasing the role and contribution of the Council in the key area of trade and investment.

Reason(s) for Recommendations

16. The County Council has achieved a valuable position of broker with Zhejiang. 90% of the economy of Zhejiang is privately owned and controlled with vast personal wealth and disposable income and a significant history in international trade. An enduring relationship with Province positions the county extremely well to access this market and for local businesses to benefit and grow. In addition, this work is in accordance with priorities identified in the Midlands Engine Vision for Growth submission to government and delivers against the "Your Nottinghamshire, Your Future" plan.

Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the body of the report.

Finance implications

18. The costs of the recent trip were estimated to be £5,900. The actual costs were £4,698.
19. Other potential costs in 2017/18 can be met within existing Economic Development budget provisions. Work will be undertaken to estimate costs for the financial year 2018/19 and beyond. Based on the principle of the County Council acting as a broker/co-ordinator for the Friendship Agreement, these are unlikely to be significant. If these costs cannot be contained within the Economic Development budget, they will be considered as part of the budget setting process for 2018/19.

RECOMMENDATION

20. It is recommended that Policy Committee, as a means of developing the Friendship Agreement between Nottinghamshire County Council and the People's Government of Zhejiang:
 - (a) agrees the proposed activities as set out in paragraph 14 to be undertaken by Nottinghamshire County Council and
 - (b) endorses those proposed for the delivery of other partners

Councillor Kay Cutts, MBE
Leader of the Council

For any enquiries about this report please contact: Mandy Ramm ext. 72685

Constitutional Comments [SLB 9/10/17]

Policy Committee is the appropriate body to consider the content of this report.

Financial Comments [NS 08/10/17]

The Financial implications are as stated in the report.

Background Papers

Midlands Engine Prospectus for Growth
Midlands Engine Vision for Growth
Policy Committee Reports (17 June 2015, 21 September 2016, 18 January 2017 and 21 June 2017)
Friendship Agreement

Electoral Division(s) and Member(s) Affected

All