



Opportunities for Overseas Economic Twinning

SUMMARY

- 1.1 This report is an options paper on the potential for Derby to have economic twinning links with cities in other countries.
- 1.2 The purpose is to develop, as part the Leader's 15 year vision for Derby, a potential set of linkages to cities with comparable economies to Derby and with opportunities for exchanges, tourism, commercial contracts and inward investment.

RECOMMENDATIONS

- 2.1 The Leader, Partners and Officers should meet the Zhejiang province delegation in Derby on 16 September.
- 2.2 The Council should invite the British Consulate in Shanghai to arrange the Hefei City delegation visit to Derby, at the expense of the Foreign and Commonwealth Office.
- 2.3 Officers to discuss Derby's options with key local companies with overseas interests, with the China–Britain Business Council (CBBC), and with industry bodies including UKTI, Midlands Aerospace Alliance and Derby and Derbyshire Rail.
- 2.4 Re-appraise our options in the light of the outcome of the actions listed above, and if necessary report back to Cabinet.

REASONS FOR RECOMMENDATION

- 3.1 There are emerging opportunities for economic twinning arrangements with overseas cities that have similar economies and approaches to Derby.
- 3.2 We have had approaches from two Chinese cities that require an immediate response.
- 3.3 The recommendations form part of my fifteen year vision to deliver an economically prosperous and globally focused city of Derby.



Derby City Council

COUNCIL CABINET
9 September 2015

Report of the Strategic Director for Neighbourhoods

SUPPORTING INFORMATION

- 4.1 The Leader has asked us to explore options for twinning with overseas cities, which must first be set in context. Firstly, Derby has an existing twinning arrangement of long standing with Osnabruck, in Germany, and a fifteen year twinning with Toyota City in Japan. The Osnabruck twinning has been investigated from time to time over the years, but economic similarities have been hard to identify and the twinning has remained primarily civic and educational. Secondly, if we are to look at China, we should bear in mind its massive scale. With a population of 1,357,000,000 China is twenty times the size of the UK and three times the size of the European Union.
- 4.2 The twinning link with Toyota City is between Derby, Derbyshire, South Derbyshire Councils and Toyota City Council. It is regarded by all the partners as an extremely healthy and vibrant relationship, and has helped our ongoing relationship with Toyota Motor Manufacturing at Burnaston.
- 4.3 During the 15 year relationship, there have been visits by Officers and trade delegations to Toyota City on three occasions, and a number of educational exchanges. Most recently, Toyota City have placed a Senior Policy Officer with Derbyshire County Council for 12 months to look at the ways in which Derbyshire and Derby City Councils do business.
- 4.4 It is proposed that Officers give further consideration to the relationship with Toyota City, discuss this with Toyota Motor Manufacturing, and assess the opportunities for strengthening this twinning arrangement in the future.
- 4.5 Officers have also identified China, where we have an economic twinning with Xian City, and have recently had approaches from two other cities/regions. Officers recommend further exploration of the opportunities in China and Japan, but not anything from in the relationship with Osnabruck.
- 4.6 China is one of the 'BRIC' group of countries (Brazil, Russia, India, China) regarded by the UK Government and UKTI as the fastest growing economies in the world and the most likely to deliver positive outcomes from cooperation, trade etc.
- 4.7 The relationship with Xian City relies partly upon the ongoing relationship between Rolls-Royce and Xian Aerospace through a joint venture. It is proposed that Officers discuss this relationship with Rolls-Royce in Derby, to ensure that any further approach to Xian City builds on this relationship and on the previous business to business opportunities that have been achieved through two previous visits to Derby by Xian City and its business representatives.

- 4.8 Derby City Council has had approaches from three Chinese cities/provinces: Xian City, Hefei City and Zhejiang Province. Officers have taken advice from the British Deputy Consul General in Shanghai, who is responsible for a programme of potential China/UK twinnings. There is also the CBBC in London, who deal with business to business links between the UK and China. Officers intend to take their advice.
- 4.9 A delegation from Zhejiang province has asked to visit Derby on 15 and 16 September. We have exchanged initial information, and will explore the opportunity for economic linkages with them during this visit.
- 4.10 The Deputy Consul General in Shanghai can arrange for the Hefei City Delegation to visit Derby in October. He has offered to join them, to talk to local companies, and specifically to talk to Derby's rail companies about the opportunities for UK rail in China.
- 4.11 The requirements in terms of Officer and Member time and budget can only be fully appraised once we have held the exploratory meetings with the two Chinese cities during September and October. However, an early appraisal of travel and accommodation costs, should Derby visit China, plus associated presentational materials, civic gifts, etc. indicates that a four person visit to China taking four nights would cost circa £4,000. The giving of gifts is an accepted and expected part of the protocol of doing business with overseas cities.
- 4.12 The Foreign and Commonwealth Office (FCO) has funding, administered by the British Deputy Consulate General in Shanghai, to cover the costs of exploratory visits between the UK and China. However, if the twinning options with China and/or Japan are to be further developed, there will be a longer term budget requirement, and Officers recommend that this be set at £20,000 per year. However, given that the FCO can cover the costs of exploratory visits, any follow up visits would probably be in 2016–17 but would probably need only a maximum of 25% of this budget (£5,000).

OTHER OPTIONS CONSIDERED

- 5.1 Doing nothing is not an option.
- 5.2 Many of Derby's key employers operate in a global economy; the city and the Council should look to such wider horizons in the interests of economic growth and sustainability.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Amanda Fletcher, Head of Finance Richard Williams
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IMPLICATIONS

Financial and Value for Money

- 1.1 Currently there is no budget to cover the costs contained within this report. A new revenue budget will have to be identified at £5,000 in 2016–17 and £20,000 in 2017–18 and future years.

Legal

- 2.1 None arising directly from this report.

Personnel

- 3.1 None arising directly from this report.

IT

- 4.1 None.

Equalities Impact

- 5.1 None arising directly from this report.

Health and Safety

- 6.1 None arising directly from this report.

Environmental Sustainability

- 7.1 None arising directly from this report.

Property and Asset Management

- 8.1 None.

Risk Management

- 9.1 None.

Corporate objectives and priorities for change

- 10.1 An ambitious and forward looking city with good prospects for everyone.
- 10.2 A strong community where businesses are supported to grow.