

**DERBYSHIRE COUNTY COUNCIL**

**MEETING OF CABINET MEMBER – ECONOMIC DEVELOPMENT AND  
REGENERATION**

**29 September 2017**

Report of the Strategic Director - Economy, Transport and Communities

**INWARD INVESTMENT: FURTHER DEVELOPMENT OF TOYOTA  
PARTNERSHIP ARRANGEMENTS**

(1) **Purpose of Report** To report on the continued development of the Council's partnership arrangements with Toyota City and development of a three year programme of activity (2017 to 2020) to support tourism exchange, celebration of 20<sup>th</sup> twinning anniversary and encourage extended trade relations. To note and consider options for resolving visa arrangements which support the Toyota City Council employee exchange programme to enable the relations between Toyota City Council, Toyota Manufacturing UK, Derbyshire County Council, Derby City Council and South Derbyshire District Council to flourish.

(2) **Information and Analysis**

**Background**

There have been strong relationships between Derbyshire County Council, Derby City Council and South Derbyshire District Council with Toyota City in Japan since 1998 following the opening of the car plant by Toyota Manufacturing UK (TMUK) at Burnaston. Specifically, this relationship has developed to focus on economic and environmental development, education, tourism and culture. In the light of the recent referendum results in 2016, the nature and importance of the relationship with Toyota City and TMUK has magnified, given that the plant at Burnaston employs approximately 2,500 people. The development of skills strategies for the D2N2 area (Derby, Derbyshire, Nottingham, Nottinghamshire) and for the wider Midlands Engine has a priority sector focused around transport equipment manufacturing, at the heart of which is Toyota.

An annual exchange between Derbyshire and Toyota City schools has taken place over many years and has helped to develop deeper cultural understanding and equip young people to live and work in a global society. The next schools exchange is due to take place during September and October 2017. Links with Burton and South Derbyshire College and Repton School are also extremely successful.

Following the successful 15<sup>th</sup> anniversary of the Toyota and TMUK relationship in 2013, the three Derbyshire authorities established an officer team to further develop the economic and cultural arrangements taking forward joint activity and engaging with wider economic and social stakeholders to further develop ties. This has included the United Nations High Level Symposium on Sustainable Cities, hosted by Toyota City Council on 15 -16 January 2016, was supported by the working group and attended by a senior representative of National Forest Company on behalf of Derbyshire to raise awareness of the County, its offer, approach to environmental management and sustainable tourism.

### **Developing a Programme of Joint Activity**

The partnership arrangement (which is a formal twinning relationship) between Toyota City Council, Derbyshire County Council, Derby City Council and South Derbyshire District Council will celebrate its 20<sup>th</sup> anniversary in 2018. Recent discussions between the officer development team and colleagues from Toyota City Council and TMUK have focused on developing a draft programme of activity that celebrates not only our long standing cultural exchange, but the common economic offers and trade relations that bind the two regions together. The programme will be a natural extension of the existing work undertaken under the umbrella of the twinning agreement but will cover a three year period including: the 20<sup>th</sup> anniversary year in 2018; the hosting of the Rugby World Cup by Toyota City in 2019; and the hosting of the Olympic Games by Tokyo in 2020.

The draft, three year programme will focus on key civic exchanges; proposed economic/tourism promotion events and developing further potential exchange activity.

Details of the three year programme are being finalised but include the following:

- Civic twinning ceremonies – reciprocal civic delegations to take place in November/December 2018. The visits will include unveiling of new public art to commemorate the 20<sup>th</sup> anniversary (to be commissioned).
- Proposed, small Derbyshire delegation to the Toyota Industry Festa (September 2018) to promote tourism and Derbyshire products.
- Toyota City delegation to a major Derbyshire festival (to be determined) to promote cultural exchange (e.g. via a Japanese Pavilion) and promote the Rugby World Cup in 2019.
- Rugby World Cup 2019 promotion – investigating potential programme of activity including rugby club exchange.
- Ecoful Town Research Assignment – an initial research study into the Toyota Ecoful Town project to develop options for a sister project in Derbyshire (to be developed in partnership with the University of Derby)

and National Forest Company – and potentially the Peak District National Park).

- Development of a Derbyshire Sport Ambassador programme to help promote Toyota City as an Olympic host training base for UK teams (proposed joint work with Derbyshire Sport).

Subject to elected member approval, it is proposed to further develop a costed programme to be funded through the existing Economy and Regeneration (twinning) budget. It is proposed that any costs for joint activity with Derby City Council and South Derbyshire District Council will be negotiated and borne across the three local authorities.

### **Employee Exchange Programme**

Since 2013, Toyota City Council has deployed its own employees on an annual basis to spend time in Derbyshire, working closely with Derbyshire County Council, Derby City Council and South Derbyshire District Council. During their time in the UK, Toyota City Council continues to pay the employee's salaries and the individuals themselves cover their living costs. Pastoral support has previously been provided by the Council's Economic Regeneration Service but, due to resource constraints, the most recent employee exchange (June/July 2017) was supported by TMUK, in partnership with the three local authorities.

To date, Derbyshire has not deployed a return employee to Toyota largely due to budget constraints. However, Toyota City Council remains keen to establish reciprocal employee exchange arrangements and initial discussions have indicated that a six week period could be achieved, subject to budgetary approval and identification of an appropriate project brief/work plan for any nominated officer to fulfil.

Following a report to Cabinet on 3 May 2016, approval was given to further investigate such an arrangement and it is proposed to send either a Council officer or representative from a partner organisation (Derby City, South Derbyshire, National Park, National Forest or business representative) to Toyota to mark the 20<sup>th</sup> anniversary (Minute No. 11/16 refers). Details of a Japanese Government-sponsored programme have now been received and will be discussed with the Japanese Local Government Association over the coming weeks.

From its inception and until December 2016, Toyota City Council employee exchanges have taken place under the Reciprocal Visa Exemption Arrangement between the Japanese and British governments. However, more detailed consideration needs to be given to the required visa process given that Toyota City Council is now proposing a three year placement for its employee (from early 2018) instead of 6 month placements. This type of twinning proposal is unique and stems from the close ties between Toyota City, TMUK and the three Derbyshire councils.

The County Council is in close liaison with various Government departments, including the Home Office and Foreign Office, to try and determine the appropriate visa arrangement for the longer term exchange and is being supported in its discussions by colleagues at TMUK.

The UK visa regulations are complicated and depend on a number of variables such as purpose of visit, proposed length of stay in the UK, employment status, accompanying dependants and so on. Based on current understanding, it seems that a Tier 5 visa is the most appropriate for the circumstances but any such application has to be accompanied by sponsorship from a 'Government Authorised Exchange' licensed sponsor. Although the Home Office has licensed over 60 sponsors, none of those on the approved list fit the circumstances of this particular exchange programme.

The next three years offer opportunity for increased activity between Derbyshire and Toyota councils with the 20<sup>th</sup> Anniversary in 2018, the Rugby World Cup in 2019 (Toyota stadium will host a number of fixtures) and the 2020 Olympics and Paralympics (Toyota City has been nominated a host city for the games). With this context in mind, it is important that Derbyshire County Council seeks a clear, robust advice from Government around the work visa.

The success of this twinning relationship is extremely important to TMUK and to Japanese/British trade relations. In that regard, TMUK has been very supportive in helping to try and finalise visa arrangements and has offered support to cover the potential costs of a Tier 5 licence from the Home Office which, it seems, can vary considerably. In any event, it is likely that external, expert legal immigration advice will be required to ensure all arrangements can withstand inspection.

**(3) Financial Considerations** With reference to the visa, the cost of application for a bespoke Tier 5 licence ranges from a minimum of £532 to a maximum of £20,000 and at this moment, the final costs have not been confirmed by the Home Office. However, it is expected that the process for securing the licence will incur considerable legal costs for which TMUK has agreed to meet, in principle, subject to further discussion.

The financial costs of the draft 20<sup>th</sup> anniversary programme will be met from the Economy and Regeneration Twinning budget which is currently £15,727 per annum. It is envisaged that support for activity for the next three years will be met from this existing revenue budget. It is forecast that the Council's share of the cost for delivering the 2018 programme will not exceed £12,000. It should be noted that the costs of the three year programme activity will be shared by our twinning partners, Derby City Council and South Derbyshire District Council as appropriate.

(4) **Legal Considerations** The application for a Tier 5 visa is likely to incur considerable external legal costs whilst obtaining a license to sponsor a visa carries legal requirements for monitoring the sponsored person. These requirements include, holding passport details, knowing the location of the person, criminal checks and reporting of suspicious behaviour.

(5) **Social Value Considerations** The proposed activity supports a wider and deeper understanding of cultural diversity and will enhance the social and economic wellbeing of both Derbyshire and Toyota City.

### **Other Considerations**

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(6) **Key Decision** No.

(7) **Call-in** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(8) **Background Papers** Held by the Economy and Regeneration Service within the Economy, Transport and Communities Department. Officer contact details – Frank Horsley, extension 38348.

(9) **OFFICER'S RECOMMENDATIONS** That the Cabinet Member:

- 9.1 Notes the need to secure appropriate visa arrangements and supports the Council applying for a Government Authorised Exchange License (or similar arrangement as confirmed by the Home Office), including the commissioning of external legal advice.
- 9.2 Welcomes and accepts the offer from TMUK to cover the costs of the application process.
- 9.3 Notes and endorses the proposed draft three year programme of activity that will help celebrate the 20<sup>th</sup> anniversary of the international relationship with Toyota City, subject to detailed costing and further negotiation with Toyota City Council and twinning partners.
- 9.4 Notes and supports the development of a reciprocal employee exchange programme and potential project activity to provide focus for such an exchange.

**Mike Ashworth**  
**Strategic Director- Economy, Transport and Communities**