

Agenda Item No.3(a)

DERBYSHIRE COUNTY COUNCIL

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

18 May 2017

Report of the Strategic Director – Economy, Transport and Environment

DEVELOPING THE DERBYSHIRE: CHINA RELATIONSHIP

(1) **Purpose of Report** To report on progress towards securing Derbyshire representation in China via the China Britain Business Council (CBBC) “Launchpad” service and approve a small increase in the budget to accommodate additional estimated costs.

(2) **Information and Analysis**

Background

At the meeting on 5 October 2017, Cabinet considered and approved proposals to further develop international trade and working relations with China building on the original friendship agreement signed with Anhui Province in June 2016 (Minute No.284/17 refers).

As part of the arrangements, officers have worked with colleagues from Derby City Council to commission the CBBC “Launchpad” service to secure dedicated representation for Derby and Derbyshire interests in China, and specifically in Anhui Province.

The “Launchpad” service provides a cost-effective, low risk and legally compliant means of having a presence in China by employing a dedicated Project Director engaged in the role as a ‘business envoy’. The postholder would be employed by CBBC but accountable to, and directed by, the two local authorities.

Given the level of activity currently being undertaken by Derby University in Anhui Province, it is likely the Project Director will be able to assist in co-ordinating discussions between the education sector as well as facilitating business to business discussion. Negotiations regarding the commissioning of Launchpad have been led by Derby City Council and the contractual arrangements considered by legal officers at both councils. The proposed Project Director will be based in Nanjing (CBBC Headquarters) and in Anhui Province, where bespoke arrangements have been agreed with the

University of Derby to provide a local office at Hefei University. This will ensure there is a single 'front door' for business to business support between Derbyshire and Anhui.

To ensure appropriately qualified and experienced candidates are attracted to this post, a job profile has been agreed with CBBC for a Project Director. Expert advice has been received from CBBC and it has been proposed that the salary for the post be increased from the proposed £18,500 per year (12,500 RMB per month, as per previous Cabinet report) to a maximum of £29,500 per year which is an increase of £11,000. The increased salary recognises additional responsibilities agreed between CBBC and the two local authorities over the past few months, the flexibility to work across two base locations; and the strategic level at which the resource will act as an envoy (both politically and commercially). The salary level has been advised as the most suitable to attract an appropriate candidate from the talent pool available in Hefei. The total cost of the project over two years is estimated at £124,000, which includes the new salary level, on-costs, a CBBC management fee and job related expenses. This cost is to be divided equally between the Council and Derby City Council.

Following approval, recruitment will commence, led by CBBC with input and decisions being made by the two local authorities. The Project Director will be appointed by end of June 2018.

(3) **Financial Considerations** The current budget approval, by Cabinet on 5 October 2017, is for £26,000 per annum over a two year period (£52,000 in total) which represented a 50% share of the total estimated costs for the "launchpad" service (Minute No. 284/17 refers).

The overall estimated increase in costs has risen from £52,000 to £62,000 per annum (the maximum salary increase is £11,000 and contingencies in the overall project costs will cover the £1,000 difference) and will therefore require an annual increase in the County Council's budget from £26,000 to £31,000. Funding to be taken from the Economy and Regeneration budget per annum over two years 2018-19 and 2019-20.

(4) **Legal Considerations** A draft contract has been agreed with CBBC with both the Council and Derby City Council agreed the contract will be finalised and recruitment commenced.

(5) **Human Resources Considerations** As the new Project Director will be employed by the CBBC and not by the Council, the Council will not bear any of the employment responsibilities associated with recruitment to this post. These will be borne by the CBBC.

(6) **Social Value Considerations** A key goal the Council's developing links with China and Anhui Province, in particular, is to maximise economic activity and open up trade opportunities for Derbyshire business, as well as attracting potential inward investment from China to develop the Derbyshire economy. The link will also help to promote cultural and educational links that will prove beneficial to Derbyshire residents, especially young people.

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.

(7) **Key Decision** No.

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

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

(10) **OFFICER'S RECOMMENDATION** That the Cabinet Member approves an increase in budget from £26,000 to £31,000 per annum for the next two years to fund the Project Director to be funded from the Economy and Regeneration core budget.

Mike Ashworth
Strategic Director – Economy, Transport and Environment