

MINUTES of a meeting of the **CABINET MEMBER FOR ECONOMIC DEVELOPMENT AND REGENERATION** held on 29 September 2017 at County Hall, Matlock

PRESENT

Cabinet Member – Councillor T King

Also in attendance – Councillor R Mihaly

02/17 **MINUTES RESOLVED** that the minutes of the meeting held on 4 August 2017 be confirmed as a correct record and signed by the Cabinet Member.

03/17 **D2N2 INWARD INVESTEMENT PROJECT - UPDATE** The Cabinet member was provided with an update on the European Regional Development Fund (ERDF) D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Inward Investment Project and was asked to agree that the joint working agreement between the Council and Marketing Derby on the delivery of the project continued until the end of the project (October 2019) with an annual review.

The European Structural Investment Funding Strategy 2014-2020 (ESIF) programme is being delivered through the D2N2 Local Economic Partnership (LEP). As part of the ESIF programme, the D2N2 Inward Investment project was awarded an ERDF grant in November 2016 of £1,041,254 against a total project cost of £2,082,508.

The project was being delivered in collaboration with Derbyshire Economic Partnership (DEP), Marketing Derby, Destination Chesterfield and Marketing Nottingham and Nottinghamshire, with Nottingham City Council being the accountable body. At the Cabinet meeting on 31 January 2017, approval was provided for match funding towards the project and to delegate to the Strategic Director - Economy, Transport and Communities authority to agree the final terms of the required Partnership/Collaboration Agreements for the D2N2 Inward Investment project, in consultation with the Cabinet Member for Strategic Policy, Economic Development and Budget (Minute No. 31/17 refers).

The £90,000 match funding from Derbyshire County Council (secured through the Derbyshire Economic Partnership (DEP) budget) was being used to lever in ERDF funding to deliver a full programme of activity across Derbyshire over the three year period 2016-19. The aim of the project was to carry out a series of activities to support businesses looking to relocate or start

up in the D2N2 area. The project also provided the opportunity for inward investment organisations across Derbyshire to establish a more co-ordinated approach to activity, and build upon the “Invest in D2” brand successfully developed for the trade mission to Shanghai in November 2016 as part of the Midland Engine Framework.

For the D2 (Derby and Derbyshire) area, it was agreed to enter into a partnership grant agreement with Marketing Derby to deliver the project on behalf of the Council and DEP. This included the appointment of a project funded dedicated Investment Executive to work along side the DEP Investment Co-ordinator. The benefits of contracting delivery to Marketing Derby were substantial considering the reputation of the organisation in the sphere of investment promotion and the level of management resource required to support the new post holder and other elements of the project. The arrangement provided a more responsive, local service working alongside contacts in borough and district authorities; and enhanced marketing activity through events, publications and digital media.

The grant agreement between Derbyshire County Council and Marketing Derby was signed in May 2017 and established the contract for Marketing Derby to deliver activity through the new post whilst fulfilling the needs of the Derbyshire economy and the project objectives and enabling joint project activity to be procured through one central point.

The current grant agreement was confined to the first year of the programme up to 31 December 2017, with the intention to review success at the end of the financial year prior to any further extension being approved. The appointment to the post took place in May 2017 and the post commenced in July 2017. To date, the impact of the project and the extra resource had received positive feedback from district/borough council and private sector partners. A considerable body of activity had been delivered to date and a programme of activity was planned for future years. Details of progress to date was provided in the Strategic Director’s report.

It was therefore requested that the agreement between Derbyshire County Council and Marketing Derby be extended for a further year with a review in late 2018. If this was still proving successful at this time, it was requested that the Strategic Director – Economy, Transport and Communities had delegated authority to continue the agreement to the end of the project (October 2019).

RESOLVED (1) to note the progress of the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Inward Investment Project; and
(2) to delegate authority to the Strategic Director - Economy, Transport and Communities, to agree an extension of the partnership grant agreement between Marketing Derby and the Council until 31 December 2018

**04/17 INWARD INVESTMENT:FURTHER DEVELOPMENT OVF
TOYOTA PARTNERSHIP ARRANGEMENTS**

The Cabinet Member was informed of the continued development of the Council's partnership arrangements with Toyota City and the development of a three year programme of activity (2017 to 2020) to support tourism exchange, celebration of the 20th twinning anniversary and encouraged extended trade relations. The Cabinet Members further noted and considered options for resolving visa arrangements which supported 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.

Following the successful 15th 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 had 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.

The partnership arrangement (which was a formal twinning relationship) between Toyota City Council, Derbyshire County Council, Derby City Council and South Derbyshire District Council would celebrate its 20th anniversary in 2018. Recent discussions between the officer development team and colleagues from Toyota City Council and TMUK had focused on developing a draft programme of activity that celebrated 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 20th 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 would focus on key civic exchanges; proposed economic/tourism promotion events and developing further potential exchange activity. Details of the three year programme were being finalised with details of what was to be included given in the Strategic Director's report.

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 had 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 was 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 20th anniversary (Minute No. 11/16 refers). Detailed 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 had taken place under the Reciprocal Visa Exemption Arrangement between the Japanese and British governments. However, more detailed consideration needed to be given to the required visa process given that Toyota City Council was now proposing a three year placement for its employee (from early 2018) instead of 6 month placements. This type of twinning proposal was 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 were 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 seemed that a Tier 5 visa is the most appropriate for the circumstances but any such application had to be accompanied by sponsorship from a 'Government Authorised Exchange' licensed sponsor. Although the Home Office had 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 20th 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 was important that Derbyshire County Council seeks a clear, robust advice from Government around the work visa. The success of this twinning relationship was extremely important to TMUK and to Japanese/British trade relations. In that regard, TMUK had 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, could vary considerably. In any event, it was likely that external, expert legal immigration advice would be required to ensure all arrangements can withstand inspection.

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 was 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.

RESOLVED (1) to 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.

(2) to welcome and accepts the offer from TMUK to cover the costs of the application process.

(3) to note and endorses the proposed draft three year programme of activity that will help celebrate the 20th anniversary of the international relationship with Toyota City, subject to detailed costing and further negotiation with Toyota City Council and twinning partners; and

(4) to note and support the development of a reciprocal employee exchange programme and potential project activity to provide focus for such an exchange