

CABINET MEETING – 19 JUNE 2013

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

International Strategy – Annual Report April 2012 to March 2013

Author(s):

Chief Executive

Purpose of Report:

This report provides an overview of activity undertaken from April 2012 to March 2013 in relation to the city's International Strategy, highlights the benefits this has generated, and identifies the outline Work Programme for the year 2013/14.

Description of Decision:

Cabinet is requested to:

- note the level and nature of activity developed under the International Strategy during 2012/13
- endorse the series of actions proposed for 2013/14

Is the decision consistent with the Budget/Policy Framework? **Yes**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

It was agreed to report annually on the International Strategy both to Cabinet and the Economic Leadership Board. Prior to its consideration by Cabinet, the attached report was considered by the Economic Leadership Board at its meeting on 1 May 2013.

Alternative options to be considered and recommended to be rejected:

No alternative options have been considered.

Impacts analysed;

Equality

n/a

Privacy

n/a

Sustainability

n/a

Crime and Disorder

n/a

Is this a "Key Decision" as defined in the Constitution?

No

Is it included in the 28 Day Notice of Decisions?

No

Scrutiny Committee

INTERNATIONAL STRATEGY – ANNUAL REPORT APRIL 2012 TO MARCH 2013

REPORT OF THE CHIEF EXECUTIVE

1.0 Purpose of the Report

- 1.1 This report provides an overview of activity undertaken from April 2012 to March 2013 in relation to the city's International Strategy, highlights the benefits this has generated, and identifies the outline Work Programme for 2013/14.

2.0 Description of Decision

- 2.1 Cabinet is requested to:

i) note the level and nature of activity developed under the International Strategy during 2012/13

ii) endorse the series of actions proposed for 2013/14.

3.0 Background

- 3.1 The Sunderland Partnership's first International Strategy was endorsed as a consultative draft in October 2006 to provide a co-ordinated and strategic approach to international working within the city. Following revision of the Sunderland Strategy, the International Strategy was updated and endorsed by the Partnership Board and City Council's Cabinet in October 2008 to run in parallel to the Sunderland Strategy for the period 2008 to 2025.
- 3.2 The overall aim of the International Strategy is 'to ensure the City's international engagement supports the Sunderland Partnership in achieving its vision for Sunderland, maximising the opportunities and benefits for the city and its residents'.
- 3.3 This overall aim of the International Strategy is underpinned by five Key Areas of Activity. These Key Areas of Activity focus on: attracting and retaining investment and supporting business growth; including an international dimension in the city's educational and cultural activities; sharing good practice with cities facing similar challenges; influencing EU policy and legislation; and raising the city's profile.
- 3.4 Implementation of the International Strategy is overseen by a Partnership-wide Steering Group, chaired by the Vice-Chancellor of the University and supported by the City Council's International Team.

- 3.5 An annual report is prepared each calendar year for the Sunderland Partnership and for the City Council's Cabinet. This is the sixth annual report, and the second to have been considered by the Economic Leadership Board.
- 3.6 Economic development has always been a primary driver for the city's international engagement and this economic focus continues to be strengthened. For this reason, the International Strategy Steering Group began to report to the Economic Leadership Board last year, instead of to the wider Sunderland Partnership Board.

4.0 Current Position

- 4.1 The Annual Report for 2012/13 is attached as Annex A. This has been prepared drawing on information provided by members of the International Strategy Steering Group, including representatives of each Directorate within the City Council. The Annual Report includes a summary in section 5 of ways in which the International Strategy has supported the City Council and a range of partner organisations in their individual activities over the years. Key areas of support for the City Council are summarised briefly in paragraph 4.2 below. The report then provides an overview in section 6 of some of the key developments during 2012/13, which are also summarised briefly in paragraphs 4.3 to 4.11. These are followed in the report by notable activity under each of the five Key Areas of Activity identified for the International Strategy, highlighting the progress made and benefits generated from engagement in each area. An Executive Summary of the Annual Report has also been produced.
- 4.2 For the City Council, the exercise to explore the impact of the International Strategy in relation to individual partner activities identified support in relation to economic development as a major priority for the City Council, supporting companies to survive and thrive within the city, retaining and potentially securing repeat investment among inward investors, and supporting local businesses to access overseas markets and grow. Equally, it identified support in relation to equipping young people with the skills and competences needed by employers operating in a global environment, raising aspirations and increasing knowledge and understanding of other cultures, as well as to improving service delivery in parallel to achieving savings.
- 4.3 Sunderland's Friendship Agreement with Washington DC continued to generate opportunities following its renewal for a further five years in February 2012. Businesses from the city's software and creative industries sectors took part in trade missions to Washington DC to pursue business opportunities in the American market with American companies continuing to invest in the city. Two University of Sunderland students completed their semester-long scholarship programmes at the University of the District of Columbia in May 2013, and significant development work was undertaken towards establishing collaboration with several Washington DC based universities in automotive and engineering as well as glass and ceramics. The exchange programme established between two secondary schools entered its second stage with young people visiting each other's cities in back-to-back exchanges in March

2013. Sunderland was also chosen as the location for the UK premiere of the Oscar-nominated film 'Lincoln'.

- 4.4 Sunderland's co-operation with China was deepened with two school visits during this year, following the first visit to Harbin by Sunderland children in April 2011. Young people and teachers from six city schools (bringing together pupils from primary, secondary and special schools) visited their partners in Harbin as part of a project part-funded by the British Council in June 2012, with a larger group of pupils from an additional secondary school visiting their partner school in October. The University began to develop proposals for several business and academic opportunities emerging through the relationships established with potential partners in Harbin in recent years. Discussions have also taken place with a number of Chinese businesses considering UK or European operations.
- 4.5 A new EU funded education project with Saint-Nazaire began in September 2012 providing a strong programme of activity as we begin the 60th anniversary year of our French twinning relationship in 2013. Four new school partnerships started to explore Fairtrade matters together, with support from external partners in both cities, under this two-year project. Sunderland companies and the University's Institute of Advanced Manufacturing Automotive Practice also hosted work placements for Saint-Nazaire Masters-level Engineering students for the fourth consecutive year with plans underway for the programme to be repeated with five students in 2013. Activity with Essen has been more limited, however, although a Sunderland company did host a four-week long work placement for an Essen young person as part their continued engagement with a programme organised by Essen's Economic Development Company.
- 4.6 Sunderland's membership of EUROCITIES, and the city's designation as a World Health Organisation (WHO) European Healthy City for the period to 2013, opened up opportunities to exchange experience, access expertise, and inform service delivery in key policy areas. This included a peer review on transport policy and implementation, smart ticketing and low carbon transport initiatives including electric vehicles through the EU funded Cascade project, as well as an exercise to benchmark Sunderland using the Age Friendly City criteria. The Leader of the City Council's new role as a member of the EU's Committee of the Regions from December 2012 may open up further opportunities in 2013/14 and has already resulted in an invitation for the Leader to be part of the Automotive Intergroup – a group within the EU's Committee of the Regions focussed on the automotive sector.

- 4.7 Creation of almost 1,200 jobs by overseas-owned companies in the city was announced during the twelve months to March 2013, bringing more than £430 million of capital investment to Sunderland. Most of this investment was associated with the growth of the automotive manufacturing sector in the city, including Nissan's expansion programme, with new models being introduced by the company which also announced production of the prestigious Infiniti Etheria. There were also major expansion projects by logistics company Vantec (part of Japan's Hitachi group), which has constructed a 40,000 square metre warehouse on an Enterprise Zone site, and by two key Japanese suppliers with Calsonic Kansei securing a Regional Growth Fund award to expand production and Unipres investing in an extension and new plant equipment also to expand production. TRW Systems and Johnson Controls, both of the USA, have also invested heavily in their Sunderland plants to expand production, with the TRW plant being established as a centre of excellence within the group from which it exports electronic components to a range of automotive manufacturers overseas.
- 4.8 Joint working with regional and national partners in supporting city businesses to engage internationally also continued to be developed during this year. Co-operation with UK Trade and Investment (UKTI) has been strengthened this year with UKTI supporting companies to take part in both the software and creative industries trade missions to Washington DC. Discussions have also taken place with senior UKTI representatives based in Chicago, which has lead responsibility within the United States for the automotive sector, to support Sunderland in attracting more automotive supply chain investment into the city. Opportunities to work more closely with UKTI and partners within the Local Enterprise Partnership (LEP) will continue to be explored.
- 4.9 Relationships with several overseas Embassies have also been strengthened during 2012/13. The Deputy Chief of Mission from America's Embassy in London visited Washington Old Hall in July 2012, meeting with city and regional businesses with a strong American connection, together with Chamber of Commerce and City Council representatives. A new relationship has also been established this year with the French Ambassador who visited Nissan in December, meeting with senior Nissan and City Council representatives, and discussing the potential for co-operation linked to the city's twinning relationship with Saint-Nazaire and its 60th anniversary. Relationships with the Honorary Consuls for France and Germany, as well as for Norway, as Sunderland marked 50 years of the generous gift of a Christmas tree from the people of Stavanger, were also strengthened.
- 4.10 The ongoing development of the city's Economic Leadership Board, and the reporting relationship between the International Strategy Steering Group and the Economic Leadership Board, present opportunities to strengthen further the linkages between the international agenda and economic development activity in the year ahead.

- 4.11 The city's strategic partnership with the British Council as a key national partner in promoting the international dimension in education has continued to open up opportunities. This has particularly been the case for co-operation with China. The cluster visit to Harbin by pupils and teachers from six Sunderland schools in June was part of a British Council funded Joint Curriculum Project focused on sustainability. Young people from Sunderland primary schools also had the opportunity to attend the British Council's Primary Language Immersion Course for the third year in a row in August. In addition, an application to the British Council for funding to host a visit to Sunderland by teachers from several partner schools in Harbin, to take place during the next reporting year, was successful.
- 4.12 The landscape within which the Steering Group and its constituent partner organisations operate continues to be influenced by policy developments at national level by the coalition government and significant reductions in public expenditure. This wider context is significant in view of the overall aim of the International Strategy, which is designed to ensure the city's international engagement underpins the mainstream objectives which partners are seeking to deliver.
- 4.13 The impact of public sector budget reductions, and the challenge for individual partner organisations of reviewing their priorities and refocusing their activity in relation to reduced resources, has decreased the time available within the Steering Group during 2012/13 to take forward collective priorities. The proposal for 2013/14 is therefore designed to focus collective activity on a smaller number of key actions to maximise the effectiveness of the Steering Group and the benefits, particularly economic, that can be generated within the limited resources available.
- 4.14 The eight proposed actions, thematic and geographic, which will form the Work Programme for 2013/14 in terms of collective priorities are set out in section 8 of the Annual Report (Ai).
- 4.15 Individual organisations will continue to take forward their own specific mainstream areas of international business during 2013/14. These include inward investment, overseas marketing, student recruitment, and development of in-country delivery for further and higher education. Information will continue to be shared within the Steering Group on individual partners' activity, however, to enable linkages or wider benefits to be explored where appropriate and where resource levels permit.

5.0 Reasons for the Decision

- 5.1 It was agreed to report annually on the International Strategy both to Cabinet and the Economic Leadership Board. Prior to its consideration by Cabinet, the attached report was considered by the Economic Leadership Board at its meeting on 1 May 2013.

6.0 Alternative Options

6.1 No alternative options have been considered.

7.0 Relevant Consultations

7.1 Financial Implications

There are no financial implications.

8.0 Background Papers

8.1 The following background papers are available from the Office of the Chief Executive:

International Strategy

International Strategy Steering Group Terms of Reference and Minutes

International Strategy Progress Report 2012/13

Washington DC Steering Committee Minutes

China Steering Committee Minutes