

CABINET

30 OCTOBER 2012

INTERNATIONAL RELATIONS CABINET ADVISORY GROUP – TERMS OF REFERENCE

Portfolio Holder: Councillor Jane Chitty, Strategic Development and Economic Growth

Report from: Robin Cooper, Director of Regeneration, Community and Culture

Author: Stephen Gaimster, Assistant Director – Housing, Development & Transport
Clem Smith, Head of Economic Development & Social Regeneration

Summary

This report seeks approval to a revised terms of reference for the International Relations Cabinet Advisory Group.

1. Budget and Policy Framework

1.1 Cabinet Advisory Groups, including memberships and terms of references, are reviewed and agreed on an annual basis by Cabinet. Any in-year proposal to amend a Cabinet Advisory Group's terms of reference is a matter for Cabinet.

2. Background

2.1 Annual Council agreed to disestablish the International Relations Committee on 16 May 2012 as a consequence of a shift of emphasis in the business of the Committee and the consequential need to comply with regulations governing the relevant functions of the Council which are the responsibility of the Cabinet.

2.2 Cabinet agreed to establish the International Relations Cabinet Advisory Group (IRCAG) on 12 June 2012. Such Advisory Groups do not have decision making powers and as such, any formal decisions recommended by this Cabinet Advisory Group would either be undertaken by the Director of Regeneration, Community and Culture under delegated authority or referred to Cabinet for decision.

2.3 The first meeting of the International Relations Cabinet Advisory Group took place on 20 September 2012 where it considered a report on its role including a review of the existing terms of reference (Appendix 1).

3. Proposed Changes to the Role of the Group

3.1 It is proposed that the IRCAG develops a role, which is directly focused on economic development and international inward investment.

3.2 The former International Relations Committee also had responsibilities relating to both:

- Twinning and ceremonial activities, and
- Student exchanges.

3.3 IRCAG is not appropriately equipped to carry out these two roles and it is proposed that responsibility for these work areas be moved.

3.4 Twinning and ceremonial activities would be more appropriately dealt with by the Mayor's Office. The principal cities that occasionally visit Medway are Valenciennes (France), Cadiz (Spain), Yokusuka and Ito (Japan). This currently includes hosting visits from Mayors, other civic dignitaries and senior officials from other cities, arranging accommodation, events etc. However, in future it is intended that such ceremonial work is limited to hosting dignitaries and senior officials only. Insufficient resources exist in the Mayor's office to enable them to organise accommodation, or other associated arrangements for visiting delegations.

3.5 Responsibility for student exchanges should more appropriately be returned to Children and Adults directorate (Children and Adults directorate were responsible for this service). This involves funding and helping with arranging for secondary school students to visit other countries and to host students from abroad in Medway. Currently exchanges only occur with Yokosuka and Ito - our "twin" cities in Japan.

3.6 This would enable IRCAG to focus on international economic development and respond more effectively to international inward investment opportunities.

3.7 IRCAG responsibilities would include:

- Building long term confidence and investment/economic / trade relationships with international cities.
- Responding appropriately and in a focused way to interest and delegations from business/investment groups from outside the UK.
- Utilising the council's economic development website to encourage Medway's international trade links.
- Seeking external funding (e.g. Interreg) to promote international trade and business in Medway.

- Developing international trade in university related research, innovation (including promoting an innovation corridor in Europe), port and logistics etc.
- Ensuring that Medway's economic development strategies include an international focus.
- Strengthening existing economic development related links with Chancheng (China) and Tallinn (Estonia) and enable Medway to respond to investment opportunities, which present themselves.

3.8 Proposed new IRCAG terms of reference are set out at Appendix 2.

3.9 Existing International Relations Committee (IRC) sub groups were automatically dissolved when IRC no longer existed following the Cabinet decision on 12 June 2012. These groups have been meeting on an informal basis but not as formal sub-groups. It is proposed that no sub groups be created in relation to IRCAG.

3.10 The International Relations Cabinet Advisory Group considered these proposals on 20 September 2012, the minutes of which are set out in Appendix 3. The Committee recommended the following to Cabinet:

3.10.1 That the Advisory Group focuses in future solely on international economic development and inward investment.

3.10.2 That the terms of reference of this Advisory Group are amended as set out in Appendix 2, replacing the previous Committee terms of reference (Appendix 1).

3.10.3 That responsibility for all ceremonial activities and visits to the Council in association with Japan and Valenciennes move to the Mayor's office with immediate effect.

3.10.4 That responsibility for student exchanges moves to the Children and Adults Directorate with immediate effect.

3.10.5 That the Japan sub-group and all other sub-groups be informed that their status as a sub group no longer applies.

3.10.6 The name of the Advisory Group to be changed to International Economic Development Cabinet Advisory Group.

4. Advice and analysis

4.1 As outlined above, the proposal to focus on international economic development will increase the ability for the Council to identify and follow up international inward investment opportunities. This is particularly important at a time when the UK and most of Europe are in recession and when some of the best opportunities for economic growth and recovery lie in the building of strong international business relationships with other parts of the world that have been experiencing relatively strong economic growth, such as China and India.

4.2 In addition, in view of the vital importance of focusing on international investment, it is felt more appropriate for ceremonial and twinning related visits to pass under the responsibility of the Mayor's office and for student exchanges to continue with the Children & Adults Directorate.

4.3 As consequence, this report contains a recommendation to Cabinet that the name of this Cabinet Advisory Group be changed to the International Economic Development Cabinet Advisory Group, which will reflect the new focus of its work.

5. Risk management

5.1 Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Difficulties in communication with international partner areas (e.g. Foshan – China)	In view of the extreme distance and the inability to meet regularly – there is a risk that communications will prove difficult and deteriorate	Work with Foshan partners and others to secure external funds / private finances to facilitate visits. Work with international partners to secure an office location in Medway.	Medium
The ongoing recession in the UK / Europe	Recessionary conditions may act as a disincentive to international inward investment	Through the forthcoming new Invest in Medway web site and inward investment promotional campaign, raise the profile of Medway as an ideal “longer term” economic development location.	Medium

6. Consultation

6.1 The former sub-groups of the International Relations Committee ceased to be sub-groups automatically when the Committee was dissolved.

6.2 Cabinet is being asked in paragraph 8.5 to approve that the former sub-groups are informed of the changes made as a consequence of this report.

These sub-groups will consequently have an opportunity to feed back any matters arising. Any such matters will subsequently be considered by the next meeting of the Cabinet Advisory Group. Additional bi-lateral meetings in the interim will be held with representatives of these sub-groups if considered necessary.

7. Financial and legal implications

- 7.1 Medway's 2012/13 revenue budget includes a provision of £12,500 for International Relations.
- 7.2 It is proposed that £2,000 of this be utilised by the Mayor's office for ceremonial and twinning activities.
- 7.3 Members have been previously advised of the consequential need to comply with regulations governing the relevant functions of the Council which are the responsibility of the Cabinet.

8. Recommendations

- 8.1 That this Cabinet Advisory Group focuses in future solely on international economic development and inward investment.
- 8.2 That the terms of reference of this Cabinet Advisory Group are amended as set out in Appendix 2, replacing the previous terms of reference (Appendix 1).
- 8.3 That responsibility for all ceremonial activities and visits to the Council in association with Japan and Valenciennes move to the Mayor's office with immediate effect.
- 8.4 That responsibility for student exchanges moves to the Children and Adults Directorate with immediate effect.
- 8.5 That the Japan sub-group and all other sub-groups be informed that their status as a sub group no longer applies.
- 8.6 The name of the Cabinet Advisory Group to be changed to International Economic Development Cabinet Advisory Group

9. Suggested reasons for decision(s)

- 9.1 To focus the Council's efforts and commitment on international economic development will enable the Council to identify and to follow up on international inward investment opportunities.

Lead officer contact

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Background papers

None

Existing IRCAG terms of reference

- The International Relations Cabinet Advisory Group should reflect the composition of the former Committee involving five Councillors.
- This Cabinet Advisory Group will keep levels of twinning activity between Medway and Valenciennes (France), Cadiz (Spain), Yokosuka, Ito (Japan) and Foshan (China) under review, and advise and make recommendations to the Cabinet accordingly. The levels were previously defined as follows:

Level 1: information exchange;

Level 2: academic/economic visits for policy/working practice exchange, plus cultural promotion/research activity

Level 3: academic/economic/cultural exchange, including formal student placement exchange, trade mission activity and consultative infrastructure development

- In addition, the Advisory Group will make recommendations to the Director of Regeneration, Community and Culture on the allocation of up to £12,500 per annum to develop twinning and support proposed activities including applications from the sub groups previously established for Valenciennes, Yokosuka/Ito and Foshan. (The fourth sub group covering Cadiz is no longer operational). The Cabinet Advisory Group will take forward a review of the functions and operation of these sub groups, which was a piece of work identified by the International Relations Committee at its last meeting.
- The Director of Regeneration, Community and Culture to be given delegated authority to deal with all future applications for International Relations Project Funding to be met from the budget for these activities (£12,500 in 2012/13) taking into account the views and recommendations of the Cabinet Advisory Group.

International Economic Development Cabinet Advisory Group.

Proposed new ICAG terms of reference

IRCAG responsibilities are:

- Building long term confidence and investment/economic / trade relationships with international cities.
- Responding appropriately and in a focused way to interest and delegations from business/investment groups from outside the UK.
- Utilising the council's economic development website to encourage Medway's international trade links.
- Seeking external funding (e.g. Interreg) to promote international trade and business in Medway.
- Developing international trade in university related research, innovation (including promoting an innovation corridor in Europe), port and logistics etc.
- Ensuring that Medway's economic development strategies include an international focus.
- Strengthening existing economic development related links with Chancheng (China) and Tallinn (Estonia) and enable Medway to respond to investment opportunities, which present themselves.

**Medway Council
International Relations Cabinet Advisory Group
Thursday 20 September 2012
6.00pm to 7.40pm**

Record of the meeting

Subject to approval as an accurate record at the next meeting of this group

Present: Councillors: Chitty (Chairman), Mackness, Price, Shaw and Wicks

In Attendance: Stephen Gaimster (SG), Assistant Director Housing, Development and Transport
Clem Smith (CS), Head of Economic Development and Social Regeneration
Katie Jones (KJ), EU Project Team Support Officer

1. Welcome and apologies for absence

Cllr Chitty thanked all Members for their attendance.
No apologies for absence.

2. Declarations of interest

There were none.

3. Record of the International Relations Committee (28 September 2011)

Duly noted.

4. Proposed revised role of International Relations Cabinet Advisory Group (IRCAG)

Cllr Chitty asked Stephen Gaimster to present the report.

SG noted that at the Full Council meeting last May it had been confirmed that the former International Relations Committee was to cease operations. Instead an International Relations Cabinet Advisory Group was to be established and the Council meeting agreed the "original" terms of reference (at Appendix 1 on the agenda).

SG explained that following discussions with members of the group, the terms of reference be changed to those set out in paragraph 2.7 of the report. Twinning and student exchanges would be more appropriately dealt with by the Mayor's Office (recommendation 5.3) and Children & Adults Directorate (recommendation 5.4) respectively. The Cabinet Advisory Group should instead focus on international investment and economic development issues.

International Relations Cabinet Advisory Group, 20 September 2012

The Cabinet Advisory Group discussed the importance of maintaining the twinning and ceremonial activities and making sure any contacts were not put in jeopardy. Members agreed that twinning and ceremonial visits to the Council should be maintained but that the Mayor's Office is better qualified to arrange.

In relation to recommendation 5.4, it was suggested that international school exchanges should be a matter for Children & Adults Directorate, and therefore not part of the remit of the Advisory Group.

Discussion then centred on the number of schools who actively participate in exchanges currently. Bradfields was given as an example of a non grammar school participating in the international school exchanges.

The Chairman noted in respect of recommendation 5.4 that these changes were not to close the door on student exchanges, but instead to ensure a clearer focus for the Advisory Group on international economic development matters.

Clem Smith explained the importance of the relationship between Tallinn and Medway, saying that this was not just to help access EU funding, but also to build strong relationships that can successfully attract inward investment from the relative economic success of the Baltic region. He noted also that the importance of maximising private investment into the EU through Medway from China.

SG suggested the new terms of reference of the Advisory Group should be amended to focus on arrangements for delegated approval as set out in Appendix 2. All agreed.

SG advised the group the revised terms of reference would need to be submitted to Cabinet for approval.

Members agreed the following recommendations to Cabinet:

- 4.1 That the Advisory Group focuses in future solely on international economic development and inward investment.
- 4.2 That the terms of reference of this Advisory Group are amended as set out in Appendix 2, replacing the previous Committee terms of reference (Appendix 1).
- 4.3 That responsibility for all ceremonial activities and visits to the Council in association with Japan and Valenciennes move to the Mayor's office with immediate effect.
- 4.4 That responsibility for student exchanges moves to the Children and Adults Directorate with immediate effect.

International Relations Cabinet Advisory Group, 20 September 2012

4.5 That the Japan sub-group and all other sub-groups be informed that their status as a sub group no longer applies.

5. Members agreed the following recommendations to Cabinet:

5.1 The name of the Advisory Group to be changed to International Economic Development Cabinet Advisory Group.

6. Yokosuka Report

Noted.

7. Frequency of future Advisory Group meetings

Members agreed the following

7.1 That there should be at least three meetings of the International Economic Development Advisory Group set up for calendar year 2013.

7.2 The Chairman of the Advisory Group should be able to convene additional meetings of the Advisory Group when and if considered necessary.

Councillor Chitty thanked all Members in attendance for their participation.

8. Any other business

Officers informed the group of a request by the former Japan sub-group for subsistence and hosting expenses to be reimbursed following a Japanese student exchange visit to Medway that took place in the summer.

It was noted that the total amount related to Japanese student exchanges therefore requested for reimbursement by the former sub-group exceeds the agreed maximum requested in previous years. It was also noted this request for expenditure reimbursement had not been accompanied by expenditure evidence and that this could not be reimbursed until the necessary receipts were provided and approved. It was also noted that due process had not been adhered to by the Japan sub-group in requesting reimbursement of funds for the student exchange visit in 2012.

Members agreed the following

8.1 It was agreed that this was a matter for officers to request, obtain and verify the receipts before reimbursing and also to investigate further why the Japan sub-group had not adhered to due process, resolve and then report back.

International Relations Cabinet Advisory Group, 20 September 2012

8.2 Officers should inform the Japan group regarding:

- The transfer with immediate effect of the responsibility for all ceremonial and twinning related visits to the Council to the Mayor's office.
- The transfer with immediate effect of the student exchange programme to the Children & Adults Directorate.
- That neither of the above activities described in 8.2 fall under the remit of this Cabinet Advisory Group.

Chairman

Date