



Report to the Economic and Environmental Wellbeing Scrutiny & Policy Development Committee – 20th December 2017

Report of: Edward Highfield, Director, City Growth

Subject: China Economic and Civic Programme Progress Update

Author of Report: Howard Varns, Programme Manager, City Growth

Summary:

To provide an update on the programme of activities that has been developed between Sheffield and the City's Chinese partner organisations.

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	x
Informing the development of new policy	x
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	x
Other	

The Scrutiny Committee is being asked to:

- To note the activities within the programme that has been developed between Sheffield and its Chinese partner organisations.

Background Papers:

There are no background papers.

Category of Report: OPEN

China Economic and Civic Programme Update Progress Update

1. Purpose of Report:

- 1.1 To provide an update on the programme of activities that has been developed between Sheffield and Chinese partner organisations. This programme of work consists of the following thematic areas: a) Investment, b) Trade and c), Education and Civic activity

2. Matters for consideration:

2.1 Investment theme

- 2.2 A Memorandum of Understanding was signed between Sheffield, the Department for International Trade (DiT) and Sichuan Guodong Construction Group Ltd in late 2015. This agreement set out a common ambition to promote investment from China into Sheffield between the three parties.
- 2.3 Sichuan Guodong Group then approached the Council in November 2016 regarding the possibility of developing a hotel at the Central Library building on Surrey Street. They chose to prioritise this over other possible projects at that time.
- 2.4 Officers were given authority by Cabinet on 30 November 2016 to develop and enter into an exclusivity agreement with Sichuan Guodong Group to ascertain whether the Central Library building was viable for development.
- 2.4 Representatives from Guodong have surveyed the Central Library building on numerous occasions during 2016/ 2017 to make assessments of the condition of the building and to review its potential for development. External experts have also been engaged that have provided third party analysis on the buildings development potential and on possible re-configurations that could be made to the building.
- 2.5 This period of exploration and feasibility work has confirmed significant structural issues with the buildings along with numerous challenges in attempting to configure and creating sufficient space in order to establish a commercial viable hotel. It is therefore highly unlikely that this building can be developed into a commercially viable hotel in the future.
- 2.8 Guodong have confirmed that their appetite to invest in Sheffield remains despite the difficulties attached to progressing a viable scheme involving the Central Library building and work will continue with this investor to promote other possible development opportunities in Sheffield.

3 Trade theme

- 3.1 In November 2016, Cabinet authorised work on a business development programme which was to focus on assisting Sheffield's business sector with

accessing Chinese markets. This activity was planned in order to exploit Sheffield signing Trade and Investment agreements with the cities of Nanchang and Daqing in 2016, and our growing relationship with Chengdu.

- 3.2 A series of seminars have been held which are designed to help companies understand and gain insight about Chinese market opportunities, intellectual property rights, financing and money repatriation. Work is also underway on profiling and matching suitable businesses ahead of a series of outbound and inbound business delegations in 2018.
- 3.3 The “Sheffield - Nanchang Economic Cooperation Forum” is currently been planned and is likely to be held in Nanchang in March 2018. This will be hosted by Nanchang’s Municipal Government and will enable a delegation of around 10 - 20 Sheffield-based businesses to engage with Chinese businesses, governments representatives and investors from Nanchang and the wider province of Jiangxi.
- 3.4 DiT’s *Export for Growth Fund* will be accessed to provide match-funding to each individual business to assist with their costs. Currently the likely recruits for the trade mission include the food & drink sector, the advanced manufacturing sector and professional services sector in Sheffield.
- 3.5 A delegation of around 50 High-Tech businesses from Chengdu is also likely to visit Sheffield for trade and investment discussions during the summer of 2018. The Council is exploring other trade relationships with Chengdu Government and both Cities are seeking to further encourage business to business relationships. In order to support the current and future activities of partners from both cities, Sheffield and Chengdu are seeking to develop a Sheffield – Chengdu Trade and Business Incubator and “landing pad” facility in Chengdu’s High Tech Zone. It is hoped that this facility will enable partners across the City to promote their activities and ambitions in China and complement the China – UK Business Incubator facility which will be developed as part of the New Era Development at St Mary’s Gate in Sheffield.

4. Education and Civic

- 4.1 In 2016, Sheffield and Chengdu undertook to develop “sister” schools within each other’s High Technology and Innovation parks. Oasis Don Valley Academy at the Olympic Legacy Park will be replicated in Chengdu and a programme of teaching and student exchanges between the two schools then developed. This will be funded by Chengdu Government.
- 4.2 Sheffield based architects have been engaged by Chengdu directly to design the “Sheffield” school in Chengdu. The first stage concept design was signed off in June 2017 with the second stage expected to be signed off in the New Year. The overall design and construction programme has slipped from its original timetable but it is hoped that the entire design stage will be completed in May 2018. This will enable construction to commence and the school to open in spring 2019. Development work and the relationships between the two schools will be led by Don Valley Oasis Academy in Sheffield.
- 4.3 It is notable that the “Sheffield” school in Chengdu will be the first English-style school established within the Chinese state education system and as a

consequence is gaining significant interest, and profile for Sheffield, in both Chengdu and Beijing.

- 4.4 The benefits of this relationship for the two cities are expected to be significant and will:
- promote the advancement of the professional development of teachers in both Cities
 - Enrich school curriculums by providing greater learning experiences
 - Increase Sheffield's children and young people's readiness for learning through cultural partnership and engagement.
 - Support school improvement by providing schools with opportunities and tools to share learning with different learning environment.
 - Strengthen civic relationships between Sheffield and Chengdu
 - Provides a model relationship which can be implemented across the City's schools.
- 4.6 A number of civic visits are also likely to occur during the course of the next 12 months with visitors expected from the Cities of Anhui, from Jiangxi province, the City of Wuhan and also from Sheffield's sister city, Chengdu.