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UK–China city region partnerships and network development

Future of Cities: Working Paper

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UK–China city region partnerships and network development

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Executive summary

This study focuses on the experience of cities and city regions as they develop relationships with Chinese cities and regions. The China International Friendship Cities Association counts 52 formal twinning partnerships between Chinese and British cities (CIFCA 2015). City partnerships are not a new phenomenon – they have existed for hundreds, if not thousands, of years (Acuto et al 2016). Today, cities are positioned within multiple global networks and have the ability to engage with a range of cross-cutting issues at many different levels, be it with academia, business, national or local government. There is also increasing focus on region-region links, city clusters and the role of the Northern Powerhouse within in this context.

The UK and China have a long history of engagement and are now entering a ‘golden era’ of deepening relations between the two countries. Following a number of high-level exchanges including the seventh UK-China Economic and Financial Dialogue and the People to People dialogue in 2015, a commitment to building a global comprehensive strategic partnership has been set out (Foreign and Commonwealth Office 2015).

The content of this report is drawn from:

- **a literature review:** commissioned to capture current understanding of existing UK-China city-to-city and region-to-region relationships; as well as the debate behind why to or not to establish such relationships
- **interviews with local authority officials, university representatives LEPs and regional stakeholder organisations:** key individuals and groups who manage the relationships and are key to both establishing and developing relationships going forward

From this evidence base, barriers and best practice examples are highlighted, followed by possible areas for action which could improve UK-China city region links in the future.

Summary of principles for action

1. **Build on existing networks** - there is a need to understand and build upon relationships already in place between key players from academia, business and government in both countries.
2. **Promote expertise sharing** – building on the knowledge and expertise about China including that of other UK cities and regions, of UKTI and the FCO and the other public and private sector bodies working in this space.
3. **Develop a comprehensive and flexible ‘How to’ library or resource** – acting as a coordination point, a template or training methodology for working with China could be developed. This resource would provide important context for places that are only beginning to embark on partnerships with China, as well as enhancing development options for those with long standing relationships.
4. **Coordinate partnership building** – establish contact points and facilitate strategic engagement by understanding the civic and economic potential of partnerships across cities and regions, for example developing a Northern Powerhouse approach to UK-China relationships.

5. **Develop data collection and sharing methods to benefit local and regional decision making** – methods and tools for coordinated data collection should be established. Understanding baselines and monitoring the progress of partnerships will assist cities and regions in their assessment of their relations with China and indicate where more emphasis may be required.
6. **Make better use of ambassadors and ambassadorial organisations** – Stakeholder groups that sit outside of local and national government and can be ambassadors for cities and regions have an important role to play. By understanding how these fit within the landscape of UK-China relations these strategic partnership organisations can be better placed to promote UK interests abroad.
7. **Understand the range of roles of universities in UK-China relations** – many academically based relationships pre-date interactions between local authorities and their Chinese counterparts. Academic links offer different opportunities to connect specific strands of expertise and provide the context for collaboration on research that is of benefit and interest in both countries. Universities also have a role in business development within city regions; in building campuses in China and providing university courses for thousands of Chinese students.
8. **Understand the differing roles of businesses** – it is important to understand the role of different businesses and their differing structures. SMEs in cities and regions are able to connect to opportunities in a different way to larger companies requiring a holistic overview of the business landscape, followed by targeted approaches.
9. **Use tourism as a tool for partnership development** – efforts to promote UK cities and regions as tourist destinations helps to raise the awareness of these areas internationally. This can be a means of increasing the profile of the UK within China and the potential opportunities that might be available.
10. **Adopt future oriented strategic approaches to UK-China Relationships** – short, medium and long term approaches to relationships are required as well as plans which involve sustained activity and project development. By monitoring relationships and understanding key milestones, assessments can be made on how well the partnerships are working and what interventions are required over time.

Whilst the focus of this work is on China, the findings will read across to UK partnerships with cities across the globe. Moreover, building a stronger understanding of local government experience in developing links can help the UK Government and devolved administrations reflect on their roles in this process and how they could best provide support.

I. The UK context for city and regional partnership development

UK and China – the relevance of the relationship

UK and Chinese cities and regions, at one time or another, have faced similar changes and challenges. From industrialisation to deindustrialisation, to devolution of powers and responsibilities from their national governments, UK and Chinese cities and regions can learn from each other. China's urbanisation is unprecedented in scale and speed. Its urban population has roughly quadrupled in the last 35 years to more than 700 million, primarily as a result of internal migration, and is likely to rise by a further 240 million over the next 35 years, increasing the urbanisation rate to around 75% (OECD 2015).

Urbanisation has raised living standards and transformed the life chances of hundreds of millions of Chinese. Over 60% of the population lives within the functional labour market area of a city of at least 200,000 inhabitants (OECD 2015). Patterns of urban settlement in rapidly industrialising nations such as China resemble those laid down in the UK in the 19th and 20th centuries. These countries have access to the hindsight of the UK and others in order to address emerging challenges and to undertake preventative measures.

Developing links in cities and regions

Cities matter to the UK and its future. They are the concentrations of the UK's population, employment, trade, and commerce, cultural, institutional, and social life. They are also the sites where most of the UK's future growth, both population and economic, is forecast to occur. UK cities will be in greater control of their assets, finance and service delivery and strategic policy choices over the next decades. Well-functioning cities are central to national policies and the devolution agenda is already changing relationships and working models of central and local government.

With two-thirds of the global population now living in cities, it is becoming increasingly difficult to ignore the needs of urban areas. Cities are responding by developing their capacity to connect with other cities, national governments and even international organisations (Acuto et al 2016). The academic consensus is that it is getting harder, if not impossible, for cities to accomplish governance, economic and wellbeing goals without engaging with partners in the wider international community.

Globalisation and urbanisation are opening up new markets, intensifying competition and adding new layers of complexity to global supply chains. Therefore it is critical for city leaders to understand how global economic factors can affect the competitiveness of their city and determine how their unique assets can service the impacts of globalisation. This will enable them to benefit from new trade flows, direct investment, job creation and innovation and remain an attractive proposition in a world economy (Cities Today 2014).

For national government in the UK, this could have particular relevance for the national aim of driving productivity (HMT 2015a). City partnerships offer a significant opportunity for cities outside London to operate within complex international urban networks on their own. There are also many national policies that can shape urban outcomes. Tax systems, and regulatory

policies, along with infrastructure, land-use, R&D, social and housing policies all influence and shape development patterns. In addition, they also affect how cities can participate in national and global supply chains (Foresight Future of Cities 2014).

Linking broader geographic areas is also increasingly prioritised in the UK and China. In the UK this can be seen through links that include the wider city region (e.g. Greater Manchester, Leeds City Region) or multiple cities working together in regional networks (e.g. Northern Powerhouse, Midlands Engine). In the Chinese context China's New Type Urbanisation Plan (2014-2020) stated that city clusters, made up of large cities with many adjoining satellite cities and towns, should play a dominant role in future urbanization. The UK and China committed to promote cooperation between Chinese city clusters and the UK's Northern Powerhouse during the Economic and Financial dialogue in 2015 (HMT 2015b).

Beyond city 'twinning': an evolving landscape of network development

There are many historic links between the UK and China at city level (e.g. Hong Kong and London, Liverpool and Shanghai, Birmingham and Nanjing). These continue to be actively maintained but the landscape is changing. Networks between the UK and China are developing beyond traditional city-city 'twinning'. Previously based on principles of cultural exchange and civic interests, there is increasing attention towards wider networks in specific interest areas, such as the environment or health. Region-region links are also becoming increasingly important. UK and EU cities are becoming more strategic in their relations and how these work in different contexts. While relationships with other twins may not be maintained, European cities make a strong effort to maintain relations with China as they offer important business outlets. In the UK-China context, there are a range of organisations that assist in network development across academic and business spheres, as well as civic and cultural engagement. These include but are not limited to: UK Trade and Investment (UKTI), the China-Britain Business Council (CBBC), the British Council, the UK Science and Innovation Network (SIN) in China, as well as the Foreign Office through its embassy and consulates. At present, these organisations engage in different ways at different times. These might be through assistance provision in wider coordinated initiatives such as missions with a trade or civic focus. Different missions lead to different kinds of inter-city and inter-regional engagements with varying success depending on whether there is a coordinated approach and at what level the coordination takes place.

Cities and regions are increasingly engaging through the development of signed friendship agreements or Memoranda of Understanding which are typically signed on a fixed-term, renewable basis. This helps cities to develop strategic directions and principles for engagement and to enable short, medium and long term goals setting and assessment. Relationships are not usually developed in isolation between local authorities and their Chinese counterparts. Typically these involve partners from academic, civic and commercial organisations from within the cities and regions. Occasionally there are more ad-hoc agreements signed with Chinese cities; however the majority of active partnerships surveyed in this work are as a result of strategic and long-term engagements between the two cities or regions.

2. Barriers to developing international relationships

There are many barriers to developing international relationships across different social, political, and cultural contexts. Twinning relations that have emerged in the last decade or so have struggled to meet economic aims. This indicates the need for focused collaboration and more time to develop the relationship for it to produce economic gains (Wu et al 2016). From our conversations with UK cities and regions, the most apparent challenges are i) a **limited local understanding** of how to work with China and other international partners, and ii) **varying levels of understanding of indicators of success**.

Limited understanding of the landscape

International city region connections are often seen as an asset but are not widely coordinated. There is also limited understanding at the local level of what these connections might mean in a national context. Although cities and regions have stressed that this does not require a singular national framework, it is very difficult for a city or region to understand the bigger picture and its underpinnings and what the strategic relationship with another international city requires. Local authorities receive requests from Chinese delegations wishing to visit the UK and regularly receive visitors. With a lack of strategic direction, it is difficult to prioritise these visits and to develop a programme of activity which leads to productive outcomes for both parties. An information gap exists and extends across many areas which can often act as a limiting factor even if this is perceived rather than experienced.

Given limited resource, many UK cities and regions lack a good understanding of the political system and governance structures in China. They anticipate that this is the same for their Chinese counterparts. For UK cities, a lack of understanding of equivalencies means that the profile of potential visitors is not well understood and they are not always equipped to respond appropriately to requests. There are frequent misconceptions by Chinese counterparts that there are large, dedicated international departments and teams within city councils. Instead it is the case that most have only a small amount, if any, resource dedicated to the international strategy and international relations. In cities and regions that do have an international team, these are often limited to one to three employees who work on international connections across the world, often being combined with other work of the City Council. While exceptions to this exist such as in Essex, and others are able to utilise the expertise and coordinating function of external organisations, these options do not appear to be widespread.

Beyond misunderstandings by officials in the UK about political equivalencies and structural differences, the British planning system and regional frameworks are also challenging for Chinese counterparts. For example, new regional groupings such as the Northern Powerhouse and Midlands Engine offer new opportunities for region-region links, but cut across existing city-city relationships in ways that make it difficult for places to prioritise their interactions. This is a further information gap also related to relationship coordination and how these will operate if emphasis shifts from more local/city-based relationships, towards region-region focused.

As well as a lack of strategic approach and limited knowledge of the political landscape in China, understanding the economic and business landscape is also a challenge. There is a perceived lack of access to commercial opportunities in China and moreover, a sense of risk

due to these unknowns. UK cities have noted that the advice and materials available to them from the UK government and external partners do not currently meet their needs for understanding and actively building relationships with China.

China also presents a challenge of scale. As UK cities are not comparable to Chinese cities in size, it is sometimes difficult for places to ‘go it alone’; with many noting that it is hard to know where best to land their efforts to build a productive relationship. There are some examples of long-standing relationships between places that have related industrial backgrounds, for example between Sunderland and Hefei and Newcastle and Taiyuan. In many other cases however, incompatible geographies of scale and a lack of alignment of priorities make it difficult to develop new relationships within this context.

The need to foster relationships with Chinese counterparts is well understood at city level. What is lacking is an understanding of *how* to maintain these. The Chinese term ‘*guanxi* (关系)’ is acknowledged as a very important factor influencing decisions in China in both government and business circles. The term is inconsistently translated into English but describes the building of a network of mutually beneficial relationships which can be used for personal and business purposes (Goh and Sullivan 2011). Although generally this does not differ from the way that relationships are built in international contexts, the more nuanced sense of the term *guanxi* is particularly important and valued in the Chinese context and is therefore considered integral to success. This is something that less experienced cities, or those who have not seen advantages to date from relationships with China, should be aware of in their future interactions.

Language challenges are also a significant factor in the building and maintenance of relationships with China. For UK cities, having the ability to converse with Chinese counterparts in Mandarin can be an important facilitation mechanism.

There are also differences in the ways that relationships are approached. From the perspective of Chinese delegations, securing signed agreements and memoranda of understanding with UK cities are of paramount importance. They are taken back as evidence of positive strong relationships. For UK actors, there is a greater focus on the agreements being mutually beneficial and to have more clearly defined outcomes.

Varying levels of success - impact assessment of UK-China relationships

Although there are challenges for assessing the impact of UK-China there are some places that have sought to understand the economic potential of their relationships with China. For example Essex County Council commissioned analysis by Regeneris who used a range of metrics to assess the economic impact of China on the local economy. Following a detailed process which analysed inputs and impacts such as: the value of trade missions hosted in the UK (number of attendees, length of stay, average spend), value of orders generated as a result of trade missions to China, businesses assisted through 1-to-1 business consultancy and support and events such as the Jiangsu Cultural Festival, this was valued at £13 million value added in the last five years. In addition a range of impact assessment tools were commissioned, which will mean that outcomes can be tracked in the future.

Nottingham has also carried out extensive analysis. The presence of the University of Nottingham Ningbo China is considered to have an estimated value of £80million per year for the University including student fees to the UK and Ningbo. Economic impact generated by off-

campus spending by international students in Nottingham, East Midlands and UK economies was £129.7 million, with 16% of all spending by Chinese visitors to the East Midlands region attributed to the University.

For Manchester, a fifty-strong delegation visited Wuhan in 2015 to coincide with the official opening of the new Consulate General in the city. The delegation included a mix of business, academic and cultural representation. A range of activity took place during UK week in Wuhan, including the signing of a protocol to the original sister city relationship, a Smart Cities MOU, and a private sector agreement on research collaboration. A collaborative production between four Manchester artists and four from Wuhan over eight days culminated in a live performance that formed a key part of UK week. These activities generated a huge amount of media interest in China with the economic value of the coverage estimated to be over £130,000 on print and TV media alone. There has been follow up from a number of private companies as well as universities and a formal agreement between museums in Manchester and Wuhan has been signed with a view to exchanges of exhibitions. There is also going to be a performance by the world famous, Manchester based Halle Orchestra in Wuhan this year. In addition Manchester was a destination for the State Visit by President Xi in 2015 and generated more than 500 elements of media coverage in China.

Where some places have demonstrated economic success in network and partnership development, there are still relatively few well-documented and shared examples for other cities and regions to use to make a case for action. Despite the fact that local officials identify the potential benefits of relationships, it was noted that it is challenging to present a coherent case that overseas relationships are beneficial and present great value for money to the taxpayer. Most evidence is anecdotal and does not stand up to scrutiny where direct benefit is not seen. A key challenge reported at city level is a lack of data available to cities on trade flows, imports, exports which demonstrate the economic benefit of relationships with China at the regional and local level. Instead much analysis of relationships lies in impact assessments of isolated projects.

Challenges of measuring benefits - Case Study: New Zealand Sister Cities

In 2003, The New Zealand Institute of Economic Research (NZIER) was commissioned by Sister Cities New Zealand, Local Government New Zealand, the Ministry of Economic Development and the Asia 2000 Foundation to fill the gap in existing knowledge related to the economic benefits of sister city relationships in New Zealand (NZIER 2003). The study found that quantifying the precise economic benefits of city relationships can be challenging. Identifying and attributing specific economic benefits to any one relationship was very difficult.

The study found that local-level data was often scarce, and in many cases commercial confidentiality restricted the information available to the researchers. So rather than attempting to quantify the total economic benefits of sister city relationships in New Zealand, the research looked at selected programmes and projects and ascertained how sister city relationships had helped generate economic gains.

While there are budget constraints, international activity is valued and international partnerships are seen as a positive tool for economic development, as well as promoting cities at an international level. It is usually the case that inward visits are welcomed but there are limited

opportunities for UK delegations to visit China. This can be seen as a limiting factor in relationship development.

Many officials noted that they don't have a proactive international team because this is seen as a 'nice to have', rather than essential. Often there is one person responsible for international work, but this is not their full time job. In addition, international travel has become seen as non-essential, with city officials less able to maintain personal relationships. Where person-to-person interactions are highly valued in the Chinese context, this is one limiting factor. Funding is sought from the UK Government, UKTI and other organisations to support international visits by city officials and local businesses. This reflects the increasing role of cities, previously seen by society and national government as managing local authorities and services, in the management of economic growth at this level.

Officials also reported a 'slow-burn' in relationship development terms. This links with the concept of *guanxi* and the investment, both in time and effort, required to manage relationships. In many cases, UK cities are twinned with Chinese second-tier cities and have not felt the impact of these as quickly as they might have expected. There is an underlying scepticism and cynicism which occasionally emerges when intended outcomes do not materialise. This can be related to pressures at the local level to justify spending. This can be true on both sides of the relationship. Where local authorities lack experience in this area, limited evidence of success can be a factor which leads to their reluctance or inability to fully invest in international opportunities.

While some places have the capacity and support to develop and assess economic impact within their regions, there is no uniform approach. In the following section steps towards success and best practice examples are presented from the research. This provides an overview of the breadth of activity being undertaken currently and areas for further development.

3. What Works? Best practice examples from UK-China partnerships

Sharing Best Practice – UK cities and regions

UK cities and regions can benefit from sharing information about how they are engaging with Chinese partners. As well as understanding the economic benefit of relationships, exchange of best practice and intelligence with partner cities is beneficial and in many cases critical for the successful formation and maintenance of partnerships. Cities and regions need to understand if they are connecting in the right places, in the right contexts and to the right interests. At present UK cities and regions provide many examples of short, medium and long term engagement with China across civic, cultural, economic and commercial spheres. As well as the length of the relationship, there are a number of factors that affect the level of engagement between places, and the forms that these relationships take. The following insights from interviews with officials and academics combine general insights with specific place-based examples.

Relationships that build on existing city/regional intelligence

Some cities have decades of experience in working with China through city and regional links, where others are in the early stages of relationship development. Cities and regions cite that the experiences of others, within the UK but also externally, can provide important insights and support at different stages of relationship development.

- When Sunderland embarked on its relationship with Harbin it drew on the experiences and valuable peer support provided by speaking to colleagues working in Leeds, Essex, Kent and Liverpool.
- For places that are just beginning to embark on international strategies and engagement with China such as Milton Keynes, there are further opportunities to build on the expertise developed over many years in other cities and regions. This can be done by drawing on example projects and speaking to places that have existing relationships.
- Key relationships are also brokered through personal connections to particular areas. For example Lord Wei of Shoreditch attended school in Milton Keynes and advised on initial connections with China. Bristol's relationship with China was also initiated by Chinese connections when two Hong Kong businessmen, who had studied in Bristol, together with CEOs of companies like Rolls Royce and Airbus, made a case to the local Mayor to begin to develop links.
- Belfast has focused some attention on sharing experience and expertise with Hefei in the development of fair systems, policies and governance arrangements.
- In Sheffield development of a new Chinatown has seen the commissioning of research to map Chinese business activities in the wider city region and establish baseline in order to monitor and build on these in the future.
- Sustained interaction is also important. In 2016 Manchester will celebrate its 30 year anniversary with Wuhan with a programme of activity to evaluate the relationship and consider future directions.

Relationships that build on complementary interests and industries

Converging interest within increasing numbers of official and unofficial interactions demonstrate the evolution of global networks and shared agendas. International sharing of expertise can be important for cities and the stimulus for further relationship development. Interest and prestige associated with UK cities is attractive to Chinese cities looking for relevant and productive relationships. There are many areas of interest which span civic and cultural factors such as football teams and cultural heritage, as well as industrial specialisation and historical industrial factors which can all be attractive and provide the context for new interests and relationships to develop.

- Milton Keynes has particular areas of expertise which align with developments in China around a Smart Cities agenda. Although it remains unknown how this will translate into a beneficial relationship, the shared understanding of Smart City opportunities provides an important starting point for conversations between them.
- Manchester is also engaged in a substantial programme of engagement with China around Smart City collaboration. One example is seen in the relationship between the Chinese Academy of Building Research and University of Salford Joint China-UK Smart-Cities Research Institute.
- Newcastle presents an example of having industrial synergies with its partner city Taiyuan. Belfast and Hefei have a manufacturing focus as one of the initiating factors of its sister agreement and Belfast and Shenyang are now cooperating with a focus on investment and education synergies. Sheffield and Anshan are linked by the steel industry. Manchester and Wuhan also had well-matched industrial heritage to underpin the initiation of the relationship.
- Harbin was originally the power base of China with heavy industries and has been moving to diversify its economy, as Sunderland had moved from heavy industries of coal mining and ship building towards economic regeneration through automotive and advanced manufacturing, financial and customer services, and most recently software and technology.
- Cultural exchange remains important. Essex has taken part in exchanges between its own museums and collections in Nanjing. Work from high profile Chinese artists has been exhibited in Manchester.
- London has provided Beijing with advice on managing environmental issues in cities such as air quality and Leeds has provided Hangzhou with advice on air and water quality management.
- Bristol has shared experiences with Guangzhou about its role as a European Green Capital.
- Manchester City Football Group has received a \$400m investment from Chinese-led consortium.
- Glasgow is an important destination for back-office capabilities and has an important role in financial industries, sitting between the most important global economies.
- Sheffield's more recent relationship with Chengdu was originally supported by links between Sheffield United Football Club and the Chengdu Blades.

- The University of Leeds has a partnership with a university in Chengdu which has an engineering specialism around High Speed Rail. The city sees this as being particularly useful as they move towards the introduction of HS2.
- The Guangzhou International Award for Urban Innovation played towards Bristol's strengths and was a practical way to get the city engaged in its relationship with China.

Relationships that build on flexible approaches to partnership development

City and regional officials noted that fewer formal and 'permanent' links are being made now. Rather, they favour Memoranda of Understanding or 'Friendship Agreements' which are reviewed and discussed at different intervals to check that both sides are content. In many cases, initial twinning relationships were not developed through a strategic understanding of each city's needs and assets. This requires flexible and experimental projects and approaches to develop the relationships further.

- Milton Keynes has only recently started its relationship with Jinjiang. In the early days the approach to this relationship is particularly flexible and reactive while it learns to understand the capacity and resource required.
- Wales has an official relationship and MOU with Chongqing but also less formal links with Shanghai and Beijing. The level of formality required depends on the nature of the relationship. As Wales has a government to government link, different kinds of approaches are required. These tend to be pragmatic and holistic. Although the Welsh approach to China is based on a very broad idea of economic development rather than specific components, it allows flexible approaches which can be adjusted as necessary.
- Bristol signed a new MOU with Guangdong province in May 2015. A provincial government link is seen as good idea for additional regional engagement.

Relationships that build on strategic approaches to UK-China links

The level of strategy required and in existence in the surveyed cities and regions was highly variable and linked to local structural factors as well as the nature of partnerships between the place and its educational establishments, links to businesses and to external organisations. Some places reported well-developed international strategies while others were just embarking on new initiatives with China. Linked with flexible approaches, strategies and forward-looking plans assist with goal-setting and impact assessment through the life of the relationship with the Chinese partner.

- Newcastle has not always had extensive dealings its twin city but found that a visit based on a trilateral model which included the city council, academics and a business delegation worked well. This allowed each partner in the delegation to open up opportunities at different levels.
- In Essex the team includes the Head of International Trade and four full time staff within the County Council and a member of staff at a satellite office in Nanjing. To have a dedicated team of this size is extremely unusual. Working with China is embraced as an important opportunity to promote the area and linked to specific county council aims and objectives.
- Belfast approached its relationship with China by forming a strategic stakeholder group to understand the benefits of the partnership and to generate a strategy which would fit with

Belfast's wider agenda and provide a coherent city narrative. Sheffield are also making attempts at LEP level to coordinate a group of stakeholders to continue building on civic, cultural and economic links.

- The Bristol-China partnership is an example of an organisation that took on the strategic development of Bristol's relationship with Guangzhou at a time when there was limited scope for international focus within the city council alone. This enabled the bringing together of multiple partners from a range of backgrounds including businesses, academia and the council to develop a coordinated approach.

Developing an international strategy – the view from Sunderland

In Sunderland the International Strategy for the city was developed as a Consultative Draft in 2006 and was endorsed both by the City Council's Cabinet and the Sunderland Partnership Board in 2008. The Strategy was designed to develop a coordinated and strategic approach to this work in a city-wide approach facilitated by the Council's International Team. This underpinned the relationship with Harbin which was cemented in 2009.

By understanding where there were opportunities for other partners to generate benefits within existing relationships or initiatives a better all-round approach might be achieved with greater benefits for the city, its residents and its businesses.

The International Strategy revolves around developing international engagement that underpins the core collective objectives of the Sunderland Partnership (local strategic partnership) and the International Strategy had as its aim to underpin that overall vision for the city and to help partners achieve it, rather than having a separate set of objectives.

- In Leeds there is a preference for using the terminology of 'partner cities' over 'twin cities'. Formal twinning links are not often time limited meaning there are not formal opportunities for review. With a key aim being to work with partners on projects of strategic benefit there has been a shift in focus beyond visits which are financially constrained and at making relationships as productive as possible. This has been well-received on both sides of the relationship.
- Nottingham and Ningbo are working towards agreeing a 'Five Year Plan' which will outline key areas of collaboration over the next five years and develop more clarity about key goals and ways to measure the relationship. During the two cities 10 year anniversary celebrations (2015), it was agreed they would develop a 'Five Year Plan' to cement these links. Nottingham hopes to use the Five Year Plan as a tool to get clear commitment from Ningbo about their ambitions to grow this relationship. The Five Year Plan is a symbolic demonstration of Nottingham and Ningbo's work to develop stronger bridges between UK and Chinese cities.

Relationships supported by UK government and expert organisations

Cities highlighted the important role that national government plays currently as ‘critical friends’. Cities noted that *‘having someone there with us in China to go through protocol...is crucial’* as the cultural differences meant that some cities felt that they, *‘....simply don’t know how to act.’*

- FCO and UKTI have a wealth of practical and strategic knowledge which can assist cities. In addition outlines business ‘protocol’ and ‘manners’ are important briefing points for people in cities and regions engaging with Chinese counterparts.
- Embassies are also an important linking point. For example the British Embassy in Beijing was an integral partner in a delegate visit to Milton Keynes. They were able to provide important insights into managing the visit in an area that the city had not been engaged previously.
- The establishment of British Consulate-Generals in Guangzhou, Chongqing and Shanghai and more recently in Wuhan offer a further support network within China.
- The British Council was also noted as an important support network in educational links.
- The China Britain Business Council has advanced knowledge of the Chinese economy and can assist local businesses.

Relationships supported by other regional stakeholders

Local enterprise partnerships and private sector coordinating bodies are also extremely important.

- The Bristol China Partnership and London and Partners, Invest Glasgow, International Newcastle as well as local business councils are just a few examples of important operational delivery and partner organisations operating across the UK and assisting with the promotion of the UK abroad and facilitating relationships and business opportunities with China.
- In Leeds, the Leeds City Region China Business Club brings together the LEP, universities, CBBC and businesses which have expertise in China. Together with the City Council work is done to develop new partnerships and they receive regular business delegations from China.
- The Chinese Olympic Committee decided to hold its training camp in Leeds during the 2012 Olympics. The Leeds-Hangzhou partnership was central to this decision, as through this partnership Leeds could show a long term commitment to China dating back to the early 1980s, an example of “guanxi” in practice.
- The Manchester China Forum was set up as a unique business-led initiative to increase connectivity and drive forward city engagement between Greater Manchester and China in 2013. Working with a range of partners including: Association of Greater Manchester Authorities, Greater Manchester Chamber of Commerce, Pro-Manchester, Visit Manchester, the Chinese Arts Centre and Greater Manchester’s universities, the Manchester China Forum has an important position between public and private sectors.
- In Manchester direct route connectivity is a key priority of the Manchester China Forum and other partners. In October 2015 a direct link between Manchester with Beijing was

announced. Other activity includes property investment (BCEG, Topspring, Peterson Group) and new strategic partnerships (CMC, Huawei).

Relationships that build on schools and universities links

A recent trend in Sino-British research degrees and British University expansion in China can be a helpful means of deepening economic engagement but requires coordination (Wu et al 2016). As labour markets become increasingly international understanding of global city landscapes is increasingly important. Schools and universities have an important role in promoting these relationships. As well as encouraging school children to understand global networks, higher education addresses further dimensions which increase awareness about UK cities and raise their profile. Universities have a role in connecting with China to attract students, but also operate at different levels with individual faculties or entire universities linking up. There is a market that universities can access which isn't done through twinning but is based on intellectual synergies.

- Cities including but not limited to: Sheffield, Newcastle, Birmingham, Liverpool, Manchester, Nottingham and Leeds benefit from high numbers of Chinese students studying at their universities and living within their cities. This attracts not only talent but also connects Chinese students who return to China and may be in a position to stimulate investment due to their personal and situated experiences within the UK.
- Universities are also pursuing a range of links at the level of individual schools and centres. Newcastle University's School of Architecture Planning and Landscape has developed a strong relationship to Xiamen School of Architecture and Civil Engineering to develop joint research publications and the School is finalising the arrangements for a dual-award Masters degree which will recruit its first cohort for Sept 2016 entry. The School has also led an EU FP7 PUMAH project on urbanisation, planning, management and urban heritage, that connects three leading Chinese universities and four other leading European institutions together with policy-makers in Europe and China.
- Leeds uses its international partnerships to equip young people living in the city with the skills they will need to compete in an international marketplace – intercultural understanding, language skills and an understanding of issues from a global viewpoint.
- This sentiment is echoed in Sunderland where multiple school partnerships give young children the opportunity to interact with Chinese students.
- In Nottingham the University acts as an 'enabler' for the city in its relationships with China. With the University Nottingham in Ningbo campus there is a practical bridging function that takes place through strong academic links which are tied to the common language, messaging and visioning that happens more broadly.
- Leeds university partners also had a desire to form relationships with China, so this was another driver for them to be one of the first local authorities in the UK to formalise a partnership with a Chinese city. As a result the University of Leeds has a partnership with the University of Zhejiang – one of China's top 3 universities. Leeds Beckett University also delivers a joint master's degree in finance and economics with Zhejiang University of Technology. Leeds educational partnerships in China are not limited to Hangzhou, but they exist across China.

- The University of York has signed a £200m deal with China Capital Investment Group. The £200m deal with China will see up to 300 overseas students a year undergo TV training at the University of York in bespoke facilities.
- In Glasgow, 3 major universities plus the city college have relationships and facilities within China that they have developed themselves over a long period. This has been very successful and a great way to encourage many thousands of Chinese students who are currently living in the city.
- Newcastle University's Centre for Urban and Regional Development Studies (CURDS) secured an ESRC strategic partnerships grant, 'New Approaches to Local and Regional Development in the UK and China', to support joint research collaboration and seminars. CURDS has a strategic research partnership on urban and regional development with Shanghai Jiaotong University.
- The University of West England set up a scheme to fund 'sister' masters students.
- The Bristol China Partnership commissioned a social media research project by a Chinese master's student to understand the best ways to promote Bristol.
- The GREAT Ambassadors (China) scheme is an initiative between UKTI and the University of Sheffield which links Chinese speaking students with UK businesses. This helps UK organisations looking to develop business opportunities in China through overcoming language and cultural barriers, and for Chinese students to acquire knowledge of UK business and practical work experience.
- Individual researchers also have established links. For example, Professor Andy Pike is a Daxia (Great China) Guest Professor at East China Normal University in Shanghai and Special Researcher at the Institute of Spatial Planning and Regional Economy (ISPRES), National Development and Reform Commission (NDRC) in Beijing. Professor Mark Tewdwr-Jones has been Guest Professor at Shanghai Urban Planning and Design Research Institute, affiliated to Shanghai Municipal People's Government, advising on aspects of long term city futures since 2011.
- Confucius Institutes are a not for profit public institutions and offer a platform for Chinese language and cultural exchange. There are 29 institutes and 110 Confucius classrooms in the UK. The University of Sheffield is a host of a Confucius institute and was chosen as Confucius Institute of the year in 2015.

Relationships with a commercial focus

Cities and regions tend to have long histories of civic, educational and cultural links with China with economically focused relationships developing later. Although impact within the local and regional economy may not be felt immediately, strategic commercially focused engagement is an important aspect of partnership development which can be beneficial for both parties.

- The Leeds Hangzhou partnership was borne out of a desire to gain economic benefit from the relationship with China. An Economic Development Officer was posted in Hangzhou in the late 1980s and his role was to identify business opportunities for Leeds companies. He met some influential people in Hangzhou and the partnership was formalised in 1988.

Advocating economic benefits: The view from Essex

- Long history of involvement with China and great advocates for region being able to boost its economic development through engagement with China.
 - Development of mechanisms for project identification which has been constantly evolving since 1986.
 - Essex County Council assists a minimum of 25 companies per year in getting access to China. They visit the companies and get to know them; they help them to get in front of Chinese buyers. After this there is more detailed work which can be carried out which then gets charged to the company as a consultancy service – the entire cost of the Chinese team, including an employee in Nanjing, is covered by third party fees. The funds raised also support visits to China.
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- In Sheffield, New Era Development Ltd are constructing a Chinatown close to the city centre including: a business incubator with office space and conference centre for business activities; a plaza with retail outlets and accommodation for up to 700 students. The development should reflect a new era for China and look to the future. It differs from more traditional Chinatowns which have traditionally focused on food and retail. This project is backed by a £65 million investment from China.
 - Bristol China Partnership is set up as a company limited by guarantee. This offers a different dimension and different kind of formality for doing business with China. There is also a service level agreement with Bristol City Council to ensure that they are able to work together in a constructive way.
 - Some places have seen large-scale inward investment from China in different ways. For example Northumbria Water is Chinese owned and a biomass plant in Wales will be developed due to Chinese investment.
 - The owners of Thorpe Park, Scarborough Group, have a joint venture with Xinjiang Hualing Industry & Trade Group who are based in Urumqi in Xinjiang Province. Hualing have taken an equity stake in the 1.8 million sq ft Thorpe Park scheme in East Leeds owned by Scarborough Group in a joint venture with Legal & General. It is a £500 million project, with the funding to be used to kick start the next phase of development, including the East Leeds Orbital Road, 900,000 sq ft offices, 400,000 sq ft retail and leisure facilities and 300 new homes.
 - Events such as the Annual Greater China Awards celebrate businesses and organisations for their commitment to supporting business links with Greater China. In 2016 Manchester City Council took home the Recognition award as acknowledgement for its role in continuing to facilitate links between China and Manchester as well as recognising long standing reciprocal economic and business relationships with Chinese cities as the country introduced reforms in 1986 which enabled improved relations.

4. Taking Action: what can be done today?

Principles for action: Central and local government

The highly complex and nuanced position of cities in international networks suggests that a one-size-fits-all approach to city diplomacy and networking will not be sufficient. Through primary research with UK city officials the following action areas have been identified and provide a set of principles for action for the future. These are to be considered as part of an agile approach to the wide range of city network development processes and can be used as a stimulus for the generation of practical solutions across interest areas.

1. **Build on existing networks** - Links between academia, government and business exist at every scale. New relationships should take account of all three in some way and reflect on ready-made partnerships. There can be a lead from any of these but partners should reflect on ways of working that understand existing work and projects as well as possible new directions.
2. **Promote expertise sharing** - Encourage interaction between UK cities on ‘what works’ in developing beneficial partnerships with Chinese cities. Developing networking mechanisms and contact points which can be explored at local council level to prevent feelings of ‘going it alone’. Beyond city and regional level, national institutions should also seek to promote information sharing. This could be by having clearer contact points within the FCO and UKTI on the specific dimensions of commercial and diplomatic relationship building as well as a means of directing people to other organisations such as the British Council and the China-Britain Business Council.
3. **Develop a comprehensive and flexible ‘How to’ library or resource** - A template or training methodology could be developed to assist places in partnership development. There is a need to define a basic outline of the pillars of city and region twinning and relationship building more generally and be clear on the barriers and difficulties. This should not be a centralised plan led by UK government but an accessible text-based source of expertise and platform which is there to provide advice. Participants suggested that a process of ‘modelling’ would be useful - developing a model platform or database which would help officials determine which Chinese cities to approach, using locally contextualised knowledge. Such a platform is not visible at the moment to help local authorities, businesses and other organisations to find their way. Some places do share knowledge currently and would like to learn more from each other. Embedding lessons learned and best practice with national government in a way that makes it measurable would provide useful context for cities and regions at different stages of development.
4. **Coordinate partnership building** - With many requests for civic visits from Chinese delegations there is potential within these to create triangulation points for further engagement and economic success through combining expertise at the civic level. Thinking about how local businesses, the city council and the universities/colleges/schools can be brought together as anchoring institutions in international relationships can be done more strategically. For example, Newcastle has found it useful to develop a coordinated approach despite a lack of overall strategy. Partnerships were mentioned again and again by cities as a key dimension. Understanding how partnerships work across cities and further across regions (e.g. Northern Powerhouse approach) provides an additional dimension.

5. **Develop data collection and sharing methods to benefit local and regional decision making** - There is also an identified need for better data collection and sharing to allow better understanding of trade links and benefits outside of formal city links. This provides the context for further development. Carrying out robust monitoring and economic impact assessment will provide the baseline data for places to be able to better measure success and understand areas to focus on in the future.
6. **Make better use of ambassadors and ambassadorial organisations** - Stakeholders from across cities and regions who act as key contact points and engagement officers on matter related to China could be mobilised at an individual level, or through the development of strategic partnership organisations for example the Bristol-China Partnership and London & Partners who are responsible for promoting cities abroad. Strategically located actors and organisations beyond the city council that can go into China and support and promote UK cities by building city brands internationally and positioning opportunities within the UK landscape could assist under-resourced city councils by taking a leading role in civic and commercial business. This type of organisation operates at a different level and can operationalise expertise in the right places and to best effect when dealing with China.
7. **Understand the range of roles of universities in UK-China relations** - Academic expertise can be drawn upon in the common case that academic interaction pre-dates city-city interactions. Academics can establish the purpose and reason for making a link as identifying similarities and differences. Developing relationships with global partners, as well as the possible role in the development of international talent, should acknowledge the education dimension of this as full spectrum – from early years right through to postgraduate education of UK and Chinese students.
8. **Understand the differing roles of businesses** - Businesses are also an important part of the process in different ways. There are different roles for SMEs which signal the importance of engaging with smaller businesses and not just the multinationals. SMEs can be the gatekeepers to further opportunities working at a different level and with a different kind of capacity for relationship building. They are able to make decisions about how they work with China in different ways and have different structures to multinationals which may be more beneficial for attracting investment at the city level.
9. **Use tourism as a tool for partnership development** - There are already efforts to promote UK tourism abroad. When Chinese tourists come to the UK they often visit London, Oxford, and Bath. Many more cities and regions are just a short distance away but tend to have a limited profile. Leveraging further opportunities beyond inward investment through business-business may help to highlight the varied tourist offer in the UK.
10. **Adopt future oriented strategic approaches to UK-China Relationships** - Working with China can be very different to working with other countries and progress can be slower. Differing political systems and ways of working present challenges for the UK and China in developing long term and sustained interactions. China often develops 5, 10 and 15 year plans and the UK could try to align with these to have a longer term outlook. Developing strategic relationships and long term plans with measurable goals is one way that UK cities and regions can continually check progress and review their agreements as necessary over time. This will enhance understanding of what works and how this can be best used for mutual gain.

5. Future directions for city network development: Concluding comments

‘Cities need to understand if they are connecting in the right places, in the right contexts and to the right interests’

Evidence commissioned for this report indicates that resource-constrained cities and regions could be overwhelmed by the multitude of twinning and network arrangements available to them. In a selection of 180 of the most visible city networks, for example, City Leadership Initiative¹ found almost 50 of these to be related to climate change. Among these, five key initiatives held between them almost 30 events and meetings in 2014 alone². Participating in networks offers a more direct and higher added-value way to connect with more cities, but these facts highlight the need for cities to approach commitments strategically (Acuto et al 2016).

This point is supported in the findings of a report on the benefits to the UK of twinning with Chinese cities and regions published at the end of December 2013 (Carlstedt and Georgiou 2013). This concluded that twinning has the potential to be a viable route to regional economic growth if properly leveraged and managed. A key finding of the report is that local authorities must ensure that their Chinese twinning partner was actually ‘compatible to the local government’ as well as with their region’s ‘key sectors and businesses’.

Evidence for the Foresight Future of Cities project indicates that the growth of UK cities will mean that they will increasingly outgrow current formal administrative boundaries over the coming years, becoming more interdependent. As awareness grows of the importance of national and regional systems of cities, city leaders are likely to benefit from building positive relationships with other tiers of government to share approaches and innovations, including in relation to international city diplomacy.

Evidence gathered from interviews with city officials highlighted that the value of regional relationships needs to be acknowledged and then enabled through links with government bodies such as UKTI and the FCO. By bringing together local, regional intelligence with expertise on China, national government and cities can help to drive partnerships which have a coherent direction. Working strategically through powerhouse approaches was seen as a strategic direction which could be effective and is increasingly gaining traction through the Northern Powerhouse. The regional scale was seen to be more have a lot of potential for the UK, with greater opportunities for finding synergies with Chinese cities and city regions.

¹ The City Leadership Initiative (www.cityleadership.net) responds to pressing concerns about the future of cities and city leadership in the 21st century.

² These five were: C40, The Climate Change Alliance, The International Council for Local Environmental Issues, United Cities and Local Government and The World Mayors Council on Climate Change.

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