

Trade and Inward Investment

Purpose

For direction.

Summary

This paper details the progress made with the LGA's work on trade and investment over the current board cycle which has been overseen by the City Regions Board and the People and Places Board.

Recommendations

Members of the City Regions Board are invited to:

Note the LGA's progress on trade and investment over the current board cycle, including policy and public affairs activity, and improvement support (**paras 4-12**).

Note the draft guide for local authorities on foreign and private capital investment (**Appendix A**).

Comment on the proposed next steps for engagement on trade and investment policy (**paras 13-14**).

Action

Officers to proceed with next steps in line with Members' steer.

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Overview

1. At the outset of the current board cycle, the Board committed to expand its work on the role of councils in trade and inward investment, in collaboration with the People and Places Board.
2. Specifically, the Board agreed to: develop the LGA's approach to trade and international investment, by working with the Department for International Trade to understand and strengthen the existing sub-national trade and investment landscape, building an evidence base of place and sectoral priorities for future trade deals and agreeing with Government how the views and international relationships of local government might be harnessed during these deals.
3. This paper updates the Board on the progress made over the current board cycle in relation to the LGA's trade and investment policy development, its engagement with the Department for International Trade and related improvement support work. The paper concludes with a brief consideration of next steps with consideration to the uncertain national policy landscape.

Policy development and Whitehall engagement

4. In recognition of the important role for councils in this space, and within the context of the UK's withdrawal from the EU, the Industrial Strategy and the pursuit of greater devolution, members of this Board and the People and Places Board agreed to conduct a sector-wide survey focused on the role of councils in trade and investment at the start of the current board cycle.
5. Informed by the findings from this survey, the Board agreed a set of aims to frame the LGA's policy work on trade and investment in January. In brief, the agreed aims were to:
 - 5.1. Ensure that Government recognises and harnesses the contribution that local government can make to trade and international investment and the development of national trade policy, in line with the recommendations of the International Trade Committee.¹
 - 5.2. Strengthen delivery partnerships between national and local government and provide clarity on the roles and responsibilities of different institutions involved in delivering trade and investment activity.
 - 5.3. Establish a presumption in favour of devolution relating to trade and investment and ensure that national activity is coordinated across relevant Whitehall departments.

¹ [UK trade policy transparency and scrutiny, Sixth Report of Session 2017-19, House of Commons International Trade Committee](#) (December 2018)

- 5.4. Ensure that successor arrangements for existing funding streams, and specifically the UK Shared Prosperity Fund, place locally-led trade and investment activity on a sustainable and secure footing.
6. The LGA has engaged extensively with the Department for International Trade (DIT) over the current board cycle in pursuit of these aims, with key activity including:
 - 6.1. The presentation of evidence to the International Trade Select Committee on the role of local government in post-Brexit trade. The Committee subsequently recommended that the sector should have a voice in all aspects of the trade policy process.
 - 6.2. Engagement at a ministerial level, including a constructive meeting held in May between the LGA and Graham Stuart MP, Minister for Investment.
 - 6.3. Engagement with senior officials in DIT, including positive discussions between members and Marian Sudbury, Director of UK Regions at the previous meetings of the City Regions Board and the People and Places Board.
 - 6.4. Broader public affairs activity tied to national developments on trade and investment, including responding to relevant consultations and the production of briefings during the passage of the Trade Bill.
7. Given the importance of this policy area to local growth coupled with the uncertain national policy context, it is proposed that the LGA retains a watching brief on trade and investment policy. This will enable the LGA to respond quickly to national developments in line with our established policy aims and to build on the relationships established with the Department for International Trade at political and official levels.

Improvement support

8. In addition to our policy and public affairs activity on trade and investment, the LGA has also commissioned improvement support for councils looking to encourage further inward investment to their areas.
9. Specifically, the LGA has commissioned the production of a guide for local authorities looking to attract investment, from both domestic and foreign sources, into local capital projects. The guide has been drafted in partnership with the Department of International Trade and has been informed by interviews by local authorities, Government departments and capital investors.
10. A draft version of the guide is available as **Appendix A**. It is anticipated that the final guide will be published in July and board members will be notified when it is available.

11. In addition to this commission, the LGA has also taken steps to engage DIT with other elements of our improvement support offer, including our work to support councils' engagement with local industrial strategies.

12. Members of the City Regions Board are invited to note the draft guide for local authorities on foreign and private capital investment.

Next steps

13. Given the national political landscape, proposed next steps for the LGA's work on trade and investment are as follows:

13.1. Retain a watching brief on active policy and public affairs work given the uncertain national policy context, allowing us to respond quickly in light of developments with the UK's departure from the EU.

13.2. Continue to support councils seeking to promote exports and encourage inward investment. It is proposed that this could take the form of a further commission looking at strengthening the role of councils in promoting exports and members are invited to comment on this proposal.

14. Members of the City Regions Board are invited to comment on the proposed next steps for the Board's engagement on trade and investment.