

Supplement to Item 2: International Trade and Cooperation Activities

FEEDBACK - Meeting between Sir Merrick Cockell and Lord Green to discuss closer, more strategic relationship between the LGA and UKTI

Date: Tuesday, 25 June 2013, **Time:** 15:00-15:45

Venue: Lord Green's office at Department for Business, Innovation & Skills (BIS), 1 Victoria Street, London, SW1H 0ET.

LGA Attendees: Sir Merrick Cockell, (LGA Chairman), Ian Hughes (LGA Head of Programmes), Russell Reefer, (LGA Adviser)

UKTI attendees: Lord Green (Minister of State for Trade and Investment), Michael Boyd, (UKTI Managing Director, Strategic Investment and Accounts), Steve O'Leary, (Director International Services at UKTI)

Key Points:

- Economic growth has rocketed up the priority for local government. Every leader is alert to it. Strong evidence of local government's unique role in attracting inward investment and supporting export activity.
- More support is need for local government on this issue. For example, signposting local government (particular senior official and politicians) to understand what the possibilities are within UKTI and where the sensible links are.
- UKTI recognise the value of focusing on local government sector in a more systematic way. This means building capacity at local level to enable local government to both encourage inward investment into areas and assist SMEs within given localities to become exporters.
- English local government is well-regarded amongst its international peers as a strong innovator and exemplar practitioner of local public service. For example, planning multi-year financial settlements against significant financial pressure, working on combined authorities, commissioning services and commercialising activities. There is strong potential to convert the export of good practice into potential business.
- The LGA has helped create opportunities in new/emerging markets for UK firms. For example, in Mexico, public budgets are being devolved and public contracts opened up to competition. Mexican local and regional government has approached the LGA (in recognition of UK local government's competence in this area) to help support these new private public partnerships, thus opening opportunities for UK firms.
- LGA also has direct contact with influential senior politicians in new/emerging markets through our local government networks. There is strong opportunity for UKTI to engage and link these into a trade and development discussion.
- As traditional civic twinning agreements evolve in more meaningful commercial partnerships between localities, there is a role to support local areas to help ensure such partnerships are chosen and maintained on the basis of their usefulness to local SMEs and also use local government connections to create or strengthen links with "2nd cities"
- Part of UKTI's remit is to find overseas investment for infrastructure and regeneration projects. There is scope therefore to support local government to specifically identify opportunities' that might interest overseas private equity and sovereign wealth fund managers.
- Public sector co- investment into large infrastructure and regeneration projects (for example through local authority pension fund) provide additional reassurance for these schemes, as evidence that local
- **Action:** Agreed that LGA and UKTI will follow up this discussion and itemise a six-point action plans for council/UKTI collaboration. (See overleaf)

1. ACTION PLAN: LGA /UKTI collaboration (June 2013)

THEME	DESCRIPTION / OUTPUT	ACTION / TIMESCALE
1. <u>SMEs</u>	<ul style="list-style-type: none"> UKTI / LGA jointly produce support advice for local government on encouraging local small medium enterprises (SMEs) to “think internationally” and contribute to national export activity. 	<ul style="list-style-type: none"> Include section in LGA / UKTI Joint Best Practice Publication. (Sept / Oct 2013) UKTI to pass on the White Guide to international trade (done)
2. <u>JOINT EVENTS AND ACTIVITY</u>	<ul style="list-style-type: none"> UKTI / LGA jointly produce support/advice for local government on collaborating on business facing seminars, events and other joint activity. 	
3. <u>LGA / UKTI JOINT BEST PRACTICE INITIATIVE</u>	<ul style="list-style-type: none"> A programme of activity to develop closer collaboration between UKTI and LA economic development teams in a locality in order to drive economic development through trade and investment. 	<ul style="list-style-type: none"> Launch a joint booklet setting out ways to work together and best practice. Develop jointly branded seminar to launch the booklet (outside of London) (Sept / Oct 2013) If demand, set up joint seminars on key areas of work but particularly those outlined in this paper
4. <u>HELPING TO SHOWCASE LOCALITIES TO INVESTORS</u>	<ul style="list-style-type: none"> Against changing regional geographies and significant portfolio of opportunities for LEPs and local government, UKTI / LGA collaborate with partners including LEP Network to offer support to local partners to develop better inward investment or export support for local SMEs. Improve understanding of the “UK first” approach and respective roles in the process of Inward Investment 	<ul style="list-style-type: none"> UKTI contribution to LGA/ LEP Network summer workshop series on capacity building for local government for current and future arrangements for LEPs(Sept 2013 tbc) Joint letter from Lord Green and Sir Merrick (Sept 2013)
5. <u>UTILISE LA LINKS AND EXPERTISE TO CREATE GREATER ECONOMIC IMPACT</u>	<ul style="list-style-type: none"> The Commonwealth Local Government Forum (CLGF) is a global local government association, for local authorities in all members of the Commonwealth of Nations. Members have access to huge devolved purchasing powers at state and mayoral level. This presents a clear opportunity to introduce a trade and investment conversation. Cllr Dave Wilcox OBE is chair of the LGA European and International Board is the UK/European representative. Consider ways in which skills in LAs such as planning, procurement and economic development can be used to help local government bodies overseas to procure and manage major projects such as the national High Value Opportunity programmes. Opportunities might include LA to LA mentoring, hosting delegations or seconding staff. 	<ul style="list-style-type: none"> UKTI / LGA collaborate to ensure maximum commercial benefit at the next CLGF Executive Committee meeting in London (7-8 November 2013) UKTI/LGA to organise a discussion around possible collaboration over HVOs and other opportunities (September 2013)
6. <u>MODERN TWINNING “CITY TO CITY”</u>	<ul style="list-style-type: none"> Shifting the language. LGA, with support from UKTI, to lead a provocative and proactive campaign centred around key messages (i) Developing and changing traditional twinning arrangements into more sophisticated economic partnerships of relevance and (ii) Using local government connections to create or strengthen links with “2nd tier cities” and increase the UK “footprint” particularly in growth nations 	<ul style="list-style-type: none"> (i) Research priority markets mapped against current local government links and activity. (ii) Compile updated database of current links. (iii) Challenge local areas to see whether the old relationships the right ones, or are there new and emerging economies they should be looking at.(On-going)