

Trade and Investment

Purpose

For discussion and direction.

Summary

This paper provides an update on the LGA's recent policy and public affairs activity in the area of trade and international investment.

Marian Sudbury, Director of UK Regions at the Department for International Trade will attend the Board to present an overview of the Department's work across the UK Regions. A separate briefing for this discussion will be available shortly.

Recommendation

Members of the People and Places Board are invited to:

1. **Note** recent policy and public affairs activity relating to trade and international investment.
2. **Discuss** next steps for the LGA's work on trade and investment in light of the presentation at the Board from Marian Sudbury from the Department for International Trade.

Action

Officers to take forward next steps proposed by the Board following the discussion with Marian Sudbury.

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Background

1. Councils are uniquely positioned, with their knowledge of local economies, powers over local infrastructure planning and a strong track record of building connections with localities across the world, to attract inward investment and work with local businesses to increase exports to foreign markets.
2. In recognition of this role, and within the context of the UK's scheduled withdrawal from the EU, the Industrial Strategy and the pursuit of greater devolution, members of this Board and the City Regions Board agreed to a set of aims to frame our policy work on trade and investment over the coming year. In brief, these aims were to:
 - 2.1. 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
 - 2.2. 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.
 - 2.3. Establish a presumption in favour of devolution relating to trade and investment and ensuring that national activity is coordinated across relevant Whitehall departments.
 - 2.4. 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.
3. Following consideration of these objectives, the Board agreed a series of initial next steps to pursue them. This paper provides an update on the LGA's progress with delivering these next steps.

Engagement with the Department for International Trade (DIT)

4. Following the positive recommendations of the International Trade Committee on the role for local government in future trade policy, the Chairman of the LGA's Brexit Task Force wrote to the MHCLG Secretary of State seeking further clarity on the role for councils in this space.
5. This letter was forwarded to the DIT Secretary of State and his office have responded to indicate that Graham Stuart MP, Minister for Investment, is keen to accept the invitation to meet. LGA officers are in the process of arranging this meeting.

¹ The Committee recommended that Local government should have a voice in all aspects of the trade policy process, and the Government, in its response to this report, should set out how it plans to facilitate this. A representative from each of the devolved administrations and the LGA should be included on the Strategic Trade Advisory Group, to allow Government to consult with them in detail throughout the trade negotiation process.

6. As requested at the previous Board, a senior official from DIT has been invited to attend the Board and Marian Sudbury, Director of UK Regions at DIT. The Board will have received a separate briefing for this discussion.

Trade and investment – improvement activity

7. The LGA has commissioned a provider to develop a guide that supports councils to attract foreign capital investment into their local areas. The suppliers have conducted a range of interviews with councils and investors and are now at the final stages of drafting the guide, a copy of which will be shared with the Board at the next board meeting.
8. In addition to this project, the LGA is also seeking involvement from the DIT in our Local Industrial Strategy improvement offer and the Department has been invited to present at our fully-booked masterclass on ‘developing a place narrative’ taking place in Birmingham in April.

Next Steps

9. In light of the Board’s conversations with Marian Sudbury, the Board are invited to:
 - 9.1. **note** the update on progress with the LGA’s engagement and activity relating to trade and inward investment and;
 - 9.2. **discuss** the next steps for the LGA’s work on trade and investment following the discussions with the Department for International Trade.