Annex A: Case studies

A.1 In this Annex we provide the following four case studies demonstrating distinctive approaches to supporting international trade and inward investment:

- Essex County Council
- Staffordshire County Council
- Liverpool
- Birmingham City Council
**Name of LA area: Essex County Council**

**Local context**

Essex County Council is a very large local authority. In economic terms, Essex itself is extremely diverse. It includes some very prosperous areas (e.g. in Uttlesford) and some very rural and quite remote areas (e.g. around Maldon). However Essex as a whole is strongly influenced by London: there are substantial daily commuting flows and Essex hosts a good number of financial service firms' back office functions. Moreover South Essex – part of the Thames Gateway – remains a principal focus for regeneration.

**Service description**

Essex County Council’s international trade and inward investment activity is delivered through Essex International. Structurally, Essex International sits wholly within Essex County Council and it is, in terms of management and governance, one team among many within the County Council. It has three members of staff based in Essex and one based in China and, although it is seeking to develop alternative funding streams, its total annual budget from the County Council is in the range £100-200k; hence within the overall context of Essex County Council, it is a very small operation.

Compared to the activities of other local authorities, Essex International is however really quite distinctive. Over the last 24 years, it has gradually built up a range of civic and economic links with the Chinese province of Jiangsu. The province is located on the coast of the Chinese mainland, immediately to the north of Shanghai. Hence in spatial terms, there are some similarities between Jiangsu and Essex – both are immediately adjacent to a major global city. However in scale the two areas are very different: the population of Essex is about 1.7m while that of Jiangsu is around 78m (which is broadly similar to the UK as a whole).

The links between Essex and Jiangsu originated in the educational sphere and over the last 24 years, they have broadened to include cultural and economic dimensions. They take a wide range of specific forms. For example, strong connections have been forged between museums in Nanjing, the capital of Jiangsu, and Essex (such that artefacts from Nanjing are to be displayed in Colchester).

It is within this context that links of a more straightforwardly economic character have emerged, based around identified synergies. These include significant demand in Jiangsu for waste treatment expertise which – through Essex International – is opening opportunities for Essex businesses. In addition – working with Norfolk and Suffolk – Essex International has identified opportunities linked to offshore renewables and this is now generating strong inward investment interest from businesses based in Jiangsu. The county has also organised 12 outward trade missions to Jiangsu over the years to promote exports.

Essex International’s approach in relation to Jiangsu is incremental and strongly relationship-based. Essex International has built up links to senior business, cultural and civic leaders, and it is able to use these for the benefit of Essex-based businesses and the Essex economy more generally in a way that national organisations such as UKTI cannot. Links of this nature have taken a long time to develop and results tend to flow incrementally – but they are “real” results, founded on working relationships, and they tend to last and allow on-going programmes of work to develop.

Separately, Essex International is exploring the opportunities to develop links with the Hyderabad area in India. Here, relationships have been forged with some of the major businesses, notably Tata Group (which owns Corus in the UK). Through these links, students from Anglia Ruskin University have benefited from a unique student placement programme, and hence again, strong relationships are being developed. Compared to Jiangsu, Essex International’s links with India are under-developed. They may come to resemble those with Jiangsu or it is possible that a different kind of collaborative model is developed.
Key successes

Essex International can identify a range of achievements – although these have not been assessed in formal “value for money” terms. The aims of the Essex International are wide-ranging and the links that are forged span the breadth of local authority functions and interests – education, culture and economic development. Some recent examples include the Council securing agreement from China’s largest publisher to set up its UK headquarters in Essex; winning training programmes for Jiangsu civil servants to study at Essex universities for the next three years; and helping an Essex business secure an agreement to set up a waste treatment facility in Jiangsu.

For Essex International, the view is that inward investment from Jiangsu is likely to increase: this is in part because of the depth and quality of linkages that now exist and in part because Chinese businesses are now at a position in their own growth trajectories where internationalisation is an obvious next step.

Future service development plans

In recent years Essex County Council has begun charging income to cover as much of its costs as possible. With growing levels of income being derived from this source, the Council anticipates that by the end of 2012/13 fee income will cover the cost of its one-person office in Nanjing.

Essex International is a relatively small organisation. Increasingly, its activities are funded from sources other than Essex County Council and the intention is to growth these further. Nevertheless, the links to Essex County Council – across a range of service areas – continue to be strong.

Based on a discussion with Peter Manning, Head of International Trade, Essex International – and amended in the light of an email exchange

27th April 2012 (updated 29th May 2012)
Local context

With a population of over 800 thousand people, Staffordshire is a large and diverse local authority with significant rural areas – parts of the National Forest lie within its boundaries – as well as urban and industrial centres such as Tamworth, Cannock and Stafford. The local authority area surrounds Stoke-on-Trent, the largest city in Staffordshire, which is governed separately by a City Council. Together, the population of Staffordshire and Stoke-on-Trent reaches over 1m.

Historically, the county has been one of the UK’s main manufacturing bases with large reserves of clay, rich iron ore deposits, and large coalfields. With its central UK location, it boasts unrivalled connectivity to all parts of the UK and Europe: the County sits in close proximity to key road networks (such as the M6, M1 and M54), rail networks (London can be reached in an hour and twenty minutes from Stafford station - and Stoke-on-Trent, Birmingham and Manchester stations are close by) and airports (Birmingham, Manchester, East Midlands and Liverpool). Today manufacturing still makes up around 13% of all employment and almost a fifth of all economic output: Staffordshire remains a primary location for domestic and overseas manufacturing investment.

Service description

Staffordshire’s current approach to driving prosperity has been developed over the past year by the council’s Deputy CEO and Director of Place, Dr. Catherine Raines. As part of her accountabilities, the inward investment service “Make It! Stoke-on-Trent and Staffordshire”, is a merged service working across the County and the City, with currently around ten staff financed through a combination of local authority and European Union funds. The Stoke-on-Trent and Staffordshire Local Enterprise Partnership (LEP) has been an important champion, supporting the merger of the two previous local authority inward investment teams.

The new service’s approach mirrors the drive to achieve a wider shift in the council’s role from a delivery focused organisation to a ‘prosperity enabling organisation’. This is encapsulated by the ‘Prosperity Wheel’ – a concept developed by Raines and her team which, in broad terms will focus development onto the unique strengths of each economic geography to achieve a clear and agreed vision of the desired economic future for the area. For the inward investment team, this will provide a focus for the types of businesses that should be targeted and has already enabled tailored support packages to be developed to meet the requirements of these firms.

Inquires come into the investment team through marketing supported through Make It Stoke-on-Trent and Staffordshire, as well as through UKTI and other sources. Potential inward investors are allocated a dedicated account manager at the point of initial inquiry, who remains the key contact for the investor through the entire investment process - and, following location in the area, for aftercare support. Account managers provide a full spectrum of tailored support including facilitating site visits, providing local knowledge of the area and its skills base, discussing infrastructure requirements, including support with negotiation of infrastructure funding, navigation of the planning system, funding access (e.g. Regional Growth Fund and Growing Places Fund).

Key successes

In 2011/12 Staffordshire and Stoke-on-Trent managed to secure over 2,000 private sector jobs through inward investment, the highlight being Jaguar Land Rover's £355m Staffordshire plant, which will create 750 jobs, and which was approved by South Staffordshire District Council in December 2011. This level of employment creation was reported as being the highest in the country and four times the number of inward investment jobs created by London.

The Jaguar Land Rover investment was secured in September 2011 when the owner, Indian firm Tata, committed to a £355billion investment to build low-emission engines at the “i54 South Staffordshire” site. Securing the investment involved close joint working between the County Council, South Staffordshire District Council, Wolverhampton City Council, and the Homes and
Communities Agency, who had recently acquired the land from the former Regional Development Agency, Advantage West Midlands. Key to securing the investment was a decision, made within a week via an emergency Cabinet meeting, by Staffordshire County Council and Wolverhampton City Council jointly to fund a new £45m junction from the M6 to the “i54 South Staffordshire” site, the expectation being that this will be recouped through business rates from the site, which is a designated “Enterprise Zone”.

The successful inward investment of French mineral water company Roxane in Lichfield provides another example of good practice. Needing to find a location to process and distribute mineral water throughout the UK, Roxane was persuaded of the benefits of locating in Staffordshire through a combination of support including site selection, assistance with securing appropriate utilities provision, and guidance and support in securing planning permission (including use of an unused aircraft-hangar). It was reported that the site has recently installed specialist production machinery that will enable the plant to process 60,000 bottles of water an hour.

**Future service development plans**

Having worked in the private sector for over 20 years, in the UK, USA, Sweden and China, Raines brings extensive experience of the needs of businesses looking to locate overseas. She hopes her experience will help to shape the ability of her teams to understand the needs of business not only in terms of land and connectivity but also in terms of the availability of supply chain, skills, housing, R&D and innovation.

The overarching target for the inward investment team is to bring in 50,000 new jobs over the next ten years. Whilst it is recognised that this is an extremely ambitious target, with the investment team now fully established, coupled with the successes of 2011/12 which made the sub-region the UK leader for jobs from inward investment, Staffordshire and Stoke-on-Trent are holding this ambition firmly within their sights.

*Based on a discussion with Dr. Catherine Raines, Deputy CEO, Staffordshire County Council*

30<sup>th</sup> March 2012 (updated 14<sup>th</sup> June 2012)
**Name of LA area:** Liverpool City Council  

**Local context**  
With a population of around 450,000 Liverpool City is the largest of five boroughs which make up Merseyside Metropolitan County. Steeped in industrial, cultural, and sporting history, Liverpool enjoyed major economic success through the 19th century due, in large part, to its status as a major world port, as well as severe economic decline as deindustrialisation, air freight and the containerisation of trade took hold in the 1970s. Over the last 20 years Liverpool has again reinvented itself and, through a programme of major regeneration and economic diversification has experienced growth rates higher than the UK average.  

Today, despite continuing economic structural issues and severe deprivation in a number of areas, Liverpool remains one of the UK’s best known cities across the world whilst its port remains a significant resource for supporting international trade.  

**Service description**  
As is the case in many local authorities, support for firms wanting to export products and services is provided by the local Chamber of Commerce. The Liverpool Chamber has a longstanding relationship with Liverpool City Council, Liverpool Vision, the council’s arms-length economic development organisation that is also responsible for inward investment support activities, and local Councillors. The Chamber also sits on a working partnership called the Chambers of Commerce on Merseyside in International Trade (COMIT). Local UKTI International Trade Advisors also sit on COMIT.  

Funded through a combination of membership, sponsorship, service fee, and UKTI funds, the Chamber offers four main types of international trade support: processing and issuing the certificates required to export products and services; training sessions every month covering all aspects of developing export markets; one/two events per month covering specific issues (e.g. the Bribery Act); and servicing individual export inquiries from SMEs.  

The Chamber also acts as the north west hub for the national British Chambers of Commerce (BCC) led Link to China programme. The programme originated from an ex-Liverpool Chamber staff member who has subsequently left to become the Chief China Advisor for BCC. The Link to China programme offers SMEs a wide range of free and fee-based advice and support regarding exporting to China. Liverpool has an historic twinning arrangement with Shanghai and has always enjoyed a steady flow of trade to and from China. With strong and growing creative and digital sector in Liverpool, it was reported that the city is currently enjoying strong export demand from Chinese firms wanting to buy-in the manufacturing innovation and design expertise that this sector offers.  

**Key successes**  
Liverpool Chamber’s close working relationship with the City Council, COMIT, and UKTI enables the organisation to provide a seamless and wide-range of free and fee-based support to both Chamber members and non-members. An example of the success brought about through this close working relationship is provided below.  

In the winter of 2011, Liverpool hosted a Russian delegation of major construction and transport businesses who wanted to learn from Liverpool’s physical and economic redevelopment over the past decade from a ‘mono-city’ dependent almost solely on its port, to a city demonstrating economic diversification. Through joint working between the Chamber and Liverpool Vision, local firms were given the opportunity to meet with the delegation. As a result, one Liverpool based firm has already agreed a substantial contract to supply specialist environmental construction services to one of the Russian firms, and it is hoped that more will contracts will follow.  

**Future service development plans**  
Peel Ports, the owner of Liverpool’s port is currently taking forward plans to improve the infrastructure at the port to allow ‘post Panamax’ ships into the port. As a result, the cost of shipping
to and from Liverpool via these ships, which currently have to port at Southampton and Felixstowe, will fall significantly making the city a more attractive UK export and import hub.

Supporting this development will be the Peel International Trade Centre on the Wirral Waters development on Birkenhead Docks. With planning permission granted and support from UKTI and surrounding local authorities, the centre, which is due to open in 2014, will include trade showrooms to display, promote and sell wholesale products to customers from the UK and Europe.

The international trade service at the Chamber recognise that this as a major opportunity for Liverpool firms to continue to develop their export markets and are currently planning future service support to ensure that this opportunity is maximised.

*Based on a discussion with Sian Williams, International Trade Support Officer, Liverpool Chamber of Commerce*

20th April 2012 (updated 12th June 2012)
**Name of LA area: Birmingham City Council**

**Local context**

With a population of over 1m Birmingham is the UK’s second largest city and has the largest local authority in the country. In terms of economic history, Birmingham played a key role in the industrial revolution in the 18th century, and by the 19th century was recognised as a global manufacturing production and innovation hub. Deindustrialisation in the later part of the 20th century hit Birmingham’s economy particularly hard leading to significant levels of structural unemployment across the city. However, with unrivalled connectivity to the UK’s rail and road network, access to a large workforce, and established infrastructure Birmingham remains one of the UK’s commercial centres. Birmingham has, and continues to, invest heavily in the physical regeneration of its city centre, and with a 20 year ‘Big City Plan’, and planned transport improvements such as the introduction of High Speed 2 (HS2) the city is likely to see growing interest from inward investors in the future.

**Service description**

Marketing Birmingham, the city’s strategic marketing partnership, operates the city’s leisure and business tourism programmes – Visit and Meet Birmingham – as well as its inward investment programme, Business Birmingham. The company is funded by the public and private sectors, including Birmingham City Council, European Regional Development Funding and some 400 local companies.

Business Birmingham is the city’s official inward investment programme, part of Marketing Birmingham’s destination marketing strategy. Supported by the European Regional Development Fund, Business Birmingham aims to position Birmingham, the Black Country and Solihull as leading inward investment locations in the UK and major engines of UK growth.

The programme is led by the Investment Director, whilst other staff include three Senior Business Development Managers, four support staff (who work across Marketing Birmingham) to help in the development of business propositions, as well a central PR and support services. The organisation also has a number of ‘Lead Generators’ who work on a sub-contractor basis to identify inward investment opportunities overseas.

Whilst Business Birmingham does not have a representative on the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), it works very closely with the body and is currently working with the GBSLEP to develop an economic strategy for the region. Business Birmingham also has close ties with UKTI and, through the GBSLEP, has signed a Memorandum of Understanding to feed local leads into the national inquiry database. Business Birmingham is also recognised by UKTI as the principal supplier of support services in the city. Services include: business networking, data intelligence, relocation advice, labour market advice, personal support on issues such as local schools and recreation, familiarisation tours, legislation and tax advice, and access to funding.

In its first full-year of operation Business Birmingham has developed a new, more focused and targeted approach to encouraging inward investment. Recognising that UKTI has limited resources, and that in the past Birmingham, and the sectors that it has the potential to attract, have possibly not been at the forefront of national inward investment strategy, Business Birmingham has undertaken research to identify key target sectors and develop bespoke marketing plans to attract businesses operating within them. These key sectors, which have also been selected due to their potential to provide high volumes of jobs, an agreed economic priority for Birmingham, are logistics, food and drink, and large-scale ICT.

The organisation has also spent time assessing its key historical and prospective sources of inward investment and, as a result, has stated an intention to focus activity on four markets: North America,
Export markets and inward investment: The role of local councils  
Final report to the Local Government Association

Key successes

In its first year of operation, and whilst the strategy and action plan for targeted inward investment has been in development, Business Birmingham has taken a ‘back to basics’ approach – focusing efforts on its key historical markets (especially North America) and selling the ‘Big City Plan’ as a major opportunity for inward investors. Within this, key successes have included:

- Whilst North America has historically provided the primary source of inward investment into Birmingham, the city had seen this fall from a high of around 60% to around 15% in 2010/11. Through the re-focusing of marketing efforts, around 45% of all completions and pipeline opportunities in 2011/12 were from North America, and it is anticipated that flows of investment from the continent will continue to increase over 2012/13.

- Business Birmingham has been working closely with Indian ICT firm, FIS Global, which has been operating an arm of its business from Birmingham for a number of years, to locate additional Indian-based teams at its Birmingham site. This has led to an additional 250 posts transferring into the city which in time will create substantial local employment opportunities.

- By marketing the opportunities flowing from the redevelopment of the city centre, Business Birmingham have recently supported the large Swedish construction and real estate firm Skanska to locate in Birmingham bringing with it 50 jobs as well as potentially significant local supply-chain benefits.

Future service development plans

The long term goal for Business Birmingham is to work with partners to ensure that the city is able to secure a level of inward investment that is commensurate with its size.

The Greater Birmingham and Solihull LEP has a target of bringing about an additional 100,000 jobs in the region over the next five years – Business Birmingham is determined that jobs created through inward investment play a significant role in the achievement of this target. As part of this, there is a determination to ensure that Birmingham's 'soft infrastructure' or 'attractor products' (i.e. its R&D offer, access to finance, and skills and training services) are globally competitive and complement the rail, road and connectivity infrastructure that Birmingham already has in place.

Based on a discussion with Wouter Schuitemaker, Investment Director, Marketing Birmingham Ltd

28th May 2012 (updated 7th June 2012)