

Competitiveness Advisory Board

Summary of the Competitiveness Advisory Board meeting held on the 16th July 2024.

The Board held its third meeting of the year in July 2024. At this meeting the views of the Board Members were sought on communicating competitiveness strategy to the newly elected Labour Government and Harrington Plus.

The Board received a report from the Executive Director of Innovation & Growth on the Communication on Competitiveness Strategy to the new Labour Government. It was noted that the Competitiveness Strategy, resulting from two independent reviews by Sir Simon Fraser in 2020, was fully adopted in 2021 and runs until 2025. Members discussed the Board's key task over the next twelve months to review the Competitiveness Strategy and the inter-linked Markets Prioritisation. Emphasis on promoting the UK's strengths to attract international talent, firms, and capital, and optimise UK FPS exports was discussed. Members noted the need to influence policy decisions to strengthen the business environment and increase market access. They also highlighted the importance of a globally competitive approach to Foreign Direct Investment (FDI) to raise investment levels into the UK. The board agreed that key priorities lied in proactively targeting investors and creating a best-in-class customer experience.

The importance of tailoring messages to the new Labour government was reviewed. The Chairman stressed that the organisation wanted to be a partner for growth across the UK, not just in London. Members highlighted the need to demonstrate how financial services proposals can help achieve the government's five missions and how focus on inclusive growth across the country was important. Members discussed the role of digital and data in delivering growth and how the UK is third in the world in AI, with a need for regulation and innovation in this space. Members discussed the need for system enhancement and a fresh conversation with new Ministers and how there should be focus on governance, transparency, and industrial strategy. The Chairman and Members discussed the importance of regional growth and devolution to regional Mayors and that there was an expectation that the new Government would focus on this area.

The board received a report on the Harrington Plus project noting it aimed at leveraging Foreign Direct Investment (FDI) to address the UK's £50 billion business investment gap and support Net-Zero and British Energy Security strategies. Members were informed that the initiative focused on investing in society, including jobs, infrastructure, and businesses, to improve the quality of life across the UK. Despite the competitive global FDI landscape and the UK's weakened position post-Brexit, the project emphasised the need for targeted and efficient investments. Officers informed Members that the goal was to unlock the untapped potential of UK FPS FDI and achieve the new government's growth ambitions.

Members discussed the need for a national inward investment agency focusing on financial services. It was noted that the current inward investment strategy was

lacking, and there is a need for a more coordinated approach. Concerns were raised about the UK's competitiveness in attracting foreign direct investment (FDI). It was mentioned that the UK is at risk of becoming a second-tier destination for FDI, and there is a need for a more ambitious national strategy. The potential for a national wealth fund was discussed, with suggestions to tweak its focus to better support the financial services sector. The importance of system enhancement and governance was emphasised. It was suggested that the Corporation could play a role in pushing Harrington Plus and addressing challenges related to deal flow and investment. The need to triangulate the growth agenda with digital skills and the business agenda was also highlighted.

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