

From Local to Global : A New Framework for Devolution and Diplomacy

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From the Local to Global: A New Framework for Devolution and Diplomacy

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June 2026

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**Invest in UK
University R&D
Midlands Campaign**



Authors	2
Acknowledgments	2
Foreword	4
Executive Summary	6
Principles — At a Glance	7
Key Recommendations — At a Glance	8
I. Introduction	9
II. Devolution and diplomacy	12
III. The role of universities	22
IV. Understand and mobilise: diplomatic assets	34
V. Unlocking the potential of international engagement	48
Co-ordination	48
Capacity and capability	55
Data architecture	57
Risk appetite and management	59
VI. A new framework	65

FOREWORD

The world is becoming more fragmented, uncertain and unequal. The old assumptions about globalisation, economic security and international co-operation are being tested. On the international stage, competition for investment, talent and influence is higher than ever, while our communities expect growth to be felt both locally and fairly.

In that world, as mayors, we have a responsibility to step forward. We cannot simply leave international engagement to Whitehall and hope the benefits reach every town, city and community that we represent. From Derby to Dudley, the Midlands has always been outward-looking. We have been trading, making and innovating for centuries. The birthplace of the British motoring industry was in Coventry in 1897 — and Daimler's were sold all over the world. Our job now is to ensure that our region is not only part of the global economy, but we are shaping it in ways that work for the people we represent.

Political leadership matters in moments like this. The communities we lead rightly expect us to stand up for their interests, speak confidently for our regions and build the partnerships that can create jobs, attract investment and open new opportunities for future generations. That means being ambitious internationally, while always remaining grounded in the priorities for the Midlands.

Mayors are uniquely placed to do this because we understand our regions for what they once were, where they are today and what they can become. We know the history, the strengths and the untapped potential of our places.

But this cannot become a story of competing institutions or duplicated effort. The challenge is to create genuine alignment between national, regional and local government, with a shared sense of purpose and the investment and capacity to deliver it. Done properly, what the Commission on Devolution and Diplomacy calls 'sub-national diplomacy' strengthens the UK internationally because it gives national government stronger partners.

That is why this report places such importance on the assets our regions already possess. Our universities are among our greatest untapped strengths: globally connected institutions rooted in local communities, capable of driving innovation, attracting talent and building international relationships that last for decades. They deserve to be at the heart of how regions think about international engagement. Equally important are the industrial partnerships that define our economies and identities. In the East Midlands, Toyota's presence at Burnaston reflects decades of trust, investment and shared success between a global company and a local region. In the West Midlands, advanced manufacturing, clean energy and automotive innovation continue to give the region international relevance and credibility.

The task now is to build on what already works, to support places like ours to more effectively engage with the world, by working more closely together, and by backing us with further devolution and more investment. That means a more determined focus from our own institutions, and the institutions we work with locally too. If we get this right, England's mayors can help build a country that is more confident, more resilient and more connected to

the world — while ensuring that the benefits of that engagement are felt across our local communities. That is the opportunity that international engagement presents.

Claire Ward

Mayor of the East Midlands Combined County Authority

Richard Parker

Mayor of the West Midlands Combined Authority

Co-Chairs of the Advisory Group, Commission on Devolution and Diplomacy



EXECUTIVE SUMMARY

The UK is competing in a highly competitive global environment for investment, talent and influence — but it lacks a coherent strategy for how its cities and regions should engage internationally. While Whitehall retains primary responsibility for international economic and diplomatic activity, mayors, local authorities, universities and civic institutions are increasingly building their own global partnerships and networks. Too often, however, these efforts are fragmented, unevenly supported and disconnected from national priorities. As a result, the UK is not making the most of its local strengths or fully capturing the opportunities available to it.

Addressing this challenge matters more than ever. Geopolitical instability, protectionism and persistent regional inequalities mean the UK cannot rely on Whitehall alone. Cities and regions possess significant assets — from internationally renowned universities, innovation clusters, iconic cultural institutions, pioneering businesses and strong diaspora relationships — that can help drive trade, attract investment, grow tourism and strengthen the UK's international influence. Yet there remains no clear framework for how local and national actors should work together to achieve these goals.

The Commission on Devolution and Diplomacy was established to address this deficit. The objective is straightforward: empower cities and regions to play a more substantive international role, aligned with the UK's economic and diplomatic priorities.

The Commission sets out a new, national framework for a more co-ordinated approach to international engagement, anchored in clear principles and a series of practical recommendations. Without embracing the agenda, the UK is leaving opportunity on the table.

PRINCIPLES — AT A GLANCE

1 **Alignment**

Local international activity should support national foreign policy, trade, and security objectives, without unnecessarily constraining local initiative.

2 **Transparency**

Partnerships, funding, and outcomes should be openly shared to build trust and demonstrate value.

3 **Collaboration**

Sub-national diplomacy should operate as a co-ordinated national endeavour across all tiers of government and institutions.

4 **Equity**

The benefits of international engagement should be distributed across regions, not concentrated in major cities alone.

5 **Proportionality**

Oversight should be risk-based, avoiding excessive constraints on low-risk activities.

6 **Value for money**

International engagement should deliver clear economic and social returns, often over the long term.

7 **Subsidiarity**

Local actors should retain the autonomy to pursue partnerships aligned with their priorities.

KEY RECOMMENDATIONS — AT A GLANCE

1 Publish a Sub-national Diplomacy Strategy

The Government should publish a first-of-its-kind Sub-national Diplomacy Strategy over the next 12 months to support local institutions to attract inward investment and promote export-oriented growth, talent and tourism. The strategy should align national and local priorities and strengthen Whitehall co-ordination by establishing a Devolved Diplomacy Unit, and provide financial support to improve capacity-building locally through a new International Growth Fund.

2 Position strategic authorities as key partners

The Government should strengthen the role of strategic authorities and established regional bodies in trade missions, international promotion and economic diplomacy through improved representation on international missions, a greater prominence within the GREAT Campaign and new dedicated regional Trade Envoys.

3 Develop a new devolution ‘growth package’ to support international growth

The Government should work with strategic authorities to develop a new devolution package across trade, skills, business support, tourism and innovation, giving places greater autonomy to attract international investment and build stronger global relationships.

4 Mobilise universities as engines of international engagement

The Government should review how it can support universities to mobilise as engines of international engagement, by leveraging their trade, investment and international partnerships to support cities and their regions.

5 Conduct Soft Power Audits

Strategic authorities and universities should each undertake a Soft Power Audit and adopt shared metrics for international engagement, creating a clearer evidence base to leverage their diplomatic assets and global relationships.

I. INTRODUCTION

- The UK is not harnessing the potential of its cities, regions and institutions to compete internationally in an increasingly competitive global landscape.
- Other countries are now effectively mobilising their places globally, including the United States, Canada and South Korea.

International capability already exists locally — in universities, civic institutions and strategic and local authorities — but it is fragmented and poorly co-ordinated.

- A more co-ordinated, strategic approach is needed to align national and local priorities and unlock the UK's full international potential.

The UK has not yet fully realised the international opportunities created by devolution. In a context of geopolitical uncertainty, increasing protectionism and intensifying global competition for investment, talent and influence, it is no longer sufficient for international engagement to be driven *solely* by Whitehall. The emergence of mayors has created new centres of leadership that are not yet systematically integrated into the UK's international approach.

A significant share of the UK's influence already resides in cities, regions and the institutions rooted within them. Together with universities, sporting, cultural and heritage assets, strategic and local authorities sustain extensive international relationships through trade, research collaboration, education, tourism and cultural exchange. These activities form the foundation of what this report describes as sub-national diplomacy.¹

Sub-national diplomacy has the potential to make a significant contribution to the UK's economic performance and international position over the coming decade. It can support cities and city-regions to build on their industrial strengths in sectors such as advanced manufacturing, clean energy, life sciences and artificial intelligence. Post-Brexit, it can contribute to the diversification of trade relationships, as well as enhance resilience amid supply chain disruption. It also provides a means of supporting places that have experienced long-term economic underperformance, helping to address low productivity, weak private investment and the enduring effects of deindustrialisation.

The UK starts from a position of considerable strength. Its universities are internationally recognised, its institutional frameworks are widely regarded as stable and transparent, its cultural and heritage assets continue to generate considerable soft power. International investors often view the UK as a safe and credible destination for long-term capital.² However, these assets are not yet being deployed in a fully co-ordinated or strategic manner. In a number of comparable countries — including the United States, Germany, France and Japan — sub-national institutions are more systematically integrated into

¹ Drawing on the work of Rogier Van der Pluijm and Jan Melissen in *City Diplomacy: the expanding role of cities in international politics*, *Netherlands Institute of International Relations*, (2007), the Commission defines sub-national diplomacy as “the institutions and processes by which, sub-national actors engage in relations with their counterparts on the international stage with the aim of representing themselves and their interests”.

² HM Treasury, Final report of the Social Impact Investment Advisory Group, 2025. Available at <https://www.gov.uk/government/publications/social-impact-investment-advisory-group> [accessed on 31 March 2026].

national approaches to international engagement.³

In the UK, by contrast, the current approach is fragmented. International activity at the local level is often shaped by the initiative of individual institutions or their leaders rather than supported by a consistent national framework. Co-ordination across Whitehall remains weak, with responsibilities dispersed across departments and no clear ‘front door’ for places seeking to engage internationally. Local authorities and strategic authorities often lack the dedicated capacity or expertise to pursue sustained international activity, while universities and other civic institutions are not always sufficiently connected to local and regional growth strategies.⁴ As a result, opportunities for trade, inward investment, innovation and influence are too often missed.

Sub-national diplomacy is not a new development. Local authorities have engaged in forms of municipal statecraft for decades through twinning arrangements, trade links, cultural exchange and international partnerships. Encouraged by UK Government, Regional Development Agencies promoted their regions overseas and built international economic relationships long before strategic authorities were created. The first generation of mayoralities were conceived, in part, as visible champions for their places on the international stage.⁵ More recently, mayoral and strategic authorities have expanded these activities through investment promotion, place branding and the delivery of major international events, such as the Commonwealth Games hosted in Birmingham.

This has implications not only for local economic development, but also for the UK’s wider national interest. As economic growth becomes more closely linked to foreign policy objectives, local and regional actors can play an important role in supporting their delivery. Strategic authorities can provide market intelligence, identify investable opportunities and build trusted relationships with international counterparts. Universities can act as anchors of innovation, talent and knowledge diplomacy. Cultural and sporting institutions can strengthen the UK’s reputation. More effective alignment between national and sub-national activity would strengthen both domestic outcomes and the UK’s global position.

There is now a window of opportunity to take this agenda forward. Devolution continues to evolve, with new strategic authorities being established and existing institutions gaining experience and capacity. Many places are developing international strategies, while universities face increasing incentives to demonstrate economic and civic impact. These developments create a stronger foundation for a more co-ordinated and strategic approach.

The Commission on Devolution and Diplomacy was established in this context. Its central argument is that internationalisation can no longer be treated as a discretionary or peripheral activity for place-based institutions. It must become a core strategic objective for the next decade, supported by stronger co-ordination, clearer incentives and more effective

³ Shaw, J. and Spencer, H. *Mayors go global: delivering growth through diplomacy*, The Productivity Institute, 2025. Available at <https://www.productivity.ac.uk/news/mayors-go-global-delivering-growth-through-diplomacy/> [accessed on 31 March 2026].

⁴ Chaytor, S. and Tomaney, J. Universities, ‘left behind’ places and the making of a moral crisis, *The Political Quarterly*, 2025. Available at [Link](#) [accessed on 29 January 2026].

⁵ HM Treasury, Chancellor: “We need a Northern powerhouse”, 2015. Available at <https://www.gov.uk/government/speeches/chancellor-we-need-a-northern-powerhouse> [accessed on 31 March 2026].

partnership between government and places.



II. DEVOLUTION AND DIPLOMACY

- Sub-national diplomacy has shifted from twinning and cultural exchange pursued by local authorities to more strategic, economically focused engagement driven by devolution.
- Devolution enables strategic authorities to align international activity with growth, investment, skills and innovation priorities.
- Progress is uneven, with cities and city-regions such as London and Greater Manchester most advanced.
- Lessons from the Regional Development Agencies demonstrate both the value of international engagement and the risks of fragmentation.

International engagement by local authorities is nothing new. For decades, they have used international partnerships to promote civic engagement, share expertise and attract investment. The devolved administrations in Scotland, Wales, and Northern Ireland later expanded this activity through dedicated international strategies linked to their political and economic priorities.

In England, however, devolution has begun to reshape both the scale and ambition of sub-national diplomacy. Strategic authorities operate across larger economic geographies and possess greater political visibility and convening power than many traditional local authorities. As a result, international engagement is increasingly being connected to broader objectives around economic growth, innovation, skills, investment and influence.

This chapter explores how sub-national diplomacy has evolved from locally driven municipal internationalism towards a more strategic and place-based model of international engagement.

A SHORT HISTORY OF SUB-NATIONAL DIPLOMACY

Sub-national diplomacy has historically been associated with town twinning. After the First World War, communities sought ways to support the reconstruction of towns and cities affected by conflict, such as West Yorkshire's Keighley which supported Poix-du-Nord in France. Following the Second World War, twinning expanded rapidly across Europe — particularly with France and Germany — as part of promoting peace and mutual understanding. Bristol's decision to send shoes to children in Hannover became emblematic of that civic solidarity.⁶

In the decades that followed, these arrangements became more formalised. International institutions such as the United Nations recognised their value, while the UK Government encouraged links with European towns through its Rippon Programme ahead of entry to the

⁶ Bristol Hannover Council. Available at <https://bristolhannovercouncil.org.uk/history/> [accessed on 18 December 2025].

European Economic Community.⁷ At that stage, twinning focused principally on cultural exchange and relationship-building rather than economic development.

Over time, the geography and purpose of these partnerships evolved. Twinning supported democratic transition in Eastern Europe after the Cold War and was a vehicle to express solidarity during apartheid in South Africa.⁸ Legislation in 1993 gave authorities explicit permission to share expertise internationally, although it also prevented authorities from providing direct funding.⁹ Later, migration and diaspora communities helped generate new relationships beyond Europe.

Despite pressure on public services throughout the 2010s, the Commission's analysis reveals that authorities in England still maintain 1,193 international partnerships.¹⁰ Many are dormant or modest in scale, but some deliver tangible benefits. The Scottish village of Dull, for example, attracted tourists through its playful twinning with Boring in the United States and Bland in Australia.¹¹

Local places have long been capable of building meaningful international relationships. What has changed is the opportunity to deploy them more strategically. Today, leading authorities increasingly view partnerships as platforms for investment, jobs, skills, export-oriented growth and policy learning, rather than symbols of friendship or civic engagement. Cities such as Birmingham, Bristol, Sheffield, Glasgow and Dundee demonstrate this shift, alongside places such as Derbyshire.

⁷ House of Commons, 06 March 1972. Available at https://api.parliament.uk/historic-hansard/written-answers/1972/mar/06/western-europe-cultural-contacts#S5CV0832P0_19720306_CWA_49 [accessed 31 March 2026]. United Nations, *Town twinning as a means of international co-operation*, 1972. Available at <https://digitallibrary.un.org/record/201119> [accessed on 31 March 2026].

⁸ In 1981 Sheffield became the first local authority in England to pledge that it would end all links with apartheid, as part of an Apartheid-Free Zone. It withdrew pension fund investments from companies with South African subsidiaries and barred South African sports teams from its playing fields. Local Authorities Against Apartheid (LAAA) was set up to co-ordinate local authority action and by 1985 more than 120 local councils had taken some form of anti-apartheid initiative. Sheffield City Council, *Sheffield and the Anti-Apartheid Movement (AAM)*, 2022. Available at <https://www.sheffield.gov.uk/sites/default/files/docs/libraries-and-archives/archives-and-local-studies/research/sheffield-and-antiapartheid-movement-study-guide.pdf> [accessed on 31 March 2026].

⁹ Local Government (Overseas Assistance) Act, 1993. Available at <https://www.legislation.gov.uk/ukpga/1993/25> [accessed on 12 February 2026].

¹⁰ The 1,193 international relationships include strategic and local authorities, as well as Town and Parish councils. We would like to thank the Open JS Foundation for supplying the raw data, which the Commission has analysed.

¹¹ BBC, *Dull and Bland celebration is far from Boring*, 2017. Available at <https://www.bbc.co.uk/news/uk-scotland-tayside-central-40739608> [accessed on 31 March 2026].

DERBYSHIRE: THE TOYOTA CITY PARTNERSHIP BOARD

The Toyota City Partnership Board, hosted by Derbyshire County Council, demonstrates how a civic twinning arrangement can evolve into a structured governance model supporting regional growth, employer engagement and international positioning. Established in 1998 between Derbyshire County Council, Derby City Council, South Derbyshire District Council and Toyota City in Japan, the partnership reflected the presence of Toyota Motor Manufacturing UK plant at Burnaston.

Over three decades, the relationship has matured from symbolic exchange into a formalised governance model bringing together local authorities, a globally significant manufacturer, education institutions, business organisations and more recently the East Midlands Combined County Authority. The partnership operates with a clear governance framework, including a rotating Chair, formal Terms of Reference and pooled financial contributions. Funding is secured until 2028, providing continuity beyond electoral cycles.¹²

The Partnership Board embeds regular senior-level engagement between public leaders and Toyota, a major global employer — something many regions struggle to sustain informally — providing a stable forum for dialogue on electrification, exports, manufacturing and skills. In 2025, it supported the Midlands Innovation and EMCCA mission to Japan and South Korea, co-ordinating engagement with Toyota City alongside wider inward investment activity.

VALUE OF THE PARTNERSHIP BOARD

Toyota's involvement is central to the partnership's durability. The company has invested £2.82 billion in the UK, employs 2,371 people at Burnaston and produced over 98,000 vehicles in 2024. It remains one of the Midlands' most significant manufacturing assets.¹³

Local authority engagement reinforces credibility and supports workforce infrastructure, including the Derbyshire Japanese School, which has helped attract and retain Japanese secondees.

The creation of EMCCA, and Toyota UK's representation on EMCCA's Business Advisory Board, has further strengthened alignment between corporate and regional governance. Toyota UK is represented on EMCCA's Business Advisory Board. EMCCA's involvement also ensures Toyota's relationship with neighbouring Nottinghamshire — home to much of its workforce and local supply chain — is reflected in the partnership's international outlook.

The Partnership Board's value lies in sustained senior-level engagement, alignment of local and regional priorities, support for workforce infrastructure and continuity through political change. Its success reflects clarity of purpose and long-term commitment rather than significant funding.

¹² Derbyshire County Council, *Service Level Agreement for Toyota City Partnership*, 2026. We would like to thank Derbyshire for sharing this information with the Commission.

¹³ Derbyshire CC, *Service Level Agreement*, 2026. See also Toyota EU, Toyota-led consortium secures UK government funding for micromobility feasibility study, 2025. Available at <https://newsroom.toyota.eu/toyota-led-consortium-secures-uk-government-funding-for-micromobility-feasibility-study/> [accessed on 13 April 2026].

LESSONS FROM REGIONAL DEVELOPMENT AGENCIES

Before the creation of strategic authorities, the Regional Development Agencies (RDAs) represented England's most systematic attempt to organise sub-national international engagement at scale. Established in 1998 (with London following in 2000), they had a statutory responsibility to improve regional competitiveness, productivity and growth — objectives that naturally extended into international markets.¹⁴

Their core contribution was to shift international activity from civic relationship-building to economic delivery. Unlike local authorities, whose engagement was often symbolic, RDAs operated at a regional scale aligned more closely with functional economies. Their regional identities were also more legible in international markets than the 'fuzzy' boundaries of the Local Enterprise Partnerships that were established in the following decades, which rarely commanded the same recognition or strategic coherence (Interviewee, 2026). This allowed RDAs to pursue inward investment, export promotion and international positioning in a more co-ordinated and strategic way.

In practice, they acted as intermediaries between regional economies and international markets. A central focus was inward investment promotion, undertaken alongside UK Trade and Investment, often supported by overseas representatives and region-specific marketing. RDAs also supported domestic employers — particularly small and medium-sized enterprises — through export advice, trade missions and participation in major international exhibitions. Alongside this, they engaged in European and international networks, including EU programmes, where they contributed to partnership-building, programme delivery and knowledge exchange. In doing so, they extended the international reach of English regions beyond what individual local authorities achieved.

However, the RDA model also exposed structural limitations that remain relevant today. Most notably, the absence of a clear national framework led to fragmentation and duplication. A 2009 Select Committee report reinforced this criticism, observing that RDAs were active in the same overseas markets and often in competition for investment opportunities rather than presenting a coherent UK offer.¹⁵ This created duplication and diluted the clarity of the UK's overall proposition — an issue strategic authorities will need to avoid.

Institutional ambiguity further weakened the model. Relationships with central government — particularly with UK Trade and Investment — were not clearly defined, leading to overlapping roles and blurred accountability. While RDAs had economic scale, they lacked political mandate, undermining their ability to convene institutions within their regions.

These lessons exposed the limits of international engagement without clear alignment, democratic accountability and a national framework, which remains relevant to the current generation of strategic authorities. Without clearer co-ordination, there is a risk that the same fragmentation that RDAs struggled to overcome is replicated.

¹⁴ University of Bristol, South West Regional Development Agency: a short history, 2011. Available at <https://www.bristol.ac.uk/media-library/sites/red/migrated/documents/short-history.pdf> [accessed on 13 April 2026].

¹⁵ Business and Enterprise Committee, *Regional development agencies and the Local Democracy, Economic Development and Construction Bill*, 2009. Available at <https://publications.parliament.uk/pa/cm200809/cmselect/cmberr/89/8902.htm> [accessed on 13 April 2026].

DEVOLUTION: A NEW PARADIGM?

Devolution has created a new generation of institutions better placed to convert international engagement into measurable outcomes. What distinguishes strategic authorities from local authorities is not simply size, but strategic capacity. They represent larger labour markets and economies, are led by directly elected mayors with visible mandates, and — with the appropriate support — can align transport, skills, planning, housing, business support and investment behind a coherent growth agenda. This makes them more legible to investors, more credible to cities and their states and better able to convene fragmented local actors.

In their early stages, strategic authorities have prioritised domestic responsibilities, including transport and housing. They are already required to produce Local Growth Plans, Local Transport Plans, and, in some cases, Police and Crime Plans, with Spatial Development Strategies to follow. Though there is no equivalent statutory duty for international strategies, some places have done so.¹⁶ Greater Manchester and the West Midlands have developed such strategies, while others embed international priorities within their Local Growth Plan. In many strategic authorities their approach to international engagement remains underdeveloped.

Examples of progress are increasingly visible, as the case studies of Greater Manchester and London illustrate. The mayors of Greater Manchester and the Liverpool City Region, Andy Burnham and Steve Rotheram, led the UK's first joint mayoral mission to Ireland, reflecting deep commercial ties between their city-regions and the Irish economy, with nearly £2 billion in exports to Ireland in 2019.¹⁷ Burnham also agreed a 'co-operation partnership' with North-Rhine Westphalia to strengthen trade with the German region and even appointed a Special Advisor for Germany.¹⁸ Meanwhile the Mayor of West Yorkshire, Tracy Brabin, secured an agreement with global technology firm Mphasis to create 1,000 additional jobs at its Leeds site during a visit to India.¹⁹ As Rotheram has argued, such activity is not symbolic diplomacy but a practical tool for securing jobs and promoting local opportunity.²⁰

¹⁶ The Greater London Authority has had a spatial development strategy, its Local Plan, since 2004.

¹⁷ Shaw, J. *Mayors 'go global': delivering growth through diplomacy*, The Productivity Institute, 2025. Available at <https://www.productivity.ac.uk/news/mayors-go-global-delivering-growth-through-diplomacy/> [accessed on 23 February 2026].

¹⁸ Greater Manchester Combined Authority, *Andy Burnham strikes new cooperation deal with german partners as leaders mark state's 75th anniversary*, 2021. Available at <https://www.greatermanchester-ca.gov.uk/news/mayor-andy-burnham-strikes-new-cooperation-deal-with-german-partners-as-leaders-mark-state-s-75th-anniversary/> [accessed on 8 April 2026].

¹⁹ BBC, *Leeds: Indian tech firms to create 1,000 jobs in the city*, 30 September 2022. Available at <https://www.bbc.co.uk/news/uk-england-leeds-63076475> [accessed 8 April 2026].

²⁰ Liverpool City Region, *Mayor leads a high level Liverpool City Region mission to the US aimed at driving trade, investment and tourism*, 2024. Available at <https://www.liverpoolcityregion-ca.gov.uk/news/mayor-leads-high-level-liverpool-city-region-mission-to-us-aimed-at-driving-trade-investment-and-tourism> [accessed on 31 March 2026].

LONDON: THE GLOBAL CITY MODEL

London represents the UK's most developed example of sub-national diplomacy in practice. It demonstrates what can be achieved when political leadership, institutional capacity, global connectivity and economic scale are aligned behind a clear international strategy. While many places are still building the foundations of international engagement, London operates within a mature ecosystem that treats global engagement as a core part of economic policy.

London's advantages are considerable. It is one of the world's most internationally connected cities, a global centre for finance and professional services, home to internationally renowned universities and cultural institutions, and a major destination for talent, investment and visitors. In 2024, it secured the third highest number of foreign direct investment projects globally, behind only Dubai and Singapore, and remains the first point of entry into the UK market for many investors²¹.

Recognising these strengths, the Greater London Authority has embedded international engagement within its economic strategy. Its Local Growth Plan includes commitments to expand London's international travel connections, refresh the capital's global brand, co-ordinate trade and investment missions, grow services exports by six per cent annually and raise productivity by two per cent annually.²²

INSTITUTIONAL CAPACITY AND DELIVERY

What distinguishes London is not simply its global profile, but the institutions that support and sustain it.

The Mayor of London provides visible political leadership through international missions, city diplomacy and participation in international networks such as C40 and Eurocities. The GLA's International Office supports strategy and relationship management and hosts a European office in Brussels. Meanwhile London & Partners, the capital's growth agency, provides dedicated delivery capacity for investment promotion, tourism and international marketing. The London Partnership Board and Cultural Leadership Board bring together the capital's anchor institutions to further support these priorities.

This architecture is reinforced by institutions including the City of London Corporation, London boroughs and globally significant universities. Universities such as Imperial College London and University College London attract international students, develop research partnerships and strengthen London's global reputation through overseas hubs, alumni networks and international collaboration. University College London alone has an extensive programme of global engagement and employs over 400 staff from China and has a network of over 30,000 Chinese alumni, making it well placed to capitalise on Chinese industry.²³

²¹ Greater London Authority, *London Growth Plan*, 2025. Available at <https://www.london.gov.uk/programmes-strategies/business-and-economy/mayors-priorities-londons-economy-and-business/london-growth-plan> [accessed on 9 February 2026].

²² GLA, *London Growth Plan*, 2025.

²³ University College London, UCL and China. Available at <https://www.ucl.ac.uk/global/regional-activity/ucl-and-europe> [accessed on 19 February 2026]. UCL and Europe. Available at <https://www.ucl.ac.uk/global/regional-activity/ucl-and-china> [accessed on 20 February 2026].

MARKETS AND REACH

London's priority markets include North America, China, Europe and India, supported by London & Partners' presence in 14 international locations. The GLA has Sister, Partnership or Friendship City agreements with major cities, including Beijing, Berlin, Dublin, Moscow, New Delhi, New York, Paris, Seoul, Shanghai, Stockholm, Tokyo and Vancouver.

Alongside this, boroughs work closely with London & Partners through Opportunity London, the "investors front door", which connects investors to opportunities across the capital. They also maintain their own international relationships, often shaped by local communities and local economic priorities across 82 cities and towns in 31 countries. This includes Ealing's relationship with Kathmandu, the capital of Nepal, through its diasporic communities, or Barking & Dagenham's relationship with Seoul Digital Foundation, which has a direct mandate from the Seoul Metropolitan Government. The relationship is supporting employers to export by creating a 'high-tech highway' between South Korea and the UK²⁴.

IMPACT

It continues to attract substantial investment. Every year since EY's European Investment Monitor began in 1987, London has secured more FDI projects than any European city²⁵. London & Partners estimates that in 2024-25 alone it generated £677 million for London's economy, which will support or create over 8,000 jobs, its highest contribution since it was established in 2011. For every £1 in public investment it estimates it generates £27 for the London economy²⁶.

London is not a model that can simply be replicated elsewhere. Few places possess its scale, brand recognition or concentration of assets. But its experience demonstrates the value of clear leadership, institutional co-ordination and long-term investment in international engagement.

²⁴ Connected Places Catapult, *International partnership to develop Smart Homes Innovation Hub*, 2023. Available at <https://cp.catapult.org.uk/news/international-partnership-to-develop-smart-homes-innovation-hub/> [accessed on 9 February 2026].

²⁵ EY, *UK Attractiveness Survey*, 2025. Available at <https://www.ey.com/content/dam/ey-unified-site/ey-com/en-uk/newsroom/2025/06/ey-uk-attractiveness-survey-06-2025.pdf> [accessed on 13 February 2026].

²⁶ London & Partners, *Impact Report*, 2025. Available at <https://www.londonandpartners.com/about-us/our-annual-results/impact-report> [accessed on 12 February 2026].

GREATER MANCHESTER: A CITY-REGION ON THE RISE

Greater Manchester provides one of the clearest examples in England of sub-national diplomacy operating at city-region scale. Rather than delivering international engagement directly, Greater Manchester Combined Authority (GMCA) acts as a system leader, aligning institutions behind a shared strategic vision. Key partners include the Greater Manchester Growth Company and its specialist arms — MIDAS, Marketing Manchester, Manchester China Forum and Manchester India Partnership — alongside the ten local authorities, universities, Manchester Airport, business organisations and national agencies such as DBT North West.

The Mayor's convening power has been central to ensuring that benefits are distributed across the wider city-region rather than concentrated solely in central Manchester (Interviewee, 2026). Collaboration is structured via fora including partnership boards and market-specific steering groups (e.g. the Greater Manchester-Japan Steering Group and the Bangladesh Partnership Board).

PRIORITY MARKETS AND RELATIONSHIPS

Greater Manchester has focused its international engagement on places aligned with its economic, innovation and diaspora strengths. Japan is the clearest example. A long-term relationship with Osaka developed as a result of shared interests in climate change, renewables, innovation and advanced manufacturing before culminating in a Sister City Agreement in 2025.²⁷ Meanwhile, Austin, Texas, has emerged as another priority market, with a Friendship City Agreement signed in 2025 to support collaboration in technology, trade and investment.²⁸

Other relationships reflect specific strategic interests. Engagement with the Ruhr Metropolis focuses on climate and digitalisation, while links with Sylhet, Bangladesh, build on longstanding diaspora connections. Greater Manchester also maintains ties with Wuhan, China, through research and education partnerships, illustrating both the opportunities and sensitivities of sub-national engagement in the aftermath of the pandemic.

INTERNATIONAL ENGAGEMENT IN PRACTICE

Greater Manchester promotes itself internationally as an innovation-led city-region, centred around research and development zones such as the Oxford Road Corridor, the Salford Innovation Triangle, ID Manchester and Gateway North. Marketing Manchester supports international promotion and tourism, including through a devolved agreement with VisitBritain. The Mayor plays an important convening role, using soft power to open doors and align local

²⁷ GMCA, *Greater Manchester signs historic Sister City Agreement with Osaka as Japan Week gets underway*, 2025. Available at: <https://www.greatermanchester-ca.gov.uk/news/greater-manchester-signs-historic-sister-city-agreement-with-osaka-as-japan-week-gets-underway/> [accessed 28 January 2026].

²⁸ GMCA, *Greater Manchester strengthens links with Austin with friendship cities agreement*, 2025. <https://www.greatermanchester-ca.gov.uk/news/greater-manchester-strengthens-links-with-austin-with-friendship-cities-agreement/> [accessed 31 January 2026].

institutions behind shared international objectives. The partnership with Osaka illustrates this approach. What began as informal exchanges around shared priorities such as net zero and innovation developed into sustained collaboration between universities, businesses and public institutions, leading to MoUs, joint research initiatives and technology trials with firms including Daikin, a global leader in heat pump technology.

Universities are also central actors in this ecosystem. They attract international talent, participate in global research networks and build long-term institutional partnerships overseas, such as with the University of Texas, strengthening Greater Manchester's international reputation and innovation capacity.²⁹

IMPACT

Greater Manchester's international engagement generates significant economic value, although understanding the impact this agenda has on trust, influence and relationship-building remain harder to measure (Interviewee, 2026).

Foreign owned companies contribute £37 billion to the city region's economy and employ approximately 172,000 people. In 2019 exports were valued at £14.9 billion, supporting more than 100,000 jobs, while inward investment projects between 2019 and 2022 created 7,484 jobs and added more than £524 million to the local economy.³⁰

Connectivity has also been an important enabler. Long-haul routes such as Manchester–Beijing were associated with a 41 per cent increase in exports to China in the two years following their launch.³¹ Tourism generated £9 billion for the economy in 2019 and supported more than 101,000 jobs, while international students now account for more than one fifth of the student population and contribute more than £1 billion annually to the local economy.³²

²⁹ GMCA, *International Strategy 2022-2025*, 2022.

³⁰ GMCA, *International Strategy 2022-2025*, 2022.

³¹ Manchester Airport Group, *Daily flights from the North to Beijing to almost double capacity to China's capital next year*, 2023. Available at: <https://mediacentre.manchesterairport.co.uk/daily-flights-from-the-north-to-beijing-to-almost-double-capacity-to-chinas-capital-next-year/> [accessed on 30 January 2026].

³² GMCA, *International Strategy 2022-2025*, 2022.

The UK Government has also begun, albeit cautiously, to recognise the role strategic authorities can play in international economic engagement. The ‘trailblazer agreements’ with Greater Manchester and West Midlands included commitments from the Department for Business and Trade (DBT) and the Department for Science, Innovation and Technology (DSIT) to develop new arrangements for mapping and supporting industrial clusters, establish a Trade and Investment Board, and involve strategic authorities in shaping future Free Trade Agreement mandates.³³ Although several interviewees told the Commission that these commitments have yet to produce substantial changes in practice, they nonetheless signal an important shift in the direction of national policy (Interviewee, 2026).

Yet sub-national diplomacy in England remains at an early stage of development, and a number of challenges have emerged that will need to be addressed — issues explored further in a later chapter. Beyond the existence of international strategies, international comparisons, particularly with Australia, highlighted the fragmented and uneven delivery capability of English strategic authorities to translate international engagement into tangible economic opportunity. While more mature institutions such as Greater Manchester and the West Midlands have developed stronger international profiles, many strategic authorities still lack investment readiness, clear sector priorities and the institutional capacity necessary. Interviewees also emphasised the importance of stronger national–regional co-ordination, arguing that dedicated investment structures are essential for building investor confidence and supporting exports (Interviewee, 2026). This raises important questions about the scale of strategic authorities and their investment vehicles when engaging internationally with larger and better-resourced state and metropolitan governments, particularly in the United States.

The experience of devolution therefore demonstrates both the opportunities and limitations of sub-national diplomacy. International engagement is increasingly moving beyond symbolic civic relationships towards a more strategic focus on investment, innovation, trade and influence. Where places combine political leadership, long-term relationships, and delivery capability, international engagement can support wider economic objectives and strengthen local competitiveness. Yet progress remains uneven. Without stronger co-ordination, a clear national framework and sustained institutional capacity, there is a risk that activity becomes fragmented and inconsistent, confusing international partners and weakening the UK’s overall proposition, particularly where multiple places promote similar sectoral strengths.

The next phase of devolution should therefore focus on how that engagement can be better supported, co-ordinated and aligned with national priorities and local economic growth.

³³ Ministry of Housing, Communities and Local Government, West Midlands Combined Authority Trailblazer Deeper Devolution Deal, 2023. Available at <https://www.gov.uk/government/publications/west-midlands-combined-authority-trailblazer-deeper-devolution-deal/west-midlands-combined-authority-trailblazer-deeper-devolution-deal> [accessed on 14 May 2026].

III. THE ROLE OF UNIVERSITIES

- Universities are anchor institutions. Their diplomatic assets — research partnerships, alumni networks and reputational capital — help regions attract investment, talent and influence.
- Stronger co-ordination between universities, authorities and business can maximise regional investment and innovation impact.
- Mature devolution enables more strategic university collaboration, while fragmented governance and weak co-ordination create organisational and resource gaps.
- Financial pressures are constraining universities' capacity for long-term international engagement and civic partnership-building.
- Though it is a vehicle to attract international students, universities' international engagement is also a tool for innovation, influence and regional growth.

Universities are among the most globally connected institutions within cities and regions. They attract international students and researchers, generate new knowledge, support innovation and commercialisation and maintain extensive international networks through alumni, research partnerships and industry collaboration. In doing so, they help connect places to global flows of talent, capital, ideas and influence.

As competition for investment, innovation and skilled labour intensifies, universities are increasingly important actors in sub-national diplomacy and internationalisation. Working alongside local partners, they can help shape how places are perceived internationally, strengthen regional investment propositions and build long-term international partnerships. Yet their contribution remains uneven and often underdeveloped. Fragmented governance, weak strategic co-ordination and financial fragility limit how effectively universities work with local partners.

This chapter argues that universities have a distinctive role in sub-national diplomacy because they combine global reach with deep local anchoring. However, unlocking their full potential requires stronger alignment between universities and their local partners, alongside more sustainable approaches to international engagement and a greater deployment of university assets.

UNIVERSITIES AND INTERNATIONAL ENGAGEMENT

Universities contribute to sub-national diplomacy through several interconnected forms of capital. First, they generate knowledge and innovation capital. Internationally recognised research strengths, specialist expertise and industry partnerships signal capability to investors and collaborators. Universities also help translate research into economic value through commercialisation, applied research, spinouts and collaborative innovation.

Second, universities develop human capital. They attract students, train skilled workers and retain graduates who strengthen regional labour markets. This helps supply the professional

and technical talent required by growing sectors and inward investors.

Third, universities possess significant network capital. International students, alumni, researchers and institutional partners create long-term global relationships that can support trade, investment and policy exchange. These trusted networks often provide access to markets, organisations and decision-makers that would otherwise be difficult for regions to reach.

Fourth, universities generate reputational capital. Strong institutional brands enhance the visibility and credibility of places that may otherwise struggle for international recognition. Global rankings and research reputation can increase confidence among investors, businesses and prospective talent.

Finally, universities create spatial capital through campuses, science parks, innovation districts and specialist research facilities. These spaces bring together researchers, firms, investors and civic actors, helping generate collaboration, knowledge spillovers and agglomeration effects that strengthen regional economies.

As civic anchor institutions, universities combine these global connections with long-standing local relationships and institutional memory. This dual orientation — global reach combined with local embeddedness — gives universities a distinctive diplomatic role that few other regional institutions can replicate.

Yet while universities possess extensive global networks, research partnerships, alumni communities and institutional relationships, universities do not have a comprehensive view of their own assets and local and strategic authorities frequently lack a systematic understanding of how these connections align with regional economic priorities and international ambitions. This creates a risk that international reach is untapped. Universities should undertake internal mapping of their global connections to identify how these assets can better support trade, investment, tourism and long-term international engagement. Developing this shared evidence base would help places articulate clearer comparative advantages, strengthen co-ordination between institutions and align international activity more effectively around shared regional priorities.

DEVOLUTION, GOVERNANCE AND SCALE

The extent to which universities can perform these roles depends heavily on local governance arrangements and institutional capacity.

In areas with mature strategic authorities, universities often operate within more stable and co-ordinated policy environments. Greater Manchester provides one of the clearest examples. Through the Greater Manchester Civic University Agreement, universities play formal roles in shaping regional strategies relating to economic development, health, skills and innovation. Partnerships between the University of Manchester, GMCA and the Rochdale Development Agency have helped support projects such as the Sustainable Materials and Manufacturing Centre, strengthening the city-region's international investment

proposition.³⁴

A similar approach has emerged in West Yorkshire, where the Higher Education Compact explicitly positions universities as partners in regional growth and international engagement. Participating institutions committed to using their international networks and research strengths to support inward investment and regional competitiveness.³⁵ Though this progress is tentative, universities and strategic authorities are increasingly moving beyond ad hoc collaboration towards more collaborative place leadership and international engagement.

By contrast, universities in areas without mature devolved governance often operate within fragmented institutional landscapes involving multiple local authorities, overlapping priorities and limited strategic capacity. In such places, universities often take on more responsibility for convening, helping co-ordinate partners, provide analytical capability and articulate regional priorities.³⁶

Universities themselves also differ significantly in scale, mission and capacity. Research-intensive universities with strong international orientations often possess specialist teams covering civic engagement and international partnerships. Smaller or specialist institutions may have fewer dedicated resources. The contribution universities make to international engagement therefore depends both on the maturity of local governance arrangements and on institutional capability. Effective regional strategies must recognise these differences and build on the complementary strengths that different institutions can offer.

These differences shape how effectively universities can contribute to regional growth and international engagement. Where universities operate within coherent strategic frameworks and alongside capable regional institutions, they are better positioned to align research strengths, skills provision and international networks with wider economic priorities. In practice, this is most visible in the growing role universities play in attracting investment, supporting innovation ecosystems and connecting regional economies to global markets.

UNIVERSITIES, INNOVATION AND INVESTMENT

Universities are increasingly central to attracting innovation-intensive investment into regions. Their importance lies not only in research excellence, but in the wider ecosystems they help create specialist talent, research infrastructure, commercialisation capability and collaborative networks.

According to the Higher Education Policy Institute, foreign investment linked to universities typically takes three forms: investment into physical innovation spaces, including science,

³⁴ Invest in Rochdale, *Greater Manchester partners sign agreement to further development plans of the SMCC in Atom Valley*, 2025. Available at <https://www.investinrochdale.co.uk/news/post/greater-manchester-partners-sign-agreement-to-further-develop-plans-of-the> [accessed on 10 April 2026].

³⁵ Yorkshire Universities, *Higher Education Compact to strengthen collaboration and driven regional growth*, 2025. Available at <https://yorkshireuniversities.ac.uk/2025/10/15/higher-education-compact-to-strengthen-collaboration-and-drive-regional-growth/> [accessed on 12 March 2026].

³⁶ Civic University Network, *How civic universities can support devolution across England*, 2025. Available at <https://civicuniversitynetwork.co.uk/wp-content/uploads/2025/11/How-Civic-Universities-Can-Support-Devolution-Across-England-Roundtable-Discussion-Summary-Note.pdf> [accessed on 10 April 2026].

innovation and enterprise parks and locations adjacent to research-intensive facilities; direct investment into the research base, such as funding for equipment, research activity and major research infrastructure; and investment linked to commercialisation, including equity investment, patient capital, licences and spinout companies. Universities support these activities by signalling that a region possesses the expertise, infrastructure and absorptive capacity required for innovation-led growth.³⁷

Research infrastructure plays a particularly important role. Laboratories, demonstrators, testbeds and specialist innovation centres act as visible markers of capability that can attract corporate R&D activity and strengthen local investment propositions. Universities also contribute through business support, commercialisation and the creation of new firms, helping regions build innovation ecosystems capable of competing internationally.

In areas with weaker devolved governance, universities often play an even more significant role by filling strategic and analytical gaps where local institutions lack specialist capacity. They may act as conveners, provide economic analysis, support inward-investment activity or help articulate comparative advantages to external partners and investors. The Invest in UK University R&D Midlands Campaign illustrates how universities can mobilise international networks to generate local economic value.

³⁷ Brown, A. *The role of universities in driving overseas investment into UK Research and Development*, Higher Education Policy Institute, 2023. Available at [The-role-of-universities-in-driving-overseas-investment-into-UK-Research-and-Development.pdf](#) [accessed on 12 April 2026].

INVEST IN UK UNIVERSITY R&D MIDLANDS CAMPAIGN

The Invest in UK University R&D Midlands Campaign demonstrates how universities can act collectively as place-based diplomatic and economic assets. Established in 2024 by Midlands Innovation and Midlands Enterprise Universities with support from local partners and the UK Government, following a successful pilot, the initiative seeks to attract international investment into research and development by engaging international investors with a co-ordinated regional proposition.³⁸

Bringing together 17 universities across the Midlands, the campaign was established in recognition that, while individual universities often struggle to meet the full requirements of major international investors, a regional consortium can offer the scale, expertise and connectivity needed to compete globally. The partnership showcases the Midlands as an integrated innovation ecosystem, highlighting opportunities across five sectors in which the region possesses significant research and commercial strengths. To support investor engagement, the campaign has established the UK's first university investment 'concierge service', providing a single point of entry for firms seeking to collaborate with Midlands universities.³⁹ The service connects investors to relevant research expertise, facilities, businesses and public sector partners, helping to overcome the challenge of navigating university's complex institutional landscapes.

A distinctive feature of the campaign is its use of international alumni networks to attract investment. Working alongside UK diplomatic posts overseas, participating universities identify and engage senior alumni in key sectors and markets, including Australia, Germany, Japan, Singapore, South Korea and the United States. Alumni are mobilised not only as ambassadors for their former institutions, but also as advisors and advocates who can help unlock commercial opportunities for the Midlands through their professional networks and sector expertise.

Supported by £1.5 million from the Government's International Science Partnerships Fund, the campaign has promoted a pipeline of university-led investment opportunities that could generate up to £13.5 billion GDV (Gross Development Value) and support approximately 11,000 jobs across the Midlands. Since its launch, it has undertaken a series of international delegations to Singapore, Paris, Boston, and South by Southwest (SXSW), generating investment leads and helping secure new partnerships, spin-out investment and research capital.

The campaign illustrates the potential of universities, strategic authorities and the UK Government to collaborate in pursuit of shared international objectives, and how 'knowledge diplomacy' can be oriented to support economic outcomes for English regions. By combining regional scale, institutional expertise, diplomatic networks and alumni relationships, it provides a practical model for how universities can contribute to trade promotion, inward investment and wider place-based international engagement.

³⁸ Brown, A. *The role of universities in driving overseas investment into UK Research and Development*, 2023.

³⁹ Midlands Innovation, *Mayors, Ministers and Midlands universities launch £3 million campaign to attract global R&D investment and drive economic growth*, 2024. Available at <https://midlandsinnovation.org.uk/latest/news/midlands-universities-launch-3m-campaign/> [accessed on 30 May 2026].

The significance of the Invest in UK University R&D Midlands Campaign lies in what it reveals about the changing role of universities within regional economies. Universities are increasingly expected to act not simply as providers of education and research, but as strategic intermediaries that connect local firms, public institutions and international markets.

Scale matters. Smaller regions may struggle to participate in global markets or attract major investment independently. This strengthens the case for pan-regional alliances able to pool assets, share capacity and present propositions at a scale more recognisable to international partners. Regional innovation partnerships, co-ordinated international missions and shared investment vehicles allow places to present stronger, more coherent propositions to investors and overseas partners while operating at a scale more legible internationally. Rather than competition between institutions, these arrangements seek to aggregate research strengths, commercialisation capacity and international networks across wider functional economic geographies and between multiple universities.

Emerging collaborations point in this direction, although sustaining such models requires resource and institutional commitment. The abolition of earlier pan-regional institutions, such as the Midlands Engine, removed one route through which smaller universities previously “piggybacked” on to participate in international promotion and trade activity. Interviewees highlighted the growing importance of collaboration from institutions such as Midlands Innovation and SETsquared, which amplify research and commercialisation impact through inter-university collaboration. Similarly, investment vehicles such as Midlands Mindforge and Northern Gritstone were cited as examples of regions attempting to secure and scale high-value investment more effectively by pooling research assets, venture expertise and institutional capital (Interviewee, 2026). These initiatives reflect a broader shift towards collective regional innovation capacity-building rather than fragmented institutional competition.

Collaboration across strategic authorities can also create economies of scale and strengthen the international visibility of regions. The 2025 compact between the East Midlands Combined County Authority (EMCCA) and the West Midlands Combined Authority (WMCA), for example, committed both authorities to collaborate on innovation-led growth and support partnerships between universities and industry.⁴⁰ Such arrangements demonstrate how universities can help underpin pan-regional economic strategies that are capable of competing more effectively for investment, talent and international partnerships. Universities therefore need to develop new collaborative inter-institutional and inter-regional models designed to operate at greater scale and co-ordinate regional innovation activity more effectively.

Interviewees nevertheless emphasised that institutional collaboration remains constrained by differing organisational cultures, incentives and understandings of universities’ economic role. Universities are still too often viewed primarily as teaching institutions rather than as strategic assets within innovation ecosystems. Different devolution contexts create varied, and sometimes competing, expectations of universities in sub-national diplomacy, from

⁴⁰ Midlands Innovation, *University innovation in the Midlands: a new era of commercialisation*, 2026. Available at <https://midlandsinnovation.org.uk/wp-content/uploads/2026/04/University-Innovation-in-the-Midlands-A-New-Era-of-Commercialisation.pdf> [accessed on 10 April 2026].

strategic leadership to technical delivery. This can limit how effectively civic leaders, businesses and policymakers integrate universities into wider growth and internationalisation strategies. Bridging this gap requires greater mutual understanding between universities, employers, local authorities and strategic authorities, alongside stronger mechanisms for shared planning and long-term partnership-building.

Achieving this will require more systematic regional and pan-regional co-ordination between research facilities, commercialisation offices, science parks, venture platforms and inward-investment agencies. It will also require stronger alignment between local growth priorities and national industrial, innovation and trade strategies, ensuring universities are fully integrated into broader economic and diplomatic objectives rather than operating at their margins.⁴¹

Universities are expected to work more collaboratively given complementary strengths as well as diverse local and global connections they can bring. Yet important questions remain around sustainability and capacity. In many places, universities' civic engagement and international activities continue to rely heavily on cross-subsidy from international student fee income, without dedicated or long-term funding streams. This creates vulnerabilities at a time of significant financial pressure across the higher education sector. If universities are expected to play a larger role in regional growth, innovation and sub-national diplomacy, they will require clearer incentives, more durable funding arrangements and stronger institutional partnerships with local and national governments. This calls for a clearer, more intentional "contract" around common outcomes between universities and devolved institutions. Whilst this will rely on local co-ordination and consensus, a national framework that unites universities, local and strategic authorities, businesses and communities together is required.

INTERNATIONAL PARTNERSHIP AND ALUMNI NETWORKS

Over the past two decades international student recruitment has become a core financial pillar of UK higher education.⁴² As a result, internationalisation has often been framed primarily through a revenue-generation lens rather than as part of a broader strategy for influence, innovation and regional development (Interviewee, 2025).

Heavy dependence on a relatively small number of source countries, combined with exposure to visa policy changes, geopolitical tensions and shifts in global demand, has left many institutions vulnerable to fluctuations in international recruitment.⁴³ Consequently, recruitment strategies are increasingly shaped by regulatory risk and market profitability, with universities often prioritising markets perceived as commercially attractive and less likely to

⁴¹ National Centre for Universities and Business, *Attracting international investment in research and development*, 2023. Available at <https://www.ncub.co.uk/wp-content/uploads/2021/07/Attracting-international-investment-in-Research-Development.pdf> [accessed on 4 April 2026].

⁴² Office for Students, *Financial stability of higher education providers in England*, 2024. Available at <https://www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2024/> [accessed on 10 April 2026].

⁴³ Richmond, T. *Degree of regulation: building a more financially sustainable and resilient higher education sector*, Higher Education Policy Institute, Debate Paper 45, 2026. Available at <https://www.hepi.ac.uk/reports/a-degree-of-regulation-building-a-more-financially-sustainable-and-resilient-higher-education-sector/> [accessed on 10 April 2026].

generate visa refusals (Interviewee, 2025). This transactional orientation can limit opportunities to develop wider civic, developmental and diplomatic objectives.

Recent policy developments suggest a gradual shift towards a broader conception of internationalisation. The updated UK International Education Strategy places greater emphasis on sustainably diversifying international recruitment while positioning inward and outward mobility as important to diplomacy, skills development and global influence.⁴⁴ This reflects a growing recognition that internationalisation is not solely about student recruitment, but about building long-term international relationships and institutional resilience.

Within this wider agenda, international students and alumni networks represent significant — though often underutilised — diplomatic assets. International students contribute immediate economic value to cities and regions, but their longer-term importance lies in the transnational relationships, reputational benefits and global networks they create. Their presence reinforces perceptions of places as outward-looking, internationally connected and culturally diverse.

Post-graduation, international alumni can become enduring sources of soft power, investment and international influence.⁴⁵ Many retain long-term personal and professional connections to the places where they studied, creating relationships that may later support trade, investment, research collaboration and market access. Alumni may become mentors, investors, corporate partners or gateways into strategically important organisations and overseas markets. As one interviewee observed, alumni networks can open doors that would otherwise remain inaccessible because educational ties generate familiarity, trust and goodwill (Interviewee, 2026).

Increasingly, universities and governments are seeking to mobilise these networks more strategically. A recent study found that more than 6,000 alumni from universities across the Midlands region founded over 7,000 innovation-rich, investment-eligible start-ups and scale-ups, illustrating how alumni networks can support both investment attraction and long-term regional economic dynamism.⁴⁶

Governments are also beginning to integrate higher education more explicitly into wider international and economic strategies. The Scottish Government's GlobalScot initiative, for example, connects international business leaders and experts with Scottish links in support of trade, investment and economic development.⁴⁷ Similarly, Scotland's 2024 International Education Strategy positioned universities and colleges as contributors not only to teaching and research, but also to international engagement, talent attraction and national reputation-building through the promotion of Scottish research expertise and the attraction of

⁴⁴ Department for Business and Trade, Department for Education and Foreign, Commonwealth and Development Office, The UK's International Education Strategy, 2026. Available at <https://www.gov.uk/government/publications/the-uks-international-education-strategy-2026> [accessed on 10 April 2026].

⁴⁵ Migration Advisory Committee, *International students*, 2018. Available at <https://www.gov.uk/government/publications/migration-advisory-committee-mac-report-international-students> [accessed on 10 April 2026].

⁴⁶ Midlands Innovation and Forging Ahead, *University innovation in the Midlands: a new era of commercialisation*, 2026. Available at <https://midlandsinnovation.org.uk/wp-content/uploads/2026/04/University-Innovation-in-the-Midlands-A-New-Era-of-Commercialisation.pdf> [accessed on 10 April 2026].

⁴⁷ Scottish Enterprise, GlobalScot Business Network. Available at <https://www.scottish-enterprise.com/how-we-can-help/business-strategy/globalscot-business-network> [accessed on 10 April 2026].

international students and staff.

Sub-national strategies elsewhere are beginning to adopt similar approaches. The London Growth Plan, for example, identifies international education as both a strategic export sector and a platform for global partnerships, inward investment and international influence.⁴⁸ These approaches increasingly recognise universities not simply as education providers, but as internationally connected civic institutions capable of supporting economic diplomacy, place branding and long-term global engagement.

⁴⁸ GLA, *London Growth Plan*, 2025.

GLOBALSCOT: SCOTLAND'S INTERNATIONAL BUSINESS NETWORK

For 25 years, GlobalScot has connected Scottish companies with an influential international network of businesses, entrepreneurs and sector specialists with a connection to Scotland. Managed by Scottish Enterprise, the network helps those companies expand internationally, access expertise, attract investment and strengthen Scotland's international standing.

GlobalScot members volunteer their time, expertise and networks free of charge and the network includes more than 1,300 GlobalScots located across the world. It was created to harness the power of Scotland's international business community in response to challenges many Scottish businesses face when attempting to internationalise. Companies often have limited understanding of overseas markets and struggle to access trusted networks, local intelligence and decision-makers abroad. Over time, the remit of GlobalScot has expanded and Scotland has also leveraged the power of GlobalScot to attract inward investment, support scaling companies and bring international perspectives into economic development and policymaking.

GlobalScot was designed as a relationship-based model. GlobalScots provide advice, mentoring, connections and local intelligence and overseas market insight. They help Scottish businesses understand commercial opportunities, market conditions and customer expectations. Their international networks allow them to make introductions to investors, customers and strategic partners while also supporting trade delegations and international missions.

Every company registered in Scotland is eligible to register for free GlobalScot support, and this is primarily accessed through an online platform, where users can search for and engage directly with relevant GlobalScots. Regional groups of GlobalScots, known as 'chapters', have also developed organically in key international markets and are leveraged by Scotland's economic development agencies and Scottish Government for strategic impact. For example, GlobalScots in the Middle East have built strong connections around the energy sector, while a new chapter in Boston has strengthened links within life sciences and biotechnology.

Significant value has been generated through the programme, including export growth, inward investment opportunities and stronger international connections for Scottish businesses. However, much of GlobalScot's impact is less visible, including improved decision-making and enhanced confidence, given the access to trusted international expertise and the 'safe space' provided by GlobalScot to test ideas and strategies.

GlobalScot demonstrates how relationship-driven networks can support economic development by combining global expertise, local insight and a shared commitment to Scotland's long-term success.

The increasing importance of alumni networks raises wider questions about how universities, local partners and national government mobilise long-term international relationships more

strategically. Although many universities maintain extensive global alumni communities, these networks are often used primarily for fundraising, recruitment or institutional engagement rather than as part of wider place-based economic and diplomatic strategies. Yet alumni frequently occupy influential positions within business, government, academia and investment communities, providing trusted routes into overseas markets and institutions that are difficult to replicate through formal engagement alone.

There is therefore a strong case for integrating alumni networks more systematically into both the UK Government's wider soft power agenda and within place-based economic strategies. The forthcoming Soft Power Strategy provides a clear opportunity to do so. Drawing on models such as GlobalScot, universities, strategic authorities and UK Government should work collaboratively to identify how alumni networks can best support trade promotion, inward investment, tourism, research collaboration and international influence. This should include piloting alumni programmes, supported by catalytic funding from the UK Government that could unlock significant matched investment from universities and their partners.

At the sub-regional level, alumni networks should be embedded within Local Growth Plans, incorporated into international engagement strategies and mobilised through university partnerships and consortia. Existing models, such as the Invest in UK University R&D Midlands Campaign — a coalition of 17 universities working collectively to attract inward investment — demonstrate the potential of co-ordinated action at scale. Similar approaches could be pursued through established place-based membership organisations such as London Higher. Universities and their consortia should also collaborate with fora such as the Midlands Compact or Great North, which bring together strategic authorities. Structured partnerships of this kind would help convert long-standing alumni goodwill toward universities into more tangible economic and diplomatic outcomes for cities and regions.

THE WAY FORWARD

Universities are among the most internationally connected institutions within England's cities and regions, combining global reach with deep local roots. Through their research partnerships, international students, alumni networks and industry relationships, they possess diplomatic assets that few other regional institutions can match.

As competition for investment, talent and innovation intensifies, these assets will become increasingly important. Yet universities cannot realise their full potential in isolation. Their contribution depends upon the ability of places to align institutions behind shared priorities and build long-term partnerships across local, regional and national scales. Successful co-ordination between universities, strategic authorities, businesses and civic institutions will better position them to attract investment and build enduring international relationships.

The challenge, therefore, is to integrate universities more systematically into wider strategies for growth, innovation and international engagement by creating the conditions for universities to participate fully in international engagement. While a number of successful models already exist — from graduate export schemes and alumni-led trade support to

university-led investment promotion campaigns — these initiatives remain fragmented and unevenly distributed.

To address this, the Government should launch a targeted cross-Whitehall review, led by the Education Sector Action Group, to examine how policy, funding and institutional incentives can better support universities to contribute to trade promotion, investment attraction, tourism and international partnerships.

The review should identify how to scale proven approaches, including placing international graduates in export-focused SMEs, mobilising alumni and diaspora networks to support trade and investment, expanding university-led investment promotion campaigns, and strengthening partnerships between universities and tourism agencies. It should draw on successful models such as Northern Ireland's Graduate to Export Scheme, Scotland's GlobalScot programme and the Invest in the UK University Midlands campaign, examining how similar approaches could be adapted and expanded across England. By strengthening collaboration between universities, strategic authorities and national government, the review should help embed universities more firmly within the UK's international engagement infrastructure and recognise them as strategic partners in delivering growth.

IV. UNDERSTAND AND MOBILISE: DIPLOMATIC ASSETS

- England cities and city-regions possess significant diplomatic assets but they are often inconsistently co-ordinated and not aligned to shared international objectives.
- The Commission identifies five categories of diplomatic assets — institutional, economic, cultural, knowledge and diplomatic. They provide a practical framework to help places assess strengths, identify gaps and align international engagement with economic priorities.
- The Midlands illustrates both the scale of England's international potential and the structural barriers that continue to constrain it. Despite its globally competitive industries, universities, cultural assets, and international networks, fragmented governance and limited institutional capacity weaken the region's ability to act strategically and maximise international impact.
- Universities, diaspora communities, cultural institutions and sporting assets are increasingly important instruments of sub-national diplomacy, creating channels for trade, investment, innovation, talent attraction and soft power beyond formal relationships held by strategic and local authorities.

Places across England possess substantial diplomatic assets. Many cities and city-regions already engage internationally through trade missions, investment promotion, university partnerships, cultural exchange and participation in global networks. Collectively, these activities demonstrate that England's places are far more internationally connected and capable than is often recognised.

Yet these strengths are not always fully co-ordinated or strategically aligned. International activity frequently develops organically across institutions, sectors and communities rather than through a shared framework for engagement. As a result, places do not consistently present a coherent international offer or maximise the collective value of their economic, cultural and institutional strengths.

A central challenge is that England lacks a clear understanding of its diplomatic assets. In practice, the assets that shape international engagement extend far beyond formal diplomatic relationships. They include major employers, universities, cultural institutions, sporting assets, diaspora communities and the institutional capacity required to co-ordinate activity effectively.

International experience, particularly in the United States, has sought to address this challenge by conceptualising sub-national diplomacy through a set of broad asset categories: economic, cultural, innovation, relational and institutional.⁴⁹ Drawing on this approach, the Commission identifies five categories of diplomatic assets relevant to

⁴⁹ Melbourne Centre for Cities et al. *Global engagement, local benefits: a strategic subnational diplomacy toolkit for city, state and local leaders*, 2025. Available at https://www.unimelb.edu.au/_data/assets/pdf_file/0004/5338534/Subnational-Diplomacy-Toolkit-Full-Report-July-2025.pdf [accessed on 5 March 2026].

England's institutional and economic context. This provides a diagnostic tool that enables places to assess their strengths, identify gaps and align their international activity more clearly with strategic objectives.

Institutional

The capacity, capability and co-ordination of institutions engaged in international activity, including the existing workforce, governance arrangements and their maturity, and the mechanisms for collaboration.

Economic

The sectoral strengths, major employers and investment prospects that underpin the appeal of a city or city-region. This includes Chambers of Commerce, business membership organisations and regeneration vehicles such as growth companies, mayoral development corporations, freeports, AI growth zones and industrial strategy zones.

Cultural

The cultural, sporting and heritage assets that shape identity and soft power. They include sports from football and rugby to snooker and Kabaddi and cultural institutions including museums, film studios and venues that regularly host large-scale competitive events.

Knowledge

The universities, colleges, research institutions and innovation ecosystems that shape a place's intellectual strengths. This includes the scale and quality of higher education provision, specialist research and knowledge-intensive capabilities and partnerships between academia, business and the public sector.

Diplomatic

Formal and informal international relationships, including twinning arrangements, MoUs, diasporic networks, overseas offices and consulates in cities and city-regions across England.

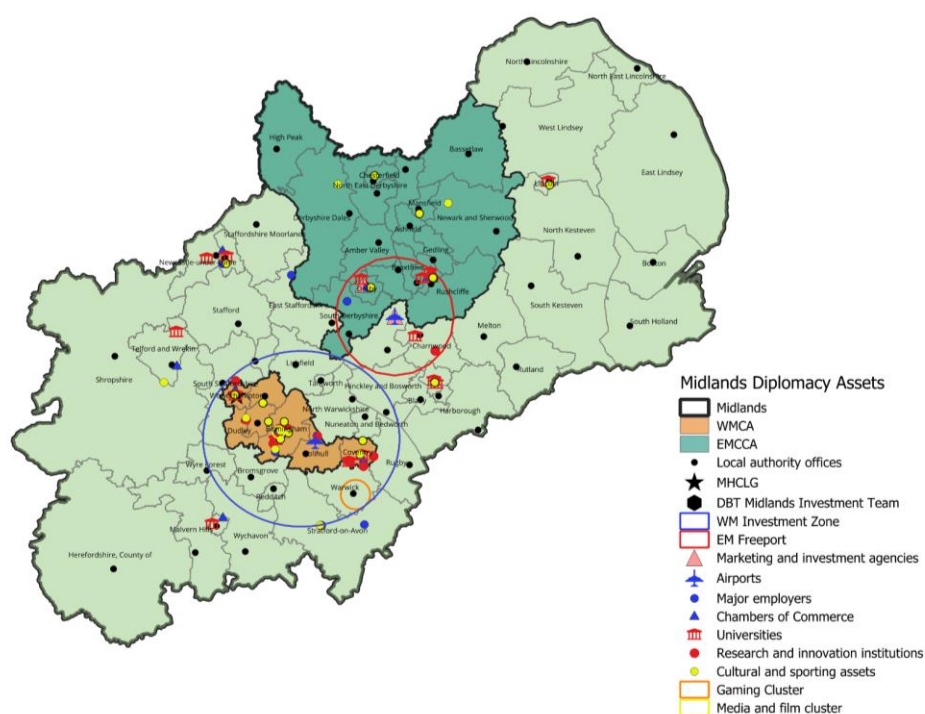
These categories provide a structured approach through which places can identify and align the assets that support international engagement. The Midlands provides a useful case study of the scale of England's international potential and the opportunities that stronger co-ordination could unlock. The region combines globally competitive industries, internationally connected universities, significant cultural and sporting assets and extensive international relationships. Individually, these assets are considerable; collectively, they provide the foundations for a more confident and strategic model of sub-national diplomacy.

1. INSTITUTIONAL

The Midlands has a complex and fragmented institutional landscape for international engagement. Until its closure in 2025, the Midlands Engine provided a government-backed platform for promoting the region internationally. Responsibility has since become more dispersed, with strategic leadership increasingly exercised by the East Midlands Combined County Authority (EMCCA) and the WMCA, alongside delivery bodies such as the West

Midlands Growth Company, East Midlands Freeport and Invest East Midlands. While this reflects growing institutional capacity and ambition, the number of organisations involved in international economic development can create duplication, increase transaction costs for external partners, and make the region's international offer more difficult to navigate.

Figure I: Snapshot of diplomacy assets across the Midlands



Source: Authors' analysis

The Midlands' international engagement infrastructure is also relatively limited for a region of its economic scale. Responsibility for attracting investment is spread across a small number of staff — which the Midlands Engine estimates at 82 — while DBT maintains only a modest regional presence amid wider civil service reductions. By comparison, Scotland, Wales and Northern Ireland benefit from more developed infrastructure for international engagement, despite their economies being comparable to the Midlands.

Some institutions retain relatively mature international functions built over many decades, as the case study of Birmingham City Council illustrates. Other local authorities such as Warwick District Council told the Commission that they have no dedicated capacity. While many authorities continue to maintain Sister City and Twinning relationships primarily for civic and ceremonial purposes, these partnerships could play a much more strategic role in supporting trade, investment, research collaboration and cultural exchange. Across the Midlands, the Commission's analysis identified 256 Sister City, Twinning or MoU arrangements across 47 countries.⁵⁰

There is also significant variation between the strategic authorities. The West Midlands Growth Company provides a horizontal and integrated economic function on behalf of the

⁵⁰ See footnote 10.

strategic authority and constituent members and has a strong track-record of promoting economic opportunity, including attracting FDI, but it only covers the WMCA geography. As a result, the EMCCA, as well as counties such as Staffordshire and Warwickshire, have significantly less capability and capacity. This pattern is not unique to the Midlands.



BIRMINGHAM CITY COUNCIL

Birmingham City Council illustrates both the strengths and limitations of local institutional capacity for sub-national diplomacy. The city has maintained an international outlook for more than four decades, supported by long-standing partnerships, participation in multilateral networks and sustained international engagement. Its European and International Affairs Office, established in the 1980s, helped strengthen Birmingham's relationships across Europe, while the city became a founding member of Eurocities in 1986 and established a permanent presence in Brussels to support diplomatic, cultural and economic engagement (Interviewee, 2026). Central to this effort was Sir Albert Bore, who served as a Birmingham City councillor for 45 years and later became President of the European Union's Committee of the Regions, playing a leading role in shaping and championing Birmingham's international ambitions.

The city has developed 11 formal Sister City partnerships, beginning with Lyon in 1951, alongside relationships with Chinese cities including Guangzhou and Nanjing.⁵¹ These ties have been reinforced through agreements such as the 2002 MoU with Johannesburg and the 2017 partnership agreement with Mirpur, renewed in 2022.⁵² Birmingham has also participated in international programmes including the Milan Urban Food Policy Pact, the Horizon 2020 Food Trails project, Eurocities collaboration with Leipzig, and the UK–Korea Innovation Twins Programme through its partnership with Ulsan.⁵³

Birmingham frames its international strategy as city-wide, involving universities, cultural institutions and businesses in international activity. However, this sits within a fragmented regional structure. The WMCA lacks a dedicated international team, while the West Midlands Growth Company focuses mainly on inward investment rather than wider diplomatic or cultural engagement.

PRIORITIES

Birmingham's international activity has evolved organically rather than through a long-term strategy. Partnerships have emerged from historical events, economic change, diaspora links and innovation initiatives. The relationship with Leipzig emerged after the fall of the Berlin Wall, with Birmingham supporting post-unification redevelopment. Mirpur grew from diaspora connections; and links with Guangzhou and Nanjing gained importance after the collapse of MG Rover and subsequent Chinese investment at Longbridge.

Since Brexit, Birmingham has maintained its Brussels office to signal continued European engagement. The city also adopted a pragmatic approach towards China, slowing engagement during periods of diplomatic tension while preserving university, student and investment links. By contrast, relations with Russia were severed immediately after the

⁵¹ Distinctly Birmingham, *Our sister cities*, 2026. Available at <https://distinctlybirmingham.com/sister-cities/> [accessed 15 April 2026].

⁵² Birmingham City Council, *Lord Mayor preparing for civic visit to Pakistan*, 2022. Available at <https://www.birmingham.gov.uk/blog/birmingham-blog/post/1044/lord-mayor-preparing-for-civic-visit-to-pakistan> [accessed 15 April 2026].

⁵³ Distinctly Birmingham, *Strategic projects*, 2026. Available at <https://distinctlybirmingham.com/strategic-projects/> [accessed 15 April 2026].

invasion of Ukraine. These examples illustrate the need to adapt and to exercise strong judgement in response to geopolitical disruption.

Current priorities are increasingly focused on innovation and economic development, particularly through partnerships with Ulsan, Changchun, Leipzig and Lyon in advanced manufacturing, digital technologies and inward investment. Culture-led regeneration is also an important pillar of Birmingham's international activity, exemplified in Frankfurt Christmas Market, which has operated for more than 25 years and emerged from Birmingham's twinning relationship with Frankfurt. More recently, a partnership with Zaporizhzhia in Ukraine has reflected humanitarian priorities, supporting collaboration on health, education and assistance for displaced communities. Universities underpin many of these relationships through research, innovation, sustainability and educational collaboration.

However, Birmingham's international capacity has declined significantly, with the international team reduced by more than half over the past two decades. This contraction has limited the city's ability to expand its international partnerships and reinforced perceptions within the authority that central government undervalues cities as international actors. Despite these constraints, key relationships remain strategically important. China continues to matter to the University of Birmingham through student recruitment, research collaboration and joint institutes. Europe remains Birmingham's principal region for trade and investment, while North America retains importance through transatlantic business links and the longstanding relationship with Chicago.

SOFT POWER AND INFORMAL NETWORKS

Soft power is central to Birmingham's approach and is pursued through a city-wide model rather than a council-only strategy. The International Affairs team acts as a broker between universities, cultural institutions, businesses and civic organisations.

The University of Birmingham has a particularly important role to play, especially through initiatives such as the China Institute and university-led international delegations. Higher education is especially significant in Birmingham's engagement with China, where academic partnerships underpin wider civic and cultural relationships. The effectiveness of the city's soft power therefore depends heavily on strong cross-institutional relationships, even where institutional priorities are not perfectly aligned.

Informal networks are also highly significant. During a review of its international strategy, Birmingham identified informal links with more than 100 places worldwide through professional relationships, projects and multi-city collaborations, despite having only 11 formal partnerships. These flexible networks considerably extend Birmingham's international reach beyond its formal agreements.

2. ECONOMIC

The Midlands has globally competitive economic strengths, particularly in advanced manufacturing, automotive production, engineering and low-carbon technologies. Major employers such as Jaguar Land Rover, Rolls-Royce and JCB anchor extensive supply chains, while innovation assets such as the UK Battery Industrialisation Centre and Warwick Manufacturing Group support the region's transition to renewables.

Alongside these industrial strengths, the Midlands is developing growing capabilities in life sciences, medical technologies and digital healthcare across the Birmingham Health Innovation Campus, Birmingham Knowledge Quarter and elsewhere. The EMCCA and WMCA also oversee a Freeport and Investment Zone between them, reinforcing the region's nationally significant growth sectors.

The Midlands also performs reasonably well in attracting FDI, particularly in the West Midlands. The United States is the largest source of inward investment, accounting for around one-fifth of projects. European investors remain highly significant, with approximately 45 per cent of FDI projects between 2019 and 2022 originating from EU countries, reflecting deeply embedded supply chain relationships.⁵⁴ The region's export profile is similarly concentrated in high-value manufacturing sectors: machinery and transport equipment — including automotive and aerospace — account for over 60 per cent of goods exports, alongside substantial exports in pharmaceuticals and medical technologies.⁵⁵ The East Midlands pharmaceutical cluster alone produces approximately 30 per cent of the UK's medicines, positioning it as a critical node in global healthcare supply chains.

Yet these assets are not mobilised strategically. Trade, investment, innovation and academic collaboration are often pursued in parallel rather than as part of a coherent international offer, reducing their cumulative impact. This weakness is partly reflected in recent export performance. Midlands goods exports fell by approximately 13 per cent between 2019 and 2022 — the largest decline of any UK region — with particularly sharp reductions in non-EU markets following Brexit-related trade frictions. Firms have adapted pragmatically, including by establishing subsidiaries within EU member states to preserve market access. But these firm-level responses underline the absence of a co-ordinated, place-based approach to international economic engagement.

There are, however, signs of emerging strategic intent. The EMCCA has set out an ambition in its Local Growth Plan to increase export-oriented growth from £26.5 billion to £63 billion over the next decade, equivalent to annual growth of around nine per cent.⁵⁶ It has identified priority markets including the United States, Germany and Japan, which broadly align with the Midlands' existing inward investment profile.

⁵⁴ EY, *UK Attractiveness Survey*, 2025

⁵⁵ Midlands Engine Observatory, *Midlands Engine Observatory Insights: International Trade*, 2024. Available at <https://midlandsendineobservatory.org/wp-content/uploads/2024/04/Midlands-Engine-International-Trade-Summary-Insights.pdf> [accessed 15 April 2026].

⁵⁶ East Midlands Combined County Authority, *East Midlands Growth Plan*, 2025. Available at https://www.eastmidlands-cca.gov.uk/content/uploads/2025/10/East_Midlands_Growth_Plan_Launch_Version-1-1.pdf.pdf [accessed 15 April 2026].

The region also benefits from international relationships that are not always captured in formal economic strategies. Diaspora communities can act as important commercial, cultural and diplomatic bridges into global markets. In the Midlands, the region's large population of households with Indian heritage has helped create a strong "living bridge" with India, supporting trade, investment, educational links and business networks. Local expertise and relationships also informed aspects of the UK–India Free Trade Agreement reached in 2025, demonstrating the strategic value of diasporic connections in shaping international engagement.

Taken together, the Midlands presents a compelling but under-leveraged economic proposition, combining globally competitive sectors and strong international relationships underpinned by diasporic ties. However, these economic strengths are not yet consistently aligned or mobilised behind a shared international strategy.

3. CULTURE, SPORT AND HERITAGE

Cultural, sporting and heritage assets are central to how cities and regions are perceived overseas and can be powerful tools for attracting visitors, investment, talent and institutional partnerships.

The region possesses a rich and internationally recognisable set of assets. Stratford-upon-Avon remains globally associated with William Shakespeare, while Sherwood Forest continues to project the enduring legend of Robin Hood. Coventry's year as UK City of Culture in 2021 and Birmingham's hosting of the 2022 Commonwealth Games both raised the international profile of the region. Contemporary cultural exports, including *Peaky Blinders* and the global reputation of Nottingham-born designer Paul Smith, further reinforce the Midlands' distinct identity. These assets help the region tell a more compelling international story, counterbalancing the dominance of London within perceptions of the UK.

Major events can be particularly valuable when used strategically. While the Birmingham 2022 Commonwealth Games generated immediate economic benefits, its longer-term value lies in the relationships and platforms it creates. The developing relationship between the West Midlands and Ahmedabad, host city of the 2030 Commonwealth Games, demonstrates how sporting events catalyse sustained diplomatic and commercial engagement through trade missions, policy exchange and institutional collaboration.⁵⁷

The Midlands' industrial heritage also carries international weight. Derbyshire's silk and textile industries, Coventry's role in the early automotive sector and the Black Country's historic iron and coal industries all contributed to the development of the modern industrial economy. Yet heritage assets only become effective instruments of international positioning when they are integrated into a coherent narrative about the region's contemporary strengths and future ambitions. As one interviewee observed, there is an important distinction between institutions of national importance and those that can be actively leveraged for international engagement (Interviewee, 2026).

⁵⁷ Invest West Midlands, *The West Midlands leads strategic trade mission to India to build on UK–India Free Trade Agreement*, 2026. Available at <https://www.investwestmidlands.com/news/2026/02/23/west-midlands-leads-strategic-trade-mission-to-india/> [accessed 15 April 2026].

Alongside this heritage, the Midlands has significant strengths in the creative industries. Birmingham's media and film cluster has generated thousands of jobs and supported a dynamic ecosystem of spin-outs, start-ups and scale-ups, backed by organisations such as British Film Institute. Meanwhile, Leamington Spa has emerged as one of the UK's leading gaming clusters, accounting for around 10 per cent of the national video games industry and hosting major firms including Sega and Ubisoft.⁵⁸ These strengths align closely with the Government's industrial strategy priorities and provide strong foundations for international investment and collaboration.

Sport represents another important asset for international engagement in the Midlands. The Mayor of the East Midlands, Claire Ward, described Nottingham as the "city of sport" and the proposed Trent Sports District is expected to become a major driver of economic growth for both Nottingham and the East Midlands, building on internationally recognised venues such as Trent Bridge Cricket Ground, the National Water Sports Centre and the City Ground, home of Nottingham Forest.⁵⁹ More broadly, clubs such as Nottingham Forest, Stoke City and Birmingham City are central to local identity while also enjoying significant international reach and fanbases. As sport has become increasingly globalised, clubs and sporting institutions have evolved into platforms for economic promotion, cultural exchange and international engagement.

Global ownership structures reinforce these connections. Evangelos Marinakis' investment in Nottingham Forest and Tom Brady's involvement with Birmingham City demonstrate how international sporting investment can open wider economic and diplomatic relationships. Brady's NFL profile is particularly notable in this regard. In London, NFL fixtures hosted at Tottenham Hotspur Stadium have provided opportunities for high-level political engagement between the Mayor of Chicago and Mayor of London when the Chicago Bears visit the city.⁶⁰ As Birmingham City's international profile grows, similar opportunities may emerge for Birmingham and the wider Midlands to leverage sport as a platform for high-level international engagement and relationship-building.

More broadly, culture and sport provide effective convening platforms for sub-national diplomacy. Events hosted at venues such as Edgbaston Cricket Ground — home to Warwickshire County Cricket Club — demonstrate how sporting settings can support economic diplomacy and investment promotion. The Regional Investment Summit held at Edgbaston generated £1 billion in private investment, including from international investors, illustrating the tangible economic value these assets can create when strategically deployed.⁶¹

⁵⁸ Leamington Observer, *Leamington Spa is a major catalyst for the UK gaming sector*, 2022. Available at <https://leamingtonobserver.co.uk/lifestyle/leamington-spa-is-a-major-catalyst-for-the-uk-gaming-sector/> [accessed 15 April 2026].

⁵⁹ East Midlands Combined County Authority, *Trent Sports District set to drive growth across the East Midlands*, 2026. Available at <https://www.eastmidlands-cca.gov.uk/news/trent-sports-district/> [accessed 20 May 2026].

⁶⁰ ABC7 Chicago, *Chicago Mayor Brandon Johnson traveling to England as Bears take on Jaguars in London later this month*, 2024. Available at <https://abc7chicago.com/post/chicago-mayor-brandon-johnson-traveling-england-bears-take-jaguars-london-later-month/15392929/> [Accessed 15 April 2026].

⁶¹ DBT, HMT and Office for Investment, *Regional Investment Summit delivers almost a thousand jobs for UK communities*, 2025. Available at <https://www.gov.uk/government/news/regional-investment-summit-delivers-almost-a-thousand-jobs-for-uk-communities> [accessed 15 April 2026].

Taken together, the Midlands' cultural, sporting and heritage assets constitute a significant but underdeveloped component of its diplomatic toolkit. Realising their full potential will require a more deliberate approach — one that integrates these assets further into international strategies and actively leverages them to build long-term global relationships.

4. KNOWLEDGE

Universities are among the Midlands' most important international assets. Institutions such as the universities of Birmingham, Warwick and Nottingham are major employers and anchor institutions in their own right, playing a central role in research, innovation, skills development and regional economic growth. Collectively, the region's universities combine global reach, research excellence, talent generation and convening power in ways few other institutions can match. Increasingly, they are beginning to operate not simply as individual organisations, but as part of a more co-ordinated consortia to promote regional growth and international engagement.

This matters because collaboration enables universities to present the Midlands at a scale that resonates with multinational firms, global investors and international research partners. Rather than promoting fragmented institutional strengths, universities are increasingly able to articulate a shared regional proposition — demonstrating depth across multiple sectors, a strong pipeline of talent and innovation, and credible routes from research to commercialisation. This strengthens the Midlands' ability to compete internationally for investment, talent and partnerships.

The Midlands possesses internationally competitive strengths across artificial intelligence, advanced manufacturing, clean energy, life sciences and digital technologies. These capabilities underpin export potential and inward investment opportunities while supporting the development of globally recognised innovation clusters. Institutions and partnerships such as Warwick Manufacturing Group, Energy Systems Catapult, Medilink Midlands, the Midlands Aerospace Alliance, Biodiscovery Institute and the West Midlands Academic Health Science Network provide much of the infrastructure that connects research excellence with industrial application and international collaboration.

These strengths are reinforced by a wider ecosystem of incubators, accelerators and innovation spaces. Initiatives such as STEAMhouse in Birmingham, Serendip, BioHub Birmingham, the Black Country Innovative Manufacturing Organisation and the 5G Application Accelerator support the commercialisation of research and the growth of high-value firms. Office and event spaces including Bruntwood SciTech, the Custard Factory and WeWork further contribute to the physical infrastructure needed to attract investment, support scale-ups and foster innovation-led growth.

There is growing evidence that more collaborative approaches can generate tangible economic outcomes. International firms have increasingly co-located on university campuses across the Midlands, embedding global employers within local labour markets. Collaborative activity has also helped unlock early-stage investment into university spin-outs and research-intensive businesses, including through Midlands Mindforge, an investment vehicle designed to scale innovation emerging from Midlands institutions.

Alongside their economic role, universities also act as important diplomatic actors. Their international alumni networks, overseas campuses and research partnerships create channels through which investment, talent and knowledge flow into the Midlands. The University of Birmingham's Dubai campus and the University of Nottingham's campuses in Malaysia and China extend the region's global reach far beyond the UK. While these campuses are often viewed internally as sources of financial resilience and student recruitment, there is increasing recognition that they can also support wider regional objectives through trade promotion, innovation partnerships and long-term international relationship-building.

This reflects a broader shift in how universities contribute to sub-national diplomacy. They are no longer solely centres of education and research; they are increasingly acting as convenors, investors and brokers of international relationships. Their value lies in their ability to translate globally recognised research excellence into locally rooted economic growth and international influence.

However, this role is not without tension. Universities across the Midlands vary significantly in scale, capability and international reach, resulting in uneven capacities to engage in sub-national diplomacy. International relationships are also distributed unevenly within institutions, ranging from individual academic collaborations to large-scale institutional partnerships and overseas campuses. At the same time, financial pressures across the higher education sector continue to shape institutional priorities. While some university leaders see civic engagement and internationalisation as mutually reinforcing, others remain focused primarily on attracting overseas students and securing institutional income. There remains scepticism in parts of the sector about the extent to which universities should play a direct role in regional economic development where this does not clearly support their own long-term sustainability.

That said, the Midlands' universities and wider knowledge assets represent one of the region's strongest foundations for international engagement. Where institutions collaborate effectively, they provide the Midlands with a powerful combination of global reach and research excellence.

5. DIPLOMATIC

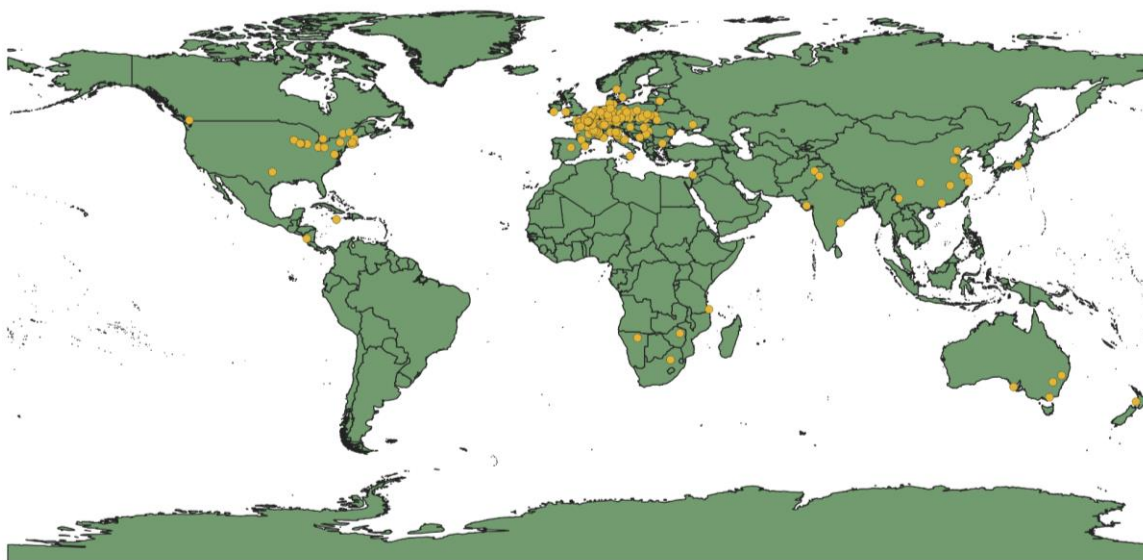
The Commission adopts a broad definition of "diplomatic assets". It includes not only formal state diplomacy, but the wider network of international relationships held by sub-national institutions. These relationships are primarily political, institutional or civic in nature and include twinning arrangements, sister-city partnerships, memoranda of understanding, overseas offices, participation in international networks and the presence of foreign diplomatic representation within the region.

Across the Midlands, these assets take a variety of forms. The presence of the Consulate General of India in Birmingham reflects the region's strong relationship with one of the UK's most important trading partners and the significance of its Indian diaspora communities. Local authorities have also developed their own international footprints. Birmingham City Council, for example, has maintained a Brussels office since 1986, helping secure European funding and sustain engagement with EU institutions over several decades. Elsewhere,

international engagement has emerged through major employers and industrial supply chains. In Derbyshire, the Toyota City Partnership Board — bringing together local authorities, Derby County F.C., the Chamber of Commerce and regional partners — illustrates how long-term economic relationships can anchor sustained international collaboration.

The Midlands also possesses an extensive network of town twinning and sister-city relationships. Many were established during the post-war period and rooted in reconciliation, solidarity and civic exchange, while others emerged through initiatives such as the 1972 Rippon Programme ahead of UK accession to the European Community. Today, cities and towns across the region maintain links with partners across Europe, Asia, Africa and North America.

Figure II: The international relationships held by local authorities in the Midlands



Source: Authors' analysis of data on twinning arrangements

These relationships retain important symbolic, civic and cultural value. However, many were not originally designed around contemporary economic priorities and have not always evolved to reflect them. Across England, the Commission found that international partnerships often remain ad hoc, weakly co-ordinated and insufficiently connected to sectoral strengths or growth strategies.

Interviewees also highlighted a tendency for places to pursue relationships with internationally prominent cities without a clear understanding of their own comparative advantages or the complementarities they share with prospective partners. This can weaken the durability of partnerships and create unnecessary competition between UK places for the same investment, attention and political capital.

The WMCA has adopted a more strategic approach. Its international strategy identifies a set of “nearest match” neighbours as the basis for deeper co-operation and mutual learning. These include Lille, Greater Porto, Saxony and Lombardy, alongside potential future

partners such as Guadalajara or Monterrey in Mexico and Sapporo or Okayama in Japan. While not all of these relationships are formally institutionalised, the approach is notable because it grounds international engagement in economic structure, industrial capability and shared policy challenges. In this model, international relationships are treated less as symbolic gestures and more as instruments of economic development, innovation and policy collaboration.

By contrast, international engagement in the East Midlands remains more fragmented and largely city-led. Nottingham, Leicester, Derby and Northampton each maintain their own portfolio of international partnerships and twinning arrangements. Nottingham's links include Ghent, Harare, Karlsruhe, Ljubljana, Minsk, Ningbo and Timișoara. Leicester maintains relationships with Chongqing, Krefeld, Rajkot, Haskovo, Strasbourg and Masaya, while Derby partners with Osnabrück and Toyota City, and Northampton with Poitiers and Marburg. Although many of these connections are longstanding and valuable, they are not co-ordinated strategically at the regional level and do not collectively articulate a coherent international proposition for the East Midlands.

The Midlands also participates in wider city networks and multilateral forums. Birmingham, for example, is a founding member of Eurocities, which represents more than 200 major cities and provides a platform for collaboration on issues such as climate change, innovation and urban development. The WMCA was also runner-up in the European Innovation Capital Award, reflecting growing international recognition of the region's innovation ecosystem. Participation in these networks allows cities and city-regions to amplify their international voice and influence, particularly in policy areas where urban actors increasingly play a leading role. However, access to some high-profile global networks remains constrained. Due to eligibility criteria linked to population size and emissions thresholds, neither WMCA nor EMCCA are currently eligible to join C40 Cities.

THE MIDLANDS' POTENTIAL

The Midlands possesses many of the assets associated with successful sub-national diplomatic actors internationally. Its globally competitive industries, internationally connected universities, cultural and sporting profile, diaspora communities and extensive international relationships together provide a substantial platform for global engagement. Individually, these assets are significant; collectively, they position the Midlands as one of England's most internationally capable regions outside London.

The Commission's analysis demonstrates that the central challenge is not the absence of diplomatic assets, but their fragmentation. International engagement across the Midlands has largely evolved organically through institutions, sectors and local relationships rather than through a coherent regional framework. Economic promotion, university partnerships, cultural engagement, trade activity and civic diplomacy are often pursued in parallel, with limited strategic alignment between them. As a result, the region does not consistently articulate a shared international proposition or maximise the cumulative value of its assets.

This fragmentation has practical consequences. It weakens the visibility and coherence of the Midlands internationally, creates duplication across institutions and reduces the region's

ability to compete effectively for investment, talent and influence. In some cases, relationships remain symbolic or ceremonial despite the potential for deeper economic and strategic collaboration. Elsewhere, internationally significant assets — including diaspora networks, sporting institutions and universities — are insufficiently integrated into wider approaches to economic development and international engagement.

At the same time, the analysis also points towards a significant strategic opportunity. The Midlands already possesses many of the foundations required for a more mature model of sub-national diplomacy. Emerging collaboration through the Compact Agreement offers an opportunity for a more integrated approach to international engagement.

The next stage of sub-national diplomacy in the Midlands will depend less on building or investing in new assets than on aligning and mobilising existing ones around a shared international purpose. This will require clearer regional prioritisation, stronger institutional co-ordination and a more deliberate approach to connecting economic, cultural, knowledge and diplomatic assets into a coherent international strategy. If achieved, the Midlands would be well placed to strengthen its global visibility, attract greater investment and exercise greater influence internationally.

V. UNLOCKING THE POTENTIAL OF INTERNATIONAL ENGAGEMENT

- Stronger co-ordination between Whitehall and local institutions could enable a more coherent and strategically aligned approach to sub-national diplomacy, ensuring places are supported rather than constrained in their international engagement.
- England's cities and city-regions are beginning to build dedicated international capability, but further investment in institutional capacity will be needed to embed sub-national diplomacy as a sustained function of place leadership.
- Better data, analytical capability and comparative evidence would allow places to identify distinctive competitive advantages more clearly, strengthen targeting and reduce unnecessary competition between city-regions.
- A clearer national framework for managing geopolitical, security, commercial and institutional risks would enable local actors to engage internationally with greater confidence, consistency and strategic clarity.
- Realising the full potential of sub-national diplomacy will require a more coherent national architecture, including a Devolved Diplomacy Unit, an International Growth Fund, regional Trade Envoys, growth companies across England and a first-of-its-kind Sub-national Diplomacy Strategy.

The preceding chapters have set out both the strategic case for sub-national diplomacy and the assets that places can bring to the agenda. This chapter sets out the barriers that currently prevent England from realising that potential and the reforms required to overcome them.

CO-ORDINATION

The most immediate barrier to effective sub-national diplomacy is weak co-ordination. This weakness exists at every level: between local and central government, within Whitehall, and between institutions within cities and city-regions.

Within Whitehall responsibility for international activity is dispersed across multiple departments, creating further incoherence. DBT leads on trade and investment. The FCDO is responsible for foreign policy and national security. The Department for Culture, Media and Sport (DCMS) plays a role in promoting cultural diplomacy and soft power, including through the Soft Power Council, which sits across DCMS and the FCDO. The Cabinet Office is responsible for intergovernmental relations and the GREAT Campaign, while the Ministry of Defence (MoD) has launched a Defence Diplomacy Strategy. Meanwhile, the Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Education (DfE) — the departments with the closest relationships with local and strategic authorities and universities, two sectors with significant international footprints — are rarely engaged in sub-national diplomatic activity. The abolition of the Cities and Local Growth Unit, which previously helped bridge DBT's sectoral expertise and MHCLG place expertise, is unlikely to help address this fragmentation.

The UK is not alone in facing this challenge. Other countries have also recognised that sub-national diplomacy cannot be left to informal relationships or ad hoc departmental engagement. The United States, South Korea, Japan and France have all, in different ways, developed institutional mechanisms to support, co-ordinate or oversee the international activity of cities, states, regions and local governments. The UK now needs to do the same.

There is a particular need for a clearer and more purposeful role for DBT's International and Local Team, alongside a stronger MHCLG architecture for supporting sub-national diplomacy. At present, the fora through which strategic and local authorities can raise international issues are through the episodic Mayoral Council, Council of Nations and Regions or Leaders Council. The FCDO has valuable overseas relationships that can facilitate knowledge exchange and economic intelligence, but it is often viewed by places as a 'black box'. Interestingly, officials in overseas posts told the Commission that relationships with strategic authorities had grown in recent years, but that limited engagement across Whitehall departments beyond their own remained a major constraint on more joined-up collaboration (Interviewee, 2026). Departments such as DfE and DSIT could also play a more proactive role. DSIT, for example, could facilitate cross-country sub-national Horizon funding bids, pairing UK and EU regions with similar economic strengths. That would be particularly salient given the Government's desire to strengthen economic relationships with Europe, and would echo the approach taken by the UK Government in the 1970s through the Rippon Programme.

This institutional fragmentation is compounded by a lack of clarity about how national strategies translate spatially. Strategic authorities and local partners are expected to navigate the FCDO's long-term strategic framework, the UK's Industrial Strategy, DCMS's soft power agenda, the Office for Investment, and regulatory or security frameworks such as the Foreign Influence Registration Scheme and official guidance on UK-China relations. Each may make sense in isolation. The problem is that they do not add up to a coherent framework or shared language for sub-national actors trying to engage internationally in ways that support both local growth and national strategy.

As a result, places often report that their international activity happens despite Whitehall rather than because of it. Interviewees described a central government machine that lacks a sufficiently granular understanding of place: of local economic strengths, institutional assets, international relationships and sectoral expertise. This disconnect is particularly visible in the organisation of international missions, where poor co-ordination creates friction.

Partners report that they are frequently engaged too late in the process, after the destination, sector focus and participants have already been chosen. As a result, opportunities to align national priorities with local comparative advantage can therefore be missed. Without clear alignment between national objectives and local capability, missions risk becoming symbolic rather than strategic: about presence rather than outcomes, and about choreographing set-piece events rather than building the relationships necessary to attract inward investment, support export-oriented employers or sustain long-term partnerships.

It is not only an issue of process. Interviewees' experiences of international missions point to a lack of clarity about purpose. It is even evident in the language of missions. They range

from “ambassadorial missions”, where a mayor supports national objectives and represent UK plc; “deal-making missions”, where the purpose is to secure specific investment or export opportunities; “brand missions”, centred on culture, tourism and place promotion; informal “corridor missions”, designed to build trust over time in more politically sensitive markets, but not necessarily to attract investment in the short-term; and “networked missions”, where cities and their regions engage through fora such as C40 Cities or Eurocities to shape policy and access international capital. The issue is not that these different modes exist, but that the purposes of missions are rarely distinguished clearly, making it harder to identify the right partners, judge the merits of a mission or measure the right outcomes.

TRADE MISSION TAXONOMY

Mission type	Capability
Ambassadorial missions	Strategic clarity Clearly aligned with national priorities and designed to support wider ‘UK plc’ objectives, including trade, investment and economic growth.
	Targeting Focused on priority markets identified by the UK Government.
	Delivery model Led and co-ordinated by central government, with the Mayor acting in an ambassadorial capacity as the public face of devolution internationally.
	Partners and alignment Closely integrated with the work of the Department for Business and Trade, the Foreign, Commonwealth and Development Office, and the UK’s wider diplomatic network.
	Impact Primarily reputational and political, strengthening relationships and visibility overseas. Follow-on activity at the sub-national level is typically limited, as the mission is intended principally to advance national rather than local objectives.
Deal-making missions	Strategic clarity Built around clearly defined sector priorities, such as advanced manufacturing, life sciences or clean energy, with a strong focus on economic outcomes.
	Targeting Directed towards specific employers, investors and commercial opportunities, typically supported by visible sub-national political leadership.
	Delivery model Led and co-ordinated by strategic authorities or dedicated growth and investment agencies.
	Partners and alignment Involves close collaboration between businesses, investors and universities.
	Impact Designed to secure tangible economic outcomes, including foreign direct investment, exports and job creation, while building relationships that may develop into longer-term formal partnerships.

Soft power and brand missions	Strategic clarity	Built around a strong narrative of place identity, distinctiveness and competitive strengths, though strategic objectives may sometimes be less clearly defined.
	Targeting	Engages a broad mix of audiences and partners, including political leaders, cultural institutions, universities, tourism bodies and employers.
	Delivery model	Delivered primarily through promotional activity, campaigns, cultural engagement and high-profile events.
	Partners and alignment	Supported politically by the Mayor, with delivery led largely by cultural and sporting institutions, tourism agencies, universities and other place-based partners.
	Impact	Aims to strengthen international visibility, shape external perceptions and build long-term interest in place, generating reputational benefits and future demand.
Informal or ‘corridor’ missions	Strategic clarity	Intended to build, sustain or reset relationships over the long term, often where formal diplomatic engagement is limited or politically sensitive (such as the UK’s visit to China in February 2026).
	Targeting	Focused on countries where relationships are underdeveloped, strategically important or politically complex, with shared diasporas, historic ties and existing trade flows often shaping engagement.
	Delivery model	Relies on sustained and repeated engagement, not always through formal delegations, and may take place through international forums, networks and unofficial diplomatic channels.
	Partners and alignment	Led by the UK Government where engagement relates to sensitive diplomatic relationships, but otherwise often driven by Mayors, local authorities, diaspora networks and civic partnerships such as twinning arrangements, Sister Cities or memoranda of understanding.
	Impact	Long-term and relationship-based, creating the conditions for future co-operation across trade, research, culture, education and investment, while in some cases supporting broader diplomatic resets (such as with China) or preferential arrangements (such as with US tariffs).
Networked missions	Strategic clarity	Organised around shared cross-border policy priorities, such as climate change, innovation, public health or inclusive growth.
	Targeting	Focused on influential global city networks and international institutions such as the United Nations.
	Delivery model	Delivered through sustained political and officer-level participation in international forums, summits and multilateral networks.
	Partners and alignment	Developed collaboratively through transnational city networks and alliances, such as C40 Cities and Eurocities.
	Impact	Supports international policy influence, access to funding and financing opportunities, and strengthens the role of cities in shaping international policy-making.

Source: Authors' analysis

As a result, the Government should establish a structured approach to international missions that it leads. Each mission should have a clear mission statement, a defined purpose, transparent criteria for partner involvement, and funding for relevant partner activity. In doing so, the Government should also support strategic authorities to collaborate on shared investment propositions and integrated value chains through joint missions, much as Australian states do through co-ordinated trade and investment promotion — an approach one Australian official described as "hunting in a pack" (Interviewee, 2026). This should not constrain the ability of places to pursue their own international relationships.

However, better mission planning will not be sufficient on its own. The UK Government needs a strategic co-ordinating centre for sub-national diplomacy: a function that can provide guidance, intelligence, assurance and a clear route into and through Whitehall, including the Country Desks in the FCDO. The Commission therefore recommends that the Government establish a permanent Devolved Diplomacy Unit in the Cabinet Office. Its location matters. The Cabinet Office has the convening authority to operate across departments and to connect international engagement with devolution, growth, security and intergovernmental relations.⁶²

The Devolved Diplomacy Unit should be the strategic centre of England's sub-national diplomacy system. It should not direct local activity, but enable it. Its role should be to provide coherence across departmental priorities; act as the principal point of entry for places; support the design of international missions; broker relationships with overseas posts; provide guidance on state-backed investors and sensitive markets; and help local leaders navigate political, commercial and security risks. It should also ensure that the perspectives and priorities of strategic and local authorities inform the UK's wider foreign policy and economic diplomacy agenda.

Other countries have taken a similar approach to institutionalise sub-national diplomacy and address co-ordination deficits. Under the Biden administration, the US State Department established a Subnational Diplomacy Unit to support cities and states in navigating international engagement.⁶³ The Commission heard that this unit played a dual role: helping places maximise economic and diplomatic opportunities, while also providing due diligence and risk assessment to protect against exposure to malign actors. Japan created the Council of Local Authorities for International Relations (CLAIR) to support sub-national activity, while the French Ministry for Europe and Foreign Affairs has a dedicated office, the Delegation for the External Action of Local Government Bodies. There is currently no equivalent in the UK Government.

The Devolved Diplomacy Unit should not seek to direct local activity, but to enable it: providing strategic coherence across departmental priorities, acting as a clear point of entry for places, and offering guidance on navigating complex political, commercial and security considerations. This could include support with engaging state-backed investors, particularly

⁶² A similar recommendation was made by the Foreign Policy Centre to establish a 'Central Soft Power Unit' in the Cabinet Office.

⁶³ United States Department of State, *Subnational Diplomacy Unit*, 2024. Available at https://2021-2025.state.gov/wp-content/uploads/2024/12/FBS_SDU_07JUNE2024_public-version.pdf [accessed on 8 April 2026].

in sensitive markets such as China, where questions of risk and due diligence have been prominent in Sheffield and Edinburgh, as well as internationally in New South Wales and New York City.

The US Subnational Diplomacy Unit, which has been disbanded under President Trump, provides a useful guide to the functions that a Devolved Diplomacy Unit in Whitehall could perform. These include making trade and investment opportunities more transparent; providing guidance and connectivity for engagement with foreign cities and states; producing background briefings for local and state leaders on international engagements; advising leaders on receiving foreign delegations or travelling abroad; incorporating local and state perspectives into foreign policy; supporting city-to-city relationships through initiatives such as Cities Forward; stationing officials in cities and states through programmes such as the Reta Jo Lewis Local Diplomat Program; reviewing international agreements and MoUs to ensure they benefit local communities; and connecting local and state experts with Embassy staff and officials in countries that delegations are visiting.

There is also a major opportunity cost to the current lack of co-ordination. While there is broad consensus among local and strategic authorities that economic growth should be a core objective of international engagement, there is far less clarity about which activities are most effective. In a context of constrained resources, weak co-ordination increases the risk that ad hoc or low-impact sub-national diplomacy is pursued at the expense of activity that could deliver the greatest return.

Nor is this purely a Whitehall challenge. Institutions within city-regions often pursue international engagement in silos. Universities, cultural institutions, major employers, sporting bodies and civic organisations frequently operate internationally in parallel rather than in pursuit of shared outcomes. Accountability tends to sit within individual organisations rather than across places. What is missing is the governance through which institutions can collectively define priorities, pool intelligence and investment, and co-ordinate delivery.

There are, however, instructive examples of more co-ordinated approaches. In the United States, the North Carolina Coalition for Global Competitiveness has brought together public, private and academic partners around shared priorities. In England, initiatives such as the Bristol Forum and Derbyshire Partnership Board demonstrate how local actors can be convened. Derbyshire's partnership has supported and maintained long-term ties with Toyota City through cross-institutional collaboration. In Europe, the International Office of Amsterdam, based in the municipality of Amsterdam, has developed a 'quasi-consortium' model, aligning municipal activity with universities, businesses and cultural institutions to present a more unified international offer.⁶⁴

These formal structures are often complemented by informal co-ordination. Bruce Katz has described this as 'networked governance': systems built on trust, relationships and regular

⁶⁴ Kosovac, A. and Pejic, D. *What's next? New forms of city diplomacy and emerging global urban governance*, Barcelona Centre for International Affairs, 2021. Available at <https://www.cidob.org/en/publications/whats-next-new-forms-city-diplomacy-and-emerging-global-urban-governance> [accessed on 12 March 2026].

dialogue rather than formal hierarchy.⁶⁵ Interviewees from the United States emphasised the role of philanthropy and the private sector in convening and sustaining these informal networks. This feature is less developed in England, where mayors and public institutions tend to play the leading role, and in the devolved nations where activity is often co-ordinated through national agencies.

Existing frameworks — including the Integrated Settlement Outcomes Framework (for strategic authorities) and Local Outcomes Framework (for local authorities) — primarily reflect the priorities of individual institutions.⁶⁶ While they rightly place economic growth at their core, they do not explicitly articulate outcomes relating to inward investment, export growth or international partnership-building. Nor do they provide a mechanism for aligning the contributions of different institutions towards shared outcomes.

The Commission therefore recommends that places establish partnership structures that bring together universities, businesses and other anchor institutions around a shared international strategy. These arrangements should enable strategic and local authorities, universities, cultural and heritage organisations, sporting bodies and major employers to define common priorities, share intelligence, align activity and present a coherent international offer. Though there are some examples of such co-ordination in the UK, English examples are typically broader in scope (such as on economic growth writ-large) or narrower in scope (such as on individual international relationships) rather than all international engagement as a whole. Establishing new partnership structures, or re-designing existing ones, would provide a practical mechanism for mobilising institutions and their diplomatic assets more systematically.

The Government should also strengthen the political sponsorship of sub-national diplomacy. The United States initially proposed an Ambassador-at-Large for Subnational Diplomacy through the City and State Diplomacy Act 2020, building on earlier precedent when Secretary of State Hillary Clinton appointed Reta Jo Lewis as Special Representative for Global Intergovernmental Affairs in 2010. There are emerging examples outside UK government too. Greater Manchester has created a Special Advisor for Germany, while Canadian, US and Australian state governments appoint Agent-Generals to represent their interests abroad.

Rather than creating a wholly new post specific to sub-national diplomacy, the UK Government should build on the existing Trade Envoy Programme by establishing nine new Trade Envoys posts for the English regions, to be appointed jointly with strategic authorities. These envoys should represent regional interests abroad in collaboration with strategic authorities and other partners, including by joining delegations and signalling clear government sponsorship. Interviewees told the Commission that Trade Envoys can play an important ambassadorial role and often act as ‘superconnectors’ to the countries to which

⁶⁵ Katz, B. and Nowak, J. *The power of ‘networked governance’ to solve city problems*, 2018. Available at <https://www.thenewlocalism.com/media/the-power-of-networked-governance-to-solve-city-problems/> [accessed on 13 February 2026].

⁶⁶ Ministry of Housing, Communities and Local Government, *Local Outcomes Framework*, 2026. Available at <https://www.gov.uk/government/publications/local-outcomes-framework> [accessed on 12 March 2026]. MHCLG, *Integrated Settlement Outcomes Frameworks for 2026-27 to 2028-29*, 2026. Available at <https://www.gov.uk/government/publications/integrated-settlements-outcomes-frameworks-for-202627-to-202829> [accessed on 27 March 2026].

they are posted (Interviewee, 2026). However, there is criticism that the current programme has not made sufficient use of expertise outside Westminster. The expanded programme should therefore draw on a wider pool of candidates, including successful business leaders, university leaders, civic leaders and former ministers.

These reforms would address the systemic co-ordination failure that currently limits England's international impact. Without clearer structures, stronger integration across Whitehall and more effective alignment within places, the UK will struggle to fully leverage the contribution that sub-national actors can make to national economic and diplomatic objectives.

CAPACITY AND CAPABILITY

Stronger co-ordination must be matched by stronger local capability. Many cities recognise the importance of international engagement, but that recognition is not yet matched by the institutional thickness required to deliver it effectively.

A recent survey by the Connected Cities Lab of cities worldwide found that 88 per cent of them have dedicated functions focused on attracting international investment.⁶⁷ Far fewer English cities have established teams responsible for sub-national diplomacy. Only a small number of cities or city-regions — including Bristol, Glasgow, Leeds, Brighton and Hove, Sheffield, Birmingham, London and Greater Manchester — have developed anything resembling a structured diplomatic function. Much of this activity was historically oriented towards securing EU funding, and both Bristol and the Greater London Authority maintained EU offices. One estimate places the proportion of UK cities engaged in international activity at 36 per cent.⁶⁸

Even in strategic authorities with 'Established Status', capability remains thin.⁶⁹ Practitioners routinely report a lack of in-house expertise, often relying on ad hoc arrangements that bring together staff when necessary. According to one interviewee, this can result in situations where international delegations are received by relatively junior officials, undermining the credibility and effectiveness of engagement (Interviewee, 2026). This is not simply a question of institutional maturity: even comparatively advanced institutions such as the GMCA — which has been active in international engagement since it was established a decade ago — operate with fewer than half a dozen dedicated staff.

Capacity, capability and co-ordination are deeply intertwined. No single institution within a place can deliver sub-national diplomacy alone. Strategic and local authorities must work in partnership with universities, cultural institutions, and — where they exist — growth companies with international reach. Organisations such as London & Partners demonstrate the value of having a sustained in-market presence, but this capacity and capability is unevenly distributed. In most places, leveraging existing institutional assets requires deliberate effort to pool expertise, align incentives and build shared platforms for

⁶⁷ Kosovac, A. and Pejic, D. *What's next? New forms of city diplomacy*, 2021.

⁶⁸ Acuto, M. et al. *'City Diplomacy' and Twinning: Lessons from the UK, China and globally*, Government Office for Science, 2016. Available at <https://assets.publishing.service.gov.uk/media/5a7f583240f0b62305b86931/gs-16-13-future-of-cities-diplomacy-uk-china-twinning.pdf> [accessed on 12 March 2026].

⁶⁹ The most mature strategic authorities have been given Established Status.

engagement.

Not all strategic and local authorities will need or want the same level of capability. Some will be further ahead than others by design. But for those that want to do more, pooled models such as Derbyshire's Partnership Board demonstrate how capacity and capability can be strengthened through institutional co-ordination. Formalising relationships between anchor institutions with international connections can facilitate financial pooling and capacity-sharing. Alongside long-term trust-building, this has enabled the Partnership Board to transform a civic twinning arrangement into a durable platform supporting economic growth, international positioning and collaboration.

The absence of dedicated funding means that international engagement remains too dependent on individual leadership, short-term opportunities and fragmented institutional budgets. An International Growth Fund across the Spending Review period would enable strategic authorities to develop a robust evidence base around their competitive advantages; build the data infrastructure required to underpin international engagement; produce evidence-led international strategies; build dedicated capacity and capability; and design programmes of activity that generate tangible benefits for local communities. The International Growth Fund would complement the Local Growth Fund administered by DBT, and it may consolidate existing funding streams across Whitehall that already support international engagement objectives. Strategic authorities should have discretion to allocate investment directly to local authorities where this would enhance delivery capacity.

The purpose of the funding should be to move England from fragmented and symbolic activity to strategic and sustained sub-national diplomacy. It would embed international engagement as a core function of mayoral and place leadership, rather than leaving it as a discretionary activity pursued only by those places able to find capacity elsewhere.

International comparisons underline the extent of this gap. In countries such as Japan, South Korea and France, sub-national diplomacy is embedded within national systems and supported with sustained funding and institutional backing. Chinese cities operate dedicated Foreign Affairs Offices to co-ordinate their international activity, including extensive twinning networks, within a highly centralised political framework aligned to national objectives. Chinese Cities are particularly active in twinning, with 11 'core' cities with an average of 25 twinning arrangements.⁷⁰ Meanwhile in the United States, the federal government has invested in initiatives such as the Cities Forward programme and the Local Diplomat Program, which embeds diplomatic expertise within cities and states. These interventions recognise that local actors require not only autonomy, but also structured support, intelligence and capabilities to operate effectively on the global stage. Yet funding constraints remain a persistent challenge internationally: 77 per cent of officials surveyed by the Connected Cities Lab said that they would engage more in city diplomacy if they had "more funds *exclusively* allocated" for it.⁷¹

One of the most effective mechanisms for addressing capacity and capability gaps is the growth company model. Growth companies provide horizontal economic functions —

⁷⁰ Acuto, M. et al. 'City Diplomacy' and Twinning, 2016.

⁷¹ Kosovac, A. and Pejic, D. *What's next? New forms of city diplomacy*, 2021. Emphasis is the authors' own.

including investment promotion, trade support, place marketing and international engagement — within a single institutional structure. Existing examples such as London & Partners, the West Midlands Growth Company and the Greater Manchester Growth Company demonstrate the value of this approach. These organisations combine public and private sector backing, enabling them to operate with greater commercial agility while retaining democratic oversight through strategies authorities.

Through dedicated teams and, in some cases, physical presence in overseas markets, growth companies are able to build long-term relationships with investors, generate market intelligence and proactively position their regions or sub-regions internationally. Their ability to put ‘boots on the ground’ is particularly important in competitive global markets, where sustained engagement is crucial to securing investment.

The Government should therefore support the establishment of growth companies across England as a core component of the country’s international economic architecture. They should be coterminous with strategic authority boundaries, where those boundaries exist, though neighbouring authorities should be encouraged to collaborate in creating larger companies where this would create stronger functional economic geographies, scale and international visibility. Without that scale, new or smaller strategic authorities such as Cumbria, which serves half a million people, will struggle to compete effectively with international counterparts.

Growth companies would also provide a practical mechanism for connecting local authorities, universities, businesses and cultural organisations into a more coherent international offer. Dedicated capacity of this kind would generate intelligence to inform site selection and supply chain decisions for major investors; support technology diffusion and export confidence among small and medium-sized employers; and help universities commercialise research, support innovation, and strengthen spin-out, start-up and scale-up ecosystems.

International examples reinforce the case. Scottish Development International provides a clear example of a co-ordinated and well-resourced model, integrating export promotion, inward investment and international partnerships within a single agency, albeit at national rather than sub-national scale. England, by contrast, operates through a complex and multi-layered system in which responsibilities are dispersed across DBT, the Office for Investment, strategic and local authorities, freeports and investment zones. While this reflects England’s scale and diversity, it also contributes to duplication and fragmentation, and makes the system harder for international partners to navigate. Growth companies can simplify this picture for international investors.

DATA ARCHITECTURE

A third barrier is weak data and analytical infrastructure. Too many places lack a sufficiently sharp understanding of their competitive advantages. Without that clarity, places can default to pursuing the same investors, sectors and markets as their neighbours, creating avoidable competition between city-regions. This is partly a capacity issue, but it also reflects a deeper analytical deficit: many local institutions lack the technical capability, comparative evidence

base or institutional confidence to define where they are genuinely distinctive in international markets.

The WMCA offers one of the strongest examples of how this can be addressed. Rather than benchmarking itself reflexively against London, or prioritising ‘superstar cities’ such as New York, the WMCA has built an evidence-led approach to identify international city-regions. It focuses on city-regions that have historically shared similar economic characteristics, but have since outperformed their peers. Its work combines literature review, quantitative analysis, productivity analysis and qualitative assessment to identify a cohort of relevant international comparators and draw practical lessons from them. Crucially, this work is not an academic exercise. It is intended to deepen understanding of the region’s economic model, inform the West Midlands Growth Plan and support a more distinctive theory of growth.⁷²

WMCA’s comparative analysis demonstrates what a more mature analytical model looks like. It starts from the structure of a place’s economy, demography and governance, and then asks which places internationally have solved similar problems or exploited similar strengths more successfully. In doing so, it shifts the rationale for sub-national diplomacy from immediate opportunity to longer-term transformation.

Yet Whitehall does not currently have the data architecture needed to support this systematically. Between the Office for National Statistics, DBT and HMRC, the data available on the international performance of regions and cities remains too thin, too fragmented and often too difficult to use. Even where data exists, it is inconsistent, incomplete or only available at national or regional level. The UK Government’s Trade Strategy acknowledges these limitations, noting that existing datasets are not always sufficiently granular for place-based decision-making.⁷³

These shortcomings have consequences. If places cannot clearly identify which sectors are exporting, which markets are growing, where investment is landing or how they compare with cities or city-regions domestically and internationally, then their approach to sub-national diplomacy is likely to be sub-optimal. They will be less able to target interventions, articulate compelling investment propositions or build sustained international partnerships.

A second challenge is the lack of consistency in how international activity is measured. Even where places are collecting data, they are often measuring different things in different ways. Should success be defined by the total value of FDI, the number of projects secured, the quality and additionality of those investments, or their alignment with other economic strategies? All may be legitimate, but without a shared baseline it is difficult to benchmark performance or assess value for money.

The absence of a shared framework leaves central government, local leaders and communities without a consistent basis for assessing impact. DBT’s Export Wins framework

⁷² West Midlands Combined Authority, *International comparators for the West Midlands: identifying and learning from city-regions most similar to the West Midlands*, 2025. Available at <https://www.wmca.org.uk/what-we-do/research-and-insights/west-midlands-futures/international-comparators-for-the-west-midlands/> [accessed on 12 March 2026].

⁷³ Department for Business and Trade, *UK Trade Strategy*, 2025. Available at <https://www.gov.uk/government/publications/uk-trade-strategy/the-uks-trade-strategy> [accessed on 19 February 2026].

tracks, verifies and reports international deals and contracts secured by UK companies that have received departmental support, functioning as a performance metric for the department. But it does not provide a place-based framework for understanding successes in strategic or local authorities.

The Government should therefore work with the Mayoral Data Council to establish a national minimum standard for collecting and reporting international activity data. This should include a core set of comparable indicators covering trade performance, inward investment, export activity, international partnerships and wider economic outcomes. This would not replace locally defined metrics, such as Liverpool City Region's ambition to increase FDI by 25 per cent by 2030, or the West Midlands Growth Company's focus on attracting inward investment from India, which was the sub-region's largest source of FDI in 2022. Instead, a new benchmarking tool would sit alongside local priorities, providing a consistent baseline and improving accountability and evaluation across England.⁷⁴

A stronger data architecture would improve the quality and credibility of sub-national diplomatic strategies. It would reduce unnecessary competition between places, enable central government and local communities to understand the returns on international engagement, and create the conditions for more effective collaboration between city-regions based on complementary strengths rather than overlapping propositions.

RISK APPETITE AND MANAGEMENT

Sub-national diplomacy presents significant strategic opportunities for the UK, but without a clear framework it also carries risks, which have historically been given little attention. They emerge when international engagement is fragmented, knowledge of state actors is limited or due diligence is weak. A single mis-step can have diplomatic, reputational, commercial or national security consequences. The Commission has designed a new risk taxonomy to codify those risks.

RISK TAXONOMY

Risk type	Primary source	Typical trigger	Actors exposed	Manifestation	Impact
Geopolitical	Misalignment between national foreign policy and sub-national diplomacy	Engagements with sensitive partners, such as China, Taiwan or Israel, or state-linked actors such as Gazprom or Huawei	Strategic and local authorities in England; state and city governments in federal systems	Dispute between central and sub-national government, reputational damage or diplomatic incident.	High impact, low frequency — <i>Often highly visible and politicised</i>

⁷⁴ Leffel, B. *Principles of modern city diplomacy and the expanding role of cities in foreign policy*, Journal of International Affairs, Volume 74, 2021. Available at <https://www.jstor.org/stable/27169778> [accessed on 12 January 2026].

Political	Stigma associated with sub-national diplomacy	Trade missions or international activity	Sub-national politicians, mayors, local and university leaders	Negative media coverage	Medium impact, high frequency — <i>Can create a chilling effect on political appetite</i>
Security	Exposure of sensitive assets, including infrastructure, data and research	Foreign investment in critical infrastructure or research collaboration	Infrastructure operators, universities, local authorities and central government	Cyber attacks, data and IP theft, or compromised infrastructure and public services	High impact, medium frequency — <i>The causal link to diplomacy is not always clear</i>
Commercial	Market asymmetry and inexperience engaging with investors	Limited scrutiny of prospective investors; poor market intelligence; weak due diligence	Strategic and local authorities; growth agencies and subsidiaries	Withdrawn, stalled or insincere investments; significant opportunity and transaction costs	Variable impact, low frequency — <i>Creates financial and reputational risk</i>
Institutional	Weak capacity, capability and governance; poor co-ordination within and between institutions	Manifests across all other risk categories	Systemic — local, regional and national actors	Poor or reactive decision-making; inconsistent practice across institutions	Systemic and persistent — <i>Amplifies all other risk types</i>

Source: Authors' analysis

Capitalising on sub-national diplomacy therefore requires a more deliberate approach to risk. The Government should clarify its appetite for risk and establish governance arrangements that manage risk consistently and — importantly — proportionately. Local actors need to understand where they have autonomy, where they should seek advice and where national sensitivities require closer alignment.⁷⁵

Many operate in what one Australian described as a space defined less by formal permission than by the absence of explicit prohibition — “we can do whatever is not explicitly forbidden.” Until the Australian federal government introduced legislation in 2020, a system that was permissive but unclear prevailed. Ambition was not always matched by capability, and boundaries were often tested only after issues arose. A similar picture risks emerging across England’s sub-national institutions.

A mature approach to risk would recognise that different forms of sub-national diplomacy carry different levels of strategic sensitivity. Cultural exchange, for example, requires a high degree of flexibility and tolerance for variation. Its impact is often long-term and difficult to quantify, but its exposure to risk is generally limited. By contrast, engagement involving critical infrastructure, advanced technologies, AI, telecommunications or energy infrastructure requires closer alignment with national priorities and stronger mechanisms for managing risk. The purpose of such a framework should not be to constrain international

⁷⁵ Nehring, H. *Written evidence submitted by Professor Holger Nehring, submitted to the Foreign Affairs Select Committee ‘Soft power: a strategy for UK success?’*, 2025. Available at <https://committees.parliament.uk/writtenevidence/138331/pdf/> [accessed on 9 January 2026].

activity. It should be to enable local actors to operate confidently within clear and well-understood parameters. In the absence of such clarity, places may either take risks they do not fully understand or avoid valuable international engagement altogether.

Australia's experience illustrates the stakes. The decision by the state of Victoria to enter into agreements linked to China's Belt and Road Initiative prompted the federal government to introduce new legislative powers under the Foreign Relations (State and Territory Arrangements) Bill 2020. These powers enabled the Australian Government to review and cancel sub-national arrangements. There was widespread concern that China's plans to invest in Victorian infrastructure was at odds with national security. The federal government decided to terminate agreements struck with Victoria in 2021, which demonstrated the consequences of misalignment: not only were the agreements unwound, but the episode soured bilateral relations with China, undermining the very objective of sub-national diplomacy to improve those relations.⁷⁶

In the UK, similar tensions have emerged, though with fewer formal consequences. The proposed friendship agreement between Edinburgh and Kaohsiung in Taiwan, which emerged because of Edinburgh's Taiwanese diaspora, became politically sensitive following pressure from China, leading the Scottish city to withdraw. In such scenarios, sub-national actors can inadvertently position the UK and Scottish Government within a wider geopolitical dispute, even when neither government initiated the relationship.⁷⁷ Edinburgh-based institutions were concerned that China may retaliate with trade sanctions. Neither the UK nor Scotland formally recognises Taiwan as a sovereign state, though the UK maintains a strong unofficial relationship with the island. Sub-national diplomacy can therefore be drawn into contested international issues through mission creep, moving beyond economic objectives into questions of values, recognition and foreign policy positioning.

Another example is Dundee's decision, as the first city in Scotland, to recognise the state of Palestine in 2021, before the UK Government recognised it in 2025.⁷⁸ As one local authority has highlighted, the appetite to support "causes" rather than "tangible opportunities" represents a clear risk, particularly because international engagement can have a broad and 'fuzzy' remit.⁷⁹

Sheffield's experience also reflects the asymmetry between local capability and the complexity of the international environment. Local and strategic authorities, universities and other civic institutions often lack the intelligence, analytical capacity and risk awareness available within Whitehall. This creates vulnerabilities that can be exploited by state and non-state actors seeking to build influence through sub-national channels, which may be perceived as more accessible or less scrutinised. Interviewees consistently reported a lack of access to timely intelligence, guidance or co-ordination from central government, such as when a number of authorities reported being approached by overseas investors offering to finance digital infrastructure with minimal upfront cost. In parallel, national policy has shifted

⁷⁶ Clare, M. *Why scrap Victoria's 'meaningless' Belt and Road deal? Because it sends a powerful message to Beijing*, The Conversation, 2021. Available at <https://theconversation.com/why-scrap-victorias-meaningless-belt-and-road-deal-because-it-sends-a-powerful-message-to-beijing-159536> [accessed on 15 March 2026].

⁷⁷ BBC, *Edinburgh shelves Taiwan friendship deal over China sanctions fear*, 2024. Available at <https://www.bbc.co.uk/news/articles/cw00y46n3j9o> [accessed on 13 April 2026].

⁷⁸ Dundee City Council, Motion: recognition of the state of Palestine, 2021. Available at https://www.dundee.gov.uk/reports/agenda_notes/AN14-2021.pdf [accessed on 31 March 2026].

⁷⁹ Sheffield City Council, *Sheffield International Strategy: 2025-2028*, 2025. Available at [Link](#) [27 March 2026].

in response to security concerns, most notably in relation to Huawei and its role in 5G networks, resulting in restrictions that can render previously viable local partnerships untenable without clear explanation (Interviewee, 2026).

This creates a structural misalignment. Local actors are incentivised to secure investment, while national government retains responsibility for managing the associated risks. There have also been instances where foreign investors have entered into agreements that were later withdrawn, such as the £1 billion agreement between Sichuan Guodong construction firm and Sheffield City Council. Such cases highlight the need for stronger due diligence and shared intelligence.⁸⁰

These examples highlight a consistent pattern: local institutions regularly engage with international cities, city-regions, states and investors, but are not always equipped with the information, tools or frameworks needed to assess risk in real time. Addressing that challenge requires clearer national parameters. That does not mean a restrictive or prescriptive model, but it does require a shared understanding of where sensitivities lie — whether in relation to particular countries, sectors, technologies or forms of agreement.

The Government should therefore publish a first-of-its-kind Sub-national Diplomacy Strategy, setting out where the Government sees its responsibilities and that of local partners. In doing so, the Government should reinforce sub-national diplomacy as a legitimate activity for democratically elected politicians, enabling places to engage internationally with greater confidence and reducing the stigma that can still surround international engagement and overseas travel (Interviewee, 2026). Through the Sub-national Diplomacy Strategy, the Government should also signal a wider cultural shift across Whitehall, encouraging departments and agencies to move beyond oscillating between London-centric or place-blind approaches and instead recognise the distinctive strengths of individual cities and regions as part of the UK's overall international offer.

A clearer national framework would also reduce the likelihood of reactive intervention by central government. With stronger guidance, better co-ordination and clearer routes for escalation, issues are more likely to be identified and managed before they develop into political, diplomatic or security disputes. The objective should not be to constrain local international engagement, but to ensure that it operates within a more mature and strategically aligned governance framework. With the right structures in place, sub-national diplomacy can be both ambitious and aligned — extending the UK's international reach while safeguarding national interests. A mature framework will need to tolerate a high degree of diversity in local approaches to international engagement while providing clearer guardrails where national interests are most exposed. Returning to Scotland's experience, it requires what Professor Holger Nehring has described as “strategic patience”.⁸¹

DEVOLUTION

Alongside these challenges, sub-national diplomacy has exposed a broader structural

⁸⁰ BBC, *Sheffield council's £1bn China deal 'dead'*, 2019. Available at <https://www.bbc.co.uk/news/uk-england-south-yorkshire-48925175> [accessed on 4 April 2026].

⁸¹ Nehring, H. *Written evidence submitted by Professor Holger Nehring*, 2025.

reality: England's cities and city-regions are increasingly expected to compete internationally, attract investment, support exporters and build global partnerships, but they do not yet possess sufficient control over the policy levers needed to do so effectively. Many of the core functions that shape investor confidence and international competitiveness remain the responsibility of Whitehall. If the Government wants places to become more muscular engines of growth, it will need to explore a 'growth package' of devolution to support international engagement, spanning skills, trade, tourism, innovation and investment policy. The Government's decision to give strategic authorities the power to create overnight visitor levies is welcome.

The Commission's evidence suggests that the most significant constraints sit across functions currently held by departments including DBT, DSIT, DCMS and DfE. Cities may seek to position themselves internationally around advanced manufacturing, life sciences, clean energy or creative industries, yet lack influence over the skills pipeline, innovation funding, export support or business growth services required to reinforce those investment propositions. This weakens their ability to present coherent long-term offers to international investors and limits their ability to convert international relationships into economic outcomes.

Skills policy illustrates the problem particularly clearly. Access to labour and technical capabilities is one of the principal determinants of investment decisions, yet much of England's skills and employment system remains the responsibility of central government. While strategic authorities have gained some influence through the Adult Skills Fund and Local Skills Improvement Plans, key institutions and programmes such as the Careers & Enterprise Company, the National Careers Service, remain dispersed across national agencies. As a result, city-regions often lack the flexibility to align workforce development with sector strengths or anticipated investor demand. The same pattern is evident in business support and innovation policy. Export support, scale-up programmes and innovation funding continue to operate through fragmented national schemes, such as Innovate UK Business Growth. Yet local institutions are best placed to identify growth sectors, strengthen international clusters and support firms seeking to enter global markets. A devolved approach would allow strategic authorities and their partners to integrate investment promotion, trade support, innovation and workforce development into more muscular regional growth strategies.

Alongside greater devolution of economic levers, the Government should also support strategic authorities to position themselves to international audiences. It could do that by building on the GREAT Campaign's success and placing greater emphasis on the distinct strengths and identities of cities, regions and the devolved nations, supported by co-ordinated marketing, existing tourism partnerships and closer collaboration with VisitBritain. A more place-sensitive approach to place promotion would help reinforce local investment propositions, support visitor economies and ensure that international branding reflects the diversity of economic opportunities across the UK.

While the Government will need to work with strategic authorities and their partners to identify specific levers across trade, skills, tourism, investment and innovation policy as part of a devolution 'growth package', it is clear that sub-national diplomacy strengthens the case for a more ambitious devolution settlement.

Alongside the barriers identified throughout this chapter — fragmented co-ordination, weak institutional capacity, limited analytical infrastructure, unclear approaches to risk, and an underdeveloped devolution settlement — the UK and its strategic authorities are structurally disadvantaged in an increasingly networked global economy.

VI. A NEW FRAMEWORK

- Sub-national diplomacy needs a unifying national framework — without one, central government responses to local international activity will remain reactive rather than strategic.
- Seven guiding principles should underpin the framework: alignment, transparency, collaboration, equity, proportionality, value for money, and subsidiarity.
- Institutional foundations require a new Devolved Diplomacy Unit in the Cabinet Office, structured trade missions with clear objectives, and a widened Trade Envoy programme with nine regional representatives.
- Financial investment is essential — a new International Growth Fund and England-wide growth companies would give places the capacity and international presence needed to compete for global opportunities.
- Reform is a two-way obligation: national action must be matched by anchor institutions in places collaborating around shared international priorities, what the Commission describes as Local and Regional Agreements.

PRINCIPLES

As the Commission has argued throughout this report, effective sub-national diplomacy requires a different model of statecraft. Its success depends on purposeful collaboration between central and local government. A credible national framework must therefore combine strategic clarity with institutional flexibility: setting clear national priorities, helping places manage the risks associated with international engagement, including with countries such as China, while preserving sufficient local autonomy to pursue economic, institutional and social benefits. To support that approach, the Commission has identified seven guiding principles to underpin a new reform programme for sub-national diplomacy.

Alignment

Sub-national diplomacy should operate within a national framework aligned with the UK's foreign policy, trade and national security objectives. Strategic and local authorities need confidence that their international engagement supports — and does not inadvertently undermine — central government policy. Alignment should provide clarity, coherence and consistency, without unnecessarily constraining legitimate sub-national engagement.

Transparency

International engagement should be conducted transparently and subject to appropriate democratic oversight. Partnerships, funding arrangements and outcomes should be openly disclosed to ensure that policy-makers and communities understand both the benefits of investing public resources in sub-national diplomacy and the associated risks. Greater transparency strengthens accountability, builds public trust and helps safeguard institutions from reputational harm.

Collaboration

Sub-national diplomacy should be approached as a collective national endeavour rather than a series of disconnected local, regional and national initiatives. Stronger co-ordination between local and strategic authorities, universities, cultural institutions, economic development bodies and departments such as the FCDO and DBT can reduce duplication, minimise counterproductive competition and improve outcomes. Closer collaboration with the devolved administrations in Scotland, Wales and Northern Ireland will also strengthen the UK's overall international presence and credibility.

Equity

Sub-national diplomacy should contribute to more balanced regional growth, ensuring that its economic and social benefits are felt beyond major cities and established tourist destinations. Strategic authorities, given their scale and geographic reach, have an important role in ensuring that international opportunities are distributed more equitably across places and communities.

Proportionality

Oversight and compliance arrangements for international engagement should be proportionate and risk-based, ensuring that national security and resilience are protected without unduly constraining legitimate international engagement at the sub-national level.

Value for money

Sub-national diplomacy is a legitimate function of strategic and local authorities, as well as their wider partners. As devolution advances and responsibilities for economic development, innovation, skills and place promotion continue to expand, international engagement will become a core part of the mandate of strategic authorities — especially directly elected mayors.

International engagement activity should be guided by clear value for money principles. Although its impacts may be long-term or diffuse, effective engagement should create multiplier effects by strengthening relationships and unlocking wider benefits, including investment, economic growth and job creation.

Subsidiarity

In line with the principle of subsidiarity, sub-national institutions should have the autonomy to develop strategic international partnerships that reflect the economic, civic and institutional priorities of their places.

RECOMMENDATIONS

	PILLAR I: STRATEGIC DIRECTION Establishing the foundations
Sub-national diplomacy currently operates without a strategic framework, generating ambiguity for both central and local actors. Addressing this deficit is essential since subsequent institutional and financial measures require clarity to be effective.	
1.1	Commit to a first-of-its-kind Sub-national Diplomacy Strategy The UK Government should publish a strategy that codifies the respective roles of central government and local partners and formally recognises international engagement as a legitimate function of democratically elected mayors and council leaders. The strategy should set out how the Government envisages the system operates in practice, including how priorities are aligned, decisions are made and how accountability and risk for international engagement is shared. In designing the strategy, the Government should work closely with strategic authorities and their partners. It should be published within 12 months. <i>Responsibility: UK Government</i>
1.2	Develop a standardised set of metrics to measure international engagement A shared performance framework should be established in collaboration with the Mayoral Data Council to measure how international engagement in places supports both national outcomes (e.g. Foreign Direct Investment) and local outcomes (e.g. good-quality job creation, skills development, wider community benefits). Common metrics reduce the risk of misalignment between tiers of government and provide clearer evidence of value for money. <i>Responsibility: UK Government and the Mayoral Data Council</i>
	PILLAR II: CAPACITY, CAPABILITY AND CO-ORDINATION IN WHITEHALL Building the machinery
Without more resilient institutions, international engagement will not add the value it should. Cross-Whitehall co-ordination, strategic deployment of civil service expertise, mission discipline and ambassadorial reach each play an important role in supporting sub-national diplomacy.	

2.1	Establish a Devolved Diplomacy Unit in the Cabinet Office Responsibility for international engagement is fragmented across Whitehall. Drawing on international examples, such as the Sub-national Diplomacy Unit in the United States' State Department, the Government should create a single strategic centre of expertise and oversight. Its functions should include providing guidance to strategic and local authorities in their engagement with international investors, supporting them to deliver national and local strategic priorities and building place-sensitive expertise. Responsibility: UK Government
2.2	Establish a structured approach to international missions Each international mission led by the Government should have a transparent purpose, clearly defined objectives and dedicated funding, which would improve partner selection and increase the value of missions. Responsibility: UK Government
2.3	Establish a new programme of 'superconnector' Trade Envoys The Government should appoint nine new Trade Envoys, one for each region of England. These Trade Envoys would signal clear government sponsorship by participating in international missions and support strategic and local authorities engage with Whitehall and internationally. The Government should also widen the candidate pool to include experienced parliamentarians, senior business leaders and university leaders who would strengthen the programme's reach, expertise and ambassadorial impact. Responsibility: UK Government
2.4	Create the conditions for universities to participate fully in international engagement The Government should undertake a targeted review to create the conditions for universities to better leverage their trade, investment and international partnerships in order to support their cities and regions. The review should examine how the Government can support universities to scale proven approaches, including placing international graduates in export-focused SMEs, mobilising alumni networks to support trade and investment, co-ordinating university-led investment activity, and strengthening tourism links associated with international students and alumni. It should identify how these models can be scaled systematically and supported through the proposed Devolved Diplomacy Unit, embedding universities more fully within the UK's international engagement architecture. Responsibility: UK Government
2.5	Mobilise universities' global alumni networks The Government's Soft Power Strategy should include targeted measures to support universities to mobilise alumni networks, drawing on successful models such as Scotland's GlobalScot programme. This should include support for piloting partnerships developed jointly between universities, strategic authorities and UK Government. Alumni networks can help open doors for trade and investment, support FDI pipelines and promote places as destinations to visit, study and work — converting established relationships and goodwill into tangible economic outcomes. Responsibility: UK Government, strategic authorities, universities

	PILLAR III: CAPACITY, CAPABILITY AND CO-ORDINATION WITHIN PLACES The reciprocal obligation
	The Government has an important role to play in improving co-ordination across Whitehall and between Whitehall and places, but local institutions must also work more closely together if they are to capitalise on sub-national diplomacy.
3.1	Places should establish partnership structures to strengthen international collaboration at the local level Bringing together anchor institutions — including strategic and local authorities, universities, cultural organisations, sporting bodies and major employers — through formal partnership structures would facilitate ongoing engagement over shared international priorities, align activity with local growth objectives and unlock underused diplomatic and institutional assets. Responsibility: Strategic authorities, local authorities, universities
3.2	Conduct a Soft Power Audit Formal arrangements will be most valuable when there is a shared understanding of which institutions and assets can support international engagement, and how they can support. Strategic and local authorities should conduct a Soft Power Audit of their diplomatic assets to systematically capture the contribution of anchor institutions. In parallel, universities should undertake internal audits of their global connections — including alumni networks, research partnerships and institutional collaborations — to identify how these assets can better support trade, investment, tourism and long-term international relationships. This shared evidence base will enable places to articulate their comparative strengths more clearly and align international engagement activity across partners. Responsibility: Strategic authorities, local authorities, universities
3.3	Establish growth companies England-wide Strategic authorities should establish growth companies England-wide. Built around one or more strategic authority geographies, new growth companies would provide the scale, expertise and international presence needed to compete for global opportunities. Combining public and private sector backing with democratic oversight, growth companies would enable strategic and local authorities, universities, businesses and cultural institutions to position towards a more coherent international posture. The Government may need to provide support to strategic authorities to establish new growth companies. Responsibility: Strategic authorities

IV	PILLAR IV: INVESTMENT AND AUTONOMY Targeted investment and autonomy to support sub-national diplomacy
	Turning international engagement into tangible outcomes requires resources and autonomy. There is a funding gap that constrains sub-national diplomacy, vis-a-vis comparative evidence from federal systems where dedicated funding has enabled states and cities to establish overseas offices and build city-to-city networks, such as in Canada and Australia. This should be addressed. Comparatively weak devolution in England, and in specific departments such as DBT, also hinder the ability of places to engage internationally.

4.1	Create a new International Growth Fund The Government should establish an International Growth Fund for strategic authorities, modelled on the existing Local Growth Fund. It should provide flexible long-term investment to build local capacity for inward investment, international partnerships and leverage of private investment for sustained economic growth. Responsibility: UK Government
4.2	Design a ‘growth package’ of devolution across trade, skills, business support and innovation to support international engagement The Government should build on the Devolution Framework by working with strategic authorities to identify and devolve those aspects of trade, business support, skills, tourism and innovation policy that would enable strategic authorities to pursue more effective international engagement, strengthen regional competitiveness and align global opportunities more closely with local economic priorities. Responsibility: UK Government, strategic authorities

	PILLAR V: PLACE-BRANDING Brand-building for international audiences
	Part of the success of international engagement depends on how clearly places can present their identity to global audiences. Cities and city-regions across the UK therefore need to articulate and promote the distinct strengths and characteristics of their constituent areas.
5.1	Enhance the Great Campaign To support brand-building, the Government should build on the GREAT Campaign's success by placing greater emphasis on the distinct strengths and identities of cities, regions, and the devolved nations, supported by co-ordinated marketing, existing tourism partnerships and closer collaboration with organisations such as VisitBritain. Responsibility: UK Government