

## **DRAFT**

### **DRAFT INWARD INVESTMENT AND GROWTH STRATEGY**

#### Introduction

The aim of Chichester District Council is to make the district the best place to live, work and visit. This is reinforced by our aspiration to build a strong and sustainable economy that delivers good growth for the benefit of everybody in the district.

Economic growth results from continued investment, improved productivity and development. Growth is needed to improve the standard of living and quality of life of local residents; bring greater resilience to fluctuations in the global and national economy; and create investment in infrastructure, services and facilities. This in turn presents opportunities to enhance the quality of the natural and built environment.

Chichester District already enjoys a number of important economic strengths on which to build. We have a long history of successful business start-ups, an impressive Horticulture sector as well as the world renowned brands of Rolls Royce Motor Cars and Goodwood. Together with our well-qualified resident population this underpins an enviable, high quality of life in a district that takes in the outstanding surroundings of the national park and coastline. The districts economy is worth an estimated £3.1 billion and supports just over 74,000 jobs in over 7,600 businesses.

However we must not be complacent. There are significant challenges to address in order to build a truly sustainable economy that works for all. Our average workplace earnings across the district are lower than regional norms and there is a significant mismatch of earnings to the high cost of living in the district. There is a persistent loss of young talent who are well educated, but leave to work in cities where higher paid jobs exist.

The Economic Development Business survey conducted in the summer of 2018 asked businesses about their growth plans. Of those surveyed, 2 in 5 plan to move or acquire new premises and 3 in 5 businesses said they had plans to expand. However, 35% cited availability of suitable space as a barrier to growth and this is underlined by 32.3% stating premises costs are too high. Lack of funding was cited by 32.3% of respondents.

In terms of hurdles affecting the day to day running of their businesses, 40.7% listed recruitment and skills, 29% listed business rates and 23.4% mentioned being in the right business premises.

Competition for investment is increasing both nationally and internationally: It is also clear that the South East will continue to face stiff competition from other UK locations and from overseas locations targeting key sectors like Creative and Digital services and Professional and Financial services. The Tech City 2017 report, for example, lists a number of UK locations working to grow their technology sectors many of which (such as Bristol, Manchester, Sheffield and Edinburgh) have active inward investment programmes. Without a proactive effort, Chichester District is unlikely to attract the number and quality of investors necessary to build the area's longer-term image as a 'go-to' destination in the South East, let alone the UK.

There are barriers preventing the growth of higher paid jobs either through specific skills gaps or where transport, accommodation and digital infrastructure is preventing business growth. This Inward Investment and Growth strategy is all about providing a long term framework to build on our strengths address our challenges and deliver positive, focused interventions to create a more sustainable economy for the future. Chichester District Council needs to understand the drivers for businesses to choose the District as a location for investment and enable inward investment and growth within the District. The Council needs an Inward Investment and Growth Strategy in order to support this.

In April 2019 Marshall Regen Ltd and Nairne Ltd carried out research on behalf of Chichester District Council to identify what factors influence business decisions to grow or relocate.

This research aimed to inform the development of an Inward Investment and Growth Strategy for Chichester District Council. It considered the specific strengths of the Chichester District economy; consulted a range of businesses, investors, developers, commercial agents and stakeholders on their views of Chichester District as a business location, particularly in relation to factors that are most likely to influence business location decisions; reviewed the effectiveness of financial and other incentives in attracting business; and developed a series of recommended actions for Chichester District Council to take forward to improve the District's inward investment and growth performance.

**Recommended Actions:**

**Action 1:** Develop an inward investment and growth strategy, which is informed by:

- A summit with business leaders, investors and developers to agree the District's place-making distinctiveness and to test the inward investment and growth proposals;
- A development prospectus that provides details of available sites and provides key factual information about the District and the surrounding area that can be promoted through a range of different media; and
- Working alongside key public and private sector stakeholders, who agree to act as ambassadors, to promote Chichester District as a business location.

**Action 2:** Build alliances to strengthen the inward investment and growth offer, including:

- Mapping and reviewing existing business groups and forums both within and beyond the District and determining which ones are most useful for Chichester District Council to be involved with to achieve maximum influence; and
- Developing a clear vision as to how Chichester District contributes to the Solent and Coast to Capital LEPs' inward investment ambitions and ensuring that the District Council develops and maintains strong partnerships with both LEPs.

**Action 3:** Focus the role of the Inward Investment and Growth Officer around the following actions:

- Working across the District Council with lead officers and teams, who work closely with businesses to share soft intelligence and to ensure that there is a whole council approach to supporting business growth;
- Where possible, within legal parameters, developing a 'Chichester First' approach to procurement;
- Promoting the agreed Inward Investment and Growth Strategy through a range of media, forming part of a wider social media campaign;
- Promoting Chichester by ensuring that the District is represented at business expo events at Goodwood and other sector specific events throughout the UK;
- Developing an Account Management approach to engaging with the District's major businesses; and
- Leading on implementing the key recommendations of this report.

## **Policy Context**

This new strategy, although tailored to local opportunities and challenges, has been shaped by national and regional priorities. This will ensure that a local approach to growing the economy is both cohesive and sustainable within national and regional industrial and economic strategies.

In November 2017 The Department for Business, Energy and Industrial Strategy published the UK Industrial Strategy White Paper which focuses on five foundations:

- Ideas
- People
- Infrastructure
- Business environment
- Places

Coast to Capital Local Enterprise Partnership Strategic Economic Plan 2018 -2030 “Gatwick 360” has eight economic priorities:

- Deliver prosperous urban centres
- Develop business infrastructure and support
- Invest in sustainable growth
- Create skills for the future
- Pioneer innovation in core strengths
- Promote better transport and mobility
- Improve digital network capability
- Build a strong national and international profile

West Sussex County Council published their Economic Growth Plan in May 2018. The priority themes and objectives are:

- Strengthening the coastal towns
- Maximising the opportunities from Gatwick
- Growing the green energy county
- Promoting West Sussex as a place to visit and work
- Enabling a workforce for the future

## **DRAFT**

Chichester District Council's Corporate Plan 2018 -21 includes the priority: Improve and support the local economy to enable appropriate local growth and within the objectives promote commercial activity and economic growth.

**The Councils Economic Development Strategy is in the process of being reviewed.**

### **Chichester as a Business Location**

The factors that influence business location decisions appear to be fairly consistent. The research by Marshall Regen found that a significant issue is the links that businesses already have with a local area. Growth is most likely to come from expansions of existing businesses, so understanding and working with businesses that are already located within Chichester District should be the first element on any Inward Investment and Growth Strategy.

The main factors that influence business location decisions are:

- Site and land availability;
- The culture, identity and ambience of a place;
- Accessibility and access to markets;
- Proximity to current and potential markets;
- Access to good quality labour;
- Clusters, R&D and knowledge exchange; and
- Quality of life factors.

Chichester District does not yet have high visibility as a business location and may not be able to compete with some neighbouring areas in terms of land availability and cost. It lacks a clear narrative and proposition that it can clearly promote to investors.

### **The Chichester Economy**

Historically, Chichester District has been a relatively strong performing economy, but there is evidence to suggest that, in economic growth terms at least, it has been flat-lining in recent years.

In economics, gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of the economy. The GVA of the District has not

## **DRAFT**

risen in line with other similar districts within West Sussex. In 1998, Horsham and Mid Sussex had a similar GVA's to Chichester, however they have both since overtaken Chichester. The average increase in GVA across West Sussex from 1998 to 2016 increased by 76.97%, in Chichester District this was just 65.89% (Source: ONS).

From an employment perspective, the District has strengths in wholesale and retail, accommodation & food service, health & social work and education, which account for just under half of the jobs. However, the agriculture/horticulture sectors are also key features of the District's economy. It has a high concentration of public sector employment, some niche manufacturing and a fairly strong creative industries sector.

Economic growth is expected to be driven mainly by higher value businesses in the professional, scientific and technical services sector, many of which do not require large commercial floorspace.

### **Inward Investment and Growth Strategy Objectives**

In order to achieve a diverse and inclusive strategy there needs to be a focus on the following elements:

- **Branding and Marketing**
- **Relationship development with land owners, developers, agents, existing businesses and other councils.**
- **Developing a whole council approach to supporting business growth and inward investment.**

### **Branding and Marketing**

- Producing an effective brand for Chichester District as an Inward Investment and Growth location for business to come to and grow in, emphasising the quality of life in the District.
- Development of marketing materials associated with the branding.

Branding is crucial for visibility and understanding of Chichester District Councils promise towards supporting businesses. Branding is important because not only is it what makes a

## DRAFT

memorable impression but it will allow our customers and clients to know what to expect from the organisation.

Branding, by definition, is a marketing practice in which an organisation creates a name, symbol or design that is easily identifiable as belonging to the organisation. This helps to identify a product and distinguish it from other products and services. It is a way of distinguishing ourselves from the competitors and clarifying what it is we offer that makes us the better choice. Our brand should be built to be a true representation of who we are as an organisation, and how we wish the District to be perceived.

A 2014 report from David Marlow Regen supports branding in terms of inward investment strategies:

“Strategies need to be underpinned by a coherent, compelling and distinctive place-marketing and positioning approach. EY (Ernst & Young) provide a strong starting point for identifying the criteria investors are looking for in this respect. A ‘big six’ of quality of life/culture/ diversity; technology and telecommunications infrastructure; political, regulatory and social stability; skills and education; transport and logistics infrastructure; and entrepreneurial culture provide building blocks for tailoring your local proposition that builds on general UK strengths.”

Chichester District has a number of strengths in terms of location. The area is very popular for families due to the proximity to outstanding schools, world renowned cultural offer and an unparalleled outdoor lifestyle. However the prominence and benefits of Chichester District are modest to people outside the immediate area.

The Council needs to build its business focused brand for many of the same reasons that businesses need to build their brand. Recognition, trust, respect and professionalism are often mentioned when people define the importance of branding.

Branding should not just cover one service area, but could encompass a variety of services, linked with the promotion of the District as a place to do business and links in with “Developing a council wide approach to supporting business growth and inward investment”

In terms of marketing materials to support the business focused brand, there would be at a minimum, a website and prospectus. Other materials could be produced in line with the branding for specific events or promotions.

The Economic Development team currently have a business directory, in partnership with My Business Client and are scheduled to have a revised version of this published by the end of 2019. This could serve well as the initial prospectus for Inward Investment and Growth as it promotes doing business in the District, however we acknowledge that more work will need to be done on this.

A website and a wider social media presence will be developed in house, it should be a one stop shop for Inward Investment and Growth in the District, giving businesses a clear connection to sites, opportunities and how the Council can support them.

**Actions:**

- **Branding exercise to encompass the business related functions of the Council.**
- **Development of materials and website to reflect business brand, information to include, but not be limited to; available sites, support the Council can offer and key contacts.**
- **Development of a “Welcome Pack” for businesses considering coming into the district or those who have already moved to the district.**

**Relationship development with land owners, developers, agents, existing businesses and other Councils**

- Building and maintaining a relationship with those involved in the provision of business space to ensure that the right space comes forward at the right time.
- Working alongside key public and private sector stakeholders, to act as ambassadors, to promote the District as a business location

There needs to be a coordinated approach to engaging with land owners, developers and agents so that knowledge sharing between the Economic Development team and key organisations becomes a regular occurrence.

Building a relationship with organisations who are trying to promote land and developments to occupiers is a key component of the strategy and keeping up to date with this information will allow the website to be continuously updated to show the most recent information.

## **DRAFT**

There needs to be a concerted effort to promote the district to businesses that are interested in the cache of being associated with the high end, hi-tech and cultural and artistic profile of the area.

Businesses often find it difficult to recruit staff with the right skills, and the District also finds it difficult to retain graduates, due to the high house prices and under developed evening economy. There are also concerns that the Further and Higher Education provision in the district does not adequately reflect local business needs.

### **Actions:**

- **Inward Investment and Growth Officer to engage with relevant land owners, developers and agent**
- **Hold an event with business leaders, investors and developers to test the inward investment and growth potential of the District and to agree the place making distinctiveness.**
- **Work alongside key public and private sector stakeholders, who agree to act as ambassadors, to promote Chichester District as a business location.**
- **Develop stronger relationships with other Local Authorities, particularly those to the west, whom have traditionally been seen as very separate to Chichester as they fall within a different County and LEP.**
- **Support West Sussex County Council in their skills and education objectives.**

### **Developing a whole council approach to supporting business growth and inward investment**

- Working across the District Council with lead officers and teams, who work closely with businesses, to share intelligence and to ensure that there is a Council wide approach to supporting business growth.

The Inward Investment and Growth Officer should be the key liaison for the Districts key services and officers that work with business by coordinating meetings to share information and knowledge, in order to provide an excellent service to all businesses.

How the District Council interacts with its existing businesses is central to delivering growth and securing inward investment. This includes understanding their needs, ownership

## **DRAFT**

structures and growth ambitions and responding to these accordingly. It also means ensuring that there is a whole council approach to working with businesses, so that soft intelligence can be easily shared and collective approaches adopted.

### **Actions:**

- **Developing an internal network group between key officers who have regular contact with businesses, in order to share soft intelligence and ensure there is a whole council approach to supporting business growth.**
- **Attending other services team meetings, as and when required, to update them on key projects and update all officers on the role of economic growth within the district.**
- **Keeping members informed of key projects and business developments through the monthly members bulletin and briefing sessions .**