

Chichester District Council

Overview and Scrutiny Committee

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Economic Development Strategy and Inward Investment and Growth Strategy

1. Contacts

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2. Recommendation

2.1 To receive the draft Economic Development Strategy and draft Inward Investment and Growth Strategy prior to the strategies being considered by Cabinet

3. Background

- 3.1 The Council's Corporate Plan aims to "Improve and support the local economy to enable appropriate growth".
- 3.2 The Council's existing Economic Development Strategy up to 2019 aims to 'Create a Prosperous and Sustainable Economy' for Chichester. It aims to address the demographic imbalance by creating the right environment to attract and retain more working age households; retaining and growing its existing growth orientated businesses; and by creating an environment and communications infrastructure that will encourage new entrepreneurs to contribute to the District's future economic success .
- 3.3 The Councils Corporate Plan specifically aims to "Promote inward investment and support the economic use and development of existing and newly designated employment land, Horticultural Development Areas and other commercial land. In the area covered by the Chichester Local Plan (not including the South Downs National Park), this will create an additional land/office space of 16,000 sq.m of industrial/warehousing and 2,500 sq.m of office space by 2021"
- 3.4 In September 2015 an Initial Project Proposal Document was considered and approved by Cabinet to release funding for an Inward Investment project to enable the project to progress as soon as the site allocations had been confirmed by Planning Policy.
- 3.5 Following the Planning Inspector's Report to Chichester District Council (CDC) on the 26 October 2018, the Council adopted the Site Allocation Development Plan Document 2014-2029 on 22 January 2019.

3.6 A long side this an update of the Economic Development Strategy has been conducted 'in house'. A key pillar of the Economic Development Strategy is to develop an Inward Investment & Growth Strategy as described in 3.4.

3.7 A district-wide business needs survey was conducted between July and August 2018 to inform the Economic development Strategy work. This was conducted and analysed by the Council's Consultation team.

The business needs survey raised these key issues:-

- Availability of good quality space
- Increasing costs in relation to premises
- Brexit elicited a mixed response mainly on financial uncertainty but mixed views on whether they would be affected or not

The most commonly cited threats to their businesses were:-

- Increasing costs including rent and rates
- Poor infrastructure (including digital connectivity)
- Finding staff with the right skills
- Planning restrictions and lack of investment
- Brexit
- Changes in shopping trends

3.8 In January 2019, Marshall Regen with Nairne Ltd, were appointed to conduct research on behalf of the Council to inform the Inward Investment and Growth strategy.

4. **Progress to date**

4.1 The Economic Development Strategy is an update of the 2013 – 2019 strategy and will retain aspects of that strategy which continue to be relevant; it will suggest additional aims and also show where this strategy links with the Coast to Capital Local Enterprise Partnership's Strategic Economic Plan and WSCC's Growth Plan (draft attached at Appendix 1).

4.2 The updated strategy aims to reflect the changed economic and organisational conditions that now exist and is intended to be flexible enough to allow response to further changes in the economy, including those associated with the as yet uncertain impact of Brexit.

4.3 At the time of developing the last strategy, no-one was predicting the seismic change which has impacted the Retail Industry and which will lead to an evolution of town centre usage. Equally, the pace of change within the digital economy has accelerated and the way businesses operate has evolved. Take up of commercial space is still heavily influenced by accessibility but occupiers are now considering how premises and locations can be more appealing to employees. The development of co-working and flexible office space is a crucial part of the offer.

- 4.4 For the Inward Investment Strategy, work commenced on the research in January including discussion with key businesses and workshops with CDC officers . A final report was produced as a result covering the state of the District and recommendations to take forward.
- 4.5 From the recommendations a draft Inward Investment and Growth strategy has been prepared (attached at Appendix 2), with background information on the current state of the District, objectives and actions.

5. **Outcomes to be achieved**

- 5.1 The Economic Development Strategy will seek to allow for flexibility to react to the needs of our local economy.
- 5.2 It recommends a targeted approach to supporting indigenous businesses alongside the development of an Inward Investment & Growth Strategy to promote the district as open for business. It sets out that the High Street needs to be a key area of focus and that we need to make better economic use of the District's considerable natural and cultural assets.
- 5.3 The Economic Development Strategy builds on what has been achieved over the past seven years by continuing with the approaches which have been working, updating those to reflect the Chichester Vision and emphasising key areas of focus.
- 5.4 The development of the Inward Investment & Growth Strategy will outline actions over the next two years for the council to undertake and achieve. 3 headline objectives have been identified out of the work thus far:
- 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.
- 5.5 Once the Economic Development Strategy and the Inward Investment & Growth Strategy have been approved, specific actions will be detailed in the Economic Development Service Plan.

6. **Finances**

- 6.1 For the Inward Investment & Growth Strategy, a budget of £40,000 was approved in September 2015; this was to cover costs of research, development of the strategy and branding and marketing of the District as a place to do business.
- 6.2 As of August 2019, £14,450.17 had been spent on the research and development of the strategy. The remaining budget will be spent on developing the Inward Investment & Growth branding and the development of support materials to promote the district, particularly digital information.

7. **Proposal**

- 7.1 That OSC notes the progress made to date on the draft Inward Investment and Growth Strategy and draft Economic Development Strategy.

8. **Community impact and corporate risks**

- 8.1 Without a coordinated and structured approach to Inward Investment and Growth within the District there is a risk that the employment land coming forward will not be promoted or filled.
- 8.2 A loss of employment land, with fewer businesses will mean the District is less viable in terms of residential choice and less attractive
- 8.3 Without an updated Economic Development Strategy we run the risk of untargeted and ultimately ineffective support to business. We need to attract inward investment into the district coupled with promoting that the district is a good place to do business for all. The emerging Inward Investment & Growth strategy needs to work within the Economic Development Strategy to promote growth for the whole district.

9. **Appendices**

- 9.1 Appendix 1 Draft Economic Development Strategy
- 9.2 Appendix 2 Draft Inward Investment and Growth Strategy

10. **Background Papers**

- 10.1 Economic Development Services consultation report – electronic link to document to follow.