

Creating a Prosperous and Sustainable Economy
Economic Development Strategy for Chichester District

2019 - 2024

Foreword by Cabinet member for Growth & Place, Regeneration

Chichester District Council is committed to supporting local businesses. We recognise that our businesses are the core contributors to the prosperity of our District.

Chichester is an affluent district with a rich cultural heritage, a positive ‘feel-good’ atmosphere, high quality recreational facilities and an outstanding natural environment. It is a district that people aspire to belong and to, with a progressive District Council committed to supporting business, it has all the ingredients to be one of the most desirable locations in the UK for business.

However, along with the rest of the country, we are seeing considerable changes to our high streets and through the focused plans we have been developing in Chichester City and in the rural towns, we hope to be well placed to ensure the ongoing vibrancy of these centres.

We also have yet to see the impact of Brexit so we need to ensure that we remain able to adapt our strategies to the realities of the local economy.

I hope you find this strategy for 2019 to 2024, and its aspirations, to be effective for these challenging times. The annual action plans that flow from this strategy will help to encourage and drive our local economy, making our district a place in which businesses thrive and prosper.

This economic development strategy builds on what has been achieved over the past seven years by continuing with the approaches which have been working, updating to reflect the Chichester Vision and emphasizing key areas of focus.

The priority areas of focus will be on the delivery of an Inward Investment Strategy to promote the district as open for business and on supporting the ‘high street’ through its current and future changes.

This economic development strategy also recommends a targeted approach to supporting indigenous businesses to grow, whilst encouraging inward investment.

It sets out that we need to attract and retain younger people; stresses the importance of education and training in raising aspirations and developing skills and aims to make better economic use of the District’s considerable natural and cultural assets.

Cllr Martyn Bell

Cabinet member for Growth & Place, Regeneration

About this Strategy

Chichester needs an economic strategy that reflects the changed economic and organisational conditions that now exist but needs to be flexible enough to allow response to changes in the economy.

Currently, Brexit is an unknown factor; Government has been issuing briefings for business although as yet, we do not know what the impact will be.

Therefore this strategy will seek to allow for flexibility to react to the needs of our local economy.

This strategy is an update of the 2013 – 2019 strategy and will retain aspects of that strategy which continue to be relevant but will suggest additional aims and also show where this strategy links with the Coast to Capital Local Enterprise Partnership's Strategic Economic Plan, WSCC's Growth Plan, Chichester Vision and Visions in the Rural Towns.

At the time of developing the last strategy, no-one was predicting the seismic change which has impacted the Retail Industry and which is leading to an evolution of town centre usage. However, the Council has led the development of the Chichester Vision which has been adopted by the District Council and to which both WSCC and Chichester City Council have signed up. The delivery phase for the Chichester Vision is underway and through this together with the emerging Visions for the rural towns, the District Council should be well placed to react to the change in town centres but more importantly to plan ahead.

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.

Chichester District Council has foreseen some of these changes, evidenced by the Council establishing the Enterprise Centre.

Chichester District Council cannot affect economic outcomes at a macro level, but its actions, priorities and leadership can make a difference to local businesses and residents. It can develop strong partnerships to access funds; lobby for investment; achieve cost-effective outcomes; influence others to work towards a common agenda; send market signals to investors about the sort of economy Chichester wants; use its own land and assets for local economic benefit; and as a large local business itself, its positive approach to recruitment and procurement can make a genuine impact to the local economy.

Unemployment levels are at a relatively low level, business survival rates are currently the second best in West Sussex outperforming neighbouring districts but the district is one of the lower performing districts in West Sussex for business start-ups according to the data underlying WSCC Growth Plan.

This refreshed economic strategy builds on what has been achieved over the past five years and sets out the future direction, based on the evolving economic conditions resulting from Brexit uncertainty and from the seismic changes in the Retail Industry. It recommends a targeted approach to supporting (high growth potential) indigenous businesses and the development of an Inward Investment Strategy. It acknowledges the need to attract and retain working age people; stresses the importance of education and training in raising aspirations and developing skills; encourages the District to make better economic use of its considerable natural and cultural assets.

Chichester District Council cannot take the credit for the District's future economic successes alone; nor can it take sole blame for its failures. Its impact will be judged in the

way it leads, acts and co-ordinates activity in the areas where it can make the most significant difference. This strategy will help it to do this.

Background

As at the date of this Strategy Chichester has over 7,500 active enterprises. The West Sussex Growth Plan data has shown that Chichester District has the lowest start-up rate in the county but one of the highest business survival rates. The previous strategy was not to focus on getting more businesses but on getting existing businesses to grow. The survival rates indicate that our Business Contact Programme has helped to support businesses but we can do more to encourage and assist with growth. We have delivered funding schemes which since 2016 have supported over 90 businesses, enabled economic use of vacant premises, and supported independent local businesses. These projects contributed to the protection of 242 jobs in the District and the potential of creating 232 new jobs.

The challenge now is to identify and support those businesses that have strong growth potential; that are likely to provide new higher value jobs and which will attract new investment. Such a targeted approach needs to sit alongside a broader sector based approach that focuses on strengthening networks and supply chains in key sectors.

Consultation evidence to support the previous strategy emphasised the importance of the food and drink sector; suggested that there was potential to expand the District's marine-related activities (perhaps in partnership with neighbouring coastal authorities); and recommended focus on activities related to the visitor and the creative economies.

The Economic Development Business survey conducted in the summer of 2018 asked businesses about their growth plans. Of those surveyed these key results emerged:-

Issues affecting growth	Response
Plans to move or acquire new premises	40%
Plans to expand	60%
Availability of suitable space is a barrier to growth	35%
Premises costs too high	32.3%
Lack of funding	32.3%
Hurdles affecting day to day business	Response
Recruitment and skills	40.7%
Business rates too high	29%
Being in the right premises	23.45

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.

The district's retail businesses are undergoing an extremely challenging time with many national chains under threat of collapse or indeed already closing. The high street is evolving

so support to businesses in this sector, particularly our independent businesses, will need to be developed according to need and in line with the Chichester Vision and with the emerging Visions of the rural towns.

There are a number of successful entrepreneurs and business leaders in Chichester. The District Council should seek to engage with them to promote Chichester to investors and to critique approaches to supporting local economic development.

Geography and road transport links mean that it may be prudent to have some focus on supporting the growth of businesses that are not transport dependent, although not at the expense of one of the District's key strengths in food and drink production. Given this, it is vital that there is access to up to date digital infrastructure and broadband in all parts of the District; that transport improvements are made where this is viable; and that the business accommodation needs identified in the Chichester Employment Land Review 2018 are met

Chichester is widely recognised as having some of the country's most outstanding countryside and its theatres, art galleries, museums and beaches inspire creativity in artists, designers and media professionals. Nearly three-quarters (70%) of the District's land is part of the South Downs National Park; Chichester Harbour is an Area of Outstanding Natural Beauty (AONB); it has a rich and diverse coastline that supports both tourist activity and marine businesses; and it has listed buildings and Sites of Special Scientific Interest aplenty. These natural assets support a strong tourism sector which contributes £460m per year to the District's economy.

The quality of light and soil support one of the country's most important horticultural clusters; and its agricultural businesses produce outstanding local food and drink. They are the economic lifeblood of the District's market towns and villages, and the guardians of its countryside. The beauty of Chichester Harbour makes it attractive for yachting enthusiasts and it provides an ideal location for businesses linked to the Marine sector. The Witterings and Bracklesham Bay are popular destinations for family holidays and for windsurfers, kite surfers, divers and fossil hunters.

These are all substantial assets that give Chichester a reputation for quality, culture and refinement that are the platform for its current and future economic success and are major selling points to potential investors. The District attracts 6.5 million visitors every year, Chichester Harbour can accommodate 12,000 yachts, and Glorious Goodwood, the Festival of Speed and Goodwood Revival are national highlights on the events calendar, but Chichester could create more innovative tourism packages that could encourage more of its day visitors to remain in the District for longer.

Chichester's rich and diverse food and drink production sector increasingly operates in competitive international markets and requires people with high-level business and technical skills. Its farmers and foresters have to find new ways of making their businesses competitive, making better use of their buildings and land, finding new ways of working together, exploring new markets (both at home and overseas), and strengthening supply chains.

Successful coastal areas are often those that have found ways of extending the holiday season to make better economic use of their access to the sea during the colder, winter months. This may mean strengthening marine related activities, improving and diversifying the retail and leisure offer in the coastal towns and to attract more people throughout the year.

Chichester has a well-educated population, high levels of entrepreneurship, and a high proportion of its residents work in 'higher level' occupations. The University of Chichester has around 5,000 students; boasts a newly opened Engineering and Digital Technology Park has academic strengths in Sport, Exercise and Health Sciences, Visual and Performing Arts, Cultural Studies and Social Studies. It also has a school of Enterprise, Management and Leadership. Chichester Further Education College has high student success rates; is a Queens Anniversary Prize winner for international education; and has a food and drink specialism at its Brinsbury Campus. West Dean College is an independent higher education college with an international reputation for conservation, creative arts and design.

However, GCSE attainment in some schools is below the national average; local businesses are concerned that the skills young people have are not well-matched to those that they need.

Universities and colleges are increasingly having to operate in a market environment, responding to student and business demand; whilst they are often expected to respond to forecasts of future skills needs in the local economy.

Developing and maintaining an on-going dialogue between education providers and business groups is essential to identifying ways of developing a more responsive curriculum; to find new ways of delivering learning packages on employer premises; and of equipping learners with the skills that they need to compete effectively in the local labour market. Education providers have an equally important role in developing learning pathways that are sufficiently attractive and flexible to raise the aspirations and skills of lower skilled people who might otherwise struggle to gain a foothold in the labour market.

Chichester has opportunities to do more to attract and retain young talent. It has a top-performing Further Education college that attracts a large number of international students; it has its own university, which could be supported to attract more students from elsewhere, and it has a large SME sector that could be encouraged to provide more work placements and opportunities for university and college leavers, and it can use its existing entrepreneurial talent to support its graduates to start their own businesses. It is no simple task to attract working age people, but the district will need them in the future to support its ageing population; improve its offer to visitors; and to provide the talent that its growth oriented businesses will need to prosper.

Our Priorities

Priority 1: Inward Investment

Having a large business base is not enough to secure sustainable economic growth. Many micro-businesses are not growth oriented and will not provide higher value jobs in the future or increase the District's prosperity. We need a strategy for Inward Investment and for development of Employment Land to provide the future space for growing and new businesses.

The District Council is a key stakeholder in the effectiveness of the A27 by-pass and needs to continue to lobby for improvements. Existing businesses have cited the A27 congestion as a barrier to growth and if we are to attract inward investment and to enable growth of existing businesses, the A27 must be improved.

A range of supporting actions will need to be implemented to support this priority, including:

Primary Aims

- 1.1 Develop and deliver a clearly articulated Inward Investment Strategy.
- 1.2 Promote and market the district as 'open for business' through an Inward Investment Prospectus articulated through a clear brand to attract Inward Investment
- 1.3 Develop a Digital strategy that aims to secure high-speed digital infrastructure and broadband access across the whole of the District and to build on the Gigabit roll out to public sector buildings to encourage businesses to access full fibre services. Work with WSCC to find the most effective spine routes for the District as part of fibre roll out funded from the pooled business rates.
- 1.4 Promote the development of key employment sites identified in the HEDNA or Local Plan/Local Plan Review.

Priority 2: Supporting the 'high street'

Aligned with an Inward Investment Strategy, we need to ensure that we support the 'high street' through its forthcoming changes. The future of the high street will not be all about retail and there is likely to be a significant shift towards independent businesses. The challenge will be to maintain a mix of sufficient 'anchor' shopping draws whilst encouraging a variety of independent retailers. The Chichester Vision sets out recommendations for the future of the city centre and this along with the emerging town visions will shape the support to the high street.

Primary aims:

- 2.1 Support and contribute to the delivery of Chichester Vision and the emerging rural town visions.
- 2.2 Deliver targeted support programmes to retail businesses and other businesses seeking to locate in our town centres.
- 2.3 Working with the BID, pro-actively support businesses which can contribute to a more diversified offer on the high street and those which can help develop our night-time economy offer.
- 2.4 Engage with the government's High Street Task Force on how best to utilise their emerging support.

Priority 3: Create the Conditions to Support Growth-Oriented Businesses

An unfocused approach to business engagement risks spreading resources too thinly and may mean that some businesses fail to grow to their full potential. Growth oriented businesses are not confined to particular sectors, but they need the right business accommodation in the right locations and high quality, up-to-date digital and physical infrastructure. Digital infrastructure is essential for future growth but businesses are at varying stages of development regarding their needs– we need to support initiatives which aim to future-proof digital infrastructure. There needs to be a focus on identifying those businesses ready to grow through the Business Contact Programme. However, we cannot forget that 90% of the businesses in our district are micro businesses reflecting increases in self-employment and these businesses will also need support.

Primary Aims

- 3.3 Through the business contact programme, provide targeted support to businesses which fit the priority sectors identified in the emerging Inward Investment Strategy and those which will positively contribute to the evolving high street.
- 3.4 Underpin support via the delivery of grant schemes or training programmes.

Secondary Aims

- 1.3 *Undertake an audit of sector focused business support networks and establish where the District Council and its partners can add value to support business growth*

Strategic Alignment

The aims for the above 3 priorities support the following priorities that are set out in the West Sussex Economic Growth Plan, which provides the framework for a coordinated approach to economic development across the county:

- Strengthening the Coastal Towns
- Promoting West Sussex as a place to visit and work
- Enabling a workforce for the future
- Deliver the transport and communications infrastructure that businesses and residents need.

These aims also align with the Coast To Capital LEP's Strategic Economic Plan

Priority 2: Develop business infrastructure and support

Priority 3: Invest in sustainable growth

Priority 7: Improve digital network capability

Priority 4: Make Best Use of the District's Natural and Cultural Assets

Chichester's natural and cultural assets are what makes it distinct and special. They are the cornerstone of its economy and the reason why it is one of the England's

most attractive places to live in and visit. Its natural and cultural assets underpin its great food and drink production and creative industries sector and give it the potential to develop a strong marine industries presence alongside neighbouring areas. Working with the natural environment is a key component of sustainable economic development. Chichester's high quality natural environment needs to be viewed as an economic asset, not an obstacle to securing sustainable economic growth.

Primary Aims

- 4.1 Linked to the Vision work for the District's market towns; provide on-going support through the Business Contact Programme so that the towns remain thriving centres that serve their hinterlands.
- 4.2 Support the District's farmers, foresters and landowners to make best economic use of their buildings and land assets within the constraints of landscape, wildlife and listed buildings designations.
- 4.3 Develop a co-ordinated approach to engage, support and promote the food and drink sector so that Chichester District is recognised as one of the country's leading food and drink producers.
- 4.4 Better understand opportunities for developing and growing the District's marine and coastal-related activities, linked to their strengths in the Solent area and improving and diversifying the retail and leisure offer in coastal locations.

Secondary Aims

- 4.5 *Encourage co-ordinated, high value visitor packages and to increase the value of tourism and culture to the economy through supporting the emerging Tourism and Cultural Strategy work.*
- 4.6 *Support the development of comprehensive list of the cultural and tourism offer*
- 4.7 *Working with partners, such as Experience West Sussex and Visit Chichester, maximize the positive economic impact of the district cultural & creative industries.*

Strategic Alignment

These aims support the following priorities that are set out in the West Sussex Economic Growth Plan, which provides the framework for a coordinated approach to economic development across the county:

- Strengthening Coastal Towns
- Promoting West Sussex as a place to visit and work
- Maximising the opportunities from Gatwick

It will align with Coast to capital SEP

Priority 8: Build a strong national and international identity

5. Additional area of focus:

Match Skills to Business Needs and Attract and Retain working age talent

Talent attracts investment and enables businesses to innovate and compete on quality. It is a key driver of economic growth. Acquiring the right skills also gives individuals more choices in the labour market, enables them to command higher earnings, and reduces their risk of social deprivation. Universities, colleges and training providers are key to raising aspirations, nurturing talent and supporting workplace learning. Education is not a purely economic endeavour. However, learning providers are increasingly operating in a market environment, where learning is seen as an investment upon which learners and sponsoring businesses expect to see a return. Universities and colleges need to be supported to find new ways of identifying and responding to local business and community skill needs, so that they contribute to the District's economic growth.

Chichester District's economy needs working age people over the longer term if it is to achieve sustainable economic growth. It needs people who can fill the lower and intermediate level jobs that support its ageing population and growing visitor economy; and but it also needs to retain and attract fresh talent to enable its high growth businesses to expand and to attract new investment from outside. The District's housing stock is not accessible to younger working age households; its night-time economy is under-developed for younger people; and its SME-dominated labour market makes it difficult for many young people to build a career locally, hence the need to create higher value jobs.

Primary aims:

5.1 Develop strong links with education-business networks and strengthen the links between the District's secondary schools and Further and Higher Education providers.

5.2 Work in partnership with Coastal West Sussex who are developing an action plan for investing in STEM skills.

5.3 Maximise internship and apprenticeship opportunities and increase work placement opportunities for young people and to develop their business and entrepreneurial skills.

Secondary Aims

5.5 Find viable solutions to specialist learning provision that meets local business needs.

5.6 Respond to the skills and employment needs arising from the South Downs

National Park.

5.7 Undertake an audit of the District's recreational and cultural offer and its night time economy to ensure that it meets the needs and aspirations of younger households. This links closely to Chichester Vision work.

Strategic Alignment

These aims support the following priorities that are set out in the West Sussex Growth Plan, which provides the framework for a coordinated approach to economic development across the county:

- Promoting West Sussex as a place to visit and work
- Enabling a workforce for the future

This will align with Coast to Capital SEP

Priority 4: Create skills for the future

Working in Partnership

This Economic Development Strategy links strongly with the ongoing delivery of the Chichester Vision and emerging rural town visions and will therefore involve regular partnership working.

Supporting business relies on building our partnerships with the Chichester Chamber of Commerce and Industry, the BID and networking organisations in Midhurst, Petworth, Selsey and the Witterings.

Reviewing Progress

Chichester District Council cannot grow the local economy alone, but in leading the delivery of this strategy and working with private, public and voluntary sector partners, it can help support the District towards sustainable economic growth.

The strategy is a core part of the District's future strategic plans and supports the new Local Plan and Chichester Vision an annual action plan will be developed by the Economic Development Team as part of the Annual Service Plan.

Progress in delivering the strategy will be shared by the council within its existing partnerships and networks such as the Chamber of Commerce, BID, Town Councils, West Sussex County Council, the South Downs National Park Authority, the Coastal West Sussex Partnership, the Rural West Sussex Partnership; Action in Rural Sussex; and the Coast to Capital Local Enterprise Partnership.