

PLYMOUTH CITY COUNCIL

Subject: Inward Investment
Committee: Growth and Prosperity Overview and Scrutiny Panel
Date: 8 May 2013
Cabinet Member: Councillor Evans
CMT Member: Anthony Payne, Director for Place
Author: Kate Martin, Economic Development Officer/
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Ref:
Key Decision: No
Part: I

Purpose of the report:

To provide the Growth and Prosperity Overview and Scrutiny Panel with an overview of inward investment activities and successes, undertaken and proposed.

This report includes details of live enquiries currently being handled by the Economy, Enterprise and Employment Service, recent jobs created, and the marketing activity undertaken by the team to attract investment to the city.

Corporate Plan 2012-2015:

Deliver growth – inward investment plays a key role in developing the city as a thriving growth centre by creating good quality, sustainable jobs.

Raise aspirations – promoting Plymouth as a place ripe for investment and therefore encouraging the creation of new jobs helps to raise the aspirations of local residents by providing employment opportunities for those currently out of work, or better quality jobs for those currently working but looking to develop their career further.

Provide value for communities – creating new jobs benefits local communities by giving residents some spending power within their local area.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

Possibility of a requirement for further funding resources to undertake enhanced marketing activity, including hosting business and other events to attract investment into the city.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

Inward investment activity primarily has economic implications but there is the potential for social and environmental benefit depending on the nature of the enquiries received.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

- a) That the Panel notes the current activities being carried out and planned for the coming months
- b) That the Panel notes, with staff resources focused on inward investment coming into being during April 2013, that an end of year progress report on enhanced activity is brought back to the Panel in Spring 2014.

Alternative options considered and rejected:

Published work / information:

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7

Sign off:

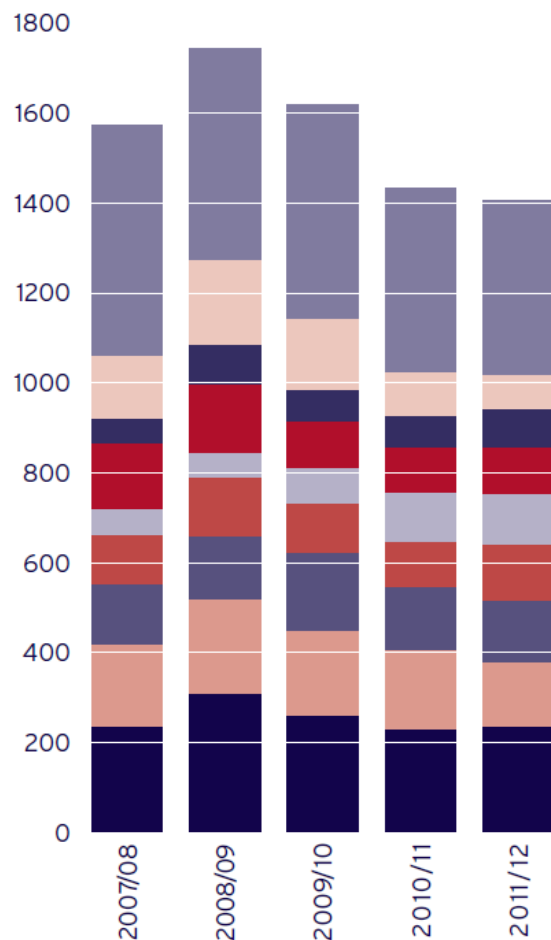
Fin		Leg		Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the contents of the report? Yes / No* please delete as necessary													

1.0 Introduction

- 1.1 The purpose of this report is to provide the Growth and Prosperity Overview and Scrutiny Panel with an overview of the inward investment activities undertaken by the Economy, Enterprise and Employment Service. It includes information on recent successes, current projects and marketing activity undertaken.
- 1.2 For the purpose of this report, inward investment is defined as that which comes from outside the Heart of the South West region which covers Devon and Somerset, including the unitary authority areas of Plymouth and Torbay. However, it also includes investment made by existing companies that add value and create sustainable economic growth in the city.
- 1.3 According to latest available figures, whilst the UK as a whole is still performing well in terms of inward investment, it fell over the three-year period from 2008/09 as shown in the chart below taken from UK Trade & Investment's Inward Investment Report 2011/12 published in July 2012. In 2008/09, the UK attracted around 1,750 projects, falling to 1,406 in 2011/12 – a decrease of around 20%.

UK inward investment

Projects by sectors 2007/08-2011/12



SOURCE: UK TRADE & INVESTMENT

In the Heart of the South West LEP area during 2011/12, there were six successful UKTI involved projects representing 0.54% of the total 1,105 successes across the UK. These projects created a total of 124 jobs, 0.23% of the national figure of 54,827. Unsurprisingly, the main area that has benefitted from FDI (foreign direct investment) is London with 46% of the total project successes and 23% of the total jobs created. The Greater Manchester and North Eastern LEP areas also had significant success.

UKTI Involved FDI Successes by LEP Area

LEP area	UKTI Involved Successes	
	Projects	Jobs
Black Country	9	1,214
Buckinghamshire Thames Valley	8	767
Cheshire & Warrington	11	1,400
Coast to Capital	11	351
Cornwall & Isles of Scilly	7	71
Coventry & Warwickshire	14	79
Cumbria	1	35
Derby, Derbyshire, Nottingham & Nottinghamshire	20	2,299
Dorset	5	65
Enterprise M3	25	604
Gloucestershire	5	215
Greater Birmingham & Solihull	26	2,459
Greater Cambridge & Peterborough	49	1,546
Greater Lincolnshire	8	588
Greater Manchester	53	9,291
Heart of the South West	6	124
Hertfordshire	18	723
Humber	10	708
Lancashire	5	89
Leeds City Region	23	1,107
Leicester & Leicestershire	8	323
Liverpool City Region	23	1,233
London	512	12,665
New Anglia	8	107
North Eastern	43	7,354
Northamptonshire	7	166
Oxfordshire	18	831
Sheffield City Region	7	157
Solent	11	212
South East	20	569
South East Midlands	29	1,090
Stoke-on-Trent & Staffordshire	6	778
Swindon & Wiltshire	7	1,025
Tees Valley	13	2,170
Thames Valley Berkshire	47	743
The Marches	3	89
West of England	8	161
Worcestershire	5	442
York & North Yorkshire	16	977
Totals	1,105	54,827

Source: National Inward Investment Pipeline (UKTI Investment Services Team)

- 1.4 Inward investment activity is undertaken by the Enterprise and Inward Investment team which sits within the Economy, Enterprise and Employment Service and, until recently, comprised three full-time and one part-time staff members. The Economy, Enterprise and Employment service has now created three new posts within that team, two of which are already in post, and this increase will allow the Council to augment its existing service from April 2013 and assist more indigenous businesses and be more pro-active in attracting investment.
- 1.5 'Increasing inward investment' is one of the 14 initiatives contained within the Plan for Jobs through which over 2,000 jobs and apprenticeships will be created over the next two years. The initiative has an individual target of 100 jobs which we aim to meet by working with other Council teams and external partners to promote the city as a business location through proactive marketing of local opportunities. We will also engage with local businesses to exploit opportunities for local investment in addition to attracting investment in new and existing businesses.

2.0 Enquiry handling

- 2.1 We are one of six partners within the Heart of the South West Local Enterprise Partnership (LEP) investment group and, as such, work closely with UK Trade & Investment to market the region to foreign investors and respond to enquiries generated by them. Investment enquiries are disseminated to partners within the LEP area and responses co-ordinated by the LEP's executive assistant.
- 2.2 As a first point of contact, the Economy, Enterprise and Employment Service also handles enquiries direct from interested parties looking to set up, relocate or expand within the city, and coordinates the support and services available to companies from external partners, including Plymouth University, Plymouth Chamber of Commerce, Tamar Science Park, Jobcentre Plus, priority sector co-ordinators, commercial agents, etc.
- 2.3 We also work very closely with our City Council colleagues, including the Planning Service and Business Rates team, to provide a seamless and coordinated response to enquiries to achieve successful outcomes. A process has been adopted whereby relevant parties, internal and external, are included in discussions at the initial or other appropriate stage to enable potential problems to be identified and resolved early on.
- 2.4 During the period 2012/13, the Economy, Enterprise and Employment Service provided support for 256 enquiries. Increased resources within the team will enable a more comprehensive system of monitoring and following up of leads to convert enquiries to successes.
- 2.5 The amount of support given to enquirers varies and includes providing an online search facility where anyone seeking business sites or premises can access our commercial property database which is maintained on a monthly basis with information received from local commercial agents. These online searches are automatically recorded in our enquiry monitoring system, and an automated reply is now sent offering further assistance and contact details if required.
- 2.6 More comprehensive support is available where initial meetings are held with interested parties looking to set up, relocate or expand in the city to identify their specific needs and provide a bespoke package of support, pulling in relevant partners where appropriate.

- 2.7 The list below provides information on some of the enquiries handled by the team that required comprehensive support.

Ref	Type of company	Potential new jobs	Status
2197	Media/TV/events company	up to 100	ongoing
2194	Hi-tech boat storage system	up to 200 associated	ongoing
2100	Local hi-tech manufacturer	c 200	ongoing
2098	Recycling company	shelved plans to move to SW	closed
1994	Hi-tech manufacturing company	focus on overseas facility	on hold
1980	R&D software & electronics lab	up to 20	success
1737	Financial services call centre	200	success

- 2.8 A major success for the city was the securing of investment from The Money Group (ref 1737 above) with assistance from the Economy, Enterprise and Employment team. Already a major employer in Cornwall with over 200 staff, the company opened a new call centre in Plymouth at the end of 2012 and plans to create around 200 new jobs. It has so far created 95 FTEs.
- 2.9 Other successful projects have included Princess Yachts, Plessey Semiconductors and UTC Aerospace Systems where the team has helped submit successful bids for Grant for Business Investment (GBI) and Regional Growth Fund that have led to significant money being invested in the city helping to safeguard and protect existing jobs and encouraging sustainable economic growth.
- 2.10 The city has enjoyed significant success attracting further investment into the Royal William Yard this year with Bistro Pierre and Le Vignoble Wine Lounge joining other well-known eateries, and Las Iguanas and Wagamamas due to open by early May. Gary Rhodes opened his £1.5m Rhodes @ The Dome restaurant in January this year in the former Plymouth Dome building, working closely with the City Council's Land and Property team to bring this empty building back into use with the creation of around 40 new jobs. Mitch Tonks, award-winning writer, restaurateur and fishmonger, is bringing his RockFish brand to the city, opening a £500,000 seafood restaurant at the National Marine Aquarium creating 40 new jobs.
- 2.11 The media/TV/events company referred to above (ref 2197) is a local company that is looking to invest in the city. Established for 17 years and in the city for seven, it has major plans that include centralising some of its operations here, creating a need for larger office and production space, and establishing a venue in one of the more disadvantaged areas of the city from where it will hold around 20 weekend conferences and events a year. The economic benefits of hosting these events, attended by up to 2,000 people at a time, will be huge as will the publicity for Plymouth from the events being broadcast to millions of homes across the globe.
- 2.12 The distributors of the hi-tech boat storage system (ref 2194) are looking for potential sites for this new highly efficient and fully-automated boat storage system. It is a multi-tiered system that has capacity for additional uses within it, ie chandlery services, restaurants, cafés, office space, conference facilities, etc, creating new jobs as well as attracting visitors as a tourist destination in its own right. We have helped the company meet with local marina operators who are expressing initial interest in the product.

3.0 Aftercare programme

- 3.1 The Economy, Enterprise and Employment Service manages an aftercare programme targeting around 40 key businesses in the city in order to develop close working relationships and gain 'on the ground' information on the real issues they face so as to provide advice and support where required. The programme strengthens the team's role as a main point of contact for companies to liaise with different departments within the Council, such as planning and transport, as well as a provider of statistical information to help with grant applications and other support in terms of skills issues and land and property matters. It also provides a platform for identifying and supporting potential opportunities for local investment from the companies that already exist in the city.
- 3.2 Visits to overseas-owned companies are often undertaken in partnership with UK Trade & Investment.
- 3.3 The following is a list of the companies visited during 2012/13.
- Bombardier Transportation Signals
 - British Land
 - Fine Tubes
 - Hymec Aerospace
 - Kawasaki
 - MSubs
 - Pipex px
 - Plessey Semiconductors Limited
 - Princess Yachts International
 - Prudential
 - Serco
 - UTC Aerospace Systems
 - Vi-Spring
- 3.4 Issues raised at these visits that the Economy, Enterprise and Employment Service have helped resolve include providing assistance with recruitment through Jobcentre Plus and other providers, support for funding applications including supplying economic intelligence and other evidence, planning advice and liaison, parking problems, environmental issues, business rates relief, and identification of alternative business premises where companies are looking to expand their operations. We work closely with colleagues in the Land & Property and Strategic Property Teams, as well as the local commercial agents, when looking at alternative premises for companies.

4.0 Marketing

- 4.1 Working in partnership with the Plymouth Chamber of Commerce, and KPMG as sponsor of the event, we are arranging an investment dinner in London on Wednesday 10 July. Hosted by Sir John Parker, who has connections with the Chamber of Commerce, this high profile, non-political event will showcase Plymouth's assets to a small targeted audience. The objectives of the event are to:
- showcase Plymouth's marine strengths to high profile potential investors
 - promote the city as ambitious and full of potential, and ready to do business
 - establish new business relationships and strengthen existing ones

- encourage a follow-up visit to Plymouth, tying this in with a high profile event, ie Plymouth's Ocean City Festival 2013
 - provide a platform for hosting additional similar events in the future
 - kick start an ambassador programme for Plymouth
- 4.2 A suite of six factsheets have been produced for each of our priority sectors. They are targeted at the potential investor, providing easy access to key information and statistical data around each of the following sectors, and include a sector overview and useful statistics as well as specialist companies and relevant businesses and organisations.
- Advanced manufacturing
 - Business services
 - Creative industries
 - Marine and renewables
 - Medical and healthcare
 - Tourism and leisure
- 4.3 Burrows Communications is currently producing a high quality full colour A4 investment publication on behalf of Plymouth City Council which will be issued in August 2013. The guide will be in both digital and hard copy format (3,000 copies) and will be an essential marketing tool, showcasing Plymouth as a vibrant city in which to invest and do business, and also provide opportunities for local businesses and organisations to reach external audiences and potential investors. It will show the commitment of Plymouth City Council and the Plymouth Growth Board to delivering the city's plans for growth and attracting new investment into Plymouth. The publication will feature articles focusing on development opportunities such as Derriford, Millbay and Royal William Yard, whilst also promoting our six priority sectors. Other features include social enterprise, skills and knowledge, highlighting that we are now a city with two universities, and the fantastic quality of life that we have in Plymouth.
- 4.4 The Economy, Enterprise and Employment Service will be exhibiting at the Plymouth Chamber of Commerce Business Show on Wednesday 26 June in partnership with the City Council's Procurement team. The show aims to promote the South West as a great place to do business and will be an opportunity to provide information about our initiatives to visitors and other exhibitors, including the Plan for Jobs, 1000 Club, digital connectivity and business support, including our business directory, as well as raising our profile to the business community.
- 4.5 The Economy, Enterprise and Employment Service is looking to create a 'book of wonder' that will be used by city ambassadors to share the city's amazing facts and figures to investors. It will be a high quality publication that local businesses and politicians can use when talking to potential investors and customers and will include information such as the size and scale of the city and its economy, the size and reach of Plymouth's two universities, powerful facts about our major employers, our cultural offer. To compliment this publication will be a mobile application – or 'app' – for users to access the information via mobile phone or other mobile device.
- 4.6 We also provide editorial for various investment journals, guides and other publications to showcase the opportunities available for businesses looking to relocate to the city. A recent example is the South West Business Insider magazine.

- 4.7 Another area of marketing undertaken is the provision of tailor-made information to investment houses, including British Land and Akkeron Group, to help them promote the city to potential investors and developers.

5.0 City Deal

- 5.1 Plymouth is one of 20 areas selected by government to develop a City Deal for Plymouth and the peninsula. Working in partnership with local authorities and business organisations across the South West, our City Deal aims to develop the region's maritime assets and capabilities by creating an industry cluster of advanced engineering and design, and creating jobs through the commercial application of marine sciences, marine renewable energy and maritime technologies.
- 5.2 A partnership comprising two LEPs (Heart of the South West and Cornwall and the Isles of Scilly), local authorities (including Plymouth, Cornwall, Torbay, Devon, South Hams and West Devon), Plymouth University and the South West Marine Energy Park will help develop these maritime assets and capabilities in order to generate jobs and business opportunities. It will bring together exceptional physical, commercial, supply chain and R&D assets to develop and grow the marine energy sector (wave, wind and tidal) and encourage commercialisation of the sector and attract inward investment.
- 5.3 As well as investment, Plymouth City Deal is also focusing on export following Lord Green's challenge to increase activity in the city during his visit last September, with the City Council working with UK Trade & Investment, Plymouth Chamber of Commerce, Plymouth University and the Growth Acceleration and Investment Network (GAIN) to create an international investment and export programme that will prepare and connect export-potential businesses with global markets and opportunities to allow them to compete on an international scale.
- 5.4 Through the City Deal work, we are ensuring that the City Council is not only doing everything it can to support investment and export activity, but working across partnerships to ensure this happens.

6.0 Partnerships

- 6.1 The City Council is a partner of GAIN, the recently established initiative providing businesses with a single portal to national, local and university business support facilities and services. It exists to accelerate the creation, growth and investment in high quality businesses and ideas to create wealth and jobs in the region.
- 6.2 Tamar Science Park is a joint venture between Plymouth University and Plymouth City Council and part of GAIN. It provides a total business environment, supporting the growth of the region's economy by providing a full range of services to growth-potential businesses. It is host to more than 80 businesses and seeks to attract medical, science, technology and knowledge-based companies through its strong links with Plymouth University, Derriford Hospital and Peninsula College of Medicine and Dentistry.