

Annex C- to Joint Overview and Scrutiny Committee 25 July 2018 Report on Invest Bristol and Bath

Objective

To showcase and maximise the impact of commercial investment into the region to support the region’s growth objectives.

Success Indicators

1. Investments – showing discernible uplift in flows of investment coming into the region in the form of businesses;
 - a. expanding their presence and creating jobs, as measured by;
 - i. jobs
 - ii. value of investment (where it can be captured)
 - iii. business rate income potential
 - b. investing capital in regions physical assets that contribute directly the region’s growth objectives
 - c. investing capital into businesses in the region to support their growth
2. Interactions – showing year on year increase in direct interaction engagement with potential investor businesses including;
 - a. strategic pre-identified strategically important potential investor businesses (in all three categories in point 1 above).
 - b. Businesses referred directly by DIT
 - c. Businesses referred by other partners including the private sector, Universities and others.
3. Messaging – successful development of clear and widely adopted (by public sector and private sector partners) investment propositions that will secure growth in the region – from a mix of the three above categories.
4. Profile – showing year on year increasing profile of the region as a global business and investment destination – measured by social media
5. Intelligence – using unique insight and intelligence gathered through business and public-sector interactions to inform regional policy making and planning.

Three priority work strands;

1. Business Development - Identify and engage new businesses with potential to create jobs or invest capital in the region.
2. Account Management - Support through direct account management businesses with defined needs (new and existing) to create jobs in the region.
3. Place marketing - Lead regional work to increase profile and reputation of the region as a globally significant business and innovation cluster.

Work strand	Purpose	Activity	Indicator
Business Development	New investment;	<ul style="list-style-type: none"> • Local market knowledge 	<ul style="list-style-type: none"> • <i>Interactions</i>

<p>Identify and engage new businesses with potential to create jobs or invest capital in the region;</p> <ul style="list-style-type: none"> • both domestic or international. • Focusing on high value industries. • Addressing priorities of regional development and strategies (including JSP and Local Industrial Strategy) • Proactive targeting of businesses we want to secure – linked to deep level of knowledge of local business environment. • Where advantageous collaborate across regional boundaries. 	<ol style="list-style-type: none"> 1. brings demonstrable productivity uplift by improving competitiveness in clusters and bringing new talent/ideas and strategies. 2. has greater potential for expansion and open up new flows of income for the region. 3. reputation value. <p>High value investment</p> <ol style="list-style-type: none"> 1. High levels of education attainment and existing high value cluster profiles make us competitive as a high value destination 2. Comparatively high costs of doing business make us less competitive for low value jobs 3. stronger productivity impacts 4. increases regional profile and reputation. 5. Stronger trickle down and supply chain impacts. <p>Capital Investment</p> <ol style="list-style-type: none"> 1. Infrastructure growth intrinsically linked to inward investment. 2. IBB has unique perspective to show the level of commercial demand. 3. Clear opportunity to translate JSP to commercial investment propositions. 	<ol style="list-style-type: none"> a. Sector knowledge (cluster development/ national policy) – for targeting and proposition development b. Local business community relationships – for intelligence and referrals c. Work with WECA teams to identify investment requirements from JSP and Local Industrial Strategy. d. Work with regional partners (SETSquared, Engine Shed) to develop proposition for private equity investment. <ul style="list-style-type: none"> • External market knowledge <ol style="list-style-type: none"> a. Use intelligence gained from investor engagement to help inform regional development agenda – WECA needs to create mechanism to absorb and address intelligence. • Investor targeting; <ol style="list-style-type: none"> a. Pre-targeted global businesses with a natural fit to the regional market (currently unresourced) b. Focus on <ol style="list-style-type: none"> i. global clusters with natural synergies to the regional market and volumes of investment capital - Consider overseas presence (US, China) ii. London to capitalise on overheating London Market – consider more permanent London presence/representation 	<ul style="list-style-type: none"> • <i>Messaging</i>
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<p>Account Management Support through direct account management businesses with defined needs (new and existing) to create jobs in the region.</p> <ul style="list-style-type: none"> • co-ordinated closely with other WECA resources including; <ul style="list-style-type: none"> ○ Growth Hub/Business support team (assume IBB takes a 'tactical response unit' role ○ Skills ○ Infrastructure • Strong relationships with commercial service 	<p>New investment</p> <ul style="list-style-type: none"> • Strong economies can be challenging to enter with constraints in work space and talent. • Complications through the process of investing in any region can act as a fatal barrier to entry for mobile businesses. • Effective support can build confidence in investors to invest further (beyond initial expectations). • A good investment experience helps build regional reputation in investor peer groups generating more deal-flow. • Allows IBB to drive investors towards economic development goals (such as Enterprise Areas etc). 	<ul style="list-style-type: none"> • In depth one to one account management for companies that meet pre-determined criteria. • Work co-ordinated with Growth Hub and UA economic development teams. • Where possible address economic development objectives through account management (ie locating in EA's, promoting Apprenticeship levy etc) • Support local businesses to secure supply chain work from investor companies. 	<ul style="list-style-type: none"> • Investments • Interactions

<p>providers on the ground to ensure smooth investment.</p> <ul style="list-style-type: none"> • Effective weighting applied to the level of commitment provided to investors according to their potential impact. • Maintain partnership with UAs to secure additional resource to support investors. • For local business support focus on pre-identified value adding sectors/ clusters/ functions > with no focus there is a risk of economic impact being neutral or negative (eg displacement) 	<p>Existing business support</p> <ul style="list-style-type: none"> • Strong, high value indigenous clusters provide the base for investment decisions for new investors. • Circa 70% of regional growth comes from existing businesses. • Clear evidence of support needs for fast growth, knowledge led businesses which are generally are complex but consistent. • Productivity is constrained in the region partly because businesses struggle to grow meaning direct, specialist IBB support can generate meaningful outcomes. 		
<p>Place Marketing Lead regional work to increase profile and reputation of the region as a globally significant business and innovation cluster.</p> <ul style="list-style-type: none"> • Needs to be decoupled from inward investment lead gen. • To deliver effective outcomes significant resource, over and above current levels is required. • Partnership and joint planning with other place marketing functions is important. 	<ul style="list-style-type: none"> • Weak international profile constrains the region's growth potential. • Investors will err towards the places with established reputations and track record. • Destinations with strong business reputations correlates with the reputation of the businesses it hosts (ie a businesses credibility is partly based on its location). 	<ul style="list-style-type: none"> • Develop partnership approach and international profile raising strategy <ul style="list-style-type: none"> a. Focus on high small number of high performing sectors b. Focus on markets with the greatest business to business potential for the region. • Secure budget 	<ul style="list-style-type: none"> • <i>Interactions</i> • <i>Profile</i> • <i>Messaging</i>

<p>Intelligence</p> <ul style="list-style-type: none"> • Sector and cluster behaviours and developments. • Commercial demand for scarce resources; <ul style="list-style-type: none"> ○ Property ○ Talent • BREXIT intelligence 	<ul style="list-style-type: none"> • Service should gain unique access to commercial decision-making drivers through close interaction with investing businesses. • Insights should be used to inform WECA and other Council development plans. 	<ul style="list-style-type: none"> • Establish formal channels through WECA management structures • Continue close senior level engagement with UAs 	<ul style="list-style-type: none"> •
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Organisational needs to achieve outcomes

1. Autonomy – free to make tactical decisions appropriate to achieving the strategic objectives of the organisation.
2. Access – able to operate at senior levels in both public and private sectors
3. Influence –able to shape policy and decision making where organisational insight can play a part
4. Resource – sufficient resource to fulfil the regional requirements of an effective investment promotion agency and expectations of key stakeholders.

Notes

This document focuses on high value jobs as the proactive target for business development. It does not reject low value jobs as a target. However, issues arise in pursuing low value jobs based investment insofar as;

1. not competitive as inward investment destination > limited value in proactively seeking investment
2. risks of displacement and reduction in productivity indicators
3. Other mechanisms exist to support low value job creation
 - a. Supporting indigenous low value jobs growth > can be provided through Growth Hub and UAs.
 - b. IBB strategy needs to be consistent with Business and Skills (ie Skills strategy should seek to prioritise development of high value jobs.
 - c. Support forums with low value jobs (South West Contact Forum)