

Economic Prosperity Strategy, action plan

CLlr Iain Eadie, Cabinet Member for Economic Development, Leisure and Local Plan

Date: 15th June 2022

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Key Decision? NO

Local Ward Members All wards



Overview and Scrutiny Committee

1. Executive Summary

- 1.1 The report provides intelligence on the district's current broad socio-economic status through national data, the results from the most recent business survey which has helped inform an outlined plan of the Council's next Economic Prosperity Strategy iteration, taking the form of a 12-month action plan.

2. Recommendations

- 2.1 That the committee notes the content of the action plan.
- 2.2 That the committee monitors and evaluates the progress of activities against the action plan.

3. Background

- 3.1 As members will be aware, the District Council's previous Economic Development Strategy has completed, covering the period of 2016-2020 with the next iteration of the strategy delayed due to the socio-economic impact of the pandemic creating uncertainty over the future, long term economic direction of the economy at all geographical scales.

The Economic Prosperity Strategy, action plan expands on the Strategic Plan's theme of 'developing prosperity; and sets out the interventions needed over the next 12 months to help boost our local economy, create local jobs and support local businesses. The strategy reflects the current economic circumstances and changes happening at all geographical scales and seeks to take advantage of newly arising economic opportunities.

The action plan covers a 12-month period to align timescale wise with the Council's future Strategic Plan, making sure the periods that they cover, outcomes and outputs for the local economy align.

The action plan focuses on two broad themes:

- Supporting businesses
- Protect businesses

Appendix 1 provides details of the action plan's interventions, who it's assigned to, tasks, target/budget and intended outputs & outcomes.

- 3.2 **Key economic data**

Key economic data on Lichfield District's economy has helped inform the action plan's interventions, with a summary of this data in **appendix 2**.

The data assists with recognising the district’s strong position through having a highly qualified population with low claimants, a large active enterprise base with a powerful start-up rate and strong five-year survival rate. There is a broad entrepreneurial culture with enterprises being within the professional services, construction, business administration, manufacturing & arts and leisure sectors making up 49% of the district’s enterprise base. Whilst the dominant sectors by employment in the district being in retail, human health and social care, admin and support services, manufacturing & professional services.

The data does highlight the smaller economically active population of the district in comparison to a regional and national scale, potentially a focussed area for interventions within a long-term strategy.

Although the data provides a broad understanding of the local economies health, a recent business survey’s results help develop intelligence on how individual enterprises and sectors operationally are finding activity.

3.3 Lichfield District Business Survey

A survey conducted by Cognisant Research looked at the economic impact on local businesses of recent key socio-economic, with 482 responses (between December 2021 – March 2022). The survey’s requirements were to help understand the economic impact on local businesses of recent key socio-economic events including the Covid and Brexit.

The findings are summarised in **appendix 3** under four key areas:

- Economic Outlook
- Impact of Covid-19
- Impact of Brexit
- Requirement for Business Support Services

Overall, the business survey has found the economic position of the businesses participating in this economic impact study to be positive, given the optimism expressed in increasing employment and turnover over the coming 12 months and the net increase in employment opportunities identified over the past year.

Businesses have demonstrated a considerable resilience towards meeting the challenges of Covid and although restrictions have created a considerable impact upon businesses, there are examples of how businesses have used the pandemic to restructure their costs with a view to be more competitive in the future. At a lesser extent there is evidence that businesses have adapted to the challenges posed by Brexit.

The recommendations outlined on how business support could be targeted focus upon networking, marketing assistance, access to bank loans and funding, advisory boards and mentoring & help with regulatory compliance. These suggested topics have been considered and informed the action plan.

Alternative Options	<ol style="list-style-type: none"> 1. Alternative options of a long-term strategy were considered. However with the economic recovery from the pandemic still being in its infancy, a short term action plan felt necessary to be able to support and protect the local economy until the economy stabilised to be able to utilise intelligence to establish a long term strategy. Monitoring of the effectiveness of the action plan is taking place and this may dictate future actions and assessment of options.
Consultation	<ol style="list-style-type: none"> 1. The action plan has been informed by the Lichfield District Business Survey (2022). 2. A cabinet workshop took place to steer the development of the action plan and highlight interventions/tasks.
Financial	<ol style="list-style-type: none"> 1. A budget of £185,000 is being requested to assist with delivering tasks within

Implications	<p>the action plan.</p> <p>2. Where possible, tasks will be delivered in partnership with a business or partner organisation to mitigate costs or deliver in house.</p>
Approved by Section 151 Officer	Yes/no*

Legal Implications	1. There are no legal implications.
Approved by Monitoring Officer	Yes/no*

Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> 1. Supports the priority to enable people by helping residents to raise their skill levels, become economically active and utilise their entrepreneurial talent. 2. Supports the priority of shaping place by continuing the progression of regeneration projects, seeking to safeguard and increase employment space. 3. Supports the priority of developing prosperity by assisting businesses growth, attracting increased footfall to the high street, greater visitors to the district and reviewing internal policies to encourage economic growth. 4. Supports the priority of being a good council by being proactive and responsive to customer's enquiries, delivering interventions and assistance to local businesses quickly.
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Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> 1. The Economic Development service through the delivery of the Economic Prosperity Strategy, action plan aligned with the Council's Strategic Plan priority of developing prosperity through developing a greater economically active population, mitigating business losses, safeguarding jobs, assisting with growing local enterprises and the visitor economy, continuing development and increasing investment within the district.
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Crime & Safety Issues	<ol style="list-style-type: none"> 1. There are no crime and safety issues.
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Environmental Impact	<ol style="list-style-type: none"> 1. The attraction of businesses to the district which produce high carbon emissions could have an environmental impact. To mitigate this impact, businesses when seeking growth are always directed to green growth grants to support their development but help reduce their carbon footprint. 2. There is an environmental benefit aspect to economic themes highlighted in the action plan and to take forward in terms of green elements as part of the city centre masterplan and creating a greener high street through local supply chains.
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GDPR / Privacy Impact Assessment	<ol style="list-style-type: none"> 1. A Privacy Impact Assessment has not been undertaken as it is not relevant for this report.
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	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	<p>That tasks outlined within the action plan are underperforming against the intended outcomes and outputs set.</p> <p>Risk Owner: Jonathan Percival</p>	<p>Likelihood: Yellow</p> <p>Impact: Yellow</p> <p>Severity of Risk: Yellow</p>	<p>By monitoring the performance of individual tasks against intended outcomes and outputs. If an issue is flagged up, increasing efforts or new methods/processes focussing upon underperforming tasks to be able to help increase outcomes and outputs for this intervention.</p>	<p>Likelihood: Green</p> <p>Impact: Green</p> <p>Severity of Risk: Green (tolerable).</p>

B	That the assigned budget against each task isn't available. Risk Owner: Jonathan Percival	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow	If the budget isn't available or limited, budgets against tasks will be prioritised or alternative methods with partner support will be reviewed to see if the task can be delivered in a different way to reach the intended outcomes and outputs.	Likelihood: Green Impact: Green Severity of Risk: Green (tolerable).
C	That economic circumstances change which will impact upon the delivery of tasks. Risk Owner: Jonathan Percival	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow	If a socio-economic issue occurs at any or all geographical scales that will impact upon the action plans delivery, this will be considered, and a review will take place on which tasks it will impact. Where necessary and possible, delivering the task through an alternative method to reach the agreed outcomes and outputs.	Likelihood: Green Impact: Green Severity of Risk: Green (tolerable).

	Background documents
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	Relevant web links Lichfield District Council's Strategic Plan (2020-24): https://www.lichfielddc.gov.uk/strategicplan
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Appendices

Appendix 1 - Lichfield District Economic Prosperity Strategy (2022), Short Term Action Plan (12-18 months)

	<u>Intervention</u>	<u>Assigned to...</u>	<u>Tasks</u>	<u>Target/Budget</u>	<u>Intended Outputs and Outcomes</u>
1.	Support				
1.1	Prosperity	<ul style="list-style-type: none"> - LDC - FSB - Chambers - LEPs - Universities - Colleges - Growth Hubs - Local Business Community 	<p><u>Start Up Workshops</u> To publicise and develop referrals to the Enterprise for Success Programme workshops, assisting start up and young businesses within their first years of trading.</p> <p><u>Mentoring</u> To recruit start-up businesses (inclusive of young entrepreneurs at Lichfield College) and mentors, such as ‘silver’ entrepreneurs and established businesses offering their time for a mentoring programme. With start-up businesses benefitting from the advice/guidance given by mentors (focussing upon specific sector support).</p> <p><u>Networking</u> To start a series of workshops (face to face and virtually) focussing upon topics/subjects such as digital marketing, finance, growing your business, finding new suppliers etc. for specific sectors or business types e.g. visitor economy, manufacturing, logistics, creative/digital, professional services etc.</p>	<p><u>Start Up Workshops</u> For a total of 75 individuals/young businesses to benefit from the support providing as part of the programme.</p> <p>Budget: £10,000 (already covered in existing funds).</p> <p><u>Mentoring</u> For a total of 30 entrepreneurs to benefit from the scheme.</p> <p>To recruit ‘silver’ entrepreneurs and more established businesses directors/managers to mentor as part of the programme.</p> <p>Budget: £20,000</p> <p><u>Networking</u> For 12 workshops to be delivered.</p> <p>Budget: £20,000</p>	<p>Providing a stronger opportunity for start-up and young businesses to grow and develop their business through knowledge transfer between businesses.</p> <p>To utilise the experience of ‘silver’ entrepreneurs and more established businesses owners to assist start-up businesses with their prosperity and business journey.</p> <p>Improved business community engagement and relationships with the council.</p>
1.2	Upskill	<ul style="list-style-type: none"> - LDC - Growth Hubs - Skills Hubs - LEPs 	<p><u>Raise skills levels</u> Developing on from the business survey responses, we are looking to develop relationships between skills providers and local businesses. To increase take up of training programmes offer for businesses to upskill their staff.</p>	<p><u>Raise skills levels</u> For 30 individuals to benefit from training support through a Council referral of a training provider.</p>	<p>Develop a more qualified population to strengthen the local economy with greater local employment prospects and increase employment</p>

		<ul style="list-style-type: none"> - FSB - Chambers - Local Business Community - Universities - Colleges - Skills Training Providers - Staffordshire County Council 	<p><u>Apprenticeships</u></p> <p>To work with businesses on utilising their apprenticeship levy, run an apprenticeship fair and share the importance and benefits of providing entry level employment opportunities (e.g. apprenticeships, traineeships and work experience) through campaigns.</p>	<p>Budget: N/A</p> <p><u>Apprenticeships</u></p> <p>For 30 apprenticeship roles to be filled through the engagement initiatives delivered by the Council.</p> <p>Budget: £20,000</p>	<p>opportunities for young people.</p>
1.3	Inward Investment	<ul style="list-style-type: none"> -LDC -Jadu -Make It Stoke and Staffordshire -West Midlands Growth Company - We are Staffordshire - Department for International Trade - Staffordshire County Council - Chambers 	<p><u>Ongoing marketing and promotion of the district for businesses</u></p> <p>To develop an 'invest in' website.</p> <p>To create a marketing campaign (collaborating with regional partners and attendance at inward investment events) utilising the materials available to promote the district and its commercial offering, generating new interest on vacant commercial sites or unoccupied units.</p>	<p><u>Marketing the district for businesses</u></p> <p>An 'invest in' website is established.</p> <p>Budget: £30,000</p> <p>Generate new business enquiries from the marketing campaign for businesses to locate into the district.</p> <p>Budget: £20,000</p>	<p>Developing a stronger economy by having a greater business population in the district, with increased job opportunities.</p>
1.4	Visitor Economy	<ul style="list-style-type: none"> - LDC - Destination Staffordshire - Tourism Businesses - We are Staffordshire 	<p><u>Promoting Tourism - Attracting visitors to Lichfield District</u></p> <p>To highlight, regionally and nationally, the districts key strengths using our key themes, to grow visitor numbers and dwell time in the district, supporting our local economy, through delivering:</p> <p>Seasonal Marketing Campaigns and initiatives</p> <p>Launch the new Visit Lichfield website, providing inspirational ideas for a day or short break visit.</p>	<p><u>Promoting Tourism - Attracting visitors to Lichfield District</u></p> <p>To raise the profile of Lichfield District as a destination to visit, to a regional and national audience, with a key focus on targeting visitors to the Commonwealth Games in Birmingham in 2022.</p>	<p>Supporting the local economy, by encouraging more visitors and increasing visitors dwell time in the district.</p> <p>Increase visitor numbers to the Visit Lichfield website. Increase followers and engagement on our social media platforms.</p> <p>Providing inspiration to visitors</p>

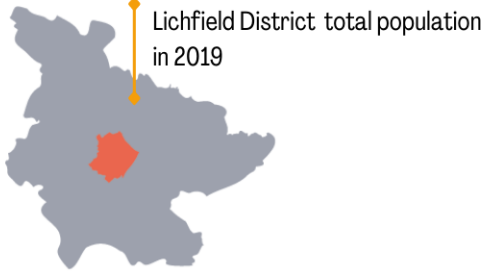
			<p>Launch the Lichfield Time Travellers – AR Trail App</p> <p>Develop Group Travel, encouraging more groups and coaches to visit Lichfield as a destination, rather than a stop off.</p> <p>Implementing the County Council’s STEAM tourism economic impact model to monitor overnight stays/accommodation.</p> <p><u>Partnership Working/Business Support</u></p> <p>Regular networking sessions with tourism businesses from across the District.</p> <p>Support Destination Staffordshire with the new countywide Visitor Economy Strategy</p>	<p><u>Partnership Working/Business Support</u></p> <p>To keep businesses informed of what’s going in the district in tourism terms, to build upon our relationships with our stakeholders and to encourage feedback on other ways to market the district.</p> <p>Budget: (already covered in existing funds).</p>	<p>for their next day out or short break.</p> <p>Providing businesses with the opportunity to showcase themselves on a popular website.</p>
1.5	Regeneration	<ul style="list-style-type: none"> - LDC - LSH - Developers 	<p><u>Maximise the social value impact of Council led regeneration activity</u></p> <p>Using social value clauses to encourage main contractors to use local companies in supply chains, local employment, apprenticeships, involvement with schools etc.</p> <p>To plan for/prepare ‘meet the buyer events’ on our major regeneration sites.</p> <p><u>Birmingham Road Site</u></p> <p>To engage with partners and contracts on the multi-use of the site, through soft marketing testing to establish the most feasible use of the site.</p>	<p><u>Maximise the social value impact of Council led regeneration activity</u></p> <p>To encourage contracts to utilise local companies in their supply chain, inclusive of apprenticeships established and local schools involved.</p> <p>Budget: £10,000</p> <p><u>Birmingham Road Site</u></p> <p>To have a more feasible understanding of delivering the Birmingham Road Site uses through soft market testing.</p>	<p>To have social values integrated within the projects to be delivered as part of Council led regeneration, developing local engagement and benefit from the sites.</p> <p>To have progressed the Birmingham Road Site project towards firmer plans for delivering on site.</p>

				Budget: To be determined	
2.	Protect				
2.1	Long term survival rate	<ul style="list-style-type: none"> - LDC - Growth Hubs - Local Business Community - Staffordshire County Council - FSB - Chambers - Skills Hubs 	<p><u>Business support</u> Working with strategic partners (e.g. Growth Hubs, Skills Hubs, Staffordshire County Council, FSB, Chamber of Commerce etc.) to share support and mentoring as a package for the local business community to benefit from and assist their ongoing growth and longevity.</p> <p><u>Business survival</u> Work collaboratively with our internal services (business rates, licensing, environment health, visitor economy, planning and food safety/health and safety) to assist businesses who are struggling through support and advice options.</p> <p><u>Business engagement</u> To increase the amount of businesses on our database and engagement platforms who receive business support and advice information, leading to greater opportunities to receive assistance to grow and strengthen their business.</p>	<p><u>Business support</u> To raise awareness of strategic partners in the business community and increase referrals to partner organisations. Budget: £15,000</p> <p><u>Business survival</u> To assist 25 businesses from failing through internal service support. Budget: N/A</p> <p><u>Business engagement</u> To increase the amount of businesses on our database by 75 businesses. Budget: N/A</p>	Strengthen the first and five years survival rate of the district, whilst increasing engagement between strategic partners and local businesses to share support opportunities and provide assistance.
2.2	High street vibrancy	<ul style="list-style-type: none"> - LDC - Chambers - FSB - Landlords - Agents - Developers - LEPS - Growth Hubs - High Street Taskforce - Local Business Community 	<p><u>Driving footfall</u> To run shop local campaigns and events (such as totally locally) with high street partners, a pop up/meanwhile use initiative and develop a greener high street through running local supplier events to assist with increasing local supply chains between high street businesses.</p> <p><u>Occupy premises</u> Work collaboratively with local landlords, agents and developers to identify and incentivise (through sharing grant and training support, relief etc.) new occupiers for vacant premises.</p>	<p><u>Driving footfall</u> To increase high street footfall. Supporting 10 businesses to develop new local suppliers. To establish 5 meanwhile uses on our high streets. Budget: £50,000</p> <p><u>Occupy premises</u> To reduce the vacancy rate in both urban centres by 1%. Budget: N/A</p>	Increased economic prosperity for city/town centre businesses by driving increased footfall through creating more opportunities to engage with the high street and more local supply chains.

2.3	Internal policies	- LDC	<p><u>Business prosperity policies</u> To review our internal policies to be more accommodating to business prosperity, e.g. street trading policy, licensing policy, discretionary rate relief, procurement etc.</p>	<p><u>Business prosperity policies</u> To have greater guidance and rules which assist businesses growth and prosperity (balanced with regulatory information) in our internal policies.</p> <p>Budget: N/A</p>	For the Council's internal policies to be more accommodating to assist and grow businesses.
2.4	Business Space	<ul style="list-style-type: none"> - LDC - LSH - Make It Stoke and Staffordshire - West Midlands Growth Company - LEPs - Developers - Agents 	<p><u>District Council House, incubator space</u> To build up demand for and provide incubator space for early stage businesses and commercial floor space for the local business community to access.</p> <p><u>Protecting and increasing employment space</u> To work with planning colleagues on protecting and increasing employment space and assisting to provide a balanced offering between residential and commercial use in the district.</p> <p><u>Assess grow on space</u> To review the provision of live, work space and grow on space being viable and deliverable on the Birmingham Road Site.</p>	<p><u>District Council House, incubator space</u> For a list of interested parties to be established in occupying the District Council House which will be occupied and let to entrepreneurs and the local business community.</p> <p>Budget: To be determined</p> <p><u>Protecting and increasing employment space</u> A net increase in commercial floor space throughout the district.</p> <p>Budget: N/A</p> <p><u>Assess grow on space</u> A decision to be made on the provision of live, work & grow on space being delivered on the Birmingham Road Site.</p> <p>Budget: To be determined</p>	Improved opportunities for early stage businesses and inward investment into the district through greater commercial floor space and breadth of commercial floor space for 'grow on' businesses to remain in the district.

LICHFIELD POPULATION

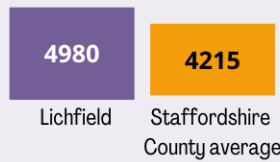
104,800



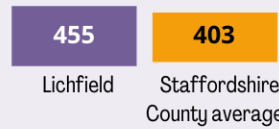
	Lichfield	West Midlands	Great Britain
Economically active population (September 2021)	76%	77.7%	78.5%
Qualifications NVQ and above (2020)	45.4%	37.1%	43.1%
Claimant Count (February 2022)	2.8%	5.4%	4.4%

BUSINESS ACTIVITY

No of active enterprises (2020)



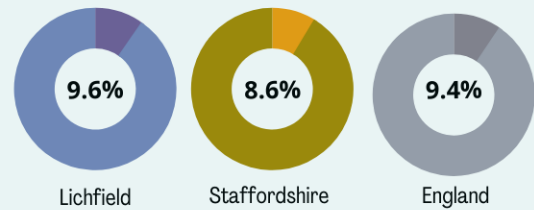
New enterprises launched (2020)



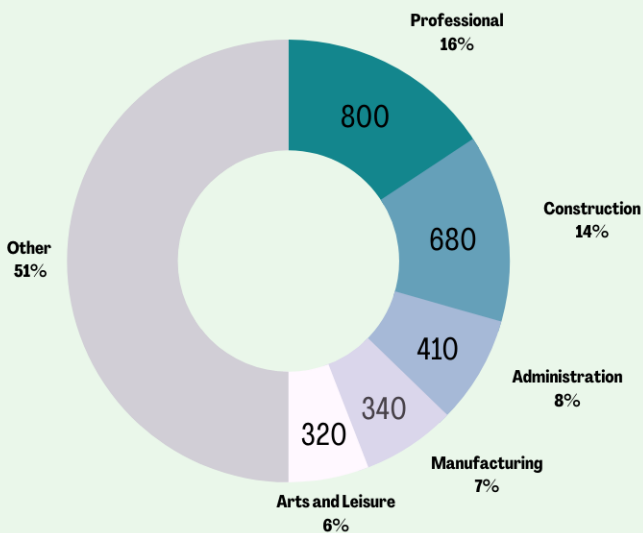
Five year business survival rate (2020)



Percentage of residents aged 16-64 who are self employed (2021)



Volume of enterprises 2021



Employee jobs by sector (2020)



Appendix 3 - Lichfield District Business Survey Summary (2022)

A survey conducted by Cognisant Research looked at the economic impact on local businesses of recent key socio-economic, with 482 responses (between December 2021 – March 2022), and the findings are summarised in four key areas.

1. Economic Outlook

Overall, the economic position of the businesses participating in this study can be considered positive, given the optimism expressed in increasing employment and turnover over the coming 12 months and the net increase in employment opportunities identified over the past year.

There was an average net gain of 0.22 staff by companies over the past 12 months:

- The highest increase was in Administrative and Support Service Activities.
- Highest staff churn was in Accommodation and Food Services.

56% of all businesses taking part in the study stated their number of staff is likely to remain the same over the next 12 months, with 28% predicting an increase.

46% of the businesses responding expected to see their turnover increase over the next 12 months, with nearly a quarter (23%) expecting it to remain the same.

2. Impact of Covid 19

The biggest impacts expressed by respondents was in the following areas of their business:

- Decreased sales: 64%
- Supply chain problems: 50%
- Cash flow issues: 42%

On staffing, 9% of businesses took more staff on because of the pandemic, whilst 6% made redundancies.

In terms of turnover, 72% of businesses believe business turnover will return to pre-lockdown levels within a year, including 21% who have already recovered and 13% are experiencing growth.

3. Impact of Brexit

Overall Brexit appears to have had very little impact on the local business community, with a small proportion of businesses seemingly benefiting and suffering in equal measure. 80% of respondents were not interested in any Brexit related business support.

The most significant impact of Brexit experienced by 21% of businesses in this survey were concerned about an increase in border delays, with the greatest delays were experienced in the Wholesale and Retail sector (35.7%), followed by Construction (35%), Manufacturing (31.9%) and Professional, Scientific and Technical businesses (23.4%). 14% experienced a decrease in availability of UK-EU haulage transport.

4. Requirement for Business Support Services

All businesses were asked what support services, if any, they would be interested in accessing, if provided:

- 51% of businesses want assistance with marketing
- 43% of businesses want more networking activities (topics suggested include finance, recruitment, training, marketing and compliance)
- 41% want access to finance
- 26% want access to strategic partners
- An advisory board & mentoring was suggested, working with local business representative organisations to pair businesses in similar sectors and enable the sharing of information, advice and guidance.

- Training and information sharing on regulatory compliance was also requested.

Within the interviews and qualitative data, Lichfield's status as a tourist destination was highlighted as one of our key strengths, driving footfall back to the high street and visitor spend into the district, with a consequent request to continue to invest in tourism and promote Lichfield as a destination, enabling hospitality business to thrive in the longer term.

4.1 Brexit Support

Requested support on Brexit included:

- support with transportation of goods to the EU (10% of businesses, rising to 15% in construction)
- support identifying new suppliers (7%)
- support recruiting staff (6%)

4.2 Accommodation Responses

Of those businesses participating in this project, 11% indicated that their current business accommodation was not suitable, highest at 23% in Construction and 19% in Professional, Scientific and Technical Activities.