

## **‘Open for Business’**

**How can we increase inward investment to Swansea and the city region?**



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**An Inquiry by the Inward Investment Inquiry Panel  
City and County of Swansea - Dinas a Sir Abertawe**

**June 2014**



## Why This Matters

### Councillor Jeff Jones (Convener)



### Conveners Foreword

We would like to start by emphasising the many qualities Swansea has to offer including most obviously the beautiful location and the good quality of life enjoyed here. Swansea also has many assets that could potentially encourage investment to the area like for example superfast broadband, good transport links, relatively low property and rental costs, a large ready labour force and facilities for training, research and development through our Universities and colleges locally.

However, it is clear work needs to be done to pro actively encourage investment and currently resources to do this are limited. Potentially this could be addressed through the new City Regions model. We must sell ourselves more and we need to work more with organisations and businesses to increase our resource and skills base to take advantage of the economic upturn. Encouraging inward investment and job creation will go a long way in tackling poverty in the locality.

We hope the impact of this report will be two fold:

- An improvement in the processes across the region in particular in relation to organisations working together to deliver on improved inward investment opportunities and to develop a brand and sell Swansea and the region on a global stage.
- An improvement in outcomes by increased investment in the region from organisations that are going to bring the maximum benefit to Swansea.

I would like to thank all those people have contributed to this inquiry included those people who gave their views via our survey.

# Summary

## 1. Inquiry key question

*How can we increase inward investment to Swansea and the city region?*

## 2. Evidence Considered

- Planning Department
- Swansea Bay Future/A Bay of Life
- Q&A with Cabinet Member for Regeneration
- City Regions with Head of Regeneration and Planning
- Business Improvement District (BID)
- Results from the Panels survey with local business, councillors and staff
- South Wales Chamber of Commerce
- Business Support Wales (Wales Government)
- Prof Marc Clement, Swansea University
- Visit to Life Sciences at University
- Gerald Kelly, General Manager, Sony UK

## 3. Conclusions

- 3.1 We must ensure we have a clear strategy across the City Region that is accountable to Councillors and outlines what Swansea and the region will look like in 5, 10 and 25 years from now.
- 3.2 The Council's Policy Commitments are correct the Panel throughout this inquiry have made some suggestions for how these can be delivered.
- 3.3 We need to better understand our 'offer' in Swansea and also what it will be across the City Region.
- 3.4 We must work to overcome or mitigate the affect of barriers to investment. Resources will need to be invested to enable the city region to be more proactive.
- 3.5 We need to ensure we are welcoming and quick to respond to business queries and investment opportunities.
- 3.6 Building relationships and working more closely with other organisations and the business community will be key to success in attracting business in the future.
- 3.7 We must be more proactive at targeting potential inward investors.
- 3.8 We need to encourage and develop more entrepreneurship locally.
- 3.9 We must be more social and digital media savvy.
- 3.10 We have to learn from good practice and what works elsewhere.
- 3.11 We must market our successes and raise the profile of Swansea (and the south west region) both to people locally and more widely.

## 4. Recommendations

**The Panel recommends to Cabinet that:**

### ***In relation to City Regions model***

- 4.1 It ensures there is a clear mechanism in place within the City Regions Strategy that will make it accountable to local Politicians.

- 4.2 The City Region has a clear and positive brand that will be recognisable globally.
- 4.3 The City Region develops an effective support network including allocating resources to do pro active work around seeking inward investment.
- 4.4 The City Region maps the services that are available to businesses across the region. Work needs to be undertaken to develop relationships with those services in order to avoid duplication and to use resources other than the Councils that are available.
- 4.5 A single contact point for business/investment inquiries is introduced (this does not necessarily need to be the local authority but must be commercially aware).
- 4.6 Look at good practice in other Local Authorities/regions/countries and how it is developed and implemented.
- 4.7 It develops measures and targets that will drive and monitor success and ensure these are monitored on a regional and Swansea basis.

***In both Swansea and the City Region***

- 4.8 Successes in Swansea and the region are publicised to raise the profile of Swansea (and the region) to people locally and more widely.
- 4.9 It develops user friendly policies and practices which are welcoming and enable a quick response to investor queries.
- 4.10 Take active steps to make better use of social and digital media by developing a digital media strategy around business and investment issues.
- 4.11 The concept of developing a *portfolio of offerings* is investigated.

***In Swansea Council***

- 4.12 It develops a tool that can be used to *keep in touch* and work with the business community now the Business Forum has ceased.

## Main Body of the Report

### 1. Aim of the Inquiry

#### Key Question:

*'How can we increase Inward Investment to Swansea and the city region?'*

#### Inquiry sub questions:

1. What are the key factors to attracting business to Swansea and the region?
2. How do we support small businesses and entrepreneurship locally and regionally?
3. What is Swansea's key business base? Do we target particular business sectors to invest?
4. Is the Growth Strategy for Swansea Bay City Region reflective of the needs of Swansea?
5. What will we be doing in relation to delivering the strategy?
6. How do we work across the region to deliver on aspirations?
7. What are the barriers? What stops inward investment?
8. How well do we work together with partners and other organisations in order to facilitate inward investment?
9. Do we have skills locally and regionally to encourage business to locate here?
10. Do we offer any incentives in order to encourage inward investment?
11. Transport links...high speed line and how they affect potential of inward investment?

### 2. Evidence Considered

The following evidence was considered by the Panel between 31 October 2013 and 3 June 2014

Date	Evidence considered
31 Oct 13	Planning Department
14 Nov 13	Swansea Bay Future/A Bay of Life
16 Jan 14	<ul style="list-style-type: none"><li>• Q&amp;A with Cabinet Member for Regeneration</li><li>• City Regions with Head of Regeneration and Planning</li></ul>
30 Jan 14	<ul style="list-style-type: none"><li>• Business Improvement District (BID)</li><li>• Results from the Panels survey with local businesses, councillors and staff</li></ul>
17 Feb 14	South Wales Chamber of Commerce
19 Feb 14	Business Support Wales (Wales Government)
30 Apr 14	Prof Marc Clements, Swansea University
20 May 14	Visit to Life Sciences at University
3 June 14	Gerald Kelly, General Manager, Sony UK

## 3. Conclusions

The Panel looked to address the key inquiry question ‘How can we increase inward investment to Swansea and the city region?’ and concluded that:

- 3.1 We must ensure we have a clear strategy across the City Region that is accountable to Councillors locally and outlines what Swansea and the region will look like in 5, 10 and 25 years from now.**
- 3.1.1 Planning is required for sustainable growth not only in the short term but in the medium and long term. The Panel agreed with the Cabinet Member recognising this will require a longer term overarching strategy, not only for Swansea, but for the region and this is being progressed via the City Regions model. The Panel were keen to emphasise the importance of looking after Swansea’s interests within this regional context.
- 3.1.2 Evidence has shown success in this area is closely intertwined with other strategies like Unitary Development Plan<sup>1</sup>, Destination Plan<sup>2</sup>, Regeneration and the Sustainable Swansea Plan<sup>3</sup>. Planning across the organisation and with our partners will be vital in to making progress in encouraging inward investment.
- 3.1.3 The Panel heard from the Cabinet Member that accompanying the new City Region, an economic regeneration strategy has been created which has strategic aims and themes. These will be delivered by cross-border teams involving the private sector and high/further education establishments and builds on the Swansea 2020 Plan.

### *Vision for the region*

*By 2030, South West Wales will be a confident, ambitious and connected European City Region, recognised internationally for its emerging knowledge and innovation economy.*

### *Strategic Aims*

- 1. Business growth, retention and specialisation*
- 2. Skilled and ambitious for long term success*
- 3. Maximising job creation for all*
- 4. Knowledge economy and innovation*
- 5. Distinctive places and competitive infrastructure*

*Plus cross cutting themes such as Tourism*

### **Swansea Bay City Region Economic Regeneration Strategy 2013 – 2030<sup>4</sup>**

- 3.1.4 GVA (Gross Value Added) growth (the primary indicator used to measure an economy’s overall performance) in South West Wales has been consistently below that of the UK and Wales over the past two decades - in 2010 it was 77% of the UK average equivalent to only 94% of the Welsh level. We need to recognise there is a change in structural makeup of the economy in this locality.

*This productivity deficit matters - we are losing ground to the rest of Wales and the UK. Over time we will become less wealthy than our neighbours.*

### **Swansea Bay City Regions website**

<sup>1</sup> Unitary Development Plan - [link](#)

<sup>2</sup> Destination Plan - [link](#)

<sup>3</sup> Regeneration and the Sustainable Swansea Plan - [link](#)

<sup>4</sup> Swansea Bay City Region Economic Regeneration Strategy 2013 – 2030 - [link](#)

- 3.1.5 The Swansea 2020 – Swansea’s Economic Strategy says...
- Swansea has a performance gap to close...compared with the situation in the UK, Swansea suffers from substantial Output and Productivity gaps
  - Swansea suffers from a considerable enterprise deficit and lack of businesses – the wealth generators of an economy
  - Need to increase the numbers of entrepreneurs – currently only 8.1% of Swansea workforce is self employed compared to 12.7 across the UK
  - Inward investment is highlighted as one of the key project ideas for the new Swansea Bay City Region and its Economic Growth Strategy
- 3.1.6 There has been a movement from heavy industry to service sector and this has been reflected in the earning potential, GVA and GDP, in Swansea. It is therefore vital we consider how we want Swansea to look in the future and plan for that now. We must look at who we want to attract and especially which sectors will benefit us most of all.
- 3.1.7 Cities and regions across the UK are actively competing with each other to attract foreign and domestic firms to their areas. Ignoring this activity could result in little interest being shown in the region by new and expanding companies resulting in fewer jobs and the danger of a knock-on effect to the supply chain activity of those firms already here.
- 3.1.8 The Panel did recognise that given limited monies the balance between what is spent to encourage inward investment and the benefits achieved need to be clear, and this could be a ‘spend to save issue’. Resources for taking inward investment forward will need to be considered by all involved across the new City Region.
- We are not Cardiff and nor should we try to be we have our own strengths’*  
**Quote from Russell Greenslade from BID**
- 3.1.8 The lack of a regional development agency in Wales and their recent demise in England has meant that many City Regions such as Manchester, Birmingham, Leeds are creating their own presence in this particular market place by developing their own inward investment brands and agencies.
- 3.1.10 Selling Wales as a place to invest and the demise of the Welsh Development Agency (WDA) was highlighted as an issue. The Panel questioned how the gap the WDA has left in Wales was being filled and how Wales is being sold globally? The Panel understood there is a unit in the Wales Government dealing with Inward Investment but felt it does not have the profile and proactive momentum that was previously displayed by the WDA. Given this situation the importance of Swansea Bay Region developing a clear identity and being proactive was emphasised by the Panel.
- 3.1.11 The Panel also recognise it can be a ‘tightrope’, working regionally whilst ensuring we also look after Swansea’s interests in the regional context.
- 3.1.12 The Panel were concerned about where we lie in the chain with Westminster and Welsh Government in relation to large investment referrals. They had questions which were difficult to answer including ‘Are we at the end of the chain? Is there anything we can do about that?’

- 3.1.13 The Panel did invite a representative from the Wales Government to a meeting to discuss their current work and the future plans around inward investment matters but they were unwilling to attend. The Panel were particularly interested in seeking their advice and guidance in relation to the interface with local authorities and the new city region bodies.
- 3.1.14 The Panel met with Professor Marc Clement and later visited the Institute of Life Science at Swansea University where they were extremely impressed with what they heard and saw. Particularly around the number of companies working with the university, its planned development and its huge potential for drawing investment into the area. The Institute is working closely with a number of public and private sector organisations including the local authority. This partnership working has been central to its success over the 10 years since the projects inception.

*To create a sustainable Institute which advances medical science through research and innovation for the benefit of:*

- *Human Health through improved prevention and treatment of disease*
- *The knowledge economy in Wales by linking scientific and medical advancement to wealth creation*

#### **Institute of Life Sciences - Vision**

The impact of the project has been substantial and continues to develop. Life Science 1 has been involved in the creation of 207 jobs to date, and Life Sciences 2 has created 462 jobs as at April 2014.

The University's work with Sony UK to develop an alternative manufacturing strategy has also been highlighted as an exemplar of good practice.

- 3.1.15 The Panel discussed with the Head of Economic Regeneration & Planning some of the potential projects that were being considered by the Swansea Bay City Region Board<sup>5</sup>. The Panel was interested to see the breadth of ideas coming forward, recognising the Panel had found many of the issues raised throughout their inquiry and have through recommendations highlighted to Cabinet the areas they, particularly, would support.
- 3.1.16 The issue of accountability of this new regional body was discussed particularly in relation to the accountability arrangements within individual local authorities.
- 3.1.17 The Panel have made recommendations to address the issues around strategy development which ask Cabinet within their role in the City Region to:
- Ensure there is a clear mechanism in place within the City Regions Strategy that will make it accountable to local Politicians.
  - The region has a clear and positive brand that will be recognisable globally.
  - Develop measures which will monitor success and these are monitored on a regional and Swansea basis.

## **3.2 The Council's Policy Commitments are correct the Panel throughout this inquiry have made suggestions for how these can be delivered**

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<sup>5</sup> Swansea Bay City Region Board membership - [link](#)



3.2.1 The Panel were pleased to see a number of Swansea Council policy commitments<sup>6</sup> relating to inward investment and will look with interest at how these develop and link across the City Regions, especially over the coming year, when they will they be tracking the impact of this scrutiny inquiry.

- *Swansea will work with social partners and the business community to promote Swansea Bay City Region positively; to attract investment and create the right conditions for jobs, businesses and wealth, so that it can increase the wider economic and social wellbeing of all. This is one of the Council's top priorities.*
- *Swansea Council will work closely with the city's two universities, local colleges, the Welsh Government and other partners to develop a 'Creative City Region' strategy and build Swansea as a science, technology and creative capital, developing a dynamic knowledge-based economy and increasing science-based employment, education and training for the city.*
- *Swansea is now a service-led economy. Given the city's natural and human resources, opportunities will exist to attract investment, grow businesses and create jobs in key sectors such as green energy, quality tourism, high value manufacturing, life sciences, ICT and creative industries. Swansea Council will work with the Welsh Government and key partners in the City Region such as industry, our universities, colleges and other local authorities to exploit those opportunities.*
- *Swansea Council will put a commitment to sustainable development at the heart of its planning policies*
- *Swansea Council will develop and implement a quality sustainable tourism action plan to maximize the economic benefit for the city.*

City and County of Swansea Policy Commitment Statement 26 July 2012

### **3.3 We need to better understand our 'offer' in Swansea and also what it will be across the City Region**

3.3.1 We must understand and be clear about what our 'offer' is here in Swansea and across the Swansea Bay City Region. It is essential to continually assess the strengths, weakness, opportunities and threats to Swansea and the City Region. The Panel agreed with the Cabinet Member that we must be realistic about what we can and can not achieve and target the right sectors building upon and using the strengths and opportunities identified. We must also understand where our areas of weakness are and work to mitigate them wherever possible.

3.3.2 The Panel have found the region has many strengths including:

- Advanced manufacturing and materials, farming, tourism and food
- Emerging strengths in life sciences and creative industries
- Digital media, innovative research and development activities linked to higher and further education
- Key employers like Tata, Admiral, Virgin, Amazon and Toyoda etc
- Track record in collaboration including existing partnerships in the region
- Outstanding natural environment, leisure, culture and sport

3.3.3 The Panel found Swansea has much to offer potential investors including:

- A large strong available local labour force that tends to be loyal and adaptable (Swansea Bay region workforce of approximately 250,000)

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<sup>6</sup> Swansea Policy Commitment Statement 26 July 2012 - [link](#)

- Strong and progressive academic and higher education sector
- Relatively low costs compared to some other parts of the UK
- Good work life balance
- Commuting to work easier than some areas
- Land and premises available

3.3.4 Some challenges were also identified including for example:

- Lack of a regional development agency
- Competition from other regions
- Financial resources to promote Swansea Bay City Region
- The volatility of the economic climate currently
- Improving the perception of Swansea i.e. as a place to do business.

3.3.5 Transport and the distance from Swansea to London and international airports had been raised as an issue but the Panel were encouraged to hear from Marc Clement that travel distances of 2 to 3 hours to a main airport was not a big concern and that people travel much further in other parts around the world to reach a main international airport. The Panel also noted that importantly the rail electrification will help with travel times to London and those international airports.

**3.4 We must work to overcome or to mitigate the affect of barriers to investment. Resources will need to be invested to enable the city region to be more proactive.**

3.4.1 The Panel believe that we must play to our strengths but understand and address Swansea's areas of weakness where necessary. Two of the most significant barriers identified were around perceptions of Swansea and resources available to support inward investment activity.

**3.4.2 Perceptions of Swansea**

The Panel found that there can be a negative perception about Swansea being a *difficult place to do business* which came through strongly in the evidence gathering. Addressing these negative perceptions of Swansea is important and particularly in relation to the Planning application process.

*Swansea needs to be a 'can do' place to do business this includes for example having a straightforward single point of contact to do business.*

**Quote from Russell Greenslade from BID**

3.4.3 The Panel was concerned about the negative perception of Swansea as a difficult place to do business. It expressed concern about evidence highlighting Swansea was, at times, unwilling or unable to meet, not getting 'right' people together, not using wider skills set from both inside and outside the authority, promising but not delivering, giving out confused messages from different parts of authority and the goalposts being moved in relation to Planning applications.

**3.4.4 Resources available**

The Panel were informed, unlike England, economic development and regeneration including inward investment is a non-statutory activity in Wales. The Panel were in agreement that it is vital to the wellbeing of the area. Cities

and regions across the UK are actively competing with each other to attract foreign and domestic firms to their area. The Panel took the view that ignoring this activity could result in little interest being shown in the region by new and expanding companies resulting in fewer jobs and then there was a danger of a knock-on effect to the supply-chain activity of those firms already here.

*Investment decisions are seldom based solely on grant. Location, quality of accommodation, connectivity and living standards are all equally important. Swansea's present arrangements do not require a significant spend nor dedicated inward investment team. As a nation (Wales) and local level the current level of new investment is insufficient to become transformational to our economy, but becoming more self-determinant in this market places needs more resources than the current passive approach requires.*

*For the Swansea Bay City Region, the mechanisms need to be in place to respond to interest, especially now that investor confidence is reportedly returning. This will mean continuing to work with Welsh Government but also developing its own resources and unique selling points. The scale of operation required necessitates a regional approach and partnership in order to present a regional offer.*

**Inward Investment Inquiry Briefing Note**

- 3.4.5 The Panel were informed that when a substantial opportunity presents itself a team of staff are pulled together from relevant departments across the Council to respond.
- 3.4.6 The Panel found there was a clear need to be more proactive in encouraging investment but this will require a greater resource across the region than is currently available. As the economy improves Swansea needs to be ready to meet the aspirations and expectations of those investors who are most likely to invest. Members also believed organisations outside the Council could be used more in the delivery of improvements in this area including for example Business Wales, Business Improvement District etc. This would help to negate the affect/financial implications on the local authorities across the region.
- 3.4.7 It was also recognised that the Council's corporate aims and priorities identify the importance of working with partners and businesses to attract investment, jobs and business wealth as part of the drivers to tackle poverty, economic inactivity and unemployment.
- 3.4.8 The Panel were informed that one of the ideas being considered by the City Region Board is the formation of a new Swansea Bay City Region Inward Investment Team to act as a delivery vehicle for investment. This will mean a dedicated, conveniently and co-located staff team with its own operational and promotional budgets. The team would, if approved, report to a Swansea Bay City Region Board be made up from representatives of participating local authorities, other public sector organisations and private sector companies. It is essential that they are commercially aware.
- 3.4.9 The Panel met with the General Manager, Sony UK. He was able to provide a perspective from the viewpoint of an industrialist who has worked for a company which has operated in the region for a number of years, and who has also worked in partnership with others, particularly the University. He was able to

share his experience and views about Swansea future development and investment potential. Three key salient points the Panel took from this included:

**Medium term planning** is essential. Should not be hampered by political terms but clearly defined plan over a clearly defined period. Focused on what can be done in the medium term. Currently approach is too diverse, has a 'scatter gun' approach, it needs to be clearly focused and target activities based on outcomes as identified in the plan. Must be clear about where Swansea wants to be in 5 years time, must define in detail what the plan actually means in practice and what will be the indicators of success. It will need commitment and strong leadership to drive the plan forward, particularly through any difficult patches. It cannot be to risk adverse. It will need a shift/culture change from managers to leaders, because leadership is about delivery.

**Must set targets** to drive developments, they need to be clearly focused on delivering outcomes and you must be able to hold people to account for the delivery of the plan.

**Important to identify the 'tradables'** those things Swansea has that will be of use to potential investors. Those for Swansea include for example its location and access to academia. A *Portfolio of offerings* could be developed that is made available to potential investors. These are all the different kind of assets that the authority has all brought together in one place for ease of access and to help sell the city to potential investors.

### 3.5 We need to ensure we are welcoming and quick to respond to business queries and investment opportunities

*Need to have a single vehicle that represents the face of the region with all the knowledge of the region and assets that it represents on show and available to potential investors...one single front door.*

**Professor Marc Clement, Institute of Life Science, Swansea University<sup>7</sup>**

- 3.5.1 We must understand Swansea (and the region) from *an outsider looking in* perspective thus getting a potential investor's viewpoint. We must ensure we have user friendly policies and practices within the Council; that we are working across the organisation. Despite improvements there still needs to be more joined up working across the Council to show that we are willing to use expertise in organisations wider than the Council.
- 3.5.2 From the evidence gathered it was suggested that one of the hurdles to potential investment was lack of direction with people not knowing where to go to access more information or provision of a service. The idea of a single contact point where the caller can discuss the issues with a trained individual needs exploring. This would include signposting people to any of the relevant organisations that would assist them and would not necessarily need to be managed by the local authority. The Panel has found interest shown by other organisations to carry out this role.

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<sup>7</sup> Professor Marc Clement, Institute of Life Science, Swansea University - link

3.5.3 The Panel was interested to hear Swansea has developed a portal to capture investor/business related enquiries that may be sent via the Council’s website and to direct those queries/enquiries to the most appropriate department to answer them. Although the Panel felt this could be extended wider to involve our partner organisations.

3.5.4 The Panel also found there are a number of organisations dealing with business related matters across the region with a potential for duplication. This could be confusing for possible investors and the Panel agreed service mapping of the area was required.

3.5.5 The Panel have made recommendations to address these issues which ask Cabinet in their capacity within the City Region to take active steps to:

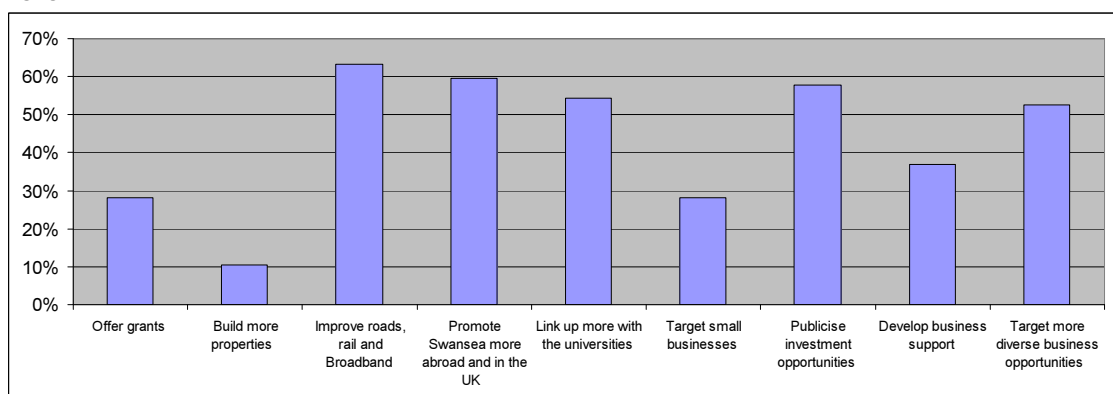
- Develop an effective support network including allocating resources to do pro-active work around seeking inward investment.
- Map the services that are available to businesses across the region and work to develop relationships with those services in order to avoid duplication; and use all the resources wider than the Councils.
- A one stop contact point for business/investment inquiries is introduced
- Investigate developing a *portfolio of offerings*.

**Some results from the Inward Investment Survey which ran online for two months between October and December 2013. A total of 59 responses were received from Swansea councillors, partner organisations, business community and Swansea council staff.**

1. What do you think is the main barrier to people investing in Swansea?



What do you think Swansea and the region need to do in order to attract investment here?



2. What do you think are Swansea (and the regions) strengths (top 10)?

1. Environment/green spaces/parks	2. Good education facilities
3. Skilled workers and ready workforce	4. Ocean/coastline
5. Low property/land costs	6. Exposure gained from Swansea Football
7. Good transport services	8. Lots of opportunities for business
9. Tourism	10. Friendly people

4. What do you think Swansea's (and the regions) weaknesses (top 10)?

1. Transport networks/links	2. Unemployment/not enough skilled jobs
3. Poor publicity/image	4. Reliance on public sector employment
5. Infrastructure	6. City centre – state of properties and streets gives bad impression
7. Location	8. Lack of diversity in businesses
9. Poor wages	10. Lack of a clear focussed plan

### **3.6 Building relationships and working more closely with other organisations and the business community will be key to success in attracting business in the future**

3.6.1 Stakeholder management needs to be improved through better relationship building. There is a need to be clearer about who *all* of our stakeholders are. The City Region will need see if relationships with stakeholders are used and links developed effectively. There is a need to find ways to develop better links with a broader spread of businesses and organisations. It is important to investigate best practice particularly how other local authorities/regions have developed their networks and relationships. The Panel understood that the Business Forum had ceased and emphasised the need to develop a mechanism by which the Council communicates with the business community on matters other than waste collection and business rates. It is important that we do not work in isolation, working in partnership with local business is vital.

3.6.2 Evidence gathered suggests it is important to work in partnership with other organisations and local business in order to increase capacity and mitigate the lack of resources available across the public sector. Working with other organisations for example Business Wales and South Wales Chamber of Commerce will help to expand our skill base.

3.6.3 It was felt that, in Swansea, we are not drawing on all the help and assistance that may be available. Swansea must work in collaboration with the private sector and academia if it is to attract new business successfully especially given the tightening of the purse strings across the public sector.

3.6.4 The Panel have made recommendations to address these issues which ask Cabinet in their capacity within the City Region to take active steps to 'develop a tool which can be used to *keep in touch* with the business community locally now the Business Forum has ceased'.

### **3.7 We must be more proactive at targeting potential inward investors**

*Is Swansea lacking in drive or is it lack of resources...it just hasn't spent time to find out what it wants to do to make it stand out in the UK and internationally. Swansea has a huge amount going for it.*

**Quote from South Wales Chamber of Commerce**

- 3.7.1 Currently, there is only limited proactive work completed by the authority, with very little dedicated resource to do it. Commitment and enthusiasm was shown particularly from the Cabinet member but the Panel did question the ability to drive investment opportunities forward proactively without the necessary resource to do so.
- 3.7.2 The Council/City Region will need to be clear about what its actual role is in relation to inward investment, is it the facilitator, the driver or the signposter? If this is the case then who else will do the other work and how does the authority/City Region work with them to ensure the right outcomes for Swansea?
- 3.7.3 Evidence and resources available indicate that it is not possible to reach everyone, so there is a need to target those sectors which are most likely to end in investment and those that are currently. Swansea and the City Region must decide what its offer is and then target those sectors proactively if it wants to be successful in attracting in business. *We may need to our narrow focus...we cannot be all things to all people.*
- 3.7.4 Swansea council as an organisation needs to be less adverse to risk. Evidence suggests this can restrict innovation. The new City Region needs to proactively encourage ideas and empower staff to think more innovatively across the region. It will need to move at a pace that industry requires and be empowered to make decisions quickly.

### **3.8 We need to encourage and develop more entrepreneurship locally.**

- 3.8.1 Incubating possibilities and encouraging entrepreneurship with young people in schools and colleges is important, not only for future business development but for the health of our communities. The issue of poverty of aspiration was highlighted and included the need for improving this through education. Do young people think they can are able to start a business or do they see themselves as employees only? What can be done to change this view? The Panel believed that for Swansea to increase entrepreneurial activity there needs a framework of backup and support to assist people to take their ideas forward.
- 3.8.2 The Panel were pleased to see two recommendations had been made in a recent previous scrutiny inquiry into economic inactivity.
- *That Cabinet work to raise aspirations of young people in Schools by encouraging the promotion of further and higher education at an earlier age; and*
  - *That Cabinet investigates the possibility of holding regular entrepreneurship events to encourage young people.*

**Scrutiny Inquiry into Economic Inactivity September 2013**

3.8.3 The Global Entrepreneurship Monitor<sup>8</sup> suggests that Wales has a relatively high level of early stage entrepreneurial activity in Wales, yet when you look at the number of new start-ups, Wales clearly lags behind. The most recent figures show that there were 42 start-ups per 10,000 of population in Wales in 2011. The equivalent figure in England was 68 start-ups per 10,000 people.

### **3.9 We must be more social and digital media savvy**

3.9.1 The Panel was of the view that the social media environment could be more fully explored particularly in making links around investment opportunities. We need to take more advantage of the new social media opportunities to sell Swansea (and the region) to a potential investment market. The example of the installation of superfast broadband was discussed and it was highlighted that we could work with the relevant organisation/s to publicise this more widely. The City Region must use social and digital media tools to sell the area and to target potential investors. Publicity and *getting our message out there* is seen as essential.

3.9.2 The Panel also wished to emphasise that good information and communication technology can help counteract any challenges relating to our physical infrastructure and/or location when encouraging new business to the area.

3.9.3 The Panel have made recommendations to address these issues which ask Cabinet in their capacity within the City Region to take active steps to 'make better use of social and digital media by developing a strategy around business and investment issues'.

### **3.10 We have to learn from good practice and what works elsewhere**

3.10.1 It was the opinion of the Panel that the council does not do enough in the building of relationships and that we need to speak to other local authorities about good practice. We need to investigate how they develop and manage their relationships with other organisations and the business community? The Panel found particularly that we do not engage with the business community enough around investment matters and links need to be developed to facilitate this.

3.10.2 It was the Panels view that we should keep a watching brief on how other local authorities/regions and even other countries encourage and develop investment opportunities, publicise and promote themselves.

*Comments taken from the Inward Investment Survey were received from councillors, partner organisations, business community and council staff.*

- *Without inward investment the region will struggle due to the lack of well paid jobs and will be trapped in a Pound shop world with the majority of people on benefits. This cycle of decline has to be broken but can only be overcome with inward investment.*
- *Swansea City FC have done a very good job in bringing Swansea to the attention of the world through football, however Swansea City cannot ride on Swan's coat-tails for ever.*

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<sup>8</sup> Global Entrepreneurship Monitor - [link](#)



- *Consider what makes us different, what can we offer that other locations cannot*
- *Swansea is a great place to live; the local environment is one of our strengths.*
- *Need more dynamism*
- *We should be developing business around the Port. We should be actively working with the university to build a science park.*
- *I would like us to compare and benchmark ourselves to see where we would find ourselves against other Authorities in Britain.*
- *It seems that I don't know a lot about what is offered to new / small businesses - is it well marketed? Is investment in new / small businesses high risk investment? Are new businesses encouraged to cluster?*
- *We need to aim for excellence and think that nothing is impossible for Swansea.*
- *Need to realise that businesses of all varieties only operate if they are profitable & if the prevailing planning/ political ethos prevents them from doing this in Swansea then they will simply [re] locate elsewhere*
- *A dedicated team needs to be set up to promote the city as a viable business centre, with links to the Welsh Government and the grants for businesses*
- *If Swansea had an already trained potential workforce, this should attract businesses that pay good salaries to get Swansea out of the "poor man of Europe" category, and the people of Swansea will be a lot more financially secure.*
- *Need to look more at entertainment industry, need to encourage music and other performance for tourism, give youthful image to city, vibrancy*
- *We need reconsider whether Inward investment is what we should be emphasising, but more home grown businesses.*

3.10.3 The Panel have made recommendations to address these issues which ask Cabinet in their capacity within the City Region to take active steps to 'look at good practice in how other Local Authorities/regions and countries are supporting inward investment'.

### **3.11 We must market our successes and raise the profile of Swansea (and the south west region) both to people locally and more widely**

3.11.1 The Panel felt that we do not *shout about our successes* enough and that we should find any and every opportunity to raise our profile both locally, nationally and globally. The Panel believed we need to dispel the local and perceived negatives of Swansea by  *banging our own drum more*.

3.11.2 We must work with others to do this as Swansea and even the 'City Region' could be perceived as small when working in a global market. Good examples in Swansea were highlighted including using the successful football team to raise Swansea's profile; and the Cwtch Bid for the City of Culture was also seen as an excellent example.

3.11.3 The University is now attracting more international students. It will be important to work with them to publicise Swansea to current and future student population and to establish possible networks for the future.

3.11.4 The Panel have made recommendations to address these issues and ask Cabinet in their capacity within the City Region to take active steps to 'market successes within Swansea and the region therefore raising our profile to people locally and more widely'.

## 4. Recommendations

The Panel commends Cabinet to consider all issues and ideas raised by this review and, in particular, the recommendations set out below. The Panel recognises that the Authority will need to ensure that any subsequent actions are legal and meet the requirements of any relevant legislation; and has a responsibility to make the best use of limited resources and that any additional costs will need to be considered carefully as part of the annual budget setting process. The Panel has kept these principles in mind in the course of its investigations.

### **The Panel recommends to Cabinet that:**

#### ***In relation to City Regions model***

- 4.1 It ensures there is a clear mechanism in place within the City Regions Strategy that will make it accountable to local Politicians.
- 4.2 The City Region has a clear and positive brand that will be recognisable globally.
- 4.3 The City Region develops an effective support network including allocating resources to do pro active work around seeking inward investment.
- 4.4 The City Region maps the services available to businesses across the region. Work needs to be undertaken to develop relationships with those services in order to avoid duplication and to use all the resources other than the Councils that are available.
- 4.5 A single contact point for business/investment inquiries is introduced (this does not necessarily need to be the local authority but they need to be commercially aware).
- 4.6 Look at good practice in other Local Authorities/regions/countries and how it is developed and implemented.
- 4.7 It develops measures that will monitor success and these are monitored on a regional and Swansea basis.

#### ***In both Swansea and the City Region***

- 4.8 Successes in Swansea and the region are marketed therefore raising the profile of Swansea (and the region) to both people locally and more widely.
- 4.9 It develop user friendly polices and practices which are welcoming and enable a quick to response to investor queries.
- 4.10 Take active steps to make better use of social and digital media by developing a digital media strategy around business and investment issues.
- 4.11 The concept of developing a *portfolio of offerings* is investigated.

#### ***In Swansea Council***

- 4.12 It develops a tool that can be used to *keep in touch* and work with the business community locally now the Business Forum has ceased.

## About the Inward Investment Inquiry Panel

The Inward Investment Inquiry Panel is a body of Councillors who are not members of the Cabinet. Their role is to scrutinise the performance of Council services and to make recommendations about how services can be improved.

### Members of the Panel

Councillor Jeff Jones (Convener)  
Councillor Keith Marsh  
Councillor Gloria Tanner  
Councillor Neil Ronconi-Woollard  
Councillor Jane Harris  
Councillor Tony Colburn  
Councillor Susan Jones  
Councillor John Newbury

### Members of Panel for part of the inquiry

Councillor Andrew Jones  
Councillor Bob Clay  
Councillor Geraint Owen

### Panel Support

The Panel received support to conduct this Inquiry from the Council's Scrutiny Unit including for:

- Project Management
- Research
- Communications
- Report Drafting

The support officer for this Panel was:

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## Acknowledgements and References

### Direct evidence from:

Staff, local businesses and members of the public who contributed via the questionnaire	
Business Support Wales	Cabinet Member for Regeneration
Swansea Business Improvement District	Head of Regeneration and Planning
South Wales Chamber of Commerce	Business Development Manager
Swansea University	Planning Control Manager
Swansea Bay Futures Limited	

### Indirect/desk based evidence

Swansea Bay City Regions – Economic Regeneration Strategy 2013-2020 - <a href="#">link</a>
Wales Spatial Plan - <a href="#">link</a>
Policy Commitments – Council July 2012 - <a href="#">link</a>
City Regions – Welsh Assembly - <a href="#">link</a>
Swansea's Integrated Plan – <a href="#">link</a>
Swansea's Economic Profile – <a href="#">link</a>
'Swansea Bay City Region' article - <a href="#">link</a>
Welsh Affairs Select Committee Inquiry into Inward Investment (UK Parliament) – including evidence submitted by Swansea University - <a href="#">link</a>
'Regeneration is critical to the economic prosperity of the city' article- <a href="#">link</a>