



For: Cath Burns, Chorley Council  
Date: 13 May 2013

# Chorley Inward Investment Plan

## Executive Summary

**Breeze**

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## Strategy and Context

### - Economic Development Strategy

Chorley Council's 2012 Economic Development Strategy makes inward investment one of its five key visions:

*'To promote and increase inward investment in Chorley - providing a mix of high and low skilled jobs and attracting well paid employment.'*

The strategy calls for a number of actions relating to inward investment:

- 1. Prioritise employment sites identified in the LDF and develop a plan for bringing forward development and inward investment.*
- 2. Develop an inward investment marketing package for Chorley*
- 3. Develop and implement a grant reward scheme to encourage inward investment to Chorley*
- 4. Develop links with enterprise zones in the region and encourage inward investment of associated supply chain organisations.*
- 5. Investigate the feasibility of creating an additional M6 Junction for Chorley between J27 and J28.*
- 6. Monitor progress of the HS2 programme and establish links and respond to consultations as required.*

This Inward Investment Plan will help to provide a clear direction for these actions.

## Inward Investment Marketplace

According to UK Trade & Investment figures, the best performing parts of the country for foreign inward investment, just behind London, were areas of the North and Midlands. Many of these are former industrial areas that have managed to secure new jobs and investment from advanced manufacturers, technology companies and business service firms.

Best Performing LEPs	Jobs
London	12,665
Greater Manchester	9,291
North Eastern	7,354
Derbyshire & Nottinghamshire	2,299
Tees Valley	2,170
Greater Birmingham & Solihull	2,039
Cambridge & Peterborough	1,546
Cheshire & Warrington	1,400
Liverpool City Region	1,233
Black Country	1,214

Source: UKTI

The worst performing areas were rural areas and... quite surprisingly, Lancashire.

Worst Performing LEPs	Jobs
Cumbria	35
Dorset	65
Cornwall	71
Warwickshire	79
Lancashire	89

Source: UKTI

In 2011/12, foreign inward investment created 54,407 jobs in England - but only 89 of these were in Lancashire, created by just 5 projects.

These statistics clearly demonstrate that Lancashire is an under-performing area in inward investment terms, but that Chorley has the opportunity to compete for many projects that are choosing similar locations.

## Barriers to Inward Investment

In terms of the potential and real barriers to Chorley attracting new inward investment in the coming months and years, there are a few issues to be considered:

### 1. Lack of Available Property

As the brief table below demonstrates, an inward investor seeking site or property options in the North West is faced with a wide choice in neighbouring areas such as Wigan and Bolton.

	5-10,000 sq ft Leasehold Office	11-20,000 sq ft Leasehold Office	50-100,000 sq ft Leasehold Office	50-100,000 sq ft Leasehold Industrial	101-500,000 sq ft Leasehold Industrial
Wigan	26	16	1	8	4
Bolton	31	19	3	5	5
Chorley	4	4	0	2	2

*Source: MIDAS Property Search, 24/1/13; Chorley Council Website Search 24/1/13*

The lack of good quality office and industrial sites and premises, of all sizes, is a major handicap for Chorley. New sites and developments are planned, but these must be highlighted to potential investors in a clear way, that demonstrates Chorley's commitment to bringing forward a pipeline of sites that match the needs and aspirations of both existing and future businesses.

### 2. Lack of Awareness of Chorley

The lack of any visibility for Chorley, outside of the immediate area, is another significant barrier. Getting on the radar of expanding companies and their advisors is a major issue, especially given the relative profile of surrounding towns and cities.

No realistic amount of marketing will be able to achieve the profile of Manchester, Wigan or Bolton, however, highly targeted awareness-raising to very specific audiences (eg Manchester intermediaries) will help to close the gap. A specific website promoting the business benefits of locating in Chorley is an essential tool in this regard, although ongoing communications, relationship building and networking must be a priority too.

### 3. Lack of Distinctive Offer

Chorley suffers from the lack of a distinctive offer to inward investors. Its key strengths - access to motorways; access to Manchester, Liverpool and Lancashire; and so on, can also be claimed by Bolton, Preston and Wigan, and many more. However, the creation of a new 'Choose Chorley Grant' offering financial incentives to locate in the town, could help to make a difference as neighbouring towns do not have anything similar.

## Target Audiences

Given that any business in the world is a potential inward investor, it is important to set out a very clear set of well-defined target audiences. This will include local, regional and national partners; local and regional business community; target geographic markets and target industries and sectors.

- Existing Businesses - in and around Chorley
- Intermediaries and Advisors - in Manchester, Liverpool and Preston
- Partner Organisations - like the LEP and UKTI
- Potential Investors - growing companies in the North West and Midlands

These key audiences should be prioritised through the activities described in this plan.

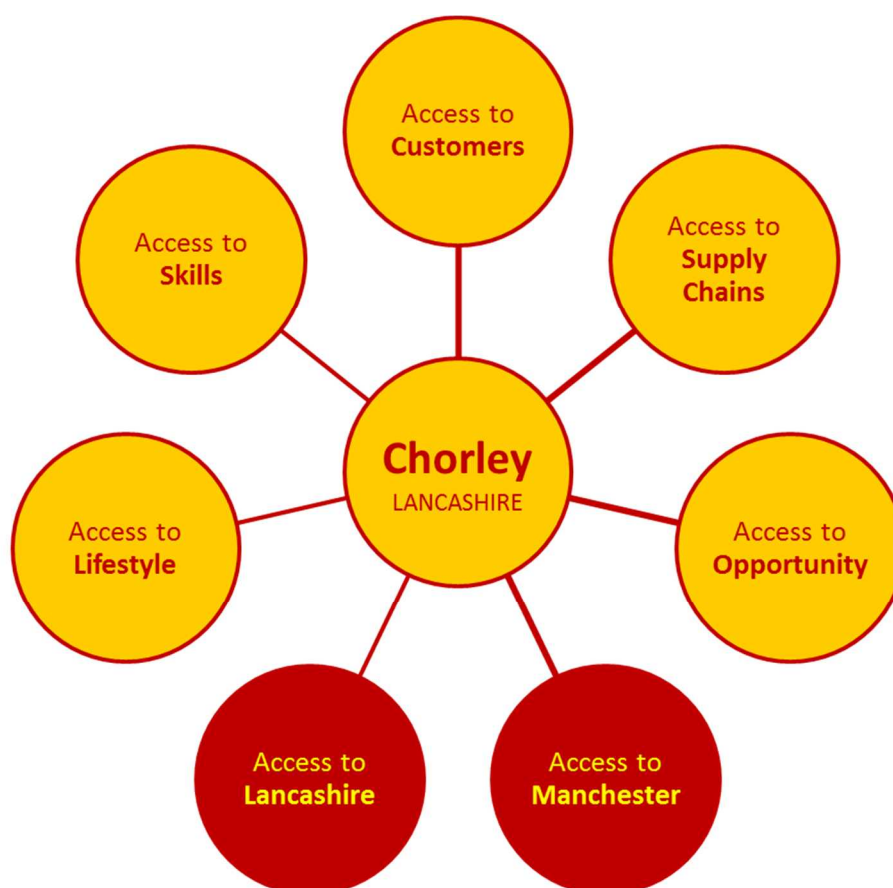
## The Chorley Offer

The Chorley Offer has been created and should provide the foundation for the delivery of this plan, and will form the core of the new website and any future marketing materials.

The key elements of the Offer are:

- Lancashire - reinforcing the wider positive connotations of the county and giving Chorley a more familiar context to external audiences that may not be aware of its location. Wherever possible, communication should mention 'Chorley, Lancashire' and use appropriate imagery.
- Manchester - leveraging the great city-brand that is only 30 minutes away, in particular using proximity to assets like the Airport, universities and wider supply-chains. Using phrases like 'on the doorstep of Manchester' and using Manchester images will help to reinforce this.

Chorley is a City Gateway - not only to Manchester, but also to Liverpool and Preston. Its geographic location and connections mean that its real offer to inward investors, is far bigger than the advantages of the district itself. The Chorley Offer can be communicated through several key messages relating to accessibility - these are shown below:



## Choose Chorley Grant

There is an increasing amount of competition between local authorities when it comes to grants and incentives. The emergence of Enterprise Zones presents opportunities and challenges for Chorley, with their offer of incentives to inward investors. The continued existence of grant funding in Scotland and Wales is also a source of competition for English locations.

A number of local authorities have developed their own local incentive scheme for inward investors looking to locate in their area. These schemes are not on the scale of previous Grant for Business Investment (GBI) and its predecessors, but nonetheless offer the possibility of making a real difference to companies deciding on new locations.

The development of a 'Choose Chorley Grant' would be a significant help in promoting the town to potential investors. In order to comply with EU State Aid rules it would have to be no greater than €200,000 to any single recipient over a 3 year period.

A good example of a similar grant that is being used as a tool for attracting inward investment can be seen in Aylesbury Vale, Buckinghamshire:

- Aylesbury Vale

<http://www.investaylesburyvale.com/growing/grants-finance/golden-welcome-grant>

The 'Golden Welcome Grant' scheme has been established by Aylesbury Vale District Council to attract investment, create sustainable local employment and strengthen local supply chains and connectivity. Grants are available up to £25k, although a higher amount will be considered in exceptional circumstances. The grant is aimed at relocating businesses intending to bring at least 20 or more jobs within 18 months of establishing a base.



## Marketing Collateral

The Chorley Offer should be the basis for the creation of some basic marketing materials which will be used to help get the offer to target audiences.

The basic marketing collateral required would be:

- New Choose Chorley Website
- Overview Choose Chorley eBrochure (in PDF form as it gives more flexibility than a printed one)
- Presentation Slides (which can be shared with partners)
- Sectoral Propositions
- Social Media (Twitter and LinkedIn accounts)

These marketing tools would be sufficient to begin engaging with partners and intermediaries as a first step in reaching out to potential investors.

More expensive and resource intensive marketing activities involving advertising, sponsorship, attending trade shows, hosting events, lead generation activities, sector specific brochures and so on, can often be a waste of resources. However, if delivered as part of an integrated communications plan, there could be value in looking at:

- targeted sponsorship on business email alerts (eg Business Insider and TheBusinessDesk)
- direct mailshot opportunities (eg Top 500 North West company lists)
- themed 'days' in Manchester (see below)

## Key Partners

Once the Chorley offer has been created, it needs to be shared with key partners. The partners that should be prioritised are those with the potential to amplify the Chorley message and reach out to inward investors.

### *Neighbouring Authorities*

It makes sense to work with neighbouring authorities especially South Ribble, Preston, Bolton and Wigan. Inward investors have no idea of local authority boundaries and neither does the local workforce. Whilst Chorley will be committed to landing as many projects within its own borders, any inward investment secured in a neighbouring area will inevitably have spin-offs in terms of jobs, wealth and supply-chains.

### *Local Enterprise Partnership*

The LEP has had a relatively slow start, but all the signs are that it is getting its act together and will become a key player in the economic development and inward investment landscape of the North West. Increasingly, the government and organisations such as UKTI, have a LEP focus, so it is vital that Chorley is engaged with LEP and plays an active role in all inward investment related activities. The creation of the LEP is an important piece of the inward investment jigsaw. The emerging LEP strategy will need to be noted and in particular, Chorley should align its targeting activities to those of the LEP in a complimentary way.

### *Enterprise Zone*

The Lancashire Enterprise Zone at Samlesbury is just 10 miles from Chorley. Given the efforts being put into marketing this site, both by the LEP and UKTI, it is important to position Chorley as a place where secondary suppliers to any future major investors could be based. The size and scale of the EZ development is so vast that it could not be viewed as a competitor, rather that it is a valuable regional asset and Chorley is well-placed to benefit from it. The target markets of advanced manufacturing, particularly around aerospace and energy, present a host of supply-chain opportunities both for existing businesses and future investors in the area.

### *UK Trade & Investment*

Although UKTI as the national inward investment agency will primarily deal with Lancashire at a LEP level, there is scope to inform and influence a number of people within UKTI. These would include the Partnership Manager responsible for Lancashire and any of the national sector leads where relevant and the Fast-Track team which deals with smaller scale enquiries. Regular updates and exchange of information will further enhance this relationship and position Chorley as an eager, professional and trusted partner for UKTI in the region.

## Existing Businesses

The role of existing businesses in inward investment is often misunderstood. For years, inward investment teams have managed their local businesses under the umbrella of either 'business support' or 'investor development' (or 'aftercare'). Whilst both of these activities are extremely valuable, they are focussed on helping individual companies rather than looking at how these companies can play a wider role in support of investment promotion.

### Chorley Business Inward Investment Event

The Chorley Business Network events are proving very popular and an annual inward investment meeting should be incorporated into the programme. The event should be a showcase of the town's assets and sharing of the story, propositions and the activity programme.

Local businesses would be invited to attend along with Manchester-based and other regional advisors. An inward investment specialist could be the key speaker who could explain the opportunities for promoting Chorley and how local businesses can play their part in getting the message out. It could also include one or two case studies of companies that have chosen Chorley.

### Using Existing Businesses in Chorley Soft-Landing Scheme

Many successful locations operate a soft-landing scheme to ease the inward investment process by providing a friendly welcome of local service providers. A few local companies that provide professional advice to potential inward investors should be brought together in a Chorley soft-landing scheme. These should include an accountant, a legal firm and recruitment specialist as a minimum - the ones offering the most comprehensive service and national experience should be chosen, although this need not be an exclusive arrangement. Each chosen provider would agree to provide free initial advice (eg two-hour meeting) to any potential investors looking to move into the area. This would be particularly useful in the case of foreign investors needing to know basics of UK tax, law and HR issues.

A key element to the Soft-Landing Scheme would be the ability to bring in senior players, such as the leader of the council, chief executive, local MP and other stakeholders that could assist in any site visits or discussions over potential expansion or investment projects. Chorley needs to be a proactive and supportive council with a leadership that is willing to get involved in the pursuit of new job-creating developments.

## Target Intermediaries

Fundamentally, there are two routes to inward investors, direct and indirect.

The direct method, where specific end-users are targeted in the hope that they might be interested in expanding or relocating to your area, is a real needle-in-a-haystack approach. Finding the right person, in the right company, at the right time, with an open mind and a mobile project is an almost impossible way of looking for inward investment.

The indirect method of attracting inward investment is based on identifying the most prolific corporate advisors, multipliers and influencers that are regularly involved in location and expansion decision-making.

Intermediaries and multipliers can be specialist inward investment consultants; sector and market specialists in professional firms; influential bloggers and broadcasters; advisors in government agencies, embassies and trade associations. They also include inward investment specialists in major banks, accountancy and law firms or HR/executive recruitment advisors.

Placing multipliers at the heart of an inward investment strategy makes good sense and is a far more sustainable approach than conventional lead generation activities which are, by their very nature, hit and miss. In the current economic climate, a bespoke approach that builds long-term relationships will always trump the quick-fix mentality of mass mailings and telemarketing. The most effective multiplier programmes recognise this and are built one person at a time.

Chorley should specifically target intermediaries in the North West, especially key business advisors in Manchester. A programme to identify 10, 20 or 50 regional intermediaries should be a starting point; with the main banks, accountancy firms, commercial lawyers and property agents included. Once identified, there should be an introductory contact that is bespoke, which seeks to explain the offer and assess interest. There then needs to be a sustained relationship building programme to build mutual trust and knowledge. Intermediaries can then be integrated into the social media activities to maintain a flow of contact and information.

Beyond the North West, there are a number of specialist inward investment and relocation intermediaries who should be aware of the offer. A similar process to the one described above should be followed for these.

## Target Investors

There are a number of routes to targeting potential inward investors directly. Many locations fall into the trap of commissioning expensive 'lead generation' activities around mass mailings and email shots. These have no proven worth in inward investment whatsoever.

The most effective way of targeting potential investors, is to build linkages and relationships with intermediaries (as above) together with an ongoing effort to use research to identify potential leads. This 'smart targeting' requires a keen eye for spotting opportunities and the resource of having someone to dig around the internet on a daily basis. The trawling of news and trade websites for expanding companies is becoming easier than ever before. The integration of social media into this policy increases the potency of smart targeting.

### *- Sectors v Activities*

Rather than specify sector propositions around automotive or aerospace or food related companies, a broader approach should be taken that concentrates on the business activities or functions - ie manufacturing, office or logistics - of a company. This enables a far more relevant and flexible targeting of potential investors.

### *- Geographic Markets*

It is important to focus on the right geographic markets for potential investors. Any direct foreign inward investment activities should be left to UK Trade & Investment; and any national UK targeting or London activities would be better directed through a county-wide initiative. The best focus for Chorley will be on companies around the North West and Midlands, in particular those that are outgrowing their current locations.

## Summary of Suggested Actions

- Develop website
- Develop Choose Chorley Grant
- Prepare Choose Chorley eBrochure
- Prepare presentation slides
- Finalise sectoral propositions
- Networking with key partners (neighbouring authorities, LEP, EZ, UKTi)
- Build relationships with target intermediaries
- Establish social media
- Signage at railway stations, motorway services, along major roads
- Bring forward a pipeline of sites
- Annual inward investment event
- Sponsorship on business e-mail alerts
- Direct mailshots
- Create Soft-Landing Scheme
- Plan themed days in Manchester, Liverpool etc

## Timeline and Costs

Between May 2013 and March 2015 activities have been costed out and ranked according to priorities.

These breakdown as follows:

Priority 1 Actions	£49,500
Priority 2 Actions	£44,000
Priority 3 Actions	£20,000