Local Economic Development in B.C.

2016 Survey

Summary Report

June 2016

About the Survey

Overview

The 2016 Local Economic Development in B.C. survey was a follow-up to the 2009 version issued by the Union of BC Municipalities (UBCM). For 2016, a partnership was established between UBCM, the Ministry of Jobs, Tourism and Skills Training (MJTST) and the BC Economic Development Association (BCEDA) to ensure that all three organizations were involved in the development of the survey questions, approach and interpretation of findings in order to provide coordinated, relevant and timely support to B.C. communities. The survey was sent to current Economic Development Practitioners (EDPs), elected officials and local government staff across the province based on the membership and mailing lists of each respective organization; it was open from March 9 – April 1, 2016.[1] The survey broadly looks at the following areas:

How approaches to economic development work are **structured** across communities
The level of **support and resources** accessible to EDPs and local leaders/staff
How economic development work is **planned** and **monitored**
The types of local economic **activities** communities are undertaking, and in which ways they are **collaborating**
The key **challenges** and **opportunities** for local economic development in B.C.
The degree to which B.C. communities see themselves as economically **resilient** and **diverse**

Response

The survey was sent to over 1700 contacts, and recipients were encouraged to forward the invitation to relevant stakeholders. For privacy reasons, the survey was anonymous and thus not trackable to individual communities. In addition, some communities had multiple stakeholders complete the survey while others designated one respondent; as a result, a specific response rate calculation does not apply. There were 414 valid[2] responses to the survey.

Comparability

The current survey had approximately 70% consistency with the previous survey that was fielded by UBCM in 2009. While the original intent was to compare the time periods directly, the respondent group size (414 in 2016 versus 124 in 2009) as well as the

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[1] As this combined list was not comprehensive (particularly in regard to local government staff), recipients were encouraged to forward the invitation to all relevant stakeholders in their communities.
[2] Valid refers to those who consented to the survey's privacy terms and completed at least the first full section of the questionnaire.

change to privacy approach (anonymous in 2016 versus targeted to individual communities in 2009) makes direct comparison inadvisable. It is occasionally mentioned if a particularly notable difference was found, but largely this summary is limited to the 2016 results. The 2009 results can be found in the summary report on the UBCM website and the results tables report accompanying this summary.

Additional Reports

A supplementary report of the 2016 survey results, comprised of question responses in table format, is available in addition to this summary report for those who wish to see a question by question breakdown by area association, size, role and year. gov.bc.ca/economicdevelopment/resources

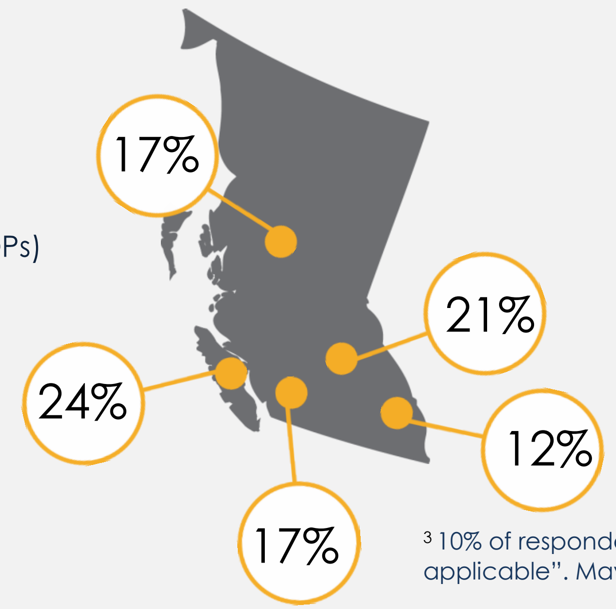
Questions?

The survey data was compiled and analyzed by the Economic Development Division of MJTST. If you have any questions or would like more information about any aspect of the survey, please send a note to economicdevelopment@gov.bc.ca.

Respondent Profile

There was good representation of survey respondents from across the province: Association of Kootenay and Boundary Local Governments (12%); Association of Vancouver Island and Coastal Communities (24%); Lower Mainland Local Government Association (17%); North Central Local Government Association (17%); and Southern Interior Local Government Association (21%).[3] Respondent groupings are profiled below, and are referred to throughout this report where key differences were noted.

Area Association



Role

31% Elected official
22% Local government staff
18% Economic Development Practitioners (EDPs)
9% Chamber of Commerce
9% Other
6% Community Futures
5% Not-for-profit organization

Size

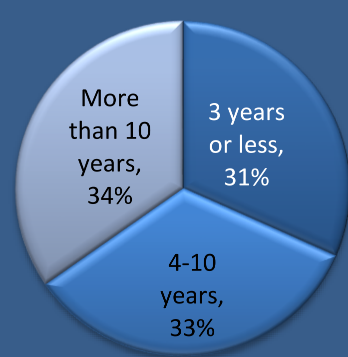
Small communities (<5,000) **34%**
Mid-sized communities (5,000 – 50,000) **42%**
Large communities (>50,000) **23%**

[3] 10% of respondents selected "don't know/not applicable". May not sum to 100% due to rounding.

Demographics

- Three in five respondents were over the age of 50
- Elected officials tended to be over 50 (80%) and male (62%)
- EDPs tended to be under 50 (66%)
- The gender division between males and females was fairly even for local government staff and EDPs

ED-related experience



Smaller communities were more likely to have less experienced respondents, and also marginally more likely to have female representation.

Structure

Over half of the respondents indicated that their communities have one or more full-time equivalent (FTE) staff dedicated to economic development, an increase from 2009. Two in five respondents indicated that their community has an EDP (Economic Development Practitioner/Officer) in place. Still, one in five respondent communities have no staff dedicated to economic development work, which is directly related to the size of the community.

While undertaking economic development work, using an EDP or staff cross-assigned to related work are the most common approaches across the province. Working with Chambers of Commerce is becoming increasingly common, as are regional economic organizations or collaboratives. Nearly two-thirds of respondents indicated that their communities are involved in regional economic development partnerships.

Overall, three in five respondents felt that their approach has been somewhat or very effective in delivering economic development support to their communities. EDPs were most likely to consider their structure to be effective, with nearly nine in ten indicating satisfaction; communities with an EDP were likewise much more satisfied with their overall structure.

In-house ED function

"It provides better integration with other City departments and the ability to tap into other budgets and resources"

"It is easier to act as an advocate on behalf of the business community when working from within City Hall. Also, we have greater impact when making efforts to improve service delivery"

Arms-length ED organization

"Arms-length allows us to distance ourselves from the city a little, thereby gaining more trust with the business community and allowing for mediation between the city and businesses."

"Not [being] part of the local government allow us to stay nimble, non-partisan, and close to communities."

SNAPSHOT Structure

Dedicated ED staffing

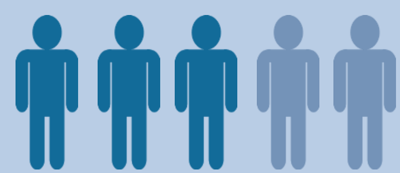
43% < 1.0 FTE devoted to ED work…

…19% Of whom have no ED staff

30% 1.0 – 2.0 FTE

21% > 2.0 FTE

64% Involved in a regional economic partnership



Feel their approach has been effective

Structure – Size Matters

The larger the community, the more likely they are to have an EDP. Smaller communities tend to outsource or partner for their economic development work, most often using other local government staff or the Chamber of Commerce. They're also least satisfied with their approach to economic development work.

Mid-sized and large communities are equally likely to have an EDP, although larger communities are significantly more likely to have a department or non-profit dedicated to economic development, and do less outsourcing. Mid-sized communities are more likely to partner in regional collaboratives and also go through their Chamber of Commerce.

While mid-sized communities are more satisfied with their overall structure than small communities, large communities are much more satisfied with their approach.

"Our approach is collaborative and in partnership with many business stakeholders. This provides us with a deeper wealth of expertise and resources to draw on."

"Our entire community seems to work together for economic development [with] one person leading the way"

SNAPSHOT Size Profile

Typical Small Communities

- Have less than one FTE dedicated to ED work (68% < 1.0 FTE)
- Are most likely to have staff assigned to local ED work in addition to other duties (43%), or to go through their Chamber of Commerce for ED work (30%)
- One in four (27%) have an EDP
- Not quite half (46%) feel that this approach is somewhat or very effective

Typical Mid-sized Communities

- Have around one FTE dedicated to ED work (42% 1.0-2.0 FTE)
- Are most likely to use an EDP to undertake local ED work (49%), or through a regional economic organization/collaborative (39%) or through the Chamber of Commerce (38%)
- Around three in five (62%) feel that this approach is somewhat or very effective

Typical Large Communities

- Have around two to three FTE dedicated to ED work (55% between 1.0 – 4.0 FTE)
- Are most likely to do ED work internally, with about half having an EDP (49%) and/or ED department (46%) and 30% having staff assigned to ED work in addition to other duties
- Over three-quarters (76%) find this approach somewhat or very effective

Support

Most respondents feel that political will and support exists among local leaders for economic development work, and that champions exist to see projects to completion. It should be noted that local government staff were less likely to indicate agreement with these statements than EDPs or elected officials.

Three in five respondents feel that local economic development work has a moderate or strong influence on their community's planning and direction, although EDPs were more likely to indicate influence. In terms of specific support, about half of respondents indicated that economic development activities are included in their Official Community Plan and that dedicated, consistent funding is provided.

Funding for economic development work tends to come from the local government itself (55%); smaller communities divide their funding sources between local government (42%) and economic initiative trusts (24%). Some respondents (35%) expected that their community's economic development expenditures will increase in the next 3-5 years, while almost half (45%) expected them to remain the same; increases are tied to regional collaboration/development funds, grants, project-based funding or proceeds, increased tourism or tax base, and regular municipal budget increases.

Lack of support for economic development work was often tied to lack of knowledge, prioritizing and collaboration:

> "We are not taken very seriously by the city…we do not have a ton of pull. Plus the city staff often do not understand economic development or have unrealistic expectations." "There appears to be a lack of knowledge/understanding or more importantly, a lack of coordination with all groups."

SNAPSHOT Support

81% EDPs

84% Elected Officials

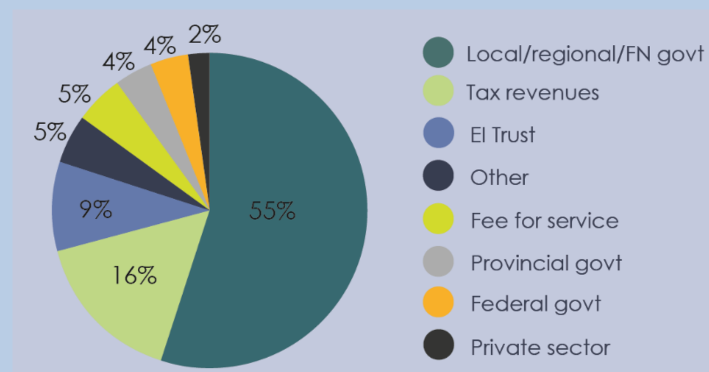
72% Local Gov Staff

Agree: Political will and support exists among local leaders for ED work.

Top forms of support indicated

- Inclusion in Official Community Plan (51%)
- Dedicated, consistent funding (50%)
- Access to project–based funding (42%)
- Advocacy by local government for continued support of ED work (40%)

Funding sources by percentage



Planning

Half of respondents indicated that their communities have an economic development plan in place, although some (14%) don't actively use it. EDPs were 25% more likely to indicate that their communities have an economic development plan in place.

Those who do have plans typically update them annually or somewhat less frequently. The most common stakeholder groups that were involved in the process of developing economic development plans are local elected leaders, members of the business community, local government staff and Chambers of Commerce.

Most respondents who have economic development plans in place feel that they have been effective at fostering economic development in their communities, and almost all (94%) EDPs consider their plans effective.

Those who consider their approach to ED work effective often mention their planning process:

"[We have] created an economic development & prosperity action plan in conjunction with business leaders in the region to create specific goals and deliverables."

"It has helped to prepare a high level plan and vision for what kinds of economic development opportunities the community would like to see."

While for others, barriers exist to strategic planning:

"[It] did not formally invite the involvement of the local area First Nations or community organizations. As a result, it was not broadly adopted. It does not offer a compelling and broadly held vision for the future."

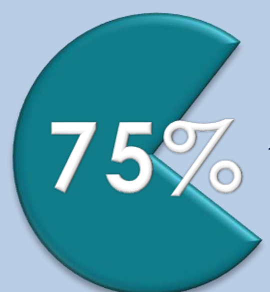
"Lack of resources to commit to the plan." "It is invisible and intangible."
"Limited economic growth in the region." "No community involvement."

SNAPSHOT
Planning

51%
40%
23%

Those who have and actively use an **ED plan**

Of those who have a plan,



think it's been **effective,**

and typically update it annually (43%) or every 2-4 years (26%).

Tracking & Reporting

Only one-third of respondents indicated that their communities have a performance measurement or monitoring strategy in place to track their economic development activities; a further third indicated that while they do not have a specific strategy, they do provide information as needed. One in five respondents indicated that they are not asked to provide performance-related information at all. EDPs were about twice as likely to indicate that their communities have performance measurement plans in place.

While two-thirds of respondents indicated that the budget allocation for economic development activities was not tied to reporting or performance measurement (formally or informally), one in five stated that the budget was informally linked to measures while one in ten stated that there was a formal link of budget to performance measurement. EDPs were much more likely (21%) than other respondents to indicate that performance measurement is linked to budget allocation.

The most common form of reporting on economic development work is a formal reporting structure. Around one quarter of respondents indicated that they also provide reports/updates on their website, at public events and through social media. In terms of frequency, reporting tends to happen ad hoc/as requested, followed by quarterly and monthly (indicated by around one in five respondents respectively).

SNAPSHOT Tracking & Reporting

32% Have a performance measurement/tracking plan

32% Don't have a plan, but provide information as needed

20% Don't have a plan, and are not asked for performance info

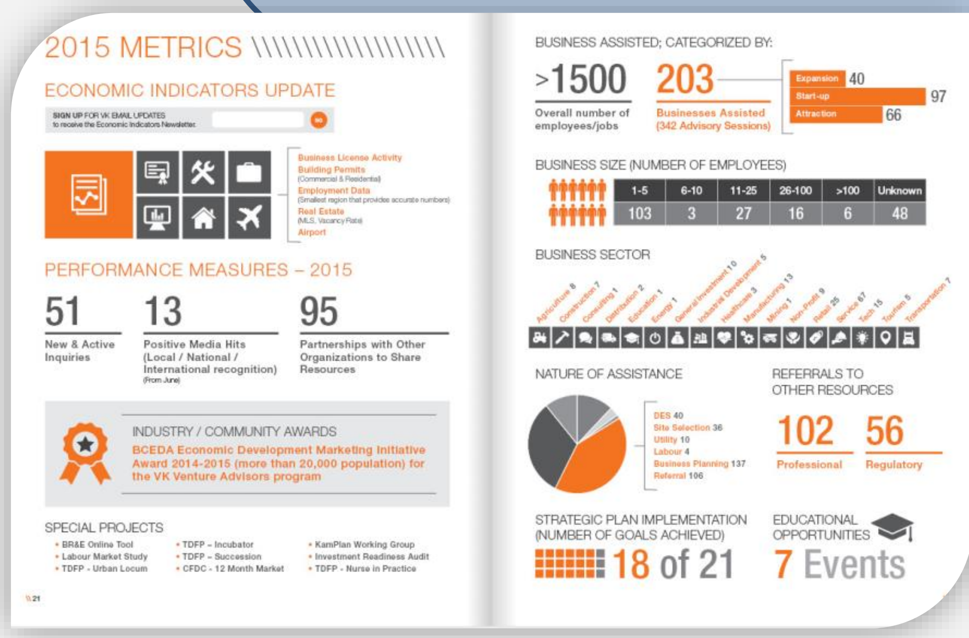
Common forms of reporting on ED efforts include:

Formal reports (57%)

Website (25%)

Public events (24%)

Social media (23%)



Source: Venture Kamloops' 2015 Annual Report

Priorities & Activities

Local business retention and expansion (BRE) continues to be the top priority for economic development efforts, followed by tourism and cultural activities, and attracting external industry, businesses and resources.

Specific to BRE efforts, the three most commonly identified activities are community profiles, a developed website and personal contact with existing businesses. Other common BRE activities are business walks programs, promotional brochures and "Buy Local" events, the last of which saw a substantial increase from 2009. The programs noted below are those frequently mentioned as highlighting unique or innovative approaches.

"Keeping your town in business, by keeping your business in town."

The Houston and District Chamber of Commerce offers a program selling gift certificates that are redeemable at local businesses. Starting off with $15,000 in sales in 2010, it has grown to in excess of $90,000 in 2015. The community and local companies are supportive of the program, and Houston Merchant Gift Certificates are given out as prizes and awards for the different community events. This program has now been replicated by several communities in the region and province.

SNAPSHOT
Priorities & Activities

Business retention & expansion (65%)

Tourism & cultural activities (48%)

Business & industry attraction (41%)

Entrepreneurial development (25%)

Most common BR&E activities

- Community profile (70%)
- Developed website (64%)
- Personal contact w/existing businesses (56%)
- Business Walks program (45%)
- Promotional brochure (44%)
- Promotion of "Buy Local" events (44%)
- Marketing strategy (43%)
- Downtown business improvement program (41%)

Consultation & Collaboration

Most (three-quarters) of respondents indicated that community buy-in and engagement is sought in their economic development work, and a similar proportion indicated both that sustainability is a consideration in economic development plans/projects and that economic development efforts attempt to foster innovation and entrepreneurship.

Around two-thirds agreed that there is an awareness of business interests/needs among staff and local officials, and that business leaders are involved in the process of economic development efforts.

Over half indicated that public-private partnerships are used where possible to deliver economic development initiatives, while just under half agreed that First Nations are involved in regional efforts.

As mentioned in the Structure section, around two-thirds of respondents' communities are involved in regional partnerships or collaboratives. Throughout the survey, regional partnerships were consistently mentioned as being a source of collective capacity, greater leveraging opportunity, and strengthened relationships and collaboration, though it should be noted that competition, conflicting priorities and lack of capacity were also mentioned as occasional barriers.

[Our] regional approach has: increased collaboration, reduced competition, created efficiencies, increased economic development literacy with the general public, increased participation of different actors such as non-profits and First Nations in the regional economy, and more.

SNAPSHOT
Consultation & Collaboration

	% Agree
Community buy-in and engagement is sought	75%
Sustainability is a consideration in ED plans/ projects	73%
ED efforts attempt to foster innovation and entrepreneurship	71%
There is awareness of business interests and needs among staff/elected officials	68%
Business leaders are involved in the process of ED efforts	65%
Public-private partnerships are used where possible to deliver ED initiatives	57%
First Nations are involved in regional ED efforts	49%

Resources

Just over half of respondents (58%) agreed they have access to sufficient information-based resources, training and support for ED work, and less than half (46%) indicated that their communities have sufficient staff expertise to deliver ED initiatives.

85% would find additional resources, training and external support valuable for their communities.

Challenges

The two most significant internal barriers to economic development faced by respondents in their communities were lack of financial and human resources. Respondents from smaller communities were more likely to indicate financial barriers as most challenging, although for all community size groups the top two barriers remained in the same order (i.e. lack of financial resources, followed by human resources).

The two most pressing external barriers identified were lack of support (resources, funding or programs) external to local government, and global economic conditions. While these were the top two external barriers identified across all community size, respondents from mid-sized communities were more likely to identify global economic conditions as a top barrier to economic development, while small community respondents were much more likely to identify lack of external support.

"[The] lack of cohesion and interconnectivity between organizations and local communities is a big challenge, as well as competing and conflicting priorities between governments."

"A lack of business participation and working together with local government to develop a collaborative approach to economic development."

"Red Tape and regulatory processes that impede the development and expansion of businesses."

"Location (not on major routes) and lack of adequate telecommunications infrastructure"

"The need for large scale economic transformation/diversification (which is not an instant process) in the face of challenging resource sector performance and potential looming job losses."

"No understanding of importance [of ED work] and how it can assist our town in staying competitive and vibrant."

SNAPSHOT
Challenges

Internal Challenges

Lack of financial resources (52%)

Lack of human resources (46%)

Lack of leadership/priority (34%)

External Challenges

Lack of support (55%)

Global economic conditions (50%)

Resource downturn (29%)

Economic Diversity

One-third of respondents consider their community to be reliant on a single resource or industry for their economic activity. As would be expected, this directly relates to community size, where half of respondents from smaller communities indicated that their community was reliant on a single economic driver. Interestingly, local government staff members were over 10% more likely than elected officials to consider their communities reliant.

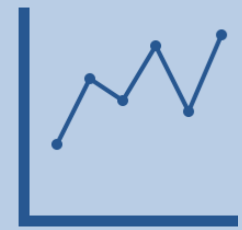
In general, respondents consider their communities to be moderately or somewhat resilient to economic fluctuations, accounting for two-thirds of the respondent group. At either end of the spectrum, around 15% of respondents respectively indicated that their communities were "very resilient" and "not at all resilient."

This was also directly related to community size; while less than one third of respondents consider their small communities to be moderately or very resilient to economic fluctuations, nearly two-thirds of respondents from large communities agreed that they were moderately or very resilient, with mid-sized communities landing in between. Economic development practitioners were significantly more likely to consider their communities moderately or very resilient than elected officials or local government staff.

SNAPSHOT
Economic Diversity

33% consider their communities **reliant on a single resource** or industry

43% consider their communities very or moderately **resilient to economic fluctuations**



Conclusion and Next Steps

The 2016 Local Economic Development in B.C. survey provides a glimpse into the engaging and diverse economic development work that is going on around the province. We would like to thank all of those who participated in this study, and we will continue looking at trends in the results and following up with individual communities to hear more about their stories and their work. All three organizations are committed to supporting local economic development work in the province in order to realize the unique potential of every community and enhance the resilience of our local economies.

For over 100 years, the Union of BC Municipalities (UBCM) has served as the voice of local government in B.C. Comprised of municipalities, regional districts and member First Nations, UBCM is a policy-driven organization that advocates for its members on program, regulatory or legislative matters that impact local governments. UBCM's Community Economic Development Committee is pleased to partner with the Province and BCEDA on this initiative and looks forward to acting on the feedback and assisting our members in their local economic development efforts.

The Economic Development Division is looking forward to growing its base of tools, resources and engagement with B.C. communities. The survey results are being used to establish our priorities going forward, including the recent creation of the Performance Measurement Toolkit and upcoming establishment of a hands-on tool to assist communities with strategic planning and priority setting. We also look forward to continuing our successful webinar series on economic development topics, offering ongoing workshops across the province, adding to our Funding and Grants tool, and providing direct support to communities via our regional managers.

The British Columbia Economic Development Association continues to grow the services and programs available to all B.C. local and First Nation communities. This includes our efforts to provide education on economic development, talk about and highlight best practices, host an annual BC Economic Summit, training courses and other tools to help achieve economic development success. This survey complements our biennial economic development survey and will help us in designing new and complementary programs, including a new mentorship initiative called the BCEDA Economic Development Wayfinding Program, launched on June 13, 2016.