

South Kesteven draft
**Economic
Development
Strategy** 2016-2020



Your council working for you

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The Local Growth Deal (SEP) and ESIF gives the LEP a minimum £220m pot for further investment in relevant economic growth investments over the 2014-20 period. We need to ensure identified propositions are investment ready to embrace these opportunities. This builds on the success of Grantham’s southern relief road in the LEP growth deal, as well as working with local partners and the private sector.

- diversification of our rural economy
- Encouraging business start-ups and a culture of enterprise across the District
- Promoting business support and advice opportunities and building strong working relationships to both retain and grow employment
- Seeking to address infrastructure needs of existing and future businesses, including high speed broadband as well as 4/5G
- Embedding a strong ‘One Team’ approach within the Council in order to provide positive advice and guidance to existing and prospective businesses

Actions that we propose include:-

- Ensuring our growth propositions are investment ready, and well-positioned to take advantage of all LEP, national and other EU calls for proposals - including anticipating these when appropriate
- Consider the innovative and creative use of our own asset base - both land and property, and funding instruments
- Aligning this economic development strategy with the new Local Plan
- Ensuring sufficient land and premises are available for employment as well as policies being in place to support issues such as the

3.5 Mobilising resources and support to deliver key economic outcomes for the District

What we want to happen:

- To ensure support for the achievement of our identified key economic outcomes

Why it matters:

- Mobilising resources, making best use of staff and partnerships in a timely manner - especially under continuing public austerity - is a prerequisite to achieving economic growth ambitions

How we do it:

- Linking closely with the Strategic Economic Plan (SEP), European Single Investment Fund (ESIF) and other national and LEP-level investment possibilities
- Consider how to best deploy SK assets and resources and using the new Local Plan to articulate growth ambitions

SKDC key roles and potential initiatives:

- Produce investment ready propositions in anticipation of external funding opportunities
- Using the new Local Plan to ensure sufficient land and premises for employment
- Provide positive advice and guidance to businesses

1. Executive Summary

South Kesteven is a district with considerable and well established economic strengths which include a supremely accessible location, excellent road and rail links, quality schools and a flexible labour pool. It's also home to some world-leading businesses.

It is not yet realising its full potential for sustainable economic growth, however, but it does offer wide ranging opportunities for investment leading to economic growth and prosperity, both for the District and a wider area beyond.

East Coast rail services through Grantham – now run by Virgin Trains - have led to significant out-commuting, particularly to the south. One of our key aims is to create high net worth jobs within the district to retain key skills in the locality.

A particular challenge facing the local economy is associated with relatively low wages, low productivity and a negligible higher level skills base with a lack of available high quality business accommodation. The individual towns - especially Grantham as the obvious sub-regional centre - are also challenged (in differing ways) as current and future growth locations.

To address these issues, South Kesteven District Council (SKDC) is seeking to formulate and implement a new Economic Development Strategy, working with its partners both locally, at a Local Enterprise Partnership (LEP) level, businesses and all our neighbours.

We want to consult as widely as possible on this strategy and action plan. Based on our economic assessment, we believe our future economic goals should focus on:

- More and 'better' jobs
- Strengthening skills progression
- Encouraging innovation and enterprise
- Place shaping and making

There are clearly limitations on the ability of the Council to impact on the overall health of the local economy, both in terms of our limited resources and the scope of our powers. However, this strategy will fundamentally support the Council's corporate priority to grow the economy. A successful local economy will also contribute significantly to the achievement of all our other corporate priorities for South Kesteven.

This is perhaps the most challenging of the five intervention strategies for a number of reasons:-

- It is absolutely central to transforming our economy from the current relatively low wage, low productivity profile with a focus on how local residents can best benefit from growth proposals.
- There is no major local HE presence whose mission includes a specific SK focus, so the District lies in a HE "cold spot".
- The SK labour market faces largely away from the LEP area towards the south.
- Skills have traditionally not been an area where district councils have major influence.

What we can do in the short term is:-

- Support an Employment and Skills Board-type arrangement to link businesses together with suppliers within employment and skills

areas in order to be able to consider measures to improve matching of supply and demand (including anticipating future skills needs)

- Ensuring this increased intelligence is fed into LEPs increasing skills and employment responsibilities and specific investments; and seek engagement with similar processes in the wider labour market area(s)
- Support ways for exploring and developing new, innovative solutions to our skills and employment challenges.
- Support the development of a higher level apprenticeship programme to support key sectors of the economy, aimed at NVQL4/5 to help develop a knowledge based economy

3.4 Enabling the creation of a workforce to meet current and future employer needs

What we want to happen:

- An improved higher level skills profile for SKDC residents and labour markets
- An improved profile for occupation and sector mix of employment towards higher value, higher productivity sectors and areas of economic activity

Why it matters:

- The SK economy is compromised by low level skilled workers and exhibits low productivity which requires addressing to create a workforce which meets future needs; SK needs to support skills progression to remain competitive with other areas

How we do it:

- Establish local 'skills and employment board' type arrangements to better align business need with labour market, schools and colleges provision
- Nurturing links with higher education and higher level skills opportunities

SKDC key roles and potential initiatives:

- Support a broadly-based Skills & Employment Board of major local stakeholders
- Promote and advocate SK priorities in LEP and other relevant forums
- Consider talent attraction and retention initiative(s) and whether there is a HE/Higher-level strategy to achieve our aims



2. Economic Assessment

It is important that there is a sound evidence base to assessing the local economy in order to determine what the Council can do and achieve through its Economic Development Strategy.



Inward investment and the expansion of the visitor economy offer the opportunity to make further transformational changes in the local economy.

We want to build upon our successful Destination SK programme to work with emerging developments and the LEP/County inward investment team to market key employment sites.

In addition, we aim to develop new tourism products around the heritage associated with Sir Isaac Newton, Margaret Thatcher, local aviation heritage, the Georgian heritage of Stamford, historic churches and walking opportunities. This will entail close effective working with tourism attractions and accommodation providers. In so doing, this would recognise the role of the District as a strategic gateway into Lincolnshire and how it forms part of a wider campaign to promote heritage across the County.

Other key tasks for the District Council are:-

- Considering how to build on the success of the events strategy in a more comprehensive approach to visitor economy growth
- Re-launching the DestinationSK approach to inward investment management and place marketing.

3.3 Creating opportunities to expand the visitor economy and attract inward investment

What we want to happen:

- New opportunities to attract inward investment
- New opportunities to grow the visitor economy
- A step change in the retail and leisure offer focussed on Grantham

Why it matters:

- To grow the SK economy in key sectors/areas of economic activity
- To increase visitor numbers, visitor spend, overnight stays and raise the profile/reputation of the District

How we do it:

- Working in partnership with developers, visitor attractions and accommodation providers
- Development of new tourism products
- Utilising external funding opportunities

SKDC key roles and potential initiatives:

- Direct marketing campaigns
- Working in partnership through an informal destination management group
- Working in partnership with County and other wider tourism partnership arrangements

A detailed assessment is set out in the Appendix to this report. Key relevant headline indicators of the local economy are summarised below:

Item	SK	Lincs/GLLEP	East Midlands	England/GB
Economic Activity rates	79.3%	78.5%	77.7%	77.4%
Unemployment	5.7%	5.8%	7.1%	7.2%
Higher occupations (SOC1-3)	41.7%	38.2%	41%	44.5%
Process & elementary (SOC8-9)	22%	23.7%	20.8%	17%
NVQ4 & above	27.9%	27.2%	30.1%	35.2%
NVQ2 & above	76.4%	69.3%	69.7%	72.5%
Average resident earnings (£pw)	509.8	468.1	483.4	518.1
Average workplace earnings (£pw)	453.5	439.3	474.6	517.8
Jobs and job density	60,000/0.72	323,000/0.73	0.75	0.78
In-commuters to SK jobs	14205 (25%)	-	-	-
SK out-commuters	23347 (35%)	-	-	-
Manufacturing employment	15.0%	13.3%	13.8%	8.7%
ICT, Fin & Business services	13.7%	16.0%	19.4%	25.4%
Number of IDBR enterprises	5070	24,740	145,290	1,862,095
Enterprise density	37.6	34.4	31.8	34.8
Large Enterprise over 250FTEs	15 (0.3%)	85 (0.3%)	0.4	0.4
UKCI Score/ranking 2013	90.4(270th/379)	89 (31st/39)	92.8	103

Economic Activity Rates - the percentage of the population that is either employed or actively seeking employment aged 18-64

SOC (Standard Occupation Classification) - a common categorisation of UK occupations, which classifies jobs in terms of their skill level and content

SOC1-3: refers to managers, directors and senior officials, professional occupations, associate professional and technical occupations

SOC8-9: refers to process, plant and machine operatives and elementary occupations

Job Density - the number of jobs in an area divided by the resident population aged 16-64 in that area.

IDBR (Inter-Departmental Business Register) - a list of UK businesses that is used by the government for statistical purposes and provides the main sampling frame for surveys of businesses carried out by the ONS and by other government departments

Enterprise Density - number of enterprises per 1000 of the economically active population

UKCI (UK Competitiveness Index) - a benchmark of the competitiveness of the UK's localities, it has been designed to be an integrated measure of competitiveness focussing on both the development and sustainability of businesses and the economic welfare of individuals

South Kesteven has a population of around 134,000 and this is forecast to grow to over 159,000 by 2036. The District benefits from superb accessibility due to its A1 road and East Coast main line rail connections. Within Lincolnshire, South Kesteven has:

- the highest levels of average resident earnings
- the highest employment participation rates and enterprise density
- the lowest unemployment rates; second lowest on the index of multiple deprivation
- strong NVQ2 skills; and excellent schools.

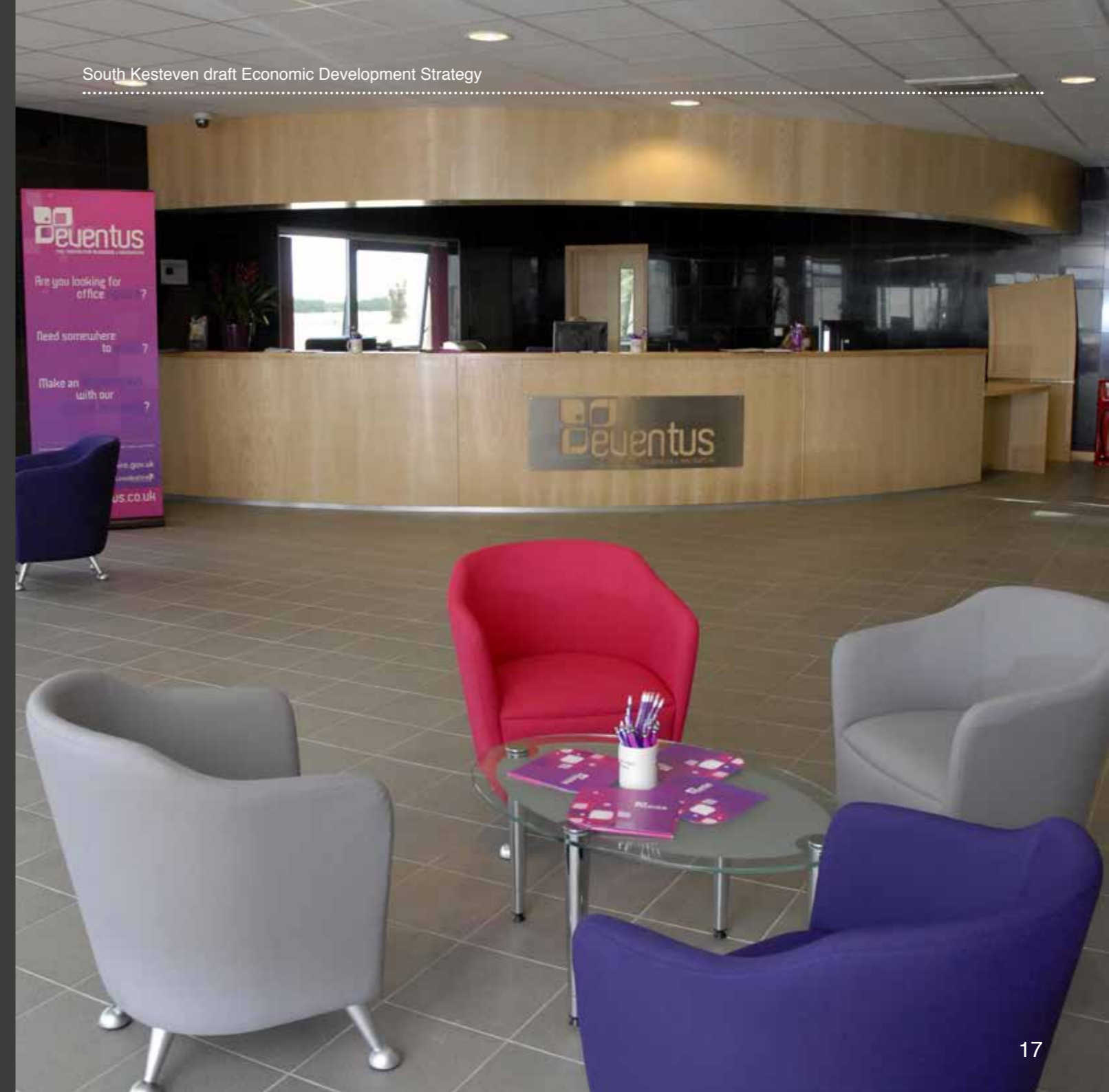
It hosts a strong manufacturing footprint and the highest proportion of construction activity in the LEP area. The District supports a high quality of life, with Stamford identified by the Sunday Times as the most desirable place to live. Grantham has also been identified as the best value housing location within the 60-90 minute travel bracket from London.

At the same time, jobs density is modest, with workplace earnings well below national and regional averages, showing the influence of out-commuting. NVQ4 and higher level skills attainment is poor. The densities of higher value, higher growth businesses in ICT, professional and business services sectors are also low. Consequently, in terms of overall competitiveness the District only ranked 270th out of 379 districts in the country in 2013. This is only just above the County average and represents a fall of 33 places since 2010.

Ambitions for the local economy

Based on this overview of the economy, our ambitions for growth need to focus on:

- **More and ‘better ‘ jobs** – to address the relatively low job density, the low workplace productivity, occupational profile, and poor density of employment in high growth, high value sectors;
- **Strengthening skills progression** – building on our excellent schools to ease progression to NVQ3/4 and higher level skills alongside a strategy that takes advantage of our excellent quality of life to encourage enterprise and employment alternatives to commuting;
- **Encouraging innovation and enterprise** – to build upon business strengths (engineering, agri-food, specialist manufacturing, financial/business services, visitor economy) to improve competitiveness, productivity and our reputation for attracting and retaining business investment;
- **Place shaping and making** - making our places- particularly our four towns as employment centres (and especially the town centres within these)- work well for businesses in order to retain and attract investment and jobs. A strong focus to be on our ambition to establish Grantham as a premier sub-regional centre.



The strategic objective is to create three new high quality managed workspace/business innovation centres in Grantham, Stamford and Bourne, building upon the successful Eventus Centre which is already established in Market Deeping. Such a programme is likely to also need to consider the provision of accessible move-on accommodation, with an initial focus on opportunities in Market Deeping.

The aim would be to create a network of business locations aimed at creating new high value jobs, providing 7000 sq m of office floorspace with accommodation for 350 businesses over the duration of this project.

The programme envisages close working between the private sector and the Council, taking advantage of external opportunities wherever possible.



3. Priorities for action

The role of the Local Authority is to try and support the right conditions for growth and sustainable investment in the local economy. A healthy economy creates jobs, which in turn creates demand for homes and new houses, goods and services, as well as supporting our infrastructure, such as health and education provision. Improving the quality and quantity of jobs generates more spending power for retail and leisure businesses. It helps businesses to grow and prosper, and enables our residents to meet their own aspirations. Having more people in work and in higher skilled jobs also impacts on reducing the demand on benefits, lowering anti-social behaviour and improving educational attainment.

There are clearly limitations on the ability of the Council to impact on the overall health of the local economy, both in terms of its available resources and the scope of its powers. From the above evidence, it is suggested that where we can intervene then the key strands to our economic prosperity should be focused on creating a productive, competitive and high value local economy.

3.2 Facilitating high value jobs across our four main towns, surrounding parishes and rural hinterland

What we want to happen:

- To develop the knowledge economy sector supporting businesses to create high value jobs

Why it matters:

- To make a step change in the economic profile of the District providing greater opportunities for prosperity
- Taking advantage of the links and proximity to the growing economies of Cambridge

How we do it:

- Make the most of our strategic employment sites, esp. adjacent to A1
- Work to bring forward opportunities aimed at knowledge economy

SKDC key roles and potential initiatives:

- Working with the private sector to enhance the cultural and leisure offer in Grantham

This strategy gives priority to establishing Grantham as a leading sub-regional centre, taking advantage of development opportunities, creating employment, providing growth in new housing and helping to improve the town centre offer to enable more people to invest, shop, work and relax there.

Key projects include:

- Spitalgate Business Park (KING31): delivery of major investment opportunities to provide sustainable employment towards the growth of Grantham.
- Upgrading the attractiveness of Grantham as a sub-regional and leisure destination which serves both the local community and attracts shoppers and visitors from a wider area, bringing forward new developments and public realm improvements.
- Grantham Station Quarter: creating a gateway with high speed links to London and the North with high quality business space to attract investment from the knowledge economy

sector – 3000 sq m of commercial/office space providing accommodation for 45 new businesses and 150 new jobs.

- Grantham Minster Quarter: creating a vibrant historic church close with new visitor facilities and investment to improve the visitor experience and attract new audiences.
- Supporting the creation of a business-led Business Improvement District, working in partnership with the Council.
- Bringing forward additional employment sites in Grantham through the new Local Plan process.

In summary, our strategy needs to be focused on taking action to achieve outcomes with respect to:



Establishing Grantham as a leading sub-regional centre

Facilitating high value jobs across our four towns and rural hinterland

Expanding the visitor economy and attracting inward investment

Enabling the creation of a workforce to meet current and future employer needs

Mobilising resources, partners and support to deliver key economic outcomes



These five priorities will be supported by on-going targeted interventions by the Council which are aimed at:

- Ensuring a suitable range of serviced land and premises;
- Supporting business start-ups and a culture of enterprise;
- Building strong working relationships for existing businesses to both retain and grow their prosperity and employment;
- Seeking to address the infrastructure needs of current and future businesses, including high speed broadband/4G;
- Supporting the diversification of our rural economy;
- Underpinning this through a robust 'One Team' approach within the Council to provide positive advice and guidance to existing and prospective businesses.

An outline of the rationale, activities and projected outcomes for each of the four main priorities is set out on the next page.

3.1 Establishing Grantham as a leading sub-regional centre:

What we want to happen:

- Grantham functions as a leading sub-regional centre, with an essential focus on sustainable growth, supporting a strong, dynamic business location

Why it matters:

- To focus the majority of our employment and housing growth in Grantham as a means of securing and maintaining a range of essential services
- To make a step change in Grantham's retail and leisure offer for both residents and visitors

How we do it:

- Make the most of our strategic employment sites, especially adjacent to A1
- Work to bring forward opportunities aimed at expanding or developing a knowledge economy
- Bring forward town centre growth and regeneration opportunities alongside public realm improvements

SKDC key roles and potential initiatives:

- Unlocking key development sites and creating high quality business space