



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

**Finance, Economic Development and
Corporate Services Overview and
Scrutiny Committee**

27 June 2022

**Report of: Councillor Kelham Cooke
Leader of the Council**



Scoping a new Economic Development Strategy for South Kesteven

To seek Members views on the scope for creating a new five-year Economic Development Strategy for South Kesteven.

Report Author

Jon Hinde, Head of Economic Development



01476 406080



Jon.Hinde@investsk.co.uk

Corporate Priority:	Decision type:	Wards:
Growth	Non-Key	All Wards
Reviewed by:	Nicola M ^c Coy-Brown, Director of Growth and Culture	15 June 2022
Approved by:	Karen Bradford, Chief Executive	16 June 2022
Signed off by:	Councillor Kelham Cooke, Leader of the Council	16 June 2022

Recommendations to the decision makers

In noting the plans to develop a new five-year Economic Development Strategy and short-term Action Plan for South Kesteven, it is recommended that Finance, Economic Development and Corporate Services Overview and Scrutiny Committee:

- (1) Considers the scope outlined in the report, updating as appropriate
- (2) Supports the scope and recommends the commencement of the proposed work in the report regarding the development of a new five-year Economic Development Strategy

1 The Background to the Report

- 1.1 South Kesteven District Council recognises that economic growth and supporting the creation of new jobs is a fundamental role of the District Council. Growth and our Economy is one of the five strategic priorities contained within the Corporate Plan (2020-2023). The Council has several key roles to play in delivering economic growth. This report seeks Members view on what should be included in an Economic Development Strategy.
- 1.2 The previous South Kesteven Economic Development Strategy spanned 2016 – 2021 and formed a key part of the strategy for the implementation of InvestSK Ltd, the wholly council owned regeneration and economic development company for the District.
- 1.3 InvestSK was operational from October 2017, became a fully incorporated Limited Company in October 2018 and operated as an arms-length company of South Kesteven District Council until March 2022, when the company was closed, and the regeneration and economic development functions transferred into the Council's Growth and Culture Directorate.
- 1.4 Delivery of both the (former) Economic Development Strategy and the InvestSK Business Plan effectively ceased in March 2020 with the onset of the COVID-19 pandemic with all the company's activity and resource focusing on administration of central Government COVID grants to businesses in the District. This situation remained (to varying degrees) until March 2022 when the final grant schemes ended.
- 1.5 Following the events of the last two years, it is necessary to bring forward a new Economic Development Strategy and an accompanying short-term Action Plan for the District, that reflects both a post-pandemic and post-Brexit economy.
- 1.6 A further key influencer is the emerging UK Shared Prosperity Fund (UKSPF) as a key pillar of the Government's Levelling Up agenda. The UKSPF is the Government's domestic replacement for the European Structural and Investment Programme (ESIF) which the UK continues to participate in until 2023. This will see South Kesteven District Council receive a £3,898,582 allocation of mainly revenue funding, to support communities, business, people and skills. At the time of writing this report, wider Member, stakeholder and community engagement is underway to prioritise a list of proposed UKSPF interventions based on need of capital and revenue funding projects, activities and interventions.
- 1.7 Members views are therefore being sought on the scope of both the new Economic Development Strategy and short-term Action Plan. It is proposed:
 - the new Strategy will establish an economic baseline, market context, and a clear vision including overarching economic goals and objectives
 - the Action Plan will outline immediate actions necessary to implement the strategic vision
- 1.8 Both components will be based upon quantitative evidence from data portals available, in addition to qualitative data gathered from community outreach efforts, a SWOT analysis (strengths, weaknesses, opportunities and threats) and case studies. The Action Plan will provide how programmes, projects, and tasks that push the vision and goals of the strategic vision forward, can be tracked, measured and evaluated. While the strategic vision will have a five-year outlook, the Action Plan will focus on immediate actions that must take place within the next few years.
- 1.9 The proposed six economic development objectives for inclusion in the Strategy are:

- **Business and Job Creation, and Employment Safeguarding** - retention and ultimately growth through business support mechanisms facilitated by InvestSK as a trusted public sector connector and grant fund provider
- **Skills development** – through working with the education providers to increase opportunities for local learning and apprenticeships in the District
- **Growth and Regeneration** - for the district through place-making initiatives, and maximising InvestSK’s strategic relationships to maximise the social and economic expansion of the market towns
- **Enhancing South Kesteven’s tourism and visitor economy offer** - through development of its own product and promotion, and maximising its connections between local businesses and attractions
- **Income Generation** – maximising contributions through the identification and securing of external funding
- **Securing Council Returns** – through safeguarding business rate returns and local economic activity, with the continued promotion of South Kesteven as a desirable economic hub

1.10 Linked to the above objectives, the following eight outcomes are expected to be achieved through successful adoption and delivery of the Strategy:

- Growth of our business base both in terms of numbers and productivity
- Targeted inward investment activity aligned to sites identified through the emerging local plan
- A skilled workforce relevant to the growth sectors within our economy
- Strong and vibrant market towns that act as a hub for the local community
- A dedicated Local Economic Forum made up of key strategic partners and stakeholders
- A strong visitor economy offer that drives footfall to attractions and increases visitor spend and dwell time within the District
- A clear routeway to securing additional funding in order to deliver projects and programmes that align with the aspirations of the District
- Increased income directly to the Council through an increase in the local business base and attraction of larger rate paying inward investors

1.11 This approach will be underpinned by the successful adoption of the South Kesteven Local Investment Plan which is required by Government to draw down the Council’s UKSPF allocation.

2 Consultation and Feedback Received, Including Overview and Scrutiny

2.1 As the new Economic Development Strategy and Action Plan are formed, it will be necessary to engage with a wide-ranging audience of Members, key stakeholders and partner organisations to fully reflect the economic development ambitions of the District over the coming years.

- 2.2 One of the key stakeholders in this process will be the Greater Lincolnshire Local Enterprise Partnership (GLLEP). The team at InvestSK continue to have a good working relationship with the team at GLLEP and have collaborated on several activities over recent years, be that representation on the Lincolnshire Growth Hub Board, Team Lincolnshire Steering Group and active participation at many GLLEP events.
- 2.3 When producing the new Economic Development Strategy consideration of the wider County context will be given, including consulting directly with key GLLEP officers to take learnings and insight from GLLEP produced plans and reports, including the Greater Lincolnshire's Economic Plan for Growth – Protecting, Progressing, Prospering and the Greater Lincolnshire Local Industrial Strategy.
- 2.4 The team at InvestSK can demonstrate an excellent track record in how consultation has positively affected the planning and delivery of key projects and programmes, such as the Grantham Future High Street Fund and High Street Heritage Action Zone (HAZ). Both projects have demonstrated how ongoing engagement with the relevant stakeholders is informing and influencing effective delivery.
- 2.5 The most recent example of running an effective consultation process was the Grantham Community Charrette, commissioned as part of the Grantham High Street HAZ programme and funded by Historic England. The charrette formed part of the community engagement strand of the HAZ, seeking to involve the community in decision making and generating a public mandate for the ongoing regeneration of Grantham town centre.
- 2.6 The focus of the consultation was the desired interventions for Grantham from 2024 onwards. This allowed for the completion of the High Street Heritage Action Zone, Future High Street Fund programme, and the completion of the Southern Relief Road to be considered. Participants were asked to build upon the outcomes of these three projects to create a route map of interventions and development which aligned with their ambitions for the town, supporting a functional, accessible and thriving Grantham.
- 2.7 Findings of the charrette will provide a strong evidence base on which to build upon. This method of consultation can be replicated across the District during the development of the new Economic Development Strategy.
- 2.8 A full report detailing the Grantham Community Charrette can be found at **Appendix A**.
- 2.9 At the time of writing this report, a consultation process is underway regarding the district-wide allocation from the UKSPF. This will involve consulting with all Council members, business representation groups, community and third sector representatives and town councils. The activities identified for delivery through the UKSPF will align closely with the developing themes identified in the new economic development strategy and action plan.

3 Available Options Considered

- 3.1 The Council could proceed without a strategy to underpin economic development activity across the District. However, this option has been discounted because it relies on the Council being reactive to changes in the economy and having an over reliance on the delivery plans of others to meet the needs of South Kesteven's businesses, residents and visitors.
- 3.2 The Council could produce a new strategy that acknowledges the current and future economic landscape and provide a legacy and routeway for activity, projects and programmes such as the developing Visitor Economy Strategy and UKSPF allocation.

4 Preferred Option

- 4.1 The preferred option is to produce a new economic development strategy and action plan to ensure achievement against the six economic development objectives detailed in paragraph 1.10.

5 Reason for the Recommendations

- 5.1 The new South Kesteven Economic Development Strategy 2023 – 2028 and accompanying action plan, will be the key strategic document underpinning the economic development function of the Council over the coming years.
- 5.2 While the proposed new strategy and action plan will be designed to expand the economic opportunities of South Kesteven's businesses and residents in an equitable manner, it is also meant to improve the economic vibrancy of the District. While all tasks, programmes, and projects should be aimed at elevating South Kesteven's overall brand and attracting new businesses to the District, a prosperous community is safe, accessible, resilient, sustainable and engaging to all people.
- 5.3 The reason for the recommendation is to ensure FEDCO members are aware of the plan and timescales for bringing this activity forward, to seek engagement in the process and whether the proposed scope meets and identifies the primary economic drivers for the District going forward.

6 Next Steps – Communication and Implementation of the Decision

- 6.1 The Head of Economic Development will lead on the development of the Economic Development Plan and Acton Plan, supported primarily by colleagues in InvestSK.
- 6.2 As acknowledged, widespread consultation will be undertaken, as well as lessons learnt from recent consultation at the Community Charrette and through developing the UK Shared Prosperity Fund Local Investment Plan.

7 Financial Implications

- 7.1 There are no specific financial implications linked to this specific report however economic benefit to both the Council and wider District will be a key driver identified within the Strategy itself. Any costs incurred will be met from the service budgets approved by Council.

Financial Implications reviewed by: Richard Wyles, Chief Finance Officer

8 Legal and Governance Implications

- 8.1 There are no legal and governance implications that are not already reflected in the report.

Legal Implications reviewed by: Graham Watts, Assistant Director of Governance and Deputy Monitoring Officer

9 Equality and Safeguarding Implications

- 9.1 An Equality Impact Assessment will be produced. At all times during the production of the strategy there will be recognition of equality of opportunity and no individual or groups will be disadvantaged or discriminated against because of race, sex, disability, religion or belief, sexual orientation, gender reassignment, maternity and pregnancy, marriage or civil partnership, age, or social inequality.

- 9.2 The consultation process will be from a wide stakeholder background, ensuring that a representative voice will be heard to support future plans for the District.
- 9.3 Any activity, be that revenue or capital based, will consider use and accessibility issues to ensure that the proposed improvements enhance the visitor experience for all across the District.

10 Risk and Mitigation

- 10.1 Without an Economic Development Strategy there is limited detail on how the Council will use its own resources and the role it will play in facilitating and driving economic growth to achieve the vision for South Kesteven to be the best district in which to live, work and visit.

11 Community Safety Implications

- 11.1 An intention of the new Economic Development Strategy will be for the District to become a more engaging and welcoming place for businesses, residents and visitors alike.
- 11.2 The Strategy will focus on creating a more prosperous District that is safe, accessible, resilient, sustainable and engaging to all people and one where people feel a sense of pride in the place.

12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

- 12.1 What happens to the District for future generations, depends on the Council's ability to take radical action to deal with climate change now. In developing the new Economic Development Strategy and accompanying Action Plan, full consideration will be made of the actions which the Council itself can consider in terms of practical delivery to move more quickly forward. Officers are therefore committed to working with the Climate Change Action task and finish group, Members, business community, third sector and South Kesteven's citizens and communities to support the Council's declaration of a climate emergency.

13 Other Implications (where significant)

- 13.1 None

14 Background Papers

- 14.1 South Kesteven Economic Development Strategy 2016-2021, available online at:
<http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=16981&p=0#:~:text=The%20aim%20of%20this%20Economic,the%20Growth%20of%20its%20economy.>
- 14.2 InvestSK Business Plan 2019-2022, available online at:
<http://moderngov.southkesteven.gov.uk/documents/s24318/iSK%20App%206%20Business%20Plan%202019-22%20incl%20Dept%20Action%20Plans%2019-20.pdf>
- 14.3 Greater Lincolnshire's Economic Plan for Growth – Protecting, Progressing, Prospering, available online at:
[2875_GL_LEP_Revival_Plan_ART - No logos_page.pdf](http://2875_GL_LEP_Revival_Plan_ART_-_No_logos_page.pdf) (greaterlincolnshirelep.co.uk)
- 14.4 Greater Lincolnshire Local Industry Strategy:
[GLLEP Local Industrial Strategy \(2021\).pdf](http://GLLEP_Local_Industrial_Strategy_(2021).pdf) (greaterlincolnshirelep.co.uk)

15 Appendices

15.1 Appendix A – A summary report of the Grantham Community Charrette