



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Finance, Economic Development and Corporate Services Overview and Scrutiny Committee

22 November 2022

Report of Councillor Kelham Cooke,
Leader of the Council

Progress update on the new South Kesteven Economic Development Strategy 2023 - 2028

Report Author

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Purpose of Report

The purpose of this report is to share a first draft of the emerging South Kesteven Economic Development Strategy (2023 – 2028) and provide recent data relating to key economic drivers for the District.

Recommendations

That the Finance, Economic Development and Corporate Service Overview and Scrutiny Committee:

- 1. Consider and offer feedback on the first draft of the South Kesteven Economic Development Strategy (2023 – 2028).**
- 2. Agrees the Council should consult on the draft strategy with Council members and the local business community, prior to final approval for adoption by 1 April 2023.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Growth and our economy High performing Council
Which wards are impacted?	All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 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.

Richard Wyles, Chief Finance Officer

Legal and Governance

- 1.2 There are no significant legal or governance implications arising from this report. It is considered good practice to undertake consultation with key stakeholders on significant strategic documents such as the Economic Development Strategy.

Graham Watts, Assistant Director of Governance

2. Background to the Report

- 2.1 South Kesteven District Council recognises 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 current Corporate Plan (2020-2023). The Council has several key roles to play in delivering economic growth.

- 2.2 This report seeks Members views on the first draft of the emerging Economic Development Strategy that is due to be adopted from 1 April 2023 to ensure the focus and priorities are sufficiently captured and where the Council can have the greatest impact through leadership, influence and delivery against its own priorities.
- 2.3 During 27 June 2022 meeting of this Committee, Members were made aware that a scoping exercise was underway to bring forward a new Economic Development Strategy for the District to cover the period 2023 – 2028. Several reasons for why a new Strategy was required were given, in brief these were:
- the previous strategy having expired in 2021
 - the closure of InvestSK Ltd and the economic development function being insourced from April 2022
 - the economic landscape post European Union Transition and the COVID-19 pandemic
 - the emerging Government Levelling Up agenda and the replacement of European Structural Funds with the UK Shared Prosperity Fund (UKSPF).
- 2.4 A key element of this report, is the updated economic intelligence which provides a number of local data sets gathered from the Office of National Statistics (ONS/ Nomis), The Centre for Entrepreneurs (CfE) and Scarborough Tourism Economic Activity Monitor (STEAM). This is the most up to date economic data available and provides a great deal of information about the District across eight key indicators:
- Population of South Kesteven: 143,200 (ONS 2021 census)
 - Households in South Kesteven: 55,894 (ONS 2021 census)
 - Businesses in South Kesteven: 6,265 (ONS 2022)
 - Net gain business growth between 2017 and 2022: 345 (ONS 2022)
 - New Businesses Start Ups in 2020: 926 (Centre for Entrepreneurs)
 - South Kesteven Businesses Employ: 54,000 (ONS 2021)
 - Average resident earnings: £583 per week (Nomis 2021)
 - Visitors to South Kesteven in 2021: 2.72m (STEAM 2021)
- 2.5 Further analysis of the data provides information regarding a breakdown of the business sectors in the District, detailing the number of businesses and number of people employed within each sector. This information has been vital in allowing the identification of the key sectors within the South Kesteven economy, namely:
- Manufacturing (and Engineering)
 - Construction
 - Retail and Wholesale
 - Accommodation and Food Services
 - Professional, scientific and technical
 - Business administration and support services

2.6 The information provides a clear breakdown of the size of businesses across the District and illustrates reliance upon 'micro businesses' within the local economy:

Micro (0-9)	5,500
Small (10-49)	655
Medium (50-249)	95
Large (250 +)	15
TOTAL	6,265

2.7 The identification of this detailed level of data enables the setting of a baseline against which to frame the new Economic Development Strategy and supports the economic development vision the Council aims to set for South Kesteven:

- Have thriving market towns that we can all be proud of
- A buoyant and resilient economy that includes national companies with local roots and a strong, vibrant business base
- A culture of celebrating enterprise and innovation through new business creation
- An enabling and proactive approach to new inward investment and developer enquiries
- To be a District recognised for higher level skills delivery and attainment
- To grow job numbers through higher skilled, higher paid employment
- Creating opportunities for young people to stay and meet their life aspirations within the District
- For housing and commercial developments to be delivered in parallel to meet the needs of both future employers and residents
- Make it easy for businesses and visitors to access the District and ensure we are well connected to the wider world through a modern integrated transport and digital infrastructure

2.8 The strategy identifies links to other plans and partner organisations the Council will collaborate on, to meet the aims of the strategy. These are identified within the strategy and include: Greater Lincolnshire Local Enterprise Partnership, Department for Work and Pensions, Federation of Small Businesses (FSB), Lincolnshire Chamber of Commerce and several local business support groups and educational establishments.

2.9 Importance is being placed within the strategy on recognising the achievements and ongoing projects overseen by the Council's economic development function during the life of the previous Economic Development Strategy and the InvestSK Business Plans. These achievements are many and wide ranging, with over £16 million of external funding secured to deliver projects, support community groups, fund COVID-19 response activity and enhance educational facilities. It also identifies £53 million of COVID business support, administered by Officers and recognised as an exemplar at the recent FSB Local Government Awards.

3. Key Considerations

- 3.1 The draft strategy can be found at **Appendix A**. Subject to the views of committee and further consultation with lead service areas identified in the strategy and key stakeholders, partners and the business community, it is proposed a final report (including measures, resource implications and an Equality Impact Assessment) will be presented to FEDCO Overview and Scrutiny Committee on 22nd February 2023 prior to formal adoption by SKDC Cabinet before 1st April 2023.
- 3.2 It is anticipated that once agreed, the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee will receive regular progress and performance reports from lead service areas as outlined in the strategy.

4. Other Options Considered

- 4.1 It could be considered for the economic development function to become purely reactive to Government announcements regarding policy and funding, and for the Council to create a series of short-term action plans to deliver against. However, without an overall strategy document that is wholly produced and owned by the District, it is almost impossible to deliver a coordinated economic development function focussed on achieving the vision set. Therefore, the 'do nothing' option has been discounted.

5. Reasons for the Recommendations

- 5.1 Committee's views on the draft Economic Development Strategy are required to inform the finalisation of the Strategy prior to its adoption. The Strategy will also inform Cabinet's consideration of its budget in a future meeting.

6. Consultation

- 6.1 Production of the strategy has been an ongoing process led by the Council's Economic Development Team. As well as bringing a previous report to this Committee, there has been ongoing dialogue with a number of internal departments and external stakeholders, all of whom have helped to set the proposed vision for the District over the Strategy's five-year period.
- 6.2 In shaping the vision, of note has been the invaluable help from organisations providing funding for the delivery of town centre initiatives as well as existing landowners, prospective inward investors and developers. However, subject to Member approval, it is suggested more consultation is necessary to help identify how the District needs to present itself to be attractive to new investors, visitors, businesses and current and future residents.

- 6.3 As a minimum, the emerging strategy will continue to go through a period of internal officer and member consultation, prior to final adoption.

7. Background Papers

- 7.1 *South Kesteven Economic Development Strategy 2016-2021*, available online via: <http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=16981&p=0>

8. Appendices

- 8.1 Appendix A: DRAFT South Kesteven Economic Development Strategy 2023 - 2028