

SOUTH KESTEVEN DISTRICT COUNCIL ECONOMIC DEVELOPMENT STRATEGY

2023 – 2028

Welcome to the first draft of the new South Kesteven Economic Development Strategy 2023 – 2028

The strategy is due to be adopted from 1st April 2023 and will be the blueprint for economic development activity across the District over the 5 year period.

Your feedback is welcomed on the content of the strategy and the economic development visions that have been identified in order to grow a robust and resilient South Kesteven economy.

The consultation process for the strategy will be ongoing over the coming months and will incorporate workshops held with elected Members, external stakeholders and lead services areas from across the Council.

**SOUTH KESTEVEN DISTRICT COUNCIL
ECONOMIC DEVELOPMENT STRATEGY
2023 – 2028**

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South Kesteven District by numbers

- **Population: 143,200 (Nomis census 2021)**
- **Households: 55,894 (ONS census 2021)**
- **Businesses: 6,265 (Nomis 2022)**
- **Business Growth: 345 (net gain between 2017 and 2022)**
- **New Businesses: 926 in 2020 (Centre for Entrepreneurs)**
- **Employment: 54,000 (ONS 2021)**
- **Average resident earnings: £583 weekly (Nomis 2021)**
- **Annual visitors: 2.72m (STEAM 2021)**

South Kesteven - a place to live, work and visit

South Kesteven is a large, thriving Lincolnshire district at the heart of England, encompassing more than 80 rural villages and four market towns: Grantham, Stamford, Market Deeping and Bourne.

Strategically located beside the A1 and the East Coast high speed mainline, South Kesteven's connectivity with the rest of the UK makes it a prime spot for investment and doing business.

With rolling hills and beautiful Jurassic Lincolnshire limestone villages, excellent education facilities, great housing and a diverse, growing economy. South Kesteven is the perfect place to start and grow a business and bring up a family.

There remains huge untapped potential across the District for bringing forward further activity in both residential and commercial developments. This, coupled with the nationally acclaimed connectivity infrastructure, is attracting interest from a number of potential inward investors and developers.

<Insert map for geographical context>

The positive tick list:

This Strategy aims to build on the District's economic strengths to support a resilient, productive, low carbon and high-value economy. With a growing population of over 143,000 and unemployment lower than both the East Midlands and national averages, South Kesteven is a major economic engine in the region.

Accessibility and connectivity: ✓

- Strategically located beside the A1 and excellent links to other arterial routes
- A one-hour commute by rail to London from both Grantham and Stamford
- Easy access to several airports

Great quality of life: ✓

- High quality housing developments coming forward at pace
- Ample green spaces and community facilities
- Four vibrant market towns
- Strong tourism offer
- Government funding already secured to develop public spaces and improve the residential offer

Education: ✓

- Outstanding schools
- Excellent further education offering
- Several higher education establishments all within an hour's commute

Strong Business Base: ✓

More than 6,200 businesses covering a number of sectors and with major employers and company headquarters based throughout the District, including: Moy Park, The Woodland Trust, Totemic, Bakkavor, Park Air Systems, Alltech UK, XPO Logistics, Treasure Transport, Cummins Generator Technologies, Sophie Allport.

Availability and affordability of sites and premises: ✓

With residential and commercial land costing less per acre than other neighbouring cities and regions and with a new Local Plan in development, it is easy to see why South Kesteven is proving attractive to prospective developers and inward investors.

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The Economic Development Vision for South Kesteven

The economic development vision for the District builds upon the South Kesteven District Council Economic Development Strategy 2016 – 2021 which identified South Kesteven as “the economic jewel of Greater Lincolnshire - with the strongest economic metrics and performance in the sub-region.

South Kesteven’s location at the gateway of significant established and potential economic activity means it is perfectly placed to lead, and drive continued economic growth to meet the needs of incumbent and new businesses for years to come”.

This provides a strong foundation and sets the ambitions on which to **deliver** the **vision** for the District going forward:

- To 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
- Creating a culture of celebrating enterprise and innovation through new business creation
- Demonstrating 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 see a demonstrable growth in job numbers through higher skilled, higher paid employment
- To create 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
- To have a joined up visitor economy offer that brings people to the District for longer and increases levels of spending
- To 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
- To develop a low carbon circular economy

The new South Kesteven Economic Development Strategy (2023 – 2028)

South Kesteven District Council recognises economic growth and supporting the creation of new jobs as 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) and the Council has several key roles to play in delivering economic growth. The Council is committed to doing what it can to promote and deliver economic growth and the creation of new jobs for the District's residents.

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. 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 dissolved, and the regeneration and economic development functions transferred into the Council's Growth and Culture Directorate.

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.

Following the conclusion of the previous strategy, coupled with the unprecedented events of the last two years, it is necessary to bring forward a new Economic Development Strategy that reflects both a post-pandemic and post-Brexit economy.

A further key influencer in the development of a new strategy 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 Fund (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 and place, businesses and people and skills. A further £540,000 has been allocated to specifically support the rural economy.

This new Strategy identifies an economic baseline, market context, and a clear economic development vision for South Kesteven that can be measured on an ongoing basis throughout the life of the strategy.

Furthermore, the strategy will take into account and recognise the existing key economic development objectives already set for the Council's economic development function:

- Business and Job Creation
- Skills development
- Growth and Regeneration
- Enhancing South Kesteven's tourism and visitor economy offer

- Income Generation
- Securing Council Returns

As part of its wider commitment to being a green council, South Kesteven District Council declared a climate emergency with cross-party support in 2019. A Climate Change Officer was recruited to help meet its ambition to be net-zero carbon as soon as viable before 2050 and reduce its carbon footprint by at least 30% before 2030. A further developing objective that will form part of the plan for the next five years is a commitment to promoting the green economy within South Kesteven and utilising economic development to increase the adaptive capacity of our communities in preparation for climate change hazards.

Climate change areas to consider as part of the strategy are:

- How to protect businesses from climate change-related events
- Implementing nature-based solutions to improve towns
- Attracting green businesses
- Protecting the vulnerable

Links to other plans and partners

The new South Kesteven Economic Development Strategy recognises and compliments a number of national, regional and sub regional plans and partner organisations.

South Kesteven's Economic Development Strategy aims to support economic growth locally whilst contributing to the wider Industrial Strategy which sets out the Government's long-term vision for boosting productivity and earning power. This strategy will support delivery of the five foundations of productivity as identified in the Industrial Strategy:

- **Ideas** through encouraging innovation
- **People** through increasing skill levels and higher paid employment opportunities locally
- **Infrastructure** through promoting and developing our key routes and connectivity
- **Business Environment** through creating the best place to start and grow a business
- **Places** by strengthening the economy of South Kesteven

One of the primary stakeholders in this process will be the Greater Lincolnshire Local Enterprise Partnership (GLLEP). The Council enjoys a productive and mutually beneficial working relationship with the GLLEP and has collaborated on several activities over recent years, be that representation on the Lincolnshire Growth Hub Board, Team Lincolnshire Steering Group, submission of bid proposals for the Great British Railways Head Quarters, the Spitalgate Level Investment Zone and active participation at many GLLEP events and conferences.

In delivering 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
- The Greater Lincolnshire Local Industrial Strategy
- The Greater Lincolnshire Skills Report

Ultimately the South Kesteven Economic Development Strategy will support GLLEP and the wider Greater Lincolnshire in delivering its five priorities and drivers for success:

- To drive the growth of the area's defining and strongest sectors which offer the most competitive advantage
- To grow specific opportunities identified as future defining features of the area
- To drive this growth by putting expansion into new markets, modern telecommunications, infrastructure improvements and skills
- To promote Greater Lincolnshire through improved transport infrastructure connecting trading markets and enabling better access to heritage, culture and communities

- To recognise the need for new housing, and to support balanced housing and economic development by promoting our capacity to deliver high quality growth

In order to ensure we maintain and further develop relationships with our partners and key stakeholders we will be forming a **Local Economic Forum** that will provide a platform for engagement, partnership working, sharing of best practise and influencing delivery and spend of the UK Shared Prosperity Fund and other future sources of funding.

Overseen by lead Officers and Members from across the Council, the Forum will have representation from several key national, regional and local partners and stakeholders who will be instrumental in the success of the Forum and in delivering the overall Economic Development Strategy for the District. These include:

The Federation of Small Businesses: www.fsb.org.uk
Lincolnshire Chamber of Commerce: www.lincs-chamber.co.uk
Business Lincolnshire: www.businesslincolnshire.com
Department for Work and Pensions (Lincoln) www.dwp.gov.uk
Midlands Engine: www.midlandengine.org
The Woodland Trust: www.woodlandtrust.org.uk
The National Trust: www.nationaltrust.org.uk
London and Continental Railways: www.lcrproperty.co.uk
LNER: www.lner.co.uk
University of Lincoln: www.lincoln.ac.uk
Grantham Business Club: www.granthambusinessclub.com
Bourne in Business: www.bournebusiness.co.uk
Deepings Business Community: www.deepings.co.uk
Grantham College: www.grantham.ac.uk
Stamford College: www.stamford.ac.uk

Key sectors and District drivers

The latest information available shows a business base of 6,265 businesses based within South Kesteven with a total employment population of 54,000 people.

These can be identified by number of businesses and people employed within each of the following sector breakdown:

Agriculture, forestry & fishing:	330	1,950
Manufacturing:	510	6,900
Construction:	910	2,500
Retail and wholesale:	930	10,000
Transport & Storage (inc postal):	360	1,750
Accommodation & food services:	410	4,000
Information & communication:	330	1,750
Finance & insurance:	140	900
Property:	235	1,000
Professional, scientific & technical:	970	4,000
Business admin & support services:	445	3,000
Public administration & defence:	45	1,000
Education:	110	5,000
Health:	205	9,000
Arts, entertainment & recreation:	335	1,250
TOTAL	6,265	54,000

Whilst there is a relatively even spread across the number of businesses within the District by sector this cannot be said for the size of business. 88% of all business in South Kesteven are micro firms, employing no more than nine employees:

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

When taking into account number of businesses and those employed within these businesses the primary employment sectors within South Kesteven District are:

- ✓ Manufacturing (and Engineering)
- ✓ Construction
- ✓ Retail and Wholesale
- ✓ Accommodation and Food Services
- ✓ Professional, scientific and technical
- ✓ Business administration and support services

Measuring the Success of the South Kesteven Economic Development Strategy 2023 – 2028

The success of this strategy will be measured by monitoring a number of Key Performance Indicators (KPIs) for each of the key economic objectives. These will include:

1. Business and Job Creation:

- Increase in Inward Investment
- Supporting Business Start Up
- Enabling business growth and sustained business survival
- Supporting Innovation and Growth Sectors
- Supporting Business diversification

2. Skills Development

- Increase in high value jobs across the District
- Supporting the workforce to develop higher level skills
- Reduction in the number of businesses reporting skills gaps
- A reduction in the number of hard to fill vacancies
- Linking educational establishments with local businesses

3. Growth and Regeneration

- Supporting improved transport infrastructure and connectivity
- Continue to promote the benefits of The A1 Corridor and wider place promotion
- Use the success of the Future High Street Fund (FHSF) and Heritage Action Zone (HAZ) projects to support future town centre developments across the District
- Supporting local centres to serve their community
- Improved digital infrastructure and connectivity right across the District

4. Enhancing South Kesteven's tourism and visitor economy offer

- Increase the number of visitors to the District
- Increase the stay time of visitors to the District
- Work with local attractions to build a District wide offer
- Produce a South Kesteven specific visitor economy strategic framework
- Provide specific support to 'micro' visitor economy businesses
- Better use of our markets and events to support visitor numbers and spend

5. Income Generation

- Build on our existing strong track record of securing external funding
- Maintain strong links with key external funding bodies
- Be proactive in the submission of funding bids
- Provide confidence to external funding bodies through strong performance and programme management
- Be recognised nationally for the projects and programmes we develop and deliver

6. Securing Council Returns

- Increase Business Rate retention through creating an environment where businesses want to invest, start, grow and stay

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Appendices

1. Key achievements and projects

During the period of the previous South Kesteven District Council Economic Development Strategy and InvestSK Business Plans, there were several notable key achievements delivered which provided a sound footing on which to progress delivery of the new South Kesteven Economic Development Strategy.

These achievements recognise both a developing track record of securing external funding and demonstrate the ability to engage successfully with local businesses, residents, landowners and developers.

- ✓ In total throughout the period of the previous strategy and plans, £16.1 million of external funding for projects and programmes across the District was secured
- ✓ £5.56 million secured for the Grantham Future High Streets Fund (FHSF) programme
- ✓ £1.2 million secured for the Grantham High Street Heritage Action Zone (HAZ) programme
- ✓ £90,000 secured for additional cultural activities
- ✓ £68,300 secured from National Lottery Heritage Fund and Lincolnshire Community Foundation for Wake House in Bourne and Deeping St James Signal box project
- ✓ Leading on several projects aligned to the £250,000 Government Welcome Back Fund
- ✓ Over £53 million of Government COVID support grants administered to close to 3,000 South Kesteven businesses
- ✓ Shortlisted for the East Midlands 'Best COVID Response Award' at the FSB Local Government Awards
- ✓ Grantham shortlisted for the Academy of Urbanism 'Great Town Award'
- ✓ Supported the successful outline planning application for 64 acres of employment land on the A1 corridor and 17 acres in the Bourne
- ✓ In total, promoted over 300 acres of employment land to the national and international developer market
- ✓ Increased the level of engagement from a baseline of 400 businesses to over 1,200 businesses, and a further 580 intermediaries and support organisations
- ✓ Continued to deliver networking events right across the District and virtually to on average 80 participants per event
- ✓ Launched the HelloSK App, linking local businesses with over 1,000 consumers
- ✓ Provided the recognised regional Business Start Up provider with the highest number of referrals in Lincolnshire
- ✓ Introduced a dedicated Discover South Kesteven website showcasing local attractions and accommodation providers
- ✓ A constantly growing social media following of over 4,000 users across the InvestSK and Discover South Kesteven platforms