

**Open Report on behalf of Richard Wills,
Executive Director for Environment and Economy**

Report to:	Environment and Economy Scrutiny Committee
Date:	12 September 2017
Subject:	Economic Infrastructure Commissioning Strategy and Activity Plan 2017 to 2021

Summary:

Lincolnshire County Council's Enterprise Commissioner has requested that Economic Development Services prepare an Economic Infrastructure Strategy and Activity plan which will be implemented over the next four years.

The Commission Strategy and Activity Plan are appended to this report. Both have been prepared using consultancy research, consultation with the business community and councillor workshops.

Eight existing projects, currently being implemented, are identified to be completed by 2021 (or sooner) whilst 16 new projects are proposed to be initiated and pursued during the period.

Actions Required:

Members of the Environment and Economy Scrutiny Committee are invited to consider, comment and support the Commissioning Strategy and Activity Plan 2017 to 2021.

1. Background

The Greater Lincolnshire Strategic Economic Plan, produced by Greater Lincolnshire Local Enterprise Partnership (GLLEP) and supported by Lincolnshire County Council, sets out ambitious aspirations for the growth of the Greater Lincolnshire Economy up to 2030.

The report targets significant growth and job creation particularly in sectors such as Engineering, Agri-food, Green Energy and The Visitor Economy.

It is widely accepted that achieving the desired level of economic growth requires creation of the right conditions for that growth. In broad terms these "conditions" are:

- A skilled and available workforce
- A supportive public sector

- Available economic infrastructure (such as serviced employment land and ready to occupy business premises)
- Utility (power, water and drainage) connectivity and capacity
- Image, reputation and wider environmental factors.

The newly commissioned Economic Infrastructure Strategy particularly focuses on:

- Analysing current sites and premises availability
- Mapping patterns of demand
- Highlighting gaps in provision, and
- Spotlighting market failure

The Strategy approaches these issues from multiple perspectives such as; simple geography, district by district, by Travel to Work Area and by routes and corridors.

The strategy has been developed recognising that a workforce is generally more mobile than a business and that businesses will want to grow at or close to their current location of within clusters whilst there are already well established and broadly sustainable patterns of commuting established within the county.

Whilst focusing on economic infrastructure issues the strategy also provides some consideration of matters such as utility provision and supporting infrastructure, which influence whether economic infrastructure developments are successful or not.

At its conclusion the Strategy identifies those infrastructure weaknesses that need to be addressed to ensure economic growth isn't stalled.

The Activity Plan (which should be read in conjunction with the strategy) then takes the identified weaknesses and proposes products and interventions which best address them.

2. Summary Findings

The Economic Infrastructure Strategy is driven by evidence provided to Lincolnshire County Council through the following consultancy pieces:

- Greater Lincolnshire Premises needs by EKOSgen (2015)
- Lincolnshire employment Sites Study by Gleeds (2017)
- Lincolnshire Hotels Study by Hotel Solutions (2017)
- Lincolnshire Utility Study by Atkins (2017)

The Strategy maps the following:

- Business development and growth pressure is strongest in the South West of Lincolnshire and weakest in the North East. As such, serviced employment land and premises availability in SW Lincolnshire is poor.

- Land and premises values are strongest in the South West of the county but unfortunately have not reached a level whereby financial viability is commonplace.
- In the Northeast and East of the county, land availability is generally better than other parts of Lincolnshire as a result of historic public sector interventions.
- There is a lack of serviced land and premises in South Kesteven, North Kesteven (excluding Greater Lincoln), South Holland and West Lindsey.
- Premises availability in most parts of the county is poor, possibly reflecting that where workspaces are provided businesses will occupy, but rarely can businesses or developers justify speculative investment in building new accommodation.
- There is a significant mismatch between the location of foreign owned business clusters and sites and premises availability, meaning that there is an increased risk of potentially losing these important employers should they require further sites and premises to support a business expansion.
- There is a lack of suitable employment premises in rural environments which acts as a barrier to the establishment of high value lifestyle businesses.
- Hotel space has a key role to play in supporting the development of business clusters, however there is a shortage of hotel space across nine locations in Lincolnshire.
- The continued growth of the Lincolnshire visitor economy (particularly green tourism) requires the provision of further tourism infrastructure along the coastal strip

More detailed analysis is contained within the Economic Infrastructure Commission Strategy document appended to this report.

3. Summary proposals

In response to the issues identified in the strategy and summarised above, the following actions / interventions are proposed as priorities. These have been developed following consultation with businesses, partners and lead councillors. It is not proposed that LCC undertake all of these actions. It is suggested that the approach should be one of facilitation and support with direct intervention only in absolute default by the private sector:

- Facilitate the creation of new serviced employment land at Horncastle
- Facilitate the creation of new serviced employment land at Sutterton
- Facilitate the creation of new serviced employment land at Sleaford
- Facilitate the creation of new serviced employment land at Bourne
- Deliver serviced land at Holbeach

- Facilitate the creation of new employment land along the Lincoln Eastern Bypass as part of the road building scheme
- Facilitate private sector development of the Lincoln East West link Corridor
- Deliver new employment premises in Grantham
- Deliver new employment premises in Gainsborough
- Deliver a programme of rural workspace developments along the Lincoln cliff edge and to the south of Market Rasen
- Deliver new tourism infrastructure along Lincolnshire's wild coast
- Facilitate new tourism infrastructure around Boston
- Facilitate the development of a new 4* hotel for Lincoln.

Further details of the interventions proposed are provided on the appended Activity Plan. It should be noted that for each intervention the starting point will be to develop an initial business plan for further consideration.

4. Conclusion

Research has shown that the Lincolnshire economy has a number of economic infrastructure "challenges" that need to be addressed if significant economic growth is to be sustained during the life of this council.

Almost all of these "challenges" are not new, having been recognised in some form over at least the last 10 years. What is new however, is a recognition that there is a need to prioritise intervention based upon more refined evidence of need, so that resources (time and money) can be invested most effectively.

Studies commissioned specifically to support the preparation of this Economic Infrastructure Commissioning Strategy have provided the required level of detail to enable us identify activities that we believe will have most impact on needs and unlock the maximum economic development benefits.

5. Consultation

The Commission strategy and activity Plan have been discussed with the following:

- Partner local authorities
- Other Lincolnshire County Commissioners whose work is judged likely to have a cross-over.
- Executive and Support councillors for Place and Environment and Commercialisation.

a) Have Risks and Impact Analysis been carried out??

No

b) Risks and Impact Analysis

The first stage of development of each project proposal in the Activity Plan will be the development of an Initial Business Plan which will identify scheme risks and impact implications.

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Economic Infrastructure Commissioning Strategy and Activity Plan – To Follow

5. Background Papers

Document title	Where the document can be viewed
Greater Lincolnshire Premises needs by EKOSgen (2015)	All available from Economic Development Services, Witham Park House, Waterside South, Lincoln, LN5 7JN
Lincolnshire employment Sites Study by Gleeds (2017)	
Lincolnshire Hotels Study by Hotel Solutions (2017)	
Lincolnshire Utility Study by Atkins (2017)	

This report was written by Paul Wheatley 01522 550600 or paul.wheatley@lincolnshire.gov.uk

This page is intentionally left blank