



# **South Holland District Council Economic Action Plan 2019-21**



Opportunity Peterborough

**Produced in conjunction with Opportunity  
Peterborough.**

**May 2019**

## **South Holland Economic Action Plan 2019**

### **Context**

South Holland District Council has always been a forward-thinking, entrepreneurial and innovative authority. We continue to strive for excellence and deliver great value for money for our residents while making the most of the huge opportunities for economic growth in our district.

South Holland District Council's Strategic Vision for the District is:

“A Place of Prosperity, Wellbeing, and Opportunity for All”

In order to support the achievement of this vision we will:

- Proactively work with partners to identify and optimise funding opportunities that will draw resources into the district to support our plans for sustainable and continued growth.
- Work in partnership across the public and private sector to retain and build on the key business sector strengths within South Holland, whilst also working proactively to attract new inward investment that will bring further prosperity to our district.
- Work in partnership with key partners in the education sector, including Spalding College, to ensure that both businesses and residents have access to the necessary skills to support economic growth and prosperity.
- Continue to deliver a clear “Open for Business” approach across all Council that promotes and supports business growth.
- Continue to deliver a full range of services and initiatives that support our businesses, including our Grants4Growth programme.
- Stimulate further growth, productivity and prosperity in the food sector through the delivery of a Food Enterprise Zone in Holbeach.

The purpose of this Economic Action Plan is to support the delivery of our vision and its associated priorities by setting out a series of detailed action, based upon recently collated national and local evidence, that in turn will support the delivery of the council's overarching Corporate Plan 2019-23.

### **The South Holland Economy**

South Holland has the fifth highest Gross Value Added measurement (GVA) in Lincolnshire at a total of £1.709bn. On a per capita basis the district has the third highest level of GVA per head at £18,498, which is in large part due to its high job density of 0.8 jobs per resident aged 16 to 64. This high jobs density rate also means that South Holland's claimant count (the proportion of the working age population claiming out of work benefits) is low at 1.1%, compared to a county average of 1.8%. South Holland also has the fourth highest productivity level in the county, with each worker producing an average of £46,189 of added economic value to the local and national economy.

### **Workforce**

South Holland has the second smallest population of all of the Districts in Lincolnshire with 93,300 residents. That equates to 12.4% of the county's population. 58.8% of the population is classified as

of working age, i.e. between the ages of 16 and 64. This is the third smallest proportion found across all of Lincolnshire's districts. Within the working age population, 78.2% are classified as economically active, this is also slightly below the county average.

South Holland's population is, on average, lower skilled than most of the other districts in Lincolnshire, with 24.1% of the population holding and qualification at NVQ Level 4 or above compared to a county average of 28.4%. This county average is actually skewed down by Boston's 11.8% and in fact in four of the seven Lincolnshire districts over 30% of the population have qualifications at NVQ Level 4 and above.

On average, residents of South Holland earn £467.60 per week, the third lowest level in the county. This is slightly higher than the average weekly wage paid by jobs in the district, £444.60 (second lowest in the county), and indicates that a number of South Holland's more highly skilled residents earn higher salaries outside the district. Peterborough is the destination for the largest number of out-commuters.

In fact, according to the most up to date figures (which come from the 2011 Census), there was a net commuter outflow of 2,624 workers per day, which means that more people are leaving the district each day to work elsewhere than travelling to it. The most popular destinations were (and likely still are) Peterborough, Boston, South Kesteven, Fenland, and King's Lynn and West Norfolk. At the same time nearly 9,000 workers were travelling to the district at this time. The more popular origin points were Boston, South Kesteven, Peterborough, Fenland, and King's Lynn and West Norfolk.

### Sectors

Manufacturing accounts for nearly twice the number of jobs in South Holland than any other sector. It also created the largest number of new jobs, 1,000, over the period 2010-2015 and increased as a proportion of the overall employment figure (ONS, Business Register and Employment Survey). This is in slight contrast to manufacturing jobs at the Great Britain level which increased in number but fell as a proportion of the overall employment figure. Business Administration and Support Services created the second highest number of jobs over this period at 500, 350 of which were agency jobs working via recruitment companies.

<b>Industry</b>	<b>No. of Jobs (2017)</b>	<b>% of all Jobs</b>
Manufacturing	9,000	21.95%
Business administration & support services	6,000	14.63%
Agriculture, forestry & fishing	3,500	8.54%
Wholesale	3,500	8.54%
Retail	3,500	8.54%
Transport & storage (inc postal)	3,500	8.54%
Health	3,000	7.32%
Construction	1,750	4.27%
Accommodation & food services	1,750	4.27%
Education	1,750	4.27%
Professional, scientific & technical	1,250	3.05%
Motor trades	700	1.71%
Arts, entertainment, recreation & other	700	1.71%

services		
Financial & insurance	350	0.85%
Public administration & defence	350	0.85%
Information & communication	300	0.73%
Property	300	0.73%
Mining, quarrying & utilities	250	0.61%
<b>Total</b>	<b>41,000</b>	<b>100.00%</b>

(ONS, Business Register and Employment Survey)

A more granular analysis of employment in the District reveals the importance of the Agri-Food sector and Horticulture.

Industry	No. of Jobs (2017)	% of Total Jobs
Manufacture of food products	7,000	17.1
Employment activities	4,000	9.8
Crop and animal production, hunting and related service activities	3,500	8.5
Wholesale trade, except of motor vehicles and motorcycles	3,500	8.5
Retail trade, except of motor vehicles and motorcycles	3,500	8.5
Land transport and transport via pipelines	3,000	7.3

(ONS, Business Register and Employment Survey)

7,000 of the 9,000 manufacturing jobs in the district are related to the manufacture of food products. Of the 3,500 wholesale jobs, 1,500 are linked to the wholesale of fruit and vegetables, 1,250 to the wholesale of flowers and plants, 200 to the wholesale of agricultural machinery, 175 to the wholesale of grains, seeds, and animal feeds, and 50 to the wholesale of meat and meat products. 4,250 of the 6,000 jobs associated with the Business Administration and Support Services sector are attributed to 'Employment Activities'. Essentially these are contract workers employed by recruitment agencies but who will be working in a variety of other sectors, including manufacturing and agriculture.

In all, over 50% of jobs in South Holland are directly linked to the Agri-Food value chain. Should this sector be adversely affected, by becoming uncompetitive or through environmental challenges for example, the impact would be significant to the economy of the district as a whole. On the other hand, supporting businesses in this sector to become world leading provides the opportunity to develop long term prosperity for residents.

The importance of this sector is further underlined when location quotients are used to identify the sectors in which South Holland has comparative advantages compared with the rest of the UK. Those sectors in which employment in South Holland is proportionally double the national average (indicated by a location quotient score of 2.0 or higher), and employ large numbers of people, are predominantly linked to Agri-Food.

Industry	No. of South Holland Jobs (2017)	% of all South Holland Jobs (2017)	Location Quotient Score
----------	----------------------------------	------------------------------------	-------------------------

10 : Manufacture of food products	7,000	17.1	14.25
01 : Crop and animal production, hunting and related service activities	3,500	8.5	5.67
49 : Land transport and transport via pipelines	3,000	7.3	4.06
37 : Sewerage	125	0.3	3.00
78 : Employment activities (workers employed by recruitment agencies)	4,000	9.8	2.88
46 : Wholesale trade, except of motor vehicles and motorcycles	3,500	8.5	2.24
82 : Office administrative, office support and other business support activities	1,500	3.7	2.06
17 : Manufacture of paper and paper products	150	0.4	2.00

(ONS, Business Register and Employment Survey)

The Office for National Statistics groups sectors slightly differently for the measurement of GVA, the regional version of GDP. The Distribution; Transport; Accommodation and Food, and Manufacturing sectors, account for 45.2% of South Hollands GVA. Distribution; Transport; Accommodation and Food can be broken down into Motor Trades, Wholesale, Retail, Transport and Storage, and Accommodation and Food Services. Unfortunately GVA figures are not available at this more detailed level but Wholesale, and Transport and Storage, account for 7,000 of the 12,950 jobs associated with this economic output again underlining the importance of the Agri-Food sector.

Industry	No. of Jobs 2010	No. of Jobs 2017	Jobs Growth 2010-2017	% Jobs Growth 2010-2017
<b>Distribution; Transport; Accommodation and Food</b>	11,800	12,950	1,150	9.7%
<b>Manufacturing</b>	7,000	9,000	2,000	28.6%
<b>Public Administration; Education; Health</b>	5,350	5,100	-250	-4.7%
<b>Real Estate</b>	150	300	150	100.0%
<b>Professional and Administrative</b>	5,500	7,250	1,750	31.8%
<b>Construction</b>	2,000	1,750	-250	-12.5%
<b>Production (Agriculture, Mining, Electricity, Gas, Water, and Waste)</b>	3,200	3,750	550	17.2%
<b>Recreation, other services and household activities</b>	900	700	-200	-22.2%
<b>Financial and Insurance</b>	250	350	100	40.0%
<b>Information and Communication</b>	300	300	0	0.0%
<b>Total</b>	36,450	41,450	5,000	13.7%

(ONS, Business Register and Employment Survey)

Industry	GVA (£m)(2010)	GVA (£m)(2017)	GVA Growth 2010-2030 (£m)	% GVA Growth 2010-2017
Distribution; Transport; Accommodation and Food	403	475	72	17.9%
Manufacturing	266	403	137	51.5%
Public Administration; Education; Health	148	154	6	4.1%
Real Estate	154	214	60	39.0%
Professional and Administrative	180	261	81	45.0%
Construction	93	100	7	7.5%
Production	122	244	122	100.0%
Recreation, other services and household activities	36	42	6	16.7%
Financial and Insurance	25	36	11	44.0%
Information and Communication	8	11	3	37.5%
<b>Total</b>	<b>1,435</b>	<b>1,940</b>	<b>505</b>	<b>35.2%</b>

(ONS)

South Hollands GVA grew by £505m between 2010 and 2017 and these two sectors, Distribution; Transport; Accommodation and Food, and Manufacturing, were responsible for £209m of that total. Over the same period the GVA attributable to the Information and Communication sector grew by only £3m. This further highlights where the opportunities for future growth lie, but also underlines the risk that a lack of support for these sectors poses to the economic security of the district.

Sectors with high levels of productivity tend to be smaller in South Holland, with the one exception being Manufacturing. Sectors with the lowest levels of productivity are Professional and Administrative - which includes a large number of contract workers, Production - which includes Agriculture, and Distribution; Transport; Accommodation and Food Services.

#### Future Employment

By calculating the employee growth rates for each sector from 2010 to 2017 and extrapolating forward (ONS – Business Register and Employment and Survey), the following projections can be made about the changing nature of sectoral employment between 2010 and 2030.

Industry	No. of Jobs (2010)	% of Jobs (2010)	No. of Jobs (2030)	% of Jobs (2030)	Jobs Growth 2010-2030	% Jobs Growth 2010-2030
Agriculture, forestry & fishing	3,000	8.33%	4,660	8.93%	1,660	55.35%
Mining, quarrying &	200	0.56%	378	0.72%	178	89.18%

utilities						
Manufacturing	7,000	19.44%	14,352	27.49%	7,352	105.03%
Construction	2,000	5.56%	1,366	2.62%	-634	-31.72%
Motor trades	800	2.22%	546	1.05%	-254	-31.72%
Wholesale	3,500	9.72%	3,500	6.71%	0	0.00%
Retail	3,500	9.72%	3,500	6.71%	0	0.00%
Transport & storage	3,000	8.33%	4,660	8.93%	1,660	55.35%
Accommodation & food services	1,000	2.78%	4,948	9.48%	3,948	394.78%
Information & communication	300	0.83%	300	0.57%	0	0.00%
Financial & insurance	250	0.69%	654	1.25%	404	161.52%
Property	150	0.42%	1,087	2.08%	937	624.58%
Professional, scientific & technical	1,000	2.78%	1,892	3.62%	892	89.18%
Business administration & support services	4,500	12.50%	10,235	19.61%	5,735	127.45%
Public administration & defence	600	1.67%	129	0.25%	-471	-78.56%
Education	2,250	6.25%	1,097	2.10%	-1,153	-51.23%
Health	2,500	6.94%	4,209	8.06%	1,709	68.36%
Arts, entertainment, recreation & other services	900	2.50%	439	0.84%	-461	-51.23%
<b>Total</b>	<b>36,000</b>	<b>100.00%</b>	<b>52,199</b>	<b>100.00%</b>	<b>16,199</b>	<b>45.00%</b>

The sectors likely to produce the most jobs between 2010 and 2030 based on this analysis are Manufacturing; Business Administration and Support Services; and Accommodation and Food Services. The sectors likely to lose the most jobs over this period are Education; Construction; Public Administration and Defence; Arts, Entertainment, Recreation and Other Services; and Motor Trades. At a more detailed level, the sub-sectors likely to create the most jobs between 2010 and 2030 are Employment Activities (i.e. recruitment agencies) (9,395); Manufacturing of Food Products (8,076); Land Transport and Transport via Pipelines (1,709); Human Health Activities (892); Legal and Accounting Activities (874); and Social Work Activities without Accommodation (765). Sub-sectors likely to shrink are Education (1,153); Compulsory Social Security (-471); Technical Testing and Analysis (-323), and Wholesale and Retail Trade and Repair of Motor Vehicles (-254).

By extrapolating the sectoral jobs growth data (ONS) from 2010 to 2017, it is projected that 21,280 jobs will be created in South Holland over the period of the current Local Plan (2011-2036). However, the Local Plan makes reference to the 2016 Spatial Strategy which predicts that only 13,800 jobs would be created in the district over this period. Over the course of the first 6 years of the Local Plan period 5,000 jobs were created in South Holland according to the Office for National Statistics. Even taking a rough measure based on the average number of jobs created per year over that period would suggest that 20,833 jobs would be created over the Local Plan period. However, these projections are based on past performance. A large proportion of jobs in South Holland are likely to feel the impact of automation, AI, and globalisation and so future growth trends may well

be lower than those experienced in recent history. In reality, jobs growth in South Holland over the period of the Local Plan is likely to sit somewhere between 13,800 and 21,280.

### The South Holland Annual Business Survey 2018

A total of 42 organisations responded to the inaugural South Holland Annual Business Survey. Respondents represented a broad range of sectors and sizes. Whilst not definitive, obvious patterns could be identified in the responses, providing strong indications about the issues facing the wider business community.

Overall, respondents were more positive about this years' performance compared to last, and even more optimistic about their projected performance next year. Whilst the vast majority of respondents predict an increase in operating costs next year, many also predict an increase in job creation and capital investment. This supports the jobs growth analysis and highlights the need to plan for the accommodation of such growth.

Increasing overheads, as well as price pressure from customers and competitors, and the availability of skills workers were the most commonly identified barriers to growth, whilst 43.6% of respondents also cited uncertainty concerning the UK's future relationship with the EU as a factor that is creating challenges for business planning.

The ability to grow the customer-base was by far the most commonly identified challenge regarding increasing profitability, with people and overheads also ranking highly. In addition to these issues, improved roads and support to leverage technology were also identified as areas in which support would help to improve productivity.

The majority of respondents reported that they currently access business support advice through their accountants. Consultants, the Gov.UK website, and internet searches were other common sources of business advice. 15.6% of respondents stated that they received support from South Holland District Council.

Concerns over the availability of low-to-semi skilled workers and challenges around recruitment were identified by respondents but many businesses appear to be taking matters into their own hands and providing training at this level in order to address their needs.

Over half of respondents indicated that they would be looking for larger premises within the next 5 years. Warehousing and factory space were the most sought after, both at smaller scale – up to 4,000sqft, and at the larger scale – 50,000sqft and above. There was also strong demand within respondents for office space of up to 2,000sqft.

### **Infrastructure and Employment Land**

#### Digital Infrastructure

According to the OnLincolnshire team, at the start of the programme in April 2013 only 17.17% of premises in South Holland had access to SuperFast Broadband (SFBB, >30Mbps). As of October 2018, that figure had increased to 91%. Over that period 2,833 premises have been upgraded, this accounts for 17.17% of premises upgraded across the county during the lifetime of the programme.



By the 31<sup>st</sup> December 2019 it is hoped that 97% of premises in South Holland will have access to SuperFast Broadband. At this point it is expected that approximately 2% of premises won't have access to download speeds greater than 10Mbps, and 1% won't have access to download speeds of 2Mbps.

According to Ofcom's Connected Nations October 2018 update, which uses data from May 2018, 80.3% of premises in South Holland have access to SFBB and 2.5% have access to UltraFast Broadband (UFBB, >100Mbps). Out of 41,239 premises in the district, 7,046 are unable to receive 30Mbps, 2,687 are unable to receive 10Mbps, and 446 premises are still unable to receive 2Mbps. This last figure implies that 1.1% of premises in South Holland cannot currently access services greater than 2Mbps. Coupled with the data from OnLincolnshire it can be inferred that services will not improve for any of these premises under current plans.

According to the 'Broadband coverage and speeds: local statistics 2017' Parliamentary Briefings Paper, the following South Holland wards are ones in which more than 3% of their premises cannot access 10Mbps, the Government's Universal Service Obligation threshold, 3% being the current UK average.

- Crowland and Deeping St Nicholas -5.5%
- Donington, Quadring, and Gosberton – 7.7%
- Fleet – 10.4%
- Gedney – 18.0%
- Holbeach Hurn – 19.6%
- Long Sutton – 5.0%
- Moulton, Weston, and Cowbit – 14.5%
- Pinchbeck and Surfleet – 9.5%
- Spalding Monks House – 3.4%
- Spalding Wygate – 18.4%
- Sutton Bridge – 5.4%
- The Saints – 13.7%
- Whaplode and Holbeach St John's – 29.5%

Improving digital infrastructure in these locations will support economic growth, especially in terms of business start-ups and support for micro-businesses.

### Power

Adequate power supply to underpin economic growth is a challenge in South Holland, as it is in much of the rest of the country. This is in terms of local generation, grid capacity, and the servicing of development sites. Whilst numerous projects, such as the Viking Link undersea DC link to Denmark and the construction of a Combined Heat and Power plant at Crowland, are currently underway or in planning stages these are primarily to either support national power generation requirements or are site specific and won't address the power constraints being faced by businesses and developers within the District.

It is often the basics of grid reinforcement and the connections of new sites that can hold up or bring forward specific developments, particularly as the burden of payment is put on the developer and

any work that is required cannot be commenced until planning permission has been improved, at which point most investors want to move quickly. Current power constraints are a risk to planned growth around Holbeach, Donington, and Spalding. Understanding these constraints, and routes to overcoming them, will be essential in order to support economic and housing growth.

#### The South East Lincolnshire Local Plan and land availability

The South East Lincolnshire Local Plan (SELLP) identifies a healthy pipeline of employment land including 17Ha at the Food Enterprise Zone, 7Ha at Bridge Road, Long Sutton, 183Ha at Wardentree Lane, Spalding, 18 Ha at Lincs Gateway, Spalding, and 37Ha at Clay Lakes, Spalding.

The primary challenges in bringing these sites forward are around the provision of utilities supply, (predominantly power) and enabling infrastructure such as roads. Whereas the authority has been highly proactive in unlocking barriers on many sites, further work is required to convene stakeholders and partners in order to identify the programmes of work and funding models required to bring these forward in a timely manner that supports rather than hinders South Holland's ambitions.

Given the levels of demand for new premises indicated by the Business Survey results and low levels of available commercial properties of all types across the District, it is likely that there is a strong commercial case for forward funding the necessary infrastructure where that is a barrier for growth, either via commercial partners, as part of a public/private joint venture, or through public sector intervention. This could include speculative development for let by South Holland District Council, as per previous projects, which could provide an ongoing income stream for the Council.

#### Peppermint Park – Holbeach Food Enterprise Zone

The Peppermint Park project will provide approximately 59,500 m<sup>2</sup> of work space and 900 residential units. Holbeach has a population of around 5,000 with an economy heavily influenced by the agri-food sector.

As part of the Holbeach Food Enterprise Zone, the project will provide purpose built business space for small to medium sized enterprises developing cutting edge technology and techniques in the agri-food sector. An early anchor occupier on the scheme will be the University of Lincoln who will be creating new facilities to complement their existing Holbeach campus, the National Centre for Food Manufacturing. Evidence within this document reiterates the importance of R&D in supporting innovation and productivity improvements, highlighting the strategic importance and significant added value of the Food Enterprise Zone.

The University will be looking to extend their presence and impact in the area through the development of a Centre of Excellence in Agri-Food and a Food Chain Automation Centre. These facilities will support productivity and innovation within the local food and drink cluster as well as acting as a driver for additional investment into South Holland as new companies relocate to take advantage of the knowledge and expertise generated there.

#### Stakeholder Consultation Feedback

An early draft of this paper was circulated and discussed with a number of key stakeholders including teams within South Holland District Council, Lincolnshire County Council, Greater

Lincolnshire Local Enterprise Partnership, the National Centre for Food Manufacturing, and The Skills Service. The views and comments received during this process were incredibly informative and have been taken into consideration and reflected in this final version of the document.

Examples of the observations/questions raised are as follows:

- Support for skills and R&D needs to evolve as the tech element of the economy grows due to the impact of the FEZ and other initiatives.
- It will be vital to maximise the use of the skills and expertise that currently exist across the District and wider area in order to deliver the aspirations for the district.
- Schools have a clear role in helping local school leavers in understanding the job opportunities within the local economy, and support should be provided to enable schools and businesses to work collaboratively on supporting local employment in key sectors amongst school leavers.
- Determine the extent to which older people and other groups can help to meet the employment needs within the District.
- The District has the potential to strive to become a centre of excellence for agriculture and horticulture, and a proactive inward investment and marketing approach has the potential to raise the profile of the district in this manner
- Relationships should be further strengthened with key stakeholders and potential partners across the county and wider area, such as Lincolnshire County Council and the Greater Lincolnshire Local Enterprise Partnership.

### **SWOT Analysis**

Based on the research undertaken a ‘SWOT’ (Strengths, Weaknesses, Opportunities, Threats) analysis exercise has been undertaken in order to identify strengths to build upon, weaknesses to address, opportunities to take advantage of, and threats to mitigate. This analysis helps to focus the findings of the research and identify suitable recommendations to form a large part of the basis of the Economic Action Plan.

<b><u>Strengths</u></b>	<b><u>Weaknesses</u></b>
<ul style="list-style-type: none"> <li>• Large, growing and nationally significant agri-food sector, the importance of which is demonstrated through the high location quotient</li> <li>• Relatively large and growing Horticulture sector with high location quotient</li> <li>• Advanced plans to create a Food Enterprise Zone, underpinned by the presence of the University of Lincoln on the site</li> <li>• Low unemployment and claimant count</li> <li>• High job density indicates a stronger economy and greater opportunities for residents</li> </ul>	<ul style="list-style-type: none"> <li>• Small working age population compared with other areas nationally</li> <li>• Higher than average % of economically inactive households</li> <li>• The reliance upon one sector within large parts of the local economy and attendant supply chain</li> <li>• A generally low-skilled workforce compared with national averages</li> <li>• Low wages and the impact of this upon the wealth of residents</li> <li>• Evidence of higher skilled residents out-commuting as opposed to working within the district</li> <li>• Digital infrastructure in rural wards</li> </ul>

<ul style="list-style-type: none"> <li>• Low wages and the attraction that this presents to businesses</li> <li>• Large and growing Transport and Logistics sector with high location quotient, linked to the wider food cluster</li> <li>• A positively engaged business community</li> <li>• Businesses with evidenced growth ambitions</li> <li>• Grants4Growth and LEADER funding programmes</li> <li>• Good relationships with partners and stakeholders</li> <li>• Large employment allocations, such as Clay Lakes</li> <li>• National Centre for Food Manufacturing</li> <li>• Business breakfasts provide an opportunity for local business networking and public/private engagement</li> <li>• Proximity to Peterborough as a centre of regional economic growth, and links through the A16 corridor</li> <li>• A pro-growth council</li> <li>• Spalding College provides Further Education training for young people and businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Power utility infrastructure constraints in the face of growing demand for electricity</li> <li>• Long term certainty over workforce availability</li> <li>• A shortage of serviced land or large industrial units</li> <li>• Low levels of inward investment promotional activity means low levels of opportunity awareness with potential investors who will locate to areas that are promoting themselves</li> <li>• Lack of business support workshops</li> </ul>
<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• The successful delivery of an R&amp;D-focused food cluster on the Holbeach FEZ has the potential to support significant productivity and GVA gains within the local economy</li> <li>• GLLEP Local Industrial Strategy and the emerging focus on agri-food productivity, and the links to potential funding through the UK Shared Prosperity Fund</li> <li>• The potential to increase the level of presence of the University of Lincoln's presence within the district through the Holbeach FEZ</li> <li>• Scope to further improve the relationship with the Department for International Trade</li> <li>• Sutton Bridge Port has capacity for expansion, potentially underpinning</li> </ul>	<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• The potential of overseas workers returning home, given the reliance upon migrant labour within the local economy</li> <li>• South Holland businesses becoming less competitive unless they invest in improving productivity</li> <li>• Growth of competitor locations such as Peterborough, and other agri-food centres such as those based in Kent</li> <li>• The impact of wider national uncertainty on key political matters, and the potential impact upon the timing of investment decisions</li> <li>• Local authority budget pressures</li> <li>• The reliance upon the University of Lincoln as a partner in the delivery of a successful Holbeach FEZ</li> </ul>

<p>future investment</p> <ul style="list-style-type: none"> <li>• The potential for investment in a Reservoir within SE Lincs, which could support agri-food, housing growth, and leisure and tourism</li> <li>• Links to Holland through the horticulture sector, and the scope for further inward investment from such locations</li> <li>• Links to centres of excellence e.g. NIAB, Agri-Tech East</li> <li>• Further development of the council's Open4Business initiative</li> <li>• The potential for productivity gains within the local economy via automation and artificial intelligence, whilst also creating greater resilience</li> </ul>	
---	--

### **Summary**

Agri-Food is the key sector for South Holland, being directly responsible for providing over 50% of the jobs in the District. Many of the jobs in business services, retail and recreational sectors will be indirectly supported by this sector, either as suppliers or due to employee spend. It is also a sector that provides South Holland with a comparative advantage compared to other locations within Great Britain and accounts for over half of the District's economic output.

Whilst Manufacturing appears to be demonstrating reasonable productivity, other component parts of Agri-Food, such as Production, and Distribution; Transport; and Accommodation and Food, have low productivity. Productivity improvements within these sectors should be supported by helping businesses to improve the skills of their employees and by supporting businesses to invest in labour saving technology such as automation and AI. SHDC has a clear role in raising awareness of the opportunities available to businesses through 1-2-many communications and events as well as via 1-2-1 account management meetings where appropriate.

It will be essential to work with relevant partners including the National Centre for Food Manufacturing (NCFM), the University of Lincoln, the Greater Lincolnshire Local Enterprise Partnership, the National Institute of Agricultural Biology (NIAB), and the Midlands Engine Investment Fund in order to share best practice and provide expert support across this broad sector. Driving productivity improvements will go some way to helping businesses to meet the workforce and skills challenges they are currently experiencing, as well as helping to increase wages as businesses experience increased profitability.

Supporting business growth within Agri-Food will have a beneficial impact on the economy as a whole as more money would be spent with local suppliers and by employees. Gaps in the Agri-Food supply chain should be identified and form the focus of promotional inward investment activity with a view to attracting innovative companies to strengthen the local cluster and create high skilled, high paid jobs. Potential investors are often looking to be close to customers, skills, and resources and South Holland has all of these in relation to the Agri-Food sector creating the opportunity to raise

the profile of the district nationally and internationally. The Food Enterprise Zone at Holbeach will also be a key asset in attracting high-tech, innovative new businesses to the District as well as in creating new, high-skilled jobs.

Steps should be taken to help businesses within this sector to mitigate risks such as water scarcity, and soil fertility as well as to take advantage of new technologies. The South Holland economy is heavily reliant on its natural assets and as such, protection and management of the land and waterways needs to remain a key priority.

Opportunities to reinforce infrastructure, such as a new reservoir that would support the agri-food sector as well as housing growth and leisure and tourism activity, should also be explored. If growers are no longer able to grow produce then this will have potentially disastrous consequences on the rest of the economy.

SHDC taking a proactive role to encourage collaboration between employers, business representative groups, and industry experts such as Anglian Water, NIAB, and the Department for Work and Pensions (DWP), will provide opportunities to discover in more detail the challenges faced by businesses in the District, enabling a more collaborative approach to problem solving.

Labour shortages also pose a risk to businesses in the district. Employers should be encouraged and supported to engage with as diverse a range of the working age population as possible in order to address the challenges they are facing regarding workforce supply. This could mean examining their own business operations in order to make work more accessible to different segments of the community including older people, parents, and people with disabilities. Organisations such as DWP will be able to provide support through schemes such as Disability Confident, so it will be important to highlight these opportunities to employers who might otherwise be unaware of them.

The results of the Annual Business Survey would indicate that businesses require assistance to reduce overheads. Since not a lot can be done regarding the cost of wages, rent, or rates, businesses should be supported in securing the best utility pricing possible as well as being supported to become as resource efficient as possible. This can be achieved by raising awareness via social media, newsletters, media campaigns, and events, highlighting opportunities around utility provision and brokering introductions to utility brokers and support organisations such as 'BusinessLincolnshire'.

Many businesses are addressing their sector specific skills needs but support focussed on leadership and management, and sales and marketing skills, would assist businesses in growing and diversifying their customer base. Additionally, support to enable businesses to better utilise new technology and make the most of automation would also help businesses to become more productive and maximise profitability. Partnerships with NCFM, the University of Lincoln's robotics lab, and the University of Cambridge's institute for Manufacturing will be essential in assisting businesses to make the most of the opportunities that will present themselves as technology evolves. The strategic role of the Food Enterprise Zone cannot be understated in this regard.

Many of South Holland's businesses are already achieving great success and require room for expansion. Jobs growth rates in the district are already outpacing those used to determine employment land allocation in the Local Plan. SHDC must therefore work closely with landowners, developers, and funders, to bring forward viable sites to meet a broad range of requirements and continue to operate with a flexible, pro-growth attitude that allows for sustainable development

outside of the Local Plan if a strong case can be made (as per recent developments such as the Neame Lea Nurseries premises on the A16 adjacent to Clay Lakes). There is also a need to better understand the commercial stock profile within the district and highlight gaps and issues regarding quality that need to be addressed to support inward investment and economic growth, whilst also helping inform potential commercial investment decisions taken by the council.

With regards to digital infrastructure, it may be possible to address areas not enabled under the 'OnLincolnshire' programme through combinations of initiatives such as the Community Fibre Partnership, the Better Broadband Subsidy Scheme, the Local Full Fibre Network Challenge Fund, and BT's CSR fund. Such areas may also be enabled by other commercial providers that specialise in rural broadband solutions who should be engaged by SHDC regarding such opportunities.

### **Priorities**

The recommended priority areas, where it is felt the largest positive impacts can be realised, are:

#### **Priority 1: Infrastructure and Growth**

This includes;

- Maximising the economic impact of key strategic development sites including the FEZ and Port Sutton Bridge, through proactively supporting delivery and working to realise the economic potential.
- Ensuring that South Holland has the comprehensive digital connectivity, mobile and landline, to support economic growth into the 21<sup>st</sup> century.
- Explore opportunities to improve transport links that support growth in the economy, particularly those supporting the logistics and agri-food sectors.
- To ensure that the natural assets of the district in terms of agricultural land are enhanced and protected

#### **Priority 2: Raising the profile of the district to proactively target new inward investment**

This includes;

- Raising the profile and promote South Holland as an agri-food and horticultural centre of excellence in order attract innovative new businesses and strengthen the existing cluster, utilising key assets and differentiators such as the Food Enterprise Zone.
- Specifically, gaps in the Agri-Food supply chain should be identified and form the focus of promotional inward investment activity with a view to attracting innovative companies to strengthen the local cluster and create high skilled, high paid jobs.

#### **Priority 3: Enhancing the level and type of business support available to our businesses, to support with resilience and future proofing**

This includes;

- Supporting productivity and innovation improvements within businesses with high growth potential, with a particular focus on the Agri-Food sector, enabling them to improve competitiveness, resilience, and maximise their potential for high quality job creation.

#### **Priority 4: Raising skills within industry, and for those leaving school**

This includes;

- Raising awareness and uptake of skills development opportunities within industry, particularly around apprenticeships, and work with businesses and education and training providers such as Spalding College and the University of Lincoln to develop a dynamic system that can adapt to the changing requirements of the business community.
- Brokering ever stronger relationships between employers and schools in order to inspire and raise the aspirations of young people, increase their knowledge about career opportunities and pathways within the local economy, and raise the profile and uptake of apprenticeships across the District.

#### **Appendix A – Detailed Action Plan**

A detailed action plan describing how the priorities identified in the document will be delivered can be found in Appendix A.

#### **Appendix B – Monitoring Performance**

An outline of the performance measure and KPIs used to monitor performance and success can be found in Appendix B.