



North
Kesteven



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Economic
Strategy



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North Kesteven
DISTRICT COUNCIL



1. Foreword

North Kesteven's economy is performing well. Despite the huge challenges of the last few years, and the list is daunting; Brexit, the Covid Pandemic, Climate Crisis, rising prices and the cost of living, global uncertainty and even war in Europe - our amazing business community has shown that it will rise to the occasion, competing successfully at home and abroad, investing in people, innovation, embracing new technology and policy environments and perhaps above all, demonstrating the courage and leadership required to adapt to the greatest challenge of our times, the changing climate.

You will see that the research data underpinning this new Strategy shows that North Kesteven is outperforming much of the rest of the County and matching the best in Britain in our key sectors, with improving productivity, higher skills and incredible resilience.

North Kesteven is making an increasingly important contribution to the national economy, particularly in our scale sectors, Agri-food and Defence, while at the local level our incredible, dynamic small businesses continue to point the way in terms of quality, service and dedication.

And that's why this Strategy has been created in collaboration with local businesses of all shapes and sizes and understanding how the excellent performance of the last five years was achieved will help us meet the challenges and opportunities ahead. Some issues, like transport infrastructure, utilities or skills and labour shortages are of long-standing and symptomatic of the problems faced by many rural places like North Kesteven, but others, like Climate Change, Green Energy, the UK Food Valley or the Agri-tech agenda represent new, transformational and exciting opportunities for Our Economy.

No challenge new or old can be ignored. The Council needs to set a clear direction for the next 10 years that guides our investment and resources to ensure that the economy can adapt, develop and grow. To achieve our objectives we will need to ensure that we continue to work closely with our business community to ensure we understand their needs and aspirations while appreciating the threats and barriers which they perceive may prevent them from competing effectively and delivering success.

The key message to take away from this Strategy is that the Council believes that Our Economy will continue to grow, but that in the future it will grow differently, and this is important – not at any cost. The Climate Crisis and the Council's commitment to achieving Net Zero, fundamental changes to UK Agricultural Policy, Defence Strategy, UK economic uncertainty and continued global volatility will inevitably impact the way businesses respond to the challenges and opportunities of our times. The Council is committed to continuing to offer the right targeted support, encouragement and advocacy to create the favourable conditions required to enable our businesses to invest, compete and thrive, while also ensuring that their voices are heard loud and clear, both within the Council and in the wider regional and national context.

We are also determined to protect and enhance the unique attributes that we know make North Kesteven special. Our environment, landscapes and rural communities and our people and their health and wellbeing are fundamentally important to the way Our Economy performs. Together they create the kind of place we want to live, work and enjoy with our families. This means that economic growth in the future needs to actively seek to achieve a real balance between all these things if we are to meet the strategic goals set out in the new NK Plan, and wider Community Strategy.

Given the increased salience and role of the Visitor Economy in delivering balanced economic growth and the Council's ongoing commitment to investing in this key sector, a companion Tourism Strategy has been created to sit alongside this new Economic Strategy.



Councillor Richard Wright, Leader of North Kesteven District Council (NKDC)

“We want to achieve strong economic growth that balances the needs of our businesses, people, communities and The Planet”

2. Vision

By 2035 North Kesteven will have a flourishing green, diverse and inclusive economy that feeds and defends the nation and delivers balanced growth that respects the needs of businesses, people, their communities and the environment.

To achieve the Vision we have framed our Strategy around four key themes. It is the nature of economies to be interconnected and so difficult to disentangle. That is how and why they work and why North Kesteven's is so resilient. The key challenges and opportunities facing a local economy therefore tend to be cross-cutting, they impact business large and small, the self-employed and even the public sector, perhaps not equally or even at the same time, but essentially always posing the same questions.



Theme 1. Green Infrastructure & Net Zero

Green Infrastructure can be defined as any infrastructure that supports and facilitates the growth of a low carbon economy. It is a broad umbrella that includes everything from green power to digital communications (like faster broadband), greener transport, agile working patterns, green construction, production and processing, economic wellbeing and all the skills required by the workforce to allow the economy to grow sustainably, with the minimum impact on the environment. In a rural district with key economic sectors like Agri-food and Tourism, the importance of Green Infrastructure in delivering balanced growth in pursuit of the Council's Net Zero commitment is obviously fundamental.

Theme 2. Employment, Skills & Wellbeing

In an economy like ours where the labour market is tight and there are skills gaps and labour shortages, some of which are comparatively longstanding, growth can only be achieved with an appropriately skilled, healthy and happy workforce. The challenge facing businesses of all types and sizes is to attract and retain skilled workers particularly in key sectors, but also across the wider economy. The job and career opportunities presented by the green economy or digital communications will require new skills and skills that are transferable across many different employment settings. Employers and educators also have a key role to play in ensuring that we train, nurture and retain more of our young people so that they can benefit from these new opportunities. In the future, the Devolution Agenda in Greater Lincolnshire in the shape of Greater Lincolnshire Combined County Authority and its' elected Mayor will have an important role to play in the area of skills, training and education with investment to be focused on local rather than national priorities.

Theme 3. Strong & Resilient Businesses

This theme is concerned with setting objectives in support of the delivery of balanced growth across the economy and considers the different types of support required by our key sectors, among our small and micro business community and in the rural economy. The aim is to build on the strong performance of recent years and target support to improve competitiveness, resilience and seize the opportunities presented by the green economy.

2. Vision



Theme 4. Flourishing People, Place & Community

The economy has a key role to play in supporting flourishing communities. In seeking to achieve growth, the needs of people and communities are considered alongside jobs, skills, business and economic growth and sustainability. A sense of place is an important component of wellbeing and support for investment and regeneration in diversifying the rural economy, promoting countryside and heritage in the Visitor Economy or consolidating the benefits of continued investment in Sleaford and its town centre all contribute to the idea of flourishing places and a balanced economy.

Working with Partners

Key to the delivery of this Strategy is partnership working. These partners will change according to the action; however, key partners include:



3. Introduction

Purpose of the new Economic Strategy

Despite significant social and economic challenges, North Kesteven's economy has shown remarkable resilience, performing strongly against peers and competitors both regionally and nationally. However, whilst the post-pandemic recovery has been impressive, ongoing adaptation to global challenges remains critical.

This Strategy seeks to provide a proactive response to the big challenges facing the economy and set a revised course for the future that puts the District in the best possible position to build on existing strengths and advantages, adapt to fast-changing economic circumstances and address the Climate Crisis while scanning the horizon to see what is likely to come forward in the next decade.

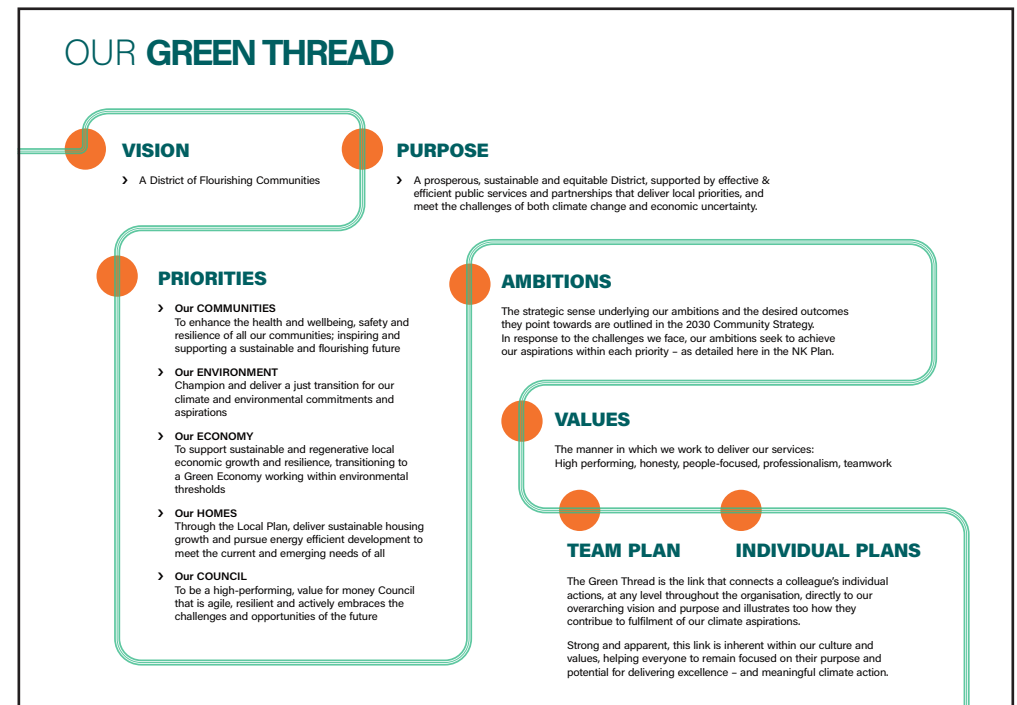
The Strategy sets a new growth agenda that is ambitious, realistic and balanced, in complete harmony with the Council's corporate vision of a 'District of Flourishing Communities.'

Key partners, stakeholders and businesses have worked with appointed consultants, Genecon and our Economic Development Team in articulating and capturing the key challenges and opportunities that will impact future growth. A series of one-on-one meetings and themed workshops were held to test our thinking, shape priorities and target potential interventions.

Our Green Thread

The concept of the Green Thread which runs through this Strategy is explored in the NK Plan. It describes how the District can deliver on its environmental commitments (including adhering to the Sustainable Development Goals agreed by the United Nations in 2015) to achieving Net Zero by 2030 by embedding climate and environmental action into everything the Council does.

Central to the idea of 'balanced growth' which this Strategy advances, is the ambition to continue to grow our economy, but not at any cost. This revised approach requires us to balance the economic value of any investment or intervention against the environmental costs and benefits, as well as the potential impacts on the economic and social wellbeing of our people and our communities. Working with partner organisations, stakeholders and businesses will be critical for delivery.



3. Introduction

NK Economic Strategy – 2035

No economy exists in a bubble and as the last five years have shown, externalities impacting the UK at the national and global level can have a major impact on Our Economy and how it performs. From pandemics to wheat prices, fuel crisis and Climate Change, there are some things we can't control, and which require us to adapt and respond, sometimes at a moment's notice.

However, there are five key local factors that influence and shape a balanced growth economy and which the Council has considered in creating this Strategy:

1. **Types and size of business in North Kesteven, sectors etc.**
2. **Our location, rurality and connectivity**
3. **People, economic wellbeing and thriving communities**
4. **The environment and its importance to the economy and how it grows**
5. **The role of the Central Lincolnshire Local Plan in delivering balanced growth**



4. Setting the Context

This Strategy has been informed by a North Kesteven Baseline Economic Analysis report (Appendix 1), the key statistics and salient details are summarised in this next section.

North Kesteven: Key Statistics



118,074
Residents

The District spans 356 square miles with 90% of the district given over to agriculture.



64%
of the population resides in rural areas, including villages and towns

23.6%
Of the population aged 65+, compared to 18.6% in England

80.8%
Employment Rate

4,670
Service personnel resident in North Kesteven.

Theme 1. Green Infrastructure & Net Zero



Good digital connectivity
79% of premises have Gigabit digital connectivity in North Kesteven, above the England average of 72.7%. Although some rural areas have poor connectivity.

2,541
Net outflow of commuting workers

But a high inflow of workers (15,686) highlights the importance of North Kesteven to the wider Lincolnshire economy.

Highly developed industry sub-sector within the Greater Lincolnshire

NK's green energy generation sub-sector has an established presence within the district; in particular in anaerobic digestion, with ample potential to continue to grow this sub-sector.

Theme 2. Employment Skills & Wellbeing

£74,496
GVA per job

GVA per workforce job is now higher than England and circa £12,000 per job higher than Greater Lincolnshire (£62, 432) indicating that the quality of businesses and jobs within North Kesteven is high.

5,000
more jobs since 2015

Employment increased by just over 5,000, from 38,925 in 2015 to 43,975, in 2022, spanning a broad range of sectors pointing to no one single driver of economic growth and a diversifying economy.

3.2% Low
Unemployment Rate
The District's low rate of unemployment is below the national average (3.8%)

82%
Economic Activity Rate

In North Kesteven, most people work, and 90% of those not working are not seeking employment, higher than GLLEP and England. This indicates most job seekers in North Kesteven find suitable employment.

90%+
People with Level 2+ skills attainment

North Kesteven shows above average RQF2+ skills attainment. However, attainment of higher skills (RQF4+) is slightly below the national average. Low unemployment suggests NK's jobs mix supports employment across skills levels.

£656
Median weekly earnings

A 20%+ increase since 2019 - a continued upward trend above the Greater Lincolnshire average, but below that of England.

Theme 3. Strong & Resilient Businesses

8.5ha New employment land

In 2021/22, 8.5ha of new employment land was developed, covering light industry, warehousing, and a major office-to-B8 conversion on Sleaford Industrial Estate.

6,350 New units planned across key strategic housing sites

Across key areas including North Hykeham Bracebridge Heath, Witham St Hughs and Sleaford.

£3.2bn in GVA towards the national economy

In 2022 North Kesteven contributed a total £3.2bn in GVA towards the national economy, a 47% increase since 2015. GVA growth has been significantly higher in North Kesteven compared to regional and national averages.

4,265 Micro, Small and Medium-sized Enterprises

SMEs (including Micro) represent 99.8% of businesses in North Kesteven, compared to 99.6% in the East Midlands. The number of SMEs has been stable since 2016 (4,260), showing a strong platform for continued SME growth.

408 Businesses per 10,000 residents

Business density is lower in North Kesteven than Greater Lincolnshire (430 businesses per 10,000 residents) and England 1,057 businesses per 10,000 residents).

Theme 4. Flourishing, Peoples, Place & community



Relative affordability of housing
Housing remains relatively affordable - median price to income ratio of 6.57, reflecting the 8th best decile.

6th Safest place in England
North Kesteven is ranked 6th safest place to live out of 263 local authorities in England, for recorded crime.



High levels of wellbeing

North Kesteven, a Life Satisfaction score of 7.8/10 indicating above average personal wellbeing for most of the population. The England average is 7.5/10



Prosperous with few pockets of deprivation

North Kesteven, ranks 268th out of 317 local authorities for deprivation. However, three areas, lie in the bottom 30% - these have worsened since before the pandemic.

4. Setting the Context

Businesses & Sectors

Our economy is made up of a diverse range of businesses. There is a comparatively small number of well-established, high performing, world class businesses, often but by no means always our largest employers, with significant turnovers running into the tens of millions, operating in key sectors with sophisticated, integrated supply chains, global reach and impressive track records of successful innovation.



SIEMENS



NORTHROP GRUMMAN

BAE SYSTEMS

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North Kesteven's key economic sectors include food & farming (or Agri-food), manufacturing & engineering and defence industries, often in support of the Royal Air Force (RAF) but also construction, distribution, and the service sector. Businesses operating in these sectors provide high quality employment and attract skilled workers to the District.

It is important not to forget that the Public Sector is a very significant employer in North Kesteven with skilled workforces engaged in providing - health, care, education and local government as well as the RAF. North Kesteven has the second highest concentration of service personnel in the UK.

On the other hand, the majority of our business community (over 90%) is comprised of micro businesses, employing less than 10 people. A vast range of enterprises from student start-ups to established family businesses, encompassing the gamut of self-employment across consumer, business to business, professional and leisure services, and everything from independent retailers, specialist engineering businesses, digital and computer services, tourism businesses, arts & crafts, printers, designers, farm diversifications, pubs and restaurants, franchisees, personal trainers, nail technicians and mobile hair dressers, dentists, chiropractors, physiotherapists, gyms, seed merchants, garden centres and nurseries, garages and motorcycle mechanics, plumbers,

electricians, landscape gardeners, carers - the list is endless. Some of these enterprises are incredibly successful, some perhaps more moderately so, others just as successful as they need to be, while many support a lifestyle choice, but every one of them is important! Collectively the District's diverse cohort of micro businesses ensure that the local economy is resilient and flexible and that wealth generated locally is retained and spent locally, and that unemployment, economic exclusion and deprivation remains low.

North Kesteven also has a growing number of Small and Medium sized Enterprises (SMEs), employing 10 - 249, and one of the key challenges for the future is to attract, identify and support those entrepreneurs and small and micro businesses with winning ideas, great products, the ambition, potential and capacity to grow sustainably. Achieving critical mass of SMEs will create jobs and improve skills and offer more career development opportunities particularly for young people. In the last decade companies like SHD Composites, Doddington Farms and Inzpire have shown how it can be done.

A better balance between large, small, medium and micro enterprises will improve Gross Value Added (GVA) and productivity and help address some of the key challenges in the labour market.

4. Setting the Context

Location, Rurality & Connectivity

North Kesteven lies at the centre of the County immediately south of the City of Lincoln. Road and rail links are good with major routes like the A17, A46, A15 and A52 providing important connections to the A1, London and the south, the East Midlands and the Humber ports. The Lincoln Eastern Bypass and the recently approved North Hykeham Relief Road (Southern Bypass) will further enhance the economic importance of the Greater Lincoln Area (GLA) in delivering future growth. Rail links from Sleaford to Grantham and the East Coast Main Line (London Kings Cross) or via Lincoln, Newark and Boston make it possible for commuters, visitors and residents to access employment, education and leisure services.

Our proximity of the City of Lincoln is economically advantageous to North Kesteven, not just our business communities clustered in the Hykeham area or our suburban communities in the GLA but the City Centre with its amenities and major attractions, great universities, further education and higher education colleges and the University Technical College are all easily accessible to anyone living, working or visiting the District.

Digital connectivity also plays an increasingly important strategic role in delivering balanced economic growth. Digital networks along with other emerging green infrastructure like local energy networks and agile working patterns present opportunities to remove some of the barriers to competitiveness traditionally associated with rurality and allow for economic growth to be distributed more evenly throughout the District, particularly in more sparsely populated areas, while at the same time promoting economic inclusion and removing some of the potentially environmentally compromising solutions associated with traditional infrastructure investments or development.



4. Setting the Context

Why the Environment is important to Our Economy

The climate crisis and the wider Green Agenda are writ large in the NK Plan but the environment has always been important in shaping Our Economy.

Most obviously the rural character, landscapes and biodiversity of the District are the direct result of agricultural activity stretching back at least two millennia. North Kesteven is 'Planned Countryside' with only Lincoln Heath and the Fens resisting agricultural improvement until the end of the 18th century. How the land is farmed defines the appearance and quality of the countryside, while simultaneously harnessing and exploiting vital natural resources like, soil, water and air quality and therefore directly impacting biodiversity.

Brexit and the Agriculture Act 2020 marked a shift away from the production subsidies paid to farmers under EU Common Agricultural Policy and by 2027 payments will only be made for the delivery of 'public goods' which benefit the environment, enhance biodiversity, conserve natural resources and help combat Climate Change. It is therefore likely that significant changes in agricultural practice and primary production will occur in the coming years. North Kesteven has some of the most profitable, world class agricultural enterprises in the UK and the Council will continue to work closely in support of the sector as it adapts to significant policy change, labour market issues and the climate crisis though history to date suggests that North Kesteven's farmers will rise to the challenges.

The environment agriculture created in North Kesteven is about more than just farming. The countryside is where many of us choose to live, it is fundamental to our sense of place and sustains our many rural communities. Green space and green infrastructure is important to our physical and mental health and sense of wellbeing. The countryside and its heritage attract visitors, playing a lead role in the growth of the Visitor Economy and providing everyone with opportunities to engage in outdoor leisure activities. The rural economy, rural employment and rural businesses therefore remain at the heart of this Strategy.

One of the greatest economic challenges facing us is the development of green and blue infrastructure and as a rural, agricultural, district North Kesteven is well placed to take advantage of emerging opportunities. Indeed, the District already has a significant number of green energy assets (with more in the pipeline) including solar arrays, anaerobic digestion plants as well as a straw burning power station, the Sleaford Renewable Energy Plant. The proposed South Lincolnshire Reservoir, a major new reservoir to the southeast of Sleaford, represents further opportunity to address water supply, managing a precious natural resource, but also to develop blue infrastructure that provides exciting outdoor leisure opportunities.



4. Setting the Context

The role of the Local Plan in delivering balanced growth

A balanced growth strategy for Our Economy is underpinned by a balanced spatial strategy. The Central Lincolnshire Local Plan scopes the quantum and quality of development and where it can occur in North Kesteven. It is therefore critical to shaping growth and how and where it is delivered. The current plan seeks to balance growth in all its forms with the needs of the environment and our communities while preserving and enhancing local character and heritage. It is a key tool in managing the impacts of Climate Change and developing green and blue infrastructure.

North Kesteven's economy has experienced strong economic growth and development over the past 10-15 years, and we have always been committed to ensuring that there is an adequate supply of appropriate sites and premises to support sustainable economic growth throughout the District. The Council directly has developed over 120 commercial units in the last 20 years and the significant c£70M investment by the Council in creating the environmentally conscious Sleaford Moor Enterprise Park epitomises the Council's commitment to balanced growth by providing greener, high quality spaces for business.



There is a pipeline of employment sites with good potential to provide for the District's needs for the next 5-10 years. However, these are largely not all under public control and there are some sites where the quality, scale and nature fall short or may be difficult to bring forward in the current economic climate.

In an economy where growth can potentially be compromised by skills and labour shortages a ready supply of good quality housing is fundamental. North Kesteven's track record for delivery and pipeline of housing land supply is strong with major Sustainable Urban Extensions (SUEs) underway in the GLA at Hykeham and Bracebridge Heath, along with further significant housing expansion at Witham St Hughs. In the south of the District, a significant SUE at Sleaford West is expected with development at the Sleaford South SUE well underway, additionally significant developments in more rural villages such as Ruskington and Metheringham have begun.

4. Setting the Context

Key Sectors

Agri-food

North Kesteven's world-class Agri-food sector and its scale farming businesses play an increasingly important role in UK food production. Primary production dominates land use (over 90% of the District's 100,000ha) with cereals, other arable crops and poultry (birds and eggs) in the main but more recent years have seen more diverse picture of activity if not a return to a more traditional mixed pattern not seen since the 1970s, including horticulture (fruit and vegetables) and even livestock. Food processing businesses, again of significant scale (Pilgrim's UK, Branston, Noble Foods, Sleaford Quality Foods etc.) are the District's biggest employers and offer a range of employment and career development opportunities.

The sector is set to grow further, supported by the County's ground-breaking UK Food Valley initiative, focusing on productivity, job creation, low-carbon food chains, and healthy food markets.



Defence & Security

North Kesteven is a major player in the nation's frontline defence with air bases at RAF Waddington (home to the Red Arrows), RAF College Cranwell, and RAF Digby which combined, means that North Kesteven comprises the second largest concentration of service personnel in the UK. As a result, a cluster of world class defence and security businesses has grown in the District over the last 20 years. These businesses operate at the cutting edge of the UK's new defence strategy, working across aerospace and digital technologies and offering advanced manufacturing capabilities, innovation and research expertise. Highly-skilled service personnel and their families make a huge contribution to the local economy and many choose to settle in the area at the end of their service.

Lincolnshire, known as 'Bomber County', has a deep-rooted military aviation history with over 50 former RAF and allied air force bases. North Kesteven features two major aviation heritage venues—the Cranwell Aviation Heritage Museum and the International Bomber Command Centre.



Green Infrastructure & Green Energy

Green energy generation is a well-developed industry in North Kesteven attracting significant investment. Anaerobic digestion, with strong links to the Agri-food sector is well established and has strong growth potential.

The District also has a significant number of operational and proposed solar photovoltaic sites (solar arrays) and increasingly associated battery storage facilities.

North Kesteven's waste sector includes the Lincolnshire Energy from Waste plant, operating near full capacity since 2017, and the Sleaford Renewable Energy Plant, a biomass straw-fired power plant.



4. Setting the Context

Visitor Economy

Tourism and its development are a key priority for North Kesteven. The companion Tourism Strategy aligned to this document captures the Vision for the Visitor Economy thus: 'Encourage, support and drive Sustainable Growth in our Visitor Economy with the Environment at the heart of everything we do, making the most of the natural advantages of the district as a distinctive rural Place for domestic and international visitors.'

Tourism matters to the District because the Visitor Economy has a total annual value of £201M to the local economy, generating 2.9 million visits in 2023. The Strategy describes how the Council will create and sustain the conditions in which tourism businesses of all sizes can flourish and deliver growth in tourism and tourism business sectors in a sustainable, balanced way that meets with the Council's Net Zero ambitions. The aim is not to simply attract more visitors at any cost, but to meet the challenge and opportunities of nurturing growth and adding value through enhancing product quality for key target visitor segments, in order to deliver longer stays and greater spend per visitor, while reducing the impact of that investment on the environment.



4. Setting the Context

Key Challenges

Despite a number of very positive indicators across a range of economic metrics some underlying and persistent challenges remain for North Kesteven to which this Economic Strategy will respond to.



Challenge 1: A tight labour market with almost full employment.

- High levels of economic activity, strong business growth, low unemployment and geographic proximity to jobs in Newark and Lincoln bring strong competition for skills and labour.
- Some evidence of an increasing reliance within some sectors on workforce drawn from outside the District (for both higher and lower order skills).
- Increasing reliance on workforce travelling in will simply lead to leakage of wealth outside the District.



Challenge 2: Ageing workforce and loss of young people post-18.

- Both Lincolnshire and North Kesteven have ageing population profiles, despite population growth.
- Outmigration of younger, working age adults (post-age 18) away from North Kesteven is above average.
- Has the potential to compound an already 'tight' labour market.
- Short term this can be mitigated by continued reliance on workforce from outside the District
- Medium to long term – if not addressed it could weaken the District's ability to continue to attract inward investment.



Challenge 3: Forecast employment growth uncertain.

- 5,000 additional jobs gained in the district since 2015. However, Oxford Economic Forecasting's model predicts this slowing to no more than 1,000 additional jobs by 2030.
- Forecast appears pessimistic given recent growth performance, but the conservative projections warrant emphasis on actions to continue to boost the District's workforce through optimising opportunities for employment growth, especially by focussing on key sectors/new growth opportunities, and housing growth to continue to build the District's workforce.



Challenge 4: Limited employment sites with some quality and viability issues.

- The District's strategic employment sites (Teal Park, Indurent Park, and Sleaford Moor) have been in development for a number of years and have capacity to provide for the District's needs for the next 5-10 years.
- Teal Park and Indurent Park are in private sector control.
- Sleaford Moor Enterprise Park was acquired by the Council in 2017. Direct NKDC investment to develop units provided a successful mechanism to stimulate small business growth. Other public/private sector mechanisms should be explored to accelerate take-up of other sites.
- Identification of future sites beyond existing allocations is likely to be challenging. Given some quality issues of current potential sites. efforts should be made to bring forward additional sites. For example: the use of redundant armed forces sites and the redevelopment of older industrial estates and wider redundant sites (e.g. Bass Maltings) all require investigation.
- Sector leaders acknowledge that the District geography can be a growth constraint, which needs to be overcome where possible.



Challenge 5: Small pockets of income and employment deprivation remain.

- Overall, North Kesteven scores well in terms of the local authority ranking of deprivation (268th out of 317, where 1 is most deprived).
- Within the District there are no areas in the bottom 20% of England's more deprived areas. Recent data suggests an improving situation in some areas.
- However, where deprivation levels are higher (in relative terms) this is largely concentrated in three areas – Billingham, North Kyme and South Kyme, two to the east of the District, and one in central Sleaford. Specific measures are needed to better connect these communities to wider opportunities.



4. Setting the Context

Key Opportunities

Alongside our economic challenges a number of key opportunities exist which, harnessed correctly, will help to ensure the District continues to deliver strong economic performance into the future.



Opportunity 1: Strong and diverse base of employers already aware of their strategic growth potential.

- North Kesteven hosts larger companies with national and international profiles in key sectors like agri-food and defence & security.
- Numerous small to medium-sized enterprises provide specialised services and ancillary support across various sectors.
- Industry leaders in the District demonstrate strong awareness of strategic growth potential and future development opportunities.
- There is strong recognition that enhancing cross-sectoral relationships will drive innovation; open-up new markets; and drive business-to-business trading, supply chain development and inter-sector collaborations, all of which offer the potential to move the District's economy forward.

Opportunity 2: Nationally important strategic sectors and 'new' growth sectors.

- North Kesteven prides itself as a place that "feeds and defends the nation," emphasising the importance of its Agri-food and Defence & Security sectors.
- These sectors contribute significantly to the local economy and hold national strategic importance, providing underlying resilience for attracting public and private investment.
- The extent of ongoing innovation activity, the levels of direct investment and plans for future business growth indicate that the sectors' key players are forward-thinking, dynamic and market-driven with ambitious agendas .
- Green energy generation and waste reduction is further important and growing sub-sector in North Kesteven, with established strengths, particularly in anaerobic digestion.
- The region and district have successfully attracted investment in the low carbon/green economy, with strong potential for further growth.

Opportunity 3: Strong small business performance.

- A high number and proportion of Micro, Small and Medium Sized Enterprises form an important aspect of our economy. Many have employment growth potential that complements our larger, multinational companies and employers, especially those SMEs in mid-size, high-value sectors like Information & Communication and Professional, Scientific & Technical activities.
- Many specialised services in these sectors originate from larger operators or institutions like the University of Lincoln and the RAF, focusing on areas such as water conservation, food production, data technologies, and aerospace engineering. It will be important to provide site and premises options to encourage growth clustering.
- The visitor economy, predominantly SMEs, is growing, driven by historical sites and aviation heritage, supporting businesses in hospitality, retail, and related services.

4. Setting the Context

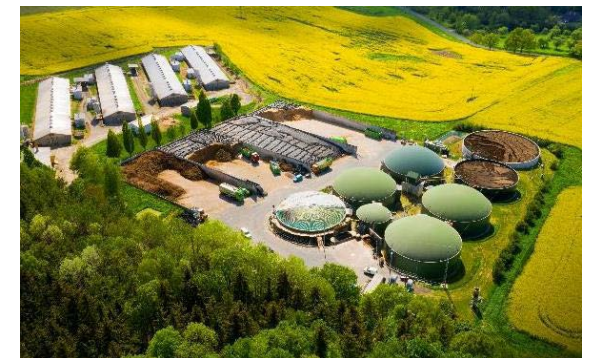


Opportunity 4: Housing growth and the potential to retain young people, ex-forces personnel and attract young families via high-value employment opportunities.

- Maintaining a strong housing supply is central to the District's future growth and can be a key mechanism for meeting the challenge of a tightening labour market.
- Housing prices are relatively affordable (the District is within the top 20% most affordable), and therefore can be used to encourage both retention of young people and ex-forces personnel, and as a draw for people currently outside the District.
- The area's appeal, especially for commuters and those seeking high-value employment has increased demand across the housing types, including family homes, affordable housing, and accommodations for older adults.
- New developments are being planned at both strategic and smaller scale urban extensions around the major settlements and larger villages, focussing on delivering a diverse product offer.
- North Kesteven has a strong housing supply for the next 5 to 10 years with a healthy pipeline of development sites already agreed. There will be a need to look beyond this as employment sites get taken up.
- Balancing housing diversity, build quality, and infrastructure will enhance the housing supply's contribution to the District's economic development.



Opportunity 5: A strong and distinctive rural that is becoming increasingly vibrant and biodiverse will help attract and retaining talent and boost the potential of our Visitor Economy.



4. Setting the Context

Theory of Change - Theme 1. Green Infrastructure & Net Zero					
What the data says about NK	Consultation with key stakeholders	Objectives	Interventions	Green Thread	10 yr Outputs & Outcomes
<p>Greater Lincolnshire has well-developed industry in Green Energy</p> <p>The Lincolnshire Energy from Waste (EfW) (located within NK) and the NewLincs EfW (located at Stallingborough) plants have a combined capacity of 220 ktpa and operate near full capacity</p> <p>NK District's green energy sector, particularly in anaerobic digestion, has strong growth potential</p> <p>The District hosts several companies specialising in green infrastructure including solar photovoltaic (PV), battery storage and whole-system design</p> <p>Despite the above, energy and power shortages in key employment locations</p> <p>Inadequate and unreliable public transport</p> <p>Over-reliance on the private car, particularly in rural areas, in order to access employment and range of services</p> <p>Digital connectivity is an issue, especially for rurally based businesses, both in terms of operational requirements and servicing customers</p> <p>Inward and outward commuting form an important part of the NK economy, with over 30% of residents commuting to outside of the District to work</p>	<p>Data, required by key sectors, is power-hungry and the County is short of power</p> <p>Collaboration and networking is important to unlocking investment in the green economy</p> <p>Circular economy principles are important for our key sectors in the path to Net Zero and cross sector collaboration on delivery is important</p> <p>There is a need for specialised advice for procurement and accessing grant funding</p>	<p>Support the development of Green Infrastructure and the growth of the green economy</p> <p>Support and advocacy for the Agri-food sector as the largest land user in NK with greatest impact on soil and water quality, biodiversity and countryside access</p> <p>Explore the potential for the further growth and development of anaerobic digestion within the District, particularly linked with the Agri-food sector</p> <p>Maximise the benefits arising from existing/proposed solar PV schemes including the creation of a dedicated Community Energy Fund</p> <p>Prioritise alternative transport links/modes that reduce car dependency</p> <p>Enhanced infrastructure within NK including green buses and more electric vehicle charging points</p> <p>Development of Local Energy Networks</p>	<p>Support companies to access finance that enables them to introduce technologies and processes that reduce their carbon footprint, and to take actions that improve the natural environment and offset carbon</p> <p>Support for enhanced digital connectivity across the District – specifically better broadband and 5G</p> <p>Offer specialist support to new and existing businesses in reducing carbon footprint and achieving Net Zero</p> <p>Support community energy projects to assist with economic, social and community wellbeing</p> <p>Advocate for the expansion of the Low Carbon Hub, currently operating in East Lincolnshire, into NK and establish the District as a new rural testbed for this technology</p> <p>Support to build a circular economy that drives waste reduction and increases the production and consumption of renewable energy</p> <p>Support for the Visitor Economy that promotes NK as a green destination and maximises the appeal of natural assets</p>	<p>Help to coordinate networking groups which could expand the use of circular economy throughout the Agri-food supply chain, with the potential to improve the use of waste products and reduce carbon emissions</p>	<p>NK's 2030 Net Zero Target achieved</p> <p>NK has a greener low emissions economy</p> <p>Rurality no longer seen as a competitive disadvantage for NK businesses</p>

4. Setting the Context

Theory of Change - Theme 2. Employment, People & Skills					
What the data says about NK	Consultation with key stakeholders	Objectives	Interventions	Green Thread	10 yr Outputs & Outcomes
<p>NK outperforms regional and national averages in economic activity (82%), employment (81%), and unemployment (3%), reflecting a tight labour market</p> <p>While NK exceeds regional and national averages in basic skills, it falls short in higher-level qualifications (RQF3+ and RQF4+), potentially hindering residents' access to high-productivity jobs in technical and professional services</p> <p>Strong relative Gross Value Added (GVA) and GVA per job growth since 2015</p> <p>Employment made up largely of basic services (e.g. health, education and retail), but key sectors (manufacturing, public administration and defence) play a key role in output</p>	<p>A lack of work-readiness among school-leavers</p> <p>The skill sets necessary to take advantage of new opportunities in key growth sectors is lacking</p> <p>Although general labour supply remains tight, the primary concern is around the availability of workers with specific skills sets</p> <p>There is not a clear sense of where future job opportunities will be and whether there is a mechanism for linking with education providers</p>	<p>Increase key sector employer 'visibility' to attract talent and build skills – ensure young people are aware of new opportunities (green and digital etc.) in key sectors</p> <p>Support new high-skill employment opportunities to retain and attract talented people and add value within the economy</p> <p>Enhance digital skills support for micro, small and medium-sized businesses across all sectors to equip them with knowledge to optimise internal processes and significantly increase market exposure</p> <p>Encourage businesses to invest and upskill their workforce including 'growing their own' by working with universities, further education colleges and with apprenticeships</p>	<p>Continue work with key stakeholders in business, education and government to support key skills development to ensure educational and skills offerings align with the demands of the local economy</p> <p>Link businesses with schools and higher & further education providers to inspire, share experience and assist in retaining and attracting young people within NK</p> <p>Enhance supported work placement opportunities as a mechanism for promoting greater work readiness, boost skills development and give participants an opportunity to explore different industries and opportunities including self-employment</p>	<p>Development of skills across the economy in all sectors to facilitate the growth of Green Infrastructure.</p> <p>Support skills development for the green economy including sustainable construction and specialised trades</p>	<p>Businesses have access to the skilled labour that they need to grow</p> <p>NK has clear skills and employment pathways in key sectors</p> <p>More young people are able to find attractive, good quality employment that allows them to remain and live in NK</p>

4. Setting the Context

Theory of Change - Theme 3. Balanced Growth - Strong & Resilient Businesses					
What the data says about NK	Consultation with key stakeholders	Objectives	Interventions	Green Thread	10 yr Outputs & Outcomes
<p>Strong Growth in GVA and key sector employment since 2015</p> <p>Large numbers (3000+) of small and micro businesses</p>	<p>Lack of networks for sharing best practice and opportunities for collaboration</p> <p>Opportunity to position NK as an attractive destination for Agri-tech sector</p> <p>Target improvements to the existing road network to prevent bottlenecks and facilitate balanced growth</p> <p>Support investments, including lobbying for, in key infrastructure that tackle current and future issues, supporting balanced growth including South Lincolnshire Reservoir & North Hykeham Relief Road</p> <p>Significant demand exists for 'secure employment facilities' far exceeding the available supply. This is employment land which has facilities with military grade levels of security</p>	<p>Protect important sectors by encouraging expansion and innovation activity to boost competitiveness</p> <p>Ensure there is an adequate supply of appropriate employment land and premises to meet the needs of a growing economy</p> <p>Continue to work with landowners, developers and agents to bring forward key regeneration sites including Bass Maltings etc.</p> <p>Continue to ensure housing delivery provides accessible, green and quality homes, as a range of housing options is important to attract inward investment, skilled workers and retain young people in the local economy</p> <p>Nurture high-skilled, high-growth sectors, in partnership with other key agencies, to build on our existing strengths and competitive advantages</p> <p>Provide funding support, where possible, to assist in the delivery of the key objectives in the Economic Strategy</p>	<p>Account management for key businesses in mature and emerging sectors</p> <p>Support micro and small businesses to grow into SMEs in order to continue to diversify our economy and build our resilience to meet present and future economic challenges</p> <p>Link or develop, (physical or virtual) business hubs (or facilitated networking groups) to provide a platform for business collaboration focused on collective advocacy/lobbying, knowledge sharing and enabling connections</p> <p>Continue to offer high quality 1-2-1 business advice and support to new businesses, entrepreneurs and start-ups</p>	<p>Support for low carbon technologies and innovation</p>	<p>Economic growth in NK remains strong over the next 10 years and by 2035 it constitutes a greater proportion of Lincolnshire's employment and GVA</p> <p>The NK economy has a higher proportion of high-skilled and high-value employment, with firms involved in innovation/ research & development</p> <p>NK attracts new firms in key innovation sectors</p> <p>NK has a thriving and diverse small and micro business sector plugged into the green economy</p> <p>Key regeneration sites are progressed or developed</p>

4. Setting the Context

Theory of Change - Theme 4: Flourishing People, Communities & Place					
What the data says about NK	Consultation with key stakeholders	Objectives	Interventions	Green Thread	10 yr Outputs & Outcomes
<p>High levels of commuting within NK</p> <p>NK is largely prosperous, though it has pockets of deprivation – ranked 268 out of 317 local authorities in the Index of Multiple Deprivation, it experiences very low overall deprivation</p> <p>NK has low crime rates and is one of the safest places to live in the Country</p> <p>NK residents have a high level of happiness, with NK scoring 8.09 out of 10 (the highest in England) in the Annual Population Survey that takes into account happiness, life satisfaction, anxiety and the feeling that things done in life are worthwhile</p> <p>NK is attractive, with 2.9 million visitors in 2023 contributing £2.1 million to the local economy</p> <p>Tight labour market with low unemployment and an ageing workforce</p>	<p>Road infrastructure bottlenecks could limit growth</p> <p>Poor public transport</p> <p>Poor alternative transport links to outlying areas/villages leads to the disproportionate use of the private car.</p> <p>Very limited hotel/bed capacity for larger-scale events</p>	<p>Support farm diversification in rural areas</p> <p>Support tourism business growth in rural areas</p> <p>Increase use of active travel and other green transport solutions</p> <p>Improve digital connectivity to improve competitiveness of rural businesses and reduce need for commuting</p> <p>Support the regeneration and growth of Sleaford town centre including diversifying uses to boost the cultural and leisure offer and promote small business growth</p> <p>Explore additional managed and supported accommodation in Sleaford and other locations</p>	<p>Support for balanced growth of rurally based businesses and/or changes of use in order to bring redundant sites and buildings back into commercial use</p> <p>Explore the creation of a Council-led Local Development Corporation with a specific focus on aiding commercial development</p> <p>Support the Tourism Strategy to deliver enhancements to NK as a place to live, visit and invest</p> <p>Support the growth of events and festivals throughout the District</p> <p>Offer specialist digital training to micro and small businesses</p> <p>Develop an online toolkit to enhance the business support offer</p> <p>Support the development of employment opportunities in the planned Sustainable Urban Extensions and strategic employment allocations including Sleaford Moor Enterprise Park</p>	<p>Support for green infrastructure to improve competitiveness and reduce carbon footprint</p>	<p>Rurality is no longer considered a competitive disadvantage for businesses</p> <p>Distinctive green NK offer based on maximising advantages of countryside, heritage and access to outdoor activities</p> <p>Green infrastructure delivers balanced growth to all communities across the District</p> <p>Longer stays and greater spends and a reduced carbon footprint for Visitor Economy</p> <p>Sleaford is a cultural hub with a leisure offer that meets the needs of growing communities and young people</p> <p>NK residents continue to feel safe and happy</p>

5. Monitoring

To understand the progress of our Economic Strategy, and to learn from the actions we deliver on an ongoing basis, we will track the actions we take forward.

Our outline monitoring and evaluation framework identifies specific indicators to track delivery and understand impact. There are four key components:

- Assessing baseline conditions: establishing a clear understanding of where North Kesteven is at present, so that future change can be measured against this.
- Tracking delivery and assessing the impact/change: reviewing data on an ongoing basis, drawing on official data sources and intelligence from our partners to review our progress.
- Reporting: reporting delivery progress and impacts to our partners on an annual basis, providing a true reflection on our performance against our targets.
- Reviewing delivery and amending as appropriate: updating the delivery plan and timescales as appropriate, responding to the evidence and feedback received from our partners.

Theme 1. Green Infrastructure & Net Zero

Green Infrastructure projects approved/developed	NKDC - Authority Monitoring Report (AMR)	Annual
North Kesteven carbon reduction	Department of Environment, Food & Rural Affairs (DEFRA)	Annual*
Number of businesses supported with carbon footprint advice	NKDC	Quarterly/Annual

*DEFRA report annually but it should be noted that the data is always two years behind and grouped into fixed categories such as industry, transport, commercial and agriculture and cannot be subcategorised further.

Theme 2. Employment, Skills & Wellbeing

Proportion of people with RQF3+ and RQF4+ qualifications; plus 18-25-year-old subgroup	Office for National Statistics (ONS)	Annual
Economic Activity Rate	ONS	Annual
GVA, GVA per workforce job	ONS	Annual



5. Monitoring

Theme 3. Strong & Resilient Businesses		
No. of businesses	ONS	Annual
Annual business start-ups	ONS	Annual
No. of business engagements	NKDC	Quarterly/Annual
	NKDC	Quarterly - engagements with businesses will be recorded including monitoring jobs numbers, investments, product developments and change in their carbon footprint.
No. of businesses supported	NKDC	Quarterly
Business events/networking facilitated	NKDC	Annual
Employment land & premises development (Ha/ SqM), employment land supply (Ha)	NKDC - Annual Monitoring Report	Annual
No. of dwellings delivered within North Kesteven,		
No. of dwellings directly delivered by NKDC & Lafford Homes	NKDC -AMR	Annual

Theme 4. Flourishing People, Place & Community		
Index of Multiple Deprivation rank and Lower Super Output Area scores	ONS	Released every 3-5 years (latest release: 2019)
North Kesteven quality of life/happiness score	Annual Population Survey	Annual
Sleaford town centre footfall	Footfall counts	Quarterly
Sleaford town centre vacancy rate	NKDC	Quarterly
Amount of employment land (Ha) & floorspace (SqM)(re)developed within Sleaford Town Centre	NKDC -AMR	Annual
No. of cultural events supported/delivered	NKDC	Annual
No. of visitors,	NKDC - Annual Monitoring Report	Annual
Visitor spend	STEAM data	Annual
Regeneration projects supported/progressed	NKDC	Annual

Appendices

1. North Kesteven Baseline Economic Analysis report
2. North Kesteven Economic Strategy Delivery Plan



North
Kesteven

Economic
Strategy

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Address: **District Council Offices, Kesteven Street, Sleaford, Lincs, NG34 7EF**
Email: ecodev@n-kesteven.gov.uk
Phone: **01529 414155**

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North Kesteven
DISTRICT COUNCIL