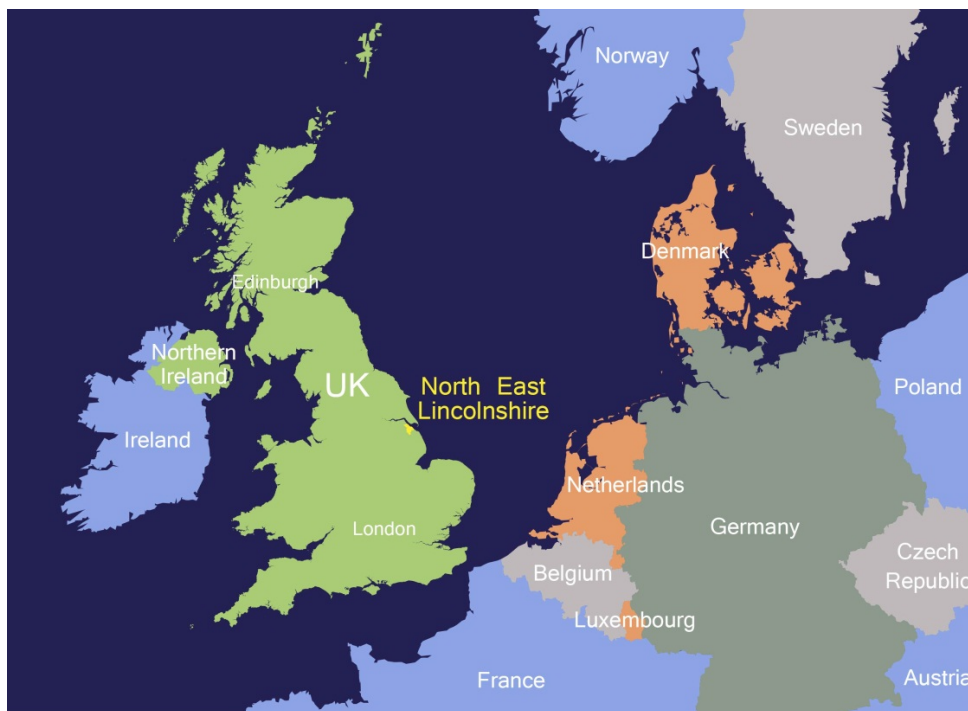


North East Lincolnshire

Economic Strategy

February 2016



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Foreword (to be completed)

Councillor Ray Oxby, Leader, North East Lincolnshire Council

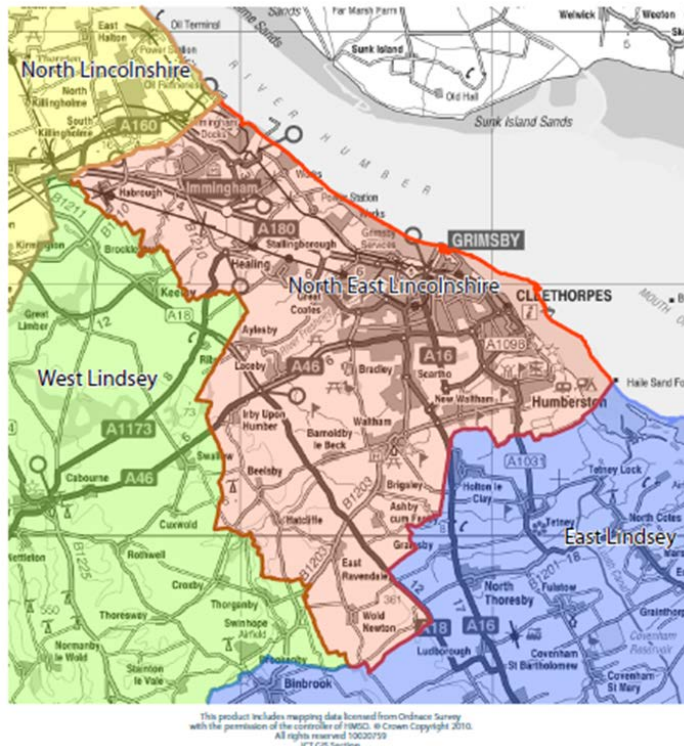
Mark Webb, Chair North East Lincolnshire Development and Growth Board

1. Introduction

North East Lincolnshire – ready for growth

North East Lincolnshire (NEL) lies on the east coast of England, at the mouth of the River Humber – the UK's 'Energy Estuary' and the gateway to Europe for the economies of the 'Northern Powerhouse' and 'Midlands Engine'. Our location and the growth of the Ports of Grimsby and Immingham, have played a major role in our industrial development and continue to underpin our economy today.

Home to 160,000 people and over 5,000 businesses, the growth prospects for our economy over the next decade are stronger than at any point in its recent past.



The area stands on the brink of unprecedented levels of investment in the offshore wind industry - up to £60bn by 2030 – with the potential to create long-term, skilled and well paid jobs in engineering and supporting sectors. The Port of Grimsby lies at the heart of this burgeoning industry.

In addition, other sectors including ports and logistics – the Ports of Grimsby and Immingham are the largest by tonnage in the UK; food – North East Lincolnshire currently produces over 70% of the UK's

frozen and chilled seafood – our chemicals/process industries, visitor economy, services and retail and health/social care sectors all demonstrate strong growth potential or will continue to provide vital employment for the area in future. NEL's 'place offer' – our schools, town centres, cultural attractions and choice of housing – is geared up to play a vital role in creating the environment for economic growth.

The **North East Lincolnshire Economic Strategy** sets out how we will bring together the skills, capacity and resources of the public, private and voluntary/community sectors to realise NEL's potential for economic growth and to ensure that all NEL residents can benefit from future growth and prosperity.

Why prepare an Economic Strategy?

The strategy sets out a long-term vision for the NEL economy and details the priority actions that we will deliver – together – to help achieve our objectives over the next three years.

The strategy has been developed jointly by North East Lincolnshire Council (NELC) and our Development and Growth Board – the public/private partnership tasked with responsibility for setting the Economic Strategy for NEL and monitoring its delivery. The strategy has been approved by the Development and Growth Board and the NELC Cabinet and will be updated every three years.

Who is the audience for the strategy?

The Economic Strategy aims to create confidence and certainty in the direction of travel for our economy and our approach to local economic development for a wide range of stakeholders and to coordinate their actions and investment to help achieve its objectives. The audience for the strategy includes:

- existing NEL businesses and those seeking to relocate to the area or start a new business here
- the sector groups who represent our key local industries and play a key role in articulating both opportunities for and barriers to growth
- central Government and its partner delivery agencies (e.g. Skills Funding Agency, JobCentre Plus, Homes and Communities Agency Environment Agency)
- the two Local Enterprise Partnerships (LEPs) for Humber and Greater Lincolnshire of which the Council is a member
- our key local delivery partners across the public, private and voluntary sector and many other local organisations that will help to deliver the strategy.

Fit with other strategies and plans

The Economic Strategy is fully aligned with regional, sub-regional and local strategies and plans.

Northern Powerhouse and Midlands Engine

The strategy details how NEL will contribute to the Government's plans for rebalancing the economy of the UK through the 'Northern Powerhouse' and 'Midlands Engine' initiatives. Both seek to strengthen regional economic competitiveness and achieve 'agglomeration benefits' – where businesses improve their productivity by being close to their suppliers/collaborators or can draw on a large pool of labour - through investment in improved transport infrastructure and connectivity; research and innovation; and the devolution of powers, responsibilities and funding from central to local government via the Cities and Local Government Devolution Bill (considered overleaf).

NEL's role as a major UK centre for ports/logistics, renewable energy and seafood processing ensures that it is well placed to deliver investment and jobs in support of the objectives of the 'Northern Powerhouse' and 'Midlands Engine' and ensures that, through our Local Enterprise Partnerships, the area can influence future regional policy. In March 2015 the Government, through the Transport for the North (TfN) partnership, published the Transport Strategy for the Northern Powerhouse which features input from a number of our key economic sectors.

There are particular opportunities to lobby Government, through the One North/Transport for the North and Midlands Connect groups, to secure improved investment in both road and rail infrastructure and services.

Strategic Economic Plans

NEL forms part of both the Greater Lincolnshire and Humber LEPs which are business-led and have the remit to promote economic growth. The objectives and priorities of each LEP are set out in Strategic Economic Plans (SEPs) which are agreed with Government and which, in turn, inform the allocation of Government funding programmes including the Local Growth Fund and Department for Transport funds.

The Greater Lincolnshire SEP has a strong focus on three of NEL's key economic sectors – agri-food; manufacturing/engineering and the visitor economy. The 'Energy Estuary' underpins the Humber SEP which highlights the economic contribution of renewable energy; chemicals/process industries; food; ports and logistics; and the visitor economy. Both SEPs place considerable emphasis on investment in infrastructure – including road/rail and broadband – to unlock economic and housing growth. As such, through the Economic Strategy and other mechanisms, the Council and its partners will continue to influence the strategic direction of both LEPs.

Devolution

The Cities and Local Government Bill progressing through Parliament allows for the transfer of wide-ranging powers to local areas. When enacted, this will create the framework for locally negotiated 'deals' between central and local government to accelerate economic growth and public service reform.

In response to this opportunity, the Council may agree to form part of a new, Combined Authority for Greater Lincolnshire with North Lincolnshire Council, Lincolnshire County Council and the seven District Councils across Lincolnshire.

Subject to the agreement of arrangements for governance and democratic accountability, the Combined Authority will receive devolved powers, responsibilities and funding. Securing greater local influence and control over national skills, business support and infrastructure investment programmes as part of a Combined Authority represents a significant opportunity to accelerate economic and housing growth in NEL.

A number of our key sectors (e.g. ports and logistics, chemicals, renewable energy) have supply chains which extend across the Humber. NELC recognises the importance of the economic geography of the Humber and will continue to work with Local Authority and LEP partners on strategic issues across the Humber footprint.

Local Plan

The Council's draft Local Plan sets out the long-term spatial planning framework for the area. The Consultation Draft Local Plan was subject to full public consultation in early 2015.

As a result of North East Lincolnshire's potential for future economic growth, the draft Local Plan proposes a step change in the scale of development and investment in the area over the period to 2032. It proposes to allocate employment land to support the creation of up to 8,800 jobs and land for the development of up to 13,000 new homes.

It is expected that the Local Plan will be adopted by the Council in 2017 following an Examination in Public by an independent Planning Inspector. The Economic Strategy forms a key part of the evidence base underpinning the Local Plan and following its adoption, the Local Plan will play a vital role in supporting the implementation of the Economic Strategy.

Council Plan

The Economic Strategy will underpin delivery of the Council's dual objectives of a *Stronger Economy and Stronger Communities*. Economic growth is one of the Council's 'big 5' priorities for NEL and will underpin achievement of several of the others which include early years prevention and intervention; safeguarding vulnerable young people and adults and promoting health and wellbeing.

2. Our vision

"Vision without action is just a dream; action without vision just passes the time, but vision with action can change the world."

Nelson Mandela, 1918-2013.

Our vision

The Economic Strategy sets out a long-term vision for NEL's economy which is aligned with the plan period adopted for the Council's Local Plan – 2032. Our vision statement is

"North East Lincolnshire – where businesses invest and grow; our entrepreneurs flourish; our workforce is skilled, productive and has fulfilling, well-paid jobs; our infrastructure is world class; and our young people's aspirations hold no bounds."

NEL 2032 - a vivid description of what NEL could look like in 2032

By 2032, NEL and the Humber is the leading centre for offshore wind in Europe. The Port of Grimsby is the construction, operations and maintenance base for over 3,000 offshore wind turbines which generate enough electricity for over 7 million homes. All of the major global offshore wind investors have a presence and our engineering firms form an integral part of their supply chain. We are the UK's largest centre for offshore training.

Our food sector, centred on seafood processing, now produces 80% of the UK's chilled and frozen seafood. Producers have secured new, sustainable sources of supply and have significantly increased export activities. Europarc is one of the largest and most successful food parks in the UK.

The Port of Immingham and Grimsby has cemented its position as the largest UK port by tonnage. New roll on/roll off services have been developed to feed the major European ports and to support export growth to China, India, Brazil and other rapidly growing economies. The potential for value-added port activities, including port-centric logistics, has been realised.

Our visitor economy, services and retail sector continues to grow, driven by NEL's attractiveness as a location to work, stay and play. Grimsby Town Centre has more than doubled the number of national multiple and local independent retailers based in the town. Developers are providing 'Grade A' office accommodation on a speculative basis for the first time in many years, with demand driven by professional services firms supporting our burgeoning offshore wind industry.

Cleethorpes has retained and built on its Victorian character and heritage as a thriving centre for independent retail, City living and a diverse evening economy. The quality of the town's historic buildings, new development and public realm continue to attract new investment. Immingham Town Centre has been revitalised, with a new retail and community facilities serving a growing population.

NEL's cultural and heritage assets are playing a vital role in attracting new visitors to the area. An expanded museum tells the story not only of our fishing heritage, but also our Viking past and displays a wide range of our collections. Our contemporary art gallery attracts visitors from all over the UK by virtue of the quality of its temporary and permanent exhibitions.

Our world class business infrastructure, including our ports, plays a vital role in our success. Our network of employment sites along the South Humber Bank and A180 Corridor offer high quality industrial, office and logistics floorspace, developed by the private sector. All businesses have access to superfast broadband. NEL is known as a great place to do business, with expert business support services and modern incubation and managed workspace. Half-hourly rail services to Doncaster and Manchester connect NEL with the rest of the 'Northern Powerhouse' and a direct route to London has immeasurably strengthened business links with the Capital.

The frequency and quality of bus services, including those connecting our main residential and employment centres, have also seen significant improvement.

NEL provides a wide range of housing to meet the needs of residents at all life stages and those moving into the area. Grimsby West – a major suburban expansion to the west of the town – is an exemplar sustainable community through its high quality of design, provision of public transport and the seamless integration of market and affordable housing. Housing completions are almost double that achieved in 2015.

NEL's people – including its workforce – remain its most valued asset. Educational attainment at Key Stage 4 across NEL's schools now exceeds the England average. All young people have the widest range of academic and vocational learning pathways available to them and local employers play a key role in shaping this provision; all of our young people aged 16-19 are in full-time education, employment or training.

35% of adults are now educated to at least degree level. Per capita, we deliver more highly skilled apprentices and graduates in Science, Technology, Engineering and Mathematics subjects than any other part of the UK.

Most importantly, internal and external perceptions of North East Lincolnshire have changed radically. Young people have aspirations for well paid, fulfilling careers and can achieve them here, without moving elsewhere. Businesses are attracted to the area by perceptions of NEL as a place to work, live, play and invest.

Strategic Outcomes

To realise our vision for North East Lincolnshire's economy, we face three significant and inter-related challenges:

- *to create the 'right' environment to attract and sustain business investment*; this means providing high quality business infrastructure (including road and rail connectivity, superfast broadband, high quality employment sites and premises); access to effective business support services which foster growth; access to cost effective finance tailored to meet business needs; support to stimulate entrepreneurship and new businesses, including those with high growth potential; and a skilled, productive workforce
- *to improve our 'quality of place'*, including delivering housing choice and affordability; developing our leisure and cultural offer; capitalising on our heritage assets and the built/natural environment/public realm; and promoting NEL to key audiences – including existing residents – as a place to live, work, visit and invest
- *to equip NEL residents – particularly young people, and those living in our most deprived communities – with the skills and confidence to secure and sustain well paid employment* in all sectors of our economy; this means improving the educational attainment of our young people and preparing them more effectively for the world of work; developing better career pathways including Apprenticeships and other vocational/academic learning; improving the quality and relevance of training for unemployed adults; and encouraging more employers to invest in upskilling their workforce.

These challenges have been identified and prioritised by the Development and Growth Board during consultation. The Economic Strategy provides the framework for the Council and its private and voluntary/community sector partners to work together to address the core challenges facing NEL's economy through a shared focus on three economic outcomes for the area:

- NEL's businesses invest and grow
- NEL's workforce is skilled and productive
- NEL is a great place to live, work, visit and invest.

The remainder of the strategy details the priorities for action/investment by the Council and its public, private and voluntary/community sector partners to realise the outcomes for business; people and place.

Headline indicators

Progress towards achieving our vision and outcomes will be measured through seven headline indicators:

Indicator	Baseline	2020	2032
Net additional employee jobs created over 2013 baseline	64,100 (2013)	+2,905	+8,800
Gross Value Added (GVA) generated in addition to projected baseline growth of 1.5% p.a.	£3.0bn (2013, est)	+£220m	+£705m
% of young people aged 16-19 Not in Employment, Education or Training (NEET)	7.9% (2015)	5.6%	0%
Percentage of working age population with a Level 4 (degree level) qualification or above	20.9% (2014)	25%	35%
Gross weekly pay for full-time workers resident in NEL, as % of England average	89% (2014)	91%	94%
Annual net housing completions	314 (2014)	470	730
Vacant retail floorspace in NEL as % of total town centre stock	18.4% (2013)	14%	9%

3. Business

Outcome: NEL's businesses invest and grow

Background

North East Lincolnshire is home to just over 5,100 businesses¹. The proportion of microbusinesses employing 9 or fewer staff (79%) is slightly lower than the England average (82%) but the proportion of 'small SMEs' employing between 10-49 staff (16.5%) is correspondingly higher than the England average (14.8%). This group of established businesses represents an under-utilised asset for NEL and has significant, latent growth potential.

There were 65,800 employee jobs in NEL in 2014 – an increase of 2,000 from 2012 although employment has yet to return to its pre-recession (2008) level. The public sector (health, education and local government services) remains the largest employer in NEL, accounting for almost 30% of those jobs. Almost one in six jobs in North East Lincolnshire are in health and social care – more than the regional/England average.

The largest private sector employers were wholesale/retail (17.8% of jobs); manufacturing (15.1%); and financial/business services (13.8%). Five key private industrial sectors account for 30% of jobs in NEL and at least 30% of its economic output (GVA)²; they provide a mix of entry level/low skilled and higher skilled jobs and have varying degrees of dependency on multi-national employers headquartered outside NEL:

- Renewable energy (which accounts for 3,250 direct jobs plus many more in the local supply chain)
- Ports and logistics (4,820 direct jobs)
- Food processing (4,100 direct jobs)
- Chemical/process industries (2,230 direct jobs)
- Visitor economy, services and retail (4,830 direct jobs).

North East Lincolnshire's construction sector employed 2,600 people in 2014, equivalent to 3.9% of the workforce. The Housing and Development Group brings together the key private and public sector stakeholders in this sector, including the housebuilders most active in the local market. Section 5 of the strategy considers the housing challenges and opportunities that are of most relevance to the future economic growth of the area.

Each of these sectors demonstrates potential for employment/output growth and/or will remain a significant employer in NEL over the next decade. Each has a private sector-led Sector Board in place to act as a representative voice in articulating opportunities for/barriers to growth and provide an interface between the public and private sector.

¹ <https://www.nomisweb.co.uk/reports/lmp/la/1946157110/report.aspx#tabidbr>

² North East Lincolnshire Economic Baseline, WS Atkins for NELC 2014

Whilst the Economic Strategy aims to encourage sustainable growth of all businesses in NEL, these key sectors will continue to be a focus for support from the Council and other stakeholders by virtue of their growth potential.

Unlocking our growth potential: key challenges

- **Workforce productivity is low** and remains a major, long-term challenge for NEL businesses - workforce GVA per head was just 80% of the England average in 2013³, equating to an output 'deficit' of more than £600m per annum which, in turn, impacts on business investment and wages growth; low productivity is a function of factors including business investment; low workforce skills levels; and poor physical or digital connectivity⁴; increasing productivity is one of the main ways in which NEL can reduce its dependency on low skilled, low wage employment
- **NEL businesses demonstrate low levels of innovation; just 8% of businesses in Greater Lincolnshire are engaged in R&D** (the lowest of all 39 LEP areas) and only 17% of businesses have undertaken product or service innovation⁵; NEL's 'innovation infrastructure' is limited as no Universities have a presence in the area and existing assets such as the Humber Seafood Institute are currently under-utilised; engaging our businesses with appropriate sources of R&D/innovation expertise and technology transfer opportunities is vital if competitiveness and growth are to be sustained
- **levels of export activity remain low;** prior to the start of the last economic recession, around 20% of Greater Lincolnshire businesses were exporters but this fell to just 13% in 2014⁶; over 40% of exporters are in the manufacturing sector – a key focus for the NEL economy; established markets in Europe and North America remain a key focus for NEL exporters whilst export opportunities in the emerging BRICS markets remain comparatively untapped
- **accessing finance for growth remains challenging for NEL businesses; despite the operation of successful grant programmes in NEL in recent years the proportion of SMEs in the East Midlands accessing external finance between fell from 44% in 2012 to 37%⁷ in 2014;** manufacturers were more likely to seek external finance than businesses as a whole but more than one in five experienced difficulties in obtaining funding - with a lack of 'investment readiness' (poor quality business plans or investment propositions) accounting for nearly 40% of all failed applications for finance⁸.
- although NEL is a net importer of labour from adjoining areas, the **labour market operates imperfectly and this constrains the ability of employers to access skilled workers;** this is partly a result of NEL's limited connectivity with adjoining urban/ rural areas, especially by public transport; and partly a result of negative perceptions of NEL as an area to work and live
- with the exception of Europarc, the **stock of industrial premises in NEL is obsolete and does not meet modern business requirements;** more established businesses have a tendency to remain in their premises, thereby reducing 'churn' within the market which in turn depresses rental levels, rendering speculative industrial development unviable; environmental constraints and flood mitigation requirements also impact on development; these issues are being addressed through the South Humber Industrial Investment Programme (SHIIP) which will see the Council investing to de-risk development along the South Humber Bank

3 <http://ons.gov.uk/ons/taxonomy/index.html?nscl=Regional+GVA>

4 Towards a one nation economy: a 10 point plan for boosting productivity in rural areas, DEFRA August 2015

5 Benchmarking local innovation – the innovation geography of the UK, Roper, Love and Bonner, Enterprise Research Centre, 2015

6 <http://www.research-lincs.org.uk/lep-evidence-exporting.aspx>

7 SME Finance Monitor Annual Report 2014 – BDRCL Continental, April 2015

8 Greater Lincolnshire Employer Survey 2014, Greater Lincolnshire LEP

- **the business support landscape remains complex; despite the presence of ‘Growth Hubs’** operated by Humber and Greater Lincolnshire LEs which aim to simplify/streamline support arrangements, a diverse and often confusing mix of public and commercially-funded business support provision is still available, including some national programmes; some NEL businesses still have difficulties accessing the right kind of support to meet their needs
- **NEL remains dependent on some manufacturing sectors that are vulnerable to globalisation pressures**, most notably chemicals/process industries and, to a lesser extent, seafood processing; whilst ensuring that the ‘local’ environment to sustain business competitiveness is in place, it remains vital for the Council and its partners to continue to lobby Government on wider fiscal/policy matters, including those competitiveness challenges facing our key sectors
- **entrepreneurship has increased in NEL in recent years**, with new business start-ups has rising from just 570 in 2005 to 915 in 2009 (during the height of the economic recession) and maintaining this level in recent years (there were 860 new starts in 2013); however, survival rates for new businesses have been particularly low in NEL and although improving - 40% of those businesses started in 2010 were still trading in 2013 – the need to improve the sustainability of new firms remains a major concern.

The key challenge facing the Council and its partners is to create the right conditions for growth of our existing company base and the continued attraction of inward investment to the area – and in doing so to create a more diverse mix of employment opportunities including both entry level and higher skilled jobs. Ensuring that NEL offers businesses the right environment for growth will require delivery of complex and inter-related interventions on business support; infrastructure; skills and place by a range of partners.

Supporting business growth across sectors

Businesses in NEL are, in general terms, characterised by low levels of productivity, innovation and export activity. This has limited their growth – NEL’s output (GVA) grew by just 3% between 2008-2013, compared with 12% for England as a whole – and, in turn, reinforced the area’s over-dependency on low skilled, low wage jobs.

NEL’s future economic growth will, in part, be dependent on helping businesses across all sectors access the support they need to enhance their productivity and move activity ‘up the value chain.’ This will require access to high quality, cost effective business advice and support.

Business support is delivered by a wide range of public and private sector organisations in NEL including:

- the Growth Hubs managed by Humber and Greater Lincolnshire LEs
- E-Factor Ltd
- the Council and its regeneration partner ENGIE
- Grimsby Institute of Further and Higher Education (GIFHE)
- Grimsby and Cleethorpes Enterprise Agency
- Hull and Humber Chamber of Commerce
- Federation of Small Businesses
- UKTI (part of the Government’s national Business Growth Service (BGS) and providing both export and inward investment support)
- accountants, solicitors, surveyors and other private sector business advisors.

Ensuring businesses can find and access the specialist advice/support that they need as easily as possible – never experiencing a ‘wrong door’ – is essential. Business support providers also need effective mechanisms to signpost or refer clients to other organisations to ensure this happens. Most businesses prefer advice from a ‘peer’ – someone with relevant business experience – or with a recognised business advisor accreditation. Much of the available advice is free or heavily subsidised by the public sector; some is ‘paid for’ by business. Businesses are likely to continue to seek free or subsidised business advice for the foreseeable future.

The ‘Growth Hubs’ established by both LEPs to streamline/simplify business support provide a starting point for this process and are delivered locally through a single gateway provided by e-factor ltd – but there is scope to further strengthen signposting/referral activity; to plug any gaps in provision and remove unnecessary duplication. Other priorities include:

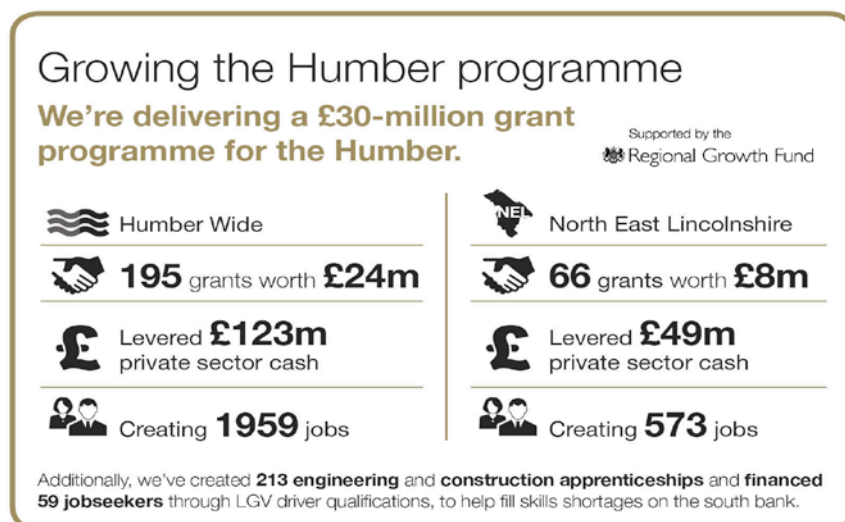
- developing more effective systems, across the NEL business support network, for identifying businesses with ‘high growth’ potential and to provide them with tailored support to realise this; research by NESTA and others highlights the disproportionate impact on jobs/output growth of a comparatively small cohort (around 6%) of high growth businesses
- extending the approach to ‘Key Account Management’ to ensure that NEL’s major employers have a single interface with the public sector, to support early identification of growth opportunities and ‘business shocks’.

Action	Partners
Map and review business support provision in NEL to identify gaps in support or duplication of activity	NELC Development and Growth Board Growth Hubs
Review signposting and referral arrangements between providers to ensure ‘no wrong door’ approach	NELC Development & Growth Board Growth Hubs
Targeted approach to increase engagement with NEL’s SMEs to provide diagnostic advice and support and improve identification/targeting of businesses with growth potential	NELC e-factor Chambers of Commerce Banks Professional advisors
Deliver specialist support for businesses with ‘high growth’ potential	NELC Growth Hubs e-factor
Provide ‘Key Account Management’ support for top 50 employers across NEL	NELC UKTI

**where appropriate, organisation with lead responsibility identified in bold.*

Access to finance

Although there is some evidence to suggest that the rapid and sustained decline in bank lending to SMEs during the last economic recession has now stabilised, access to finance remains a significant constraint to business growth. In recent years, the Council has been able to mitigate these effects to some extent through the major 'Growing the Humber' Regional Growth Fund grants programme, delivered in partnership with the Humber LEP. This has helped to de-risk business growth projects for banks and other private investors. However, this fund enters its final year in 2016/17 and a replacement grant programme may not be in place in the short-term.



Nationally, there is evidence to suggest that the reduction in business lending has disincentivised SMEs from seeking commercial investment; and that those businesses which do seek funding are often not 'investment ready'. As pressures on public sector funding continue, it will be vital to ensure that NEL's businesses can compete effectively in loan or equity funding markets by securing the appropriate advice/support.

Action	Partners
Develop proposals for flexible grant/loan/equity investment fund through devolution agenda	NELC Combined Authority if established
Review and strengthen investment readiness advice for businesses to increase access to Gov backed lending schemes, bank lending and other commercial funding sources	NELC Development & Growth Board Growth Hubs e-factor Ltd
Stimulate development of local 'business angel' and crowdfunding investment in businesses with growth potential	NELC Development & Growth Board Yorkshire Assoc. Business Angels e-factor Ltd

Innovation

Product/process innovation is a vital enabler of economic growth, opening up new markets for existing businesses and driving up demand for higher skilled jobs. Despite the presence of a number of major global manufacturing businesses in NEL, business expenditure on research and development is very low– totalling only £50m in the Greater Lincolnshire LEP area in 2013, compared with over £1.3bn in Greater Cambridgeshire/Peterborough⁹. This needs to change if our businesses are to remain competitive in future.

Developing the capacity of NEL businesses to innovate – to develop novel products or new, more effective production processes – will be a key strand of efforts to drive NEL manufacturers (and indeed service-based businesses) up the value chain.

Case study – GREAT project – Grimsby Institute of Further and Higher Education

The Green Renewable Environment and Associated Technologies (GREAT) Project was delivered by the Grimsby Institute for Further/Higher Education and HCF CATCH. The £5m project, part-funded through the European Regional Development Fund, was designed to offer SMEs in the Humber, West and North Yorkshire with advice and support to develop renewable energy technologies and implement resource efficiency programmes.

Currently, NEL has only a limited infrastructure in place to stimulate business-led research and development or innovation activity. Although there are links to research institutions in the form of the Universities of Hull and Lincoln, neither has a specific presence in the area. There has been limited take-up of support/funding available from national bodies including Innovate UK, which has no remit to concentrate its support in areas of low innovation activity. Links with key national innovation centres, including the Offshore Renewable Energy Catapult programme, also need to be enhanced.

The Grimsby Institute for Further and Higher Education (GIFHE) has developed an R&D specialism in food through the Food Refrigeration and Process Engineering Research Centre (FRPERC) and has provided innovation support for renewable energy projects through the European-funded GREAT project. Despite this, other key innovation assets, including the Council-owned Humber Seafood Institute, have yet to fulfil their potential.

NEL's businesses need improved access to the most relevant sources of innovation advice, including academic and technology transfer opportunities, including academic expertise, from across the UK. This should include improved engagement with local SMEs by science/technology-based research programmes in the Universities of Hull and Lincoln.

⁹ Innovation Report 2014, Department for Business, Innovation and Skills

Action	Partners
Participate in LEP-wide innovation audit/smart specialisation review to develop innovation strategies for key NEL sectors	NELC Combined Authority if established Innovate UK
Review role/contribution of Humber Seafood Institute and other innovation assets	NELC Seafood Grimsby & Humber
Strengthen engagement with the national Offshore Renewable Energy Catapult programme	Humber LEP Hull University

Export/trade development

The Government has committed to doubling UK export activity to £1 trillion by 2020. A number of 'high exporting' sectors have a significant presence in NEL, including the chemicals/petrochemicals and food sectors; despite this, Greater Lincolnshire businesses have demonstrated low levels of export activity in recent years. UK export activity fell by over 2.5% in the year to June 2015 as a result of the strong value of Sterling and low levels of demand from the Eurozone countries – although these are largely cyclical factors.

Encouraging more businesses to export – and existing exporters to do more – is at the core of NEL's business growth strategy. Support – including limited funding for market research and participation in trade missions – is available via UKTI and this is likely to be extended via the 2014-2020 European Structural and Investment Funds programme. The Chambers of Commerce also provide support for export activity.

However, there is a need to enhance efforts to identify existing exporters or new to export businesses with growth potential; to enable more first time exporters to access UKTI support; and to engage more NEL businesses in UKTI/Chamber-led trade missions, particularly to new/emerging global markets. In the future, the proposed devolution proposals offer scope to improve the alignment of UKTI export support and locally-delivered business support activity.

Action	Partners
Extend diagnostic/audit activity (see overleaf) to identify more NEL businesses with export potential	NELC e-factor Chambers of Commerce UKTI Accountants/other advisors
Increase access to UKTI support for 'new to export' businesses	UKTI Combined Authority if established

Enterprise awareness and start-up support

Although new business start-up rates have increased in NEL in the years following the recession, survival rates have been much slower to improve. At present, there is no NEL-wide programme of start-up advice/support available for those considering

starting their own business, although some unemployed Work Programme clients are supported through the national Enterprise Allowance scheme. In addition, the take-up and quality of enterprise activity delivered as part of cultural enrichment programmes varies considerably across NEL's secondary schools/academies

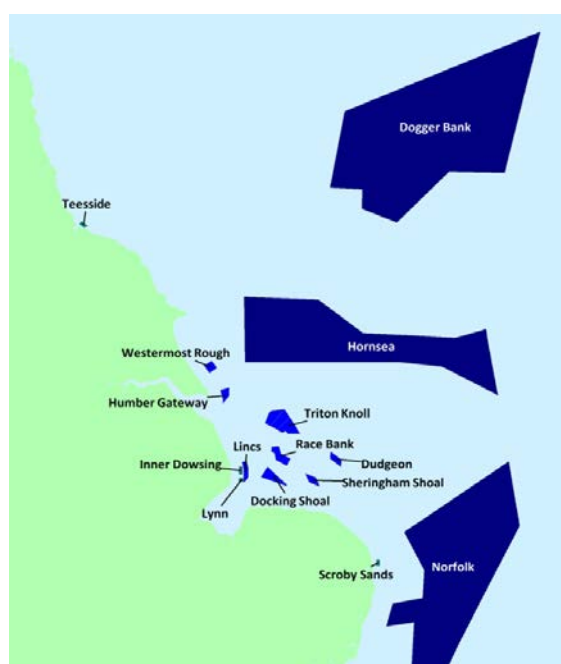
There is strong evidence to show that effective engagement and awareness raising support, plus ongoing mentoring/advice, can have a transformative effect on both the volume and quality of new businesses/self-employment opportunities and on their long-term survival. Providing extended support on this basis is essential; there is little economic benefit in increasing start-up rates unless there is a counter-focus on ensuring more new businesses survive and prosper.

Action	Partners
Develop and deliver wrap-around business start-up support/mentoring programme for NEL	E-Factor Enterprise Agency
Review current enterprise activity in schools and Colleges and explore opportunities to share best practice/funding/delivery to enhance impact	NELC Schools/academies GIFHE

Sector specific support

Renewable energy

The Humber Estuary is fundamentally connected with at least 25% of the UK's energy production. This includes serving major fossil fuel-based power plants within and adjoining the area from the Port of Immingham, which plays a key role in supplying coal and biomass to the industry. The major refineries at Immingham operated by Total and Phillips 66 – both just outside NEL but with a significant impact on our economy – refine over 25% of the UK's petroleum. There are also gas-fired power stations at around Immingham and surrounding industrial area in NEL.



The Humber stands on the brink of an unprecedented level of investment in offshore wind and is at the very forefront of the sector in the UK. Over the period to 2030, up to 20GW of additional capacity will be installed in the southern North Sea across the major Round 3 offshore wind development sites at Dogger Bank, Hornsea and Norfolk. This is equivalent to around 50% of forecast UK offshore wind capacity and will generate investment of up to £60bn.

The Humber is a highly attractive location for global offshore wind investors, supporting the growth of the sector with a comprehensive transport network (road, rail and air), major ports, relevant infrastructure

which has scope to be further developed, telecommunications, skills, training provision and a healthy local supply chain which can provide products and services to the sector. The Humber is capable of supporting all aspects of the offshore wind development lifecycle, however there is specific capability in manufacture; assembly; construction/ installation and operations and maintenance (O&M).

- the Port of Grimsby East is the closest major port to the current Round 1 and 2 windfarms and to the major Round 3 sites at Hornsea and Dogger Bank; it has played a key role in the construction and installation of these major projects and has become the preferred location for long-term Operations and Maintenance activity. International businesses including DONG Energy, Centrica, Eon, Siemens, MHI Vestas, Windcat, Turbine Transfers and many others are already operating from the port and further investment is anticipated in O&M facilities to serve new offshore windfarms over the next decade, with a strong pipeline of enquiries
- the Able Marine Energy Park, an 820 hectare site on the South Humber Bank to the west of Immingham (in adjoining North Lincolnshire) secured development consent in October 2014 and will create over 4,000 jobs in turbine manufacturing and assembly; it will also provide the facilities for large vessels to support construction activities (a complementary offer to the Port of Grimsby); the new port infrastructure alone is estimated to represent around £3.4bn of investment; the first quays should be available by 2016 and in July 2015 DONG Energy signed an agreement with Able UK with a view to developing a major construction base on the site; the site is likely to have a significant economic impact on NEL in the form of supply chain opportunities and induced expenditure by people working on the Able site but living in NEL
- Siemens Wind Power and Associated British Ports at Green Port Hull are developing a major blade and pre-installation assembly facility, creating over 700 jobs when the facilities are operational from 2016.

Together, these locations offer an attractive proposition for global investors in the industry. Over £2bn of offshore wind projects have recently been completed or are currently under construction off the Humber, including the Westernmost Rough and Humber Gateway schemes. DONG Energy has recently announced that it will commence construction of the Race Bank scheme off the Lincolnshire Coast that will provide power for almost 400,000 homes and planning for the first phases of its major Round 3 Hornsea scheme is underway.

A further 1,000 direct jobs could be created at the Port of Grimsby by 2023, through further investment by DONG Energy and other offshore wind developers, with scope for more to follow.

These developments will act as a catalyst to grow the offshore wind supply chain across the Humber, including specialist engineering/fabrication/construction businesses based in NEL; and generate a significant demand for a wide range of engineering skills over the next decade. In turn, they will also support indirect employment opportunities in support services (e.g. hotels, retail, professional services) across NEL.

Renewable UK forecast that the offshore wind sector alone could generate demand for 45,500 direct/indirect jobs by 2023, including new and replacement jobs with a similar number of indirect jobs supported in the supply chain. More than 13,000 people are already employed directly in the offshore wind sector across the UK, with 400 employed at the Port of Grimsby and elsewhere in NEL.

Recent (November 2015) announcements by Government in relation to Contracts for Difference auctions over the period to 2020, and potentially beyond, have improved investor confidence in the long-term prospects for offshore wind in the Humber. However, there is an industry-wide imperative to drive down delivery costs to below £100 MWh by 2020 if Government is to continue to subsidise the offshore wind sector during the first half of the next decade.

Whilst the prospects for further offshore investment remain encouraging, there is a need to ensure that NEL continues to be a competitive and attractive investment location for both current and new investors. It will be essential to deliver the necessary investment in infrastructure and wider facilities, including our 'place offer' (detailed in chapter 5 of the strategy) to develop NEL's role as a major UK centre for O&M activity, and to support the industry in its efforts to drive down costs. This will build on recent investments including new lock gates and improvement to ship repair infrastructure.

Failure to identify and prioritise these infrastructure requirements could limit NEL's ability to capitalise on this unparalleled growth opportunity. Priorities for investment include improving vessel access to the Port of Grimsby East; increasing the capacity for safe berthing by crew transfer vessels/workboats at Port of Grimsby East and the Royal Dock; providing high quality accommodation for supply chain businesses alongside wider business support; and enhancing the provision of training facilities to meet growing demand for both technical and health and safety- related training.

It will also be vital to engage young people with the industry; raise their aspirations and awareness about the wide range of careers available and ensure they have the skills to compete for jobs in the sector. These issues are addressed in the 'People' section of the strategy.

Action	Partners
Improve vessel access and berthing at Port of Grimsby including development of options for new inner harbour	ABP GFDE NELC
Identify development sites with quayside access within the Port of Grimsby to accommodate further expansion of Operations and Maintenance activity	ABP GFDE NELC
Develop new office/workspace accommodation in close proximity to the Port of Grimsby to attract supply chain operations	ABP Other private sector NELC
Raise business awareness of supply chain opportunities at each stage of wind farm development and operations and support local SMEs to compete effectively for major contracts	NELC Grimsby Renewables Partnership THMA

Action	Partners
Develop an integrated inward investment offer/prospectus for NEL and ensure ongoing NEL presence at major European trade events	NELC ABP GFDE Grimsby Renewables Partnership Humber LEP UKTI/OWIO
Enhance provision of offshore industry training facilities and the attraction of related inward investment	NELC HCF CATCH GIFHE

Ports and logistics

The development of North East Lincolnshire's ports, capitalising on our East Coast location, has underpinned the growth of the economy. The ports and logistics sector continues to be one of NEL's largest employers, with over 7,400 people employed in the sector or its supply chains across the Humber. Our ports are at the centre of the UK's trade and communication links and the M62 economic corridor – and provide the gateway to Europe for the Northern Powerhouse and Midlands Engine. The strategic road network allows goods to be delivered to 75% of the UK's population within a four hour driving time.

The Port of Grimsby and Immingham, operated by ABP, is the largest UK port complex by tonnage and the fourth largest in Europe. The Port handled 59.4m tonnes of cargo in 2014, representing a 5% reduction on 2013 volumes; it had the largest cargo volumes for EU routes of the UK ports and was the second largest UK port for non-EU short sea and deep sea routes.

The Port specialises in bulk liquids, bulk raw materials, unitised Roll on Roll off (RoRo) and Lift on Lift on (LoLo) traffics, cars, forest products and general cargoes. The Immingham Oil Terminal imports crude oil for the local refineries; the Immingham Gas Jetty imports Liquid Petroleum Gas; and the Immingham Bulk Terminal imports coal for the UK's coal-fired power stations. ABP recently invested over £130m in a new Renewables Fuel Terminal at Immingham that is focused on the import of biomass for Drax and other power stations that are investing in renewable energy generation.

The Ports account for over 25% of UK rail freight, connecting to the major energy and manufacturing providers in the North of England. Highways England and the Council have already made significant investments in improving access to the Port from the A180 and A18. Rail gauge improvements are also planned to increase local freight capacity and improve connectivity with the East Coast Main Line. Continued lobbying, via the One North/Transport for the North programmes, is essential to secure continued investment in rail freight facilities and capacity.

Coal import activity is likely to decline further at the Port of Immingham over the period of the Economic Strategy, with all UK coal-fired power stations to cease operation by 2025. However, there are opportunities for further expansion of biomass imports – dependent on future Government energy policies – and for development of Roll on/Roll off/ container freight activity.

The Port of Immingham provides daily services to Belgium, Holland, Germany and Scandinavia with further expansion of services and routes underway. A significant proportion of container freight with an origin or destination in the North of England continues to utilise the South Coast ports and there is a significant opportunity to develop new services to create new opportunities for investment and employment. There is scope to increase added value through the expansion of container freight services and facilities at the Port of Immingham, with a particular focus on the development of Ro/Ro activity. Unit load business continues to expand at Immingham, with strong growth experienced at the Immingham Container Terminal and DFDS. Significant investment in equipment upgrades for container handling will take place early 2016.

All containers are currently transported by road and the use of rail is restricted due to bridge restrictions at Eastfield Road and East Halton. Network Rail plan to upgrade the bridge infrastructure (W12 enhancements) at the end of 2016. These enhancements will help transfer unit load business from road to rail and could potentially pave the way for fully intermodal traffic at Immingham, alongside efforts to encourage more importers/exporters to shift activity from road to rail.

The Port of Grimsby's origins are rooted in the export of coal and the fishing industry. Today, the Port is focused on car import/export activity, handling over 400,000 vehicles per annum. ABP recently invested over £25m in new river berthing facilities to facilitate access by the largest car carriers. Offshore wind – as described overleaf – is also a critical focus for the Port, with over £5m invested in new lock gates at the Royal Dock to facilitate 24 hour operations.

NEL offers a wide range of both general and specialist logistics providers, including those serving the food sector (see below). It has the largest provision of cold storage facilities in Europe, linked to the requirements of NEL's food sector; and a range of specialist packaging and added value logistics providers. There are also a number of automotive logistics businesses based in the area. Key employers include DFDS and GBA.

There is a shortage of land for the development of logistics/distribution uses in NEL. The South Humber Industrial Investment Programme (SHIIP), described in detail in section 5, will address this market failure by bringing forward a number of sites in the A180 Corridor. Enterprise Zone status has been secured for key sites at Stallingborough and Immingham with potential for logistics use.

Action	Partners
Undertake research on future market trends and opportunities in Ro/Ro and other services to identify priorities for investment	ABP NELC LEP
Develop an integrated inward investment offer/prospectus for NEL's ports and logistics sector, including Enterprise Zones	NELC ABP Ports and Logistics Group Logistics companies LEPs UKTI

Action	Partners
Relocate Vessel Traffic Service facility from Spurn Point to Port of Grimsby to ensure continued safe navigation for all vessels using the Humber Estuary	ABP
Engage via the One North and Midlands Connect initiatives to continue to lobby for improved rail and road connectivity to the Ports	NELC ABP Combined Authority if established LEPs
Revitalise Ports and Logistics Group to develop its role as a business-led advocate for the sector	NELC Ports and Logistics Group Development and Growth Board

Food processing

North East Lincolnshire has long been associated with seafood and the fishing industry having once been home to one of the world's largest trawler fleets. The industry has now re-invented itself as a multi-billion pound food and seafood processing cluster, centred on Grimsby. Four out of five UK households consume seafood at least once a month and total purchases of seafood in the UK were worth £5.6bn in 2011.

All major retailers and food-service companies turn to Grimsby for their supply of seafood. In addition, the area still has one of the largest trawler catching fleets on England's east coast as well as one of the UK's largest accredited fish auction markets.

NEL remains the primary UK centre for food and seafood processing, currently accounting for over 70% of all seafood processed in the UK and as a major centre for chilled meal production. The sector is a major employer in North East Lincolnshire, with over 500 companies employing over 4,700 people across the supply chain and including world-class businesses such as Icelandic Seachill, Young's, Two Sisters, Country Style Foods and Morrisons.

In addition, NEL has a thriving base of seafood SMEs, some of which have recently undertaken large scale investments to meet growing demand. The area also benefits from European Union Protected Geographical Indication (PGI) status for our Traditional Smoked Haddock & Cod.

The sector is underpinned by a cluster of supply-chain services that include some of the UK's & Europe's leading businesses involved with cold storage, packaging, upskilling, innovation and research, engineering and logistics. Plans are also advanced for the development of a new Border Inspection Post at the Port of Immingham which will deliver provide significant benefits for food import/export activity. The strength of the cluster was acknowledged by the award of a Cluster Mark by the Department for Business, Innovation and Skills in 2010.

There are opportunities for the sector to enhance export activity, building on the recent success of Icelandic Seachill and its Saucy Fish brand. In addition, there is scope to establish new, competitive sources of global seafood supply.

The sector is supported by a private sector led Board – Seafood Grimsby and Humber - which is representative of its major businesses and associated supply chain companies. Seafood Grimsby and Humber is focused on issues including sector competitiveness, exports, inbound raw material supply, innovation, marketing, trade and skills.

NEL's food sector infrastructure includes the Europarc business park which is host to a wide range of food sector businesses, including Morrisons. Part of the site has Food Enterprise Zone status through DEFRA. Promoting the Europarc site for food-related development is a key priority.

Other sector priorities include expanding provision of food grade incubator units, building on the success of the Seafood Village; developing the sector's innovation capacity; and developing new sources of raw material. North East Lincolnshire is already an important location for sustainable development of the area's marine and maritime resources - the 'blue economy'. There are further opportunities for growth in areas including aquaculture – one of the fastest growing food industries in the world and worth almost £0.6bn to the UK economy in 2012.

Action	Partners
Review sector-specific business support requirements and develop new programmes to address identified gaps	Seafood Grimsby & Humber NELC GLLEP
Develop innovation assets and capacity, including revitalised role for Humber Seafood Institute and engagement with potential overseas R&D/innovation partners.	Seafood Grimsby & Humber NELC Seafish Industry Authority GIFHE
Review site options and develop high quality, food grade starter/incubator units to provide support for start-up/SME expansion	Seafood Grimsby & Humber NELC Private sector
Research new sources of raw material supply from overseas markets to support sustainable growth of the sector	Seafood Grimsby & Humber Seafish Industry Authority GFDE Private sector
Develop an integrated inward investment offer/prospectus and branding for NEL's food sector, including the Food Enterprise Zone	Seafood Grimsby & Humber NELC GLLEP UKTI

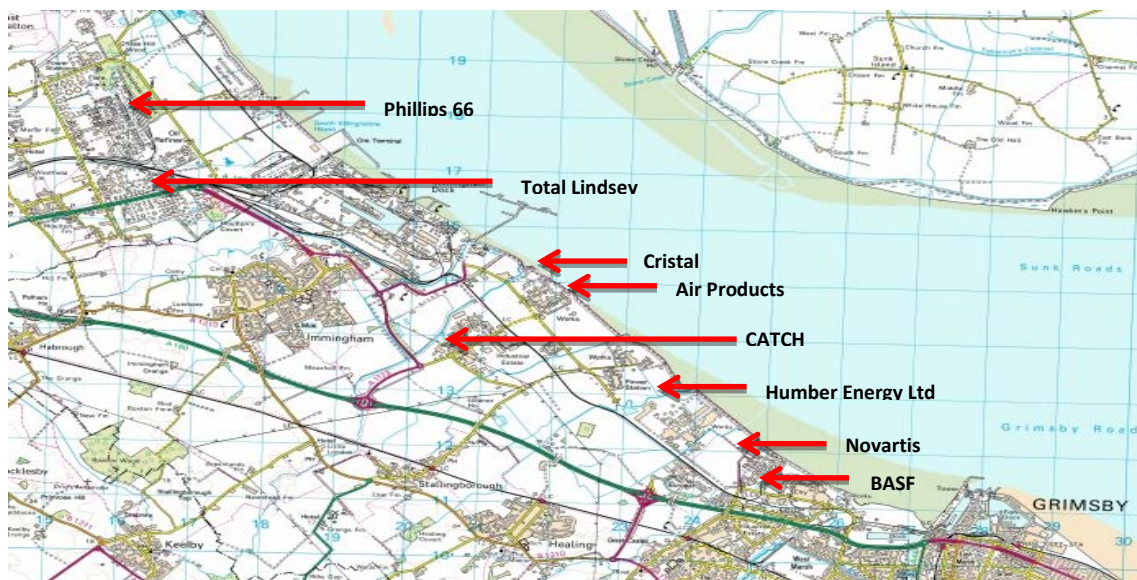
Action	Partners
Promote new Border Inspection Post to seafood/food and petfood sectors across the UK	Seafood Grimsby & Humber NELC ABP UKTI
Develop trade/export programme for seafood processing sector to raise awareness of new market opportunities and foster links with overseas buyers	Seafood Grimsby & Humber UKTI LEP Seafish Industry Authority
Research scope for development of 'blue economy' in NEL including aquaculture and marine biotechnology sectors	Seafood Grimsby & Humber GLLEP Seafish Industry Authority

Chemicals and process industries

The expansion of the chemicals and process industries sectors along both banks of the Humber fuelled economic growth in the area during the 1950s and '60s. At this time, the area was earmarked as being capable of accommodating 'special' industries involving hazardous products or processes. The sector is comparatively mature – providing a significant contribution to both employment and, importantly, the area's economic output, for many years.

The Humber is now home to one of the UK's four main petrochemical clusters, with the sector retaining a significant presence in NEL. As cited overleaf, the Phillips 66 and Total Lindsey refineries provide 25% of the UK's capacity. More than 3,500 people are employed directly in the chemicals/petrochemicals sector in NEL or in its wider supply chain.

Global firms located in NEL include Novartis (specialist pharmaceutical production); BASF and BOC (production of basic chemicals); Air Products (industrial gases) and Cristal (pigments, paints and coatings). However, the South Bank cluster is not as integrated/connected as others in the UK – for example Teesside – which, based on the former ICI plants, derives some competitive advantage through networks of shared feedstocks/by-products and energy supplies.



The capital assets across the Humber are very large in scale and significant sums are invested each year on maintenance and compliance activities which support a highly skilled engineering supply chain.

These businesses tend to operate in niche markets and as a result, have not been impacted as seriously by the global economic recession than other businesses in the sector. However, all are headquartered outside NEL, and whilst they are currently in 'steady state' with limited prospects for growth, will continue to be subject to globalisation pressures and competition from producers in China and the Middle East. Energy cost reductions in the US through the exploitation of shale gas are also impacting on global investment decisions. Moving forward, it is likely that the global businesses located in NEL will need to demonstrate continual process efficiencies to remain competitive.

The Council works closely with Humber Chemicals Focus, the employer-led sector group, and the Centre for the Assessment of Technical Competence Humber (CATCH). CATCH is a unique, industry-led training centre for the energy and process industries sectors based on the South Humber Bank at Stallingborough, developed through a long-term public/private partnership and managed by HCF on behalf of the Council which owns the asset. CATCH delivers a wide range of training including electrical/engineering; construction; process; energy and health and safety provision. There are significant opportunities for chemicals sector businesses and their supply chain contractors to achieve economies of scale by developing joint/shared training programmes for delivery at CATCH.

Action	Partners
Undertake research to identify opportunities for further integration of the South Humber Bank cluster (e.g. heat networks, shared use of feedstocks etc.) to maintain competitiveness	NELC HCF CATCH Private sector
Review opportunities for supply chain development in relation to major plant shutdowns	NELC HCF CATCH Private sector
Develop an integrated inward investment offer/prospectus for the South Humber Bank chemicals/petrochemicals sector	NELC NLC HCF CATCH Private sector UKTI

Visitor economy, services and retail

NEL has a diverse mix of visitor, services and retail economy assets which contribute to the economic, social and cultural vitality of the area. The sector supports over 4,800 direct jobs in the area, plus a further 1,500 indirect jobs in the supply chain across the Humber. NEL receives over 9.3m visitors each year, generating output of just under £519 million¹⁰ - equivalent to over 26% of the total tourism output for Greater Lincolnshire.

¹⁰ Scarborough Tourism Economic Monitor (STEAM) 2014

The distinctive Victorian resort of Cleethorpes remains a major draw for the area, attracting not only holidaymakers from its traditional South Yorkshire/East Midlands catchments but also local residents and other visitors seeking to experience its emerging mix of niche independent shops and evening economy.

Whilst Cleethorpes has continued to develop as a resort, Grimsby's role as a sub-regional shopping/leisure centre has also been strengthened. The largest shopping centre in Lincolnshire, Freshney Place, is expanding in Grimsby to incorporate new retail and leisure space. Section 5 considers the future role and development of the town centres in more detail. Other major assets which contribute to NEL's quality of place include:

- Fishing Heritage Centre – the museum provides an insight into Grimsby's maritime history, fishing heritage and the life of trawlermen in the 1950s and also hosts exhibitions of the Council's museum collections
- the Cleethorpes Discovery Centre - adjoining the Cleethorpes Boating Lake, hosts a range of arts exhibitions and related activities
- Thorpe Park – a family holiday park in Cleethorpes with a variety of on-site entertainment activities; the resort is a major employer and provides a seasonal boost to the economy during the summer
- Marinas – there are 3 yacht clubs in NEL, two in Grimsby and one in Cleethorpes
- the Lincolnshire Wolds – the southern rural parts of NEL form part of the Lincolnshire Wolds Area of Outstanding Natural Beauty (AONB) which forms an important part of NEL's wider place offer, considered in section 5
- Festivals – a range of festivals are held across NEL including scooter festivals and military weekends; North East Lincolnshire is to host the UK Armed Forces Day National Event in 2016, one of the largest and most prestigious events ever to take place in the area

VESR is the private sector-led group created by North East Lincolnshire Council, to champion the sector; improve resident and visitor perceptions of NEL; and develop and promote the area's quality of place. VESR has led the development and implementation of the successful DiscoverNEL branding and promotional campaign which seeks to promote NEL as a place to work, stay and play to tourists, business visitors and residents. VESR is developing proposals to become a Visit England-accredited Destination Management Organisation for the area that will coordinate marketing, promotion and visitor management activity and is leading the development of the area's Coastal Communities Team.

Priorities for action include improving the coordination and marketing of events across NEL; developing a clear arts and cultural strategy and investment programme to further strengthen NEL's offer; and extending/enhancing the DiscoverNEL marketing programme.

Action	Partners
Further develop 'DiscoverNEL' brand and marketing activity	VESR NELC
Establish Destination Management Organisation for NEL	VESR TNEL NELC
Deliver customer service training for businesses in key sectors through the development of the 'World Host' programme	VESR
Review options for delivery of 'Street Ambassadors' programme to promote a safe and customer friendly experience	VESR
Develop arts/cultural strategy and integrated/coordinated events programme	NELC VESR Lincs Inspire Local arts organisations

Health and social care

The health and social care sector is the largest single employer in North East Lincolnshire, accounting for almost 10,700 employee jobs (15.9% of employees in employment) in 2014 - or just over half of the public sector workforce. The proportion of NEL's workforce employed in health and social care is higher than for Yorkshire and the Humber (14.1%) and England as a whole (12.9%), although employment in health and social care in NEL has actually declined by 9.5% since 2009.

In line with the rest of the UK, North East Lincolnshire faces a rapidly growing demand for services in an especially challenging financial climate. Forecast demographic changes will also have a significant impact on future demand for health/social care provision – the proportion of North East Lincolnshire's population aged 65 or older will increase from 19% to almost 27% between 2012 and 2032.

North East Lincolnshire is well placed to address these challenges and is at the forefront of national efforts to integrate health and social care provision. The integration of the former Primary Care Trust and the Council's health/ social care activities and budgets in 2006 was a ground breaking integration initiative that has since been 'mainstreamed' into Government policy. This has been carried forward into joint commissioning arrangements by the Council and North East Lincolnshire Clinical Commissioning Group which remain highly innovative and have fundamentally changed the way in which care is delivered to local people.

The shared commissioning model has resulted in the establishment of some of the UK's most innovative social enterprises in the health and social care sector in NEL, including:

- Care Plus Group, which delivers a range of fully integrated health and social care services including community and specialist nursing and palliative and end of life care
- Navigo Health and Social Care Community Interest Company (CIC), which delivers mental health services that are very different from those often delivered in the rest of England.
- Focus CIC, which is, uniquely, the first independent adult social work organisation in the UK.

Acute care services are provided by the Northern Lincolnshire and Goole NHS Foundation Trust (NLAG) at centres including Grimsby's Diana Princess of Wales Hospital. This has one of the most advanced emergency care centres in the region.

Nationally, the model for acute care is moving towards concentration of some services in a limited number of specialist centres. At present, a resident of North East Lincolnshire can only access 65% of their care needs within 10 miles of their home – compared with nearly 100% in the major regional centres of Leeds and Sheffield. The future model for the hospital is likely to be built around meeting the general care needs of the local populace but with citizens needing to travel significantly for access to specialist services.

NLAG forms part of 'Together', a unique legal partnership with Care Plus Group and Navigo which commits partners to always work in the best interests of the citizens of North East Lincolnshire. The potential to extend the partnership to include General Practitioners and the St Andrews Hospice. 'Together' demonstrates the type of innovative local partnership working sought by NHS England and the Government in the recently published NHS 'Five Year Forward View'.

There are further opportunities for North East Lincolnshire's innovative health and social care organisations to export their skills and expertise well beyond the area. However, workforce recruitment and retention issues remain a significant barrier to future service delivery and growth:

- one third of GP's posts across the Humber are vacant and at least 10% of nursing posts are vacant; there are also challenges in recruiting qualified social workers and other specialist/skilled roles
- there are some challenges in relation to out-dated, negative perceptions of NEL as a place to live and work and the concentration of some specialist services in regional centres has exacerbated local recruitment issues
- many nursing roles now require a degree qualification and the absence of accredited nursing or medical training in North East Lincolnshire means that many students leave the area and often do not return on completion of their training.

The health and social care sector is working to address these challenges. Proposals for the re-establishment of a school of nursing in NEL are at an advanced stage, building on the area's links with medical schools across Yorkshire and the Humber.

The development of vocational career paths from secondary school into the care sector is being led by The Academy Grimsby, NEL's first vocationally focussed secondary school which provides young people 14-16 years old with a general education alongside vocational training and work experience focused on the care, engineering and ICT sectors. Over 100 young people are now enrolled at the Academy. There are further opportunities to involve health/social care employers in raising the awareness of the caring professions and providing work experience placements.

To date, the area's health and social care providers have sought to maintain investment in workforce development and training and provision of Apprenticeships, but this is likely to prove increasingly challenging and there are opportunities for greater collaboration moving forward. There is also scope for further joint working between NEL's health/social care employers, the Council and VESR group to strengthen the 'place' element of key worker recruitment/retention activity.

North East Lincolnshire undoubtedly faces some particularly acute health challenges which are linked to sustained levels of social and economic deprivation. In the most deprived areas, life expectancy for men is 12.7 years shorter than in the least deprived areas, and over 9 years shorter for women¹¹.

These issues are considered in more detail in the Joint Strategic Needs Assessment¹² and the Joint Health and Wellbeing Strategy.

Action	Partners
Develop provision of Nursing degree courses and other specialist qualifications	GIFHE Medical Schools Health/Social Care Providers
Enhance engagement with schools/colleges to raise awareness and aspirations of career opportunities in health/social care	CCG Health/social care employers
Integrate planning and investment to sustain/enhance workforce development and Apprenticeships activity	CCG Health/social care employers
Review package of support available to attract/retain key workers including wider 'place' offer	Health/social care employers NELC Discover NEL/VESR
Support further growth and development of NEL's independent health/social care providers	NELC CCG LEPs

¹¹ North East Lincolnshire Health Profile 2015, Public Health England

¹² <http://www.nelincsdata.net/JSNA>

4. People

Outcome: NEL's workforce is skilled and productive

Future prosperity for the UK's population and businesses depends on developing a skilled, flexible workforce that can drive up productivity and respond rapidly to shifts in global market opportunities.

Skills and their effective application are central to improving the UK's productivity record. Driving up our performance is essential for future economic success and higher living standards.

Inspiring growth: CBI/Pearson education and skills survey 2015

Background

NEL's economy is driven by the Humber bank industries, which dominate the culture and image of the area and have been staples of the Borough's economy for generations. Whilst these sectors continue to be major sources of employment, automation and changes in working practices mean that they are no longer as labour intensive or a source of a guaranteed 'job for life.'

A highly skilled, innovative workforce will be needed to facilitate growth in key sectors, as technological progress is changing and will continue to change the skill requirements of our businesses. Most jobs created over the period to 2022 are expected to be high skilled roles – with almost half of all employment set to be in managerial, professional or associated professional roles by 2022¹³.

The renewable energy sector – most notably offshore wind – is experiencing rapid growth in the Humber, however it does not have enough local people with the right skills to take advantage of the new job opportunities it offers. Our workforce is also ageing – 25.7% of our population will be aged 65 or older by 2032 – compared with just 18.8% in 2012. This will have significant implications for NEL's workforce – and for future health/social care provision.

Meeting this challenge means upskilling the current workforce and providing opportunities for graduates and experienced people interested in retraining. It also means raising the awareness and aspirations of both young people and adults to seek careers in this and the other key sectors in NEL, and equipping them with the skills that they need to develop their careers.

¹³ Working Futures, UK Commission for Employment and Skills, 2014

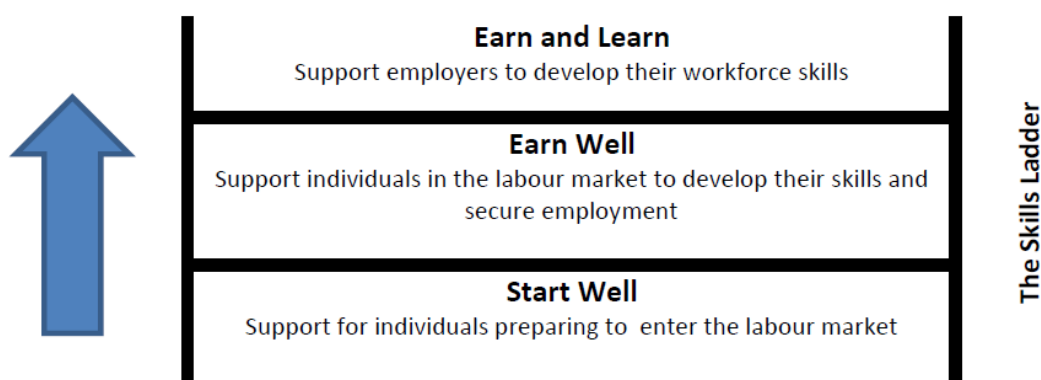
Unlocking our growth potential: key challenges

- educational attainment in NEL at the end of Key Stage 4 (GCSE) has improved significantly in recent years but fell slightly in 2014, with 57% of students achieving an A*-C grade
- the number of 16-19 year olds not in employment, education or training in NEL peaked at 638 in August 2011 before falling to 271 in September 2014; the comparator figure for September 2015 was 339, representing a significant year on year increase
- the funding of skills and training delivery is undergoing a major period of challenge. Although the Government has protected 'education' budgets relating to schooling Sixth Form and general FE, College provision has not been afforded the same degree of protection; this is a particular issue for NEL due to the relatively small size of school sixth form provision, accounting for only around 12% of post 16 destinations; the majority (80%) attend unprotected Sixth Form/FE provision from the age of 16
- the workforce in NEL is characterised by a higher proportion of workers with lower skills levels and relatively fewer workers with high level skills; whilst the proportion of working age adults with no qualifications mirrors the England average, the gap between NEL and the England average widens significantly through Levels 2, 3 and 4; just 20.9% of NEL residents of working age hold a degree level qualification or higher, compared with 35% for England as a whole
- the qualifications held by the workforce are closely related to the employment opportunities available; almost 28% of workers in NEL are in process, plant or machine operative roles or other elementary occupations, compared with just 17% for England as a whole; the gap is even wider at the other end of the occupational spectrum with just 29% of NEL jobs in managerial, associate professional or technical roles compared with over 44% for England; stimulating employer demand for higher level skills remains a major challenge
- these disparities are also reflected in relative wage levels; wages for all full-time workers in NEL were just 89% of the England average in 2014 although this fell to just 78% for female part-time employees and a significant proportion of NEL workers are likely to benefit from the introduction of the National Living Wage when this is introduced; when below average levels of productivity are also taken into account, NEL remains predominantly a low wage, low skilled economy
- across NEL, there are various national/mainstream and local initiatives in place to support learning and employability for both young and older jobseekers although provision is not always aligned to employer requirements. NEL employers, in common with employers nationally, continue to highlight the lack of core employability skills in young people and their lack of readiness for work; in addition, a lack of good quality local labour market information is preventing young people from identifying the opportunities of local jobs and careers, and impacting on their post 16 learning choices, which in turn constrains the supply of appropriately skilled new workers to the labour market
- ONS estimate that more than 6,100 NEL residents were unemployed (using the wide measure) in September 2015 – representing 7.8% of the working age population and compared with just 5.3% for England as a whole; the number of Jobseekers Allowance (JSA) claimants has more than halved since the height of the recession but just over 2,700 NEL residents were still in receipt of JSA in December 2015 (2.7%, compared with 1.4% for England as a whole); almost one-third of claimants have been unemployed for 12 months or more and the proportion of unemployed 18-24 year olds in NEL is more than double the England average; youth unemployment therefore remains a significant challenge for NEL

- nationally, all business sectors are reporting a shortage in skills¹⁴, many industry specific skills are being lost¹⁵ as skilled workers retire and, as highlighted overleaf, there will be a substantial increase in the proportion of adults aged 65 and over in NEL during the next fifteen years ; these skills gaps are especially apparent in middle and lower management roles; in an attempt to address these gaps some employers are recruiting workers from outside the area; this is a short term solution but makes the long term situation worse by distancing the local labour market further away from local job requirements; moving forward, it will be vital to support employers to develop this capacity from within the working population to reduce the need for ‘importing skills’ and create opportunities lower down in the organisation for those currently seeking entry level roles
- take-up of Apprenticeships is improving as a result of the Government’s AGE Grant drive and some locally driven initiatives, although despite the financial incentives on offer many smaller businesses still face significant cost and other barriers to entering the scheme; in some sectors – e.g. offshore wind – it may take five years or more before employees represent a productive resource for employers; efforts to address this locally have centred on the Humber Apprenticeship Support Service which has provided brokerage support and advice for employers/Apprentices; further changes in Government policy, including the proposed levy on larger employers may have a significant impact on Apprenticeship recruitment in future and there is a need to ensure that Apprenticeship advice/support for employers in NEL’s key sectors remains in place.

Skills Strategy

The Council and its partners are developing a Skills Strategy that will provide the focus for collective efforts to address the employment and skills challenges facing the area and to support enhanced business productivity and growth. The core elements of the strategy are summarised in the diagram below:



The three target groups identified for support through the accompanying Skills Strategy see below will be supported through a number of key interventions; the overarching priorities of the Skills Strategy are to:

- work in collaboration to secure funding to enable the delivery of new skills development activity

¹⁴ UKCES, (2014), Growth through people, KPMG, (2014), Skills to Build

¹⁵ E.g. 'Skills for Logistics' (2014), 'Driving- Area Skills Report'

- raise employer commitment and investment in skills at all levels
- embed work experience in study and employment support programmes
- connect people to careers and jobs (with a focus on local jobs)
- enhance employability skills and support programmes
- identify and address sector specific skills shortages.

Actions plans will be developed during the implementation of the Skills Strategy and the interventions detailed below will form the starting point for this work.

Start well

It is vitally important that young people are provided with the skills they need to succeed in their adult lives. Schools and academies enact the statutory right that young people have to a high quality education and provide an opportunity for young people to leave statutory education with a range of externally accredited and recognised qualifications.

Academic qualifications are a vital element of preparing young people for economic engagement but there are other things that schools and academies, working with and through partners and stakeholders in the wider community, can do to improve the opportunities and success of young people entering the adult world and the labour market for the first time.

It is vital young people gain an insight and an understanding of the world of work early on in their student life. Young people who remember four or more employer engagements in school are five times less likely to be Not in Employment, Education or Training (NEET) than those that remember none¹⁶. Research shows that young people attach much more significance to direct messages from employers than from teachers and other education professionals so employer engagement is the most effective way of informing individuals about the world of work.

It is evident from a recent study carried out by the Council and SERCO¹⁷ that the drop in the volume of work experience placements offered whilst attending schools / colleges has had a detrimental effect on the ability of our young people to make informed career choices and gain valuable insight into the world of work. It is important therefore, that young people are provided with access to employer voices from the earliest opportunity in their educational careers. The CBI report 'Tomorrow's World', in relation to STEM (Science, Technology, Engineering and Maths) subjects found that 70% of teachers wanted more employer engagement in the primary phase.

16 Mann, A, (2012), It's who you meet: why employer contacts at school make a difference to the employment prospects of young adults, Education and Employers Taskforce
17 Woolliss, G, 2015, Dropping the Hot Potato, a review of work experience.

Action	Partners
Review the approaches to delivery of work experience in schools, academies and FE Colleges across NEL to share good practice and achieve economies of scale	NELC Schools Academies Franklin College GIFHE
Develop programmes to encourage more young people to study STEM subjects at GCSE and A-level to improve their prospects of accessing engineering and related careers in NEL	NELC Schools Academies Franklin College GIFHE
Review approach to delivery of careers information, advice and guidance in schools, academies and colleges including provision of up to date labour market information	NELC Schools Academies Franklin College GIFHE
Engage key employers in each of NEL's key sectors to engage with schools and academies to raise awareness and aspirations of career choices and to achieve wider participation in work experience activity	Development and Growth Board Sector Groups Key employers

Earn Well

Higher skill levels are linked to a range of benefits for the wider community. In general, those with higher skills live longer, are healthier and happier¹⁸. Unemployment figures have fallen over the last year but there are three particular sections of the jobseeker population who still need targeted support that helps them find employment:

- Young people (aged 16-24) registered as unemployed
- Jobseekers who have been out of work for six months or more
- Jobseekers aged 50+.

Those furthest from the labour market, i.e. long term unemployed are particularly disadvantaged because there is less progression taking place within our current workforce resulting in fewer entry level jobs being created.

Although it is recognised that a number of local skills development initiatives have been delivered in the last few years in direct response to employer demand (e.g. construction and engineering Apprenticeship grants and LGV driver training programmes), further funding is needed for targeted and bespoke provision tailored to meet the needs of specific businesses, sectors and disadvantaged jobseekers.

The potential benefits to individuals and the wider society of re-engaging the most disadvantaged individuals is significant at both an individual and a community level. The benefits of developing their skills are considerable including, improved employment prospects, improved health (including social emotional and mental

¹⁸ 'The link between pupil health and wellbeing and attainment' (2014) Public Health England

health) and life expectancy, lower direct costs to the public purse (housing benefit, job seekers allowance etc.) and lower indirect costs to the public purse (A&E admissions, anti-social behaviour etc.)

Action	Partners
Review information, advice and guidance and local labour market information available for young people and adults seeking to access employment in NEL's major economic sectors	NELC Employment and Skills Board Jobcentre Plus
Inform/influence 2014-2020 European Structural and Investment Programmes to optimise opportunities for investment in relevant employment, skills and social inclusion projects in NEL	NELC LEPs Skills Funding Agency Department for Work and Pensions
Review current employer incentives/support for employing young people aged 18-24, including NELC's Wage Subsidy scheme, and extend/enhance provision where appropriate	NELC Employment and Skills Board Jobcentre Plus
Develop sector-specific training provision, with greater input from employers, to re-train unemployed adults for employment in NEL growth sectors	NELC Training providers Skills Funding Agency Jobcentre Plus
Extend the 'wrap around' support available for those furthest available from the labour market with multiple barriers to re-engagement	NELC Skills Funding Agency Jobcentre Plus Voluntary/community sector organisations

Earn and Learn

Nationally, all business sectors are reporting a shortage in skills, many industry specific skills are being lost as skilled workers retire. Recent years have seen reductions in private and public sector investment in training, a reduction in adult education funding and a decline in Apprenticeships. The introduction of the proposed levy for large employers may impact further on take-up of Apprenticeships.

In NEL we have fewer than the national average of employees trained to Level 3 or above. This is particularly apparent in middle and lower management roles. It is necessary to support employers to develop this capacity from within the working population which will reduce the need for 'importing' skills' and create entry level opportunities lower down in the organisation for those currently seeking employment.

Action	Partners
Review take-up of Apprenticeships with each of the NEL sector groups to identify barriers/opportunities in light of proposed changes to the funding regime	NELC Employment and Skills Board Sector groups
Extend/enhance Apprenticeship brokerage support to de-risk take-up for employers, particularly small SMEs	NELC LEPs National Apprenticeship Service

Action	Partners
Review barriers to employer take-up of bespoke workforce development training with each of the NEL sector groups and identify scope to develop new sector-based programmes to address specific skills gaps or longer-term skills shortages	NELC Employment and Skills Board Sector groups
Inform/influence 2014-2020 European Structural and Investment Programmes to optimise opportunities for investment in relevant skills projects in NEL	NELC LEPs Skills Funding Agency

5. Place

Outcome: NEL is a great place to live, work, visit and invest

Background

If NEL is to realise its aspirations for economic growth, *place* will play an increasingly vital role in attracting and retaining businesses, investment and people.

Businesses are increasingly mobile, and consider a wide range of commercial and other factors in determining where to invest – or disinvest. Increasingly many of the ‘hard’ factors – high quality infrastructure, connectivity, access to markets, availability of land and premises – are common to many business locations. The softer factors – housing choice and affordability; availability of good quality schools; cultural offer; shopping and leisure experiences; and quality of buildings and landscapes – are increasingly important. US research suggests that other factors – including community cohesion, attitudes to equalities – may also be important.

Similarly, there are many reasons why people choose to live in an area, although some factors affect some people more than others. Most people want to live in a place that reflects their lifestyle aspirations, and these can change depending on what stage of their life they are at. Young professionals often want easy access to leisure, cultural and social activities. Families often choose to live in places where their children can get a good or outstanding education. As they age, some people want to live in villages or suburban areas rather than in urban centres.

In practice these elements are strongly inter-related. Achieving our economic growth aspirations for North East Lincolnshire will require a step change in both the quantity and range of housing available in the area to help attract and retain the workforce. This, in turn, is strongly dependent on achieving a major shift in NEL’s cultural/leisure offer, including its evening economy – together creating a virtuous circle where more people work, stay, play and invest in the area.

For the purposes of this Economic Strategy, ‘place’ therefore encompasses the provision of both the hard and soft infrastructure required to attract, retain and embed businesses and people in North East Lincolnshire including:

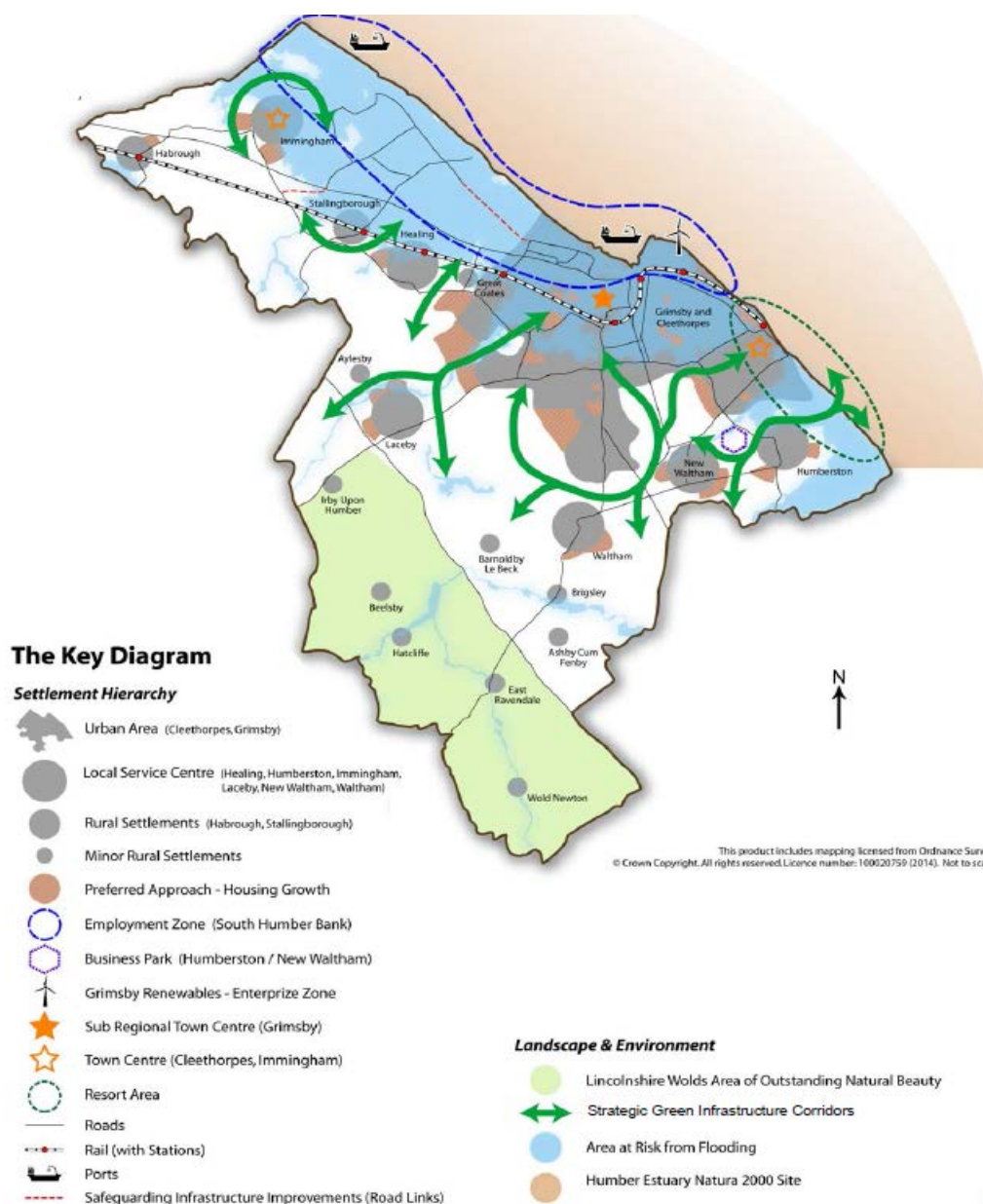
- the provision of strategic employment sites to attract new investment and foster the growth of existing businesses
- accelerating housing delivery and widening choice
- enhancing the role of our town centres, including the leisure/evening economy
- developing world class transport infrastructure
- delivering effective flood mitigation.

Changing external – and internal – perceptions of and aspirations for NEL is also a key part of the process. The DiscoverNEL campaign has already achieved much in promoting the area to both visitors and residents – but there is much more to do.

Unlocking barriers to growth

- providing the high quality industrial development land and premises to support the growth of indigenous businesses and attract new investment to the area is an essential pre-requisite for future economic growth; however, despite demand from potential occupiers, in recent years there has been little or no speculative industrial development and there is now a shortage of high quality, serviced employment land across the area; this is in part because the costs of bringing land forward for development exceed the achievable development values because of constraints including the costs of flood mitigation; utilities costs; requirements to provide additional land to mitigate against the loss of habitat through development); highways costs; and in some cases unrealistic landowner expectations; this market failure is acting as a significant constraint to business growth and NELC – through its innovative **South Humber Industrial Investment Programme – will de-risk the development of a number of key employment sites on the South Humber Bank through investment in enabling infrastructure to accelerate business investment and jobs growth**
- economic growth and housing choice and affordability are inextricably linked; providing more housing of all types and tenures, in locations that will be attractive to developers and residents, is a key challenge for NEL where levels of new housing completion have stagnated in recent years; to achieve forecast growth of just under 9,000 jobs by 2032 will require development of between 10,000-13,000 new homes and doubling current housing completion rates; through the Local Plan, this will require a continued focus on bringing brownfield housing sites to the market whilst planning for the managed release of a number of greenfield sites on the western and southern edge of the urban area; emerging proposals for a major suburban extension at **Grimsby West**, with long-term development potential for delivery of 3,500 new homes, will play a crucial role in delivering the scale and choice of housing required to unlock our growth aspirations
- increasing the volume of housing delivery is also vital to increase the provision of affordable homes; although some provision is achieved through section 106 agreements there is currently no effective mechanism for providing new affordable housing 'at scale' since market rents are usually below the "affordable" level, and there is very limited Homes and Communities Agency grant available - a policy unlikely to change in the short-term
- NEL benefits from good highways connectivity to the M1/A1 and M62 corridors and the ability to access markets in the UK –and Europe – effectively underpins the competitiveness of the ports and logistics sector; levels of congestion are low compared with other areas; ongoing projects – including construction of the new A18-A180 link; improvements to the A180/A160 junction in North Lincolnshire and proposed completion of the Humber Bank Link Road will further enhance access to the Ports although further capacity improvements are likely to be required to accommodate development at other key A180 junctions in Grimsby in due course, including some of the new Enterprise Zone sites; the proposed development of Grimsby West is also likely to require construction of a major new link road to the west of Grimsby connecting the A46 and A1136 at Great Coates; further investment will be required from both the public and private sectors to ensure that the essential infrastructure can be delivered at the right time
- NEL's rail infrastructure and service provision continues to require investment to ensure that it can meet the needs of a modern and dynamic economy; the main rail lines in NEL are older tracks and this impacts on running speeds and service frequency; the Port of Immingham accounts for over 25% of UK rail freight but gauge enhancements and other improvements are required to unlock the potential for further growth; NEL's success in lobbying for the retention of direct rail services to Manchester/Manchester Airport as part of the TransPennine rail franchise process highlights the importance of effective lobbying to secure service improvements and investments and further efforts are required, as part of the 'One North' and 'Midlands Connect' initiatives, to secure additional benefits including the provision of direct services to London

- NEL continues to be at significant risk of tidal flooding due to the low lying nature of the land and its location on the Humber Estuary and the area is protected by a system of sea defences managed by the Council, ABP and the Environment Agency; significant investment in flood defences in the Port of Grimsby has been realised but further, long-term investment is required to protect areas of Cleethorpes and Immingham
- NEL's major centres – Grimsby, Cleethorpes and Immingham – have distinctive roles in relation to shopping, leisure, civic administration and as residential communities – and further investment in improving the quality and distinctiveness of their offer will be vital (as highlighted in section 3) if NEL's aspirations for growth are to be realised; market failure is still present in some sectors, including the office market (where the Council's investment in the Cartergate development will stimulate further private investment; and include further investment to NEL's cultural assets; in developing 'city living', particularly in Cleethorpes; in developing the role and quality of place of Immingham town centre.



Strategic employment sites: South Humber Bank Industrial Investment Programme

Analysis of the local commercial property market¹⁹ reveals that the accommodation available is generally of poor quality. There is also a shortage of larger industrial and small starter units. As a consequence of the relatively poor commercial market there has been a lack of speculative development which means that the offer to investors is limited to old, outdated accommodation. In addition, there is a lack of local sites immediately developable for employment purposes owing to environmental and infrastructure constraints. As a result, property enquiries are not being converted into investment in NEL.

The Consultation Draft Local Plan proposes the allocation of up to 350 hectares of land for industrial and distribution uses in the South Humber Bank corridor to accommodate demand for development during and beyond the plan period (ending in 2032). This includes the following sites:

- Kings Road, Immingham (21.6ha)
- Stallingborough Interchange (64ha - part area to be identified)
- Land south of Kiln Lane, Stallingborough (ABP) (20.64ha)
- Land off Queens Road, Immingham (former Magna site) (15.0ha)
- Land off Hobson Way (Abengoa) (32.0ha)
- RWE/Helius (33.5ha)
- Former Huntsman Tioxide site, Moody Lane (45.0ha)
- Land off Cleethorpes Road Sidings (Enterprise Zone site) (6.86ha)
- Great Coates Industrial Park (22.66ha)
- Europarc Phase III (10ha * including business hub)
- Europarc Phase IV (80ha - part area to be identified).

Six of these sites have secured Enterprise Zone (EZ) status via the Humber LEP. This will make a wide range of financial incentives available for businesses seeking to locate within the EZ including business rate discounts and Enhanced Capital Allowances. Alongside this measure, the Council is developing the **South Humber Industrial Investment Programme** (SHIIP), a major programme of strategic investment that will enable large scale economic growth in the LEPs' priority sectors including ports and logistics, renewables and the inter-related supply chain, and chemical processing.

SHIIP is a fifteen year investment programme which directly addresses market failure in the development of strategic industrial sites along the South Humber Bank through the provision of enabling infrastructure and ecological mitigation measures. Each of the proposed sites has a distinctive sectoral focus. As a result, the SHIIP Programme will secure business investment, create new jobs and enable current growth opportunities to be realised. In January 2016, the Council's Cabinet approved Council pump-priming investment of up to £15m for the SHIIP programme.

¹⁹ Commercial Property Market Assessment, PDR Evolution for NELC, 2014

Measures to secure the provision of strategic ecological mitigation sites along the South Humber bank are also a key contributory factor towards economic growth. The SHIP programme will support the creation of up to 120 hectares of new, managed habitats for migrating birds and other wildlife that will enhance the ecology of the area and support sustainable economic growth.

Action	Partners
Accelerate implementation of Local Development Orders to support establishment of Enterprise Zones	NELC Landowners
Establish and deliver ecological mitigation programme to create new managed habitats and de-risk future development by private sector	NELC Natural England Environment Agency Landowners Wildlife Trusts
Deliver Humber Link Road project to create new road link between the Ports of Immingham and Grimsby and unlock development at Great Coates Industrial Park	NELC GL LEP Private sector
Deliver early phase investment programme to provide enabling infrastructure at Stallingborough; Kings Road, Immingham and other SHIP sites	NELC LEPs Private sector
Promote Enterprise Zone sites to UK/overseas developers, investors and occupiers alongside NEL's wider place offer	NELC DCLG UKTI Private sector

Accelerating housing delivery and widening choice

The Economic Strategy highlights the need to achieve a step change in housing delivery and widen housing choice if NEL's economic growth aspirations are to be realised. The Council's preferred option in the draft Local Plan proposes the allocation of land for between 10,000-13,000 new homes over the period to 2032 – involving an effective doubling of current rates of housebuilding.

The Council's preferred approach would see 62% of new homes built in and on the fringes of NEL's urban areas, and 28% built in and on the fringes of the 'arc' settlements (Healing, Laceby, Waltham, New Waltham and Humberston). A further 8% would be built in or on the fringes of Immingham, and the remaining 2% would be built in or on the fringes of our rural villages.

This will require a continued focus on bringing brownfield housing sites to the market whilst planning for the managed release of a number of greenfield sites on the western and southern edge of the urban area. The draft Local Plan proposes the allocation of three strategic housing sites – with the capacity for up to 6,300 homes during and beyond the plan period at:

- Scartho Top, Grimsby
- Land west of Humberston Road, Grimsby
- Land west of Laceby Acres and Wybers Wood, Grimsby.

In this context, emerging proposals for a major urban extension at **Grimsby West**, with long-term development potential for delivery of 3,500 new homes, will play a crucial role in delivering the scale and choice of housing required to unlock growth aspirations.

Whilst completing and adopting the Local Plan will play a key role in providing developer certainty, accelerating housing delivery on the scale proposed will require the involvement of both existing housebuilders active in the NEL market and national developers who have, to date, failed to engage in the area. This will only be achieved if land values rise and developers are able to increase the quantity of completions for major sites; this, in turn, will require an increase in the number of potential owner-occupiers who can access affordable mortgage finance.

There is already a strong local base of small builders (whose direct employment is small but who typically employ up to 30 tradespeople for each new home built) but who will also need to achieve a step change in housing delivery rates if the Local Plan targets are to be realised.

The Council can also play a key role in accelerating housing delivery on land suitable for residential development in its ownership and/or as part of an integrated approach to the development of other public sector-owned land in NEL. In March 2015, the Council's Cabinet approved the establishment of a wholly-owned development company – Develop NEL Ltd – to support the delivery of the Council's housing and regeneration objectives.

Develop NEL will seek to develop surplus Council-owned land assets and/or address market failure by unlocking the development of stalled sites. It will be able to enter into joint venture or other partnership arrangements with the private sector to leverage private investment and, where appropriate, to enter into borrowing to purchase land or other assets.

The Government has an increasing focus on the delivery of 'starter homes' to promote affordable owner-occupation. Whilst housing affordability is less challenging in NEL than in other areas of the Humber/Greater Lincolnshire, a significant number of NEL residents remain unable to afford outright owner-occupation. The ongoing need for social housing is reflected in the extensive housing waiting lists operated by the Council/Shoreline Housing Partnership. The Strategic Housing Market Assessment prepared for the Council in 2013 as part of the Local Plan evidence base identified a requirement to provide for over 2,900 affordable homes over the period to 2018 to meet the backlog of housing need and meet future housing need, including for key workers.

In recent years the Council has been able to secure modest affordable housing provision through developer contributions under section 106 of the 1990 Town and Country Planning Act but these have been limited as a result of low levels of housing activity. As housing delivery increases, the Council and its partners will explore a range of options to increase affordable housing delivery including utilising s106 contributions and/or New Homes Bonus funding to deliver new build affordable homes alongside:

- purchasing and refurbishing existing stock suitable to meet housing need
- pump-prime a programme of investment in the existing housing stock in neighbourhoods where this could have a long-term, transformative effect on the housing market and stimulate private investment in energy efficiency and other stock improvement measures

The Council is developing a Housing Strategy that will detail how these and other measures to increase housing delivery and widen housing choice will be implemented. This will include initiatives to sustain affordable housing provision and improve the quality of NEL's private rented stock.

Action	Partners
Accelerate delivery and adoption of Local Plan to create developer certainty and de-risk investment	NELC
Accelerate implementation of Local Development Orders to de-risk development of key brownfield sites in Grimsby and Cleethorpes	NELC Landowners
Develop design briefs for proposed Grimsby West suburban extension to ensure development delivers high quality, sustainable community which sets new standards for development in NEL	NELC Landowners Homes and Communities Agency
Review costs and benefits of adoption of Community Infrastructure Levy or maintenance of existing section 106 arrangements as mechanism to secure infrastructure investment and delivery.	NELC Housing and Development Group Homes and Communities Agency
Develop three year/rolling delivery plan for Develop NEL Ltd	NELC Housing and Development Group
Identify programme of public sector-owned sites suitable for housing development on a joint venture basis with deferred receipts – to be delivered via Develop NEL Ltd and/or the HCA Developer Partner Panel.	NELC Homes and Communities Agency
Review range of loan/equity investment options with Homes and Communities Agency to support housing growth	NELC Housing and Development Group Homes and Communities Agency
Establish project teams to accelerate delivery of strategic housing sites	NELC Homes and Communities Agency Landowners
Undertake survey of employer/inward investor housing needs to stimulate investment in bespoke housing projects (e.g. private rented/aparthotel)	NELC VESR Private sector

Action	Partners
Review options to utilise section 106 contributions and/or New Homes Bonus to increase the supply of affordable homes	NELC Shoreline Housing Partnership Private sector

Enhancing the role and quality of our town centres

Enhancing the role and quality of North East Lincolnshire's town centres will underpin the efforts of the Council and its partners to enhance NEL's quality of place. All three town centres – Grimsby, Cleethorpes and Immingham - play distinctive and complementary roles in the area's economic, social and cultural life.

Grimsby town centre

Grimsby town centre (sometimes referred to as the 'Top Town' plays a vital role as a sub-regional shopping and administrative centre. The town centre benefits from its comparative distance from the other main retail centres (Hull and Lincoln) with a catchment that extends well beyond North East Lincolnshire. A high proportion of retail expenditure is retained locally.

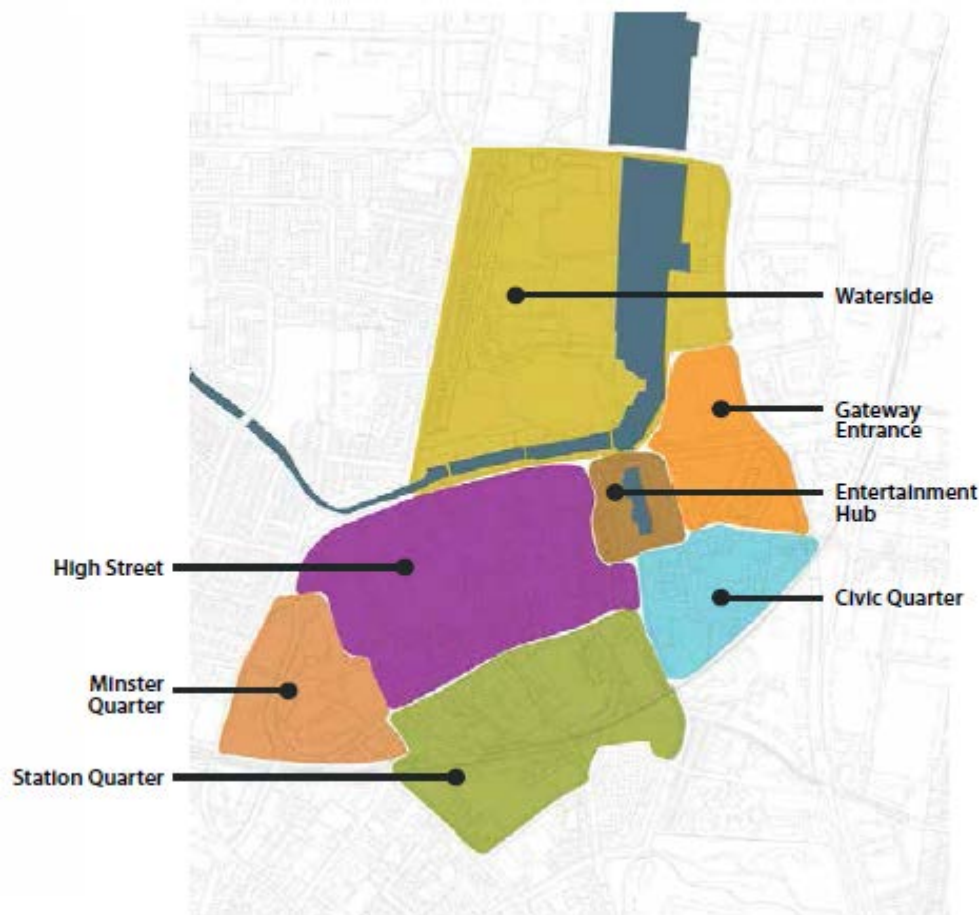
The town centre includes a number of national multiple retailers, many of whom are incorporated within Freshney Place, the only covered shopping centre in Lincolnshire. Victoria Street and Osborne Street are more traditional shopping streets whilst Abbeygate hosts a number of boutique/independent retailers. Freshney Place is expanding in Grimsby to incorporate new retail space for Primark, which is quadrupling the size of its current store. Additionally retail chains, such as Office and Pandora, have chosen to locate in the centre in the recent past.

The Consultation Draft Local Plan identifies the potential for further development of at least 23,300 sq.m of non-food/comparison retailing in Grimsby Town Centre over the period to 2032, with a particular focus on attracting more mid-high fashion retailers and further development of the town's department store offer.

The Local Plan also highlights the importance of diversifying the role and function of the town centre to develop the evening economy and its leisure/cultural offer to become a multi-functional visitor destination. This is an essential component of overall efforts to develop North East Lincolnshire's quality of place which, in turn, will underpin the attraction and retention of mobile businesses, people and investment.

Council investment in improving the quality of the public realm in the town centre and enhancing the function of the bus and railway stations has built an important platform for future development. A major leisure complex is planned for Grimsby town centre in 2016 at Riverhead Square, which will incorporate a 10 screen cinema and a mix of restaurants. This development represents an important first step in transforming the town's evening economy offer, alongside ongoing efforts to promote a safe and secure town centre through car parking, policing and town centre management activity.

This will complement the expansion of the town's hotel offer, which now includes the Holiday Inn Express completed to the rear of the railway station. The Local Plan identifies potential for the development of at least one further 100 bed hotel to meet demand from business and other visitors to the town.



The Riverhead Square scheme will act as a vital 'bridge' between the town centre and the Alexandra Dock waterfront to the north, including the Fishing Heritage Centre. This area has medium/long-term development potential for mixed use, residential/leisure development and the Council will work with a range of partners to bring forward key sites. The 'gateway' site to the east of the town centre at the junction of Frederick Ward Way and Peak's Parkway also affords opportunities for future retail/leisure development.

The Local Plan identifies the potential for further office development in the town centre to meet the expansion requirements of existing professional service businesses and support the attraction of future inward investment to the town. The Council has played a key role in bringing forward development of the Cartergate site to facilitate expansion of a major town centre legal practice and there is scope for further office/leisure development on this site, which could act as a catalyst for the regeneration of the wider Minster/St James area.

The Local Plan also considers the changing role of Freeman Street, which has become a more locally-focused retail centre serving the adjoining communities. The Council has invested in public realm improvements to support the consolidation and diversification of Freeman Street; the recently developed Enterprise Hub and long-

term redevelopment of Shoreline Housing Partnership's tower blocks will also play a key role in this process.

Cleethorpes Town Centre

The distinctive Victorian resort of Cleethorpes remains a major draw for the area, attracting not only holidaymakers from its traditional South Yorkshire/East Midlands catchments but also local residents and other visitors seeking to experience its emerging mix of niche independent shops and evening economy. The Council is working with partners to capitalise on the Victorian character of the town, building on recent investments including the recently refurbished Pier and a planned Townscape Heritage programme.

Cleethorpes has developed a dual focus, with the town centre and promenade retail/leisure offer complementing more recent development at the southern end of the town. Meridian Point and the Showground are located here and offer a multiplex cinema/theatre and a number of fast food chain restaurants. A new 60 bed Premier Inn opened here in November 2014.

Future plans for development of Cleethorpes Town Centre will centre on sustaining and diversifying its role as a resort destination whilst creating new opportunities for seaside living, building on the town's continued attractiveness as a residential location. The Local Plan identifies scope for a further 6,000 sq.m of retail development during the period to 2032. Future development of the town centre will focus on:

- improving the sense of 'arrival' to the resort from High Street and the railway station, including mixed use development of sites to the north and south of the station
- enhancing pedestrian and vehicular accessibility between the Alexandra Road/Central Promenade seafront; St Peters Avenue as the main shopping street and Market Street, the main evening economy focus
- developing the North Promenade area alongside associated improvements to flood defences
- bringing vacant floorspace back into use, alongside restoration of key architectural features and associated public realm works in Alexandra Road and Seaview Street.

Immingham Town Centre

Immingham Town Centre serves a rural catchment which includes Habrough and settlements to the west and south beyond North East Lincolnshire. The town centre is mainly focused on convenience (food) retailing and has a very limited comparison retail offer.

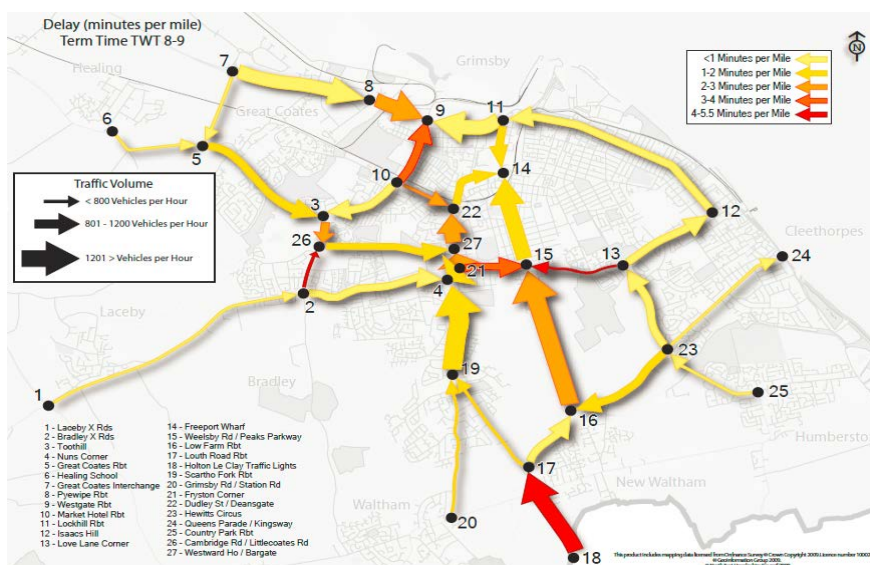
Immingham Town Council, supported by NELC, has developed proposals for a new multi-purpose community hub that will enhance public access to frontline community services delivered in the town centre and develop its heritage offer. The development of the Able Marine Energy/Logistics Park immediately to the west of the

town offers significant opportunities to develop and diversify the future role of the town centre.

Action	Partners
Deliver Riverhead Square cinema/retail development in Grimsby	Private sector NELC
Review town centre parking, policing and management arrangements to ensure they support development of the evening economy in Grimsby town centre	NELC VESR Humberside Police Private sector
Develop masterplan for the Alexandra Dock/Garth Lane area and engage with landowners/investors to bring forward mixed use development proposals in accord with the masterplan	NELC ABP Private sector
Develop masterplan for sites at Cleethorpes Station/Grant Street and engage with landowners/investors to bring forward mixed use development proposals in accord with the masterplan	NELC Private sector
Deliver Townscape Heritage/public realm programme for Alexandra Road/Seaview Street in Cleethorpes	NELC Heritage Lottery Fund Private sector

Developing world class transport infrastructure

North East Lincolnshire benefits from good connectivity with Europe – via the Port of Grimsby and Immingham and with the rest of the UK as a result of its links with the national motorway network – the M1, A1 and M62. NEL is also within 45 minutes driving time of two international airports – Humberside and Robin Hood (Doncaster). This ensures good access to markets and supply chain inputs for NEL's businesses – but there is more to do to ensure that NEL continues to provide high quality transport infrastructure that will allow the area to compete for future investment.



North East Lincolnshire has a relatively uncongested road network when compared with the levels of congestion faced by other major urban centres. In the northern part of NEL, there is direct access to many key industrial locations in Grimsby and the South Humber Bank from the A180. The A180 also leads into the tourist areas in Cleethorpes and into the Grimsby town centre.

There are plans to improve the capacity of key junctions at Pyewipe and Lockhill to the west of the town centre to enhance access to existing industrial areas and the new Enterprise Zone sites.

The A160 is the strategic route into the Port of Immingham and flows from the A180 in North Lincolnshire. The route is currently being strengthened by large scale investment from Highways England which will give dual carriageway access into the port complex for the first time. The A18/A180 Link Road has secured Department for Transport funding alongside private sector sponsorship. It will be a 1km single carriageway road that will re-route Heavy Goods Vehicles out of Immingham and will improve road safety and air quality, reduce carbon emissions and also noise for the residents of Immingham.

The main challenges for the southern highway network are from commuter and education journeys into the south of NEL at the A16 Tollbar roundabout, carrying traffic to and from East Lindsey towns including Louth. This junction will form part of a junction improvement programme to be funded through the Greater Lincolnshire LEP.

Within the life of this strategy, there is likely to be a significant change in the road network with the proposed development of the major urban extension at Grimsby West. Development of this scale would have a significant impact on the existing highway network and is likely to require a major new route – the Western Relief Road – connecting the A46 with the A1136 at Great Coates and funded through a mix of private and public investment. Implementing the new route could also reduce congestion on the A16 and related routes.

Turning to rail, regular hourly passenger rail services run from Cleethorpes to Manchester Airport. The service calls at Doncaster where passengers alight and have connections to main cities such as London, York, Newcastle and Leeds. Rolling stock availability has meant that there are off peak services where passengers have to change train at Doncaster to complete the entire journey. The Council and partners from across Northern Lincolnshire are working together to lobby for more through trains on this route.

In April 2016, management of the new Northern and TransPennine franchises will be transferred to Rail North. Rail North is a partnership of 29 Northern Authorities working together to deliver the Northern and TransPennine Rail Franchises in partnership with the Department for Transport. Should this approach prove successful, Rail North may seek further devolution of powers in relation to the franchising process at the next franchise renewal.

The routes into and out of NEL are rail lines that run at an average speed of 44mph. Both the freight and the passenger rolling stock have the capability to run above 70mph along the lines. Within the life of this strategy, the Council and its partners will continue to lobby Network Rail to invest in railway track improvements to increase the speeds that can be achieved. This will reduce the numbers of trains needed on key routes, reducing the costs of running the service to the operator and potentially leading to new service opportunities.

The Council and its partners will continue to lobby for enhanced rail services including a half hourly east west electrified rail service and a direct route to London specified within the East Coast franchise.

The area has a healthy Community Rail Partnership running the Humberline line the 23 miles from Barton to Cleethorpes. Volunteers work closely with the Community Rail Officer based with Northern Rail to further develop the route and focus their campaigns on improving the station environment along the line.

25% of all UK rail freight is generated from the South Humber Ports. The rail line is the last rail line that links to a major port without W12 gauge clearance which allows larger containers to be moved on the railway. The work to enhance the gauge clearance to W12 will be undertaken in Christmas 2016 using funding from the Humber Local Enterprise Partnership Local Growth Fund allocation and North Lincolnshire Council.

The Port of Immingham generates 300 rail freight movements per week as well as 30,000 vehicle movements of the port land. It includes 16 daily biomass trains to Drax, a co-fired (coal and biomass) power station. Over 500,000 cars arrive onto the Port of Grimsby each year generating over 57 car transporter journeys off the port each day. These journeys would reduce if the rail industry had lower freight handling charges allowing the cars onto rail on wagons and transferred to their final locations from a central rail depot.

The Council will continue to support ABP in the drive to place more freight on the railway to reduce the impact of heavy goods vehicles on our key strategic routes and improve the competitiveness of the Port of Grimsby and Immingham.

Action	Partners
Deliver proposed junction improvement programme on A16/A46	NELC Landowners
Develop proposals for further capacity improvements for key A180 junctions and A1136 and secure external funding	NELC Highways England LEPs
Develop proposals for Western Access Route and secure public/private sector funding for implementation	NELC Landowners LEPs Homes and Communities Agency

Action	Partners
Lobby and develop bid in partnership with rail providers to create a direct rail route to London	NELC NLC Virgin East Coast Trains Development and Growth Board
Lobby to ensure planned W12 rail gauge improvements are delivered as per current proposals/timeframe to support expansion of rail freight	NELC Network Rail

Flood mitigation

North East Lincolnshire is considered to be at significant risk of tidal flooding due to the low lying nature of the land and its location on the Humber Estuary. To manage this, the borough is protected by a system of sea defences managed in partnership by the Council, ABP and the Environment Agency. Recently, significant investment was secured to improve the standard of protection to the Grimsby Docks area of the town which provided the infrastructure to help to further stimulate investment in the growth of the port as well as protect 14,000 properties in the town.

Further work is also being carried out to look at other sections of sea defences in the borough. The Government recently announced its 6 year capital investment programme which will see over 17,000 homes in North East Lincolnshire better protected by 2021. In particular this includes plans for the Port of Immingham and sections of the Cleethorpes coastline. The current funding criteria prioritise schemes that protect residential properties and are not as good at taking account of economic damages or benefits. Using the Government's partnership funding approach, additional local contributions often need to be sought to address any funding shortfall.

In December 2014 the Government asked the Environment Agency to review a proposal from Humber MPs, the Humber LEP and local authorities of a £1.28bn investment bid for flood defences in the Humber. In October 2015 the outcome of the review was published. Recommendations included completion of the Humber Flood Risk Management Strategy and further development of local investment priorities.

The Council is also working closely with the Greater Lincolnshire LEP on proposals to ensure that economic growth is not held back by the risk of flooding or the lack of water resources. A Water Management Plan is being developed to take a more holistic look at the water resource and flood risk issues and to look for opportunities where effective water management could promote and enable economic growth.

The plan will cover a 20 – 25 year period and will set out the aims and objectives for water management in Greater Lincolnshire and promote integration between flood risk and water resource management to facilitate economic growth. It will be accompanied by an action plan of projects which will help to identify where there are additional funding requirements.

As the Lead Local Flood Authority, the Council works closely with other agencies to reduce the risk from surface water flooding. This can occur when the intensity of the rain falling is greater than the drainage system is designed to accommodate. Some local mitigation works have been carried out to prevent floodwater entering properties and disrupting key transport routes and Anglian Water are completing an upgrade to the Pyewipe sewage treatment works to significantly increase pumping capacity. Through the planning system, new developments are required to ensure that they do not increase the risk of such flooding.

The Council is proposing to undertake a more detailed study of surface water flooding across NEL. This will identify areas that are at risk, taking into account the predicted effects of climate change in the future, to allow a suitable response to be planned to reduce this risk.

Action	Partners
Complete Humber Flood Risk Management Strategy	NELC Humber LEP Environment Agency
Complete Greater Lincolnshire Water Management Plan	NELC Environment Agency GLLEP
Bring forward flood defence projects for key areas at risk of tidal flooding including the Port of Immingham; Immingham to Stallingborough and the Cleethorpes seafront	NELC Environment Agency ABP
Commission surface water flooding study to identify areas at risk	NELC Environment Agency

6. Making it Happen

The Development and Growth Board will provide the strategic overview of the Economic Strategy to enable the private sector to maximise investment opportunities in North East Lincolnshire.

The strategy will be approved by the Development and Growth Board and the NELC Cabinet and will be updated every three years.

NELC will prepare an annual Delivery Plan which monitors progress against Economic Strategy outcomes and indicators and against delivery of the actions detailed in the strategy by the Council and its partners. This will be presented to the Development and Growth Board, and to the Council's Cabinet.

Whilst the Council has clear responsibilities for preparing and updating the strategy and delivery plan – and for delivery of a number of key actions within the strategy – achievement of the vision/outcomes will only be realised through the shared and collective actions of a wide range of partners and funders; these responsibilities are reflected in the report.

North East Lincolnshire also needs the support of Government – in proving funding and new powers and responsibilities to unlock growth – to make this happen. Lobbying will continue to be a major focus of the Council and key public/private sector partners.

Ultimately, it is the private sector – entrepreneurs and investors – who create jobs, wealth and employment; the Council and its partners can merely create an environment in which it is attractive for the private sector to invest. Through the Development and Growth Board and its constituent sector groups, key private sector stakeholders have had the opportunity to influence and inform development of the Economic Strategy. The success – or failure – of the strategy will be measured in the response of investors, developers and entrepreneurs over the next five years.