

## All People in North East Lincolnshire Enjoy & Benefit from a Strong Economy

### 1.0 Introduction

This section provides a comprehensive report on the 'current position' of North East Lincolnshire to support the delivery of North East Lincolnshire Council's Outcomes Framework and Commissioning Plan (2016-2019).

North East Lincolnshire Council's priorities are clear and these are '*Stronger Economy and Stronger Communities*'

The Council's aspiration is that NEL's businesses will achieve sustainable, long-term growth that benefits all of its residents by providing fulfilling, well-paid employment opportunities.

NELC aspires to:

- Create the 'right' environment to attract and sustain private investment, by providing high quality business infrastructure- including road and rail connectivity, superfast broadband, high quality employment sites and premises
- 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.

NEL will drive the growth of the 'Energy Estuary' as an international centre for offshore renewable energy. The Port of Immingham and Grimsby has cemented its role as the largest port in the UK, diversifying successfully into new markets. The growth of NEL's food sector has been driven by new export opportunities. The area's visitor economy, services and retail sector will continue to grow through efforts to change internal and external perceptions of NEL as an attractive place to live, work, visit and invest.

The Council aspires to make North East Lincolnshire a place where the local existing and emerging workforce actively participate in learning and employment levels are high. One of the five high level outcomes the Council and its partners aspire to achieve to ensure prosperity and wellbeing for the residents of North East Lincolnshire. "All people in North East Lincolnshire enjoy & benefit from a strong economy" is one of our key outcomes and this document will provide a report on the 'current position' of North East Lincolnshire.

The Council and its partners aspire to achieve the five high level outcomes that have been identified in order to ensure prosperity and wellbeing for the residents of North East Lincolnshire. One of these key outcomes is: "**All people in North East Lincolnshire enjoy & benefit from a strong economy**" and this section gives the 'current position' of North East Lincolnshire on this outcome.

## All People in North East Lincolnshire Enjoy & Benefit From a Strong Economy

### Strengths



NEL has a strong tourism sector with year on year increase in tourist day visits and expenditure.

In the period 2014-2017, expenditure increased by more than 12% from £517.2m to £589.28m.

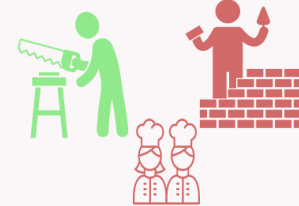


NEL and North Lincolnshire have noted an increase in Gross Value Added (GVA) per head from 2014-2016 from £20,760 to £22,326 per head.

NEL GVA per head has been consistently higher than the regional average from 2014-2016 but has remained lower than the national average during the same period.



There was a notable increase in the number of jobs in NEL in 2013-16 compared to a decline in 2009-12.



NEL consistently performs well against the UK average on the percentage of apprenticeships starts by working age population (16-64) but under performs against the regional average and has the lowest rate among all the local authorities in the Yorkshire and Humber region.

In 2016/17, NEL had 1,390 apprenticeship starts compared to North Lincolnshire (2,000), Hull (3,990) and East Riding (5,390).

### Weaknesses



NEL has the lowest number of dwellings completed in 2017/18 compared to other local authorities in the Yorkshire and Humber region.



The vacant town centre retail/leisure units for Grimsby and Cleethorpes have fluctuated from 2014-2017.

Cleethorpes vacancy rate ranges between 2.4% - 8.6% while Grimsby's rate ranges between 10.2% - 11.8% which is significantly higher than Cleethorpes.

Cleethorpes consistently has lower vacancy rates than the UK average whereas Grimsby's vacancy rate stands higher than the UK vacancy rate over the same period.



North East Lincolnshire consistently has a higher percentage of economically inactive population (unemployed) against the regional and national averages from 2014-2017.



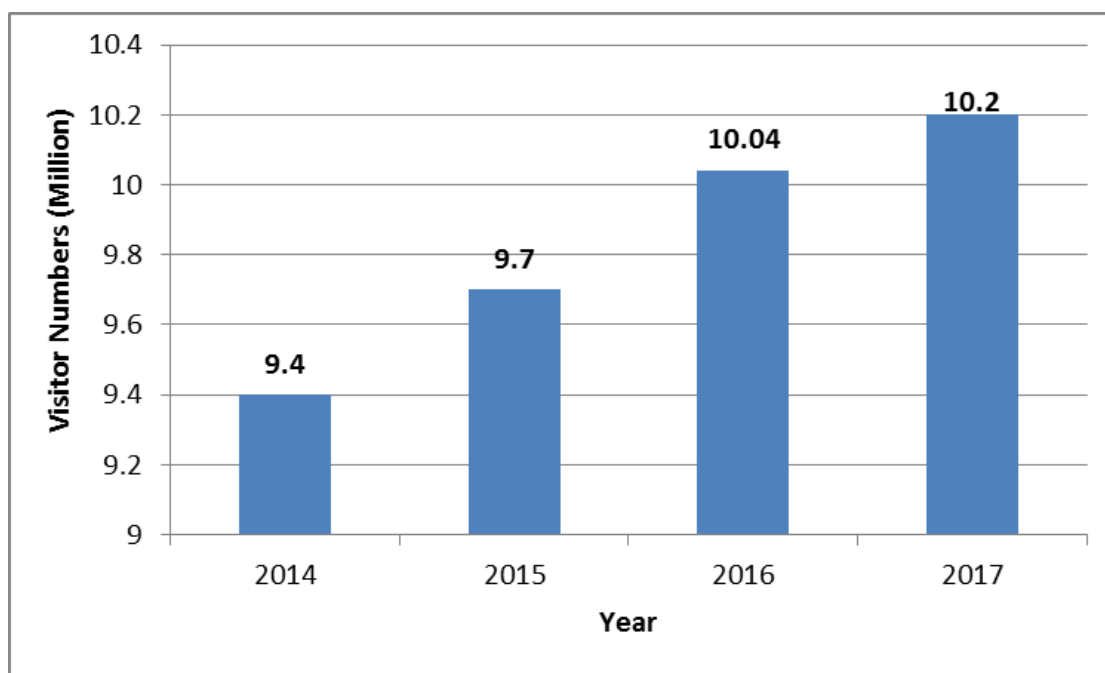
Average earnings in NEL has been consistently lower than the regional and national averages from 2013 - 2017.

## 2.0 All People in NEL Enjoy & Benefit from a Strong Economy

### 2.1 Number of Visitors to North East Lincolnshire

Visitor numbers to North East Lincolnshire continue to rise. Figure 1 illustrates the year on year growth of tourism in the area. The figure shows that visitor numbers increased by 1.6%, from 10.04m in 2016 to 10.20m in 2017. Cleethorpes saw a significant growth in visitor numbers, up by 7.1%, from 3.18m in 2016 to 3.41m in 2017.

**Figure 1: Visitor Numbers to North East Lincolnshire: 2014-17**

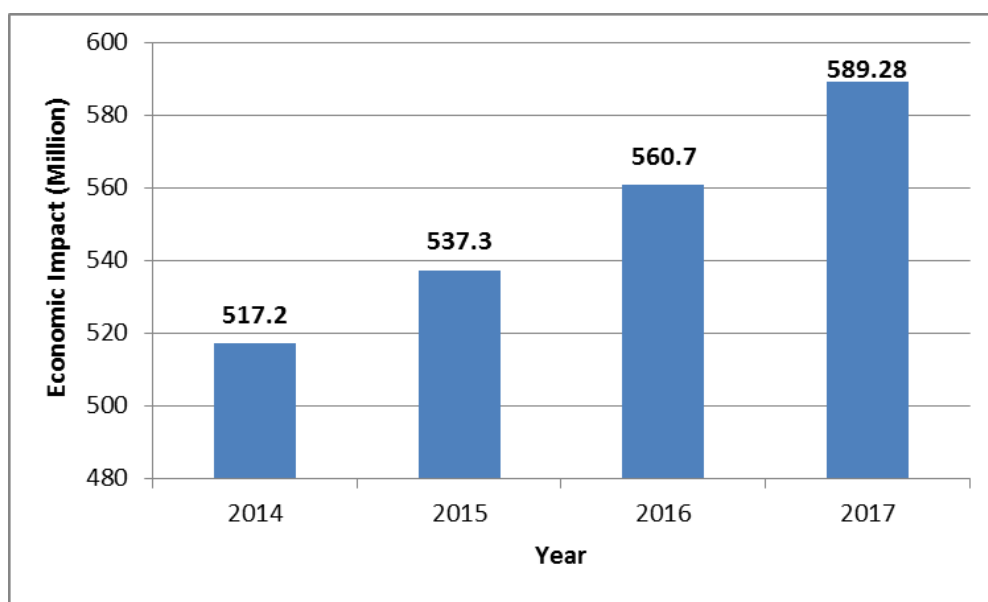


**Data Source:** STEAM

The economic impact of tourism to the area has also increased. Figure 2 shows the year on year increase in tourist expenditure aligning to data displayed in Figure 1. Tourist expenditure increased by 4.8% from £562.26m in 2016 to £589.28m in 2017 with Cleethorpes seeing a rise of 8.5% to £275.05m.

Latest figures also show that shopping and food and drink sectors also generated a total of £263.84m of direct economic impact in North East Lincolnshire in 2017 and that visitors to North East Lincolnshire supported more than 6,950 jobs, increasing by 3.4% from 2016.

**Figure 2: Economic Impact of Tourism to North East Lincolnshire: 2014 -17**

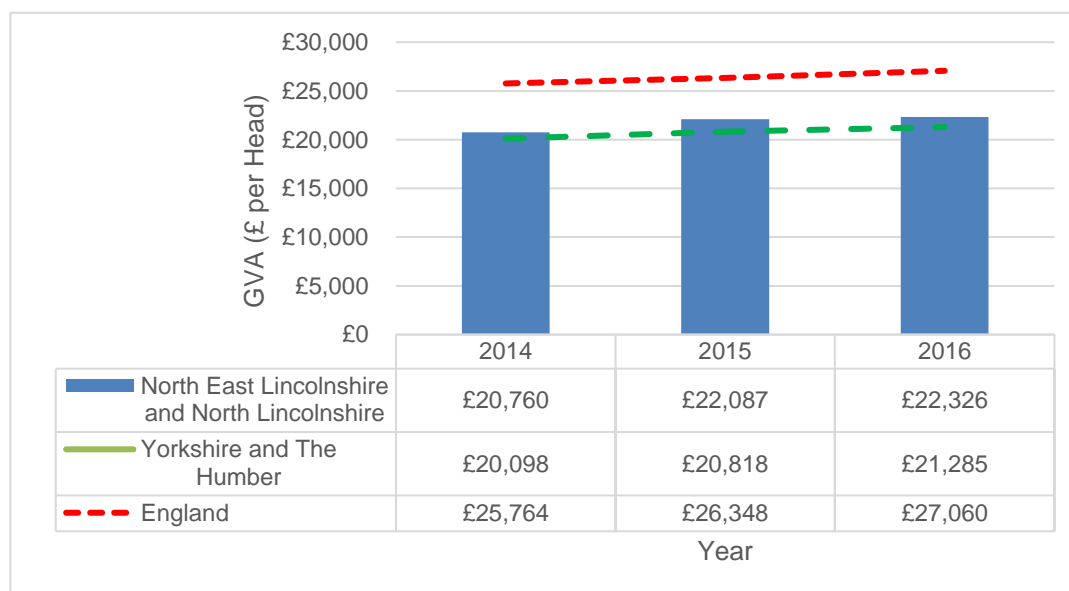


**Data Source:** STEAM

## 2.2 Gross Value Added (GVA)

GVA measures business, industry y and sector contributions; ‘value added’, to North and North East Lincolnshire’s economy and ultimately identifies NEL workforce and industry productivity<sup>1</sup>.

**Figure 3: GVA (£) per Head in North and North East Lincolnshire (2014-2016)**



**Data Source:** <http://nelincsdata.net/dataviews/tabular?viewId=429&geold=30&subsetId=>

North East Lincolnshire and North Lincolnshire had an increase in GVA per head from 2014-2016 from £20,760 to £22,326 per head. GVA per head has been higher than the regional

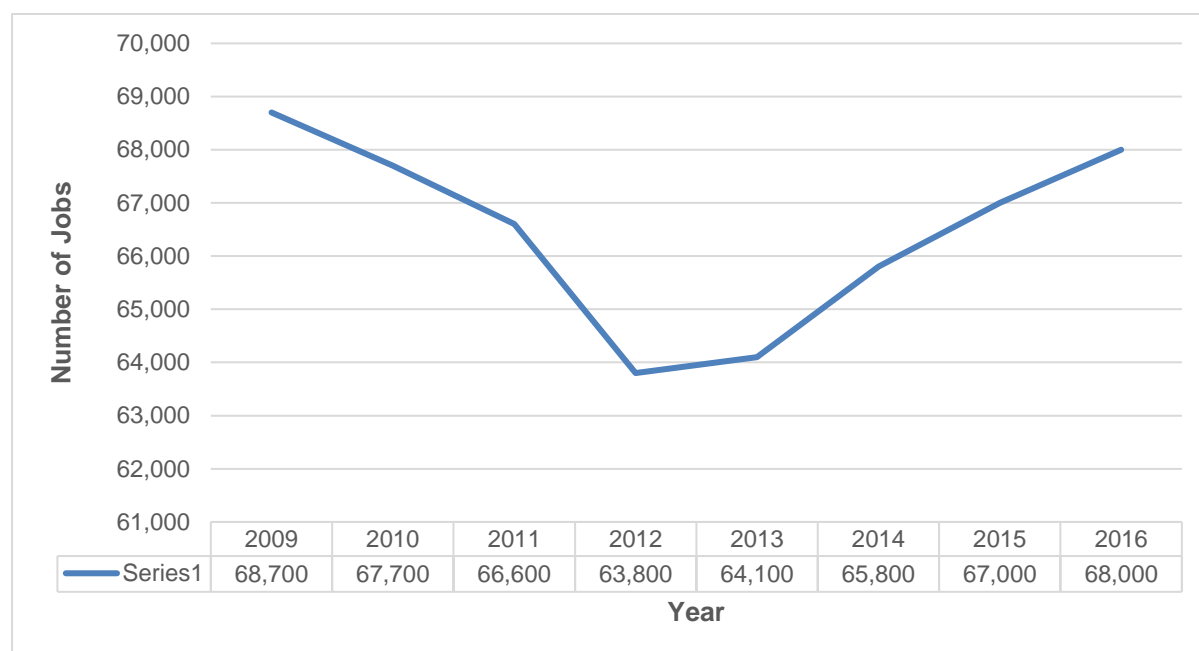
<sup>1</sup> ONS at, <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/economy/national-accounts/gva/relationship-gva-and-gdp/gross-value-added-and-gross-domestic-product.html>

average from 2014-2016 but has remained lower than the national average during the same period.

## 2.3 Number of Jobs

The Local Plan projected a target of 8,800 new jobs by 2032 as a result of inward investment in and growth of the area's key sectors, most notably offshore wind and renewable energy.

**Figure 4. Total Employee Jobs in North East Lincolnshire : 2009-2016**



**Data Source:** NOMIS at,

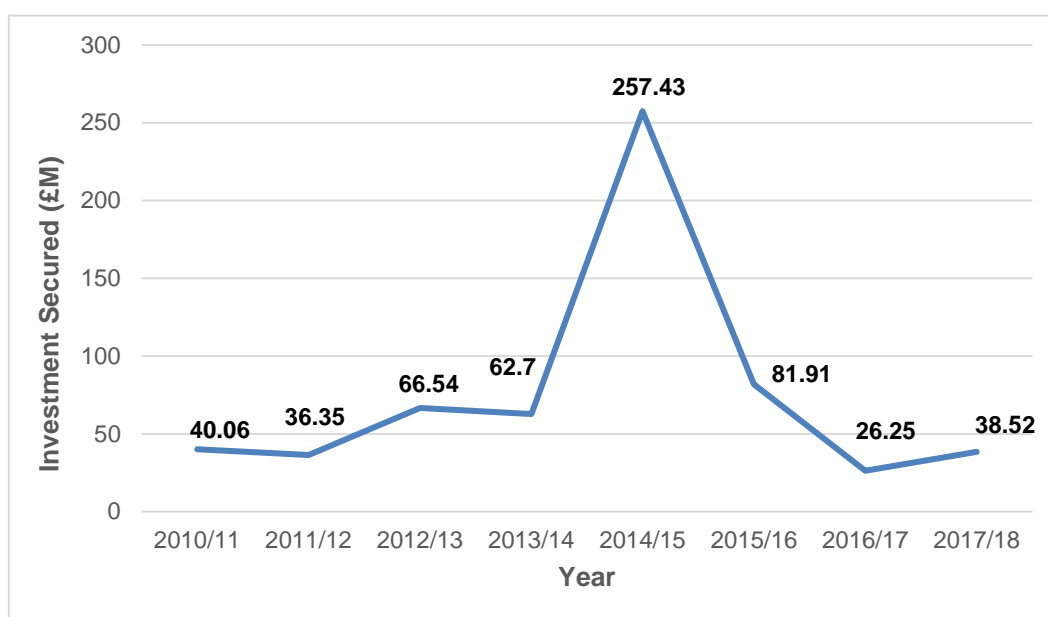
[https://www.nomisweb.co.uk/reports/lmp/la/1946157110/subreports/bres\\_time\\_series/report.aspx](https://www.nomisweb.co.uk/reports/lmp/la/1946157110/subreports/bres_time_series/report.aspx)

North East Lincolnshire experienced a substantial decline in the number of jobs in the period 2009-2012 as a result of the economic recession. However, there has been a notable increase since 2013 with the latest figure, 2016 figure, close to pre-recession levels.

## 2.4 Investment Secured

Figure 5 shows the value of investment secured from 2010/11 – 2017/18 in North East Lincolnshire. The highest investment figure in over this time frame was in 2014/15 when there was an investment of over £257m in the area due to notable investments in the renewable energy sector by DONG Energy now known as Ørsted. However, the level of investment in the area has since fallen considerably and is now around the previous levels

**Figure 5: Investment Secured in North East Lincolnshire: 2010/11-2017/18**



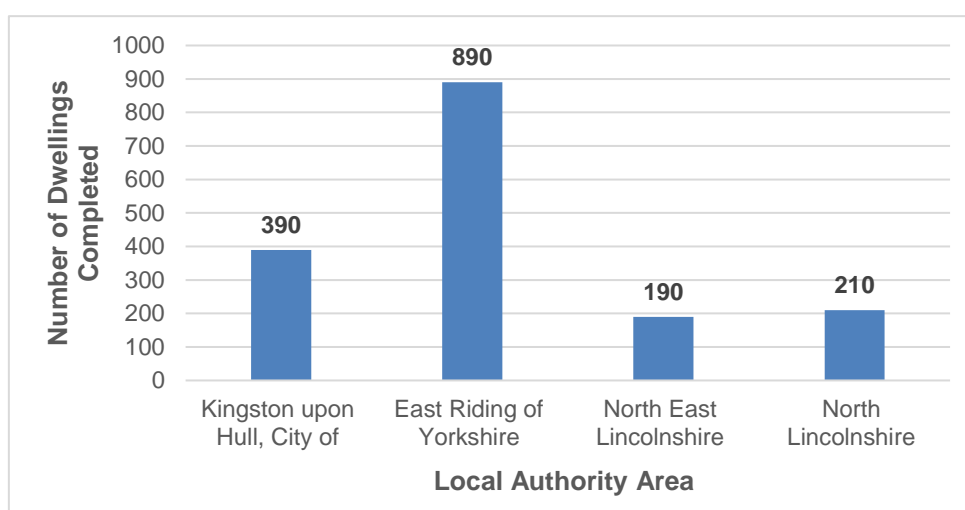
**Data Source:** Economy & Growth Team Pipeline

## 2.5 Net Housing Completions

The Local Plan projected an additional 8,800 jobs from now until 2032 which certifies the area's need to provide 13,340 new homes to support the growing workforce and economy<sup>2</sup>.

Figure 6 shows the number of dwellings completed for the local authorities in Yorkshire and Humber region in 2016/2017. The largest authority area in the region, East Riding of Yorkshire, has the highest number of dwellings completed in 2016/17 while North East Lincolnshire has the lowest number.

**Figure 6. Dwellings Completed across Humber Local Authorities (2016/17)**

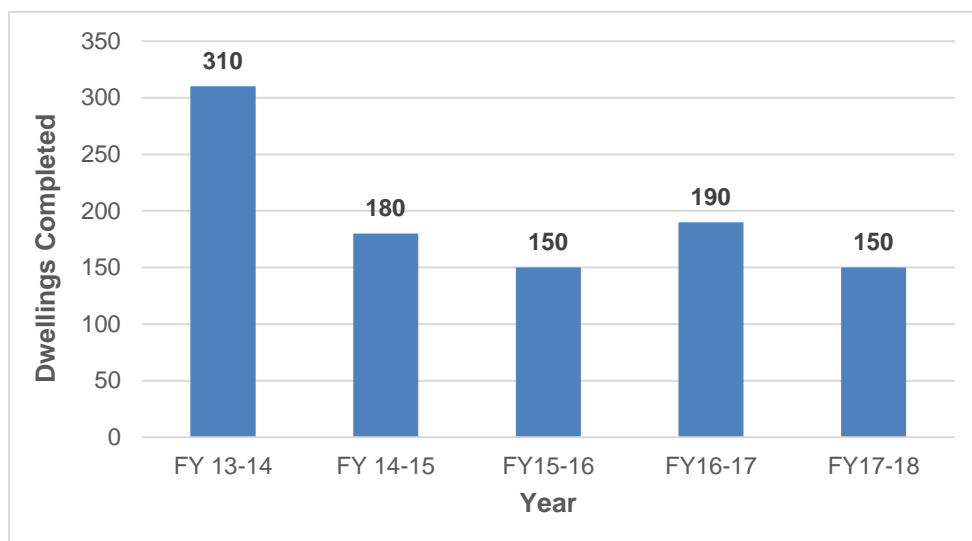


**Data Source:** [http://nldo.northlincs.gov.uk/IAS\\_Live/dataviews/tabular?viewId=489&geoid=4&subsetId=](http://nldo.northlincs.gov.uk/IAS_Live/dataviews/tabular?viewId=489&geoid=4&subsetId=)

<sup>2</sup> North East Lincolnshire Council Consultation Draft Local Plan (2013-2032)

The number of dwellings completed in North East Lincolnshire from 2013/14 to 2017/18 is shown in Figure 7. Dwellings completed peaked in 2013/14, this was followed by a decline until 2016/17 and another decline in 2017/18.

**Figure 7: Dwellings Completed in North East Lincolnshire (2013/14 – 2017/18)**

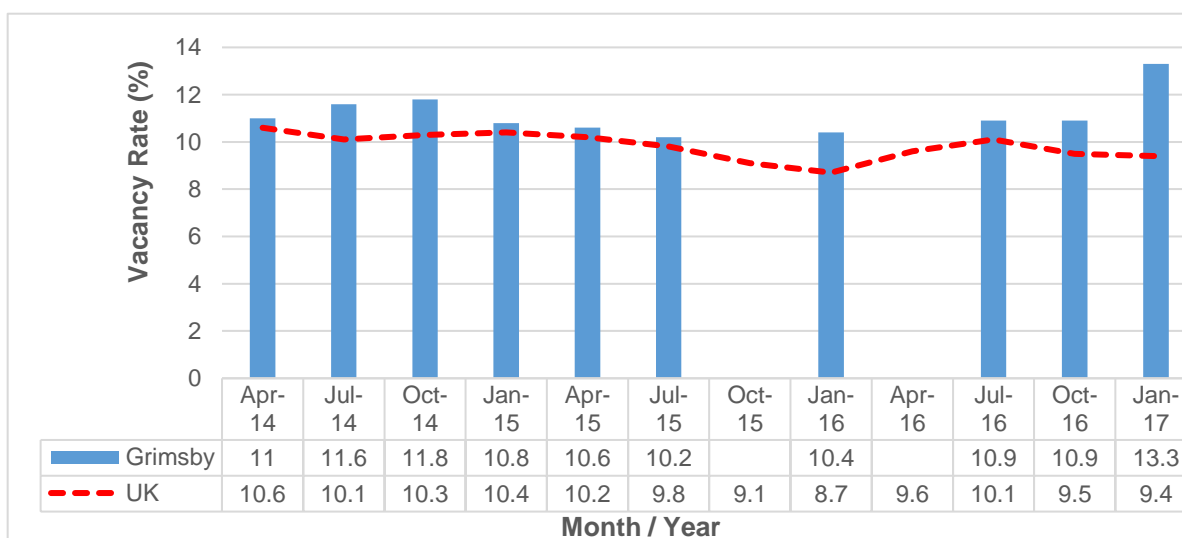


**Data Source:** NELC <http://nelincsdata.net/dataviews/tabular?viewId=341&geoid=4&subsetId=>

## 2.6 Vacant town centre retail/leisure units

Grimsby and Cleethorpes are North East Lincolnshire's principal town centres with distinctive offerings. Grimsby is home to the largest shopping centre in Lincolnshire, Freshney Place while Cleethorpes is a seaside resort defined by primarily independent retailers amongst high street chains. Figures 8 and 9 display the town centre vacancy rates for Grimsby and Cleethorpes against the UK average from 2014-2017 respectively. Vacancy rates in this period fluctuated for both town centres with rates for Grimsby ranging between 10.2% - 11.8% and Cleethorpes between 2.4% - 8.6% indicating that vacancy rates for Grimsby are significantly higher than those for Cleethorpes.

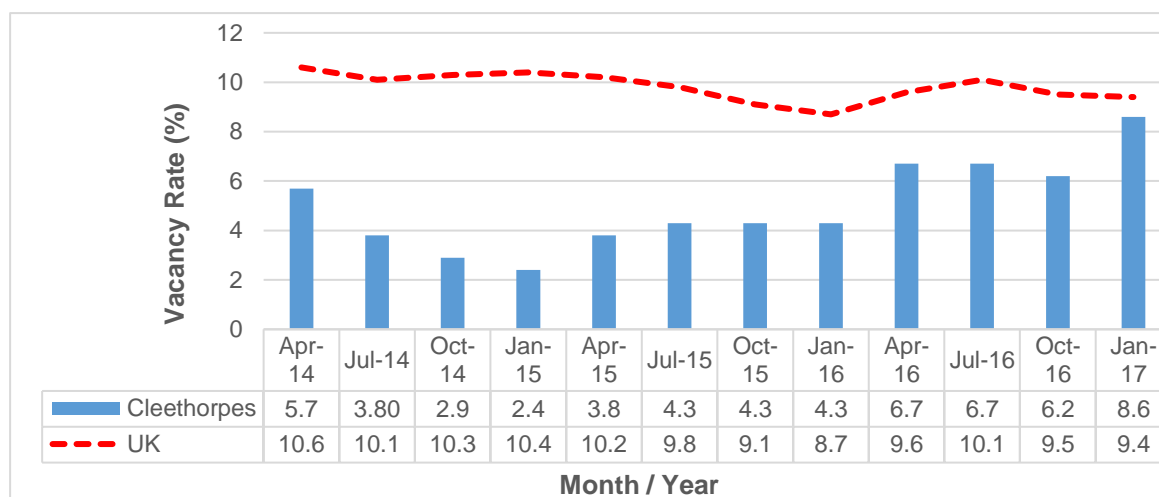
**Figure 8: Vacant Town Centre Retail/Leisure Units (Grimsby)**



**Data Source:** Springboard

Also, Cleethorpes consistently has lower vacancy rates than the UK average while Grimsby's rates are consistently higher. Fluctuations in vacancy rate could be attributed to changing retail habits of consumers i.e. online shopping.

**Figure 9. Vacant Town Centre Retail/Leisure Units (Cleethorpes)**



*Data Source: Springboard*

## 2.7 Employment land brought forward for development

The Town and Country Planning (Use Classes) Order 1987 puts uses of land and buildings into various categories known as 'Use Classes'.

In 2016/17, the amount of additional floor space increased in area. A total of 4,217.7m<sup>2</sup> of B1a uses - Offices (except those that fall within A2<sup>3</sup>) was developed in this period. This includes the Cartergate development which sits within the inner urban environment of the town centre. Its successful transformation has already brought positive benefits and in the future further transformation towards sustainability is anticipated.

There were no B1b uses (Research and development, studio laboratories, high technology), which is the same as the previous year. There have also been no completions for B2 development (General industry) but a number of planning applications were approved for this in 2016/17. The same applies for B8 (Storage or Distribution) floor space and mixed B1, B2 and B8 uses<sup>4</sup>.

From the 190.5 hectares of allocated employment land, only 0.15 hectares of land was developed in 2015/16. No land was developed in 2016/17.

## 2.8 Apprentice Places

Participation in work-based learning and training is crucial in equipping people with the practical skills and certified qualifications needed for our key sectors. Apprenticeships offer a different route for our young people and allow them to 'earn whilst they learn', which, over

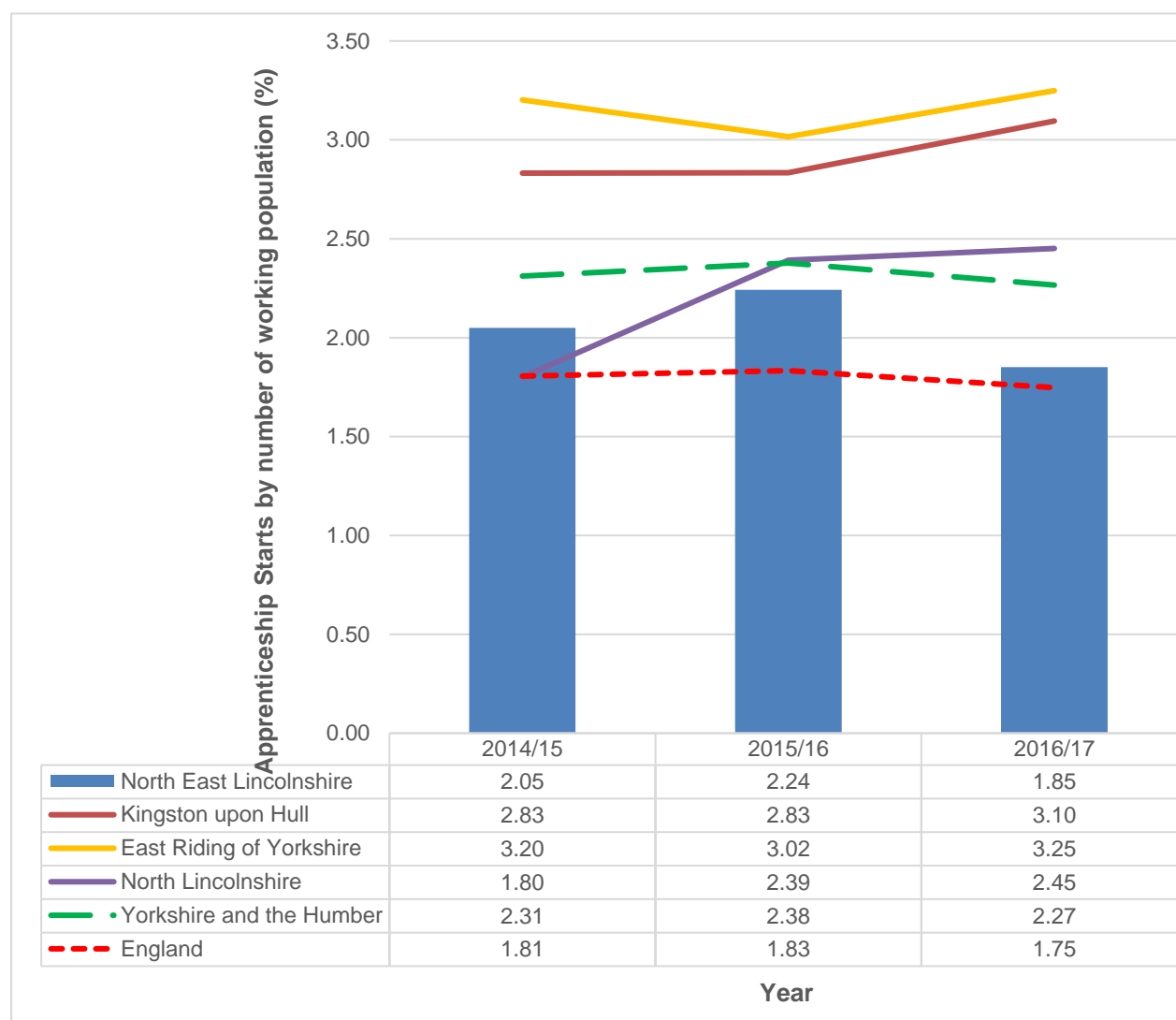
<sup>3</sup> **Financial and professional services** - Financial services such as banks and building societies, professional services (other than health and medical services) and including estate and employment agencies. It does not include betting offices or pay day loan shops

<sup>4</sup> **North East Lincolnshire Authority Monitoring Report 2016/2017** <https://www.nelincs.gov.uk/wp-content/uploads/2018/05/20180515-AMR.pdf>



time helps to reduce skills shortages and gaps in our borough and address our ageing population/workforce.

**Figure 10. Apprenticeship Starts by Working Age Population (%)**



**Data Source:** Gov.uk; <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships> and Nomis; <https://www.nomisweb.co.uk/>

Figure 10 displays the percentage of apprenticeships starts by working age population (16-64) 2014/15 – 2016/17. North East Lincolnshire consistently performs well against the UK average but underperforms against the regional average. North East Lincolnshire is the lowest performing authority in comparison to the other 3 Humber authorities. North East Lincolnshire had the highest rate of apprenticeship starts in 2015/16 and the lowest rate in 2016/17 which mirrors regional and national trends.

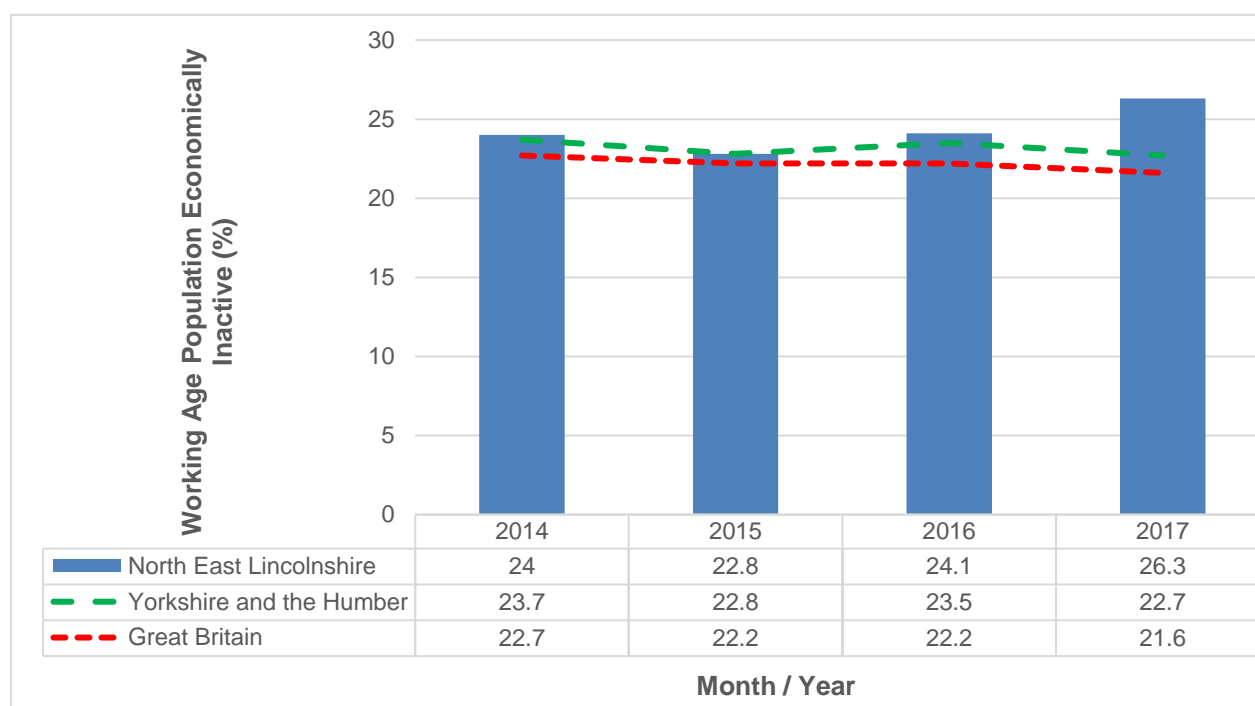
## 2.9 Employment Rates

The importance and benefits of employment cannot be overstated. The Visitor Economy, Services and Retail (VESR) Strategy (2015) has highlighted that when people participate in employment they gain spending power for the local economy, they have increased health and wellbeing and are more likely to be able to buy their own home, improving the opportunities for themselves and their families. This is a cycle that over time will improve not only our 'place' and borough but the life chances for our communities whereby people can 'start and develop well', 'live and work well' and 'age well'.

In 2017, 60.7% of North East Lincolnshire's population was of working age (16-64). This rate is marginally lower than both the regional average of 62.6% and the national average of 62.9%<sup>5</sup>. The Economic Strategy states that North East Lincolnshire has an ageing population and that it is expected that by 2032 "25.7% of our population will be aged 65 or older compared with just 18.8% in 2012"<sup>6</sup>.

Figure 11 shows the percentage of economically inactive (unemployed) population as a proportion of the working age population from 2014-2017. Overall the percentage of economically inactive population has increased from 2014-2017. Compared to the national average, North East Lincolnshire consistently has a higher percentage of economically inactive population and also followed the same trend against the regional average.

**Figure 11: Percentage of Working Population Economically Inactive (Unemployed) (2014-2017)**



**Data Source:** NOMIS at,

[https://www.nomisweb.co.uk/reports/lmp/la/1946157110/subreports/einact\\_time\\_series/report.aspx](https://www.nomisweb.co.uk/reports/lmp/la/1946157110/subreports/einact_time_series/report.aspx)

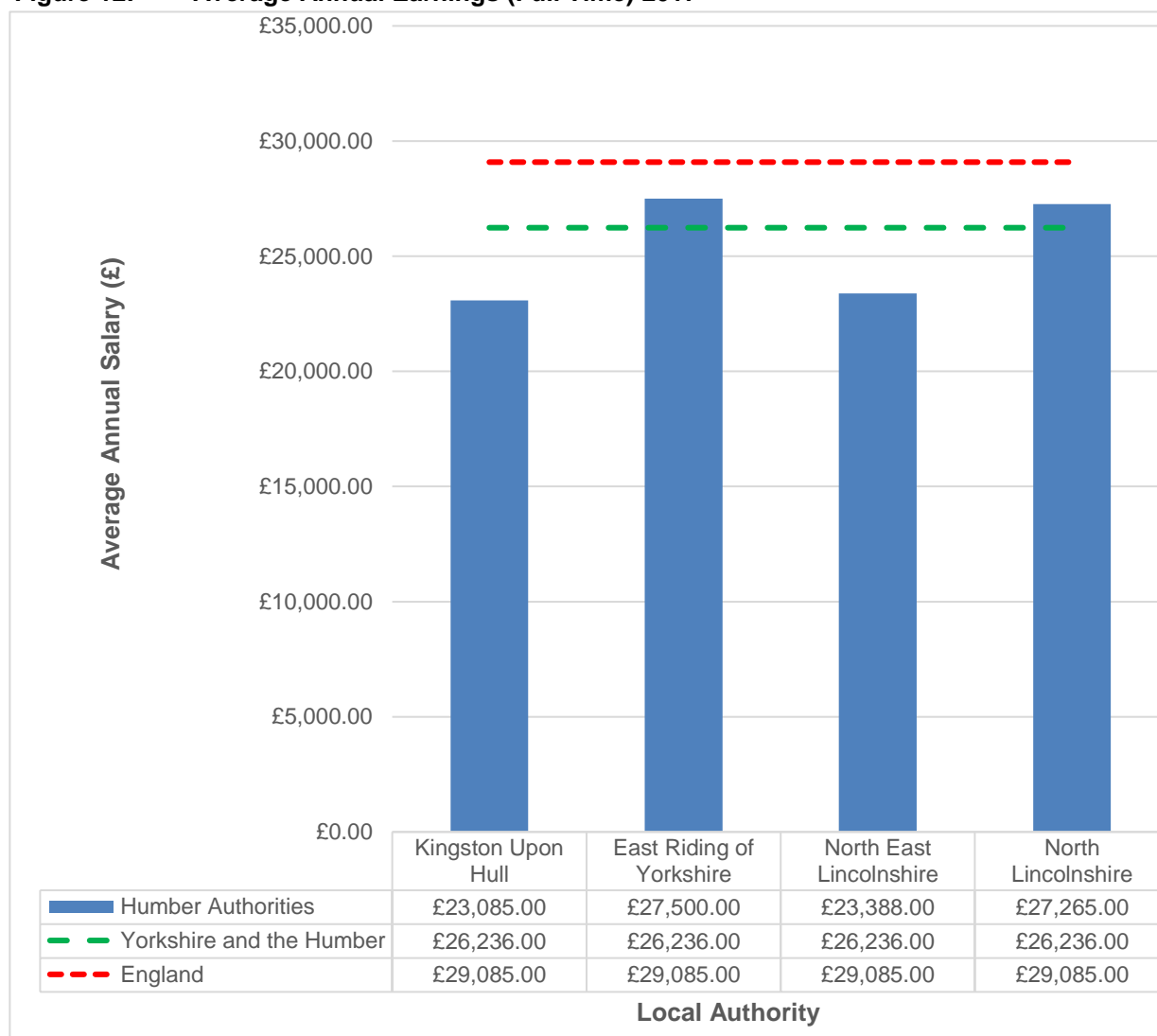
<sup>5</sup> NOMIS (2014) at, <https://www.nomisweb.co.uk/reports/lmp/la/1946157110/report.aspx>

<sup>6</sup> North East Lincolnshire Council Economic Strategy (2015), p.2

## 2.10 Average Earnings

Figure 12 shows the average annual earnings of the Humber local authorities in 2017 against the regional and national average. North East Lincolnshire underperforms against the national average as do all other Humber Authorities. Of the local authorities, North East Lincolnshire has the lowest annual average earnings at £23,388 while East Riding of Yorkshire has the highest at £27,500.

**Figure 12: Average Annual Earnings (Full Time) 2017**

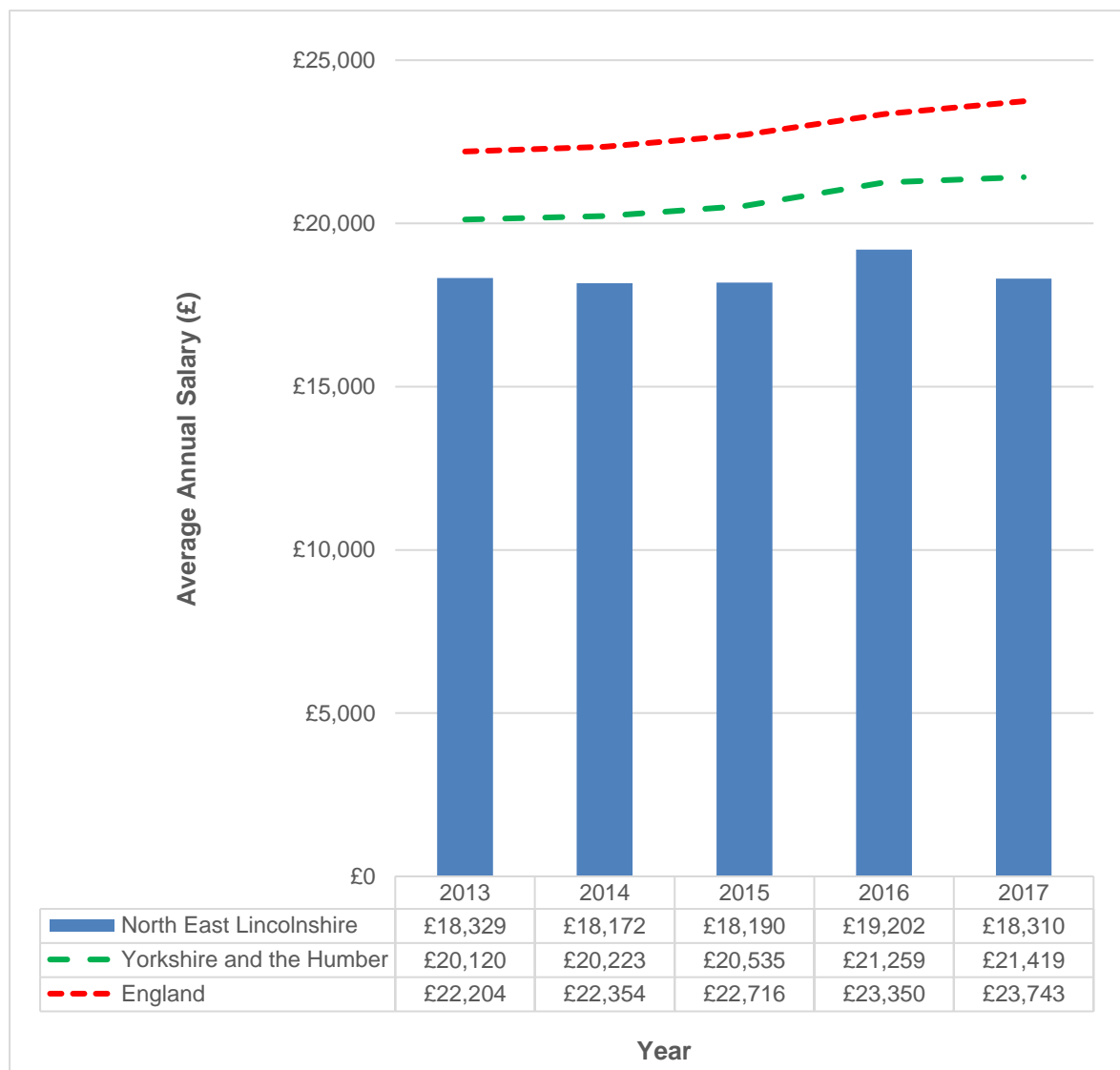


**Data Source:** [http://nldo.northlincs.gov.uk/IAS\\_Live/dataviews/tabular?viewId=189&geoid=153&subsetId=](http://nldo.northlincs.gov.uk/IAS_Live/dataviews/tabular?viewId=189&geoid=153&subsetId=)

At the regional level, North Lincolnshire and East Riding of Yorkshire have higher average annual earnings against the regional average while North East Lincolnshire and Kingston upon Hull both underperform against the regional average.

Figure 13 shows the change in annual average earnings from 2013-2017 in North East Lincolnshire against the regional and national average. The highest annual average earning point reached was in 2016 at £19,202 while the lowest point was in 2014 at £18,172. The area consistently underperforms against both the national and regional average earnings.

**Figure 13. Average Annual Earnings (Full Time) 2013-2017**



**Data Source:** NELI at, <http://nelincsdata.net/dataviews/tabular?viewId=447&geold=4&subsetId=>