

SUBJECT: VISION 2020 – ECONOMIC GROWTH PROGRESS REPORT

DIRECTORATE: MAJOR DEVELOPMENTS

REPORT AUTHOR: GILL WILSON – PRINCIPAL DEVELOPMENT OFFICER

1. Purpose of Report

- 1.1 To provide Performance Scrutiny Committee an update on progress towards the *Let's drive economic growth* strategic priority in Vision 2020.

2. Executive Summary

- 2.1 This report focuses on progress made on the *Let's drive economic growth* strategic priority since the last report in October 2018. It covers both those projects being progressed as part of the second phase of delivery, along with the 'day to day' service activities that happen across the council that are vital to the delivery of this priority.

3. Background

- 3.1 Vision 2020 was published in January 2017, and contains four strategic priorities (*Let's reduce inequality; Let's drive economic growth; Let's deliver quality housing; and Let's enhance our remarkable place*), along with an important strand of work focusing on *High performing service delivery*.
- 3.2 As part of the arrangements for managing and monitoring progress of Vision 2020, the council established four Vision Groups along with a High Performing Services Board, each with a Corporate Management Team lead.
- 3.3 It has been agreed Performance Scrutiny Committee will receive a report each quarter from one of these Vision Groups to enable them to look in more detail at the progress of that Vision Group's work programme. This is this year's report and focuses on the work of the Economic Growth Vision Group.
- 3.4 The Economic Growth Vision Group leads on delivering the council's aspirations under the *Let's drive economic growth* strategic priority. These are;
- Let's build a strong, viable and prosperous future for Lincoln
 - Let's help businesses prosper
 - Let's create a culture of innovation
 - Let's attract investment
 - Let's make things happen
- 3.5 In addition to all the 'day to day' services the council offers which are central to the delivery of these aspirations, a programme has been developed to ensure the

delivery of this strategic priority.

4. Appendices A B and C

4.1 **Position Statement (Appendix A)** The Position Statement is attached to this report as Appendix A. It captures some of the key 'day to day' work by the council that supports the delivery of this strategic priority. This was captured to ensure we understand what our current baseline is for delivering this priority, and to recognise how staff across the authority have a role in supporting the Economic Growth objectives of Vision 2020.

4.2 **Economic Growth Project Monitoring Table (Appendix B)** This provides an overview of the main projects that are being delivered in the second phase of this strategic priority, and is attached to this report as Appendix B.

4.3 There are 13 projects and programmes of work covered in Appendix B which represent the two-year programme. Over the last year there have been some key achievements in respect of these strategic priority projects:

- **Western Growth Corridor Development:** Following a second public consultation period held in Feb 2019 a Planning application was submitted in April 2019 and is currently being considered. A Delivery Agreement with Lindums has been established and a grant over just over £2m been secured from Homes England to support the initial site access infrastructure.
- **Lincoln Central Market:** A Market strategy has been developed which promotes the development of City Square as an outdoor market space and the development of Cornhill as an event space. The outside market has been in place now for over a year and there is growing interest from traders for its use. Planning permission has been granted for demolition of the kiosk on Cornhill which will be removed this winter. Works will also include proposals to protect the tree to ensure its ongoing retention. Several bids to support the City Centre have been made last year including an application for Future High Streets funding. Whilst the latter was unsuccessful the council has been invited to submit a Heritage Action Zone application and proposals under the Government's recently announced Town fund. In addition the project has been recognised as a priority Greater Lincolnshire Local Enterprise Partnership pipeline project and as such support is being sought for the procurement of professional services to undertake feasibility and design works in respect of restoration and future delivery of market building and public realm. This work will support the emerging wider City Centre Vibrancy programme post 2020.
- **'Be Lincoln':** The Place based marketing for Lincoln has been progressed and the 'Be Lincoln' branding is now being used. A website will be launched next spring with the aim of a shared partnership marketing product for the City targeted at promoting investment and attracting visitors and academics/students.
- **The Lincoln Transport Hub** ; opened in 2018 has continued to perform well and won more awards this year including;

- Best new Car Park at the British Car Parking awards 2019;
 - Best Project Over £5 m at the Greater Lincolnshire Construction and Property awards 2019;and
 - Winner of the Tourism Leisure and Regeneration Award at the RICs 2019 Awards.
- **Transport Task Force:** The Lincoln Transport Task Force Group has continued to meet and supported the consultation in the development of the Lincoln Transport Strategy being developed by the County. This strategy will inform transport investment decisions post opening of the By-pass in 2020. The Group has also included some preliminary work in the development of a coordinated approach to Business/Organisational Travel Planning within the City Centre and a working group has been established to progress further.
 - **Shaping Growth:** A Review of the Central Lincolnshire Local Plan has commenced and any need for a refresh of the Housing and Economic Growth evidence will be undertaken as part of this process. A vision and strategy for the City's growth is also being developed in the context of the Greater Lincolnshire Local enterprise Partnership's Local Industrial Strategy and the Greater Lincolnshire 'Planning for Growth' work. Two Housing Design events have also been held with partners, Lincolnshire County Council, the RIBA, homes England and Lincolnshire Society of Architects to discuss how to promote quality housing design within the area.
 - **Greyfriars** ;Progress has been made in the regeneration of the Greyfriars building and the Council are currently working with Heritage Lincolnshire on a grant bid submission to support delivery.

4.4 Some Projects have experienced delays against the original programme so are flagged as amber as follows;

- **Western Growth Corridor.** This is a large and complex project and is currently flagged as amber due to the potential risk to programme arising from the uncertainty of the planning determination period required. As a major project it is monitored by its own Project Board chaired by the Council's Chief Executive and as such a robust management process is in place monitoring progress.
- **Business Growth and Support Strategy.** This project is currently on hold due to staff capacity, but is effectively a sub project to the Growth strategy work.
- **Refresh Lincolns Growth Strategy.** The context for the future growth of the City is currently being considered and set out in a range of developing documents; GLLEP Local Industrial Strategy and Evidence Base ; lead GLLEP Greater Lincolnshire Planning For Growth : lead authority LCC: Governance Greater Lincolnshire Local Authority Planning For Growth Group and the Greater Lincolnshire Strategic Infrastructure Delivery Plan as above. Progress has been slower than expected due to delayed progress of some of these contextual documents, but completion is aiming

to be aligned with the publication and submission of the Local Industrial Strategy to Central Government Spring 2020.

- **Creative Industries Feasibility Study.** The University have been commissioned to undertake this study. Progress slower than originally intended. Awaiting report for phase 1 of project and phase 2 is behind timescale.

- 4.5 **Contextual Performance Indicators (Appendix C);** This summarises performance against key economic indicators based on the targets and forecasts outlined in the Central Lincolnshire Economic Needs Assessment (ENA) 2015. This assessment reviewed a series of indicators across the Labour Market, Employment Sectors, Business Type, Business accommodation/commercial property market, and future demand trends to estimate growth expectations for the plan period 2012-2036.
- 4.6 While reporting on an administrative District basis the high level of economic independency and containment between the three Districts' economies that make up Central Lincolnshire needs to be acknowledged.
- 4.7 Overall the ENA forecast a job growth rate of 7% for Lincoln and 11% for Central Lincolnshire over the Plan period 2012-2036 based on Oxford Economics forecast model. These growth rates were used as the basis for setting the employment land and housing need within the Plan. The ENA also identifies that performance against these measures depends on a range of global and national economic conditions.
- 4.8 Table 1 shows that Jobs growth has increased in Lincoln since 2012 and is slightly above the predicted ENA rate. For Central Lincolnshire the rate of growth has recovered over the last year and is now around the 11% forecast target.
- 4.9 With regard to the labour market the table also shows the Employment/economically active rate in Lincoln has reduced by 7 % from the 2012 baseline, although there has been growth of 1 to 2 % across Central Lincolnshire and the GLLEP area.
- 4.10 Employment rate reduction is not mirrored by high and growing unemployment rates reassuringly suggesting the trend in the former is not correlating with the latter. This may be more likely as result of the changing demographic and growth in student populations (4900 in 2012 and 9100 in 2019)
- 4.11 Skill levels still remains an issues for Lincoln's economy and growth aspirations. There has been a 2% increase in people qualified to NVQ level 2 and above, and a 2% rise from the 2012 baseline. Although above the levels of the GLLEP area Lincoln is still below Central Lincoln and national levels i.e. there has been little change from the 2012 baseline which the ENA identified as an issue to be addressed.
- 4.12 There has been an 8.5% drop in the number of people qualified to NVQ L4 between 2017 and 2018 meaning NVQ level 4 levels are now lower than the 2012 ENA baseline. There was also a slight reduction of 1% from the 2018 level across this indicator within Central Lincolnshire from the previous year, and only a 1 %

increase against the 2012 ENA baseline figure. This is in the context of increases of 3% and 5% respectively across the GLLEP area and nationally.

4.13 Table 2 in Appendix C summarises progress against the key sector indicator forecasts and presumptions outlined in the ENA.

4.14 Actual losses and gains between 2015 and 2017 which are as, or better than, the ENA predictions are flagged green in the table. Those losses or gains that are worse than ENA predictions are flagged amber. Given the early stage in the Plan period and that some fluctuation in ENA targets/predictions can be expected, no changes are yet felt to be flagged as a concern or Red.

4.15 Job changes in high employment sectors or those targeted as key to future economic growth that are as or better than predicted (Green), are:

- Manufacturing and Utilities that are below the predicted loss rate.
- Food and accommodation sector is at/slightly above growth than forecast.

4.16 Job changes in high employment sectors or those targeted as key to future economic growth that are worse than predicted but still at an acceptable level given the timeframe and nature of the measures (Amber), are;

- Slower growth than forecast in Real Estate, Professional scientific and Arts and Entertainment technical activities
- There have been losses in the education sector against a predicted slight rise.

4.17 The most negative job changes over the last two years against the ENA predictions are flagged red are:

- Against a forecast increase of 15 %, the Construction sector has seen a decrease in jobs of 12.5 % over the last 2 years.
- Retail has also seen a significant drop by 10% against a forecast increase.
- Although there have been no losses in Information and Technology and arts/entertainment sectors the ENA predicted these sectors would growth significantly by 29% and 34% respectively over the plan period.

4.18 These changes should be viewed in the context of an overall net job growth that is on target. The ENA identified full time equivalent job growth change by sector forecast to be a net gain of 3162 new jobs over 24 years which equates to 132 jobs pa, the 16-17 data shows growth above this at 315 new jobs pa.

5. Strategic Priorities

5.1 Let's drive economic growth

As part of a monitoring framework this report supports the economic growth objectives.

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

The financial costs shown against priority projects outlined in Appendix B are all as agreed through Project Boards and or capital programme.

6.2 Legal Implications including Procurement Rules

All project development outlined in Appendix B is in compliance with the Council's procurement rules and procedures

6.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

7. Recommendation

7.1 Performance Scrutiny Committee is asked to consider the progress report of the Economic Vision Group and refer to Executive.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Three
List of Background Papers:	None

Lead Officer: Kate Ellis Director of Major Developments

Telephone (01522) 873824