



CABINET REPORT

Report Title	Northampton Economic Growth Strategy
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AGENDA STATUS: Public

Cabinet Meeting Date:	20 th May 2020
Key Decision:	Yes
Within Policy:	No
Policy Document:	Yes
Service Area:	Economy, Assets and Culture
Accountable Cabinet Member:	Cllr Tim Hadland
Ward(s)	All

1. Purpose

- 1.1 This report sets out a new strategy for growing Northampton's economy. It provides information on the priorities and actions to be taken by the Council, its successor, West Northamptonshire and its partners over the next five years to help deliver the strategy's aim to ensure Northampton is a great place to start, stay and grow.

2. Recommendations

It is recommended that:

- 2.1 Cabinet adopt the Northampton Economic Growth Strategy (2020-2025) attached to this report as Appendix 1 which establishes the economic growth vision and priorities for the town. The document also set's out the actions that are required to achieve economic growth for all over the period of 2020-2025.
- 2.2 Cabinet approve the budget arrangements identified within the report including reallocating future years Business Incentive Scheme revenue to fund the broader range of economic development activity identified within the strategy.

2.3 Cabinet delegates to the Economic Growth and Regeneration Manager in consultation with the Cabinet Member for Regeneration and Enterprise, the Chief Finance Officer and the Borough Secretary the authority to make any minor amendments to the said strategy which will include its desktop publishing, with the caveat that any further reports be brought to Cabinet as and when considered necessary.

3. Issues and Choices

3.1 Report Background

3.1.1 The last structured economic growth strategy was developed some years ago spanning a period 2008-2026 and is in urgent need of updating against a backdrop of continuing inward investment enquires, as well as the broader macro growth developments linked to the Cambridge -Milton Keynes – Oxford corridor. It is important as the key settlement in the county that a strategic approach is developed that both complements surrounding areas moving into West Northamptonshire, but also acts as a catalyst for future growth opportunity across the county.

3.1.2 Northampton has been and continues to be a thriving town with tremendous opportunity for growth. Northampton has experienced strong private sector jobs growth since 2010, above the national average and is a major hub for financial services, logistics and advanced manufacturing. It also demonstrates a growth in knowledge intensive jobs. Northampton also continues to be a great place to start up and scale up a business, being named the third ‘most enterprising town’ for business start up’s in 2018¹.

3.1.3 The Northampton Economy has also been strengthened by recent investment, notably the University of Northampton Waterside Campus and at the Northampton Railway Station. These projects have all contributed towards jobs creation and retention for Northampton across a wide sector.

3.1.4 However, significant challenges and opportunities remain. Not everyone is benefiting from or contributing to economic growth to their full potential. Northampton lags behind other comparator areas in terms of educational attainment levels, from early years to secondary schools. ONS analysis also reveals that Northampton is currently 8% less productive than the national average and the average weekly wage is lower than our neighbours in West Northamptonshire. The town centre is also experiencing a number of challenges due to the wider changes in the way town centres are operating and leisure, retail and work trends are shifting.

3.1.5 These issues hold our economic performance back, create costs to the public sector, affect productivity and means that we are not drawing on the full talents of everyone in the Borough. However, they also provide an economic opportunity. This strategy focuses on how we can support people into work, support them to progress into high quality employment, improve housing and health conditions, and make neighbourhoods and centres more attractive,

¹ <https://informi.co.uk/blog/best-place-start-small-business-uk-2018-3-northampton>

meaning we can boost Northampton's economic performance and deliver economic growth for all.

- 3.1.6 Northampton is a significant part of the wider West Northants area, and therefore the growth of the town will be instrumental in the wider economic growth of both the West Northants Unitary area and the county as a whole.
- 3.1.7 Deyton Bell in March 2019 were commissioned by the Council to begin the process of creating an ambitious new economic vision and strategy to capitalise on Northampton's growth ambitions.
- 3.1.8 Deyton Bell conducted in depth research into the key economic data for Northampton and the wider West Northamptonshire area, reviewing Employment, Skills, Trade, Economic Growth and Education. Using this data, they then identified which sectors are key to Northampton's economy and those that make the greatest economic contribution in terms of volume and employment. Utilising all the evidence gathered, Deyton Bell analysed the key challenges faced within the Borough and then tested this in the next stage which was stakeholder engagement.
- 3.1.9 Deyton Bell then undertook initial engagement with partners having a series of face-to-face meetings or via telephone. This initial engagement explored topics such as the performance of local networks, sectors and clusters, the strength and performance of the business support landscape within Northampton and the identification of current and potential future skills gaps.
- 3.1.10 Deyton Bell then used the evidence base and feedback collected to commence drafting a tailored solution for Northampton. The analysis carried out allowed for the creation of a high level vision that resonated with all local stakeholders and the business community, a detailed analysis of local performance against a range of economic data, providing evidence analysis of local challenges and issues raised during the stakeholder engagement and then the identification of priority actions needed to further enhance economic growth in Northampton and the wider sub region.
- 3.1.11 The strategy aligns Northampton to local and national priorities such as SEMLEP's Local Industrial Strategy and Strategic Economic Plan; and its focus, and delivery will ensure Northampton is well placed as a key location for inward investment and place to do business. This strategy closely aligns with the LIS priority of 'increasing productivity across all sectors and geographies within the SEMLEP area... supporting businesses not just to start up, but to scale up, grow and prosper.' This economic growth strategy for Northampton focuses on improving the environment for business by supporting our key sectors to allow them to reach their full potential and ensures that the business support available is in line with the economic demands of our community.
- 3.1.12 This strategy will also work alongside the Town Centre Masterplan for Northampton by supporting the strategic objectives of addressing infrastructure challenges, poor quality commercial space and increasing the level of footfall and activity in the town centre. This strategy also sits alongside the Waterside Enterprise Zone work of unlocking key development sites,

consolidating infrastructure and attracting businesses and creating jobs. Furthermore, this strategy will develop an inward investment strategy which will leverage investment (including foreign) into the Enterprise Zone and wider town centre.

Economic Growth Strategy

- 3.1.13 The Northampton Economic Growth Strategy focuses activity and resources to drive economic growth in the borough, such as enabling job creation and the growth of the town as well as to unlock potential opportunities on offer from Central Government, linked to wider growth opportunities across the Cambridge – Milton Keynes – Oxford Arc. It will also be the foundations of a wider growth strategy for West Northamptonshire when it comes into being in April 2021. The strategy reflects and is cognisant of Northampton's place in the wider economic geography of the West Northants area, Northamptonshire as a county and the Cambridge – Milton Keynes – Oxford corridor.
- 3.1.14 The document will be used both internally and externally with our partners to target key priorities and projects so ensuring good communication and buy in with all key partners. The Strategy includes an executive summary, it shows the current economic position of the Borough, the future aspiration and the actions to be taken to deliver this. It is broken down into easily understandable themes or priorities looking at the broad economy ensuring all building blocks to success are identified. The strategy has been informed by both economic analysis of Northampton, to understand the prevailing trends in the areas economy and by focus groups with a range of stakeholders including those from Northampton Borough Council, Northamptonshire County Council, The University of Northampton, Northampton Town Centre BID, SEMLEP and the private sector to create a co-created and co-owned document.
- 3.1.15 This document identifies 9 key areas to focus resource and activity on over the next 5 years in order to achieve growth for Northampton and the Wider West Northamptonshire area. However, the document also recognises that there are key cutting principles which are the foundation for the Council and it's partners to deliver the required economic growth. These principles are ensuring the Council are sustainable in all our actions and reduce our implications on the environment, develop a well informed and educated workforce and equip them with the right skills and finally partnership working, especially as the Council move in to Unitary. These principles will underpin all the work stipulated in this strategy.
- 3.1.16 In determining our priorities for the next 5 years, key evidence has been gathered to understand Northampton's local economy, these can be seen in the Data Pack (Appendix II.) The Strategy identifies 9 priority areas that through partnership working and taking a long-term view, we can make necessary interventions to support the local economy and its businesses. These priorities serve to underpin an action plan to encourage growth across the Borough. The priorities are:

- **Supporting Innovators, Entrepreneurs and Social Enterprise**
This priority is focused on encouraging enterprise by developing programmes and projects that ensure the local economy offers the conditions for businesses to thrive.

The Council will deliver the Vulcan Works Creative Hub, a new business facility, creating 67 lettable units for businesses in the creative industries. This will provide high quality flexible accommodation and facilities to encourage innovation, such as rapid prototyping facilities. The Council will appoint an operator who will provide business support to tenants on site. Other key work in this area will include the development of a Social Enterprise Strategy with our partners to identify further ways of supporting enterprise in the Borough.

- **Creating a 21st Century Town Centre**
The Council's approach is to continue to regenerate key town centre sites (as illustrated by the Town Centre Masterplan) and continue the delivery of the Waterside Enterprise Zone. By also focusing on reducing homelessness and marginalisation in the town centre, it will become a more welcoming and safer place which will increase tourism and visitor numbers.

As part of the Council's Future High Street Fund bid, the Council will continue to progress plans for the Market Square to ensure it becomes a high-quality and flexible space. The Council will develop a number of improvements to the Town Centre as detailed in the Town Centre Masterplan and as a result the Council will have attracted funding from both the public and private sector for these key projects. The Place Marketing Campaign for Northampton will underpin this and lead to an increase in investment enquiries into the Town Centre and Waterside Enterprise Zone.

- **Maximising the Economic Benefits of Culture and Heritage**
Northampton has a rich cultural offer and this intervention focuses on ensuring that this sector is visible and attracts both residents and visitors into the Borough. It also focuses on building on the success of the Cultural Quarter and to grow the cultural and creative sector in Northampton.

The Council will work closely with partners such as the Royal & Derngate and NN Contemporary to increase tourism numbers into the Borough, parallel to this a coordinated programme will be implemented that promotes the Cultural and Heritage sector.

Projects such as 24 Guildhall Road will strengthen the Cultural Quarter and provide a focal point and stimulus for start-up businesses in the cultural sectors.

- **Raising Northampton's Profile**
The Council's focus is to improve the profile of Northampton and to capitalise on what makes us different to our nearby competitors, to market Northampton as an attractive environment for businesses and tourism, which in turn will boost Inward Investment.

The Council will develop a comprehensive Inward Investment Strategy and proposition to capitalise on the history and assets of Northampton. The Council will also develop a place marketing campaign for Northampton to underpin this Inward Investment Strategy.

Alongside our partners, such as Northamptonshire: Britain's Best Surprise, the Council will develop a Tourism proposition to drive visitors into the Borough, showcasing our strengths such as Culture and Heritage and Food and Drink.

- **Putting Employers at the Heart of the Skills System**

This priority is to ensure that Northampton's business community is able to tap into a skilled and flexible workforce. The Council's focus will be on developing skills programmes in the Borough and bridging the gap between employers and education providers.

The Council will work with its partners such as SEMLEP, University of Northampton, Northampton College and the business community to shape a skills strategy and action plan which sets out a system that meets the needs of our local economy.

The Council will also work with the University of Northampton and key employers to explore how we can attract and retain talented people within the Borough, this is vital to ensuring sustainable economic growth in Northampton.

- **Northampton as a Digital Town**

The Council will focus on ensuring that Northampton makes the most of the digital opportunities that are on offer, to promote and grow the digital sector in the Borough and ensure that everyone has access to high quality digital connectivity.

By working with our partners, such as Digital Northampton, the Council will explore applications for new technology as it becomes available and look at opportunities for how Northampton can benefit from the new technology.

Furthermore, the Council will work with City Fibre to develop a full fibre network across the Borough and promote Northampton as a location to invest in for further testing.

- **Efficient and Effective Infrastructure**

This priority is focused on making key strategic improvements to infrastructure in the Borough including transport and green infrastructure but also social infrastructure such as modernising and improving health services and community facilities.

The Council will work with Northamptonshire County Council to focus on priority improvements such as Brackmills & Castle Station Corridor and the dualling of the A43 from Northampton to Kettering. The Council will also support the development of a Transport Strategy and then work with partners to develop business cases required to secure funding for the identified improvements.

- **Supporting our Key Sectors**

The focus of this priority is to strengthen the local clusters of our diverse economy and work with our key sectors to develop a programme of support to ensure they have the right environment to be able to start, run and grow their business. The 6 key sectors identified which offer great growth potential are as follows:

- The Creative and Cultural Industries
- Advanced Manufacturing
- Financial Services
- Logistics
- Health and Wellbeing
- Retail

Supporting these key sectors will mean regular engagement with the business community. This will be achieved through networking events through our partners such as the Chamber of Commerce and the FSB but in addition the Council will look to host networking events for key sectors if such engagement is not being met through our partners.

The Council will also look to hold consultation workshops when developing new strategies and policies such as the Inward Investment Strategy, this allows for all documents to be co-produced and co-owned.

Finally, the Council will host an Annual Economic Forum to highlight progress being made on the strategy to the business the community and to provide an update on economic performance.

In addition, the strategy identifies that Northampton has a strong Sport and Recreation sector underpinned by nationally visible sporting clubs. This sector will be reviewed in terms of how we can support the sector and increase economic activity.

- **Tackling the Climate Emergency**

The focus here is to ensure that by 2030, Northampton will become a zero carbon, zero waste and climate resilient town. By limiting the impacts of climate change, residents and businesses will all benefit from the improved environment.

The Council will work with its partners to develop a Climate Emergency Action Plan which address the need to reduce carbon emissions effectively. The Council will work with our business community to educate them on climate change and encourage green infrastructure.

The Council will also review the work being undertaken as part of the Town Centre Masterplan and Waterside Enterprise Zone to ensure that all development meets the sustainability requirements.

3.1.17 The primary use of this document is to: -

- 1) Give leadership and direction to Northampton and bring forward cohesion to the priorities for the Northampton economy.
- 2) Promote joint working and understanding with key partners in delivering a structured programme of work.
- 3) Ensure clear priorities and objectives for deciding resources, including financial, people and assets to deliver outcomes set in the strategy.

3.2 Issues

- 3.2.1 As work within this area slowed in recent years as there have been changes to the team, much of the work that is now required is starting from a low base. This will involve developing tools, processes and sub strategies to effect delivery of the Economic Growth Strategy.
- 3.2.2 In recent years the Council has worked to improve its reputation amongst the business community. Further progress can be made on this with active and consistent engagement and dialogue with our business community and partners vital to ensuring a strong and prosperous town.

3.3 Choices (Options)

- 3.3.1 Accept the recommendations as set out in this report to adopt the strategy the Northampton Economic Growth Strategy it will give a co-ordinated plan for delivery based on local needs, regional and sub regional strategies for Northampton.
- 3.3.2 Adopt the strategy but not allocate the budget which is currently reserved for the Business Incentive Scheme. This option would mean that the Economic Growth Strategy would not be implemented, and it would damage the reputation of the Council.
- 3.3.3 Reject the recommendations as set out in this report (Do nothing) – this option to do nothing and not adopt this document would affect the economic vision for Northampton and strategic priorities of the Council and future West Northants, which would not be delivered.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The Northampton Economic Growth Strategy will act as adopted Council policy.

4.2 Resources and Risk

- 4.2.1 The development of this strategy has been funded through existing budgets. The application of this strategy will however have financial and resource implications for the Council, but the long-term impact should be financially positive as investment into facilities, infrastructure and jobs are created from the proposed actions.
- 4.2.2 It is proposed that the funding needed to deliver the Northampton Economic Growth Strategy is derived from the following:
- 4.2.3 The Business Incentive Scheme (BIS) which has an allocated budget of £200k ceased at the end of the 2019-20 financial year. £150k of this budget will be allocated to delivering the strategy for future years with the remaining £50k identified as a saving towards budget pressures.
- 4.2.4 The £150k will be spent on activity identified in the strategy which could include:
- Business Contact Database and Email Engagement Platform
 - Economic Data, Profiles, Analysis and Dashboard
 - Marketing, Events and Business Support
 - Skills Strategy, Data and Associated Programmes
 - Inward Investment Strategy
 - Digital Town Strategy
 - Strategic Site Study and Property Review
- 4.2.5 External funding from partners and central government will be regularly reviewed to maximise the opportunities available.
- 4.2.6 Authority to deliver the strategy is requested to be delegated to the Economic Growth and Regeneration Manager and his team (identified below) in consultation with the Cabinet Member for Regeneration and Enterprise. The Senior Economic Development Officer (in-post) and Economic Development Officer (soon to be in-post.) These officers will review and monitor the delivery of the Economic Growth Strategy against the deliverables set out in the action plan.
- 4.2.7 Any additional resource required as a result of the impact of COVID-19 will be allocated through the Economic Recovery Strategy which will go to Cabinet as a separate report. The Economic Recovery Strategy will sit alongside this strategy and will specifically focus on how the Council will support businesses to recover from the impact COVID-19 has caused.
- 4.2.8 The Economic Recovery Strategy will be developed as part of the Council's recovery plans. It will be led by the Countywide Economic Impact Cell and will align to regional and national recovery strategies, as well as this Economic Growth Strategy.

4.3 Legal

- 4.3.1 Section 1 of the Localism Act provided Local Authorities with the power of general competence. Implementation activity arising from the strategy is likely to rely on this and other specific enabling powers such as the Council's

powers as landowner and its housing and planning powers. The relevant powers will be identified at the appropriate time.

- 4.3.2 There is no statutory duty to produce an Economic Growth Strategy but doing so provides an important framework to assist in the delivery of the Council's Corporate Plan and its statutory obligations around housing, planning and regeneration infrastructure provision, where relevant.
- 4.3.3 Specific legal advice should be sought as and when any work connected with the priority areas identified above as part of the Council's Northampton Economic Growth Strategy is to be implemented.
- 4.3.4 The Government has recently issued guidance on the impact of the Corona Virus pandemic on local authority decision making and the guidance suggests that local authorities should consider any decision to be made (which is likely to have a significant impact on its community) from the perspective of whether the decision to be made can still be considered to be the proper utilisation of available Council resources in light of the pandemic.

4.4 Equality and Health

- 4.4.1 The economic growth and regeneration set out in this strategy will have positive benefits to residents and the wider community.

4.5 Consultees (Internal and External)

- 4.5.1 Throughout the development of this strategy, stakeholders were consulted to input into the strategy and also review and make comments. Initial engagement early on in the process included partners such as Northampton Business Improvement District, Northampton College, Northamptonshire County Council, SEMLEP, University of Northampton as well as business such as Mahle, Travis Perkins, Trickers, Church's Footwear and Northampton Saints.
- 4.5.2 In December 2019, a consultation workshop was also held with key stakeholders including those from the private sector, the voluntary and community sector and senior officers from the Council, NCC, Daventry District Council and South Northamptonshire Council. In total, 33 attendees attended the workshop. The strategy was then circulated to the attendees to provide a window of opportunity for them to have a further day and to sense check the document.
- 4.5.3 A further opportunity was given for businesses and key partners to contribute in early January 2020 where comments were then incorporated into this final draft.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The Council's Corporate Plan sets out three strategic priorities to be pursued over the next two years. One of these is 'A Stronger Economy'. This Council's

corporate objective is the driving force in writing and developing the Northampton Economic Strategy and in the future implementation of this strategy.

- 4.6.2 The Northampton Economic Growth Strategy takes its primary lead from local needs but also takes its guide from SEMLEPs Local Industrial Strategy and SEMLEP's Strategic Economic Plan. The Northampton Economic Growth Strategy does not aim to repeat these targets and objectives but rather to give specific local achievable direction in areas of influence aiming to add value to the current overarching work.
- 4.6.3 The Northampton Economic Growth Strategy will be a key document for the Borough and relates directly to the Corporate Plan strategic priority of 'A Stronger Economy.' With the 'Establish a comprehensive Economic Growth Strategy' and 'Shaping Place and Driving Growth.' Specific outputs against this area.

4.7 Environmental Implications (including climate change issues)

- 4.7.1 There are no specific environmental impacts arising from the contents of this report, however creating a borough that is a great place to live, work and play enables more sustainable living and reduces negative environmental impacts, carbon footprints and air pollution. Tackling the Climate Emergency and reducing environmental implications in the town has been identified as a priority in the strategy.

4.8 Other Implications

- 4.7.1 No comments

5. Background Papers

- 5.1 Northampton Economic Growth Strategy
- 5.2 Northampton Economic Growth Action Plan
- 5.3 Northampton Economic Growth Strategy Data Pack

6. Next Steps

- 6.1 The strategy will be used as the framework for delivering economic development and growth of Northampton with the Action Plan setting out how this will be delivered over the next 5 years

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