

**Northampton Borough Council**

**Economic Growth Strategy**

**2020-2025**

# Contents

|   |                |
|---|----------------|
| <b>Vision for 2025</b>                              | <b>Page 3</b>  |
| <b>1. The Council's approach to growth</b>          | <b>Page 4</b>  |
| <b>2. Our economy</b>                               | <b>Page 5</b>  |
| <b>3. Northampton within the region</b>             | <b>Page 10</b> |
| <b>4. Working with our partners</b>                 | <b>Page 11</b> |
| <b>5. Growth scenarios</b>                          | <b>Page 12</b> |
| <b>6. Delivering our priorities</b>                 | <b>Page 14</b> |
| <b>7. Key sector profiles</b>                       |                |
| <b>i) Creative and Cultural Industries</b>          | <b>Page 32</b> |
| <b>ii) Advanced Manufacturing</b>                   | <b>Page 33</b> |
| <b>iii) Financial Services</b>                      | <b>Page 34</b> |
| <b>iv) Health and Well-Being</b>                    | <b>Page 35</b> |
| <b>v) Retail</b>                                    | <b>Page 36</b> |
| <b>vi) Logistics</b>                                | <b>Page 37</b> |
| <b>8. Measuring economic outcomes</b>               | <b>Page 38</b> |
| <b>9. Implementing the Economic Growth Strategy</b> | <b>Page 40</b> |

## **Vision for 2025**

By 2025 Northampton will be recognised as a highly productive economy. Our businesses will operate in an environment in which they can thrive and where our communities benefit from opportunities provided by the private sector.

Northampton will remain a fantastic place to start, scale-up and grow a business. The town will attract investment to deliver key projects and talented people. Our schools, colleges, university, and businesses will work closely together to develop people with the skills and the access to opportunities to enable them to succeed and be resilient in the fast-changing economy. People who are out of work or in low paid jobs will find it easier to obtain support and access to opportunities they need to get into the workforce and progress into better jobs. Our skills system will directly address the needs of our economy and the business community, ensuring that residents have access to high quality employment.

The town centre will undergo significant change. We will work closely with the private sector to achieve the changes that both our communities and businesses are seeking. Ensuring that the Town Centre is a thriving heart as the county town for Northamptonshire.

In April 2021, there will be a significant change to the way Local Government operates across Northamptonshire. The eight existing councils in Northamptonshire are to be abolished and replaced by two new councils (North Northamptonshire and West Northamptonshire) to improve the delivery of public services across the county. Northampton Borough Council will form part of West Northamptonshire, alongside Daventry District Council and South Northamptonshire Council

We will work with our partners to ensure that local infrastructure has the capacity to meet business and resident's needs across the Borough and West Northamptonshire. We will build on our extensive local heritage, reflecting the role the town and wider area have played in the country's history and our rich natural environment.

Economic growth will create new jobs and homes. Central to this growth will be the need for high quality broadband and 5G infrastructure, smart city technology, clean energy measures to reduce carbon, and use of data that will make Northampton a digital city. Our communities will be equipped with new digital skills and abilities, allowing new career opportunities and in-work progression as workers contribute to their full potential.

We have learnt through the Coronavirus Pandemic that more needs to be done to be prepared for major economic shocks. Working with our partners we will seek to develop plans that enable Northampton to be well placed to respond and be resilient to economic challenges and opportunities.

The key characteristics of Northampton's success will include;

- Job growth in key sectors and increase the business base;
- Increased Gross Value Added (GVA) per capita, average worker income and productivity – leading to wealth creation for Northampton residents;

- Improvement in educational attainment – increasing the number of residents qualified to deliver the jobs needed by local business;
- High business start-up and survival rates – creating even more successful business leaders in the future;

With sustained increases in each of these measures during the life of the Economic Growth Strategy, Northampton will improve its resilience and improve its economic diversity. Which will assist in weathering future global economic trends and market cycles, aiding recovery from economic downturns. Improvements will assist the Borough being agile enough to adapt to changing technologies and importantly, provide benefit to all Northampton residents. The Economic Growth Strategy Action Plan sets out the basepoint and future targets which the delivery of the strategy will be measured against.

## **1. The Council's Approach to Growth**

Enabling economic growth is integral to the work of Northampton Borough Council. Sustaining a productive economy will contribute to making Northampton a prosperous, healthy, safe and clean place.

The Northampton Economic Growth Strategy is a key document for the Council that will shape the future of Northampton's economy, enable the safeguarding and creation of local jobs and stimulate wealth creation for residents.

The Borough Council seeks to improve conditions that will assist local business to thrive. The Council is responsible for ensuring that the local economic infrastructure both encourages and supports local business. Northampton benefits from a strong economic infrastructure, with significant investment made by the University of Northampton and key schemes such as Vulcan Works and Northampton Innovation Centre providing high quality facilities. This strategy focuses on how further action can strengthen local economic infrastructure further.

While achieving economic growth is a priority for the Borough Council we also recognise the responsibility we have for the Environment. In order to accelerate a response to the challenge the Borough Council has declared a Climate Emergency. The Council has agreed a target that by 2030 Northampton will have become a zero carbon, zero waste and climate resilient town, playing its part in limiting the impacts of climate change. Business and community support will be vital in helping to meet the zero carbon target.

The Council has responsibility to support the response to economic shocks. The Coronavirus Pandemic has demonstrated the impact such shocks can have upon local, national and international economies. We want to ensure that we have a clear strategy in place that enables a quick and full recovery from Coronavirus, and puts in place plans for future potential shocks.

An Economic Recovery Strategy will be developed to help the Borough's economy bounce back from the damage caused by Coronavirus. This document will underpin the Economic

Growth Strategy and work to support businesses to return to business as usual, whatever that might look like in the future.

To inform the recommendations within this strategy, two specific actions have been undertaken: -

- An economic baseline analysing trends and progress made over the last five years has been developed.
- Valuable consultation with, and input from, a wide range of stakeholders has been received and recorded, and played a key role in shaping the strategy.

This method has ensured a 'top-down and bottom-up' approach to creating a plan that is both co-produced and co-owned by the Council and our partners.

## 2. Our Economy

The Northampton economy contributed £7.6bn to the UK economy in 2018 (by Gross Value Added at current prices), while the wider West Northamptonshire contributed £11.9bn.

Table 1 shows the recent growth trend within the economy.

*Table 1: Gross Value Added: The size of the local economy*

| Year | Northampton | Daventry | South Northamptonshire |
|------|-------------|----------|------------------------|
| 2018 | 7.627bn     | 2,339bn  | 1,943bn                |
| 2016 | 7,090bn     | 2,019bn  | 1,825bn                |
| 2012 | 5,837bn     | 1,729bn  | 1,468bn                |
| 2010 | 5,692bn     | 1,175bn  | 1,299bn                |

*Source: ONS*

Northampton has experienced strong private sector jobs growth since 2010, increasing from 74,600 to 79,500 representing 6.5% growth during the period 2010-2018. The Borough has a diverse economy that continues to grow and attract new investment. It is a major hub for Financial Services, Logistics and Advanced Manufacturing. The Knowledge economy of higher skilled employment currently provides around 13,500 jobs within the Borough.

Northampton is also a great place to start-up and scale up businesses, and to commercialise innovation. Northampton was named the 3<sup>rd</sup> 'most enterprising town' for business start-ups in 2018 by Informi. Similar positions were also achieved in 2016 and 2017. This consistent positioning recognises that Northampton offers an affordable location for business to become established and also demonstrates that the local community have an enterprising outlook. Almost inevitably locations with high numbers of business start-ups also have a high number of business failures, this is true of Northampton and Informi conclude that the positioning in the table demonstrates that a business has currently more chance of surviving in Northampton as opposed to anywhere else except London.

The Northampton economy has been strengthened by the development of the new University of Northampton campus a £330m investment in the Waterside Enterprise Zone, which opened in September 2018.

Significant further investment has been made in a number of priority projects across the Borough since 2015, these include.

- One Angel Square - £53m
- St Johns student accommodation, and student accommodation across the Borough – £25 Million
- Carlsberg Bottling Plant – £25 million
- Railway Station – £20 Million
- Northampton Vulcan Works Creative Hub - £14m
- Northampton Innovation Centre £8.5m
- The opening of the new Museum – £6.7m
- Northgate bus station – £7 Million
- MAHLE Powertrain – road to zero vehicle testing facility - £5.1m

These projects have all contributed towards securing job creation and retention for Northampton across a wide sector. These schemes have begun to transform the Town Centre, a number of other projects are in scope, confidence will increase through further delivery and raised profile of the Borough nationally and internationally.

There is clear dynamism in the Northampton economy.

But significant challenges and opportunities remain.

Not everyone is currently benefiting from or contributing to economic growth to their full potential. Some of these issues are concentrated in particular neighbourhoods, where poor housing stock and conditions, financial exclusion, physical and mental health problems remain.

A fast changing economy has implications for the skills people need to access jobs, progress within their careers and be resilient to economic shocks. Low pay is a growing issue. Whilst educational attainment is a narrow measure of people's suitability for work, Northampton lags behind other comparator areas in attainment levels, from early years to secondary schools. Our schools and skills system needs to do more to provide people with the skills and careers information they need to access the full range of opportunities in the modern economy and meet employer needs. Whilst some employers are leading the way in terms of staff development, apprenticeships, creating opportunities for school leavers, career changers and people returning to the workforce, others could do more.

These issues hold our economic performance back, create costs to the public sector, affect productivity and mean that we are not drawing on the full talents of everyone in the Borough. They also provide an economic opportunity. If we can get people into work, support them to progress into better jobs, improve housing and health conditions, and make neighbourhoods and centres more attractive, we can boost Northampton's economic performance, tackle the unfairness, costs of poverty and reduce costs to the public sector.

In determining our priorities for the next five years, key evidence has been gathered to understand Northampton's local economy. The facts and figures illustrated in this section highlight some of the most significant current characteristics of the local economy.

Northampton has a growing community, the population of the Borough is 228,000. This represents growth of 6.7% since 2010, and equates to 1.8% growth year on year. Across West Northamptonshire, Daventry experienced population growth of 8.1% and South Northamptonshire's by 7.5% over the same period. Northampton has a young population with 25% of the community under 16, while the over 65's age group stands at 13%. With the current demographic make-up of the area, this balance will potentially change as the population changes. Both Daventry and South Northamptonshire have similar age profiles to the Northampton Borough.

The Borough is home to 137,000 jobs based within 10,715 companies. The economy is diverse with 90% of businesses employing fewer than 10 employees. 55 of companies employ over 250 employees, many of which are household names and serve as company headquarters, such as Cosworth, Barclaycard, Travis Perkins, Avon, Churches, Trickers, St

Andrews Healthcare. The Borough is also home to significant employment for Nationwide Building Society and Carlsberg. Based on Government data, Northampton has a similar share of major companies as other key cities, including Nottingham, Derby, Leicester and Lincoln. This points to Northampton being one of the strategic locations within the region

An advantage of this economic profile is that because employment is distributed among a large number of smaller companies rather than being concentrated in a small number of large corporations, the economy is less at risk of economic shocks more likely to be experienced by having a high concentration of large internationally mobile companies. This means that SMEs are well placed to support future job creation. Northampton currently has 13.6%, (equating to 17,100 jobs) of its businesses classified as operating within the 'Knowledge economy' (ONS business register 2018).

The Knowledge economy is defined as an 'Economy based on creating, evaluating, and trading knowledge'. It is typically a technology driven sector and is considered to be the leading sector of a modern economy. Within the Cities Outlook 2017, Northampton was positioned as the 21<sup>st</sup> most knowledge driven economy of the 62 cities analysed. Locally, Milton Keynes was placed 6<sup>th</sup> (32,300 jobs), Peterborough 16<sup>th</sup> (15,200 jobs) Coventry 20<sup>th</sup> (21,300 jobs) while Luton was 37<sup>th</sup> (9,600 jobs).

The depth of the Knowledge economy is an important indicator of how the economy is changing to reflect new demands and the adoption of technology. A position of 21<sup>st</sup> reflects that Northampton is changing, but not necessarily as fast as the leading cities. This analysis is supported by the data concerning the number of Patent applications made by business. Northampton in this area has been positioned as 31<sup>st</sup> of 63. By comparison Coventry is in 2<sup>nd</sup> place, Milton Keynes 11<sup>th</sup>, while Luton trails considerably in 60<sup>th</sup>.

This analysis again points to Northampton's economy being dominated by small medium sized enterprises, while the large companies in the area typically have a presence through production centres and distribution units rather than their headquarters or research and development centres.

Northampton boasts many of the world's finest shoemakers and has a proud heritage dating back almost 900 years. High quality shoe manufacturers based within the town include Churches, Trickers, Crockett and Jones, Jeffrey West, Crown and Edward Green. The companies play a significant role in the local economy and in employment terms.

Northampton contributes Gross Value Added (GVA) of £6.2bn in 2015. With GVA per head at £27,963 per person. This places Northampton as 35<sup>th</sup> of 63 cities.

ONS analysis reveals that Northampton is currently 8% less productive than the national average. Although it should be noted that if London were removed from the analysis, Northampton would be significantly closer to the national average. However, this demonstrates that Northampton does need to identify ways of diversifying the local economy further in order to improve currently levels of productivity. Figure 2 highlights GVA performance of Northampton and its local comparators.



**Figure 2: Comparator GVA performance**

| <b>Location</b>      | <b>GVA per head (2016)</b> |
|----------------------|----------------------------|
| <b>Milton Keynes</b> | £46,780                    |
| <b>Northampton</b>   | £27,963                    |
| <b>Peterborough</b>  | £27,595                    |
| <b>Luton</b>         | £24,339                    |
| <b>Bedford</b>       | £23,895                    |
| <b>Coventry</b>      | £23,192                    |

Source: ONS

The average weekly wage in Northampton is currently £536.50 per week (ONS Labour Force report). This is reported by the Centre for Cities as an average performing area (32nd/63). This level is lower than West Northamptonshire neighbours, where Daventry is £558 per week and South Northamptonshire is £566.30 per week. Northampton does however perform better than the regional East Midlands average which stands at £529.90.

This relatively weak performance again points to the prevalent sectors within the Borough, which are typically employing lower skilled workers. Compared to the National average, the Borough is current lower than the national figure of £571.10 per week. The Borough's dependence on public sector employment is comparable with neighbouring cities, there are currently 32,500 jobs in the sector (25.7%). This figure has been decreasing since 2010 from a starting position of 36,000 jobs.

The local workforce has 32% (46,900) of its workforce educated to NVQ Level 4 or above. While the number of residents with no qualifications is falling with currently 6.6% (9,500) in this position. This level has fallen by half since 2009. This performance is however significantly lower than West Northamptonshire neighbours, with 83% of Northampton's community qualified at NVQ Level 1, compared to South Northamptonshire's 87.7% and Daventry's 85.6%. However the level of performance is even more marked at NVQ Level 4 where Northampton as 32.6% of its residents educated to this higher level, while South Northamptonshire 43.7% and Daventry 38.5% have higher qualified communities. Northampton also currently performs beneath the East Midlands average at both NVQ Levels 1 and 4.

While unemployment levels remain similar to the national average, with around 4.1% compared to the national 4.2% current without work. The Northampton unemployment trend has closely matched the national picture for some time, this reflects the diversity of the local economy and the agility of the business community to weather economic uncertainty.

The business community reported during consultation that they find it difficult to recruit to positions at varying levels of skill. This phenomenon is not usual to Northampton, and is widely felt across the country. This however is a concern that the Borough Council and its partners will seek to address through this strategy. While there are shortages in key skills areas the Borough has a jobs density ratio of 1.07 (ONS Labour Force Survey, where a ratio of 1.00 equates to 1 job being available for each resident) meaning Northampton has a strong supply of job opportunities and performs as a natural regional employment centre.

The commuting pattern reveals the Northampton's influence on the wider geography. On a daily basis, Northampton is receiving an inflow of 39,545 commuters, while 27,442 residents are travelling out of the Borough. The commuting relationship is predominantly with neighbours such as Milton Keynes, Bedford and the rest of Northamptonshire. This balance reflects Northampton's geographical position, the relative ease of commuting and the availability of jobs in neighbouring areas.

As a sub-regional centre Northampton plays a key role as a retail centre. However the town centre has seen a number of changes due to wider changes in the way High Streets are operating. Town Centres across the country are seeing sizeable changes. The rate of change amongst retailers has been considerable, with a number of major retailers disappearing from Town Centres since 2010. The industry view confirms that this trend is likely to continue into the future. Northampton has seen a number of major retailers close within the Town Centre. At present the Northampton's Retail and Leisure Study (2018) reports a town centre vacancy rate of 14.9% within Northampton Town Centre. This figure represents a reduction from the 2010 figure of 17.3%.

The retail sector is undergoing significant change nationally, Northampton has been impacted by the demise of major retailers since 2010, while there has been growth in independent retailers. Northampton's retail vacancies created since 2010 are larger units in the Town Centre, such as Marks and Spencer, BHS and Market Walk. In some cases these units are neighbouring. While new retailers are not always offering a high quality offer. The performance of the Town Centre is an important signal to the wider economy about the economic health of a location. The performance of Northampton Town Centre is therefore a key priority within the Economic Growth Strategy.

Northampton is current positioned as the 64 highest performing retail centre in the country (Genecom/BEIS) although this positioning has been weakening since 2013/4 (when placed 57<sup>th</sup>). It is noticeable that there is a hierarchy developing between 'retail destinations' that offer a broad 'experience' when allied to a strong cultural and leisure offer, whereas, secondary tier centres, such as Northampton provide a more functional experience as a regional centre. It is this level which is experiencing the most competition, not least as there are a number of regional centres within a 50 mile radius of Northampton.

### 3. Northampton within the Region

#### The Oxford Cambridge Arc

Northampton is located within the Arc and has the potential to be a beneficiary of investment and economic growth relating to the presence of the Arc.

The Oxford-Cambridge Arc is a world leading economic area, underpinned by a high-quality environment. It will deliver transformational growth that will create knowledge-based jobs and boost local and regional economies for the benefit of existing and future communities. It currently has 3.7 million residents and over two million jobs, contributing £111bn of annual Gross Value Added (GVA) to the UK economy per year and the transformative economic potential to contribute nearly £200bn by 2050. It is a highly productive and prosperous region with global strengths in science, technology and high-value manufacturing.

The Arc contains globally renowned universities, and sits at the heart of a business, science and technology ecosystem that makes it one of the most exciting economic growth opportunities in the world. Realising this potential will mean more jobs, of a higher quality, for existing communities and future residents, and can encourage international investment and exports for the benefit of local businesses and the national economy.

The Arc will also require new ways of working between the Government, local partners and businesses to ensure benefits are felt both by local people in the Arc and the national economy. It will require taking a long-term view, up to 2050 and beyond, recognising that this must include protecting and enhancing the natural environment. It will require making the most of current investments in infrastructure, particularly in railways and roads, to ensure that they can support business growth and the delivery of the new homes that the area needs to fulfil its potential.

The Government's Ambition and Joint declaration with partners identified three core areas for Arc to focus; these include;

- Productivity
- Place-making
- Connectivity
- Environment

Northampton has a key role to play within the Arc and share core ambition within the wider area, this includes enabling local communities and businesses to benefit from better jobs, increased wages and greater prosperity and improved productivity.

Place-making in the Oxford-Cambridge Arc means creating places valued by local communities, including through the delivery of sufficient, affordable and high-quality homes, and wider services including health and education. The Government has set out its ambition for up to one million new homes in the Arc by 2050.

The Government has set out a number of schemes that it will invest in to improve connectivity across the Arc. None of these at present directly involve Northampton, however all schemes improve the transport infrastructure across the region.

Map to be inserted here to show the infrastructure projects across the region.

Government has also committed to work with partners locally to encourage strategic thinking around climate resilience, water management and biodiversity net gain. A commitment has been made to explore natural capital thinking throughout across the Arc, including providing £1.2m to develop local natural capital planning.

Northampton will play an active role in supporting the Arc and ensure that it has projects in development that can assist in delivering the Arc's ambition. Equally the Borough Council and its partners need to ensure that Northampton is playing a positive, long term role in the Arc if it is to benefit from the opportunities that will arise.

#### **4. Working with our partners**

Northampton plays a key role within the South East Midlands Local Enterprise Partnership.

The SEMLEP economy was valued at approximately £52bn in 2017, more than doubling in size since 1998 in nominal terms. The quality of this growth has been strong, with employment rates, and start-up rates above their respective national averages.

SEMLEP has recently produced its Local Industrial Strategy. The Strategy will provide the overarching focus for the economy and the area's relationship with Government and the National Industrial Strategy.

The Local Industrial Strategy is focused upon 'increasing productivity across all sectors and geographies within the SEMLEP area, thereby supporting the aims of the national Industrial Strategy. This means improving energy, transport and digital infrastructure, and being smarter about how this infrastructure is used. Supporting the development of a balanced mix of commercial premises. Linking up businesses and universities across the SEMLEP area and the Arc, to enhance key knowledge transfer. Acting now to put in place a pipeline of

skills that will match the future needs of local employers, particularly in the digital and wider STEM realm.

Supporting businesses not just to start up, but to scale up, grow and prosper. Increasing productivity within the logistics sector by supporting local SMEs to adopt automation and artificial intelligence technologies, addressing the Artificial Intelligence and Data Grand Challenge. Piloting new ways of living and working, and of moving people and freight around. The possibilities for the future are immense. As the high-knowledge economies and clusters of expertise within the Arc become better integrated, the SEMLEP area can act as its Connected Core: a place to collaborate, with the space to test new ideas and capitalise on commercialising new technologies. And a place where people want to live, not just because of its exciting job opportunities, innovation and national and global links, but also because of its attractive cultural assets, natural environment and green credentials’.

Northampton is a key stakeholder within the SEMLEP area, it will be important for the Council and its partners to continue to develop the positive relationship with SEMLEP. There is shared endeavour in the delivery of the Waterside Enterprise Zone. The Borough Council will ensure that there is active dialogue with SEMLEP to ensure that opportunities are seized and delivered, and that where we experience blockages, new solutions are found and addressed through partnership. This Economic Growth Strategy links closely to SEMLEP’s Industrial Strategy and will underpin the contribution Northampton will make to the SEMLEP area.

Northampton Borough Council will continue to work with colleagues in South Northamptonshire and Daventry District Councils as we move into the Unitary authority of West Northamptonshire in April 2021. We will develop a common approach to economic growth as the Unitary Council develops, recognising our collective strengths as an urban centre and outstanding rural areas. When the Unitary council forms there will also be the formation of a Northampton Town Council. We will work closely with the new Town Council in order to promote the interventions and maximise the benefits of this strategy.

Throughout this process, the Borough will also continue to work closely with key partners such as Northamptonshire County Council and neighbouring local authorities as we work on shared priorities such as infrastructure and the sharing of intelligence.

## **5. Growth Scenarios**

Recent data indicates the Northampton economy is experiencing growth pressures across a number of sectors, particularly manufacturing and logistics, mainly due to the availability of labour, but also the willingness to commit to capital project while there is uncertainty with Brexit. This message highlights the risk from future economic change, particularly automation and technology developments, to manufacturing jobs, and also jobs in financial and business services back office functions.

A failure to equip our people with the skills they need to succeed in the modern economy will hold them and hold the Borough’s progress back.

Improvements in infrastructure will be needed to secure and accommodate future growth as well as improving the city’s resilience to extreme weather, and fluctuations in energy prices. SEMLEP’s Energy Strategy also evidences grid constraints in Northampton and surrounding area. These constraints will need to be addressed if economic growth is to continue to benefit the Borough. Any impact of energy constraints could restrict the supply of the new homes and business space we need.

Three Growth Scenarios have been developed to identify potential trajectories for the Northampton economy. These are based on the following premise;

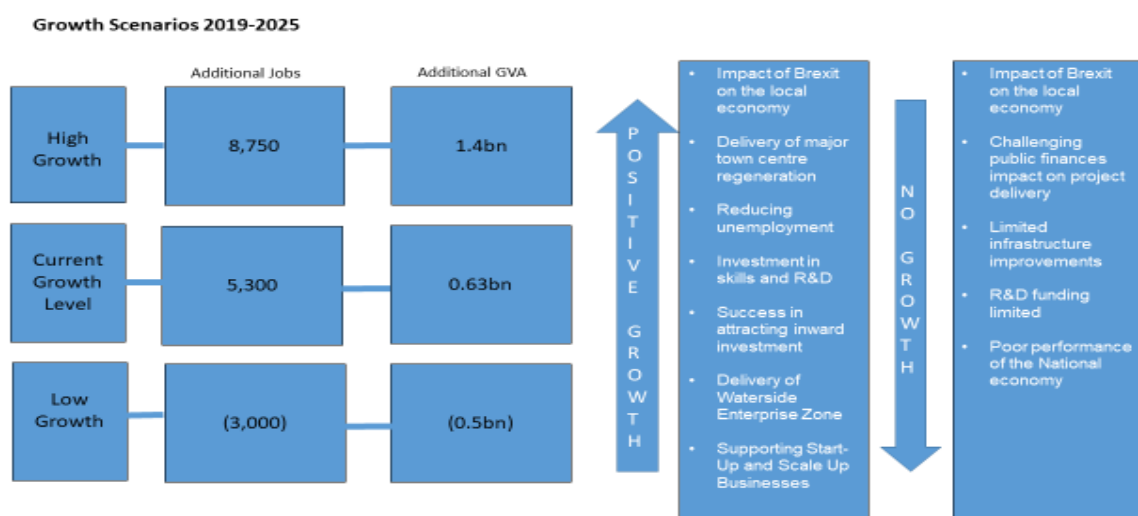
A central scenario, based on a continuation of long-run trends – this would see continued growth in financial and professional services and the knowledge economy, and continued progress with developing new infrastructure and office space in the town centre. This scenario is predicated on national growth remaining positive.

A higher growth scenario, based on a continuation of recent positive trends and progress being made on some of the issues holding the Borough’s economy back – this would require substantial intervention to be made on boosting exports and R&D, increasing infrastructure investment, regeneration, delivering new homes and business space, reducing unemployment, tackling low pay and underemployment, attracting and retaining more graduates. It would be dependent on a strong national economy.

A lower growth / recession scenario, based on an economic downturn as a result of uncertainty and wider business confidence, skills issues, continued weaknesses in infrastructure, and problems associated with low pay and increased unemployment.

The Growth Scenarios serve to outline the potential the Northampton economy possesses. The following section outlines our priorities and how they will assist in creating opportunities for growth and support both existing companies operating in the Borough and future inward investors.

**Figure 3: Growth Scenarios 2019-2025**



Source: ONS

## **Driving our priorities**

The factors that influence Northampton's economy are numerous. The following represents some of the key characteristics, assets and 'influencing factors' for the borough.

We have identified 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.

Our priorities are:

- Supporting innovators, entrepreneurs and social enterprise
- Creating a 21<sup>st</sup> century Town Centre
- Maximising the economic benefits of culture and heritage
- Raising Northampton's profile
- Employers at the heart of the skills system
- Northampton as a digital town
- Effective and efficient infrastructure
- Supporting our key sectors
- Tackling the Climate Emergency

## Supporting Innovators, Entrepreneurs and Social Enterprise

The Borough Council will continue to encourage enterprise. We will work to ensure that the Northampton economy is successful. We will welcome entrepreneurs, innovators and social enterprises and will develop programmes and projects that will ensure that the economy offers the conditions for businesses to thrive.

| Our approach   | Our focus   |
|--|---|
| <ul style="list-style-type: none"> <li>• Supporting start-ups and scale-ups</li> <li>• Boosting innovation throughout the economy, including commercialising knowledge from universities and government, and supporting firms of all sizes in all sectors to improve their products, processes and capabilities</li> <li>• Promoting social enterprises and innovation in public services</li> </ul> | <p>Innovation does not just occur in high tech sectors and top universities. Simple improvements to processes, finding new markets or adapting to new technology can increase productivity. We will continue to support the creation of new businesses and the growth of small businesses, including independents, which are an important part of the Northampton economy.</p> <p>Whilst we have a large number of innovative firms, we need more companies investing in R&amp;D. We are aware that we need more high quality commercial space. Our proposals for the Town Centre will provide new space for economic activity. The Vulcan Works Creative Hub will provide an important focus for the Creative Sector</p> <p>We will support the growth of manufacturing firms, enabling them to access grow-on space and modern premises.</p> <p>There were 1800 start-up companies created in Northampton during 2017 almost double the levels seen in 2012, as well as year on year growth. The failure rate stood at 50% during 2016/17. The Growth Curve programme has been supporting high growth business with support from the region’s Universities including the University of Northampton. New businesses and entrepreneurs will require more support in order to make a success of their business or to overcome any “growing pains” as they scale-up, these include finding employees with the right skills, building their leadership capability, accessing new customers and markets, capital, finance and regulation.</p> <p>We will work with our partners, such as Northamptonshire Chamber of Commerce, Department for International Trade and SEMLEP to develop a coordinated Export Advice service. This will provide advice and guidance to businesses looking to expand their operation.</p> |



|  |   |
|--|---|
|  | <p>We will support spaces and initiatives that incubate small creative businesses, which may require the development of new spaces to be supported, and the Council to consider how best to use its assets and investments to support small business growth.</p> <p>We will support small independent businesses as they innovate and create jobs, Northampton has more than 2,000 of these businesses. Small businesses need access to the right finance and support to invest in staff training or adopt new technologies.</p> <p>We will support social enterprises, and innovation in public services recognising the positive role social enterprises play in supporting economic growth and inclusion.</p> <p>We will develop a social enterprise strategy with the sector to underpin further growth</p> |
|--|---|

## Creating a 21<sup>st</sup> Century Town Centre

The pressure on Town Centres has intensified with changing retail, leisure and working patterns. New technology has created a global change in how Town Centres are valued and used. Northampton Town Centre faces a number of challenges resulting from these trends. Tackling these challenges is an important priority for the Borough Council. We will continue to make Northampton a welcoming and safe place for residents and visitors. Working closely with parts such as the Northampton Town Centre BID and the private sector, we will address these challenges. We will continue to address Homelessness and help residents experiencing the most acute problems of disadvantage, exclusion and marginalisation.

| Our approach   | Our focus  |
|--|--|
| <ul style="list-style-type: none"> <li>• We will regenerate key town centre sites and continue the delivery of the Waterside Enterprise Zone.</li> </ul> | <p>Working with our partners, we will transform the heart of the town by developing the current Market Square area into a high-quality space that reflects the ambition and pride within the town. We will focus on what makes Northampton unique; creating a new event space, a refashioned market and greatly enhanced public realm that will all work together to act as a regional attractor.</p> <p>Targeted site acquisition will be used to re-purpose property surrounding the square to take advantage of the transformed space they face and drive activity back into the heart of the town.</p> <p>We will create a smaller but stronger retail area anchored around stable retailers and cultural assets in the town centre. Encouraging existing independent retailers from the fringes of the town centre into the new units around the Market Square</p> <p>We will actively encourage and re-purpose vacant retail units and the space above retail into new residential, flexible office and leisure opportunities.</p> <p>New spaces outside of the retail core will be developed that meet market demand, we will restructure vacant space to deliver units that are attractive and can be immediately used. In these areas we will encourage modern flexible office/workspaces to help encourage businesses back into the town centre.</p> <p>We will bring residential communities back into the town centre through transforming tired shopping areas into attractive mixed-use developments and unlocking brownfield sites. New opportunities for North-South</p> |

|   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• We will ensure that</li> </ul> | <p>links will be created to reconnect the Greyfriars area with the rest of the town centre opening up this 4-acre mixed use opportunity.</p> <p>Alongside this, urban scale interventions will be explored to open and reanimate existing poor quality pedestrian links across the town centre. These pinch points for pedestrian flow will be activated with revived shop fronts, new public realm and landscaping and improved external lighting to encourage daytime café culture and evening leisure trade.</p> <p>We will work with our partners and the private sector to deliver key town centre sites. Our approach will be proactive and will support the ethos of the Town Centre Masterplan by seeking to bring high quality investments in retail, culture and housing to a number of sites, including;</p> <ul style="list-style-type: none"> <li>• Four Waterside</li> <li>• Horizon House</li> <li>• Greyfriars</li> <li>• Freeschool Street</li> <li>• Vulcan Works Creative Hub</li> <li>• Railway Station Phase 2</li> </ul> <p>Working alongside SEMLEP we will continue to focus on delivering the Waterside Enterprise Zone.</p> <p>The Enterprise Zone includes extensive underused, vacant and brownfield sites. As an urban EZ it provides a critical mass around existing employment, housing and infrastructure with strong connectivity to the town centre.</p> <p>Despite being recognised as a successful EZ, delivering good job and investment performance, a greater opportunity remains, as the investment on the EZ to date has seen 18 hectares (of 92 hectares) of land developed. This equates to 19% of land in the EZ with a further 74 hectares remaining available for investment. This links closely to SEMLEP’s aim of addressing the undersupply of commercial premises.</p> <p>Working with stakeholders we will continue to ensure</p> |
|---|--|

|   |  |
|---|--|
| <p>Northampton Town Centre is a welcoming and safe place</p>  | <p>that the Town Centre is a clean and safe environment which welcomes residents and visitors. We will use the regeneration of the Town Centre to create new spaces which improve the ambience and encourages greater usage by a greater range of residents.</p> |
| <ul style="list-style-type: none"> <li>• We will continue to work with communities that face homelessness or marginalisation</li> </ul> | <p>With our stakeholders we will develop and embed practical support, which focuses on helping people to help themselves, provide support and services that will enable individuals to take back control of their own lives</p>                                  |

## Maximising the economic benefit of culture and heritage

Northampton has a rich cultural offer including the recently refurbished Delapré Abbey which showcases almost a thousand years of the town’s history. The Cultural and Heritage is currently contributing £146m GVA per annum. This represents a 9.7% increase since 2010. There is considerable public sector investment in Northampton’s heritage with a £6.7 million extension and refurbishment of Northampton Museum and Art Gallery which will complement the existing Cultural Quarter offer featuring the highly successful Royal & Derngate theatres, Northampton Filmhouse, 78 Derngate, and the stunning Victorian Guildhall.

We will work with our partners to ensure that the sector is visible and attracting both residents and visitors into the Borough.

| Our approach   | Our focus   |
|--|---|
| <p>We will improve how we promote and communicate all of the activities that take place in Northampton</p>   | <p>We will work with stakeholders to design a long-term programme which coordinates how our attractions and events promote Northampton’s activities. We will ensure that we attract new visitors and provides residents with a single reference point to access information about Northampton’s events.</p> |
| <ul style="list-style-type: none"> <li>• Increasing visitors and enhancing the image of Northampton through major cultural events and attractions</li> </ul>                           | <p>With the largest cluster of world-class shoe manufacturers based in the town, a great history of sporting achievements, the iconic Delapre Abbey, outstanding green spaces and the wide range of events held across the Borough there is a lot to celebrate and help catalyse success.</p>               |
| <ul style="list-style-type: none"> <li>• Growing the cultural and creative sector as well as boosting creativity across the wider economy, education system and communities</li> </ul> | <p>With our transformative vision for the Town Centre working alongside these great assets we will boost the presence of Northampton as a major creative centre where talent, ideas and enterprise meet.</p>  |
| <ul style="list-style-type: none"> <li>• Developing a coordinated proposition for the Cultural and Heritage sector and promote</li> </ul>  | <p>The many beautiful listed period buildings will continue to be a feature of this new vision through carrying out improvements to change these tired buildings into impressive assets. Enabling us to once again showcase Northampton as a place that is ambitious and proud.</p>                         |
| <ul style="list-style-type: none"> <li>• Build on the success of the Cultural Quarter to attract new businesses and investment</li> </ul>  | <p>We will continue to deliver projects to develop the Castle Area and Heritage Gateway leading to Northampton Town Centre. These projects will encourage residents and visitors to learn about the town’s rich medieval heritage.</p>  |
|  | <p>We will deliver a new Museum following a £6.7m</p>   |

|   |  |
|---|--|
| <p>We will investigate how an ambassador programme could help raise Northampton's profile</p> | <p>refurbishment during 2020.</p> <p>The Vulcan Works Creative Hub will be operational in 2020 and provide a focal point and stimulus for start-up businesses in the Creative Sector.</p> <p>We will seek to co-invest in projects which demonstrate that they grow the Cultural and Heritage offer and can demonstrate a contribution to the Economic Growth of the Borough.</p> <p>We will develop the Cultural Quarter working with partners such as the Royal &amp; Derngate and local Arts community to enhance the reputation and visibility of the Quarter and seek to attract new inward investment into the area.</p> <p>With the vibrant Creative sector within the Borough we will seek to utilise the role the sector plays in how we position Northampton through proactive marketing campaigns.</p> <p>Working with stakeholders we will assess whether an ambassadors programme can improve the Borough's visibility. We will review best practice across the country and if applicable design a Northampton programme.</p> |
|---|--|

While the Borough’s geographic position is a strength, it faces significant competition in terms of profile. In recent years Northampton has not had a positive profile, at regional and national level. We will work to improve the profile of Northampton, to market Northampton as an attractive environment for business and tourism, which in turn will boost Inward Investment. This will ensure that a wider audience are aware of the facilities and opportunities available within the Borough.

| <b>Our approach</b>  | <b>Our focus</b>   |
|--|--|
| <ul style="list-style-type: none"> <li>• Develop a comprehensive Inward investment proposition, including strengthening links with London</li> <li>• Develop a Tourism proposition that links to countywide activity based on strong themes eg. Food and Drink and Heritage attractions</li> <li>• Use proactive campaigning to attract and retain talented people in Northampton</li> </ul> | <p>We will develop a high quality inward investment proposition that attracts strong levels of enquiry.</p> <p>We will work with our partners to develop the Northampton inward investment proposition, this will focus upon;</p> <ul style="list-style-type: none"> <li>• Developing a compelling inward investment narrative that establishes Northampton as a premier location for companies seeking a UK base with particular attention on sectors where Northampton has strong representation</li> <li>• We will develop a comprehensive package of measures to attract new business, this will utilise the freedoms available to the Borough Council and partners that will differentiate the Northampton offer from other competitor locations</li> <li>• We will develop a Research pack that can be shared with potential investors that highlights the environment in Northampton and demonstrates the opportunities that exist.</li> <li>• We will develop a proactive media facing campaign to position the Borough as a leading location to receive inward investment.</li> </ul> <p>Alongside our partners, such as Northamptonshire: Britain’s Best surprise we will develop a strong Tourism proposition that will drive visitors to the Borough. We will draw upon our strengths, such as Culture and Heritage and Food and Drink.</p> <p>We will work with partners such as the University of Northampton and key employers to explore how we can attract and retain talented people within the Borough.</p> |

**Putting employers at the heart of the skills system**

Increasingly employers are reporting that they are unable to recruit, or when they do skills levels are not a level they require. There is a move nationally to engage with businesses more significantly to ensure that their demands are understood and acted upon within the education system. This is a fundamental challenge the UK is facing, which Northampton needs to address. We will work closely with SEMLEP to deliver the Skills Plan and inform the approach the LEP takes in delivering skills improvements.

SEMLEP reports through the 2017 Skills Plan that across the South East Midlands 23% of businesses reported that they had at least one vacancy that was hard-to-fill. This figure had increased from 18% in 2015. Employers state the key factors in filling these vacancies is not having applicants with the required skills (53%), a small number of applicants (25%) or applicants lacking the required attitude, motivation or personality (24%).

Key employability skills that are required include technical and practical skills, with digital/advanced IT and customer service recognised as being required across West Northamptonshire. Evidence from the CBI highlights that Businesses currently need and will increase the demand for people with higher level skills. 29% of businesses have increased their graduate recruitment with only 9% decreasing their intake. Sectors increasing within Northampton and West Northamptonshire seeking these skills were Professional Services (31%), Engineering, Science and Hi-Tech (15%), Manufacturing (14%), Retail and Hospitality (13%) and Transport and Distribution (13%).

| <b>Our approach</b>  | <b>Our focus</b>   |
|--|--|
| <ul style="list-style-type: none"> <li>• We will develop a programme to drive skills improvements within Northampton</li> <br/> <li>• Bringing employers and education providers together to develop and commission education and training to meet employers' needs and economic priorities</li> <br/> <li>• Supporting our current and future workforce to be resilient to economic change</li> <br/> <li>• Attracting and retaining</li> </ul> | <p>NBC will identify a skills lead within its Economic development team and seek to establish a Northampton Skills Board which will provide governance to coordinate local skills activity. We will develop a broad programme that raises aspiration and connects business skills requirements with local people. We will conduct a Skills Audit during 2020.</p> <p>We will work closely with our key sectors and large employers, such as the primary care and health sector to understand the skills that are required and whether current provision meets those requirements.</p> <p>We will work with the business community, schools – both secondary and primary, colleges, universities and training providers to try to shape a skills system that meets the needs of our economy.</p> <p>Employers and education providers need to work more closely together, with business involvement directly in the classroom to mentor and inspire young people.</p> |



|  |  |
|--|--|
| <p>talented people</p> <ul style="list-style-type: none"> <li>• Tackling the skills gap at all levels</li> </ul> | <p>Greater collaboration will help to develop and commission education and training that is tailored to the needs of employers and our economic priorities. We want our employers to commit to invest more in skills training, engage more with schools, and deepen their involvement in education.</p> <p>We will continue to promote apprenticeship as a key route for our communities to access employment. Good work has been done in this area over the last five years to put employers at the heart of the apprenticeship system, they now write the standards required and commission training providers, this not only benefits trainees but also business as the apprenticeship levy can offset funding costs to train staff.</p> <p>We will look at how we can work with employers and providers to improve the skills of the existing workforce, to enhance people’s productivity, progression and resilience. This will include looking at how greater support can be provided to people who lose their jobs or whose skills need to be kept up to date.</p> <p>Supporting enhanced uptake of Apprenticeship levy through the promotion of opportunities to local companies.</p> <p>An increase in graduate level jobs is forecast, but some major employers report challenges in attracting graduate applicants with the right skills, particularly in digital.</p> <p>We will work with the University of Northampton to continue to widen participation of Northampton residents in higher education. We will develop programmes that create better awareness among Northampton students and potential returners (and residents returning from work and study elsewhere) of available jobs in the Borough.</p> <p>We will bring employers and higher education providers together to design courses to address higher level skills shortages, including creating new degree apprenticeships.</p> |
|--|--|

### **Northampton as a digital town**

As the economy becomes more digitised there is an opportunity for Northampton to become a digital city. We will work closely with Digital Northampton to develop the opportunity further and explore how we can utilise big data effectively. We will work with

City Fibre to ensure that the Borough has a digital infrastructure which is high quality. This will serve local businesses and be an attractive benefit for potential inward investors.

How do we support our local digital supply chain?

|   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• We will investigate how Northampton can become recognised as a ‘Smart City’</li> <li>• Promoting and growing the digital sector</li> <li>• Encouraging every business to become a digital business</li> <li>• Developing a workforce that can be resilient in the context of technological change</li> <li>• Strengthening digital and data infrastructure (including 5G), promoting Northampton as a smart city and using data to help address challenges</li> <li>• Increasing digital inclusion, so all communities can access services, education and training</li> <li>• Using digital technology and data to improve health outcomes and tackle health inequalities</li> </ul> | <p>There is no clear definition of what a ‘Smart City’ is. Working with our partners we will identify the opportunities to define an approach that works for Northampton, in terms of using technology to support local business ambitions and applications that can enhance how public services are delivered.</p> <p>The growth in our digital sector is a sign of a trend towards digital and tech, changing the way we interact, do business and work with communities in the Borough. We need to develop a workforce that can thrive and be resilient in the context of technological change.</p> <p>We will research our local digital supply chain and establish through a Digital Audit how we can better support the wider digital network. We will seek to understand best practice from the Silverstone Tech Cluster and where appropriate work closely to develop mutually beneficial activities.</p> <p>We will continue to develop the digital skills of all our people to support inclusion, access to services, information and jobs.</p> <p>Digital connectivity is an essential part of the modern economy and increasingly people are working in more flexible ways. A smart digital city provides one solution to congestion challenges. Working with City Fibre we will develop a full fibre network which is connected to all premises within the core urban area.</p> <p>We will continue to push for Northampton to be a test city for 5G, in order to provide faster mobile connectivity for commuters and citizens. 5G provides further opportunities in the Internet of Things market, in supporting smart cities and, particularly, the implementation of autonomous vehicles.</p> <p>Smart city technology is developing in Northampton and we want to be at the forefront of this technology. Electric car charge points, parking bay sensors, apps and autonomy will all shape the future of end to end journeys as well as benefiting the environment.</p> |
|---|--|

|  |   |
|--|---|
|  | <p>We will explore the applications for new technology including Blockchain, artificial intelligence and machine learning to see how Northampton and the local economy can benefit from new technology.</p> |
|--|---|

### **Efficient & Effective Infrastructure and Transport**

The role of infrastructure remains a key issue for residents and businesses alike. We will work with our partners to identify where improvements need to make to our roads, where

we can influence our rail services and where we can utilise technology effectively to address current blockages.

There is also need for good transport planning and connectivity. Transport connectivity relates to the ability of people and goods to connect spatially and logically with seamless interconnection to other transport modes. Good national, international, inter-regional and intra-regional connections are vital for economic growth. Northampton has good local rail connections with Birmingham to the north and London Euston to the South. The Council will continue to develop Northampton Railway Station as a gateway into the town promoting surrounding sites for major office and hotel development and bring forward development for a multi storey car park at the station.

| Our approach  | Our focus   |
|---|---|
| <ul style="list-style-type: none"> <li>• We will co-ordinate plans and leverage investment to improve infrastructure including:               <ul style="list-style-type: none"> <li>- Transport</li> <li>- Smart cities</li> <li>- Low carbon energy - electricity, hydrogen and water networks</li> </ul> </li> <li>• Green infrastructure</li> <li>• Housing of the right quality, type and range in the right places</li> </ul> | <p>Infrastructure improvements should act as a catalyst for regeneration. Improved transport will connect people to jobs, businesses to knowledge and markets, employers to talent, and can enable high densities of productive firms and jobs.</p> <p>We will work with partners to influence and support where we can priority infrastructure developments such as Brackmills &amp; Castle Station Corridor, The North West Bypass, The Northern Orbital Road, The Northampton Growth Management Scheme affecting the A45, Stanwick to Thrapston dualling and the dualling of the A43 from Northampton to Kettering.</p> <p>We will work with the County Council to develop proposals to address congestion in the Town Centre and tackle existing pinch points which hinder journeys across the Borough.</p> <p>We will ensure that capacity is built into our road network prior to major programmes of house building.</p> <p>We will continue to plan for, and support investment in social infrastructure in communities. This will include providing new school places, modernising and improving health services, community facilities, sports facilities and parks.</p> |

## 6. Supporting our key sectors

Northampton has a diverse economy. There are a number of key sectors that provide both significant employment for West Northamptonshire and also offer growth potential. Due to the diversity of the economy all local sectors are of importance, however we have identified six key sectors with stakeholders.

Our approach to supporting growth and strategic sectors will vary dependent on: the specific needs of the sector, forthcoming opportunities and the rate of return on investment of resources. The six sectors include;

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

In addition we will review the Sport and recreation sector within Northampton.

Northampton has a strong Sport and Recreation sector underpinned by nationally visible sporting clubs. The sector is traditionally overlooked in economic development terms. We wish to work with the sector to understand the impact it currently has and explore whether there are mutually beneficial activities which could boost Northampton's image or increase economic activity both within the sector and across the Borough.

| Our approach   | Our focus   |
|--|---|
| <p>Growth in our main sectors will create wealth and jobs. We are creating the base for business to grow through major development and regeneration sites, and focusing on training and skills. All sectors are important to the Northampton economy.</p> <p>We will develop a detailed approach to engaging with our businesses and with their support form Sector Working Groups. This will enable each sector to work more closely to address key challenges they are facing.</p> | <p>We will strengthen local clusters through enhanced collaboration, with NBC working with business representative organisations to act as a catalyst (particularly in support of innovation). We will develop a programme of support that engages with business and seeks to strengthen local clusters.</p> <p>We will work with local businesses to understand emerging employment and skills gaps and work closely with education providers to ensure that provision helps address these gaps and begin a journey to ensure that Northampton can meet sustainable business demand for skills and ensure that residents possess skills to work within the local economy.</p> <p>We will work review the availability of employment space and work with the developer community to establish the demand for high quality, affordable office space in the city centre</p> <p>We will work with the development community to</p> |

|  |   |
|--|---|
|  | <p>understand the nature of enquiries that are received within the Borough and ensure that this demand is fed into the Planning process. Thereby ensuring a proactive approach to growth opportunities in the short and long term.</p> <p>Working with SEMLEP and Growth Hub we will Identify opportunities to support local sectors through the Government's Sector Deals as they are announced.</p> |
|--|---|

## Tackling the Climate Emergency

Climate change and its repercussions is an acknowledged global problem. Northampton Borough Council will be doing all it can to tackle this issue locally. In a special report of the Inter-Governmental Panel on Climate Change (IPCC), the United Nations highlights the need to take immediate action to limit the increase in average global temperatures to a 1.5°C threshold. Even an increase of half a degree beyond this will drastically worsen the risk of drought, floods, extreme heat and poverty.

The challenge of climate change is a global issue, but everyone needs to play their part. This is why Northampton Borough Council has declared a Climate Emergency. During 2017 Northampton emitted 910kt of carbon emissions (BEIS Carbon Emission data 2005-2017), with West Northamptonshire emitting 2,597 kt of carbon. These figures show reductions from the 2010 data where Northampton emitted 1228kt and West Northamptonshire emitted 3,139kt. The reduction over the 2010-2017 period being 26% in Northampton and 17% for West Northamptonshire. Across the West Northamptonshire area, transport is the major contributor to carbon emissions with Northampton actually seeing an increase by 0.2% while West Northamptonshire reduced by 6%. To compensate for this both the Domestic and Industrial sectors made significant reductions, with Industrial reducing by 36% and Domestic by 31%.

These indicators reveal a positive start to reducing emissions, however more needs to be achieved. Our approach to addressing the climate emergency is as follows:

| <b>Our approach</b>   | <b>Our focus</b>  |
|---|---|
| Establish a net zero emission economy                             | We will focus our work on developing approaches to address; <ul style="list-style-type: none"> <li>• Transport</li> <li>• Buildings</li> <li>• Waste</li> <li>• Energy</li> <li>• Procurement</li> <li>• Green infrastructure</li> </ul>  |
| Encourage low carbon businesses to invest and grow in the Borough | We will ensure that cutting carbon presents economic opportunities for Northampton’s companies and the Borough as a whole through the development of local programmes of activity. Work with existing businesses and employers to improve their environmental performance <ul style="list-style-type: none"> <li>• Develop resident’s low carbon awareness and skills to be able to secure local jobs</li> <li>• Encourage innovative and inclusive local growth</li> </ul> |
| Develop a resilient economy                                       | We will identify and deliver with our partners <ul style="list-style-type: none"> <li>• Improved water management</li> <li>• Maximise high levels of renewable local green energy production, supply and storage</li> <li>• Use land to capture and store carbon</li> </ul>   |



|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>• Improve building standards</li> </ul>   |
| We will ensure that any intervention supports improvements to air quality and health across Northampton | We will support large scale energy efficiency programmes such as insulating homes and further renewables will play a vital role in reducing energy demand. |

During 2020, the Borough Council and its partners will develop a detailed Climate Emergency Action Plan that develops our long term approach to tackling the Emergency and addresses the need to reduce carbon emissions effectively.

## 7. Key Sector Profiles

### i) Creative and Cultural Industries

With significant investment already being made in the sector, the digital, creative and cultural sector has grown in national significantly during the last 10 years.

Industries including advertising and marketing, arts and film, TV and radio, and museums and galleries are all part of the Creative sector. The creative industries' contribution to the UK is up from £85bn in 2015 and it is growing at twice the rate of the economy. The sector now makes up more than five per cent of the UK economy's GVA. Much of the increase has been driven by a boom in the computer services sub-sector. While this includes video games, it also covers wider digital industries.

It is important to recognise the support that this sector offers the wider economy by contributing to making Northampton an attractive and increasingly popular place to live and work. The sector currently accounts for 8% of local employment, which reflects a doubling since 2017 from 3,500 jobs to 7,000.

At local level, investment in the Vulcan Works Creative Hub will provide further stimulus for the sector which will help yield further job growth, support the regeneration of the town centre and serve to assist in attracting further inward investment. The Knowledge Intensive Businesses and digital businesses in this sector represent an important contributor to job growth and are a key high-wage contributor to the sector.

#### Sector information

| <b>Total Jobs</b> | <b>% of jobs in Northampton</b> | <b>Job growth since 2010</b> | <b>GVA (Millions) generated in the local economy</b> |
|-------------------|---------------------------------|------------------------------|--|
| 7,000             | 4                               | +60%                         | 146m   |

Source: Nomis

## ii) Advanced Manufacturing

The manufacturing sector makes significant contributions to the economy, accounting for over 10% of the UK's gross value and employing around 2.5 million people. It accounts for more than half of the UK's exports (53%) and around 3 quarters of business research and development (72%).

For the period 2009-2017 the manufacturing sector in Northampton experienced positive growth in employment (+700 employees since 2010). Northampton is home to a number of key household name manufacturing companies. The Borough's specialisms include High Performance Technology with companies such as Cosworth and Mahle Powertrain located within Northampton, equally the Shoe Industry continues to play an important role with a number of leading companies, such as Church's and Trickers located within the Borough and wider Northamptonshire.

Looking ahead, manufacturing will continue to change and embrace new working practices and technology, and will be virtually unrecognisable from that of 30 years ago. Successful firms will be capable of rapidly adapting their physical and intellectual infrastructures to exploit changes in technology as manufacturing becomes faster, more responsive to changing global markets and closer to customers. The public sector will support the sector by ensuring that flows of highly skilled workers are available. A number of local businesses are already adapting and are world class, but many are not positioned to succeed in a future world where greater opportunities will be balanced by greater global competition.

The quality and skills of the workforce will be a critical factor in capturing competitive advantage. It is essential that local stakeholders focus on the supply of skilled workers, including apprenticeship schemes, support for researchers, and the supply of skilled managers.

In addition the Borough will maintain active engagement with our manufacturers, ensuring that they have the land and premises they require to remain profitable or deliver growth. We will work closely with the sector to understand their investment plans and concerns that the Borough can assist in resolving.

### Sector information

| Total Jobs | % of jobs in Northampton | Job growth since 2010 | GVA (Millions) generated in the local economy |
|------------|--------------------------|-----------------------|---|
| 11,000     | 8.1                      | +6.4%                 | 408   |

Source: Nomis

### iii) Financial Services

Financial Services plays a key role in the Northampton economy with over 8,000 employees working in the sector. The sector operates globally and is facing rapid change due to advancing technologies, evolving customer expectations and a changing regulatory landscape. These changes are creating disruptive innovation in financial services. Examples include crypto-currencies, big data and peer-to-peer lending.

However, the nature and extent of the impact that these innovations will have on the established financial services industry remains unclear. Change can be anticipated in the long term, with Northampton's Financial Services companies able to benefit from new opportunities, but also exposed to any potential impact.

Locally, this sector has been dominated by the decline in back-office functions in recent years resulting in a reduction in the number of employees (-575 since 2010). However, excluding the Banks, the finance sector has grown in terms of the number of firms (+12). A number of Northampton's largest employers operate within this sector and therefore Financial Services will remain an important part of Northampton's economy.

Knowledge intensive businesses within the sector have grown, but not at a fast enough rate to make up for the larger number of job losses experienced in earlier years, due to a long-term trend in outsourcing back office functions.

The Borough Council and its partners will continue to engage with the sector to understand the pressures the sector faces, and determine how the public sector can assist in resolving issues where it can have influence.

#### Sector information

| Total Jobs | % of jobs in Northampton | Job growth since 2010 | GVA (Millions) generated in the local economy |
|------------|--------------------------|-----------------------|---|
| 8,000      | 5.9                      | -1.8%                 | 717   |

Source: Nomis

#### iv) Health and Well-being

The Health and Well-being sector's growth is linked to the ageing population. The growth of the sector can be expected to continue to grow in the long term due to global demographics.

This sector has seen the growth in firms since 2010 (+11) and employees (+234). Northampton's ageing population, the continuing and an increasing demand for health and social care products and services is driving growth in this area. Given the population forecasts for an increasingly aged Northampton population, it is likely that growth in this sector will be sustained.

Digital technologies are creating significant change across the sector, with many companies transitioning to new models of patient-centred care and "smart health" approaches to increase access and affordability, improve quality, and lower costs. From Blockchain, artificial intelligence (AI), and robotics, to internet of medical things (IoMT), digital and virtual reality are just some of the ways technology is disrupting health care. These technologies are helping with diagnosis and treatment, helping with speed, quality and accuracy, and improving the patient experience. The health and wellbeing sector is looking to technology to assist with rising demands and costs. The sector is anticipating mergers, acquisitions, and strategic partnerships in the medium term. This may have an impact on Northampton's sector.

The Borough Council will work with the sector to understand their business planning and ensure that the correct conditions are in place to ensure their continued growth within the Borough. This will generate employment opportunities locally, and ensure that good quality health support is available to our residents.

#### Sector information

| Total Jobs | % of jobs in Northampton | Job growth since 2010 | GVA (Millions) generated in the local economy |
|------------|--------------------------|-----------------------|---|
| 7,000      | 5.1                      | +11.3%                | 1,127   |

Source: Nomis

## v) Retail

The Retail sector has been visibly changing since 2009. The impact of online shopping and e-commerce has dramatically impacted upon the High Street. The strength of the Supermarkets has grown and many household named retailers have closed. Northampton has been particularly affected by these closures.

Since 2009, the Northampton retail sector has had a net growth of businesses (+20) but a reduction in overall employee numbers (-420 jobs). During this period, there has been a 57% increase in online retailing creating additional local jobs (+250). The sector continues dominated by part time work and low wages.

Northampton's Town Centre has been considerably affected by global changes to retail. The most significant of which was the decision by Marks and Spencer to closure their Abington Street store. While this reflected their company position and strategy, it also demonstrates how Northampton is currently viewed as a retail location by retailers. The Borough and its partners are actively seeking to move forward schemes that will address the decline that is being experienced.

There is considerable support from stakeholders to regenerate the Town centre. The Borough Council and local stakeholders have established Northampton Forward to lead on the Town Centre strategy, and in particular the High Street Fund made available by Government. The Town Centre Strategy will determine a new way forward for the area. This will present new opportunities for growth once plans are finalised. Local planning policies encouraging mixed land-use (incorporating residential and community uses, within areas traditionally associated with retail) will attract a new offer to the high street, driving additional footfall and supporting growth in the night-time economy. By supporting cafes, bars, restaurants and residential accommodation within the town centre, a revitalised and refreshed high street offer will be achieved. This in turn will encourage businesses to remain open longer, increasing the number of jobs in the area and encouraging further spending by residents and visitors.

### Sector information

| <b>Total Jobs</b> | <b>% of jobs in Northampton</b> | <b>Job growth since 2010</b> | <b>GVA (Millions) generated in the local economy</b> |
|-------------------|---------------------------------|------------------------------|--|
| 6,500             | 4.7                             | -5.9%                        | N/A  |

*Source: Nomis*

## vi) Logistics

The logistics industry forms a key component of the Northamptonshire economy, with approximately 9% of the workforce employed in logistics and allied fields. The sector is faced with more challenges than other sectors. From Climate change to automation to new technology such as drones, the new sector is adapting to change and increased competitiveness.

Northamptonshire's historic attractiveness as a logistics centre has been based on a business model relies upon a road-centric operation to distribute goods that have been predominantly imported through long-established ports such as Felixstowe and Southampton. Supply chains are long, with lengthy lead times from global trading partners that typically compete on the basis of cost. There is increased pressure to increase sustainability moving away from fossil fuels and to adopt shorter supply chains in order to improve customer satisfaction with delivery times.

The central location of the country has led many businesses to choose Northamptonshire as a location that can serve London, The Midlands and The North with equal service levels. The Borough will continue to play a key role in supporting the sector. The Borough Council will work closely with the sector to understand how the sector is adapting to change and assist where the public sector can influence the performance of the sector.

### Sector information

| <b>Total Jobs</b> | <b>% of jobs in Northampton</b> | <b>Job growth since 2010</b> | <b>GVA (Millions) generated in the local economy</b> |
|-------------------|---------------------------------|------------------------------|--|
| 12,000            | 8.75                            | +4.3                         | 1,337  |

*Source: Nomis*

## 8. Measuring economic outcomes

To ensure effective delivery of our priorities, project teams and strategic leads will be assigned to each. It is important to recognise that the actions prioritised by this review are not static, nor do they reflect all activities undertaken by partners in delivering economic development. Therefore, while the overarching strategic framework will remain stable, the actions themselves will be more fluid, subject to periodic review and tweaked to incorporate new opportunities/interventions as they emerge.

The Council will produce a Bi-Annual Economic Monitor which will draw together a suite of ‘real time’ economic intelligence indicators. The Economic Growth Action Plan sets out the measures and outcomes that the Council is seeking to deliver against each of the Priority areas. The Action Plan also establishes an Outcome by 2025, which sets the overall target by the conclusion of the lifespan of this Economic Growth Strategy. These plans will be ‘living’ documents, monitored and refreshed by project teams and reported to the Northampton Forward Board on a regular basis. This will ensure all partners are working together towards a coherent set of economic objectives, prioritising resources and delivery where appropriate. The Borough Council will also host an Annual Economic Forum to highlight progress being made on the strategy, and to provide an update on economic performance.

| <b>Our Priority</b>   | <b>Key indicators</b>  | <b>Core outcomes</b>   |
|---|--|--|
| <b>Tackling the Climate Emergency</b>                             | <ul style="list-style-type: none"> <li>• Carbon emissions (as measured by BEIS)</li> <li>• Carbon emissions by vehicles</li> <li>• Water consumption</li> </ul>  | <ul style="list-style-type: none"> <li>• GVA per hour</li> <li>• Private sector jobs</li> <li>• Employment rate</li> <li>• Average earnings</li> </ul> |
| <b>Supporting innovators, entrepreneurs and social enterprise</b> | <ul style="list-style-type: none"> <li>• Business start-up rate</li> <li>• Business density</li> <li>• Business survival rates</li> </ul>  |  |
| <b>Creating a 21<sup>st</sup> century Town Centre</b>             | <ul style="list-style-type: none"> <li>• Footfall levels</li> <li>• Key schemes delivered</li> <li>• Occupancy levels</li> </ul>   |  |
| <b>Maximising the economic benefits of culture and heritage</b>   | <ul style="list-style-type: none"> <li>• Employment in creative and cultural industries</li> <li>• Volume and value of visitors</li> <li>• Hotel stock and occupancy rates</li> </ul>                  |  |
| <b>Raising Northampton’s profile</b>                              | <ul style="list-style-type: none"> <li>• Number of visitors</li> <li>• Increase in GVA</li> <li>• Increase in Audience attendance</li> </ul>   |  |
| <b>Employers at the heart of the skills system</b>                | <ul style="list-style-type: none"> <li>• Businesses reporting skills shortages</li> <li>• Number of schools engaged</li> <li>• Youth-unemployment rate</li> <li>• Number of apprenticeships</li> </ul> |  |
| <b>Northampton as a</b>   | <ul style="list-style-type: none"> <li>• Number of Knowledge-based jobs</li> </ul>   |  |



|   |   |  |
|---|---|--|
| <b>digital town</b>                           | <ul style="list-style-type: none"> <li>• Superfast broadband penetration</li> <li>• Number of digital businesses</li> </ul>                           |  |
| <b>Effective and efficient infrastructure</b> | <ul style="list-style-type: none"> <li>• CO2e emissions per passenger/tonne km</li> <li>• Travel Time reliability</li> <li>• Air Quality</li> </ul>   |  |
| <b>Supporting our key sectors</b>             | <ul style="list-style-type: none"> <li>• Employment Land Developed</li> <li>• GVA levels for the Borough</li> <li>• Increase in employment</li> </ul> |  |

## **9. Implementing the Economic Growth Strategy**

The growth and success of the Northampton economy has been positive. We are not complacent, and our strategy outlines the necessary steps needed to continue to support growth across the Borough. There are a number of key issues that the Council and its partners will focus upon including; regenerating and refocusing the Town Centre, supporting our entrepreneurs and innovators, proactively working with business to tackle skills gaps and encourage job creation. These are set out in our 9 priorities and apply across all sectors. Delivering inclusive growth is a key theme within this strategy. This is about ensuring that people and places contribute to and benefit from growth to their full potential. Our priority activities are set out in the Economic Growth Strategy Action Plan. The Action Plan identifies the projects and approach the Borough Council will be taking to support the local economy from 2020-2025.