

2018/2023

HARNESSING HARBOROUGH DISTRICT

OUR VISION

By 2023 Harborough District's economy will have established a robust reputation as a dynamic, entrepreneurial and attractive place to do business. Sustainable employment opportunities and district-wide prosperity will be achieved by developing home-grown enterprises and proactively attracting high-value businesses to the area.



Economic Development Strategy

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1) Foreword from the Leader

As a council, generating and sustaining a strong, resilient and prosperous local economy is at the heart of what we do.

Despite a challenging economic climate nationally in recent years, our business community has shown resilience and our high streets remain vibrant, thanks in part to a focussed and joined-up approach.

Following on from our successful 'Open For Business' strategy, which has helped address some of the challenges experienced in the aftermath of the financial crises in 2008, we are now publishing a new Economic Development Strategy to build upon the foundations laid by the Prospectus and grasp the new challenges and opportunities now facing our local economies.

This direction of this strategy and accompanying documents are the culmination of extensive analyses of available data and feedback from our partners, including local businesses. I would like to thank those people who played an integral part in helping shape this important strategy and the associated work programmes.

Through this, we will be working with a number of partners and business leaders to drive job creation, support business growth and improve local skills by ensuring innovation, enterprise and entrepreneurship is at the heart of everything we do.

Whilst Harborough district is nationally recognised for its attractive market towns, unique independent shops and a resilient business community, it is crucial we nurture new and existing businesses and attract inward investment.

Through this document we will be setting our direction and commitment to working with key stakeholders and partners to attract investment into the area, ensure we have the infrastructure available to promote sustainable growth and provide the employment opportunities of the future as a major contributor to improving the quality of life within our local communities.

We have made major strides in recent years; however, our ambition is to do more. As Leader of Harborough District Council, my aim is that this strategy harnesses the opportunities available and provides solutions to the challenges faced whilst recognising our firm commitment to grow our local economy, support our business community and create prosperity for all.



Cllr Neil S. Bannister

Councillor Bannister

Leader of Harborough District Council

2) Introduction

In 2013, Harborough District Council introduced the 'Open for Business Strategy' which highlighted key actions which needed to be undertaken to address key challenges the district was experiencing at the time. Significant aspects of this document have now been delivered or are in the process of delivery. Due to this, the Council has taken a view that it is time to focus its activity to better reflect the current political and economic landscape whilst delivering against our own priorities.

Harborough District Council has committed within its new Corporate Plan to develop an enterprising, vibrant place. This Strategy will provide the detail as to how this commitment will be realised through:

- Analysing and understanding the local economy through baseline data (see local economy document) and consulting with internal and external stakeholders
- Identifying our local assets, challenges and opportunities
- Presenting a vision and set of priorities as a policy framework
- Producing an action plan based around 3 core priorities

This Strategy will remain flexible to the ever-changing economic landscape, but the overarching vision and priorities will remain resolute, as will the Council's commitment to enabling local businesses and entrepreneurs do what they do best... create jobs and prosperity for Harborough.

The purpose of this Strategy is to outline the Council's (and its partners') commitment to improving the economic prosperity of the District so residents and businesses are able to thrive and contribute to creating sustainable communities within Harborough and the wider economic geography.

'Harnessing Harborough' identifies an aspirational vision as to what the District's economy could look like in 2023 and three key 'areas of action' to work towards in order to achieve this vision.

This Strategy will need to be considered in the context of, and feed into, other important national, regional and local strategies/plans and agendas, such as the Government's Industrial Strategy, the Leicester and Leicestershire Local Enterprise Partnership's Strategic Economic Plan, and the Council's Corporate Plan and Local Plan.

This Strategy will seek to secure buy-in from local and strategic partners in order to underpin and secure an ongoing working relationship that will enable the Council to optimise the benefits of collaboration and unlock Harborough's potential to create prosperity with the purpose of improving the lives of local people, whilst supporting local and strategic economic growth.

3) Economic context

A general assessment of data for the Harborough economy shows that the headline characteristics and performance of Harborough's economy is largely positive.

Harborough is a rural Leicestershire district with a population of 85,400 and with 5,085 enterprises in the area. It has amongst the highest economic activity rates, lowest unemployment, best skills profile and highest resident average earnings of the LLEP area – all of which are above national averages.

Harborough is particularly strong for micro-businesses with 78.5% employing between 0-4 people (LLEP average 74.2%) and 90.3% having fewer than 10 employees (compared to LLEP area 87.5%).

Latest data shows that between 2011 and 2015, business start-up rates in Harborough district have grown by 16.3%. This is an increase from 460 start ups in 2011 to 535 in 2015; this is the lowest percentage increase in start-up rates of all the Local Authorities in the LLEP area. However, the business survival rates (64.8% in Harborough) are the second highest in the LLEP area, which would suggest a more resilient business base for start-up businesses in the district. Only 0.6% of Harborough enterprises have over 100 employees, which roughly equates to around 30 businesses.

Since 2011, there has been a 6.9% growth in employment within SOC (Standard Occupational Classification) 1-3 to 55.5% of total employment within Harborough. This SOC 1-3 covers managers, directors and senior officials, professional, associate professional and technical occupations, and is significantly above national averages (44.8%).

Job Seekers Allowance (JSA) rates have historically been very low within Harborough (ranging from between 0.2% – 0.4% in the last year).

Some of the success in terms of Harborough's economy is also dependent on out-commuting to higher paid jobs. 50.9% of Harborough residents in employment commute outwards to neighbouring centres (e.g. Leicester, Northamptonshire) and even further afield (e.g. to London). In-commuting accounts for around 53% of Harborough jobs yet whilst the average resident earnings per week at £607 is by some margin the highest in LLEP (and above national average), full time workplace earnings are currently at £519. Whilst our residents' earnings are still above LLEP averages, they are significantly below the national average. This disparity between resident and workplace earnings is getting wider every year and currently stands at £88.

Overall, the economy can be characterised as a successful, entrepreneurial economy, with good foundations for high-value sustainable growth. However, this is not to say that the economy in Harborough does not face some challenges such as: out commuting to higher value jobs, indigenous business growth (maintaining survival and start-up rates) and how to create/attract more and better paid jobs in the local area.

4) Strategic Context

Harnessing Harborough will inform several developing plans to ensure we are able to facilitate and support the development of regional and national priorities at the local level. This will have a direct impact on the District Council's ability to attract and promote sustainable growth into the area over the coming years and post Brexit. The Harnessing Harborough Strategy is informed by the following national and regional strategies and legislation:

The **Local Government Act (2000)** recognised the leadership role of local authorities in promoting the economic, social and environmental wellbeing of their areas by undertaking a wide range of activities to improve the quality of life of local residents and businesses and those who commute or visit the area.

The National Planning Policy Framework (NPPF) provides a planning framework relating to how planning policies are applied with a presumption in favour of achieving sustainable development, taking account of economic, social and environmental dimensions.

The framework shifts emphasis towards positively seeking opportunities for development, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits.

The Industrial Strategy sets out a long-term plan to boost the productivity and earning power of people throughout the UK.

It sets out how Government plans to build a Britain fit for the future – how Government will help businesses create better, higher-paying jobs in every part of the UK with investment in the skills, industries and infrastructure of the future.

The white paper sets out five foundations aligned to its vision for a transformed economy:

- ideas: the world's most innovative economy
- people: good jobs and greater earning power for all
- infrastructure: a major upgrade to the UK's infrastructure
- business environment: the best place to start and grow a business
- places: prosperous communities across the UK

The Harnessing Harborough District Economic Development Strategy delivers against these principles through delivery of its key actions and looks to highlight how Harborough District Council as a local authority can put into place interventions that enable and support local businesses to, build a better Britain by creating wealth and prosperity throughout the district.

The Midlands Engine for Growth is a strategic plan to drive growth in the Midlands as part of the Government's devolution proposals with an emphasis on boosting productivity and

supporting growth in manufacturing as well as inward investment, skills development and improving transport connectivity through the Midlands Connect project.

The Leicester and Leicestershire Enterprise Partnership (LLEP) formed in May 2011 is a partnership of private, public and third sector organisations that drives economic regeneration and development across the sub region.

The Strategic Economic Plan (SEP) produced by LLEP is the overarching growth strategy that sets out bringing together European funding (ESIF), City Deal and the Growth Deal to build on our competitive advantages and tackle major risks in the economy from 2014 to 2020. The SEP is currently being revised to take account of the government changes following the launch of the Industrial Strategy.

The European Structural and Investment Fund 2014-2020 (ESIF) consists of European Regional Development fund (ERDF), European Social Fund (ESF), and part of the European Agricultural Fund for Rural Development (EAFRD). The LLEP's ESIF allocation is £111million for the programme period. The priorities in the ESIF have been aligned with the strategic priorities of the SEP. Key areas of alignment when preparing the ESIF include:

- Driving economic growth to support economic recovery and help reduce the north-south divide in terms of economic performance
- A focus on private sector job creation and associated GVA uplift
- Promoting higher-level skills, including through vocational routes
- Reducing benefit dependency by supporting people into employment

The core emphasis of EU Structural Funds will link the supply of economic assets within the economy to current and future opportunities and demand. This will be achieved through a range of interventions including:

- Stimulating SME growth through business support
- Access to finance
- Incubation and innovation
- Investing in initiatives to support the businesses base to further adapt to a low-carbon operating environment
- Supporting local people to access employment opportunities through skills development and programmes

Leicestershire and Leicester Strategic Growth Plan. This sub-regional Strategic Growth Plan (SGP) is being prepared by the nine local authorities in the region and the LLEP. It is a long term non-statutory plan which seeks to address the challenges and opportunities that arise throughout the area for the period to 2050.

The Strategic Growth Statement, published in August 2016, stated that the ten partner organisations had agreed that the Strategic Growth Plan would:

- Be clear about the opportunities and challenges that are to be faced
- Provide an agreed scale and direction for future growth, reflecting the evidence available and the will of the partners
- Create a single consistent strategic framework for Local Plans, economic investment plans, transport and other infrastructure plans
- Ensure that Leicester & Leicestershire is positively positioned to take advantage of private sector inward investment opportunities and national programmes for investment
- Provide the right conditions for the growth of indigenous businesses and, at the same time, protect the area's natural resources, environment and historic assets

The SGP is due to go out to consultation in early 2018 and following the consultation exercise it is anticipated that all partner authorities will adopt the plan.

Combined Authority. A proposal to develop a combined authority for Leicester and Leicestershire was submitted to Government on 21 December 2015. The Combined Authority includes Leicestershire County Council, Leicester City Council, the Leicestershire District Councils and the Leicester and Leicestershire Enterprise Partnership. The proposal focusses on creating an integrated strategic framework to enable delivery of investment plans for planning, transport and skills, and develop a clear platform for accelerating economic prosperity in Leicester and Leicestershire. The order to establish a combined authority is currently awaiting the government's approval.

Local Plan. A key objective of the Local Plan is to seek to promote sustainable economic growth across the District. It seeks to achieve this through facilitating the growth of existing businesses, fostering new local enterprise, contributing to a reduction in the need for out-commuting and helping to increase the sustainability and self-containment of communities to enable the development of a vibrant, diverse and sustainable business community.

The Local Plan includes policies and identifies sites to enable sustainable growth in key sectors and priorities identified through the Economic Development Strategy, namely broadband infrastructure, provision of employment land, Tourism, Leisure and other Town Centre uses.

5) Assets/Challenges and Opportunities

There are many assets throughout the district. Harborough District Council will better utilise these to ensure successful delivery of our action plan. These assets have been highlighted following a series of consultations with key stakeholders and interested parties.

Assets:

- i. Location: Excellent strategic location as part of the 'Distribution Golden triangle' with direct access to the motorway network (at JCT 19 and JCT20 of the M1 and JCT1 of the M69) and rail networks being less than 1 hour from London St Pancras by train. The East Midlands Airport is also less than 1 hour's drive away or 30 minutes by train
- ii. Harborough Innovation Centre: The Council-owned Innovation Centre which provides a base for over 50 SMEs and is also a focal point for business activity across the District and a hub through which support services to our business community can be delivered
- iii. Town Centres: Our town centres are strong and resilient, providing fantastic places for both residents to live, tourists to visit and businesses to thrive
- iv. Perception: Harborough has recently been mentioned as a top place to live in no less than five national surveys, and this shows it has a growing reputation as a great place to live and work
- v. Home to several household names, strong brands, leaders in their field and successful SMEs such as: Joules, George at ASDA, Diechman Shoes, Brevitt Reiker, Fiona Cairns, Semelab, Sheridan and Co, TGW, Sanderson Transport, Thorpes of Great Glen, Harboro rubber and many more
- vi. Tourist attractions and places to visit such as: Foxton locks, Kilworth theatre, Market Harborough Museum, to name but a few
- vii. Can do Council: Proactive local authority looking to support businesses and plan for sustainable growth to ensure the future of our economy and communities

Thanks to these assets, Harborough District is generally considered a desirable location to work, live and visit. However, it does face some unique and significant challenges both on the ground and strategically. By acknowledging and identifying these, HDC has been able to prioritise the projects identified in the action plan below and set out how these challenges can be mitigated and, in some instances, resolved to ensure Harborough continues to be considered one of the premier locations in the East Midlands to work, live in and visit.

Challenges:

- i. Employment space: Evidence demonstrates that generally there is a lack of employment space and right type of property to support growth of existing companies and Inward Investment
- ii. Town Centres: To sustain the strength of town centres against the threat of leakage to other centres and on-line shopping
- iii. Disparity between residents and workplace earning: To readdress the difference between workplace and residential earnings by ensuring there are more opportunities for our higher-skilled residents in Harborough, whilst making sure that new entrants into the job market have the appropriate skills
- iv. More flexible working: The ability for people to work on the road or from their homes is being pushed by businesses of all sizes to allow greater flexibility for workforces and savings for businesses. In order to capitalise on this, it is essential that we have a digital network that is fit to serve this growing need
- v. County wide dynamic: To make sure Harborough is recognised at a county, regional and national level as a place worth investing in; the area has often been missed-off the agenda when it comes to getting its fair share of national or European funding. It will be important to champion Harborough wherever possible to ensure it is being noticed at a regional and national decision-making level
- vi. Delivery of infrastructure to support growth: To reinforce the principles of sustainable development and protecting our countryside whilst promoting the District as a place to visit, invest, locate and grow. This will include identifying and lobbying for key improvements in infrastructure to alleviate pressure on our road network expected as a result of growth in the area
- vii. Skills base: Characterised by a highly educated population that looks beyond Harborough for higher-paid employment. This leads to businesses having to look further afield to recruit suitable candidates and often leads to difficulty in appointing people. At the other end of the scale, businesses are often experiencing difficulty appointing candidates at the start of their careers due to the lack of appropriate skills in those applying. Anecdotally, local businesses also suggest there is a skills gap for traditional trades in the local area

Throughout the consultation stages it has become clear that there are a series of opportunities in the Harborough district which can be capitalised on to improve the experiences of those who work, live and visit the district. Whilst not all these opportunities are unique to the district, the way in which they can be approached and utilised so that the district gets significant benefit from them can be unique. This will be fed into the in-depth action plan associated with this strategy.

Opportunities:

- i. Localised funding via LLEP: This provides us with an opportunity to identify key projects (identified within the action plan below) and developments within Harborough that we wish to bring forward to support the local and regional economy. By having these projects on the regional agenda, we are more likely to be able to attract funding for them and bring them forward more quickly
- ii. Grow-on space: There is a shortage of Grade-A Grow-on office space within the Market Harborough area. This is necessary to encourage growth and turnover in businesses within the current Harborough Innovation Centre. This will free up space within the HIC for fledgling businesses to move into and encourage job and business growth in the Harborough area
- iii. JCT 20a: Strategic infrastructure improvement. The county-wide growth strategy will identify strategic infrastructure improvements such as the addition of JCT 20a on the M1. Where these infrastructure improvements are relevant to the district, there will be opportunities that benefit the local area
- iv. Housing developments in the district: Developing appropriate housing of all sizes and levels of affordability is essential to attracting not only a diverse workforce but also businesses to the area. We have a key part to play in ensuring that the future needs of our residents and workforce are met in a sustainable and complementary manner
- v. Local Plan review process: An opportunity to identify and protect land supply for future employment activity in the district through the Local Plan. This will give us the ability to identify and help bring forward key employment sites for growing businesses and businesses looking to move into the area. This will in turn generate more jobs and prosperity in the district through supply chains and local spend
- vi. Business rate retention: It is clear that big businesses offer a huge amount to the local economy in terms of only local employment and spend. However, they are also our main contributors in terms of business rates. It is important that we engage with large local businesses regularly to get a better understanding of their needs and whether the council is able to help them in key areas such as: provision of land for new premises, staff recruitment or training, or day to day issues such as waste disposal or any other concerns they may have. By being open to big businesses in this way, the local authority will be in a better position to support big businesses and retain them in the local area
- vii. Tourism: This is a key sector for the Harborough district and is growing year on year. It contributes over £125m into our local economy every year and provides 1,717 Full Time Equivalent jobs in the area. The council believes there is significant opportunity to increase tourism and the value of tourism to the District and will be working with partners to achieve this over the lifetime of the strategy.

6) Vision and Priorities

Following consultation and analyses of available information we have developed a vision, underpinned by three core priorities and nine work streams that will drive delivery over the next 5 years.

Vision – Harnessing Harborough District

By 2023 Harborough District will have a strong reputation for being dynamic, entrepreneurial and an attractive place to do business.

Strategic Priorities.

In order to achieve the above vision, the following strategic priorities have been identified:

- Harnessing Harborough District's Location – to maintain quality and resilient places through sustainable growth:
 - WS 1 – Physical infrastructure
 - WS 2 – Digital infrastructure
 - WS 3 – Strategic lobbying
- Harnessing Harborough District's Potential – to create an environment in which people want to invest:
 - WS 4 – Inward investment
 - WS 5 – Promote and bring forward key development sites
 - WS 6 – Town Centres, tourism and culture
- Harnessing Harborough District's Talent – to nurture a thriving, innovative and engaged local business/entrepreneur community and ensure they have access to the right skills:
 - WS 7 – Business support
 - WS 8 – Business engagement
 - WS 9 – Skills and learning

7) Headline Action Plan (2018-2023)

The tables below detail the headline actions that will underpin the development and delivery of the four priority work streams. To deliver this, we will look to co-ordinate our resources internally to align with these and drive this delivery through working in partnership to add value to our work.

Priority – To maintain quality and resilient places through sustainable growth... 'Harnessing Harbourough District's Location'	Delivery
1. Physical Infrastructure	
i. Examine infrastructure requirements to unlock key employment sites throughout the district and scope options for funding and delivery	Ongoing
ii. Support the case for rail improvements within and through MH	Ongoing
2. Digital Infrastructure	
i. Increase broadband and mobile phone coverage throughout the district	Ongoing
ii. Promote uptake of broadband throughout Harbourough district	Ongoing
iii. Encourage all new developments over 10 dwellings to deliver Fibre To The Premises as a matter of course	Ongoing
3. Promoting Harbourough/Strategic Championing	
i. Ensure Harbourough is recognised at a county and regional level as a proactive area where sustainable growth is being delivered	Ongoing
ii. Ensure work carried out at the regional (LLEP) level takes consideration of Harbourough	Ongoing
iii. Ensure the economy is at the fore of our thinking and how it is impacted is considered when we develop projects and policies	Ongoing

Priority – To create an environment in which people want to invest... 'Harnessing Harborough District's Potential'	Delivery
4. Inward Investment	
i. Create a suite of information for businesses looking to move into the area in partnership with the LLEP	Year 1
ii. Liaise with LLEP and City to develop county-wide Inward Investment offer that takes consideration of Harborough district	Ongoing
iii. Work with land owners to bring employment sites forward into use and to develop attractive schemes that bring inward investment and additionality to the area	Ongoing
5. Promote and Bring Forward Development Sites	
i. Identify further sites with potential for employment use through the Harborough District Local Plan review process	Ongoing
ii. Begin to look at using the planning powers and tools available to us to create a welcoming and attractive environment in which people want to invest	Ongoing
6. Town Centres, Tourism and Culture	
i. Develop Masterplan outlining vision for the future of Market Harborough and Lutterworth Town Centres	Year 1-2
ii. Identify and assess Town Centre management and delivery options for Market Harborough and Lutterworth	Year 3-4
iii. Work with partners to develop a tourism and leisure offer across Harborough District focussing on our town centres and unique selling points	Ongoing

Priority – To nurture a thriving, innovative and engaged local business/entrepreneur community and ensure they have access to the right skills... 'Harnessing Harborough District's Talents'	Delivery
7. Business Support	
i. Work with partners to deliver accessible services from Harborough District Council and support and advice programmes from the Harborough Innovation Centre	Ongoing
ii. Develop move on space project within Market Harborough	Ongoing
iii. Support development of innovation/incubation space in Lutterworth	Ongoing
iv. Work with partners to deliver funding opportunities for businesses throughout the district	Ongoing
8. Business Engagement	
i. Carry out bi-annual business survey to identify areas of concerns and any potential interventions that may need to be made	Year 2, 4
ii. Make information on all business support and advice easily accessible through Council website and social media channels	Ongoing
iii. Continued engagement with businesses through newsletter, networks and 1-2-1 business meetings	Ongoing
iv. Develop a programme of engagement with our top 30 employers	Ongoing
9. Skills and Learning	
i. Apprenticeships – provide apprenticeships through Harborough District Council and encourage the business community to do the same	Ongoing
ii. Business and School links – promote better links between local businesses and schools	Ongoing
iii. Work with partners to develop sector-specific higher/further education facility in the Harborough district	Ongoing

Once the Strategy and outline Action Plan is agreed, a detailed action plan will be developed to translate the headline actions into more detailed tasks to enable resources to be allocated to drive delivery. This is likely to form the basis of the Business Support team plan moving forward.

Key projects such as the Town Centre masterplan, Grow-on space project and potential for Business Improvement Districts in Market Harborough and Lutterworth will have their own project plans to deliver against, where project-specific monitoring of success will be undertaken. These KPIs will be reported back through annual update reports, Programme Boards and member briefings.

Economic Development Strategy



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