

NORTHAMPTONSHIRE'S STRATEGIC ECONOMIC PLAN

BY 2031 Deliver 80,000 new homes and create 70,000 new jobs

BY 2021 Create a £20bn economy, 32,500 new jobs and deliver 37,000 new homes

Strategic Imperatives

Population Growth

Business Competitiveness

Skills

Innovation

Northamptonshire

Strategic Priorities

Growing our businesses - accelerating

Business and Innovation

Growing Our Business Base
Supply Chain Development
Exploiting our Export Premium
Attracting New Investment

Employment and Skills

Developing Our Future Workforce
Meeting the Current and Future Demands of Business
Developing the Delivery Infrastructure

Growing our places - enabling

Infrastructure and Connectivity

Key Investment Sites
Office Floor Space
Growth Enabling Finance
Energy and Environment
Digital and Communications

Housing

Accelerated Development
Housing Task Force

Financed by



Revolving Infrastructure Fund
Local Growth Fund
Growing Places Fund
Regional Growth Fund
European Structural Investment Funds (ESIF)
Local, Public and Private Sector Finance

Major Investment Opportunities

Silverstone
Waterside Enterprise Zone
Prologis RFI DIRFT

Kettering East
Rockingham
Stanton Cross Urban Extension
Warth Park

Foreword

We are delighted to present the Strategic Economic Plan for Northamptonshire which outlines Northamptonshire Enterprise Partnership (NEP) and our partners ambitious growth strategy, which will deliver 32,500 new jobs and 37,000 new homes by 2021; increasing to 70,000 new jobs and 80,000 new homes by 2031.

NEP and our private and public sector partners welcome the opportunity to work with Government on this agenda to unlock Northamptonshire's undoubted growth potential. Northamptonshire continues to enjoy one of the fastest growing populations and highest employment rates in the country, reflecting the vibrancy of the economy and our overall lifestyle offer.

Northamptonshire is **The Place for Growth** - perfectly positioned at the heart of the country and the crossroads of the rail and road network, providing a premier location for inward and local investors. Importantly, Northamptonshire has a serious appetite for growth, welcoming employment and housing development, with a portfolio of market ready sites and premises to deliver on our ambitions.

We host a series of world class businesses, which are proud to call Northamptonshire their home including Barclaycard, Carlsberg UK, Cosworth, Mercedes Benz, Tata Steel, Tesco distribution, Churches Shoes, Yusen Logistics, Wacoal Eveden, Cummins Engines, Silverstone Circuits and Weetabix. Northamptonshire is also home to a vibrant and entrepreneurial SME base, which has resulted in the 'Most Enterprising Place in Britain' award. NEP has an excellent track record to build upon, with 95% of our businesses commending us.

We would like to thank all of our partners for their contribution to the development of the Strategic Economic Plan and their ongoing support for NEP in driving forward the economy of Northamptonshire. NEP works closely and productively with SEMLEP and our neighbouring LEPs on areas of mutual interest, and look forward to continued joint working on the implementation of our Plan.

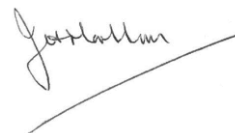
We would like to take this opportunity to pay tribute to our Board colleagues for their leadership of the Growth agenda in Northamptonshire and unstinting support to NEP, its ambition and its priorities. We would also to thank our Executive team for their excellent work in turning the Board's ambition into real action with our businesses and partners.

The Board is fully committed to the next stage of the journey and are gearing up for delivery. We are putting into place new working arrangements to drive forward this ambitious plan **and** ensure that we are accountable to our businesses, our delivery partners, Government and the European Commission for the stewardship of significant funding. We already have a strong, well-resourced and high performing team, which stands ready to make the ambitions within our Strategic Economic Plan a reality.

Finally, we look forward to working in collaboration with Government, business and our wider partners and stakeholders to deliver economic growth, increased prosperity, more jobs and a well-qualified workforce.



Paul Southworth
Outgoing Chair



John Markham, OBE
Incoming Chair

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Executive Summary

Northamptonshire's Strategic Economic Plan sets out an ambitious strategy to deliver accelerated economic growth, and meet the housing and employment needs of one of the fastest growing populations in the country. During the 2021 plan period a total of 37,000 new homes will be built and 32,500 jobs created, rising to 80,000 homes and 70,000 jobs by 2031.

The ambition is to grow the economy from its current £15bn to £20bn by 2021, delivering growth levels 1% over and above those achieved nationally. The number of jobs within the economy will have grown to 397,500 by 2021 and 435,000 by 2031. The population will have grown to 774,832 by 2021, hitting 834,647 by 2030¹, continuing to significantly exceed national population growth.

This is a realistic proposition as Northamptonshire has demonstrated faster economic recovery and retained very high levels of employment, during the economic downturn. High employment density and low levels of unemployment mean that Northamptonshire is well placed to support national economic recovery, and remain a net economic contributor to UK plc.

The SEP is anchored in Northamptonshire's unique assets including its premier location and unrivalled access to markets; sectoral expertise in High Performing Technologies, Logistics and Food and Drink; world class brands; diverse and distinct investment locations; and a series of market ready investment sites and uses these as a platform for accelerated growth.

The strategic priorities within the SEP are evidence based and flow from serious analytical review to ensure that there is focus on those things that are most important to delivering sustained **and** sustainable economic growth. The analysis identified a series of strategic imperatives that will either accelerate or potentially inhibit growth, if not addressed, namely:

- **Population** – responding to the employment and housing needs of a rapidly growing population;
- **Business competitiveness** – developing the productivity and competitiveness of our SMEs; accelerating growth in our priority sectors; identifying and growing new priority sectors; developing inward investment activity; and exploiting our productivity premium.
- **Employment and skills** – whilst enjoying excellent employment levels, Northamptonshire has lower levels of skills attainment at every level, and this is a key issue that will need to be addressed to develop our knowledge economy and attract higher value added jobs.
- **Innovation** – working with our business base to develop open innovation and create innovation networks within and across sectors and with recognised centres of excellence.

The strategic priorities have been developed to directly respond to these imperatives:

Growing Our Businesses - Accelerating Growth

- Strategic Objective 1 - Business and Innovation
- Strategic Objective 2 - Employment and Skills

Growing Our Places – Enabling Growth

- Strategic Objective 3 – Infrastructure and Connectivity
- Strategic Objective 4 - Housing

The Strategic Economic Plan provides the necessary framework for Northamptonshire and Government to co-invest to deliver sustainable economic and housing growth. This growth will be enabled by investment in infrastructure, which will unlock a series of major employment and housing sites, with this kick-started by the Northamptonshire Revolving Infrastructure Fund (NRIF), and supported by assembling a package of public, private funding including Local Growth Fund and European Structural Fund monies.

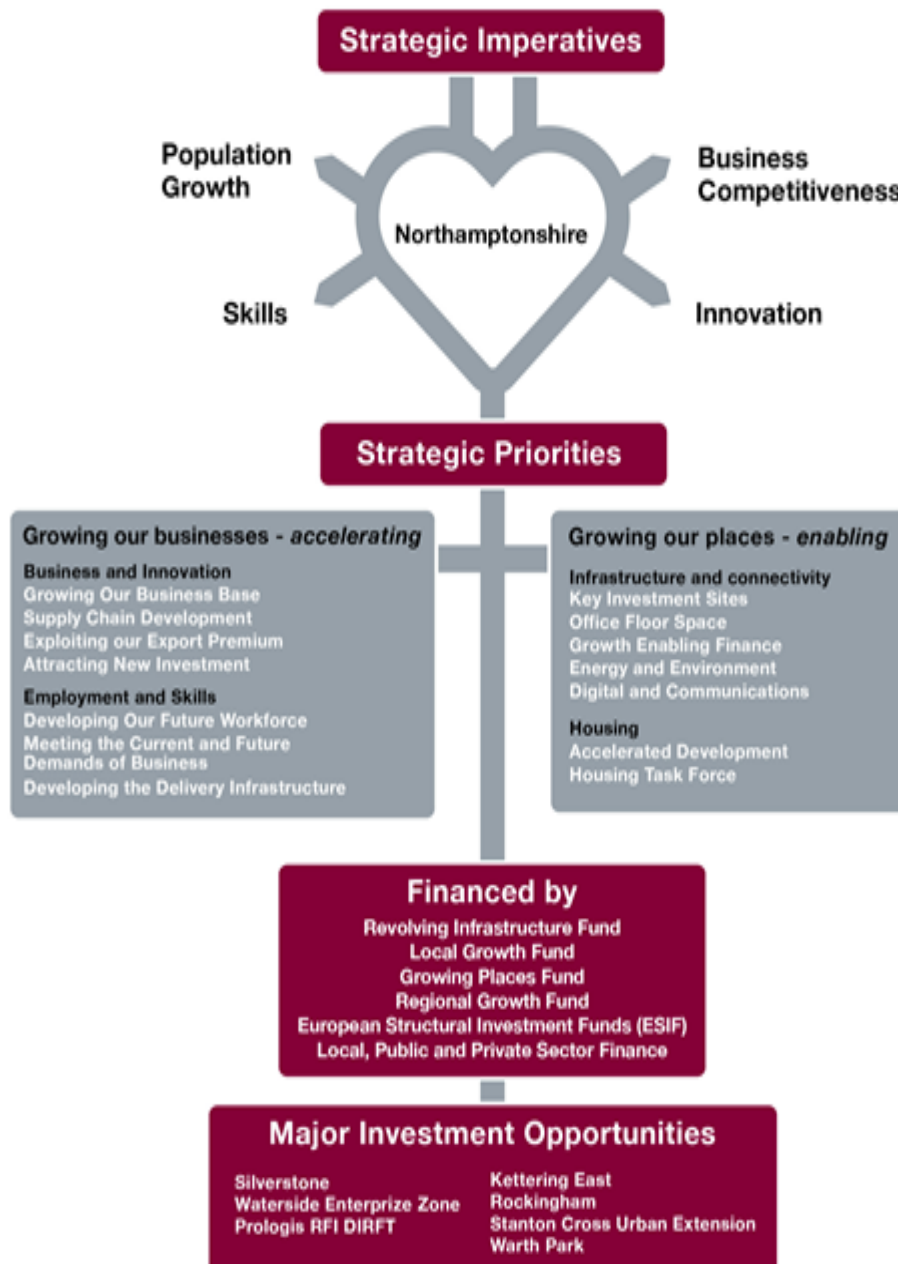
Put simply, Northamptonshire's Strategic Economic Plan can be summarised by the 'SEP on a page', which is provided overleaf.

¹ Cambridge Centre for housing and population Research – 2013.

NORTHAMPTONSHIRE'S STRATEGIC ECONOMIC PLAN

BY 2031 Deliver 80,000 new homes and create 70,000 new jobs

BY 2021 Create a £20bn economy, 32,500 new jobs and deliver 37,000 new homes



1 Vision and Strategy for the Northamptonshire Economy

1.1 Northamptonshire - The Place for Growth

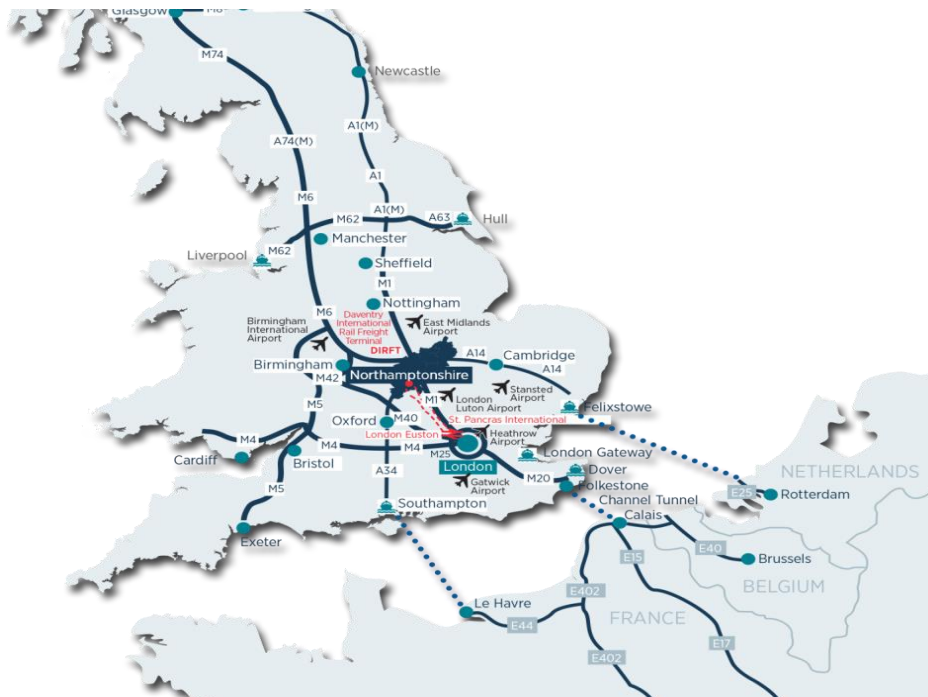
Northamptonshire has serious ambition and appetite for growth, alongside a track record in delivering this, both economically and population-wise. In the last decade an additional 40,000 jobs have been created, the population has increased by 6,000 year on year, and the prosperity of every person has grown by £500 per annum. Northampton has had the strongest recovery from the recession of any town in the country² and has been identified as the best performing place in the UK to do business.³

The area is therefore well placed to play an important role in economic recovery, growing its current £15bn economy - to £20bn by 2021. Northamptonshire already supports 365,000 jobs having grown in number by some 13% in the last decade.

The population is forecast to further grow from 710,407 in 2013 to 774,832 by 2021, with the population expected to hit 834,647 by 2030⁴. The area has one of the fastest growing populations, outstripping national population growth by 11% over the past two decades.

This growth potential is underpinned by Northamptonshire's:

Premier Location - Literally at the heart of England and the national road and rail network. The area enjoys strong international connections including the A14 Trans European route (with the Port of Liverpool and the Haven Ports within 3 hours drive), five international airports within 1.5 hours drive, and mainland Europe accessible in 2 hours by train via St Pancras. Sitting within easy reach of three major air freight hubs, including East Midlands Airport, the UK's largest dedicated pure freight terminal. Northamptonshire is host to two dedicated rail freight terminals – the Daventry International Rail Freight Terminal (DIRFT) and the Eurohub at Corby Northamptonshire offers business UK leading market access with 75% of the population within 2 hours drive and the county is at the forefront of the national logistics and distribution industry. What the nation buys Northamptonshire delivers.



² This view is supported by a recent report by the Centre for Cities think-tank which has shown that Northampton has made the biggest recovery from the recession in the country. Reflecting this Northampton moved from a 61/63 rank to a 7/63 in four years.

³ Experian research on which towns and cities present the best environment for business success – March 2014

⁴ Cambridge Centre for housing and population Research – 2013.

Figure 1.1 Northamptonshire's Centrality

Polycentric Pro-Growth Economy - Whilst Northamptonshire has a significant rural based economy, with around 20% of jobs located in rural areas, the key economic focus for business and employment is the vibrant urban spine of growth towns, running from Daventry in the south west through Northampton⁵ and on to Wellingborough, Kettering and Corby in the north east. Northamptonshire has two travel to work areas where more than 75% of residents live and work within the same area. Importantly there is a strong commitment to delivering significant numbers of new houses across the area.

Entrepreneurial Spirit - Northamptonshire has been voted by Government as the most enterprising location in the UK, with SMEs making up 99.6% of the business base SMEs, of which over 75% are micro-businesses (0-4 employees). This provides both resilience and diversity as the area is not reliant on a small number of internationally-mobile businesses. The area has above average self-employment, business start-up and early years survival rate which is vital for a high growth economy.

Economy Facing HE Sector - The University of Northampton strongly supports the development of the local economy working with a range of partners across the county; supporting Northamptonshire's University Technical Colleges, the development of innovation space in Northampton and Daventry and the Northamptonshire Growth Hub, a single, simple point of entry for businesses of all sizes and sectors to access business support in the county. Both the University of Northampton and Cranfield University, working closely with NEP have also been instrumental in driving forward Northamptonshire's key sector support and in particular High Performance Technologies and Logistics. World renowned universities of Cambridge, Oxford, Loughborough and Warwick, with strong Northamptonshire key sector supporting capabilities, are all less than an hour away.

High Performance Technologies - at the heart of British motorsport, with 3 major racing venues and the location for the British Formula 1 Grand Prix and MotoGP at Silverstone. It is home to more than 200 motorsport companies employing over 6,000 people with an annual turnover of £600m. In 2010, and with the support of local investment, Silverstone Circuits secured a long-term contract to host the British Grand Prix. This asset has leveraged the High Performance Technology sector which generates £2 billion of GVA per year⁶ in the county from 1,000 companies employing over 20,000 people.

World Class Brands - Northamptonshire is the home for a number of major businesses including Barclaycard, Carlsberg UK, Cosworth, Mercedes Benz, Tata Steel, Tesco distribution, Churches Shoes, Yusen Logistics, Wacoal Eveden, Cummins Engines, Silverstone Circuits and Weetabix. Recent and forthcoming major investments by these organisations have signalled their commitment to the area.

Vibrant Visitor Economy: Northamptonshire welcomes over 20 million visitors each year who come in search of the county's incredibly diverse tourism offer; world-class motorsport heritage and home of the F1 Grand Prix at Silverstone, an expanse of outstanding wildlife and stunning landscapes in the Nene Valley, unparalleled built heritage countywide, fantastic sporting heritage, theatre to rival the West End and one of the most accessible creative and cultural scenes in the country.

Social Enterprise: Northamptonshire has a number of key competitive advantages in the area of social enterprise. The University of Northampton is acknowledged as the UK's leading university for social enterprise and is one of only 25 universities in the world designated as a 'Changemaker Campus' by the Ashoka U organisation. The county has a well-established social enterprise sector. Local authorities are developing and testing options for radical service transformation.

Capable Leadership - The capacity of public and private sector partners to work collaboratively in the interests of the local economy has been demonstrated⁷ and provides the necessary leadership to

⁵ The county town of Northampton was recently recognised as one of the top locations in the UK for business by Santander Corporate and Commercial Banking's UK Town and City Index, citing it's 'diverse local business base and low business costs' as a key factor. Their ranking placed it above Birmingham, Leeds and Manchester.

⁶ Northamptonshire won the accolade of 'Most Enterprising Place in Britain' for its pioneering work with Silverstone Circuit which helped to secure the future of the British Grand Prix and safeguard jobs in the wider High Performance Technologies network. It also won the top award for encouraging export.

⁷ Northamptonshire's 10 Point Plan: To Kickstart and Unleash Local Dynamism and Economic Potential: Our Growth Offer and Ask of Government, Northamptonshire Enterprise Partnership and Northamptonshire County Council, March 2013.

achieve the economic vision. This approach is being accelerated by public/private partnerships. These include a strategic alliance with British Gas to develop the concept of a 'Low Carbon Northamptonshire'; and the University of Northampton's successful Business School including business facing ICT, which has contributed to the University being recognised as England's top University for Employability in 2012.

Delivery Capability – Across Northamptonshire we have partners with strong and innovative delivery capability. The NEP team has a strong track record of delivering economic programmes and projects. Since 2010 the team, which is the 5th largest of any LEP, has successfully created over 1650 jobs, 100 new business starts, attracted 25 new companies to the area and generated over £8M of private leverage.

Joint Working - The existence of two joint planning functions (North Northamptonshire and West Northamptonshire) provides centres of expertise, capacity and increased surety over the planning system, a central feature when looking to deliver significant economic and housing development. This is consistent with the Government's planning agenda and drive for joint working identified in the Heseltine Report *No Stone Unturned in Pursuit of Growth*. Furthermore the joint working arrangements have established excellent links with statutory agencies and key infrastructure providers which have been instrumental in securing infrastructure investment to unlock growth to date, and provides a great platform to secure the delivery of our future plans for growth outlined within this plan.

1.2 Vision for Growth

The vision: To increase the prosperity of Northamptonshire's people and businesses by creating high skilled employment opportunities, within the most connected, safe and vibrant place to live, work and do business.

By 2021: Northamptonshire will have emerged stronger from the economic recession and moved to a path of sustainable and high economic growth driven by the expansion of its vibrant and diverse private sector, its key sector strengths and its wide ranging assets across the county.

The Strategic Economic Plan (SEP) will have directed investment (combining EU, National and local public and private funds) to support Northamptonshire as one of the fastest growing economies in the UK and increased the county's GVA by 1% more than the UK's growth rate every year to 2021, resulting in a £20 billion economy, similar in scale to those in Liverpool and Sheffield City Regions. This growth will be unmatched anywhere outside of London.

An additional 32,500 jobs and 1,600 new businesses will have been created, with this growth having benefitted all - residents, young people workers, business owners, entrepreneurs and visitors. Given low levels of unemployment, the growth in jobs will be enabled by major investment in new housing – over 37,000⁸ new homes having been built. Northamptonshire will have cemented its reputation as the 'location of choice' for ambitious firms, both in the UK and globally. A comprehensive programme of new infrastructure will be in place including the introduction of countywide Superfast Broadband. Young people will have clear progression routes into high quality and rewarding jobs in 'sectors of the future'. Skills and educational providers will be recognised for their ability to innovate, be flexible and align their activities to support business growth. The University Technical Colleges (UTCs) at Silverstone and Daventry will have helped thousands of young people to get the skills needed for rewarding careers in engineering and new technologies.

Clusters of lean firms will collaborate across their networks and down their locally embedded and responsive supply chains. There will be well paid employment opportunities for all Northamptonshire residents.

The delivery of public services will have been transformed, both in the way they are delivered and the range of organisations that deliver them. Northamptonshire will have developed innovative and cost-effective ways of integrating social ventures into the public sector supply chain. Through partnership between social ventures, the public sector and the private sector, Corporate Social Responsibility (CSR) strategies will result in improved public services. The county will have an integrated plan to tackle disadvantage in innovative and entrepreneurial ways

The Northampton Waterside Enterprise Zone will be a best practice model for co-ordinated action and streamlined planning - lessons that will have been applied across Northamptonshire.

Growth Potential: The leadership and capacity to deliver, coupled with the scale of new jobs and housing, and longer term potential, is arguably unparalleled anywhere else in Britain outside of London. Northamptonshire's ambitious economic and housing growth plans can be accelerated with the right interventions and support from Government.

The Strategic Economic Plan provides the necessary framework for Northamptonshire and Government to co-invest to deliver sustainable economic and housing growth. Local Growth Fund (LGF) and other sources will provide the necessary catalyst, accelerating delivery (over and above what the LEP should be receiving through the non-competitive element of LGF). The LGF will form a key funding source within the Fund's 'Single Pot' approach.

⁸ Based on annual dwelling completions of 2,025 in West Northamptonshire and 2,605 in North Northamptonshire

1.3 Northamptonshire - The Place

Northamptonshire is a predominantly rural county situated in the heart of England with a growing population of over 700,000. It is polycentric, with seven locations each providing a distinct offer to support economic, housing and population growth. These places provide the spatial backdrop to the Strategic Economic Plan, and will be critical in delivering the growth to making things happen.

The administrative and commercial centre of the county is Northampton, which contains nearly a third of the county's residents. Outside Northampton, the county is interspersed with other large, medium and small towns, which serve as economic and service centres to the rural hinterlands. The large urban areas to the south and west are Daventry, Towcester and Brackley, and in the north-east Rushden, Wellingborough, Kettering and Corby are closely interlinked along a north-south corridor. Smaller market towns in East Northamptonshire also play an important role in supporting the rural economy.

Northampton

Northampton (town) is Northamptonshire's commercial centre and most populous town with population of over 212,000, within the Northampton Related Development area there are proposals to deliver 28,473 dwellings. Northampton's main industries include Distribution, Hotels and Restaurants, Banking, Finance, and Insurance (which is the broad sector that covers all business services). Major employers include Barclaycard, Euro Building & Maintenance, Panasonic UK Ltd, Travis Perkins, Coca Cola Enterprises Ltd, Schweppes Beverages Ltd, Avon, and Carlsberg. It is also home to around 13,000 businesses, the vast majority of which are SMEs. Sectors currently being targeted for investment include high-performance engineering, low-carbon and sustainable technology, business and professional services and new enterprise start-ups.

Located at the heart of the UK, with unrivalled national and international transport links, the town has been identified by Government as a key area for economic growth, and with its new Waterside Enterprise Zone it is attracting further global interest. The Enterprise Zone is an important opportunity for businesses to expand and flourish, joining the likes of Carlsberg, which has just completed a £60 million programme of redevelopment.

Northampton is one of the UK's most enterprising places³ and operating costs are low in relation to other parts of the country. The town is also making the UK's fastest economic recovery, bucking the trend, with confidence such that the University of Northampton has plans for a new £330 million campus in the Enterprise Zone, as well as a £8m innovation centre for large scale social enterprises.

A series of major regeneration projects are already under way, including the redevelopment of the town's railway station, a replacement bus interchange and the introduction of a cutting-edge innovation centre.

Corby

Corby has been designated as a growth town and the location for much of the development in the north of the county. Having experienced significant industrial change over the last 40 years, it has grown rapidly in the recent past, resulting in recognition as the fastest growing town in the country, and there is a determination to ensure the investment and opportunities that accompany this wave of growth address the regeneration objectives of the town. It has a strong industrial heritage and still has a noticeably higher proportion of manufacturing employment than the rest of the county.

The regeneration of Corby town centre is well underway with completion of a major new re-development at the Willow Place shopping development, 50m Olympic-size swimming pool, the new Civic Hub and the Town Square. The Tresham Institute campus in Corby has also undergone significant re-development with a brand new purpose built facility to support the skills needs of the locality.

Corby has the highest number of additional new houses forecast in the north of the county (14,200), and has also delivered the highest number of new houses over the last few years. Work to the Corby Northern Orbital Road will help to open up the 84 hectares around Rockingham Motor Speedway for high value employment uses.

It is a major distribution centre and has developed Euro Hub, an international rail freight terminal, whose anchor tenants are car manufacturers. Alongside the Eurohub is Stanion Plantation which has

consent for a large scale distribution centre directly served by the new Corby Link Road, and Geddington Road a consented rail served distribution site.

Daventry

Daventry is home to the Daventry International Rail Freight Terminal (DIRFT), which provides a strategic rail and road transport distribution hub for the UK. Tesco, Ingram Micro, Royal Mail, the WH Malcolm Group, Eddie Stobart Ltd, Sainsbury, DHL and Mothercare ELC. The second phase of development is currently underway and planning permission for the third phase of development has been submitted for consideration which will release a further 345 hectares of rail connected development.

It is also home to a number of Northamptonshire's educational and training institutions including Moulton College (just north of Northampton) and Northampton College (at Daventry), which are both partner colleges to the University. Moulton College has carried out significant investment to remain a centre of excellence and has further plans to grow, and expand its FE provision developing new areas of excellence. There are also plans to re-develop the FE provision within Daventry town centre, jointly promoted by Moulton and Northampton Colleges.

Additionally, Daventry hosts the Icon Environmental Innovation Centre. This is ahead of its business plan and there are plans underway for the next phase – Icon 2, which will provide much needed growth on space for the area as a whole. Daventry also hosts the University Technical College which specialises in new technologies in engineering Sustainable Construction and environmental sustainability.

Daventry town centre is undergoing significant re-development in terms of retail and its housing offer. In relation to housing Daventry is earmarked to deliver 6,984 dwellings within the planning period up to 2029. Significant developments have already been approved and are underway, and with key infrastructure investment such as the Daventry Development Link, this will help to unlock further growth.

Daventry has a particular strength in advanced engineering and manufacturing, including Cummin Engines at Daventry and Mercedes High Performance Engines at Brixworth.

East Northamptonshire

East Northamptonshire is a rural district with one substantial town in the South (Rushden, population of 30,000), with 5 market towns of 6,000-9,000 population (Raunds, Irthlingborough, Higham Ferrers, Thrapston and Oundle) and dozens of smaller villages.

Reflecting its rural composition, agriculture, food and drink and tourism are all important employers in the area. There are plans to redevelop and regenerate the town centres of Raunds, Irthlingborough and Thrapston to ensure they continue to function as market towns.

The heart of the Nene Valley runs through East Northamptonshire, and is being developed in conjunction with partners as a major destination for tourism through the Destination Nene Valley work programme.

There are significant plans for housing and employment growth at Rushden East and Irthlingborough which will help to deliver around 8,000 new homes in the district between 2011 and 2031. Key to unlocking that growth is the improvements to the Chowns Mill Roundabout on the A45.

The Chowns Mill roundabout sits at the junction of two arterial roads – the A6 and the A45. It is becoming increasingly congested and is at the heart of a number of major proposed developments in East Northamptonshire. Improvements to Chowns Mill are essential to ensure that the current problems are addressed in order for further growth in the area to be delivered.

- Rushden Lakes is a major retail development designed to serve the towns of Rushden and Wellingborough and the surrounding area. It will also provide managed access to the neighbouring SSSI and will link the site to other tourist attractions in the Nene Valley. Following approval of the planning application in October 2012 by East Northamptonshire Council, it was called-in by the Secretary of State, who will decide by 14 February 2014 whether to allow it to proceed, following a planning inquiry held in June / July 2013.
- Rushden East is a Sustainable Urban Extension that has been identified as an essential component, along with Rushden Lakes, of Rushden's ambitions to be a growth town contributing significantly to North Northamptonshire ambitions to increase housing numbers and jobs. Nene Park is the site of the former Rushden & Diamonds FC and, most recently, Kettering FC. The stadium now stands disused with owners seeking to develop a mix of retail

and leisure uses on the site to ensure that football continues to have a home there and to provide a much improved retail and leisure offer to the town of Irthlingborough.

- Irthlingborough West is the site of a planned mixed use urban extension comprising around 700 houses, employment land and provision for the expansion of the neighbouring Huxlow Science College.
- The Whitworth's site in Irthlingborough is directly linked to Irthlingborough West. It already has planning permission for 258 dwellings, and Whitworth's ambition is to relocate to the Irthlingborough West site to free up its current location for development. The two sites would then be linked such that there would be access from Irthlingborough West to the town centre by car, cycle and on foot.

Kettering

The Borough of Kettering comprises the growth town of Kettering and a number of other small towns and villages. The area has an industrial manufacturing heritage although production sectors, whilst still important, make up a smaller proportion of its workforce today. Major employers include Weetabix, Alpro, Morrisons, E Surv Surveyors and the former Shoe and Allied Trades Association, Satra.

Kettering town has the largest town centre in the north of the county. The aim is to maintain the position of the town in the retail hierarchy, through an improved shopping centre with a greater range of retailers. There is also emphasis on improving the public realm through the town and improving services to residents and visitors within a leisure quarter. In the masterplan, priority is also placed on new office space alongside the rail station as a strategic location for employment growth in the town.

Kettering's vision contains three main objectives - supporting new housing, jobs and infrastructure; developing the town centres; and developing a more skilled workforce and a better education offer.

In terms of housing and employment the principal means for delivery are:

1. Development of East Kettering – 5500 homes, with associated employment and infrastructure, community, education and transportation facilities, and off site highway improvements.
2. Development of Kettering Energy Park, with combined wind, solar, biomass and other technologies, and associated research and development jobs, food production and fuel production benefits. Ensures green, cheap, and secure energy supply, sufficient to meet the energy needs of Kettering town. Accompanied by development of an ESCo by the Council to help residents and businesses make the most of these opportunities.
3. Development of urban extensions in Rothwell (up to 1000 homes) Desborough (up to 1000 homes), other parts of Kettering (up to 1500 homes).
4. Development of land, at key locations alongside the A14 and A43 northern bypass, for new employment growth.

South Northamptonshire

South Northamptonshire is one of the most prosperous areas, with a high employment rate and concentrations of businesses. It is a mainly rural district with two main towns, Brackley and Towcester, with the latter identified as an important area for growth. Plans for the town include a commercial and retail development at Moat Lane. The area benefits from a number of important employers in motorsport, research and development, and finance. It also has high levels of self-employment and company formation due to the type of business services available. It also has a number of the county's tourism assets such as the canal network and the Towcester Racecourse.

Silverstone is an important asset, a hub for high performance technology businesses supported by the Silverstone Innovation Centre. Visitor spend associated with the British Grand Prix generates more than £30 million annually. Silverstone sits at the heart of the Motorsport Valley and is key to the wider High Performance Technologies (HPT) network across Northamptonshire and surrounding LEP areas. Infrastructure to support development at the circuit includes improvements to the A43 Abthorpe junction.

In terms of housing the Joint Core Strategy provides for an overall 7,173 dwellings across the district focusing on the SUEs in Towcester and Brackley.

Wellingborough

Wellingborough is the most southerly part of North Northamptonshire and less than 50 minutes by train to London St Pancras and the Eurostar Hub for onward journeys to Paris and Brussels. The economy has undergone a transformation from one based on manufacturing, particularly footwear and engineering, to a more diverse economy with a growing service sector. Key major employers in the area include Lotus Lightweight Structures, Monsoon/Accessorise, Weatherbys, Whitworths, Kuehne & Nagel, Scott Bader Co Ltd and the Open University Press.

Wellingborough has a strong potential to contribute to the growth of Northamptonshire through the realisation of its plans for housing and employment. Its opportunities are:

- Stanton Cross - 3,200 dwellings
- Wellingborough North - 3,000 dwellings
- Other residential planning consents - 1,500 dwellings
- Employment sites - 10,700 jobs

Development of these over the next 20 years will result in approaching £1billion of investment.

Wellingborough has a vision of a well-connected, thriving, expanding urban centre which willingly accepts sustainable residential growth and, at the same time, preserves the traditional village way of life both in its four "large villages" and many rural locations. Key to this vision is adequate infrastructure, home grown locally based education and skills and a supply of jobs in a wide variety of sectors of the employment market. All of this is already underway and much more is planned.

In terms of Infrastructure, Wellingborough is well connected to the arterial road networks via the A14, A45 and M1. This good access contributes to its established logistics "hub" and further improvements such as the Wilby Way roundabout are already underway. The key gap currently is the Isham Bypass and the Isham to Wellingborough Improvement connection to that. These elements will complete a fast connection between the A45 and the A14 and enhance the town's potential for more employment site development. Its rail offer is rapidly being brought up to date, with electrification and the necessary bridge and road improvements to facilitate this well underway. A new station already has planning permission as part of the Stanton Cross development.

Wellingborough has two major sites close to commencing delivery - Stanton Cross and Wellingborough North. Bovis Homes development partner has now produced a programme, appointed a project director for the Stanton Cross development and pushed forward infrastructure discussions with BCW, NCC, Network Rail and East Midlands Trains. A start on site is expected early in 2014.

Wellingborough North also has consent, with negotiations taking place with a developer.

1.4 The Strategic Economic Plan – An Overview

The Strategic Economic Plan builds on Northamptonshire’s 10 Point Plan, which has already been agreed and submitted to Government, and responds to pressures for growth and the need for innovation. The SEP majors on the growth elements of the 10 Point Plan, recognising the need to both accelerate growth through businesses and people; **and** enable this through investment in the supporting infrastructure, particularly transport and housing.

The Strategic Economic Plan is based on a detailed socio-economic analysis and demographic and economic forecasts for Northamptonshire and the areas within it. This has identified the strategic priorities, which if addressed will unlock the economic potential of Northamptonshire.

The SEP can be summarised as follows:

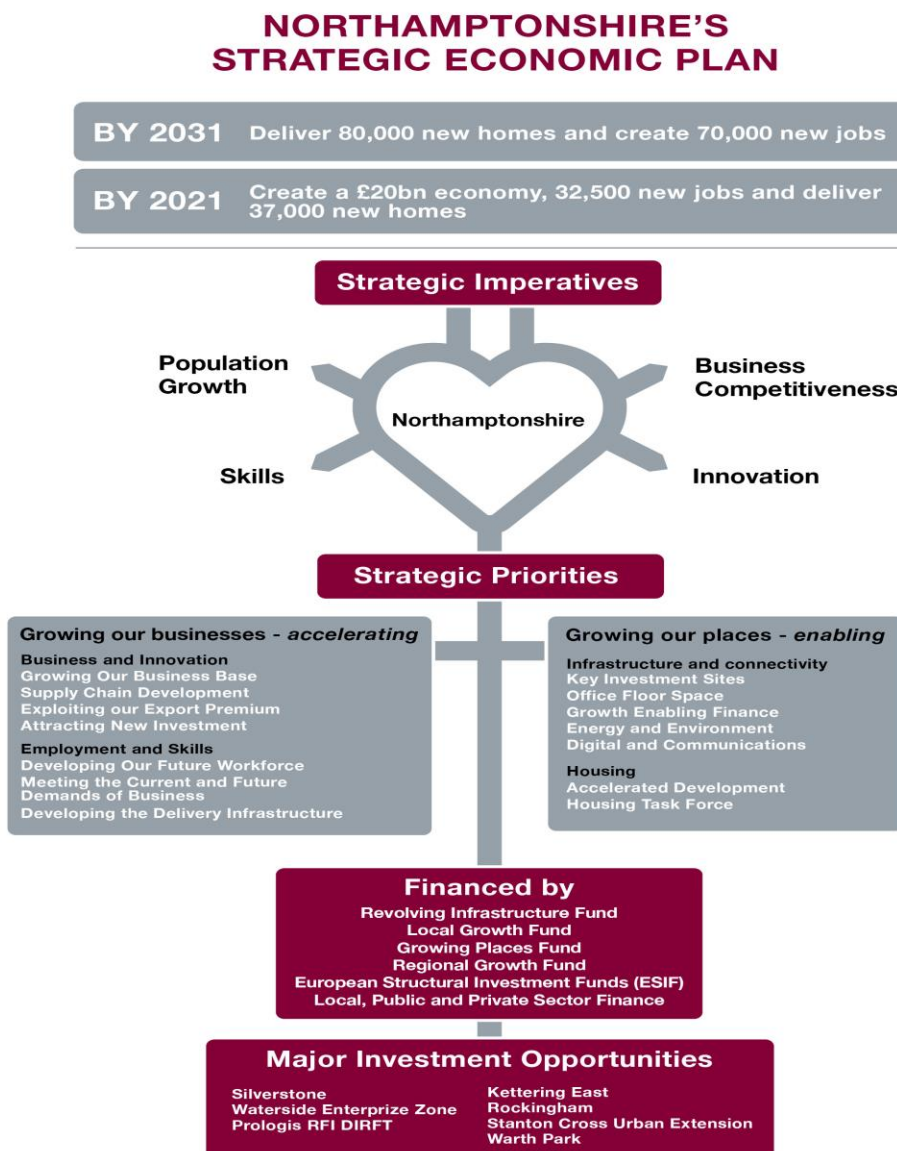


Figure 1.5 Northamptonshire Strategic Economic ‘Plan on a Page’

Delivery

The 10 Point Plan endorsed the strategic alliance between NEP and its Local Authority partners and the University of Northampton, as a proven basis for achieving sustainable growth and job creation. This approach is now taken forward through the SEP, which aims to integrate growing Northamptonshire's businesses alongside growing places, using a combination of national and local resource to deliver the ambitions within it.

The SEP provides the investment framework to 2021. Within this framework investment will need to be channelled into those assets that can provide the maximum momentum and impact in the programme period as well as those that provide the basis for longer-term success. It combines the various funding streams in support of the identified investment priorities, creating a 'Single Pot' to provide flexibility, efficiency and assessed using a streamlined Strategic Appraisal Process (SAP).

The overall scale of the investment fund is still to be determined, depending in large part on decisions by central government. However, it might be expected that as a minimum the SEP will draw upon:

- £100m investment raised through the RIF (excluding LGF)
- £49m investment from European Structural and Investment Funds (ESIF)
- £49m of ESIF match funding from UK and local sources (including private sector)
- Total Project investment of £628.8 m of which £158.372m of competitive LGF funding is being requested.

An initial planning total of £xxm over 7 years, supported by major private sector investment, provides a first indication of the potential scale of the investment.

Alignment of policy goals

The Strategic Economic Plan does not sit in isolation to other strategic plans within Northamptonshire. The SEP will build upon and support the delivery of a number of existing plans which include:

- European Social Investment Fund
- Local Transport Plan
- Core Spatial Strategies
- Skills Strategy
- Sustainable Communities Strategies
- Northamptonshire Arc and its associated sub-plans including transport, environment, economy and Digital Connectivity.

Northamptonshire Strategic Economic Plan has been designed to support the UK Government's key priorities of driving sustainable and 'balanced' growth including:

- the 'Plan for Growth' (2011) which aims 'to achieve strong, sustainable and balanced growth that is more evenly shared across the country and between industries'
- Skills for Sustainable Growth (2010) which sets out the ambition to have world-class skills base to stimulate private sector growth that will bring new jobs and provide a consistent source of competitive advantage
- the Strategy for Sustainable Growth (BIS, 2010) which sets out long-term plans for 'a sustainable economy that is greener, more enterprising, more technologically advanced, more balanced and grounded in diverse sources of sectoral strength
- The Government's Industrial Strategy also has a particular focus on developing business competitiveness in key sectors of which Northamptonshire has particular expertise and specialisms, including advanced manufacturing, knowledge-intensive traded services, particularly professional/business services and enabling industries such as energy and low carbon.

This plan also seeks to support the Government's ambition to improve the framework conditions for greater private sector investment in innovation and proposals set out in Innovation and Research Strategy for Growth. It will also support the outcomes of the Witty Review and Government's

aspirations to drive forward innovations across the eight great technologies. This includes maximising European funding opportunities that support the research and innovation agenda, and smart specialisation through ESI Funds and Horizon 2020.

2.0 Northamptonshire's Economy

2.1 Introduction

A detailed review of the socio-economic evidence base identified a number of strategic imperatives that need to frame our actions and investments, if Northamptonshire is to deliver on its growth ambitions – namely population growth, business competitiveness, innovation and skills levels.

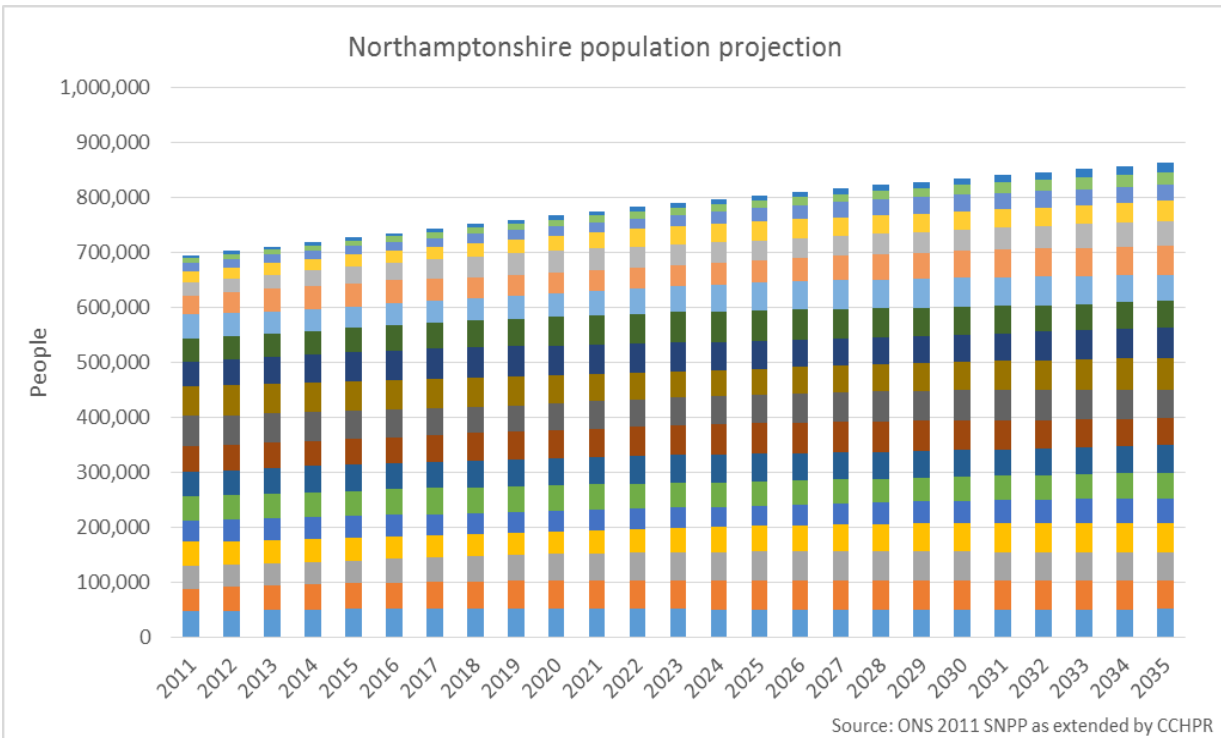
2.2 Population growth – a strongly growing population increasing the workforce, skills and spending

Demographic trends and forecasts

Population growth is a vital issue for Northamptonshire, driven in a large part by inward migration, which in turn is influenced by employment and job creation. Further employment growth would result in further migration as people re-locate to take up these, as the very high economic activity rate (82.5%) will result in limited local capacity to absorb significant numbers of additional jobs.

NEP has recently undertaken an economic assessment in order to better understand the economic conditions and potential for growth within the economy, which included population forecasts. This has been supplemented by the Joint Planning Units who have recently commissioned demographic forecasts to underpin the core strategy development. Both studies identify significant growth in population across Northamptonshire. The forecasts show that the population of Northamptonshire is set to increase between 2013 and 2021 by 9% from 710,407 to 774,832.

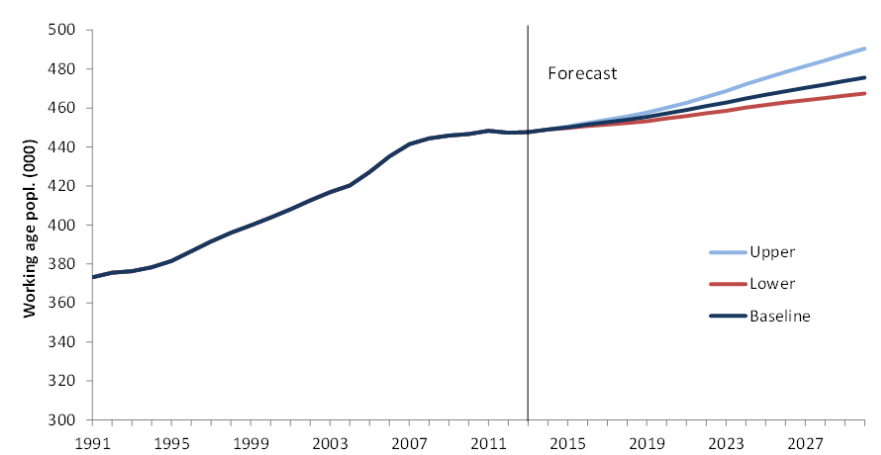
By 2031 this is forecast to increase again to 840,417, representing an increase by 18% from 2013.



Source: Cambridge Centre for Housing and Planning Research

Figure 2.1 Northamptonshire population forecasts 2011-2035

Growth in working age population would be strongly linked with employment and resultant migration changes – as it will be predominantly those of working age who will migrate into the county to take new jobs. Between 2013 and 2021, the working age population will increase from 448,000 to between 459,000 (2% increase) to 463,000 (3% increase).



Source: Oxford Economics

Figure 2.2 Working age population forecast (000s), Northamptonshire, 2013-2030

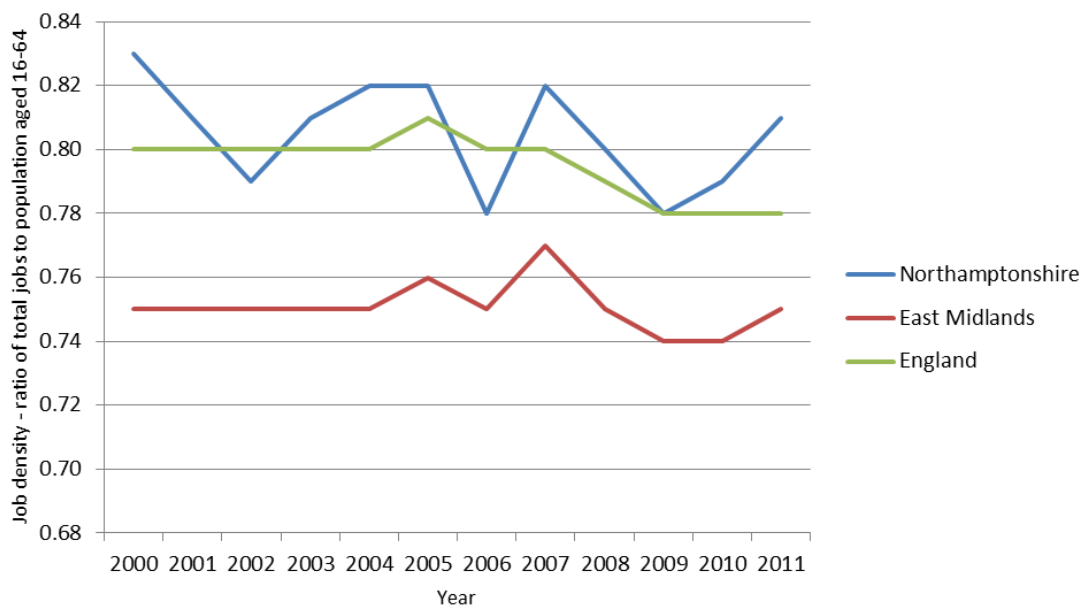
	2013	2015	2017	2019	2021	2023	2025	2027	2029	2030
Upper	447.7	450.5	453.9	457.6	462.7	468.7	475.3	481.4	487.5	490.4
Lower	447.7	449.7	451.5	453.2	455.9	458.6	461.6	464.0	466.3	467.4
Baseline	447.7	450.1	452.7	455.4	459.0	462.7	466.8	470.3	473.8	475.5

Source: Oxford Economics

Table 2.1: Working age population forecast (000s), Northamptonshire, 2013-2030

The working age population has not grown in line with overall population growth because of ageing. A higher dependency ratio of working population to total population is a feature of all western European countries, meaning that growing economies need larger populations than previously.

The job density in Northamptonshire of 0.81 is considerably higher than the average for the region of 0.75 and the national average of 0.78. Furthermore, this figure has been rising since 2009, while the national average has remained stagnant.

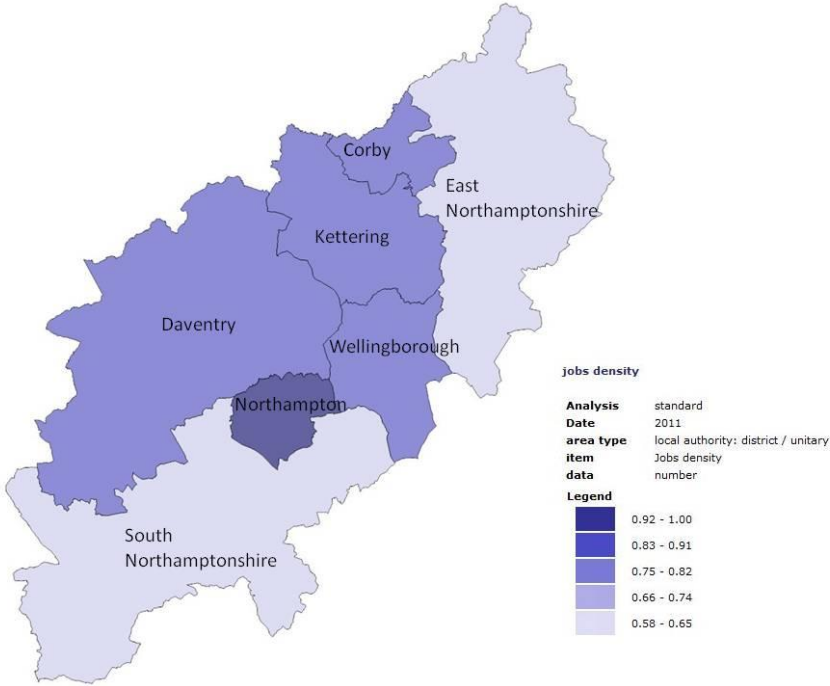


Source: ONS jobs density, 2000-2011

Figure 2.3 Ratio of total jobs to working age population, 2000-2011

These jobs are not distributed evenly across Northamptonshire – Northampton has 141,000 jobs for a working age population of 140,851 (a job density of 1), while East Northamptonshire has 32,000 for a working age population of 54,971 (a job density of 0.58).

This situation has changed dramatically in some areas in recent years; in 2007, Corby had a job density of 0.96, compared with 0.75 in 2011, while the job density in Daventry has increased from 0.7 in 2001 to 0.82 in 2011.



Source: ONS © Crown copyright. All rights reserved GD272183.2014

Figure 2.4 Job Densities across Northamptonshire.

As a consequence of previous and expected growth, there is an urgent need to create sustainable communities that can provide the future workforce.

Strategic Imperative: Northamptonshire has experienced substantial growth in population due to higher birth rates and net in-migration. This growth is due to continue. However, because of the age profile, high retirement rates mean that the population growth has not translated into a similar expansion of the working population, although it is still increasing. Because of the general increase in dependency ratios, a growing population is imperative for growth if it is not to rely solely on productivity improvement.

2.3 Business Competitiveness

The Northamptonshire economy has returned to growth more quickly than the national economy. This reflects in part of the dynamism of the local economy based on SMEs and higher rates of start-ups and self-employment.

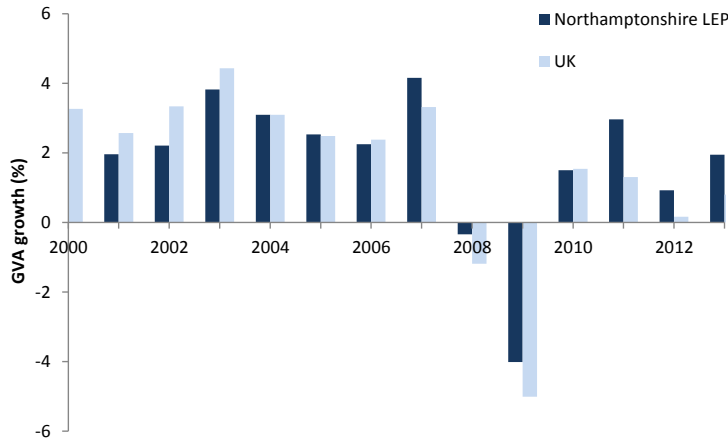


Figure 2.5 GVA Growth: Comparison of Northamptonshire and UK

Business Demography

The vast majority of companies in Northamptonshire are small SMEs, with more than three quarters of the enterprises in the area employing fewer than five people. Indeed, there are only 95 employers in the county with more than 250 employees, just 0.4% of Northamptonshire's 25,300 enterprises. Nationally SMEs account for 59.3% of employment, which locally would translate to 216,445 of total jobs.

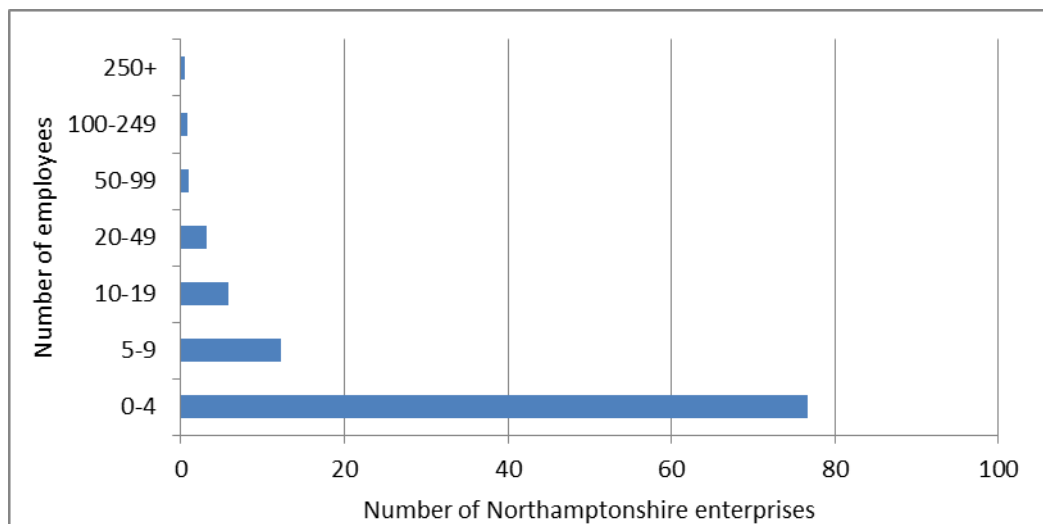


Figure 2.6 Share of Northamptonshire companies by size band 2012

An advantage of this structure is that because employment is distributed among a large number 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 job creation – as the impact of each SME recruiting just one extra employee would be an additional 25,000 jobs.

Start-up rates and Self employment

In 2011, 2,900 new companies were created in Northamptonshire. This equated to 6.5 business 'births' per 1,000 of the resident population – a higher rate than the East Midlands or England at 3.5

and 4.4 business births per 1,000 population respectively. This level of start-ups ranks Northamptonshire 21st among LEPs.

The self-employment rate of 11% is above the regional and national rates; with the LEP ranked 12th highest on this indicator. In terms of business activity, self-employment alone is not a definitive indicator. However, given the high rates of business births and deaths, strong survival rates of start-ups, large SME base and a concentration of HPT businesses in the county; this demonstrates an entrepreneurial spirit across Northamptonshire.

Early / medium-term survival rates

There were significantly more business deaths (companies closing) per 1,000 population in 2011 than there were in the East Midlands or England. This should not necessarily be viewed as a significant issue for the Northamptonshire economy. An economy with an entrepreneurial culture, in which new companies with good ideas are able to raise money and start trading, is also likely to be an economy in which inefficient incumbents get 'outcompeted' and go out of business. However, when closures are due to relocations because of factors that can be addressed, then enabling out-movers to stay would add to the business base, and because of increased size of these businesses revise the average size of businesses in Northamptonshire.

Businesses started in 2006⁹, show that survival rates fall over time with a particular decline between, three (69% survive) and four years (55% survive). This is considered to be due in part to firms relocating because of the lack of appropriate grow-on floorspace.

Driving productivity in SMEs

Compared to England, the Northamptonshire economy has a lower level of productivity, of 8%. The worst performing sector locally, by comparison to England, is financial services, where productivity is 19% lower. However, this probably reflects the "London factor". A similar argument may explain the lower levels in ICT. Manufacturing productivity is only 4% lower locally, than nationally.

Some small sectors have substantially higher levels of productivity, including utilities, quarrying, and real estate activities.

In terms of improving productivity this needs to be achieved by targeting particular sectors below, to ensure maximum return on investment.

Sector	Northamptonshire GVA per head 2013 (£000)	England GVA per head 2013 (£000)	Difference 2013 (£000)	% Difference
Agriculture, forestry and fishing	33	29	4	14%
Mining and quarrying	0	56	56	-100%
Manufacturing	50	52	-2	-4%
Electricity, gas & steam	222	162	60	37%
Water supply & waste management	94	82	12	15%
Construction	42	42	0	0%
Wholesale and retail	32	31	1	3%
Transportation and storage	36	38	-2	-5%
Accommodation and food	18	19	-1	-5%
Information and communication	55	65	-10	-15%
Financial and insurance activities	88	108	-20	-19%
Real estate activities	226	203	23	11%
Professional, scientific and technical	40	40	0	0%
Administrative and support	26	28	-2	-7%

⁹ Based on ONS business demography data for companies started in 2006

Sector	Northamptonshire GVA per head 2013 (£000)	England GVA per head 2013 (£000)	Difference 2013 (£000)	% Difference
Public administration and defence	39	42	-3	-7%
Education	29	31	-2	-6%
Human health and social work	27	27	0	0%
Arts, entertainment and recreation	23	24	-1	-4%
Other service activities	25	27	-2	-7%
All sectors	38	41	-3	-7%

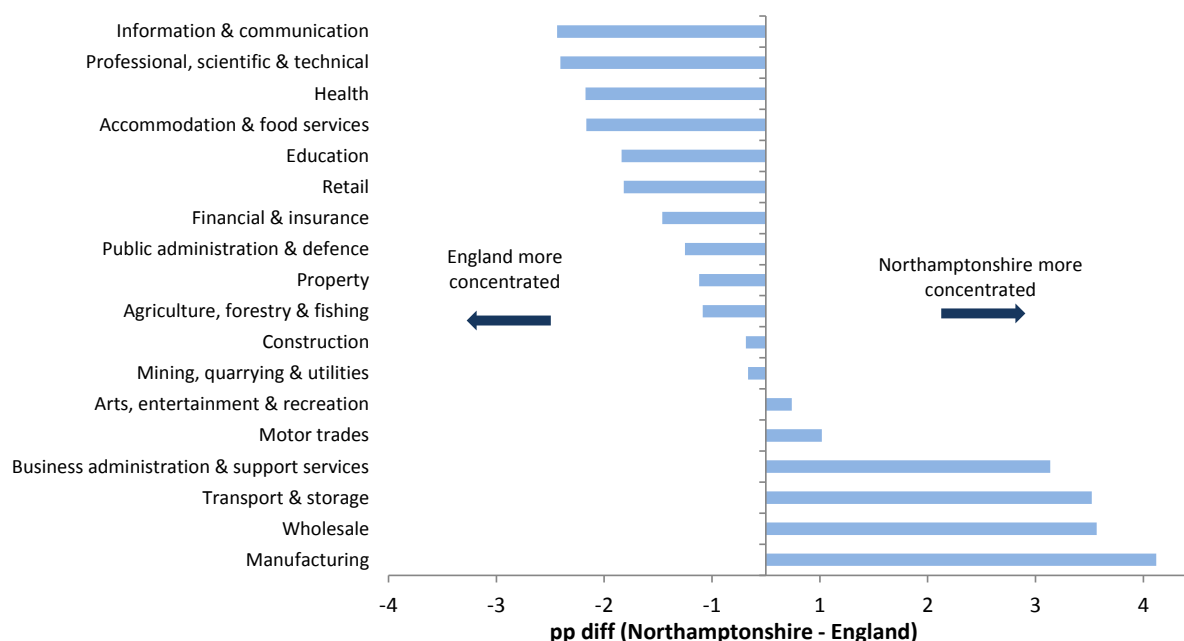
Source: Oxford Economics

Table 2.2 Comparison of Northamptonshire and UK productivity by sector (2013)

Rebalancing the economy – improving productivity through sector programmes

In order to improve productivity, some rebalancing of the local economy towards higher productivity sectors, is required.

The sectoral composition of Northamptonshire relative to England is indicated below. This emphasises the importance of manufacturing, wholesale, transport & storage and business administration as distinguishing characteristics of the local economy. These four sectors currently account for 38% of employment.



Source: Oxford Economics

Figure 2.7 Relative concentration of employment by industry, Northamptonshire compared to England, 2012

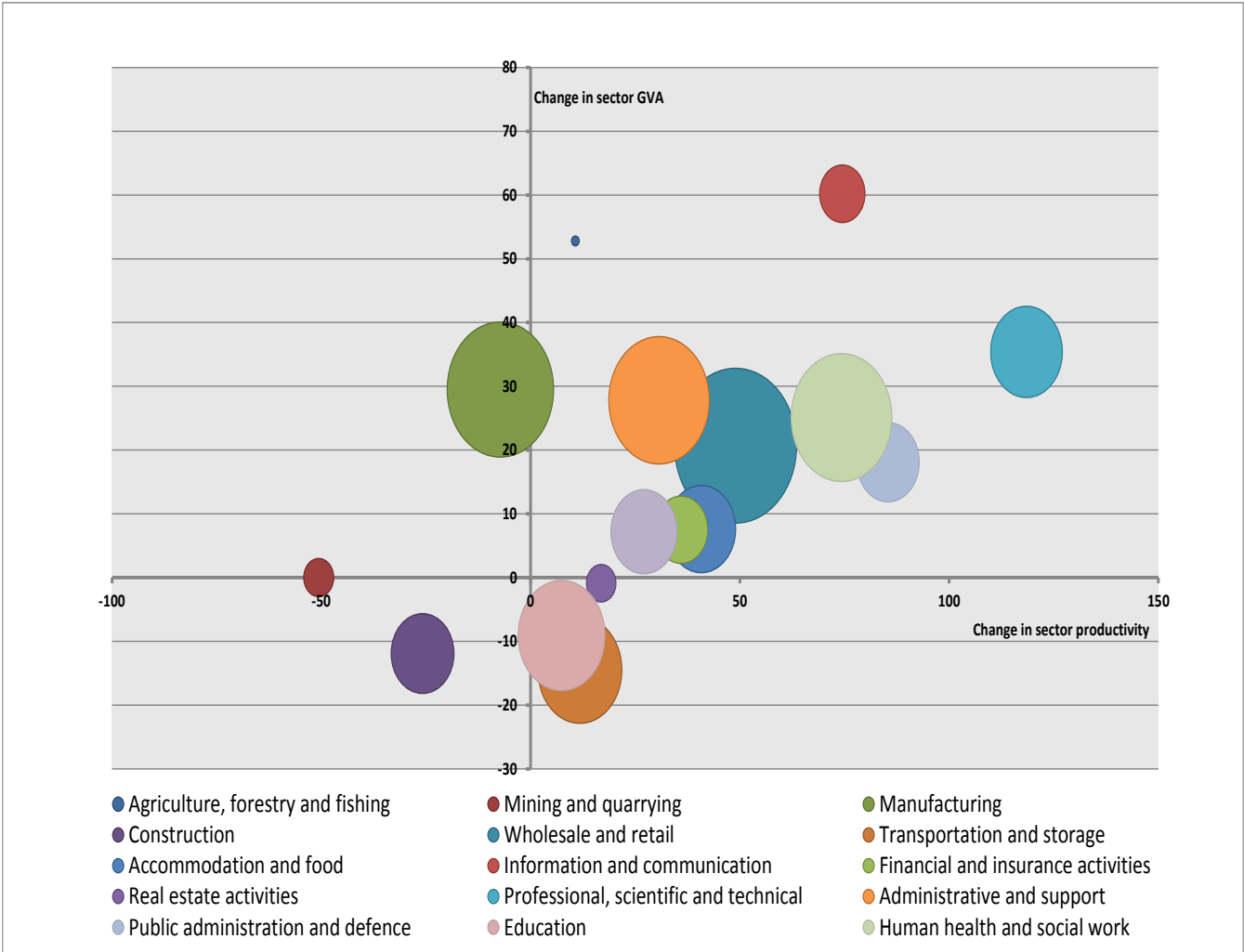
However, as indicated below, over the last decade most sectors, despite the recession have grown in GVA terms and improved their productivity.

The chart below compares total sector GVA growth (y axis) with change in sector productivity (x axis) for sectors of the Northamptonshire economy. The size of the bubbles used for each sector indicates the number of employees in the sector in 2011. This analysis highlights the large number of growing sectors within the Northamptonshire LEP economy, and the general improvement in productivity.

However, compared to the economy nationally, levels of productivity have tended to decline over time. In the table below the local productivity has been expressed as percentage of the national. A figure over 100% indicates that productivity in the sector is greater locally than nationally; a figure below 100% indicates the opposite. Overall the local level of productivity has marginal declined over the decade, from 95% to 93% of the England level. This is probably more a reflection of the relative growth of the South East than any obvious deterioration locally. Approximately 8 sectors outperform English averages.

The final two columns indicate the change in the % level, in the last ten and last five years, to provide a measure of the relative performance of each sector over time. It indicates for example that manufacturing productivity has declined gradually over the period. In contrast productivity of professional and scientific activities has improved locally over the last 5 years and has reached the level nationally.

This indicates that whilst productivity at the level of the economy does not change dramatically over time, the relative performance at sector level can change significantly.



Source: Analysis of Oxford Economics / ONS data

Figure 2.8 Change in GVA by sector and productivity per head 2000-2013

Sector	Northamptonshire GVA per head as % of England			Relative performance over time	
	2003	2008	2013	2003-2013	2008-2013
Agric., forestry and fishing	131%	116%	114%	-16%	-1%
Mining and quarrying	73%	52%	158%	85%	107%
Manufacturing	108%	103%	96%	-11%	-6%
Electricity, gas & steam	69%	131%	137%	68%	6%
Water supply & waste man.	95%	106%	114%	19%	8%
Construction	109%	108%	101%	-8%	-6%
Wholesale and retail	101%	104%	102%	1%	-1%
Transportation and storage	97%	101%	96%	-1%	-5%
Accommodation and food	101%	94%	92%	-9%	-2%
Information and comm.	73%	79%	85%	13%	7%
Financial and insurance	82%	73%	81%	-1%	8%
Real estate activities	101%	112%	111%	10%	-1%
Prof. scientific and tech.	83%	81%	101%	18%	19%
Administrative and support	98%	97%	92%	-6%	-5%
Public admin. and defence	92%	90%	93%	0%	3%
Education	99%	95%	93%	-6%	-2%
Human health and social work	98%	95%	99%	1%	4%
Arts, ents. and recreation	86%	95%	93%	7%	-2%
Other service activities	113%	108%	91%	-22%	-16%
All sectors	95%	94%	93%	-2%	0%

Source: Oxford Economics

Table 2.3 Northamptonshire productivity as a % of the England level, over time [subject to verification]

A final analysis has examined what would happen to GVA in Northamptonshire if, given the local economic structure (measured in employment), each sector achieved the productivity levels reached nationally. It considers which sectors would have the greatest impact on growth by improving their performance.

Sector	Change in GVA (£m) in Northamptonshire if productivity reached levels in England			Sectors to improve	Sectors to protect
	2003	2008	2013	2013	2013
Agric., forestry and fishing	-16	-15	-15	-	15
Mining and quarrying	4	6	-3	-	3
Manufacturing	-174	-60	83	83	
Electricity, gas & steam	24	-57	-96	-	96
Water supply & waste man.	9	-11	-20	-	20
Construction	-95	-68	-13	-	13
Wholesale and retail	-15	-74	-47	-	47

Sector	Change in GVA (£m) in Northamptonshire if productivity reached levels in England			Sectors to improve	Sectors to protect
	2003	2008	2013	2013	2013
Transportation and storage	31	-7	47	47	
Accommodation and food	-2	21	29	29	
Information and comm.	170	131	85	85	
Financial and insurance	161	368	227	227	
Real estate activities	-12	-86	-90	-	90
Prof. scientific and tech.	108	156	-7	-	7
Administrative and support	12	28	89	89	
Public admin. and defence	29	56	40	40	
Education	8	40	59	59	
Human health and social work	14	47	16	16	
Arts, ents. and recreation	30	12	19	19	
Other service activities	-38	-18	26	26	
All sectors	247	470	430	720	- 290
Change as % of Actual GVA	2%	3%	3%	5%	- 2%

Source: Oxford Economics

Table 2.4 Northamptonshire productivity as a % of the England level, over time

The table above indicates that overall in 2013, the achievement of national sector productivity would only result in a marginal 3% increase in GVA. However, this is partly due to the above average performance of some sectors cancelling out under-performance.

The sector whose productivity would make the greatest difference to local GVA is financial and insurance activities that would add £227m of GVA if it achieved national levels. Information and communications and manufacturing would also provide significant benefits. These under-performing sectors could together add £720m of GVA.

There are also sectors that contribute high levels of GVA due to better than national productivity. These include utilities, real estate and the wholesale & retail sector. These sectors provide £290m of GVA locally due their higher levels of productivity.

Emerging Growth Sectors

This section presents a brief overview of employment data for three key sector activities in Northamptonshire that have demonstrated the greatest GVA change as a sector between 2001-2013: these are **Information and Communications**; **Finance and Insurance** and; **Professional and Scientific Services**.

Information and communication activities

Businesses included under information and communication activities are involved in the production and distribution of information and cultural products, the provision of the means to transmit or distribute these products, as well as data or communications, information technology activities and the processing of data and other information service activities.

Table 2.5 below displays the key sub-sectors and the activities within these subsectors for Northamptonshire, as well as the top 5 growth firms in the information and communications sector, with employment figures in parentheses.

Table 2.5 Information and communication activities

Sub-sectors	Activities	Largest employment sector activities
Publishing; Motion picture, video and music publishing	Book publishing; film and sound recording.	Software publishing (100)
Business & Domestic Software Development	Computer Software; Computer Services computer game development etc	Computer programming activities (600)
Computer Consulting Activities	Computer Consulting; sale of software & consultancy services; IT Support; provision of software and hardware etc	Computer consultancy activities (1,600)
Other Information Technology & Computer Services Activities	IT Consulting; Computer consumables suppliers; Computer Aided Design, Website Design & development; computer repair & maintenance; sales etc	Data processing, hosting and related activities; web portals (100)
Telecommunications	Wireless, wired and satellite communications	Other telecommunications activities (600)

Source: Derived from ONS (NOMIS), BRES data and Mint UK Database

- These activities are provided by about 2,097 active companies in the Northamptonshire economy (4.6% of active companies in Northamptonshire); 70% providing computer programming and consultancy and related activity;
- Computer Consulting Activities is the largest sub-sector in terms of employment, employing 1,600 people in 2012;
- 85% or 1,790 companies have turnover of less than £1m;
- Just under 0.3% of companies had a turnover of more than £500m.

Finance and insurance activities

Businesses included under finance and insurance activities are involved in financial service activities, including banking, insurance, reinsurance and pension funding activities, and activities to support financial services.

Table 2.6 below displays the key sub-sectors and the activities within these subsectors for Northamptonshire, as well as the top 5 growth firms in the finance and insurance sector, with employment figures in parentheses.

Table 2.6 Finance and insurance activities

Sub-sectors	Activities	Largest employment sector activities
Other Activities Auxiliary to Financial Services Services (except, insurance & pension funding)	Commercial Banks; Management of Assets; Brokers & Dealers; Provision of Financial Services etc.	Monetary intermediation (6,600)
Other Activities Auxiliary to Insurance & Pension Funding	Life Insurance; Loss Adjustors etc.	Activities auxiliary to insurance and pension funding (1,000)
Activities of insurance agents and brokers	Provision of insurance products; Risk & Damage Evaluation; Insurance Brokers	Insurance agents and brokerage (700)
Security & Commodity contracts brokerage	Investment promotion	-

Source: Derived from ONS (NOMIS), BRES data and Mint UK Database

- There are about 829 active companies in this sector in the Northamptonshire economy about two-thirds provide financial service activities (excluding insurance and pension funding);
- The sector accounts for about 1.8% of all Northamptonshire companies;
- Other Activities Auxiliary to Financial Services (except insurance and pension funding); is the largest sub-sector;
- 52% or 433 companies have turnover of less than £1m;
- Slightly less than 2% of companies had a turnover of more than £500m.

Professional and scientific services

Businesses included under professional and scientific services involve a high degree of training and make specialised knowledge and skills available to users.

Table 2.7 below displays the key sub-sectors and the activities within these subsectors for Northamptonshire, as well as the top 5 growth firms in the professional and scientific services sector, with employment figures in parentheses.

Table 2.7 Professional and scientific activities

Sub-sectors	Activities	Largest employment sector activities
Legal & Accounting activities	Accounting Activities; Bookkeeping; Auditing; Legal Services including Solicitors	Accounting , bookkeeping and auditing services; tax consultancy (3,000)
Activities of Head Office; Management consultancy activities (Including Business & Other Management activities)	Business & Commerce Centres; Management Consulting Activities; Marketing consultants; Public Relations Consultants; Business Consultants; etc.	Management consultancy (4,000)
Activities of Head Office	Head Office Activities	Activities of Head Offices (4,200)
Architectural & engineering activities, testing & analysis	Electronic & Engineering Services; Design Consultants; Building Surveyors; Engineering Architectural and Surveying; Quantity Surveyors; Architects etc.	Engineering activities and related technical consultancy (3,100)
Advertising & market research	Advertising Services and Agencies	Market research & public opinion polling (500)
Other professional, scientific and technical activities	Photography; secretarial and typing services etc.	-
Veterinary Activities	Veterinary Activities.	Veterinary activities (600)

Source: Derived from ONS (NOMIS), BRES data and Mint UK Database

- There are about 4,086 active companies in this sector in the Northamptonshire economy classified as in Professional and Scientific Services. About 42% provide Head Office, management-consulting activities;
- The sector represents 9% of active companies in Northamptonshire;
- 86% or 3,549 companies have turnover of less than £1m;
- In this sector nearly 3% of companies had a turnover of more than £500m;
- Head Office activity where management consultancy activities including Business and Other management activities are clearly identified and Head Office non-specific

activities, is by far the largest in employment and turnover terms. (NB this includes UK Commercial Banks).

Experience of the recession and impacts on the selected sectors

Employment levels in Northamptonshire for the period 2008-2012 were heavily influenced by the impact of the recession in the latter part of this period, some sectors experiencing falls in numbers employed as a consequence of declining wider economic activity. It is expected that once recessionary influences have fed through some recovery and a return to previous growth may be expected as sectors providing demand for their services/products improve. However, in the short term, an analysis of employment data reveals that:

- Information and Communication activities experienced significant declines by varying degrees when compared to 2008 ;
- Finance and insurance activities saw employment showing a slight fall;
- Professional and scientific services experienced increasing employment levels for most sub-sector activity with the exception of advertising and market research.

As Table 2.8 shows, Northamptonshire performed significantly less well than the national average in the information and communication activities sector, where employment declined by 9.1% compared to an average increase in England of 5.3%. Employment also declined by more than the national average in the finance and insurance activities sector. However, in the professional and scientific services sector employment increased by 10.8%, despite the effects of the recession – 2.3 percentage points higher than the national average.

Table 2.8 Employment change by sector, Northamptonshire, 2008-2012

Sector	Employment, 2008	Employment, 2012	% change 2008-2012	% change in England 2008-2012
Information and communication	9,620	8,740	-9.1%	+5.3%
Finance and insurance	11,720	11,030	-5.9%	-3.2%
Professional and scientific	19,360	21,720	+10.8%	+8.5%

Source: Oxford Economics data

Employment forecasts for selected sectors

Four employment forecast scenarios have been made for each of the three sectors. The first three are based on the linear trend forecast of employment share for each sector applied to each of the baseline, upper and lower employment forecasts for Northamptonshire in the Oxford Economics report. The share of total employment was calculated for each year between 2000 and 2013 and then extrapolated for the period to 2020. This was then applied to the total employment figure in each of the three forecast scenarios. The fourth scenario is based on a return to the average growth rate in the pre-recession period, 2000-2007.

Finance and insurance activities and professional and scientific services employment are projected to grow under each of the forecast scenarios. Furthermore, this growth is expected to be stronger than the average for all sectors, making these two sectors a significant driver of total employment growth; between them they are forecast to create 34.3% of the total jobs by 2020 under the baseline scenario.

Information and communication activities employment is projected to decline in each of the baseline, upper and lower forecasts. These forecasts, however, are greatly influenced by the impact of the recession at the end of the estimation period. If employment growth rates return to the level of the pre-recession estimation period, then there is potential for substantial employment growth in this sector.

The cumulative total jobs created by the three key sectors combined under the baseline and pre-recession growth scenarios is give in table 2,9 below.

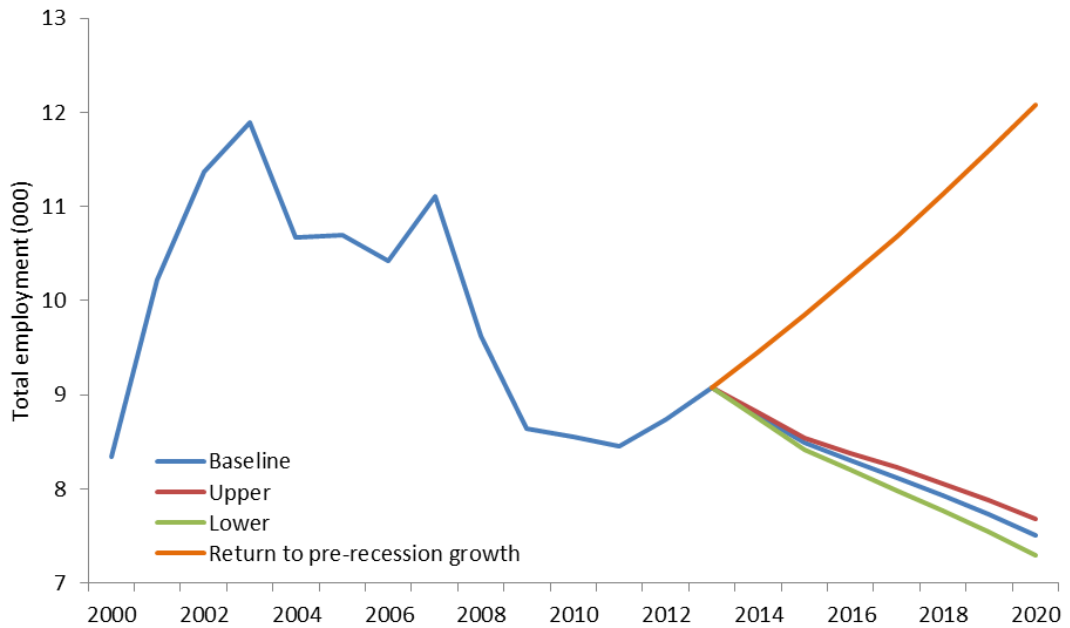
Table 2.9 Cumulative total jobs created by the three sectors by 2020

Baseline Scenario	Pre-recession Growth Scenario
8,260	14,860

Source: ICF GHK analysis

Information and communication activities

Figure 2.9 Information and communication activities employment forecasts (000s), Northamptonshire, 2013-2020

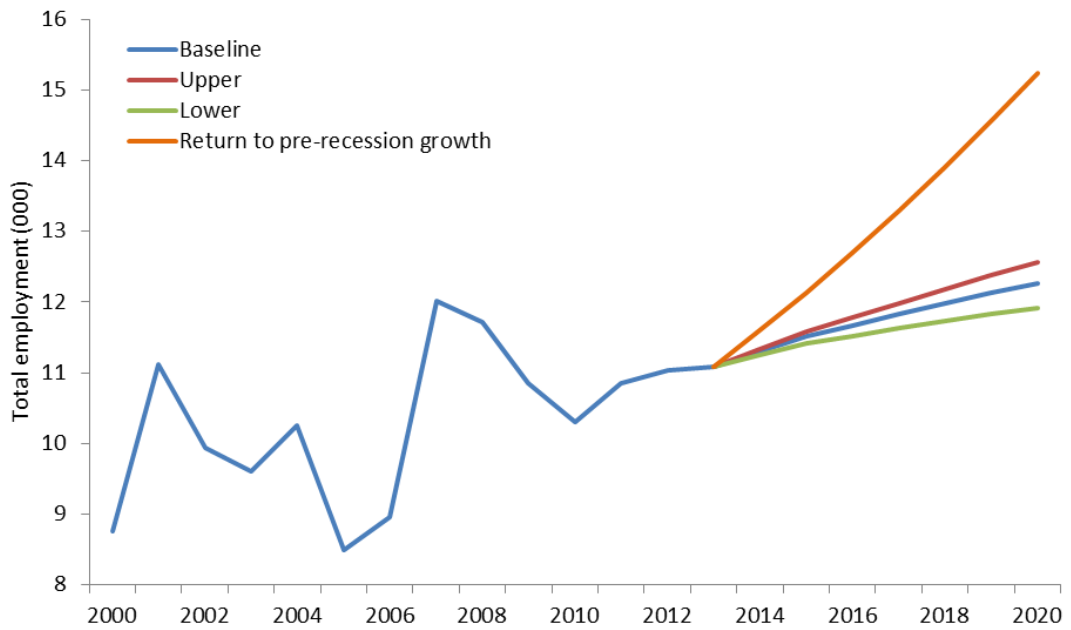


Source: ICF GHK analysis

- Baseline scenario: forecast decline of 1,570 jobs (-17.3%)
- Upper scenario: forecast decline of 1,390 jobs (-15.3%)
- Lower scenario: forecast decline of 1,780 jobs (-19.6%)
- Return to pre-recession growth scenario: forecast growth of +3,000 jobs (33.0%)

Finance and insurance activities

Figure 2.10 Finance and insurance activities employment forecasts (000s), Northamptonshire, 2013-2020

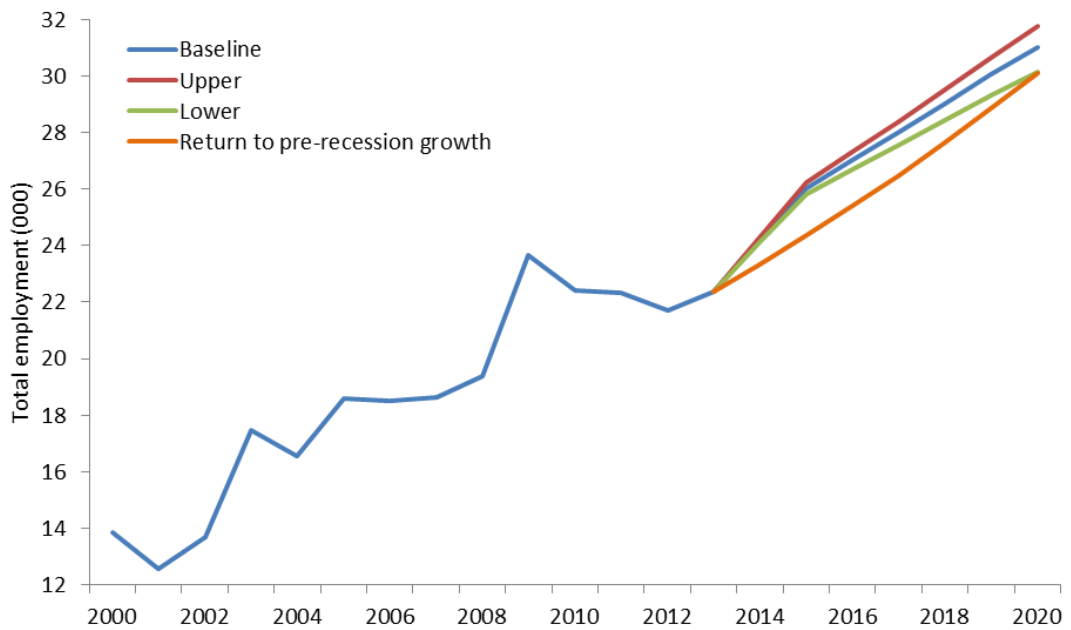


Source: ICF GHK analysis

- Baseline scenario: forecast growth of 1,180 jobs (10.7%)
- Upper scenario: forecast growth of 1,480 jobs (13.3%)
- Lower scenario: forecast growth of 840 jobs (7.5%)
- Return to pre-recession growth scenario: forecast growth of 4,150 jobs (37.5%)

Professional and scientific services

Figure 2.11 Professional and scientific services employment forecasts (000s), Northamptonshire, 2013-2020



Source: ICF GHK analysis

- Baseline scenario: forecast growth of 8,650 jobs (38.7%)
- Upper scenario: forecast growth of 9,400 jobs (42.0%)
- Lower scenario: forecast growth of 7,770 jobs (34.7%)
- Return to pre-recession growth scenario: forecast growth of 7,710 jobs (34.5%)

Strategic Imperative: Improving productivity in Northamptonshire has two dimensions. The first is to seek to improve the overall performance of businesses, especially SMEs, by ensuring effective advice and support. The second is to encourage and invest in the rebalancing of the economy towards higher value markets and sectors. This approach needs investment in the development and delivery of the requisite support services, including support for innovation.

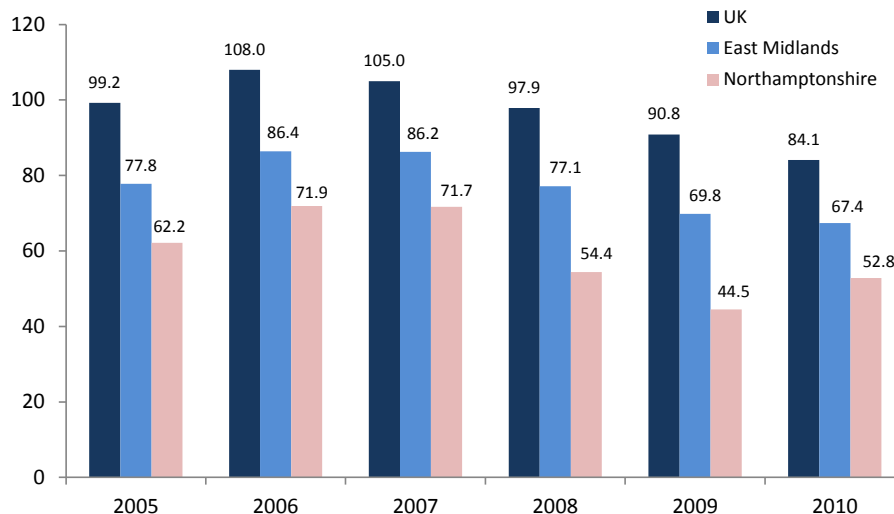
2.4 Innovation

In the long-term, Northamptonshire's economic growth will be based on the strength of its business community, which, is one of the county's main strengths. An active business sector where new firms continuously enter the market, grow and displace uncompetitive firms, will be essential to the county's economic success.

Innovative firms like those concentrated in the HPT sector will have a direct impact on economic performance through their own employment, innovation and productivity growth. Indeed, research carried out by NESTA¹⁰ has shown that 'innovative' firms grow faster than others.

The NEP area performs poorly against other areas in terms of innovation measures. The percentage share of employment within the knowledge economy and high and medium tech manufacturing is below the national average of 22.5% at 17.7% in Northamptonshire.

Between 2005 and 2010, the number of patent applications per million people in Northamptonshire was the lowest in the UK. However there are some signs that this is changing and whilst applications in each region have fallen every year during this period, they improved in Northamptonshire in 2010.



Source: OECD

Figure 2.8 Patent applications per million people, Northamptonshire, East Midlands & UK, 2005-2010

Further evidence is provided by the datasets released to LEPs from the Technology Strategy Board. The TSB has published for the first time an analysis at a LEP area geographical level. It includes all grants awarded since 1st April 2010 as well as some active programmes that have become the responsibility of the TSB since that time.

The data indicates that the Northamptonshire LEP area has received a total of £4,678,985 of investment over 41 different projects. In total across the UK, TSB has supported 6,516 projects totalling £1,059,088,741 investment. Northamptonshire's programme therefore comprises 0.6% of projects and 0.4% total investment level.

Feasibility studies and collaborative research and development projects form the majority of the projects for the Northamptonshire area. However, investment levels are well distributed across European programmes and SMART projects. In particular, projects demonstrate a high level of activity across certain key sectors including technology, transport, and sustainability which together comprise 16 different schemes (39% of projects in the county) with a value of £2,251,228 (48% total investment). This compares well with the UK split between these sectors where 2,199 projects have been supported (33%) with £290,739,839 (27%) of investment.

¹⁰ NESTA, 2009. *Business Growth and Innovation: The wider impact of rapidly-growing firms in UK city-regions*

There are however, significant gaps in the types of projects being supported by TSB funding. For example, there are no projects supported under the 'Centres' strand which includes Catapults, Innovation and Knowledge Centres and can be used to support projects across Energy, Manufacturing, and Transport schemes. Of particular concern is the limited number of schemes in Northamptonshire across manufacturing and digital (only one manufacturing project has been supported in Northamptonshire as part of the feasibility studies strand and two digital projects under CRD). Between them, these two strands comprise 932 (14%) of the UK programme, with investment in those areas totalling £259,919,701 (24%).

Energy also appears to be an area that is significantly under-represented in Northamptonshire submissions. Comprising 523 projects across the UK and £114,199,203 (10%), this compares less favourably with Northamptonshire with only three energy projects supported under the Feasibility Studies strand with total investment at £116,427 (2% of total Northamptonshire grant).

Strategic Imperative: Improving innovation in Northamptonshire is important in driving forward higher value added jobs and creating greater economic resilient to withstand global competition. It will also be important in exploiting the exporting and developing our productivity premium.

2.5 Skills – Supporting growth in productivity and competitiveness

The Northamptonshire LEP has a higher economic activity rate and a lower unemployment rate than the average for the East Midlands region and England. The relatively high share of the working population that is in employment also presents a structural problem, especially acute in Northamptonshire, which is reported to have the second tightest labour market of all LEPs. Growth can therefore only come from an expanding population and by improving productivity. This in turn requires improved skills; and as widely acknowledged, investment in skills has to be a key driver of growth.

Schools Performance

At KS2 level, Northamptonshire has a lower percentage of pupils achieving Level 4 or above in English and Maths than the national average, 76% compared to 79%, with this gap marginally widening since 2009, when there was only a 1% differential. Expected progress in English and Maths is also lower than the national average, by 2% and 3% respectively.

Data from the latest Schools Performance Tables¹¹ reveals that Northamptonshire pupils achieve levels that are below the national and regional averages in both KS4 and KS5.

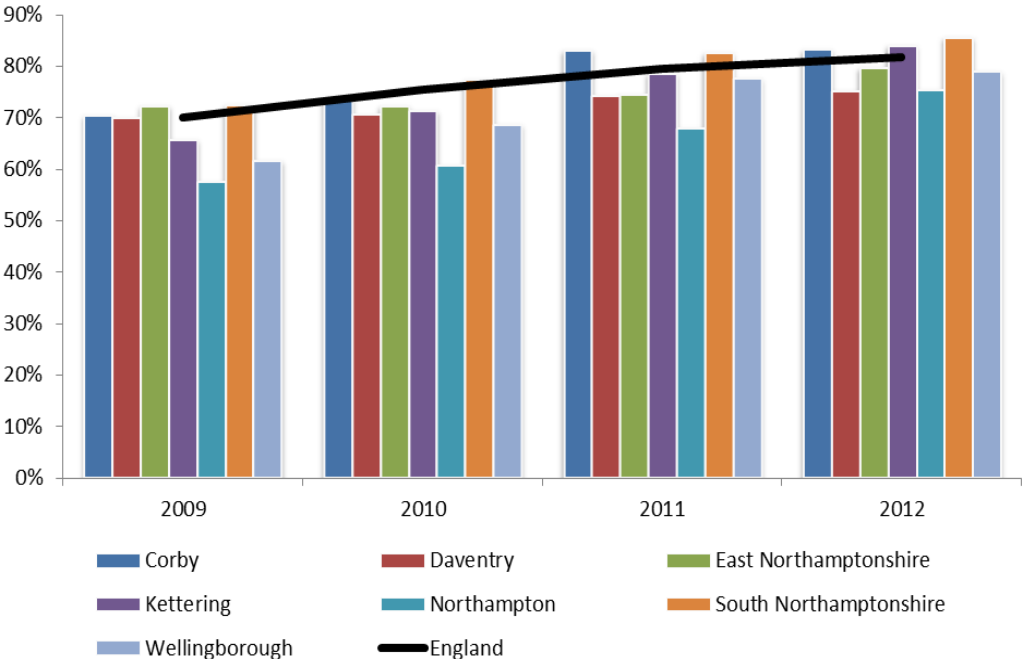
In KS4, 56.2% of pupils in Northamptonshire achieved at least five GCSEs at grades A*-C (including English and Maths) in 2012, compared with 57.6% in the East Midlands and 59.4% nationally. Furthermore, the proportion of pupils achieving this has been increasing at a lower rate (14.9%) than nationally (19.3%) since 2009.

Table 2.10 Percentage of Key Stage 4 pupils achieving 5+ GCSEs A*-C (including English and Maths)

	2009	2010	2011	2012	% increase (2009 -2012)
Northamptonshire	48.9	51.9	55.3	56.2	14.9
East Midlands	49.9	53.7	57.1	57.6	15.4
England	49.8	53.5	58.9	59.4	19.3

Source: DfE Schools Performance Tables

Figure 2.9 Percentage of Key Stage 4 pupils achieving 5+ GCSEs A*-C (any subject) in Northamptonshire, 2009-2012



¹¹ <http://www.education.gov.uk/schools/performance/>

Source: DfE Schools Performance Tables

In KS5, Northamptonshire students achieve a lower than average A level point score per student. The percentage of A level students achieving three or more A levels at AAB in subjects (6.1%) is also below the regional (6.8%) and national (9.5%) averages. This is the same for students achieving at least three A levels at grades A*-E, where the percentage is 51%, compared to 52.6% in the East Midlands and 55.5% nationally.

Skill Levels

In 2012, 81% of 19 year olds in Northamptonshire were qualified to NVQ level 2 or higher, below the English average of 84%.

The spread between LEPs for the proportion of 19 year olds achieving NVQ level 3 is 20.1 percentage points, ranging from 69.0% in Buckinghamshire to 48.2% in Humber LEP, with Northamptonshire achieving 52% and ranked 29th well behind neighbouring LEPs.

The Wolf Report notes (2011, 32) mathematics and English are “extremely important for labour market entry, and continue to have a significant impact on career progression and pay”. The difference in spread between broad NVQ level 2 attainment and NQV level 2 including mathematics and English suggests schools in LEP areas with weaker overall attainment have been encouraging pupils to take less academic subjects despite the importance placed on mathematics and English by employers.

NVQ level	% Northamptonshire	% East Midlands	% England	LEP Ranking
1	83.5	83.8	84.0	26
2	69.2	70.0	71.8	29
3	49.4	52.0	55.1	32
4	27.5	29.0	34.4	33

Source: ONS annual population survey

Table 2.11 Northamptonshire qualifications by level compared with East Midlands, England and other LEPs

Table 2.11 demonstrates that at every level Northamptonshire is below the national average. Analysis of the workplace based skill levels in the local economy indicates that Northamptonshire has a particular deficit of higher level skills (NVQ Level 4), partly because of competition from the south-east and related out-commuting. Compared to the English average this represents a shortfall of 30,000 Level 4 workers qualified.

The 2011 National Employer Skills Survey (NESS), identified that NEP had the highest levels of hard-to-fill and skills shortage vacancies, and highest proportion of its workforce with a skills gap.¹² However, the 2012 data reveals a more complex picture, with 62% of NEP employers hiring somebody in the last 2-3 years compared with 64% across all LEPs.¹³ The proportion of hard to fill and skill shortage vacancies as a percentage of jobs in the NEP area was similar to the LEP average. However, as a percentage of vacancies NEP employers were facing much higher levels of hard to fill (38% in NEP and 29% across England) and skill shortage (28% and 22% respectively) vacancies. Therefore when NEP employers do try and hire staff they face skills shortages and potential difficulties in recruitment. The main causes of recruitment difficulties were: ‘Lack of qualifications the company demands’ (38% of hard to fill vacancies) and ‘Low number of applicants with the required skills’ (21%).

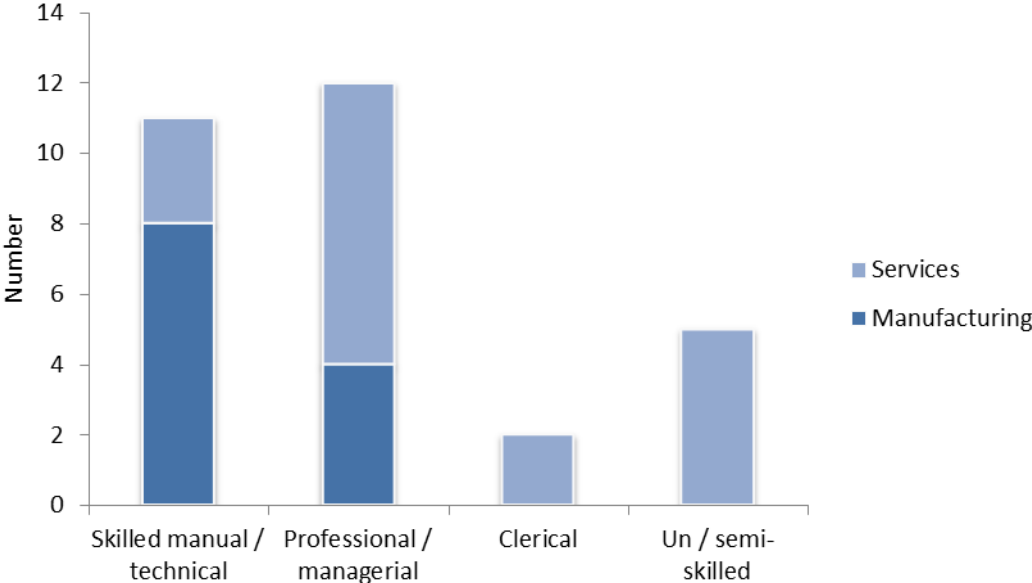
¹² See Annex B in <http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-46-uk-employer-skills-survey-2011-england-report.pdf>

¹³ The UK Commission's Employer Skills Survey 2013: England Local Evidence Toolkit . See http://www.ukces.org.uk/ess13-toolkits?utm_source=linkedin&utm_medium=LEPs&utm_campaign=ESS13local

90% of manufacturing sector respondents to the latest Northamptonshire Quarterly Economic Survey¹⁴ expect their workforce to increase or stay the same over the coming three months; with none expecting their workforce to decrease over the same period, which is down from 18% in the last quarter. Within the service sector, only 3% of respondents had decreased their workforce in the last quarter, with 94% expecting their workforce to increase or stay the same over the next 3 months¹⁵. Over half of all businesses had tried to recruit new employees during the second quarter of 2013, with 84% of manufacturing and 75% of service opportunities being for full time jobs¹⁶.

However, half of these respondents who tried to recruit had experienced difficulties in finding staff. The skills shortages that businesses experienced are illustrated in Figure 2.10.

Figure 2.10 Skills shortages in Northamptonshire, Q2 2013



Source: Northamptonshire Chamber, Quarterly Economic Review: Quarter 2 2013

Skills Leakage

Figure 2.11 below shows that the working-day population in Northamptonshire is lower than the resident population by 19,105 people. Although the data does not show exactly how many people are coming and going, this negative balance does indicate that at least 19,105 residents leave Northamptonshire during the working day. This figure could be higher depending on the proportion of people making up the working-day population who come from outside Northamptonshire. The county is therefore a net exporter of workers.

¹⁴ Northamptonshire Chamber, Quarterly Economic Review: Quarter 2 2013, http://www.northants-chamber.co.uk/images/uploads/qes_review_q2_2013.pdf. The survey is based on responses from 101 businesses, employing 4,653 people from across the county.

¹⁵ Ibid.

¹⁶ Ibid.

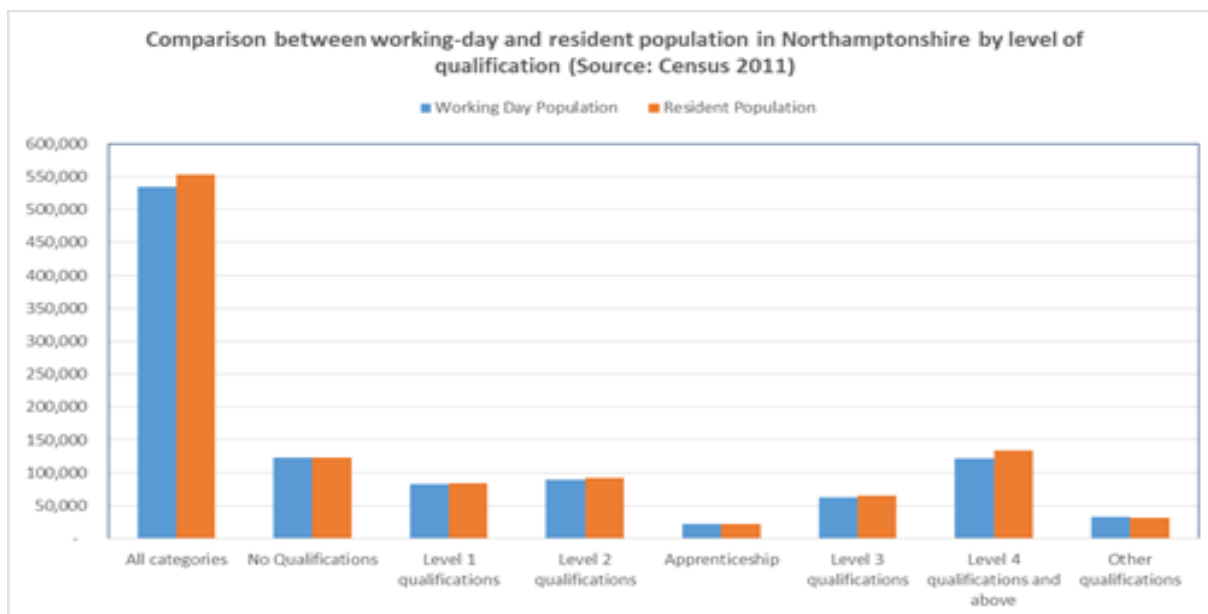


Figure 2.11 Skills leakage Levels within the county

Figure 2.11 above demonstrates that in terms of higher level skills (NVQ level 4 qualifications and above), the difference between the working-day and resident population is -11,286. This indicates that at least 11,286 residents with higher level qualifications are working elsewhere, some 8.5% of people with L4 qualifications and above. This is the highest leakage out of all skill levels.

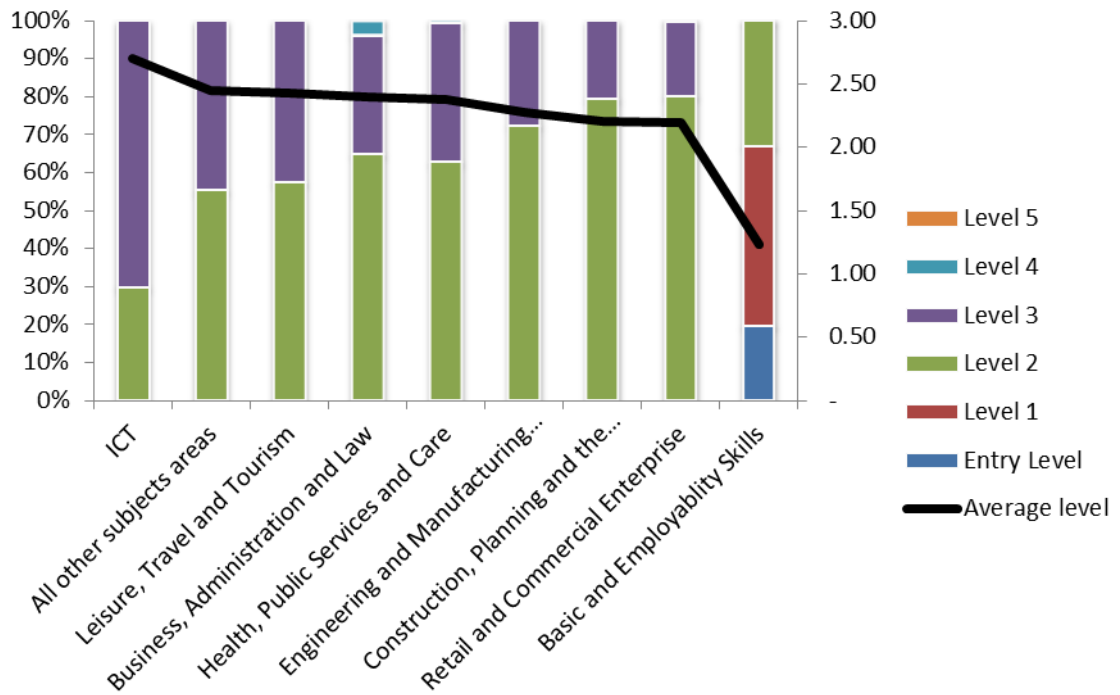
Overall the county is a net exporter of workers with level 4 qualifications and above. The latest data indicates that skills leakages at level 4 and above are occurring in five of the seven districts and boroughs, with the greatest outward migration in **East Northamptonshire**, closely followed by **South Northamptonshire**. Unfortunately, the published data does not show where people go to work, and as such inward and outward migration within Northamptonshire will account for some of the leakage at district and borough level. The higher proportion of migration from South Northamptonshire could indicate leakage to areas out with Northamptonshire.

Detailed analysis of Training Provision

Figure 2.11 shows that in most subject areas, the norm NVQ is Level 2. The main exception is ICT where most learning aims were at Level 3. In 'other' subject areas; Leisure, travel and tourism; Business, administration and law, and; Health, public services and care, around one third or more of learning aims were at Level 3. Only in Business, administration and law was Level 4 provision of any significance.

Whilst Level 2 provision delivers many of the craft and skilled occupations required by Northamptonshire businesses, many skills needs are for technical and higher level skills i.e. at Level 3 and above. Therefore it is important that Level 2 provision is used as a basis for progression into higher levels of skills, which will benefit both businesses and individuals.

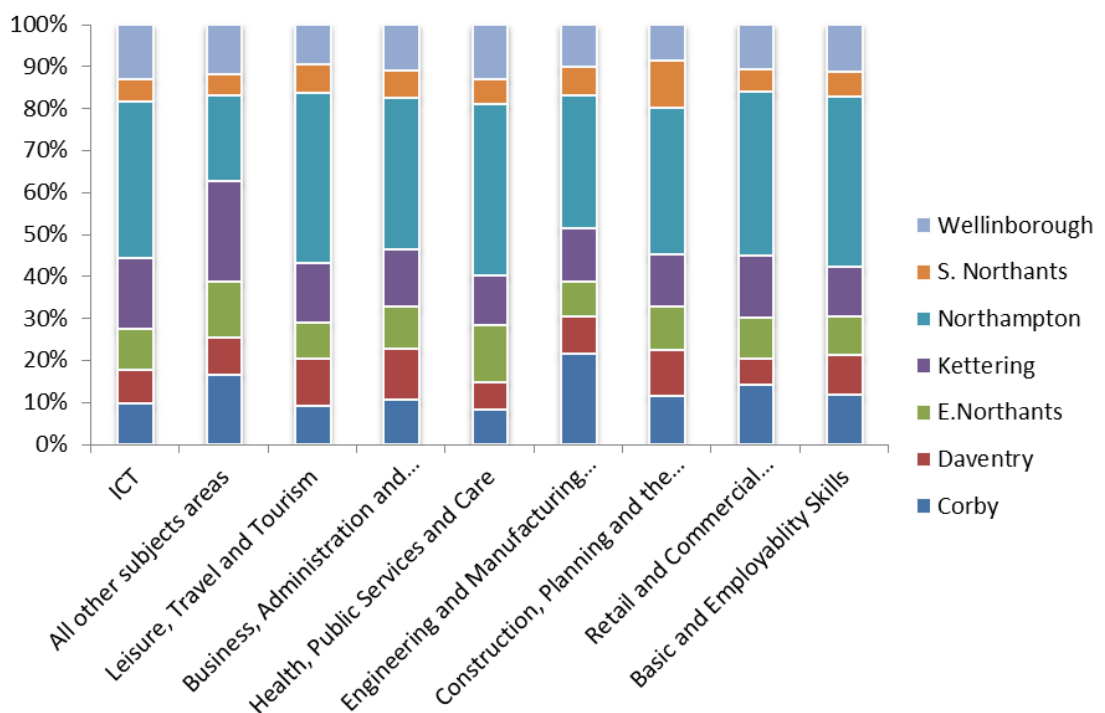
Figure 2.12 Composition of subject area by level and average level



Source: ILR data, 2012-2013

Figure 2.12 shows that learners are concentrated, to some extent, by subject in certain districts. For example, Corby accounts for 21.7% of Engineering and Manufacturing Technologies learners, but just 12.4% of total learners overall, whilst East Northamptonshire accounts for 13.5% of Health, Public Services and Care learners and 9.7% of total learners.

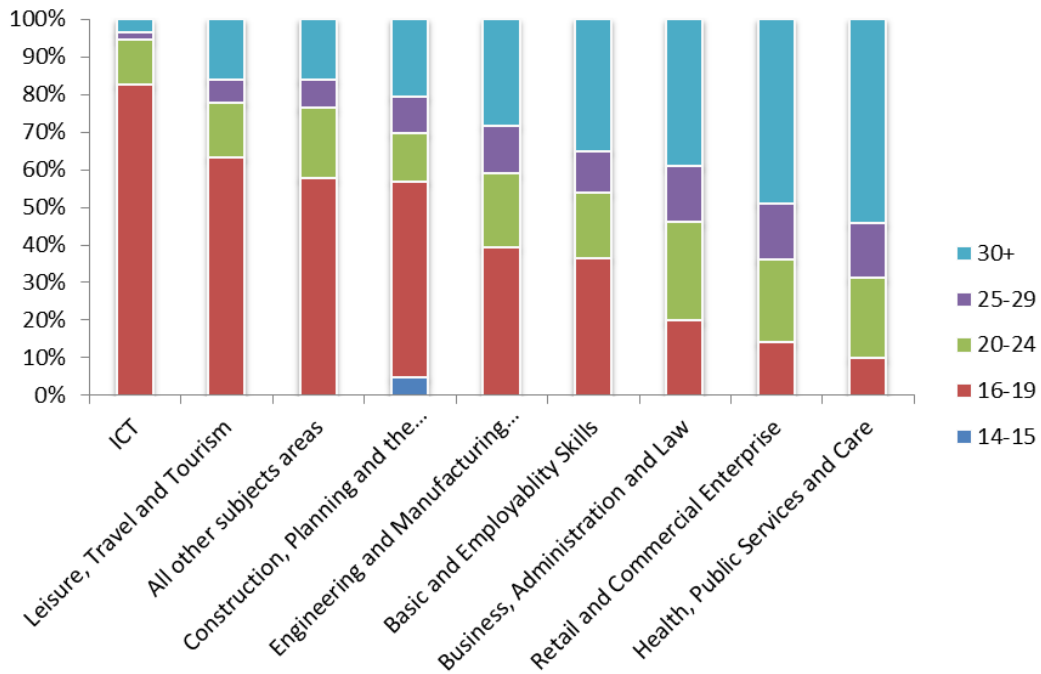
Figure 2.13 Percentage of learners in each subject area by district



Source: ILR data, 2012-2013

Figure 2.13 shows that the average age of the learner varies substantially depending on subject area. For example, 82.6% of ICT learners were aged between 16-19, compared to just 9.9% of Health, public services and care learners.

Figure 2.14 Age profile of learners by subject area

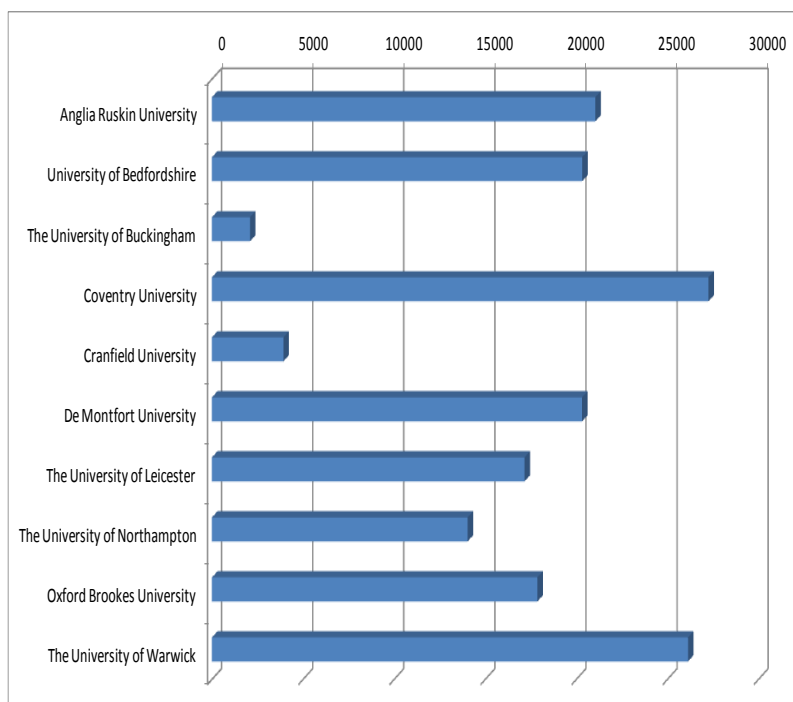


Source: ILR data, 2012-2013

Higher Education

Northamptonshire is home to University of Northampton which in 2013-23 hosted over 14,500 full-time equivalent students. However, excluding Oxford and Cambridge Universities, there are over 170,000 HE students at 10 universities within or bordering on the NEP area from undergraduate to postgraduate.

Figure 2.15 University students within or bordering on the NEP area 2012-13



In terms of University of Northampton students by subject area - Business and administrative studies, and Education account for just fewer than 40% of students. There are significant numbers of students in subject areas aligned with NEP priority sectors, most notably, subjects allied to medicine (17%), Creative art and design (9%), Biological sciences (7%) and Engineering and technology (4%).

Priority sector skills needs

Key growth sectors for Northamptonshire are not necessarily careers of choice and more needs to be done to attract younger people to the sectors, including addressing career pathways where legal requirements prohibit engaging younger people in particular sectors and roles. More advanced and higher apprenticeships are needed to address the imbalance of skills levels, particularly in engineering with 865,000 employees needed at level 4 and 690,000 at level 3 over the next 10 years. In 2011/12 69% of apprenticeship registrations in Northamptonshire were at intermediate level, 30% at advanced level and only 1% at higher level.

The lack of comprehensive, high quality and impartial information, advice and guidance available to adults, employers, parents but above all for young people presents an issue following the shift to more IAG provision being delivered by schools primarily where schools have their own post-16 provision, and the provision of IAG within schools is seen as variable, as backed up by a recent Ofsted report¹⁷.

These pressures limit the ability of providers to develop new frameworks and pathways in non-traditional areas as these require minimum numbers of learners. National, regional and local skills analyses show that there are a range of skills issues in all of Northamptonshire's priority sectors. These include: leadership and management; technical; employability, and basic skills. In addition, there are concerns within priority sectors over the image of the industry being portrayed to young people; forecast problems of replacement demand, and a lack of employer investment in skills.

Targeted re-skilling presents an opportunity to increase the share of residents with higher level skills. The main skills issues in each key sector are highlighted in Table 2.6 and a more detailed description is provided in Annex 2.

Sector	Reported skills issues / barriers to growth
Advanced manufacturing and engineering	<ul style="list-style-type: none"> • The loss of skilled engineers during the recession¹⁸ • an ageing UK workforce • The lack of appropriate skills • The undersupply of adequately qualified workforce with low mobility • Attraction and retention of talented young people
Logistics	<ul style="list-style-type: none"> • Management and leadership – wider and more intensive range of management training, with a particular focus on SMEs • Deficiencies in basic skills, notably literacy and numeracy • Image of the industry – the poor image projected by the industry is one of the major reasons for the shortage of labour • Unrepresentative labour force profile – reflecting the national picture, the sector is characterised as having an ageing profile, the composition of workers is overwhelmingly male, white and have European ethnic • Lack of understanding of the business case for training – with many firms driven by short-term considerations

¹⁷ <http://www.ofsted.gov.uk/resources/going-right-direction-careers-guidance-schools-september-2012>

¹⁸ SQW (2009) MKSM Research Project: Economic Development Evidence Base – Final Report

Sector	Reported skills issues / barriers to growth
Construction	<ul style="list-style-type: none"> • Provider capacity in Northamptonshire will need to meet potential increases in demand for employment in construction due to high population growth and likely increase in house building as the economy recovers • There may not be sufficient supply of skilled workers who will be able to progress to higher level occupations such as project management, technical engineering, positions emerging in the sustainability field and building logistics • Skills shortages are evident in bricklayers; electricians; plasterers; carpenters/joiners; and general labourers. The basic skills of new entrants are seen to be declining, in particular in literacy, numeracy and IT skills
Health and social care	<ul style="list-style-type: none"> • National level skills issues identified include:¹⁹ • Leadership and Management • Commissioning, procurement and Negotiation skills • Gateway qualifications and mandatory Continuous Professional Development • Specialist skills • Basic skills/Employability
Low carbon technologies	<ul style="list-style-type: none"> • Skills needs for operatives with basic skills, IT and training to create technicians and advanced technicians to innovate, develop and manage low carbon technologies • Managerial level skills • This is a cross-cutting theme in construction, environmental sustainability solutions, land based activity, waste management and emerging low carbon activities such as traffic emissions, energy management and carbon capture/storage
Food and Drink	<ul style="list-style-type: none"> • Demand for Managerial, professional, business and technical skills • Specialist skills • Basic Skills/Employability to meet the increased manufacturing employment and export activity and new company investment into the county
Creative and cultural industries	<ul style="list-style-type: none"> • High demand for managerial, professional, business and technical skills • Working in cross-functional creative/technical teams within and across companies is becoming increasingly important • Replacement demands are projected to be even greater than the expansion demands for managerial, professional and associate professionals • quantity of graduates may not be sufficient to meet the growing demand for professional and technical skills

Source: Draft Northamptonshire Skills Strategy

Table 2.12 Skills shortages by Northamptonshire growth sector

Strategic Imperative: Improving skill levels in Northamptonshire is key to driving economic growth, and meeting the current and future needs of employers. This needs to operate at both supply and demand level, with the employment generated requiring higher level skills and those occupying these positions being better qualified. This will support overall GVA growth and reduce net outward employment migration of those best qualified.

¹⁹ Skills for Care and Development (2010), Labour Market Themes & Trends: summary for the social care, children's, early years and young people's workforces in the UK

Northamptonshire SWOT Analysis

Strengths

One of the fastest growing populations in the UK between 2001-2012, and at 11% growth exceeded regional and national rates

Northamptonshire outperforms the East Midlands and England as a whole, with high economic activity (80.3%) and employment (75.7%) rates

Local economy is strengthened by higher than average private sector employment, with just 15.7% provided by the public sector

Northamptonshire has strong sectoral strengths in manufacturing, administration & other services, as well as key specialisms in High Performance Technologies, Logistics & Distribution, Food & Drink, and Creative and cultural industries.

GVA growth has been higher than the UK average in the years following the recession

The University of Northampton has been ranked number one for Social Enterprise in the UK

Northamptonshire companies have a higher survival rate over a five year period than regional or England averages

Innovative local government and a history of delivering programmes of business support, including INV-ENT, RGF, LOCATE and Soft Landing schemes to support business investment and growth

Planned infrastructure and regeneration investments will support jobs and housing growth in the county, eg Northampton Railway Station, St. Peter's Waterside etc

Recognition for enterprise activity: "Encouraging Export" & "Most Enterprising Place"

A strong collection of recognised national and international brands located in the county, building on and reinforcing strengths of location and existing assets - Golden Triangle, Silverstone

Centrally located and well connected, the county is well positioned for businesses wanting to capitalise on infrastructure links and proximity to UK population

Apprenticeship start in **Northamptonshire** have increased by almost 100% from 2009/10 to 2017/12, with 2,323 starts in 2012/13

High business start up rates - 6.5% of 1,000 of resident population compared to 3.5% UK average.

Self employment rate of 11% higher than national rates

Weaknesses

Northamptonshire has a lower skills profile compared to East Midlands and England averages, as well as comparator LEP areas.

Business investment in skills and training has been low, resulting from tightening economies in recent years

Northamptonshire has a lower than average proportion of employees in higher level occupations (39%) than the regional or UK average

Northamptonshire has a high proportion of employment in manufacturing which has steadily been in decline across the UK in recent years.

A Quarter of SMEs in the county have identified access to finance as a key barrier to the growth of their business

Historically low levels of innovation in business, as measured through patent applications and levels of projects supported by TSB funding

The commercial office in market in **Northamptonshire** is localised in nature with a limited number of large, high quality units compared to competing locations.

Recent business growth rates have been lower than regional and England averages - between 2004-2008 active businesses grew by 1,755 (6.8) compared with 7.5% in the East Midlands & 7.4% in England

There are significant viability issues to bringing forward several key employment sites across **Northamptonshire**, which limit the attractiveness of the location to speculative development or potential businesses

There is a general lack of business awareness of opportunities under New Generation Access (broadband) which could limit the impact and effectiveness of the intended roll-out

Average earnings for **Northamptonshire** employees are lower than those for Northamptonshire residents

Higher than UK average consumption of oil & gas in some parts of the county

High business death rates after 3 years compared to UK average

Lower level of productivity than UK average infrastructure constraints to bring forward housing development

Opportunities

Population forecast to increase further, with employment estimated to grow by over 37,600 in the next ten years

Building on distinctive and specialised sectors in the county - HFT, Logistics, Food & Drink, Creative & Cultural - to stimulate innovation and growth in high value sectors, leading to increase in GVA and skills levels

Creation of high value jobs will support higher wages for resident employees

Capitalise on the strength of the LoIN to grow and develop social enterprises - employment and support role

Protect and enhance infrastructure provision to meet demand of growing population and workforce through ensuring supply of right type, quality and location of commercial floorspace, unlocking private sector investment through addressing barriers to commercial development.

Protecting and enhancing green infrastructure and biodiversity of the county. Building on existing specialisms in low carbon technologies to support new investment in R&D, resource efficiency and sustainable growth for communities and businesses

Alignment of EU funding to existing programme of works to ensure added value - eg Growing Places funding

Build on the Love Northamptonshire brand to support and secure inward investment to the county, capitalising on major opportunities at the Northampton Waterside Enterprise Zone, Silverstone and Rockingham

Supporting New Generation Access provision to reach 90% coverage by 2015

More advanced & higher level apprenticeships are needed to support key disciplines, particularly engineering

Key opportunity to focus on making apprenticeships more attractive for young people

Threats

Contraction in key sectors, including manufacturing, forecast to continue

Skilled workforce are able and willing to travel to employment opportunities outside of the county leaving a skills gap in the county

High levels of planned developments could have a negative impact on the natural environment and biodiversity of the county

Increasing business demand for power generation and infrastructure may not align with phasing of investments, leading to barriers to business growth and investment

The ability of small & micro businesses to engage in or take up provision of support services can hamper growth and affect long term sustainability of the company

Ageing population and workforce could lead to significant future skills gaps in key sectors

Lack of availability of finance for growth from private and public sector investors

SME competitiveness is limited by a lack of innovation support for key activities - R&D, feasibility, knowledge exchange - when compared with neighbouring areas

Lack of employability and basic skills in the workforce limits the capacity for individuals and businesses to grow and innovate

Lack of technical skills limits growth of key sector and high value growth

Rising costs of fuel coupled with an increasing demand will have significant impact on businesses and individuals

Isolation of rural, harder to reach or deprived communities from business or training opportunities

Jobs density in Northamptonshire of 0.81% considerably higher than national average of 0.78%

3.0 Developing the Strategic Response

3.1 Introduction

The evidence base has identified the need to focus on four key priorities to address the strategic imperatives which sit within two overarching themes – Growing Our Business and Growing our Places. **Growing Our Businesses** focuses on Business and Innovation and Employment and Skills as key accelerators of Growth, and **Growing our Places** focuses on Infrastructure and Connectivity and Housing as enablers of Growth.

Growing Our Businesses – Accelerating Growth

3.2 Business and Innovation

Strategic Priority: To improve the productivity and competitiveness of SMEs, through investing in innovation and targeted business support

Rationale

The local economy requires policies and measures that address market failures that limit the flow of information, advice, finance and investment. These market failures justify support to local businesses to invest in start-ups and expansion (and off-setting the normal closure and contraction of businesses); and to market the location to businesses elsewhere. Our approach is based on regular and detailed engagement with the local business community, general business interactions and with the key target support sectors, which continues to re-enforce the need for targeted business support to address these market failures and support business growth.

Headline economic indicators also point to the need for increased intervention and support to encourage enhanced economic performance. Northamptonshire GVA / productivity per employee in 2011 was relatively low in comparison with other LEP areas at £37,800, while improvement in GVA per head between 2009 and 2011 lags behind most other LEP area performance. Northamptonshire has a relatively high performing export economy but saw one of the sharpest declines in export intensive employment in 2011 **[Update with improved 2012 performance]**. However, Northamptonshire also has one of the highest proportions of private sector employment in the UK, business start-up is relatively strong and the Northamptonshire economy had a higher than average number of enterprises in foreign ownership in 2011.

In identifying investment activities we will build upon the existing programme of support delivered across Northamptonshire by NEP and its partners. We will seek to enhance existing programmes that have demonstrated impact such as the INVENT and RGF HPT programme (INVENT case study below) and build upon emerging programmes such as the Growth Hub.

Recognising that over half of the population of the county live within rural areas, our approach to address some of the challenges of rural businesses has been to design programmes that are equally relevant to rural businesses as they are urban businesses and fit with the key sectors within those localities. In delivering future programmes NEP will ensure that it will take into account the specific issues affecting rural businesses. To this effect we have identified a specific project to develop support for rural businesses' over and above the programmes detailed below.

Investments will be targeted at improving productivity through the promotion of entrepreneurship and innovation; enhanced supply chain performance, particularly in key sectors such as HPT; enabling the introduction of more efficient processes and competitive products, encouraging and supporting increased export performance; and supporting and attracting new business investment. This is intended to assist the economy and business generally to migrate to higher value added activity. It is also intended to capitalise on the opportunity presented by existing high value added activity and to take steps to maximise its potential for both Northamptonshire and the UK economy. Our approach will be heavily focused on support for SMEs, but will also acknowledge the pivotal importance of larger companies within the local economy and their ability to support supply chains and strongly influence small business development – and will therefore also provide support for large company growth and development.

The investment logic for Business and Innovation can be summarised as follows:

BUSINESS AND INNOVATION STRATEGIC PRIORITY

Supporting Northamptonshire businesses to go further, faster

BY 2031 Create 70,000 new jobs

BY 2021 Create a £20 billion economy and deliver 32,500 new jobs



The over-arching strategic priority will be delivered through the a number of key objectives and priority action areas, with each of the priorities influencing each other in their delivery:

Objective 3.2.1 Growing our Business Base


Programmes and initiatives that support business start-up and growth and that enable easy to access business help and advice. We will also develop programmes that support new product ideas and innovative processes and activities across a number of sectors. Early actions include:

Action Area - Northamptonshire Growth Hub Programme: countywide co-ordinated approach to support businesses within the key Northamptonshire sectors providing access to a tailored and co-ordinated package of diagnostic, advisory and coaching and mentoring services to accelerate the creation and growth of sustainable growth ventures. The Hub will operate as a point for cross referral and act as broker to national support such as TSB Knowledge Transfer Networks, UKTI, BIS sector teams and NESTA and Sector Skills Councils and other local support programmes and services including Manufacturing Advisory Service, Growth Accelerator and UKTI which are to be funded out of the ERDF allocation. The Northamptonshire Growth Hub is established and providing business support solutions. Developing its early impact will be our focus. We are also working closely with the SEMLEP led Velocity Growth Hub on compatible approaches as Velocity establishes itself. The Northamptonshire Growth Hub is also part of the BIS national Growth Hub Network.

Action Area - Enterprise Hub: Building on what already exists within Northamptonshire and existing activity delivered by NEP; this targeted entrepreneurship support programme will expand the reach of the Northamptonshire Libraries Enterprise Hub network to cover the whole county. The offer is the provision of tailored business support (including pre-start-up and start-up programmes) to stimulate the creation of new businesses, including knowledge based businesses. Enterprise Hub is a fully integrated part of the Growth Hub provision.

Action Area - Key Sectors SME Innovation and New Product Investment Fund: Through 2013 and 2014 NEP have delivered a successful SME focused investment fund for High Performance Technology companies in the county with funding from RGF and ERDF. We are also in 2014, working with SEMLEP to deliver a RGF supported R&D fund to a mix of SME and larger companies across the two LEP areas.

We want to continue this in 2015, 2016 and 2017 supporting growth, innovation and new product development within Northamptonshire, but now expand our successful existing approach to cover SME innovation, new product development and capital investment across all of our key sectors, described in more detail in the next section.

	<p>Focus on: High Performance Technologies Investment Fund</p> <p>The RGF3 and ERDF supported High Performance Technologies Investment Fund has to date awarded £1.539m to companies within the Northamptonshire High Performance Technologies. The funding awarded will support the creation and safeguarding of 497 jobs and will support matched private sector investment of £12.221m.</p> <p>Investment Case Study: GE Precision - GE Precision Engineering is a specialist engine design consultancy and prototype/low volume manufacturer of engine and chassis components for the automotive and motorsport industry. As part of the recent round 3 of the HPT Investment Fund they were awarded £50,000 R&D support to continue to develop increased performance, and increased energy efficient engines, initially focused on motorbike application. The funding will also enable them, after the R&D phase to move from being a sub-contractor in engine development to a being a specialist engine manufacturer. The investment will support the creation of 15 new jobs by 2015.</p>
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Objective 3.2.2 Supply Chain Development

Supply Chain Development will be achieved through a targeted approach on established key sectors such as High Performance Technology and Food and Drink, but also considering opportunities in niche sectors such as high value boot and shoe design and manufacture – encouraging and facilitating local collaboration in pursuit of national and international opportunities, supporting increased productivity and increased purchase within the local supply chain. We will work closely with industry but also with prominent partners such as the Manufacturing Advisory Service and Growth Accelerator through ERDF investment. Early actions include:

Action area - Support for key sectors: We will undertake a review of our key sector priorities, looking for niche opportunities for Northamptonshire in addition to identified strengths described

below. We will also continue to monitor and engage with industry to understand emerging new opportunities for Northamptonshire. Our key sectors and initial actions are as follows:

- **High Performance Technologies Network** – Northamptonshire is a UK and international centre for engineering and new technology development in automotive, aerospace, defence and energy sectors. Large companies such as Mercedes, Mahle Powertrain, Cosworth, Scott Bader, Cummins Engines and a strong concentration of new technology SMEs, a number of whom are spinouts from the larger companies, form the High Performance Technologies Network which generates £2 billion of GVA per year in the County from 1,000 companies employing over 20,000 people.

Continuing to develop a programme of inter-related support for this county-wide performance engineering focused supply chain, drawing on support programmes from across the four strategic priorities – but also building a sense of identity and belonging within the network for the companies involved and encouraging increased interaction across the supply chain – actions to include:

- Continue strong industry input through the HPT board industry group
- Continuing to develop online access to understanding of supply chain capability
- A mentoring programme across to the supply chain to increase company to company dialogue and business opportunity
- Work closely with BIS, UKTI, Industry groups and surrounding LEPs to fully understand, support and showcase the wider High Performance Technology opportunity across our joint geography
- Influence and guide linked employment and skills, infrastructure and connectivity actions
- Support key development sites such as the MEPC led Silverstone Park (working with Buckinghamshire Thames Valley and SEMLEP), Rockingham Park and the Northampton Waterside Enterprise Zone
 - We have two specific projects with MEPC described in the implementation plan, both of which also supported by BTV and SEMLEP:
 - The development of a Metrology Centre at Silverstone Park to support SMEs in the development of new product ideas.
 - Support the provision of dedicated business support to unlock the full potential of this key HPT site and support the development investment by MEPC.
- **Logistics** – Northamptonshire has a natural geographic advantage: The major ports of Felixstowe, Southampton, Liverpool and Tilbury are all within 3 hours; it's less than one hour to London by train and over 95% of the UK's population is within a four hour drive time. 27,000 (8 per cent) of the county's workforce is employed within this sector, double the national average. An additional 12,500 people are employed in the logistics operations of companies in sectors such as food, retail and car parts. Encouraging the adoption of new green technology and increased company investment and new job creation will feature strongly in our work with this sector. Employment in the sector is expected to double (to 51,750 jobs) by 2021. Yusen Logistics, Sainsbury, Knights of Old, Kuehne and Nagel and Wincanton are prominent names.

Actions

- Continue strong industry input through the Logistics board industry group
- Influence and guide linked employment and skills, infrastructure and connectivity actions
- **Food & Drink** – The sector employs around 46,000 people in Northamptonshire. Our particular focus will be encouraging increased manufacturing employment and export activity and new company investment in to the county will feature strongly in our work with this sector. Work in

2011 showed that increases in employment in food and drink manufacture and wholesale in Northamptonshire were some 500 jobs (5%) set against a national decline of 3%. The same report suggested the potential for an additional 3500 jobs in the sector by 2021. Prominent names include, Carlsberg, Weetabix, Alpro, TMI Foods, Greencore and British Pepper and Spice.

Actions

- Develop strong industry input through the Food and Drink board industry group
 - Influence and guide linked employment and skills, infrastructure and connectivity actions
- **Creative Industries** – Northamptonshire has a developing Creative Industries sector, employing 3000 people and contributing around £97m annually to the local economy and supported prominently by organisations such as the University of Northampton and Creative Northants. Key sub sectors include Northamptonshire's resurgent **leather fashion and boot and shoe** designers and manufacturers. Prominent companies include Churches, Jeffery West, John Lobb and Cheaney – but also a growing group of new entrepreneurial companies such as Stamp and Chancery focused on high quality boot and shoe production for a growing export market.

Actions

- Develop strong industry input through the Creative Industries Sector Board and develop sub-sector priorities for focus and action
 - Influence and guide linked employment and skills, infrastructure and connectivity actions
- **Financial Services** – Is a prominent employer and contributor to the Northamptonshire economy with both Barclaycard and Nationwide as prominent private sector employers in Northampton and Northamptonshire and smaller, growing companies such as Staysure. Aligning with the employment and skills and the infrastructure parts of this strategy we will implement activity to support the retention and development of existing financial industries employers and to attract new investment in to the county.
 - **Public Sector service transformation and Social Enterprise** –The public sector is, collectively, the largest employer in Northamptonshire. Service transformation resulting from the financial crisis that began in 2008 is inevitable. The county sees this transformation as a unique opportunity to improve services, reduce disadvantage and the costs of social problems, and increase the number of people employed in delivering innovative services. Work carried out by the University of Northampton in 2012 - 2013 on public sector spin-outs and social enterprises showed that those operating in innovative, commercial, market-focused ways significantly increased both user satisfaction and numbers of people employed (by an average of over 100 new jobs per spin-out). There is the potential for significant new business start-up, for existing businesses to be attracted to the county, and for new jobs through targeted support for service transformation.
 - **Manufacturing Forum:** Feedback from our industry and stakeholder engagement suggested that alongside our sector focused approach we also consider broader support for manufacturing more generally, given that it has a higher than UK average concentration. In particular how management capability is developed to grow individual companies and access supply chain and other opportunities. Our Learning and Development Industry Group (made up of small group of key employers looking at supporting and disseminating industry developed solutions) provides the beginning of actions to support this and we will build on this. We will also convene a Manufacturing Group a couple of times a year to contribute to industry direction to our actions.

Objective 3.2.3 Exploiting our export premium

We will exploit our export premium through helping businesses to internationalise their product and explore new market connections and collaborations.

Action Area - Partnership with UKTI

Work with UKTI through the ERDF opt-in to develop a Northamptonshire tailored support programme, adding value to existing UKTI services and focusing on key sector requirements.

Objective 3.2.4 Attracting new Investment

Through are working with local business connections and a continued, detailed understanding of supply chain gaps, property and land provision and developing skills availability to pursue new company investments from national and international sources.

Action Area - Partnership with UKTI

Work in close partnership with the inward investment half of UKTI to develop and advocate the Northamptonshire offer for new and expanded business investment and together understand best fit non-UK markets for that offer.

Action area: Supporting Investment Activity

Two underpinning actions will support these four strategic priorities:

- **Market segmentation**

Regular engagement with both small and large businesses across the Northamptonshire economy will of course be integral to the delivery of this strategy. Our approach to business generally will split into three groups:

- **Small to Medium Sized** – National and European business support has strong emphasis on supporting SME growth, we will capture that in Northamptonshire and support the delivery of national programmes delivered in the county. We will also develop Northamptonshire specific initiatives – particularly focused on the key sectors
- **Mid-Sized Businesses** – In the Supply Chain and Export strategic priorities we will also provide support for medium sized companies, above the 250 employee threshold. Support to enter new markets, R&D funding, leadership and management training for example.
- **Large Businesses** – Using our top 50 employers list and building upon our existing interactions with these companies to develop a programme of systematic engagement to understand their issues, identify opportunities and where appropriate direct strategic actions from this section and from employment and skills and from infrastructure and connectivity to support their needs

- **Access to Finance**

- **A broad understanding of finance for growth:** Feedback from our industry and stakeholder engagement suggests that previously important barriers to growth, such as access to bank finance is reducing as an issue. However, help for industry, particularly SME's to understand full breadth of finance availability is needed. The Northamptonshire Growth Hub will help this and we will develop existing work to build and maintain a comprehensive overview of sources of funding for business growth. We will develop interaction with the financial services industry to support this.

- **Joint LEP support for SMEs:** NEP is also working to establish a pan LEP access to finance programme with D2N2, Lincolnshire, Leicestershire and SEMLEP that will support the creation, development and sustainability of SMEs by targeting access to finance to unlock growth aspirations and generate sustainable employment. This will be financed through ESIF and legacy funding from the RDA and complement the programmes outlined within the SEP.
- **Continuing Existing Finance for Investment Programmes:** In 2015 and 2016 build on the success of the County Council funded INV-ENT and LOCATE (support for SME inward investment) programmes and extend them to offer businesses finance to invest into capital expansion to support job growth.

Focus on: INV-ENT



The INV-ENT (Innovation & Enterprise) initiative provides a business rate rebate to Small and Medium Sized Enterprises (SMEs), enabling investment in business development and growth and supporting the creation of new jobs in Northamptonshire. Since its inception in 2011, NCC and NEP have invested over £800,000 in 55 business projects through the INV-ENT initiative; this will enable the creation of over 300 new jobs, more than 100 apprenticeships and the up-skilling of nearly 600 local employees over the next 2 years.

Investment Case Study: DTC International

Funding secured from the NEP INV-ENT programme has enabled DTC International to set up and promote a Data Cleansing and Test Lab facility in their Northamptonshire premises. This means services that were previously subcontracted to businesses outside of Northamptonshire are now carried out in house by DTC International. This has secured the future of employees at DTC and

has led to the creation of new jobs.

INV-ENT funding has enabled DTC to secure a 12 month reverse logistics contract in the Seychelles. The data cleansing services DTC now offer were an important differential between DTC and their competitors. This in turn made a real difference in the customers decision making process when awarding the contract. Securing this high profile contract has enabled DTC to engage with similar businesses around the world. Using this successful bid as a reference and case study is really making a difference to the bid team's success.

DTC International's business has grown by more than 50% since receiving the INV-ENT funding, James Norden, Chief Operating Officer at DTC International confirmed that the whole INV-ENT process had dramatically affected the way the company does business. It has allowed the company to bid for larger contracts and has given them a real advantage over their competitors. James stated that the INV-ENT had been a breath of fresh air and he would recommend all Northamptonshire based businesses engage with NEP and look at the INV-ENT funding programme.

Investment Priorities

Project Name	Brief description and link to the strategic priorities of the SEP	Location	Funding			Outputs
			LGF Bid	Other funding	Total	
Northamptonshire Growth Hub	Develop capacity within the Growth Hub building on work to date. Provide front end support for SMEs with high growth potential and align with existing Hub programme.	Northamptonshire	3m	3m	6m	New Business Starts - 150 New Jobs supported - 200 Private Sector Investment
Key Sectors	Building on the success of	Northamptonshire	5m	15m	20m	New Jobs

Innovation and Capital Investment Fund	the HPT Investment Fund develop an innovation fund to support business innovation in key Northamptonshire key sectors					supported – 350 Private Sector Investment - £15m
Silverstone Park Metrology Centre	Development of a manufacturing and new product development support facility for HPT SMEs at Silverstone and in the surrounding network	Northamptonshire (working with BTV and SEMLEP)	0.38m	0.68m	1.06m	New Jobs supported –20 Apprentices supported – 4
Silverstone Business Support	Dedicated business support for HPT investment at Silverstone Park	Northamptonshire (working with BTV and SEMLEP)	20k	167k	187k	New Jobs supported - 20
TOTAL			8.4M	18.84M	27.24M	

Key Asks of Government:

- **Include Corby, Wellingborough and Kettering as additional areas to be covered by the 2014-2020 Assisted Area map, following significant recent job losses at companies such as Solway Foods**
- **National recognition for the Northamptonshire Growth Hub with the commensurate funding that this attracts – and that LEP's provide an umbrella for all relationships between businesses and government agencies, via delivery of local Growth Hubs**
- **Effective Service Level Agreement arrangements with national business support Opt-In organisations (UKTI, MAS, Growth Accelerator)**
- **Structured dialogue and strong strategic and operational relationships with the Technology Strategy Board, Industry Catapults, Advanced Propulsion Centre and other key business growth bodies**
- **To extend the provision of University led Enterprise Zones (UEZs) beyond the current small group of Universities proposed to include fast growing, entrepreneurship supporting Universities such as Northampton.**
- **Continued attention to the development of national legislation that supports business growth and development**
- **Continued and increased RGF investment in Northamptonshire to support business growth**
- **Incentivise HEIs to work collaboratively on supporting the innovation agenda**

3.3 Employment and Skills

Strategic Priority: *Improve the skills available to business, through delivering high quality education and training and expanding the skill base of the resident workforce.*

Rationale: There are significant business and employment opportunities forecast across the Northamptonshire economy. However, these opportunities will not be maximised without a skilled workforce, which will require a concomitant investment in skills from both employers and individuals. Both productivity and GVA per head (and therefore competitiveness) are lower in Northamptonshire, and as skills are key contributors to these, low qualifications, skills and training levels could inhibit Northamptonshire from achieving its economic potential, especially across its priority sectors. Growth of the knowledge economy will necessitate a higher level and breadth of skills. This will be met in part through attracting individuals with the right skills to the area; but will also require those currently within the workforce to develop higher level skills through increased training and retraining.

The main priority is to address the shortfall of skills at every level, particularly to ensure that the current and future needs of employers are met. There is also a need to stimulate the demand for higher skills, as despite having higher than average levels of managerial, director and senior official levels; this is not reflected in comparable qualification levels. Without local demand, such skills will either not be taken-up, or residents with these skills will work outside of Northamptonshire and without supply, businesses will move away or establish themselves elsewhere.

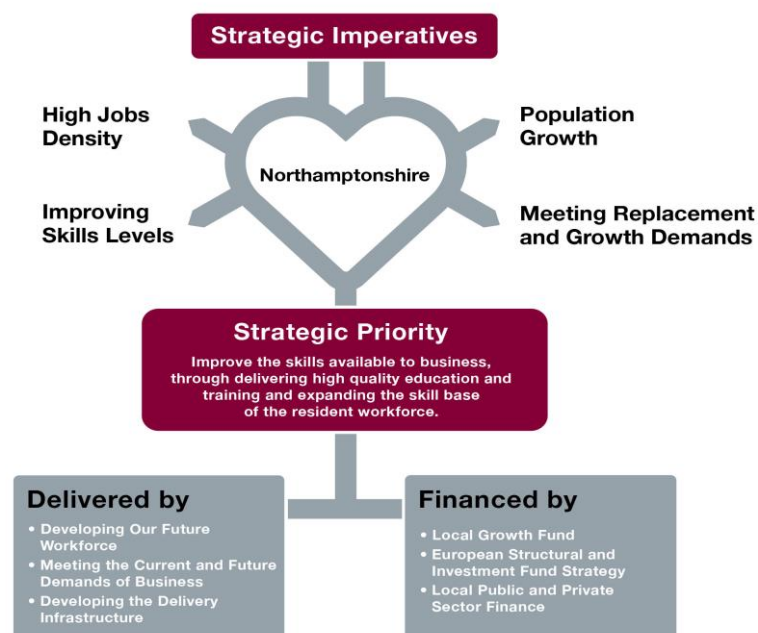
There is a demand for Level 4 skills but this comes mainly from London and the South-East, reflected in outward commuting patterns especially from South Northamptonshire. To break the link between low demand and low supply requires action to integrate skills projects within the wider sectoral and business programmes, encouraging innovation and demand, whilst at the same time increasing capacity and employer willingness to take-up this supply.

The investment logic for Employment and Skills can be summarised as follows:

EMPLOYMENT AND SKILLS STRATEGIC PRIORITY

Skilled Workforce responsive to businesses needs

BY 2021 Create a £20 billion economy and deliver 32,500 new jobs



Skills Strategy

The emerging Skills Strategy commissioned in 2013 identifies a number of key areas for intervention and identified local strategic priorities which fit well with the national skills, HE, economic development and European Structural Investment Fund agendas. There is a clear 'line of sight' running through the main European, national and sub- regional skills, growth and sector priorities. It is important to identify where these agendas intersect alongside local need and how each of these priorities are funded

The investment priority, to complement the actions on demand as part of the business priorities, is to develop the supply side capacity.

As part of the ESIF, there is a planned Sector Skills Programme. This will include:

- Industry specific skills provision
- Support for apprenticeships and traineeships
- Skills support for the workplace which is employer responsive
- Support for intermediate and high levels skills development for industries driving growth in local economies in support of other relevant priorities
- Support for digital and ICT skills at all levels.

Within the context of the SEP key issues relate to addressing some of the educational attainment levels, attracting young people into the growth sectors, serving replacement demand within key sectors, securing funding for the provision of higher skills especially within the growth sectors.. Such is the breadth and complexity of the headline themes, and underpinning issues and opportunities in relation to skills provision locally, it is important to take a considered, strategic approach to addressing these. Issues which together with the ESIF strategic priorities have been themed into three over-arching strategic objectives

Objective 3.3.1 - Developing Our Future Workforce

It has already been identified in the evidence base that the level of educational attainment at KS2 KS4 and at A levels are lagging behind the national averages and that this is creating a pipeline of issues in relation to skills attainment for young people and progression, Whilst a significant proportion of Northamptonshire's working age population are involved in education and training, the area has relatively low qualification and skills levels. This appears to apply from primary school right through to the adult population.

This suggests that creating a skilled workforce must involve schools as a key component in this process. This is particularly the case in addressing employability and basic skills needs, but also in promoting vocational routes and supporting those young people at risk of becoming NEET. The raising of the participation age provides an opportunity for involving schools, colleges and work based learning providers in helping address these skills issues.

Working with the 18-24 unemployed and the NEET populations will be a critical part of ensuring that all potential human resources are deployed in order to address the tight labour market conditions and current and future skills shortages, Although this is not a specific action within the SEP it will be addressed through the deployment of mainstream resources and European Social Fund monies which will be directed through the Employment and Skills Thematic Board.

A series of other key action areas have been identified:

Action Area - Independent Advice and Guidance

A key theme running through the skills strategy consultation and the development of the ESIF and SEP exercises was the need for more impartial and independent information, advice and guidance. This ran across all groups in the population but was most closely associated with young people, especially school pupils, and hard to reach adults. As far as young people are concerned, this is a primary reason for bringing schools more closely into the strategic skills agenda and understanding how they can contribute to it and what they need to make a more effective contribution. Schools need to be brought more closely into the process so they can contribute their understanding and perspectives.

Bringing schools into the Northamptonshire skills agenda

Schools provision is the seedbed underpinning the development of a range of current and forecast skills needs: basic skills, employability skills, and craft, technical and higher levels skills. The skills agenda will not succeed unless it supports schools in the development of the future workforce.

Schools need to be involved much more closely in the **Northamptonshire Employment and Skills Board** through direct representation or the development of a **Schools Skills Group** which can directly feed into it.

The LEP and partners need to direct the work of the National Careers Service to be more accommodating to local circumstances and need. Schools need to be encouraged to co-operate with the Business and Skills agenda and encouraged to deliver completely independent advice and guidance.

Schools also need to be supported to engage with the skills agenda through the development of **Schools Skills Ambassador** which would support Northamptonshire's schools to engage with the skills agenda and link into specific initiatives.

For employability skills, there needs to be increased links between employers and schools. This can build upon the international reputations of the larger, high profile Northamptonshire businesses such as Barclaycard, FESTO, RS components, who are already engaging with schools in the county through local initiatives.

For SMEs, an ATA approach could be adopted where groups of smaller businesses are supported to collectively engage with schools.

Furthermore, there is potential for schools to link into a number of other actions, such as, pre-Traineeship and Apprenticeship provision, entry points into vocational pathways and Information, Advice and Guidance.

An annual **Northamptonshire Skills Show** should be developed as a showcase event to present and encourage the take-up of a wider range of options to young people which could include major employers and 'hands on' activities..

Once people are identified and provided with independent and impartial IAG, career exploration opportunities (wider horizons feed aspiration, motivation and achievement) it is important to make skills provision appropriate and relevant to them. The creation of pathways to access vocational provision, and then leading into intermediate and higher level skills provides a route to addressing the technical and higher levels skills needs identified by employers. Whilst the Traineeship programme has been developed as a route into apprenticeship provision, pre-Traineeship provision is also required for both young people for whom the step into traineeships is too large.

Action Area – Developing Basic and Transferable Skills

Recent research was commissioned to inform the Northampton Waterside Enterprise Zone Skills Strategy and Action Plan sought to establish both the extent and nature of the skills gaps and shortages manifesting themselves in workplaces throughout the NEP and SEMLEP area. One of the key areas identified was the need for basic and transferable skills including team working, literacy, numeracy and communication skills. NEP and its public, private and third sector partners will work with the provider base to develop specific programmes to better respond to the current needs of young people.

There is a consistent message from employers that the young people and unemployed people they interview and/or recruit do not have appropriate basic skills. However, when basic skills training is delivered, through national programmes like apprenticeships and Train to Gain, employers do not seem to value the basic skills component of qualifications. This may be because employers expect people, especially school leavers, to already have sufficient basic skills.

Provision was seen as being compartmentalised with little linkage between provision and providers. For example, any support funded through Jobcentre Plus would end once the person got a job. Provision also needs to be more innovative as much of it is classroom based which may have been the reason why some many pupils may not have achieved sufficient basic skills in the first place

Action Area – Addressing Skills Gaps through Apprenticeships

Apprenticeships in Northamptonshire have increased by almost 100% from 2009/10 to 2011/12. Over this three year period the increase in apprenticeships for 16-18 year olds has been the slowest growing with increases during the period running at around 13%. There are concerns that the growth

in apprenticeships may be threatened by policy changes and potential misunderstanding around these.

Over the last three years the growth in apprenticeship numbers has also been matched by a growth in success rates for 16-18 year olds, which have improved significantly and above the national average. However, for 19-24 year olds success rates remain below the national average and for over 24 year olds there has been a decline. Work needs to be undertaken with providers to drive up success rates to ensure standards are high and that individuals have the pre-apprenticeship training they need to ensure that they can meet the demands of an apprenticeship and add value to the employer as soon as possible.

The balance between intermediate, advanced and higher apprenticeships has not seen a significant shift over the last three years. Nearly two thirds of all apprenticeships undertaken in 2011/12 were intermediate apprenticeships (Level 2). There is a need to move towards a **higher proportion of advanced and higher apprenticeships** to meet business needs and the Government's priority to shift the intermediate to advanced apprenticeship mix from 60:40 to 50:50 by 2015. 16 to 18 year olds are focused at intermediate level but more needs to be done to increase progression for 19 plus.

Apprenticeships are the major route into employer related training, especially for young people. As with engagement with businesses, the take-up of apprenticeships at all levels by the workforce and potential workforce needs to be increased.

Increasing the take-up of apprenticeships

Building on the Northamptonshire Apprenticeship Plan and the work already undertaken within the County there needs to be an increase in the take-up of apprenticeships.

The development of Traineeships provides an accessible route into apprenticeships for those with lower qualifications. However, there may also be a need to develop **pre-Traineeships provision** to encourage more people to embark on the apprenticeship pathway.

Once on the apprenticeship pathway there needs to be additional efforts to **increase progression into the next apprenticeship level**. This could be through targeting support at people and businesses who could but don't progress. Also, awareness raising of the financial and other benefits of progressing to the next stage. Within the County we are also piloting the use of apprenticeship mentors (through the Local Responsiveness funding) to encourage retention and development within the workplace.

Apprenticeship Ambassadors and mentors should be employed from successful apprenticeships to promote the apprenticeship route within schools and within the wider population.

There are a number of barriers to SMEs taking up provision, including costs and having enough work for an apprenticeship to undertake. **Apprenticeship Training Associations (ATAs) or Group Training Associations** are both mechanisms through which apprentices can be provided to SMEs. In the case of the ATA this mechanism holds the employment contract and sources the training but work experience is shared across a number of SMEs in the ATA. This reduces the risks and costs to the small business but increases the take-up of apprenticeships and provides apprentices with a more varied work experience. **Group Training Associations** were originally set up in the 1960s to train on behalf of groups of employers, using funds contributed by them through a statutory training levy and with assistance from the relevant Industry Training Boards (ITBs) to purchase capital and equipment. Whilst GTAs have evolved over time in many ways including coverage of a much wider sector spectrum, they can still be defined by their core characteristics:

- A training organisation governed by representatives of (usually subscribing) employers
- A company limited by guarantee and registered charity reinvesting all surpluses
- A training provider whose curriculum is centred on apprenticeship for engineering, construction and manufacturing

NEP will work with partners to encourage high impact proposals, outlining models which draw on the characteristics of GTAs/ATAs and which will contribute towards starts for apprenticeship.

The analysis of ILR data showed that most vocational provision, including apprenticeships, is being delivered in traditional apprenticeship areas, although provision in sectors such as ICTs has increased. However, take-up in priority sectors such as logistics and the creative and cultural sector

are low. These are non-traditional apprenticeship sectors so it is important to develop frameworks appropriate for Northamptonshire businesses within these sectors and increase awareness of them.

The Northamptonshire Apprenticeship Plan proposed the creation of **Apprenticeship Business Ambassadors**. These can be used to develop take-up within traditional apprenticeship sectors and as a mechanism to develop provision within non-traditional sectors. The Apprenticeship Business Ambassadors should be supported with case studies of business success in apprenticeships, highlighting the benefits of apprenticeships, but also as a mechanism for providing employer feedback on the strengths and areas for development in provision.

Objective 3.3.2 - Meeting the Current and Future Demands of Business

Research undertaken as part of the Skills research for the NWEZ also identified that across all sectors, **skilled trades and sector specific skills** were considered to be in short supply, and as such there is a need to develop skills levels across the spectrum of employer's needs. Further issues were identified around the availability of **Leadership and management and supervisory skills, and higher level skills in key sectors**. Therefore, it will be necessary to adopt a systemic approach to responding to these needs.

Some of these issues will be addressed through the alignment of partner resources and through the deployment of ESF funding. There is a potential gap in the funding of higher level skills and further work is needed to identify the gaps in provision at the higher level.

Increasing employer investment in training and skills will be an important element if Northamptonshire businesses are to increase their competitiveness and deliver higher value goods and services. In driving up employer investment in skills it is critical to deliver what employers need. Developing demand-led provision has been a mantra of the training and skills agenda for a number of years.

Action Area - Demand Led Training

Levels of employer training across Northamptonshire are relatively low which is largely due to the high level of micro businesses within the local area. National research suggests that the picture could be worsening as employer training volumes have significantly reduced since 1997, with the main fall coming after 2002.²⁰ Employer investment in training was on a downward trend prior to the recession and fell by an estimated 15% in real terms between 2005 and 2011.²¹

Increasing employer take-up of training – developing demand-led provision

An important mechanism for increasing employer investment in skills is to **involve employers in the design and development of provision**. In an international study of programmes designed to stimulate employer investment in training, the most effective was the Skillsnet programme in Ireland. There are similarities between Skillsnet and the EOS, Employer Investment Fund and Growth and Innovation Fund programmes run by the UK Commission. Essentially, the Skillsnet approach is to provide employers with a skills fund. Employers collectively decide on what skills provision they wish to spend. Involvement of stakeholders, including employer representatives and trade unions at industry or local level, can also help to generate and maintain employer and industry 'buy-in'. Such support is likely to be particularly important with employers or sectors that have limited experience of training. Compared to a number of programmes based on tax expenditures, subsidies and levy-grant mechanisms, an employer-led approach led to: lower administrative burdens; greater employer buy-in, greater take-up and investment in training; higher rates of completion, and higher quality of provision.

There is a great deal of evidence about the returns to employer investment in skills, and about the potential impact of impending issues, especially the shortage of craft, intermediate and higher level skills, and replacement demand which will cut across many sectors. However, businesses, especially smaller ones, may not be aware of developing skills issues beyond their immediate horizon. Therefore, using the NEP sector skills groups and linking in with industry bodies, there needs to be an **awareness raising campaign** of the benefits of skills training, and the need to address key emerging skills issues.

²⁰ 'What Has Been Happening to the Training of Workers in Britain?' Francis Green, Alan Felstead, Duncan Gallie, Hande Inanc, and Nick Jewson, LLAKES Research Paper 43.

²¹ 'Training in Recession: The impact of the 2008-2009 recession on training at work', Evidence Report 72, September 2013, UKCES.

Having raised awareness, employers also need impartial and independent **Information, Advice and Guidance**. As we have seen, with around 300 providers delivering FE to people within Northamptonshire the skills landscape can be a daunting and confusing place. There is a need to support employers in making informed choices about which training provision and providers are most appropriate to their needs. However, training and skills IAG should be integral to other business support so it is aligned with business needs. The **Growth Hub** should include a training and skills IAG function – both physical and virtual and the development of the embryonic skills portal should be one of the action areas. The physical function could include dedicated IAG advisers working alongside other business support specialists. It should also link in with the proposed Apprenticeship Business Ambassadors. As a lot of IAG is web based, there should be a virtual IAG function which links in with nationally available resources provided by the National Careers Service, Sector Skills Councils and industry bodies, as well as other independent sources. A role of the IAG adviser could be to support businesses in navigating on-line IAG resources so that businesses can do this independently.

Action Area - Priority Sectors

The needs of the priority sectors are documented in the emerging Northamptonshire Skills Strategy. Focusing skills development and employment activities through priority sectors provides opportunities to link in with broader sector opportunities and organisations, such as Engineering Week, a national initiative designed to present the sector to school pupils. It also provides a focus for developing portfolios of provision across the priority sectors and links between different types and levels of provision. Developing a sector focus provides better opportunities for engaging employers in the design, development and delivery of provision. The needs of key sectors such as HPT, Logistics and Food and Drink are reasonably understood. There is additional work required to understand further skills requirements in some of the emerging sectors, including ICT and financial services.

Addressing key sector skills priorities

Closer working relationships with the relevant Sector Skills Councils will be established to target support more effectively and NEP will work on the basis of more industrial led groups with the right level of commissioned support.

it is important to **understand the key sector skills needs and develop provision to address them**. This could be through the development of new provision or the fine tuning of current provision to address them.

Action under this section will incorporate the other previous actions, for example, building on and developing apprenticeship provision, feedback from Business Ambassadors, IAG provision, and awareness raising and targeting of businesses. The sector groups within the County will continue to advise how best some of the sector specific skills issues can be addressed and implemented through a targeted approach

The range of training and skills funds – mainstream, ESIF, SEP, EOS and a Skillsnet type fund – could be organised to support the range of sector specific skills needs.

Objective 3.3.3 Developing the Delivery Infrastructure

Over recent years there have been some important new developments in the skills delivery infrastructure, including the significant redevelopment of the Northampton College Booth Lane site, the Tresham site at Corby and Kettering and the development of the UTCs at Daventry and Silverstone.

However, there are ongoing infrastructure needs in areas of Northamptonshire, such as Wellingborough, for the re-development of the Tresham College's Wellingborough Campus, which will enable new sector based skills to be developed particularly around digital skills and engineering. The educational offer at this site will focus on advanced engineering practice and high technology application. The curriculum plan develops these skill sets through level 2 to level 7 and an advanced apprenticeship offer. There is a requirement for skills capital funding to deliver this site. Tresham also wish to extend the offer at the Kettering campus and aim to bring forward plans to do that once they have addressed Wellingborough needs.

Other projects to help address some of the infrastructure constraints have been identified for Daventry, with Northampton College expressing an interest in the development of a new campus in Daventry that will meet the needs of the locality and provide a specialist vocational centre. Plans are also underway for the further development of the centre of excellence at Moulton College, which will

focus on food processing and qualifications for low carbon and modern methods of construction at Moulton College. The formation of the Food Innovation Academy will create an alliance between a major research university with Moulton College, and help develop Northamptonshire's Agri-Tech capability.

However, a whole system approach is required to offer seamless provision from primary to Higher Education and therefore one of the key priorities will be to complete a mapping exercise to better understand gaps in provision and work with partners to develop interventions to plug these. For example, the Police and Crime Commissioner with other key partners is exploring the potential to create a new Free School on the Wootton Hall site to promote active citizenship and focus on specific vocational skills related to careers in the blue light services. There have also been conversations with partners throughout the consultation which have identified the ways in which studio schools operate and have encouraged the County to look into the model operated elsewhere.

The University of Northampton is an important part of the skills infrastructure, given relative under performance at Level 4 and above. This an ambitious development which will create not only a state of the art learning facility, but also bring vibrancy to Northampton Town Centre given its location in the Waterside Enterprise Zone. The focus on summary below highlights the key elements of the proposal.

Focus On: The University of Northampton Waterside Campus

A new £330m town centre campus for The University of Northampton will bring together both of its current sites. The university plans to move from its sites in St George's Avenue and Boughton Green Road to a 55-acre brownfield site at Nunn Mills Road located in the Northampton Waterside Enterprise Zone.

The campus is expected to open in 2018 and will provide improved facilities, more opportunities to work with commercial enterprises and help boost the waterside area with new leisure, education and business facilities. This project is part of a wider redevelopment of a stretch of waterside and will be a catalyst for further development in the Enterprise Zone and the wider Northampton area.

There is a significant multiplier effect from the project which for which there is expected to be a secondary output of £0.67m generated within the Northamptonshire economy while a further £0.51m is created in the wider East Midlands economy and an additional £0.26m beyond that in the rest of the UK. The total number of jobs created and safeguarded by the project totals 2,600.

Upon completion of the new campus the university's existing campuses will be sold for housing development. In fact the conditional land contract with Taylor Wimpey/Persimmon includes a land swap of part of the Park Campus. This will provide a major addition to the housing stock in the locality providing up to 700 new dwellings and removing pressure on local housing stock.

All permissions are in place and the vast bulk of the finance secured, subject to a decision from HEFCE. However, there remains a funding gap if the total economic value is to be delivered by opening up the whole site for wider business development.

Investment Priorities

Further Education

Project Name	Brief description and link to the strategic priorities of the SEP	Location	Funding			Outputs
			LGF Bid £m	Other funding £m	Total £m	
Redevelopment and Rationalisation of Tresham	Rationalisation and refurbishment of Wellingborough Campus to deliver subjects inc. STEM, Digital Media, Logistics Construction and High Performance Engineering	Wellingborough	11.34	4.86m	16.2	Supports delivery of an additional 580 learners in sectors with key skills shortages of new campus

Project Name	Brief description and link to the strategic priorities of the SEP	Location	Funding			Outputs
			LGF Bid £m	Other funding £m	Total £m	
Northampton College Daventry Campus – shared with SEM total figure	Provision of a new town centre vocational campus next to the UTC. The centre will provide a range of vocational training from entry level to level 3.	Daventry	6.5 (with SEM)	8.5	15	Supports the provision of an additional between 230 -430 additional new learners. Release potential land for development of circa 300 houses
Food and Drink Innovation Academy	Provision of a Food and Drink centre that will deliver provision that addressing gaps within this sector including food technology	Daventry	3	1.5	4.5	By June 2017 - 48 students. 144 thereafter and 48 graduate level
TOTAL			20.84	14.86	35.7	

Project Name	Brief description and link to the strategic priorities of the SEP	Location	Funding			Outputs
			LGF Bid £m	Other Funding £m	Total £m	
University of Northampton's Waterside Campus	Provision of a state of the art learning environment and wider business development campus.	Northampton	33.68	296.32	330	29,750 sqm academic facilities 8,100 sq m ancillary facilities 1,840 new jobs (gross) 1,000 new jobs (net) 17,000 sq. m office 450 sq. m retail 1,400 residential units
TOTAL			33.68	296.32	330	

Key Asks of Government

- **Establish a joint approach to decision-making between the Skills Funding Agency and the Northamptonshire LEP to work alongside the SFA on growth decisions and monitoring progress**
- **Longer term revenue funding for FE colleges to provide for longer term decision-making and development work in return for increased skills levels within the County**
- **A discussion with DfE and LEPs to agree how LEPs can play a greater role in IAG one to one provision within schools**
- **Service Level Agreement and a duty to cooperate between NEP and partners and Schools / Academies to address issues regarding employability skills and entry into vocational training growth sectors within the county in return for a 15% increase in apprenticeships in the HPT sector, 15% in the Transport and Logistics sector and 50% increase in the Food and drink sector. Other sectors would also see an increase of between 5-10 per cent.**
- **Where there are emerging gaps in provision the Education Funding Agency will work with the LEP and partners to ensure any commissioning of new/replacement demand provision taking into account the specific needs of the areas**
- **Additional funding of £5 million per annum for 2015/16 to support the development of higher level Skills provision within the county.**
- **Lower level of match funding for skills capital investment projects, reflecting the need to develop the delivery infrastructure**

Growing Our Places – Enabling Growth

3.4 Infrastructure and Connectivity

Strategic Priority: Provide the necessary infrastructure to facilitate sustainable economic growth

Rationale for investment:

The scale of growth potential in Northamptonshire is clear. An immediate pipeline of more than 35,000 homes with planning permission puts us in an unrivalled position in England. However, much of this development is constrained by major infrastructure schemes.

Put simply, if we are able to front-fund these schemes and remove the key barriers to growth, the development enabled will ensure that Northamptonshire continues to drive economic growth and deliver an even more significant return to UK PLC. It will have an **immediate impact** with more new homes delivered by 2015/16.

In order to deliver this quantum of growth there is a clear case for investment in infrastructure in order to support and unlock the economic growth potential of the area. The infrastructure needs are already identified and agreed by partners so development can be delivered quickly. Within the wider infrastructure needs we have undertaken detailed assessments of the deliverability and impact of schemes and have prioritised those schemes we know that can be delivered immediately.

Infrastructure investment across all areas – physical, environmental and social, is essential as part of building sustainable, vibrant and flourishing communities.

New infrastructure is crucial to releasing this development, generating value and stimulating economic growth. It increases public and market confidence and this in turn helps attract further investment through people moving to the area or by creating or attracting new business or development.

Northamptonshire has already acted to take the initiative and articulate its agenda for stimulating economic growth. In 2011 the Northamptonshire Arc spatial concept was agreed. This was one of the first approaches of its type in the country which looks at future economic growth, the environment and connectivity. Through an integrated approach to infrastructure and wider activity it aligns with the six key principles of the 'smart city' approach, namely:

- a smart **economy**
- smart **mobility**
- a smart **environment**
- smart **people**
- smart **living**
- smart **governance**

The Northamptonshire Arc provides the strategic context for future plans and infrastructure investment. It embraces innovation, Next Generation Access broadband networks, rail, highways and many other forms of infrastructure and connectivity.

Substantial planning of development through the North and West Core Spatial Strategies, have identified the potential for a major expansion of Northamptonshire's towns through Sustainable Urban Extensions (SUEs). However, a number of major infrastructure schemes have been identified that are necessary to unlock the development potential contained within these SUEs and other key potential development sites.

In terms of employment potential Northamptonshire has the capability and economic track record to contribute to significant employment growth from inward investment and indigenous growth.

Whilst we have a number of employment sites available to attract investment, there still remains a challenge in terms of ensuring these sites are investment ready with the appropriate infrastructure. Alongside that, ensuring that we have a full range of accommodation to meet the needs of growing companies including the provision of grow on space and good quality office accommodation in town centres is still an important challenge.

Therefore in order to realise Northamptonshire’s ambition and vision for growth there is a requirement for significant up-front infrastructure investment to create the right conditions for that growth to happen.

As part of the process of developing the Strategic Economic Plan we have worked with local partners to identify the key infrastructure investments necessary in the immediate and medium term to deliver our vision for growth. This work builds on the significant planning and pre-scheme development already undertaken by partners, especially both planning units and Northamptonshire County Council in its capacity as the Highways Authority. In terms of transport infrastructure our plans are consistent with the priorities identified by the Local Transport Body (LTB). We have also consulted with both the Highways Agency and the Environment Agency in relation to our proposed investments to ensure we have captured their input where appropriate.

In the preparation of the Local Transport Plan and the priorities developed by the Local Transport Board all neighbouring LEPs and transport authorities were consulted to ensure any cross border infrastructure constraints were considered. We have continued to engage with neighbouring LEPs to ensure that cross border strategic infrastructure is considered as part of our respective plans for growth, especially where there is synergy across borders such as the implementation of the Silverstone master plan.

The investment logic for Infrastructure and Connectivity can be summarised as follows:

INFRASTRUCTURE AND CONNECTIVITY STRATEGIC PRIORITY

Creating the Conditions for Growth

- BY 2031** Deliver 80,000 New Homes and create 70,000 new jobs
- BY 2021** Deliver 37,000 New Homes and 32,500 new jobs



Objective 3.4.1 – Transport as an Enabler of Growth

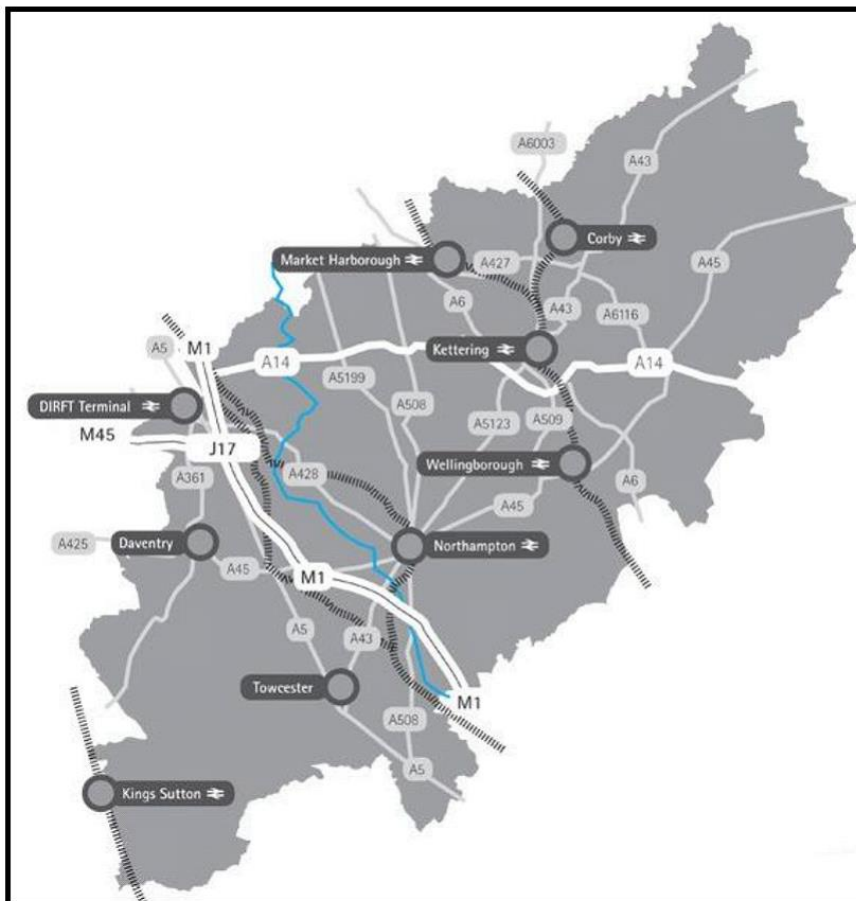
Northamptonshire's central geographic location means that it is well connected to key transport infrastructure. The County is in a prime location with quick access to the Midlands and to London and the South East.

The western half of the county benefits from good north-south links, being on the spine of the M1/M6 motorway and West Coast Main Line, and Northampton on the Northampton loop line, giving the county good access to the UK's two biggest cities, London and Birmingham. The eastern half of the county is also a key corridor with the Midland Main Line railway running north-south, and the A14 running east-west offering good links to the Haven seaports.

Other important routes include the A45 and A43 which together link the east and west of the county, and connect the A14 to the M40 and onward links to Oxford and the south of England.

Northamptonshire is also close to a number of airports – Birmingham International, East Midlands, London's Luton, Stansted and Heathrow are all within easy reach.

The development of this transport infrastructure has had a major impact on how Northamptonshire and its towns have grown to date, continuing to invest in infrastructure is fundamental for its future growth.



Northamptonshire's strategic road and rail links

Rail and HS2

Northamptonshire is served by three discrete national rail lines:

1. the Northampton Loop off the West Coast Main Line, with stations at Northampton and Long Buckby;
2. the Midland Main Line, with stations at Corby, Kettering and Wellingborough and
3. further station at Kings Sutton in South Northamptonshire served by trains from Banbury to London Marylebone and Oxford.

In passenger terms, rail journeys are predominantly in and out of the county, rather than internal trips, with key destinations including London, Birmingham, Coventry, Leicester and Milton Keynes. However, journey times are comparatively slow. E.g. the fastest Northampton – London (66 miles) time of 55 minutes, compares unfavourably with Milton Keynes (50 miles) in 35 minutes or Coventry (94 miles) in 61 minutes.

Faster and more frequent connections are needed to London, Birmingham and other cities to support continued economic growth and make the county more attractive for those businesses that rely on excellent rail links. Northamptonshire's ambition through its 'fast rail agenda' is a sub 40 minute journey times to both London and Birmingham.

Northamptonshire is at the heart of the country's rail freight network. Daventry International Rail Freight Terminal is one of Britain's largest multi-modal rail freight terminals located close to the West Coast Main Line and J18 of the M1. There are also other key rail freight terminals at Corby and Wellingborough, reflecting the importance of logistics in the area.

The continued electrification of the Midland Mainline is also opening up further investment and redevelopment opportunities of stations at Wellingborough, Kettering and Corby. Close working with Network Rail will be essential to release redundant land around these stations to enhance the regeneration potential of these transport hubs.

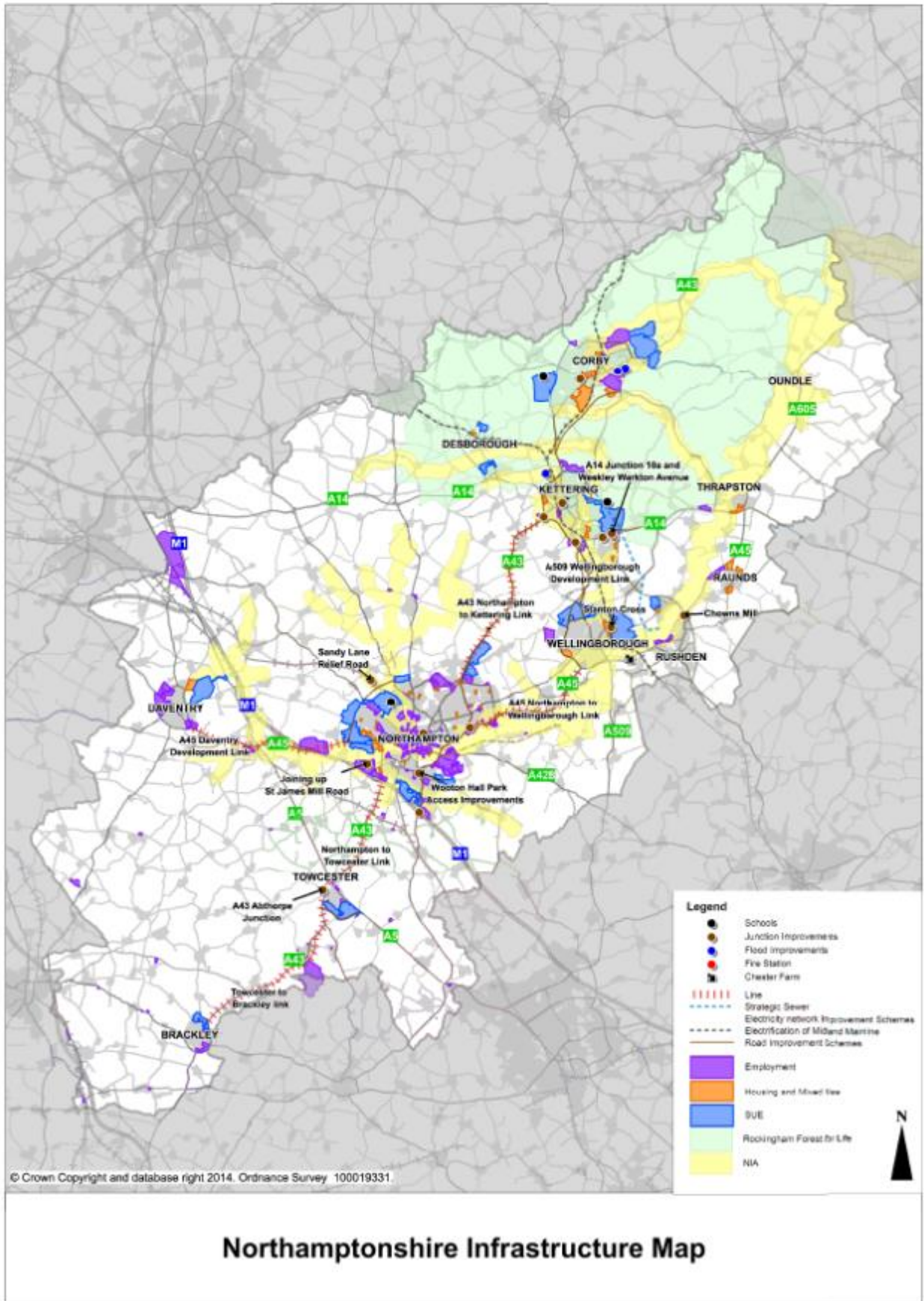
The southern end of the West Coast Main Line is one of Britain's busiest rail routes for both passenger and freight traffic. Network Rail forecasts that by 2020 there will be no more paths available on the route, limiting growth for both passenger and freight services. For this reason many local organisations and businesses support HS2, despite the environmental impact of the route where it passes through the south of the county. It has the potential to increase the speed, frequency and capacity of passenger rail services to the county and the number of paths available for rail freight. Phase 2 of HS2 is expected to expand the opportunities for longer-distance connectivity through connections at Birmingham Interchange and East Midlands Hub stations.

It is recognised that the development of the HS2 line and its subsequent operation may present both opportunities and challenges for local communities and businesses, which Northamptonshire needs to maximise or militate against. Early dialogue with HS2 Ltd. and Network Rail will be necessary and desirable to allow for full and open discussion of these, outside of the formal statutory petitions process.

Road Infrastructure

In order to continue to deliver economic growth in Northamptonshire there are a number of transport schemes which are critical to enabling this. This will require significant investment, but will provide sound return on investment. Importantly many of these are short term deliverables, in that work can commence immediately, However, there is currently a deficit in delivering this growth enabling transport infrastructure, which has been costed at £1billion.

In considering the package of schemes seeking funding from LGF, we have built upon existing agreed transport plans set within existing Local Plans. This package of schemes delivers priorities across Northamptonshire and reflects extensive work completed to produce a robust programme, which has also been assessed as part of the Local Transport Body assessment process. These are fundamental to realising the objectives of the Strategic Economic Plan, which will be constrained without additional investment from the Local Growth Fund. However, with LGF investment we can develop out a significant number of employment and housing sites that will facilitate growth at levels significantly in excess of other LEP areas. The pre-development work on all major proposals means that Northamptonshire is geared up and ready to grow, with shovel ready schemes.



The investment package includes schemes on the national network, where it is proposed to use LGF to facilitate delivery. The package also contains initiatives designed to utilise new technology, which it

is intended will be brought forward to complement capital schemes and help manage demand. These initiatives include measures to incentivise modal shift, particularly for home to office journeys non-car modes and make these easier, particularly for journeys to and from work, and reflect the significant allocation of Local Sustainable Transport Funds (LSTF) within the LGF.

All our transport schemes were independently assessed against the SEP and DFT guidance and in particular against the three tests of deliverability in 2015/16, impact against our SEP objectives of housing and employment targets, and leverage. Below is a short list of the schemes that are shovel ready for 2015/16 with further details of each the projects summarised at the end of this section. Full business cases for each of the major transport schemes will be provided as supporting information.

Proposed transport schemes for 2015/16:

Insert 2015/16 Prioritised Projects from separate Annex.

Focus On: Smart Commuting and Technology Solutions

Northamptonshire has a goal of being at the leading edge of the digital economy. This is consistent with our desire to respond to the growing challenges associated with an increasingly mobile population. As an area that actively encourages economic growth, we recognise that we need to manage growth in the demand. We want to use a range of interventions available to us that can influence the decisions that businesses and individuals make about how they travel and in doing so to ensure the most efficient use of our transport network and avoid increasing congestion and delays.

The smart commuter project will bring live and user-focused travel information to Northamptonshire. It will offer it to people in a way that suits the way they lead their lives and the growing influence of new technology. The initial focus will be Northampton, but the project will then be extended across the county. This initiative will complement investment in the network and utilise the latest technology and applications. Building on existing systems, data sources and social media, a series of user-focused information systems, web tools and smartphone applications will provide the travelling public, businesses and schools with live information, journey planning resources and incentivised commuting challenges.

On-street information systems will also feature, including car park management technology that avoids the need for drivers to search for a free parking space, and information 'totems' and variable message systems that provide the latest news on travel and local events via live feeds. Social media integration will allow for the travelling public to enter into a two way relationship with service providers – for accessing live information and for providing feedback.

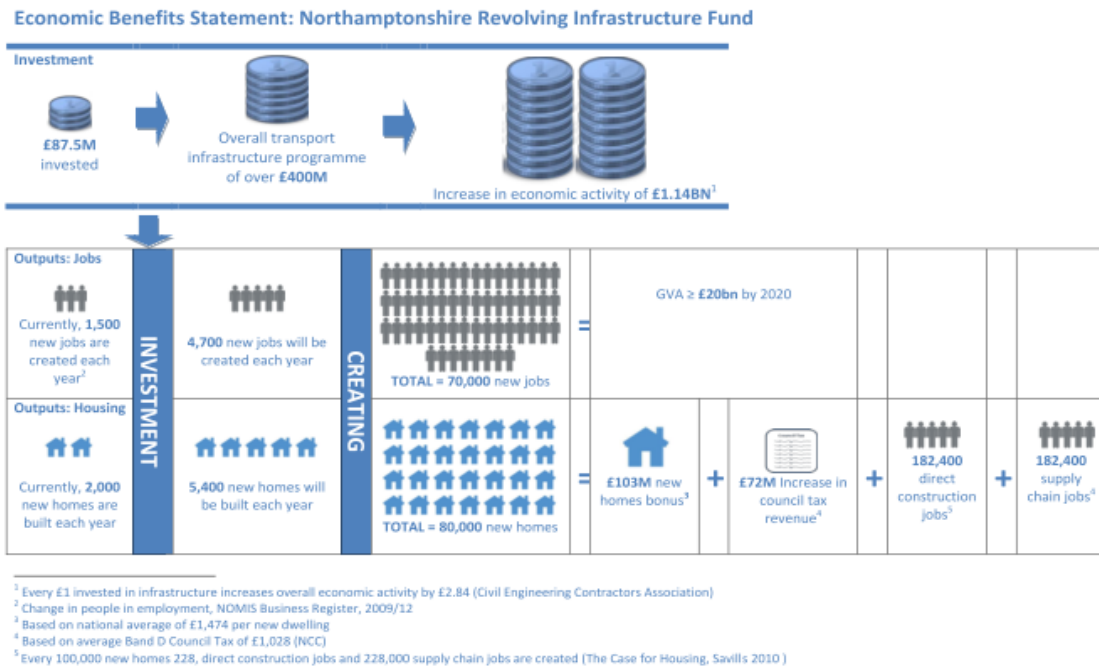
This project has strong support from a wider range of public and private sector stakeholders. Supporters include Schneider Electric, British Gas, the University of Northampton, the Institute of Directors, Northampton Borough Council, Sustrans, Steer Davies Gleave, MGWSP, LOVE Northamptonshire, Northamptonshire County Council, and Northamptonshire Enterprise Partnership.

Support for the smart commuter project from the Local Growth Fund and a Northamptonshire Growth Deal will enable the capital investment necessary to implement the latest systems and technology on the network. This is complemented by a £820k Local Sustainable Transport Fund bid for revenue funding in 2015/16. Further match funds and other support will also be committed by the County Council and its strategic partners to help ensure success and enable delivery to start in 2014/15. This also includes looking at European funding and partnering opportunities and the potential to upscale the project.

Objective 3.4.2 – Growth Enabling Finance

Revolving Infrastructure Fund

Northamptonshire has recognised the barriers to development caused by uncertainty over delivery of key enabling infrastructure and has acted decisively by taking the lead and creating the **Northamptonshire Revolving Infrastructure Fund (NRIF)**. It has an initial value of over £100m and is designed explicitly to unlock major developments.



The NRIF is strongly supported by partners and developers alike, including receiving supporting letters from major housebuilders, such as Barratt Homes and Bovis Homes, because of its ability to de-risk their investments and unlock delivery whilst the market remains challenging. As a result, NRIF has been selected by Government as one of a limited number of Local Infrastructure Demonstrator schemes.

NRIF works by the County Council taking a lead ‘banker’ role in front-funding much of the design, planning and implementation costs needed to deliver the scheme and enable development to take place. It does this on the basis of detailed analysis of the business case, working alongside the developer, to establish a ‘funding bridge’ which is necessary to deliver the scheme. This is funded by the County Council through its long term Capital Strategy and borrowing. Repayment to the County Council will be secured through capturing and aligning various funding streams including section 106 contributions, New Homes Bonus and Community Infrastructure Levy receipts.

Three projects are currently being progressed on this basis through the NRIF. These are the A45 Daventry Development Link; the A43 Northampton to Kettering Development Link (Phase 1); and access links to the Stanton Cross Development at Wellingborough. A fourth project which is under discussion with the Highways Agency is the A45/A6 Chowns Mill Junction, near Rushden, in the east of the county. The forecast repayment term for each project is different and ranges up to 20 years for the A45 Daventry Development Link. The risk is borne by the County Council, which is based on confidence that it has the full support of the respective district council to share the development related income to repay borrowing, and this makes the NRIF work. The initial fund value of NRIF is £100m which is based on the financing costs associated with these projects.

The Northamptonshire Local Transport Body (LTB) has supported the NRIF by committing its allocation of £11.6m to the three priority NRIF projects. This initial commitment, and the certainty it provides, has enabled the County Council to advance fund design and planning work on the basis that this will be repaid once the allocation is received. In effect this has meant that work in Northamptonshire on delivering LTB backed schemes has started more than a year ahead of many

other areas enabling construction to start of these three schemes in 2014 and 2015 with the first development phases and new homes coming forward in the next 12 months. These three projects will help to start the release about 10,000 new homes and over 5,000 jobs. It is estimated that the immediate effect by 2015/16 of accelerating development through these three projects could be to boost the number of new homes completed by about 500 per annum which is equivalent to an additional £18.35m to annual GVA.

Return on Investment

The NRIF has the potential to significantly accelerate housing delivery and bring employment sites to market sooner. At current house building rates of around 2,000 per year it will take around 40 years to deliver the 2031 goal of 80,000 new homes, but with NRIF this will reduce to less than 20 years. Implementing the existing NRIF three schemes will have an immediate impact, boosting completions by 500 by 2015/16.

The more immediate impact of enabling the delivery of additional transport projects could see scope for an additional 1,400 homes released per annum by 2015/16 which is equivalent to more than an additional £51m to annual GVA.

NRIF is scalable and replicable through support from the County Council and the Local Growth Fund via Northamptonshire Enterprise Partnership and Government. This means that much more can be delivered in terms of accelerating housing delivery, and bringing employment sites to the market sooner, should Local Growth Fund support be secured for other transport priorities through a Growth Deal enabling the NRIF approach to be extended beyond the current three schemes.

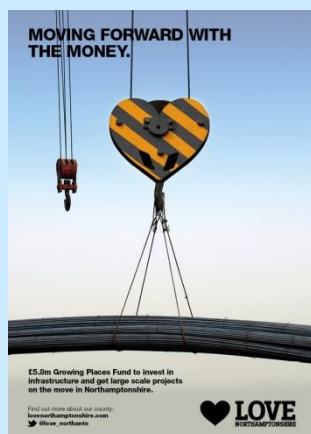
Expanding the NRIF delivers excellent value for money and leverage as LGF only contributes a fraction of the scheme costs, with the County Council on the basis of other commitments and the business case work, covering the remainder. NEP believes that this potential and scale of step change in development facilitated in Northamptonshire is unique to anywhere in England outside of London. It is only possible because of three key factors.

- Firstly, the significant development potential which exists in Northamptonshire, including over 35,000 homes with planning permission.
- Secondly, the existence of a mechanism to facilitate and accelerate the delivery of infrastructure to release this development.
- Thirdly, a body via the County Council, willing and able to front-fund the design, planning and implementation costs, assume responsibility, and take a long-term view to development and infrastructure financing working alongside developers and a supportive Local Enterprise Partnership.

Our key asks from government on the RIF through the SEP are:

- Local Growth Fund grant support for other key transport projects identified in the SEP, in addition to the three commitments already being supported through the LTB, to enable these to be added to the NRIF portfolio
- Access to concessionary loans via the Public Works Loan Board (PWLB) to invest in the NRIF and preferential access to and terms from other sources of funding, including the Local Infrastructure Fund managed by the HCA
- Confirmation that Community Infrastructure Levy receipts can be paid to the County Council by the respective borough and district councils (as the charging authorities) to meet the financing costs, including borrowing, associated with infrastructure delivery.
- Commitment from government to explore and develop a guarantor/bond arrangement to de-risk the impact of development-related income not being available to repay County Council costs.
- Commitment from government to introduce measures which discourage 'land-banking' and delays in delivery of extant permissions.

Focus On: Growing Places Fund



NEP was allocated £5.8m of Growing Places Funding, which has already helped to unlock significant development through investment in infrastructure. All our GPF allocation has already been committed to support the release of housing and jobs, demonstrating that through forward funding of infrastructure we can accelerate the release of housing and employment. The fact that the programme is already committed and oversubscribed demonstrates the demand for infrastructure investment across Northamptonshire with shovel ready schemes that are ready to go.

Below is an example of investment that demonstrates what we have already achieved and is an indication of the developer appetite within Northamptonshire that can be achieved through additional infrastructure investment through the LGF.

Funding of £1.6m has been provided to the Bela Partnership from NEP's Growing Places programme for the Priors Hall West Link Road (PHWLR), which forms an integral part of the wider delivery of Priors Hall Park residential development, comprising around 5,100 homes and other supporting mix of uses within this scheme. Linked to this is the construction of the Corby Northern Orbital Road (CNOR) and development of the Rockingham-related business park, which has the ability to accommodate 23,000 sqm (247,572 sqft) of new employment floorspace.

The PHWLR will comprise a single carriageway of 615 metres and a junction improvement will be constructed connecting the existing relief road to Priors Hall.

The provision of the PHWLR is a key infrastructure requirement which will unlock the development of an adjacent District Centre site, providing 39,855 sqm (429,000 sqft) of retail, employment, and car showroom floorspace, and has potential to include some leisure use comprising potential hotel development. In a change to the original scheme, Bela propose to also develop the site for an anchor supermarket scheme, comprising 3,902 sqm (42,000 sqft) of floorspace. Planning permission for a supermarket has been granted at an alternate site within the Priors Hall development and it is intended that this permission will be transferred to the District Centre site in order to provide a more sustainable location for the intended use.

It is also noted that the HCA are currently investing £17.5 million loan funding in significant site reclamation and infrastructure works at the Priors Hall Park. This funding from the Get Britain Building (GBB) Initiative seeks to unlock the stalled development following withdrawal of investment by the lending institutions during the period of recession. In addition, funding of around £1.85 million has been approved in principle from SEMLEP for a section of the Corby Northern Orbital Road, which will open up land designated for employment development as part of the Rockingham Business Park.

The outputs generated through investment by NEP are 12 hectares (33 acres) of land serviced, 420,000sq ft of retail, commercial and employment floorspace, creation of around 1,500 jobs, private sector leverage of circa £60 million and 1,450 temporary construction jobs. Work on site commenced in October 2013.

Objective 3.4.3 – Provide a Portfolio of Market Ready Major Investment Sites

Northamptonshire is extremely fortunate to have significant development land available to accommodate its ever increasing demand for employment land. A number of major sites have therefore been identified to support the 70,000 jobs to be created by 2031, of which it is anticipated that 35,000 will have been created by 2021.

Seven sites have been identified and prioritised by partners, given the capability of these to attract early investment. These were formally 'launched' in the Northamptonshire Investment Prospectus, and have attracted wide scale interest following a successful London launch event in November 2013.

These sites each experience different issues and constraints, which will need to be addressed to maximise their potential. The prioritised sites with an identification of the current state of development and any major barriers for development are:

Silverstone: 300 hectare site to provide enhancement of F1 and other racing facilities, including provision for the development of a new industry and technology park, hotels and other associated facilities; adjacent to the A43, with proximity to the M1 and M40;

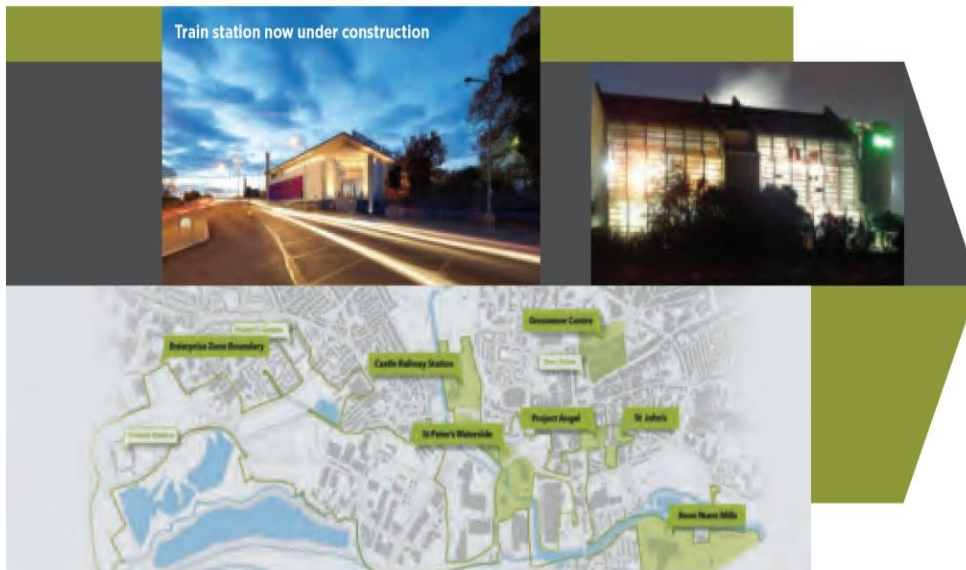
It is expected that the development when completed will support the creation of 8,400 permanent jobs. Expansion of the facilities at Silverstone will also have a beneficial impact across the broader area including the High Performance Technologies supply chain.

In order to bring forward the full potential of the site will require on and off site infrastructure improvements including new access off the A43 or improvements to the existing A43 junction as well as improvements to the Abthorpe Junction off the A43.



Northampton Waterside Enterprise Zone: The largest Enterprise Zone in the country with 20 investment sites alongside the River Nene in Northampton; with Northampton being adjacent to the M1.

Based on an extensive analysis of sites and a detailed business plan for the enterprise zone there is a need for up-front public sector investment in the sites to stimulate private sector investment in the Enterprise Zone. In order to create market ready sites there is a need for remediation, utility provision and infrastructure investment across a number of sites which will help to stimulate inward investment and commercial led development. Based on the site specific analysis we have identified costs of £4.5m to unlock 9 sites across the Enterprise Zone, which will support the creation of 8580 jobs and attract £352 M of private sector investment. Joining up St. James Mill Road is also a key element of infrastructure which will improve connectivity and access in the EZ.



DIRFT, M1 Junction 18 – a major rail freight and logistics location with a planned third phase providing an additional 162 hectares of development.

With most of DIRFT II almost developed, DIRFT III proposals would include opportunity for further development and involve a rail link from the existing terminal to a replacement rail terminal with rail served storage and distribution floorspace. As part of the planning obligations for the site development a number of infrastructure improvements would be necessary including highways infrastructure and public transport provision.



Kettering East: a total of 50 hectares of employment land north and south of the main east west A14/M6 from Port of Felixstowe to the rest of the UK. The site is planned mostly for office and industrial space, adjacent to the renewable energy park and the Kettering East SUE.

In addition to site specific infrastructure, there is also requirement to provide for potential future access from a new A14 junction, 10a as part of the Kettering East SUE.



Rockingham Park, Corby: 84 hectares of development land surrounding the Rockingham Motor Speedway near Corby with a focus on manufacturing and High Performance Technology Companies.

The development site is part of a much larger master plan area, comprising mainly brownfield and reclaimed land and sitting across two local authority boundaries – Corby and East Northamptonshire. A range of actions will be required to bring forward the site including potential de-contamination, improvements to local utilities infrastructure and the highway network to make parcels of land more attractive to occupiers and developers. Therefore in order to identify how best to take forward the site a feasibility study will be necessary which will explore all options for unlocking the development potential including a Local Development Order.



Stanton Cross Urban Extension, Wellingborough: 110 hectares employment with mix of uses as part of a SUE including 3,200 homes, adjacent to A45 and A14 linking to M1 and A1.

The main infrastructure necessary to unlock the development is a new access road that serves Station Island. It is expected that construction will start on the road in summer 2014, once completed the road will open the development of the wider SUE and enable commercial development to be brought forward.



Warth Park, East Northamptonshire: 32 hectare site focused on logistics and distribution development, adjacent to A45 and with easy access to main East west A14/M6. This scheme is already underway provided much needed office development with over half of the units being pre-let. Improvements to the Chowns Mill junction will help to improve traffic movement in the area.

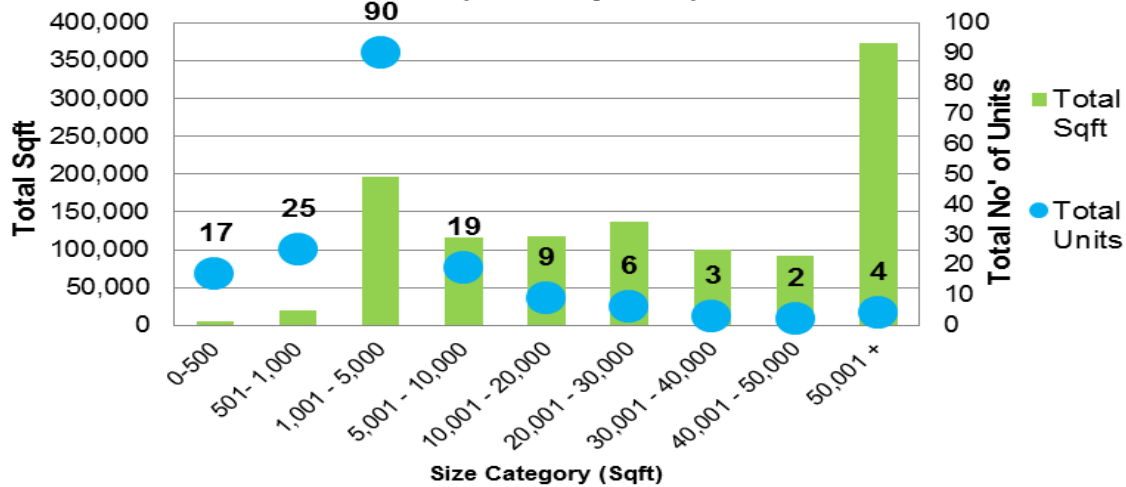


Objective 3.4.4 Increase Availability of Office Floor Space

In Northamptonshire there is an aspiration to grow the office sector away from the traditional manufacturing and industrial sectors, and provide higher value added office based jobs. The high number of SMEs, particularly micro-businesses has meant that demand to date has been focussed on smaller units, with a limited number of transactions in the larger size categories. This has resulted in limited speculative build activity of larger units leading to a shortage of move on space as businesses grow.

Supply (availability) of office accommodation across Northamptonshire is dominated by the 1,000 – 5,001 sqft categories (90 units). In general the market is made up of smaller enquiries (10,000 sq.ft. and under) with lower levels of availability in the 10,001 sqft + categories.

Offices Overview: Total Availability across Northamptonshire (AVL, July 2013)



Of the four Boroughs in North Northamptonshire the distribution of space is more equal, unlike in West Northamptonshire, where Northampton is the clear leader in terms of available units. Demand for office space is focused in the sub 5,000 sq ft size categories which make up the majority of the office accommodation market activity. Far fewer units have been transacted across the county for the 5,000 sq ft and over size categories.

There is strong demand for smaller office space throughout Northamptonshire; demand is strongest in Northampton, with demand in growth towns also significant. There are currently 15 managed workspaces within the LEP area. The level of occupancy in the workspaces is high, with strong interest displayed by prospective occupiers. This demonstrates further investment has the potential to capitalise on the strong entrepreneurial performance of Northamptonshire.

In order for Northamptonshire to excel in attracting and creating better-paid jobs, particularly in knowledge-based industries, there is a need to provide high-quality sites and premises for businesses to meet future employment growth. This requires the development of a network of accommodation (from home-working to major investment sites) as a key priority in supporting business growth.

Town centres are the preferred locations for office development suited to the existing town hierarchy. In West Northamptonshire it is recognised that SUEs maybe more suitable to meet growth targets for the office sector. The expected office development, and associated SUEs are primarily focused on the regeneration of Northampton's Central Area and for Daventry central area. These are the 2 key office locations for future growth. In Brackley there is the – Motorsport and R&D/Aviation focus at Reynard Park. In some of the smaller areas such as Brackley there is a need to renew and maintain the present office stock. In North Northamptonshire there is an aspiration to grow the office market, with focus towards the town centres at the growth towns, including opportunities around the railway stations at Corby, Kettering and Wellingborough.

In order to continue to attract new businesses in to Northamptonshire a key challenge is to ensure that we have a diverse range and quality of office space especially within town centres.

Based on an analysis of market trends and developer input we know that speculative development of office space is unlikely without significant finance or substantial pre-lets to ensure that development is viable. The economic downturn has had an impact on the commercial property market, the weak rents and yields mean that the viability of schemes is marginal at best and where there are other issues such as infrastructure investment then schemes are unviable and are unlikely to go forward.

Specific Actions

Therefore our role working with partners is to ensure we drive demand where we have surplus supply through our external marketing of the county, and where we have supply issues we work with the market to see what solutions can be jointly developed to meet that demand.

Significant employment space is included within a number of the SUEs across Northamptonshire, therefore unlocking these through our proposed infrastructure investment will help to bring additional

supply to the market – such as at Stanton Cross and Kettering East. Unlocking the sites as proposed on the Enterprise Zone will also help to bring forward more commercial space.

We know that we have a large supply of old stock in need of refurbishment, especially in relation to ensuring that buildings are more energy efficient. We will explore packages for incentivising re-furbishment of office space where it is commercially viable recognising that it isn't always the most economic option.

Continued regeneration of town centres will also help to stimulate new investment into office development.

We will seek to work with developers and planners to review what interventions we can design and implement to increase supply and availability of office floor space within town centres.

Objective 3.4.5 - Environmental Sustainability and Energy

We recognise that sustainable economic growth cannot be achieved without a healthy and natural environment and the natural services it provides. We support the need for sustainable growth and to that effect will ensure that economic development is delivered in a manner that protects the natural environment of the county.

A high quality natural environment that includes a network of Green Infrastructure attracts investment and adds to the distinctiveness of a place. It is also one of the main reasons people choose to live in and visit Northamptonshire. In addition, proximity to greenspace actively increases land value and helps to attract investment. The Commission for Architecture and the Built Environment (CABE) has undertaken research which demonstrates this increase in value to be in the region of 8%.

The core strategies for the county have had significant engagement and input from key partners to ensure that the environmental impact of planned development has been considered and appropriate green infrastructure provision has been incorporated within the infrastructure requirements of the core strategies. We will seek to continue to work with key partners, to ensure that development is delivered in a sustainable context.

As part of the Northamptonshire Arc, Northamptonshire already has an agreed plan in place for ensuring natural resilience that has been adopted by partners and helped to shape the spatial planning context for the county which underpins the SEPs vision for growth.

The vision for the plan titled 'Towards a Naturally Resilient Low Carbon Northamptonshire' is:

'To Build a naturally resilient environment in Northamptonshire that; has a healthy, strong ecosystems providing a range of functions which have a tangible economic and social and environmental benefits; can accommodate the County's growth aspirations; and prepares the County for climate change'

This plan demonstrates that investment in Northamptonshire's natural environment is essential to meeting the county's growth aspirations, protecting communities for inevitable climate change and providing a range of economic, social and environmental benefits.



Northamptonshire benefits from existing strong environmental partnerships – partners successfully bid for and launched the Nature Improvement Area (NIA) in 2012 and the River Nene Regional Park is well recognised as a vehicle for delivery. The Local Nature Partnership was set up in 2012, and has agreed priorities including supporting the ambitions of the vision for natural resilience, which will be delivered through its constituent partners.

NEP is a member of the LNP and is working closely with the partnership on developing shared priorities in recognition of the importance of a healthy natural environment as part of the vision for Northamptonshire.

Providing power to existing and new businesses is an important consideration for the SEP in light of a strong commitment to sustainable growth. If the LEP area is to meet its growth aspirations without increasing carbon emissions, a local supply of green energy will have a key role to play.

In terms of energy provision NEP has identified the need for funding to be provided to assist the development and reinforcement of power distribution in the county with specific regard to the following issues:

- Power shortages affecting business growth and continuity of location within the county
- Inability of renewable energy generation proposal with existing planning permission to connect due to existing overload
- Speeding up development areas of new growth – to maintain the speed of development within the county

Having engaged with the energy providers we have developed a solution to respond to some of these challenges through the extension of current Ofgen trials on local grid management.

Essentially local distribution networks are unmanaged /passive in the UK and the majority are operating substantially 'under capacity'. The use of funds to enable these local grids to become actively managed in the same way as some Ofgen trials are active in other parts of the country would create the growth and economic benefit that would support the longer term reinforcement. The concept is standard practice in Germany.

Private sector finance would also have its part to play in sustaining future operations with contributions from local decentralised connecting generators of renewables benefiting from being able to connect and to do so for longer periods. The low carbon agenda of the county would thus also be maintained attracting further financial support.

The cost of each managed grid is specific to each circumstance but is initially estimated, via pre-feasibility study, at around £2m per scheme. A minimum of two schemes have been identified. Benefits are clearly disproportionately higher and represent immense value for achieving Northamptonshire's growth and low carbon objectives.

In addition to the proposed smart grid trial there are also other opportunities being developed by partners including the development of a combined heat and power facility within Northampton which would contribute toward this aim.

This facility would reduce the cost of energy to consumers (including local domestic users) and reduce overall demand from centralised power stations, thus reducing stress on the electricity grid. A site has been identified and discussions are being held with Western Power. This initiative is being led on and will be delivered by partners.

This facility will be complemented by the development of the Kettering Energy Park, part of the Kettering East proposal which will also contribute towards the provision of alternative energy supply.

Focus On: Kettering East

Kettering Borough Council has an ambition to unlock development in the east of the borough which would generate an estimated £1.3bn of economic activity through housing, jobs and infrastructure. This includes a major financial commitment from private sector partners, including General Electric, which will allow Kettering to effectively cater for all of its current and future energy needs through a low carbon energy park.

To date, Kettering has achieved two of three stated aims for this project:

- Funding has already been secured for the widening of the A14. The widening is required to unlock growth in Kettering.
- Funding has also been offered from the South East Midland and Northamptonshire Local Enterprise Partnerships, this will allow the process of discharging conditions to be completed, and access into the site constructed, to allow a start on site in 2014.

However, additional funding is required for a major infrastructure project to enable on the delivery of a new roundabout off the E24 route (known locally as the A14) along with an eastern bypass to Kettering. The total funding requirement is in the region of £65m. Without this required infrastructure, housing delivery at East Kettering will be limited to less than 2,000 units. Growth in the rest of the borough will also be restricted.

Kettering and its private sector partners have worked alongside the LGA and BPF and identified the need for a Green Book Appraisal (i.e. an independent economic appraisal of their Responsible Growth Proposition, set out in a language which is understood by Central Government).

The Green Book Appraisal has been carried out by Local Partnerships and highlights a number of key issues:

- The net economic benefit of Kettering's Responsible Growth Proposition (5,500 new homes, 300,000sqm of new business and 60MW of low carbon energy) is in the region of £1.3bn
- The majority of this figure (£862m) is achieved by investment of £60m in the required infrastructure
- This arises from contributory factors such as increased employment, more efficient energy production and tax revenues for the Exchequer amongst others and represents a Benefit Cost Ratio (BCR) of 8.6 for the public sector

The Green Book Appraisal has also identified the direction in which these economic benefits flow – A very low percentage (14%) of the total tax take flows to the local purse

Figure xx.x Kettering British Developers Forum Case Study

Objective 3.4.6 – Create Superfast Northamptonshire – Digital and Communications

A key aim for NEP and its partners is to provide the necessary next generation broadband infrastructure in order to provide necessary business and domestic use. Northamptonshire has a goal of being at the leading edge of the global digital economy.

Digital connectivity is crucial to this and enabling innovation and boosting business growth. There is unequivocal evidence from areas where superfast broadband has been rolled out that it is changing the way SMEs operate and increasing agility and productivity in new and novel ways. Connectivity is driving efficiencies and savings and helping SMEs to achieve their ambition of creating new opportunities for growth.

This involves use of social media, 'cloud' based services, on line file sharing, access to data, and being able to download and upload media-heavy files.

Northamptonshire is already leading the way with ambitious plans for full fibre-based Next Generation Access to the entire county by 2017, ahead of most of the rest of the country. Commercial deployment will provide coverage to over 70% of premises by the end of 2015 and a partnership between the County Council and BT will extend coverage to 90% by the end of 2015.

Northamptonshire is at the vanguard of activities to extend digital connectivity to the final 10%, where a commercial solution has not yet been identified. This includes more than 4,000 businesses located on industrial estates in the county and this figure is nearer 10,000 if businesses in the rural areas and town centres are included.

Funding to stimulate demand amongst our businesses is being sought through the European Structural Investment Fund. However, there remains a critical gap with infrastructure to connect businesses and SMEs in particular which needs to be addressed, where further investment is sought. The SEP, and financial support through the LGF, will help to enable more local businesses access fibre-based superfast broadband speeds.

Evidence is clear about the critical nature of NGA to business and economic growth and performance. The return on investment is clear - Government figures indicate that **every £1 of public funding spent on superfast broadband delivers a £20 economic benefit.**

The SEP is seeking £2m of Local Growth Fund grant support to tackle this gap and extend superfast broadband connectivity beyond the current 90% of premises and will include services to the 60 business parks across the county including about 4,000 businesses. This additional resource would be targeted at areas outside of current and planned commercial coverage, and the current County Council project with BT, where broadband provision is inadequate to meet business requirements. Additional value and coverage would be secured through local funding commitments. In total we estimate that the final 10% will include about 10,000 businesses including many in the more rural parts of the county.

In terms of the impact of superfast broadband access on annual GVA, its forecast that current commercial coverage at 70% of premises will deliver an uplift in annual GVA of £116M pa by 2024. Full coverage will increase this figure to £210.4 M pa by 2024. These figures are based on modelling by SQW using the same methodology applied for the national model for BDUK.

Specific asks for Superfast Broadband

- £2m of Local Growth Fund grant funding, complementing County Council investment via the Access to Finance initiative, to extend coverage to the vast majority of businesses in the county
- Government to develop, consult on, and introduce new regulations which make it mandatory for fibre-based NGA to be available for all new premises.

Proposed Project Investments –Transport

TO BE INSERTED SEE SEPARATE ANNEX

Proposed Projects- Site Assembly and Utilities

Project Name	Brief description and link to the strategic priorities of the SEP	Location	Funding			Outputs
			LGF Bid	Other funding	Total	
Digital Economy	Extend Superfast Northamptonshire project to the final 10% of premises, including the 60 business parks across Northamptonshire to secure full coverage.	Northamptonshire	£2M	£10M	£12M	10,000 businesses accessing Superfast Broadband generating a GVA uplift of £94M per annum
Rockingham Enterprise Area Feasibility Study	To undertake detailed ground investigations to identify how best to unlock 84 hectares of employment land	Corby	£50,000	0	£50,000	Unlocking employment land
Northampton Waterside Enterprise Zone Site remediation	Upfront site remediation and utility provision to stimulate commercial demand in the EZ	Northampton	£4.5m	0	£4.5m	8,580 jobs 132,000 sq. of new floorspace
SMART grid Trials	Extend Ofgen grid management trials to 2 grid areas in Northamptonshire to provide active grid management of supply	Northamptonshire	£2m	£2m	£4m	
TOTAL			£9M	£12M	£21M	

Key Asks of Government:

- **Investment in transport enabling infrastructure as per the Investment Plan, and a commitment to provide certainty for longer term investment into infrastructure**
- **Access to concessionary loans through the Public Works Loan Board (PWLB) to invest into NRIF and preferential access to and terms from other sources of funding, including the Local Infrastructure Fund managed by the HCA**
- **Confirmation that Community Infrastructure Levy receipts can be paid to the County Council by the respective borough and district councils (as the charging authorities) to meet the financing costs, including borrowing, associated with infrastructure delivery.**
- **An early discussion with Government regarding central government land disposal for housing or employment usage; in return Northamptonshire and its partners will develop an asset utilisation strategy to support the growth agenda.**
- **Guarantor/bond arrangement: a commitment to look at developing a 'guarantor' or 'bond-type' arrangement to mitigate the potential challenge of development-related income not being available to repay Northamptonshire County Council borrowing.**
- **Commitment from government to introduce measures which discourage 'land-banking' and delays in delivery of extant permissions.**
- **Government to develop, consult on, and introduce new regulations which make it mandatory for fibre-based NGA to be available for all new premises**
- **Broker an early meeting between HS2 Ltd and Network Rail to ensure that the benefits and potential dis-benefits of HS2 on businesses and communities are considered and addressed.**
- **Commitment from Network Rail to enter into an early dialogue to de-commission railway line through St. James Mill road, Northampton enabling the road to be completed.**
- **Commitment from the Highways Agency to work with local partners to deliver Junction 10a of the A14 to enable the Kettering East expansion**
- **Commitment from the Highways Agency to prioritise funding of the A43 Abthorpe junction improvements through their pinch point programme.**

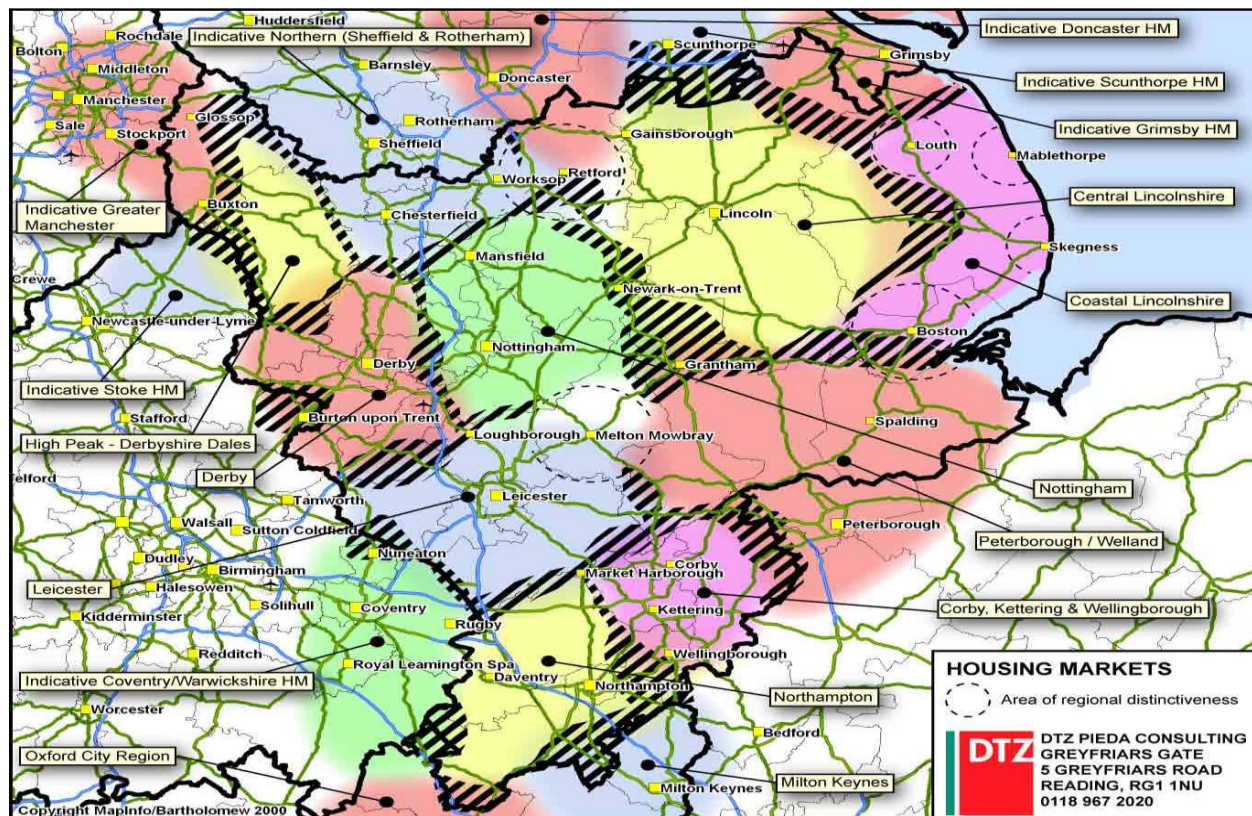
3.5 Housing

Strategic Priority: *Ensure that the current and future housing needs of Northamptonshire's population are met, by providing the right product at the right price in the right place.*

Rationale: Northamptonshire has one of the fastest growing populations in the United Kingdom exceeding national growth rates by 11% over the last two decades, and accommodating significant immigration. This growing population has and will continue to place additional demands for new housing, which has been recognised in the Local Plan documents for North Northamptonshire and West Northamptonshire which provide for a combined total of 35,200 new homes over the life of the SEP. In recognition of the scale of new housing required a series of Sustainable Urban Extensions (SUEs) were agreed, which would deliver over half of the total housing requirement over the plan period. When the SUEs were agreed it was on the understanding that relevant supporting transport and social infrastructure would be integral to the development. However, the economic downturn has impacted upon the delivery of the SUEs, which means that developers have to some extent concentrated on smaller sites requiring less enabling infrastructure, meaning that supply in the longer term will be heavily reliant on unlocking the SUEs. Therefore, intervention is required to support build out on those sites which will make a significant contribution to Northamptonshire's overall supply of new housing.

Although in Northamptonshire average house prices are lower than the national average this masks marked differences in affordability between different boroughs and districts within the county. Additionally, the North Northamptonshire and West Northamptonshire Strategic Housing Market Assessments identifies emerging needs for different housing products to respond to a combination of factors including an ageing population, high quality aspirations of downsizers and providing appropriate accommodation to respond to the welfare reform agenda.

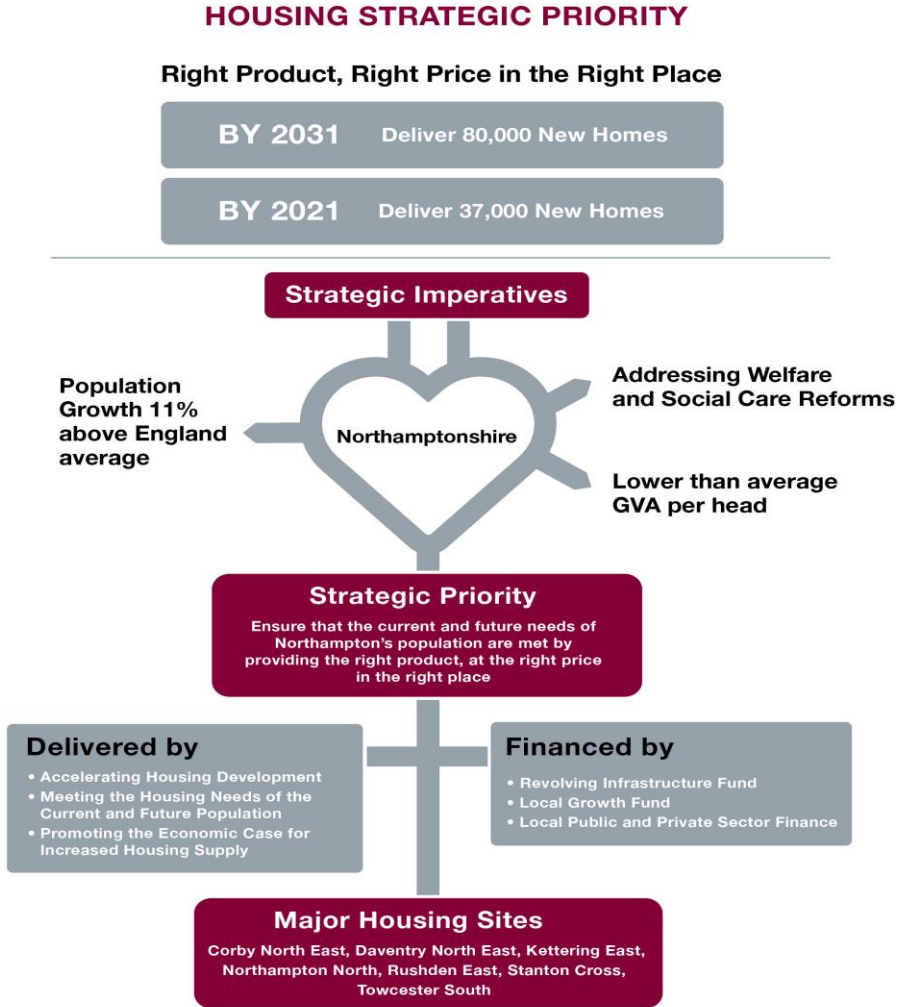
Northamptonshire is not one homogeneous housing market, instead consisting of two distinct markets, North Northamptonshire and West Northamptonshire, which whilst operating as function housing markets, also have their own internal sub-markets operating. A sophisticated understanding of the needs of each of these markets is important to ensure that communities are open to development, recognising that it meets their needs and those of their families and communities.



The need to meet the demands of both a growing population and changing demand in a market that is still recovering from the economic downturn means that intervention will be necessary to deliver

housing at the scale and pace that is required. This will necessitate close working relationships between all parties to develop shared and creative solutions to deliver the right product at the right price in the right place. A Housing Strategy Board has therefore been formally constituted within NEP’s governance structure to reinforce the importance of housing to the overall growth agenda and to take forward the strategic objectives for this priority, reporting to the main board for the delivery of these. This Board will bring together developers, house builders, Local Authorities, Registered Providers, the HCA, the LEP and others, essentially working as a Housing Task Force for Northamptonshire.

The investment logic for Housing can be summarised as follows:



Objective 3.5.1 Accelerating Housing Development

The Strategic Economic Plan has committed to an ambitious housing target, which exceeds that in Local Plan trajectories by over 5.11%. It also exceeds DCLG household projections by 6,600 units. It is recognised that the SUEs will make an important key contribution to the delivery of these targets, as they will account for 52% of the 37,000 homes to be delivered by 2021.

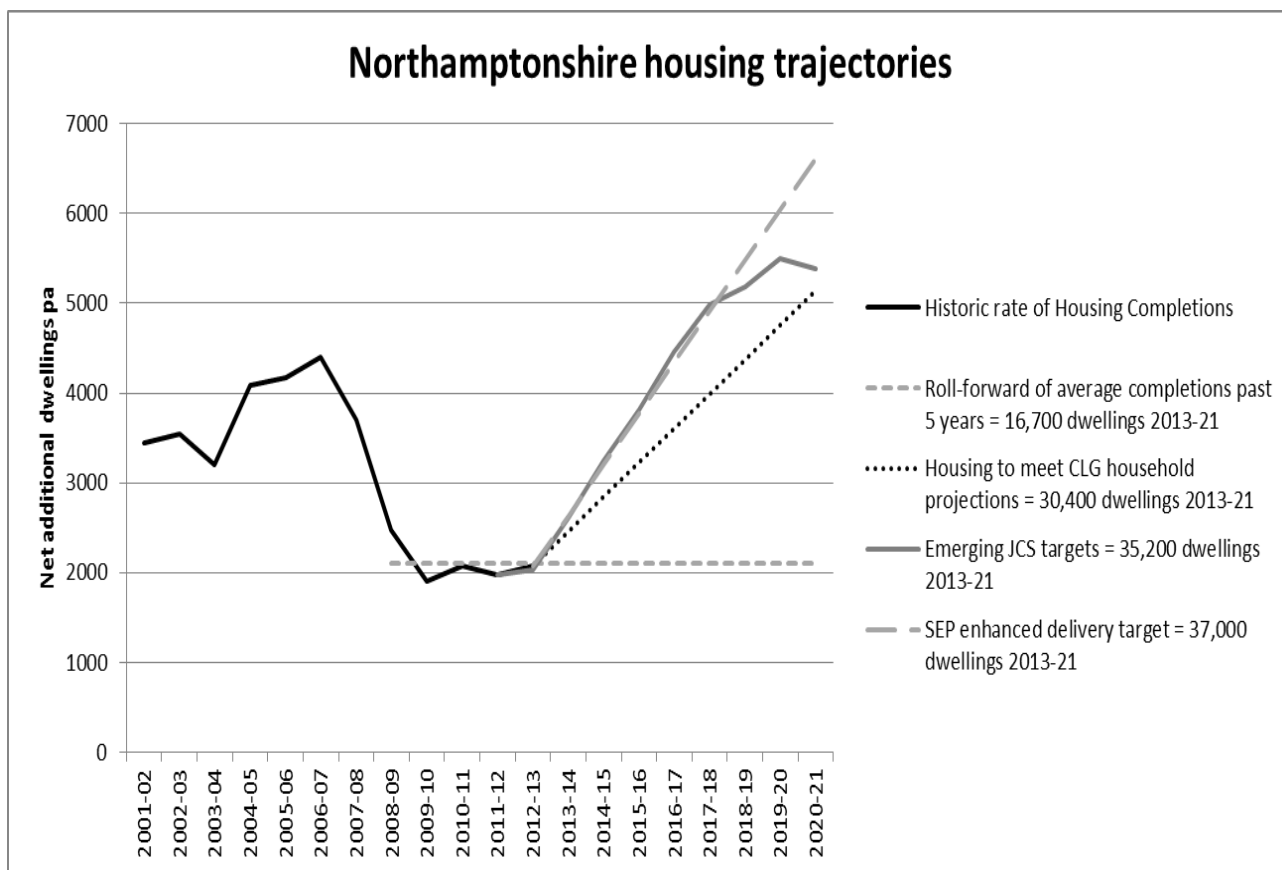


Figure x.xx Northamptonshire's 2021 Housing Trajectory

Northamptonshire has already responded positively to the housing growth challenge delivering a dwelling stock increase of 11.4% compared to 8.3% for England (ONS census), during the period 2001-2011. Kettering, Corby and East Northamptonshire were some of the fastest growing local authorities in England, with dwelling stock increasing by 16.3%, 15.5% and 14.6% respectively.

DCLG household projections reflect high levels of past growth and are the starting point for assessing future housing requirements in line with the National Planning Policy Framework (NPPF). The 2011 Interim Household projections are for an average of 3,690 new households pa over the period to 2021, and assuming a 3% vacancy rate, this would require 3,800 dwellings per annum, a total of 30,400 dwellings in the period 2013-21.

Over the past 5 years, annual dwelling completions have been less than half the rate of development seen before the recession. A continuation of recent rates of development would see an additional 16,700 homes built by 2021. Recovery is now underway and the emerging Joint Core Strategies for North and West Northamptonshire provide ambitious growth trajectories for 35,200 new dwellings by 2021 (and sustained high rates of growth thereafter). This is more than twice current levels of development and well in excess of dwelling requirements arising from CLG household projections.

The local planning authorities, through their Annual Monitoring Returns/Joint Core Strategies delivery trajectories and in consultation with site promoters, have identified potential to deliver even higher levels of growth by 2021 if this is supported by market demand and the provision of supporting infrastructure.

Sustainable Urban Extensions (SUEs) at the main towns have been identified as the most sustainable means of delivering a step-change in growth, amongst other things: making best use of existing infrastructure and services; reducing the need to travel; conserving the countryside; and supporting the regeneration of the towns. The SUEs are the main difference between maintaining current rates of development, primarily on smaller sites (of which there is a dwindling supply at the main towns), and more than doubling housing delivery as proposed in emerging JCS's. SUEs are large, complex developments and some are likely to deliver more housing in the period after 2021. However, a number of the SUEs are either underway or poised to start when necessary infrastructure is provided.

The JCS trajectories identify capacity for around 19,400 dwellings on these SUEs in the period to 2021, which would account for around 55% of emerging JCS targets

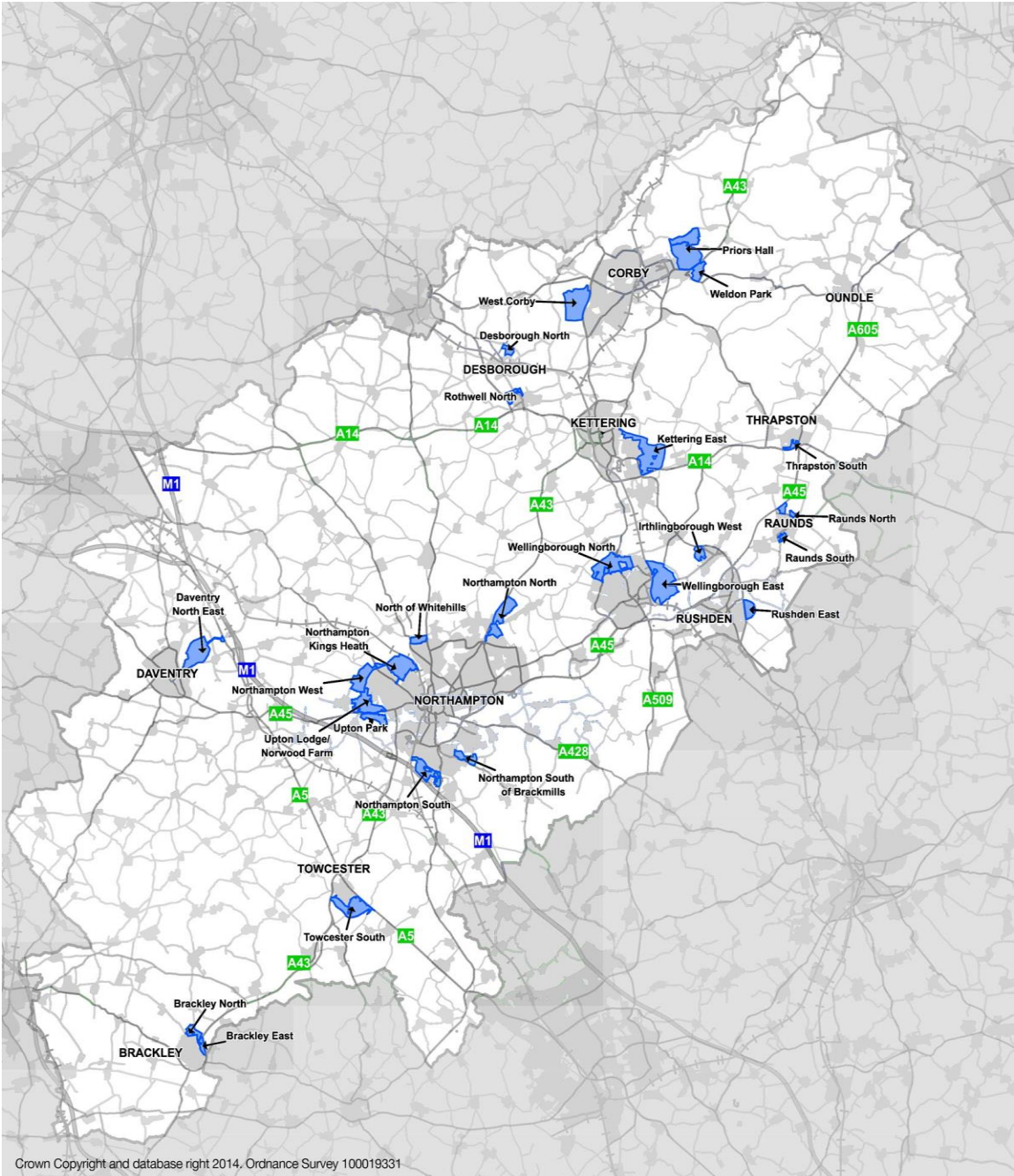


Figure xx.x Northamptonshire’s SUEs/Key Housing Development Sites

A study by the Open University²² identified that “SUEs have long lead times. They require substantially more site assembly, infrastructure investment and plan preparation than small schemesa sustained period of capital and revenue infrastructure investment much of it from the public sector e.g. roads, schools, health facilities; and also from infrastructure companies such as water, communications, and energy companies.....a long term commitment to public sector investment in affordable housing given that only in boom periods can a mix of tenures and housing types be funded by cross-subsidy from market housing.....and a long term strategic and coordinated focus on these matters by public authorities at all levels of Government - local, regional and national level”.

²² Open University Briefing Note 2 Does the idea of Sustainable Urban Extensions still have a future?

The SEP has therefore prioritised acceleration activities on the SUEs, given the potential of these to deliver out significant housing numbers of the life of the SEP. Progress on the Priors Hall site stimulated by HCA kickstart funding and transport infrastructure investment by both NEP and SEMLEP demonstrates how catalytic investment can help to get the market moving, and is recognised by the Open University Study as an example of how intervention can kick-start the market. The Local Transport Board and NEP have therefore prioritised transport investments, which will help unlock development in the SUEs, importantly providing significant local investment into these. Local Growth Funding will help unlock these developments and allow the further acceleration of housing development on site. £xxx m of Local Growth Fund monies will allow xx schemes to progress, which will lever in a further £xxm of local public and private sector funding. The details of these schemes and the outcomes associated with these are outlined in the Infrastructure and Connectivity section of this document.

This investment in critical infrastructure will help to de-risk private sector investment and get the market moving, whilst still in recovery phase.

HCA investment could also help accelerate development further and given the scale of housing proposed together with growing need and demand, Northamptonshire would wish to be prioritised for LIF investment.

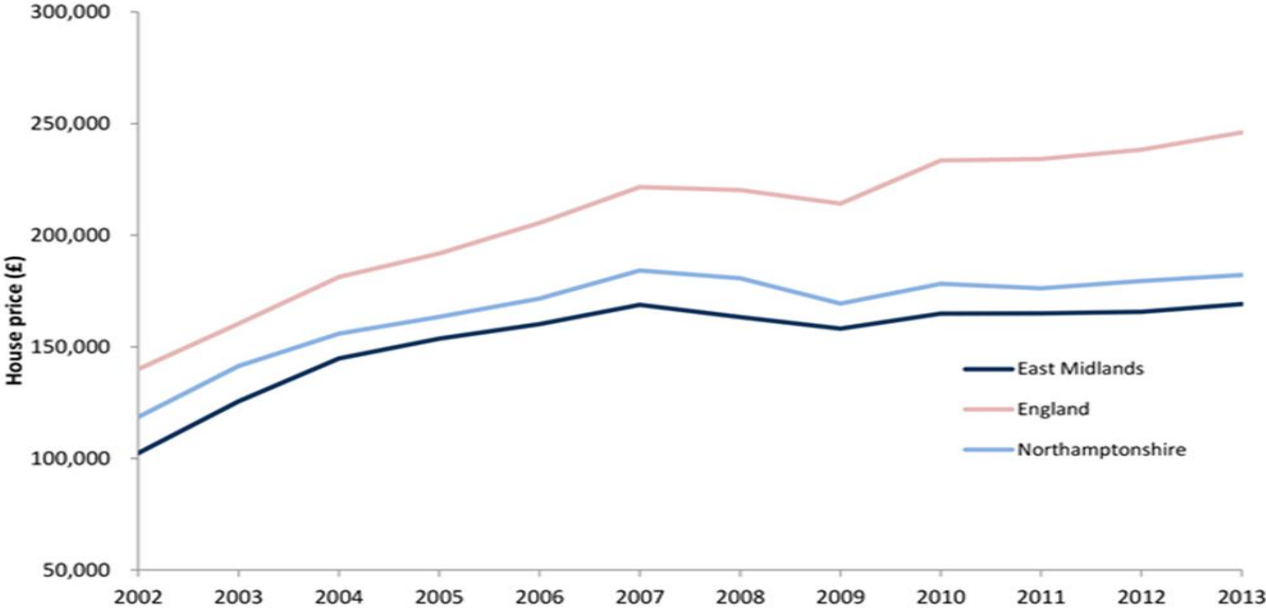
Major house builders have also expressed concern about the treatment of broad band, which is now seen as a 'utility', by consumers, creating extra costs for development without commensurate recompense from the companies benefitting from its provision. Developers would therefore like to seriously explore the potential for a new approach to the provision of broadband.

Benefits of investment: Infrastructure investment in the SUEs will accelerate house build out rates significantly, allowing the delivery of current targets earlier, and creating the potential for a further xxx homes to be built over and above those currently in Local Plans.

Objective 3.5.2 – Meet the Housing Needs of the Current and Future Population

New homes being built must meet the current and future needs of the population, as the needs of a rapidly growing and changing demography must be accommodated within the products and the prices of homes on the market.

Whilst house prices in Northamptonshire cost less than the England average affordability remains an issue, given that average earnings are also lower than national averages.



This means that the provision of affordable housing remains an ongoing and important priority for Northamptonshire and its people. HCA can play an important role in helping to address affordability through the Affordable Housing programme and the surplus land initiative.

Help to Buy has played a critical role in helping the fragile housing market to move towards recovery, with house builders advising that this has made a marked difference to market demand. Therefore, the

decision to extend this initiative to 2020 is welcomed, as it is recognised that this will play an important role in helping the market to stabilise and return to a new form of business ‘normality’.

Registered Providers play an important role in the provision of affordable housing and locally LSVT RPs believe that there is potential to deliver increased volumes of affordable housing if the S133 restrictions were lifted, enabling these Registered Providers to dispose of stock at Open Market Value rather than Existing Use Value. This could potentially create an additional 30% investment pot to be spent on affordable homes.

The private rental market can also play a bigger role in the provision of housing and there is potential to look at how developing this market to operate at scale via institutional investment. This would create up front funding to help catalyse the development of sites.

Work on local Strategic Housing Market Assessments has identified that demand is changing reflecting a wide range of social and demographic issues. The main changes that need to be addressed are the demand for accommodation to meet an ageing population as by 2020 21% of Northamptonshire’s population will be over aged 75; a desire for a different and high quality offer for those downsizing; and the need to provide smaller affordable housing to respond to welfare reforms. These issues need to be addressed against a backdrop of a still recovering housing market and as such a creative approach will be required to ensure that new housing reflects these changing needs.

The Housing Strategy Board will therefore produce a Northamptonshire wide Strategic Housing Action Plan to develop an effective response to the issues of right price and right product, which will facilitate implementation at scale and capture experience and learning locally and nationally. This will include exploration of the role that existing stock can play in addressing these issues.

Objective 3.5.3 – Promote the economic benefits of house building

House building can make an important contribution to economic growth and is essential to meeting the needs of Northamptonshire’s people and to avoid unsustainable commuting patterns. However, the building of new houses can also be a sensitive issue with concerns being expressed by communities about the impact of new developments on their own local services. It is therefore important that all of those involved in the housing agenda have a shared understanding of the economic benefits that housing delivery can bring, through increased local spending power and revenue and by creating direct local employment and business supply chain opportunities. NEP can play a key role in both identifying and promoting these opportunities and in making them having, by for example ensuring that skills provision effectively responds to the increased need for construction skills to meet the anticipated significantly increased demand.

A programme of activity engaging landowners, house builders, Local Authority elected members, Town and Parish Councils and local communities will be developed to capture and promote the economic benefits of housing growth. This will be led by the Housing Strategy Board and will focus on both events and operational working on the ground to broker agreement and understanding.

Asks of Government:

- **Local Growth Fund Investment in the prioritised transport schemes to accelerate the delivery of significant housing, lever in match funding from the public and private sector locally; and create a platform for increased housing numbers.**
- **New Homes Bonus incentive: Flexibility to secure an NHB performance dividend linked to achieving a step-change in the release of new homes and accompanied by a local commitment that this dividend would be invested in infrastructure.**
- **LPAs to have flexibility to choose between s106 and CIL as mechanism for pooling contributions.**
- **Northamptonshire to be prioritised for LIF investment, recognising the specific requirements**

in bringing forward SUEs.

- **HCA to work with NEP and partners to develop creative mechanisms to bring forward HCA lands and any other surplus public land identified for disposal by Government. Locally public sector partners will explore how local assets can be used more creatively to enable housing development.**
- **DCLG to consider how the costs and benefits of broadband can be better shared between house builders and digital providers.**
- **The Secretary of State to agree that LSVT RP land could be disposed of free of the s.133 Restriction to enable the additional development of affordable housing at no additional cost to the public purse.**
- **HCA to work with NEP and partners to develop more institutional engagement in the development of housing for the private rented sector.**

4 The Economic Case for Investment in Northamptonshire

4.1 Return on Investment

4.1.1 Growth in GVA with and without the Growth Plan

Forecasts of future trends in GVA have been prepared for the LEP, based on policy neutral, business as usual, assumptions²³. These indicate an average annual rate of growth of between 2.4% (lower bound) and 4.7% (upper bound), with a mid-range estimate of some 3.9%. Using the mid-range estimate this would result in GVA in 2020 of some £20 billion. This represents an increase of some £5 billion of GVA, 30% over a 7 year period.

These rates are higher than national estimates and reflect the potential for increased rates of productivity in Northamptonshire, under business as usual conditions.

Even taking the lower bound rate of growth, this is on par with national rates of growth at times of a buoyant international economy.

Based on these rates of growth, the potential returns to investment can be explored.

Assuming that the 'policy-on' activity set out in the Growth Plan is able to add half of 1% to the rate of growth (from 2.4% to 2.9%, well within the projected range) from 2015, and taking the projected lower bound rate of growth as a baseline, then the local economy would be some £0.5 billion larger in 2020 than without the policy stimulus.

Over the 6 year period (2015 to 2020) this amounts to an additional GVA of £1.8 billion (before discounting). This would provide an internal rate of return of some 7% on an investment of £1.5 billion (£300 million a year for the same period). Much larger returns obviously follow if the policy effect is larger or from a higher base.

In other words, even a modest effect on the growth rate has the potential to justify a substantial rate of investment in the growth plan.

4.1.2 Growth in productivity with and without the Growth Plan

The increased rate of growth in GVA is driven by improvements in productivity. Based on the mid-range projections for GVA and employment, productivity (GVA per job) rises from £39,700 in 2013, to £48,200 in 2020, an increase of 25% over the period, or 2.8% per year. Projected rates range from an average of 1.8% (lower bound) to 3.2% (upper bound).

The increase in productivity adds £3.2 billion of GVA in 2020 (mid-range) with a range from £2 billion (lower bound) to £3.7 billion (upper bound).

Again, following the same logic as applied to GVA, if the Growth Plan could add half of 1% to the growth in productivity estimated at the lower end of the range (1.8% to 2.3%), this would increase productivity to £46,500 in 2020. This is equivalent to an increase in GVA of £0.5 billion in 2020, attributable to the policy stimulus.

4.2 Working with Neighbouring LEPs to Create Multiplier Effects

The significance of Northamptonshire's strategic location at the heart of England has been recognised. A number of key growth sectors have supply chains and links to relevant economic assets which extend beyond the county boundary.

Key to Northamptonshire's success will be our flexibility to work with our 6 neighbouring LEPs on targeted activities where this adds value, capacity and economic impact for Northamptonshire and UK plc.

This cross-working is crucial to maximise the growth of the economy in both Northamptonshire and the wider sub-region, generating larger multipliers, for example through an expanded but targeted approach to the support for the High Performance Technology Sector building on the cross-LEP HPT group. This will also focus on the shared approach to supporting the delivery of the Silverstone

²³ Northamptonshire Local Economic Assessment, Oxford Economics, Scenario Annex

Masterplan which is jointly supported by the surrounding LEPs of Buckinghamshire, Oxfordshire and SEMLEP.

Focus On: High Performance Technologies Joint LEP Collaboration

NEP are working closely with surrounding LEPs: Oxfordshire, Buckinghamshire Thames Valley, SEMLEP, Coventry and Warwickshire and Leicester and Leicestershire and also UKTI, BIS, Silverstone Circuits and the Motorsport Industry Association to develop joint approaches to supporting High Performance Technology (HPT) companies across the whole LEP area. The group is a recognition that the supply chain and network of companies is not confined to one LEP area and that a range of company connections exist across the whole geography. Initiatives include better description of the HPT offer for new investment, working with UKTI and planning a significant industry technology event just before the 2014 F1 Grand Prix at Silverstone in July.

Three of the LEPs: Northamptonshire, Buckinghamshire Thames Valley and SEMLEP overlap at Silverstone and support for this globally important asset, including the recently announced MEPC investment in the development of the science and technology park is a key part of each LEP's Strategic Economic Plan and their support for HPT companies and investment. Principal interventions and support includes: Supporting MEPC to pursue additional funds from existing RGF rounds; exploring ways to develop targeted business support for businesses based on the Silverstone estate; and pursuing the implementation of road network improvements, in particular improved access from the Silverstone estate on to the A43 at the Abthorpe and Tove junctions.

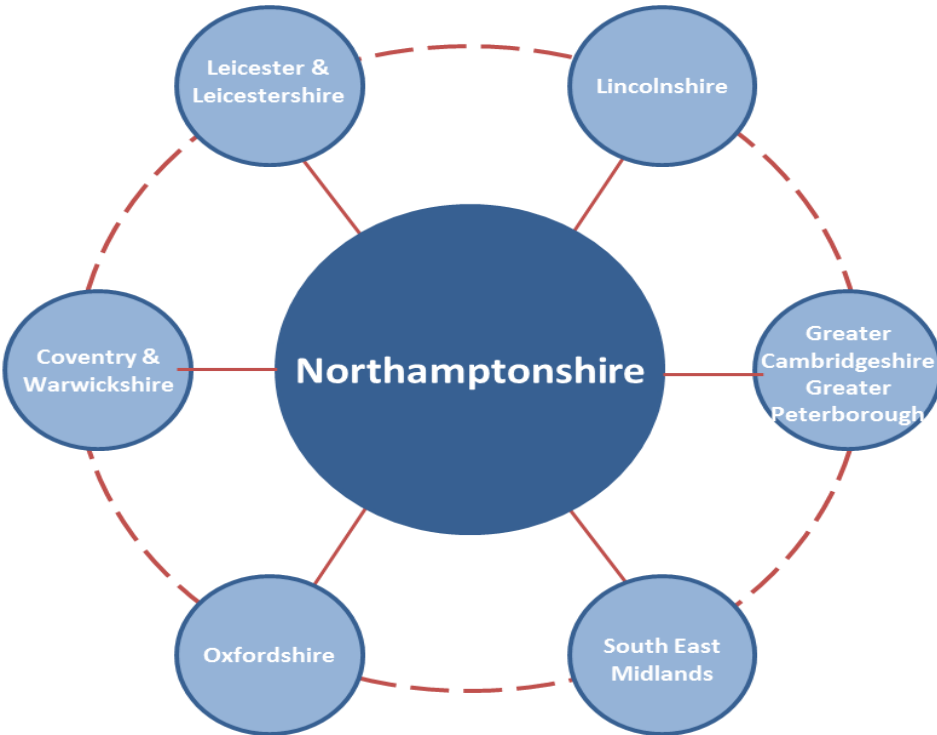


Figure 4.1 Importance of cross-LEP working

5.0 Investment Plan

5.1 Approach to Investment Appraisal

The Investment Plan will be targeted at projects that best contribute to the Strategic Economic Plan (SEP), with a high probability of being delivered. The initial projects (the 'gateway appraisal') for inclusion in the Investment Plan have been based on the ability for short-term deliverability and the application of the criteria summarised below, in particular regard has been given to:

- Strategic rationale – link to unlocking economic growth in terms of delivery of new housing and jobs
- Level of scheme development – when the project can be delivered
- Deliverability – key risks to deliverability and how they are being mitigated
- Funding – breakdown of funding, including private sector leverage, and level of certainty associated with each source
- Impact – quantified impact in terms of houses and jobs unlocked and wider economic benefits.

Strategic rationale

- What is the project's objective?
- How will this project accelerate growth; and contribute to key impact indicators?
- How does it meet LEP objectives?

Delivery and risk

- Is the intervention deliverable in the first two years of LGF?
- What are the key risks to delivery and to what extent have they been mitigated?
- Current stage of scheme development / design (e.g. feasibility, outline, or detailed design)
- Governance arrangements and whether the intervention is adequately resourced
- Statutory Processes needed and level of progress against each
- Need for Public Inquiry
- Is planning permission needed?
- Is land needed; how will it be secured?
- Stakeholder support – public, members, business as evidence through consultation
- Other factors that can impact on deliverability – e.g. deliverability may be dependent on land remediation, SSSI etc
- Is the project realistically resourced? Are funding sources identified and have funders provided in principle agreement?
- What sources of match funding are proposed (if required)? Are there other potential sources of match funding?

Value for money

- Cost breakdown – total cost, LGF ask, local funding, and match funding / leverage.
- Funding – what level of certainty is associated with each element of funding? What is the fall back position if funding is not available?
- Impacts – number of new jobs unlocked, number of new homes unlocked, and connectivity and resilience benefits
- Wider economic impacts – carbon, environmental, and social and distributional impacts

Table 5.1 Appraisal Framework

Moving from the short-term deliverable programme to a more comprehensive assessment depends on the adoption of a standard appraisal process reflecting the needs of particular individual and groups of funders. This is summarised in the diagram below.

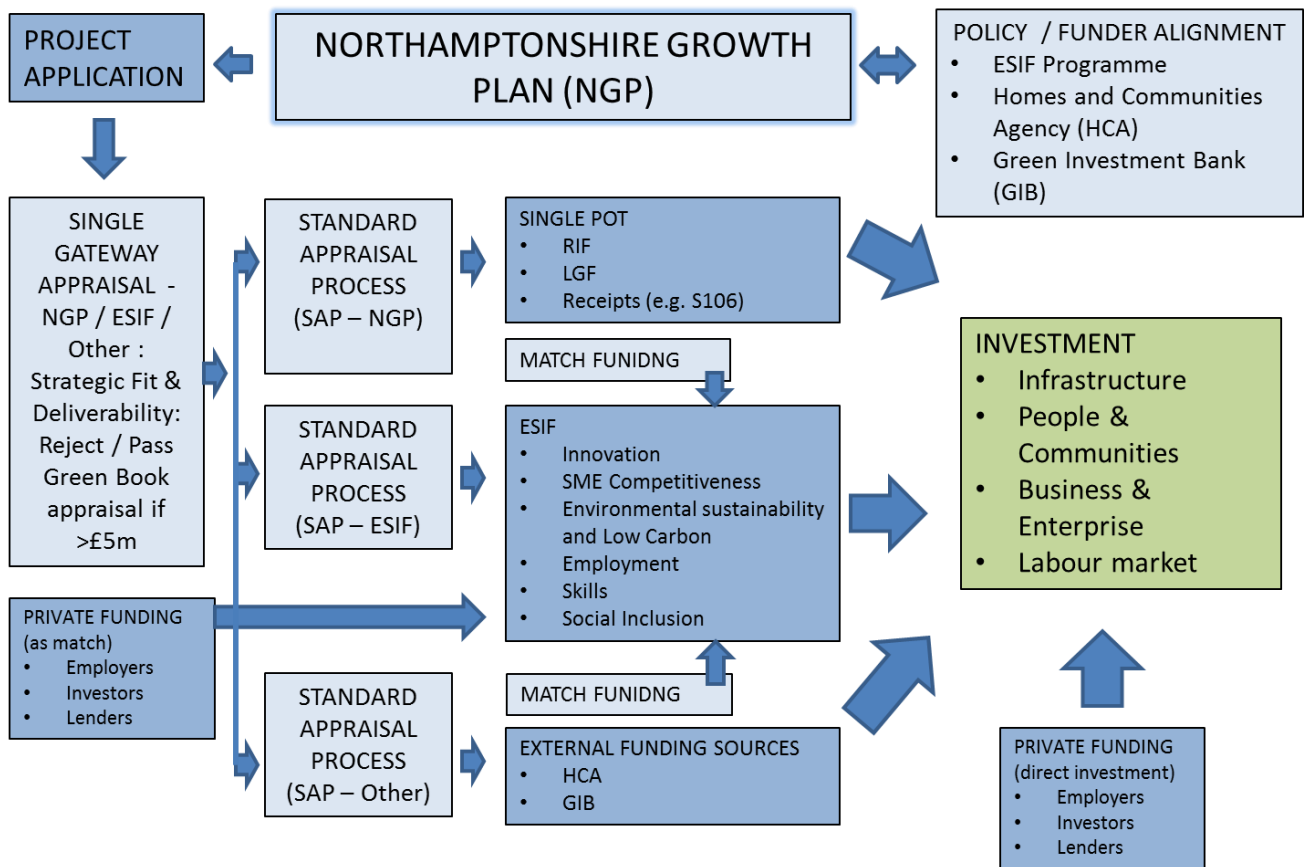


Figure 5.1 Indicative investment appraisal process

5.2 Investment Priorities

The investment priorities have been identified within each strategic theme and can be summarised as follows:

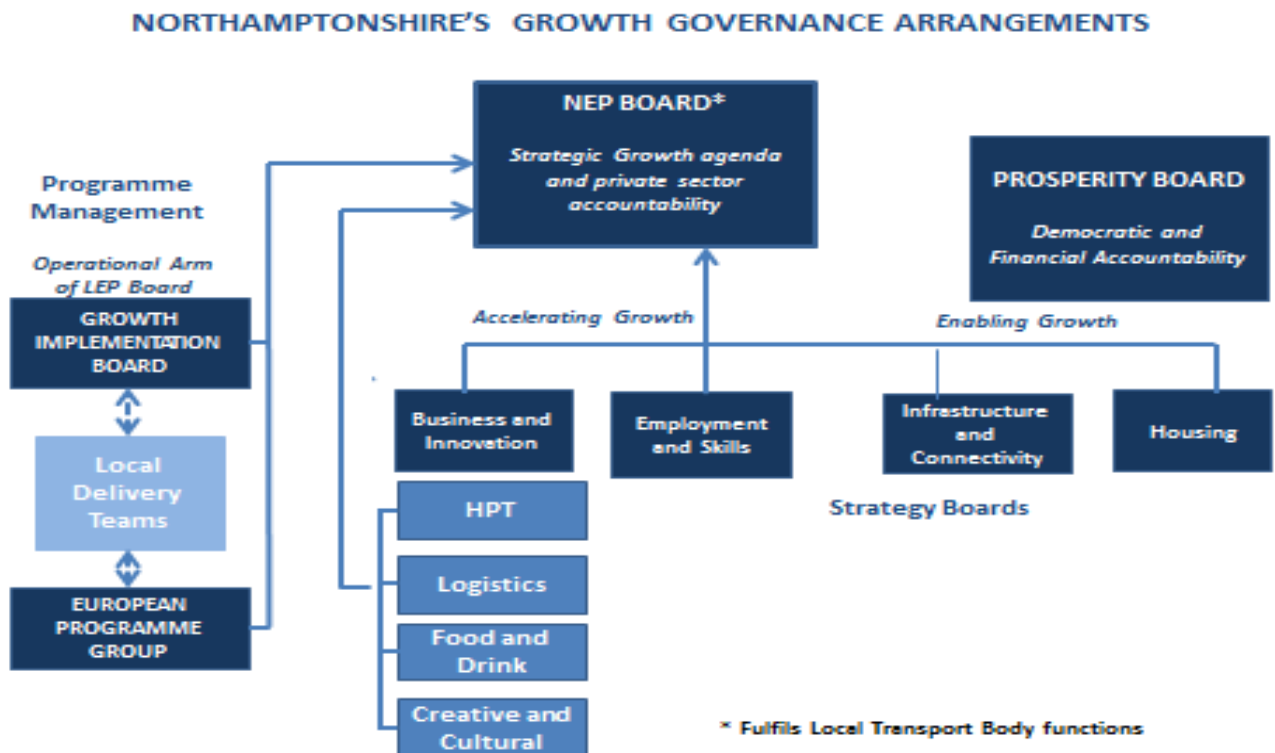
Strategic Priority	Funding		
	LGF Bid £m	Other Funding £m	Total £m
Business and Innovation			
Employment and Skills			
Infrastructure and Connectivity*			
TOTAL			

* Includes housing infrastructure priority projects.

6. Implementation

6.1 Governance Arrangements

A model of Governance has been developed which is designed to build on what is already working well, provide opportunity for wider stakeholder engagement, increased private and sector joint working, and to meet Government's key tests. Importantly, it has also been designed to reflect the strategic priorities within Northamptonshire's Strategic Economic Plan, and to ensure that there are specific bodies with responsibility for mobilising the SEP and the European Structural and Investment Fund Strategy. The proposed model is as follows:



The need to ensure that all strategic priorities and the prioritised projects within the SEP are delivered to cost and time and that all impacts and outcomes are fully realised is recognised. The governance structure has therefore been specifically designed to achieve this, with the Strategy Boards acting as sponsor bodies for each prioritised project. In addition to these specific bodies, others have been established to provide strategic, financial and programme oversight. The proposed purpose of each body, which will be Chaired by a NEP Board Member, in relation to the SEP and ESIF Programmes is summarised in the table below, alongside the membership of each:

BODY	PURPOSE	MEMBERSHIP
NEP Board	Leadership and strategic responsibility for growth agenda in Northamptonshire, including effective delivery of the SEP, ESIF, Local Growth Fund and other funding streams. The Board will also deliver private sector accountability.	Private sector, 5 x Local Authorities, HE, FE, and Voluntary and Community Sector.
Prosperity Board	Ensuring that the financial and democratic accountabilities for the Growth agenda, including Local Growth Fund and ESIF monies are	8 x Local Authority Leaders; LEP Chair; Section

BODY	PURPOSE	MEMBERSHIP
	effectively discharged.	151 Officer and Legal Services Adviser from Accountable Body, plus LEP senior officers.
Growth Implementation Board	Operational arm of the LEP Board ensuring that strategy is effectively implemented, including oversight of SEP, ESIF and associated finance.	CEs from eight LAs and LEP.
European Programme Board	Operational arm of LEP Board on European Structural and Investment Fund Strategy. Lead body in managing delivery and compliance issues.	Representatives from public, private, third sector, civil society, and relevant specific interest groups dependant on theme e.g. rural, TUC etc. The Managing Authority will be invited to act as Deputy Chair of the Group.
Strategy Boards x 4	Implementation of a specific strategic priority, including developing strategic thinking, identifying delivery priorities, monitoring performance on prioritised projects, holding delivery bodies to account, including ESIF opt-ins for their particular theme.	Representatives from public, private, third sector and relevant specific interest groups dependant on theme

In implementing these new governance arrangements, NEP has also reviewed and refreshed its current Board representation to bring it into line with our new growth responsibilities, including those for the development and implementation of the SEP and ESIF Strategy.

In terms of managing the delivery of specific projects alongside the Strategy Bodies the role of the Growth Implementation Board/Growth Fund Task Group is critical as this body will provide hard edged performance management at project level. The Terms of Reference for this Group are provided at Annex 4.

6.2 Managing the Overlapping Geography

Introduction

Northamptonshire has five Local Authority (Corby, Daventry, Kettering, Northampton and South Northamptonshire) areas that sit within both NEP and SEMLEP's geographies. This overlapping geography could present delivery and compliance issues if not effectively managed, and therefore both LEPs have worked collaboratively to develop new arrangements to effectively mitigate any risks that may arise as a result of this overlap. Importantly, the new arrangements are designed to ensure clarity for businesses and individuals – a single front door, irrespective of which LEP is providing funding.

Ensuring Delivery

Investment Planning

It is important that there is clear consensus on the most important investment priorities for the overlapping Northamptonshire geography, and during the development period there have been regular meetings between NEP and SEMLEP to develop a shared understanding of the investments necessary to drive economic growth in the area. This has been based on a sophisticated approach that is evidence based, considers the strategic fit of projects, independently assesses the impact of investments, deliverability (permissions, march, timescales etc.) and the priorities that each project should be afforded.

Investment Planning Issue	Outcome of Assessment
Evidence Based	Both LEPs have developed a comprehensive evidence base and analysed this collectively to ensure the appropriateness of the proposed prioritised projects.
Strategic Fit	Each LEP has developed a broadly comparable set of strategic objectives, with all prioritised projects being assessed against the individual LEP's strategic theme.
Project Impact	All prioritised projects have been subject to an independent appraisal to identify its economic contribution to the performance framework within the respective SEP, with both SEPs prioritising job creation and new homes as key outcomes and GVA as a key impact.
Deliverability	NEP and SEMLEP have looked seriously at the deliverability of each project, completing independent assessments to confirm that the project timelines are realistic, all permissions are in place, and all funding is secured. Supporting evidence is in place to demonstrate the deliverability of each project.
Prioritisation	The outcome of the independent assessments has resulted in a de facto prioritisation based on strategic fit and deliverability.

Local Growth Funding

The LEPs have developed the following protocol as to how applications for Local Growth Funding will be handled.

- All projects within the overlap will need to be prioritised by both LEPs in order to be presented for LGF funding.
- Where there is a difference in ranking of priorities, the rationale for this needs to be clearly explained.
- Funding requests for Local Transport Authority sponsored schemes will be submitted by the LEP whose boundary most closely aligns with the LTA boundary. The other LEP will endorse the project.
- Funding requests for other projects will be via joint bids from both LEPs.

Managing Performance

Performance management arrangements are being put in place by both LEPs to ensure project delivery is effectively monitored and managed, given that the project applicants will be responsible for the delivery itself. Project applicants will have to identify a Project Manager who will need to account for project delivery via a performance management framework. The Project Manager will report to the nominated lead officer in the LEP, who in turn will provide regular reassurance reporting to the relevant Strategy Board and Growth Implementation Board/SEM equivalent.

6.3 Organisational Capability

NEP has a strong track record in the development and delivery of strategic economic development investment programmes. These include the successful delivery of the Single Programme sub-regional allocation for Northamptonshire, Regional Growth Funding, PA2 ERDF support for Corby during the first half of the 2007-2014 programme, Growing Places Funding and Local funding initiatives such as INV-ENT, LOCATE and Soft Landing.

NEP has the 5th largest LEP team in place, with many team members involved in economic growth work since 2006, thereby developing a sound understanding of the locality and the ability to work strongly in partnership. We have recently added to the team to strengthen its capacity and ensure we have the right skills and structure in place to continue to successfully deliver our growth agenda for Northamptonshire. This includes the recent appointment of a CEO, with considerable economic and infrastructure experience, to lead the organisation and strengthen our strategic capability. This is an important addition to an already strong senior management team. In addition we have re-structured the company to ensure that we have a core team with responsibility for commissioning and programme management that is separate to our teams with responsibility for direct delivery. Thereby ensuring that there is clear segregation of duties between our role as a fund manager and delivery body. An independent mid-term review of performance in 2012 highlighted NEPs expertise and track record in supporting economic growth for the area.

Since NEP's inception in 2010 we have helped deliver over 1,650 jobs, 100 new business start-ups, over 25 new company investments which has levered in over £8m of private sector investment.

6.4 Risk Register

The strong track record of delivery within NEP and its partners has ensured that there is a deep understanding of the potential risks associated with implementing and delivering programmes and projects.

6.5 Monitoring & Evaluation

NEP has proven capability in successfully managing programmes and has developed comprehensive systems to ensure that effective project and programme management, financial and regulatory compliance, evaluation and accountability arrangements are in place. Strong accountable body arrangements are in place with Northamptonshire County Council and audit and performance checks are regularly completed for the delivery of existing programmes.

In terms of information and intelligence to monitor our impact and performance, we have an agreed SLA with the Business Intelligence Unit at Northamptonshire County Council that provides information and analyses of the areas performance. We will work to ensure that we further develop our intelligence capability with partners in order to provide a robust ongoing evidence base to inform our policy and investment decisions.

We also have arrangements in place to work with the University of Northampton to provide independent evaluation of projects and programmes as required.

7 Stakeholder Engagement

Throughout the development of both Northamptonshire's SEP and ESIF we have built in strong links with a wide range of partners and stakeholders to ensure that our plans for Northamptonshire are truly shaped and owned by all our constituent partners across the public and private sectors.

The development of the Strategic Economic Plan has been led by a Steering Group comprising of elected members from across local government and the chairs of both the LEP and the Leadership Group, which brings together the Northamptonshire leaders to consider the key strategic issues. The Steering Group has been supported by an officer led Task and Finish group with senior officer representatives from across all Local Authorities and other key agencies including the University and both Joint Planning Units. This group has also had representation and input from the BIS local team, DCLG and DEFRA as appropriate.

The Task and Finish group has defined the focus of the strategy and developed the prioritisation process for the transport investment priorities included within the SEP.

In addition to the Steering and Task and Finish Groups we have also held a number of specific consultation events on shaping the development of both the ESIF Strategy and SEP. Five major stakeholder events have been held, involving businesses, public sector agencies, voluntary sector bodies, housing associations and developers, our Strategic Skills Board that includes FE, HE, SFA, JCP and LEA partners, alongside Whitehall colleagues.. This has been supplemented by individual discussions with key partners to ensure that there has been strong engagement and input from across Northamptonshire.

Since the submission of the draft SEP we have undertaken extensive additional stakeholder engagement to ensure partnership support and engagement on the key issues identified within the SEP. These sessions have helped to develop the key areas of activity and in particular the 'asks.' Importantly, this process has also sealed in commitment to the delivery of the plan.

We have also held a series of Focus Groups on the development of each of our strategic priorities to capture specialist input from the relevant sector or industry. For example on the Housing theme we held a focus group with representatives from developers, HCA, RP's and local authorities to ensure that the actions within the theme reflected a wide range of perspectives and had ownership for their implementation.

Going forward it is our intention to maintain strong partner engagement as part of our revised governance arrangements which are outlined within this Plan. All elements of the governance structure will actively involve a wide range of partners in the implementation of the SEP.

Acknowledgements

The Northamptonshire Economic Partnership would like to formally acknowledge the contribution of all partners in the development of this document, with the contributions provided making a significant contribution to the draft.

We would also like to recognise ICF GHK (brand name of GHK Consulting Ltd), and Atkins Limited for their technical advice and contribution to the development of the SEP.

Annex 1 Growth Scenarios

A1.1 High growth scenario

This scenario assumes that faster growth can be achieved through:

- Increased investment and exports performance at the UK level. This provides a significant boost to manufacturing, information & communications and professional services
- Consumers play a big role in the recovery. The faster growth of the above sectors raises consumer confidence and produces a multiplier effect through local economies with high concentrations of those sectors, which benefits consumer led sectors including wholesale & retail trade and accommodation & food services
- No further public spending cuts. Given the improved economic conditions, the government benefits from increased revenue and is able to ease the austerity program. As a result public sector employment remains relatively flat, rather than falling
- Under this scenario, growth is similar to the boom decade of 1998-2008. Net job change is also a similar rate as 1998-2008, with high levels of migration and unemployment falling to pre-recession level.

A1.2 Low growth scenario

This scenario assumes that growth will be limited by:

- Lower investment and exports at UK level. This results in a slower growth profile for manufacturing, information & communications and professional services
- Consumers rein in spending. The weaker growth of the above sectors knocks consumer confidence and produces a negative multiplier effect through local economies with high concentrations of those sectors, which harms consumer led sectors including wholesale & retail trade and accommodation & food services
- Public spending cuts are more severe. Given the weaker economic conditions, government revenues are reduced and the austerity programme is extended. As a result public sector employment falls more sharply

For a sub-region to assess its priorities it must also consider the likely future changes in the economic and demographic changes within its borders. As such, after examining the forecasts, the following sections contain views on the likely trajectory of the economy in Northamptonshire.

Annex 2 Sector Specific Skills Issues

The NEP area has several priority sectors and there are a number of skills issues facing them, some of which are unique to that sector and some which cut across several sectors.

1. Advanced manufacturing and engineering

Northampton and Northamptonshire have a growing cluster of expertise in High Performance Technologies (HPT). HPT businesses are defined by their high knowledge and innovation content, meaning that in order to remain competitive they need to attract and retain enough employees with the right type of skills. Research for NEP (2011)²⁴ found that skills are a particular concern for high performing technology businesses²⁵ in Northamptonshire, as they are at the national level²⁶. The sector is, however, facing a number of skills and recruitment challenges that are a significant threat to the sector's future competitiveness and growth prospects including the loss of skilled engineers during the recession²⁷, an ageing UK workforce, the lack of appropriate skills and the undersupply of an adequately qualified workforce with low mobility.

The report also highlights that the 'low carbon agenda' is posing particular challenges in relation to skills. New and higher skills are required across the board to adapt business processes to comply with low carbon regulations etc., where in some places acute skills shortages already exist.

Further barriers and challenges identified in the study include:

- Inspiring and maintaining interest in young people
- Helping them acquire experience in the sector and understand the range of careers available through work placements and apprenticeships
- Ensuring the Further and Higher Education's curriculum meets the skill requirements of employers

The study also highlights that over the next four years there will be a significant shortage of engineers in the workplace due to the number of skilled engineers entering retirement and the reduced number of graduates coming through. More widely, a further challenge facing the sector is the general lack of 'sector-targeted' business support with Business Link now operating as on-line resource and therefore no longer has the resources to provide face-to-face sector-specific support to highly technical and innovative businesses like those operating in HPT. Skills challenges and gaps have also been reported by national and associated regional research produced by a range of Sector Skills Councils (SSCs) relevant to HPT, namely SEMTA, Cogent, and Energy & Utility Skills. For example, East Midlands sector skills research of Cogent sectors²⁸ by the Northamptonshire Learning and Skills Council for the period 2004-14 identified the following key skills issues facing the sector:

Management and leadership – particular skills issues in change management, business management, safety, health and environment management and business improvement techniques. At the time of the research, career paths were underdeveloped, with limited and unclear pathways to progress from operative to management level.

Skills gaps – with the main problems being technical skills and in core behaviours such as communications, business improvement and customer service. In terms of hard to fill vacancies as a proportion of all vacancies, the figure for the East Midlands was 32% compared to an average of 29% for all sectors across the region, whilst reported skills shortage vacancies as a proportion of all vacancies was 28%, compared to a 20% average for all sectors in the region.

Technicians – insufficient technicians entering the industries within the sector to meet forecast demand and the routes for existing employees to become technicians are poorly defined.

²⁴ Roger Tym and Partners (2011) High Performance Engineering in Northamptonshire

²⁵ High Performance Engineering in Northamptonshire tends to be understood to mean motor racing and the manufacture of engines and components for the motorsport industry. However, engineering businesses in the county serve a much wider range of markets, including defence, aerospace, civil engineering, construction or energy. This is because technologies developed in one sector can be adapted and used in other sectors (Source: Roger Tym and Partners (2011) High Performance Engineering in Northamptonshire)

²⁶ TSB (2012) A Landscape for the future of high value manufacturing

²⁷ SQW (2009) MKSM Research Project: Economic Development Evidence Base – Final Report

²⁸ East Midlands Sector Skills Research (Cogent): Northamptonshire LSC Report

Workforce demand – the sector has an ageing workforce and demand for new recruits over the next decade will therefore increase.

Industry attraction – industries within the sector generally have a poor image and understanding of the range of potential career opportunities is also perceived to be low.

The Transport Equipment sector includes aerospace, automotive and rail manufacturing and is particularly important in Northamptonshire. Despite a projected slight decrease in output and employment, this sector is expected to remain strategically important and accounts for some of the East Midlands' high profile employers and international investment successes. Key skills requirements and issues include technician level skills to address replacement demand resulting from the sector's ageing workforce. Skills gaps have also been reported in the aerospace, automotive, bioscience, electrical, and electronics sub-sectors and include technical and engineering skills at all levels, as well as management skills.

2. Logistics

As a whole the logistics sector has a smaller proportion of its workforce with high educational qualifications than pertains to the overall UK workforce and nationally the workforce has a higher than average proportion of employees with only basic qualifications. As such the UK's logistics is considered at being at risk of moving to a *'low skills equilibrium'*.

Locally the sector faces increased competition from transport hubs in other parts of the UK. Poor perception of the industry is one of the major reasons current labour shortages; the sector has an ageing workforce, with a low number of young people coming through. If employers cannot train people to achieve required qualifications, they will buy them in by using agency staff or 'poach' staff from other firms.

Evidence²⁹ suggests that the sector is facing a number of skills challenges including:

Management and leadership – a need has been identified for a wider and more intensive range of management training with a particular focus on SMEs. Without such leadership intervention there is a danger that lower level and specific skills needs can be and met;

Basic skills gap – deficiencies in basic skills, notably literacy and numeracy, among the lower levels of the workforce;

Image of the industry – the poor image projected by the industry is one of the major reasons for the shortage of labour;

Unrepresentative labour force profile – reflecting the national picture, the sector is characterised as having an ageing profile, with a low number of young people entering the workforce, whilst the composition of workers is overwhelmingly male, white and have European ethnic origin. Less than 25% of people employed in the sector are women;

Lack of understanding of the business case for training – with many firms driven by short-term considerations and ambivalent about training and skills development. If employers cannot train people to achieve required qualifications, they will buy them in by using agency staff or 'poach' staff from other firms.

3. Sustainable Construction

Estimating future growth prospects for Sustainable Construction has become more difficult due to the economic downturn and recent changes in national policy over green levies and guaranteed pricing for certain renewable technologies. It is an important employer across the East Midlands region, with key firms based in Northamptonshire. Employment in the sector locally is forecast to rise by 10% in 2011-21, output is also forecast to increase. Provider capacity in Northamptonshire will need to meet potential increases in demand for employment in Construction due to high population growth and likely increase in house building as the economy recovers. This includes significant planned housing development in the Milton Keynes South Midlands Growth Area. There are however concerns that the sub-region will not have sufficient supply of skilled workers who will be able to progress to higher level

²⁹ East Midlands Sector Research: Northamptonshire LSC Report: Skills for Logistics

occupations such as project management, technical engineering, positions emerging in the sustainability field and building logistics³⁰.

Nationally, current skills needs tend to be centred on more craft operatives, practical skills, IT and legislative training. A substantial volume of training is taking place and a high level of engagement by employers with the training infrastructure is evident. Apprenticeship starts were previously increasing, but levels have been affected by the economic downturn. Skills shortages are evident in bricklayers; electricians; plasterers; carpenters/joiners; and general labourers. The basic skills of new entrants are seen to be declining, in particular in literacy, numeracy and IT skills.

4. Creative and cultural industries:

Nationally, creative industries employ around 6% of national workforce, accounts for nearly 8% of GDP and has grown faster than the whole economy over the last decade. The UK sector is ranked 6th in the world and the largest creative sector in Europe. Locally there is a strong base of small creative firms, and a supportive infrastructure which superfast broadband will add to. Close proximity to London is also an advantage.

There is high demand for managerial, professional, business and technical skills. Working in cross-functional creative/technical teams within and across companies is becoming increasingly important. Replacement demands are projected to be even greater than the expansion demands for managerial, professional and associate professionals. As a result, there is a total requirement nationally for these three occupational groups of just under 800,000 between 2010 and 2020, 300,000 in the digital sub-sector, and just under 500,000 in the creative sub-sector.

On the supply side, the quantity of graduates may not be sufficient to meet the growing demand for professional and technical skills. However, apprenticeships are being developed and apprenticeship numbers nationally have risen rapidly in recent years, from a low base, particularly at advanced level although the numbers of higher level apprenticeships is still very low. The sector has above average proportions of hard-to-fill vacancies and demand exceeds supply in the digital sub-sector. Much of the training carried out in the sector is done informally, therefore relatively few employers arrange training for their staff in the sector compared with the economy as a whole, particularly training that leads to national recognised qualifications. Digital and creative sector employers tend to be less involved with government skill development initiatives and with the education system, than other employers and are less likely to think that the vocational qualifications available match the need of their business.

Across the creative media and entertainment sub-sector, there is recognition of the dramatic changes brought about by the rapid growth of the digital environment. Sectors making use of developments in digital media include creative and cultural industries, particularly broadcasting, as well as online gaming industries. The increased digitisation of the creative and cultural sector requires new skills including:

Multi-skilling – an understanding of different technology platforms and their impact on content development and digital work flow, and new approaches to working in cross-functional creative/technical teams within and across companies;

Multi-platform skills – the creative and technical skills to produce content for distribution across all potential platforms, and the ability to understand and exploit technological advances;

Management and business skills – especially project management for multi-platform development; the hybrid skills combining effective leadership with innovation, creativity and understanding of technology, and the analytical skills to understand audience interests and translate it into business intelligence;

IP and monetisation of multi-platform content – understanding of intellectual property legislation to protect from piracy, and exploiting intellectual property internationally to take full advantage of emerging markets.³¹

³⁰ SQW (2009) MKSM Research Project: Economic Development Evidence Base: Final Report

³¹ UKCES (2012), Sector Skills Insights: Digital and Creative

In addition to these broad needs, there are specific skills needs in broadcast engineering, archiving, sales/marketing, supply chain management, HR; also particular recognition of the needs of freelancers on whom so much of the creative sector depends.

5. Food and Drink

The UK food and drink sector is the largest manufacturing sector in terms of sales; contributing an annual turnover in 2010, 15% of total UK manufacturing turnover. The UK food industry workforce is concentrated in the East Midlands, where it employs 51,200 people, which accounts for 15% of all food industry employment.³²

60% of UK food sector workers are employed in production roles and are described as either 'process, plant and machine operatives' (36%) or 'elementary' workers (24%). A further 10% in skilled trade occupations and 14% of the workforce is employed in 'managerial and senior official' roles.³³ The table provides the approximate skill level required for each occupation in the industry, as estimated by Improve Ltd (the SSC for Food and Drink).

Occupations and skill level requirements

Broad occupational category	Examples	Approximate skill level required
Managers and Senior Officials	Owner Manager, Quality Assurance Manager, Logistics Manager, Raw Materials Manager, Line Supervisor	Level 3+
Professional / Associate Professional and Technical roles	Food Scientist, Food Technologist, Development Technologist, Engineer (Section Leader)	Level 4+ / Level 3+
Skilled Trades roles	Butcher, Boner, Baker, Fish Filleter, Miller, Cheesemaker	Level 3+
Process, plant and machine operatives	Line Operative, Slaughterman, Mashman, Operative Technician, Development Assistant, Fork Lift Truck Driver	Level 2+
Elementary roles	Filler, Canner, Packer, Bottler, Cleaner	Nil and Level 1

Source: Improve Ltd (2011), Analysis of the ECVET situation and its implementation in the food sector

The general consensus is that low skilled jobs in the food sector have a growing importance in the UK economy, particularly at a time when food manufacturing has been growing and is the strongest of the UK manufacturing sub-sectors. Work-based qualifications have already been developed for the food and drink manufacturing sector that confirm competence in the workplace.³⁴

In relation to non-skilled and semi-skilled workers in the food and drink industry, there are challenges in recognising the skill levels of workers, particularly as 25% of the workforce is made up of migrants (non-UK nationals). Qualifications levels of the industry workforce are also lower than the UK average; it is suspected that this is the case because of the high levels of non-UK nationals in the industry and the lack of recognition of former training and qualifications undertaken in their home countries.³⁵

Key competencies for low-skilled and semi-skilled staff in the food and drink sector include³⁶:

- Communication in language of the home nation;
- Numerical competence;
- Digital competence;

³² Improve Ltd (2011), Analysis of the ECVET situation and its implementation in the food sector

³³ ibid

³⁴ ibid

³⁵ ibid

³⁶ ibid

- Ability to learn;
- Social and civil competences;
- Sense of initiative and entrepreneurship;
- Developing self and others;
- Customer service orientation.

6. Health and social care

Health and social care is the third largest employment sector in Northamptonshire, employing just under 40,000 people, or 11% of all employment; 20,400 (6%) of which are employed in the health sector. There are two SSCs that cover skills in this area; Skills for Health (covering health) and Skills for Care and Development (covering social care).

The health sub-sector in the East Midlands is highly feminised, with females accounting for 81% of the workforce, compared with 49% in all sectors. Workers in the health sector are also older, on average, than the workforce in general. Half of workers in the health sector are aged between 45-64 years, compared with 38% in all sectors. Workers in the health sector are also more likely to work part-time (44% compared to 32% in all sectors). The health sector in the East Midlands is highly qualified, with 57% of workers holding qualifications equivalent to NVQ level 4 and above, significantly higher than the 30% in all sectors. The main skills gaps reported by health establishments in the East Midlands are technical, practical or job specific skills and team working.³⁷

The social care sub-sector is also highly feminised, to a similar extent as the health sub-sector, and part-time working is more common than in the economy as a whole. Social care workers are more qualified than the all sector average, but less well qualified than other public services. The current skills needs in social care at the national level are:³⁸

Leadership and Management – there is an ongoing need for managers with appropriate level 4 and 5 qualifications to address the challenges facing the sector;

Commissioning, Procurement and Negotiation skills – demand is growing and employers report skills shortages in this area;

Gateway qualifications and mandatory Continuous Professional Development – the evidence suggests that progress continues to be made across the UK in meeting minimum standards and workforce requirements. But this needs to be maintained;

Specialist skills – service user needs and changes in service delivery are encouraging the development of increased specialisation;

Basic skills/Employability – a significant number of people employed within the sector have support needs in relation to basic skills (literacy, numeracy, ICT usage); Employers remain concerned about a lack of team working and communication skills amongst new entrants to the sector.

³⁷ Skills for Health (2010), Skills and Labour Market Intelligence Briefing for the East Midlands

³⁸ Skills for Care and Development (2010), Labour Market Themes & Trends: summary for the social care, children's, early years and young people's workforces in the UK

Annex 3: Summary of SUEs

1. Northampton North SUE

The Northampton North Sustainable Urban Extension (SUE) is situated on the northern edge of Northampton and on the eastern side of the A43. The SUE is within Daventry District and lies approximately 4 miles from Northampton town centre. The village of Moulton lies immediately to the west, and the village of Overstone and Overstone Park lie to the east. Adjoining the southern boundary of the SUE is the urban edge of Northampton and in particular Round Spinney Industrial Estate and Southfields residential area.

The Northampton North SUE is well located in terms of access to existing employment areas of Round Spinney and Moulton Park Business Centre. The SUE is also well related to centres of learning, namely Moulton College, the University of Northampton and Northampton College.

The allocated site will provide for a mixed use development of 3,500 homes, jobs, community facilities including school provision, retail and leisure and green open space. A dedicated employment area of about 10ha will provide local employment opportunities but will not prejudice major office expansion and leisure development within Northampton Central Area.

The development of the Northampton North SUE provides the opportunity to deliver a comprehensively integrated sustainable transport system. A focus of the development will be the provision of a Local Multi Modal Interchange co-located with a local centre providing a high quality bus service (connecting to the town centre and westward towards Moulton and Moulton Park employment area) together with car and cycle parking provision. Off-site highway improvements will be required locally, including at Round Spinney roundabout, and improvements to the A43 Northampton to Kettering corridor.

An outline planning application has been submitted for the development of the southern part of the site, known as Overstone Leys. This application proposes up to 2000 dwellings, a new section of dual carriageway on the A43, a local centre comprising retail, community uses, employment uses and a new primary school.

2. Northampton West SUE

The Northampton West Sustainable Urban Extension (SUE) is situated on the western side of Northampton. It adjoins the existing neighbourhoods of Duston and New Duston and whilst it adjoins the urban edge of Northampton the SUE occurs within both Daventry District and South Northamptonshire. To the north of the SUE lies Harlestone Firs Plantation and the village of Harlestone. To the west is open countryside and to the south is the village of Harpole.

Part of the North West Bypass (known as the Sandy Lane Improvement North) has been constructed along the eastern edge of the site. The Northampton West SUE will be required to make an appropriate and relative contribution to the construction of the remaining elements of the bypass. Financial contribution will be required for other highway infrastructure improvements as identified in the Joint Core Strategy and through detailed transport assessments.

The SUE is expected to deliver in the region of 2550 dwellings, together with a local centre to include retail, healthcare and community facilities and a new primary school.

3. Northampton South SUE

The Northampton South SUE is situated between the existing urban edge of Northampton to the north and the M1 motorway to the south. The village of Collingtree and the residential area at Collingtree Park lie to the east of the site whilst the western edge is formed by strong field boundaries.

Properties in close proximity to the Wootton Brook currently experience problems associated with flooding during large storm events. Through the reconfiguration of the golf course (a compatible use

within a flood plain area) the development of the SUE will provide a positive environmental impact to flood alleviation from the Wootton Brook on the surrounding area.

Due to the proximity of the site to the M1 itself, Junction 15 of the M1 and the associated Air Quality Management Areas, mitigation measures will be required to address the issues of noise and air pollution.

The SUE is expected to deliver in the region of 1000 dwellings, together with a local centre to include retail, healthcare and community facilities and a new primary school.

An outline planning application has been submitted for the development of the SUE to comprise up to 1000 dwellings, a mixed use local centre, a primary school, green infrastructure, the reconfiguration and extension of Collingtree Park Golf Course, highways infrastructure and sustainable drainage systems to achieve flood risk betterment.

4. Northampton South of Brackmills SUE

This SUE is situated to the south of Brackmills employment area adjoining the existing neighbourhoods of Hardingstone and Wootton to the south and west. The site itself comprises largely arable land sloping generally from north to south, occupying part of a limestone ridge which forms a bold and prominent feature on the south western side of Northampton. The eastern part of the site comprises two fields divided by a minor road known as the Green which sits within a shallow valley. Much of the northern boundary is formed by the as Brackmills Woods, which in part provides a landscape buffer mitigating the employment land to the north.

The creation of a green corridor running from north-west to south-east across the northern site boundary will help protect existing habitats to the north as well as providing for a new greenway linking existing and proposed urban areas to the wider countryside. A further green corridor will be created along the eastern boundary of the site .

The SUE is expected to deliver in the region of 1300 dwellings, together with a local centre to include retail, healthcare and community facilities and a new primary school.

The majority of the site is owned by the Homes and Communities Agency and is included within their accelerated delivery programme. An outline planning application has been submitted by the HCA for the development of their land to comprise 1000 dwellings, a new local centre, primary school and associated infrastructure.

5. Northampton Kings Heath SUE

The King's Heath SUE, also known as Dallington Grange, is located to the north of the existing King's Heath housing development. It is bounded by Lodge Farm employment and Spring Park residential areas to the west, the Brampton Branch of the River Nene to the east and the Harlestone Firs plantation and arable land to the north.

The site has for the most part previously been identified for development in the Northampton Local Plan 1997. Work on a masterplan is being progressed and once agreed, this will inform the subsequent development of the site. Access to the site will be through a mixture of routes such as King's Heath, land to the south of Spring Park, Mill Lane and also from the proposed North West Bypass. The SUE will assist in the regeneration of King's Heath and adjoining areas, in particular through the provision of infrastructure such as a local centre incorporating a wider range of facilities than currently exist in the area, additional local employment opportunities and improved public transport services to the town centre.

The development will incorporate part of the proposed North West Bypass within its boundary, with land provision and a relative proportional financial contribution as part of pooled contributions with other north-west and western development allocations.

The SUE will provide in the region of 3,000 dwellings, in addition to a dedicated employment area adjacent to Lodge Farm, with additional smaller scale employment focused around the local centre and primary routes within the development. It will also include local retail and community facilities, such as schools and doctors' surgeries consistent with a development of this size.

An outline application for 200 dwellings for part of the site within Daventry District, known as Dallington Gateway (DA/2012/0937) has been approved subject to the completion of a section 106 agreement. An outline planning application was submitted for the majority of the site within Northampton Borough in 2007. Discussions are ongoing with Northampton Borough Council (who own part of the site) regarding the completion of the masterplan and the resubmission of an updated planning application.

6. Northampton North of Whitehills SUE

Northampton North of Whitehills SUE forms a contiguous extension to the Northampton urban area northwards and occurs within Daventry District. To the north of the SUE lies open countryside and to the north east is the historic village of Boughton. The SUE is carried over as an allocation from the Daventry District Local Plan. Proposals for the development of Northampton North of Whitehills, also known as Buckton Fields, are well advanced and it is anticipated that the site can commence delivery in the 2016 to 2021 period.

The site comprises a rectangular area of agricultural and former agricultural land and covers an area of approximately 50 hectares. It is contained by residential development to the south and east, with countryside to the north and west.

The development will be required to make a contribution to the North West bypass. Part of this bypass is presently under construction on the western edge of the town. The road will be brought forward in its entirety by both public funding and developer contributions. The Northampton North of Whitehills SUE will be required to make an appropriate and relative contribution to the construction of the remaining elements of the bypass. Financial contribution will be required for other highway infrastructure improvements as identified in the Joint Core Strategy and through detailed transport assessments.

Daventry District Council has resolved to grant planning permission for a residential development consisting of approximately 1,050 dwellings at Buckton Fields subject to the satisfactory conclusion of a Section 106 Agreements. The District Council has also resolved to grant permission for a first phase of development known as Buckton Fields East for 376 dwellings. A reserved matters application has recently been submitted for the first phase.

7. Northampton Upton Park SUE

The Northampton Upton Park SUE is a Homes and Communities Agency site and comprises the remaining part of a much wider urban extension known as the South West District which covers 670 hectares of mixed use development comprising 5,800 homes employment land and a large area of country park straddling the River Nene to the south west of Northampton. All of the development associated with the South West District has either been built or has planning approval in principle except for a remaining area of land to the south of the A4500 Weedon Road and to the north of the River Nene and its flood plain, known as Upton Park.

The Northampton Upton Park SUE development has an important role to play in linking the emerging communities to the north of the A4500 Weedon Road and the new communities at Upton. Connectivity through the site particularly by sustainable means must be thoroughly considered in the master planning of the site. In addition links within the SUE through adjoining developments to employment areas and areas of services and facilities must also be fully addressed.

The SUE is expected to deliver in the region of 1000 dwellings, together with a local centre to include retail, healthcare and community facilities and a new primary school. The HCA have submitted an outline planning application for the development of the SUE in accordance with the Joint Core Strategy allocation.

8. Northampton Norwood Farm/ Upton Lodge SUE

The proposed Northampton Norwood Farm/ Upton Lodge SUE is located on the western edge of Northampton's urban area, partly within Northampton Borough and partly within South Northamptonshire. The site has for the most part previously been identified for development in the Northampton Local Plan 1997 and formed part of a wider urban extension known as the South West District. Allocation in the Joint Core Strategy provides clarity regarding the site's planning status in the future for those parts which are subject to extant planning applications and also recognises that development in addition to that which had previously been considered appropriate can also be accommodated to meet objectively assessed housing needs over the plan period.

The SUE is bounded to the north by Berrywood Road and the community of New Duston; to the north east by areas of new housing at St Crispin and Berrywoodfields, and by the former Princess Marina Hospital site; to the south by Weedon Road, and beyond this the proposed Upton Park SUE. Sandy Lane will provide a clear western boundary for built development within the site, but the allocated site will extend further to the west to include a proposed Country Park.

Development of this SUE has an important role to play in linking the emerging communities to the north of the A4500 Weedon Road and the new communities of Upton. Connectivity through the site and to the wider South West District, including service areas and facilities particularly by sustainable means must be addressed.

Part of the Sandy Lane Relief Road Phase 2 will need to be constructed to ensure the sustainable development of the SUE.

The SUE will provide for two primary schools which will enable educational needs to be addressed in an area where there are additional pressures from further residential developments. The SUE will also provide local retail and community facilities which are consistent with a development of this size. It is anticipated that the SUE can commence delivery in the early part of the plan period and would deliver in the region of 3,500 dwellings during the plan period.

Much of the site has previously had the benefit of planning approval in principle subject to the completion of a S106 agreement, but the agreement has not been completed. It is anticipated that a revised application(s) will now be submitted to reflect the extended site which is allocated in the Joint Core Strategy.

9. Daventry North East SUE

The SUE lies to the north east of Daventry urban area and forms a wedge shaped area of land between Daventry Reservoir (and the overflow channel linking it to the Grand Union Canal to the north) and Daventry Road which leads from Daventry town to Norton village to the east. Long Buckby Road (B4036) runs in a north-easterly direction to the A5 through the Church Fields site which extends as far as Thrupp Lodge. The north western and northern edges of the site are defined by field boundaries and the Grand Union Canal. The south western end of the site lies in close proximity to the central area of Daventry town.

The SUE will provide a development that is closely related to the existing urban area with the opportunity of establishing good connections through the existing highway network and via connections for walking, cycling and public transport provision to the town centre. New development also has the opportunity to support the communities at Southbrook. Connections for walking, cycling and public transport between the SUE allocation and the Southbrook area can be established across the B4036. These connections can support the Southbrook community to access local services and facilities provided within the new SUE.

Due to the demands the Daventry North East SUE will make on the surrounding highway network the development will be required to make a financial contribution to the A45 Daventry Development Link relative to its highway impact.

In total the site is expected to deliver 4000 dwellings of which at least 2600 would be completed in the plan period to 2029. The developers Croudace homes are preparing a new application for the site which will be submitted once the Joint Core Strategy position is confirmed.

10. Towcester South SUE

The SUE comprises an area of mainly agricultural land with an undulating topography to the south of Towcester. The northern part of the site borders the majority of the southern edge of the town and effectively encloses the hamlet of Wood Burcote and the woodland area around Besses Lane. Part of the western edge of the site runs along the A43, with a part of the eastern side of the site running along the A5.

As a sustainable mixed use urban extension to Towcester, the development will deliver a balanced mix of housing and employment with strong links to the town centre and surrounding areas. The development will include the full range of community infrastructure. The delivery of the A5 relief road and improvements to existing junctions on the A43 will be secured through the phased development of the SUE.

The development of the site will deliver a range of employment uses to ensure a broad balance between the provision of homes and jobs. The scale and extent of B8 (Storage or Distribution) uses will be carefully controlled and should be no more than 20% of the total employment floorspace on the site.

There is an opportunity to create a strategic area of open space to the south of the town in the form of a new town park for Towcester. The park will connect with various green corridors and link the surrounding neighbourhoods.

In total the SUE is expected to deliver 3000 homes of which 2100 will be completed by 2029. At least 15.5 ha of employment land will be provided of which 70% will be delivered by 2029. South Northamptonshire Council has resolved to grant outline planning permission for two applications subject to the completions on a section 106 agreement. Together these applications cover the whole of the allocated SUE.

11. Brackley East SUE

The Brackley East Sustainable Urban Extension (SUE) is located between the A43 and the existing urban edge. The site is divided into two distinct parts by Turweston Road.

The land to the north of Turweston Road has the potential to be a key gateway site into Brackley from the north and the A43. South Northamptonshire Council has granted outline planning permission for a business park development on the site. More recently the Council has resolved to grant planning permission for an alternative mixed use development. The proposed development comprises a new foodstore; petrol filling station ; 60 bed nursing care home (including the relocation of the Brackley Cottage Hospital's 12 beds); a new Primary Care Centre facility including a new pharmacy ; employment development within Class B1, B2 and B8, and a hotel (Circa 70 beds) including a restaurant and bar. These uses will provide new employment opportunities to support Brackley's role as a Rural Service Centre. It is expected that the development of this part of the site will come forward in the first phase of the plan period.

Residential development is proposed for the land to the south of Turweston Road and is expected to commence during the first phase of the plan period prior to 2016. South Northamptonshire Council has resolved to grant planning permission for 350 dwellings subject to the completion of a S106 agreement.

In total the SUE is expected to deliver 350 dwellings and 9.4ha of land for economic development.

12. Brackley North SUE

The Brackley North SUE is bounded by the existing urban edge of Brackley to the south, by Halse Road to the west, and extends to the junction of Northampton Road and the A43 in the east. The allocated site also includes the Brackley Sawmills site to the south. The inclusion of this site will enable a comprehensive approach to the development of this part of Brackley. South Northamptonshire Council has granted planning permission for 130 dwellings on the Sawmills site and for 1000 dwellings on land known as Radstone Fields. The remaining part of the site, known as the Robson Land or Foxhill, is the subject of a current outline application for 180 dwellings.

As a sustainable urban extension to Brackley the site will deliver a new neighbourhood of up to 1,380 dwellings, with strong links to the town centre and surrounding areas. The development will bring forward a new primary school, and new local centre, formal and informal open space and other infrastructure including improvements to the A43 for the benefit of existing and future residents.

The comprehensive development of the site will enable the provision of a continuous road link between Halse Road and Northampton Road. This will ensure connectivity across the development site and reduce pressure on the local road network.

13. Kettering East SUE

Outline planning permission was granted for the East Kettering Sustainable Urban Extension (S.U.E) in April 2010. The site covers an area of 328.5 hectares to the east of Kettering and Barton Seagrave. The S.U.E comprises 5,500 homes, schools, district and local centres, a health centre, community buildings, shops and space for new businesses.

It will have a large amount of open space, access to public transport and play/sports facilities. 14.1 hectares of employment land will be delivered as part of the S.U.E. The developers and Council are continuing to work together with Government Agencies to secure funding for key infrastructure including the new A14 Junction 10a, works to Junction 10 and the new Weekley-Warkton Avenue, north west of the site.

Funding has already been offered from DCLG (Department of Communities and Local Government), SEMLEP (South East Midlands Local Enterprise Partnership), NEP (Northamptonshire Enterprise Partnership) and LIF (Local Infrastructure Fund) which totals in the region of £18.5m (including £1.17m in capacity funding) which will assist in building capacity and bringing forward key highway works, access points, drainage and the first primary school (£5m).

Reserved matters applications for the first residential parcels (three sites containing 806 dwellings) and other applications for access points and the strategic drainage system are currently being considered by the local planning authority. Some of these reserved matters and access points will go before the planning committee in Jan and Feb 2014.

Work will begin on site in 2014 with the first house being started in the first half of that year. Construction of some access points are likely to be amongst the first things started. A key piece of infrastructure is the strategic foul drainage system due to start spring 2014. Road improvement works around Kettering will also start early on in the year.

The revised Section 106 agreement requires the financial contributions to be paid on a "roof charge" approach with a total sum being contributed of £73.4m to help deliver key infrastructure. This includes £20m towards the regeneration of the town centre. 2035 is the approximate anticipated delivery date.

14. Corby North East SUE

Priors Hall: A development of 5100 new homes, the whole Priors Hall scheme is subdivided into 3 Zones although Zone 3 lies in East Northants District.

The 2 Zones within Corby Borough have Outline Planning Permission for residential and associated development under reference 04/00240/OUT. This has just been updated via an Application with reference 13/00026/RVC which approves a revised Development Framework Plan (DFP) for the site (copy attached).

Zone 3 has a separate Outline Planning Permission granted by East Northants Council.

The infrastructure for Zone 1 has been allowed under planning reference 07/00483/REM and that for Zone 2 has been permitted under 08/00526/REM.

In terms of buildings for Zone 1, a doctor's surgery and community facility have been allowed as the first two buildings in the Local Centre as well as various temporary buildings plus a Primary School. Apart from the temporary marketing suite, these have not been constructed and the Primary School site has now moved as a result of the new Development Framework Plan approved as part of application 13/00026/RVC. A revised application is expected for the Primary School on the new site shortly.

The Corby Business Academy (approved under a separate Full Planning Permission) is also located within Zone 1 of the site and was the first building to be constructed at Priors Hall. The Corby Enterprise Centre (for new businesses) is on land just to the South of this in the same Zone.

In terms of housing, approval has been given for a 750 dwelling scheme on land south east of the Academy on what are referred to as sub Parcels A to F (within parcels R15-19 plus DC1 on the DFP). Parts of this scheme are now under construction with a number of dwellings now being complete and occupied. Approval has, however, since been to vary a number of other aspects on Parcels A, B and C of this scheme. Parcel DC1 allows for some retail/commercial units.

In addition, approval has recently been given to Taylor Wimpey for 130 dwellings, Barratt Homes for 96 dwellings, David Wilson Homes for 34 dwellings and Francis Jackson Homes for 16 dwellings all on land North of the Academy. These are on what are referred to as Parcels R21a and b, R22 and part of R23 on the Development Framework Plan. Barratts have just started constructing the first houses on Parcel R21b.

There is also a Planning Approval, which will allow a more direct access to all of these sites from the Corby Northern Orbital Road and work has also recently begun on this.

Weldon Park forms part of the North-East Sustainable Urban Extension. A planning application for mixed use development including around 1,000 homes, employment, retail and a new primary school on land south of the A43 opposite Priors Hall has been agreed in principle. A new road will be built between A43 and A427 which will remove heavy vehicles travelling through Weldon to Oundle. Section 106 details remain to be resolved.

Wellingborough SUE's

15 Stanton Cross SUE

The site is identified as the initial Sustainable Urban Extension for Wellingborough in the adopted Core Spatial Strategy and is allocated in the adopted Wellingborough Local Plan. An outline consent for the site was granted in 2008. The scheme includes 3100 dwellings, B1, B2 and B8 development, country park, a neighbourhood centre, two local centres and all associated infrastructure. Reserved Matters applications have been approved for the highways access and a new railway station, station platforms and car parks.

The site promoter has indicated that the SUE could be extended up to Sidegate Lane and deliver in the region of 6000 dwellings, further development is likely to be post 2027/28.

BOVIS Homes Ltd (BOVIS) have appointed a Wellingborough Project Director to bring forward Stanton Cross Sustainable Urban Extension. Regular meetings, led by the Borough Council, are being held to coordinate all the stakeholders involved at this stage with this important development including Northamptonshire County Council, Network Rail, East Midlands Trains and Environment Agency.

In order to ensure that the first phase of infrastructure can be delivered, the council has undertaken a CPO for this element.

The General Vesting Declaration (GVD) which gives the Council the ownership of the land that has been the subject of CPO action is now complete. The land is currently being registered with the Land Registry.

BOVIS are currently developing a construction programme, in conjunction with Network Rail, to take account of the electrification work now being undertaken. The first phase of the delivery programme will see the construction of the Route 4 Bridge (located north of the present station building) continuing with route four road to the Irthlingborough Road junction and Route 9 from the new east side station building to Finedon Road, opening up Station Island.

BOVIS are in discussions with Network Rail Infrastructure Projects as they are seeking to use Network Rail contractors for the construction of the Route 4 Bridge, Route 9, the new Station and multi-storey

car parks together with flood alleviation works. This would require Bovis to enter into a development service agreement for this work which is anticipated to be agreed before the end of this year.

It is also anticipated that construction on the site will begin in the summer of 2014. This will be preparation works for Route 4 Bridge and construction of the roads of route 4 and 9. The new station buildings including multi-storey car parks and new platforms will be subject to Network Rail electrification timetable but will be started towards the end of 2014 and completed by 2016

1. NW Wellingborough proposed SUE

The site is identified as the second Sustainable Urban Extension in the adopted Core Spatial Strategy. Outline consent for the site, also known as Upper Redhill was granted in 2010 with a time extension approved in 2013. The proposal includes 3000 dwellings, retail and commercial facilities, primary schools, a neighbourhood centre, open spaces and associated infrastructure.

Site Issues

- A corridor for the Isham- Wellingborough improvement has been reserved.
- The consent restricts development to 1500 dwellings until completion of the Isham – Wellingborough Improvement
- The Borough Council is a land owner of part of the site and is working on ensuring release of the site.
- The Design Codes for the site were approved in 2012.

17 Rushden SUE

Site description/proposed use

In order to provide for significant expansion at Rushden in accordance with its status as a Growth Town, a broad, strategic location for a sustainable urban extension to the east of the A6, on land between the John Clark Way and Newton Road roundabouts and possibly further north, has been identified. Rushden East represents the most significant new strategic development proposal over and above those already consented or identified in the 2008 adopted Core Spatial Strategy. The land is considered to be the most sustainable option for the future development of Rushden and provides a major opportunity for a high quality, cohesive and distinctive sustainable urban extension. Whilst the A6 bypass forms a significant barrier between the proposed urban extension and Rushden, innovative solutions will be examined in order to create a development which is permeable and well-connected to Rushden and the facilities offered by the existing urban area.

The broad location contains several farm holdings and is predominantly in agricultural use. Other land uses include nurseries, allotments, a scrapyards and some isolated dwellings. Rushden East is being actively promoted by several key landowners. Whilst it is recognised that land assembly and planning processes could result in a significant lead-in time, the local planning authority will promote and encourage the early development of the urban extension.

In October a masterplanning day was arranged to consider the future of Rushden, and in particular Rushden East. The day consisted of a site visit, followed by masterplanning sessions led by the Design Council/CABE.

The aim of the masterplanning project is to draw up a vision and framework for the area, followed by more detailed masterplanning. This work will inform the JCS review, East Northamptonshire Council plans and also link into work on the Rushden and Higham Ferrers Neighbourhood Plans, both of which have identified a local appetite for growth to the East of the existing towns. The next step is to establish a Rushden East Masterplanning Group, which was approved by members of East Northamptonshire's Planning Policy Committee on 21st October 2013. The group will include Members from East Northamptonshire Council, Northamptonshire County Council and Rushden and Higham Ferrers Town Councils.

Key Issues:

- Support from both Rushden and Higham Ferrers Town Councils.

- The Duchy of Lancaster continues to object to the broad location of the SUE .The Duchy's view remains that there is a lack of physical evidence underpinning the identification of this site (particularly in the physical and master planning terms) and that the core strategy review should identify a direction of growth east of Rushden/Higham Ferrers. Given the recent outcome of the public consultation in Higham Ferrers, the location of the proposed SUE is under review, and expansion North to include some of the Duchy's land is actively under consideration.
- A number of concerns have been raised about the sustainability of the potential Rushden East SUE including accessing existing facilities, concerns about connectivity across the A6 and transport sustainability.
- Initial modelling work has shown that development will increase traffic flows and congestion on the A6 and A45, particularly at the Chowns Mill junction. Work to improve the Chowns Mill junction is being prioritised to ensure that this barrier to development at Rushden East is addressed alongside the masterplanning work.

Annex 4 – Proposed Functions of Governance Structure

PURPOSE AND FUNCTIONS OF NORTHAMPTONSHIRE GROWTH GOVERNANCE BODIES

Body	Purpose	Functions	Membership
LEP Board and Local Transport Body	<p>Leadership and strategic responsibility for growth agenda in Northamptonshire, including effective delivery of EU SIF and Local Growth Funds and delivering private sector accountability.</p> <p>Discharging statutory function of Local Transport Body.</p>	As outlined in Articles of Association.	As currently constituted, with changed levels of representation between County and District/Boroughs on a revised basis of 2:3 places
Prosperity Board	Ensuring that the financial and democratic accountabilities for the Growth agenda are effectively discharged.	<ul style="list-style-type: none"> • Reviewing LEP performance – financial, results and outcomes • Confirming all expenditure is discharged appropriately and with propriety • Ensuring that appropriate, clear and transparent decision-making processes are in place and adhered to • Ensuring that the LEP is accountable to its stakeholders. • Discharging democratic and financial accountability for growth related public funding 	<p>8 x Local Authority Leaders</p> <p>LEP Chair</p> <p>Section 151 Officer and Legal Services Advisor from Accountable Body, plus LEP senior officers.</p>

Body	Purpose	Functions	Membership
Growth Implementation Board	Operational arm of the LEP Board ensuring that strategy is effectively implemented, including oversight of EUSIF.	See Terms of Reference	CEs from eight LAs and LEP. Chaired by LEP Board member.
European Programme Board	Operational arm of LEP Board on European Structural and Investment Fund Strategy.	See Terms of Reference	Representatives from public, private, third sector and relevant specific interest groups dependant on theme e.g. rural, TUC etc.
Strategy Boards	Implementation of specific strategic priorities.	<ul style="list-style-type: none"> • Performance review – financial, results and outcomes at thematic level • Strategy review and development - Identifying thematic trends and ensuring that strategy and activity respond to these • Holding to account delivery bodies • Commissioning activity in line with strategic priorities • Ensuring that key delivery partners are engaged in strategy development and implementation • Ensuring key risks are identified and mitigated or referred to 	Representatives from public, private, third sector and relevant specific interest groups dependant on theme.

Body	Purpose	Functions	Membership
		<p>GIB/NEP Board.</p> <ul style="list-style-type: none"> • Commissioning research activity as and when required and acting as steering body for this work 	

Annex 5 – Terms of Reference for Governance Bodies

GROWTH IMPLEMENTATION BOARD TERMS OF REFERENCE

PURPOSE

To act as the operational arm of the NEP Board on the delivery of the growth agenda, ensuring that the Strategic Economic Plan and EU Structural and Investment Fund Strategy are effectively delivered; national, European and local growth related funds are invested to maximum effect; delivery capability in line with strategic priorities; and emerging risks are mitigated or referred to the LEP Board for resolution.

ROLES AND RESPONSIBILITIES

The Growth Implementation Board will:

Strategy

1. Ensure the effective delivery of NEP's strategies, reviewing all aspects of these to ensure that they are delivered in line with key performance measures and timelines.
2. Identify emerging strategic priorities and ensure that NEP commissions specific work to maximise the opportunity presented by these.
3. Develop the Economic Intelligence work programme to ensure that NEP is evidence led and has a credible evidence base to inform investment decisions, and that this is effectively stored and maintained.

Investment

4. Develop an investment strategy, which identifies all investment sources and appraisal mechanisms to assess investment priorities against these.
5. Develop recommendations to the NEP Board on all projects requiring national government funding (Regional Growth Fund, Local Growth Fund etc.), in line with strategic priorities and eligibility requirements; ensuring that these have been subject to a satisfactory appraisal process.
6. Identify further investment sources and develop proposals to access these.
7. Develop the work programme of the Programme Management team, to ensure that all investments are delivered in line with regulations and propriety requirements.

Performance Management

8. Maintain management oversight of all NEP funded programmes and projects to ensure that these comply with all regulatory, statutory and financial requirements; and deliver to outcome and financial targets in line with the PMF and evaluation strategies.
9. Develop appropriate mechanisms to ensure that individual programmes of activities and projects deliver on all expected outcomes; and that clear contract management arrangements are in place for each project.
10. Ensure that under-performing projects are identified and mitigation action taken to restore performance.

Delivery

11. Ensure that all delivery teams have clear leadership arrangements, a tasking framework and expected outcomes, and are fully equipped to support NEP's governance arrangements.
12. Ensure that resourcing requirements are clearly identified for each strategic priority and that this is subject to regular and ongoing review to ensure that this remains in line with evolving business priorities.
13. Provide direction to the delivery teams to ensure that these are focused on the most critical issues to delivery.

Risk

14. Develop NEP's risk strategy and review and update this at each meeting, providing monthly highlight reports to the NEP Board.
15. Manage programme level risks ensuring that mitigation strategies are in place to address these or that these are escalated to the NEP Board.

MEMBERSHIP

Membership will consist of:

- NEP Board Member (Chair)
- LA Board Member (Deputy Chair)
- 8 x LA CEs
- NEP CE

The Board will invite NEP and LA lead officers to support its work programme, as and when necessary.

EUROPEAN PROGRAMME BOARD

TERMS OF REFERENCE

PURPOSE

The European Programme Board will act as the operational arm of the NEP Board for all European related business. Its focus is to ensure that all aspects of the 2014-2020 European Structural and Investment Fund strategy is effectively delivered. It will provide strategic direction to, and performance management of, all ESIF related activity within Northamptonshire.

ROLES AND RESPONSIBILITIES

The European Programme Board will:

Strategy

1. Develop implementation plans to deliver the EUSIF strategy in line with all key deliverables and timelines.
2. Complete periodic review of the ESIF Strategy to ensure that this remains fit for purpose, during the life of the Programme.
3. Commission underpinning strategies, as and when necessary, to support the overall delivery of the ESIF Programme.
4. Develop strategies to implement specific elements of the Programme (e.g. Community Led Local Development).
5. Identify emerging European and national policy, best practice and thematic trends, and ensure that Northamptonshire actively responds to these.

Investment

6. Review all EUSIF related activity and expenditure and ensure that this is deployed in line with Programme eligibility requirements and addresses NEP priorities.
7. Identify further European investment sources and develop proposals to access these.

Delivery

8. Develop project assessment criteria for ERDF and ESF funding, which projects can be assessed against.
9. Develop commissioning frameworks/calls for ERDF and ESF bids and invite applications against these.
10. Review and assess bids for EUSIF funding and rank these in line with assessment framework.
11. Ensure that overall performance and financial targets are being met and that any underperformance is quickly identified and addressed.
12. Work with all Strategy Boards to ensure that Opt-In performance is delivering in line with expectations.
13. Manage the financial tables for the Programme ensuring that match funding is secured.
14. Ensure that the Programme complies with all European and national Government rules, regulations and procedures.

Risk

15. Identify key programme delivery risks and mitigate these or escalate to the Growth Implementation Group for resolution.

MEMBERSHIP

Membership will consist of:

- LEP Board Member Chair
- Non private sector Deputy Chair
- Local Authority representative x 3
- Private sector representatives x 3
- Rural representatives x 2
- Third Sector Assembly
- Trade Union Representatives
- FE representatives
- HE Representative

The opt-in agencies will be invited to attend the meetings as part of their accountability arrangements. The Board will also invite individuals to support their work programme as and when necessary.

ACCOUNTABILITY

The European Programme Board is directly accountable to the NEP Board. It will be chaired by the NEP Board Member with lead responsibility for the European agenda.

MEETINGS

Meetings will take place on a bi-monthly basis, during the first six months of operation, dropping to quarterly thereafter. The Chair will determine whether these need to occur more or less frequently as business determines.

BUSINESS AND INNOVATION STRATEGY BOARD

TERMS OF REFERENCE

PURPOSE

The Business and Innovation Strategy Board will act as the thematic arm of the NEP Board for all business and innovation related issues, commissioning activity in line with the current and future needs of the Northamptonshire economy. It will ensure that the area retains, develops and grows existing firms, stimulates new company formation, fosters new external relationships to attract investment, promote research and development with the overarching goal to build a more resilient and competitive economy. It will provide strategic direction to all business related activity within the sub-region.

ROLES AND RESPONSIBILITIES

The Business and Innovation Group will:

Strategy

2. Develop implementation plans to deliver the business and innovation elements of the Strategic Economic Plan in line with all key deliverables and timelines.
3. Complete periodic review of the business and innovation elements of the Strategic Economic Plan to ensure that this remains fit for purpose, during the life of the Plan.
4. Commission underpinning strategies, as and when necessary, to support the overall delivery of the business and innovation aspects of the Programme.
5. Identify emerging international and national policy, best practice and thematic trends, and ensure that Northamptonshire actively responds to these.
6. Monitor overall economic performance and identify key emerging issues and proposals to address these.
7. Provide direction and support to the strategic work programmes of the sectoral groups to ensure that best practice is shared and work programmes are delivered in line with expectations.

Investment

8. Review all business related public expenditure and ensure that this is deployed in line with Northamptonshire's priorities.
9. Identify further investment sources and develop proposals to access these.

Delivery

10. Work with businesses, skills providers and key stakeholders to ensure that businesses have a strong voice in directing business growth, in-line with current and future business needs.
11. Develop an effective and cohesive business support infrastructure using national and European investment and commissioning activity as the catalyst to create this.
12. Develop commissioning frameworks for national funded business support activity and provide advice on same to the European Group in developing Structural Fund commissioning frameworks.
13. Ensure that a strong pipeline of business and innovation projects is in development and where necessary take action to stimulate these.

14. Review the performance of the individual ERDF Opt-In organisations (Growth Accelerator, UKTI, MAS etc.) to ensure activity is delivered in line with all key financial and outcome targets.
15. Ensure that the business and innovation priorities, outcomes and milestones within the SEP are delivered in line with expectations.

Risk

16. Identify key business growth delivery risks and mitigate these or escalate to the Growth Implementation Board for resolution.

MEMBERSHIP

Membership will consist of:

- NEP Board Member (Chair)
- Non-private sector Partner (Deputy Chair)
- Rural Stakeholder
- Private Sector x 3
- Business Association Representatives x 3
- Local Authority x 3

The groups will invite individuals to support their work programme as and when necessary.

ACCOUNTABILITY

The Business and Innovation Growth Group is directly accountable to the LEP Board. It will be chaired by the LEP Board Member with lead responsibility for the agenda.

MEETINGS

Meetings will take place on a bi-monthly basis, during the first six months of operation, dropping to quarterly thereafter. The Chair of the Group will determine whether these need to occur more or less frequently as business determines.

Annex 6: Letters of Support

MICHAEL ELLIS MP



HOUSE OF COMMONS
LONDON SW1A 0AA

Ms Jo Lappin
Chief Executive
Northamptonshire Enterprise Partnership
Enterprise House, 30 Billing Road
Northampton
NN1 5DQ

Monday, 24th March 2014

Dear Jo,

STRATEGIC ECONOMIC PLANS FOR NORTHAMPTONSHIRE

It was a pleasure to meet you recently to discuss the Strategic Economic Plans (SEPs) for Northamptonshire. We agreed that it would be helpful to discuss both Northamptonshire Enterprise Partnership and SEMLEP's plans, given that my constituency sits within the overlapping geography.

I found the discussion helpful and was pleased to hear that the key economic priorities for my Northampton North constituency, and Northamptonshire more generally, were being addressed by the SEPs. Northampton's gateways (Bus Station, Railway Station etc.), were high on my list of priorities and the re-development of these, which I know the LEPs have been involved in through Northampton Alive, is good news for the town. I also stressed the importance of the Enterprise Zone and making sure that this features strongly within both SEPs, which you confirmed was the case.

More generally, there were a number of issues that I was keen to work with the LEPs on over the coming months, namely:

- **Retail Offer** – I remain concerned that more can be done in this area and would be very interested to know more about the work programmes that are in place for both the Town Centre and Weston Favell. You agreed to discuss with Local Authority colleagues to explore how they might engage with MPs better on this work.
- **St Edmund's Hospital Site** – you agreed to take this up with the Northampton Borough Council to ascertain the current plans for the site.
- **Economic Summary** – you kindly agreed to provide a short economic summary that could be used for constituency briefings, and I look forward to receiving this.

REPRESENTING NORTHAMPTON NORTH

Abington, Boughton Green, Eastfield, Headlands, Kingsley, Kingsthorpe, Lumbertubs, Parklands, St David, Thorplands

Telephone: 020 7219 7220 Email: michael.ellis.mp@parliament.uk

- **My Annual Jobs Fair** – I outlined my plans for this year's Michael Ellis MP Jobs Fair and you confirmed that NEP would provide direct support through inviting relevant businesses, promoting the event and providing staffing support through your in-house Job Match team. You felt that colleagues in SEMLEP would also wish to provide support.

Finally, we agreed that it would be helpful to convene a meeting of all Northamptonshire MPs to discuss Northamptonshire's economy and you agreed to explore this with my colleagues.

I look forward to working with NEP and SEMLEP on this important agenda.

Kind Regards,

Michael Ellis
Member of Parliament for Northampton North



Bovis Homes Limited
Central Region
Bromwich Court
Highway Point
Gorse Lane
Coleshill B46 1JU

Telephone: 01675 437000
Facsimile: 01675 437037

17 December 2013

Jo Lappin
Chief Executive
Northamptonshire Enterprise Partnership
30 Billing Rd
Northampton
NN1 5DQ

Dear Jo

Re: Stanton Cross and the Northamptonshire Revolving Infrastructure Fund

Bovis Homes is one of the country's leading house builders. It is currently working closely with Northamptonshire County Council and the Borough Council of Wellingborough Council on the implementation of the Stanton Cross development, east of Wellingborough.

This site is seen as one of Northamptonshire's top strategic investment sites for delivering around 3,300 new homes and 110 hectares of commercial development.

The Stanton Cross development secured planning consent a number of years ago, however, the economic downturn the significant infrastructure costs have made an early start on the implementation of the development difficult to overcome. Indeed, the development requires a number of major new access routes to be created including a railway crossing bridge over the Midland Main Railway Line. Clearly the cost of this new infrastructure has had a serious impact on the viability of the development overall and particularly during the early phases.

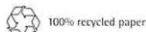
Northamptonshire County Council has identified the needs of the Stanton Cross development in terms of the immediate infrastructure requirements as one of the three priority schemes that they are proposing to support through the Northamptonshire Revolving Infrastructure Fund. Bovis Homes welcomes the innovative approach being taken by the County Council and the opportunity to utilise this long-term fund to support the early release of new homes and commercial development. Indeed our current plans support development beginning on site in 2014 with the key access routes being fully open by the Autumn 2015.

Bovis Homes is delighted to endorse the County Council's innovative approach to ensuring the early delivery of key infrastructure to support growth through up-front funding and overcoming what has traditionally been major blockage to development progressing in a timely manner.

Yours sincerely

Steven Hird

Steven Hird
Managing Director
Stanton Cross



Registered Office: The Manor House, North Ash Road,
New Ash Green, Longfield, Kent DA3 8HQ
Registration Number: 397634 Registered in England



Barratt Developments would welcome the opportunity to utilise this fund again in the future and recognise the important part it can play in promoting growth across Northamptonshire. We are excited by the potential that this could bring to the area.

Yours sincerely

Richard Edwards Dip TP MRTPI
Strategic Land Project Manager
Barratt Developments

Mob: 07748 623283

Email: richard.edwards@barrattplc.co.uk

Barratt East Region

David Wilson Homes, Forest Business Park, Cartwright Way, Bardon Hill, Leicestershire, LE67 1GL

Barratt Homes is a trading name of BDW Trading Limited. Registered in England and Wales. Registered Number 03018173. Registered Office Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicester, LE67 1UF

Appendix 1: Prioritised Schemes