



# East Lindsey Economic Baseline 2016

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# Executive Summary



The 'East Lindsey Economic Baseline 2016' is intended to update East Lindsey District Council's evidence base. Refreshing the previous Baseline produced in 2010, it presents key data about the local economy and identifies opportunities for growth.

The data collected and analysed is explored through the lens of:

- How does the information collected for the 2016 Baseline compare to the 2010 Baseline – has the East Lindsey economy stayed the same, improved or worsened?
- What does the information tell us about the impact of the recession/economic downturn and recovery?
- East Lindsey has two distinctive economic areas: 'Coast' and 'Rural Inland' – is the economic picture for each area the same or are there differences?
- How does the data analysis help respond to the Government's drive for productivity, jobs and growth?

This Executive Summary provides a snapshot of key statistics and information.

## Employment and Business

**The 2016 Baseline tells us how many businesses there are in East Lindsey, their size, scale, how productive they are; and which sectors are growing or declining.**

East Lindsey has experienced a slight decline in employment since 2009, with 1,014 (or 2.4%) jobs lost across the District. This is in contrast to the regional and national picture, where there has been overall growth in employment between 2009 and 2013. Job losses in East Lindsey have been concentrated in the construction industry, public and real estate sectors. East Lindsey's economy performs strongly in the Greater Lincolnshire Local Enterprise Partnership (LEP) priority sectors of Agri-Food, Tourism and Manufacturing. These sectors are locally distinctive and fulfil niche processes in supply chains. However, employment data overall suggests the local economy is still recovering from the recession.

While average wages for full-time workers in East Lindsey have improved since the 2010 Baseline, now exceeding Lincolnshire levels, part-time workers in the District earn on average £20 a week less than the national average. Given the high number of part-time workers in East Lindsey, this has implications for household incomes.

The District has relatively few business closures and new business creations. However, East Lindsey does fall behind the Lincolnshire, regional and national averages for percentage of businesses surviving at 3 years – 55% of new businesses still operate in the District after three years compared to 60% in Lincolnshire and 57% in England.

The data reveals two different economic pictures for the District's Coastal area and Rural Inland area. Manufacturing continues to be a more important sector for Rural Inland whereas tourism activities are dominant for the Coast. The Rural Inland area is the location of most of the District's employment in Education and Health, as well as knowledge intensive sectors (which are associated with higher level skills and wages). The Coast is characterised by a low skill, low wage and seasonal economy. Three quarters of businesses in the Rural Inland are categorised as "high growth, growing or stable". The picture on the Coast is more mixed: around half of businesses are categorised as in decline, however, just under a third of businesses are categorised as "growing".

Farming has always been a traditional part of East Lindsey's economy. Described by some as "the bread basket of England" (with the climate, landscape and soils suited to growing crops) Agriculture accounts for the largest number of businesses in the District (1,105 or 18.7%).

East Lindsey has a large proportion of small businesses, in particular those classified as Small Office/Home Office (SoHo), suggesting a high rate of home working. The rate of home working is highest for Rural Inland, where 7.8% of workers work at or mainly from home. There are few foreign-owned companies, accounting for just 0.1% of all companies in the District compared with 3.1% in England. East Lindsey also has a higher proportion of people in self-employment than the Lincolnshire, regional and national averages. However, the self-employment rate in East Lindsey has declined since the recession in contrast to the regional and national picture.

Productivity in Greater Lincolnshire, based on a measure of GVA per hours worked, continues to lag behind regional and national levels, with Greater Lincolnshire workers generating an average of £25.31 compared to the national average of £30.05. The high

proportion of low value-adding sectors in East Lindsey (such as Care and Retail), as well as the high number of retirees contribute to this. With a shift in government policy towards productivity and employment, getting more people in East Lindsey into the workforce and making the workforce more productive are increasingly important.

## People and Communities

**The 2016 Baseline tells us how many people live in East Lindsey; how many people are employed, seeking work and/or in receipt of benefits; school attainment levels; the skill levels of the existing workforce; and levels of deprivation. The Baseline also reveals which sections of the population are projected to grow, and considers the implications of this growth on the number of jobs that will need filling.**

East Lindsey has the largest population of any district in Lincolnshire – some 136,401 residents. Residents are evenly split between Rural Inland and Coast but sparsely distributed, with 80% living in rural areas. Between 2001 and 2011, East Lindsey's population grew by 4.6%, lower than the growth rate for Lincolnshire (10.4%), the East Midlands and England.

The District has a **high proportion of residents aged 65 years and over** (28% of the population), reflecting the importance of East Lindsey as a destination for retirees. Between 2015 and 2036 the number of over 65's is expected to increase from 40,000 to 55,000. Over the same period, the working age population is forecast to decline from 79,000 to 77,000. These forecasts have implications for the future of the labour market in East Lindsey. With a net outflow of working age people and a growing retiree population, labour market participation is likely to decline, yet demand for health-related services is likely to increase.

The **economic activity rate** (the percentage of people employed or seeking work) is higher for men in East Lindsey (86.7%) than for women (64.9%), which suggests that women in the District find it more difficult to participate in the labour market. East Lindsey is not a large attractor of overseas migrant workers and numbers have declined during the recession; East Lindsey accounted for just 6% of overseas migrants registering to work in Lincolnshire in 2010-2011. A high proportion of the working age population claims benefits in East Lindsey, with Employment Support Allowance and Incapacity Benefits paid to 8.6% of the working age population. These benefits are

associated with the ill-health of either the claimant or a dependent, and reflect the high proportion of older people living in East Lindsey. The **unemployment rate** is similar to the regional and national averages but fluctuates due to the seasonal nature of key employment sectors in East Lindsey – the claimant count can increase by more than 1,000 between February and August each year.

A high proportion of the working age population has no **qualifications**. Between 2008 and 2014, this proportion increased from 14% to 14.9%. In contrast, over the same period qualification attainment in Lincolnshire, the East Midlands and England increased. While school attainment at KS2 and KS4 has improved in East Lindsey, it still remains below Lincolnshire and national levels. Professional and technical occupations are under-represented in the District, which reflects the lack of larger/international firms and institutions such as hospitals and further and higher education institutions. Almost one-third of workers are employed in process and elementary occupations, mainly in the large Agri-Food and Manufacturing sectors.

The **Indices of Deprivation 2015** is the official measure of the relative deprivation for small areas (or neighbourhoods) in England. Deciles are calculated by ranking the 32,844 small areas in England from most deprived to least deprived and dividing them into 10 equal groups. These range from the most deprived 10% of small areas nationally to the least deprived 10% of small areas nationally. 10% of small areas in East Lindsey (with 1,000-3,000 population) are ranked in the most deprived decile for deprivation overall. The Coastal area scores poorly on measures around employment, health and disability, education and skills, and barriers to housing and services. Rural Inland performs well in all but one domain, barriers to housing and services. East Lindsey is one of ten local authorities with the largest percentage point increase between the 2010 and 2015 Indices of Multiple Deprivation. For the overall rank, East Lindsey stands at 33 out of 326 local authority districts, which is a considerable climb up the rankings from 58 in 2010.

There are issues around **connectivity**. Data provided by OFCOM in 2013 showed East Lindsey had an average broadband speed of 11.1 to 13.8Mbps. However, this average conceals a significant variation across the District, with some rural areas struggling to achieve a 2Mbps connection. Significant investment has been made by the Government and BT to upgrade broadband lines to households and commercial premises. By August 2015, 52,471 BT lines in East Lindsey had been upgraded. However, reaching the final 5% of premises may involve the use of alternative technologies such as wireless and satellite broadband.

No significant investment in **transport and highways** has been earmarked in the most recent Transport Plan, apart from the Skegness Relief Road. Use of public transport in the District remains low – with a high proportion of workers (64.5%) relying on their own vehicle to travel to work, compared to the national average of 57%.

The data on business and communities suggests the East Lindsey economy has:

- **A high level of self-containment:** 69.3% work either in the District or at home, and 85% work within the Lincolnshire boundary.
- **A decreasing level of labour market participation:** the District has a low and falling proportion of qualified workers, exacerbated by high rates of disengagement from the labour market, for health-related reasons, and also among women.
- **An increase in the number of jobs that will need filling:** with the number of over 65's projected to increase by 15,000 between 2015 and 2036, reaching parity with the economically active population, there will be 9,979 more jobs than people to fill them by 2036.
- These findings suggest East Lindsey will have to increase participation in the labour market and/or offer the types of high skilled, high wage occupations that might attract young professionals to relocate to the area.

## Towns

East Lindsey is polycentric with towns and large villages widely distributed across its geography.

**Skegness and Louth**, East Lindsey's two largest settlements, were compared to fourteen other settlements in England. These comparator settlements were selected according to the Department for Environment, Food and Rural Affairs (Defra) list of hub towns which identifies settlements with similar functionality. Skegness and Louth perform poorly – ranking 16th and 13th respectively from a total of sixteen settlements.

Seven smaller towns were identified within the District: **Alford, Horncastle, Coningsby, Spilsby, Mablethorpe, Wragby and Wainfleet All Saints**. These were compared with three other settlements: a town in a different Lincolnshire District (Crowland), a town

in the South East Midlands (Oundle) and a town in the North East Midlands (Bolsover). Poor levels of functionality were found in all of the smaller towns in East Lindsey compared to the other settlements. Within the District, the best scoring small town identified was Alford and the lowest scoring were Wragby and Wainfleet All Saints. In terms of their economic success, Horncastle and Spilsby are the best performing. However, worklessness is a challenge in all of East Lindsey's smaller towns. In Mablethorpe the level of worklessness is three times the national average. Making these settlements more attractive places (or 'sustainable communities' where people want to live and work) is important in underpinning the local economy.

## Challenges and Opportunities

From the analysis it is possible to identify a number of challenges and opportunities facing the East Lindsey economy:

### Challenges

- **Significant flood risk** in 30% of the District – requiring all planning applications to be accompanied by a formal flood risk assessment.
- The District continues to perform poorly on productivity compared with the regional and national averages. '**Productivity gap**' related to lack of high value adding sectors (e.g. business and financial services) and lower levels of participation in the labour market. Narrowing the gap is a considerable challenge.
- **A decline in the working age population and increasing number of older people** – on the one hand increasing demand on health, care and other public services and on the other hand, not having the workforce to sustain the local jobs market. How will the stock of jobs be filled?
- **Poor and declining skills offer** – with a low proportion of working age population qualified to Level 4 (or degree level) and almost 15% of the working age population having no qualifications. This affects the ability of local employers to recruit and the propensity for inward investment.

- Lack of further education provision, restricting the ability of businesses to upgrade employee skills levels and affecting the aspirations of young people. Lack of leadership and continuing professional development courses available to businesses.
- Limited transport/infrastructure network (road, rail, broadband and mobile coverage) within East Lindsey and into/out of the District acting as a barrier to business trade and growth.
- Delivering broadband to the final 5% of premises and existing premises struggling to access a basic 2Mbps connection.
- The profile of East Lindsey (where it is, what it is like and opportunities for career progression) is not actively promoted. Employers find it difficult to attract employees from outside Lincolnshire.

## Opportunities

- East Lindsey offers a high quality and community based way of life – with people attracted by the low cost of housing, good schools and low levels of crime.
- Outstanding landscape - home to the Lincolnshire Wolds, the only Area of Outstanding Natural Beauty in the East Midlands, and one of only two nationally protected landscapes in the region.
- Growth in higher value activities in the Agri-Food sector (e.g. food manufacturing). Almost a quarter of East Lindsey's workforce is employed in this sector which has seen an increase in niche food production (e.g. small scale breweries, confectionary and bakery items).
- Tourism has remained resilient throughout the recession, with people having a 'staycation' and leading to growing numbers of people employed in accommodation and restaurants.
- A strong Manufacturing sector, with locally distinctive activities (e.g. plastic products, packaging, agricultural machinery, aircraft engineering). The area has seen significant investment from BAE Systems, with more than 400 jobs created in aircraft manufacturing/engineering.
- Space to grow and low cost premises for businesses.
- Mobilise the business community to bring forward projects.

## Implications

The findings of the Baseline have been triangulated with a group of businesses in East Lindsey – operating in the Coast and/or Rural Inland areas, and of different sizes, scales and sectors. These stakeholders identified a need to mobilise the local business community in order to bring projects forward and access public funding made available through the Greater Lincolnshire LEP, EU and other sources. Because of the limited resource of the Greater Lincolnshire LEP and East Lindsey District Council, a coordinated approach among local businesses was identified as a key success factor for securing project funding.

Taking account of the short, medium and longer-term trends affecting the local economy, and the views of businesses, two scenarios for the future have been developed. Each scenario sets out what may happen to land, capital, people and enterprise by 2036:

- Scenario 1: What might happen if the current trajectory continues; or
- Scenario 2: What might happen if a range of interventions are undertaken to address some of the trends.



# 1. Introduction



The 'East Lindsey Economic Baseline 2016' is intended to update East Lindsey District Council's economic evidence base. It comprises three documents:

1. A Baseline report: presenting key data about the local economy and opportunities for productivity and growth.
2. A document review: collating policies, strategies and information pertinent to East Lindsey's economy.
3. A technical annex: containing all statistical data and analysis undertaken.

This report presents the key data analysed (Document 1: the Baseline report).

## Geography of East Lindsey

East Lindsey is the ninth largest local authority by area in England<sup>1</sup>. It covers 183,107 hectares. It is the second largest district council in England and is categorised by the Department for Environment, Food and Rural Affairs (Defra) as 'a predominantly rural local authority' with over 80% of its population living in rural areas<sup>2</sup>.

The District is polycentric, with towns and large villages widely distributed across its geography. Skegness is the largest town with a Built Up Area population of 24,876, followed by Louth (which is the only other settlement with a population over 10,000) with a Built Up Area of 16,419<sup>3</sup>. There is a distinctive split between its Coastal area and Rural Inland. A significant proportion of the District is covered by the Wolds Area of Outstanding Natural Beauty.



Source: ELDG

## Structure of the Report

**Chapter 2** provides an overview of the strategic documents and plans which condition investment and support in the East Lindsey economy.

**Chapter 3** contains an analysis of the composition of the employment base and business base: how many businesses are there in East Lindsey; their size and scale, how productive they are; and which sectors are growing or declining.

**Chapter 4** relates to people and communities: how many people live in East Lindsey; how many people are employed, seeking work or in receipt of benefits; school attainment levels; the skills levels of the existing workforce; and levels of deprivation.

**Chapter 5** considers the functionality of East Lindsey towns and benchmarks them against other comparator places in the East Midlands and England.

**Chapter 6** sets out which sectors of the local economy and which sections of the population are projected to grow; and the implications of this growth on the number of jobs that will need to be filled.

**Chapter 7** explores how sustainable this growth is, particularly around meeting energy needs, housing needs, business premises, transport/infrastructure and broadband.

**Chapter 8** draws together Chapters 2-7 to identify the overarching challenges and opportunities facing the East Lindsey economy.

**Chapter 9** offers two scenarios for the future development of the East Lindsey economy and takes up some challenges and opportunities presented in Chapter 8, as well as the view of businesses based in the District.

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<sup>1</sup> ONS SAM data 2014

<sup>2</sup> ONS rural area classification post 2009

<sup>3</sup> 2011 Rural-Urban Classification of Local Authority and other higher level geographies for statistical purposes

## 2. Strategic Context



## This Chapter summarises strategic documents and plans which condition investment and support in the East Lindsey economy.

### Summary

- East Lindsey covers 183,107 hectares, making it the second largest Local Authority District in England.
- It is sparsely populated, with 80% of its population living in rural places.
- It has two distinctive economic areas: 'Coast' and 'Rural Inland'.
- There is a unique narrative for the Coast – it is characterised by (i) a low skill, low wage, seasonal tourism economy; (ii) nationally significant levels of flood risk – affecting 30% of the District; (iii) health challenges around alcohol, tobacco and obesity; and (iv) popular arts and cultural events including the SO Festival and Festival of Bathing Beauties.
- The Rural Inland narrative is less well developed but characterised by (i) having the only Area of Outstanding Natural Beauty in the East Midlands; (ii) distinctive towns and villages; (iii) niche and long term economic 'actors' such as Morton's Printers in Horncastle and Tong Peel Agricultural Machinery Manufacturers in Spilsby; and (iv) RAF Coningsby, the Royal Air Force's Southern Typhoon Main Operating Base and host of the Battle of Britain Memorial Flight.
- East Lindsey has a significant agricultural footprint – it has been described by some as 'the bread basket of England' – and has prominent companies based within it, such as Woldmarsh (headquarters located in Louth).

- There are issues around physical infrastructure and connectivity. In 2013 the District had the second lowest level of broadband speed in England. Despite public investment and a delivery programme led by Onlincolnshire, broadband remains an issue. No significant investment in transport and highways has been earmarked in the most recent Transport Plan, apart from the Skegness Relief Road.
- East Lindsey's external links and connections have not been fully explored (e.g. how businesses in the District relate to other seaside resorts such as Cleethorpes or the food agenda in South Holland).

This Chapter outlines the local economic plans and strategies prepared by East Lindsey District Council and other bodies. These documents provide a strategic context for the Baseline and a narrative about the District. A separate document has been prepared listing the fifty-two plans/strategies reviewed with a template summarising the key information contained in each.

In this Chapter the findings of the Document Review have been organised into the following spatial and organisational perspectives:

- I. National Agenda.
- II. Greater Lincolnshire Local Enterprise Partnership.
- III. The County of Lincolnshire.
- IV. East Lindsey District.
- V. East Lindsey economic sub area: Coast.
- VI. East Lindsey economic sub area: Rural Inland.
- VII. Sectoral and Thematic (i.e. physical development, flood risk, transport and connectivity).

## National Agenda – Productivity and Growth

National Government policy on economic development has shifted significantly since the 2010 Baseline. Regional templates for economic development led by Regional Development Agencies (RDAs) have been replaced by Local Enterprise Partnerships (LEPs). LEPs are partnerships between local authorities and businesses. Set up in 2011 by the Department for Business, Innovation and Skills (BIS), LEPs determine economic and investment priorities and administer Government and European funding for economic development. Rather than following administrative boundaries LEPs are intended to reflect the natural economic geography of the areas they serve.

East Lindsey is covered by the Greater Lincolnshire LEP which stretches from the Humber Bank in the north to the Wash in the south. The Greater Lincolnshire LEP provides a wider economic context for East Lindsey – introducing Cleethorpes as a further tourism destination as well as linking the District to a concentration of food manufacturing, storage and distribution and ports/logistics in North East Lincolnshire.

The previous approach of RDAs of narrowing the gap between the best and worst performing economic regions<sup>4</sup> has been replaced through LEPs by a more local and flexible approach<sup>5</sup>. Here, local leadership and reducing burdens for business (e.g. in terms of lower tax levels, planning and administration) are intended to drive economic growth from the bottom up.

In July 2015 HM Treasury launched 'Fixing the foundations: Creating a more prosperous nation'. This document sets out Government's focus on productivity (to drive growth and raise living standards), the drivers of productivity and measurement shift from Gross Value Added (GVA) per head towards productivity and employment measures. The Government's framework for raising productivity is built around two pillars: (1) encouraging long-term investment in economic capital, including infrastructure, skills and knowledge; and (2) promoting a dynamic economy that encourages innovation and helps resources flow to their most productive use.

In August 2015 HM Treasury and the Department for Environment, Food and Rural Affairs (Defra) published 'Towards a one nation economy: A 10-point plan for boosting productivity in rural areas'. This rural productivity plan follows on from 'Fixing the foundations' by setting out the Government's specific offer and ambition

for rural areas. The Plan highlights the economic importance of England's rural areas to the national economy (accounting for 16% of total output) but describes how rural productivity lags behind urban settings. The 10-point plan covers broadband, mobile communications, transport, access to education/training, apprenticeships, Enterprise Zones, planning, housing, childcare and devolution.

Government focus on productivity assists East Lindsey in recognising the need to overcome some of the challenges posed by a lack of infrastructure. The Rural Productivity Plan further sets out how in the bidding round for Enterprise Zones preference will be given to proposals involving small towns, districts and rural areas as well as a commitment to providing broadband speeds of at least 2Mbps by the end of 2015.

At the implementation level, a number of Government departments are involved in delivering productivity and growth:

- **Defra** – is leading the Rural Development Programme, including 2014–2020 LEADER (East Lindsey is covered by the Coastal Action Zone and Lindsey Action Zones which collectively have approximately £4 million), Countryside Productivity Scheme, the Rural Growth Fund (a proportion of which it allocates directly to LEPs and a proportion of which it administers on a sub-national basis), funding for Areas of Outstanding Natural Beauty and Food Enterprise Zones; all of which provide opportunities for East Lindsey to generate funding and support. Defra also oversees the work of arm's length / non-departmental bodies including the Environment Agency which has a major role to play in managing the risk of flooding and Rural Payments Agency which administers farm and LEADER grant payments.
- **Department for Communities and Local Government (DCLG)** – supports local government, Local Enterprise Partnerships and Enterprise Zones. This includes administering Coastal Community Teams and the Coastal Revival Fund which provides opportunities for East Lindsey to access additional finance and support. DCLG is also responsible for the planning system and fire and rescue authorities.
- **Department for Business, Innovation & Skills (BIS)** – is the lead department for economic growth. BIS invests in skills and education to promote trade, boost innovation and help people to start and grow a business.

<sup>4</sup> *Review of Sub-National Economic Development and Regeneration July 2007 HM Treasury*

<sup>5</sup> *Local Growth Realising Every Place's Potential BIS 2010*

- **Department for Transport (DfT)** – provides funding to help Local Authorities to run and maintain the road network as well as investment in other infrastructure.
- **Department for Culture, Media & Sport (DCMS)** – supports access to mobile and online communications (through Broadband Delivery UK, BDUK) – with superfast broadband infrastructure and business take up being delivered by Onlincolnshire in East Lindsey.
- **Visit England** – with Government funding, this body provides data, coordinated marketing and encourages collaboration between different sectors involved in the Visitor Economy.

A number of global developments are impacting upon East Lindsey's economy, including:

- Falling farm gate prices for milk and other produce, delays in making environmental subsidy payments for 2015/2016 and the European Commission's restrictions on the use of some pesticides leading to production and cash flow problems for some farm businesses.
- An expansion of global communications and new working patterns – notwithstanding the relative challenges of broadband access in parts of the District – offering the potential for many businesses to locate anywhere.
- Continued demographic change (i.e. an ageing population) providing economic challenges and opportunities around health and social care in the District.
- Ongoing concerns over climate change which increase the challenges facing the District's coastal communities and stimulate detailed planning for the major manufacture of renewables in the adjoining North and North East Lincolnshire.

## Greater Lincolnshire Local Enterprise Partnership

The Greater Lincolnshire LEP has two background documents (a Strategic Economic Plan and a Structural and Investment Plan Strategy) and an emerging evidence base where all resources covering Greater Lincolnshire are collated.

## Strategic Economic Plan (SEP) 2014

The Plan sets out Greater Lincolnshire's priorities for growth. The document outlines a number of opportunities and challenges for key sectors:

- Greater Lincolnshire contributes 10% of the UK's food but the sector faces barriers to growth (e.g. access to skilled labour, finance, energy costs, scarce water resources), with flood risk management also of concern in some areas.
- Greater Lincolnshire has an established **Engineering** sector (particularly **Agri-Engineering** in East Lindsey), yet the sector faces challenges around access to finance, new markets and a skilled workforce.
- Greater Lincolnshire has a wealth of resources to offer the **tourism** sector (e.g. Blue Flag beaches, major resorts on the east coast, historic sites and aviation heritage). There is a need to strengthen this through improved transport connections and more consistent online marketing and promotion. The Plan highlights actions around improving parking, tourist information services and extending cultural programmes in the East of the LEP area.
- The **Low Carbon economy** is identified as a major opportunity, mainly centred on offshore wind. North Lincolnshire is a focus for this sector, although there are opportunities for engineering firms and the labour market in proximate areas including East Lindsey.
- Greater Lincolnshire's ageing population provides challenges for delivery of effective **Health and Care**, but also opportunities to support innovation across the sector and improve skills and employment in the care workforce.
- The Plan identifies three sectors where Greater Lincolnshire offers the most competitive advantage: **Agri-Food, Manufacturing and Visitor Economy**.
- The Plan further outlines three emerging sectors for the Greater Lincolnshire economy: **Health and Care, Low Carbon, and Ports and Logistics**.
- Relevant LEP-wide initiatives include: unlocking the rural housing programme to deliver 2,059 houses by 2016; and an **innovation programme to provide advice to 400 Greater Lincolnshire businesses**.

- An East Lindsey specific project is the Skegness western relief road – which will create 31 hectares of employment land and leverage £2.9 million of private sector funding.
- Other relevant future projects include: East Lindsey Rural Skills Hub, Horncastle flood management and Skegness sustainable transport.

## EU Structural and Investment Fund Strategy 2014-2020

The Strategy sets out the Greater Lincolnshire LEP's role as an 'enabling body' to grow businesses, increase skills and support a wide range of housing.

The Strategy aligns with some of East Lindsey's important sectors, including:

### Visitor Economy:

- Improve the appeal, appearance and access to the Visitor Economy.
- Improve the quality of accommodation, attractions, places and services.
- Embrace new communication technologies – use social media to tap into different markets.
- Identify needs within the industry and ensure training providers are offering appropriate and accessible opportunities.
- A coherent approach to destination image, branding and promotion development.
- Increase the level of tourism spending retained locally (e.g. local supply chains, increasing overnight stays and lengthening the season).

### Broadband:

- Lobbying to increase superfast broadband and 4G coverage.
- Increase the level of ICT skills of the general population.
- Showcase technology experiments from elsewhere (e.g. Superfast Villages).
- Highlight inward investment opportunities / promote relocation to Lincolnshire Wolds and coast.

### Skills and Higher Skills Levels:

- To develop a systematic way of capturing employer's skills needs.
- Simplify the skills offer to employers and support them to take up good quality provision.
- Ensure continuity of schemes, initiatives, and the skills funding rules.

- Help schools, colleges and training providers understand locally important sectors/ industries.
- Provide high quality information about the sectors, jobs and careers available in Greater Lincolnshire.
- Raise awareness of apprenticeships to local SMEs.

### Flood Risk and Water Management/ Supply:

- Better plan and protect businesses for the effects of flooding, particularly Agri-Food firms.
- Develop a longer-term strategy for beach maintenance between Skegness and Mablethorpe.

### Sustainable Transport:

- To invest in sustainable transport – with improvements in transport infrastructure proposed for Lincoln, Grantham and Spalding.

### Access to finance:

- The LEP is considering creating a local financial instrument to provide access to funding. If a need is identified for this instrument, the Greater Lincolnshire LEP has notionally allocated £5 million in its Strategy to establish this.

## Evidence Base

The Greater Lincolnshire LEP is building a repository of key data and documents about the area. Documents relevant to East Lindsey include:

**Productivity in Greater Lincolnshire (2015, draft):** the document presents data on employment and productivity measures, benchmarking the Greater Lincolnshire LEP against the thirty-eight other LEPs. This suggests productivity in Greater Lincolnshire lags behind a lot of other areas because of the dominance (in employment terms) of lower value added sectors such as Agriculture. Two sectors where Greater Lincolnshire has a comparative advantage are Food and Non-Food Manufacturing but these appear to be less productive than the national average. Greater Lincolnshire is, however, more productive than the national average when it comes to Agriculture – this is attributed to the pre-dominance of Grade 1 agricultural land in the area.



**Greater Lincolnshire Employer Survey (2014):** telephone interviews were conducted with 1,515 employers in the Greater Lincolnshire area in April and May 2014. The sample included 192 interviews with businesses in East Lindsey. Transport infrastructure is rated poorly by employers in East Lindsey. They were also less likely on average to be satisfied with the range of housing and retail/leisure facilities and access to customers, suppliers and skilled staff. The availability of training provision locally was also identified as an issue (by 20% of East Lindsey sample).

**Small Business Research Report (2015, draft):** emphasises the importance of small and micro-firms to Greater Lincolnshire's economy – comprising 98% of the total business population. Small and micro businesses in Greater Lincolnshire employ a greater proportion of the workforce than the national average (over 50% in Greater Lincolnshire compared to 45% nationally). Figures from 2013 show that the ratio of business births and deaths is above pre-recession levels.

**Annual State of the Economy Report 2014:** the document reveals that economic growth forecasts in the short, medium and longer-term are encouraging. At least 200,000 jobs will need filling over the next ten years, as a result of new jobs created and retirements. This needs to be achieved against a backdrop of low house building rates, a working age population that is projected to fall and low growth in the numbers of young people. The skills profile is improving but still lags behind national averages.

**Greater Lincolnshire Destination Management Plan 2013–2020 (2013):** this Plan recognises the distinctive tourism features of East Lindsey, for Rural Inland and Coast. It contains overall priorities which are important in an East Lindsey context including: the quality of the tourism offer in each area, routes to market, skills and training, image and branding and performance and impact monitoring.

**Greater Lincolnshire Agri-food Sector Plan 2014–2020 (2014):** the plan includes a vision for the Agri-Food sector to double its contribution to the economy by 2030 through a programme of investment (e.g. industry led food board, building upon existing clusters in the food chain, developing a sector skills plan, implementing a 25-year water management plan and investing in transport infrastructure). The Plan references companies based in East Lindsey, including Woldmarsh HQ in Louth and Tong Peel Engineering HQ in Spilsby.

**Skills Needs Reports for Agri-food, Manufacturing/Engineering and Visitor Economy (2012):** all of these reports cite recruitment challenges and workforce skills deficiencies. East Lindsey's 'seaside strip' is described as having a "micro labour market" where skills gaps provide a significant barrier to growth for individual businesses as well as the wider economy. All of the reports identify opportunities around work preparation for young people and customisation of skills and training to meet worker and industry needs.

**Health and Care in Greater Lincolnshire – The Way Forward (2014):** the demand on the Health and Care Sector is on course to increase as population changes. While Greater Lincolnshire's population is projected to grow at 6% between 2014 and 2025, the proportion of over 55's is projected to increase 20% more than the national rate over the same period. 40% of the sector workforce is projected to retire by 2021 creating demand. There is already a skills gap of 8% in higher levels and management skills compared to the national average.

**Greater Lincolnshire Local Enterprise Partnership Growth Strategy – A business case for water management – Outputs to support the Growth Strategy (2014):** this report describes the unique water management issues within Greater Lincolnshire's 'rural economy area'. It identifies key growth sectors (Agri-Food, Visitor, Ports, Housing) enabled by investment in flood risk and water management.

**Learning from our place in the Global Economy (2012):** Greater Lincolnshire has a disproportionately high representation of employment in Agriculture (2.4 times the English average) and Manufacturing (1.6 times the English average). There is an under-representation of key service sector industries (e.g. Banking, Finance and Insurance). For East Lindsey, the research also identifies: how the manufacture of agricultural machinery employs 700 people across the area, concentrated in East Lindsey and North Kesteven (citing the presence of Howsham Sprayers and Tong Peel). Rubber and plastics account for almost 4,000 jobs, with a concentration around Louth.

**Opportunities for Innovation within the Greater Lincolnshire Traditional Industries (2012):** this research considers innovation in Greater Lincolnshire's traditional industries (namely the Agri-Food sectors: including subsectors of food processing, agricultural engineering and seafood) and how opportunities for innovation are being harnessed. The report describes East Lindsey as having "a very important role in terms of primary

production, being the second biggest net employer in this subsector in the Greater Lincolnshire area. The District also has strengths in independent food retail".

**Opportunities for Greater Lincolnshire Supply Chains (2012):** this report covers firm ownership, international trade, supply chain mapping and identifies cross-sector linkages (i.e. between Agri-Food and Logistics; and between Agri-Food and Environmental Technologies). There are two references to East Lindsey: a low level of non-UK firm ownership and local concentration of engineering activity.

## Lincolnshire

Lincolnshire County Council is responsible for services such as education, waste management and strategic planning across Lincolnshire. Key documents prepared by the County Council relevant to East Lindsey include:

**Lincolnshire Economic Briefing (July 2015):** this quarterly snapshot survey of businesses across the County reveals:

- Businesses are much more confident about the year ahead compared to 2014, expecting their turnover and profits to increase.
- 1 in 5 businesses had negative expectations about the year ahead in terms of profitability, turnover and market share. This negativity has seen businesses revise downwards plans for investing in capital and/or training.
- Strong and sustained levels of domestic demand – with sales/customs/bookings improving or staying the same. More businesses are looking to recruit over the next quarter (28% of respondents).

**4th Lincolnshire Local Transport Plan (April 2013):** this document sits alongside the DfT White Paper 2011 'Creating Growth, Cutting Carbon'. The Local Transport Plan has a broad vision for transport up to 2030 and identifies four major road priorities (none of which directly impact upon East Lindsey). A section in the 'Supporting Larger Towns' chapter references Louth and Skegness. The only other applicable section to East Lindsey covers improving accessibility where there is a commitment to increase the usage of the InterConnect Scheme.

## East Lindsey

East Lindsey has two distinctive economic areas: 'Coast' and 'Rural Inland'. These are used by the District Council in the preparation of data/documents and in the way specific areas of responsibilities (portfolios) are allocated to Councillors on the Executive Board.

Key documents prepared by the District Council include:

**Corporate Strategy (2014–2018):** identifies a number of key economic priorities for the area – retain young people, maintain a balanced population, keep successful growing businesses, encourage businesses to create more jobs and visitors, make the most of marketing and active asset management.

**ESF 2015/21 – Key Themes for future opportunities in East Lindsey:** this identifies the key themes that will be used to guide European Social Fund investment activities, namely: low economic activity, dominance of traditional industries, an ageing population, under representation of knowledge intensive businesses, skills gaps and long term unemployment in coastal towns, the impact of sparsity on employment and aspirations within the workforce.

**Economic Development in East Lindsey Options, Ideas and Recommendations (2014):** this reviewed the actions of the Council's economic development team and outlined key challenges in the District requiring intervention/support: decline in jobs and economic participation, skills challenges and the opportunity to build on niche sectors.

**Employment Sites Review Update (2013):** this reveals limited demand for additional land at Alford, Coningsby and Spilsby; there is a lack of demand at Mablethorpe; Louth and Horncastle estates have seen considerable growth. There is significant space of serviced land at Louth (24 ha) but limited room at Horncastle (1.09 ha).

**Draft Core Strategy (October 2012):** references a range of economic issues facing the District, including: a relatively low percentage of employees working full-time but a high percentage of self-employed workers; a reliance on the two dominant industries of Agriculture and Tourism both of which are seasonal employers; growth in IT and communications will provide opportunities for small and home based businesses; coastal settlements are at risk of flooding; and opportunities to widen the tourism offer through a greener visitor offer. The Strategy contains a settlement pattern (towns, large villages, medium villages, small villages and open countryside) as well as ten cluster groups through

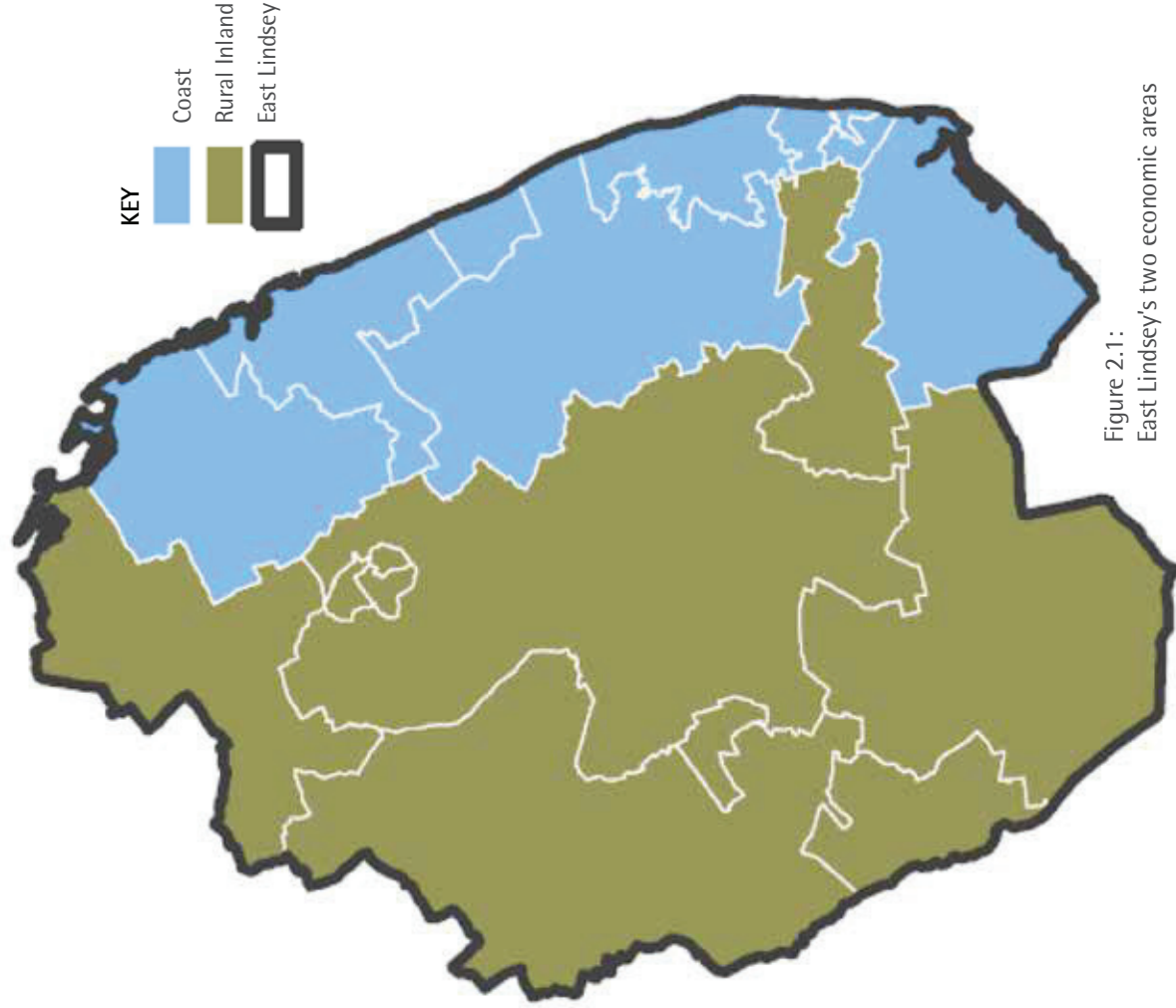


Figure 2.1:  
East Lindsey's two economic areas  
*Map prepared by Birkbeck College, University of London for East Lindsey District Council, 2015*

which the Council will guide developments that maintain a range of essential and readily accessible employment, retail and social facilities for communities.

**Housing Strategy 2013-2018 (2013):** this outlines four priorities which will have an impact on the productivity agenda in the area: better quality housing, prevention of homelessness, more affordable housing, and support for vulnerable residents. It identifies a number of common themes including flood risk, a high proportion of elderly residents, fuel poverty and dispersed settlements.

**Updating the Demographic Evidence (prepared by Edge Analytics, draft 2015):** the evidence informs East Lindsey District Council's Local Plan and Housing Strategy. The update involves modelling three statistical releases (2012-based population projections from ONS; 2013 mid-year population estimates from ONS; and 2012-based household projection from DCLG) and a revised set of scenarios using POPGROUP technology. The PG-10 year scenario selected from the analysis suggests an average dwelling requirement (2011-2037) of 481 completions. The analysis further suggests completions will exceed the requirements for dwelling growth in the 'wet area' but higher growth may be required in the 'dry area' to accommodate growth constraints in the coastal area due to flood risk as well as demographic change.

**East Lindsey District Health Profile (prepared by Public Health England, 2015):** this profile identifies significant health challenges and inequalities in East Lindsey, specifically around alcohol, tobacco use and obesity.

## Sub-Area: Coast

**Skegness Visitor Satisfaction and Growth Potential (2014):** this study provides detailed insights into the visitor offer, facilities and appeal of Skegness. It confirms the key characteristics of the area – caravan holidays, family orientated and budget priced. It identifies a range of options for widening the visitor appeal of the area and diversifying the tourism product.

**East Lindsey Coastal Zone Skills Audit (2010):** this study identifies the coast as being largely dependent on SMEs with low demand for skilled workers. It forecasts a significant population increase (11,000 people by 2022), driven largely by retirees. The Audit considers the distribution of learning opportunities and concludes there to be no

case for significant expansion of further education in the District. It identifies high level skills shortages in hospitality, social care and engineering.

**Coastal Action Zone – LEADER Local Development Strategy 2015–2020:** this document is focused on rural development priorities for the investment of around £2 million of EU funding to 2020. The Strategy identifies key themes around land based and tourism businesses on the coast, including: to broaden the coastal offer, improve connectivity to stimulate business competitiveness and drive up the quality of tourism product.

**Coastal Community Challenge (2014):** this document sets out a neighbourhood strategy for addressing the significant deprivation in the northern portion of the East Lindsey coast. A resident led group is prioritising the use of a £1 million budget provided by the Big Lottery under the Big Local programme until 2022.

**The Economic Footprint and Audience Demographics of the SO Festival (2014):** the survey revealed a total of 5,696 additional visitors to the area's market towns and 21,532 visitors to Skegness. Using a multiplier of 1.35, the GVA of net additional visitor spend to Skegness was £500,132 with £38,956 net investment from running/hosting the festival = £539,088. When the multiplier is applied to Horncastle, Spilsby and extrapolated over other market towns in the District, net additional visitor spend was £132,876.

**Festival of Bathing Beauties Evaluation Report (2012):** 12,000 people visited the Festival in 2012, with 71% of visitors from outside East Lindsey. 5,635 people visited Mablethorpe/Sutton on Sea specifically for the Festival and 54% of these visitors stayed overnight (3,043 visitors). Businesses suggested that, over three years, £750,000 had been injected into the local area as a result of the Festival.

**Coastal Lives – Cultural Lives – A Lincolnshire Coast Cultural Development Plan (2009):** parish level analysis setting out the scope for adding value to tourism on the coast. Recommendations include the creation of a strategic festivals support officer and cultural development workers, increased resources for live art, the establishment of a Cultural Panel to coordinate cultural services, the creation of a poet laureateship and strategic clusters of gallery and public art trails.

**Coastal Lincolnshire Housing Market Area Local Investment Plan 2011–2026 (2011):** a number of key long term infrastructure investments planned for the Coast include the Coastal Country Park, Coastal Grazing Marshes Project, Skegness and Alford Industrial Estate Extensions and Development of Skegness Railway Station.

**Seaside Towns in the Age of Austerity – Recent Trends in seaside tourism in England and Wales (prepared by Sheffield Hallam University, 2014):** sets a contemporary contextual back drop for the coastal tourism agenda. It provides useful typology information for Skegness and Mablethorpe. It establishes them as amongst the most seasonal and most challenged holiday resorts in England.

## Sub-Area: Rural Inland

**Retail and Economic Assessments – Louth, Horncastle and Alford (2012):** identifies challenges facing these three settlements including: loss of retail space, land availability, the impact of internet shopping and external competition from other settlements. The Assessments set out the ongoing retail capacity of each centre and provide a useful background about the functionality of these key service centres.

**Retail and Economic Assessment Report (2014):** this updates the 2012 Assessment and recommends a need for additional shopping and service facilities. The analysis suggests vacancy rates are below the national average and that current vacancy rates in the three town centres (Louth, Horncastle and Alford) could accommodate future growth.

**Lindsey Action Zone Local Development Strategy 2014–2020:** this LEADER strategy seeks to commit around £2 million of business development resources focused on rural businesses. It has three priorities: improve business efficiency and growth, revitalise the Visitor Economy (by enhancing visitor experiences and length of stays) and realise the potential of environmental, heritage and community assets in the Wolds.

**Lincolnshire Wolds Area of Outstanding Natural Beauty Management Plan 2013–2018:** the Wolds is the only AONB in the East Midlands and one of only two nationally protected landscapes in the region. The Plan is a statutory document (Section 89 of the Countryside and Rights of Way Act 2000) and has been formally adopted by Lincolnshire County Council, East Lindsey District Council, West Lindsey District Council and North East Lincolnshire Council. The Wolds AONB HQ is in Louth. Describing the Lincolnshire Wolds as "a hidden jewel of the English countryside", the Plan sets the vision and aims of the AONB through five overarching themes:

- Theme 1: Protecting the Wolds
- Theme 2: Living and Working in the Wolds
- Theme 3: Discovering the Wolds

- Theme 4: Developing the Wolds
- Theme 5: Partnerships in the Wolds

This is a relatively unknown landscape asset has considerable potential to inform the economic development agenda in the District, enhancing the Rural Inland tourism offer and quality of life for local communities and businesses.

## Sectoral / Thematic

The Coastal Lincolnshire Strategic Housing Market Assessment (2012): this identifies a need for significant housing growth in the District driven by inward migration of the elderly. It uses a figure, which applied to the now defunct Regional Spatial Strategy, of 12,500 houses between 2008 and 2035. The Assessment identifies particular challenges arising from the demography of East Lindsey; setting out the case for the active development of Extra Care Housing as a key strategy for supporting the elderly. Housing conditions are deemed to be moderately below the regional and national averages.

The East Lindsey Draft Strategic Flood Risk Assessment (2012): the Assessment draws together: the Environment Agency's Flood Zone Maps (2004) and hazard mapping (2009); Louth Coastal Flood Management Plan (2009); River Witham Catchment Flood Management Plan (2009); Flamborough Head to Gibraltar Point Shoreline Management Plan (2009); Wash Shoreline Management Plan (2010); and Humber Flood Risk Management Strategy (2008). The Assessment reveals significant flood risk in 30% of the District – ruling out virtually all housing developments within the Coastal Flood Hazard Zones identified on Environment Agency flood hazard maps. Any planning applications along the Coast, therefore, are required to be accompanied by a formal flood risk assessment. The level of flood risk and its impact on the development of East Lindsey's Coast is a nationally exceptional challenge. The Flamborough Head to Gibraltar Point Shoreline Management Plan (2010) for the Lincolnshire coast – which runs from south of Humberston Fitties to Theddlethorpe St Helen – recommends continuing to provide sustainable flood protection to assets in the floodplain; from Viking Gas Terminal to Gibraltar Point to continue protecting against flooding at the same standard as the present day. The adjoining Wash Shoreline Management Plan (2010) from Gibraltar Point to Old Hunstanton also recommends 'holding the line'.

4G Discussion Document (2015, draft): identifies the business benefits of 4G and demonstrates that there are significant coverage deficits in terms of 3G on the coast and on the Wolds (Figure 2.2).

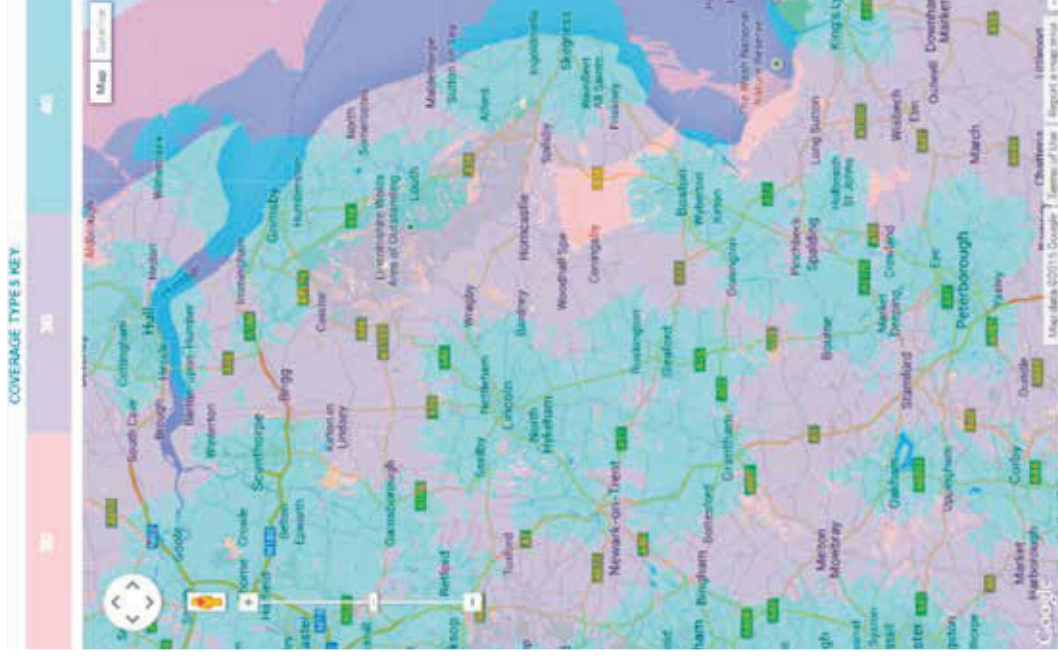
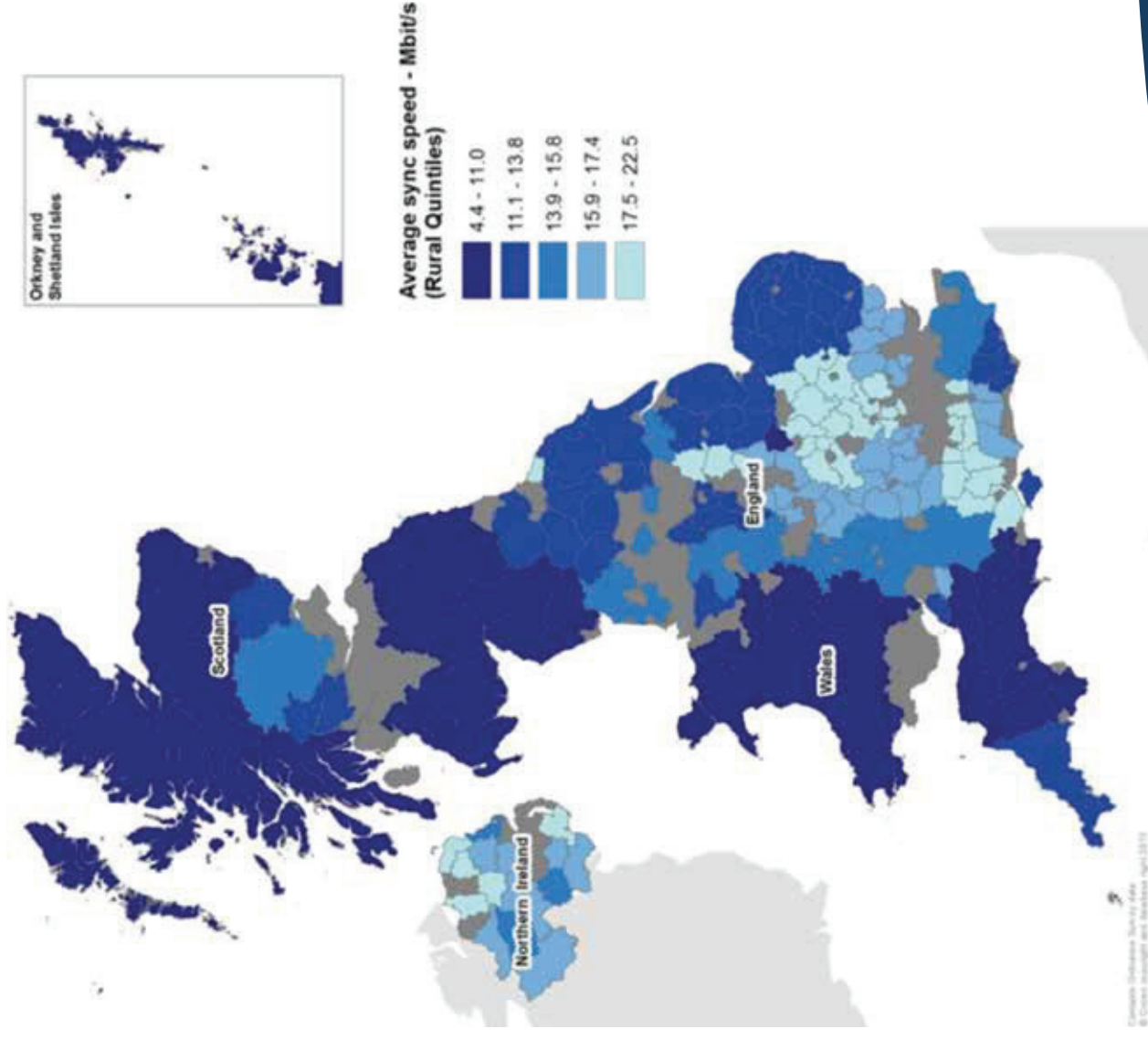


Figure 2.2: Mobile Coverage in Lincolnshire  
Greater Lincolnshire LEP 4G discussion document (draft, 2015)

Ofcom's Communications Market Report (2013): contains statistics and analysis of the UK communications sector. Analysis of Ofcom data suggested East Lindsey, along with the majority of Lincolnshire, had the second lowest level of broadband speed in England.

Figure 2.3: Average Level of Broadband Speed across England  
 Map prepared by Birkbeck College, University of London for East Lindsey District Council, based on data contained in Ofcom Communities Market Report (2013)



**A Local Food Strategy for East Lindsey (2009):** this sets out an action plan with priorities to realise the economic potential of the food agenda including: the potential development of Community Food Hub pilot at Louth or Horncastle, facilitation of collaboration amongst food businesses, food and health initiatives, enabling local food chain development and linking tourism and food.

**The Economic Impact of Closing RAF Cottesmore (2010):** a technical exercise to assess the scale and implications of the anticipated close of a RAF base located in Rutland, situated between Cottesmore and Market Overton. This document contains useful context and information on the scale of RAF/MOD activity on local and sub-national economies. RAF Coningsby, located in East Lindsey, is the Ministry of Defence's southern Typhoon Main Operating Base, home to other Typhoon and Tornado squadrons and hosts the Battle of Britain Memorial Flight. RAF Coningsby has a direct economic impact (e.g. provider of employment/job creation) and wider economic impacts (e.g. linked to procurement and supply chains).

## Supporting Productivity and Growth in East Lindsey

There is a historical pipeline of potential projects for the evolution of the economic development in East Lindsey, many set out within the documents cited in this Chapter. The challenge is to find the resources to bring many of these projects to fruition rather than to identify what needs to be done.

Around infrastructure, the Greater Lincolnshire LEP has identified priority projects in Skegness, including the development of a new relief road and (in partnership with the private sector) the extension of Skegness Industrial Estate. Outside of these developments, neither the Local Transport Plan nor the Greater Lincolnshire LEP strategies identify any other significant infrastructure investment in East Lindsey. The District has an extensive network of rural roads, little dual carriageway and limited rail infrastructure (with only one significant station, Skegness). The area is well served by InterConnect, a network connecting local bus services, so passengers can get to destinations within Lincolnshire and beyond. More widely whilst the District has no ports, it is close to the Port of Boston and ports in North and North East Lincolnshire which are subject to investment. East Lindsey has no commercial airports, with Humberside Airport to the north-west of the District the nearest terminal.

The Greater Lincolnshire LEP and East Lindsey District Council documents identify distinctive sectors with niche businesses in the District, particularly around Agri-Food, Manufacturing, Engineering and Tourism. While many of these businesses are attracted to the District because of the low cost of land and high quality of life; many businesses face barriers to growth, particularly around recruiting and retaining skilled staff, poor transport infrastructure and broadband connectivity. Despite the activities of Onlincolnshire to provide public funds for broadband programmes in East Lindsey, the District is still relatively poorly served in terms of information and communications infrastructure. The low critical mass of its market towns, dispersed nature of its businesses and communities make delivering superfast broadband challenging.

The Employment Sites Review Update 2013 identifies how most of the projected population growth for the District will be driven by inward migration of elderly people. The Review does not explore the relationship between population and jobs

growth. Looking at historical land take up rates and current site capacity it proposes the allocation of 5.6 hectares of employment land to meet the needs of a 15 year employment land supply, 1 hectare in Alford and 4.6 hectares in Horncastle. As the population changes, demand in the Health and Care sector will increase.

Around the environment, there are opportunities to invest in the landscape. On the Coast, there are opportunities to build upon projects such as the Coastal Country Park and the Coastal Grazing Marshes Project, as well as the renewal of the visitor facilities at Gibraltar Point. For Rural Inland there are opportunities to make more of the Lincolnshire Wolds AONB.

The dominance of small businesses in East Lindsey combined with its peripherality and significant flood risk on the Coast continues to limit private sector development and investment.



### 3. Employment and Business Base



**This Chapter contains an analysis of the employment and business base: how many businesses are there in East Lindsey; their size, scale, how productive they are; and which sectors are growing or declining.**

## Summary

### Employment Base

- East Lindsey has experienced a slight decline in employment since 2009, with 1,014 (2.4%) jobs lost across the District. This is in contrast to the regional and national picture, where there has been overall growth in employment between 2009 and 2013.
- The decline in employment has mainly affected the Rural Inland area of East Lindsey, with the loss of 1,077 (4.6%) jobs. Employment on the Coast has remained fairly static during this time, with an increase of 66 (0.3%) jobs.
- These losses were concentrated primarily in the construction, public sector and real estate; sectors which have been affected by the recession.
- These employment patterns suggest that some elements of the local economy are still in the recovery phase. With further cuts expected in public services, it is unlikely that public sector employment will return to pre-recession levels. However, there are several sectors which have continued to perform strongly during the recession.

### Priority Sectors

- East Lindsey performs strongly in the Greater Lincolnshire LEP's priority sectors: Agri-Food, Visitor Economy and Manufacturing.
- The Agri-Food, Visitor Economy and Manufacturing sectors have continued to perform strongly during the recession; all have experienced employment growth. These sectors are also locally distinctive, with high concentrations of employment when compared with the national average.

- Health and Care is a large employment sector locally, accounting for more than 5,000 (over 13%) jobs. This sector has seen a slight decline in employment since 2009, and employment in this sector is similar to the national average.
- There are important differences in the sectors between the Rural Inland and Coastal areas: Manufacturing continues to be a more important sector for Rural Inland whereas Visitor Economy activities are dominant for the Coast. The Rural Inland area is the location of most of the District's employment in Education, and Health and Care, as well as knowledge intensive sectors which are associated with higher level skills and wages.

### Business Base

- Agriculture accounts for the largest number of businesses (1,105 or 18.7%) in East Lindsey. This reflects the large number of farms located in the District.
- East Lindsey has a large proportion of small businesses, in particular those classified as Small Office/Home Office (SoHo). This suggests there is a high rate of home working in East Lindsey; an aspect of the economy that will be further facilitated with improvements in broadband availability.
- East Lindsey has few foreign-owned companies, accounting for just 0.1% of all companies, compared with 3.1% in England. The majority of companies in East Lindsey are independently owned.
- Three quarters of businesses in the Rural Inland are categorised as "high growth, growing or stable". In contrast, around half of businesses at the Coast are categorised as in decline. However, just under a third of businesses at the Coast are "growing", which also suggests there is an entrepreneurial business culture in this area.

## Productivity

- GVA per head in Lincolnshire continues to lag behind regional and national levels, due to high representation of low value-adding sectors such as Agriculture, Care and Retail; and also a high numbers of retirees.
- Average wages for full-time workers in East Lindsey have improved and now exceed Lincolnshire levels. Part-time workers in East Lindsey earn on average £20 a week less than the national average. Given the high number of part-time workers in East Lindsey, this has implications for household incomes in the District.

## Enterprise

- East Lindsey has a stable business population, with relatively few business closures and new business creations. East Lindsey has traditionally had a higher proportion in self-employment than the Lincolnshire, regional and national average. However, the self-employment rate in East Lindsey has declined since the recession in contrast to the regional and national picture.

## The Visitor Economy

- East Lindsey had an estimated 4.27 million visitors in 2014, which is an increase of 5% since 2009.
- The economic impact of tourism has increased dramatically between 2009 and 2014, with a 26.7% increase overall. The greatest change has been in the economic impact of accommodation, which has grown by over a third.
- Accommodation is clearly an important subsector for the Coastal area. While self-catering properties generate most economic impact, serviced accommodations such as hotels and B&Bs have seen the strongest growth. As a high value-added activity, further development of the serviced accommodation sector would help to maximise the potential of the Visitor Economy.

## Employment

### Overall Employment Growth Comparisons

Total employment in East Lindsey is 41,134, as recorded by the Business Register of Employment (BRES) in 2013 – the latest year for which data is available. In the period since 2009, East Lindsey has experienced a slight decline in employment, with 1,014 or 2.4% of jobs lost across the District.

As Figure 3.1 shows, this decline in employment has mainly affected the Rural Inland area, with the loss of 1,077 or 4.6% of jobs. Employment on the Coast has remained fairly static during this time, with an increase of 66 or 0.3% of jobs.

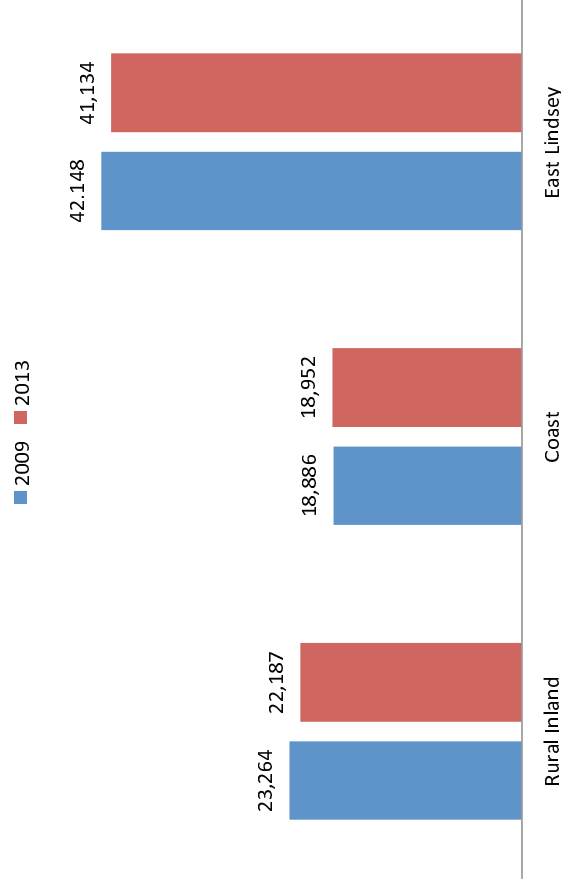


Figure 3.1: Changes in Employment in East Lindsey, 2009–2013

Source: BRES via ONS, 2009–2013

This decline in employment is in contrast to the regional and national picture (Figure 3.2). Over the same period, employment grew by 0.8% across the East Midlands and by 2.5% in England.

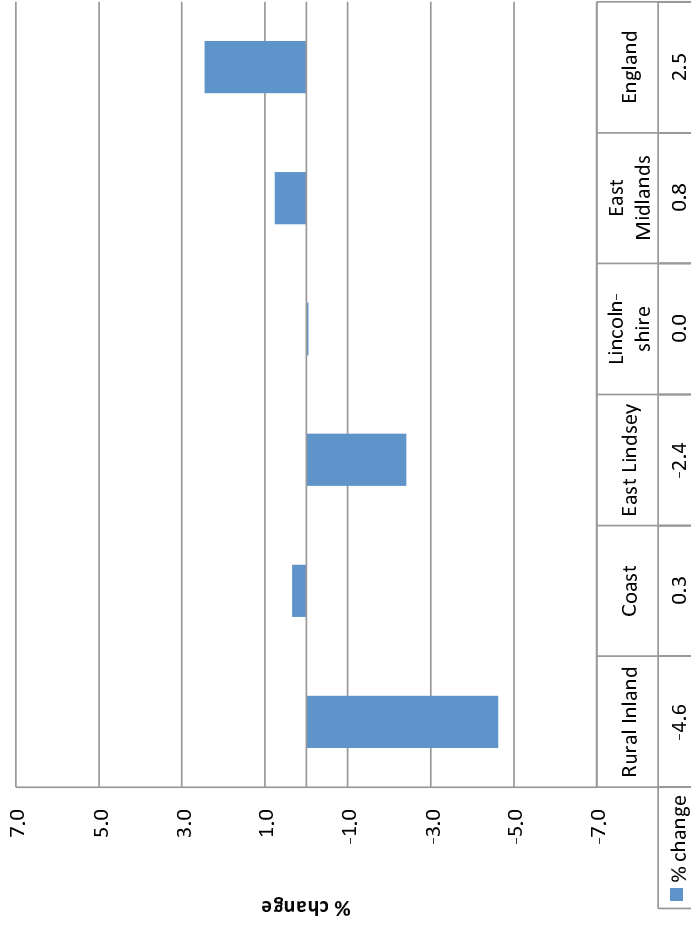


Figure 3.2: Percentage Change in Employment compared with the Regional and National Average  
Source: BRES via ONS, 2009-2013

Jobs density represents the total number of jobs in an area compared with the working age population. Areas with a high jobs density are likely to attract in-commuters, while those with a low jobs density might have low levels of economic activity and/or high levels of out commuting.

As Figure 3.3 shows, East Lindsey provides a relatively small number of jobs compared with its working age population. The jobs density ratio has declined between 2009 and 2013. The jobs density in Lincolnshire has remained relatively stable over the same period, while for the East Midlands and England the job density ratios have increased. This decline in jobs density in East Lindsey reflects the loss of jobs in the Rural Inland area. However, it also reflects the relatively high proportion of working age population across East Lindsey that does not participate in the labour market.

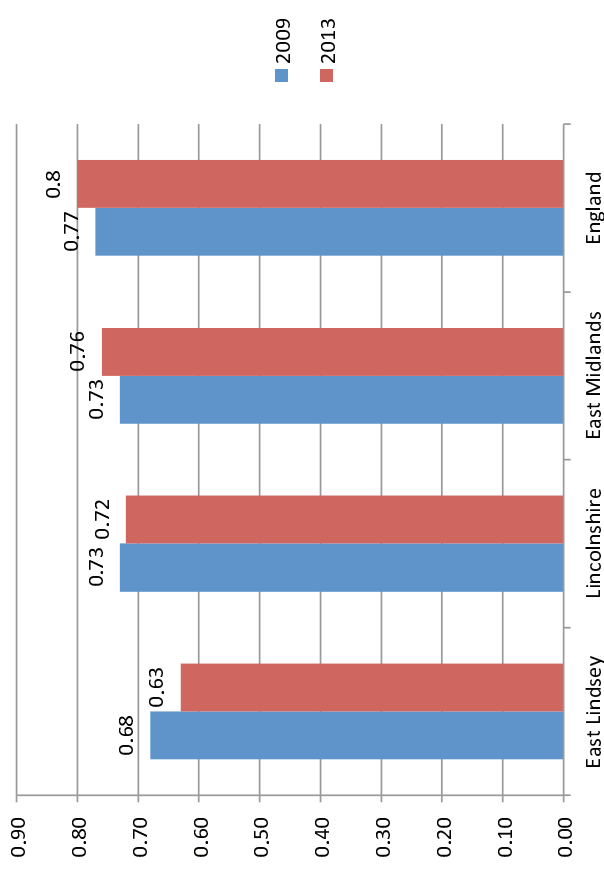


Figure 3.3: Change in Jobs Density compared with the Regional and National Average  
Source: Jobs Density via ONS, 2013

## Employment by Sector

The largest employment sector in East Lindsey is Accommodation and food service activities and food service activities, which employed 7,203 people in the District (16% of the workforce) in 2013. This reflects the importance of the tourism industry in East Lindsey. This sector employed slightly more than Wholesale and retail (7,178 people), which was the largest sector when the last economic Baseline was undertaken in 2010.

The public sector remains an important employer in East Lindsey, with Health and social care, Education and Public administration together accounting for 10,698 (26%) jobs. Other major employment sectors are Manufacturing (4,398), Agriculture (3,162), and Administrative and support services activities (3,044).

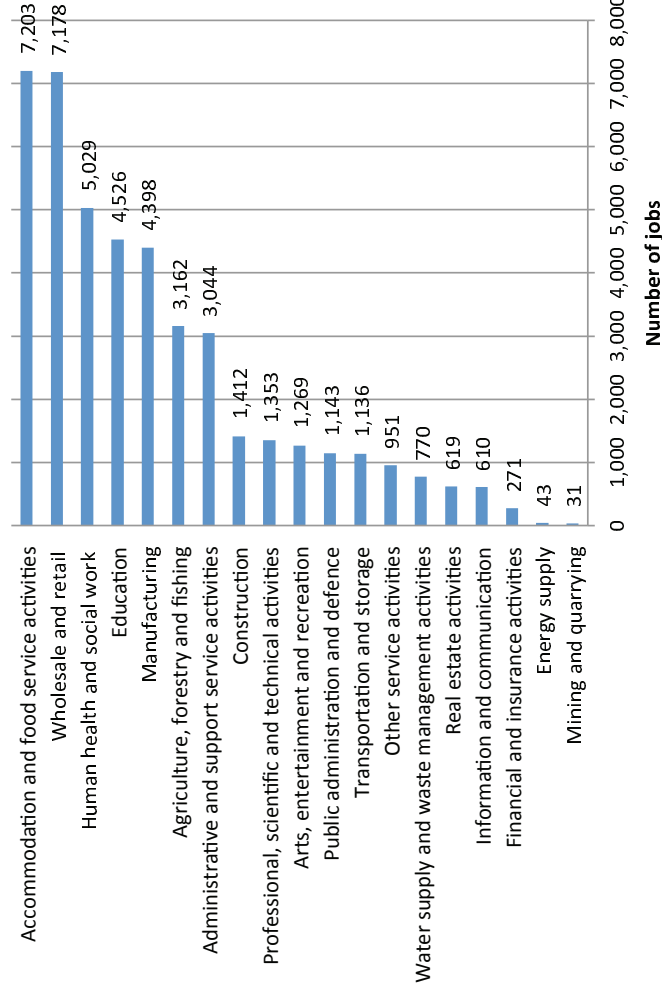


Figure 3.4: Employment in East Lindsey, by sector

Source: *Business Demography* via ONS, 2013

## Employment Concentration by Sector

The overall employment levels by sector do not reflect their relative concentration in the District. The Location Quotient (LQ) is a measure of the concentration of industry in an area compared to the national average. As an example, a Location Quotient of 2 would indicate that East Lindsey has twice the proportion of workers within a particular sector than the national average.

Figure 3.5 shows the LQ and rate of employment growth for each sector, together with the number of jobs (which are represented by the size of the bubbles).

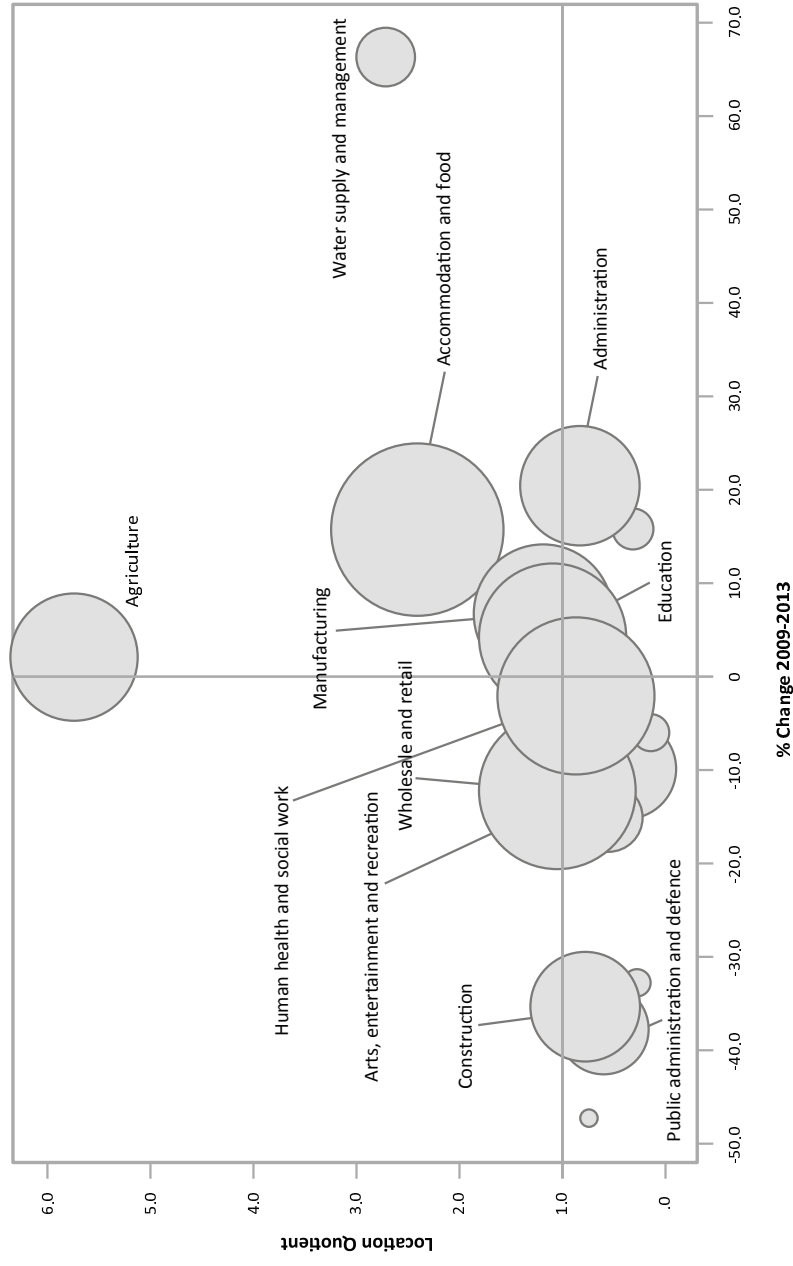


Figure 3.5: Sector Employment and Location Quotients for East Lindsey 2013

Source: BRES and Census of Agriculture via ONS, 2013  
 (\*Employment data for Agriculture, Forestry and Fishing is from the Census of Agriculture)

With an LQ of 5.76, Agriculture in East Lindsey employs more than five times the national average, reflecting the very rural nature of the District. During the four years between 2009 and 2013, employment in the sector remained fairly stable with a small rate of growth of 2% (69 jobs). This is in contrast to the trend reported in the previous economic Baseline, where Agriculture had shown an annual decline of -3%.

Water supply and waste management services are a locally important sector, employing more than twice the national average. This sector has also seen significant growth, at 66% (309 jobs) between 2009 and 2013.

The importance of tourism to the East Lindsey economy is reflected in the high LQ associated with accommodation and food services, which also employs more than twice the national average. This sector saw an increase of 16% (243 jobs) between 2009 and 2013. This reflects the continued importance of tourism to the East Lindsey economy.

Construction and the public sector, both affected by the recession, have experienced a decline of more than 30% of employment in the last four years. Employment in Manufacturing has grown by 6.9%, and this sector has proved relatively resilient compared with the county and national average.

## Priority Sectors

The Greater Lincolnshire LEP has identified six priority sectors in its Strategic Economic Plan. These include three that are identified as the strongest sectors: Agri-Food; Manufacturing; and the Visitor Economy. Three further sectors have been identified as having the potential to grow in the future: Health & Care; Low Carbon; and Ports & Logistics.

As Figure 3.6 suggests, Greater Lincolnshire's key sectors of Visitor Economy, Manufacturing and Agri-Food also emerge as key sectors for East Lindsey. These are growing sectors with high levels of employment, and the high LQ scores suggest that they are locally distinctive.

Low Carbon is currently a small sector, with 372 jobs. Health and Care is a large employment sector, with 5,307 jobs, but the low LQ suggests that, despite the higher numbers of older people, this activity is not locally distinctive. Ports and Logistics is not a key sector for East Lindsey, although road freight remains an important subsector. Each of these priority sectors are analysed in more detail in Figures 3.6 to 3.12.

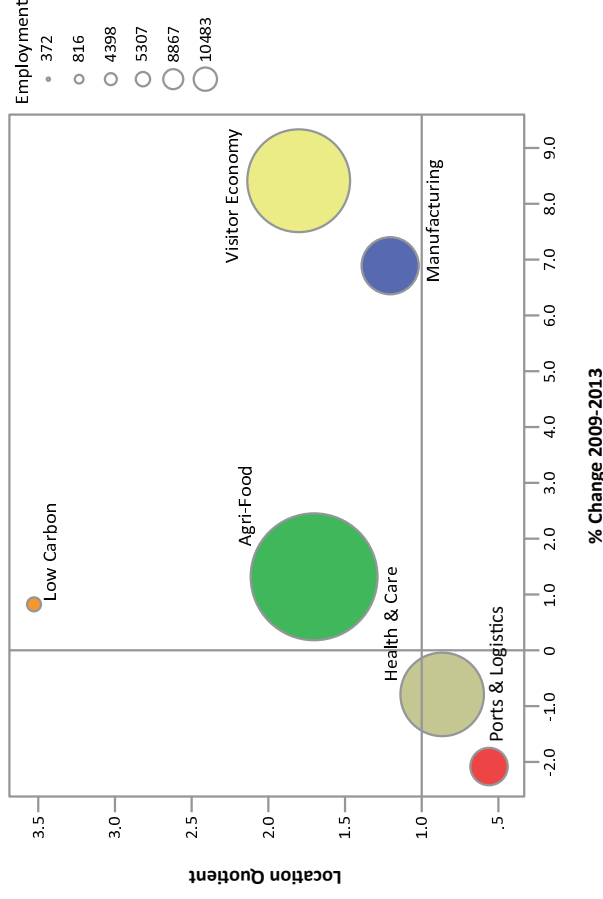


Figure 3.6: Sector Employment and Location Quotients for Greater Lincolnshire LEP Priority Sectors in East Lindsey

Source: BRES and Census of Agriculture via ONS, 2013 (\*Employment data for Agriculture, Forestry and Fishing is from the Census of Agriculture

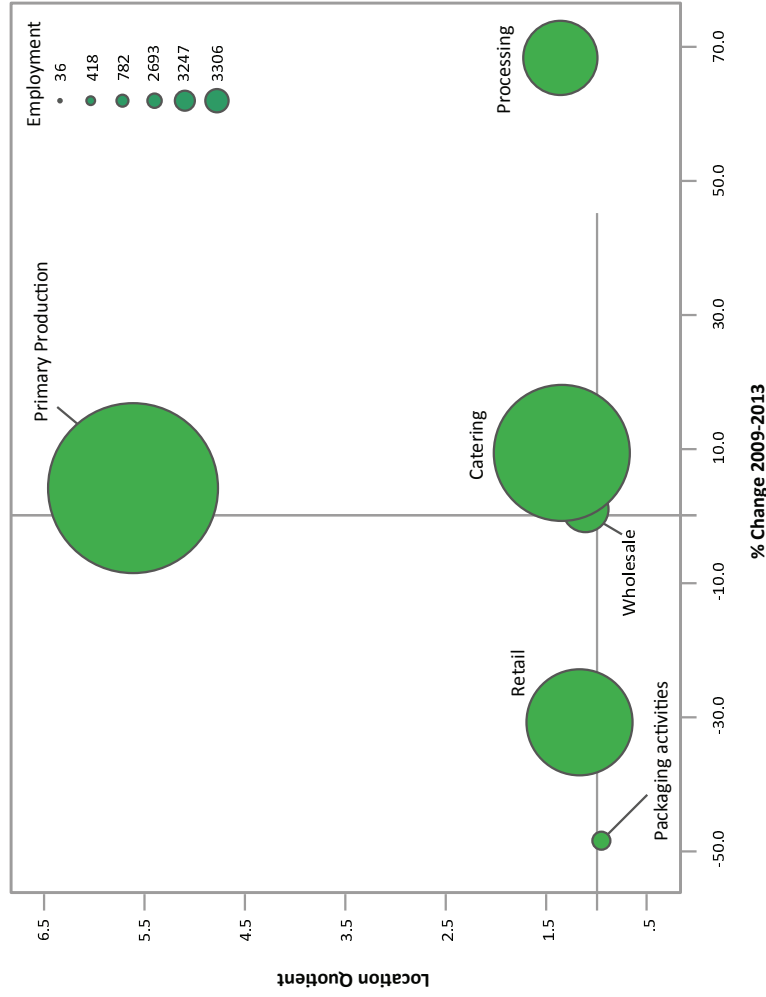


Figure 3.7: Agri-Food

Source: BRES and Census of Agriculture via ONS, 2013 (\*Employment data for Agriculture, Forestry and Fishing is from the Census of Agriculture)

The Agri-Food sector which includes primary production, processing, catering, and food retail, employs 10,483 people or 24% of the East Lindsey workforce. The sector has proved relatively resilient during the period of the recession. The fastest growing subsector is food processing which is now associated with 782 jobs, having seen a growth of 69% since 2009. This has been driven by an increase in the numbers employed in production of meat products, bread and pastry goods, and chocolate and sugar confectionary.

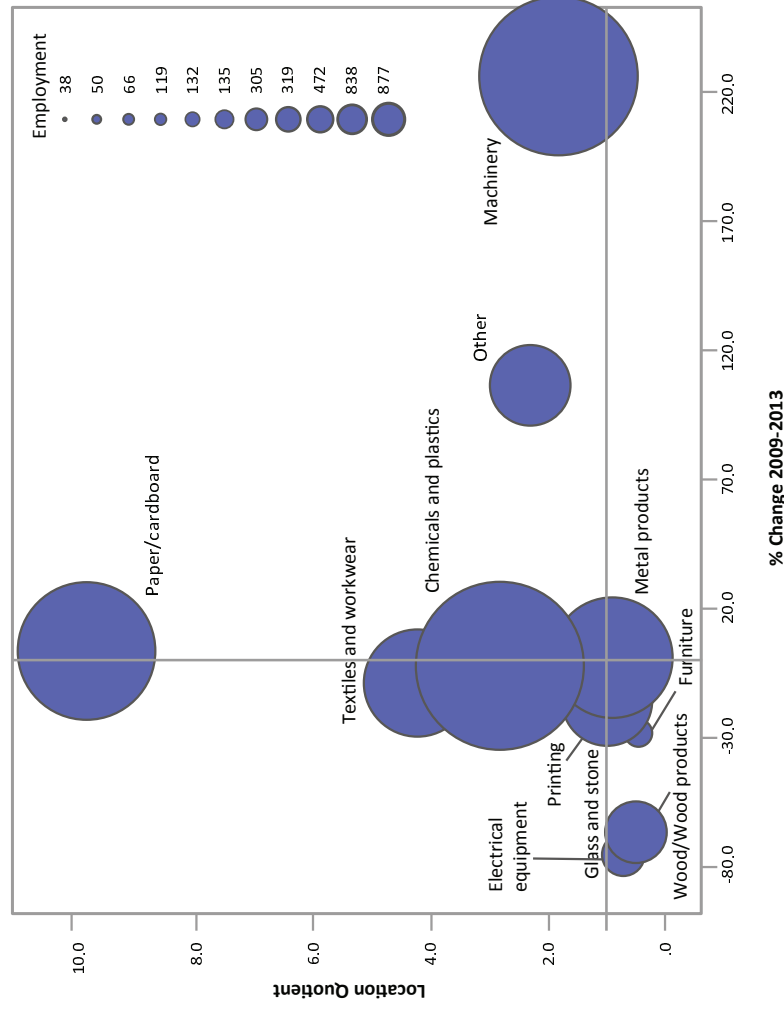


Figure 3.8: Manufacturing

Source: BRES via ONS, 2013

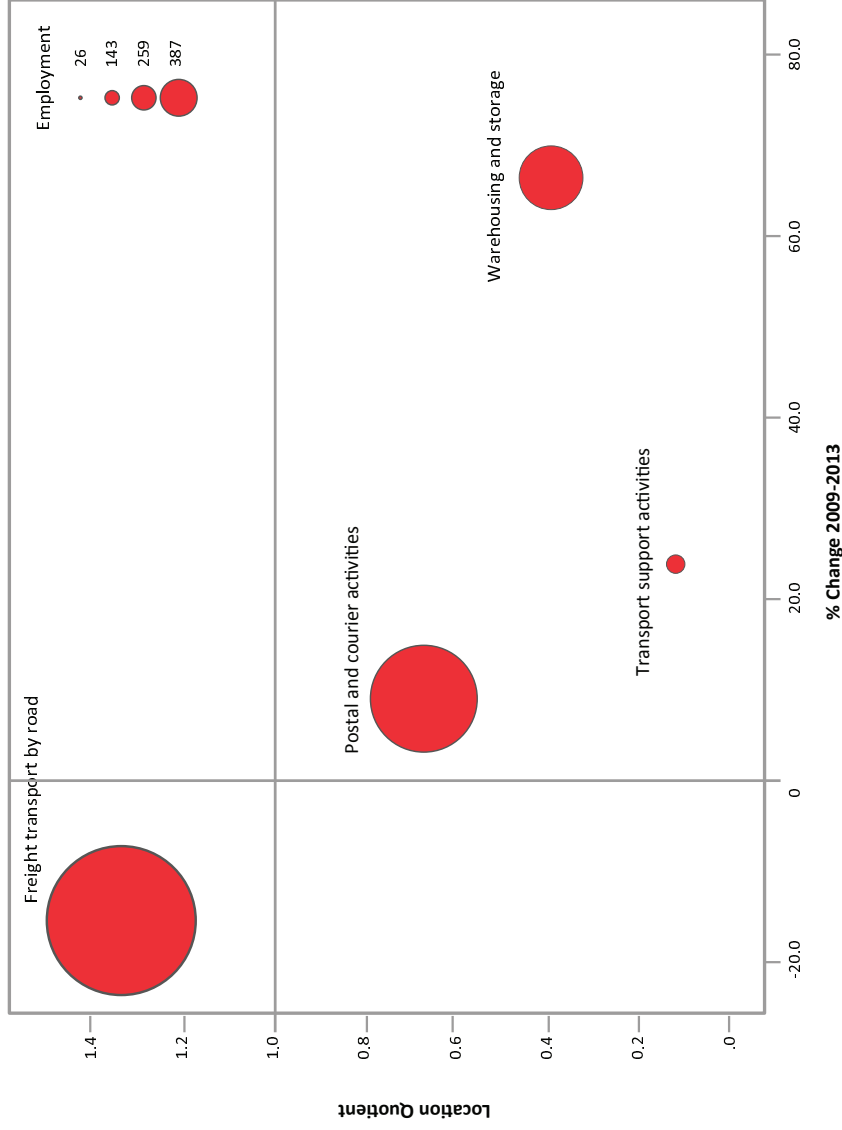
The Manufacturing sector in East Lindsey can be divided into a number of specialisms, as Figure 3.8 shows. The largest subsector is production of chemicals and plastics, which employs 699 people and has an LQ of 3.2. The fastest growing sector since 2009 has been manufacture of machinery, of which aircraft manufacture increased from 44 to 497. This reflects the expansion of BAE at RAF Coningsby during this time. The subsector also includes 162 people employed in the manufacture of agricultural machinery, an increase of 46% between 2009 and 2014.

Other locally distinctive industries are manufacture of paper and cardboard, with 472 employees and an LQ of 10, which reflects the importance of the local cardboard packaging industry. Manufacture of textiles and workwear is also locally important, with 270 employees and an LQ of 5.8.

Ports and logistics is not a major employment sector for East Lindsey; it currently employs 816 people. As Figure 3.9 shows, there are no port activities in the District. The largest subsector is road freight transport, which employs 387 people, although this has seen a decline of 15.5% since 2009. There has been a 66% growth in warehousing and storage activities, which now employs 143 people.

Figure 3.9: Ports and Logistics

Source: BRES via ONS, 2013

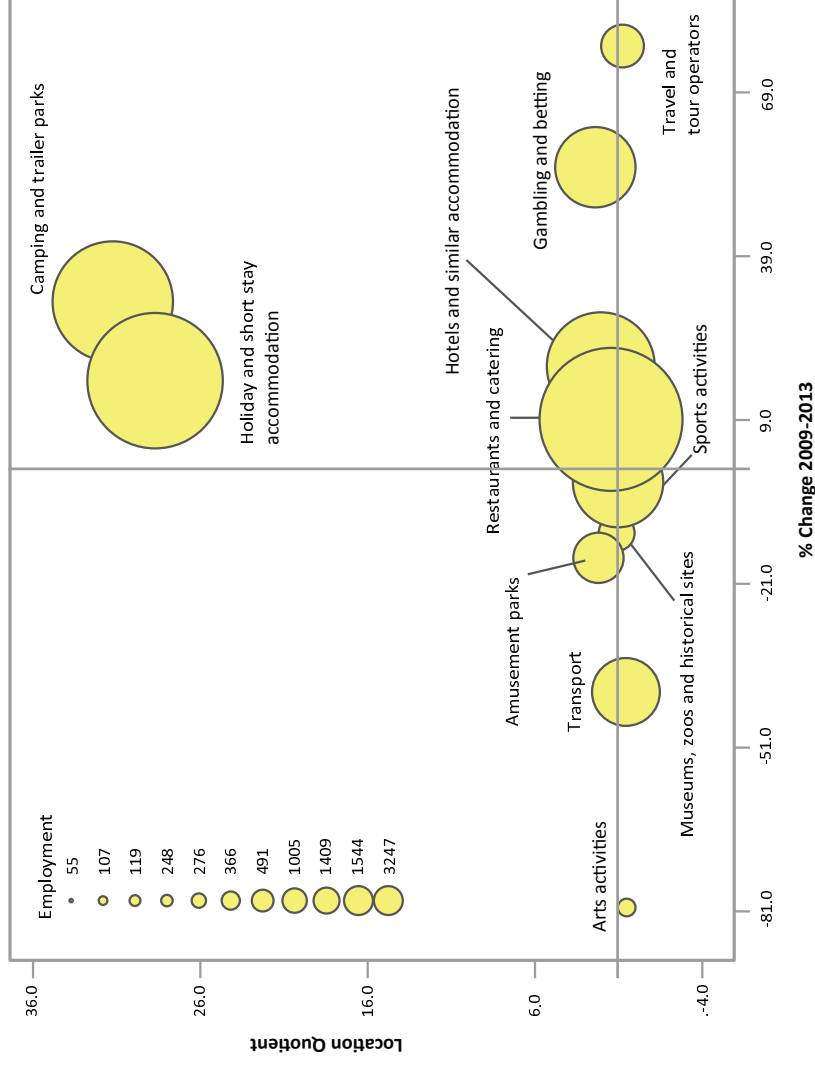




The Visitor Economy sector employs 8,167 people or 20% of the East Lindsey workforce. Figure 3.10 shows the relative importance of the activities within this sector. Camping and trailer parks, and holiday and short-stay accommodation, both have a location quotient of more than 28, which means that the workforce employed in these activities is 28 times the national average. This reflects the concentration of self-catering accommodation and caravan parks in the Coastal area. In addition, employment in hotel accommodation is twice the national average.

Figure 3.10: Visitor Economy

Source: BRES via ONS, 2013



The Care sector employs 5,307 or 12% of the East Lindsey workforce. Although it is a large employment sector for East Lindsey, the location quotients presented in Figure 3.11 suggest that employment in these activities is not significantly larger than in the rest of England. The largest subsectors are social work activities (1,638) and medical practice and other health activities (1,638). Dispensing chemists are a small but growing employment sector, with 231 employees. According to the Health and Social Care Information Centre (2014), this growth is part of a national trend of growth in pharmacies and dispensing; the number of prescriptions in England grew by 59% between 2003 and 2013.

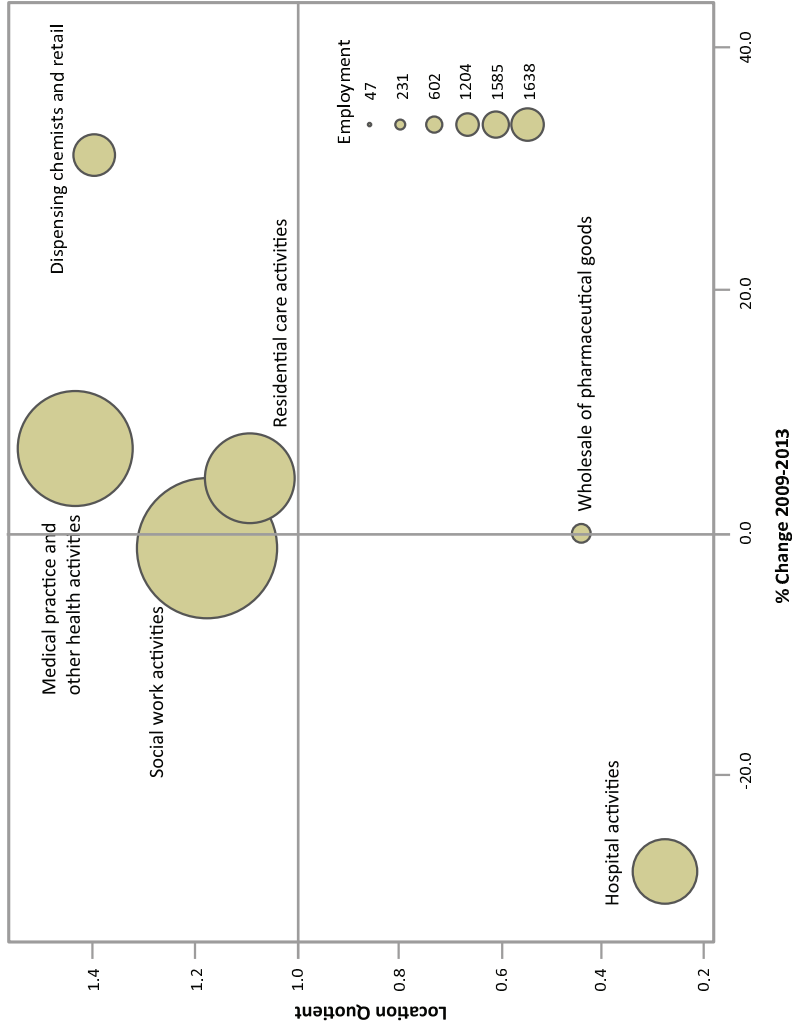


Figure 3.11: Health and Care  
Source: BRES via ONS, 2013

Low Carbon activities are difficult to measure using Standard Industrial Classification (SIC) codes, and these activities may therefore be under-represented in Figure 3.12. For example, it is not possible to identify employment in generation of wind energy. One identifiable activity is recovery of sorted materials (including recycling activities) which employs 257 people, an increase of 42% since 2009.

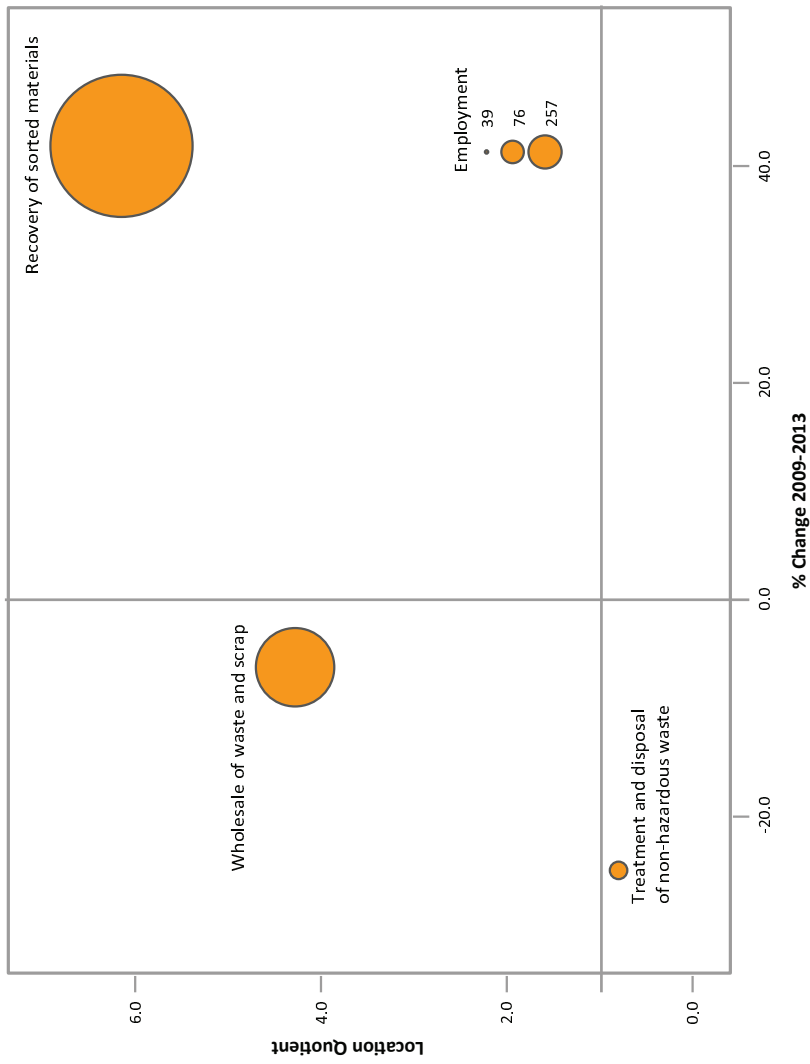


Figure 3.12: Low Carbon  
Source: BRES via ONS, 2013

## Coastal and Rural Inland Comparisons

The sectoral distribution of employment is not even between the Coastal and Rural Inland areas. As Figure 3.13 shows, there are a number of notable differences:

- Manufacturing continues to be a more important sector for the Rural Inland rather than the Coastal area, with Rural Inland accounting for 67.9% of employment across the District.
- Accommodation and food, and Arts, entertainment and recreation, are dominant activities for the Coastal area, which is home to 71% and 65% of the District's employment respectively.
- The Coastal area is the location for all of the District's employment in the energy supply sector, which is mainly focused around the gas terminal at Theddlethorpe.
- The Rural Inland area is the location of most of the District's employment in education (63.8%), and human health and social work activities (61.1%) which reflects the concentration of these activities in the District's market towns rather than on the Coast.
- Employment in knowledge intensive sectors, such as ICT, finance and insurance, real estate and professional activities is also concentrated in the Rural Inland area. These sectors are associated with higher level skills and wages.

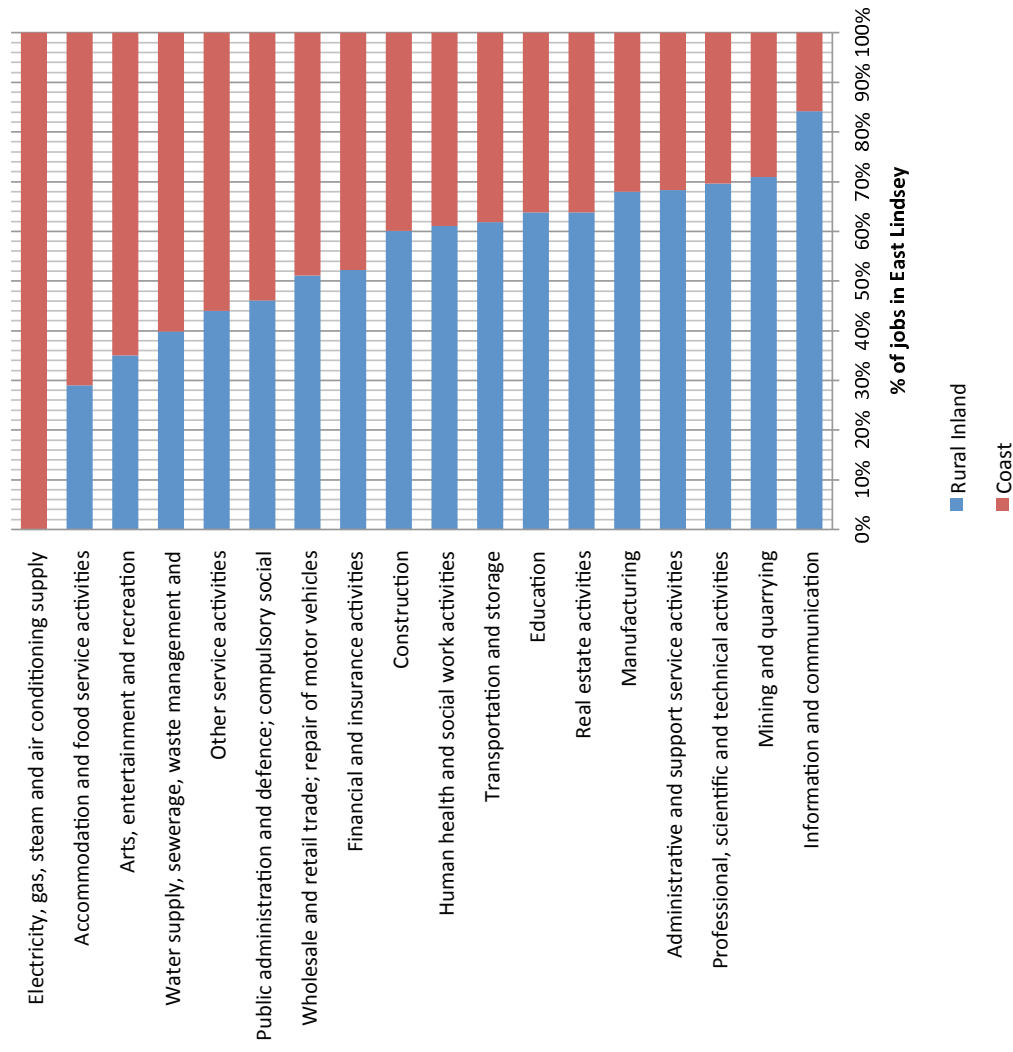


Figure 3.13: Employment by Industry, % of East Lindsey total by area 2013 (excluding Agriculture)

Source: BRES and Census of Agriculture via ONS, 2013

## Business Base

### Business Base by Sector

Looking at the sector breakdown by number of businesses, rather than employees, paints a different picture of the industrial composition and of East Lindsey. While in employment terms, Accommodation and food services is the largest sector, agriculture accounts for the largest number of businesses (1,105 or 18.7% of all businesses in East Lindsey). This reflects the large number of farms located in the District.

Retail is also an important sector (both in terms of the number of businesses engaged (820) and also the number of employees (7,178 employed) in the District. However, the location quotient for this sector suggests that this is no more important for East Lindsey than elsewhere.

East Lindsey has 745 construction businesses, which perhaps reflects the high rate of self-employment associated with the Construction sector. However, employment in the construction sector in East Lindsey is actually lower than elsewhere.

Businesses involved in Accommodation and food, and arts and entertainment, together account for 1,030 or 16% of all businesses in East Lindsey. These businesses underpin the District's Tourism sector and reflect the importance of that sector to the East Lindsey economy.

Another key sector for East Lindsey, Production (or Manufacturing), accounts for 420 businesses.

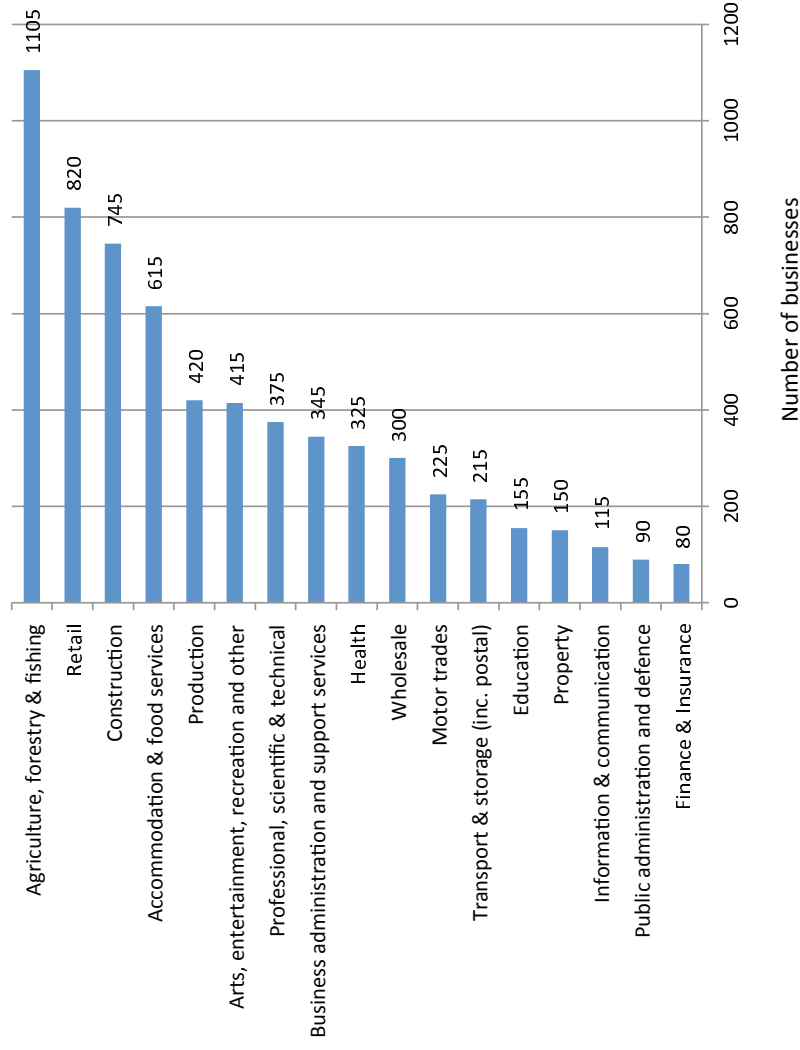


Figure 3.14: Number of Businesses (registered for VAT and/or PAYE) in East Lindsey by Sector 2013

Source: BRES via ONS, 2013

## Business Base by Size

At 28.9%, East Lindsey has a larger proportion of Small Office/Home Office (SoHo) businesses when compared with the national average of 19.6%. This rate is high across both Rural Inland and Coastal areas. SoHo businesses can include a range of business types, from home-based businesses to individual contractors and cottage industries. The high rate of SoHo businesses in East Lindsey reflects the relatively high self-employment rate (discussed later in this Chapter), and also the high rate of home working (discussed further in Chapter 4).

Table 3.1: Employer Size

	Rural Inland	Coast	East Lindsey	England
SoHo	29.3	27.1	28.6	19.6
Micro	56.4	57.6	56.9	64.3
Small	12.3	13.4	12.8	13.8
Medium	1.7	1.6	1.6	2.1
Large	0.3	0.3	0.27	0.3
Corporate	0.1	0.2	0.12	0.1

Source: Slingshot Database via ELDC, 2015

The majority of businesses in East Lindsey have an annual sales turnover of between £50,000 and £500,000. Compared with national figures, there are fewer businesses generating £0-£50,000 turnover, at 4.6% compared with 31.8%.

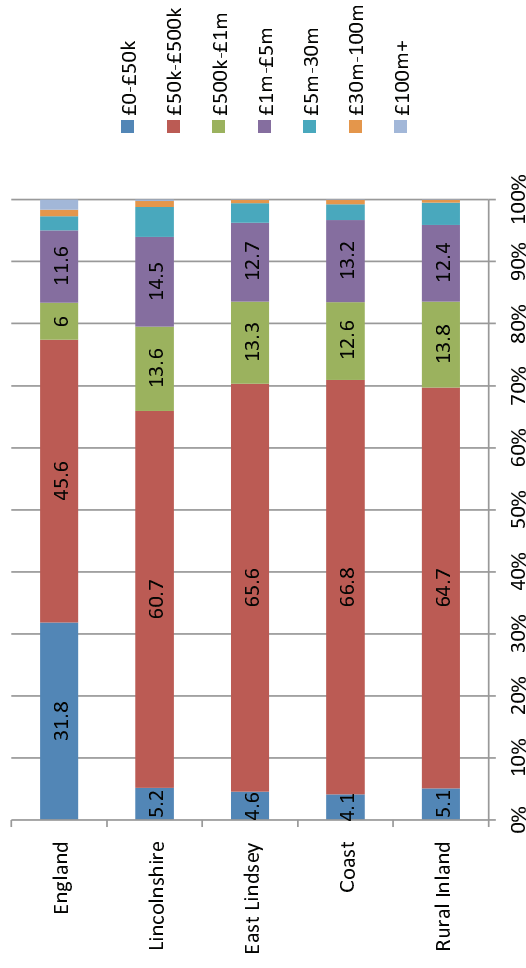


Figure 3.15: Business Sales Turnover, 2015

Source: Slingshot Database via ELDC, 2015

Table 3.2: Business Sales Turnover, 2015

	Rural Inland	Coast	East Lindsey	Lincolnshire	England
£0-£50k	5.1	4.1	4.6	5.2	31.8
£50k-£500k	64.7	66.8	65.6	60.7	45.6
£500k-£1m	13.8	12.6	13.3	13.6	6
£1m-£5m	12.4	13.2	12.7	14.5	11.6
£5m-30m	3.6	2.5	3.1	4.8	2.3
£30m-100m	0.4	0.7	0.5	1	1.1
£100m+	0.1	0.1	0.1	0.2	1.6

Source: Slingshot Database via ELDC, 2015

As with the rest of Lincolnshire, East Lindsey has few foreign-owned companies, accounting for just 0.1% of all companies, compared with 3.1% in England. The vast majority of companies in East Lindsey, in both the Rural Inland and Coastal areas, are independently owned.

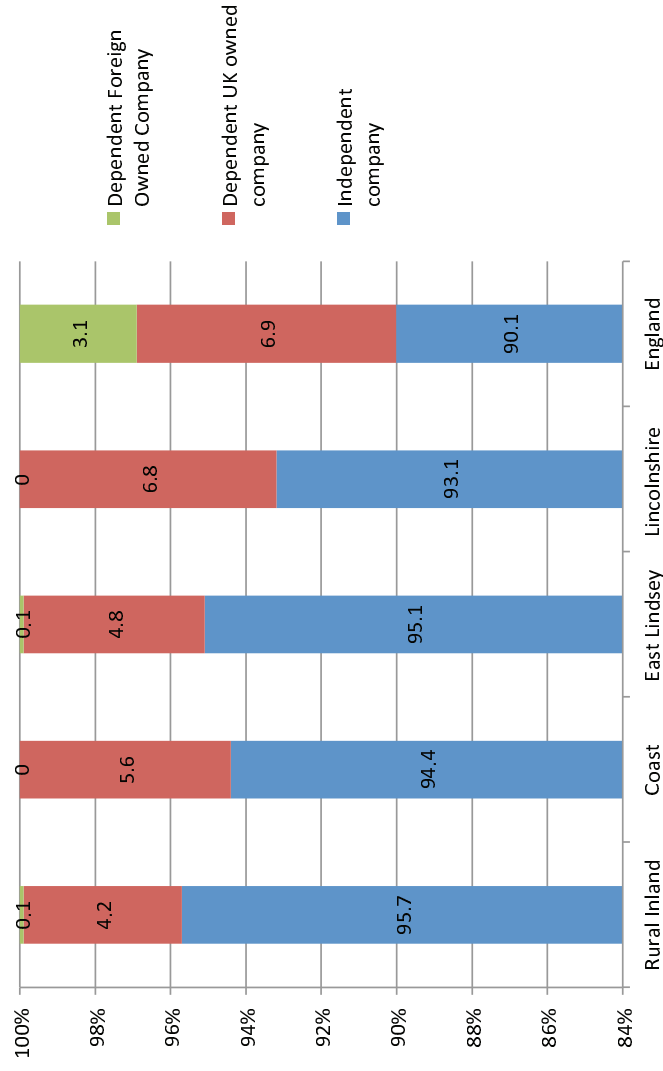


Figure 3.16: Company Ownership 2015

Source: Slingshot Database via ELDC, 2015

Figure 3.17 shows a stark contrast in the growth trends of businesses in the Rural Inland and Coastal areas of the District. The majority (54.4%) of businesses in the Rural Inland are categorised as stable, and this area has a lower proportion of businesses in decline than both the Lincolnshire and national averages. By contrast, 52% of businesses on the Coast are categorised as in decline or severe decline. However, just under a third of businesses (29%) on the Coast are categorised as growing, which also suggests there is an entrepreneurial business culture in this area.

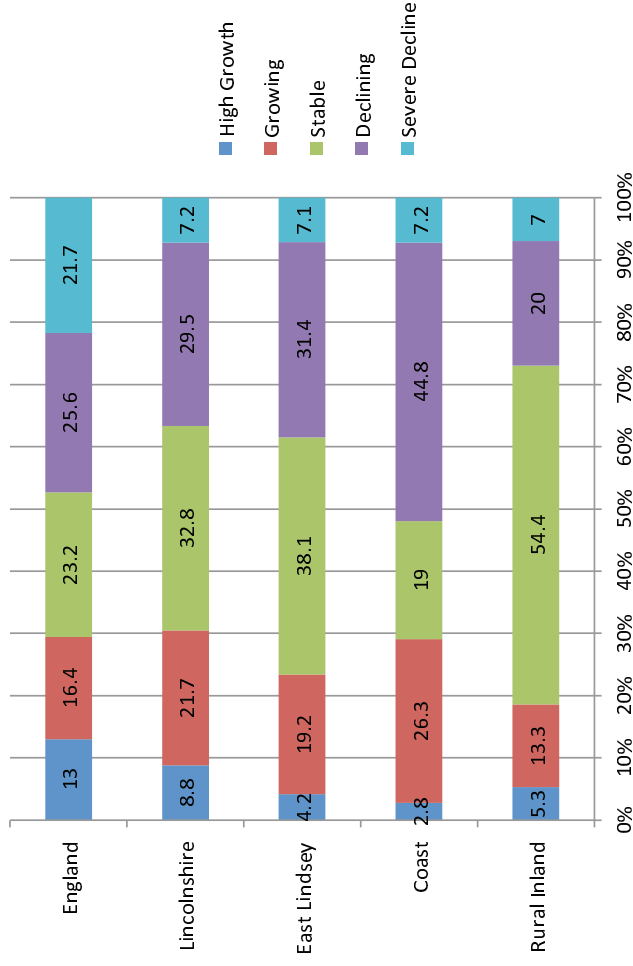


Figure 3.17: Business Growth Trends  
Source: Slingshot Database via ELDC, 2015

## Productivity

Gross Value Added (GVA) is an important indicator of economic performance as it is used to quantify the contribution made to the economy by the various sectors or individual producers. Information at County level is the lowest geographical scale for which data is available.

GVA per head for Lincolnshire lags behind regional and national levels. Figure 3.18 shows that the growth in GVA per head in Lincolnshire has not kept pace with the East Midlands average and there is no sign of this gap narrowing. The productivity gap is thought to be a result of Lincolnshire's business demography, which is under-represented in the most value-adding sectors of financial and business services and ICT, whilst being strongly represented in lower value sectors such as Agriculture, Tourism, and Retail. The large retirement population of Lincolnshire also affects the GVA per head figure, by reducing the proportion of the population that is available to participate in the labour market.

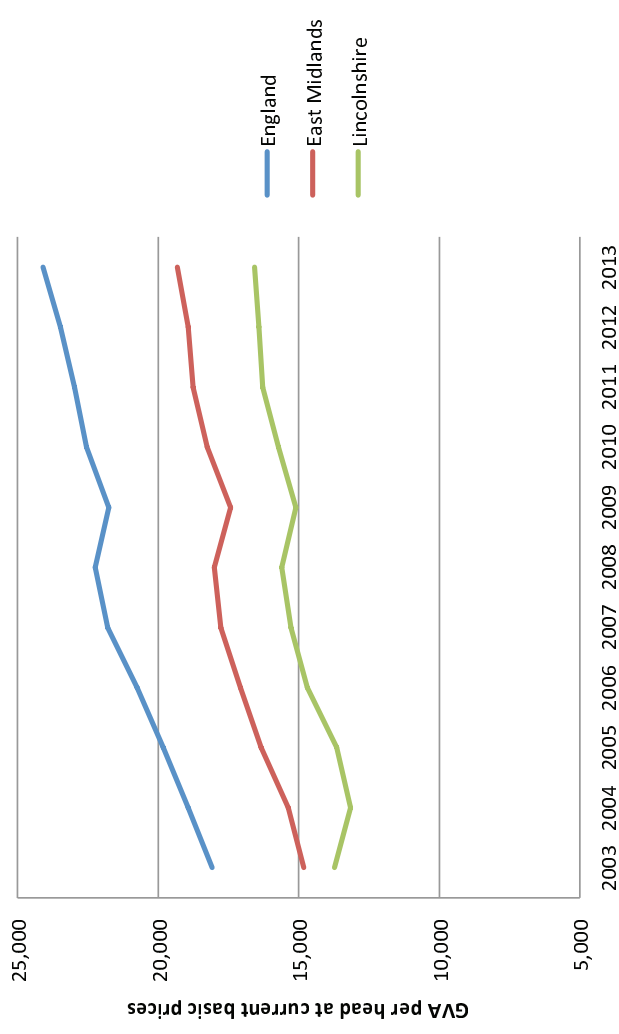
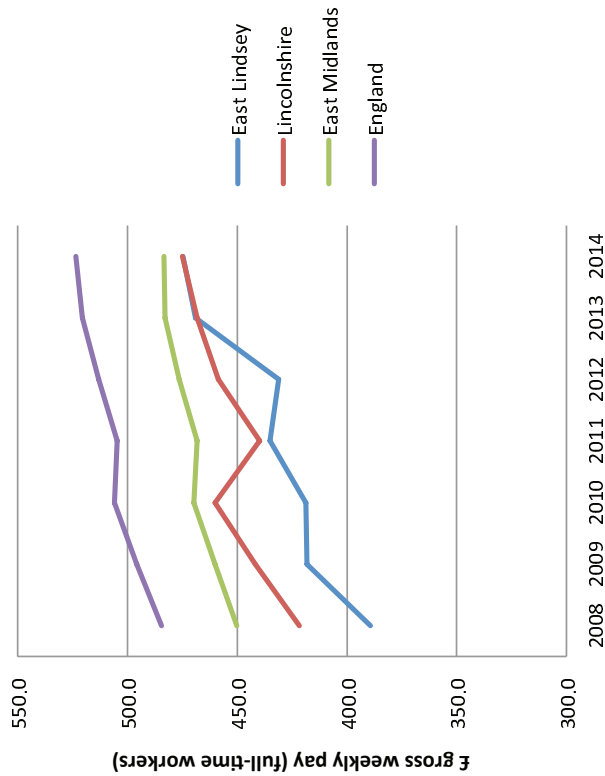


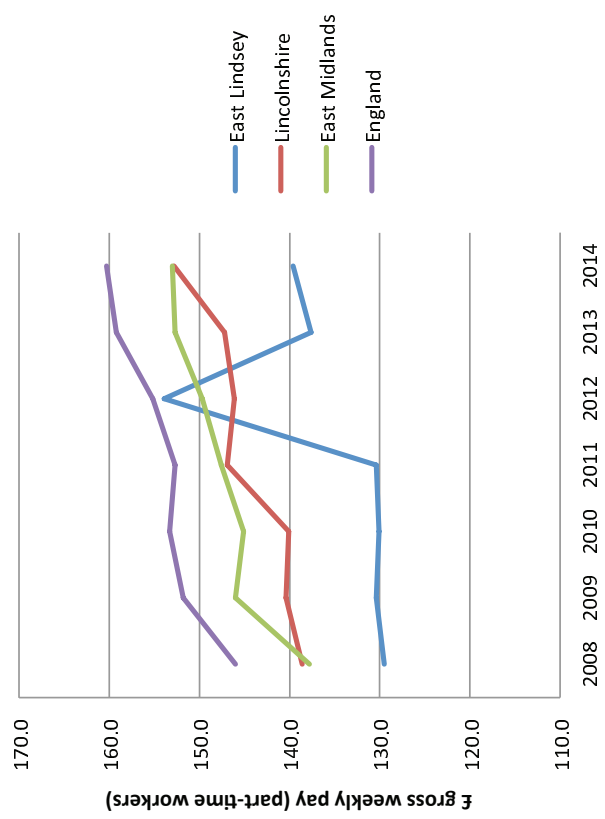
Figure 3.18: Workplace-based GVA per Head at current basic prices, 2003–2013  
Source: Regional Gross Value Added (Income Approach) NUTS3 Tables via ONS, 2003–2013

# EAST LINDSEY ECONOMIC BASELINE 2016

Average wages in East Lindsey have traditionally fallen behind regional and national levels. Figure 3.19 shows that, for full-time workers, this gap has narrowed slightly over the six years between 2008 and 2014. In 2008, the average weekly wage in East Lindsey was £370. This increased to £458 in 2014, when it exceeded the overall Lincolnshire average of £455.



However, part-time workers continue to earn £20 a week less than the national average. Figure 3.20 shows how this gap has widened since 2008 when average part-time wages in East Lindsey were £16 less than the national average. This suggests that part-time employment is less well paid in East Lindsey, reflecting the low skilled and low pay nature of many of the District's key employment sectors such as Tourism, Agriculture and Care.



Figures 3.19 and 3.20: Average Wages for Full-Time and Part-Time Workers, 2008-2014  
Source: Annual Survey of Hours and Earnings (ASHE) via ONS, 2008 - 2014



East Lindsey has a high volume of part-time jobs. One-third (33%) of the workforce in East Lindsey works fewer than 30 hours, with just 50.9% working 31–48 hours compared with 57.6% in the East Midlands. East Lindsey also has a high proportion of residents who work 49 hours or more. The picture, then, is of both a part-time and a long hours economy, perhaps reflecting the different demands of key sectors such as the Visitor Economy and Care (associated with part-time employment) and Agri-Food (agriculture is often associated with long hours).

The relatively low pay associated with part-time hours in East Lindsey has implications for household income levels. The effect of household incomes on housing affordability and fuel poverty are discussed in more detail in Chapter 4.

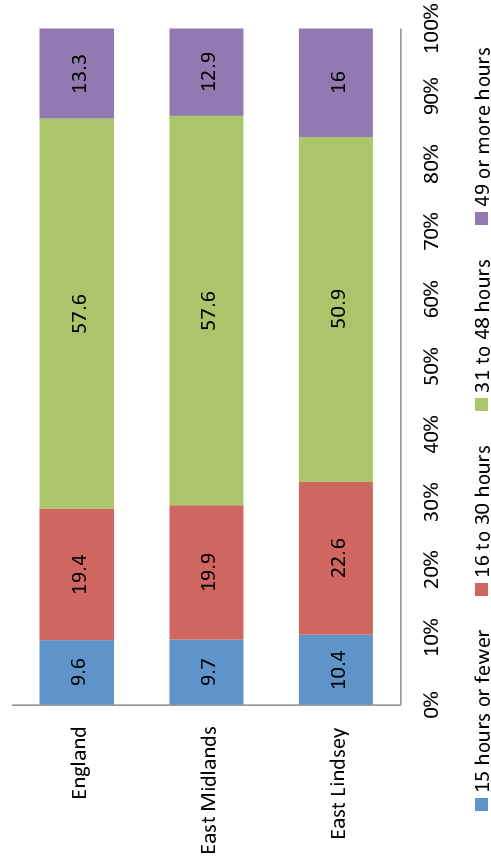


Figure 3.21: Hours worked by those aged 16-74, 2011

Source: Annual Survey of Hours and Earnings (ASHE) via ONS, 2008 - 2014

## Enterprise Self-Employment

East Lindsey has traditionally had a higher proportion in self-employment than the Lincolnshire, regional and national averages. The last economic Baseline reported that self-employment had grown by 15.6% between 2005 and 2009. As Figure 3.22 shows, the self-employment rate in East Lindsey has declined since the recession, from 16.4% to 14.6%. Over the same period, the rate across the East Midlands and England has grown, albeit from a lower base. The self-employment rate in East Lindsey is now just slightly higher than the England average.

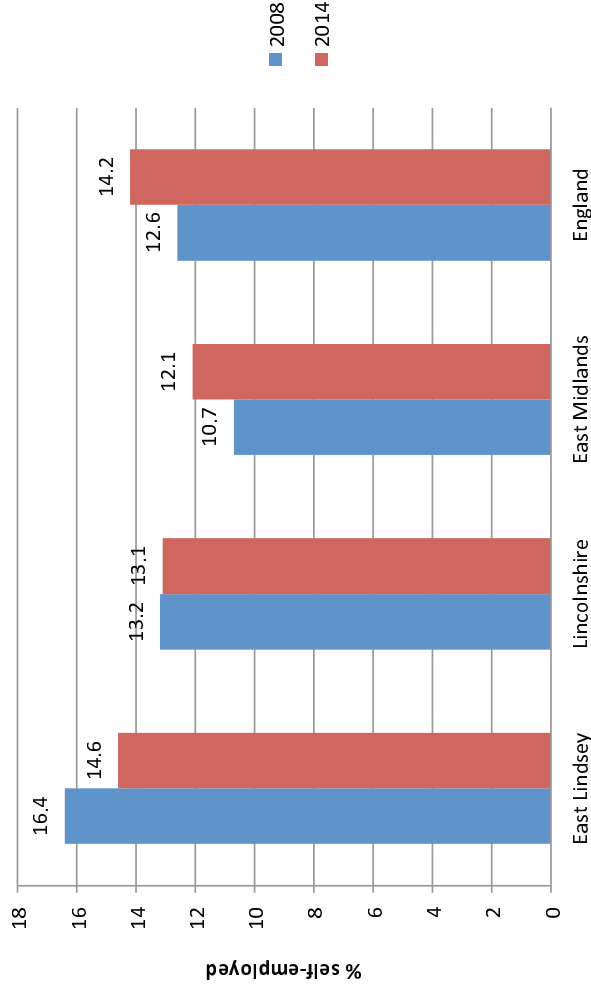


Figure 3.22: Changes in Self-Employment, 2008-2014

Source: Annual Population Survey via ONS, 2008 - 2014

## Business Creation and Survival

Survival of newly created enterprises in East Lindsey is similar to the regional and national averages. However, it falls behind the Lincolnshire average for percentage of businesses surviving at 1, 2 and 3 years, and behind the regional and national averages for 3 year survival, at 55% of new businesses.

East Lindsey has a relatively low business start-up rate, at 8.5% of all active enterprises, and a low business death rate, at 9.9%. This combination reflects the fact that the East Lindsey business base has contracted slightly during and since the recession. The relatively low business birth and death rates, however, imply that East Lindsey has a relatively stable business population compared with other areas. They suggest that the District perhaps lacks the entrepreneurial culture of other economies although, as shown in Figure 3.17, there is a concentration of entrepreneurial activity in the Coastal area of East Lindsey.

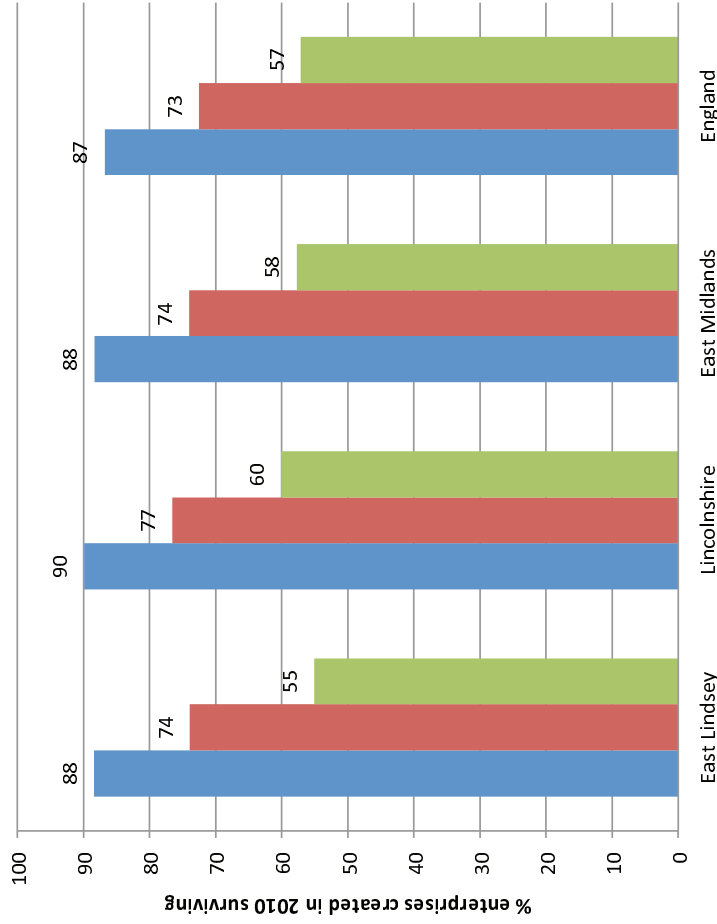


Figure 3.23: Survival of Newly Born Enterprises in 2010 at 1, 2 and 3 years  
Source: Business Demography via ONS, 2013

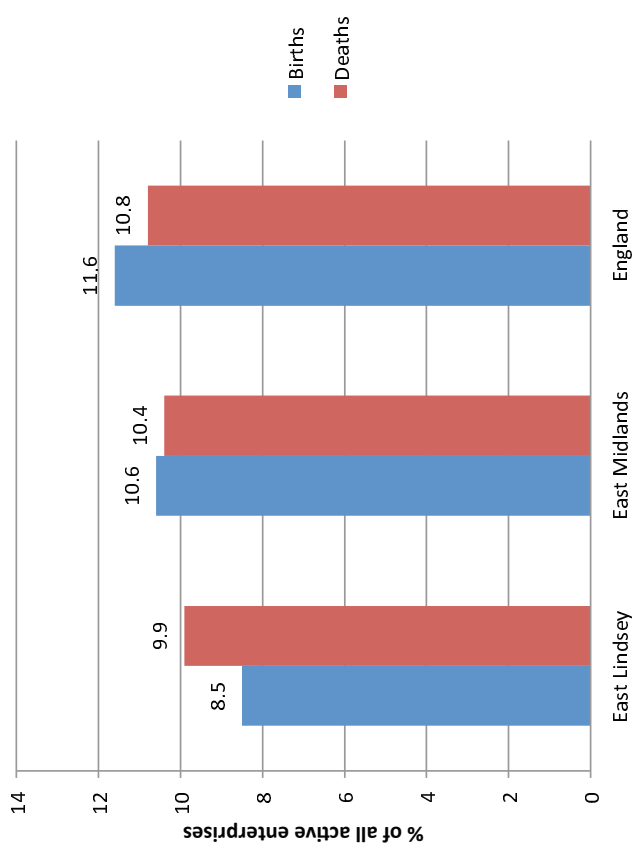


Figure 3.24: Business Births and Deaths, 2013  
Source: Business Demography via ONS, 2013

## The Visitor Economy

The Visitor Economy or Tourism sector is clearly of major importance to the East Lindsey economy, not just in terms of those employed in the sector and the number of businesses that the sector directly supports, but also in terms of the additional expenditure in the District as a result of the number of day and overnight and visitors. The value of Tourism to the East Lindsey economy and the number of visitors have grown between 2009 and 2014. However, this rate of growth has not been as great as that seen across Lincolnshire.

East Lindsey had an estimated 4.27 million visitors in 2014, which is an increase of 5% since 2009. Over the same period, visitors to Lincolnshire increased by 7.5%. While Lincolnshire has seen consistent growth in visitor numbers between 2010 and 2014, East Lindsey experienced a small decline in visitor numbers in 2010 and again in 2012.

The economic impact of Tourism in East Lindsey has increased dramatically between 2009 and 2014, with a 26.7% increase overall. The greatest change has been in the economic impact of accommodation, which has grown by more than one-third. Employment in the sector has grown by 6.7% over the same period; the strongest growth has been in recreation (7.9%), shopping (7.4%), and food and drink (7.4%).

Table 3.3: Tourism Economic Impact and Employment by Sector, 2009 and 2014

	Sectoral Distribution of Economic Impact (£million)			Sectoral Distribution of Employment – FTEs		
	2009	2014	+/- %	2009	2014	+/- %
Accommodation	70.30	94.09	33.8%	2,205	2,296	4.1%
Food and Drink	87.27	108.96	24.9%	1,490	1,600	7.4%
Recreation	32.80	41.14	25.4%	680	733	7.9%
Shopping	93.50	116.79	24.9%	1,455	1,564	7.4%
Transport	41.21	51.12	24.0%	314	335	6.7%
<b>Total Direct</b>	<b>325.08</b>	<b>412.09</b>	<b>26.8%</b>	<b>6,145</b>	<b>6,528</b>	<b>6.2%</b>
Indirect	113.77	143.89	26.5%	1,506	1,638	8.8%
<b>Total Expenditure</b>	<b>438.85</b>	<b>555.99</b>	<b>26.7%</b>	<b>7,651</b>	<b>8,167</b>	<b>6.7%</b>

Source: STEAM Database 2015

Looking at the accommodation sector, which saw a large increase in expenditure between 2009 and 2014, the largest impact was generated by non-serviced accommodation, such as self-catering properties and camping/caravan sites, at £369 million. A further £76 million was generated by serviced accommodation such as hotels and B&Bs.

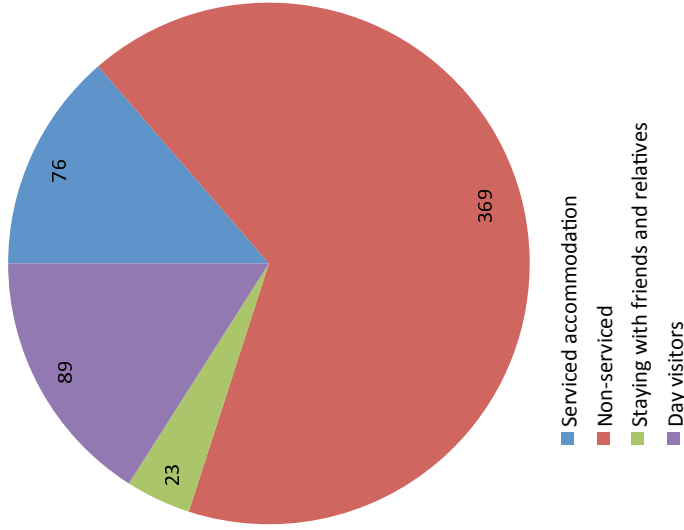


Figure 3.25: Economic Impact of Tourism by Day Visitors and Accommodation of Staying Visitors (£ million).

Source: STEAM Database 2015

Serviced accommodation in East Lindsey saw the greatest rate of growth in expenditure, at 33% between 2009 and 2014; while non-serviced accommodation grew by 26%. Although self-catering properties generate most economic impact, serviced accommodation (such as hotels and B&Bs) have seen the strongest growth. As a higher value-added activity, further development of the serviced accommodation sector across East Lindsey would help to maximise the potential of the Visitor Economy.

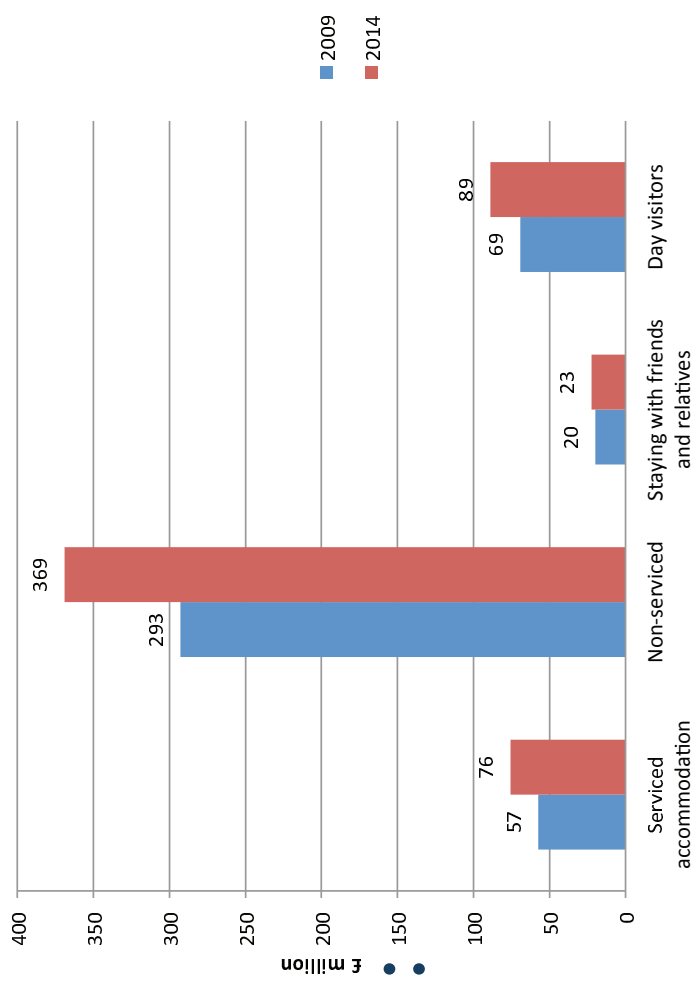


Figure 3.26 Economic Impact of Tourism by Accommodation Type, 2009 and 2014

Source: STEAM Database 2015

# 4. People and Communities



**This Chapter provides an overview of the local demographics and the labour market: how many people live in East Lindsey; how many people are employed, seeking work or in receipt of benefits; school attainment levels and the skill levels of the existing workforce; and areas of deprivation.**

## Summary

### Population Structure and Growth

- East Lindsey has the largest population of any district in Lincolnshire – some 136,401 residents; evenly split between Rural Inland and Coast. This is sparsely distributed, however, with 80% living in rural areas.
- East Lindsey's population grew by 4.6% between 2001 and 2011, which was lower than the growth rate in Lincolnshire (10.4%), the East Midlands and England.
- The District has a high proportion of residents aged 65 years and over, at 28% of the population, which reflects the importance of the Coast as a destination for retirees.
- Despite the relatively homogenous ethnic population of East Lindsey, the District has seen some growth in ethnic minority groups between 2001 and 2011 – particularly in individuals from Asian (408 residents) and black (134 residents) backgrounds.
- The East Lindsey population is forecast to grow by 12% between 2012 and 2036. This is lower than the growth rate of 15% projected for both Lincolnshire and England & Wales. The greatest increase is anticipated in the over 65 age group, which is expected to grow by 49% in East Lindsey and 62% across the country.
- The working age population is forecast to decline by 5% in East Lindsey between 2012 and 2036, which suggests East Lindsey has difficulty attracting and retaining young people and professionals.
- These forecasts have implications for the future of the labour market in East Lindsey. With a net outflow of working age people and a growing retiree population, labour market participation is likely to decline, yet demand for health-related services is likely to increase.

## Labour Market

- The employment rate in East Lindsey has declined and is now below that for Lincolnshire, the East Midlands and England.
- The unemployment rate is similar to the regional and national averages but fluctuates due to the seasonal nature of key employment sectors in the District. The claimant count can increase by more than 1,000 claims between February and August each year.
- East Lindsey is not a large attractor of overseas migrant workers and numbers declined during the recession; the District accounted for just 6% of overseas migrants registering to work in Lincolnshire in 2010-2011.
- The economic activity rate (the percentage of people employed or seeking work) is high for men in East Lindsey (86.7%) but low for women (64.9%), which suggest that women in the District find it more difficult to participate in the labour market.
- A high proportion of the working age population claims benefits in East Lindsey, with Employment Support Allowance and Incapacity Benefits paid to 8.6% of the working age population. These benefits are associated with the ill-health of either the claimant or a dependent, and reflect the high proportion of older people living in East Lindsey.
- There is a high level of self-containment in the East Lindsey labour market: 69.3% work in the District or at home and 85% within the Lincolnshire boundary.
- Use of public transport is low – with a high proportion of workers in East Lindsey (64.5%) relying on their own vehicle to travel to work, compared to the national average of 57%.
- East Lindsey has a high proportion of workers who work at or mainly from home – this rate is highest for the Rural Inland (7.8%).
- The picture, then, is of a steady-state economy operating below capacity with a decreasing level of labour market participation. This is exacerbated by high rates of disengagement from the labour market among older people, for health-related reasons, and also among women. A further barrier to labour market participation is lack of public transport.

## Skills and Occupations

- School attainment at KS2 and KS4 has improved in East Lindsey, but remains below Lincolnshire and national levels.
- A low proportion of the working age population, 19%, has a Level 4 (or degree level) qualification – compared to a national average of 36%.
- A high proportion of the working age population has no qualifications. Between 2008 and 2014, this proportion increased from 14% to 14.9%. In contrast, over the same period qualifications attainment in Lincolnshire, the East Midlands and England increased.
- The large number of micro and small businesses in East Lindsey means that the District has a high proportion of managers, directors and senior officials (13.8%) compared with the regional and national averages.
- Professional and technical occupations are under-represented in East Lindsey, which reflects the lack of larger firms and institutions such as hospitals and further and higher education institutions.
- Nearly a third of workers work in process and elementary occupations, most likely in the large Agri-Food and Manufacturing sectors.
- The East Lindsey labour market, therefore, has a low and falling proportion of qualified workers. These findings suggest that the District does not offer the types of high skilled / high wage occupations that might attract young professionals to relocate to an area.

## Economic Inclusion

- 10% of LSOAs in East Lindsey are ranked in the most deprived decile for the IMD overall. The Coast performs poorly on employment, health and disability, education and skills, and barriers to housing and services. Rural Inland performs well in all but one domain, barriers to housing and services.

- The IMD results suggest a concentration of issues affecting labour market participation in the Coastal area, which scores poorly on education and skills, and where poor levels of health affects the propensity of the local population to seek employment. In the Rural Inland, the sparse nature of the population and distance to employment and services are likely to be relatively more important.

## Population Structure

East Lindsey has the largest population of any district in Lincolnshire, with 136,401 residents. This population is fairly evenly split between the Rural Inland (75,074) and the Coast (61,327). Between the time of the 2001 and 2011 census, the East Lindsey population has grown by 5,926 or 4.6%. The majority of this growth has been focused on the Rural Inland, which is the location of 68% of East Lindsey's population growth. This rate of growth has, however, been lower than the rate across Lincolnshire, the region and England overall. The Lincolnshire population grew by 10.4% during this time.

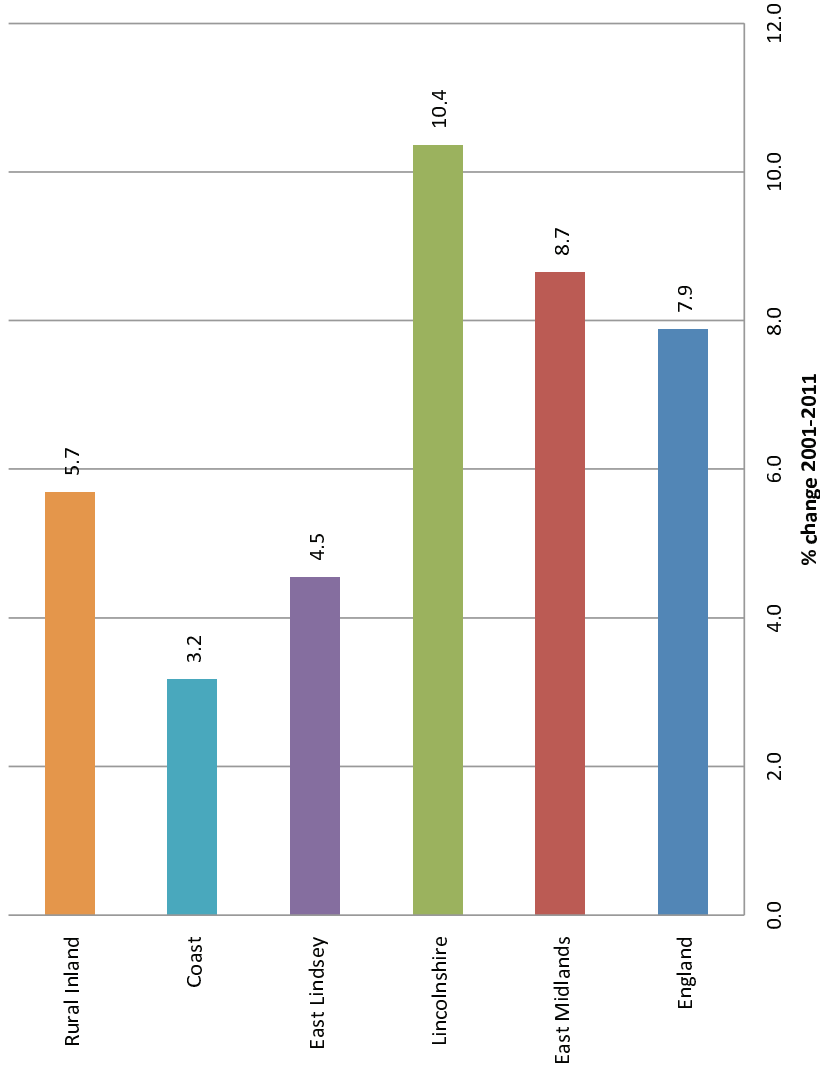
Table 4.1: Population Change, 2001 - 2011

	2001	2011	Change in Population	% Change in Population
Rural Inland	71,033	75,074	4,041	5.7
Coast	59,442	61,327	1,885	3.2
East Lindsey	130,475	136,401	5,926	4.5
Lincolnshire	646,657	713,653	66,996	10.4
East Midlands	4,172,250	4,533,222	360,972	8.7
England	49,138,746	53,012,456	3,873,710	7.9

Source: Census 2001 and 2011

Figure 4.1: % Change in Population, 2001-2011

Source: Census 2001 and 2011



## Age

East Lindsey has a high proportion of residents that are aged 65 and over. As Figure 4.2 shows, the Coast has a particularly high proportion of residents in this age group, at 28.2% compared with 26% across East Lindsey. This is in contrast to just 16.3% across England as a whole. This reflects the importance of the Lincolnshire Coast as a destination for retirees. The high and growing number of residents in the over 65 age group also places greater demand on the local Health & Care sector.

By contrast, East Lindsey has a lower proportion of young people, with just over 15% of the population under the age of 15 compared with 19% in England. It also has a low proportion of residents of working age, at 59% across the District and just 57% in the Coastal area. This analysis has implications for the future of the East Lindsey economy, as it suggests the District is historically not good at retaining or attracting young people and young families. The under-representation of young and working age populations may mean that it becomes difficult for local employers to fill vacancies in the longer term, thus restricting the growth of the economy.

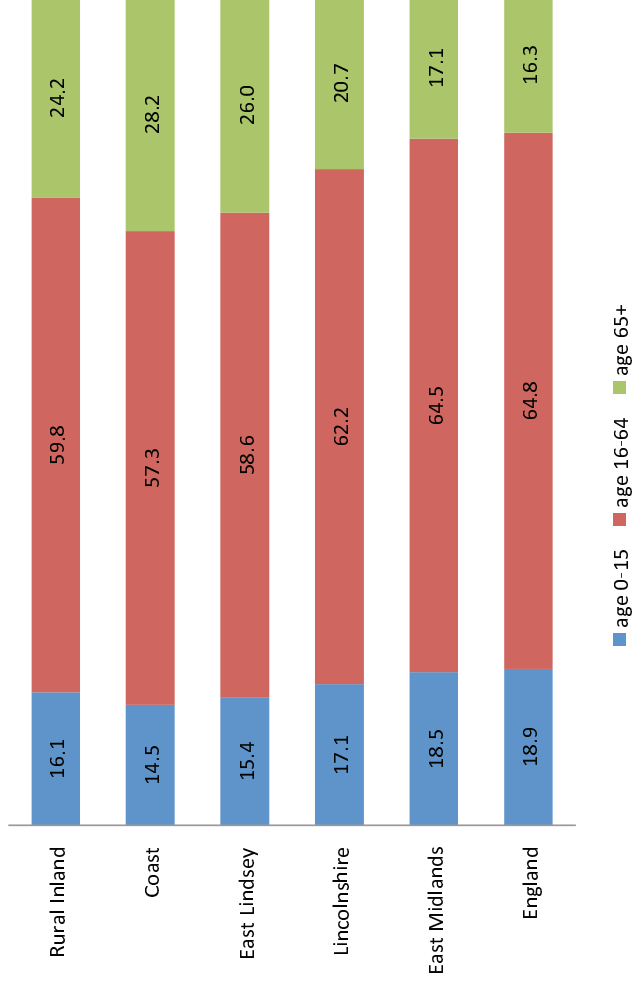


Figure 4.2: Population Age Distribution, 2011

Source: Census 2011



## Overseas Migration

As Figure 4.3 shows, East Lindsey experienced a strong growth of overseas migrant workers registering to work between 2002–2003 and again in 2005–2006, when it received 810 registrations. The annual number of registrations declined during the recession, and the latest data shows 340 registrations for 2011–2012.

Compared with other districts in Lincolnshire, however, East Lindsey receives fewer overseas worker registrations. For example, Boston, South Holland, and Lincoln each received more than three times the number of registrations in East Lindsey in 2010–2011. Data published by Lincolnshire Research Observatory in 2011 shows that the majority of overseas workers in Lincolnshire tend to work in factory occupations and farming. The picture in East Lindsey is more diverse, with a high proportion also working in leisure and cleaning occupations, reflecting the importance of the Coastal area and the Visitor Economy for overseas workers.

## Ethnicity

The county of Lincolnshire, as Table 4.2 shows, is characterised by little ethnic diversity. Across East Lindsey more than 98% of the population is White.

Table 4.2: Ethnicity, 2011

	White	White: British	White: other	Mixed	Asian	Black	Other
Rural Inland	98.4	96.9	1.6	0.7	0.6	0.2	0.1
Coast	98.5	96.2	2.3	0.7	0.6	0.2	0.1
East Lindsey	98.5	96.6	1.9	0.7	0.6	0.2	0.1
Lincolnshire	97.6	93.0	4.6	0.9	1.0	0.4	0.2
East Midlands	89.3	85.4	3.9	1.9	6.5	1.8	0.6
England	85.4	79.8	5.7	2.3	7.8	3.5	1.0

Source: *N/No allocations to adult overseas nationals entering the UK: registrations via ONS, 2012 (note: this data is no longer published after 2012)*

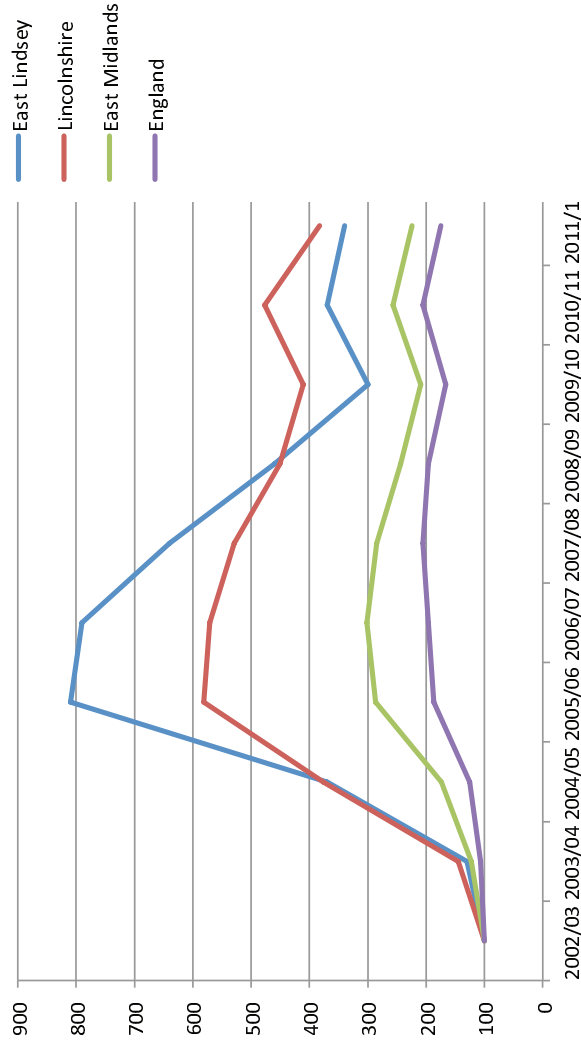


Figure 4.3: National Insurance registrations to adult overseas nationals entering the UK by year of registration (2002/03=100)

Source: *N/No allocations to adult overseas nationals entering the UK: registrations via ONS, 2012 (note: this data is no longer published after 2012)*

Despite the relatively homogenous ethnic population of East Lindsey, the ten year period between 2001 and 2011 has seen some growth in the population of ethnic minority groups. As Figure 4.4 shows, East Lindsey saw strong percentage growth in individuals from Asian (408 residents or 107%) and Black (134 residents or 103%) backgrounds.

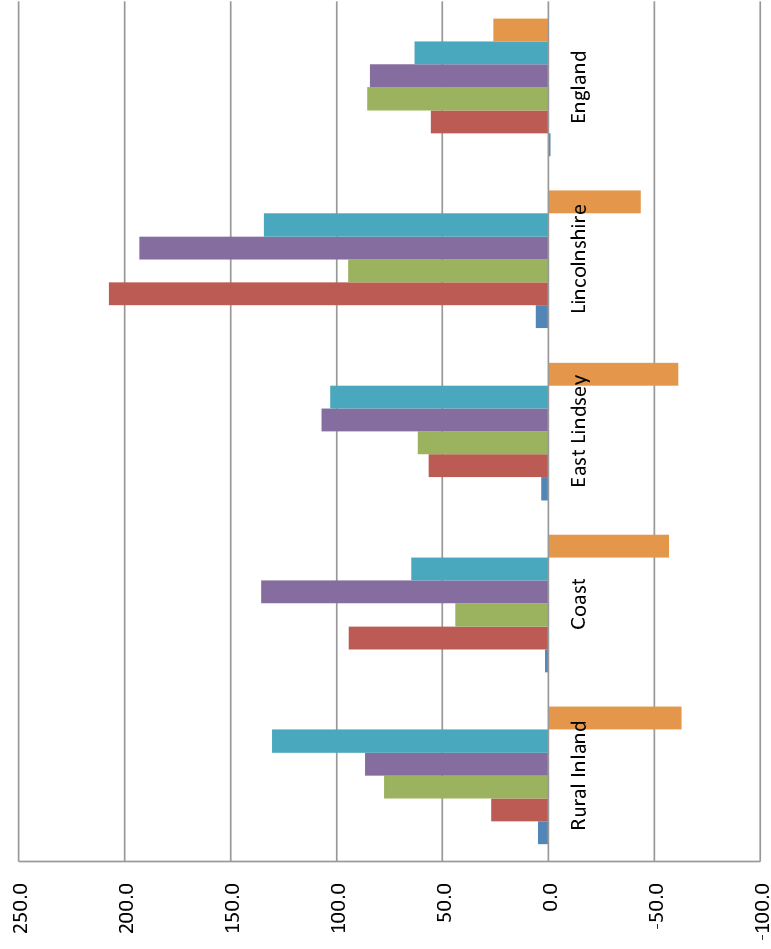


Figure 4.4: % Change in Population in each Ethnic Group, 2001-2011  
Source: Census, 2011

## Future Population Growth

The overall population of East Lindsey is forecast to grow by 12% (16,504 residents) between 2012 and 2036. This is lower than the growth rate of 15% projected for both Lincolnshire and England & Wales. The greatest increase is anticipated in the over 65 age group, which is expected to grow by 49% in East Lindsey and 62% across the country. The working age population is expected to remain static in Lincolnshire, and is forecast to decline by 5% in East Lindsey. These projections have implications for the future of the labour market in East Lindsey; this is discussed in more detail in Chapter 6.

Table 4.3 East Lindsey Population Projections by Age Group, 2012-2036

Year	2012	2036	Change in Population	% Change
0-15	20,910	23,052	2,142	10.2
16-64	78,670	74,977	-3,693	-4.7
65+	37,016	55,070	18,054	48.8
Total	136,596	153,100	16,504	12.1

Source: Lincolnshire Population Projection Tool, developed using ONS 2012-based Subnational Projections, via Lincolnshire Research Observatory

## The Labour Market Employment

Between 2008 and 2014, the employment rate in East Lindsey decreased. At 71% it now sits below the regional and national average, and is almost four percentage points below the employment rate for Lincolnshire.

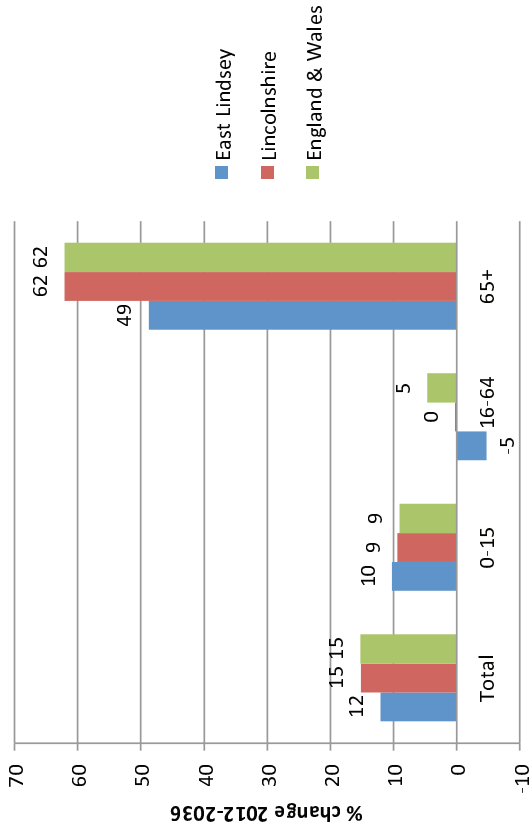


Figure 4.5: Projected % Change in Population for East Lindsey compared to the Lincolnshire and England & Wales, 2012-2036  
Source: *Lincolnshire Population Projection Tool, developed using ONS 2012-based Subnational Projections, via Lincolnshire Research Observatory*

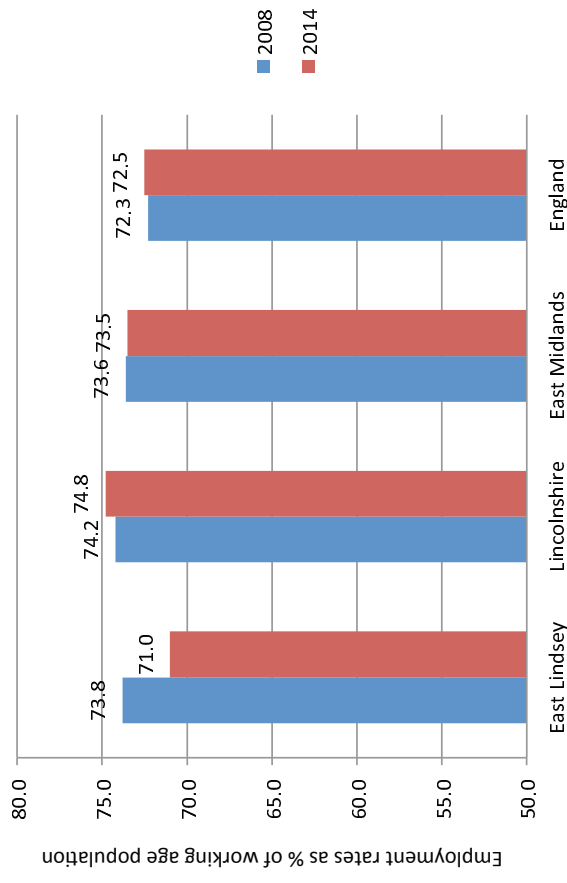


Figure 4.6: Employment rate as % of working age population, 2008-2014  
Source: *Annual Population Survey via ONS, 2014*

The economic activity rate - that is the percentage of people who are in employment or seeking work - is similar to the regional and national average. This rate is particularly high for men, at 86.7% of the working age population. In contrast, however, just 64.9% of women are economically active. A higher proportion of women in the District who are economically inactive want a job (28.3%), compared with the regional and national average. This suggests that women in East Lindsey find it less easy to participate in the labour market than men; it may also be affected by lower age at which women traditionally retire.

Table 4.4: Economic Activity by Gender, March 2015

	East Lindsey	East Midlands	England
All			
Economic activity rate - aged 16-64	75.8	77.6	77.4
% of economically inactive who want a job	25.3	23.3	24.5
% of economically inactive who do not want a job	74.7	76.7	75.5
Males			
Economic activity rate - aged 16-64	86.7	83.1	83.0
% of economically inactive who want a job	17.4	27.9	26.8
% of economically inactive who do not want a job	82.6	72.1	73.2
Females			
Economic activity rate - aged 16-64	64.9	72.1	72.0
% of economically inactive who want a job	28.3	20.5	23.1
% of economically inactive who do not want a job	71.7	79.5	76.9

Source: ONS Annual Population Survey via ONS, 2015

## Claimant Count Unemployment

The claimant count unemployment rate in East Lindsey is similar to the regional and national average, although this rate varies throughout the year and also by area.

Table 4.5: Claimant count unemployment, July 2015

	East Lindsey (numbers)	East Lindsey (%)	East Midlands	England
All People	1,271	1.6	1.6	1.7
Males	850	2.2	2.1	2.1
Females	421	1.1	1.2	1.3

Source: ONS Jobseeker's Allowance, 2015

The unemployment rate is subject to the seasonal nature of key employment sectors in East Lindsey, including Agri-Food and the Visitor Economy. Figure 4.7 illustrates the annual seasonal variation in claims for Jobseekers' Allowance. The claimant count can increase by more than 1,000 claims across East Lindsey between February and August each year. As the graph shows, this seasonality is most pronounced in the Coastal area, with the Rural Inland showing only minor seasonal fluctuations.

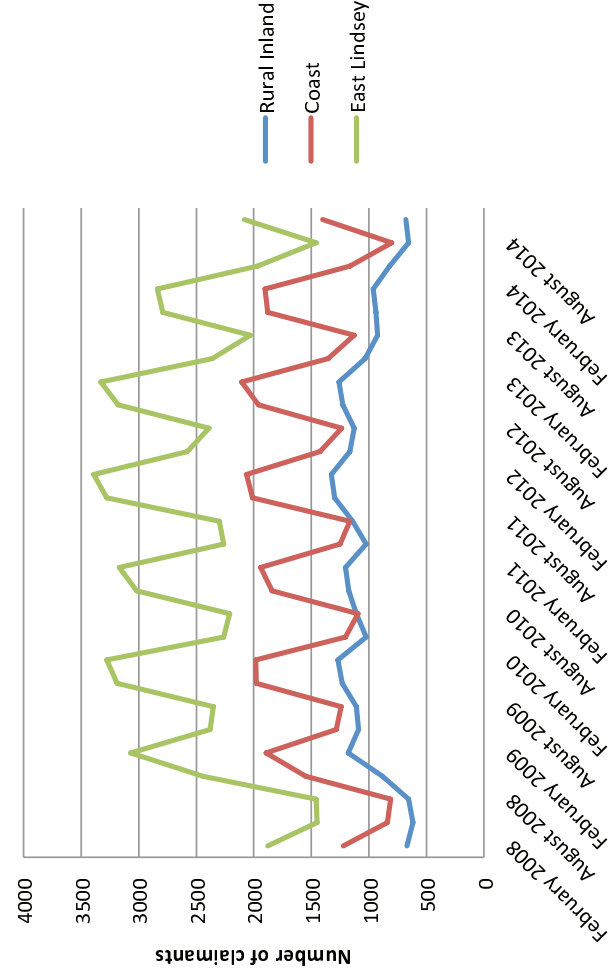


Figure 4.7: Seasonal JSA Claimants in East Lindsey, 2008-2014

Source: ONS Jobseeker's Allowance, 2008-2014

## Benefit Claimants

A high proportion of people of working age claim benefits in East Lindsey, as Table 4.6 shows. The largest group comprises those who claim Employment and Support Allowance (ESA) and Incapacity Benefits, at 6,700 claimants or 8.6% of the working age population. These benefits are associated with the ill-health of either the claimant or a dependent, and reflect the high proportion of older people living in East Lindsey. East Lindsey also has a high number of carers, at 2.8% compared with the national average of 1.5%.

Table 4.6: Working Age Client Group – Main Benefit Claimants February 2015

	East Lindsey (numbers)	East Lindsey (%)	East Midlands	Great Britain
Total Claimants	13,640	17.6	12.0	12.6
Job Seekers	1,990	2.6	1.9	2.0
ESA and Incapacity Benefits	6,700	8.6	5.9	6.4
Lone Parents	940	1.2	1.1	1.1
Carers	2,170	2.8	1.6	1.5
Others on Income Related Benefits	420	0.5	0.3	0.3
Disabled	1,250	1.6	1.1	1.1
Bereaved	170	0.2	0.2	0.2
Main Out-of-Work Benefits	10,050	12.9	9.2	9.8

Source: DWP Benefit Claimants – Working Age Client Group via ONS, 2015

## Travel to Work Patterns

The latest census in 2011 provides an updated picture of commuting patterns and method of travel to work. Table 4.7 shows that there continues to be a high level of self-containment in the East Lindsey labour market. Of those who live in East Lindsey, 69.3% work either in the District or at home, and 85% work within the Lincolnshire boundary.

North East Lincolnshire continues to be a magnet for commuters living in East Lindsey, particularly those in the Coastal area. 12.5% of those who live in the Coastal area work in the rest of the UK, which includes the Yorkshire and Humber region and, therefore, workplaces around Grimsby, Scunthorpe and Hull. This is reflected in the growth of the Grimsby Travel-to-Work Area (TTWA) following the 2011 Census, and its expansion further into East Lindsey.

Table 4.7: Commuting Patterns for workers resident in East Lindsey, 2011

	Mainly from Home	Rural Inland	Coast	East Lindsey	Rest of Lincolnshire	Other East Midlands counties	Rest of UK	Other*
Rural Inland	15.1	42.4	10.0	52.3	17.7	0.7	6.0	8.2
Coast	16.3	12.1	42.8	54.9	7.2	0.7	12.5	8.4
East Lindsey	15.7	27.7	25.8	53.6	12.6	0.7	9.1	8.3

\*includes offshore installations, no fixed place of work and outside the UK.

Source: Census 2011

A high proportion of workers in East Lindsey (64.5%) rely on their own car or van to travel to work, compared with the national average of 57%. Use of public transport is very low at just 2.9%, compared with 22.8% in England, although this is slightly higher on the Coast (3.7%). By contrast, East Lindsey has a higher proportion of workers who travel to work by bicycle (3.7%) and foot (15.1%) compared with the national averages (3% and 10.7% respectively).

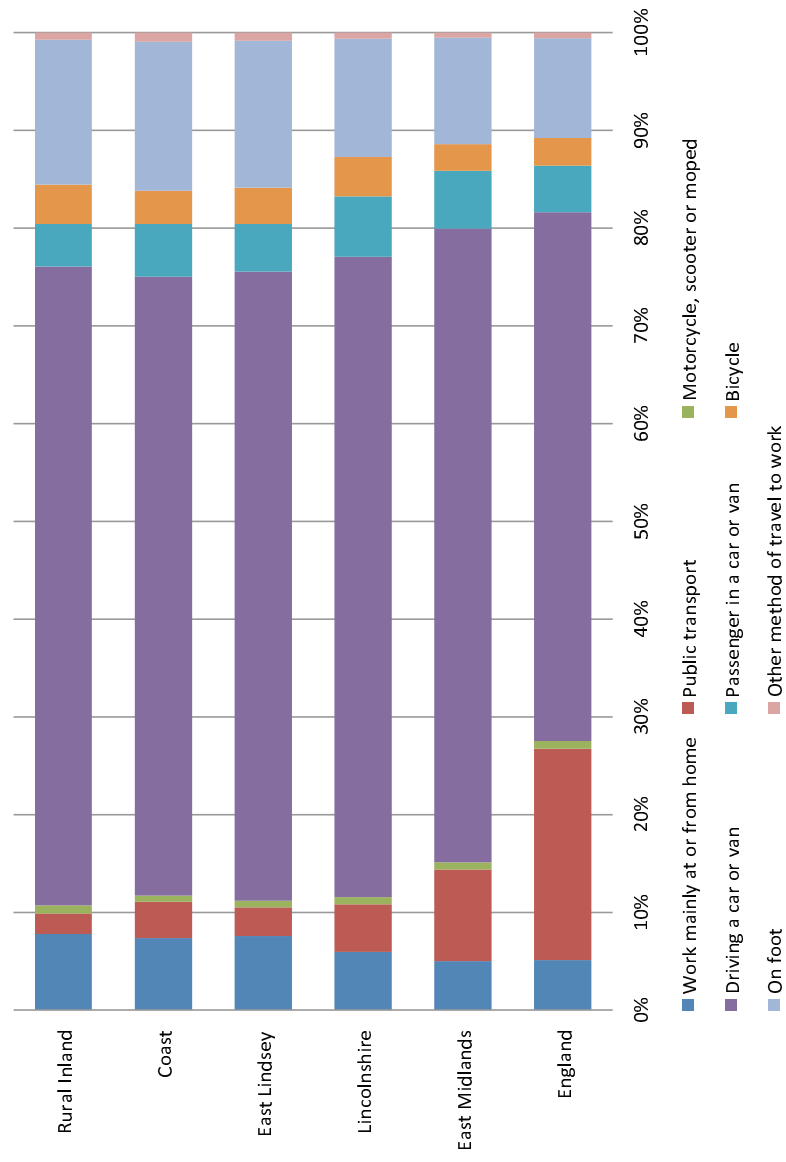


Figure 4.8: Method of Travel to Work 2011

Source: Census 2011

At 7.6%, East Lindsey has a high proportion of workers whose business is registered at their home address, this rate is highest in the Rural Inland area at 7.8%. This reflects the high number of Small Office/Home Office businesses in the District, as discussed in Chapter 3, and is also likely to include farms and family businesses.

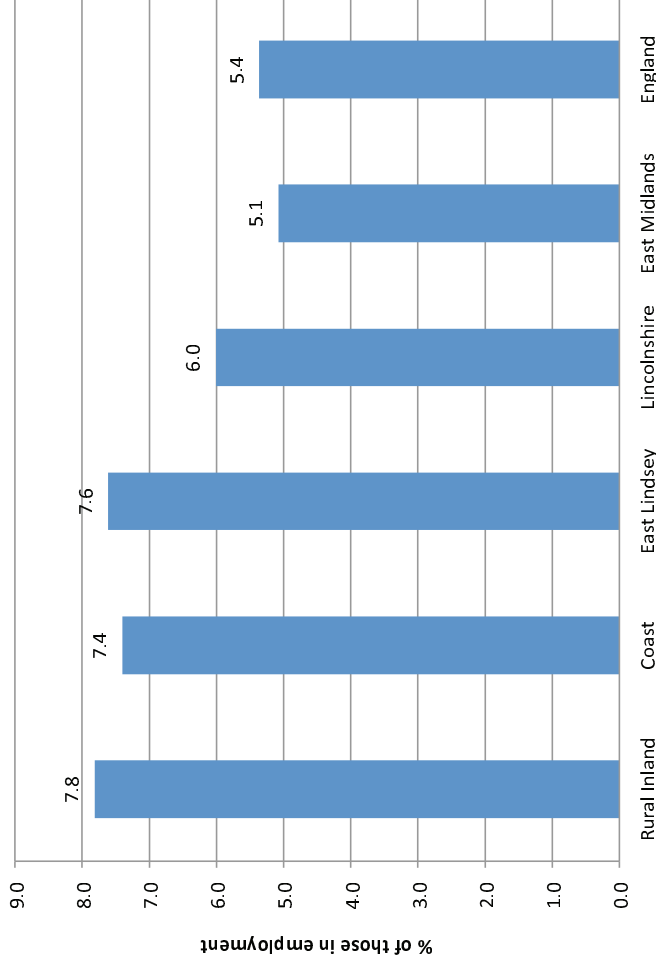


Figure 4.9: Home working in East Lindsey 2011

Source: Census 2011

## Skills

### School Age Attainment

The national curriculum set by Government contains the programmes of study and attainment targets for all subjects, at all Key Stages. At the end of each Key Stage pupils are assessed. Children at Key Stage 2 (years 3 - 6, when pupils are aged between 7 and 11) are expected to reach Level 4 by 11 years old.

The proportion of primary school pupils in East Lindsey achieving Level 4 at Key Stage 2 is slightly lower than the regional and national average, at 76% compared to 78%. A higher proportion of female pupils reach Level 4, although this is still lower than the regional and national benchmarks.

Table 4.8: Key Stage 2: Proportion of Pupils Achieving Level 4+ in English and Maths 2013-2014

	All Eligible Pupils	Male Pupils	Female Pupils
East Lindsey	76%	73%	78%
East Midlands	78%	74%	81%
England	78%	75%	82%

Source: ONS, 2014



Figure 4.10 shows the change in the proportion of pupils achieving Level 4 at Key Stage 4. While the percentage of pupils achieving this level in East Lindsey has increased from 70% to 76% between 2008-2009 and 2013-2014, these continue to fall below the regional and national level benchmarks.

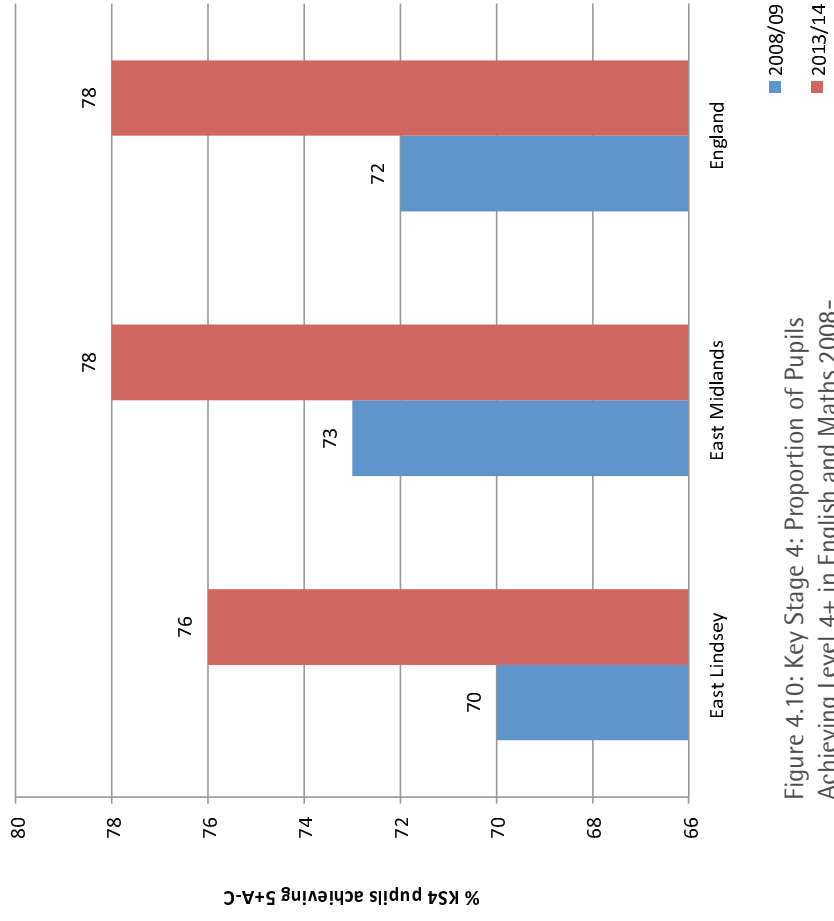


Figure 4.10: Key Stage 4: Proportion of Pupils Achieving Level 4+ in English and Maths 2008-2009 and 2013-2014  
Source: ONS, 2014

### Adult Skills Levels

A low proportion of the working age population in East Lindsey (19%) has a Level 4 (or degree-level) qualification. This is almost half the proportion with a Level 4 qualification in England, at 36%.

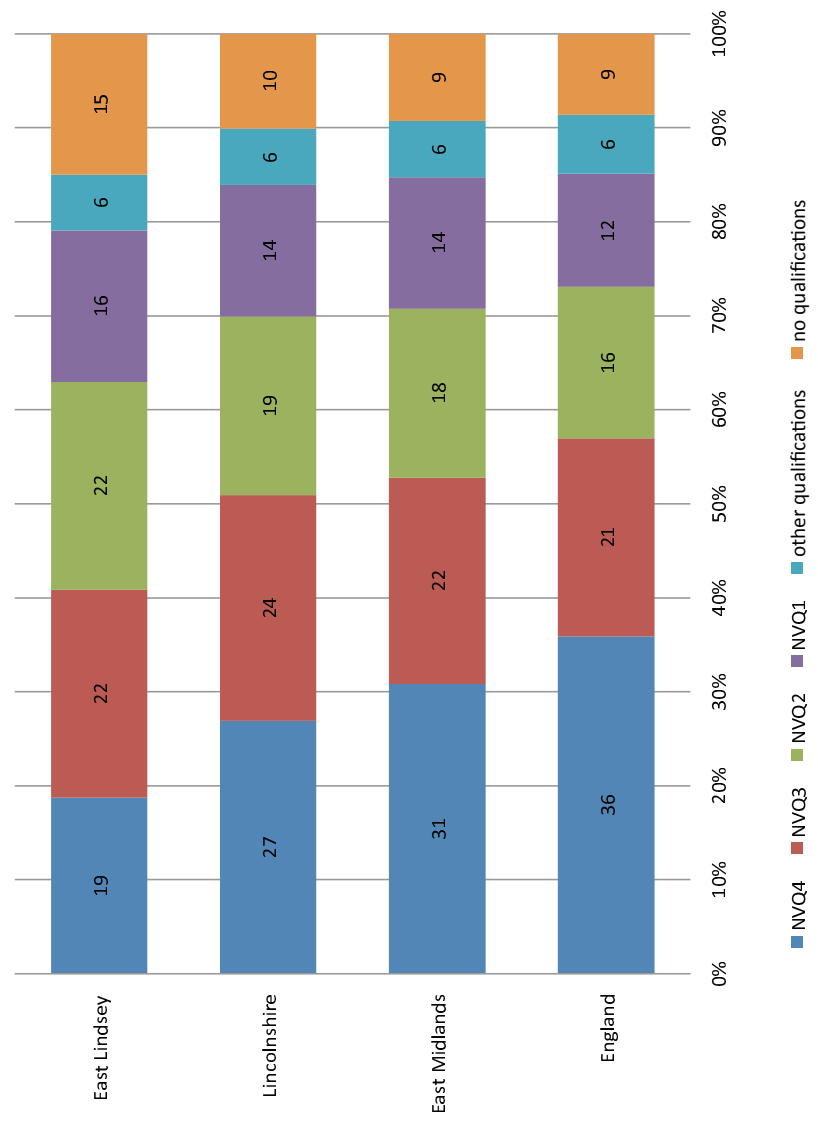


Figure 4.11: Skills levels of the working age population, 2014  
Source: Annual Population Survey via ONS 2015

A high proportion of the working age population in East Lindsey has no qualifications. As Figure 4.12 shows, this proportion increased from 14.0% to 14.9% between 2008 and 2014. In contrast, the proportion without qualifications declined across Lincolnshire, the East Midlands and England over the same period.

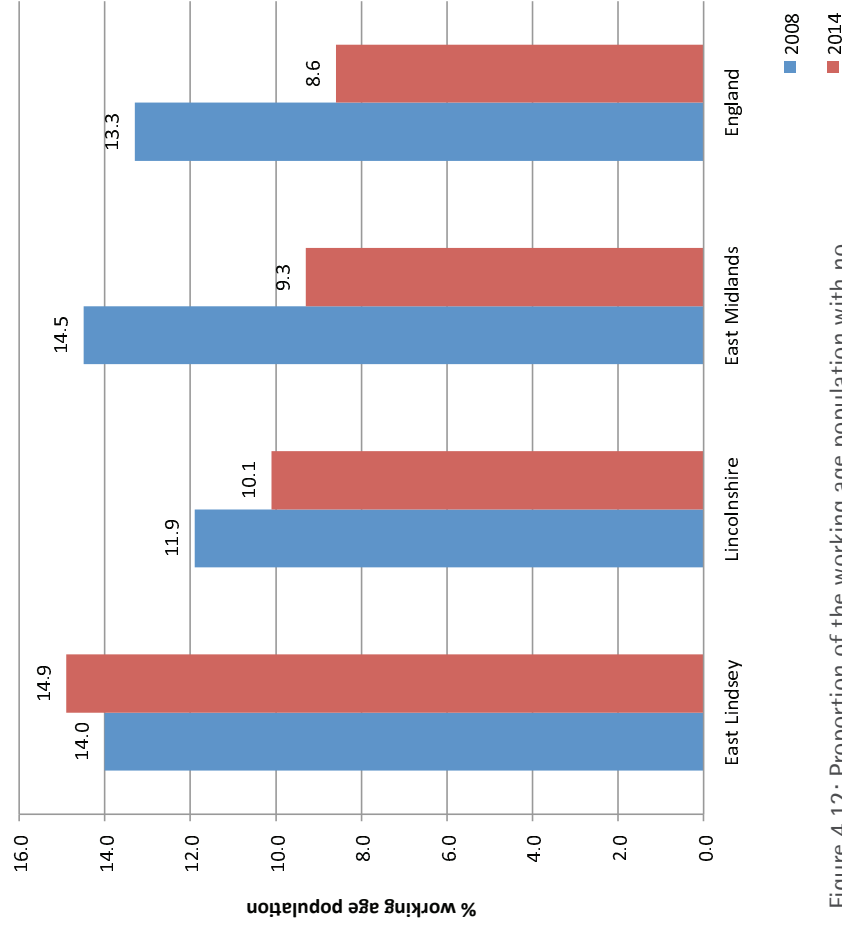


Figure 4.12: Proportion of the working age population with no qualifications, 2008 and 2014

Source: Annual Population Survey via ONS 2015

At 13.8%, East Lindsey has a high proportion of managers, directors and senior officials compared with the regional and national average, which may partly reflect the large number of small and micro-businesses in the District. As some of the most highly skilled and paid workers living in East Lindsey, managers and directors are highly mobile and are likely to commute the furthest. For example, workers in this occupational group are likely to be among the 3,336 East Lindsey residents that commute into North East Lincolnshire every day (Census, 2011).

Professional and associate professions and technical occupations are under-represented, which reflects the lack of larger firms and institutions such as hospitals and further and higher education institutions in East Lindsey. The District has a large proportion of skilled trades occupations (16.8%) when compared with the region (11.8%). This is a common feature of rural areas and is often associated with the high rate of employment in agricultural activities. At 29%, a relatively high proportion of the East Lindsey workforce is employed in the less skilled process and elementary occupations.

Table 4.9: Occupations in East Lindsey, 2015

Occupation	East Lindsey	East Midlands	England
Managers, directors and senior officials	13.8	10.1	10.3
Professional occupations	11.4	17.6	19.7
Associate prof & tech occupations	5.1	12.6	14.1
Administrative and secretarial occupations	8.4	10.6	10.6
Skilled trades occupations	16.8	11.3	10.7
Caring, leisure and other service occupations	9.0	9.3	9.2
Sales and customer service occupations	6.2	7.6	7.8
Process, plant and machine operatives	13.2	7.9	6.3
Elementary occupations	15.7	12.6	10.9

Source: Annual Population Survey, March 2015

## Economic Inclusion Deprivation Indices

The English Indices of Deprivation are compiled using a range of indicators, presented under seven domains that reflect different forms of economic, social and housing deprivation. These provide an individual domain rank which can also be combined to give an area an overall score. These are ranked to allow comparisons of relative deprivation. The latest Indices of Deprivation were released by the Department of Communities and Local Government on 30 September 2015; these update the previous Indices which were released in 2010.

One way of analysing deprivation in an area is to identify the places that are ranked the lowest in the Indices of Deprivation. Table 4.10 presents the proportion of Lower Super

Output Areas (LSOAs), which are small geographical areas with 1,000-3,000 population, that fall within the 10% most deprived LSOAs nationally. 15% of LSOAs in East Lindsey are ranked in the most deprived decile for the Indices of Deprivation (overall), which is higher than the national average. There is a marked contrast between the Rural Inland and Coast areas, both overall and across individual domains. 34% of LSOAs fall within this lowest decile in the Coast area for the overall ranking, while no LSOAs in the Rural Inland feature in the bottom 10%.

The Coastal Area performs particularly poorly on health and disability, with more than half (51%) of LSOAs in the most deprived decile. It also performs poorly on employment (43% of LSOA in bottom 10%), education and skills (31%), barriers to housing and services (23%), and living environment (17%). In contrast, the Rural Inland area performs well on all but two domains, which are barriers to housing and services (20% of LSOAs) and living environment (11%).

Table 4.10: Percentage of LSOAs in the Most Deprived Decile Nationally by Indicator

	Overall	Income	Employment	Education & Skills	Health & disability	Crime	Barriers to Housing / Services	Living Environment
Coast	34%	20%	43%	31%	51%	9%	23%	17%
Rural Inland	0%	0%	4%	0%	0%	0%	20%	11%
East Lindsey	15%	9%	21%	14%	23%	4%	21%	14%
Lincolnshire	7%	5%	9%	10%	10%	4%	14%	9%
Greater Lincolnshire	11%	9%	11%	13%	9%	11%	10%	9%
England	10%	10%	10%	10%	10%	10%	10%	10%

Source: English Indices of Deprivation (DCLG, 2015)

In addition to the seven domains of deprivation, the 2015 Indices of Deprivation include a number of sub-domains. These are presented in Table 4.11. East Lindsey overall performs well on the wider barriers domain (which includes issues relating to access to housing such as affordability and homelessness), income deprivation affecting older people, children and young people (which examines attainment and skills of this age

group), and the outdoors sub-domain (which includes measures of air quality and road traffic accidents). The District performs poorly on adult skills (28% of LSOAs in the bottom 10% nationally), the indoors sub-domain, which measures quality of housing (25%), and the geographical barriers sub-domain, which relate to the physical proximity of local services (25%).

Table 4.11: Percentage of LSOAs in the Most Deprived Decile Nationally by Sub-Domain Indicator

	Income Deprivation Affecting Children Index (IDACI)	Income Deprivation Affecting Older People (IDAOP)	Children and Young People Sub-domain	Adult Skills Sub-domain	Geographical Barriers Sub-domain	Wider Barriers Sub-domain	Indoors Sub-domain	Outdoors Sub-domain
Coast	17%	6%	9%	51%	29%	0%	29%	0%
Rural Inland	0%	0%	0%	9%	22%	0%	22%	0%
East Lindsey	8%	3%	4%	28%	25%	0%	25%	0%
Lincolnshire	6%	2%	NA	NA	NA	NA	NA	0%
Greater Lincolnshire	10%	3%	NA	NA	NA	NA	NA	0%
England	10%	10%	10%	10%	10%	10%	10%	10%

Source: English Indices of Deprivation (DCLG, 2015)

## Change since the 2010 Index of Multiple Deprivation

East Lindsey is one of ten local authorities with the largest percentage point increase between the 2010 and 2015 Indices of Multiple Deprivation. For the overall rank, East Lindsey stands at 33 out of 326 local authority districts, which is a considerable climb up the rankings from 58 in 2010. At 33, it falls just outside the 10% most deprived local authority districts in England. It must be stressed, however, that the Indices of Deprivation report relative performance. Since 2010, many London boroughs have moved down the rankings, perhaps driven by the property boom in London. The movement of these local authorities out of the most deprived group implies that other local authorities in the list must take their place, even if their performance on the indices scores has not altered significantly. In effect, local authorities that are 'standing still' can fall down the rankings, if others are experiencing significant economic growth.

Figure 4.13 shows the change in the percentage of LSOAs that rank in the bottom 10% since 2010. As the graph suggests, many more of East Lindsey's neighbourhoods now rank in the bottom 10% than in 2010. Of particular concern is that 23% of LSOAs now feature in the bottom 10% for health deprivation and disability, compared with just 6% in 2010.

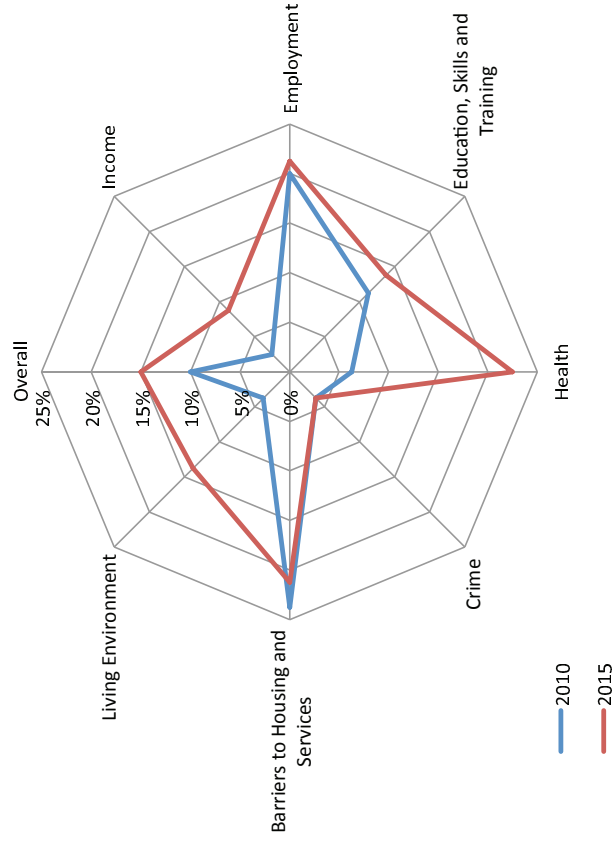


Figure 4.13: Percentage of East Lindsey LSOAs ranking in the Bottom 10% nationally, 2010 and 2015

Source: *English Indices of Deprivation (DCLG, 2015)*

Further analysis shows that the LSOAs that have fallen into the lowest decile over the last five years are mostly in the Coastal area. Figure 4.14 shows that this is the case for health (increasing from 14% to 51% of Coastal LSOAs), income (from 6% to 20%), and living environment (from 9% to 17%). By contrast, the Rural Inland has seen a decline in the number of LSOAs in the bottom decile for barriers to housing and services (from 27% to 20%). However, 11% of LSOAs in this area now rank in the bottom decile for living environment, which relates mainly to the quality of housing.

Figure 4.14: Percentage of Coastal LSOAs ranking in the bottom 10% for each Domain, 2010 and 2015

Source: *English Indices of Deprivation (DCLG, 2015)*

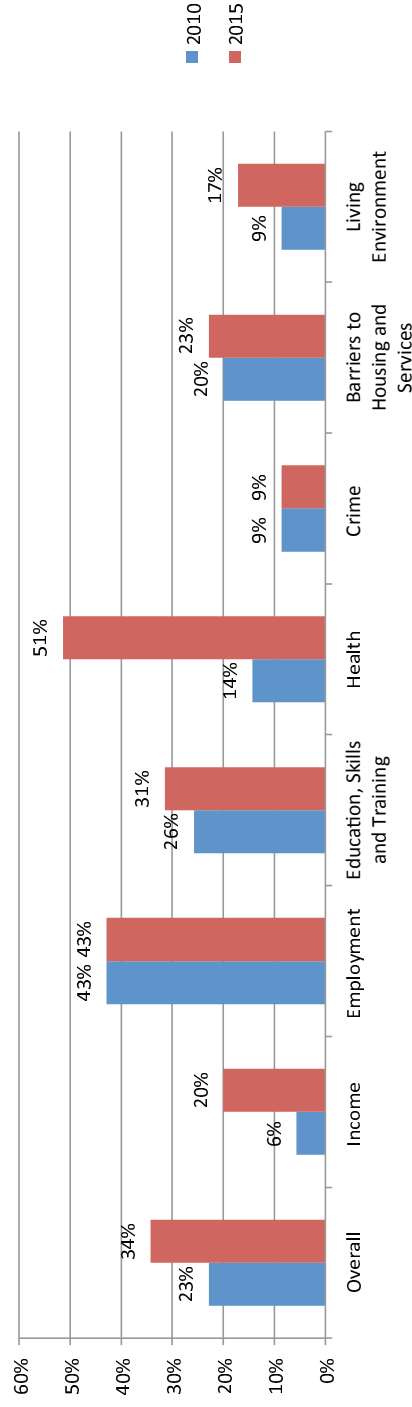
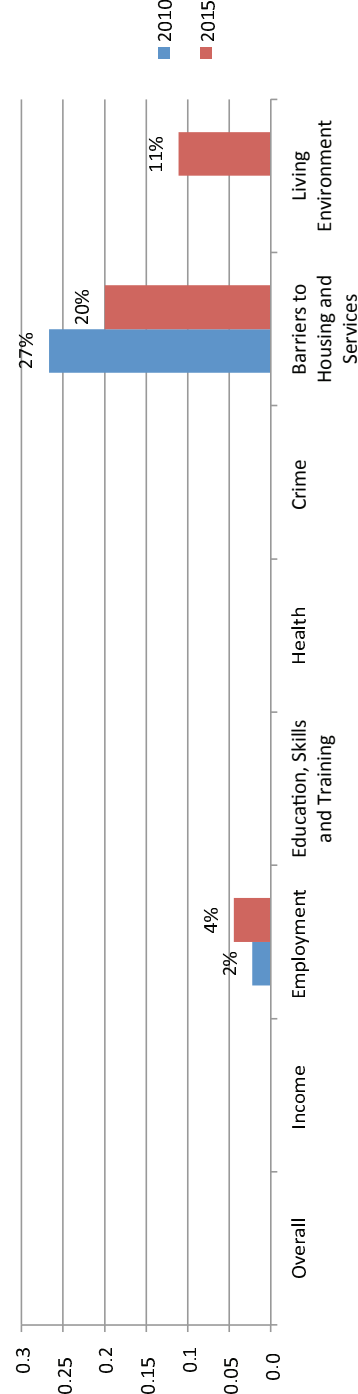


Figure 4.15: Percentage of Rural Inland LSOAs ranking in the bottom 10% nationally, 2010 and 2015

Source: *English Indices of Deprivation (DCLG, 2015)*





## 5. Economic Comparator Analysis

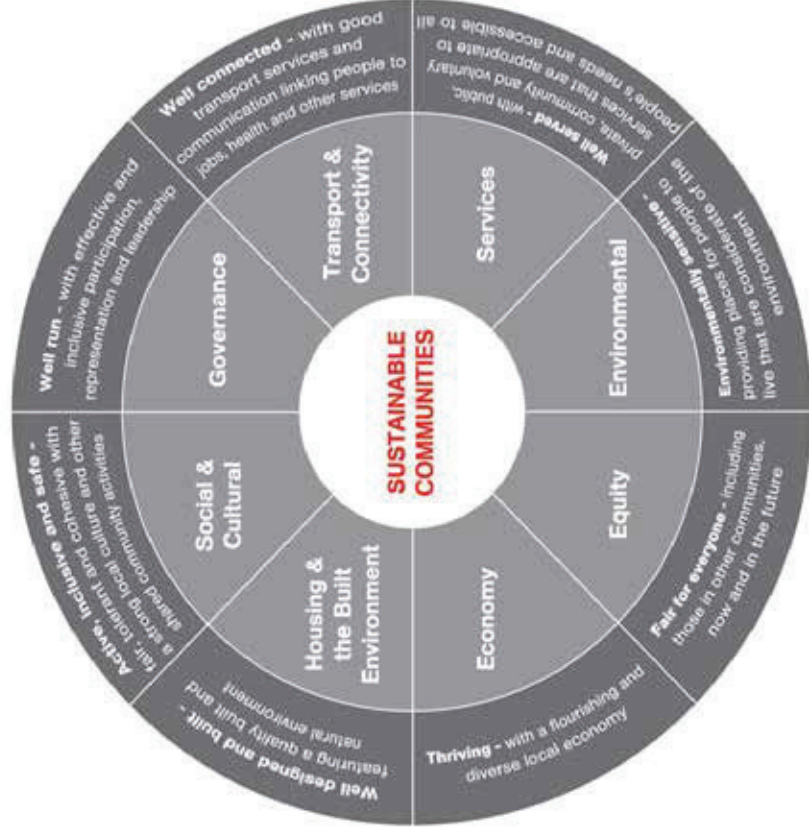
This Chapter considers the functionality of East Lindsey's towns and smaller settlements, and benchmarks them against other comparator places in the East Midlands and England.

## Summary

- Skegness and Louth, East Lindsey's two largest settlements, were compared to fourteen other settlements in England. These comparator settlements were selected according to Defra's rural-urban definition / list of hub towns which identifies settlements with similar functionality.
- Skegness and Louth perform poorly - ranking 16th and 13th respectively from a total of 16 settlements.
- Seven smaller towns were identified within the District: Alford, Horncastle, Coningsby, Spilsby, Mablethorpe, Wragby and Wainfleet All Saints. These were compared with three other settlements: a town in a different Lincolnshire district (Crowland) a town in the South East Midlands (Oundle) and a town in the North East Midlands (Bolsover).
- Poor levels of functionality were found in all smaller towns in East Lindsey compared to the other settlements and England average.
- The best scoring small town is Alford and the lowest scoring are Wragby and Wainfleet All Saints.
- In terms of their economic success, Horncastle and Spilsby are the best performing smaller towns in the District. However, worklessness is a challenge in all of East Lindsey's smaller towns, with all indicating higher levels than comparator settlements and national average. In Mablethorpe, the level of worklessness is three times the national average.

The functionality of East Lindsey's towns have been analysed according to how sustainable they are. The Bristol Accord sets out eight characteristics of a sustainable community and has been applied across the European Union (Figure 5.1).

Figure 5.1: The Bristol Accord – the eight characteristics of a sustainable community



Bristol Accord – Conclusions of Ministerial Informal on Sustainable Communities in Europe, 2005, page 15

Data has been collected for each of these characteristics and been consolidated into the following domains, namely: (1) Well run, Connected and Served; (2) Well Designed and Built; (3) Environment; (4) Well Connected and Served; (5) Thriving and (6) Active, Inclusive, Safe and Fair.



## Comparator Area Selection

East Lindsey's two largest towns – Skegness and Louth – have been compared with fourteen other settlements in England. These comparator settlements were selected from Defra's list of rural hub towns (derived from 2011 Rural–Urban Classification of Local Authority geographies). The comparators have populations between 10,000 and 30,000 and their functionality means that they serve the needs of the rural population beyond the town, rather than just the population within the town. The comparators are drawn from across England. They have been chosen to provide a series of contrasts and similarities with the two principal East Lindsey towns so that the relative functionality and performance of Louth and Skegness can be compared across all their key facets. A mixture of coastal and inland comparators have been chosen.

The smaller towns in East Lindsey are compared with settlements with a similar functionality at a regional level. This is because local circumstances are likely to be more important in determining their economic performance. Whilst Mablethorpe features in the Defra list of Hub Towns referenced above we have included it in the smaller town list for comparison as it is effectively a composite of three settlements aggregated under the label of Mablethorpe namely: Sutton on Sea, Trusthorpe and Mablethorpe. A number of secondary settlements identified in East Lindsey's emerging Local Plan and two large villages (Wragby and Wainfleet All Saints) have been compared with a Lincolnshire town in a different district (Crowland), a town in the South East Midlands (Oundle) and a town in the North East Midlands (Bolsover). We have chosen this particular list of settlements as our consultation has indicated that outside of Louth and Skegness, these are the places local people identify with as important service centres. The approach followed provides a number of regional comparators against which to consider the relative performance of the East Lindsey settlements, as well as their relative performance against each other. For the purpose of comparison (in terms of the smaller towns) we have consolidated the match of indicators to six characteristics of the Bristol Accord (rather than 5 for the larger towns). This has involved splitting out Well run and Well Connected and Served. The latter is a discrete measure of access to facilities and unlike the larger settlements which have ready access to the full suite of social facilities a number of the smaller settlements are more specifically challenged in this regard. It has, therefore, given a deeper overview of their functionality to compare their performance specifically on this measure.

## Indicators for Comparison and Scoring

Examples of the datasets used for each of the six domains include:

- The 2010 Indices of Multiple Deprivation is a measure of how deprived a place is using rankings across the whole of England. The rank of barriers to housing and services score (where a score of 1 is most deprived) was used for the Well Designed and Built and Well run, Connected and Served domains. This provides measures for household overcrowding, district level rate of acceptances under the homelessness provisions of the 1996 Housing Act, difficulty of access to owner-occupation, road distance to a GP surgery, road distance to a general store or supermarket, road distance to a primary school, and road distance to a Post Office or Sub Post Office.
  - The 2010 Indices of Multiple Deprivation rank of living environment score (where a score of 1 is most deprived) was used for the Environment domain. This measures social and private housing in poor condition, houses without central heating, air quality and road traffic accidents involving injury to pedestrians and cyclists.
  - Ease of access to dentist and Post Office (for the Well–Connected and Served domain in relation to smaller towns): these are the two measures from the Department for Transport on access to services which best reflect the availability of publicly funded services to communities.
  - "How satisfied are you with your life nowadays?" Where 0 is 'not at all satisfied' and 10 is 'completely satisfied': this is a useful attitudinal measure too for the Active, Inclusive, Safe and Fair domain and is taken from the Office of National Statistics Annual Population Survey.
  - Job Density is a simple formula which divides the number of jobs by the number of employees to give an indication of how well the workforce is served by the local economy (used for the Thriving domain).
- It should be noted that, overall, hub towns as a group across England are key economic drivers for large rural hinterlands which mean these settlements fulfil social and economic functions for businesses and communities more comprehensively than many other settlements. This means that, whilst it is useful to compare the performance of these towns against each other, it has to be borne in mind that all the settlements considered here in the large town category perform better than the national average for the measures considered.

## Analysis

### Smaller Towns

The analysis of the smaller towns in East Lindsey demonstrates, across a wide population range of almost 2,500 to 13,000, a relatively poor level of functionality compared to two of the external benchmarks, Oundle and Crowland and in relation to most national averages.

Within East Lindsey the small town with the best composite index score is Alford and the settlements with the lowest scores are Wragby and Wainfleet. The very small scale of these two settlements does appear to limit their functionality – particularly in terms of access to key public services.

Active, Inclusive, Safe and Fair measures are more contextual than town specific.

They do, however, reflect at district level town settings where economic activity and participation in physical activity are lower than the average for Oundle, Crowland and the national average. Only Bolsover, which has significant deprivation arising from its tradition as a coal mining settlement, performs worse in terms of these measures.

The key differentiator in terms of Well run is the IMD rank of barriers to housing and services, where Spilsby and Alford perform particularly well and (owing to their small size) Wragby and Wainfleet are poor performers. Mablethorpe and Horncastle perform relatively well in terms of energy usage within the Environment score. Wragby and Coningsby perform well in terms of the rank of living environment score in relation to the Well Designed and Built domain, with the lowest performers being Alford and Mablethorpe. Horncastle and Coningsby perform well in terms of the Well Connected and Served domain, with Spilsby performing poorly.

The most pertinent domain for the Baseline, Thriving (a measure of economic success) reveals Horncastle and Spilsby to be the best performing settlements. Wragby has a high proportion of home workers, significantly above the national average. Worklessness is a profound challenge across the majority of towns and is considerably higher than Crowland, Oundle and the national average, in Mablethorpe it is three times the national average.

In terms of Fair for Everyone, the response to the quality of life survey illustrates at district level town settings where relative satisfaction is lower than the average for England and all three comparator towns.

The radar charts (Figures 5.2–5.5) show how each of East Lindsey's smaller towns compares to Crowland, Oundle and/or Bolsover.

If any of East Lindsey's settlements are outside the comparator places line they are better and where they are inside the line of a comparator place they are worse. If a settlement is towards the centre of the chart (0) it is less sustainable, and if it is towards the edge of the chart (1) it is very sustainable.

The Sustainability of East Lindsey's smaller towns

Figure 5.2: Alford

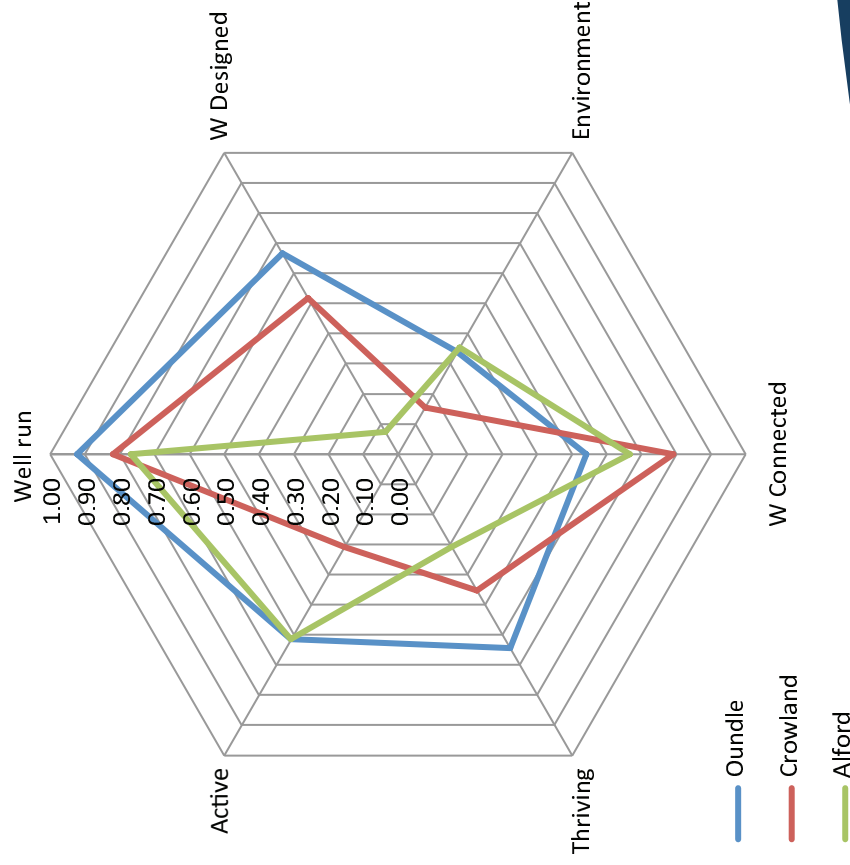


Figure 5.3: Horncastle and Coningsby

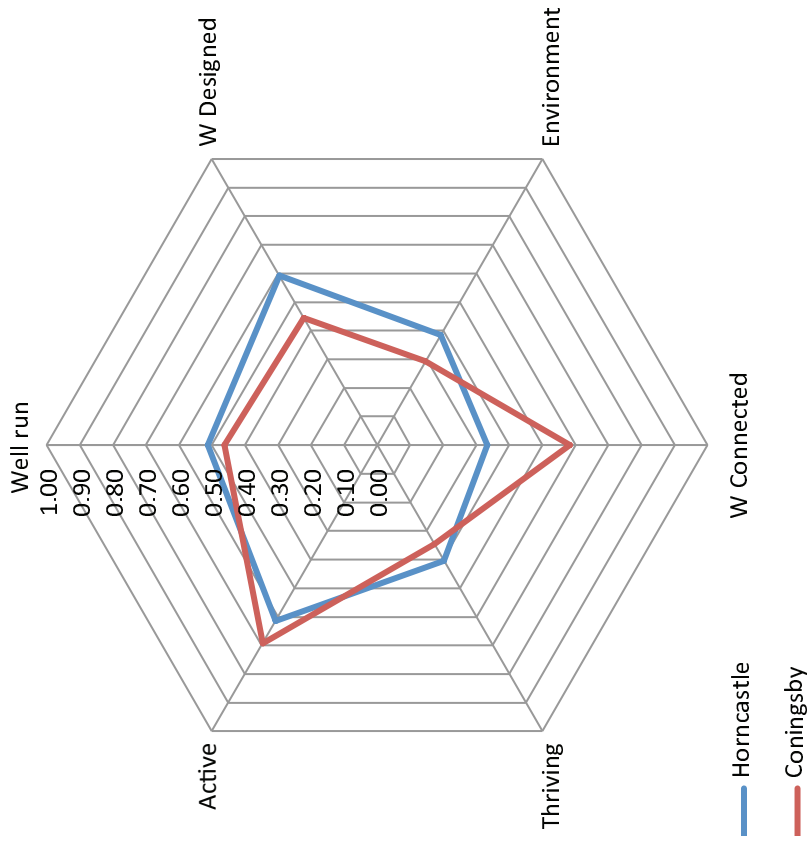


Figure 5.4: Spilsby and Mablethorpe

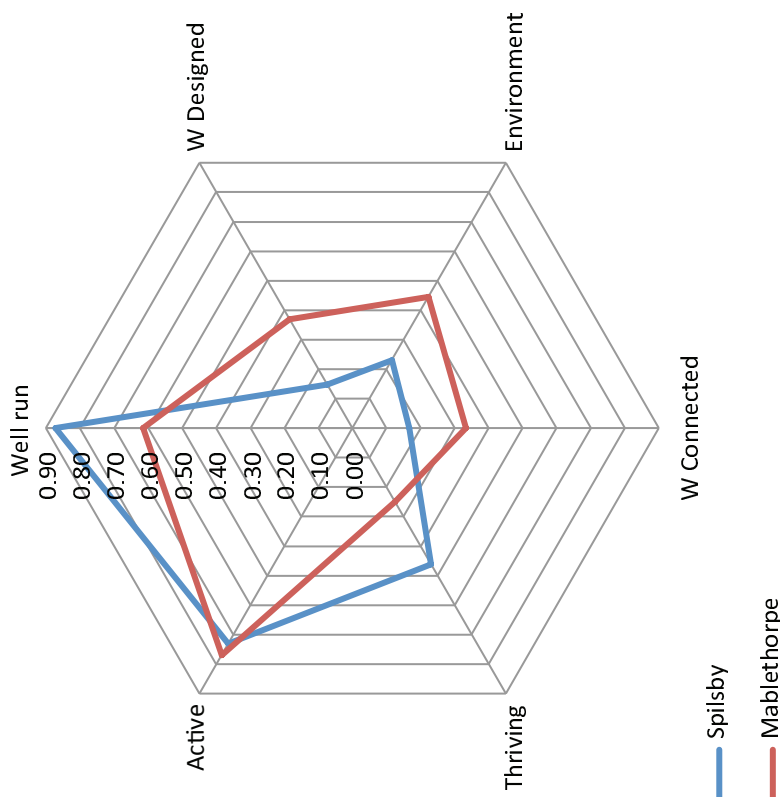
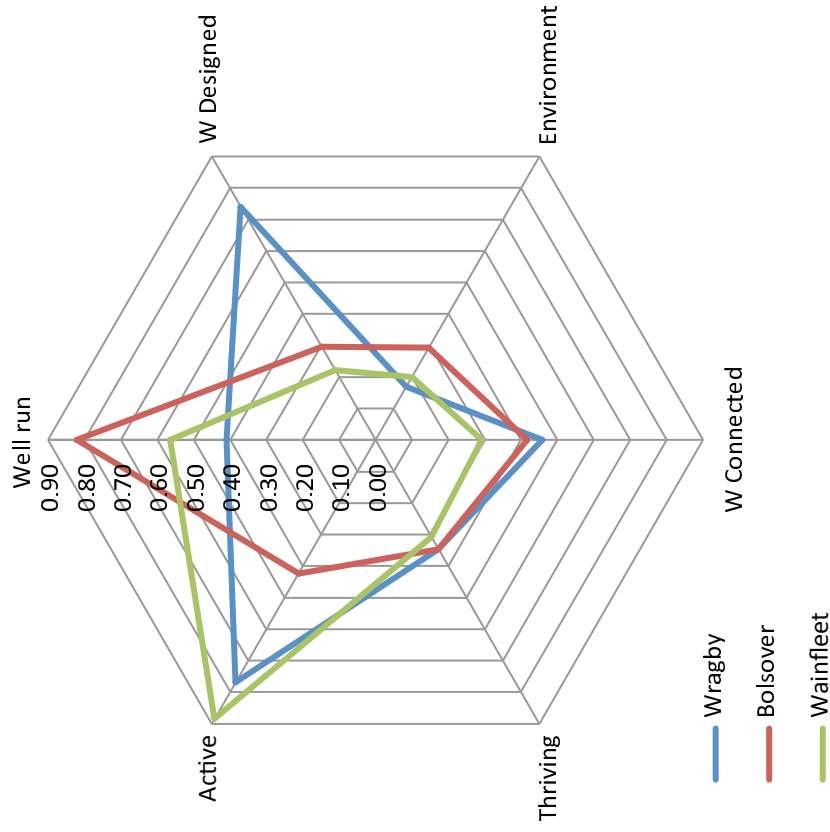


Figure 5.5: Wragby and Wainfleet



## Hub Towns

Defra has identified three hub towns in East Lindsey: Mablethorpe (referenced in the smaller town section), Louth and Skegness. In terms of the overall ranking with the fourteen other comparator hub towns, both Skegness (16th, last) and Louth (13th) perform relatively poorly.

Skegness and Louth achieve moderate scores in terms of Well run, Connected and Served (the IMD 2010 rank of barriers to housing and services) – with Louth 8th and Skegness 9th in the overall rankings.

Both towns performed poorly in terms of Well Designed and Built, with Skegness 14th and Louth 11th in terms of IMD 2010 living environment score. Louth's ranking was higher than the national average although Skegness scored below this.

In terms of Environment, the two towns are at opposing ends of a spectrum. Louth has the lowest electricity consumption across the whole index (per household) and very low levels of gas consumption. Skegness has much higher levels of electricity and gas consumption.

Both towns perform well in terms of Well-Connected and Served, providing good access to dentist surgeries and post offices.

The towns perform modestly or poorly against all the measures in the Thriving domain. Modest rankings are achieved in terms of home workers, business survival rates and job density but poor rankings for claimant levels. Growth in business floorspace (in both towns) and levels of business survival (in Skegness) are, however, better than the national average.

In terms of Active, Inclusive, Safe and Fair, Skegness and Louth perform towards the bottom of the index on all measures.

Collectively, this analysis suggests Skegness and Louth have poor levels of sustainability as they rank below other settlements for many of the domains – although the analysis also identifies opportunities around increasing floorspace and supporting business survival rates (which are currently at national norms in both settlements).

Table 5.1 sets out a comprehensive overview of the relative performance of Louth and Skegness against the other hub towns chosen as comparators.

Table 5.1: The Sustainability of East Lindsey's hub towns

Domain	Indicator	England	Market Harborough	Stowmarket	Stratford on Avon	Lewes	Stamford	Calne	Northallerton	Ely	Melton Mowbray	Wantage	Frome	Whitby	Louth	Newquay	Retford	Skewness
<b>Well run, Connected and Served</b>																		
Rank of barriers to housing and services score (where 1 is most deprived)	T	16241.5	26974.5	26538	18554	13736	23560	29950	24926	17159.5	19794	17342	14757	16702	18624	9362	26270	18983
Ranking Score			15	14	7	2	11	16	12	5	10	6	3	4	8	1	13	9
Estimated council tax collection rate (%)	C	97.8	98.5	99.4	99.6	98.25	100	99.5	98.88	98.8	99.1	98	98	97.4	97.9	97.1	97.2	97.9
Ranking Score			4.5	6.5	7.5	4	8	7	5.5	5	6	3	3.5	1.5	2	0.5	1	2.5
Domain Score			19.5	20.5	14.5	6	19	23	17.5	10	16	9	6.5	5.5	10	1.5	14	11.5
<b>Well Designed and Built</b>																		
Rank of living environment score (where 1 is most deprived)	T	16241.5	27125	23437	25257	18989	25742	24869	30236	25073	23082.5	28668.5	22487	13129	18913	8750	18706	14635
Ranking Score			14	9	12	6	13	10	16	11	8	15	7	2	5	1	4	3
Domain Score			14	9	12	6	13	10	16	11	8	15	7	2	5	1	4	3
<b>Environment</b>																		
Mean domestic electricity consumption (kWh per meter)	T	3963	3731	3684	4055	3553	3435	3893	3701	3724	3632	4005	3796	3663	3292	4870	3937	4266
Ranking Score			8	11	3	14	15	6	10	9	13	4	7	12	16	1	5	2
Mean domestic gas consumption (kWh per meter)	T	13660	14411	11196	14172	12670	13363	12348	14106	13212	13190	13342	11846	13471	12071	10680	13594	13215
Ranking Score			1	15	2	11	6	12	3	9	10	7	14	5	13	16	4	8
Total CO2 Emissions per Capita (tonnes per person)	C	7	8.6	7.6	9.9	5.5	7.9	7.6	10.7	9.3	8	8.9	7.9	6.9	7.25	6.7	6.8	7.25
Ranking Score			2.5	5	1	8	4	5	0.5	1.5	3	2	4	6.5	6	7.5	7	5.5
Domain Score			11.5	31	6	33	25	23	13.5	19.5	26	13	25	23.5	35	24.5	16	15.5

# EAST LINDSEY ECONOMIC BASELINE 2016

Domain	Indicator	England	Market Harborough	Stowmarket	Stratford on Avon	Lewes	Stamford	Calne	Northlerton	Ely	Melton Mowbray	Wantage	Frome	Whitby	Louth	Newquay	Retford	Skewness
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## Thriving

People who mainly work from home (% of employed population)	T	5.4	6.3	4	8.9	10.6	5.5	5.1	3.9	6.6	4.1	4.9	6.1	13.8	4.4	14.6	8	5.7
Ranking Score			10	2	13	14	7	6	1	11	3	5	9	15	4	16	12	8
Job Density (jobs per 16-64 year old)	T	0.7	0.8	0.5	1	1	0.7	0.2	1.3	0.6	0.7	0.4	0.5	0.52	0.66	0.46	0.53	0.44
Ranking Score			13	6	15	15	12	1	16	9	12	2	6	8	10	4	8	3
Claimant Count (% of working population)	T	2	0.6	1.3	0.4	1.2	1.3	1.4	1.5	1.1	1.4	0.6	1.3	2.8	2.9	1.8	4.8	8.6
Ranking Score			15	11	16	12	11	8	6	13	8	15	11	4	3	5	2	1
Growth in Business Floorspace - Total (%)	C	0.5	15.3	14.1	9.7	1.8	-1.6	5	12.8	8.2	8.1	9.8	-4.2	-1	3	4	-3	3
Ranking Score			8	7.5	6	2.5	1.5	4.5	7	5.5	5	6.5	0.5	2	3.5	4	1	3.5
Business Survival Rate - 3 Years	C	57.1	58	63.6	61.1	58.5	60.2	61.4	62.9	61.3	60	61.9	61.3	71.1	55.1	60	61.8	61.3
Ranking Score			1	7.5	3.5	1.5	3	5.5	7	4	2	6.5	4	8	0.5	2	6	4
Domain Score			47	34	53.5	45	34.5	25	37	42.5	30	35	30.5	37	21	31	29	19.5

## Active, Inclusive, Safe and Fair

Economic activity rate - aged 16-64 - total	C	77.5	81.7	81.5	80.3	79.7	80	81.9	79	80.5	82.8	76.9	74.9	76.6	75.4	78.9	75.4	75.4
Ranking Score			7	6.5	5.5	4.5	5	7.5	4	6	8	3	0.5	2.5	1	3.5	1	1
Sport and active recreation (NI8) - Three (or more) times a week	C	24.7	31.6	29.7	30.4	30	20.6	30.9	26.4	23.7	22	28.8	25.1	16.9	23.7	19.2	21.5	23.7
Ranking Score			8	6	7	6.5	1.5	7.5	5	3	2.5	5.5	4.5	0.5	3	1	2	3
Sports participation - No sport	C	52.6	46.4	49.9	46.8	54.3	52	50.8	49	51.8	56.2	47.6	52.8	60.2	57.9	55.8	51.4	57.9
Ranking Score			8	6	7.5	3	4	5.5	6.5	4.5	2	7	3.5	0.5	1	2.5	5	1
How satisfied are you with your life nowadays? Where 0 is 'not at all satisfied' and 10 is 'completely satisfied'.	C	7.49	7.89	7.95	7.84	7.8	7.88	7.64	7.72	7.67	7.54	7.23	7.73	7.9	7.37	8	73.6	7.54
Ranking Score			6.5	7.5	5.5	5	6	3	4	3.5	2	0.5	4.5	7	1	8	1.5	2
Population	T		22911	19280	27830	17297	19701	17274	16832	19090	27158	18505	26203	13213	16419	20189	22023	26415
Domain Score			29.5	26	25.5	19	16.5	23.5	19.5	17	14.5	16	13	10.5	6	15	9.5	7
Index Score			121.5	120.5	111.5	109	108	104.5	103.5	100	94.5	88	82	78.5	77	73	72.5	56.5
Index Rank			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

Source: Defra



## 6. Growth Projections

**This Chapter sets out which sectors of the local economy and which sections of the population are projected to grow; and the implications of this growth on the number of jobs that will need to be filled.**

## Summary

- No current forecasting model has been prepared for East Lindsey, therefore, sectoral and economic growth forecasts prepared by the Central Lincolnshire Local Plan Team have enabled comparison projections to be made with West Lindsey. As a comparator, East and West Lindsey experienced the same loss of jobs during the recession, both have experienced slower growth since 2008 and they have similar sectoral composition.
- The modelling undertaken for East Lindsey suggests a growth in jobs over the next 25 years of 6,000. At a flat rate this would account to 240 jobs per year. Whilst it is unlikely that jobs growth will follow this pattern exactly, this figure is a useful starting point for thinking about economic development in the longer term in East Lindsey.
- To consider the workforce implications of this forecast over the next 20 years; the interplay of demographic changes, economic activity rates and changes to the stock of jobs projected for the District have been analysed. This shows a significant increase in the number of over 65s and a significant decrease in people aged 16-64 years. This will lead to a narrowing of the gap between these two age groups from 39,000 to 22,000.
- If current economic activity rates stay the same, the percentage of the economically active workforce employed in East Lindsey (as opposed to those commuting elsewhere for work) will need to increase from 69% to 81% to sustain the local jobs market. To some extent this will be mitigated by increases in the overall economic activity (e.g. through older people remaining in the workplace for longer, the increase in retirement age and benefit reform), however, the impact of this mitigation will be marginal, still leaving a gap between the stock of jobs in East Lindsey and the economically active population to fill them.

- If the current economic activity rate (75.8%) were to continue, there would be a surplus of 9,979 more jobs than local workers to fill them.
- Edge Analytics were commissioned by the Planning Team at East Lindsey District Council to forecast population change using a model called POPGROUP. Using a PG-10yr scenario, suggests a population jobs growth of 884 jobs over the next 25 years.
- This means 9% of the jobs growth modelled in this Baseline will arise from population change and 91% will be linked to sectoral growth within businesses. Projected levels of outward migration, amongst the 15-24 year olds and those over 75 in the District, suggest that whilst the area will experience a growth in jobs this will not impact to the same degree on the demand for housing.
- Overall analysis suggests needing to (1) increase the stock of higher value jobs to enable East Lindsey to retain more of its workforce and/or (2) increase the economic activity rate within the local workforce i.e. increase the number of local people in the labour market to meet labour demands.

The 2010 Baseline put forward employment growth projections to 2016. The projections looked at total employment and sectoral patterns and were calculated using headline figures for Lincolnshire from the East Midlands Scenario Impact Model to the latest employment data available for the District (2008).



## The Picture in 2016

East Lindsey has still not fully recovered from the jobs it lost in 2008–2009 (Table 6.1)  
Table 6.1 : Sectoral Profile of Jobs 2009–2013

Industry	2009	2010	2011	2012	2013
1 : Agriculture, forestry & fishing (A)	100	100	200	200	100
2 : Mining, quarrying & utilities (B, D and E)	600	700	600	800	800
3 : Manufacturing (C)	4,100	4,300	4,200	4,500	4,400
4 : Construction (F)	2,200	2,000	2,700	1,700	1,400
5 : Motor trades (Part G)	900	900	1,000	1,000	900
6 : Wholesale (Part G)	1,500	1,800	1,600	1,500	1,400
7 : Retail (Part G)	5,700	4,900	5,400	5,100	4,900
8 : Transport & storage (including postal) (H)	1,300	1,500	1,100	1,300	1,100
9 : Accommodation & food services (I)	6,200	5,800	5,900	6,000	7,200
10 : Information & communication (J)	500	400	500	500	600
11 : Financial & insurance (K)	300	300	300	300	300
12 : Property (L)	900	500	500	400	600
13 : Professional, scientific & technical (M)	1,500	1,400	1,300	1,500	1,400
14 : Business administration & support services (N)	2,500	2,600	2,600	2,300	3,000
15 : Public administration & defence (O)	1,800	1,700	1,100	1,100	1,100
16 : Education (P)	4,300	4,700	4,882	4,900	4,500
17 : Health (Q)	5,100	5,700	5,800	5,400	5,000
18 : Arts, entertainment, recreation & other services (R, S, T and U)	2,400	2,200	2,800	2,000	2,200
Total	42,100	41,400	42,400	40,500	41,100

Source: Business Register and Employment Survey (results rounded)

## Future Performance

Whilst no current forecasting model has been prepared for East Lindsey, national GDP data trends give some cause for optimism. The Office for National Statistics/HM Treasury predicts GDP growth of 15.2% between 2014 and 2020<sup>6</sup>. For Greater Lincolnshire, the LEP anticipates a growth in GVA (at 2% per year) of £3 billion by 2025<sup>7</sup>. East Lindsey is quite distinctive compared to the Greater Lincolnshire economy as a whole. Sectoral and overall economic growth forecasts for West Lindsey District have been prepared by the Lincolnshire Local Plan Team<sup>8</sup>. These provide a useful context for comparison projections with East Lindsey.

To determine the level of similarity between West and East Lindsey we analysed the sectoral share and impact of the recession in both districts. Whilst the economy of West Lindsey is considerably smaller than East Lindsey it has experienced the same overall loss of jobs and slow recovery since 2008 (Table 6.2).

Table 6.2: Stock of Jobs in East Lindsey and West Lindsey Districts 2009-2013

Industry	2009	2010	2011	2012	2013
East Lindsey Stock of Jobs	42,100	41,400	42,400	40,500	41,100
West Lindsey Stock of Jobs	23,400	22,700	22,600	22,600	23,000

Source: *Business Register and Employment Survey (results rounded)*

The distribution of sectors between West Lindsey, East Lindsey and England were also analysed. Table 6.3 illustrates which sectors in the Districts have a comparable distribution to England. Where the greatest similarity is with West Lindsey the sector is coded orange, where the greatest similarity is with England the sector is coded yellow and where all three are comparable the sector is coded green.

<sup>6</sup> *Economic and Fiscal Outlook – HM Treasury July 2015*

<sup>7</sup> *Greater Lincolnshire LEP Annual State of the Economy Report 2014*

<sup>8</sup> *Economic Development Needs Assessment Draft – Central Lincolnshire Joint Planning unit 2015*

Table 6.3: Distribution of Sectors in East Lindsey, West Lindsey and England

Industry	East Lindsey	West Lindsey	England	East/West Lindsey Comparison	East Lindsey/England Comparison	Difference
<b>% of all jobs</b>						
1 : Agriculture, forestry & fishing (A)	0.006	0.006	0.006	0.000	0.000	
2 : Mining, quarrying & utilities (B, D and E)	0.019	0.021	0.011	-0.002	0.008	>
3 : Manufacturing (C)	0.111	0.132	0.084	-0.021	0.027	>
4 : Construction (F)	0.042	0.080	0.043	-0.038	-0.001	<
5 : Motor trades (Part G)	0.026	0.024	0.017	0.002	0.008	>
6 : Wholesale (Part G)	0.036	0.056	0.042	-0.020	-0.006	<
7 : Retail (Part G)	0.126	0.109	0.100	0.017	0.026	>
8 : Transport & storage (including postal) (H)	0.031	0.044	0.045	-0.012	-0.014	>
9 : Accommodation & food services (I)	0.149	0.052	0.069	0.097	0.080	<
10 : Information & communication (J)	0.011	0.009	0.042	0.002	-0.031	>
11 : Financial & insurance (K)	0.007	0.008	0.038	-0.001	-0.031	>
12 : Property (L)	0.010	0.011	0.017	-0.001	-0.007	>
13 : Professional, scientific & technical (M)	0.036	0.052	0.081	-0.016	-0.045	>
14 : Business administration & support services (N)	0.058	0.040	0.086	0.018	-0.028	>
15 : Public administration & defence (O)	0.027	0.041	0.046	-0.014	-0.019	>
16 : Education (P)	0.121	0.134	0.096	-0.013	0.025	>
17 : Health (Q)	0.133	0.139	0.131	-0.006	0.002	<
18 : Arts, entertainment, recreation & other services (R, S, T and U)	0.050	0.041	0.045	0.009	0.005	<

Source: *Business Register and Employment Survey (results rounded)*

The relatively tight sectoral match between the two Districts is shown (the twelve sectors coded orange) and match to England (the five sectors coded yellow).

## Growth Projection based on comparison with West Lindsey

On the basis that there is a strong match between East and West Lindsey in terms of sectors and historic patterns of employment growth, the sectoral growth projections for West Lindsey and East Lindsey have been apportioned (Table 6.4).

Table 6.4: Growth Projects per Sector to 2036

	Jobs 2012	Sectoral Change	Net Impact to 2036
1 : Agriculture, forestry & fishing (A)	200	-0.05	-10
2 : Mining, quarrying & utilities (B, D and E)	800	-0.24	-192
3 : Manufacturing (C)	4,500	-0.13	-585
4 : Construction (F)	1,700	0.42	714
5 : Motor trades (Part G)	1,000	0.12	120
6 : Wholesale (Part G)	1,500	0.12	180
7 : Retail (Part G)	5,100	0.12	612
8 : Transport & storage (inc postal) (H)	1,300	0.24	312
9 : Accommodation & food services (I)	6,000	0.17	1020
10 : Information & communication (J)	500	0.44	220
11 : Financial & insurance (K)	300	0.02	6
12 : Property (L)	400	0.8	320
13 : Professional, scientific & technical (M)	1,500	0.59	885
14 : Business administration & support services (N)	2,300	0.47	1081
15 : Public administration & defence (O)	1,100	-0.13	-143
16 : Education (P)	5,000	-0.3	-1500
17 : Health (Q)	5,400	0.29	1566
18 : Arts, entertainment, recreation & other services (R, S, T and U)	2,000	0.68	1360
<b>Total</b>	<b>40,500</b>		<b>6,000</b>

Source: Business Register and Employment Survey and Central Lincolnshire Joint Planning Unit 2015 - results rounded

This forecast suggests a growth in jobs over the next 25 years of 6,000. At a flat rate this would account to 240 jobs per year. Whilst it is unlikely that job growth will follow this pattern precisely on a flat line, year by year basis, this figure is a useful starting point for thinking about economic development in the longer term in East Lindsey.

Key sectors forecast to grow significantly include:

- Construction – picking up from a significant 2008 recession decline.
- ICT.
- Business Administration and Support Services.
- Professional, Scientific and Technical Support Services.
- Health.
- Arts, Entertainment and Recreation.

In absolute terms, the second biggest growth is predicted for Accommodation and Food Services, with a forecast of 1,020 employees.

The sectors with the largest potential decline in employment are Education and Manufacturing. Both these sectors are relatively highly skilled and well paid and this is likely to have a negative impact on the overall wage and skills profile in the District.

As further analysis of the relationship between East and West Lindsey we have considered the similarity of sectoral distribution within the economy. Looking at how sectors are forecast to change and relating that to whether the sectoral distribution (in each case) is closest in East Lindsey to England or West Lindsey. We have ranked the sectors by scale of forecast change in the penultimate column in Table 6.5. It is clear that, apart from Arts and Entertainment, the sectors with the greatest change profile are those where East and West Lindsey have the greatest similarity. This further reinforces the strength of the linkages between East and West Lindsey in the context of the assumptions made through the forecasting model.

Table 6.5: Growth Projections per sector

Industry	East Lindsey	West Lindsey	England	Rank of Sectoral Change	Difference
1 : Agriculture, forestry & fishing (A)	0.006	0.006	0.006	5	
2 : Mining, quarrying & utilities (B, D and E)	0.019	0.021	0.011	4	>
3 : Manufacturing (C)	0.111	0.132	0.084	13	>
4 : Construction (F)	0.042	0.080	0.043	9	<
5 : Motor trades (Part G)	0.026	0.024	0.017	15	>
6 : Wholesale (Part G)	0.036	0.056	0.042	15	<
7 : Retail (Part G)	0.126	0.109	0.100	15	>
8 : Transport & storage (including postal) (H)	0.031	0.044	0.045	11	>
9 : Accommodation & food services (I)	0.149	0.052	0.069	12	<
10 : Information & communication (J)	0.011	0.009	0.042	8	>
11 : Financial & insurance (K)	0.007	0.008	0.038	16	>
12 : Property (L)	0.010	0.011	0.017	6	>
13 : Professional, scientific & technical (M)	0.036	0.052	0.081	3	>
14 : Business administration & support services (N)	0.058	0.040	0.086	7	>
15 : Public administration & defence (O)	0.027	0.041	0.046	13	>
16 : Education (P)	0.121	0.134	0.096	16	>
17 : Health (Q)	0.133	0.139	0.131	10	<
18 : Arts, entertainment, recreation & other services (R, S, T and U)	0.050	0.041	0.045	2	<

Source: *Business Register and Employment Survey (results rounded)*

## Demographic Implications

To consider the workforce implications of this forecast over the next 20 years; the interplay of demographic changes, economic activity rates and changes to the stock of jobs projected for the District have been analysed.

Table 6.6: Change in Population, Jobs and Economic Activity in East Lindsey 2015-2036

	2015	2036
Over 65s	40,000	55,000
16-64 years	79,000	77,000
Jobs	41,269	46,500
Economically Active (% and number)	75.8% 60,000	75.8% 58,000
Labour Utilisation (Jobs as a proportion of the economically active)	69%	81%

Sources ONS and Central Lincolnshire Joint Planning Unit 2015

Table 6.6 shows a significant increase in the number of over 65s and a significant decrease in people aged 16-64 years. This will lead to a narrowing of the gap between these two age groups from 39,000 to 22,000. If current trends continue, the economically active population will be almost at parity with the over 65s (Figure 6.1)

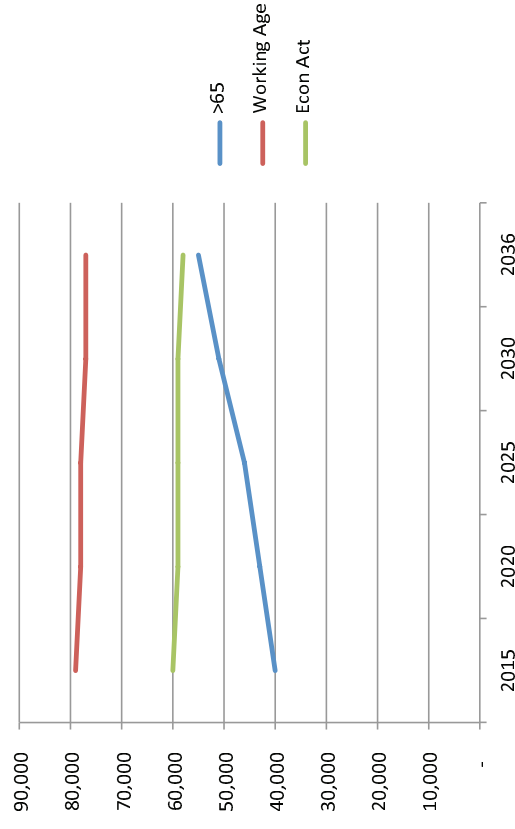


Figure 6.1: Population Projections in East Lindsey, 2015-2036

Source: ONS

If current economic activity rates stay the same, the percentage of the economically active workforce employed in East Lindsey (as opposed to those commuting elsewhere for work) will need to increase from 66% to 81% to sustain the local jobs market. To some extent this will be mitigated by increases in the overall economic activity (e.g. through older people remaining in the workplace for longer, the increase in retirement age and benefit reform), however, the impact of this mitigation will be marginal, still leaving a gap between the stock of jobs in East Lindsey and the economically active population to fill them.

Figure 6.2 shows the projected stock of jobs in East Lindsey compared to the economically active workforce and the number of workers likely to be employed in the District. The number of workers likely to be employed in the District is based on extrapolating the current job density figures for East Lindsey of 63% (i.e. the percentage of all those between 16 and 64 years living in the District divided by the total number of jobs in the District) over the period of the forecast. This suggests by 2036 there will be almost parity between the number of jobs in the District and the number of workers available to do them.

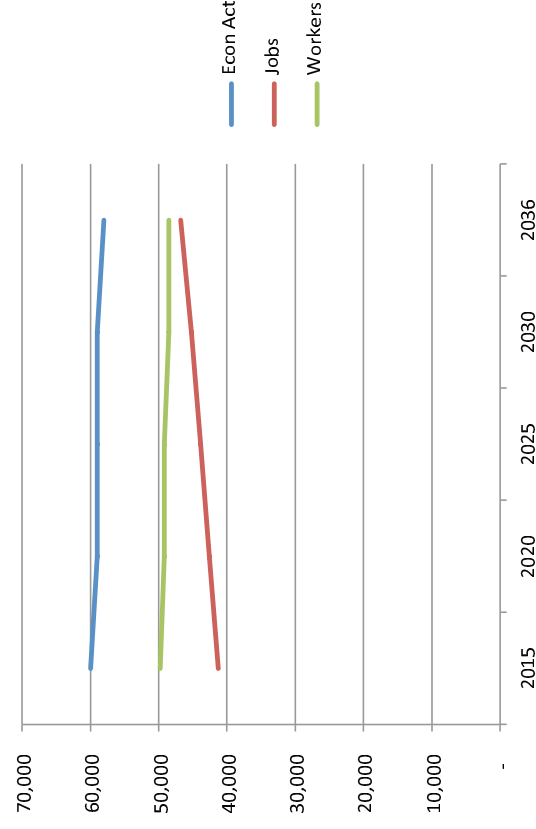


Figure 6.2: Workforce Projects in East Lindsey 2015-2036

Source: ONS

If the current economic activity rate (75.8%) were to continue, there would be a surplus of 9,979 more jobs than local workers to perform them (Table 6.7).

Table 6.7: Current Economic Activity Rate on East Lindsey Population 2015-2036

AGE GROUP	2015	2020	2025	2030	2036
>65 years	40,000	43,000	46,000	51,000	55,000
Working Age Population	79,000	78,000	78,000	77,000	77,000
Economically Active Population	60,000	59,000	59,000	59,000	58,000
Number of Jobs (based on growth assumptions)	41,269	42,574	43,879	45,184	46,750
Number of Workers (based on job density 63% of all 16-64 year olds)	49,770	49,140	49,140	48,510	48,510
Jobs - Workers	8,501	6,566	5,261	3,326	1,760
Jobs - Economically Active Workers (0.758 of all workers)	-3,543	-5,326	-6,631	-8,413	-9,979



Edge Analytics has been commissioned by the Planning Policy Team at East Lindsey to forecast population change using a model called POPGROUP. This uses ONS data as its base<sup>9</sup>. Edge Analytics' forecasts broadly mirror the ONS projections used in this Baseline to analyse the labour market. Edge Analytics considered the impact on jobs driven purely by population change. This is distinct from the economic forecasting approach in this Baseline, which has been undertaken as a complementary exercise to understand the component of jobs growth arising from predicted changes to: economic activity, unemployment and commuting rates. The Baseline therefore identifies the supply side of jobs growth through changes in the labour force and from predicted growth within the stock of businesses (based on sectoral trends).

Edge Analytics explored six scenarios. These suggest population driven jobs growth to 2037, of between 67 and - 114 jobs per year. This would lead to a population driven job change over 25 years in the range of between 1075 and -2850 jobs. The report identifies its preferred scenario as PG-10yr in suggesting a population led jobs growth of 850 jobs over the next 25 years. This means 9% of the jobs growth identified within the forecast assumptions in this Baseline will arise from factors associated with population change and 91% linked to sectoral growth within businesses. Relatively low overall projected levels of migration and projected net outflows of 15-24 year olds and those 75 years and over mean that the overall projection for jobs growth will not impact to the same degree on the demand for housing.

There are two clear policy imperatives arising from this analysis overall:

1. To increase the stock of higher value jobs to enable the District to retain more of its workforce.
2. To increase economic activity rates within the workforce to increase the number of local people able to meet labour demands.

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<sup>9</sup> East Lindsey Updating the Demographic Evidence June 2015



# New business

7. Sustainable  
Economic  
Growth

**This Chapter provides an overview of the sustainable development of East Lindsey; particularly around meeting energy needs, housing needs, business premises, transport/infrastructure and broadband.**

## Summary

### Demand for Energy

- East Lindsey continues to perform poorly on fuel poverty. The District ranks third in the country for the number of households in fuel poverty, after the Isles of Scilly and Eden in Cumbria.
- The low number of gas connections in East Lindsey means there is a greater reliance on other sources of energy, such as oil, for domestic heating.
- East Lindsey has continued to see significant investment in wind energy. There are 51 onshore wind turbines in the District, and some 279 are located in the North Sea off Skegness.
- Carbon emissions in East Lindsey have been decreasing since 2005. However, they remain higher than the Lincolnshire and national averages due to use of alternative fuels.

### Meeting Future Housing Needs

- Between 2008 and 2012, median house prices declined in East Lindsey. However, they returned to and exceeded pre-recession levels in 2014.
- House prices in the Rural Inland area are, on average, at least £20,000 higher than in the Coastal area and higher than both the Lincolnshire and East Midlands averages. This has implications for the affordability of homes in the Rural Inland.
- During the recession, the fall in median house prices led to a fall in the affordability ratio. However, with house prices returning to pre-recession levels in 2014, the affordability ratio in East Lindsey is likely to have increased since 2013.

### Transport Infrastructure and ICT Connectivity

- East Lindsey has no motorways and only a limited rail network and bus service. Use of public transport is particularly low in the Rural Inland area.
- Car ownership is high across both Lincolnshire and East Lindsey, where 82% of households have at least one car. In the Rural Inland area, the rate of car ownership is even higher, at 85.5%.
- Car ownership has continued to rise in East Lindsey, which affects the carbon dioxide emissions for the District and reinforces the low demand for local public transport services.
- The high rate of home working in East Lindsey has the potential to reduce the environmental impact of commuting and continuing improvements to broadband availability could help to facilitate this.
- Due to the sparsely populated nature of the District, residents of East Lindsey travel on average more than 3km to access banks and dentists, and 2km to access supermarkets and petrol stations. These distances are even further for those living in the Rural Inland.
- Lincolnshire County Council has worked with BT to upgrade 52,471 BT broadband lines in East Lindsey. However, the rural nature of the District means that universal coverage may only be possible with use of alternative technologies, such as satellite and wireless broadband, to complement wired broadband.

## East Lindsey as a Place to do Business

- The Lincolnshire Employer Survey highlights that East Lindsey employers rate Lincolnshire highly on strong communities and the cost of premises/rents/business rates.
- However, the survey also highlights a number of factors likely to inhibit business growth in East Lindsey. These include:
  - Factors related to remoteness/accessibility, such as access to customers, access to suppliers, and transport infrastructure.
  - Factors relating to the labour market, such as access to skilled labour and the ability to attract skilled labour.
  - The support available for business growth, and the way the local planning and development control system operates.
  - ICT infrastructure.
  - The local supply chain, i.e. the presence of suppliers locally.
  - The perception of the area as place for businesses to grow.

## Employment Land and Business Premises

- The 2012 Employment Site Review concludes that there is little demand for employment land in East Lindsey, and already sufficient supply to meet demand.
- Employment sites at Louth and Horncastle have seen the greatest volume of growth, while there has been limited growth in Alford, Coningsby, Spilsby, and Mablethorpe.
- The local authority-run business centres at Louth and Skegness currently have high occupancy rates (over 90%); while occupancy at the Mablethorpe centre is lower (57%).
- The occupancy rate for retail premises in East Lindsey remained relatively high during the recession.
- Demand for retail premises is highest in Horncastle, Skegness, Louth and Mablethorpe. There has consistently been lower demand for retail premises in Spilsby and Alford.

## Demand for Energy

### Fuel Poverty

East Lindsey continues to perform poorly on fuel poverty. The District ranks third in the country for the number of households in fuel poverty, after the Isles of Scilly and Eden in Cumbria<sup>10</sup>. A household is said to be in fuel poverty if it needs to spend more than 10% of its income on fuel to maintain an adequate level of warmth<sup>11</sup>. The 2010 Baseline highlighted that East Lindsey has the lowest number of gas connections of any district in the East Midlands. The effect of this is a reliance on other sources of energy, such as oil, for heating.

### Renewable Energy

East Lindsey has continued to see significant investment in wind energy. There are 51 onshore wind turbines in East Lindsey, 26% of the Lincolnshire total. Since the 2010 Baseline a number of new onshore sites have come forward for development, including Gayton le Marsh (8 turbines), Newton Marsh Treatment Works (2 turbines), and there are many more planning applications for wind farm sites. A number of small-scale farm-based projects are now operational. In addition, there are 279 offshore wind turbines located in the North Sea off Skegness. These are operated and maintained from port facilities outside the District, in Grimsby and Sutton Bridge.

<sup>10</sup> Department of Energy and Climate Change, 2011

<sup>11</sup> Department of Energy and Climate Change Annual Report on Fuel Poverty Statistics, 2012

Table 7.1: Onshore and Offshore Wind Farms in East Lindsey

Site	Number of Turbines	Project Capacity (MW)	Developer
<b>Onshore</b>			
Bambers Farm I and II	14	9.6	Ecotricity
Conisholme	20	12	Ecotricity
Gayton le Marsh	8	16.4	Energiekontor
Helen House Farm	1	0.5	Landowner project
Lincolnshire Poacher Cheese Factory	1	0.3	ICE Renewables
Mablethorpe	2	1.2	Ecotricity
Newton Marsh Treatment Works	2	4.6	ASC Renewables
The Hollies	2	2.6	Windworks
The Limes	1	0.5	Landowner project
<b>Total Onshore</b>	<b>51</b>	<b>47.7</b>	
<b>Offshore</b>			
Lincs	75	270	Centrica, DONG, Siemens
Lynn and Inner Dowsing	54	194.4	Centrica
Triton Knoll	150	900	RWE Npower
<b>Total Offshore</b>	<b>279</b>	<b>1,364.4</b>	
<b>Total Onshore and Offshore</b>	<b>330</b>	<b>1,412.1</b>	

Source: Renewable UK, 2015

## Carbon Emissions

Carbon emissions in East Lindsey are marginally higher than the Lincolnshire and national averages. As Table 7.2 shows, this is driven by slightly higher emissions from domestic energy consumption. This includes use of other fuels (such as oil), which is higher than other districts in Lincolnshire. Use of such fuels has implications for the disposable income of local residents as well as local air quality and, more widely, climate change.

Table 7.2: Per capita Local CO2 emission estimates; industry, domestic and transport sectors

	East Lindsey	Lincolnshire	East Midlands	England
Industry and Commercial	2.3	2.5	3.2	3.1
Domestic	2.5	2.3	2.3	2.2
Transport	2.1	2.0	2.3	1.9
<b>Total</b>	<b>7.2</b>	<b>7.1</b>	<b>7.8</b>	<b>7.1</b>

Source: Department of Energy and Climate Change, 2014

Carbon emissions have been decreasing since 2005, as Figure 7.1 shows. The trend in East Lindsey is similar to the average for Lincolnshire and England. The rate for the East Midlands emissions remains high due to emissions from large industrial installations.

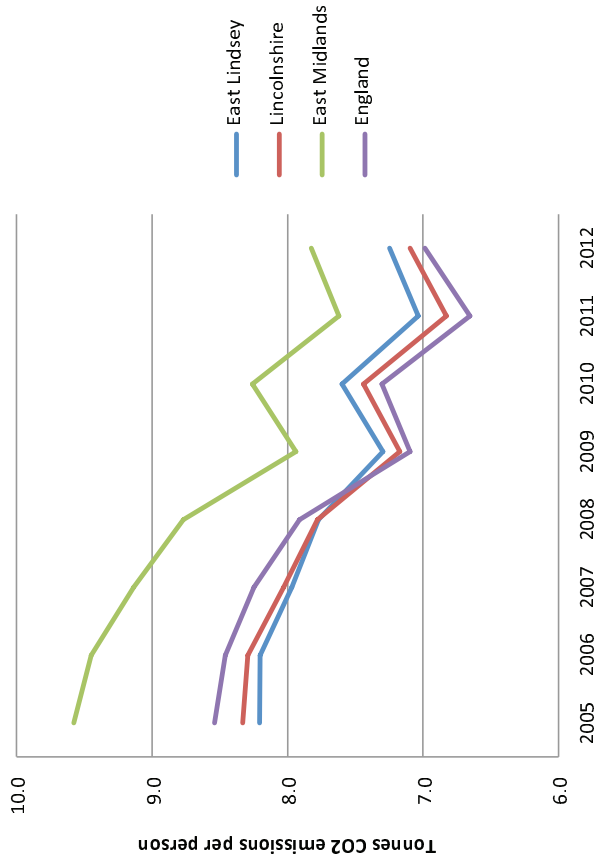


Figure 7.1: Per capita Local CO2 emission estimates 2005-2012  
Source: Department of Energy and Climate Change, 2014

## Meeting Future Housing Needs

Between 2008 and 2012, median house prices declined in East Lindsey. However, as Figure 7.2 shows, they returned to and exceeded pre-recession levels in 2014. House prices in the Rural Inland area have continued to be, on average, at least £20,000 higher than in the Coastal area and higher than both the Lincolnshire and East Midlands averages. This has implications for the affordability of homes in the Rural Inland area.

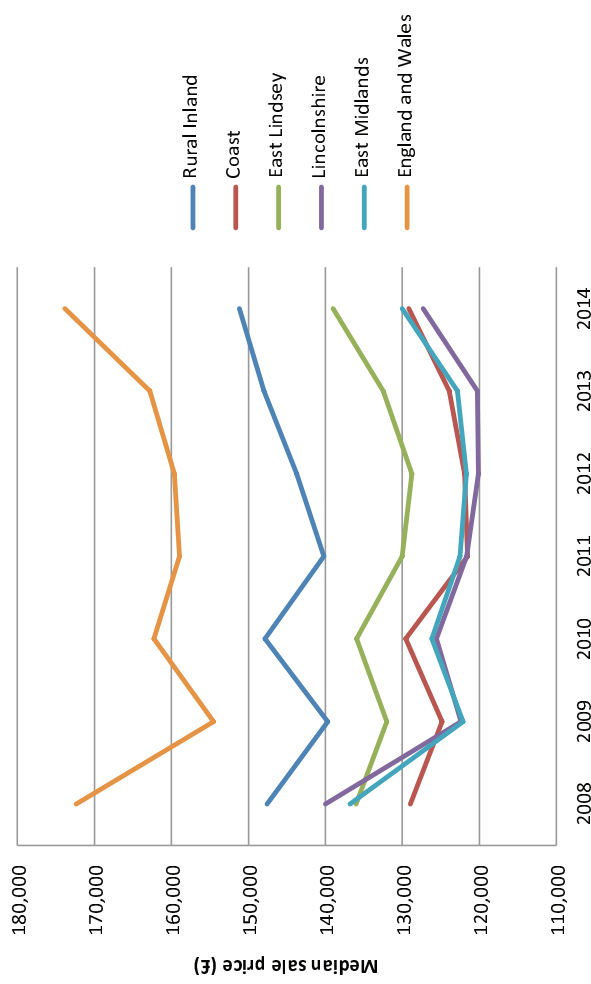


Figure 7.2: Median House Prices 2008 - 2014  
Source: DCLG 2014

During the recession, the fall in median house prices led to a fall in the affordability ratio – which compares median earnings with median house prices – in East Lindsey. Figure 7.3 shows a comparison between 2009 and 2013, the latest year for which data is available. However, with house prices returning to pre-recession levels in 2014, the affordability ratio in East Lindsey is likely to have increased since 2013.

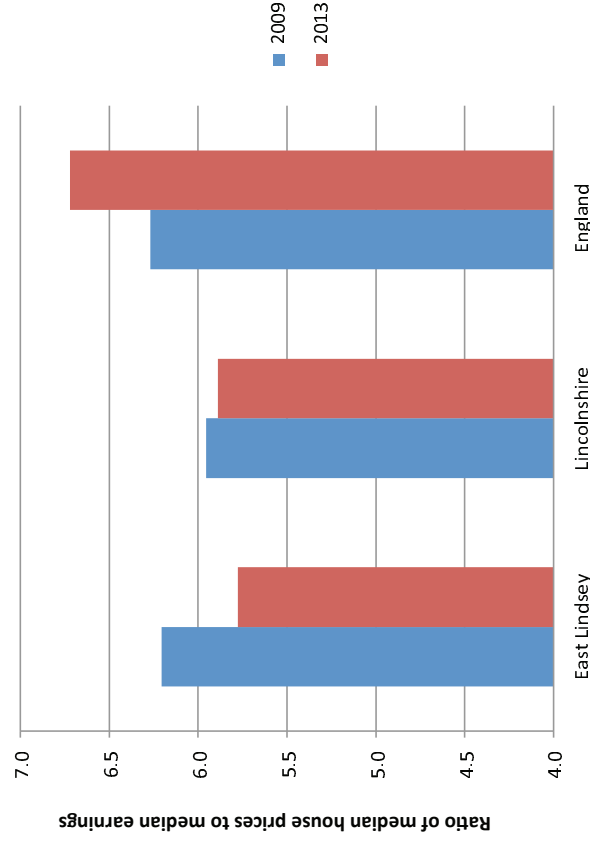


Figure 7.3: Housing Affordability – Ratio of Median House Prices to Median Earnings 2009 and 2013  
Source: ONS 2015

## Transport Infrastructure and Connectivity

East Lindsey is a large and sparsely populated district, which is served by mainly single carriageway roads and a limited rail network and bus service. Use of public transport is particularly low in the Rural Inland area. As discussed in Chapter 4, cars are relied upon as the primary method of travel to work for the majority of workers in East Lindsey, and this is compounded by the lack of alternative methods. East Lindsey receives the lowest rating of any Lincolnshire district for its transport infrastructure in the Lincolnshire Employer Survey, discussed in more detail later in this Chapter.

Car ownership is high across East Lindsey, where 82% of households have at least one car. In the Rural Inland area, the rate of car ownership is even higher, at 85.5%. A high proportion of households in this area, 39.9%, have two cars (Table 7.3). In contrast, car ownership in the Coastal area is closer to national levels.

Table 7.3: Household Car Ownership (as a % of all households)

	Households – Zero Cars	Households – One Car	Households – Two or more Cars
Rural Inland	14.5	45.6	39.9
Coast	23.0	49.1	27.9
East Lindsey	18.3	47.2	34.4
Lincolnshire	18.0	44.8	37.1
East Midlands	22.1	42.5	35.4
England	25.8	42.2	32.0

Source: Census 2011

Between 2001 and 2011, the proportion of households without a car has decreased across the country. Figure 7.4 shows that car ownership has continued to rise, which affects the carbon dioxide emissions for the District and reinforces the low demand for local public transport services. However, as discussed in Chapter 4 the high rate of home working is likely to reduce the environmental impact of commuting and continuing improvements to broadband availability may help to facilitate and increase this activity.

Figure 7.4: Proportion of Households without a car in 2001 and 2011

Source: Census 2001 and 2011, ONS via NOMIS

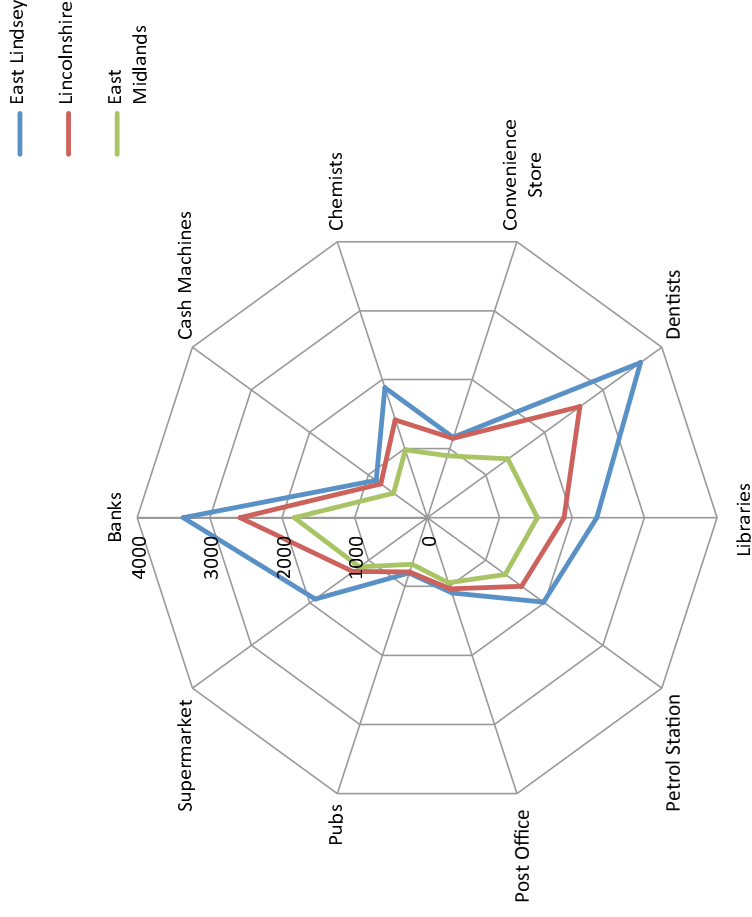
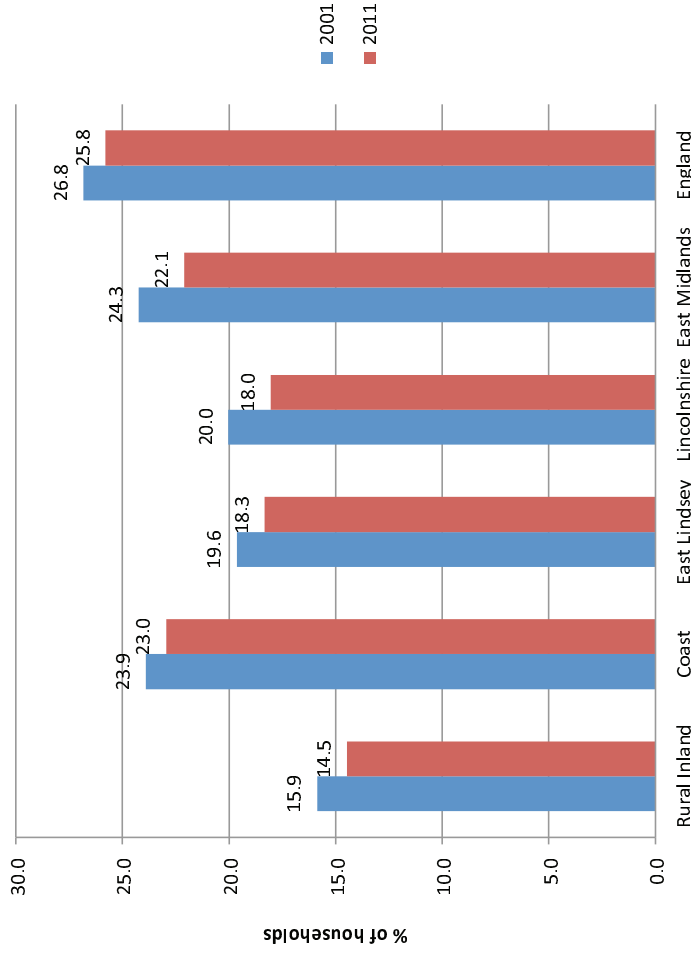


Figure 7.5: Median 'minimum distance to services' of Output Areas in East Lindsey, Lincolnshire and the East Midlands (in metres)

Source: Rural Services Series via ONS, 2012

The large and sparsely populated nature of East Lindsey means residents have further to travel to access key services, such as shops and health services, when compared with the county and national average. As Figure 7.5 shows, residents in East Lindsey travel on average more than 3km to access banks and dentists, and 2km to access supermarkets and petrol stations. Figure 7.6 illustrates that these distances are even further for those living in the Rural Inland area, with banks and dentists being on average more than 4km away. These services were more accessible to those living in the Coastal area. The lack of key services within communities in the Rural Inland area has implications for their sustainability and sense of community.



## Broadband Connectivity

The availability of broadband remains an issue of concern to businesses in East Lindsey. Data provided by OFCOM (2013) shows that East Lindsey has an average broadband speed of 11.1 to 13.8Mbps. However, this average conceals significant variation across the District, with some of the most rural areas struggling to achieve a 2Mbps connection.

Significant investment has been made by the UK Government and BT to upgrade broadband lines to both households and commercial premises. By August 2015, 52,471 BT lines in East Lindsey had been upgraded. However, delivering broadband to a rural and sparsely populated area such as East Lindsey remains a challenge, and it is likely that reaching the final 5% of premises will involve use of alternative technologies such as wireless and satellite broadband.

Broadband has the potential to reduce the 'disadvantage of distance' in rural areas. It can provide residents with the opportunity to access a wide range of government services, and enable businesses to connect with a wider market and supplier base. However, without sufficient infrastructure investment, East Lindsey faces being further disadvantaged by the growing connectivity gap between rural areas and larger towns and cities in the UK. The Government's approach for reaching the final 5% of premises will be set out in its Digital Transformation Plan, to be published in 2016, and is likely to include use of alternative technologies and network providers to reach the most rural of communities and premises.

## East Lindsey as a Place to do Business

This section reports on the findings of the Employer Survey commissioned by the Greater Lincolnshire LEP in 2014. The survey received responses from 1,515 businesses across Greater Lincolnshire, of which 192 were based in East Lindsey. The survey asked a series of questions about Lincolnshire as a place to do businesses and a place to grow. The findings provide some insight into the factors affecting East Lindsey businesses and their potential for growth.

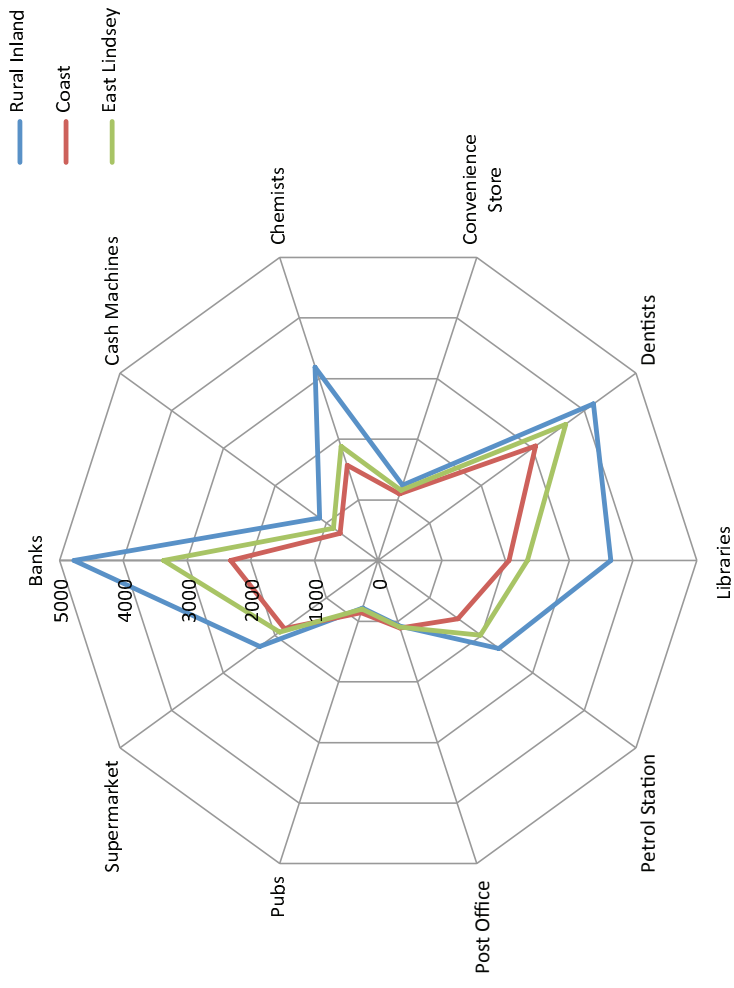


Figure 7.6: Median 'minimum distance to services' of Output Areas within East Lindsey (in metres)  
 Source: Rural Services Series via ONS, 2012

As a place to do business, employers in East Lindsey rate Lincolnshire highly on strong communities and the cost of premises/rents/business rates. These results suggest that businesses in East Lindsey value the quality of life and sense of community offered by East Lindsey. The low cost of land and premises in East Lindsey is also seen as an advantage for local businesses.

However, as Table 7.4 shows, East Lindsey ranks the lowest out of all the nine local authorities in Greater Lincolnshire on a number of other aspects. Several relate to the remoteness of East Lindsey, including access to customers, access to suppliers and transport infrastructure. It ranks the lowest of all local authorities as a place for businesses to grow, and the support available for business growth. Access to skilled labour and attracting skilled labour are also highlighted as concerns. East Lindsey ranks lowest for availability of skilled staff, and on the profile of the county in terms of attracting people to move here to work.

Table 7.4: Employer ratings of Lincolnshire as a place to do business – East Lindsey and Greater Lincolnshire (1=good, 10=poor)

	East Lindsey	Greater Lincolnshire	Rank (out of 9 local authorities)
Strong communities	7.05	7.04	6
Access to customers	6.68	7.14	9
Wide range of housing	6.65	7.07	8
Access to suppliers	6.45	6.94	9
Cost of premises/rents/ business rates	6.34	6.37	4
A place my business can grow	6.33	6.86	9
Image of Greater Lincolnshire as seen by external suppliers and customers	5.91	6.14	8
Availability of skilled staff	5.74	6.39	9
Range of retail and leisure facilities	5.7	6.11	8
Support is available for businesses to grow	5.48	5.96	9
The profile of the county in terms of attracting people to move here to work	5.48	5.81	9
Transport infrastructure	4.17	5.27	9

Source: BMG (2015) Greater Lincolnshire Employer Survey 2014

Respondents to the survey were asked about obstacles to the growth of their business in Lincolnshire. A high proportion of those in East Lindsey cited poor transport infrastructure and the way the local planning and development control system operates as barriers to business growth, with East Lindsey ranking worst out of all Greater Lincolnshire local authorities. Poor local supply chain was also cited as an obstacle to growth by 17% of East Lindsey businesses compared with 10% of those in Greater Lincolnshire. IT infrastructure, county profile, and business support services were also cited as obstacles to growth by a greater proportion of East Lindsey businesses than Greater Lincolnshire businesses. These obstacles are shown in Table 7.5.

Table 7.5: Obstacles to business growth – East Lindsey and Greater Lincolnshire (% of respondents agreeing)

	Greater Lincolnshire	East Lindsey	Rank (out of 9 local authorities)
Poor transport infrastructure	30	44	1
Poor cash flow	24	26	4
The way the local planning and development control system operates	19	26	1
Lack of capital for investment	25	25	6
Poor IT infrastructure	19	24	2
Availability of appropriately skilled staff	19	22	3
Poor county profile i.e. in terms of attracting staff from outside the county	16	21	2
Lack of business support services	13	18	2
Poor local supply chain	10	17	1
Lack of available premises/land	14	16	3
Availability of appropriate local skills training	13	15	3
Poor sector profile	13	14	3

Source: BMG (2014) Greater Lincolnshire Employer Survey 2014

## Employment Land and Business Premises

This section examines the extent to which the supply of employment land and availability of business premises supports the economic sustainability of East Lindsey.

### Employment Land

The 2012 Employment Site Review suggested that there was limited demand for employment land in the District, and sufficient supply to meet demand. It identified 57 hectares of land that was allocated and un-serviced and a further 48 hectares of vacant plots across the District. An Employment Sites Review Update was produced in 2013 which re-assessed demand and revised details of site allocations, including:

- There is limited demand for additional land at Alford, Coningsby and Spilsby.
- There is a lack of demand at Mablethorpe.
- Louth and Horncastle estates have seen considerable growth. There is a significant space of serviced land at Louth (24 ha) but limited room at Horncastle (1.09 ha).
- There is an adequate supply of land at Skegness for the period of the Local Plan.

As a result, the review suggested a number of changes to be incorporated into the Local Plan. These included allocation of:

- Up to 5 ha of employment land at Horncastle.
- 1 ha of employment land in each of Alford and Coningsby.
- 4 ha of employment land in Wragby.
- No further allocation of employment land in Mablethorpe, Binbrook, North Somercotes, Wainfleet and Woodhall Spa.
- A reduction of allocated sites by 3 ha in Spilsby due to limited development pressure.
- No further allocation at Skegness.

This low demand is reflected in the Lincolnshire Employer Survey commissioned by the Greater Lincolnshire LEP in 2014. 16% of responding East Lindsey businesses identified lack of available premises/land as an obstacle to growth. East Lindsey was also rated

very poorly as “a place my business can grow”, with the District ranking the worst of any Lincolnshire local authority. This would, however, also encompass other factors restricting growth such as access to a skilled workforce and to customers.

### Business Centres in East Lindsey

Table 7.6 provides evidence of the number of businesses and employees that have been supported through the three principal business centres in East Lindsey. Occupancy rates are high for both Fairfield Enterprise Centre in Louth and the Skegness Business Centre. The Fairfield Enterprise Centre has supported the greatest number of employees. Mablethorpe Business Centre has supported 42 businesses over a 14 year period, but currently has a low occupancy rate of 57%.

Table 7.6: Businesses supported/Occupancy rates – East Lindsey Business Centres

	Date opened	Start-up businesses supported	Employees supported	Current occupancy rate
Fairfield Enterprise Centre	February 2008	23	318	94%
Aura Skegness Business Centre	February 2004	23	245	95%
Mablethorpe Business Centre	February 2001	42	251	57%

Source: ELDC 2015

Table 7.7 shows the average rental cost of offices/workshops at the East Lindsey business centres. These range from £4.80 for workshop space (excluding services) at the Mablethorpe Business Centre, to £17.88 for managed workshop space at the Aura Skegness Business Centre, which includes all services. The Business Lincolnshire Growth Hub states that office space in Lincolnshire costs an average of £12 per square foot, with industrial units starting at £5 and managed workspace units averaging around £17 per square foot. These figures suggest that the East Lindsey business centres are offering rental values in line with those across Lincolnshire.

Table 7.7: Rental values – East Lindsey Business Centres

	Average rental cost per square foot
Fairfield Enterprise Centre	£8.00–£9.40 (excluding services)
Aura Skegness Business Centre	£17.88 (including services)
Mablethorpe Business Centre – office space	£6.50 (excluding services)
Mablethorpe Business Centre – workshop space	£4.80 (excluding services)

Source: ELDC 2015

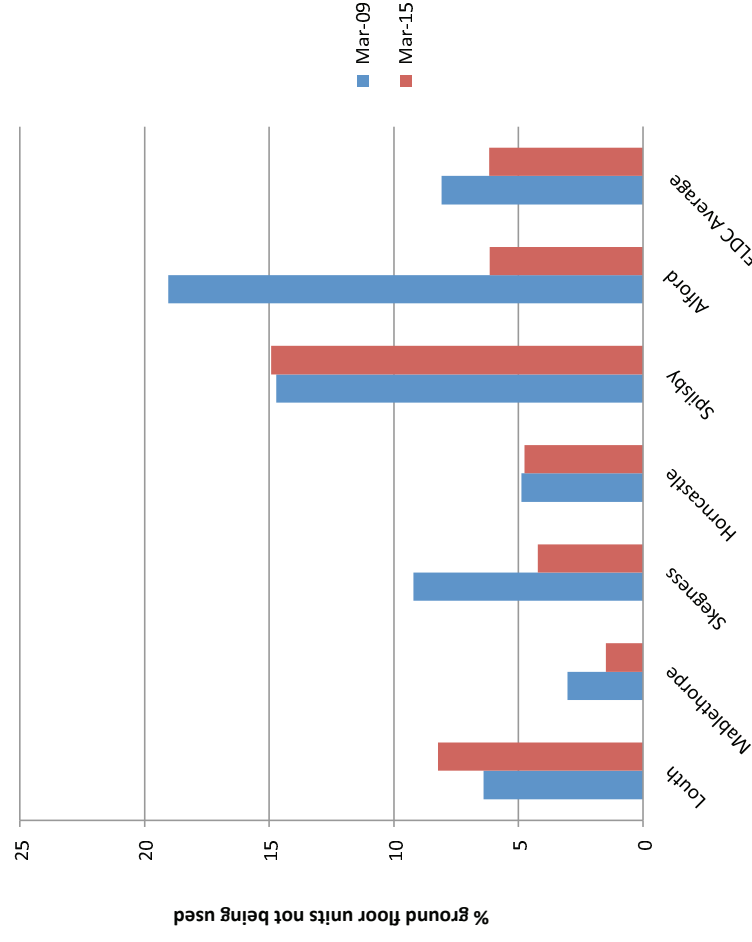
## Retail Premises

The occupancy rate for retail businesses in East Lindsey has remained relatively high during the recession. Between 2009 and 2015, the average retail unit vacancy rate in East Lindsey has been between 4% and 8%, in comparison to a national rate of between 9% and 11%. As Figure 7.7 shows, there is significant variation across the District. Vacancy rates in Mablethorpe, Skegness and Horncastle currently stand at less than 5%. Spilsby and Alford both had high vacancy rates in 2009. The vacancy rate in Spilsby remains high at 11%, while in Alford it has fallen to 6%. The vacancy rate in Louth is currently 8%, although this is still below the national average.

Demand for retail premises is therefore, highest in Horncastle, Skegness, Louth and Mablethorpe. By comparison, there has consistently been lower demand for retail premises in Spilsby and Alford.

Figure 7.7: Occupancy of Business Premises: Number of retail ground floor units not being used as a proportion of the total number of ground floor businesses

Source: East Lindsey District Council 2015





## 8. East Lindsey's Economic Narrative

**This section draws together, from the Baseline analysis, some of the key challenges and opportunities for the East Lindsey economy.**

## The Challenges

### Flood Risk

Chapter 2 highlights the challenges of climate change to the East Lindsey landscape and economy. According to the most recent flood risk assessment, 30% of the District is identified as having significant flood risk. Any planning applications along the Coast are required to be accompanied by a formal flood risk assessment. This restricts housing development, although not business growth, along the East Lindsey coastline. The level of flood risk and its impact on the development of East Lindsey's Coast is an ongoing challenge, and one that is likely to remain with climate change bringing the possibility of more frequent flood events.

### Productivity

East Lindsey continues to perform poorly on productivity when compared with the regional and national average. The productivity gap is related to the under-representation of high value adding sectors, such as business and financial services, and construction. The growing retirement population in East Lindsey also affects the level of participation in the labour market, which in turn affects productivity. Although the productivity gap does not appear to be widening, narrowing the gap is likely to be a considerable challenge for East Lindsey. The economy of the District is still in a recovery phase, with many of the most productive sectors, such as construction and the public sector, having seen losses in employment during the recession and the public sector likely to see further cuts in the current parliament.

## Poor and Declining Skills Offer

A low proportion of East Lindsey's working age population is qualified to Level 4 (or degree level). At 19%, this is just over half the proportion qualified to this level across England, 36%. Between 2009 and 2014, the skills picture in East Lindsey worsened slightly, and now almost 15% of the working age population has no qualifications. The skills offer in the District is heavily influenced by the dominance of process and elementary occupations, and a relative lack of professional and technical occupations. The changing demography of the District, with strong growth of older age groups, and a net outmigration of the working age population, is also affecting skills levels in the labour market. The low skills offer in the District impacts on the ability of local employers to recruit employees that meet the needs of their business, particularly those in more specialist sectors. It also affects the propensity for inward investment.

## Ageing Population

East Lindsey has continued to see growth of older age groups, and a decline in the working age population, both of which contribute to the ageing profile of the population. This trend has implications for labour market participation, as already discussed, and raises demand for healthcare and other public services in the District. The challenge will be in continuing to provide under pressure key services and filling associated employment vacancies to meet the needs of the growing elderly population.

## Future Labour Supply

Chapter 6 highlights that, if current economic activity rates stay the same, the percentage of the economically active workforce who work in East Lindsey will need to increase from 66% to 81% to sustain the local jobs market. To some extent, it is anticipated that this gap will be reduced by older people remaining in the workplace for longer, due to the increase in retirement age and benefit reform. However, even taking this into account, there is still likely to be a gap between the stock of jobs in East Lindsey and the number of economically active residents that are available to fill them in the future.

## Transport Connectivity

East Lindsey's limited transport infrastructure and geographical location are identified as barriers to business trade and growth by local employers. Businesses in the District are remote from suppliers, customers, and from areas with a more skilled labour market.

The sparsely populated nature of the District means that internal connectivity is as much of a problem as external connectivity. There are a small number of projects to provide local transport solutions in the Coastal area, such as Skegness western relief road and Skegness Sustainable Transport. The area is also served by InterConnect, a network connecting local bus services, so passengers can get to destinations within Lincolnshire and beyond. However, the sparsity of the Rural Inland means that many residents remain reliant on use of private vehicles for commuting and accessing local services.

## Broadband Supply

The availability of broadband remains an issue of concern to businesses in East Lindsey. Significant investment has been made by the UK Government and BT to upgrade broadband lines to both households and commercial premises. However, delivering broadband to a rural and sparsely populated area such as East Lindsey remains a challenge, and it is likely that reaching the final 5% of premises will involve use of alternative technologies such as wireless and satellite broadband.

While the national focus has moved from broadband to superfast broadband, there are still areas of East Lindsey that struggle to access a basic 2Mbps connection. Broadband has the potential to reduce the disadvantage of distance in rural areas. It can provide residents with the opportunity to access a wide range of government services, and businesses access to a wider market and supplier base. However, without sufficient infrastructure investment, East Lindsey faces being further disadvantaged by the growing connectivity gap between rural areas and larger towns and cities in the UK.

## Lack of Further and Higher Education Provision

The decline in skills among the working age population in East Lindsey is exacerbated by the 'brain drain' of young people to higher education institutions elsewhere. Many who leave Lincolnshire to study at university do not return, and instead seek to progress their careers in areas with a broader range of employment opportunities. To access further education, young people must commute out of the District to colleges in Boston, Grimsby and Lincoln. The lack of locally available post-16 provision, outside of the school sector, restricts the opportunity for young people to improve their skills and, in turn, gain skilled and well paid employment. There is, therefore, a need to widen access to further and higher education provision locally, and explore better connectivity to places with FE/HE provision.

## The Profile of East Lindsey

Findings from both the 2014 Employer Survey and Stakeholder Consultation Workshop suggest that employers find it difficult to attract employees from outside of Lincolnshire. This is felt to be because of a poor external profile of East Lindsey. Local employers suggest that prospective employees from elsewhere do not necessarily have an understanding of where the area is or what it is like, and there are felt to be fewer opportunities for career progression compared with more densely populated areas. There may be an opportunity to promote East Lindsey more positively to prospective employees and inward investors, drawing on some the themes outlined in the Opportunities section.

## The Opportunities

### Quality of life and strong communities

Employers in East Lindsey rate the area highly for the strength of local communities, and the Indices of Multiple Deprivation shows that the Rural Inland area, in particular, performs well on crime and living environment. Some businesses describe how the District is seeing an increase in 'return migrants', often young families who are attracted back to the area by the relative low cost of housing, good schools, and high quality of life. However, this observation is not borne out by the data, which shows a net decline of all age groups apart from those aged 65+, although it may be a more recent trend that has not yet been captured. The profile of East Lindsey as a place that offers a high quality and community-based way of life could be marketed more strongly. The existing high rate of home working in East Lindsey could be emphasised and, with improvements to broadband infrastructure, the District could be promoted as a place where it is possible to enjoy rural living and remain connected to your customers.

### Quality of environment

East Lindsey is home to a large area of the Lincolnshire Wolds, the only Area of Outstanding National Beauty (AONB) in the East Midlands. This landscape asset has considerable potential to inform the economic development agenda in the District, enhancing the inland tourism offer and quality of life for local communities and businesses. On the Coast, there are opportunities to build upon projects such as the Coastal Country Park and the Coastal Grazing Marshes Project as well as the renewal of the visitor facilities at Gibraltar Point.

### Agri-Food

With almost a quarter of the East Lindsey workforce employed in this sector, Agri-Food is a core and underpinning component of the East Lindsey economy. While Agri-Food has been viewed, by some, as a traditional and low value sector, the latest data suggests that there has been growth in higher value activities, such as Food Manufacturing. This includes niche food production, such as small-scale breweries, confectionary and bakery products, all of which contribute to the local food offer and East Lindsey's growing reputation as a food destination.

### Visitor Economy

Another key sector for East Lindsey, the Visitor Economy has remained resilient throughout the recession, with growth in the numbers employed in accommodation and restaurants over this time. In this sense, the Visitor Economy sector has proven itself counter-cyclical. With falling incomes during the recession making overseas holidays less affordable, the East Lindsey coast has benefitted from the trend for 'staycations'. However, as the economic recovery continues, it is important that East Lindsey's tourism offer continues to grow and diversify in order to remain competitive.

The 2014 study of coastal towns by Sheffield Hallam University identifies Skegness and Mablethorpe to be among the most seasonal and challenged holiday resorts in the country. Local employers have identified a need to extend the peak holiday season, by offering reasons to visit outside the summer months, and also broaden the visitor demographic. The STEAM (Scarborough / Scottish Tourism Economic Activity Monitor) data shows that fastest growing element of the tourism economy across East Lindsey is serviced accommodation, such as hotels and B&Bs, which are a higher value-adding activity than non-serviced accommodation. Therefore, there is perhaps an opportunity to focus on continuing to develop and improve the quality of the serviced accommodation sector.

### Manufacturing

East Lindsey has a strong Manufacturing sector, with a number of locally distinctive activities that have seen employment growth during the recession. These include manufacture of plastic products and agricultural machinery, both of which are long-established industries in East Lindsey. The area has seen significant investment by BAE systems, with more than 400 jobs created in Aircraft Manufacturing/Engineering. East Lindsey saw growth in its Manufacturing sector during the recession, while the numbers employed nationally declined. These locally distinctive and buoyant Manufacturing subsectors are an asset to East Lindsey. Providing support to these industries to overcome the 'challenging' aspects of the local economy – skilled labour, employment land, and transport and broadband connectivity – should, therefore, be a priority.



## Space to Grow and Low Cost of Premises

The 2014 Lincolnshire Employer Survey showed that East Lindsey was rated favourably for the cost of local premises and business rates. The District performed less well on the availability of land and premises, however, and was rated worst of all districts as "a place my business can grow". The latest Employment Review presents a mixed picture of demand for employment land, with higher demand in Horncastle, Louth and Skegness and less demand in the smaller settlements of Spilsby, Alford and Mablethorpe. The review identifies sufficient land availability in Louth and allocates additional land in Horncastle. The expansion of Skegness Industrial Estate, which will include a managed workspace for start-up businesses, is also identified as a priority in the Greater Lincolnshire LEP Strategic Economic Plan. Outside of these popular sites, the availability of land and premises in small settlements provides an alternative location for business relocation and expansion.

## Acting on the Project Pipeline

Since the 2010 Baseline, the economic policy context has changed significantly. The 'top-down' approach of the East Midlands Development Agency (EMDA) and its focus on reducing the productivity gap across the region has been replaced by the more locally-focused and project-driven approach of the Greater Lincolnshire LEP. Unlike EMDA, the Greater Lincolnshire LEP relies on projects coming forward from the local community. Once developed, funding bids can be put forward for discrete funding sources, such as the Regional Growth Fund. Of particular relevance to East Lindsey is the announcement of a new round of Enterprise Zones, which should seek to build on the commercial strengths of the District's rural areas (e.g. developing an East Lindsey Manufacturing Enterprise Zone).

A man with dark hair and glasses, wearing a white button-down shirt, is sitting at a white desk. He is looking down at a silver laptop with a thoughtful expression, his hand resting on his chin. The background is a blurred office or library setting with bookshelves filled with books. The overall scene is brightly lit and professional.

## 9. Implications

### The findings of the Baseline have been triangulated with a group of businesses in East Lindsey – operating in the Coast and/or Rural Inland areas, and of different sizes, scales and sectors.

These stakeholders identified a need to mobilise the local business community in order to bring projects forward and access public funding made available through the Greater Lincolnshire LEP, EU and other sources. Examples include: improving the availability of local broadband infrastructure, creating a destination management organisation for the Lincolnshire Wolds (to encourage inward investment), a talent recruitment programme (to bring young people and professionals with the skills needed to East Lindsey) and leadership and professional development opportunities to retain and build upon existing workforce skills. Because of the limited resource of the Greater Lincolnshire LEP and East Lindsey District Council, a coordinated approach among local businesses was identified as a key success factor for securing project funding.

Taking account of the short, medium and longer-term trends affecting the local economy, and these business views, two scenarios for the future have been developed.

Each scenario sets out what may happen to land, capital, people and enterprise by 2036.

### Scenario 1: If the current trajectory continues...

There is parity between over 65s and those aged 16-64 years in the workforce; even though people are retiring later and despite benefit reform.

The overall stock of jobs has increased but the number of jobs in Manufacturing has decreased.

Levels of unemployment and ill-health continue to be above the national average.

At the same time, there is a surplus of jobs compared to the economically active workforce. This is now leading to significant in-commuting of workers, particularly to fill health and social care vacancies driven by the District's ageing population.

Alongside this, residents with higher level skills continue to commute out of the District for work.

Climate change leaves 30% of the District affected by rapid inundation flood risk.

Increasing challenges around defences ('hold the line') are having a material impact on communities and businesses – reflected in land and property values.

No significant investments in physical infrastructure (i.e. broadband, mobile, road, rail) required to drive productivity have taken place.

Tourism continues to be an important sector and has diversified to take account of new trends (e.g. the staycation market).

Skegness and Louth are increasing their critical mass, opening up new growth opportunities – from making the case for new local facilities (e.g. indigenous FE college provision) and enhanced retail through to investments in health and social care and improved access to services. In contrast, the smaller towns are increasingly challenged as they seek to serve a hinterland with a higher proportion of people with social needs (in terms of health and getting into employment).

Agriculture continues to perform above national averages (in terms of employment and productivity) but the number of jobs available continues to modestly decline.

The contrast between Rural Inland and Coast is exacerbated – with the Coastal area more challenged in terms of health, employment and flood risk.

Overall, East Lindsey's economy isn't fluctuating and it remains in a low wage, low skill equilibrium.

## Scenario 2: If a range of interventions are undertaken to address current and projected trends...

Improvements in public health and a pool of higher skilled jobs enable the economy to retain enough of its workforce to fill all the additional jobs needed.

Actions taken to address a decline in Manufacturing jobs and support the growth and diversification of the Tourism sector are driving up investment and wage levels.

A very clear agenda setting out long term flood protection has been agreed and an Investment Plan produced. This has led to developer certainty and provided the Coastal area with a template for its future economic development.

Skegness and Louth have strategies for economic growth, exploiting their strengths and based upon attractive branding: Skegness as a centre of excellence for all-year round tourism and Louth an attractive and vibrant market town. The Wolds AONB designation has been used to bring investment into Rural Inland area.

Improvements to broadband and mobile connectivity have enabled smaller towns to serve a larger and more complex hinterland. Investments in physical infrastructure (road and rail) have connected up settlements along the Coastal area.

Significant investments in access to and the range of further education available in the District is enabling employers to meet their skills needs as well as increasing the aspirations of young people. In addition, links between businesses and schools are promoting local job opportunities.

Overall, East Lindsey's economy is growing and the gap between Coast and Rural Inland has closed.

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# Glossary

**BRES:** the Business Register and Employment Survey, an official source of employment estimates by industry and geography.

**Bristol Accord:** an approach to assessing the sustainability of communities and places developed during the UK presidency of the European Union in 2005, which looks at 8 domains: social and cultural, governance, transport and connectivity, services, environment, equity, economy, housing and the built environment and social and cultural.

**Broadband Delivery UK (BDUK):** part of the Department for Culture, Media and Sport, responsible for delivering superfast broadband and better mobile connectivity to the nation.

**Economically active:** a person aged 16 years and over in employment (as an employee or self-employed) or not in employment (but seeking work and ready to start work).

**European Agricultural Fund for Rural Development (EAFRD):** a fund from the European Commission to support rural businesses to grow and expand, improve knowledge and skills and get started.

**European Regional Development Fund:** ERDF is a fund from the European Commission that aims to promote economic, social and territorial cohesion. ERDF is specifically focussed on investment to support economic growth and job creation in order to reduce economic disparities within the EU.

**European Social Fund:** ESF is a fund from the European Commission that focuses on improving the employment opportunities, promoting social inclusion and investing in skills by providing help people need to fulfil their potential across the EU.

**Functioning Economic Geography:** the physical (rather than administrative) boundaries within which the economic impact of a settlement or defined area is most pronounced.

**GDP:** Gross Domestic Product. The monetary value of all the finished goods and services produced within a country's borders in a specific time period

**GVA:** Gross Value Added. A measure of the economic productivity; GVA measures the contribution to the economy of individual producers, industries and sectors within a given area.

**Hub towns:** towns serving a rural hinterland with a population between 10,000 and 30,000 contained in a briefing note circulated by the Department for Environment, Food and Rural Affairs in May 2014: "2011 Rural-Urban Classification of Local Authority and Other Higher Level Geographies for Statistical Purposes".

**Job density:** the level of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. The total number of jobs is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees and HM Forces. The number of residents aged 16-64 figures used to calculate jobs densities are based on the relevant mid-year population estimates

**Indices of Multiple Deprivation (IMD):** a relative measure of deprivation at small area level across England. Areas are ranked from least deprived to most deprived on seven different dimensions of deprivation and an overall composite measure of multiple deprivation.

**Key Stage 2:** the four years of schooling in England and Wales when pupils are aged between 7 and 11.

**Key Stage 4:** the two years of school education which incorporate GCSEs in schools in England, Wales and Northern Ireland, when pupils are aged between 14 and 16.

**Labour utilisation:** the proportion of the workforce employed in the district in which they live.

**LEADER:** is a French acronym which roughly translates as 'Liaison among Actors in Rural Economic Development'. Under LEADER, Local Action Groups (LAGs) can allocate money to local businesses to help them carry out projects which create jobs, help the business to grow and which benefit the rural economy. East Lindsey is covered by two LEADER Programmes: Lindsey Action Zone and Coastal Action Zone.

**Local Enterprise Partnership (LEP):** voluntary partnerships between local authorities and businesses set up in 2011 to help lead economic growth and job creation within local areas. LEPs replaced Regional Development Agencies (RDAs) in England, which were abolished in 2010. East Lindsey is covered by the Greater Lincolnshire LEP.

**Location Quotient (LQ):** a measure of the concentration of a particular activity in a geographical area. For example, in the Economic Baseline, location quotients have been used to compare the proportion of the workforce employed in different sectors compared with the national average.

**Lower Super Output Area (LSOA):** a boundary for reporting data at small geographical areas. LSOAs tend to have between 1,000 and 3,000 resident population.

**National Vocational Qualifications (NVQs):** are work based awards in England, Wales and Northern Ireland, that are achieved through assessment and training. For the purpose of data reporting in the Census and Annual Population Survey, all qualifications (not just NVQs) are categorised by NVQ level. These range from level 1 (basic skills) to level 5 (postgraduate qualifications).

**Office for National Statistics (ONS)/Neighbourhood Statistics:** detailed statistics available with specified geographic areas (e.g. for East Lindsey District, and then down to Ward level).

**Productivity:** defined by ONS as the ratio between output and input. Therefore, increasing productivity means greater efficiency in producing output of goods and services from labour, capital, materials and any other necessary inputs.

**SoHo: Small Office/Home Office.** Refers to small businesses that are based mainly at home.

**STEAM:** Scarborough/Scottish Tourism Economic Activity Monitor. STEAM is a methodology for the calculating the economic impact of tourism within a given area.

**Superfast Broadband:** defined by the European Union as speeds of 24Mbps (Megabits per second) or above.





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