Executive Summary

Introduction

The Northamptonshire EU Investment Plan (hereafter known as NEP EU Investment Plan) sets out the Northamptonshire approach for delivering European and Structural investment (ESIF) for the period 2014 to 2020.

The value of the indicative allocation to the Northamptonshire (NEP) area is €55 million which will be matched equally with national public and private match funds to provide a total programme value of €110 million.

NEP covers the non-metropolitan county of Northamptonshire in the East Midlands region of England. It is made up of seven non-metropolitan districts: Corby, Daventry, East Northamptonshire, Kettering, Northampton, South Northamptonshire and Wellingborough.

The NEP EU Investment Plan has been developed to support Northamptonshire’s agreed vision for economic development and growth. It is based on an analysis of the area’s main challenges, needs, strengths and opportunities as set out in the socio-economic and SWOT analyses and the policy frameworks set down by the European commission and national policy frameworks such as the UK reform plan and the Government’s Industrial Strategy.

The county recognises and advocates the importance of developing local strategies and approaches which respond to well-evidenced local needs and stakeholder views. This approach ensures that the local strategic context is coherent, streamlined, free from overlap, linked to the national and European strategic policy frameworks and represents local issues and challenges.

Northamptonshire has an affinity with business and a clear and cohesive local economy. It has an established profile and its geography as a shire county is well known and understood; it has long been recognised as an economic sub-region. The county also has the largest cluster of motorsport and high performance technologies businesses in the UK.

These are key economic drivers and make a massive contribution to the value of the UK economy.

Our Prosperity Agenda is aligned with the Government’s priorities for private sector led jobs growth and shows that we have the partnerships, resources and expertise to deliver it. We are already seeing results and could be seen as an exemplar to ministers as to what can be achieved.

On 23rd September 2011, LEP status was awarded to NEP. The strong evidence of support from both businesses and local authorities in Northamptonshire was particularly important to our submission. This, alongside the government’s assessment of the county’s strength as a functional economic area, will create a stronger public/private sector economic partnership capable of providing real leadership in addressing the county’s economic challenges.
Vision

The vision is:
To maximise Northamptonshire’s assets and deliver a secure and prosperous future for the County’s people and businesses within a viable knowledge economy by 2020.

Where we are

In 2011, there were 365,000 jobs, compared with 352,000 in 2010, an increase of 3.7%. Therefore in 2011, Northamptonshire’s economy is already growing fast. It contributes over £14bn to the national economy; on a par with its neighbours Cambridgeshire and Oxfordshire.

Where are we headed

In the seven years to 2020, Northamptonshire has the potential to emerge stronger from the economic recession and to move to a path of sustainable and high economic growth driven by the expansion of its vibrant and diverse private sector, its key sector strengths and its wide ranging assets across the county.

NEP’s aim through the Growth Strategy will be to support Northamptonshire towards being one of the fastest growing economies and to increase the county’s GVA by 1% more than the UK’s growth rate every year to 2020. By 2020, at least 18,000 additional jobs and 1,600 new businesses can be created as part of the Northamptonshire economy. Everyone in the county will benefit - residents, young people workers, business owners, entrepreneurs and visitors. Northamptonshire will exploit the University of Northampton being the first Ashoka U “Change maker Campus” in the UK. The University of Northampton will continue to work very closely with NEP and local authority partners to integrate the University’s expertise and resources with those of the county to provide joined up and comprehensive support for economic and social development.

By 2020, Northamptonshire will have cemented its reputation as the ‘location of choice’ for ambitious firms, both in the UK and globally. A comprehensive programme of new infrastructure will be well advanced including the introduction of countywide Superfast Broadband. Young people will have clear progression routes into high quality and rewarding jobs in ‘sectors of the future’. Skills and educational providers will be recognised for their ability to innovate, be flexible and align their activities to support business growth. By 2020, the University Technical Colleges (UTCs) at Silverstone and Daventry will have helped thousands of young people to get the skills needed for rewarding careers in engineering and new technologies.

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

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

The document is structured as follows:

Section 1: Socio-Economic Analysis Summary

The analysis shows that the County is maintaining high levels of employment and the economic outlook up until 2020 is encouraging particularly in terms of employment creation. Baseline forecasts suggest that total employment will increase by more than the working age population - which means that employment will continue to increase beyond its pre-recession peak. The main issue for the County going forward will therefore not be in the number of jobs created in the economy, but the sectors in which they are created. Efforts must be made to address the local economy’s sectoral structure and attract higher value added jobs in the four key sectors of High Performance Technology, Logistics, Creative and Cultural industries and Food and Drink - especially given that the contraction in manufacturing employment is set to continue.

It is also the case that whilst some parts of the county have been enjoying strong growth and improved economic performance in recent years, there are particular localities that are starting from a low base with high levels of deprivation and low levels of economic activity. Often these are areas that have suffered from decades of decline associated with industrial restructuring and changes to the rural economy.

The analysis points to a number of specific weaknesses that need to be addressed by the NEP EU Investment Plan:

- Relatively poor performance of the county in respect of process and product innovation
- Relatively low levels of resource efficiency in the production of waste and low levels of renewable energy generation
- Limited employment opportunities of people living in disadvantaged and remote areas, categorised in three groups: urban, peripheral and former industrial areas
- Low level of skills, in particular the continuing lag in level 4 attainment that can act as a constraint on the economic development of the county
- Lack of appropriate infrastructure including land and premises for high end businesses

Section 2: NEP EU Investment Plan

This section sets out an approach that will enable ESIF to support the county’s growth goals by addressing specific weaknesses and exploiting opportunities. This builds upon the county’s existing strategic priorities including the 10 Point Plan.

The overall Strategic Programme Objective is to:
Show by 2020 how an integrated partnership between the LEP and its partners can successfully provide the leadership required to drive sustainable growth and job creation by, by building on the strengths and opportunities within Northamptonshire and addressing the key issue of consolidating building on the strengths and opportunities within the county and addressing the key issues that affect the realisation of our ambition for growth. This will be delivered through the effective use and alignment of resources across all parts to stimulate growth.

The four main overall programme targets by which we will measure progress and the overall impact of the programme are:

- Global Target 1: Support the creation of x net additional new jobs by 2020
- Global Target 2: Support the creation of £x additional annual GVA by 2020
- Global Target 3: Support a 25% reduction in additional CO2 emissions
- Global Target 4: Support a x reduction in unemployment within the county
Section 3: Investment Priorities

This section provides a detailed description of the focus and activities in each of the main priorities including indicative actions, output and result indicators.

Priority 1: Innovation and Sustainable Business Practice
This priority seeks to create a high value-added economy by supporting specific actions to increase innovation activity in Northamptonshire’s key sectors and high-growth businesses and supporting a programme of resource efficiency activities in support of Programme Priority 3 and Programme Priority 2. When combined with our successful package of initiatives to support SMEs (INVENT, LOCATE) and our ‘Think Small First’ SME focused approach we will continue to develop our competitive advantage and be the location of choice for ambitious and growing businesses and new start-ups. It will build on the county’s key strengths and exploit opportunities through:

- Supporting knowledge and technology transfer, innovation and R&D – enabling X Small and Medium Sized Enterprises including social enterprises to bring new products to the market, especially those related to the county’s priority sectors
- Innovation support for business – through encouraging a higher level of business investment in innovation via X numbers of SMEs assisted
- Creating the environment for innovation – addressing infrastructure needs of X companies seeking to innovate through grant assistance to provide incubation space for companies actively working with research institutions
- Resource efficiency – developing X local knowledge transfer hubs across areas where there are barriers for start ups

Priority 2: Driving SME Competitiveness and Entrepreneurship
Priority 2 will target resources at areas of need with low levels of economic and enterprise performance to help create the right conditions to generate new and sustainable forms of economic activity which will lead to a more knowledge intensive economic base.

Under Priority 2 the NEP EU Investment Plan will be focused on:
- Enterprise support for growth
- Entrepreneurship support
- Access to Finance

Priority 3: Delivering Sustainable and Equitable Growth
In growing the county’s economy, resources need to be invested in the county’s environment, culture and infrastructure to improve quality of life, tackle deprivation, value diversity and social inclusion and recognise the social and environmental implications of economic growth.

Within this priority area there are two key areas for investment:
- Move towards a low carbon economy
- Addressing social and economic inclusion

Priority 4: Developing a Skilled and Responsive Workforce for the Future
Priority 4 will concentrate on attracting more people into employment, especially disadvantaged groups and the economically inactive and improving the skills of potential and current workers to improve individual progression and business competitiveness.

This focus is reflected in the two ESF Priorities

- Extending employment opportunities
- Developing a skilled workforce

Section 4: Crosscutting Themes

This section sets out the objectives and the approach for ensuring that the commitment to the two themes, Environmental Sustainability and Equality, is mainstreamed across all aspects of the programme.

Section 5: Financial Allocations and Summary of Outputs

This section sets out the rationale for allocating the resources and for setting different maximum intervention rates for the Priority Axes as contained in the summary table below.

Indicative allocations by funding stream

<table>
<thead>
<tr>
<th>Funding stream</th>
<th>Indicative allocation</th>
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<tbody>
<tr>
<td>ERDF</td>
<td>£23,100,000</td>
</tr>
<tr>
<td>ESF</td>
<td>£23,100,000</td>
</tr>
<tr>
<td>EAFRD</td>
<td>£unknown</td>
</tr>
<tr>
<td>Total</td>
<td>£46,200,000</td>
</tr>
</tbody>
</table>

Indicative annual spending profile (funding streams combined)

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<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF/ESF</td>
<td>4,780,000</td>
<td>7,350,000</td>
<td>7,560,000</td>
<td>7,260,000</td>
<td>7,205,000</td>
<td>6,525,000</td>
<td>5,520,000</td>
<td>46,200,000</td>
</tr>
</tbody>
</table>

Section 6: Co-ordination

This section explains how the NEP EU Investment Plan will complement the activities supported under the EAFRD element of Cohesion Fund as well as links to other funding programmes e.g. Horizon 2020 and Interreg and local initiatives.

Section 7: Implementing Provisions

This section sets out the overarching principles for the strategic delivery of the programme including details on roles and responsibilities of the Managing Authorities and highlighting some of the key areas in relation to accountability and performance management for which this LEP seeks clarification.
Section 1: Socio-Economic Analysis Summary

An extensive analysis of the socio-economic conditions and trends in the county has been carried out in developing the NEP EU Investment Plan. The analysis presented here performs two key roles. The first is to provide the overall context for growth within the county by examining the key issues affecting economic growth and the second is an analysis of the key priorities for investment within the ESIF guidance. These are as follows:

- Innovation, research and technological development
- Support for small businesses and SME competitiveness
- The low carbon economy
- ICT and digital
- Skills and employment
- Social inclusion

The following analysis will highlight that although the area’s economy has significant strengths and the area offers residents a good quality of life, there remain some major challenges. The mix of opportunities and challenges varies across the LEP area and the NEP EU Investment Plan has been designed to address these.

Overview

Setting the Scene: Northamptonshire’s Strengths and Weaknesses

Snapshot of the Northamptonshire Economy

- Northampton is home to about one third of all jobs in the county. There are 25,290 workplaces with more than 25,000 establishments having fewer than 10 employees.
- The Northamptonshire economy recorded £200,000 jobs in 2011.
- The impact of the recession between 2008-2010 saw a loss of 11,900 jobs since 2008.
- These job losses were largely in administration and support services (-4,800 jobs), wholesale & retail (-4,000) and manufacturing (-3,000) with growth occurring in professional and technical services (+2,800), other services (+2,300) and transport and logistics (+1,700).
- Forecasts suggest employment has the capacity to increase by about 5,600 jobs each year, or 25,200 jobs over the next five years to 2020.
- Recent economic research has highlighted that Northamptonshire has a relatively high representation of sectors that have lost jobs at a national level over the last two years.
- In terms of Job Seeker Allowance count, unemployment in Northamptonshire (3.3%) is comparable to both the regional and national averages.
- Northamptonshire also has a higher proportion of young people (aged 18-24) claiming JSA (7.1%) than the regional and national rates (3.3%).
- The economy has key strengths in manufacturing (Corby, East Northamptonshire), administration/support services and other services (Northampton, Wellingborough).

Northamptonshire is the largest single growth area outside London and has one of the fastest growing populations in England with a current population of about 700,000. It contributes over £4bn to the national economy, on a par with its neighbours, Cambridgeshire and Oxfordshire.

Current projections indicate that its contribution will rise to £20bn by 2020 but Northamptonshire is ambitious. We can and want to exceed this target.

Some of the key reasons for this growth potential are:

- Northamptonshire already has one of the highest rates of population growth in the UK and this is forecast to continue, driven by an influx of younger people and higher birth rates.
- Northamptonshire has an immediate pipeline of more than 35,000 new houses with planning permission and associated infrastructure to facilitate growth.
- Emerging core spatial strategies have identified a range of opportunities to potentially boost this figure to over 80,000 new houses and, although housing is not a key feature of the NEP EU Investment Plan, it is indicative of our ambition for growth.
- The potential has already been agreed to create 70,000 new jobs over the next 15 years.
- There is a shared commitment between business and local authorities to support growth.
- Northamptonshire is well located at the crossroads of the national road and rail network and has strong international links.
- Northamptonshire is Europe’s largest concentration of logistics and distributions operations. The ‘Golden Triangle’, has a significant concentration of skills and knowledge in the freight and logistics sectors existing in the area. We are keen to develop this competitive advantage further and create an additional 5,000 logistics jobs locally by 2020.

**Table:**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs 2011</th>
<th>Jobs 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration and Support Services</td>
<td>-4,800</td>
<td>-2,800</td>
<td>+2,000</td>
</tr>
<tr>
<td>Wholesale &amp; Retail</td>
<td>-4,000</td>
<td>-2,000</td>
<td>+2,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-3,000</td>
<td>+4,000</td>
<td>+7,000</td>
</tr>
<tr>
<td>Professional and Technical Services</td>
<td>+2,800</td>
<td>+3,000</td>
<td>+5,800</td>
</tr>
<tr>
<td>Other Services</td>
<td>+2,300</td>
<td>+1,700</td>
<td>+4,000</td>
</tr>
<tr>
<td>Transport and Logistics</td>
<td>+1,700</td>
<td>+2,000</td>
<td>+3,700</td>
</tr>
</tbody>
</table>

**Figure:**

Northamptonshire is home to about one third of all jobs in the county.
A number of economic indicators show that Northamptonshire compares well with the East Midlands and England. In terms of labour market participation, Northamptonshire outperforms the East Midlands and England as a whole with high economic activity (80.3%) and employment (75.7%) rates.

The local economy is also much less reliant on the public sector for jobs with the sector making up just 15.7% of total employment. The county therefore has made a concerted effort to adapt the labour market to support its key growth sectors in the challenging economic climate.

Another positive indicator is the high level of business activity in the area with published data showing there are significantly more active businesses, start-ups and closures per head than in England overall. Based on data for companies that started in 2006, survival rates over the first three years of operation are also very strong.

Strong population growth has helped support this labour market buoyancy. From 2001 to 2012, population growth in Northamptonshire (11.0%) exceeded the rate for the East Midlands (9.0%) and England (8.2%). The main driver of this has been high net migration.

However, whilst employment levels are high, the ‘calibre’ of it is relatively low. Comparator LEPs such as Swindon & Wiltshire and Gloucestershire have a higher concentration of employment in the higher value added information & communication, and professional, scientific and technical sectors.

In addition, the county has a relatively poor skills profile with the percentage of population with NVQ4 or higher (27.5%) below the regional and national average. A good skill base is often a key determinant for companies considering investing in an area.

Northamptonshire has a similar age profile to the East Midlands and the national average though with a slightly higher proportion of residents below the age of 10 and a lower proportion of residents aged over 60.

What has changed since the recession?

Since the recession, Northamptonshire has seen an increase in employment of 16,800 jobs (or 4.7%). This compares with an increase of 2.2% in the East Midlands and 1.4% in England. The data signals that a recovery is well underway. Interestingly, given the public spending cuts, the majority of these have been in the health & social work and education sectors, although transportation & storage and professional & technical sectors saw large increases too. However, manufacturing experienced the greatest losses – which is a concern given the high concentration of Northamptonshire’s total employment in the sector. This trend is also forecast to continue and reinforces the viewpoint that the county’s employment structure needs to be based more on higher-value added employment.
Section 2: Thematic Priority Analysis

Innovation

Snapshot of Innovation in Northamptonshire

• The NEP area performs poorly against other areas in terms of innovation measures
• The percentage of knowledge-based industries is below the national average of 21.8% and it is extremely low in areas such as Corby (14.3%), Kettering (17.4%) and Northampton (19.5%)
• Between 2005 and 2010, the number of patent applications per million people in Northamptonshire was the lowest in the UK.
• However there are some signs that this is changing and whilst applications in each region have fallen every year during this period, they improved in Northamptonshire in 2010
• The amount of awards from the Technology Strategy Board represent 0.4% and there are significant gaps in the types of projects being supported.
• In order to drive innovation in growth sectors the skills gap must be addressed.
• The NEP area needs to develop high-level and mid-tier technical skills to fulfil future need as well as to bring those currently low-skilled up in order to respond.

Key Strengths and Opportunities

Smart Specialisation or RIS3 (Research and Innovation Strategies for Smart Specialisation) is a strategic approach to economic development through targeted support for research and innovation (including the promotion of efficient and effective use of public investment in research).

Smart Specialisation aims to maximise the knowledge-based development potential of an area/region, regardless of whether it is strong or weak, high-tech or low-tech. Its goals include boosting innovation in order to achieve economic growth and prosperity by enabling areas to focus on and exploit their key strengths and knowledge and physical assets (e.g. science parks, incubator facilities, research facilities, etc.) that are evident in each area and across the UK. There is an opportunity to exploit the assets of the area and to build on the work undertaken within the county over the last three years.

In 2011 Northamptonshire joined the European Smart Specialisation Platform as a means of participating in high quality research projects to inform strategy formation and policy making with other core European regions.

Northamptonshire is at the centre of the UK’s unique High Performance Technologies cluster. Recognised as having global importance, HPT in the county comprises around 1,500 companies (85% SME), employing 21,000 people and generating over £2bn in turnover. The cluster is sometimes described as Motorsport Valley based on the unique concentration of performance motorsport manufacturers in the NEP and neighbouring areas of SEMLEP, Coventry and Warwickshire.

The cluster however, is much larger than motorsport and has significant potential to support the growth of many other sectors. For example, the development and application of lightweight materials and composites and hybrid power systems pioneered in motorsport are beginning to develop positive links with the marine, aerospace, construction, defence and energy industries. In spite of its success, the HPT cluster in and around the NEP area is not fulfilling its potential. Innovation and growth is constrained by limited access to funding for research and development projects and the full exploitation of synergies with other sectors is still restrained. The Regional Growth Fund 3 and 4 programmes have provided a sound foundation for the on-going delivery of innovation within the supply chain and the creation of new jobs within the vital sector.

The county is home to a number of innovation assets such as the iCon centre at Daventry, The University of Northampton, the Silverstone Innovation centre and the high value cluster around High Performance Technologies sector.
The report also highlights that the 'low carbon agenda' is posing particular challenges in relation to skills. New and higher skills are required across the board to adapt business processes to comply with low carbon regulations etc. where in some places acute skills shortages already exist.

**Implications for the NEP EU Investment Plan**

As part of the county’s ambition to deliver **SMART** growth, the objective of any support through the NEP EU Investment Plan should be to identify the technologies and processes driving the area’s businesses within the key growth sectors and wider economic development context and assess their future growth prospects to better understand the existing and potential future drivers of the NEP economy and support those sectors which are likely to provide the greatest opportunity to drive a step change in the overall level of value added achievable by intervention. Activity will also be aligned to sectoral Programmes such as Horizon 2020 which could provide access to SMEs to fund technological research and introduce incentives to commercialise new technology applications.

**SME Competitiveness**

- SME Competitiveness in Northamptonshire
- 99% of Northamptonshire businesses are Small and Medium Enterprises (SMEs)
- The county is the location of choice for world renowned companies including Cosworth, Mercedes AMG, Mahle Powertain, Barclaycard, Avon Cosmetics, Weetabix, Carlsberg, Panasonic, Fairline Yachts and Silverstone Holdings.

In 2011, Northamptonshire had 27,415 active businesses. Between 2004 and 2008, the number of active businesses grew by 1.75% (6.8%). This was below both the regional (7%) and England (7.4%) rates of growth.

Over the full five-year period, the survival rate of Northamptonshire companies (46.0%) were marginally higher than the East Midlands (45.0%) and England (44.8%) averages.

In Northamptonshire, the survival rate of businesses started in 2006 was as follows:

- 97.0% of firms survived their first year
- 82.3% had survived after two years
- 68.5% had survived after three years
- 54.6% had survived after four years
- 46.0% had survived after five years

In 2011, the Northamptonshire economy was worth £14.256bn and the East Midlands economy was worth £81.58bn. Northamptonshire therefore accounted for 17.5% of the East Midlands GVA.

Research for East Midlands LEPs show that 26.6 % of SMEs within Northamptonshire cite access to finance as a key impediment to growth.

**Key Strengths and Opportunities**

Northamptonshire has a large private sector and is much less reliant on the public sector for employment than many other sub-regions in the UK. This can go some way towards explaining the level of business activity in the county and also means that it is better placed than other areas to absorb the impact of public expenditure cuts.

The vast majority of companies in Northamptonshire are SMEs, making up 99.6% of the total.

One advantage of this structure is that employment is distributed among a large number of companies rather than being concentrated in a small number of large corporations. This economic structure means that SMEs are well placed to support job creation – the impact of SMEs recruiting just one extra employee would be greater than a large company undertaking a recruitment campaign in the county.
Northamptonshire has high levels of business activity: per 1,000 population, there are significantly more active businesses and business births in the county than in the East Midlands or England.

There are also more business deaths per 1,000 population than in the East Midlands or England. Given the rates of active businesses and business births, high rates of business deaths should not necessarily be viewed as a problem for the economy as a whole. There are good reasons to believe that more successful economies play host to more failures. An economy with a vibrant entrepreneurial culture in which new companies with good ideas are able to raise money and start trading is also likely to be an economy in which inefficient incumbents get ‘outcompeted’ and go out of business.

There are other encouraging signs. Company survival rates in Northamptonshire are good relative to their comparator areas. In the first three years of operation (based on companies that opened in 2006), Northamptonshire outperformed its comparators but interestingly underperforms them in years 4 and 5. One possible reason for this could be that business ‘start-up’ funding or investment may run out after 3 years because after that amount of time, companies may not qualify for start-up funding or support.

Northamptonshire is also the location of choice for world renowned companies including Cosworth, Mercedes AMG, Mahle Powertrain, Boredaycard, Avon Cosmetics, Westabix, Carlsberg, Panasonic and Silverstone but 99% of Northamptonshire businesses are SMEs.

Overall, the NEP area does well in terms of business births with 6.5 births per 1,000 population - a higher rate than the East Midlands rate of 3.5 and England rate of 4.4 and business survival rates of 46% which are marginally higher than the East Midlands (45.0%) and England (44.8%) averages. There is however, a wide variation by district. In 2011, Corby recorded a rate of only 4.3 business births per 1,000 population compared to the highs of 7.7 and 7.8 per 1,000 in Daventry and South Northamptonshire, respectively.

Self-employment data can be used as a measure of entrepreneurialism. Northamptonshire has a self-employment rate of 10.9% (ranging from 6.9% in East Northamptonshire to 19.1% in South Northamptonshire). This is above the regional and national levels of 8.7% and 9.7% respectively. Between 2005 and 2013, the percentage of the working age population that are self-employed in Northamptonshire has risen from 9.7% to 10.9%. Areas with high levels of agriculture such as Cumbria and Cornwall and the Isles of Scilly account for the greater proportion of people in self-employment as shown in the table below. Out of the 39 LEPs, Northamptonshire ranks 15th in terms of levels of self-employment.

In Terms of Gross Value Added, the largest sectors by share of overall GVA in Northamptonshire in 2012 were Manufacturing (14.8%) and Wholesale and Retail (14.3%). Between 1995 and 2012, electricity, gas and steam saw the largest percentage growth in GVA. During this period, the share of GVA taken by manufacturing contracted by 4.6%.

Table – GVA by sector in Northamptonshire, 1995 - 2012

Source: Oxford Economics

% of Working Age Population who are Self-employed, 2013 – Ranking of Local Enterprise Partnerships

Source: Annual Population Survey
Over the last few years, NEP has researched, developed and rolled out its sector support model. The focus of the sector model will be around supporting the development and growth of four sectors across the county: High Performance Technologies (including motorsport, automotive, aerospace, defence, oil and gas and environmental technologies including sustainable construction), Logistics, Food and Drink and Creative and Cultural Industries. NEP has selected these sectors because:

- They have a distinctive and specialised presence in the county
- Northamptonshire can offer these sectors a good business environment in which to grow and prosper
- They offer potential for future business and employment growth with linkages into the local supply chains and labour markets
- They have potential to expand their impact from a position of strength into other areas.

Logistics ensures the operation of the sophisticated and time-sensitive supply chains of the manufacturing and retail sectors. High Performance Technologies can be expanded into technology fundamentals such as composites and aerodynamics.

The county is already focussed on delivering growth in a SMART way. The approach of NEP is to ensure that all business support is driven by industry-led groups which help design and inform the development of solutions to the barriers faced by the companies within these sectors. NEP recognises that businesses do not operate in isolation. Neither do sectors and clusters. Increasingly, businesses are inter-connected and need to collaborate with other firms and the public sector to operate efficiently and meet the needs of customers. As firms and sectors operate in this connected environment, investment will seek to integrate its support activities and those of its partners to meet the needs of key sectors and clusters in Northamptonshire and provide a joined-up offer to companies.

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Logistics is a major growth sector in the County, a long-established logistics and transport hub. Ideally situated for logistics and supply chain operations and a competitive UK base for operations large and small, Northamptonshire is home to substantial UK Facilities for Yusen Logistics, Norbert Dentressangle, Wincanton and also attracted investment from national retailers taking advantage of the county's enviable regional infrastructure and excellent intermodal road and rail capabilities. At the heart of Europe's largest concentration of logistics and distribution operations is the 'Golden Triangle', with a significant concentration of skills and knowledge in the freight and logistics sectors existing in the area. The County is keen to develop this competitive advantage further and create an additional 5,000 logistics jobs locally by 2020 which will be supported by the priority areas for investment.

Northamptonshire County Council and the University of Northampton, has recognised a clear need for a new developmental and support vehicle for the Cultural and Creative Industries. Building on the achievements of those in the sector, by offering not only leadership but also a strategic framework for development and working with established stakeholders, the partners are committed to making the best of Northamptonshire’s creative opportunity. This includes the strengths of the region in music and the visual and performing arts, architecture and design - worth an estimated GVA of £97m in 2009. Northampton is transforming into a hub that provides a driver for major growth in this area. Key areas for intervention under the NEP EU Investment Plan priorities would be around training, quality accreditation, marketing/promotional activities, with the aim of boosting productivity and efficiency to deliver more apprenticeships & graduate programmes. The arts and culture sector could play a significant role with other Voluntary Sector Organisations (VCS) in promoting social inclusion and offering opportunities for young people and disadvantaged groups. We would also seek to use ERDF to promote access to finance, grants to support business expansion and improvement, access to digital markets, research & development.

With a concentration of over 1,000 High Performance Technology (HPT) companies, Northamptonshire has developed a unique and comprehensive industry supply chain. This significantly contributes to the economic growth of the county, which is now at the centre of the UK’s world-leading HPT cluster.

World-leading design and manufacture of performance race cars and engines
- At the forefront of low carbon engineering in vehicles, renewable energy and sustainable construction
- Advanced development and application of lightweight materials and composites
- Supported by a range of industry-focused business and creative services

In March 2013, the Government awarded £1.2m of the Regional Growth Fund (RGF) to NEP to run an RGF Programme. The Northamptonshire High Performance Technologies Investment Programme has the backing of the local HPT industry and will help to unlock over £3 million of direct business investment and create over 300 sustainable, private sector jobs.

The Food and Drink sector in Northamptonshire is a significant employer with some 46,000 jobs supported by prospering businesses including Westabax, Carlsberg UK, Whitworths, British Pepper and Spice and Alpina. The sector is worth £1.5 billion to the Northamptonshire economy. The county is responsible for 10% of the UK’s total wheat storage, milling and processing capacity. It is also home to more than twice the national average number of food and drink manufacturers many of which produce high end, award-winning, specialist products for international audiences.

Northamptonshire has a strong track record in relation to attracting inward investment enquiries and has made a firm commitment to attract more international investment and help businesses export. Building on its recent success in winning the Enterprise Britain Award for ‘Encouraging Export’, NEP works with local businesses to unlock overseas markets. Other activities to support export and inward investment include the county council’s funding for a dedicated European Investment team based in Brussels and NEP appointing a network of agents to work closely with UKTI to source leads in North America, mainland Europe and India.

Key Weaknesses and Threats

Whilst the Northamptonshire area exhibits an above average employment rate, the output and productivity performance is slightly below the national average. This is likely to reflect a below average productivity rate (and share of value added activities) within the area. There are a number of documented structural market failures affecting the supply of finance to SMEs which leads to a lower supply of finance than is optimal for businesses with growth potential. Recent research undertaken by Mazars on behalf of the East Midlands LEP consortia identified that over 26% of SMEs within the county identified not being able to access finance is a key impediment to growth.

The area is also facing a number of other challenges as:

- The office market in Northamptonshire is localised in nature and is small compared to locations such as Milton Keynes and Oxford. There are a limited number of large office units available in Northamptonshire with the majority of units available to let are sub 10,000 sq.ft. This indicates a focus on the local market and is a key barrier to attracting new investment and supporting the growth of the indigenous companies within the county.
- Between 2005 and 2012, the percentage of people with NVQ level 4 qualifications in England and the East Midlands increased (+4.4 and +2.6 percentage points) but in Northamptonshire over the same time period, the percentage fell by 0.1 percentage points. A highly skilled supply of labour is often a key determinant for companies considering investing in an area, so if Northamptonshire is to attract investment in high value added sectors and address support for existing companies, the skills gap must be addressed.
- High-speed fibre optic broadband provision is critical in developing and attracting further investment in high value added technology intensive sectors. These have the potential to create additional jobs and wealth and...
Information Communication Technologies

ICT within Northamptonshire

- Access to broadband is crucial to business competitiveness
- Commercial deployment of New Generation Access is forecast to cover 70% of business premises by 2015
- Recent agreement between Northamptonshire County Council and BT will extend coverage to 90% by late 2015
- Awareness of the opportunities provided by NGA and take-up of services and applications is patchy especially in relation to business use

Strengths and Opportunities

Access to broadband is also a major determining factor in where businesses decide to locate. It is also crucial to existing businesses and their competitiveness and ability to innovate and utilise new technologies. This includes how it connects with, and accesses, existing and new markets and suppliers. It is also becoming a more common way to access many public services. Digital access is therefore a key enabler and central to Northamptonshire’s growth plans and creating a SMART county.

Northamptonshire has a target of full New Generation Access coverage by the end of 2017. Currently, there are about 315,000 premises in Northamptonshire. The majority of these are within the existing commercial footprints, or plans of network suppliers currently enabling access to superfast broadband. It is anticipated that this commercial deployment will provide coverage to over 70% of premises by the end of 2015.

The county council’s co-investment partnership with BT, which was signed in March 2013, will extend coverage up to about 90% by late 2015. This involves about 53,000 premises including 3,000 businesses. The remaining coverage area is estimated to include over 34,000 premises.

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Implications for the NEP EU Investment Plan

Supporting the significant SME base is a critical challenge and the resources available through the ESIF must ensure that resource and facilities including incubation centres are provided so that future competitiveness is not hampered. Funds could therefore potentially focus on more tailored packages which support companies to innovate, grow and take on additional employees whilst recognising that in rural areas business sustainability may be a relevant focus. Adding value could also be increased through geographical or sector targeting and through the provision of a coherent, easy to access, package of business support measures focussed on stimulating and nurturing the growth of the prime high trajectory micro and small businesses.

Access to finance continues to be a major issue for many local SMEs and devising a model of sufficient scale and with the appropriate type of finance is critical. For example, the High Performance Technologies sector has the potential to further leverage the impacts from existing business support and partner activity by aligning activity. To compliment ESIF funding we would seek to promote the Programme for the Competitiveness of enterprises and SMEs (COSME) to support opportunities for small companies to internationalise as well as provide access to finance.

To develop a coherent business offer, NEP will align and co-ordinate ESIF investment and work with local partners to deploy resources in areas where they will have the most impact. For example, the High Performance Technologies sector has the potential to further leverage the impacts from existing business support and partner activity by aligning activity. This would involve the alignment of these activities:

- Using the University Technical Colleges (UTCs) to support the skill development needs of the High Performance Technologies sector from locations across the county
- Using the INV-ENT fund to increase innovative activity amongst High Performance Technologies companies
- Making road investments to improve access for the sector to key locations in the county
- Supporting the High Performance Technologies supply chain and improving access to finance for suppliers to maximise local impacts and build on the lessons of the Regional Growth Fund programmes
- Developing an apprenticeship programme so young people are able to secure high quality jobs in the High Performance Technology sector and its supply chain
- Supporting the development of cheaper and new low carbon energy supply options for firms which are high energy users in the High Performance Technology sector.

Key interventions include:

- Creating and managing a Next Generation Investment Fund to commission deployment to the ‘final 10 per cent’ – the target value of this fund is £120m from 2014/15-2017/18. This would build on the £816m of public funding already committed (including £4.08m from the county council).
- Developing a portfolio of investment models linked to this fund (likely to include the current ‘gap-funding’ approach as well as commercial loans through a targeted Access to Finance initiative (A2F) and other opportunities).
- Launching the Superfast Business initiative in early 2014 - bespoke platforms and on-line information for local businesses (including showcasing local businesses), face to face business support and mentoring and grants including a connection voucher for businesses. The county council has earmarked at least £300k for this initiative for spend in 2013/14-2015/16.

Weaknesses and Threats

High-speed fibre optic broadband provision is critical in developing and attracting further investment in high value added technology intensive sectors. These have the potential to create additional jobs and wealth and increase productivity levels as well as enabling people to access services and work from home. Northamptonshire generally achieves download speeds above 2mbps. However, parts of Northampton and Kettering still suffer from slow download spots and therefore have not yet achieved the target set within the Government’s Digital Britain report of every home having at least 2mbps broadband by 2012. The Government has further pledged that Superfast Broadband will be available to every home in the UK by 2020.
Alongside the on-going need to provide 100% coverage of the county by NGA there are issues associated with the lack of widespread awareness of the opportunities provided by NGA and take-up of services and applications is patchy. However, evidence is limited and this is the case nationally. In August 2013, the county council launched a business survey supported by local business bodies to help address this and better assess the demand for Superfast Broadband requirements.

Implications for the NEP EU Investment Plan

The European Commission view is that the UK should not invest ESIF funding on broadband infrastructure and for that reason the focus of support under this programme will concentrate on maximising benefits through demand stimulation and optimising the application of technology, particularly for businesses. Launching the Superfast Business initiative in early 2014 including bespoke platforms and online information for local businesses (including showcasing local businesses), face to face business support and mentoring and grants including a connection voucher for businesses could be a feature of the Growth Hub support identified in this programme. The county council has earmarked at least £300k for this initiative for spend in 2013/14-2015/16.

There is also the potential for NGA to contribute to the Social Inclusion and Skills objectives of this Strategy. NGA, when delivered across the county, can deliver a more inclusive society especially within Northamptonshire Rural Communities. For example, by allowing more people to work from home, increasing the life/work options in rural communities and by promoting digital skills and capacity and capability to aid competitiveness and digital literacy.

Environmental Sustainability and Low Carbon

Strengths and Opportunities

Natural assets

Northamptonshire does have many important natural assets. The Nene Valley provides the backbone to a ‘green arc’ that runs through the heart of the county, creating a rolling landscape that is quintessentially English. It is the key attribute in shaping the future of Northamptonshire’s natural environment and contains a number of important habitats including the internationally recognised Upper Nene Valley Gravel Pits Special Protection Area (SPA) - the ancient woodland and limestone grasslands of Rockingham Forest, sandy grassland and heathland around Daventry and Northampton and the River Nene itself. These assets need to be conserved to retain and enhance their function and diversity. In addition, where appropriate, they need to be made accessible and promoted more widely to attract both local residents and visitors from further afield.

The natural environment in Northamptonshire already attracts numerous people for recreation, particularly to specific sites such as Binshith, Sywell, Irchester and other country parks such as the Brampton Valley Way, Salcey Forest and Stanwick Lakes. The Northamptonshire countryside has much more on offer that could be promoted to attract long stay visitors and also improve access to green spaces for residents. Further enhancements of the Nene Valley and wider recognition of the SPA status and Wetland of International Importance (Ramsar site) of the Upper Nene Gravel Pits could help raise the area’s profile. There are also considerable opportunities for the county’s environmental assets to provide greater access and connectivity that supports recreation and tourism as well as local movements as identified in RNRPs interactive Environmental Character Assessment and Green Infrastructure suite.

The Rockingham Forest in the north of the county has been selected by Defra as one of only five climate change projects nationally to support the UK Low Carbon Transition Plan and the government’s Carbon Plan to pilot a Carbon Sink Forestry Project (Rockingham Forest - Forest for Life). The pilot aims to sequester carbon and explore opportunities to establish wood fuel supply chains with wider recreation, biodiversity, health and economic benefits.

Electric Corby is a key part of the growth and regeneration plans which aim to make Corby, Northamptonshire one of the most environmentally and economically sustainable areas in the country. Corby is the fastest growing Borough in the UK, and will double its population to 100,000 by 2030. This rapid house building provides a great opportunity to change the way Corby and Northamptonshire residents live and travel for the better. Electric Corby’s aim is to provide new jobs to match the area’s increasing population, leveraging this population growth to generate significant new employment with an environmental focus. Through the Electric Corby project, the town is aiming to become one of the most environmentally and economically sustainable areas in the UK.

Resource opportunities from bio fuels and renewables will have to be balanced with food production needs but focus on such land uses should be on lower grade agricultural land and incorporate opportunities to increase biodiversity.
Move towards a low carbon agenda

The county is in a good position to build on the current investment that has been made in developing the low carbon technology sector. Investment in initiatives such as Electric Corby, the UTC and iCon focused on environmental technologies and the development of Eco Park at Kettering shows there is plenty of scope for future development within this sector.

NEP is also trying to ensure that the investment in the low carbon sector (under the HPT work) is showcased demonstrating the different technologies as well as spin-outs from the High Performance Technologies sector that could link into greener logistics. There is also a sub group of the NEP board that is looking at the energy issues affecting businesses (cited as one of the key issues for growth by companies at the private sector consultation on the priorities of the NEP EU Investment Plan).

The key objectives of this group is to:

- Defend the existing economic well-being and promote further growth by the provision of reliable low carbon energy supplies throughout the county.
- The group has already looked at a number of key projects that can be taken forward in partnership with the private and public sector to achieve the objectives including:
  - Use of the locally available resources, waste facilities and skills that will provide opportunity for power generation including, where appropriate, renewable forms of energy
  - The identification of existing and future high energy users and high heat users
  - Co-ordination and facilitation of the location and realisation of “local decentralised sources” of low and/or zero carbon power generation
  - Intervention to eliminate barriers to connectivity and distribution by use of available funding in support of the networks
  - Encouragement and direction of leveraged private finance

The outcomes of the proposed projects are to enable the delivery of:

- Future energy price certainty and local price advantage
- Reliable power supplies locally strengthened in capacity and network distribution to give enhanced protection against forecast national shortage and resulting outages
- “Oven ready” development sites unhindered to inward investment
- The provision of certified low carbon content energy to attract inward investment and assist existing businesses in carbon reduction and associated taxation
- By support to local decentralised power generation provide “local anchors” for energy company schemes aimed at delivery of domestic and commercial energy/carbon reduction
- Reduced local fuel poverty
- Tangible measurable advantage in support of marketing

This activity is being mostly funded by the private sector and enabled by Northamptonshire County Council and Northampton Borough Council and will see energy provision provided to the Northampton Waterside Enterprise Zone.

Northamptonshire County Council has been recertified with the Carbon Trust Standard for successfully measuring, managing and improving carbon efficiency across all operations including schools by 8.3%. In the last two years, the authority has honed its energy efficiency strategies to cut carbon emissions by 13,638 tonnes CO². This award is the highest recognition of achievement the council can gain regarding carbon management and actual carbon reduction. See our Carbon Trust Standard Report for details. A range of initiatives have been launched in recent years.

Weaknesses and Threats

Informed by the Core Strategies, Northamptonshire is planning to support high levels of housing and employment growth. Such levels of development will inevitably put pressure on an already stressed natural environment. Greenfield development, agricultural intensification and lack of investment has led to habitat fragmentation and biodiversity loss. Over the last 50 years, Northamptonshire has witnessed the greatest decline in plant diversity of all UK counties, averaging the loss of two species a year.

The table below shows the use of energy type by district in comparison with the UK average and the breakdown by industrial, domestic and transport. These tables demonstrate the challenge facing the area in terms of driving the SME and commercial sector (especially transport towards more sustainable energy usage) with Daventry and South Northamptonshire showing particularly high demand for electricity and oil.

Table 8.4 – CO2 emissions (tonnes), Northamptonshire, 2011

<table>
<thead>
<tr>
<th>Area</th>
<th>CO2 Emissions (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corby</td>
<td>36.4</td>
</tr>
<tr>
<td>Daventry</td>
<td>11.8</td>
</tr>
<tr>
<td>Kettering</td>
<td>7.5</td>
</tr>
<tr>
<td>Corby</td>
<td>36.4</td>
</tr>
<tr>
<td>Daventry</td>
<td>11.8</td>
</tr>
<tr>
<td>Kettering</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Table Source: Department for Energy and Climate Change

Table 8.2 – Energy use by Fuel Type, Northamptonshire Districts

<table>
<thead>
<tr>
<th>Area</th>
<th>Coal</th>
<th>Electricity</th>
<th>Oil</th>
<th>Fuel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corby</td>
<td>11.7%</td>
<td>87.4%</td>
<td>0.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Daventry</td>
<td>15.7%</td>
<td>74.5%</td>
<td>1.4%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Kettering</td>
<td>9.5%</td>
<td>60.6%</td>
<td>21.6%</td>
<td>17.2%</td>
</tr>
<tr>
<td>East Northamptonshire</td>
<td>64.4%</td>
<td>30.9%</td>
<td>15.1%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Northampton</td>
<td>94.8%</td>
<td>5.1%</td>
<td>18.9%</td>
<td>10.3%</td>
</tr>
<tr>
<td>South Northamptonshire</td>
<td>88.2%</td>
<td>13.7%</td>
<td>25.2%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Wellingborough</td>
<td>59.8%</td>
<td>0.0%</td>
<td>54.3%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Table Source: EPRA Carbon Report CO² emissions

Table 8.4 – CO2 emissions by Category, Tonnes and as a Percentage of the Total, Northamptonshire, 2011

<table>
<thead>
<tr>
<th>Area</th>
<th>Industry &amp; Commercial</th>
<th>Domestic</th>
<th>Industrial Minerals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corby</td>
<td>29.7%</td>
<td>72.3%</td>
<td>100.0%</td>
<td>57.1%</td>
</tr>
<tr>
<td>Daventry</td>
<td>26.3%</td>
<td>73.7%</td>
<td>100.0%</td>
<td>60.0%</td>
</tr>
<tr>
<td>Kettering</td>
<td>29.2%</td>
<td>70.8%</td>
<td>100.0%</td>
<td>59.9%</td>
</tr>
<tr>
<td>East Northamptonshire</td>
<td>24.9%</td>
<td>75.1%</td>
<td>100.0%</td>
<td>47.9%</td>
</tr>
<tr>
<td>Northampton</td>
<td>26.1%</td>
<td>73.9%</td>
<td>100.0%</td>
<td>60.2%</td>
</tr>
<tr>
<td>South Northamptonshire</td>
<td>25.8%</td>
<td>74.2%</td>
<td>100.0%</td>
<td>56.8%</td>
</tr>
<tr>
<td>Wellingborough</td>
<td>27.2%</td>
<td>72.8%</td>
<td>100.0%</td>
<td>48.6%</td>
</tr>
</tbody>
</table>

Table Source: Department for Energy and Climate Change

Implications for the NEP EU Investment Plan

The county is well recognised for its high value nature and bio-diversity as well as for its cultural heritage especially in relation to motorsport, heritage and buildings of historic importance. A low carbon economy is not simply about having the lowest carbon emissions. Areas like Northamptonshire with an economy steeped in transportation and manufacturing cannot realistically have the lowest emissions of any area.

A low carbon economy is about a transformation away from a carbon intensive economy towards a strong, forward-looking economy where many jobs and businesses operate in industries that respond to climate change. There need to be actions to reduce energy demand and increase resource productivity in regional businesses as part of an integrated package of business support.
FINDING A JOB.

Could they help you too?

young people last year.

case scenario, it could increase by as much as 22% and the baseline (policy neutral)
level, employment is forecast to increase by over 29,000 jobs (or 7.7%). In the upper
(worst case) scenario, assuming poor investment and export performance at the UK

Employment Forecasts
In terms of total employment, the outlook for Northamptonshire is good. In the lower
(worst case) scenario, assuming poor investment and export performance at the UK
level, employment is forecast to increase by over 29,000 jobs (or 7.7%). In the upper
case scenario, it could increase by as much as 22% and the baseline (policy neutral)
forecast suggests growth of 14.1% compared with 10.6% for England.

Encouragingly, baseline forecasts (assuming no further policy intervention) suggest that
total employment will increase by more than the working age population which means
that employment will continue to increase beyond its pre-recession peak.

The main issue for the area going forward will not be in the number of jobs created in
the economy but the sectors in which they are created. Efforts must be made to address
the local economy’s sector structure and attract higher value added jobs.

Strengths and Opportunities

Northamptonshire has one of the fastest growing populations of all LEP areas. The local
labour market is relatively buoyant with above average employment rates and below
average levels of economic inactivity) –. In the last year, unemployment has remained steady
or reduced across Northamptonshire. As a result, it is more difficult to recruit staff and there
is competition for labour due to a low number of unfilled vacancies per claimant.

There are a number of large employers in Northamptonshire but in 2012 around 70% of
businesses in the county employed fewer than five people and SMEs account for 99.65% of
businesses.

All areas in Northamptonshire have either shown a drop in unemployment or have stayed the same over the last year. The largest decreases are in Wellingborough, Northampton, Daventry and Corby which hit a four year high in youth unemployment when the last figures were announced in August 2012. Kettering has remained at the same level with 4.1% of the town out of work.

Unemployment and economic inactivity
Percentage of Working Age Population Claiming JSA in Northamptonshire, July 2013

Source: ONS claimant count – age duration with proportions, July 2013

Employment

Snapshot of Employment in Northamptonshire

• In 2011, there were 365,000 jobs compared with 352,000 in 2010, an
increase of 3.7%. With a working age population of 448,045, this gives a
ratio of jobs to workers (job density) of 0.81

• In terms of long-term unemployment, Northamptonshire residents are less
likely to have been claiming JSA for over 12 months (0.8% compared to 1% in
the region and nationally) 

• Individuals are not fully aware of the diversity of jobs available in different
sectors of the local labour market

• Northamptonshire is rated 2nd out of all the LEP areas for having a tight
labour market

• The manufacturing sector is also a significant employer in both
Northamptonshire and the wider East Midlands region contributing 13% of
total employment

• Efforts must be made to address the local economy’s sector structure and
attract higher value added jobs

© Total jobs is a workplace-based measure of jobs and comprises: employees (from the Annual Business Inquiry), self-employment jobs
(from the Annual Population Survey), government-supported trainees (from DfES and DWP) and HM Forces (from MoD).

ONS claimant count – age duration with proportions, July 2013, accessed through NOMIS, August 2013: https://www.nomisweb.co.uk/

Annual Population Survey 2012

Source: ONS jobs density, 2000-2011

The wholesale and retail trade sector is the largest employer in Northamptonshire, accounting
for 19% of total employment. This is a higher share than in the East Midlands region as a
whole (18%) and nationally (16%). The manufacturing sector is also a significant employer
in both Northamptonshire and the wider East Midlands region contributing 13% of total
employment, compared with 9% nationally.

Health and social work (11%), education (9%) and public administration and defence (5%) all
have a lower share than the regional (13%, 10%, 6%) and national averages (12%, 10%, 6%)
indicating a lower share of employment in the public sector. Logistics has been identified
by NEP as a key sector and its importance to the area is reflected in a higher than average
employment share in transport and storage – 7% compared to 5% in the East Midlands
and England. Manufacturing employment is concentrated in the high tech and food and
beverage sectors with these sectors accounting for 25% and 19% of all manufacturing
employment respectively. Both of these sectors have been identified by NEP as key sectors
for the area.

Strengths and Opportunities
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is competition for labour due to a low number of unfilled vacancies per claimant.

There are a number of large employers in Northamptonshire but in 2012 around 70% of
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All areas in Northamptonshire have either shown a drop in unemployment or have stayed the same over the last year. The largest decreases are in Wellingborough, Northampton, Daventry and Corby which hit a four year high in youth unemployment when the last figures were announced in August 2012. Kettering has remained at the same level with 4.1% of the town out of work.

Employment Forecasts
In terms of total employment, the outlook for Northamptonshire is good. In the lower
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case scenario, it could increase by as much as 22% and the baseline (policy neutral)
forecast suggests growth of 14.1% compared with 10.6% for England.

Encouragingly, baseline forecasts (assuming no further policy intervention) suggest that
total employment will increase by more than the working age population which means
that employment will continue to increase beyond its pre-recession peak.

The main issue for the area going forward will not be in the number of jobs created in
the economy but the sectors in which they are created. Efforts must be made to address
the local economy’s sector structure and attract higher value added jobs in sectors such
as professional, scientific & technical services, information and communications and
financial and insurance activities – especially given that the contraction in manufacturing
employment is set to continue.
In the year to March 2013, 80.7% of the working age population of Northamptonshire were economically active. This was above the regional and national averages (77.5% and 77.3% respectively). The unemployment rate in this period (6.3%) was also significantly lower than the average for the East Midlands (8%) and England (8%).

However, when measured in terms of the JSA claimant count, unemployment in Northamptonshire (3.3%) is comparable to both the national (3.3%) and regional (3.3%) averages. Northamptonshire also has a higher proportion of young people (aged 18-24) claiming JSA (7%) than the regional (6.3%) and national (6%) rates. The county has been working hard to develop innovative and well-supported programmes to help young people back into work. This includes work undertaken through the County Leadership group around job brokerage and working closely with schools to help inform young people, parents and teachers of the opportunities of employment within the county.

In terms of long-term unemployment, Northamptonshire residents are less likely to have been claiming JSA for over 12 months (0.8% compared to 1% in the region and nationally). Over the past two years, the claimant count in Northamptonshire has followed the national trend and has, in general, remained just below the regional and national averages.

#### Percentage of Working Age Population Claiming JSA, August 2011 – July 2013

![Graph showing percentage of working age population claiming JSA](Image)

**Weaknesses and Threats**

Individuals are not fully aware of the diversity of jobs available in different sectors of the local labour market. This leads them to develop aspirations that are neither determined by their ability nor based on a comprehensive understanding of the types of jobs available in the county.

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

Northamptonshire residents are less likely to be employed in managerial and professional occupations (SOC 2010 Major Groups 1-3) than the national average. Specifically, 37.8% of Northamptonshire residents were employed in these occupations compared with 41.1% nationally. However, this is slightly above the average for the East Midlands of 37.1%. Conversely, Northamptonshire residents are more likely to be employed in elementary and operational occupations (SOC 2010 Major Groups 8-9); 22.1% compared to 18.3% nationally.

The occupation of residents in Northamptonshire varies considerably between the seven districts. Corby has a remarkably high proportion of workers employed in elementary and operational occupations (SOC Major Groups 8-9) (37.3%) whilst South Northamptonshire has a higher than average proportion of workers employed in managerial and professional occupations (SOC Major Groups 1-3) (46.3%).

![Graph showing employment by occupation per district](Image)

#### Obscure Centre Plus Vacancy Statistics, November 2012

<table>
<thead>
<tr>
<th></th>
<th>Northamptonshire</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfilled Jobcentre Plus vacancies (numbers)</td>
<td>14,886</td>
<td>61,075</td>
<td>539,950</td>
</tr>
<tr>
<td>Unfilled Jobcentre Plus vacancies per 10,000 population aged 16-64</td>
<td>332</td>
<td>209</td>
<td>157</td>
</tr>
<tr>
<td>JSA claimants per unfilled Jobcentre Plus vacancy</td>
<td>1.0</td>
<td>1.6</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Source: ONS annual population survey, accessed through NOMIS, August 2013: https://www.nomisweb.co.uk/

Source: Jobcentre Plus vacancies - summary analysis, November 2012

Almost half (48%) of vacancies notified to Jobcentre Plus in November 2012 were in elementary and operational occupations (SOC Major Groups 8-9) whilst just 16% were in managerial and professional occupations (SOC Major Groups 1-3).
Implications for the NEP EU Investment Plan

Addressing the incidence and nature of unemployment in the county by linking the number of jobs to the unemployed locally is a key issue as increasing opportunities for unemployed young people. There is a need to improve the match between local people seeking jobs and the skills and competencies demanded by local employers.

Efforts must be made to address the local economy’s sector structure and attract higher value jobs.

Skills

Skills In Northamptonshire

- Northamptonshire has a lower skills profile compared with its comparator LEPs, the East Midlands and England
- Apprenticeship starts in Northamptonshire have increased by almost 100% from 2009/10 to 2011/12 with 2,323 starts in 2012/13
- More advanced and higher apprenticeships are needed to address the imbalance of skills levels, particularly in engineering with 865,000 employees needed at level 4 and 690,000 at level 3 in the next 10 years

The key growth sectors for Northamptonshire are not necessarily careers of choice and more needs to be done to attract younger people to the sector.

Strengths and Opportunities

There have been some signs of improvement in the skills profile in Northamptonshire but this has been mostly at the lower end. The proportion of the population with no qualifications has fallen 2.5 percentage points since 2005. Despite this improvement, the gap between Northamptonshire and the East Midlands/England has still widened.

Apprenticeship starts in Northamptonshire have increased by almost 100% from 2009/10 to 2011/12 with 2,323 starts in 2012/13. However, there remain a number of issues in terms of expansion of apprenticeships which needs addressing to maximise the benefits for employers, individuals and communities.

Investing in education, skills and lifelong learning, the county has recently benefitted from UK government funding support that will enable the setting up of two new University Technical Colleges (UTCs) that will train 14 to 19 year olds in engineering skills and provide a strong future workforce for companies establishing and growing their business in Northamptonshire. A new HPT skills employment group facilitated by NEP has been established to ensure that the skills supply from companies is matched by suitable provision. We would also wish to see the evolving apprenticeship Northampton Waterside Enterprise Zone skills action plan supported via the NEP EU Investment Plan.

Skill levels have historically been an important issue in Northamptonshire and have been identified as a key priority target. It is essential that the workforce has sufficient skills to meet the changing needs of employers and potential investors.

Northamptonshire has a lower skills profile compared with its comparator LEPs, the East Midlands and England. The proportion of the working age population with no qualifications in Northamptonshire in 2012 (8.6%) was lower than the East Midlands (9.3%) and England (9.5%). However, the proportion with NVQ level 4 qualifications or higher (27.5%) was lower than the East Midlands and all the comparator LEPs. Gloucestershire had the highest proportion with 35.5%.

By district, Daventry had the highest rate of working age people with no qualifications (12.1%) and East Northamptonshire the lowest (12.1%).

Table 1 – Highest Level of Qualifications, Northamptonshire and Comparators, 2012

Source: Annual Population Survey

Despite the best efforts of local colleges and The University of Northampton, qualification levels across Northamptonshire are lower than the national average resulting in local individuals missing out on employment opportunities and businesses recruiting from further away. Businesses need to be encouraged to see the benefits of investing in training and apprenticeships to grow their business. Providers also need to work to improve the success rates for apprentices over the age of 19 which are below national averages.

More advanced and higher apprenticeships are needed to address the imbalance of skills levels, particularly in engineering with 865,000 employees needed at level 4 and 690,000 at level 3 in the next 10 years. In 2011/12, 69% of apprenticeship registrations in Northamptonshire were at intermediate level, 30% at advanced level and only 1% of registrations higher apprenticeships. In order to meet government ambitions of a shift to a 40:60 ratio and meet business demands for higher level skills, these ratios need to be challenged and addressed as part of this plan.

Northamptonshire needs to maximise the opportunity presented by the Raising of Participation Age and challenge the myths that could cause a decline in the numbers of individuals entering an apprenticeship at 16-18.
Skills shortages in hard to fill vacancies are particularly high in associate professional occupations, elementary staff and skilled trades. Apprenticeships are more closely associated with the skilled trades as there is an established history in these sectors to draw upon. However, to address the gap for associate professionals we need to see more of a shift in culture and a move from an emphasis on intermediate apprenticeships (2012/13 - 63% of total apprenticeships starts) to advanced apprenticeships (38%) and the development and take up of this higher apprenticeships (1%) to meet this group’s needs. There is forecasted continued employment growth in higher skilled, white collar occupations including managers, professionals and associate professional roles with an estimated two million additional jobs in these occupations by 2020 nationally, exacerbating the issue.

The quality of potential apprentice candidates in terms of work readiness and interview/presentation skills needs addressing as well as a robust feedback system to unsuccessful candidates to support them in their work on future applications. Half of the companies surveyed – with a current apprenticeship programme have said that they would take on additional apprentices if they could find more suitable candidates.

The key growth sectors for Northamptonshire are not necessarily careers of choice and more needs to be done to attract younger people to the sectors including addressing career pathways where legal requirements prohibit engaging younger people in particular sectors and roles. Further details on skills priorities for key sectors are contained in Annex.

Given the significance of Skills levels to the County’s economic performance a more detailed SWOT analysis in in Annexes 3 and 4.

Implications for the NEP EU Investment Plan

Skills levels within the county have historically been an important issue within Northamptonshire. The emerging Skills strategy commissioned this year identifies a number of key areas for intervention, identified local strategic priorities from this work fit in well with the national skills, HE, economic development and ESI Fund agendas. Local strategic priorities embrace a number of skills areas that have been identified as of concern nationally and locally for a number of years including: employability skills; increasing employer take-up of skills provision, especially apprenticeships; higher level skills; and, skills support in priority sectors. Northamptonshire’s priority sectors cover a wide range of skills needs and these are in Annex.

The UKCES survey of 2011 shows that of the 1,179 businesses surveyed about 5% have a skills shortage vacancy. If this is representative of businesses in Northamptonshire this would mean a total of 195 potential skills shortage vacancies which will need to be addressed through apprenticeships and other skills-related activities.
The HM Revenue and Customs record the number of children living in families in receipt of Child Tax Credit whose reported income is less than 60% of the median income or who are in receipt of Income Support or Job Seekers Allowance, divided by the total number of children living in the area. By this measure, Northamptonshire has 16.1% of children living in poverty which is significantly below both the regional (18.7%) and England (20.6%) levels.

By district, Northampton has the highest level of children living in poverty (20.9%) and South Northamptonshire the least (6.5%).

Implications for the NEP EU Investment Plan

Northamptonshire is broadly characterised by relatively high levels of economic activity and relatively low rates of unemployment and child poverty and above average earnings. It is also clear that there are wide variations of deprivation across the county. Whilst the extent of deprivation in many of the constituent districts are below the national average, more than a fifth of the population in Corby and Northampton live in the most deprived areas of England and there needs to be greater partnership in some of the rural parts of the county.

Third sector organisations

Northamptonshire needs to improve upon the involvement of the third sector organisations in the delivery of socio-economic programmes such as the ESIF. This is largely due to a lack of capacity and awareness within the sector of the opportunities presented through these funding streams. The current Priority Axis 2 programme within Corby has, over the past six years, managed to have only one third sector organisation deliver any interventions through ESIF. NEP will look to see how technical assistance can be utilised to help overcome the barriers within the sector. A stronger voluntary and community sector exists in relation to employment and workforce related issues but there is still significant scope to look at broadening the access of ESIF funding for these activities.

NEP has consulted with the local consortium of infrastructure and front line organisations in the VCS in the county. There have also been detailed conversations with the investors into the VCS namely the county council and other organisations as to how the priorities and activities in the NEP EU Investment Plan align with future investment within the sector. All potential investment in the future will look for enterprising behaviours to be adopted and will be aligned to ensure that the VCS infrastructure enables the ability of the sector to secure ESIF funding.

NEP has always supported the development of social enterprise that traditionally help support economic growth and tackle a wide range of social economic and environmental issues within some of the more deprived areas of the county but that also provide an innovative solution to many issues that the statutory and private sector cannot or do not wish to address. To maximise the job and skills opportunities within the Northamptonshire economy it is important to encourage enterprise and develop links between the local workforce and community and the possibilities which the key strategic employment sites present.
### Summary

An overview of the Northamptonshire position against the headline thematic priorities of the EU 2014–20 Programme is summarised below.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Summary for Northamptonshire Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research, Development &amp; Innovation</td>
<td>Key sector strengths in High Performance Technologies generating £2bn turnover and employing 21,000 people. Increasing appetite for technology transfer between sectors including “green” logistics and HPT. Evidence of low levels of innovation and low absorption of TSB funding to date. Greater emphasis is needed on HEI and business commercialisation and encouraging business investment in Research and Development.</td>
</tr>
<tr>
<td>SME Competitiveness</td>
<td>99% of the companies in Northamptonshire are SMEs. Survival rates are high but drop off significantly after three years. 26.6% of SMEs within the County cite access to finance as a key impediment to growth. Northamptonshire has a strong track record in attracting inward investment. SMEs within the county are not fulfilling their growth potential to overcome barriers relating to access to finance and entrance to new markets (including exports). Entrepreneurial levels vary across the county. Key infrastructure issues in relation to commercial accommodation and broadband especially in rural areas.</td>
</tr>
<tr>
<td>Information Communication Technologies</td>
<td>Commercial deployment of New Generation Access is forecast to cover 70% of business premises by 2015. There is a target to have full NGN access by 2017. Awareness amongst businesses of the opportunities provided by NGN and take up services is patchy especially in relation to business use.</td>
</tr>
<tr>
<td>Environmental Sustainability and Low Carbon Economy</td>
<td>Energy concern and efficiency is one of the key concerns of the businesses in Northamptonshire. The County is in a good position to build on the current investment in activities such as Electric Corby, the iCON centre and university Technical Colleges for Sustainable construction in Daventry. Further action is required to reduce energy demand and increase resource productivity in county businesses.</td>
</tr>
<tr>
<td>Employment and Skills</td>
<td>Residents within Northamptonshire are less likely to have been claiming JSA for over 12 months. Northamptonshire is rated 2nd out of the LEP areas for having a tight labour market. Northamptonshire has a lower skills profile compared with comparator LEPs. More advanced and higher level apprenticeships are needed to address the imbalance of skills levels. The county is an area of contrasts. Corby is the most economically deprived and South Northamptonshire one of the least economically deprived according to IMD. Over half of the population live in rural areas where access to transport and broadband hinder economic performance.</td>
</tr>
<tr>
<td>Social Inclusion</td>
<td></td>
</tr>
</tbody>
</table>

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Section 3: Northamptonshire European Investment Plan

This strategy is about delivering the key priorities of the Europe 2020 Strategy, namely:

- Smart growth: developing an economy based on knowledge and innovation
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion

Its aim is:
To capitalise on Northamptonshire’s assets and secure a prosperous future for the county’s people and businesses within a viable knowledge economy

Since the Local Enterprise Partnership (LEP) initiative was first inaugurated, Northamptonshire has found itself surrounded by no less than six LEPs because of its unique geographic location in the middle of the country. We have been working to develop relationships with all of our neighbouring LEPs and have adopted an approach for collaborative working to focus on common issues where this will add value. The first draft of this strategy is based on a presumption of working with other LEPs where there is an issue of common interest or that the activity is such that it is not viable without a collective approach.

The clear focus for all partners is on the delivery of SMART driven economic prosperity for Northamptonshire and making a significant contribution to the economy of the UK plc as a pro-growth powerhouse for the economy. NEP is being driven by a powerful private sector led Board of non-executive directors in partnership with the public and voluntary sector including leaders from the County Council and representatives of the district and borough councils. Since the creation of NEP it has demonstrated its impact through results and a growth focused business plan. These are well aligned with the Government’s own economic priorities and ambitions for private sector led jobs growth and investment.

NEP is clearly Northamptonshire focused in terms of delivering economic outcomes but its outlook and collaborations are much wider spreading throughout the UK and importantly, globally including trade linkages with India, China and Europe which are already showing considerable potential. We have managed to minimise bureaucracy and encourage an entrepreneurial approach to delivering jobs and economic growth across a wide range of sectors covering the whole of the county without fuss and protracted debate over structures and organisational arrangements.

We see our planned aspirations for growth aligned to the Structural Funds Investment Strategy to the thematic funding programmes in order to contribute to the Europe 2020 targets of smart, sustainable and inclusive growth.

We feel that each EU Fund programme must have a significant impact on jobs and growth in the current challenging economic climate. The activities of all the Funds must complement each other and work in concert with other EU funding streams including Horizon 2020, ERASMUS and COSME. Our European Investment Office has a strong track record in supporting partners to successfully obtain external funding. We will continue to provide advice and support to assist organisations in the county to apply for European funding to deliver trans-national projects.

Unlike Structural Funds, Trans-national funding is open to any organisation in any geographic location to encourage exchange of best practice between different European regions. This offer of leadership and deliverability, coupled with the scale of new jobs and housing and longer term potential, is unparalleled anywhere else in the UK outside of London.

We recognize we have a growing county and with the right interventions from Europe, national and local partners we know we will have the right climate for investment to support and deliver growth.

There are some clear synergies between the R&D and innovation-related aspirations of the Horizon 2020 programmes and our Global Target 2 in particular. The county’s experience of participation in Framework Programme 7 has provided some strong best practice about the necessary knowledge required by our university and SMEs in order to successfully participate in R&D and innovative projects. It is likely that many of the SMEs which will participate in the future ERDF Programme could be potential participants in Horizon 2020 and COSME projects. We will strive to emphasise the synergies and ensure that these are well communicated.

The county recognises and advocates the importance of developing local strategies and approaches which respond to well-evidenced local needs and stakeholder views. The emerging Northamptonshire Growth strategy based on the 10-point plan for the county is a locally developed approach covering the whole of Northamptonshire. It represents an integrated approach to economic development, the environment and connectivity. It has already been adopted by Northamptonshire County Council to help guide its investment activities and secure wider support from other local partners. It is also being used to help secure private sector and central government investment into the area and attract businesses and jobs. This approach ensures that the local strategic context is coherent, stream lined, linked to the national and European strategic policy frameworks and represents local issues and challenges.

Figure 1: The Fit with the Growth Strategy

The Development Process

The process of development of the NEP EU Investment Plan has been led by a steering group comprised of members of the Northamptonshire Leadership Group. This Group is separate from the existing governance arrangements for the LEP board and draws on representatives from all local authorities and a range of economic, social and environmental partners. A smaller Task and Finish group has been responsible for advising the steering group.

Developing the NEP EU Investment Plan has also been undertaken in close conjunction with a team of consultants undertaking the Local Economic Assessment of the county.

There has been wide-spread consultation over recent months. Prior to the formal consultation draft circulated on 18th September 2013, two earlier drafts of the investment priorities were circulated for comment and two broader events with a range of stakeholders have been held. Thematic sounding board sessions were held on areas such as skills and employability issues alongside SME competitiveness within the county. Separate discussions have been held with voluntary and community partners and the North Northamptonshire Rural Action Partnership.
NEP has undertaken a number of broad stakeholder consultations and a number of specific consultative events. These include:

- East Midlands Councils Consultation event for NEP and SEMLEP on 16 July for which the emerging priorities were discussed
- A workshop of the Local Economic Assessment for partners to provide input into the SWOT for the county on
- Private sector stakeholder event on 19th September 2013 in Northampton

In addition there has been on-going consultation with different stakeholders including surrounding LEPs.

Private Sector Role in Northamptonshire European Investment Plan

The private sector will play an important role in four main areas:

**Delivery and Design**

Private sector expertise has and will continue to be used as appropriate in delivery, especially in relation to financial instruments and in services to businesses such as consultancy support. Relevant sector SMEs and other firms are involved in the design of sector programmes in the county.

The European Investment team within NEP will also be conducting a series of out-reach exercises with SMEs to publicise and generate engagement in the next wave of EU sector programmes such as Horizon 2020, COSME and Erasmus +.

**Beneficiaries**

Private sector SMEs linked to the county’s key clusters will be the main beneficiaries of interventions highlighted within this document. The delivery of Strategic Regional Sites, employment sites and specific technology and innovation measures will also involve the private sector.

**Provision of Match Funding**

The private sector has an important role to play in the provision of (some) of the match funding for investment. Examples include financial instruments, sites and premises and supply chain work.

**Management and Governance**

An important principle of management and governance is that there is strong private sector representation as well as social and economic partners.

**Overlapping LEP and Pan LEP Co-operation**

NEP has already developed strong co-operation with neighbouring LEPs. For example, a statement of co-operation and partnership is in place between SEMLEP and NEP. In practice, this will mean that both LEPs are working together on aspects of our functional economic areas that will benefit from the adoption of a collaborative approach.

NEP and SEMLEP will work together when commissioning activity across areas of overlap to ensure that where delivery of services takes place (particularly through opted activity) we avoid duplication of resources and confusion for the market place.

This co-operation has led most recently to NEP receiving additional funding to support the High Performance Technologies (HPT) sector locally. This will significantly boost and expand the existing £1.2million Northamptonshire HPT Investment Programme which is funded by previous rounds of the RGF. The successful bid reflects a partnership between NEP and South East Midlands Local Enterprise Partnership (SEMLEP) which will develop the HPT sector in Northamptonshire and the wider area. The programme aims to support the development of the HPT network which has been identified as a key cluster of industry activity in the county for future potential business and employment growth.

Under future programmes a new finance for business programme will be developed in partnership with SEMLEP, Leicester and Leicestershire, DJNZ and Greater Lincolnshire LEPs which could include:

- Loans to start-ups and existing SMEs
- Business advice to develop sustainable businesses, business growth and sustainable job creation
- Equity finance to promote saving for investment with a bank and access to incremental finance to help new businesses grow

Between the submission of this plan and its finalisation we are committed to work with all our surrounding LEPs to establish mutual collaboration.

**Principles**

The Nep EU Investment Plan is founded on a number of core principles that will influence the types of actions developed and implemented. These are:

**Partnership** – the NEP EU Investment Plan will be implemented through a partnership approach across the public and private sectors, community, educational and environmental interests.

**Additionality** – the NEP EU Investment Plan will ensure the effective use of Structural Funds by providing assistance where activities would not otherwise proceed or would do so on a smaller scale or at a later date.

**Management** - the NEP EU Investment Plan will be delivered in a transparent way and with the on-going involvement of a number of key stakeholders.

**Concentration** – the NEP EU Investment Plan will target resources on areas which produce the best value for money and the greatest impact.

**Subsidiarity** - planning, decision-making and interventions will take place at the most appropriate level based on the priorities. NEP is driven by a powerful private sector led Board of non-executive directors in partnership with the public and voluntary sector including leaders from the county council and representatives of the district and borough councils.

**Key Challenges to Northamptonshire**

- Longstanding weakness in terms of performance in R&D
- Low levels of innovation and knowledge and technology transfer
- The quality of jobs needs to be increased with more higher value added employment opportunities
- Continuing problems with economic inclusion in areas such as Northampton, Corby, Wellingborough and Kettering
- Within the majority of the county there is a lack of quality infrastructure for a knowledge economy
- To move towards a low carbon economy

**Drivers for the Strategy and Intended Focus**

In developing the Nep EU Investment Plan, partners have drawn on the policy framework at European, national and local level and the analysis of socio-economic conditions to identify the areas of focus (or drivers) which have shaped the development of this strategy. These are:

1) Supporting innovation within the Northamptonshire economy - building collaborative research between enterprises, research institutions & public institutions;
2) Driving SME competitiveness - providing support, advice and funding to businesses and entrepreneurs to support the creation and development of SMEs and Micro Businesses. Development of general and, potentially, industry specific business skills
3) Delivering sustainable and equitable growth
4) Providing a responsive and adaptable workforce for the future
Underpinning these four priorities will be further embedding innovation and building greater value chain connections within and across relevant functional economies, especially with the use of those enabling technologies that transfer across sectors.

The priorities for the Northamptonshire ESIF address the key challenges set out in the preceding strategic socio-economic analysis. The investment priorities have been influenced by the lessons learnt from programme approaches and project level interventions in the 2007-2013 programmes in the UK. The priorities and delivery approach have been developed to deliver high impact and to allow sufficient flexibility for the programme to respond to changes during its lifetime.

In order to ensure maximum engagement with the target groups and to provide value for money for EU interventions, business support activity funded through this programme will be required to demonstrate how it links and adds value to the activity of current funded business support programmes.

**Investment Priorities**

The priorities identified within the NEP EU Investment Plan cover the whole area of Northamptonshire – urban and rural (apart from EAFRD intervention which is for rural area only) - any targeting of specific sectors, priority groups and geographical areas will be based on well evidenced needs. Any further interventions in rural areas will need to complement the actions under the Rural Development Plan for England and (RDPE). will be funded by the European Agricultural Fund for Rural Development (EAFRD).

With limited resources there has been a clear rationale for the split of funding between the thematic priority areas of the ESIF which have translated into key programme priorities. Innovation, low carbon and SME competitiveness including the use of ICT heavily dominate the ERDF thematic objectives. In terms of European Social Funding, the main allocation is weighted to developing high level and intermediate skills within the key sectors due to the significance this plays in constraining the development of the business base, innovation and employment opportunities. NEP is keen to ensure that ESIF funding has a legacy beyond the period of the programme and has therefore looked at a number of Financial models that should result in sustainable investment.

**Priority 1** is focused on developing new high growth companies in the county (SMEs in the targeted sectors which provide most of the GVA in the region) and the development of sustainable production and consumption methods.

**Priority 2** is focused on assisting SMEs across the county in all sectors that wish to grow in terms of turnover and employment through accessing and working with HEIs and the wider R&D/innovation/leadership base to develop and grow sustainably. There is a range of proposed activities (grants and FI) related to the provision of finance to SMEs set out across the action areas in Priorities 1 and 2.

There is also a separate action area for access to finance. NEP views access to finance as a tool to help affect change that can apply to different parts of the Northamptonshire Strategy. Many of the activities proposed are intended to develop financial instruments. Investing in FIs offers the potential to generate legacy funding beyond the life of this programme. The intention is that there should be a collaborative approach with a number of LEPs.

The clear emphasis in both Priority 1 and Priority 2 is on SMEs as they make up the predominant part of the county’s business base. However, in order to achieve this, specific projects will need to engage and potentially fund activity by large firms due to the nature of business operational relationships. This could include support to businesses and supply chains’ needs which are tailored to the complex inter-relationships which generate threats and opportunities between larger firms and SMEs in their supply chains. NEP could envisage limited support to facilitate the involvement of SMEs in networks of innovative firms where these networks are an integral complementary action to support other European Structural and Investment funded activities. Accessing the R&D base of the county may also benefit from involvement of large firms which would provide access to R&D facilities, more resources, knowledge transfer and engagement of the supply chain.

Overall, NEP envisages that ERDF going to large firms (outside the SME definition) to be less than 10% but this will vary at project level depending on each project and will be monitored closely to ensure that new start-up and individual SMEs are not disadvantaged.

The NEP EU Investment Plan will respect without prejudice applicable EU State aid rules and will be delivered in accordance with fund-specific rules. In the case of assistance granted from the structural funds to a large enterprise, the Managing Authority undertakes to request an assurance from the enterprise concerned that the assistance will not be used in support of investment that concerns the relocation of its production or service facilities from another Member State of the European Union. All interventions in companies under these two Priorities will also comply with the European Union competition and public procurement rules.

**Priority 3** concentrates on ensuring that resources are invested in the county’s environment, culture and infrastructure to improve quality of life, tackle deprivation, value diversity and social inclusion and recognise the social and environmental implications of economic growth.

**Priority 4** will concentrate on attracting more people into employment, especially disadvantaged groups and the economically inactive and improving the skills of potential and current workers to improve individual progression and business competitiveness.

There will be other European funds available to the county in addition to the European Structural and Investment Funds. Although these cannot provide match funding, NEP will seek to exploit synergies between the European Structural and Investment Funds and the European sector funds. This is explained and linked to the priorities set out in our NEP EU investment Plan.
Strengthening Innovation within the Northamptonshire Economy

The diagram below sets out rationale and expected outcomes for this intervention.

Priority 1

Strengthening Innovation within the Northamptonshire Economy

Actions under this priority area will provide support to raise SME competitiveness by improving the exploitation of Intellectual Property, accelerating the implementation of new processes and expanding the development of new products for market using new technologies and new leadership and management capabilities and approaches. It will focus on the introduction to and use of innovation, technology and ICT within SMEs to improve their productivity and future sustainability. The support will focus on:

- Higher Value Priority Sectors (set out in Priority 2)
- Businesses in any eligible sector with growth potential, a competitive edge in the market and a commitment to new ways of working

Priority 1 is therefore focused on a broad swathe of SMEs in the county and on a range of innovation improvements in processes and products. Support for the use of ICT is included in this programme.

The key aims and objectives are:

- Facilitating businesses to shift into higher value activities through increasing innovation and better use of IT with greater foresight and leadership and more effective exploitation of Intellectual Property
- Extending the market reach of businesses so they can improve their competitive edge outside of the county through better management, commitment to innovation and increased focus on international trade
- Improving access to the Plan LEP R&D base and Higher Education Institutions to ensure a strong supply of higher value commercially viable ideas leading to new products, new processes and new customers and markets

Rationale

Northamptonshire has a number of assets on which to build this programme. There is an extensive network of innovation centres including the iCen at Daventry which was funded under the current ERF Competitiveness programme.

A High Performance Technologies cluster comprises more than 1,000 companies employing over 21,000 people and contributing £2 billion to the local economy centred on Silverstone Circuits. Our ambition is to double the number of jobs in this sector and quadruple contribution to GVA.

For the past few years, NEP and its partners have been working to develop innovation, skills and competitiveness within this sector. We know there is significant opportunity to exploit growth and to drive innovation within the supply chain with internationally renowned companies such as Cosworth.

The Northamptonshire economy is characterised by poor overall levels of innovation and ICT adoption, low levels of investment in R&D and a weak skills base for managing and leading change and innovation in our businesses. Tackling each of these fronts are critical objectives of this priority. From the economic analysis and SWOT (in section 2) it is clear that Northamptonshire needs to stimulate an innovation culture and strengthen its innovation system by increasing technology transfer, promoting networking and setting the framework for businesses to respond to the challenges and opportunities of the knowledge economy.

The challenge for the county is to give innovative businesses ready access to the available knowledge and to encourage more businesses onto the ‘innovation ladder’. Targeted support is needed to increase the rate of knowledge and technology transfer and to promote business innovation and productivity growth. For this to happen, a more extensive and intensive relationship between companies and the available knowledge needs developing.

Northamptonshire has an opportunity to build on the work already underway within the county through the HTP sector support programme which has successfully attracted Regional Growth funding and ERDF funding. This priority will build on these success stories and seek to develop them even further.

Indicative Programme Activity

- Northamptonshire Innovation Programme

Northamptonshire Innovation Programme

This activity aligns closely with the Northamptonshire Growth Hub which is described in more detail under Priority 2. In essence, this programme will seek to provide a gateway service offering information access and brokerage arrangements to help SMEs access and be aware of R&D opportunities. It will work to support SMEs to define their needs and stimulate demand for R&D including working to incite greater commitment to investment in new product and process development and the provision of facilities to support such R&D transfer to SMEs.

The programme will seek to establish collaborative R&D initiatives between R&D institutions across different LEP areas and businesses developing new products and processes to improve business performance including facilities where necessary and the development of knowledge transfer mechanisms from business to business in order to harness non-HEI research expertise features that would also be a part of this innovation programme.

Specific activities would include:

- Intensive diagnostic support to assist SMEs understand and articulate their innovation potential and requirements including entrepreneurial and leadership capabilities to support this
- Brokerage assistance to help businesses seeking innovation and ICT support to select appropriate providers
- Development of appropriate ‘access to finance’ and grant mechanisms for businesses to access financial support, advice and intelligence from qualified, accredited specialist providers to implement innovation, new processes and products in their operations
- Provision of innovation & ICT facilities and activities aimed at SMEs including development of leadership and management capacity to stimulate demand for innovation, technology and the efficient use of ICT in companies

Strategic and Local Alignment

The activities under this programme have a strategic alignment with all of the priorities within the NEP EU Investment Plan. There is very close synergy with the Growth Hub, and with the Local Impact Fund and Key Sector Skills Programme, detailed under Priorities 3 and 4 respectively. This priority will also align to wider UK and EU initiatives and programmes.
Other Programmes

- UK Innovation and Research Strategy for Growth and Sector Strategies improving the framework conditions for research and innovation to facilitate greater private sector investment in priority sectors and technologies (e.g. Eight Great Technologies)
- TSB supported programmes where structural funds interventions aim to promote innovation and knowledge transfer. NEP will seek to achieve alignment with national priorities and maximise the benefits from collaboration.
- INV-ENT is a local initiative based on support to SMEs which can demonstrate growth potential through innovation
- The current Regional Growth Fund and ERDF programme for the High Performance Technologies sector is due to finish in 2015 but will provide an invaluable foundation for the further development of this sector.

Anticipated Outputs and Results

Priority 1 will contribute towards delivering all of the following ERDF output and result categories and themes:

<table>
<thead>
<tr>
<th>Output Themes</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of enterprises supported &amp; number of new enterprises supported</td>
<td>Businesses actively innovating to bring new products to the market</td>
</tr>
<tr>
<td>Number of jobs created (FTI) &amp; number of enterprises co-operating with research institutions</td>
<td>Increase in SME productivity; increase in SME jobs created; increase in business start-ups; smart specialisation; private sector leverage</td>
</tr>
<tr>
<td>Number of enterprises supported to introduce new products to market &amp; number of enterprises supported to introduce new to the firm products</td>
<td>Support for enterprises in development of ICT products and services including broadband</td>
</tr>
<tr>
<td>Number of additional enterprises accessing ICT products and services</td>
<td>Increase in companies deploying low carbon practices, processes, services or products</td>
</tr>
</tbody>
</table>

Match Funding Considerations

It is anticipated that match funding requirements could be met from a number of sources including the National Single Local Growth Fund, private match and potential match from HEIs. NEP would welcome an opt in offer from the Technology Strategy Board that could help be a catalyst for better co-ordination and potential pooling of ESIF funding.

Delivery Arrangements

Priority 1 aims to develop a pan LEP environment for innovation. NEP will seek to build on the work undertaken with other LEPs with the ultimate aim of increasing both public and private investment in R&D. It aims to stimulate an innovation culture and strengthen the innovation infrastructure. Seizing productivity gains means increasing knowledge and technology transfer from universities, institutes and businesses across a broad geographical area to the county’s business base to improve products and processes.

This will be achieved through working with key partners such as Higher Education Institutes and Further Education Colleges, Research and Technology Organisations and Public Sector Research Establishments, the business community and associated bodies.
Driving SME Competitiveness and Entrepreneurship

The diagram below sets out rationale and expected outcomes for this intervention.

Priority Aims and Objectives

Priority 2 aims to support entrepreneurship, business development and targeted inward investment and funds financial initiatives to help improve competitiveness and growth especially in high value sectors.

There will be two key focuses of work under this priority:

- To develop new high value enterprise under this focus we would support a range of interventions for high value start-ups to establish and grow. The emphasis would be on businesses which will generate GVA for the Northamptonshire economy. To that end priority should be placed on entrepreneurs (including those within key target groups such as women BME communities and people from areas of disadvantage within the county) and business plans which show a reasonable potential to:
  - Employ people (e.g. generate staff base of 5 employees in the first 3 years of operation)
  - Grow turnover (e.g. generate £0.5m of turnover in the first 3 years of operation)
  - Attract customers and trade from outside the county and region (e.g. over half of their turnover is with customers outside the region)
- To provide tailored and highly targeted support to businesses and supply chains, supporting activity to increase their market share, extend their customer base beyond the county (especially internationally) and strengthen their competitive position in the higher value aspects of the following significant sectors:
  - Energy & Environmental Technologies
  - High Performance Technologies: chemicals, automotive and advanced, composites
  - Logistics
  - Food & Drink
  - Digital & Creative
  - Business & Professional Services.

Note: the focus on these target sectors may change over the life of the Programme in line with new agreed local priorities.

Priority 2 will focus on change in the make-up of the Northamptonshire’s business base and aim to ensure the county has more businesses competing in higher value markets. This demands that:

- Existing strengths in high value sectors are developed
- New sustainable market opportunities are capitalised upon
- New high growth businesses are encouraged especially in key high value markets

Rationale

With greater numbers of businesses operating in emerging higher value markets, the Northamptonshire business composition will evolve leading the economy to grow, become more durable in the face of evolving competitive pressures and have greater potential to absorb new opportunities from the innovation & knowledge agenda set out in Priority 1.

Emphasis needs to be placed on sectors which have the strongest likelihood of growing and helping close the GVA gap. The UK and Northamptonshire economy needs to compete in higher value sectors where our skills and cost base give us the strongest competitive edge.

The Northamptonshire economy has been reliant on lower skill activities and has a low level of new business start-ups in growth markets. However, rates of self-employment have increased significantly over recent years - higher than the national average. The area has above average enterprise survival rates over a five-year period and supports a high level of employment in foreign owned businesses and can sustain retention, expansion and future targeted FDI.

Despite these strengths, SMEs within Northamptonshire do not fulfil their growth potential since they fail to overcome barriers relating to access to finance, skills and entrance to new markets (including exports). Access to finance remains a key barrier to growth across numerous dimensions of the economy. Market failures in access to finance are also associated with the finance and investment readiness of those seeking funding. Rural businesses (i.e. land-based businesses) have been difficult to reach via conventional business support services and were let down in the county under the Business Link support programme.

In terms of supporting entrepreneurship, uneven start-up and self-employment rates are evident across Northamptonshire. There are significant disparities across the county and in areas such as Corby, parts of Kettering, Wellingborough and Northampton where there are pockets of disadvantage, self-employment levels are not as high as other areas. Traditionally, people from disadvantaged areas or socially excluded backgrounds have found it more difficult, or have been less willing, to access business support to help them develop their business skills in order to create and/or sustain successful small businesses. Although these groups of people often have the acumen and entrepreneurial spirit to succeed in business, their lack of opportunities and the environment in which they live, can prevent or limit start up and business activities. To have a real impact on increasing the levels of enterprise and nurturing enterprising individuals, activity needs to be focused and targeted at deprived communities and delivered at local, community level.

In addition, areas of low enterprise activity such as Corby are not seen as attractive areas in which to set up high growth businesses (either by local entrepreneurs or by those that need to be attracted to the area if current levels of deprivation are to be reduced). We must overcome a number of barriers that prevent people from accessing the support available and from maximising the potential benefit from their participation. These include:

- Geographical and social isolation
- Lack of confidence and an ability to set goals
- Lack of computer and online skills

Indicative Programme Activities

Three strategic programme activities are proposed under Priority 2:

- Northamptonshire Growth Programme Hub
- Targeted Entrepreneurship Programme
- Finance for Business Programme
Northamptonshire Growth Hub

Since the demise of the Business Link approach in 2011, there has been a strong demand for intensive, co-ordinated and holistic business support within the county. NEP would like to see this executed through a countywide co-ordinated approach to support businesses within the key Northamptonshire sectors providing access to a tailored and co-ordinated package of diagnostic, advisory and coaching and mentoring services to accelerate the creation and growth of sustainable growth ventures.

The Hub will operate as a point for cross referral and act as broker to national support such as TSB Knowledge Transfer Networks, UKTI, BIS sector teams and NESFA and Sector Skills Councils and other local support programmes and services including Manufacturing Advisory Service, Growth Accelerator and UKTI which are to be funded out of the ESF allocation.

Anticipated activities would include:

- Enhanced Growth Accelerator programme that would be tailored to local need
- UKTI support which would include ESF-funded additional business engagement, export tender sessions and export readiness support and a mix of business engagement and outreach activity, early stage export readiness support, sector specialist support, additional events and networking activity, grant funding and a full time International Co-ordinator role
- Enhanced Manufacturing Advisory Service
- Supply-chain development: assisting groups of businesses to understand future market trends, exploit emerging opportunities and implementing sector standards
- Financial support for the Superfast Business initiative in early 2014 to encourage SMEs to take up the opportunities and exploitation for commercialisation of ICT
- Potential grants or loans to either public or private sector partners wanting to create new employment space in new or existing facilities within the county to support the development of high quality sites, growth accommodation
- Networking: supporting collaboration between businesses with mutual interests or complementary expertise
- Human capital investments relevant for the identified targeted sectors especially related to leadership and specialist technical skills focused directly on increases in productivity in SMEs within the targeted sectors through flexible ‘bite-sized’ opportunities

Northamptonshire Enterprise Hubs

Building on what already exists within Northamptonshire, this programme will expand the reach of the Enterprise Hub support to cover the whole county. The offer is the provision of tailored business support (including pre-start-up and start-up programmes) to stimulate the creation of new businesses, including knowledge based businesses.

Activities undertaken through the European programme would aim to tackle barriers to engagement by working in communities to deliver:

- Individual coaching and goal setting sessions. These sessions will help customers to overcome personal barriers, visualise their ambitions and identify the actions they need to take to achieve them
- Group training sessions to encourage ideas development and establish peer to peer networks of support
- ‘Get online’ sessions focusing on tools for business (from HMRC requirements, book-keeping to social media)
- Development of an interactive, online platform to support customers to develop their business ideas and receive tips and feedback to maintain their momentum and motivation

Finance for Business Programme

Under this the Priority, NEP will seek to establish a pan LEP access to finance programme with D2N2, Lincolnshire, Leicestershire and SEMLEP which will support the creation, development and sustainability of SMEs by targeting a well-documented access to finance barrier to unlock growth aspirations and generate sustainable employment.

Support that could be provided as part of the offer could include:

- Finance readiness and business support to create finance ready and sustainable businesses leading to successful start-ups, business growth and sustainable job creation
- Loan finance to viable but un-bankable start-ups and micro-enterprises

Anticipated Outputs and Results

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of enterprises supported; number of new enterprises supported; number of jobs created (FTE)</td>
<td>Businesses actively innovating to bring new products to the market; increase in SME productivity; increase in SME jobs created; increase in business start-ups</td>
</tr>
<tr>
<td>Number of enterprises supported to introduce new to the market products &amp; number of enterprises supported to introduce new to the firm products; number of additional enterprises accessing ICT products and services including broadband</td>
<td>Support for enterprises in development of ICT products and services including broadband; increase in companies deploying low carbon practices, processes, services or products</td>
</tr>
<tr>
<td>Private sector leverage</td>
<td></td>
</tr>
</tbody>
</table>

Strategic Alignment

Programme activity proposed under Priority 2 is closely aligned to Priority 1 in terms of encouraging businesses in high value sectors to be more innovative; to Priority 3 with support to LE balance across all sectors to operate in a more resource efficient manner and to encourage the growth of Social Enterprises; and to Priority 4 through the development of entrepreneurship and self-employment as a route out of worklessness.

This priority will also align to wider UK and EU initiatives such as COSME and programmes in particular:

- EU2020 priorities to take advantage of the digital society, support entrepreneurship, encourage exports and improve access to finance.
- The UK ‘Plan for Growth’ which aims to make the UK the best place in Europe to start, finance and grow a business by addressing barriers to start-up and building growth capability among SMEs more generally.

Match Funding Considerations

There is considerable match from the opt in offers of the Manufacturing Advisory Service, the UKTI offer and Growth Accelerator Programme. Other potential matches will come from National Single Local Growth funding, local partners and the private sector.

Delivery Arrangements

The services would be commissioned either directly or through calls for proposals which will be co-ordinated through the Growth Implementation Board. Working with partners, the GIB will not encourage a process of service and product proliferation. A set of principles will inform delivery which will be:

- Accredited providers working to establish high quality standards of diagnostics and delivery
- Clear and specific eligibility criteria which focuses support on target business
- All business support will comply with European competition and procurement law
Creating the Conditions for Sustainable and Equitable Growth

The diagram below sets out rationale and expected outcomes for this intervention.

Priority Aims and Objectives

At the heart of the Northamptonshire Growth strategy is the concept of creating the conditions for sustainable growth which underpins the other major drivers for growth. The diversity of Northamptonshire’s people, communities and environment is a key economic asset and must be protected.

In growing the Northamptonshire economy, resources need to be invested in the county’s environment, culture and infrastructure to improve quality of life, tackle deprivation, value diversity and social inclusion and recognise the social and environmental implications of economic growth.

Within this priority area there are two key three areas for investment:

- Area 1: move towards a Low Carbon Economy
- Area 2: addressing social and economic inclusion

Area 1 Towards a Low Carbon Economy

Rationale

Northamptonshire has a strong commitment to reducing the greenhouse gas emissions from economic activity. The Stern review of climate change has reinforced the county’s aspirations to decouple environmental degradation and resource consumption from economic growth in order to secure a competitive and dynamic knowledge based economy.

The review points to the positive benefits of strong and early action on climate change both in terms of cost and future environmental outcomes. Evidence shows that ignoring climate change will eventually damage economic growth. Inaction over the coming decades could create risks of major disruption to economic and social activity which will be difficult or impossible to reverse. Tackling climate change is an integral part of any growth strategy and it can be done in a way that does not cap the aspirations for growth.

Specific interventions and project-based activity will encourage behavioural and attitudinal change towards reducing the environmental impacts of economic growth.

Energy security and access to affordable energy is a key concern that has been raised as part of the consultations NEP has had with the private sector companies as part of the ESIF consultation and the idea has been generated by the High Energy User group which is facilitated by NEP. The suitability of premises within the County is a key issue (as identified in the Workspace assessment being undertaken for NEP). Investment in the retrofit of commercial properties as part of a revolving loan fund could also make some of the older buildings in the county more attractive for new tenants as energy usage and costs are reduced.

In terms of Social Housing Retrofit, housing associations and Local Authorities in Northamptonshire have a strong track record in boosting growth, creating jobs and attracting investment into local neighbourhoods. They own, manage and maintain 25,683 homes across Northamptonshire, directly employing 1,115 people with many more jobs supported in their wider supply chains. They have an estimated annual turnover of £98.6m with maintenance programmes supporting 1,917 jobs and adding an additional £83.2m every year to the East Midlands economy. They are developing 1,131 new affordable homes across Northamptonshire in 2011-15, adding over £78.1m to the regional economy and supporting around 1,827 jobs.

Housing associations have a significant role in supporting local businesses and often operate in areas where some level of market failure has occurred. Working with housing associations to deliver a programme based on the green retrofit of social housing will enable NEP to deliver skills and training opportunities to those furthest from the labour market and living in some of the most deprived neighbourhoods in Northamptonshire.

In order to create local jobs, address fuel poverty, reduce carbon emissions and improve the quality of life, housing associations stand ready to invest both in their existing stock and to increase the provision of affordable homes in Northamptonshire.

Indicative Programme Activities

- Social Housing Retrofit programme
- Low Carbon and Energy Revolving Fund

Social Housing Retrofit

The proposed Social Housing Financial Instrument jointly developed by the European Investment Bank (EIB) and the National Housing Federation (NHF) aims to create a strong local market for energy improvement works. This will enable local companies – in particular SMEs – to invest in skills and apprenticeships, delivering against a secure pipeline of projects coming forward. This market-led approach to stimulate demand using loan finance is more sustainable as it avoids public sector grant dependency and strengthens the local economy by creating employment opportunities at all levels of the value chain.

The financial instrument is designed to:

- Improve existing homes and build new sustainable homes
- Tackle the economic, environmental, climate and social challenges affecting neighbourhoods
- Provide local employment, training and apprenticeships (ESF) integrated into capital investment projects, e.g. new construction/retrofit (ERDF)

The growth outcomes that could be achieved align well with the LEPs overall strategic priorities. Opting in to the Social Housing Financial Instrument would enable NEP to deliver maximum benefits from European funding whilst supporting key aims and sectors in the NEP growth plan. The requirement of a minimum of £10 million pipeline from each LEP is significant from the NEP allocation. NEP therefore is intent on pooling its resources with SEMLEP.

In addition, the investment could be geared to deliver:

- Innovation in green/low carbon economy (economic and environmental/sustainability benefit)
- Increased productivity, particularly in the SMEs (economic benefit)
- Increase in apprenticeships and skilled youth employment (socio-economic benefit)
- Improved energy efficiency (environmental/sustainability benefit)
- Reduced fuel poverty (social benefit/reduction in inequality)
- More household expenditure diverted away from fuel bills (economic benefit)
- Reduction in inequality (equality EU cross-cutting theme)
At this stage, NEP would express an interest in pursuing this financial instrument with other LEPs and subject to there being further evidence of sufficient appetite and demand within the county for this to be considered a worthwhile and viable investment and approach.

Low Carbon and Energy Revolving Fund

Based on a model similar to the Growing Places initiative, this activity looks to support the establishment a revolving fund for retro-fits for environmental benefits for commercial space. These modifications would help companies lower energy consumption and carbon usage. Consultation with the private sector has indicated that SMEs are finding it increasingly difficult to obtain upfront funding for modifications that save energy – even though some can payback in 1 – 2 years.

This would be a revolving fund where companies could apply for funds for these modifications and repayments generated by the savings made through the introduction of these technologies. Other modifications could include – solar, water reduction measures, reduction in gas consumption through magnets, insulation, reflecting roof, using water sources to cool etc. There could also be the potential to send energy back onto the grid or to share with other companies on same industrial estate.

Anticipated Outputs and Results

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of enterprises supported &amp; number of new enterprises supported</td>
<td>Businesses actively innovating to bring new products to the market (low carbon/green technologies)</td>
</tr>
<tr>
<td>Number of jobs created (FTE)</td>
<td>Increase in SME productivity; increase in SME jobs created; increase in business start-ups (low carbon)</td>
</tr>
<tr>
<td>Number of enterprises supported to introduce new to the market products &amp; number of enterprises supported to introduce new to the firm products</td>
<td>Increase in companies deploying low carbon practises, processes, services or products</td>
</tr>
<tr>
<td>Estimated annual decrease of Greenhouse Gases (GHG) (tonnes of CO2 equiv.)</td>
<td>Improved energy efficiency (environmental/sustainability benefit)</td>
</tr>
<tr>
<td>Leverage of additional finance achieved</td>
<td>Reduced fuel poverty (social benefit / reduction in inequality)</td>
</tr>
<tr>
<td>Housing units upgraded</td>
<td>More household expenditure diverted away from fuel bills (economic benefit)</td>
</tr>
<tr>
<td>New homes built</td>
<td>Reduction in inequality</td>
</tr>
</tbody>
</table>

Strategic Alignment

The activities proposed under this priority will be closely aligned to those proposed under Priority 1 in order to accelerate the development, innovation, adoption and deployment of low carbon technologies and related supply chains/infrastructure; to Priority 2, to improve the competitiveness of SMEs and to Priority 4, for example, skills/employment for retrofitting and low carbon heating, encouraging transferability of skills across sectors (e.g. motorsport and renewable technologies), sustainable land management skills, support for those without jobs and labour market entrants to gain accredited low carbon skills/employment.

This priority will help EU and UK carbon reduction targets e.g. EU targets in the area of low carbon are (by 2020), reducing GHG emissions by 20%. The UK Government has set out a comprehensive suite of policies to achieve the above targets e.g. Climate Change Act, Carbon Plan.

Match Funding Considerations

If the Social Housing Retrofit F1 should proceed, match could be provided from the European Investment Bank and housing associations. Match for the revolving fund for SMEs would be expected to come from the private sector and NEP would look to allocate some of the repay capital from the current Growing Places initiative.

Delivery

The services would be commissioned and will be co-ordinated through the Growth Implementation Board, working with partners. The GIB will not encourage a process of service and product proliferation. A set of principles will inform delivery which will be:

- Accredited providers working to established and high quality standards of diagnostics and delivery
- Clear and specific eligibility criteria which focuses support on target business
groups
- All business support will comply with European competition and procurement law

Area 2 Addressing Social and Economic Inclusion

Rationale

A key aspect of the challenge which faces Northamptonshire is the key areas in which there is a combination of high worklessness with other aspects of deprivation which affect communities including poor housing and access to services, health inequalities and high crime levels.

Part of the solution to the problems faced by these communities is the encouragement of employment creation and enterprise development. This needs to be part of a targeted and holistic approach to securing sustainable communities.

The county is committed to investing in alternative models that can be targeted to support some of the most socially excluded groups. It also wishes to capitalise upon and exploit the opportunity of having one of the first change maker universities in the UK by looking to invest in a Local Impact Fund.

There is growing interest in the spinning out of public services into social enterprises, mutuals and co-operatives. Spin-outs are seen as providing greater stakeholder buy-in to services through increased staff involvement in the decision-making process, greater engagement and commitment to quality service delivery, increased staff morale and lower staff turnover and sickness levels (Cabinet Office, 2011; Social Enterprise Coalition, 2011). Research has also suggested that spinning out leads to faster organisational decision-making processes (Addicott, 2011; Hall et al., 2012b; Alcock et al., 2012) and can also produce bottom-up innovation and creativity from the staff working within the spin-out (City Care Partnership, cited in Social Enterprise Coalition, 2011: 2).

Community Led Local Development under the structural funds programmes can involve a significant degree of bureaucracy. NEP however, is interested in exploring further with DEFRA and partners the opportunity to “ring fence” an element of the RDF and ESF and the relevant areas of EAFRD funding element of the NEP allocation to add value to the LEADER programme in the north of the county. North Northamptonshire Rural Action Partnership covers an area of 868 sq km incorporating the rural areas of East Northamptonshire, Kettering, Corby and Wellingborough, representing a population of 141,996; it has a strong track record in making sound investment decisions to enable economic growth. Over the last 4 years NNRAP has invested £1.3 million and leveraged in a similar amount. NEP recognises that the LEADER programme will be subject to competitive processes in order to secure EAFRD allocation for LEADER delivery: We do however, believe that some of the aspirations contained within the Rural Growth Network submission to Government in February 2012 could be delivered through a ring fenced allocation.

The North Northamptonshire LAG has been established since 2009 and aims to:

- Increase opportunities for “green” tourism and leisure activities in rural North Northamptonshire
- Help local land based businesses (e.g. farmers and foresters) to diversify into new activities and markets, particularly those that take account of energy efficiency and the “carbon footprint”
Co-design of the commissioning framework with the Big Lottery and other Community Led Local Development Local Impact Fund

The LIF will offer support for investment readiness to support social enterprises and the local economy. There will be a grant and loan mix on offer through the LIF.

The objectives for the fund are:

- Maximise economic impact by investing in social enterprises that are capable of creating/safeguarding jobs
- Maximise social impact by making investments in good quality organisations that aim to achieve a positive and profound change in their communities
- Sustainability for the fund with the aim of ensuring that we can continue to make new good quality investments in organisations that deliver economic and social impact

Community Led Local Development

Alignment with any future Local Development Strategy of the Local Action Group would be critical and it is important to ensure that there is no potential overlap with activities that are capable of being funded through any potential LEADER allocation. The minimum level of investment in any LAG in the future is expected to be a £1 million. There is a real opportunity for economic growth through the Destination River Nene initiative and there is a need to ensure that the appropriate infrastructure is in place to support the future economic potential of the area.

These include capitalising on the changes in the planning system to help convert existing buildings to better meet with the changing nature of the rural economy and to support the development of entrepreneurialism amongst women within this rural area of the county, as well as traineeships and apprenticeship support within the tourism industry and amongst farms that are undertaking diversification. Also, ensuring access to employment through overcoming barriers to employment within the rural area such as transport add to the nature of activities that would be supported through additional funding to the LIF if it is successful.

Anticipated Outputs and Results

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of social enterprises supported &amp; number of new social enterprises supported</td>
<td>Businesses actively innovating to bring new products to the market</td>
</tr>
<tr>
<td>Number of jobs created (FTE) &amp; number of enterprises co-operating with research institutions</td>
<td>Increase in SME productivity; increase in SME jobs created; increase in business start-ups; smart specialisation; private sector leverage</td>
</tr>
<tr>
<td>Number of enterprises supported to introduce new to the market products &amp; number of enterprises supported to introduce new to the firm products</td>
<td>Support for enterprises in development of ICT products and services including broadband</td>
</tr>
<tr>
<td>Number of participants</td>
<td>Number in jobs</td>
</tr>
<tr>
<td>Number of unemployed</td>
<td>Number in active job search</td>
</tr>
<tr>
<td>Number of inactive</td>
<td>Number in education/training</td>
</tr>
<tr>
<td>Number of employed</td>
<td>Number gaining qualifications</td>
</tr>
<tr>
<td>Number aged 15-24</td>
<td></td>
</tr>
</tbody>
</table>
Priority 4 aims to support more people into employment, especially disadvantaged groups and the economically inactive as well as improving the skills of potential and current workers to improve individual progression and business competitiveness. This focus is reflected in two key priority areas:

- Developing a skilled and adaptable workforce
- Extending employment opportunities

The majority of activities funded under this priority area will be ESF provision that helps to develop a skilled and adaptable workforce in Northamptonshire especially amongst the target sectors: that helps unemployed people re-enter the labour market; that supports individuals with low skills in employment; that engages with the hardest to reach individuals.

ESF will support young people aged 15-19 who are not in education, employment or training (NEET) and those at risk of becoming so. They will likely be those who face multiple barriers to their participation and need a different type of offer or post-provision support to engage them in learning and keep them engaged.

Developing a Skilled and Adaptable Workforce.

Rationale

National, regional and local skills analyses show that there are a range of skills issues in all of Northamptonshire’s priority sectors (see Annex). These include leadership and management, technical, employability and basic skills. In addition, there are concerns within priority sectors over the image of the industry being portrayed to young people with forecasted problems of replacement demand and a lack of employer investment in skills.

Northamptonshire is losing its competitive edge by not investing in skills at the intermediate, technical and higher levels. It provides a constraint to growth of existing businesses but also means that employers and employees are not keeping up-to-date with technological issues and developments. This issue has been well-documented by several research papers including the Northampton Waterside Enterprise Zone skills strategy, the development of the Northamptonshire Apprenticeship plan and emerging Skills strategy.

The UKCES survey of 2011 demonstrated that of the 1,179 businesses surveyed about 5% have a skills shortage vacancy, if this is representative of businesses in Northants this would mean a total of 195 new potential skills shortage vacancies that need to be addressed through apprenticeships and other skills-related activities.

Youth unemployment is relatively high within the County in areas such as Corby, Kettering and Northampton and Wellingborough; the only areas within the County that have below England average rate are South Northamptonshire and Daventry. Locally, individuals are not fully aware of the diversity of jobs available in different sectors of the local labour market. This leads them to develop aspirations that are neither determined by their ability nor based on a comprehensive understanding of the types of jobs available in the county.

The quality of potential apprentice candidates, in terms of work readiness and interview/ presentation skills, need addressing as well as a robust feedback system to unsuccessful candidates to support them in their work on future applications. Half of the companies surveyed with a current apprenticeship programme have said they would take on additional apprentices if they could find more suitable candidates.

Indicative Programme Activities

- Key Sector Skills Programme
- Youth Support Programme

Key Sector Skills Programme

Northamptonshire has a number of priority sectors which have identified specific (such as mechanical engineers and electricians) and generic skills issues (e.g. leadership and management skills):

- High Performance Engineering (HPT)
- Logistics
- Food and Drink
- Health and Social Care
- Construction – linked to new industrial and housing developments
- Low carbon technologies
- Creative and Cultural industries

Support offered under this programme will include:

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

Youth Support Programme

ESF will support young people aged 15-19 who are not in education, employment or training (NEET) and those at risk of becoming so. They will likely be those who face multiple barriers to their participation and need a different type of offer of post-provision support to engage them in learning and keep them engaged. Young people up to the age of 24 would also be eligible for support under this programme. The key areas of support include:

Creating a young, skilled workforce to strengthen and sustain local economies

NEP is a private sector led organisation that wishes to work with employers to design and deliver tailored solutions to meet identified market failures, skills requirements and support young people into jobs traineeships and apprenticeships through networks of key sector employers. NEP will build upon the current Job brokerage initiative using a wide range of intermediaries and initiatives such as sector based work academies to meet local needs and match the unemployed to real sustainable job opportunities within the county.

Based on 5091 companies registered by Companies House

BDRC Continental’s Apprenticeship Survey 2013
Growing the local economy through enterprise

An enterprise programme tailored for young people which offers a package of business support services that links with the Northamptonshire United approach to including growth and sustainability support such as business mentoring, growth coaching and access to finance

Linkages with schools

The key growth sectors for Northamptonshire are not necessarily careers of choice and more needs to be done to attract younger people to the sectors including addressing career pathways where legal requirements prohibit engaging younger people in particular sectors and roles.

More advanced and higher apprenticeships are needed to address the imbalance of skills levels, particularly in engineering with 860,000 employees needed at level 4 and 690,000 at level 3 in the next 10 years. In 2011/12, 69% of apprenticeship registrations in Northamptonshire were at intermediate level, 10% at advanced level and only 1% of registrations, higher apprenticeships. In order to meet government ambitions of a shift to a 40:40:40 ratio and meet business demands for higher level skills these ratios need to be challenged and addressed as part of this plan.

This is especially true within the Logistics sector. Healthcare and High Performance Technologies sector. This programme should therefore ensure there is activity that promotes career opportunities to young people, facilitating raising aspirations and understanding of future skills needs. This could also include enhancing education and business linkages in schools/colleges.

Extending Employment Opportunities

Rationale

In August 2013, Northamptonshire’s claimant rate stood at 3.2%. Countywide this is the lowest figure since December 2011. Youth unemployment, though higher, stands at 6.3% compared with England at 5.9%. There is significant variation in the claimant rate between districts with Corby at 10.3% for youth unemployment and youth unemployment rate of South Northamptonshire at 3.2%.

Unfortunately, across the county the numbers of those claiming for more than 12 months are more likely to be increasing (the exceptions being in Corby and South Northamptonshire where some progress is being made with these long-term claimants). In Wellingborough, the numbers claiming for more than 12 months have increased by 18.6% (105 people). Although lower actual numbers, Daventry’s long-term claimants have increased by 38.2% year on year (65 people). Both Wellingborough and Daventry have remained at their current long-term claimant rates (1.4% and 0.5% respectively) since January this year. (see Annex - District Economic Profiles).

In November 2012, there were almost 15,000 unfilled job centre vacancies. Most Jobcentre Plus vacancies are in lower skilled occupations.

Parts of the county face significant constraints relating to employment and transport. This is especially true of the most peripheral parts of the county. Significant barriers exist which are preventing people from accessing new job opportunities both in peripheral areas and also parts of the county that are located close to buoyant areas of employment growth.

This action of the NEP EU Investment Plan recognises the disparities in economic activity and employment rates spatially and links activities to stimulate the growth of the economic base with disadvantaged communities. If the creation of employment opportunities in these areas is to have an impact on local communities, there is a need for proactive job brokerage and related support to help people gain and retain work.

A number of areas within the county such as Northampton and South Northamptonshire have performed strongly in recent years and now have relatively strong economies with good prospects for growth. However, despite strong employment growth, these areas are often in close proximity to, or include, communities which continue to experience high worklessness and difficulties in accessing the opportunities being created.

Extensive skill deficiencies exist which are preventing people from accessing new job opportunities both in peripheral parts of the county and disadvantaged communities which are located in close proximity to areas of strong employment growth.

Other areas within the county have particular opportunities on which to build including the development of a critical mass of businesses often linked to specific assets or existing sector concentrations.

In deprived areas (including those in rural areas) the barriers are more cultural and psychological. There are particular issues over the mindset of people in areas where worklessness is of high levels and in households with intergenerational worklessness.

Indicative Programme Activities

- Access to Employment Programme
- Northamptonshire Return to Work

Access to Employment Programme

Activities under this programme will assist those who are economically inactive to access employment opportunities and link areas of regeneration need to economic opportunities, both in peripheral parts of the county and disadvantaged communities which are located in close proximity to areas of strong employment growth.

A particular emphasis will be placed on integration with initiatives and activity to ensure that economic benefits and employment opportunities are deployed to reduce economic and social disparities in deprived areas. Linkages to Return to Work programme will need to be especially strong as this will deliver employment access, advice, guidance, and training related activities at Basic Skills, Level 1 and 2.

The focus of activities under this programme will be on:

- Local employment agreements and employment and recruitment practices that maximise employment benefits from planned developments (during construction and at completed development) and existing major firms and which challenge employers’ attitudes and promote good practice in the recruitment of excluded groups
- Outreach provision to help excluded groups access employment opportunities and business support and develop enterprise skills generated throughout other activities in the NEP EU Investment Plan
- To create opportunities through tourism projects through EAFRD intervention in the rural areas of Northamptonshire
- Low-carbon local transport schemes tailored to individuals and linking people in disadvantaged areas to jobs using existing infrastructure and encouraging walking and cycling. This would include promotional activities to encourage higher use of public transport, personal travel plans, support for public transport provision which is better aligned to where people live and when they need it
- Tackling barriers to work in a holistic and integrated way including through supporting early action before problems become entrenched, outreach activities and access to locally provided services. This may include addressing issues such as caring responsibilities, debt and money management, digital inclusion, reducing drug and alcohol dependency, educational attainment (particularly lack of basic literacy and numeracy and English for speakers of other languages skills), family, parenting and relationship intervention, access to flexible and affordable childcare, health problems (including mental health), homelessness, learning difficulties and disabilities, life skills, offending and access to transport
- Community grants up to £12,000 which enable small voluntary and community organisations to reach out to some of the most disadvantaged and excluded people. The grants have a local focus and seek to move people closer to the labour market. They support a wide range of activities including:
  - initial help with basic skills
  - taster work experience including voluntary work
  - training, advice and counselling
  - confidence building
Northamptonshire Return to Work

The programme will fund projects that deliver a range of activities for workless individuals to help them access the labour market. NEP will work with the Department for Work and Pensions to identify how this support is best targeted and will not be overly prescriptive about the precise nature of the activities to be delivered but support is expected to include:

- Active and preventative measures for workless people that ensure early identification of needs with individual action plans and personalised support
- Basic skills, ICT skills, English for speakers of other languages, life skills and sector specific vocational training for employability (both prior to and after entering jobs) where appropriate. Providers will be expected to demonstrate links to activities delivered under the Key Sector Skills Programme. In addition, basic skills and ESOL provision should take into account existing provision
- Job search help, advice and guidance
- Work experience placements
- Activities to help unemployed and economically inactive disabled people and people with health conditions to enter and remain in work
- Innovative programmes for marginalised groups including ex-offenders, lone parents
- Troubled families initiatives
- Activities to prolong working lives by re-engaging inactive older workers

A small amount of funding will be allocated to support employees with low level or no basic skills qualifications to progress towards Level 2 qualifications. The funding will ensure that employees lacking basic skills achieve Level 1 standards to increase their progression opportunities within the workplace. Provision will be designed in consultation with employers to ensure that it meets their needs.

Anticipated Outputs and Results

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participants</td>
<td>Number in jobs</td>
</tr>
<tr>
<td>Number of unemployed</td>
<td>Number in active job search</td>
</tr>
<tr>
<td>Number of inactive</td>
<td>Number in education/training</td>
</tr>
<tr>
<td>Number of employed</td>
<td>Number gaining qualifications</td>
</tr>
<tr>
<td>Number aged 15-24</td>
<td></td>
</tr>
<tr>
<td>Number of apprentices in growth sectors</td>
<td></td>
</tr>
</tbody>
</table>

Strategic Alignment

In conjunction with Priority 1, 2 and 3, this priority will also provide skills and training support to SMEs and social enterprises.

This priority will also align to wider UK and EU initiatives and programmes in particular:

- The Skills for Sustainable Growth strategy identifies that investing in training has many economic and social benefits to employers and individuals especially people with low skills. However, there are many reasons why employers and individuals may choose not to invest in learning and skills
- Supporting Youth Employment commits to ensuring that young people have the opportunity to engage in the labour market in order to advance their career prospects
- The Holt Review ‘Making Apprenticeships More Accessible to Small and Medium-sized Enterprises’ recommended creating an environment in which SMEs can develop their own training.

There is also a desire to see the evolving Northamptonshire Apprenticeship plan and the Northampton Waterside Enterprise Zone skills action plan supported via this Priority.

Match Funding

This will come predominately from the Skills Funding Agency and Department for Work and Pensions. Other potential match may come from the private sector in relation to skills development and local authority partners in terms of the employability programmes. The Youth Support Programme could potentially attract match from the opt in offer form the Princes Trust.

Delivery Arrangement

The activity would be commissioned and will be co-ordinated through the Growth Implementation Board, working with partners. The GIB will not encourage a process of service and product proliferation. A set of principles will inform delivery which will be:

- Accredited providers working to established and high quality standards of diagnostics and delivery
- Co-design of the commissioning framework with the Skills Funding Agency and Department for Work and Pensions
Section 4: Crosscutting Themes

This section sets out the objectives and the approach for ensuring that the commitment to the two themes, Environmental Sustainability and Equality, is mainstreamed across all aspects of the Programme.

The purpose of Cross Cutting Themes: equality and anti-discrimination (CCT) is to guarantee that environmental sustainability and equality reinforce and comply with all investments funded through the programme. NEP will adhere to measures that manage and reduce impacts from climate risk and future proof developments, pursue environmentally sustainable procurement and commissioning and create new green and blue infrastructure to protect and enhance ecosystem services/natural capital. The completed strategy that will be submitted in January 2014 will offer further information on how CET will be elaborated within the Programme. Our future programme will draw on current best practice from within the 2007-2013 East Midlands Objective 2 Programme namely:

Environmental Sustainability

Environmental Sustainability is one of the three pillars of Sustainable Development. The inclusion of an environmental sustainability cross cutting theme means that whilst achieving their social and economic goals, the Programme and individual projects should aim to minimise their environmental impact and, where possible, enhance environmental benefits. The nature, extent and quality of the environment within the East Midlands is contained in the Strategic Environmental Assessment (SEA) and has informed the SWOT. The strategic approach to the environmental sustainability theme is to ensure efficient use of natural resources, energy and transport; minimise waste and pollution; improve the built environment; and protect the natural environment to improve local economies and business competitiveness. This will be achieved both by funding specific activities under the main priorities and by raising awareness of, promoting and developing environmental sustainability approaches in project design and delivery. The effective integration of environmental sustainability into the Programme can help deliver a more competitive, dynamic and innovative regional economy by embracing and responding to the economic opportunities.

Our environmental objectives have been shaped via the Northamptonshire Local Nature Partnership (LNP) which aims to drive positive change in Northamptonshire’s natural environment, taking a strategic view of the challenges and opportunities involved and identifying ways to manage it as a system for the benefit of nature, people and the economy. The LNP brings a robust strategic view to Northamptonshire’s natural environment and works with the Chief Planning Officers Group, the Northamptonshire Leadership Group and the Local Enterprise Partnership. The LNP is responsible for delivering the County’s Transformational Programme: Towards a Naturally Resilient Northamptonshire through the following seven objectives:

The programme will again draw on best practice from the 2007-2013 East Midlands Objective 2 Programme and with the completed strategy providing further information when submitted in January.

At a European level, equality tends to focus on gender equality. The UK Government takes a wider interpretation of equality, encompassing race, disability, age, sexual orientation and religion/belief. Current UK legislation will ensure that under the NEP/EU Investment Plan these underrepresented groups are not discriminated against and the programme will ensure that positive steps are taken to gain their active involvement. Applicants and programme managers will be expected to demonstrate and promote the principles of equality, diversity and inclusion in their applications, services, activities and management and recruitment policies.

Objective

The diverse population that makes up the county presents significant opportunities for businesses to engage with a range of potential entrepreneurs and employees to expand their market presence. However, as the SWOT identifies, many people experience barriers to social and economic inclusion. The strategic approach to the equality theme is to ensure equal access to opportunity regardless of race, gender, disability, age, sexual orientation or faith. This will be achieved by funding specific activities targeted at underrepresented groups and through continuing, and building on, best practice from the previous Structural Funds Programmes on integrating equal opportunity considerations in project design and delivery.

The principal objective of the equality cross cutting theme is:

To reduce economic and social inequalities by ensuring that opportunities generated by the programme are available to everyone.

A number of operational objectives/actions have been set which put equality into practice:

- To support under-represented groups to access employment opportunities generated by the programme
- To increase the number of people in under-represented groups accessing employment in higher skilled occupations and sectors where they are currently under-represented
- To ensure that business support is responsive to the needs of all communities and under-represented groups
- To increase the participation of people from under-represented groups in the management and implementation structures of the programme. It is important that partnerships, selection panels and other administrative groups are representative at all levels and positive steps are taken to gain the active involvement of under-represented groups.

Social Innovation

Social innovation is the process of finding and implementing new ways to tackle major problems that affect society as a whole or specific groups. It draws on the determination and knowledge of local communities, of ‘not-for-profits’, or of social entrepreneurs, alongside businesses, individuals and researchers. It seeks to deliver better social outcomes by drawing on their collective resources of time, skills, networks and relationships, often using new technologies, to build scale and spread change.

European Regulations require that social innovation is promoted across the European Social Fund. Social innovation can also be supported on an optional basis with the European Regional Development Fund under the Thematic Objectives of Research, Development & Innovation and SME Competitiveness.

Northamptonshire is about to embark on a Local Impact Fund (LIF) and investment is proposed from both ESF and ERDF. The LIF will provide an opportunity for active leadership and involvement of groups of local people at all stages of the life cycle of a project. The proposed fund will invest in social enterprises to enable them to develop and expand trading activities so that they can become strong, sustainable businesses making a major contribution to their community by reinvesting profits or surpluses made into the organisation or community to further their social and economic aims.

The investments the fund makes will help investees achieve financial sustainability for themselves: this means that they can boost the local economy and community through increased economic activity and by delivering services of benefit to the community.
Crosscutting Themes Best Practice

The 2007-2013 Structural Funds Programmes strongly evidenced mainstreamed crosscutting themes. The following provides a summary of best practice in the current programme linked to environmental sustainability and equality:

iCon Centre

The iCon is a new landmark for the town of Daventry and a beacon for the low carbon economy in the UK and beyond. The award-winning building includes over 55 offices for small businesses in the emerging market of sustainable construction, together with conference facilities, support and advice. The £8.5 million scheme has been designed to achieve an ‘excellent’ rating from BREEAM, a worldwide environmental assessment method. As well as playing home to a diverse range of innovative, green businesses, the iCon is a leading example of energy-efficiency and sustainability in its own right. The iCon is a recognised exemplar of progressive design and energy efficiency. The building has been the recipient of two design awards, having won a 2010 Green Apple Award for the Built Environment and a 2009 Milton Keynes-South Midlands Excellence Award.

Design features:
- A ‘fabric first’ energy efficient building, designed for stunning CO2 emissions of only 15kg/m²/year
- Low carbon design features including a natural ventilation system, exhaust air heat pumps and phase change materials in the ceiling
- A central ‘street’ with an inflatable roof – supporting natural temperature regulation of the building

Corby Enterprise Centre

The Corby Enterprise Centre (CEC) was officially opened on Friday 24th June 2011. The new purpose built Enterprise Centre has been designed to provide ideal accommodation for entrepreneurs and start-ups to realise their business ambitions as well as giving existing businesses access to flexible office and workshop space to allow them to grow. With different sized offices and studios suitable for between 2 and 25 people, the Enterprise Centre is destined to be a lively new focus for business activity in the area. In addition to 24/7 access, free car parking and high speed communications, the Enterprise Centre will provide tenants with unique on-site support including access to a network of business development experts from a wide range of industries. As well as high class business accommodation the centre boasts top quality meeting and training space for up to 40 people which is available for hire to all businesses around the region.

The CEC received over £1.1m from the European Regional Development Fund (ERDF). The remainder of the £8.3m was funded by the East Midlands Development Agency (EMDA) £6.5m, Northamptonshire Enterprise Partnership (NEP) and Northamptonshire County Council £1m and Corby Borough Council £700k. Having secured funding and a site, North Northants Development Company (NNDC) worked with funding partners and the developers, Bela Partnership, to deliver the project.

Section 5: Financial Allocations and Summary of Outputs

The following section sets out the estimated outputs and results that will be delivered by the NEP EU Investment Plan over the 2014-20 period.

ERDF outputs and results

The table below summarises the estimated ERDF outputs and results:

<table>
<thead>
<tr>
<th>Target outputs for 2014-20</th>
<th>Estimated ERDF outputs to be delivered by the Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of enterprises supported</td>
<td>1220</td>
</tr>
<tr>
<td>No. of new enterprises supported</td>
<td>310</td>
</tr>
<tr>
<td>No. jobs created (FTE)</td>
<td>1750</td>
</tr>
<tr>
<td>No. enterprises co-operating with research institutions</td>
<td>280</td>
</tr>
<tr>
<td>No. enterprises supported to introduce new to the market products</td>
<td>40</td>
</tr>
<tr>
<td>No. enterprises supported to introduce new to the firm products</td>
<td>189</td>
</tr>
<tr>
<td>No. additional enterprises accessing ICT products and services including broadband</td>
<td>70</td>
</tr>
<tr>
<td>Private investment matching public sector support to enterprises (£)</td>
<td>4,970,000</td>
</tr>
<tr>
<td>Estimated annual decrease of greenhouse gases (GHGs) (Tones of CO2 equiv)</td>
<td>TBC</td>
</tr>
<tr>
<td>No. of companies supported with business resource efficiency site development, including green infrastructure (ha)</td>
<td>30</td>
</tr>
<tr>
<td>Infrastructure site development including green infrastructure (GI) (Ha)</td>
<td>TBC</td>
</tr>
</tbody>
</table>

The NEP EU Investment Plan will contribute towards delivering all of the following ERDF results:
- businesses actively innovating to bring new products to the market;
- increase in SME productivity;
- Increase in SME jobs created;
- increase in business start-ups;
- increase in the energy efficiency of companies, buildings and transport;
- smart specialisation;
- support for enterprises in development of ICT products and services including broadband;
- increase in companies deploying low carbon practises, processes, services or products;
- improving the economic viability of areas through infrastructure, investments including GI.
ESF outputs and results
The estimated ESF outputs and results are summarised below

<table>
<thead>
<tr>
<th>Target outputs for 2014-20</th>
<th>Estimated ESF outputs to be delivered by the Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of participants</td>
<td>16,496</td>
</tr>
<tr>
<td>No. of unemployed (including long-term unemployed) participants</td>
<td>4327</td>
</tr>
<tr>
<td>No. of inactive participants</td>
<td>3785</td>
</tr>
<tr>
<td>No. of employed (including self-employed) participants</td>
<td>5742</td>
</tr>
<tr>
<td>No. of participants aged 15 – 24</td>
<td>1785</td>
</tr>
</tbody>
</table>

The following ESF results will be delivered
- inactive participants newly engaged in job searching upon leaving
- participants in education/training upon leaving
- participants gaining a qualification upon leaving
- participants in employment upon leaving; and
- participants engaging in positive activities that address barriers to work

EAFRD outputs will be agreed upon an allocation being awarded to the Northamptonshire LEP.

Value for money
The forecast outputs have been estimated by reference to past and current programme and the experience of Northamptonshire Enterprise Partnership in relation to project unit cost, East Midlands Competitiveness and Employment Programmes 2007-13. The output values are reflective of the ESIF funding only and do not represent the value of the whole programme value ie with match. The outputs also are reflective of the different levels of interventions for enterprises supported.

NEP believes that these outputs represent value for money and these outputs are indicative of the current programmes and associated intervention. These outputs represent the minimum level anticipated but the he aim will be to deliver greater outputs (and results) than forecast through efficient and effective delivery of the ESIF projects.

Technical Assistance
The use of Technical Assistance within the next programme period will be vital to ensure the effective use of and widespread engagement of all partners in the implementation of the ESIF funding for 2014-2020. NEP understands would like to be able to access the TA funding to help manage the effectiveness of the programme and the local level and to ensure that the promotion of ESIF funding within the county is widespread across the LEP area. NEP would also wish to support a third sector technical bid application to raise the awareness, capacity and capability of the third sector to engage with the Northamptonshire EU investment plan.
Section 6: Co-ordination

This section explains how the NEP EU Investment Plan will complement the activities supported under the EAFRD element of Cohesion Fund as well as links to other funding programmes e.g. Horizon 2020 and Interreg and local initiatives.

EAFRD

EAFRD funding is yet to be determined as an allocation that will be awarded to LEPs that demonstrate a desire to use EAFRD to fund the measures that have an alignment with their emerging EU strategies.

NEP has been engaged for a long time in the LEADER approach in the north of the county and as a result there is a recognition that EAFRD funding cannot tackle all of the issues within the rural areas. This will include support for business development, support for disadvantaged rural communities, in particular in terms of addressing worklessness, and access to employment opportunities. It is not enough, therefore, to simply assume that rural needs can be addressed through the RDPE Programme. The clearest potential for overlap between ERDF and EAFRD is Axis 3 of the Rural Development Programme for England (as is currently) given its emphasis on rural enterprise, accessibility to work and skills. Support for rural enterprise creation and development of micro-enterprises has a high potential for overlap with Priority 2 of this strategy. In terms of developing New Enterprise, ERDF will not directly support agricultural and forestry activities. This largely removes any potential for overlap with Axis 1 and Axis 2 (as support under Axis 2 is focussed on farmers and forestry and environmental activity).

Ensuring Complementarity with other European Programmes

In many areas, more than one EU instrument will provide resources to support the achievement of Europe 2020 objectives in the NEP EU Investment Plan. We will seek to exploit the EU sector programmes such as Horizon 2020 in the area of research and innovation, the Erasmus+ programme in the field of education and training, the Competitiveness of Enterprises and Small and Medium Enterprises (COSME) programme in the area of enterprise promotion and the LIFE+ programme in the domain of environment and climate action. In these policy areas, we will identify and exploit complementarities between different Union instruments at European, national and local level, both in the phase of planning and during implementation.

Our roadmap to achieving this will be the definition of a coherent policy mix and action plan for exploiting these programmes. We will ensure that no duplication exists which might reduce the impact of the NEP EU Investment Plan. In addition, during the implementation of interventions, potential beneficiaries will provide details of any other financial support received or sought as part of application procedures. Addressing barriers to accessing these programmes will be achieved through provision of a dissemination strategy and technical advice by NEP on the synergies between the mainstream and sector programmes, the processes for applying, including bid assistance, and finding European partners.

Horizon 2020

We will seek to use Horizon 2020 funding to promote research priorities that hold a strong innovation potential and which support all forms of innovation including social innovation, promoting SMEs and their efforts on market access, commercialisation of research results and IPR management and opening up new paths to risk finance (debt and equity platforms).

Horizon 2020 will be aligned to Priority 1: innovation and sustainable business practice, by seeking to support the aim of creating a region-wide environment for innovation, building on the work undertaken with other LEPs, increasing both public and private investment in R&D. Some specific actions will be as follows: bridging the gap between research and the market by, for example, helping innovative enterprise to develop their technological breakthroughs into viable products with real commercial potential. Of particular focus for Northamptonshire SMEs will be the theme “Enabling Industrial Technologies and Societal Challenges”. NEP will aim to promote this programme to SMEs in order for companies to access funding for technological research and introduce incentives to commercialise new technology applications.

NEP will also seek to promote the Smart Cities and Communities Scheme within the programme which would fund the deployment of advanced low carbon technologies in urban areas in the county.

NEP will support capacity building at the local level and provide a “starway to excellence” facilitating access to cross-border science networks for excellent researchers and innovators who lack sufficient involvement in European and international networks as well as promoting existing clusters of excellence in the county.

Competitiveness of SMEs (COSME)

COSME will support Priority 2: enhancing the competitiveness of SMEs and addressing entrepreneurship, business development, targeted inward investment and financial initiatives to help improve competitiveness and growth especially in high value sectors in the NEP. This programme will provide opportunities for companies in Northamptonshire to internationalise as well as provide access to finance and create synergies to our existing suite of business support programmes highlighted in the previous section. It will assist SMEs across the county and in all sectors which wish to grow in terms of turnover and employment through accessing and working with HEIs and the wider R&D/innovation/leadership base in Europe to develop and grow sustainably. Some examples of actions are as follows:

- Intensify cluster and business network collaboration across borders and sector boundaries and promote pan-European Strategic Cluster Partnerships such as with our existing High Performance Technology Cluster
- Reinforce cluster and business network co-operation and support the shaping of pan European cluster consortia in a more strategic manner at European level
- Assist county SMEs to contribute to the emergence of new value chains and take a leading competitive position globally

LIFE+

LIFE+ will contribute to Priority 3: creating the conditions for sustainable and equitable growth in particular building a naturally resilient environment in Northamptonshire that has healthy, strong ecosystems providing a range of functions which have tangible economic, social and environmental benefits that can accommodate Northamptonshire’s growth aspirations and which prepares the county for climate change. Some examples of these actions are as follows:

- Supporting climate change adaptation, climate change mitigation, climate governance and the low carbon economy
- Enhancing the delivery of climate and environmental policy on a larger territorial scale (regional, multi-regional, national)
- Assisting the improved management of the county’s local wildlife sites and sites of special scientific interest

ERASMUS +

Erasmus+ will support Priority 4 developing a skilled and responsive workforce for the future, in particular concentrating on delivering the objective of attracting more people into employment, especially disadvantaged groups and the economically inactive and improving the skills of potential and current workers to improve individual progression and business competitiveness. We will target higher education, further education, adult education, youth organisations, charities, SMEs as well as informal groups of young people in the county. Some examples of our planned actions are as follows:

- Staff mobility (all sectors of lifelong learning, education and training professionals including youth workers involved in education, training or youth non-formal learning)
- Joining ‘knowledge alliances’ that create partnerships between higher education institutions and companies. A particular focus will be made on sector skills alliances - partnerships between education and training providers and businesses which would support our aspirations for SME competitiveness and our existing University Technical Colleges in Daventry and Silverstone. Daventry UTC will offer technical specialisms in sustainable...
new technologies. Silverstone UTC will offer technical specialisms in high performance engineering and events management.

- Mobility for HE and VET students (study, work-based learning, traineeships)
- Mobility for Masters students (student loan guarantee scheme)
- Youth exchanges and youth volunteering

European Territorial Co-operation Programme

We envisage the European Territorial Co-operation Programme as being a Cross Cutting theme for joint projects with other member states. Our main goal with this programme would be to develop cross-border actions with other European regions in the field of entrepreneurship, improving joint management of natural resources, supporting links between urban and rural areas, improving access to transport and communication networks, developing joint use of infrastructure, administrative co-operation and capacity building, employment, community interaction and culture.

Section 7: Implementing Provisions

This section sets out the overarching principles for the strategic delivery of the ESIF allocation including details on roles and responsibilities of the managing authorities and highlighting some of the key areas in relation to accountability and performance management for which this LEP seeks clarification.

Northamptonshire Growth Implementation Structure

The NEP Board has discussed the most effective mechanism for the delivery of the NEP EU Investment Plan and Overarching Growth Strategy that will be submitted to Government in December 2013.

We already have a partnership that works in place and it is our intention to build on and develop this rather than start from scratch. The NEP Board has recognised that it needs to change its terms of the future composition of the Board and also to strengthen the relationships between sub groups of the board and associated partners. The NEP Board will have overall accountability for the implementation of the overarching growth strategy and the NEP EU Investment Plan.

The NEP Board has agreed to the principles of the above structure.

The membership and role of the Growth board will reflect the strategic nature of the prescribed tasks of the Growth Implementation Board. The roles of this group are discussed in more detail below. Reflecting the principle of partnership, the membership of the GIB will be drawn from representatives within the partnership. It will, therefore, reflect national, local and sector interests in the NEP EU Investment Plan and Growth Strategy.

Where the European Investment Bank or the European Investment Fund are contributing to the NEP EU Investment Plan, they may be represented in an advisory capacity. The different Managing Authorities (MA) of BIS, DCLG, DWP and DEFRA will have a representative as a member or advisor of the Growth Implementation Board. A particular role of the MA representatives will be to advise and guide the GIB on compliance with the regulatory requirements in delivering the NEP EU Investment Plan and on any other aspects of implementing the national programme.

The MA representative will also have a role in informing the GIB about relevant Government policy and in reporting to ministers as appropriate on how the strategy, priorities and activities of the NEP EU Investment Plan are contributing to wider Government policies.

The chairperson of the GIB is to be agreed but is expected to be either a Board member of NEP or the most senior officer within NEP. The Chair will approve all GIB minutes and papers before they are distributed to the GIB members for agreement.

Duties of the GIB

The GIB will draw up and agree its own Rules of Procedure. These procedures will be published and made available on the NEP website. The MA representatives will have a role in ensuring that the rules of procedure are robust, are designed to ensure delivery and contain all appropriate checks and balances.

At its first meeting, the GIB will approve detailed provision for the proper and efficient discharge of the duties assigned to it including the frequency of its meetings and procedures to deal with conflicts of interest. This will be contained within the GIB Rules of Procedure. The GIB will satisfy itself as to the effectiveness and the quality of the implementation of the NEP EU Investment Plan and Growth strategy. The GIB will act as advisor to the NEP board on key decision-making. It will undertake and oversee the due diligence and selection process for awarding investment from both European and growth funds. The NEP Board will be responsible for approving all investment decisions on the advice of GIB. It will in essence operate as a sub-investment group to the NEP Board. Consideration will be given to the role of apt in bodies such as the Skills Funding Agency, Big Lottery and other significant match funding bodies.

Sub-committees and Working Groups of the GIB

Reflecting its’ agreed terms of reference and rules of procedure, the GIB may at any time set up such sub-committees or working groups or other groups as it thinks appropriate to enable it to fulfil its responsibilities (e.g. geographically, sectorally or thematically based). The GIB may delegate any of its tasks to a sub-committee or working group. The membership of sub-committees and groups will be agreed by the GIB, reflecting the partnership principles and to ensure the on-going involvement of a wide range of stakeholders in the delivery of the programme. The terms of reference and rules of sub-committees and groups will be approved by the GIB. The use of sub-committees does not absolve the GIB or NEP board from its responsibility for the proper performance of its tasks.
Risk Management

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

NEP is therefore well aware of the difficulties and potential risks associated with delivering programmes. A comprehensive risk assessment covering all aspects of the programme from operational, financial and implementation will be considered and developed in time for the full submission in January. Obvious considerations include:

- Development of technical knowledge and capacity building of LEP staff to ensure the programme is delivered within the regulatory framework
- Awareness of the funding opportunities available through the Northamptonshire allocation
- Attractiveness to the market of commissioning opportunities available through the programme
- Lack of match especially if opt in such as MAS, UKTI and Growth Accelerator are no longer available after 2015
- Developing the programme procedures and momentum at the earliest opportunity
- Engagement with and capacity of the civil society sectors – previous ERDF and ESF delivery within the county has failed to engage the VCS in delivery and governance arrangements
- On-going engagement of the private sector in the delivery of the programme
- Risk of duplication with an overlapping LEP situation and the need to ensure there are appropriate mechanisms in place for effective collaboration
- Enabling new processes – establishment of new arrangements, processes and procedures will be essential, learning from good practice from previous administrative arrangements and adopting them to suit local circumstances
- Effective and efficient project appraisal – ensuring that project applications can be speedily considered, perhaps in ‘calls’ for projects to introduce an element of competitive selection to assist value for money
- Project management mechanisms to ensure ‘active’ project monitoring to reduce problems with non-delivery – arrangements which do not compromise the split of functions between the LEP and project sponsors/deliveries would assist in mitigating issues of non-delivery
**CORBY**

**District Profile**

**Population and Economic Activity**

Corby has a total population of 63,100, equating to 9% of the total population of Northamptonshire.

The age-group split does not vary greatly between districts in the county: the areas with the greatest proportion of working-age residents are Northampton and Corby; these areas also have the lowest proportion of people aged 65 and over.

**Working Age Population:**

There are 41,000 people in Corby of working age. The majority of those are employed or in self-employment. With the County, Corby has the 2nd lowest proportion of residents classed as inactive.

**JSA Claimant rate:**

Over the past 4 years, the claimant rate in Corby has consistently been higher than the County rate; with the exception of a period in 2011, Corby has had the highest JSA rate of all 7 districts. As the graph shows, the trend in Corby since 2009 closely reflects the trend at County level.
Not in Education, Employment or Training (NEET)

<table>
<thead>
<tr>
<th>Young people aged 16 to 18</th>
<th>Adjusted NEET % to June 12</th>
<th>Adjusted NEET % to June 13</th>
<th>% Point Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northamptonshire</td>
<td>5.9</td>
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</tr>
<tr>
<td>Corby</td>
<td>7.5</td>
<td>7.3</td>
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</tbody>
</table>

**NEET & Qualification levels:**

Corby has a higher NEET rate than the County average; however, it was one of only 2 districts to experience a decrease in the rate from 2012 to 2013.

Within the County, Corby has the lowest proportion of adults qualified at NVQ Level 4 and above - 15%; it is highest in South Northamptonshire at 31%.

**Average Earnings**

In 2012, average weekly earnings in Northamptonshire were £488.0 which was above the regional average of £476.9 but below the England average of £512.7.

There is a large variation between districts ranging from a low of £440.2 in Corby to a high of £571.6 in Daventry, however this is less pronounced when looking at workplace earnings.

Residents in Corby have however seen high rates of growth in earnings, however Daventry, Wellingborough and Kettering all saw greater increases in terms of %.

**Industry and Business**

Northamptonshire benefits from a business base of approx. 44,160 companies (including unincorporated). Approx 6% of these are based in Corby, employing approximately 28,800 people.

Between 2004-2008 the number of active business grew by 6.8%. The recession has had relatively little impact on this figure, however Corby and East Northamptonshire recorded the largest falls in business stock during 2008-2011.

In 2011, Corby recorded a rate of only 4.3 business births per 1,000 population, compared to the highs of 7.7 and 7.8 per 1,000 in Daventry and South Northamptonshire, respectively.

In 2011, the Northamptonshire economy was worth £14,256bn, approx. 17.5% of the East Midlands’ GVA.

In terms of GVA per job, Northamptonshire (£37,700) outperforms the region (£35,600) but falls below England (£39,200).

When comparing GVA per job between the county’s districts, Corby fares relatively well, with a higher GVA than South Northampton, Kettering & East Northamptonshire.
Several sectors have been identified as having potential to expand significantly to 2031. Professional Services and Real Estate both show particularly high percentage increases in terms of employment in Corby. Some sectors are however expected to experience decline over the same period. Of particular note is the continuing forecast decline of general manufacturing, which has seen significant decline in Corby during the recession. Employment in this sector has fallen by 7% across Northamptonshire between 2008-2010.

Housing:
Looking at house prices against average earnings, there is a large difference between the districts in Northamptonshire, with Corby remaining more affordable (2011 ratio of 5.2 – earning to house prices), and South Northamptonshire being the least affordable (8.7).

In June 2013, Corby also has the lowest average house price at £135,331, and this had fallen by 3.1% from the previous year.
Daventry has a total population of 78,300, equating to 11% of the total population of Northamptonshire. The age-group split does not vary greatly between districts in Northamptonshire: the areas with the greatest proportion of population within the working age group are Northampton and Corby. Daventry has a slightly higher proportion in the older age group and a slightly lower proportion in the younger age group.

Working Age Population:
49,500 people in Daventry are of working age. Within the County, it has the 2nd highest proportion of self-employed residents. Daventry also has the 2nd highest proportion of residents classed as inactive.

JSA Claimant rate:
Over the past 4 years, the claimant rate in Daventry has consistently been lower than the County rate; Daventry has the 2nd lowest claimant rate in the County after South Northamptonshire.
Not in Education, Employment or Training (NEET)

<table>
<thead>
<tr>
<th>Young people aged 16 to 18</th>
<th>Adjusted NEET % to June 12</th>
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<td>Northamptonshire</td>
<td>5.9</td>
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<tr>
<td>Daventry</td>
<td>5.2</td>
<td>4</td>
<td>-1.2</td>
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</table>

NEET & Qualification Levels:

Daventry experienced the greatest % decrease in the NEET rate, and had the second lowest NEET rate in June 2013, after South Northamptonshire (2.6).

Daventry has the second highest proportion of adults qualified to Level 4 and above, after South Northamptonshire (31%).

Average Earnings

In 2012, average weekly earnings in Northamptonshire were £488.0 which was above the regional average of £476.9 but below the England average of £512.7.

There is a large variation between districts ranging from a low of £440.2 in Corby to a high of £571.6 in Daventry, however this is less pronounced when looking at workplace earnings.

Residents in Corby have however seen high rates of growth in earnings, however Daventry, Wellingborough and Kettering all saw greater increases in terms of %.

Industry & Business

Northamptonshire benefits from a business base of approx. 44,160 companies (including unincorporated). Approx 11% of these are based in Daventry, employing approximately 38,100 people.

Between 2004-2008 the number of active business in the county grew by 6.8%. The recession has had relatively little impact on this figure, however Corby and East Northamptonshire recorded the largest falls in business stock during 2008-2011.

In 2011, Daventry recorded the second highest rate of business births per 100,000 population (7.7) in the county. Only South Northamptonshire had a higher rate (7.8).

In 2011, the Northamptonshire economy was worth £14,256bn, approx. 17.5% of the East Midlands’ GVA.

In terms of GVA per job, Northamptonshire (£37,700) outperforms the region (£35,500) but falls below England (£39,200).

When comparing GVA per job between the county’s districts, Daventry again fares well, with second highest GVA after Northampton, and higher than both the county and regional averages.
Several sectors have been identified as having potential to expand significantly to 2031. Employment Activities and Real Estate both show particularly high percentage increases in terms of employment in Daventry. Some sectors are however expected to experience decline over the same period. Of particular note is the continuing forecast decline of general manufacturing, which has seen significant decline during the recession. Employment in this sector has fallen by 7% across Northamptonshire between 2008-2010.

**Housing:**

Looking at house prices against average earnings, there is a large difference between the districts in Northamptonshire: Daventry is one of the less affordable areas, although the ratio improved in 2011 (down to 7.2 from 8.0); South Northamptonshire is the least affordable (8.7).

In June 2013, Daventry had the 2nd highest average house price at £232,808, and had experienced the greatest % increase from the previous year (+7.9%).

**Detached**

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<tr>
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<td>£92,273</td>
<td>£81,000</td>
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</table>
East Northamptonshire

District Profile

Population and Economic Activity

East Northamptonshire has a total population of 87,400, equating to 12% of the total population of Northamptonshire.

The age-group split does not vary greatly between districts in Northamptonshire: the areas with the greatest proportion of population within the working age group are Northampton and Corby.

Working Age Population:

54,600 people in East Northamptonshire are of working age. With the County, East Northants has the 2nd lowest proportion self-employed, and the 2nd highest proportion unemployed residents.

JSA Claimant rate:

East Northamptonshire experiences a lower claimant rate than at County level, and the trend closely resembles the trend at County level.
Not in Education, Employment or Training (NEET)

<table>
<thead>
<tr>
<th>Young people aged 16 to 18</th>
<th>Adjusted NEET % to June 12</th>
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</thead>
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<tr>
<td>East Northants</td>
<td>4.9</td>
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**NEET & Qualification Levels:**

East Northamptonshire has a lower than average NEET rate within the County, but has seen the 2nd highest % increase since 2012, after Wellingborough (+1.4%)

The proportion of adults qualified at NVQ Level 4 and above is the same in East Northamptonshire as at County Level – 24%.

**Average Earnings**

In 2012, average weekly earnings in Northamptonshire were £488.0 which was above the regional average of £476.9 but below the England average of £512.7.

There is a large variation between districts ranging from a low of £440.2 in Corby to a high of £571.6 in Daventry.

Workplace wage growth varied significantly by district from a low of 2.8% in Northampton to a high of 14.0% in East Northamptonshire.

Between 2008 and 2012, Northamptonshire reported median workplace earnings growth of 3.0%. This was lower than both the regional (4.3%) and England (5.8%) growth rates.

**Industry & Business**

Northamptonshire benefits from a business base of approx. 44,160 companies (including unincorporated). Approx 11% of these are based in East Northamptonshire, employing approximately 41,900 people.

Between 2004-2008 the number of active business in the county grew by 6.8%. The recession has had relatively little impact on this figure, however Corby and East Northamptonshire recorded the largest falls in business stock during 2008-2011.

In 2011, Daventry recorded the second highest rate of business births per 100,000 population (7.7) in the county. Only South Northamptonshire had a higher rate (7.8).

In 2011, the Northamptonshire economy was worth £14,256bn, approx. 17.5% of the East Midlands’ GVA.

In terms of GVA per job, Northamptonshire (£37,700) outperforms the region (£35,600) but falls below England (£39,200).

When comparing GVA per job between the county’s districts, East Northamptonshire has the lowest GVA in the county, with the county, regional and England averages all outperforming the district.
Several sectors have been identified as having potential to expand significantly to 2031. Professional Services and Employment Activities both show particularly high percentage increases in terms of employment in East Northamptonshire. Some sectors are however expected to experience decline over the same period however general manufacturing, which has fallen by 7% across Northamptonshire between 2008-2010, is not forecast to be one of those most severely affected the district.

Housing:
Looking at house prices against average earnings, there is a large difference between the districts in Northamptonshire: East Northants is 3rd least affordable district, behind South Northants and Daventry; the ratio is higher than the County average (7.1 in East Northants compared to 6.4 at County level).

In June 2013, the average house price in East Northants was £178,423, which was close to the County average price, £181,234. The district experienced the greatest % drop in prices on the previous year, -23.8%.
KETTERING

District Profile

Population and Economic Activity

Kettering has a total population of 94,800, equating to 14% of the total population of Northamptonshire.

The age-group split does not vary greatly between districts in Northamptonshire: the areas with the greatest proportion of population within the working age group are Northampton and Corby.

Working Age Population:

Kettering has a working age population of 59,900; Kettering has the lowest rate of self-employment with the County and the 2nd highest proportion of residents who are employees.

JSA Claimant rate:

The JSA claimant rate in Kettering has trended close to the County rate over the last 4 years; since August 2011, the Kettering rate has remained higher than the County rate.

In every district, men account for the greater proportion of JSA claimants. The ratio of men to women is greatest in Kettering (the number of men is 81% more than women) followed by South Northants (80%). 4 of the 7 districts had claimants in the +260 weeks group, including Kettering.
Not in Education, Employment or Training (NEET)

<table>
<thead>
<tr>
<th>Young people aged 16 to 18</th>
<th>Adjusted NEET % to June 12</th>
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<tr>
<td>Northamptonshire</td>
<td>5.9</td>
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<td>0.2</td>
</tr>
<tr>
<td>Kettering</td>
<td>5.7</td>
<td>5.8</td>
<td>0.1</td>
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</table>

**NEET & Qualification Levels:**

The NEET rate in Kettering is slightly lower than the County average, and it has increased by a slightly lesser percentage.

The proportion of adults qualified at NVQ Level 4 and above is slightly less in Kettering (23%) than at County Level (24%).

**Average Earnings**

In 2012, average weekly earnings in Northamptonshire were £488.0 which was above the regional average of £476.9 but below the England average of £512.7.

There is a large variation between districts ranging from a low of £440.2 in Corby to a high of £571.6 in Daventry.

Workplace wage growth varied significantly by district from a low of 2.8% in Northampton to a high of 14.0% in East Northamptonshire.

Between 2008 and 2012, Northamptonshire saw median workplace earnings growth of 3.0%. This was lower than both the regional (4.3%) and England (5.8%) growth rates.

Industry & Business

Northamptonshire benefits from a business base of approx. 44,160 companies (including unincorporated). Approx 11% of these are based in Kettering, employing approximately 46,000 people.

Between 2004-2008 the number of active business in the county grew by 6.8%. The recession has had relatively little impact on this figure, however Corby and East Northamptonshire recorded the largest falls in business stock during 2008-2011.

In 2011, Kettering recorded the second lowest rate of business births in the county, ahead only of Corby. Wellingborough had the highest % increase on stock of previous year at 11.7%.

In 2011, the Northamptonshire economy was worth £14,256bn, approx. 17.5% of the East Midlands’ GVA.

In terms of GVA per job, Northamptonshire (£37,700) outperforms the region (£35,600) but falls below England (£39,200).

When comparing GVA per job between the county’s districts, Kettering has the second lowest GVA in the county ahead of East Northamptonshire, with the county, regional and England averages all outperforming the district.
Several sectors have been identified as having potential to expand significantly to 2031. Professional Services and Publishing & Broadcasting both show particularly high percentage increases in terms of employment in Kettering. Some sectors are however expected to experience decline over the same period. Of particular note is the forecast decline of food manufacturing; however general manufacturing, which has seen significant decline during the recession, does not appear to be one of those sectors forecast to be most affected.

### Housing:
Looking at house prices against average earnings, there is a large difference between the districts in Northamptonshire: Kettering is the 2nd most affordable district after Corby; the ratio is lower than the County average (5.6 in Kettering compared to 6.4 at County level).

In June 2013, the average house price in Kettering was £151,502; this was a drop of -4.7% on the previous year.
Northampton has a total population of 214,600, equating to 31% of the total population of Northamptonshire.

The age-group split does not vary greatly between districts in Northamptonshire: the areas with the greatest proportion of population within the working age group are Northampton and Corby.

Working Age Population:
Northampton has a working-age population of 140,900. Almost 30% of residents are classed as unemployed or economically inactive.

JSA Claimant rate:
The JSA claimant rate in Northampton follows the trend of the County rate, and has remained consistently higher than the County rate over the past four years. In comparison to other districts, Northampton has the 3rd highest JSA rate, behind Corby and Wellingborough respectively.
Not in Education, Employment or Training (NEET)

<table>
<thead>
<tr>
<th>Region</th>
<th>Young people aged 16 to 18</th>
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</thead>
<tbody>
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<td>6.1</td>
<td>6.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Northampton</td>
<td>7.9</td>
<td>8.1</td>
<td>8.1</td>
<td>0.2</td>
</tr>
</tbody>
</table>

NEET & Qualification Levels:
Northampton had the highest NEET rate in 2012, and has the 2nd highest rate in 2013, after Wellingborough (8.3%).

The proportion of adults qualified at NVQ Level 4 and above is the same in Northampton as at County Level – 24%.

Average Earnings
In 2012, average weekly earnings in Northamptonshire were £488.0 which was above the regional average of £476.9 but below the England average of £512.7.

There is a large variation between districts ranging from a low of £440.2 in Corby to a high of £571.6 in Daventry.

Workplace wage growth varied significantly by district from a low of 2.8% in Northampton to a high of 14.0% in East Northamptonshire.

Between 2008 and 2012, Northamptonshire saw median workplace earnings growth of 3.0%. This was lower than both the regional (4.3%) and England (5.8%) growth rates.

Industry & Business
Northamptonshire benefits from a business base of approx. 44,160 companies (including unincorporated). Approx 25% of these are based in Northampton, employing approximately 105,700 people.

Between 2004-2008 the number of active business in the county grew by 6.8%. The recession has had relatively little impact on this figure, however Corby and East Northamptonshire recorded the largest falls in business stock during 2008-2011.

In 2011, Northampton recorded the highest number of business births in the county (850), double that of South Northamptonshire who had the send highest.

In 2011, the Northamptonshire economy was worth £14,256bn, approx. 17.5% of the East Midlands’ GVA.

In terms of GVA per job, Northamptonshire (£37,700) outperforms the region (£35,600) but falls below England (£39,200).

When comparing GVA per job between the county’s districts, Northampton has the highest GVA in the county, and is ahead of regional averages. Only England outperformed the borough.
Several sectors have been identified as having potential to expand significantly to 2031. Business Services and Professional Services both show particularly high percentage increases in terms of employment in Northampton. Some sectors are however expected to experience decline over the same period. Of particular note is the forecast decline of general manufacturing, which has seen significant decline during the recession, of approximately 7% across the county.

Housing:
Looking at house prices against average earnings, there is a large difference between the districts in Northamptonshire: the ration in Northampton remains close to the County average (6.3 in Northampton, 6.4 at County level).

The average house price in Northampton in June 2013, at £164,933, had risen 1.7% on the previous year but was still lower than the average price at County level.
South Northamptonshire

District Profile

Population and Economic Activity

South Northamptonshire has a total population of 86,400, equating to 12% of the total population of Northamptonshire.

The age-group split does not vary greatly between districts in Northamptonshire: the areas with the greatest proportion of population within the working age group are Northampton and Corby.

Working Age Population:

South Northamptonshire has a working-age population of 53,900. Within the County, South Northants has the highest proportion of self-employed residents and the lowest proportion of both unemployed and economically inactive residents.

JSA Claimant rate:

South Northamptonshire experiences the lowest JSA rate in the County. The district has maintained a difference of close to 2% points against the County rate for the past 4 years. It has also seen a greater proportional overall decline in the rate from Feb 2009 to Aug 2013 than at county level.

In every district, men account for the greater proportion of JSA claimants. The ratio of men to women is greatest in Kettering (the number of men is 81% more than women) followed by South Northants (80%). South Northants highest proportion of claimants in the first group (up to 13 weeks) and in the first 3 groups (up to 39 weeks).

(Source: Annual Population Survey mid-year estimates)

(Source: Annual Population Survey mid-year estimates)

(Source: Annual Population Survey, Apr 2012 – Mar 2013)

(Source: DWP Claimant Count 2013)

(Source: DWP Claimant Count 2013)
Not in Education, Employment or Training (NEET)

<table>
<thead>
<tr>
<th>Young People aged 16 to 18</th>
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<tr>
<td>South Northants</td>
<td>2.2</td>
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<td>0.4</td>
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NEET & Qualification Levels:

Within the County, South Northamptonshire has the lowest NEET rate.

South Northamptonshire has the highest proportion of adults qualified at NVQ Level 4 or above – 31%; this is twice the rate in Corby (15%).

Average Earnings

In 2012, average weekly earnings in Northamptonshire were £488.0 which was above the regional average of £476.9 but below the England average of £512.7.

There is a large variation between districts ranging from a low of £440.2 in Corby to a high of £571.6 in Daventry.

Workplace wage growth varied significantly by district from a low of 2.8% in Northampton to a high of 14.0% in East Northamptonshire.

Between 2008 and 2012, Northamptonshire saw median workplace earnings growth of 3.0%. This was lower than both the regional (4.3%) and England (5.8%) growth rates.

Industry & Business

Northamptonshire benefits from a business base of approx. 44,160 companies (including unincorporated). Approx 13% of these are based in South Northamptonshire, employing approximately 52,400 people.

Between 2004-2008 the number of active business in the county grew by 6.8%. The recession has had relatively little impact on this figure, however Corby and East Northamptonshire recorded the largest falls in business stock during 2008-2011.

In 2011, Northampton recorded the highest number of business births in the county (850), double that of South Northamptonshire who had the send highest.

In 2011, the Northamptonshire economy was worth £14,256bn, approx. 17.5% of the East Midlands’ GVA.

In terms of GVA per job, Northamptonshire (£37,700) outperforms the region (£35,600) but falls below England (£39,200).

When comparing GVA per job between the county’s districts, South Northamptonshire has a below average, ahead only of Kettering and East Northamptonshire, but higher than the regional average.
Several sectors have been identified as having potential to expand significantly to 2031. Professional Services and Employment Activities both show particularly high percentage increases in terms of employment in South Northamptonshire. Some sectors are however expected to experience decline over the same period. Of particular note is the forecast decline of general manufacturing, which has seen significant decline during the recession, of approximately 7% across the county between 2008-2010.

### Housing:
Looking at house prices against average earnings, there is a large difference between the districts in Northamptonshire: at a ratio of 8.7. South Northamptonshire remains the least affordable area within the County by a significant margin (the next highest is Daventry at 7.2; the County average is 6.4).

The average house price in South Northamptonshire in June 2013 was £255,068; this area experienced the smallest % change on the previous year at +1.1%.
WELLINGBOROUGH

District Profile

Population and Economic Activity

Wellingborough has a total population of 76,100, equating to 11% of the total population of Northamptonshire.

The age-group split does not vary greatly between districts in Northamptonshire; the areas with the greatest proportion of population within the working age group are Northampton and Corby.

Working Age Population:

There are 47,600 residents of working age in Wellingborough. Within the County, Wellingborough has the highest proportion of unemployed and of economically inactive residents, (combined total of 37%).

JSA Claimant rate:

Overall since February 2009, Wellingborough has had the 2nd highest JSA rates in the County after Corby, with the exception of a period in 2011 when it experienced the highest rates. The % point difference between the Wellingborough rate and the County level has increased since 2009.

In every district, men account for the greater proportion of JSA claimants. However, the ratio of men to women is lowest in Wellingborough (number of men is 53.5% greater than number of women); it is highest in Kettering (81.1%). Wellingborough has the highest proportion (17%) of claimants over 104 weeks; it also has the highest number (340) of claimants at this stage after Northampton (655).
Not in Education, Employment or Training (NEET)

<table>
<thead>
<tr>
<th>Young People aged 16 to 18</th>
<th>Adjusted NEET % June 12</th>
<th>Adjusted NEET % June 13</th>
<th>% Point Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northamptonshire</td>
<td>5.9</td>
<td>6.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Wellingborough</td>
<td>6.9</td>
<td>8.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>

NEET & Qualification Levels:

Wellingborough experienced the greatest % increase and now has the highest NEET rate within the County.

There is a lower than average proportion of adults qualified at NVQ Level 4 and above in Wellingborough (20%); the highest proportion is in South Northamptonshire (31%).

Average Earnings

In 2012, average weekly earnings in Northamptonshire were £488.0 which was above the regional average of £476.9 but below the England average of £512.7.

There is a large variation between districts ranging from a low of £440.2 in Corby to a high of £571.6 in Daventry.

Workplace wage growth varied significantly by district from a low of 2.8% in Northampton to a high of 14.0% in East Northamptonshire.

Between 2008 and 2012, Northamptonshire saw median workplace earnings growth of 3.0%. This was lower than both the regional (4.3%) and England (5.8%) growth rates.

Industry & Business

Northamptonshire benefits from a business base of approx. 44,160 companies (including unincorporated). Approx 10% of these are based in Wellingborough, employing approximately 32,400 people.

Between 2004-2008 the number of active business in the county grew by 6.8%. The recession has had relatively little impact on this figure, however Corby and East Northamptonshire recorded the largest falls in business stock during 2008-2011.

In 2011, Northampton recorded the highest number of business births in the county (850), however Wellingborough had the highest % increase on stock of previous year (11.7%)

In 2011, the Northamptonshire economy was worth £14,256bn, approx. 17.5% of the East Midlands’ GVA.

In terms of GVA per job, Northamptonshire (£37,700) outperforms the region (£35,600) but falls below England (£39,200).

When comparing GVA per job between the county’s districts, Wellingborough has a higher average, behind only of Northampton & Daventry.
Several sectors have been identified as having potential to expand significantly to 2031. Business Services and Arts & Entertainment both show particularly high percentage increases in terms of employment in Wellingborough. Some sectors are however expected to experience decline over the same period. Of particular note is the forecast decline of general manufacturing, which has seen significant decline during the recession, of approximately 7% across the county between 2008-2010.

### Growth Sectors 2011 to 2031 (Source - Cambridge Econometrics: East of England Forecast Model)

- **Business services**
- **Arts and entertainment**
- **Professional services**
- **Employment activities**
- **Construction**

### Declining Sectors 2011 to 2031 (Source - Cambridge Econometrics: East of England Forecast Model)

- **Computer related activity**
- **Waste and remediation**
- **General Manufacturing**
- **Agriculture**
- **Chemicals**

### Employment:

#### Detached
- Northamptonshire: £264,595
- Wellingborough: £240,099

#### Semi-Detached
- Northamptonshire: £152,905
- Wellingborough: £142,576

#### Flat
- Northamptonshire: £92,273
- Wellingborough: £83,045

#### Terraced
- Northamptonshire: £131,876
- Wellingborough: £122,973

### Housing:

Looking at house prices against average earnings, there is a large difference between the districts in Northamptonshire: Wellingborough is the 3rd most affordable area behind Corby; South Northamptonshire remains the least affordable area at a ratio of 8.7.

In June 2013, the average house price in Wellingborough was £166,124, and this had increased by 4.1% on the previous year.
ANNEX 2
SME Competitiveness SWOT

Strengths
Low reliance on public sector compared to the rest of the country (just 15.7% of total employment)
The county’s large private sector means that it is well positioned to absorb cuts to the public sector
High level of business births per 1,000 population compared to East Midlands and England – strong entrepreneurial activity
Higher levels of self-employment than East Midlands or England
Very high business survival rates for first 3 years – of businesses started in 2006
Northamptonshire has a good central location to make use of road and rail links to the rest of the UK. It is therefore very well placed as a distribution and logistics hub

Weaknesses
High concentration of employment in lower value-added sectors
Higher level of business deaths per 1,000 population than regional and national averages
Survival rates – relatively low over the five-year period compared to East Midlands and England

Opportunities
Rising levels of business and consumer confidence
Investment and consumer spending rising in the UK
Growth in services such as retail, accommodation, arts & leisure could accommodate, arts & leisure could accommodate
There are a high number of SMEs in Northamptonshire – comprising 99.6% of all registered companies. An improvement in business confidence and a subsequent increase in hiring by SMEs would likely have a more widespread, positive effect on the local labour market than a larger company recruiting multiple new staff
The Witty Review sets out the hypothesis that the strongest basis for regional economic growth is activity rooted in a sound understanding of an area’s economic advantage. There will be a need over the next decade for those sectors in which the county has an economic advantage to innovate and improve their productivity
Road and rail distribution will continue to be vital to the UK – Northamptonshire is well placed to service the demand

Threats
Public sector budget constraints (somewhat cushioned by the low reliance on public sector employment)
Whilst sectors like manufacturing provide a major source of income and employment in the county, they face pressures to improve their competitiveness and adapt to the changing market conditions. Manufacturing employment has been declining steadily across the country over the last decade
Whilst road and rail transport are set to remain an important part of the Northamptonshire economy, they could come under increasing competitiveness and cost pressures as the price of oil rises over the next decade

ANNEX 3
Labour Market SWOT

Strengths
High economic activity (80.1%) and employment rate (75.5%)
Relatively high percentage of the population of young/working age (80.7%)
High concentration of employment and skills in the distribution/logistics sector - due to Northamptonshire’s strategic location
Lower unemployment rate than East Midlands and England
Competitive labour costs in comparison with the East Midlands and England – and Milton Keynes
Heavily private sector orientated economy – means the county is relatively well placed to absorb the impact of public sector cuts
Percentage of 18-24 year olds claiming JSA for more than a year (16.4%) lower than East Midlands or England
GVA growth has been higher than the UK average since the recession

Weaknesses
39% of employees are in higher level occupations – below the regional and national average
Whilst employment levels are high, the ‘calibre’ of employment is relatively low. Comparator LEPs such as Swindon & Wiltshire and Gloucestershire have a higher concentration of employment in high value added sectors
Poor skills profile, with the percentage of population with NVQ4 or higher (27.5%) below the regional and national average
Proportion of claimants that are 18-24 is above the regional and national average

Opportunities
There is an opportunity to improve the sectoral balance of the economy and attract business from high value added sectors – as manufacturing employment is forecast to decline
Whilst sectors like manufacturing provide a major source of income and employment in the county, they face pressures to improve their competitiveness and adapt to the changing market conditions. Manufacturing employment has been declining steadily across the country over the last decade
Whilst road and rail transport are set to remain an important part of the Northamptonshire economy, they could come under increasing competitiveness and cost pressures as the price of oil rises over the next decade

Threats
This threat could potentially be turned into an opportunity – by making Northamptonshire’s economy more ‘resident based’ turning into resident economy
High economic activity/employment rate whilst a strength can also be seen as a threat as it means there is probably little extra capacity for employment to grow. The focus should instead be on improving the quality of employment

Northamptonshire LEP
European Structural Investment Fund Plan
OCTOBER 2013
**ANNEX 4**

### Thematic Skills Needs

<table>
<thead>
<tr>
<th>Thematic Objective Strengthening</th>
<th>ESI Funding activities include</th>
<th>Potential Match Funding Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research, Technological Development &amp; Innovation</td>
<td>Intermediate, technical and higher level workforce and management skills in support of the priorities for this thematic objective.</td>
<td>Research Councils and HEFCE – universities are being encouraged to engage with LEPs to identify opportunities to co-invest in projects of mutual interest.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ICT / digital SME competitiveness</th>
<th>Intermediate, technical and higher level workforce and management skills in support of the priorities for this thematic objective.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The majority of existing national funding has already been committed. Although additional funds were announced in the Spending Review, the Government has yet to decide the delivery model for the additional money made available for Broadband.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SME competitiveness</th>
<th>Leadership and management training to help identify and resolve problems in setting direction and strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Support for collaborative projects, placements, internships</td>
</tr>
<tr>
<td></td>
<td>Support for apprenticeships including improvements to recruitment, assessment and facilities for training</td>
</tr>
<tr>
<td></td>
<td>Promotion of the use of Higher Level Apprenticeships (HLA) (especially in manufacturing and industrial strategy priority sectors)</td>
</tr>
<tr>
<td></td>
<td>Developing better links between business and educators, further education providers and other education partners</td>
</tr>
<tr>
<td></td>
<td>Potential sources of match funding could include: UKTI, Manufacturing Advisory Service, Growth Accelerator, Waste and Resources Action Programme loans, Adult Skills Budget, universities, local authorities, private sector and voluntary sector.</td>
</tr>
</tbody>
</table>

### Thematic Objective Strengthening

#### Low carbon economy

- ESI Funding activities include
  - Skills/employment development for low carbon including via Higher Apprenticeships, University Technical Colleges and placements/working with industry
  - Help those without jobs and labour market entrants gain accredited low carbon skills/employment
  - Sustainable land management and forestry skills
  - Skills/employment for retrofitting and low carbon heating.
  - Skills to enable knowledge transfer
  - Adaptation skills for all sectors to support low carbon transition including eco-innovation and skills to drive change
  - Low carbon transport and network management skills
  - Urban design/construction/planning skills, low carbon land use skills
  - Skills for low carbon new build and alternative construction methods
  - Skills centres for renewable energy training & innovation skills in low carbon transport technologies

- **Potential Match Funding Sources**
  - Regional Growth Fund (RGF)
  - Advanced Manufacturing Supply Chain initiative
  - HEI/FEI;
  - private sector
  - voluntary sector
  - European Investment Bank (EIB)

### Climate change adaptation

- Develop training and intermediate pathways to community volunteering and employment opportunities in for example the construction, specification and installation of property-level protection
Thematic Objective Strengthening

Environmental protection

ESI Funding activities include:

- Training and support for unemployed and disadvantaged groups to engage in employment or skills training and those at risk of disengaging from the labour market.
- Training tools to educate non-biodiversity decision-makers, general public and SMEs on environment issues for their work.
- Support to engage and train NEETs in habitat and built heritage restoration.
- Support to engage and train priority groups in habitat and built heritage restoration and enhancement schemes.
- Recycling training programmes to provide skills enabling, for example, reuse and maintenance for reuse.

Potential Match Funding Sources:

- Regional Growth Fund grants and loans.
- Local Growth Fund - central government funds for training, housing and transport devoted into competitive single payments for LEPs from 2015-16 that will also align to EU structural fund awards.
- Section 106 to improve urban areas – delivery mechanisms to offset adverse impacts of development.
- Community Infrastructure Levy (CIL) - a new voluntary mechanism whereby local authorities can secure funds for infrastructure.
- Research Council funded initiatives - investment in knowledge creation and transfer to support environmental protection and resource efficiency.

Employment

ESI Funding activities include:

- Additional and innovative approaches to pre-employment training.
- Additional support for long-term unemployed people including those who have left the Work Programme.
- Providing additional support to specific target groups such as people with disabilities or health barriers.
- Helping older workers to re-train, re-enter or stay engaged in the labour market.
- Training workless people and those facing redundancy who need to upgrade their skills or learn new skills.
- Using self-employment as a route out of worklessness.
- Reducing the number of young people not in employment, education or training and those at risk of disengaging.

Potential Match Funding Sources:

- It is expected that public sector match funding will be available from: DWP contracted employment programmes, Skills Funding Agency/Education Funding Agency education and skills programmes and the Big Lottery Fund. Further information is set out in the opt-in prospectuses from these organisations.
- Additional literacy and numeracy provision for young people.
- Additional and innovative approaches to support and motivate young people with no or few qualifications into training and the workplace.
- Innovative programmes for marginalised groups to help bring them to, and support them in, learning.
- Breaking opportunities for young people and supporting local employers to take on young people who are not in employment or education.
- Overcoming the challenges brought about by the limited range of employment in some rural areas.

Social Inclusion

ESI Funding activities include:

- Tasking barriers to work in troubled families.
- Providing additional and/or more intensive and flexible support identified by Universal Credit Local Support Service partnerships and health and wellbeing boards.
- Providing additional support to offenders and ex-offenders without work, especially from very hard to help groups.
- Supporting early interventions for young people.
- Targeting specific communities or ethnic minorities with high levels of poverty and social exclusion.
- Helping grow the social investment market to support social enterprises and the social economy.
- Developing the capacity of social entrepreneurs to address the needs of their local communities.

Potential Match Funding Sources:

- It is expected that public sector match funding will be available from: DWP contracted employment programmes, Skills Funding Agency/Education Funding Agency education and skills programmes and the Big Lottery Fund. Further information is set out in the opt-in prospectuses from these organisations.
- £170 million of match funding for European Social Fund skills activities from within the Adult Skills Budget has been made available to LEPs via the Local Growth Fund. This match funding will not be allocated to LEPs in the same way as the rest of the Local Growth Fund. Instead, an amount will be earmarked for each LEP broadly in proportion to the LEP’s total European Social Fund allocation. If a LEP wishes to access this match funding for skills activities, it will need to opt-in to the Skills Funding Agency’s service offer.
Thematic Objective Strengthening

Social Inclusion

ESI Funding activities include:
- Supporting local ‘Community Grant’ type activity
- Promote a dynamic and inclusive rural economy with fair access to services and basic amenities
- Developing the capacity of community groups
- Encouraging Social Investment models
- Capacity-building for non-governmental organisations (i.e. Civil Society)

Skills

ESI Funding activities include:
- Support for activities to start and grow a business from promoting entrepreneurship (including social enterprises), self-employment to providing leadership and management training/advice within SMEs.
- Support for collaborative projects, placements, internships or other activities with SMEs
- Building capacity in SMEs to provide project/placement/internships opportunities
- Skills support for apprenticeships and traineeships
- Promotion of the use of Higher Level Apprenticeships
- Additional and innovative approaches to training for the unemployed including marginalised groups
- Additional or innovative approaches to training in a vocational context for those with low level skills in Maths, English and ICT
- Support for intermediate, technical and high level vocational provision for the unemployed and for career progression

Potential Match Funding Sources

It is expected that public sector match funding will be available from:
- Skills Funding Agency/ Education Funding Agency education and skills programmes. Further information is set out in the opt-in prospectuses from these organisations.
- £170 million of match funding for European Social Fund skills activities from within the Adult Skills Budget has been made available to LEPs via the Local Growth Fund. This match funding will not be allocated to LEPs in the same way as the rest of the Local Growth Fund. Instead, an amount will be earmarked for each LEP broadly in proportion to the LEP’s total European Social Fund allocation. If a LEP wishes to access this match funding for skills activities, it will need to opt-in to the Skills Funding Agency’s service offer.

Thematic Objective Strengthening

Skills

ESI Funding activities include:
- Supporting low skilled people in low paid work to help them progress
- Support for intermediate, technical and higher level skills for specific industries for industries and sectors identified as driving growth in local economies in support of other relevant thematic objectives
- Skills and training packages in response to redundancies
- Development of general and potentially industry specific business skills in rural areas

Potential Match Funding Sources

Northamptonshire LEP
European Structural Investment Fund Plan
OCTOBER 2013
ANNEX 5
Sector Skills Needs

Advanced manufacturing and engineering
Northamptonshire and the wider Northamptonshire area has a growing cluster of expertise in High Performing Engineering (HPE). HPE businesses are defined by their high knowledge and innovation content, meaning that in order to remain competitive they need to attract and retain enough employees with the right type of skills. Research for NEP (2010)21 found that skills are a particular concern for HPE businesses 22 in Northamptonshire, as they operate at the national level 23. The sector is however facing a number of skills and recruitment challenges that are a significant threat to the sector’s future competitiveness and growth prospects including the loss of skilled engineers during the recession 24, an ageing UK workforce, the lack of appropriate skills and the undersupply of adequately qualified workforce with low mobility.

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

Further barriers and challenges identified in the study include:
- Inspiring and maintaining interest in young people
- Helping them acquire experience in the sector and understand the range of careers available through work placements and apprenticeships
- Ensuring the further and higher education’s curriculum meets the skill requirements of employers

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

1. Management and leadership – particular skills issues in change management, business management, safety, health and environment management and business improvement techniques. At the time of the research, career paths were underdeveloped with limited and unclear pathways to progress from operative to management level.
2. Skills gaps – technical skills and in core behaviours such as communications, business improvement and customer service. In terms of hard to fill vacancies as a proportion of all vacancies, the figure for the East Midlands was 32% compared to an average of 25% for all sectors across the region whilst reported skills shortage vacancies as a proportion of all vacancies was 28% compared to a 20% average for all sectors in the region.
3. Technicians – insufficient technicians entering the industries within the sector to meet forecast demand and the routes for existing employees to become technicians are poorly defined.

22 High Performance Engineering in Northamptonshire tends to be understood in terms of racing and the manufacture of engines and components for the motorsport industry. However engineering businesses in the county prove a much wider range of markets, including defence, aerospace, civil engineering, construction or energy. This is because technologies developed in one sector can be adapted and used in other sectors (Source: Roger Tym and Partners (2011) High Performance Engineering in Northamptonshire)
23 TSB (2012) A Landscape for the future of high value manufacturing
25 East Midlands Sector Research: Northamptonshire LSC Report: Skills for Logistics

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

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

1. Management and leadership – a need has been identified for a wider and more intensive range of management training with a particular focus on SMEs. Without such leadership intervention there is a danger that lower level and specific skills needs can be and met.
2. Basic skills gap – deficiencies in basic skills, notably literacy and numeracy among the lower levels of the workforce.
3. Image of the industry – the poor image projected by the industry is one of the major reasons for the shortage of labour.
4. Unrepresentative labour force profile – reflecting the national picture, the sector is characterised as having an ageing profile with a low number of young people entering the workforce whilst the composition of workers is overwhelmingly male, white with European ethnic origin. Less than 25% of people employed in the sector are women.
5. Lack of understanding of the business case for training – with many firms driven by short-term considerations and ambivalent about training and skills development, if employers cannot train people to achieve required qualifications, they will buy them in by using agency staff or ‘poach’ staff from other firms.

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

Sustainable Construction
Estimating future growth prospects for Sustainable Construction has become more difficult due to the economic downturn. It is an important employer across the East Midlands region with key firms based in Northamptonshire. This sector is projected to experience a fall in employment in line with the UK average but is expected to experience an increase in output. Provider capacity in Northamptonshire will need to meet potential increases in demand for employment in Construction due to high population growth and likely increase in house building as the economy recovers. This includes significant planned housing development in the Milton Keynes South Midlands Growth Area. There are, however, concerns that the sub-region will not have sufficient supply of skilled workers who will be able to progress to higher level occupations such as project management, technical engineering, positions emerging in the sustainability field and building logistics.25

4. Workforce demand – the sector has an ageing workforce and demand for new recruits over the next decade will therefore increase.
5. Industry attraction – industries within the sector generally have a poor image and understanding of the range of potential career opportunities is also perceived to be low.