



Lincolnshire economic strategy

The Lincolnshire Rural Strategy was published in March 2005 and it revealed that Lincolnshire is facing an economic crisis with low productivity and low economic growth resulting in a widening gap between Lincolnshire, the East Midlands and the UK. Lincolnshire's productivity declined rapidly in the late 1990s, falling from 87% of the UK average in 1995 to 75% in 2000. This has been followed by a slight increase in Gross Value Added (GVA) to 76% in 2001 which then levelled out to 77% in 2002 and 2003. The economy of Lincolnshire has been growing slowly at around 1% p.a. compared to the UK economy that has been growing at 2.5% p.a.

The gap between the GVA of Lincolnshire and other parts of the region remains large and this low GVA and disparity is holding the East Midlands back from achieving its vision of being a top 20 European region by 2010.

The Lincolnshire Economic Strategy (LES) Action Plan has been developed by the Lincolnshire Enterprise Partnership, endorsed by the Lincolnshire Assembly, and forms the basis of the Local Area Agreement Enterprise and Economic Development block.

The development process for the LES Action Plan has been collaborative, with some 44 organisations involved on a regular basis in its development, and the final workshop held in February 2006 involved 55 people from 35 organisations, including emda and the Government Office for the East Midlands. There were also 11 participants from the business community. The Action Plan has been developed by those in the sub-region best placed to understand the issues and develop and cost the solutions.

The LES Action Plan aims to deliver the Regional Economic Strategy (RES) in Lincolnshire. It aims to achieve a substantial improvement in social and economic conditions, especially for people currently in poor circumstances.

The main measure of success will be a rise in GVA to 85% of the UK average - the English provincial norm - by 2016.

The Strategy sets out the challenges that the Lincolnshire economy faces including the dominance of traditional sectors and lack of sectors that will drive the economy forward, like business to business, including financial services.

Other challenges include Lincolnshire's sparse population particularly in the north and east; remoteness; the low wage, low skill economy and the casual and seasonal nature of much work resulting in around 100,000 people being in labour market difficulty.

Three of the East Midlands' 5 'lagging districts' (rural areas characterised by low income) are in Lincolnshire, and the sub region is the only one of England's 5 sparse areas that is in the East Midlands. Some 28,000 people in Lincolnshire receive Incapacity Benefit and Disability Allowances, which is likely to include an element of hidden unemployment.

One third of people of working age have below level 2 or no qualifications, and unqualified people earn one third of the amount graduates earn.

The Action Plan also sets out the actions that will be needed to deliver economic growth of an average of 4%p.a. over the 10 years to 2016. The outcomes include:

- Match the average UK skills position by 2016 - 115,000 one level improvements in qualifications
- Increase of 2,200 (11%) in the number of firms
- Attraction of an annual average of 1,000 new jobs and £160 million of investment from investors new to Lincolnshire
- Having a suitable supply of property in each local area - major transformational sites and smaller sites in and around market towns

The cost estimated, so far, of implementing the Action Plan is £525 million which has been prioritised into achievable actions. It includes £268 million of actions that could be achieved by mainstreaming from existing funding mechanisms.

The Lincolnshire Economic Strategy and Action Plan is the blueprint for partnership working to demonstrate how we would deliver sustainable improvement in the Lincolnshire economy so that it stops lagging behind and starts to catch up with the UK average. Lincolnshire looks forward to making a positive contribution to the achievement of the East Midlands vision of being a top 20 European region by 2010.

