

The logo consists of four overlapping, ribbon-like shapes pointing to the right. From top to bottom, the colors are green, dark blue, red, and yellow.

Greater Lincolnshire

Local Enterprise Partnership

Strategic Economic Plan Part 2: Technical Appendix

March 31st, 2014

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Part 1: Introduction

Introducing Greater Lincolnshire

Our Strategic Economic Plan sets out Greater Lincolnshire's priorities for growth and describes what will be achieved in 2015/16 and beyond, with the support of Government through the Single Local Growth Fund.

This Technical Appendix provides supplementary information for Government departments and other organisations that are looking for further detail.

Introduction to the Greater Lincolnshire Local Enterprise Partnership

The Greater Lincolnshire Local Enterprise Partnership (GLLEP) is led by the private sector and aims to improve infrastructure and conditions for business in the Greater Lincolnshire area.

Greater Lincolnshire covers a large geographical area with a population of over one million and a diverse range of industries, from ports and logistics to farming, tourism and manufacturing. The LEP includes the local authority areas of Lincolnshire, North Lincolnshire and North East Lincolnshire.

As a partnership of leaders from the business community, and the public and third sector, the LEP performs a leadership role. This means acting as advocates for the Greater Lincolnshire area, working with Government to find solutions that will enable delivery of the strategic infrastructure that will drive national, regional and local prosperity and economic growth. The LEP provides a strong voice on behalf of Greater Lincolnshire businesses and communities and works to ensure that Government and the European Union realise the national and international importance of the Greater Lincolnshire area in the allocation of scarce resources.

The Greater Lincolnshire LEP will act as an 'enabling body', leading activity that helps the private sector to thrive and grow. The LEP's role is to identify the very high priority actions which must happen and, collectively, use the talents and resources of the GLLEP members to ensure that these actions take place.

Creating growth

Which sectors will contribute greatest growth?

We have identified that our most important sectors based on their contribution to the UK's economy are:

- Agri-food
- Visitor economy
- Manufacturing

Our strategy is to increase growth in these sectors so that they grow and thereby contribute more to the UK economy.

How will we help them to grow?

We have spoken to businesses, worked with partners, and undertaken research to understand what the greatest barriers are to local economic growth. This information has directly informed our economic strategy.

The actions that we know will drive growth in our area fall into two categories:

- Putting improved skills, growing new markets, and modern telecommunications at the forefront of growing our businesses and sectors
- Making the most of Greater Lincolnshire's attractiveness to investors through protecting what we have, improving connectivity, and increasing housing

What are we doing?

The high-level actions above underpin our specific sector-based action plans (or implementations plans).

Each action plan will provide the detailed information that all of our partners, organisations and providers need, to turn this overarching strategy into delivery projects.

Each sector-based action plan will, in turn, lead to themed plans, for example a Skills plan, an Innovation plan and a Promotion plan.

Governance structures

Greater Lincolnshire Local Enterprise Partnership

The partnership was formed in response to a strong desire by the business community and the public sector to ensure that economic interests of the area were properly represented.

The Greater Lincolnshire LEP encompasses the administrative counties of Lincolnshire, North East Lincolnshire and North Lincolnshire. It is a huge area representing nearly a million people and diverse business interests.

The partnership formed in 2010 and is growing. The Board is business-led but includes public sector partners.

The unitary areas of North Lincolnshire and North East Lincolnshire are also part of the Humber LEP. We have agreed a number of activities that are particular priorities for engagement between North Lincolnshire, North East Lincolnshire, and the Greater Lincolnshire LEP.

These are:

- visitor economy development and promotion
- supply chain and international trade activity in agri-food
- transport infrastructure and connectivity
- flood risk mitigation and lobbying
- influencing the provision of utilities for economic growth
- strengthening of the care sector as a business sector
- collaborative approaches to business support, growth, and advice
- employability skills and labour market information

Our board is made up of:

Ursula Lidbetter (Chair: Business/Social Enterprise)

David Dexter (Deputy Chair: Small Businesses)

Chris Baron (Tourist sector)

Neil Corner (Large engineering manufacturer)

Herman Kok (Construction sector/employment & skills)

Mark Tinsley (Food & Agriculture)

Andy Baxendale (environment)

Tony Hill (Public Health/Care Sector)

Colin Davie (Lincolnshire County Councillor)

Doreen Stephenson (District Councillor)

Prof. Mary Stuart (Higher Education)

Chris Shaw (Leader, North East Lincolnshire Council)

Liz Redfern (Leader, North Lincolnshire Council)

Richard Wills (Executive Director, LCC, representing the LEP Secretariat)

Leendert Den Hollander (Food Sector)

Andy Orrey (Housing Sector)

The Board will maintain a strategic overview of the economy of Greater Lincolnshire and influence public sector plans; and support and encourage businesses and the third sector to contribute actively to the prosperity of the area.

The Greater Lincolnshire LEP was established as an unincorporated partnership, with Lincolnshire County Council as the accountable body. Funds are handled by the Accountable body using the section 31 Local Government Act 2003.

The role of the Greater Lincolnshire LEP is to:

- Provide strategic leadership and develop a long term vision of Greater Lincolnshire economy, providing strategic insight on the challenges and opportunities facing the area. This will be achieved through the Strategic Economic Plan
- Champion Greater Lincolnshire's economic vision and promote bold solutions
- Share knowledge, practice and intelligence in Greater Lincolnshire
- Secure finance and encourage local and national bodies to match resources to achieve Greater Lincolnshire ambitions

All of our meetings are transparent, and we register and deal with conflicts of interest, and publish our meetings, papers, and decisions. The appointment of private sector board members is through open advertising.

A memorandum of understanding was signed to that effect by Lincolnshire County Council, Lincolnshire Chamber of Commerce, the University of Lincoln and Federation of Small Businesses.

Current Structure



The Greater Lincolnshire LEP's vision

We know that Greater Lincolnshire contributes strongly to the UK economy. And by delivering our priorities;

- put improved skills, growing new markets, and modern telecommunications at the forefront of growing our businesses and sectors further
- make the most of Lincolnshire's attractiveness to investors through protecting what we have, improving connectivity, and increasing housing

the area will grow and contribute more to the UK economy.

The Greater Lincolnshire LEP recognises that economic growth must take into account the prosperity of our area. Our vision of how our economy will look in 2030 is set out below and our strategy firmly fits the vision.

The Board developed a long term vision in 2013, see the diagram opposite.

Greater Lincolnshire – Economy 2030



Future governance

LEP

We recognise that the increased role of a LEP in decision making and funding means it is important that our LEP has the appropriate practices and procedures in place to maintain integrity of decisions.

We have recently undertaken a governance review, and are strengthening two main areas.

Making and informing decisions:

- Democratic accountability and business rigour – effective prioritisation process
- Ensuring adequate scrutiny and challenge before decisions are made
- Broader LEP membership, and advisory role for other key stakeholders

Financial regularity/propriety:

- Appointment of board members
- Clarity on decisions to sign off spend
- Clear understanding of the role of the accountable body
- Self scrutiny – arrangements for reviewing the effectiveness of spend

The LEP Board is becoming a company limited by guarantee. It will work closely with local government and other partners to ensure effective communication, strategy, and delivery. Board meetings will be held four to six times per year.

The board will be supported by an audit committee (purpose: to ensure adequate scrutiny of, and clarity on, decisions that have been taken); an appointments committee (purpose: to appoint board directors following an open and transparent process); and an approval committee (purpose: to agree strategic programmes for commissioning activity and to approve projects above a significant threshold). The Lincolnshire & Rutland Employment and Skills Board will have responsibility for approving activity within its remit.

The Greater Lincolnshire LEP is supported by an officer group comprising Department for Business Innovation and Skills, Homes and Community Agency, Lincolnshire County Council, North East Lincolnshire Council, North Lincolnshire Council, University of Lincoln, and a representative of Lincolnshire's district councils.

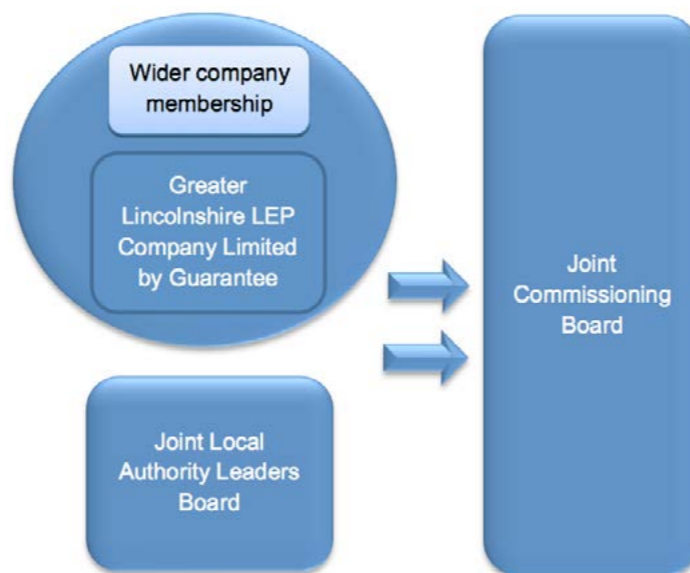
Local authority leaders' board

Because of the strong relationship between the LEP's leadership of local economic development and that of local government, the LEP will work closely with a local authority leaders' board. The LEP's role of setting, championing, and reviewing a growth strategy has already been described.

The purpose of the local authority leaders' board, which will meet two to three times per year, will be to lead the strategy into delivery. In particular, the local authority leaders' board will seek to align/pool budgets with the strategic economic plan, set a clear delivery agenda, and tackle obstacles to delivery.

The local authority leaders' board will comprise the leader of Lincolnshire County Council, North East Lincolnshire Council, and North Lincolnshire Council.

Because of the main interests and, in particular, because of the purpose of respective budgets of the LEP board and of local authorities, the LEP board will have a particular focus on business and employment elements of the strategic economic plan, and the local authority leaders' board on the place elements of the strategic economic plan. It is, however, recognised that there is a strong overlap between the two.



Deliverability

We see deliverability in three aspects: policy, commissioning, and delivery.

Where appropriate, a commissioning-based approach to the development of programmes and projects will be adopted, through a series of locally-driven Calls for Expressions of Interest. Programmes/projects developed in this way will be assessed against an appraisal framework to ensure that they are responding to local need, are deliverable (e.g. have matched funding) and represent value for money.

In order to lead the commissioning based approach which is increasingly being adopted by local government in Greater Lincolnshire – the LEP will establish three commissioning boards. These boards will have the purpose of (i) interpreting the strategic economic plan so that activity can be developed in support of its priorities, (ii) shaping the outcomes to be achieved for activities in support of the plan's priorities, and (iii) identifying and championing delivery methods for activities. Three commissioning boards will be established – led by the LEP but having input from the public, private, and third sectors – and these will have the remit of sector and business development; employment, skills, and technology; and place. The commissioning boards will be required to seek advice from the Greater Lincolnshire Lead Economic Development Councillors' Forum and will also draw on advice from partnerships such as:

- Lincolnshire & Rutland Employment and Skills Board
- Lincolnshire Forum for Agriculture and Horticulture
- Visitor economy and Manufacturing partnerships (so that all three priority sectors have strong LEP partnerships)
- Lincolnshire Transport Board (to consider infrastructure)
- Invest and Grow board (business investments)

However, the LEP will also work with other partnerships where a dialogue can add particular value. This includes partnerships like the Greater Lincolnshire Nature Partnership (the environmental economy), and Involving Lincs (the partnership of voluntary sector senior managers).

Greater Lincolnshire Lead Economic Development Councillors' Forum

The Lead Economic Development Councillors' Forum is chaired by Lincolnshire County Council and has membership from the portfolio holder for economic development of North Lincolnshire, North East Lincolnshire, and the city, borough, and district councils of Lincolnshire. The portfolio holder for economic development is often also the leader of an authority, but where that is not the case then leaders of those councils will be welcome to attend forum meetings.

The LEP commissioning boards will be required to seek advice from the Lead Economic Development Councillors' Forum. The Forum also has the remit of providing advice to the Lincolnshire Local Authority Leaders' Group and to the local authority members that sit of the LEP board.

Meetings of the Lead Economic Development Councillors' Forum will be held in advance of LEP board meetings and other important meetings in order to ensure that they can provide advice in a timely and effective fashion.

Delivery

Despite putting significant effort into ensuring that we have the right approach to policy and commissioning, we know that it is delivery that matters most.

Local authorities, higher and further education, and the third sector in Greater Lincolnshire all have a strong track record in delivering major schemes. We will look to maintain the skills and capacity required to maintain that level of delivery. One of the ways we will do that is through identifying opportunities for authorities to collaborate and share skills, and we have already started to explore two very practical examples of this:

- the local authorities are undertaking an audit of the skills of their respective economic development teams with a view to sharing skills
- similarly, the local authorities have identified that, by working with the LEP, they could establish a shared approach to working with developers on bringing forward schemes.

The LEP board has considered ways of maintaining delivery capacity. It will seek to establish delivery approaches, led by a single partner who is accountable for ensuring that delivery is achieved. This model, which has been used in major urban development schemes e.g. in Leeds, will shape responsibilities and maintain a focus on delivery.

In summary, then, the Greater Lincolnshire LEP has identified the priorities it will address in order to promote economic growth. This strategic economic plan sets out how it will address those priorities and explains that the LEP has the capacity and resources to deliver:

- the role of thematic groups in developing/commissioning EUSIF programmes under each objective
- project development, appraisal/approval and monitoring arrangements.

Alignment of funding

The LEP's own funding, the EU structural and investment funds, higher and further education budgets, and local authority resources can all contribute to the delivery of our growth objectives. This table shows how the funding could be aligned.

Many projects will be led by the private sector too, but because of the challenges of state aid regulations these projects will often be slightly removed from the LEP's own delivery activity.

| Project | Single Growth Fund | Invest to grow | ERDF | ESF | EAFRD | EU funding opt in | Local authority | HE/FE | Lottery | Other |
|---|--------------------|----------------|------|-----|-------|-------------------|-----------------|-------|---------|-------|
| Business and employment | | | | | | | | | | |
| Investment finance | | | | | | | | | | |
| Skills | | | | | | | | | | |
| Access to new markets | | | | | | | | | | |
| Innovation | | | | | | | | | | |
| Information | | | | | | | | | | |
| Digital services | | | | | | | | | | |
| Resource efficiency | | | | | | | | | | |
| Sites and premises | | | | | | | | | | |
| Major activities to promote business growth | | | | | | | | | | |
| Place | | | | | | | | | | |
| Transport | | | | | | | | | | |
| Flood management | | | | | | | | | | |
| Better utilities | | | | | | | | | | |
| Improving conditions for retailers | | | | | | | | | | |
| Market towns | | | | | | | | | | |
| Environment and heritage | | | | | | | | | | |
| Communities | | | | | | | | | | |
| Housing | | | | | | | | | | |
| Promotion | | | | | | | | | | |

Combining delivery in order to be really effective

We recognise that there is a lot of common activity in our objectives (for example, skills, and adapting to future demands, features strongly in all of our important and emerging sectors. We have established sector plans for our three most competitive sectors. However, rather than establish specific initiatives for each of the other sectors, which would lead to considerable duplication, we will tackle the common themes. It should be recognised that most of the activity that is envisaged is already happening, just not at a scale and with sufficient focus to make the transformational shift that is possible.

The common themes are identified in the table below:

| | Agri-food | Visitor | Manufacturing | Care | Ports and logistics | Low carbon | Small business | Foreign owned |
|---|-----------|---------|---------------|------|---------------------|------------|----------------|---------------|
| Investment finance | | | | | | | | |
| Skills, both provision and infrastructure | | | | | | | | |
| Access to new markets | | | | | | | | |
| Innovation | | | | | | | | |
| Information | | | | | | | | |
| Digital services | | | | | | | | |
| Resource efficiency | | | | | | | | |
| Sites and premises | | | | | | | | |

A track record that shows we can deliver

Looking back at what has been achieved over the past years gives us the confidence that we can achieve our objectives.

This strategic economic plan sets out our vision for the future, but it is important to recognise that the Greater Lincolnshire LEP has already started work on delivering its 2-year Ambitions Plan, published in early 2013. Similarly, we have worked closely with business-led partnerships that support economic growth in our area. Most notably:

- Lent weight to the successful case for EU funding to match BDUK broadband schemes
- Opened our Invest and Grow fund to provide finance to businesses with growth ideas
- Proactively advised companies on Regional Growth Fund applications, generating more than £25m in government grants to businesses in our area
- Supported the successful South Humber Enterprise Zone submission and its implementation
- Championed a business-friendly Development Charter
- Actively lobbied government for recognition of innovative approaches to water management and for a direct London-Lincoln rail link
- Supported the employer-led Lincolnshire & Rutland Employment and Skills Board and the Lincolnshire Forum for Agriculture and Horticulture so that they can find innovative solutions to the problems and opportunities facing their sectors
- Sponsored a series of studies into economic growth, including studies into sector opportunities and opportunities to collaborate with neighbouring LEPs

There are clearly opportunities to utilise funding to advance economic development to 2020. Under the current programmes, Lincolnshire County Council (accountable body for the LEP) has played a pivotal role and has delivered (or facilitated) the majority of the projects, delivering a high level of programme outputs.

This is in line with the Chief Economic Development Officers Society (CEDOS) report that recognises that shire counties contribute significantly to the nation's economic growth.

As an example, Lincolnshire County Council has delivered 26 and had significant role in bringing forward a further 10 of a total of 42 strategic projects currently contracted under the 2007-13 EU programme. This translates to 515 of the 578 jobs created and 506 of the 510 jobs safeguarded: and to the 506 of the 543 businesses assisted. The council investment of 37.7m has attracted 110.8million in grants and the advice and support provided to other projects has attracted a further 13.7m for our partners.

We also have active partnerships that get together in an enterprising way to meet local needs. This includes:

- Piloting new approaches to training that meet the needs of employers and individuals
- Combining funding to deliver schemes at transport pinchpoints
- The success has been due to several factors that continue to support the work of Greater Lincolnshire LEP:-
- Active lobbying, research and partnership building
- Knowledge of funding opportunities and the gaps in economic development provision that the county's economy requires
- The ability to produce high quality projects for funding – from project concept through bid writing and delivery
- Utilising a capital funding programme supported by levels of revenue that enable schemes to be designed, managed and delivered.

As accountable body the county council have a long history of working with private businesses and public bodies, helping them to understand and utilise these funds to enable strong impacts on economic growth.

As a LEP, we are confident that the big picture experience and success that has just been described can carry forward into our leadership of economic development.

From a macroeconomic perspective, Greater Lincolnshire generally weathers recession well and even during the last recession we continued to deliver effective projects.

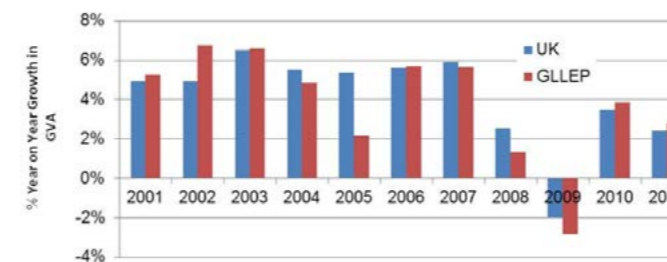
Weathering the recession:

The Greater Lincolnshire economy is currently worth in the region of £16bn based on the measure of Gross Value Added. However apportioning this economic value across the population (GVA per head) shows that the economy is performing below the national average (at £15,600 per head compared to £21,400 respectively) and the gap has widened over time.

Despite this relatively weaker economic performance, Greater Lincolnshire's economy has performed better than other areas during the recent recessionary period, with year on year growth post-recession stronger than nationally (figure 1).

Figure 1: Year on year growth in Gross Value Added

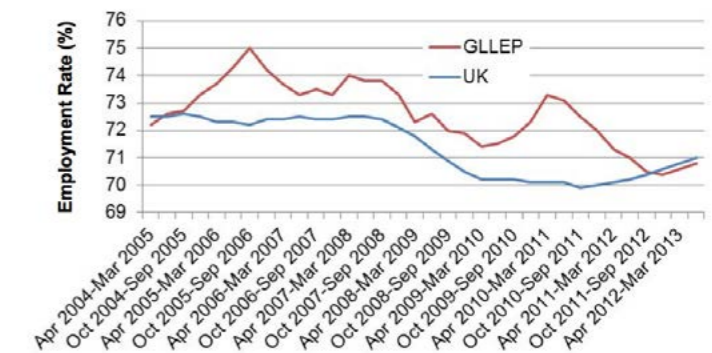
Source: Office for National Statistics



In terms of employment then Greater Lincolnshire has consistently enjoyed a higher employment rate than nationally, particularly during the recession, and has only in recent times come into line with the national average (figure 2).

Figure 2: Employment Rate 16-64 age group

Source: Annual Population Survey, Office for National Statistics



Part 2: Greater Lincolnshire's economy

Analysis of Greater Lincolnshire's economy

Greater Lincolnshire is a large, varied and thriving sub-region which stretches from the Humber bank in the north to the Wash in the south. It offers a mix of beautiful and diverse countryside, historic buildings, panoramic views, busy market towns and urban areas, but it's also a fast-growing economy where unemployment and crime rates are low and schools performance is well above average.

A large, predominately rural area – but with a population to match a major city:

Greater Lincolnshire covers an area of more than 7,000km² and includes the local authority areas of Lincolnshire, North East Lincolnshire and North Lincolnshire. The area is sparsely populated, with an average of 150 people per km² compared with 375 per km² across England and Wales. The area has just over 1.04 million residents, comparable in number to the City of Birmingham.

The geography of the area is mixed with the area being characteristically mainly rural, and sparsely populated (121 per km²), whilst other parts have a much more urban and densely populated geography.

Greater Lincolnshire is made up of predominantly small market towns and villages with the only city in the region (Lincoln) situated towards the centre of the area. The area has approximately 30 market towns and coastal resorts, and a fairly even distribution of villages across the area. The largest centres of population are the city of Lincoln (approximately 93,000 people), Grimsby (88,000), Scunthorpe (80,000), Grantham (42,000), and Boston (41,000).

Strengths in agri-food, manufacturing and visitor economy:

Fifty years ago, Grimsby was the largest fishing port in the world and today it still maintains a dominant national role in fish distribution and processing 70% of the UK's fish. With nearly a quarter of the UK's Grade 1 land, Greater Lincolnshire is one of the UK's most important agricultural areas growing 12.5% of the nation's food, and supporting world-class businesses in the packaging, food processing, fertilisers, agricultural machinery, and distribution sectors.

Farming gave rise to a manufacturing and engineering sector which still thrives: Lincoln is home to a division of the world-class gas turbine manufacturers; Siemens, and a new School of Engineering recently opened at the University of Lincoln.

North Lincolnshire is the base for five power stations and two major oil refineries providing over a quarter of the UK's oil refinery production. North-East Lincolnshire has one of the largest concentrations of food manufacturing, research, storage and distribution firms in Europe.

With our coastline, home to the 4th most popular tourist resort in Skegness, a world famous seaside resort in Butlins, numerous Blue Flag beaches, our historic market towns, and world class historical heritage in the shape of Lincoln Cathedral and Castle, it is not surprising that the visitor economy also plays a significant role in the local economy.

A fast growing population with housing to match:

Greater Lincolnshire has a fast growing population, having increased by 8.2% between 2002 and 2012, compared to the national average of 7.7%. This growth has been driven primarily by migration from other areas of the UK, although birth rates and immigration have also increased.

With a fast growing population that is projected to continue, new housing is required to match. As a result, the areas various core strategies and local development plans set out plans for an additional 100,000 houses to be built by 2032.

Lincolnshire has carried out a great deal of work to plan for housing growth in the sustainable urban extensions to Gainsborough, Sleaford, Lincoln and Grantham and in key settlements in rural and coastal areas. Development to date has been constrained by viability, land availability, developer confidence and place making capacity across all sectors. However, the mainly as yet undeveloped designated areas for growth offer great potential to develop the great places which become exemplar sustainable communities to support 21st Century business growth.

Delivery of the planned housing growth will depend on strong partnerships across all sectors that build on good practice inside and outside the County but also work innovatively to overcome the barriers that are specific to Lincolnshire. Relatively low sales and rental values together with the provision of infrastructure over a geographically dispersed area lead to viability challenges. The relatively small sized housing associations and developers in Lincolnshire offer very positive benefits to local economies but are not always best placed to individually access public and private development finance. There is a strong case for a Lincolnshire wide shared approach to bring together place making professionals, housing organisations and developers to share expertise, further develop partnering and place delivery skill sets and work together to access funding and public land assets to carry forward large scale development.

Connection to the national transport network, but bottlenecks within the area:

Greater Lincolnshire benefits from its proximity to the national spine of key north-south road and rail links, including the A1 and the East Coast Main Line. Along with the key UK ports of Immingham and Grimsby, connected via the motorway network and M62 corridor,

our UK centric location allows goods to be delivered to 75% of the UK's population within a four hour transit time. The area's scale and rurality, however, cause transport problems that must be tackled.

However there are significant variations across the area in terms of road and rail connectivity with the north and west of the area having better access to motorways, dual carriageways and rail connections than those in the in the south and east. Towns such as Boston, Skegness and Louth, are more remote from large population centres and served mainly by single carriageway roads but they are important settlements particularly in the agri-food and visitor economy sectors. Proximity to Peterborough – with both A1 and East Coast Mainline links – offers an important benefit and advantage to communities in the south. To the north, the Humber Bridge toll acts a constraint to the Greater Lincolnshire economy, particularly in terms of a barrier to realising opportunities on the South Humber bank.

The Greater Lincolnshire area has good international connections, acting as the gateway to Europe, with the nationally and internationally important ports of Immingham and Grimsby, the largest deep sea port in Europe and the busiest port complex in the UK, handling over 50m tonnes of key feedstocks including oil, gas, coal, biomass and other chemical and bulk agricultural products. It also has regular freight ferry services to various destinations across mainland Europe.

By way of air transport, Humberside International Airport in the north of the area serves business passengers and also has a growing cargo facility, with a chilled perishables hub.

In terms of rail connectivity the area has just one mainline railway station at Grantham, with a frequent and direct service to London. There are also a number of other mainline stations within close proximity to Greater Lincolnshire e.g. Newark, Peterborough and Doncaster. Significant volumes of freight utilise the link between the South Humber ports and the East Coast Main Line although further rail gauge improvements are required. The upgrade to the 'Joint Line' will see large amounts of freight pass through the area.

Business prospects in Greater Lincolnshire

Greater Lincolnshire has a relatively diverse economy, with strong representation of 'traditional' sectors, particularly agriculture, manufacturing, and the visitor economy. Important subsectors include ports and logistics, care, and the renewable and environmental sectors. The area also has a small but significant number of very specialist niche businesses which include world leading engineering and electronics businesses.

Slow economic growth, but resilient to recession:

The Greater Lincolnshire economy is currently worth in the region of £16bn based on the measure of Gross Value Added. However apportioning this economic value across the population (GVA per head) shows that the economy is performing below the national average (at £15,600 per head compared to £21,400 respectively) and the gap has widened over time.

Despite this relatively weaker economic performance, Greater Lincolnshire's economy has performed better than other areas (particularly the national economy) during the recent recessionary period, with year on year growth post-recession stronger than nationally.

At the same time over 2,500 jobs have been created and safeguarded via direct local authority intervention alone. This is on top of around 45,000 jobs that were created from all sources in the decade prior to the recent recession.

So whilst Greater Lincolnshire is able to weather recession and economic downturns well, with year on year growth post-recession stronger than nationally the challenge now is how we build to take better advantage of the current upturn in the economy.

Small businesses are an important and stable source of employment:

Greater Lincolnshire has approximately 41,000 businesses, of which the vast majority (97%) are small and medium sized enterprises (SME's, employing fewer than 50 people), in line with the national picture. However it is when we consider the proportion of total employment supported by these small businesses that we see that over half of all employment in Greater Lincolnshire is provided by businesses employing less than 50 people compared to 45% nationally.

Business numbers have been in decline across all local areas since the 2008 credit crunch and ensuing economic downturn, only showing a slight increase in numbers between 2011 and 2012. Relative to the

national picture, declines locally in business unit numbers have been greater particularly in North and North East Lincolnshire.

Businesses generally survive for longer in the area, particularly in the County of Lincolnshire which has 60% of start-ups surviving three years compared to the national average of 58%. The exception to this is in North East Lincolnshire, which whilst enjoying a business birth rate of 15%, only has a three year business start-up survival rate of 29%.

Our important sectors

The LEP will make real effort to drive growth of the 3 sectors it has the most competitive advantage in. These sectors are already important to the national and local economy but they could provide more wealth and jobs.

Agri-food

Greater Lincolnshire has the greatest proportion of grade 1 land in England and already includes a number of large established food based businesses. There is an opportunity to build on pre-eminence in agri-food providing low carbon foot print food 'from farm to fork and trowler to table'.

Visitor economy

Our heritage includes the historic city of Lincoln, east coast resorts, the RAF heritage and beautiful countryside and market towns. There is a potential to use our natural and cultural heritage to promote Greater Lincolnshire as a great place to live and visit.

Manufacturing

Greater Lincolnshire has a strong engineering heritage and we are proud of our national importance in manufacturing. We are home to some world class companies and their supply chains. With the recently opened, purpose built engineering school at the University of Lincoln, we intend to identify Greater Lincolnshire at the national forefront in this sector.

Our emerging sectors

The LEP recognises that as well as the sectors in which it has a competitive advantage, it has other strong sectors. The sectors below can be grown to become nationally important; increasing wealth and job opportunities.

Care

The population of Greater Lincolnshire is growing and ageing and reliance on the care sector will increase. Innovations in technology will offer solutions for our population through new ways of working which enable the sector to deliver care more efficiently.

Ports and logistics

There is a strong logistics and transportation sector and the coastline includes the UK's largest port.

Low carbon

Our coastline has proximity to offshore wind growth zones and Greater Lincolnshire has real resources of competitive advantage in leading the move to a low carbon economy.

Analysis of our priority sectors

Agri-food

In Greater Lincolnshire we have an international reputation for Food, Fish and Farming, having one of the largest concentrations of food manufacturing, research, storage and distribution in Europe.

The sector consists of primary production, food processing, wholesale, and retail, as well as activities around agricultural engineering and packaging. It employs over 73,000 workers, providing over three times as many agricultural jobs alone than nationally generating a direct economic value to the economy of £1.5 billion.

Growth in this sector is important not only for Greater Lincolnshire but for the country as a whole. Greater Lincolnshire is responsible for growing 12.5% of the nation's food and processing 70% of its fish, and as a result is a strategically important component of national food security.

Manufacturing and engineering

The manufacturing sector employs approximately 39,000 workers, 9% of the total jobs in the area (this rises to 16% when including agri-food manufacturing). The sector delivers a direct economic value to the Greater Lincolnshire economy of £1.8 billion per year within a number of key growth areas - primarily engineering; chemicals; metals; and polymers.

Nationally, the number of people employed in this sector has declined over the last 10 years. Whilst following this general trend Greater Lincolnshire has fared better, losing approximately a quarter of its employment compared to a third across Great Britain. It should be noted that the value of the sector has continued to rise over this time and is set to continue.

Greater Lincolnshire evidences a strong engineering heritage and we are proud of our outstanding position as a nationally important centre for manufacturing. We can trace a long tradition of manufacturing excellence underpinned by a highly skilled and loyal workforce and are home to some world class companies. We continue to excel in this sector and have recently pioneered the first purpose built engineering school for 20 years at the University of Lincoln to great acclaim.

Visitor economy

Across Greater Lincolnshire, the visitor economy is worth more than £1 billion and employs around 39,000 jobs. Our tourism product is built on the distinctive features of the Greater Lincolnshire area i.e. our coastline, our cultural heritage in terms of our attractions e.g. Lincoln Cathedral and Castle, our market towns and attractive Victorian architecture in towns like Stamford.

In terms of coastal resorts Greater Lincolnshire boasts both Skegness and Cleethorpes. Skegness, home of Butlins, is the 4th most popular tourist holiday resort according to Visit England, whilst Cleethorpes, with its tourism product based on its past reputation as an elegant Victorian resort, enjoys a coast light railway, seafront gardens, and Pleasure Island.

In addition to this, Greater Lincolnshire also enjoys over 550km² of outstanding natural beauty in the form of the Wolds, has over 600 ancient monuments, and more than 120 sites of special scientific interest.

With all of this it is not surprising then that the number of visitors and the amount of revenue and employment supported by tourism in Lincolnshire increased in 2012, according to the latest figures released by Global Tourism UK. The number of tourists who visited the County of Lincolnshire has increased from 17 million in 2011 to 17.4 million in 2012.

Looking to Northern Lincolnshire total income from visitor spend is in the region of £200m with North East Lincolnshire alone attracting 4 to 5 million visitors a year. This creates approximately £100m of economic value in the local economy with around 65% of this estimated to accrue to North East Lincolnshire.

Ports and logistics

Our ports and logistics sector has an internal, national and international focus. Our ports include Immingham & Grimsby, a truly international port, home of the Humber Enterprise Zone. Focused on bulk materials and car import/export, these ports represent an essential global gateway on our doorstep where goods can be delivered to 75% of the UK's population within just a four hour transit time.

Staying in the north, also of note is the role of Humberside Airport with airfreight related to the local seafood industry. To the south, two smaller "niche" ports in Boston and Sutton Bridge provide a specific focus on cargo such as timber and grain.

In total the sector employs around 18,000 workers, generating £700 million per year.

Freight transport by road is the largest logistics activity, accounting for almost 8,000 jobs, and with a geographical focus in South Holland and North East Lincolnshire. There is a clear link between logistics and agri-food production in these areas. Storage and warehousing is also a fast growing activity concentrated in North Lincolnshire.

Care

The care sector employs around 24,000 workers; with a direct economic value to the Greater Lincolnshire economy of £315 million per year; providing services to at least 20,000 people at any one time.

Our competitive advantage in the sector lies in not only the strengths in other sectors we have such as manufacturing, but also the demographic changes that Greater Lincolnshire population has experienced and is set to in the future. Over the last decade the over 75s population has grown by 19% compared to 12% nationally. Looking ahead over the next decade, growth in the population is set to be highest in this same age group at 34%, or nearly 33,000 people, compared to 27% nationally.

Alongside rising demand for health and care services from a growing, ageing, and more demanding population, which is increasingly adopting unhealthy lifestyles, a key challenge facing the sector is to meet increasing demand for services whilst operating with constrained resources.

Low carbon

Current estimates suggest that around 3,100 people and 150 companies across Greater Lincolnshire, work or are engaged in this sector (often referred to as renewables or environmental technologies) across a wide range of activities, from installers of solar PV panels, to plastics recycling and manufacturers of electric car batteries. However, due to the fact that many activities taking place within this sector are relatively new, or form part of other activities (such as agriculture, engineering, transport, or construction), this reflects a very small proportion of the overall activity that is currently taking place and we expect this to grow rapidly.

To the north, Immingham and Grimsby are fast becoming the centre of excellence for operations and maintenance activities for offshore wind farms in the North Sea with the potential to serve others across the UK. At least 5GW of offshore wind additional capacity is forecast to be installed off the Yorkshire/Lincolnshire coasts. Centrica, EON, Siemens, RES and Dong Energy are already developing operations and maintenance facilities at the Port of Grimsby, whilst there are proposals for a Marine Energy Park at Killingholme which will provide the facilities for the manufacture, storage, assembly, and deployment of offshore wind turbines.

There is also a broad corridor of low carbon energy activity taking place between the ports at Grimsby/Immingham and the coal-fired power stations at Drax and Ferrybridge (in Yorkshire). This is based around the use of biomass which is mixed with coal to reduce carbon

emissions and use of fossil fuels. Both the coal and biomass are imported at Grimsby and Immingham and transported by rail, but there is potential for growers in Lincolnshire to feed into this energy corridor.

And it is not just North and North East Lincolnshire, of all the counties in the region the County of Lincolnshire has the highest potential for low carbon electricity production, based mainly on the potential of onshore wind energy. Furthermore, and particularly in the more rural agricultural areas, there is significant potential for the creation of energy from waste wood, energy crops, straw, poultry waste, and Anaerobic Digestion.

The scale of housing to be brought forward offers opportunities for business development in low carbon construction and in low energy homes technology.

Already contributing to UK plc

Agri-food

Bakkavor

Bakkavor is a leading international manufacturer of fresh prepared foods, making products such as prepared salads, dips, soups, ready meals and pizzas. They employ nearly 19,000 worldwide across 52 operating facilities, and have a revenue of £1.7bn. Their customers include major global grocery retailers and well-known international food service operators, and they specialise in making products for them under their respective private labels.

In the UK they are leaders in 12 out of the 16 chilled market categories in which they operate and they supply all the major UK supermarkets.

In Lincolnshire they have 13 facilities based across five locations – Spalding, Bourne, Sutton Bridge, Holbeach and Boston – employing around 5,000 people. The Lincolnshire area has played a significant role in Bakkavor's development as a fresh prepared foods supplier due to its agricultural base and its ability to provide local high-quality produce to meet their requirements.

Frontier Agriculture

Frontier is the UK's leading crop inputs and grain marketing business, with an annual turnover in excess of £1.61bn. They specialise in management of the whole arable supply chain, supplying seed, crop protection products and fertiliser to farmers, as well as providing specialist agronomy advice. Their head office is located in Witham St Hughs, Lincoln, and overall, they operate across the UK from 46 sites and employ more than 800 people.

Frontier has a market share of 22% of the grain market and a 25% share of the UK seed market. It employs 120 agronomists, managing 850,000 hectares of land, supported by a national trials programme that covers 140ha.

Branston Ltd – North Kesteven

Branston Ltd is one of the UK's leading potato suppliers, with an annual turnover in excess of £100 million. It was started in 1968 by a group of local farmers in the Branston area of Lincolnshire and this is where its largest site is still based. It is one of Lincolnshire's most successful food businesses and employs over 600 people nationwide. The company is active in all areas of the potato industry – from seed potatoes to supplying retailers, wholesalers and crisp manufacturers.

Over the years, Branston has diversified into prepared products to complement its fresh potato range. It was the first food producer in the UK to be awarded the Carbon Trust Standard in 2008 in recognition of its work to reduce carbon emissions, and was one of the first to be awarded the Carbon Trust Water Standard in 2013.

Manufacturing and engineering

Siemens – Lincoln

Siemens was established in the UK 170 years ago and now employs nearly 13,000 people here. Last year's revenues were £4.4 billion. Siemens' small gas turbine business is based in Lincoln, where it designs, manufactures and services gas turbines for international markets.

Siemens employs over 1,500 people in Lincoln, making it the city's largest engineering employer. In 2013, the service division of the business moved into a new 135,000 sq ft facility at Teal Park, an 87 acre strategic employment business park which was initiated by Lincolnshire County Council. In 2012, Siemens spent £6m on modernising its gas turbine manufacturing plant at its city centre site and opened the new engineering school in collaboration with the University of Lincoln, the first of its kind in the UK for over 20 years.

Luxus – Louth

Luxus Ltd is one of the largest technical polymer recycling compounders in the EU. Based in Louth, the company has a tradition of sustainable innovation which has driven their business for nearly 50 years, and today Luxus is at the forefront of the fast-growing plastics waste recycling sector. They produce high-performance compounds that positively contribute to reducing both CO2 and landfill globally.

Luxus have recently completed an in-house Research and Development Centre for polymer recycling and compounding to enable them to develop advanced recycled compounds for the automotive industry, the destination of over 40% of the polymer material that Luxus recycle. Luxus's continued commitment has resulted in them winning Global Supplier status with Nissan-Renault, who they now supply in Asia as well as Europe.

Tong Peal – Spilsby

Tong Engineering Ltd (Tong Peal) are industry leaders in the manufacture of custom-built machinery for use in the processing of harvested vegetables. Based in Spilsby, the business has been operating for over 80 years and exports to more than 20 countries, with an annual turnover of £12.5m. The business has developed and expanded significantly over the past 30 years as Tong Peal consistently innovate their product lines to meet demand for more sophisticated machinery with bigger capacities which minimise damage and wastage.

More recently, they have extended their product line to include a range of washers and polishers for potatoes and other root crops, plus additional vegetable-processing machinery. The business has also diversified into equipment for handling and composting organic material, including waste from the food industry. This is proving to be a new growth area for Tong Peal, which has recently opened a second factory to cope with the increased production and now employs 145 staff in total.

Ping Europe Limited

Founded in the US in 1959 by Karsten Solheim, Ping remains to this day a family-owned golf brand with an industry-leading, worldwide reputation. Ping Europe has traded successfully in Gainsborough since 1973. They assemble, manufacture and distribute golf clubs and equipment and are recognised as the leaders in custom fitting. The Ping brand is renowned for its innovation, design, quality and service.

Recent investment in a new extension to their existing premises in Gainsborough has provided this blue-chip company with the growth capacity for both their medium- and long-term expansion plans. Ping Europe currently employs around 230 local people, which can increase in peak periods due to the seasonal demands of the industry.

Ping assembles its clubs in only three locations, Phoenix, Tokyo and Gainsborough. Ping Europe has additional facilities in Germany, Sweden, France and Spain and trades throughout Europe, the Middle East and Africa.

Larrington Trailers – Boston

Larrington Trailers is a Boston-based manufacturer of agricultural trailers. Established in 1972, the company is a leading innovator in agricultural machinery and employs 33 people at its Boston site, where 300 trailers are built every year. Its trailers are sold throughout the UK and Europe.

Larrington Trailers was the first to fit air suspension to agricultural trailers and the first English manufacturer to use a single tipping ram on agricultural trailers. Such innovations have brought several awards to the company. Most recently it received the Institution of Agricultural Engineers award and the 2014 Best New Product or Innovation award at Lamma, the UK's leading agricultural machinery and services show. The award was for the 'Ejector', a new trailer capable of transferring crops directly from a trailer into a lorry.

Bifrangì – Lincoln

Formed in November 2001, Bifrangì (UK) Ltd is controlled by Bifrangì SPA, an Italian-registered company, and it operates two sites based in Lincoln and Sheffield. A leading player in the forging and machining of crankshafts, the company supplies products to various automotive and power-generating industries and employs 168 multi-skilled people at the Lincoln facility.

Bifrangì is investing £50 million in the purchase of a purpose-built 32,000 tonne Schuler press utilising the latest green technology in Lincoln as part of upgrading its city operations.

The company recently secured £4.8 million of investment from the Regional Growth Fund for the development of a £13.34 million research and development centre and staff training activity. Coupled with other recent investments, this will enable the company to enhance its product range, increase export levels and create new jobs within the city.

Visitor economy

Examples in Lincolnshire include:

- Butlins Holiday Park in Skegness has invested £13m into refurbishing its pool complex - the biggest single investment on the Lincolnshire coast for over 10 years. The new waterpark opened in 2013 and included new slides, a 'lazy river', wave and whirl pools and a 28m flume tower. Butlins currently employs about 1,200 staff.
- Skegness Water Leisure Park has invested £4m on an additional 189 static caravans, a gym, fishing lake, football pitch, tennis bubble and nature trail. The investment was estimated to secure 53 jobs and create 30 more.
- Haven's Golden Sands site in Mablethorpe has invested around £3.7 million over the past five years. Some of the key developments have included a new live lounge family entertainment venue and a new restaurant.
- Construction starts at the beginning of 2014 of a new 60-bedroom hotel and neighbouring pub and restaurant on Cleethorpes Meridian Point. The investment of around £5.5m is hoped to create around 70 new jobs.
- A planned new outdoor adventure playground at the National Trust's Belton House, near Grantham is expected to be fully completed in 2015.
- 'Pink Pig' farm attraction plans to open a new indoor play area this year, adding to their already popular visitor attraction, which includes a farm shop and restaurant.

In the city of Lincoln, developers have invested millions in new hotels, creating new jobs. Highlights over the last five years have included:

- £6.5m investment into a new Premier Inn in 2013, creating 50 new jobs.
- The 115-bedroom Hilton Double Tree by Hilton brought 70 new jobs in 2011.
- The Holiday Inn Express opened at the end of 2008. The 118-bedroom hotel includes a bar, coffee area and restaurant at a total cost of £8.5m.

In addition, there has been a £1m refurbishment of the Castle Hotel; The Holiday Inn invested £1.2m in 2012 for a new Sports Bar and Starbucks, as well as improvement of all the bedrooms; an extension to The Old Palace in 2013 added a further 16 bedrooms and better conference facilities, leading to the creation of five new jobs; and The White Hart, Lincoln, invested more than £500,000 bringing the rooms up to a more modern standard.

Future investment into the city includes Lincoln Castle Revealed, a £22m ambitious restoration of Lincoln Castle. The restored castle will vastly improve the visitor offer and will open in time to celebrate Magna Carta's 800th anniversary in 2015.

Ports and logistics

Grimsby Fish Dock Enterprises

Grimsby Fish Dock Enterprises was originally established as an operator of the fish docks and fish harbour, but in recent years the Port of Grimsby East, as it is now known, has developed to become the hub for operations and maintenance to the offshore wind farms.

Several significant investment projects have taken place to improve the Port infrastructure, which have enhanced the facilities for the operation and maintenance companies working out of the Port. These improvements have reduced the bottlenecks previously experienced in both entering and leaving the Port, enabling more efficient transfer of personnel from the vessels.

Following this investment, the Port has successfully attracted several blue-chip companies to locate in the Port complex, namely: Siemens, Centrica, EoN, Dong Energy and RES. The commitment of these companies to work out of the Port of Grimsby has clearly strengthened the long-term future of Grimsby as the primary location for the offshore renewable industry.

FreshLinc – Spalding

FreshLinc is a leading logistics service provider throughout the UK and Europe to retailers, food manufacturers, growers and importers, specialising in the total supply chain management of temperature-controlled fresh, chilled and horticultural products. State-of-the-art facilities in South Lincolnshire and a modern fleet allow them to meet their commitment of providing a cost-effective, highly efficient service.

Since conception in 1996, FreshLinc has been able to grow continually, due not only to its geographic location at the heart of the UK producers of food and horticultural products but also to its access to import–export routes and distribution nodes throughout the UK. Growth can also be attributed to the ability to access semi-skilled and skilled labour at competitive levels.

Clugston Distribution Services – Scunthorpe

Clugston Distribution Services is part of the Clugston Group, a privately owned, limited group of businesses founded over 70 years ago. Their services include the delivery of bulk industrial powders, bulk food powders, steel, building products and general cargoes.

They employ over 100 workers and run over 60 44-tonne large goods vehicles. During 2012, they expanded into the fuel logistics supply chain, focusing on the Humber refineries and terminals, ADR, animal feeds, green technology and the logistics supply chain.

Their customers range from local to international and include Tata Steel, Barrett's Steel, Hanson's and SkyMark – all from Scunthorpe; Bradshaw's Flour Millers of Driffield; Cargills from Manchester; Kerry Foods of Gainsborough; Drax-based Power Minerals; Smith's Flour of Worksop; and Wincanton Logistics based at Buxton.

Grimbsy and Immingham Ports

Grimsby and Immingham combine to form the UK's largest port by tonnage, handling up to 55 million tonnes of cargo each year.

Although retaining its strong traditional connections to the fishing and food industry, Grimsby's major focus is on the handling of imported trade cars. More than 600,000 vehicles are imported through Grimsby each year, and ABP is about to embark on a £25 million investment in the development of the Grimsby River Terminal in order to handle the largest car carriers in operation.

Although predominantly a bulk port – and the UK's premier energy port, handling oil and petrochemicals, coal, iron ore, and renewable fuels for industry – Immingham is home to DFDS Seaways, with its unique network of services connected to Northern Europe and Scandinavia by more than 30 roll-on/roll-off freight sailings each week to ports from Rotterdam to Gothenburg. These unitised services complement the range of services which are available from the ABP sister-ports of Hull and Goole in order to give UK importers and exporters unparalleled access to the North European, Scandinavian and Baltic markets.

The Port of Boston handles cargo ships carrying animal feeds, paper, timber, grain and scrap metal. Regular sailings to Germany, Holland and Scandinavia offer a range of facilities including a full stevedoring service for bulk and side port services.

Port Sutton Bridge is a modern 62-acre dry cargo port and warehouse complex on the UK East coast, and has the capability to handle almost any dry cargo, with a particular focus on steel, timber bulk commodity and agricultural products.

Flixborough and Guinness wharves – River Trent

These two wharves on the River Trent are within two miles of the M180 motorway and within easy reach of the UK's industrial heartland. Tata steel of Scunthorpe is only five miles away. Both wharves operate two berths and are able to accommodate vessels up to a maximum of 100m, with overhead gantry cranes to service these berths and capable of lifts of up to 35 tonnes at Flixborough and 20 tonnes at Guinness.

Flixborough is a dedicated steel terminal and has a rail crew and two locomotives, which move traffic from the main Network Rail link onto their own line. Guinness Wharf has both covered storage and outside storage on hard standing, supplemented by the Group's satellite storage facility at Althorpe.

Care

Obam Lift Services

Since its foundation in August 2000, Obam Lift Services has grown and now employs 14 staff and has a turnover of over £1.6 million. Originally fitting stair lifts, Obam now offers a range of wheelchair lifts, hoists and disabled ramps.

This year, the company will expand into a new building behind the current premises in Sturton by Stow, effectively doubling their office and workshop space.

To complement the building project, a new computer system has been commissioned. More staff will be needed as the company expects the new system to allow it to improve service and make it more attractive to new business opportunities. Additional engineering staff will be put through an apprenticeship scheme – an approach that has been particularly successful in the past.

Low carbon

Freewatt Limited

Freewatt Limited is the leading solar photovoltaic design and installation company for Lincolnshire and the surrounding counties.

Established in 2008 as the first carbon-neutral company, Freewatt Limited provides innovative quality solutions which have made renewable energy technologies not only environmentally friendly, but attractive as a long-term low-risk investment.

The company has installed solar photovoltaic systems on a range of properties, including domestic, commercial and historic buildings across the country, and are now recognised by English Heritage as the Listed Building specialist. Freewatt are also experienced in solar farm installations, completing an £8.5 million project at their office base in Stow.

Freewatt's continued growth and achievements across this sector has resulted in awards for Lincolnshire's Renewable Energy Company of the Year and Large Business of the Year in 2012.

Challenges and opportunities

The Greater Lincolnshire labour market: employment and skills

High employment levels, but lower than average skills:

Presently, there are approximately 413,000 people in Greater Lincolnshire either employed (full time or part time) or self-employed. The employment rate in the area of 70% is in line with the national average.

The rate of unemployment in Greater Lincolnshire is currently above the national rate (4.2% compared to 3.9% respectively) and has been following this trend for most of the period post 2008. This however, is strongly influenced by rates of unemployment in North and North East Lincolnshire which are substantially above the national rate.

Skills levels are a particular issue in the Greater Lincolnshire area despite being in the 90th percentile for education achievement. Of the 16 plus population:

- 27% have no qualifications compared to 23% nationally
- 58% are qualified to at least level 2 compared to 51% nationally
- 20% are qualified to level 4 or above compared to 27% nationally

This lower skills profile of the area becomes even more accentuated in the local authorities making up the eastern half of the Greater Lincolnshire area.

A number of sectors face significant skills gaps/shortages, in part as a result of an ageing workforce. These include a number of the area's engineering and manufacturing sectors with growth potential.

Greater Lincolnshire: environment for investors

Urban and rural differences:

The size and rural nature of Greater Lincolnshire means that access to services, such as supermarkets, health services and education/training courses, can differ greatly across the area. There are still some of the more rural communities that experience a feeling of being 'cut-off' or 'isolated'. This places an increased importance upon the sustainability of the numerous market towns (which act as important hubs for the community), to support, and maintain projected population growth through their provision of services.

However, as our priority sectors have shown, Greater Lincolnshire is not isolated from the rest of the country, with approximately 45,000 (15%) residents commuting out of the area to work. Commuters mainly travel short distances to neighbouring areas such as Kingston upon Hull, and East Riding in the north, Doncaster and Newark to the west, and in the south to Peterborough and Rutland, but some, particularly in the south of the area, commute as far as London. These out-commuters tend to be higher skilled people working in the sectors of Business & Finance and Manufacturing. This loss of skills to the area through out-commuting is a trend that is set to continue.

Housing and affordability:

The recession and ensuing economic downturn at the end of the last decade has impacted on the rate of new house building across Greater Lincolnshire (though less so in North East Lincolnshire where housing completions have remained steady at around 200 per year).

In the County of Lincolnshire the average number of housing completions throughout the decade has been approximately 3,800 each year. By April 2010 this number had fallen back to around 2,600, well below the annual target of 3,620 of which 400 were to have been affordable homes. In North Lincolnshire, housing completions fell from around 1,100 in 2005/06 to 300 in 2009/10.

There are currently over 34,000 households on waiting lists across the area which presents a sizeable challenge considering that in the last year only around 7,700 affordable homes have been in the area in the last ten years.

To assist in tackling this demand, three areas in the County of Lincolnshire (Lincoln, Gainsborough and Grantham) along with Newark, have been awarded Growth Point status, with each area receiving up to £8 million as part of a national strategy for sustainable development. Similarly, the emerging core strategies and local development plans in the area point towards high levels of housing allocation with over 100,000 houses to be built by 2032.

Flood risk and lack of utilities as barriers to growth:

The size of Greater Lincolnshire, and subsequently the remoteness of some of the sites that are suitable for development, can mean that the current network of utilities such as electricity and water may have insufficient capacity.

Despite these identified barriers and vulnerabilities, it seems that the majority of housing development, business growth, and the creation of economic opportunities is going to be in the west of the area. There are a number of reasons for this, including the availability of land, the lower risk of flooding and the presence of a higher skilled workforce. One of the challenges is to ensure that the positive effects of development in the west are felt as widely as possible throughout the whole of Greater Lincolnshire.

For development in the east, the emphasis needs to be on ensuring an understanding of local conditions in order to maximise the benefits for the local community. The risk of flooding, and its impact on investor/insurer confidence, and the significant problems associated with transport both have a negative effect on the area's growth.

Small businesses, skills and innovation

In light of the statistics that show fewer of our 16-24 years old are qualified to Level 3 and Level 4 when compared with the UK average, we must prioritise support to our young people so that they continue in Further Education and progress to higher levels of qualifications.

Across our 25-34 age range the challenge is even greater; from national averages we would expect around 40% of this age group to be qualified to at least Level 4, yet only 27% of our 25-34 year old residents actually are. As well as ensuring that opportunities are available to those that wish to progress to Higher Education, we will support our graduates to remain in the area.

A few examples of things we are already doing:

Activity: We have supported our small businesses to collaborate with larger organisations and Universities

Impact: Businesses have accessed Technology Strategy Board (and Employer Ownership of Skills) finance that they would not have otherwise

Activity: we have offered incentives and support to our graduates to remain within in the county

Impact: we have seen an increase in the number of local graduate interns and they have moved to full time employment

Activity: We have provided critically important sector knowledge and stimulated demand for new Apprentice opportunities by working closely with schools and small businesses.

Impact: Lincolnshire has seen an increase in the number of 16-18 year old apprentices this year, against a national picture of falling numbers in this age range.

Our goals for skills, innovation and technology

Based on what employers have told us and using evidence from the impact our current activity, we will drive the following activity

Across our important sectors we will:

Increase our support for SMEs to collaborate with larger organisations, HEIs and with each other to take advantage of funding opportunities for skills, innovation and technology that they cannot access alone

Develop initiatives that will encourage innovation in digital products and services, and ensure that strategic business sectors have the skills necessary to integrate superfast broadband into their core business processes

Promote more widely the significant advantages of living, and doing business in, Greater Lincolnshire, to attract new skills and inward investment and retain more of our graduates

Build on the strengths of our innovation, enterprise and incubation centres, through increased access to innovation support, knowledge, research and technical support.

Help our colleges and training providers to increase the number and quality of employer engagements, enabling our SMEs to articulate their skills needs better, to stimulate demand for new Apprentices and higher skilled opportunities and to ensure provision meets local need

Support our SMEs to plan and deliver effective recruitment and induction strategies to create a better transition for young people from learning to the world of work

Develop our work with local partners and Sector Skills Councils to change perceptions and stimulate demand amongst our young people for careers in our most important sectors and for vocational education, providing them with the knowledge they need to make informed decisions

Seek ways to ensure that all businesses, including those in rural areas, have access to good quality and relevant training provision, facilitating partnerships to overcome challenges of cost and accessibility.

Developing a Skills Plan

The Sector Plans that have been developed include detail on the skills needs of each of our important sectors. The information from these will form the basis of a Skills Plan and an Innovation Plan.

Examples of goals in our important sectors:

Agri-food:

We will work with our local centres of excellence to ensure there are the right facilities and progression routes for technical roles that employers struggle to recruit to e.g. food technology, food engineering, and to increase management and supervisory skills of the workforce in the industry.

Visitor economy:

We will make it easier for business owners in the retail and hospitality industry to improve the skills and knowledge of the workforce, providing our visitors with an enhanced experience and raising the image of working in this sector.

Manufacturing:

We will drive skills, innovation and technology within our SMEs so they can take advantage of the growth in supply chain opportunities offered through our larger businesses locally.

Care:

Working with partners we will overcome the current perception that all roles within this sector are low skilled and stimulate demand for management, technical and specialist roles.

Port and logistics:

We will increase awareness of the variety of roles in this sector - drivers, plant operatives, logistics planners, distribution managers –and develop the provision and skills so that the local population can take advantage of the anticipated growth.

Low carbon:

With the possibility of thousands of new jobs created within and to the north of our area, we need to ensure that our schools and colleges can prepare our young people, and adults, for future opportunities in this new sector.

Our Skills Plan will also include the activity that underpins growth across all of our sectors.

Our Skills Plan will also include the activity that underpins growth across all of our sectors.

We want to:

- increase literacy and numeracy levels
- ensure that the 'employability' skills business owners want are delivered to those that need them
- support business and community integration through ESOL programmes that are tailored to our particular need
- raise awareness of the growth in related sectors as our plan is realised. For example, there will be a large increase in construction roles as new housing is built and we must prepare our future workforce for these opportunities
- have sufficient capacity amongst our training infrastructure to deliver this additional training and support a local desire for greater collaboration and specialisation across skills delivery
- support adult lifelong learning, for example ensuring that the digital skills of the local population are improved enabling better access to online services that will improve their quality of life
- ensure that a greater number of graduates are retained within the area and able to take up the higher skilled jobs that employers currently cannot fill
- deliver locally-tailored activity that will produce better outcomes for the long term unemployed.
- ensure that skills programmes and activities are properly glued together so that they yield greater impact for local businesses and communities.

We would like to see:

- the skills offer to employers simplified and they are able to access the training they need when they need it and are planning for future skills needs.
- our young people, parents and teachers have access to excellent information about our local industry and the jobs and careers available within them, so that they can make informed choices
- employers tell us that young people are better prepared for the world of work
- businesses are growing through increased skills levels, innovation and the benefits of new technology.

Part 3: Plans to improve Greater Lincolnshire's infrastructure

Local planning summaries

We will strengthen Greater Lincolnshire's status as a place where people want to live, work, invest and visit and have been aligning planning policy documents that are emerging or are already adopted across Greater Lincolnshire. By aligning these activities, there is a much greater consistency and a strong planning policy foundation on which to build delivery.

Central Lincolnshire

Provision is being proposed for 42,800 new homes and 210 hectare of employment land across Central Lincolnshire in the plan period up to 2031 to meet demographic needs AND provide the level of growth required to increase economic investment. Growth will be focused on Gainsborough, Lincoln and Sleaford as follows:

- Gainsborough's role as a primary attractor will be strengthened with a focus on providing 10,000 new homes and 25 hectares of employment land.
- Lincoln's status will be significantly enhanced with scope to provide 18,800 new dwellings, 140 hectares of employment land as well as major retail, leisure and cultural investment.
- Sleaford will maintain and enhance its role with significant new housing planned in two sustainable urban extensions which will provide 4,500 new homes as well as 20 hectares of employment land.

East Lindsey District Council

The East Lindsey Local Plan supports economic growth across the District. There is an emphasis on placing development near to services and facilities and utilising where possible Brownfield land first. The Core Strategy supports the high quality communications infrastructure, including the delivery of broadband as part of its strategy for providing employment opportunities in key settlements. It clearly supports town centre first development to maintain the market towns as the focal point for community activity. It sets out how the Council are going to deliver primary and secondary shopping areas and what is acceptable in principle as development in these areas.

A good outcome would be:

- A strong and diverse inland economy built on the strengths of its traditional industries but also supporting new economic opportunities;
- Growing employment sites in and alongside towns and large villages;
- A rural economy that is diverse and contributes to sustaining villages or networks of villages;

- A skilled workforce that is able to meet the needs of an expanding economy, in a District that has good access to modern communications.
- Most employment will be located in the larger centres of population to benefit from the economies of scale and reduce the need for excessive travel.
- Smaller settlements will provide hubs for local business where they can provide local employment at an appropriate scale and help support local services.

South East Lincolnshire

The Core Strategy sets out a long term (until 2031) framework of strategic policies for growth covering; population growth and housing needs, employment needs and a hierarchy of sub-regional centre (Boston and Spalding), Main Service Centres and Service Villages. Boston itself is also covered by policy with regard to promoting, protecting and enhancing its role as a shopping and visitor destination and there are also supporting policies with regard to the historic environment.

Broader strategic considerations are covered by policies on improving the social and physical infrastructure, highway networks and accessibility to services. Environment protection and enhancement is also a key policy approach, in particular with regard to internationally important environmental assets (e.g. the Wash) and supporting habitats and access to such areas for the benefit of the community and visitors.

The Core Strategy also embeds a policy approach to help future decision making in respect of improving design and, specifically, in respect of providing a framework for dealing with flood risk and growth. Concerns about flood risk have been a significant deterrent to investors and developers and the Core Strategy, in partnership with the Environment Agency, provides a positive framework for assessment and flood mitigation.

South Kesteven District Council

The South Kesteven Core Strategy sets out the growth proposals for the District and was adopted in July 2010.

The majority of new development is focussed on Grantham, to support and strengthen its role as a sub-regional centre and a recognised Growth Point, whilst maintaining and supporting the roles of the three market towns, Stamford, Bourne and The Deepings. Development in rural areas is more limited and directed to those larger villages that act as local service centres for a wider area.

By strengthening the existing urban and rural focal points for jobs and services the strategy makes efficient use of existing infrastructure and community assets and supports a pattern of development that improves accessibility and reduces the need to travel.

Provision for 13,600 new homes before 2026 is planned with over half of these new homes being built in Grantham, primarily on two major sustainable urban extensions. Of the new housing provided up to 35% will be affordable.

With an increasing population and changing economy the Core Strategy seeks to broaden and diversify the employment base of the District by identifying opportunities and sites for specific employment sectors in the towns and by encouraging appropriate employment, tourist related and diversification schemes in the rural area. This includes high quality business park and office developments in Grantham and Stamford which can take advantage of good access to the strategic road network.

To complement the planned growth in housing and employment, growth within and around the town centres, particularly in Grantham, will be focused on improving the town centre offer including new retail opportunities and potential regeneration for mixed use schemes.

North Lincolnshire

The Core Strategy is a long term spatial planning framework for the development of North Lincolnshire up to 2026.

North Lincolnshires vision is to become the global gateway for the North with potential to create 10,000 jobs on the South Humber bank and 15,700 new homes between 2004 and 2026. Schemes such as Lincolnshire Lakes will be expected to make a significant contribution.

Wind turbines and CO² capture and storage (in disused gas wells in the North Sea) are important opportunities.

Extant planning consent for a scheme which would bring circa £100million of investment with the creation of transport depots, warehousing, external storage, business park etc.

£95 million funding has been agreed through the Regional Fund Allocation to upgrade the A160. Work is expected to start on site in 2015.

Railway lines are the key artery to serve the area with improvements planned including the Killingholme Loop.

A South Humber Gateway Board has been created to drive growth.

Housing

The area has approximately 70,000 dwellings. An additional 12,000 new dwellings are required up to 2026.

Spatial vision

Scunthorpe will provide the sub-regional focus for development supported by the market towns of Barton-upon-Humber, Brigg, Crowle, Epworth, Kirton-In-Lindsey and Winterton.

Key strategic locations for economic development will be the South Humber Bank, Humberside Airport, Scunthorpe Urban Area and Sandtoft Industrial Estate.

Scunthorpe will be the main location for Housing Growth and Employment Development. This will include a sustainable urban extension to the west of Scunthorpe known as Lincolnshire Lakes. The site was chosen due to clear locational advantages including direct motorway access, sufficient land area, proximity to local services and availability of infrastructure.

Lincolnshire Lakes is a sustainable urban extension which will create a new waterside environment to the west of Scunthorpe that can be seen from the M180 and M181.

North East Lincolnshire

The Spatial vision sets out how the Borough is expected to change over plan period to 2026 and identifies areas of broad opportunity.

It has four main components:

1. Spatial portrait – context
2. Issues – to be addressed
3. Spatial vision
4. Spatial objectives.

Spatial portrait

Grimsby is the sub-regional centre and with Cleethorpes forms the main urban area. Immingham is an independent town which also serves North Lincolnshire and with issues in relation to traffic movement and air quality and a need to regenerate the town centre.

Issues

- Lack of good quality affordable homes.
- Borough is ranked 49th out of 354 LAs on the Indices of Multiple Deprivation 2007.
- LA transferred housing stock to Shoreline Housing Partnership in 2005.
- Council is committed to providing a higher education presence.

Overall Spatial Vision (Four Spatial Zones)

1. Urban Area (Grimsby & Cleethorpes)
2. Estuary Zone (land adjacent to Estuary including port town of Immingham)
3. Western and Southern Settlement Arc (Healing, Laceby, Humberston, New Waltham and Waltham)
4. Rural area (open countryside including rural settlements).

Spatial Strategy is under-pinned by five key considerations:

1. Sustainable
2. Renaissance and regeneration
3. Economic prosperity
4. Environment and climate
5. Regional planning context.

The locational strategy defines the focus and quantum of development in the four spatial zones. In summary, most re-development to be concentrated in and on fringes of urban area of Grimsby/Cleethorpes. Development will be steered away from areas of flood risk but support redevelopment of brownfield sites. No housing growth on greenfield sites at risk of flooding.

Growth projections assume 8000 new dwellings over a 15year period as follows:

- 4,400-5,200 dwellings - urban area fringe of Grimsby/ Cleethorpes.
- 400-640 dwellings – Estuary zone including Immingham plus 80-85% of new employment.
- 2,400-3,200 dwellings – in Western and Southern Settlement Arc (Healing, laceby, Waltham, New Waltham and Humberston)

NEL major employment sites

Following two strategic locations identified:

1. Humber Employment Zone – 552ha – Includes land east of rail freight line for uses that need to be located close to the estuary, Included within this area is development of the Europarc Phase 4 land. 142Km will be phased to follow the completion of the existing Europarc site. Phase 4 will be on a high quality industrial site with direct access to Immingham Port.
2. Humberston/New Waltham – 6ha – Development and limited expansion of Wilton Road and Hewitts Avenue Business Park.

Greater Lincolnshire LEP

The Greater Lincolnshire LEP's input will concentrate on actions which will renew and reinvigorate existing economic infrastructure as well invest in new infrastructure necessary to support and enable this growth and safeguard the delivery of the strategic objectives outlined above.

By doing so the Greater Lincolnshire LEP will:

- Intervene where the market is failing to ensure that premises are available to house increased start-ups and growing businesses
- Expand or develop specialist training, skills and technology facilities to meet the needs of our expected growth
- Ensure businesses in rural areas have access to relevant training provision, creating 'hubs' where appropriate

Transport plan

The 4th Lincolnshire Local Transport Plan (LTP4) prioritises four important schemes which will assist in supporting delivery of both residential and employment growth going forward. These are:

- Lincoln Eastern Bypass
- Grantham Southern Relief Road
- Spalding Western Relief Road
- Lincoln East West Link

In addition, LTP4 also prioritises the proposed Lincoln East-West Link, which will assist in tackling the growing congestion problem in the City Centre particularly that associated with the increasing level crossing closures, as well as opening up land for regeneration.

Lincoln Eastern Bypass

The proposed Lincoln Eastern Bypass will provide a new route around the eastern side of the city, linking the A158 in the north-east to the A15 at Bracebridge Heath in the south. As well as removing through traffic from the city centre, the scheme is key to unlocking future development on the eastern side of the city, in particular within the two Sustainable Urban Extensions (SUEs) proposed in the emerging Local Plan being prepared by the Central Lincolnshire Joint Planning Unit (a partnership between the three district councils of City of Lincoln, North Kesteven and West Lindsey, and the County Council). Currently, the Local Plan proposes the following levels of development within these two SUEs:

- **North East Quadrant:** 1,400 dwellings and 6 Ha of employment
- **South East Quadrant:** 6,000 dwellings and 19 Ha of employment

Work on the scheme is well advanced, with planning permission having been granted in June 2013 and a Public Inquiry into the Compulsory Purchase and Side Road Orders to be held in February 2014. Subject to these being confirmed, then work on the scheme is expected to start in Autumn 2015, with construction expected to take some 2 years.

A successful bid for funding support from DfT was made as part of the "Best and Final Offer" process with DfT contributing £50m toward the estimate £96m cost (subject to final approval).

Grantham Southern Relief Road

A key element of the adopted Grantham Transport Strategy is the provision of a southern relief road to the town running from the A52 across to the A1. This would assist in removing through traffic (and in particular HGVs) from the town centre, thereby reducing congestion and the number of rail bridge strikes. In addition, it would open up land to the south of the town for future development in line with proposal set out in the adopted South Kesteven Core Strategy and the emerging Grantham Area Action Plan.

Planning permission has already been granted for a major distribution centre (comprising 1.27 million sq ft of warehousing) adjacent to the A1. The permission requires the applicant to construct the first phase of the relief road between the A1 and the B1174, including the provision of a new grade separated junction with the A1. Planning permission for the second phase of the scheme from the B1174 to the A52 was granted in November 2013. Proposal for the associated Sustainable Urban Extension are in development and would see up to 4,000 dwellings provided, along with a major employment site.

Discussions are ongoing with the County and District Councils, the developers and land owners of both the proposed distribution centre and the Sustainable Urban Extension, the Highways Agency (as highway authority for the A1 Trunk Road) and Network Rail (since the route crosses the East Coast Main Line) regarding detailed design and delivery/funding options. In the meantime, the Lincolnshire Strategic Transport Board has prioritised the scheme for funding using all of its £11.9m capital allocation from central government.

Spalding Western Relief Road

The main objectives of the proposed Spalding Western Relief Road are:

- to support the future growth of the town and in particular the proposed Holland Park development, and
- to help mitigate the impact of increased level crossing closures brought about as a result of Network Rail's ongoing work to upgrade the GN/GE Joint Line through Lincolnshire to allow additional freight trains to be routed off the East Coast Main Line

The proposed relief road will provide a link from the B1172 Spalding Common around the west of Spalding before linking up to the B1356 Spalding Road, south of Pinchbeck. The scheme is to be constructed in phases, with Phase 1 associated with the proposed Holland Park development. This development was granted outline planning permission in March 2012 for some 2,250 homes. Discussions are ongoing with the developer regarding detailed design and funding of Phase 1 of the road scheme.

Lincoln East West Link

The proposed Lincoln East West Link will run between the High Street at its junction with Tentercroft Street through to Pelham Bridge/Canwick Road. It will bring a number of benefits including:

- creation of a new east-west link across the City,
- mitigation against the impact of the increase of rail freight traffic across the High Street level crossing by providing an alternative route for traffic,
- opening up Tentercroft Street area for regeneration,
- enabling the pedestrianisation of the High Street between Tentercroft Street and St Mary's Street, and
- freeing up space to allow Network Rail to construct a footbridge over the level crossing.

The scheme was granted planning permission in November 2012 and following publication of the necessary statutory orders in mid-2013, a Public Inquiry is currently planned for March 2014. Subject to a satisfactory outcome, then a start on site is expected in Autumn 2014, with construction taking approximately 2 years.

Agri-food and manufacturing

As highlighted earlier the agriculture/ food processing and manufacturing industries are extremely important to the Greater Lincolnshire economy. Key to their success is the ease of movement of products and produce across and into/out of the area. With much of the area's main road network being of poor standard, the inadequacy of the infrastructure is seen as a key problem, particularly in the food supply chain, with hauliers finding it increasingly challenging to meet the strict "just-in-time" requirements of their clients.

The scale of the problem across Greater Lincolnshire inevitably means that such progress is limited by available funding. Some progress has been made. For example, the A1073 (now A16) Spalding to Eye Improvement opened in October 2011 has provided 22 km of new 7.3m single carriageway road between Spalding (where much of the food processing industry is based) and Peterborough, the A1 and beyond. This has replaced the old narrow, tortuous carriageway (with a poor safety record and severe maintenance problems) with a new modern road thereby improving both journey times and journey reliability for the local agriculture and food processing industries.

Similarly to the south-west of Lincoln, improvements to the A46 Lincoln Western Relief Road has provided access to the new 35.3 hectare Teal Park business park. This has resulted in a new roundabout (replacing the former staggered cross roads, an enlarged roundabout at Doddington Road, a short stretch of dualling on the A46 and a new roundabout access on Whisby Road. Part of the site is now occupied by Siemens engineering manufacturers.

Another key route for the agri-food sector is the A17 which runs roughly east-west through the southern part of Lincolnshire. Apart from short stretches of dual carriageway at Sleaford and Beckingham, this former trunk road is predominantly single carriageway carrying between 14,000 and 20,000 vehicles per day with up to 20% commercial vehicles within these flows. Although some stretches of the road were upgraded to modern single carriageway standards in the 1980s and 1990s, traffic levels have continued to rise since then and congestion is common place at some locations, particularly during the summer months when the road is also heavily used by holiday traffic. With estimates for dualling the A17 across Lincolnshire in excess of £1bn, whole scale upgrading of the route is unlikely to happen in the near future. However, opportunities for smaller scale, more limited improvements at key locations as "Pinch Point" schemes may be possible. These would seek to tackle locations where congestion and/or safety are a major problem, such as at the A17/ A151 junction west of Holbeach.

Likewise, there are calls for the A15 north of Lincoln through to the M180 to be upgraded to dual carriageway standard. Although the road generally follows the route of the old Ermine Street and is therefore relatively straight, the vertical alignment within Lincolnshire is poor with hidden dips and limited overtaking opportunities. In addition, the traffic flow includes a high proportion of slower moving HGVs. Hence, there are delays to other traffic at busier times and safety issues. As with the A17 above, the cost of dualling the full 20 mile stretch is likely to be prohibitive (estimated at in excess of £400m). However, smaller scale "Pinch Point" schemes aimed at tackling the key problem spots may be more achievable.

Visitor economy

Greater Lincolnshire has a strong tourism industry, both on the coast and at historic and heritage sites spread across the area. The visitor economy is worth over £1 billion annual. Key to the continued growth of this sector is the ease of access to the sites and attractions. If visitors find it difficult to travel to and from these sites and to park once there, then they are unlikely to want to return again in future. Inevitably, the seasonal nature of much of the coastal tourism industry places a strain on the area's transport networks at peak times.

Recent transport initiatives which have benefitted the tourism industry include:

- bypasses at Partney and Burgh Le Marsh as part of the Coastal Access Improvement reducing congestion for holiday traffic heading to the Lincolnshire coast whilst also removing traffic from these villages,
- enhancement to the rail station forecourt at Skegness replacing derelict buildings to improve the street scene for visitors arriving by train, and

- provision of additional carriages by East Midlands Trains on trains arriving in Skegness during the peak holiday season to reduce overcrowding.

There are increasing concerns about the growing levels of congestion in Skegness during the summer months, and the detrimental impact this has on the local tourism industry. This is perhaps most evident along A52 Roman Bank which parallels the coast linking the centre of Skegness (with its amusements, beach, pier and other attractions) with Ingoldmells (with its concentration of caravans, Butlins and Fantasy Island). Proposals for a Skegness Western Relief Road are in development which would see a new route constructed from the A52 south of the town crossing the A158 and up to the A52 near Ingoldmells. As well as providing much needed traffic relief during the holiday season, it would also open up land for employment uses and possibly housing.

Away from the coast, the city of Lincoln is a major tourist attraction, with the main focus being on the uphill area containing the Cathedral and Lincoln castle. To support the longer term development of Lincoln, a "Transport Strategy for the Lincoln Area" was adopted in 2006 and has recently been reviewed. The strategy includes many initiatives which will help to support the visitor economy in the city, including the proposed Lincoln Eastern Bypass. Among the other proposals are:

- improved direct Lincoln - London rail services, and
- park and ride

Currently, direct Lincoln - London rail services are very limited, with the majority of rail journeys requiring a change at Newark. Lincolnshire County Council, supported by other partners, is campaigning for an enhance direct Lincoln - London service to be included within the new franchise for the East Coast Main Line due to start in early 2015. Such improvements would bring significant benefits to the local economy particularly the tourism industry by opening up the opportunity of weekend (or even day) trips to Lincoln from the London area. Such trips are not currently possible or require long changes at Newark Northgate station. With the 2015 Magna Carta Anniversary exhibition at Lincoln Castle expected to provide a major impetus to tourism, such enhancements are considered to be extremely important to the city. The County Council has prepared a Business Case for improved Lincoln - London services which is being used to lobby DfT and prospective franchisees.

Park and Ride is identified as an important element of the overall transport strategy for Lincoln for commuters and visitors alike. To date, work has focused on identifying a preferred site for a longer term scheme, but funding remains an issue. In the meantime, opportunities to provide a short term solution in anticipation of the Magna Carta Anniversary are being considered.

"Pinch Point" schemes

As well as the major highway schemes outlined above, smaller scale schemes aimed at tackling more localised congestion and safety issues (generally referred to as Pinch Point schemes) also have a role to play in supporting the local economy. Recent examples include the newly completed Newark Road/Brant Road/Rookery Lane scheme and the proposed Canwick Road Improvement scheme in Lincoln. Both of these schemes have been jointly funded through DfT's competitive Pinch Point Fund. There are many such candidate locations across the area and a shortlist will be developed to allow these to be taken forward as funding opportunities arise.

Sustainable travel

As highlighted in the 4th LTP, the promotion of sustainable travel (including walking, cycling and public transport) has a role to play in stimulating economic growth. Encouraging travel by these modes can help to reduce congestion, whilst also providing access to training and employment for those without access to a car. In addition, provision of cycleways and associated bike hire facilities can encourage tourism, bringing additional income into the area.

Such schemes have long been a focus within the Lincolnshire LTP through the Community Travel Zone and Rural Priorities Initiatives. More recently, a successful bid was made to the DfT's Local Sustainable Transport Fund. Badged as "Access LN6", this initiative has led to a range of measures being introduced in the SW Lincoln/ North Hykeham including:

- improved bus services
- a cycle hire project
- improvements for cyclists and pedestrians
- enhancements at Hykeham rail station
- cycle training
- personalised travel planning

The aim is to roll successful elements of the Access LN6 project to other areas of the county as resources permit.

Nottingham – Lincoln Rail Service and Line Speed Improvements

Working in partnership with other authorities through the Nottingham – Lincoln Stakeholder Board, the County Council has been looking to secure improvements to this economically important rail route, both in terms of rail services and line speed improvements. Discussions are ongoing with East Midlands Trains regarding opportunities to improve the level of service along the line within the existing

extended franchise. Following a GRIP 3 study carried out by Network Rail, various improvements to signalling, points and crossing have been identified to increase the running speed of trains. The scheme has previously been prioritised within the former Regional Funding Allocations, but currently no new funding source has been identified. In the longer term, the authority would like to see the line electrified to take advantage of the new Inter-City train fleet.

In North/North East Lincolnshire, which is covered by a separate Local Transport Board, agreed transport priorities include:

- works to the A180 at Cleethorpes and Great Coates
- rail gauge enhancements between the South Humber Ports and Doncaster
- access improvements to Humberside Airport.

Opportunities associated with using transport funding to open up strategic sites should be taken up.

Housing

Greater Lincolnshire is a low property value area with relatively low rent levels and low sales values (£123k average price August 13 compared to £125k average East Midlands and £165k nationally). This has implications for both the open market and affordable housing sectors.

- Greater Lincolnshire is committed to housing growth and sets out priorities in local plans to deliver 100,000 dwellings up to 2031. The housing will be concentrated in the main urban centres of the area but will also allow for considerable growth in selected service villages in rural areas.
- around half the housing growth will be located in Central Lincolnshire with almost one quarter (18,800) of the homes in the Lincoln area alone. This concentration is crucial for supporting Lincoln as a main economic driver in the area.
- businesses have identified that a lack of experienced staff in the county constrains their business growth
- demand for house builders will benefit the local economy via small, rural independent firms, as well as larger companies located in the main towns.
- UK Constructors Group research shows that every £1 spent on housing and construction generates £2.84 of value to the economy as a whole
- there will be benefits to some existing settlements, arising out of the proposed housing growth. In particular, the Lincoln area will physically expand to a size and population comparable with Norwich (current pop. 132,000) and Cambridge (current pop. 125,000) and will benefit from a wider range of retail and transport services which are made more viable in larger population centres. This in turn will increase the attraction of Lincoln as a tourist and shopping destination.
- the delivery of this level of housing growth is challenging, not least in ensuring viable sustainable growth which provides the right balance of homes, affordable homes, employment and supporting infrastructure.
- major business developments (e.g. the offshore wind construction sites in N & NE Lincolnshire or our plans for major sector growth) will require commensurate amounts of housing.

Economic benefits arising from the construction of housing of all tenures include:

- Growth** – there will be an increase in economic activity arising from physical expansion and population increases with a wider range of retail and transport services which are made more viable
- A balanced /working age population** – the right range of house types and tenures will support the retention of young people to work in the county and attract new business employees.
- Construction** – directly for the construction industry with provision of homes but also the wider economic context of injecting demand into the economy, associated trades and industries
- Developer contributions** – the large quantity of housing to be provided will require substantial infrastructure to support an increased population via new roads, schools, flood defences etc.
- Affordable housing** – it is estimated that approximately 20 – 25% of all new housing in Lincolnshire will be affordable. This will benefit the retention and attraction of a workforce.

Enhancing Greater Lincolnshire as a recognisable and attractive place

Our market towns

Our network of market towns provide services and jobs to residents, and is one of the things that makes Greater Lincolnshire the place that it is.

- Greater Lincolnshire has a network of attractive market towns. Each can play a strong role both in attracting visitors and investors, and in providing good quality services to its residents.
- our distinctive market towns are part of what makes Lincolnshire the place that it is.
- changing retail patterns, ageing townscapes, modern communications and infrastructure all mean that it is vital to help our market towns to adapt to the future so that they continue to contribute to the county's identity.
- the private sector is less likely to invest in speculative business units in market towns because of a lack of critical mass in businesses and therefore the longer time in which they receive a return on their investment. Local research shows that there is a particular lack of medium sized and step up level provision.

Our goals for market town vitality:

- we will support partners in maintaining the vitality of our market towns.
- communities will work together to deliver local solutions to the opportunities in their area.
- community led schemes will enhance the area and assist small business growth.
- facilities that provide opportunities for social enterprises and community groups to deliver services will be supported thereby enhancing the attractiveness of the area.

Our communities

Greater Lincolnshire has pockets of deprivation both in its city and towns, and in its rural communities. Solutions to tackling deprivation need to be delivered at community level.

Our communities have the opportunity and ambition to deliver services locally, and this will lead to social enterprise and local job opportunity.

We have a well-organised voluntary sector, co-ordinated through the "Involving Lincs" organisation that is focused on delivery.

Our goals for community development:

The Greater Lincolnshire LEP will help the voluntary and community sector to deliver programmes in the following areas:

Learning and skills:

- Apprentices – the sector employs between 1.5 and 2% of the workforce and has employment opportunities across a wide array of disciplines – it is an untapped resource regarding apprenticeships.
- Community Led training – delivering programmes of support to those furthest away from the labour market, providing holistic support which is proven to lead to better learning and individual outcomes.
- Management and Leadership – through the innovation and flexibility of the sector there is strong experience of leading complex organisations, the knowledge of which could be transferred to other sectors including Agri – Food and Tourism to develop their leadership skills.
- Volunteering into employment – using the breadth of skills across the sector to develop volunteers and increase their employability through experience, training and development.

Community hubs:

developing and leading the running of cross sector hubs that provide community services i.e. Library facilities, training centres, community café, Micro and SME business support and networking – (village hall, library future usage)

Capacity support:

for small businesses including private and VCS – potentially to lead to community investment projects, ICT innovations, support to Greater Lincolnshire's Heritage and social enterprise development

People will have a share in prosperity that growth brings. The contributions of a diverse population will be recognised.

Part 4: Background information

Risk matrix

The strategic economic plan is both a strategy document and a mechanism for framing delivery. The Greater Lincolnshire LEP board will take a particular responsibility for ensuring that risks are managed so that delivery can be effective.

| Headline risk | Description | Likelihood | Impact | Mitigation measure |
|---------------------------|---|------------|--------|---|
| Government support | Government may not continue to support LEPs neutering their ability to lead economic growth; specific policies (eg food security, skills, water management) do not create joint benefits that help our economy to grow. | Low | High | All main parties currently support the concept of LEPs; LEP board members are actively involved in national panels on these subjects. |
| Local support | Partners do not back the strategic economic plan leading to our priorities not being delivered. | Low | Medium | An engagement plan, focused on the business community and partner organisations is in place; governance structures provide an opportunity for all members of the economic development community to contribute to policy and commissioning; alignment of funding amongst partners is being explored. |
| Partner policies | Partners' policies (e.g. core strategies, local economic development strategies) do not fit with the aims of the strategic economic plan; partners' policies do not gain approval from relevant bodies. | Medium | High | The SEP has been prepared on the basis of LEP board priorities and partners' strategies; a review of the linkages between partner policies and the strategic economic plan will be undertaken; progress of partners' strategies through their approval mechanisms will be monitored. |
| Funding | Funding will not be available to support the actions in the strategic economic plan, thereby stopping them from being delivered. | Low | High | The EU funding programme is currently in place offering key strategic opportunities for Greater Lincolnshire. |
| Delivery capacity | Insufficient delivery resources mean that projects are unable to be delivered in support of the strategic economic plan's aims. | Medium | High | Local authorities are doing a review of delivery capacity and how collaboration could improve the resources available; technical assistance to support delivery will be sought from the EU funding programme. |

Our engagement programme

We have used and commissioned reports to help us understand our local economy as follows:

General conditions:

- Economic Assessments for Lincolnshire, North East Lincolnshire, and North Lincolnshire
- Local Economic Forecasting Model, Cambridge Econometrics
- Various, Office for National Statistics

Opportunities/Challenges

- Learning from Our Place in the Global Economy, University of Lincoln and Rose Regeneration
- Opportunities for Greater Lincolnshire Supply Chains, University of Lincoln and ADAS
- Opportunities for Innovation within Greater Lincolnshire's Traditional Industries, Rose Regeneration and CM International UK Ltd
- Understanding Lincolnshire's Neighbouring Economies and Areas, Genecon and Nottingham Business School
- Climate Change and Greater Lincolnshire – A review of policy, baselines, current practice and opportunities, Lincolnshire Research Observatory

Skills

- Skills and the Local Tourism and Visitor Economy in Lincolnshire, Skills Reach
- Manufacturing/Engineering Understanding the Lincolnshire Skills Shortage, FMC Global Talent
- Skills Needs in the Greater Lincolnshire Agri-food Sector, Improve and Food & Drink Skills Council

In addition to the studies that are detailed above, we have also used the findings of the quarterly economic survey which is carried out in partnership between the University of Lincoln, Lincolnshire Incorporated Chamber of Commerce, and Lincolnshire Research Observatory. The survey goes out to c500 businesses per quarter.

Specific discussion and consultation about the strategic economic plan, its content and vision and how EU funding could be used to deliver against its priorities, has also taken place as follows:

- Local Enterprise Partnership board meetings (two monthly)
- Visitor economy, manufacturing, and agri-food sector group meetings, led by LEP board members (roughly monthly, to consider sector priorities as reflected in this strategy document)

- Lincolnshire & Rutland Employment and Skills Board (quarterly, including specific discussion about ESF opt-ins)
- Lincolnshire Forum for Agriculture and Horticulture (quarterly, including specific discussion about EAFRD connections)
- Face to face interviews with 78 important local businesses (over summer 2013, to be increased to 100 by Christmas 2013)
- Involving Lincs, Lincolnshire's voluntary sector forum (3 specific meetings to discuss priorities and in particular the role that social inclusion can play in economic growth)
- Lincolnshire Nature Partnership (to discuss the opportunities relating to the environmental economy)
- Heritage Trust of Lincolnshire (to identify the importance of the area's heritage to its economic growth)
- Lincolnshire affordable housing group (to identify the synergies in working to deliver both housing and business growth in an integrated way across the designated growth areas and rural and coastal priority settlements)
- Local authority lead economic development councillors' forum (quarterly, to discuss major priorities and the role that EU funding has in delivering these)
- Officer workshops, including education, voluntary, and local government sectors (2 meetings, to discuss major priorities and the distribution of EU funding amongst measures)
- Liaison with neighbouring LEPs, particularly Humber and York/East Yorkshire (phone conference involving LEP chairmen, 3 officers' meeting)

The strategy makes particular reference to a series of local strategies and documents, ranging from those of district councils to those of government bodies. The Greater Lincolnshire LEP remains committed to working with all partners and seeking to deliver in conjunction with their strategies as appropriate.

List of visited companies and organisations

| | | |
|-----------------------------------|-----------------------------------|---------------------------------------|
| 4ECO Ltd | FreshLinc Ltd | North Lincolnshire Business Club |
| Adults Supporting Adults | Frontier | Oakridge Hotels |
| Allen Williams | George Adams & Sons Ltd | Oldrids and Co Ltd |
| Aviation Heritage Partnership | George Bateman and Son Ltd | Optima Graphic Design Consultants Ltd |
| Bakkavor | Globe Consultants Ltd | Paragon Print Packaging Ltd |
| Banks Long and Co | Heritage Lincolnshire | Pennells |
| Batemans Brewery | Hexadex Ltd | Peter Rhodes |
| BGB Engineering Ltd | Hodgson Elkington | Ping Europe Ltd |
| Bifrangji UK Lincoln | Househam Sprayers Ltd | Pocklington's Ltd |
| Boston Borough Council | Humber Chemical Forum | POP Design |
| Brandthing Ltd | Humber Seafood Forum | RIBA |
| Broadgate Builders (Spalding) Ltd | ICE | RICS |
| Bulldog | Institute of Directors | Ruddocks |
| Crop Intellect | Intergreen UK Ltd | Sealord Caistor |
| Crop Intellect Ltd | Involving Lincs | Shelton Sportsturf |
| Cummins | J and A (International) Ltd | Siemens Industrial Turbomachinery Ltd |
| David Sleight | Jonathan Hendry Architects | Sleaford Quality Foods Ltd |
| Davis (Produce) Ltd | Landis Gyr | Staples Disposables Ltd |
| Denby Transport Ltd | Lark Energy | The Sleep Shop |
| Design by Distraction | Limagrain | Tongs Engineering Ltd |
| Dynex Semiconductor Ltd | Lincoln Cathedral | Univeg UK |
| Eminox | Lincolnshire Co-operative Ltd | Waldeck Consulting Ltd |
| Empire World Trade Ltd | Lincolnshire Heritage Forum | Warners |
| Environment Agency | Lincs Nat-West Business Breakfast | Wood Group |
| Epix Media | Lindum Group Ltd | Worth Farms |
| F1 Group | Market Rasen Racecourse | |
| Flood MSS | Morgan Tucker | |
| Fogarty Holdings Ltd | Mortons of Horncastle Ltd | |
| Fox Owmbly Ltd | Mouchel | |
| Freewatt Ltd | National Trust | |

Sectoral activity and its links to national policy

The Greater Lincolnshire LEP recognises the contribution that its plans make to government policy. The following table outlines the LEP's key growth sectors and how they align to national policy and plans:

| GLLEP AREA | Government Growth Plan | BIS Industrial Strategy | ERDF 2014 – 2020 |
|--|--|---|---|
| Agri-food | Encourage investment and exports | Recognition of importance of growing supply chain | ENHANCING THE COMPETITIVENESS OF SMEs Encouraging SMEs to export/target new markets. Strengthening local and national supply chains. Adequate supply of incubation space & support services for the next generation of high growth businesses |
| Advanced precision engineering – mechanical, electrical | Advanced manufacturing growth | Supporting advanced manufacturing - AMSCI | ENHANCING THE COMPETITIVENESS OF SMEs Encouraging SMEs to export/target new markets Strengthening local and national supply chains |
| Energy / renewables / off-shore wind | Support for green energy | Enabling sectors | LOW CARBON Enhancing job creation capacity of the low carbon sector Support non-domestic sector to develop low carbon technologies and focus on energy efficiency |
| Petro-chemicals, polymers | Supporting innovation | High value opportunities / R&D support | INNOVATION Building collaborative research between enterprises Activities to accelerate the development, innovation, adoption, deployment & cost reduction of low carbon technologies & related supply chains / infrastructure |
| Aerospace bearings / components | Space industry (reform of Outer Space Act) | Supporting manufacturing with a focus on industries such as aerospace | ENHANCING THE COMPETITIVENESS OF SMEs Supporting new start and business growth |

WIDER CONNECTIVITY

| | | | |
|--|---|--|--|
| Proposed school of pharmacy potential links to manufacturing supply chain | Supporting Life Sciences and Healthcare | Identifying where UK can have greatest successes | INNOVATION Building collaborative research between enterprises |
| Knowledge transfer / skill enhancement / UTCs | Apprenticeships, UTC programme expansion, work placements | Identifying where UK can have greatest successes | INVESTING IN EDUCATION, SKILLS & LIFELONG LEARNING Improve the quality of vocational education and training Establishment of work-based learning / apprenticeship schemes |
| Logistics | Long term forward view of infrastructure | New business practices, enabled through increased use of ICT and improvements in logistics | PROMOTING SUSTAINABLE TRANSPORT Integration & intermodal of transport |
| Infrastructure (including broadband, access to ports, roads) | £100 million tourism government campaign | Focus on long term growth and changes to planning | ICT Promoting take up by SMEs/communities of emerging technologies & networks for the digital economy PROMOTING SUSTAINABLE TRANSPORT Local transport network connections |

