

The Greater Lincolnshire Local
Enterprise Partnership EU
Structural and Investment
Strategy 2014-2020



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Introduction



Introduction

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

The GLLEP sees growth as:

- Growth of businesses in greater Lincolnshire creating wealth, jobs, and contributing to UK plc
- Increased skills leading to residents contributing to the growth of their economy
- A wide range of housing that is available to all and leads to strong communities

In preparing the Structural Investment Fund Plan, we have used the vision that the Greater Lincolnshire LEP board has put into place. We augmented this with the policy knowledge of the economic development community – especially local authorities and the higher education sector - and most importantly we have added local colour from visits to some of Greater Lincolnshire's most important businesses.

The GLLEP is preparing a Strategic Economic Plan, and the EU programmes will enable us to fund significant elements of the plan. The five priorities of the plan are:



- Our Strongest Sectors
- Emerging Sectors
- Adapting for the Future
- Lincolnshire's Place
- Housing & Promotion



Rationale for Intervention



What is Greater Lincolnshire Like?

The infrastructure used to produce this rationale has been taken from a variety of local, specially commissioned studies plus visits to businesses and reference to the East Midlands socio-economic framework.

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, big skies, 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.

Greater Lincolnshire LEP covers an area of more than 7,000 square kilometres 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 sq. km compared with 375 per sq. km across England and Wales. The GLLEP area has just over 1.04 million residents. The geography of the area is mixed with the county of Lincolnshire being characteristically mainly rural, and sparsely populated (121 per km²), whilst North and North East Lincolnshire have a much more urban and densely populated geography.

The GLLEP area 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 (approx. 93,000), Grimsby 88,000), Scunthorpe (80,000), Grantham (42,000), and Boston (41,000).

Because of the high quality of its farmland (Grade 1 & 2 stats) Greater Lincolnshire is one of the UK's most important agricultural areas, 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.

To the north, Scunthorpe is an industrial centre and was the UK's third largest centre for steel making, while the Port of Grimsby and Immingham is the UK's largest port by tonnage. North-East Lincolnshire also has one of the largest concentrations of food manufacturing, research, storage and distribution firms in Europe, while chemical processing and manufacture is another important high-tech industry centred on the south bank of the Humber.



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. The Local Authority Districts of Boston, North Kesteven, West Lindsey and South Holland have experienced the highest rate of growth over the last ten years, although North Lincolnshire's population increase has also been higher than nationally. The population of North East Lincolnshire has increased by only 1.1% however.

There are significant variations across the GLLEP 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 south and east. Towns such as Boston, Spalding, 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.

The Greater Lincolnshire area however has good international connections with the nationally and internationally important ports of Immingham and Grimsby, and Humberside International Airport in the north of the area. Humberside Airport serves business passengers and also has a growing cargo facility, with a chilled perishables hub.

The Port of Immingham forms part of the largest port complex in the UK and handles over 50m tonnes of key feedstocks including oil, gas, coal, biomass and other chemical and bulk agricultural products. It has regular freight ferry services to mainland Europe. The ports of Boston and Sutton Bridge are smaller ports focused around very specific cargo, such as timber and grain.

In terms of rail connectivity the area has just one mainline railway station at Grantham, with a frequent and direct service to London but here are a number of other mainline stations within close proximity to Greater Lincolnshire e.g. Newark 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.

Of particular note are:

- The GLLEP's food, low carbon, ageing, and small business characteristics.
- Guaranteed UK food security
- Forefront of turbine technology
- Durability of business survival
- Leader in Care sector innovation



Business prospects in Greater Lincolnshire

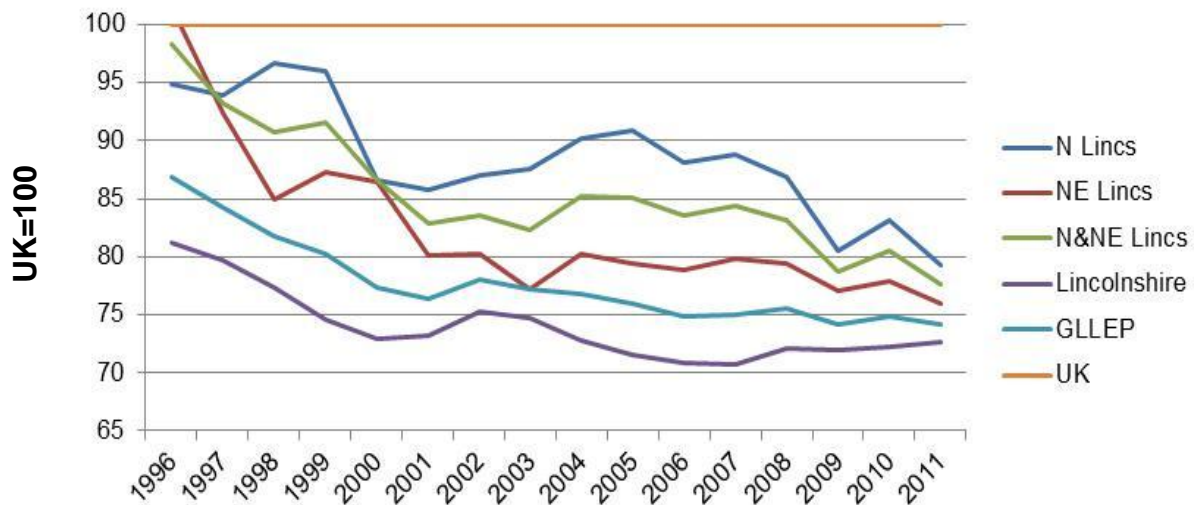
Greater Lincolnshire has a relatively diverse economy, with strong representation of 'traditional' sectors, particularly agriculture, manufacturing, and the visitor economy. Important subsectors include ports and logistics, care, and the renewable and environmental sectors. The area also has a small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

The Greater Lincolnshire economy is currently in the region of £15bn based on the measure of Gross Value Added (GVA measures the value of an economy's outputs less the cost of inputs used in their production i.e. labour, raw materials etc. and is an internationally recognised measure of economic performance). In order to make the measure of GVA comparable across other areas, particularly nationally, it is commonly divided by the population in an area to arrive at a value for GVA per head. Referring to figure 3 below, based on this measure the Greater Lincolnshire economy is performing well below the national average and the gap has been widening.

Figure 1 also shows that despite its much larger size, Lincolnshire's economic performance based on this measure is below all other local areas. It is also in the bottom five performing areas nationally along with areas such as Merseyside, and West Wales & the Valleys.

However, despite the weak economic performance, figure 1 does show that Lincolnshire's economy has performed better than other areas (particularly the national economy) during the recent recessionary period, as can be seen by the increase in GVA per head relative to the UK, whilst all other areas are showing a drop in performance. This performance can also be seen in 2011 figures for the GLLEP which show that the North and North East Lincolnshire economies are cancelling this out and are having a detrimental effect on the GLLEP economy as a whole based on this measure.

Figure 1: GVA per head (UK=100)



Source: Office for National Statistics

Greater Lincolnshire has approximately 41,000 businesses, of which the vast majority are small and medium sized enterprises (SME's). Referring to figure 2 below, and in line with the national picture, 97% of Greater Lincolnshire businesses are businesses which employ fewer than 50 people.

Figure 2: Proportion of businesses and employment by business size

		Business Size (employees)			
		0-9	10-49	50-249	250+
% of Businesses	Greater Lincolnshire	82	15	3	0.4
	UK	83	14	3	0.4
% of employment	Greater Lincolnshire	18	32	28	21
	UK	17	28	28	27

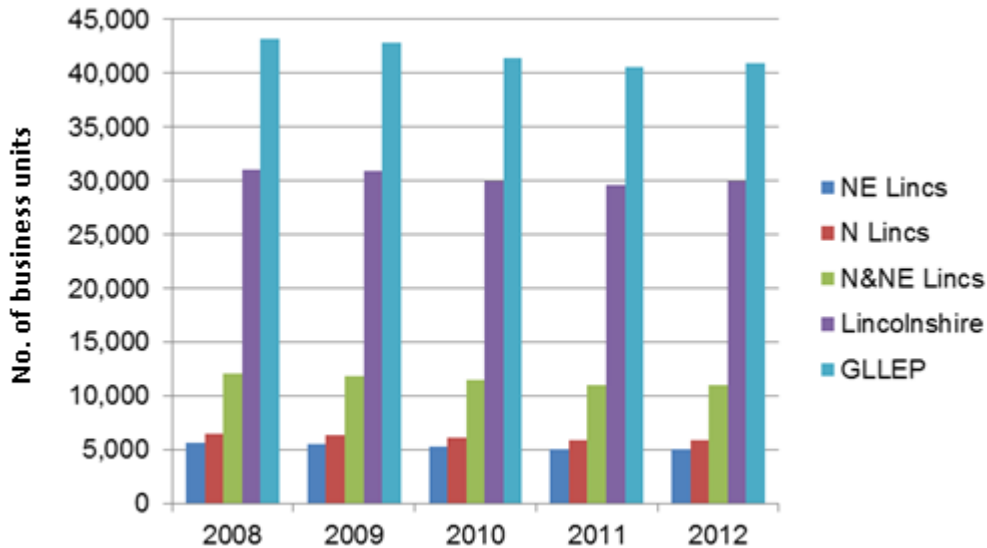
Source: Inter Departmental Business Register 2012 and Business Register and Employment Survey 2011

However it is when we consider the proportion of total employment supported by these small businesses that we see that half of all employment in Greater Lincolnshire is provided by businesses employing less than 50 people compared to 45% nationally.

Referring to figure 3 below 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.

Figure 3: Growth in the numbers of business units (in VAT and/or PAYE based enterprises)

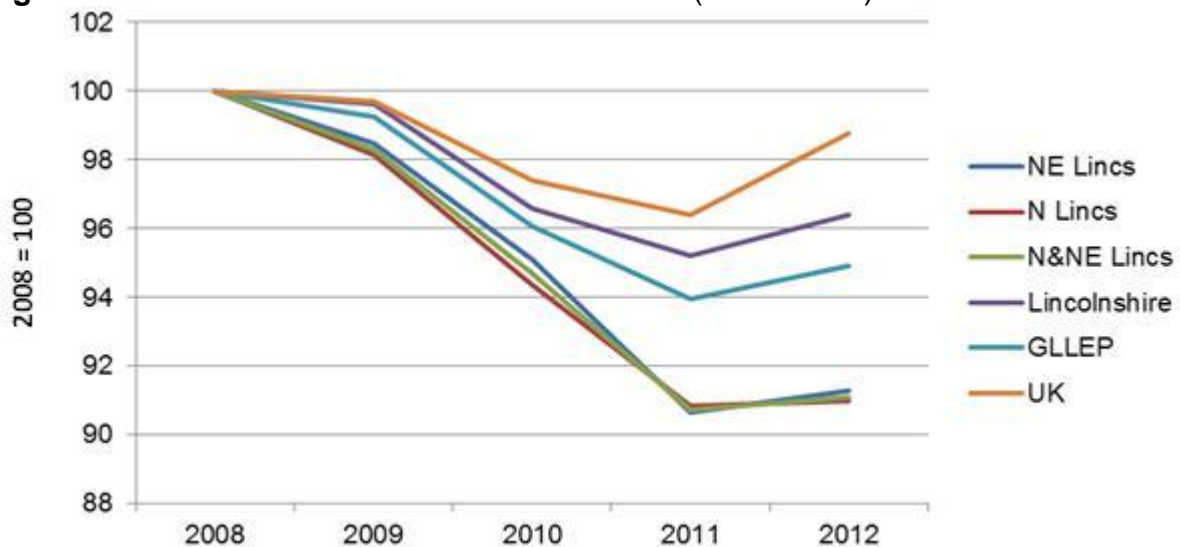




Source: Inter Departmental Business Register, Office for National Statistics

Again, to put these changes in business numbers into context, figure 4 below shows change since 2008 compared to the UK. It shows that relative to the national picture, declines locally in business unit numbers have been greater particularly in North and North East Lincolnshire.

Figure 4: Growth in the number of business units (2008 = 100)



Source: Inter Departmental Business Register, Office for National Statistics

Business birth rates in the Greater Lincolnshire area at 11% of all active enterprises, is in line with the national rate, as is the death rate at 10%. However, businesses generally survive for longer in the area, particularly in 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 66% and a five year survival rate of 46%.

Our Priority Sectors

The GLLEP has identified a number of priority sectors which have and will drive economic growth, some of which we have a competitive advantage in now, and others way we feel that we have the opportunity to create a competitive advantage in in the future.



'Competitive Advantage Now' Sectors

Agri-food

Greater Lincolnshire is all about Food, Fish and Farming and nationally, it is one of the biggest and fastest growing sectors.

The agri-food sector in Greater Lincolnshire consists of primary production, food processing, wholesale, and retail, as well as activities around agricultural engineering and packaging.

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

Some of the biggest and most successful industry professionals are proud to call Greater Lincolnshire their home, including: AAK UK, Aunt Bessie's, Bakkavor, Coldwater, Country Style, Cranswick plc, Findus, Moy Park, Golden Wonder, Greencore, Lincoln & York, Pipers Crisps, Tranfield, TSC Foods, VION Scunthorpe, Walkers, William Jackson Food Group and Young's Seafood.

In some sub sectors Greater Lincolnshire is the category leader, particularly in seafood, potatoes, veg, salads, pea and beans, and horticulture. For example:

- 34% of England's Fresh Produce sector is concentrated in Lincolnshire, Cambridgeshire, Norfolk and Suffolk . This equates to a direct industry value of £1.1 billion with an estimated further £3 billion in processing, wholesaling and logistics.
- Almost 80% of the UK's chilled seafood is processed in Grimsby, involving 60 species of seafood from more than 30 countries. All of the UK's major seafood processing businesses, including Youngs and Coldwater, are based in the area and in 2012, Morrison's established its UK seafood hub in Grimsby; this facility is expanding rapidly. The largest concentration of cold storage in Europe is also in Greater Lincolnshire
- Greater Lincolnshire is a major foodservice suppliers' base, supplying: Waitrose, M & S, Tesco, Sainsbury's, Morrison's and Asda.

The growth of the Food and Drink industry is a priority for the Greater Lincolnshire LEP, and we have commissioned an action plan for the Sector to build on the key initiatives already undertaken. The emerging issues and opportunities are

Issues

- Technology – relatively low level of take up of automation and technology
- Promotion of the sector locally, regionally and nationally
- Engagement and support of the sector
- Skills related , increasing the profile of the industry as a good option, passport for qualifications, developing new or improved courses locally to meet the changing skills need, attracting those from other disciplines to join the industry, an ageing workforce, a significant shortage of technical and quality management skills within the industry
- Finance Related, access to finance – food investment pots for capital equipment, state aid issues, particularly for SMEs
- Energy - energy costs and Water Management

Opportunities for Growth

- Stronger Inward investment including food preparation grade workspace
- Emphasis on a soft landing for companies re-shoring their food manufacturing
- Significant potential for import substitution by increasing UK Production
- Commercialisation of R and D
- Solutions to water management and storage
- Grants for capital and automation investment
- Tailored support for fledging businesses and new entrepreneurs through a Food Growth Hub
- Maximise the HE offer in terms of food manufacturing and food engineering
- Further exploration of the link between food sourcing and local tourism and the interaction with the local food and drink supply chain

Manufacturing

The Manufacturing sector employs around 39,000 workers which equals 9% of manufacturing jobs. This rises to 15.5% 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; Chemical; Renewables; Steel; and Polymers.

Greater Lincolnshire can evidence a strong engineering heritage and our prime position as an important centre for manufacturing. We enjoy a long tradition of manufacturing excellence underpinned by a highly skilled and loyal workforce and are home to some world class companies. We recently pioneered the first purpose built engineering school for 20 years at the University of Lincoln to great acclaim.

While engineering is a diffuse activity across Greater Lincolnshire, particularly general mechanical engineering, there are a number of localised concentrations of specific engineering activities. These include:

- Lincoln: with a focus on turbine manufacture and electronic components, most notably Siemens Industrial Turbo-Machinery (Lincoln),
- Louth, Spilsby, Sleaford: agricultural engineering
- North Lincolnshire: metal structures and mining equipment

Following the trend nationally, the number of people employed in this sector has declined over the last 10 years but Greater Lincolnshire has fared better than nationally, losing approximately a quarter of its employment compared to a third across Great Britain.

There are a number of key manufacturing clusters within the GLLEP area:

- Metals manufacturing, accounting for 5,000 jobs, and focused around Tata Steel in North Lincolnshire.
- Rubber and plastics account for almost 4,000 jobs, with a concentration around Louth in East Lindsey.
- Wood products account for around 2,000 jobs, with a focus around Finn Forest, a major wood importing and processing business in Boston.
- Chemicals and petroleum, which together account for almost 5,000 jobs are both focused around the North and North East Lincolnshire border; the area includes two oil refineries, ConocoPhillips Humber and Total Lindsey,

	<p>provide 27% of the UK's refinery capacity and major gas-fired power stations at Killingholme, Brigg and Stallingbrough which support the growth of the cluster and help to meet the UK's wider energy needs.</p> <ul style="list-style-type: none">• The Port of Immingham forms part of the largest complex in the UK and handles almost 60m tonnes of key feedstocks including oil, gas coal, biomass and other chemical and bulk agricultural products• The area includes major gas-fired power stations at Killingholme Brigg and Stallingbrough which support the growth of the cluster and help to meet the UK's wider energy needs.
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<p>Visitor Economy</p>	<p>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, and our market towns.</p> <p>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 Lincolnshire has increased from 17 million in 2011 to 17.4 million in 2012. Day visitors made up the largest proportion of tourists.</p>
<p>Ports & Logistics</p>	<p>Our Ports & Logistics sector has an internal, national and international focus, determined by the sector that logistics providers are engaged with. Our ports include Immingham, a truly international port focused on bulk materials and car import/export, and part of a network of ports managed by Associated British Ports which includes the port of Grimsby, which is developing major focus on the offshore wind sector. Two smaller “niche” ports in Boston and Sutton Bridge with a specific focus on cargo such as timber and grain.</p> <p>Humberside Airport has airfreight related to the local seafood industry, is also of note.</p> <p>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 a fast growing activity concentrated in North Lincolnshire.</p> <p>In total the sector employs around 18,000 workers, generating £700 million per year.</p>

'Future Competitive Advantage' Sectors

Care

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

Our competitive advantage in the Care sector lies in the demographic changes that Greater Lincolnshire population has experienced and is set to, but also the strengths in other sectors we have such as Manufacturing.

The table below shows how our population profile is set to change over the next decade. The 65+ age group is set to make up an increasingly larger proportion of our overall population. This change is set against overall projected growth in the population between now and 2021 of 9%, or around 95,000 people. Growth is set to be highest in the 75+ age group which is set to increase by 34% over the same period, or nearly 33,000 people.

Age Group	0-19 (%)		20-64 (%)		65+ (%)	
	2011	2021	2011	2021	2011	2021
Greater Lincolnshire	23	22	58	54	20	23
England	24	24	60	58	16	19

Source: Interim subnational 2011 Census based population projections, Office for National Statistics

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 health and care sector is to meet increasing demand for services whilst operating with constrained resources.

Technology offers both a solution and a problem in this regard. Historically, improving technology has bought the opportunity for better treatment, but at increased prices. However, technology can also offer a solution through new ways of working which enable the sector to deliver care more efficiently, and there is considerable effort across the sector to maximise innovation and its uptake.

In the longer term, the growing and ageing population requires

	<p>more strategic rethinking of business opportunities in the sector. An ageing population has traditionally been seen as a problem, but projects such as “Excellent Ageing” recognise that it can also provide some new opportunities. In rural economies, firms that are not considered part of the Care Sector may be able to provide new services - or tailor their existing services more closely to the needs of people with care needs.</p> <p>In the short term, key challenges are to introduce more competition into the sector and to understand the barriers that local businesses face in understanding these new/emerging markets, and also winning contracts. With the introduction of Personal Budgets, new opportunities are expected to emerge.</p>
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Low Carbon

Renewables and Environmental Technologies is a sector which is cross-cutting with other industry sectors. Many of the activities taking place within this sector are either relatively new (such as renewable energy generation) or form part of other activities (such as agriculture, engineering, transport, or construction). For this reason, measuring the sector using standard approaches is difficult, and provides an incomplete picture of the overall sector.

Using relevant Standard Industrial Classifications – which relate mainly to recycling and treatment of waste - it is estimated that 3,100 people across the Greater Lincolnshire LEP area, accounting for just 1% of jobs. This reflects a very small proportion of the overall activity that is currently taking place in the renewable and environmental technologies in Greater Lincolnshire.

Existing research conducted by the Renewables and Environmental Technologies task group for the Greater Lincolnshire LEP suggests that there are at least 150 companies engaged in renewable energy and environmental activities across the area. These comprise a wide range of activities, from installers of solar PV panels, to plastics recycling and manufacturers of electric car batteries.

Key renewables activities in Greater Lincolnshire include:

- Offshore wind: over the next decade, at least 5GW of additional capacity is forecast to be installed off the Yorkshire/Lincolnshire coasts; the proximity of three major Round 3 offshore sites in the southern North Sea (Dogger Bank, Hornsea and East Anglia) creates a significant opportunity to attract large scale investment in wind turbine component manufacturing and pre-installation assembly facilities to the Humber area, creating up to 3,300 jobs
- In North Lincolnshire, Able UK has developed proposals for a Marine Energy Park (AMEP) at Killingholme, as part of the Enterprise Zone, to provide a multi-user facility for the manufacture, storage, assembly and deployment of offshore wind turbines; in August 2013, Minister for Transport Norman Baker confirmed that the Government is minded to approve the Development Consent Order for the project,
- Centrica, EON, Siemens, RES and Dong Energy are

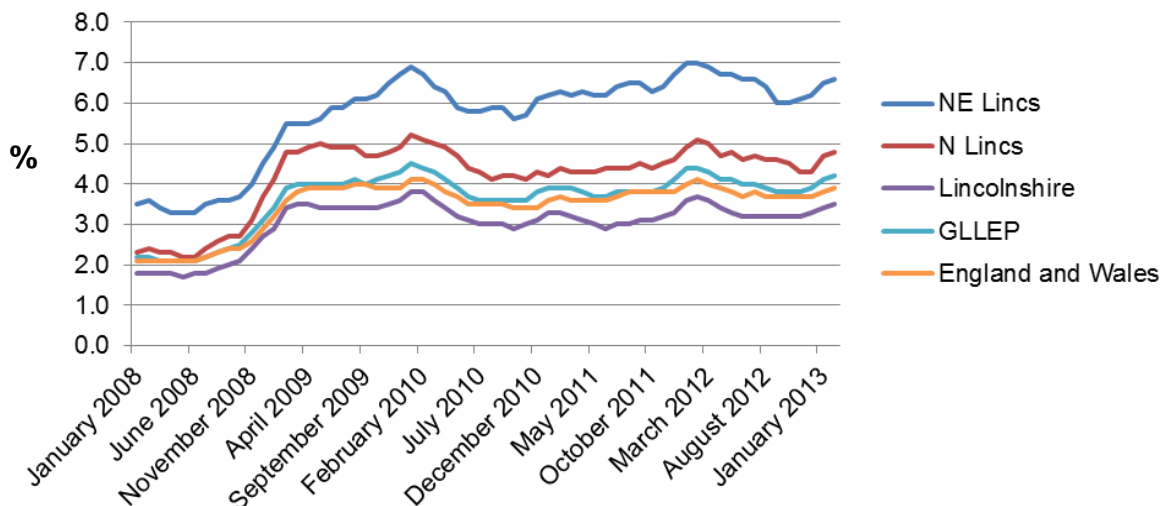
	<p>already developing operations and maintenance (O&M) facilities at the Port of Grimsby. The Port includes an 11 hectare site with Enterprise Zone status. There is potential for significant further growth to serve the Humber wind farms and others across the UK.</p> <ul style="list-style-type: none"> • Onshore Wind: the Low Carbon Energy in the East Midlands report by Land Use Consultants shows that, of all the counties in the East Midlands, Lincolnshire has the highest potential for low carbon electricity production, based mainly on the potential of onshore wind energy. • Renewable energy for business and domestic premises: there is significant potential across Lincolnshire in the creation of energy from waste wood, energy crops, straw, poultry waste, and AD – particularly in the more rural agricultural areas. • North/North East Lincolnshire Energy Corridor: 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. This is based around use of biomass which is mixed with coal to reduce the power stations' carbon emissions and use of fossil fuels. Both the coal and biomass are imported at Grimsby/ Immingham and transported by rail to the Yorkshire power stations.
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The Greater Lincolnshire Labour Market: employment & skills

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

Figure 5 below shows there are currently around 27,000 people in the GLLEP area that are out of work and claiming Job Seekers Allowance. The rate of unemployment in the GLLEP area 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 whilst Lincolnshire's rate consistently remains below.

Figure 5: Unemployment Rate (%)



Source: Office for National Statistics

Skills levels are a particular issue in the Greater Lincolnshire area despite above average school level attainment. 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.

Nearly all of our important and growing sectors are 'traditional' and with that comes a perception that is outdated. Technological advancements and new ways of working in these sectors require different, often technical, and higher level skills. As a consequence, our young people, their parents and others that influence career choices, are not aware of the range of exciting career options available locally. The challenge to ensure our current workforce, and future workforce, are inspired and prepared to take on the skilled roles of our ageing workforce cannot be underestimated.



Greater Lincolnshire: environment for investors

Urban & Rural Differences

The size and rural nature of the county, coupled with a relatively poor infrastructure, means that the numerous market towns in the county act as important hubs for the community.

Accessibility and infrastructure are less of an issue on the border of the county. Across Greater Lincolnshire, access to services such as supermarkets, health services and education/training courses can differ greatly, and 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 market towns to support, and maintain, the projected population growth through their provision of services.

However, Lincolnshire is not isolated from the rest of the country, with approximately 45,000 (15%) residents commuting out of the county to work. Commuters mainly travel short distances to neighbouring areas such as North and North East Lincolnshire and to Peterborough, but some, particularly in the south of the county, 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 county throughout-commuting is a trend that is also set to continue.

Housing & Affordability

The present economic situation has also impacted on the rate of new house building towards the end of decade. 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. A recent report suggests that there are nearly 21,000 people on housing waiting lists across the county and a need for over 1,500 new affordable homes each year²⁹. This is a sizeable challenge considering that only around 2,000 affordable homes were built in the last ten years. To assist in tackling

this demand, three areas in the county (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 in the area point towards high levels of housing allocation.

Land and Development Opportunities

Availability of land, or lack of, is not the only barrier to development. The size of the county, 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 county. 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 of the county, 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.



SWOT Analysis - Rationale for Intervention

Strengths

- Greater Lincolnshire has the greatest proportion of grade 1 land in England
- the coastline includes UK's largest port
- the area includes a number of large established food based businesses
- a strong logistics and transportation sector
- proximity to offshore wind growth zones
- The University of Lincolnshire including the School of Engineering, National Centre for Food Manufacturing (Holbeach)
- Our heritage includes the historic city of Lincoln, the East Coast resorts, the RAF heritage and beautiful countryside and market towns

Opportunities

- Build on pre-eminence in agri-food, providing low carbon foot print food – from farm to fork and trawler to table
- The area has real resources of competitive advantage in leading the move to a low carbon economy
- Potential to use our natural, cultural and industrial heritage to promote greater Lincolnshire as a great place to live, invest, work and visit
- Authorities in Greater Lincolnshire have allocated significant amounts of land for housing

Weaknesses

- Greater Lincolnshire is predominantly rural with a sparse population: flows of labour and goods are impeded by an inadequate infrastructure
- The area has a low skills base compared with many other areas, leading to the perpetuation of a low wage, low productivity economy, with lower GVA than the UK average
- Although we have high employment overall there are significant pockets of deprivation
- Parts of Greater Lincolnshire have high dependence on public sector jobs

Threats

- Lack of local amenities and connectivity threatens pockets of the area's ability to attract skilled labour
- International ownership and consolidation of businesses has the potential to threaten some sectors
- Significant areas of Greater Lincolnshire are affected by the serious risk of flooding thus deterring investors



Growth Vision



GLLEP Vision

Greater Lincolnshire – Economy 2030

Our Mission What we do

The LEP is the catalyst of Greater Lincolnshire's economy for the benefit of people here and as a significant contributor to UK economic growth.

Our Vision Where we want to be

Greater Lincolnshire's economy is diverse and resilient, and has made and continues to make an effective contribution to the UK economy. It provides real opportunities for people to live, work, invest and visit.

What it looks like The Headlines

The right conditions for growth.

Infrastructure that has delivered and sustains economic growth.

There is a successful mix of large multinational retailers and smaller niche shops.

Sustained growth in the strongest key sectors.

UK leader in Rural & Coastal Enterprise.

The Difference How we know we're there

Excellent digital communications and coverage; and a front runner in broadband.

Business-friendly place:
1.Supportive planning system
2.Leader in flood risk & water

Priority sectors are vibrant and growing:
1.Visitor Economy
2.Manufacturing
3.Agri-food
4.Care
5.Ports

Our world class food production and manufacturing sector are recognised for their contribution to the UK.

Traditional market towns make economic and social contributions to residents and visitors alike.

An infrastructure plan that assesses the strategic infrastructure priorities which best support sustainable economic growth.

Strong business to business links and supply chains;

A strong export focus. SME's are flourishing

Businesses in creative industries, leisure and tourism have grown from greater Lincolnshire heritage and natural assets.

The contribution of the retail sector to the visitor economy is fully recognised.

Excellent rail and road links connecting to the region and UK.

University-led research supporting key sectors; effective knowledge transfer and good quality education and skills development.

Renewable energy sector enhances GL's environmental credentials

Rural & coastal businesses support each other through effective networking.

Sufficient housing supply, especially for working age population.

Reliable utilities infrastructure to support growth.

Community values How we want Greater Lincolnshire to work

Growth in Greater Lincolnshire complements and nurtures its distinctive sense of place; and sustains its environment for future generations.

People have a share in prosperity that growth brings; the contributions of a diverse population are recognised; and exploitation is avoided.

Businesses fulfil their social responsibilities and establish their civic roles; and are recognised by communities for their contributions to a prosperous society.

There is a spirit of collaboration between: government and business; local leaders and those that operate from 'the centre'; where trust is valued and adversarial systems are avoided.



GLLEP's five priorities for growth

We have identified five priorities for to meet our vision.

Firstly, the LEP will make real efforts to drive the growth of the three sectors that it has most competitive advantage in.

Our vision is that we will have "World class food production and manufacturing sector are recognised for their contribution to the UK" and that "Businesses in creative industries, leisure and tourism have grown from greater Lincolnshire's heritage and natural assets".

Secondly, the LEP recognises that as well as the sectors in which it has a competitive advantage; it has other strong sectors like care and ports/logistics but also emerging opportunities around low carbon and small business. Some of Lincolnshire's most important businesses are foreign-owned, and the LEP is keen to help foreign owners to take investment decisions that benefit our area.

Our vision is that we will have "Priority sectors that are vibrant and growing", "Strong business to business links and supply chains", "A renewable energy sector that enhances greater Lincolnshire's environmental credentials", and "A strong export focus".

Thirdly, the LEP recognises that its sectors must not stand still –they must adapt for the future through higher level skills, innovation, and advanced technologies.

Our vision is that we will have "University-led research supporting key sectors; effective knowledge transfer and good quality education and skills development" backed up by "Excellent digital communications and coverage; and a frontrunner in broadband".

Fourthly, the LEP recognises the importance of Lincolnshire's place, transport infrastructure to connect us with national and international markets, heritage/environment, and communities as a place for sustainable growth.

Our vision is that we will have "An infrastructure plan that assesses the strategic infrastructure priorities which best support sustainable economic growth", "Excellent



rail and road links connecting to the region and the UK", "Traditional market towns make economic and social contributions to residents and visitors alike", and "The contribution of the retail sector to the visitor economy is fully recognised".

Fifthly, and finally, the LEP recognises the opportunities that Lincolnshire offers to new residents and it will support housing growth and promote the county effectively.

Our vision is that we will have "Sufficient housing supply, especially for the working age population".

The next section explains the detail of how we will deliver these priorities, and identifies which ERDF or ESF measures will support them.

Please also refer to the spreadsheets in the technical appendices which show how the measures in the EU programme relate to the priorities and sub priorities.



Action to support our sectors with competitive advantage

Firstly, the GLLEP will make real efforts to drive the growth of the three sectors that it has most competitive advantage in. Delivering these strategic priorities will be our no 1 objective. We have established private-sector led partnerships to drive forward our plans in each of these three sectors.

Our vision is that our:

- "World class food production and manufacturing sectors are recognised for their contribution to the UK"
- "Businesses in leisure and tourism have grown from greater Lincolnshire's heritage and natural assets".

Agri-food:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 1 (Innovation), 2 (ICT), 3 (SME Competitiveness), 4 (Low Carbon), 5 (Climate Change), 6 (Environmental), 7 (Sustainable Transport), 8 (Employment) and 10 (Skills)

As consumer demands change, our agri-food businesses will need to have secure supplies, innovative approaches in production and people capacity to meet customer demand, and will need to enter into new markets. We already have a strong sector and provide strong support to the sector, for example through the National Centre for Food Manufacturing and the Humber Seafood Group, and we will build on this further both to the benefit of local businesses and to national businesses too. The GLLEP will ensure that the sector – and support into it – is fully integrated.

We will strengthen Greater Lincolnshire's already recognised role as a centre of excellence in food production. Our agri-food businesses will be helped to implement the latest technologies, get into new markets, improve skills, and have the right economic infrastructure for their growth.

We know that managing water resources is critical to the growth of the agri-food sector. This includes improving water quality and storing water during times of flood for us during drier periods. Managing these resources will require a joint approach between agri-business, water companies, Internal Drainage Boards, and the Environment Agency. We will champion this work with a view to improving business



conditions for our own businesses and building up knowledge that can be used for national and international purposes.

Manufacturing:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 1 (Innovation), 2 (ICT), 3 (SME Competitiveness), 4 (Low Carbon), 5 (Climate Change), 6 (Environmental), 7 (Sustainable Transport), 8 (Employment) and 10 (Skills)

The manufacturing sector continues to change. Innovation (and subsequently skills), stronger supply chains, and entrance into new markets are all areas that our manufacturing businesses need to remain on top of.

We will establish a world-class manufacturing strategy which provides the infrastructure for economic growth, increases skills, and attracts new employees to the area. In particular, we will drive up demand for the knowledge and skills which will subsequently help manufacturing businesses to adapt new technologies and create new products.

Visitor economy:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 1 (Innovation), 2 (ICT), 3 (SME Competitiveness), 4 (Low Carbon), 5 (Climate Change), 6 (Environmental), 7 (Sustainable Transport), 8 (Employment) and 10 (Skills)

Tourism is seen as one of the sectors that can help drive economic growth within a destination. Of particular interest to local authority partners is the role tourism plays in influencing the overall quality of life of residents and for the wider local economy:

- By strengthening the visitor economy, services enjoyed by local people, such as restaurants, attractions, arts and entertainment will benefit. Making an area more attractive to live will help in attracting and retaining skilled staff and managers to those areas.
- Looked at the other way, actions directly aimed at making somewhere a better place to live and work will also make it a more appealing place to visit.



- Strengthening and promoting the image and awareness of a destination and the services available can be highly important in attracting new business and investment across all sectors.
- Tourism has demonstrated its ability to stimulate growth in jobs and is a relatively accessible sector in which to start a new business.
- The health of tourism related businesses can be very important to other parts of the local economy who supply them, such as food producers, maintenance services etc.

A private sector led working group has identified that our visitor economy is based around:

- *coast*
- *city*
- *countryside/heritage*
- *food*
- *aviation products*

We have products that are nationally significant, such as Lincoln Cathedral, Skegness Cleethorpes and the east coast, the Lincolnshire Wolds AONB, a range of quality food and drink, and the history of many Royal Air Force bases. The £20m redevelopment of Lincoln Castle, to be opened in 2015, and a series of significant investments in private sector tourist attractions and accommodation show the level of our investment and ambition for the sector. However, there is more to do to retain our competitive advantage.

We will continue to increase the range of tourist attractions, supporting the implementation of at least a further 5 developments of a national scale, and we will work with the private sector to increase the range of accommodation in the county. Our web-based promotion of Greater Lincolnshire will be the best in the country, and we will actively work to co-ordinate tourism partnerships so that people visit large parts of the county when they come here. *Our ultimate aim is to double the value tourism generates to the local economy.*

Action to support emerging sectors and businesses

Secondly, the GLLEP recognises that as well as the sectors in which it has a competitive advantage; it has other strong sectors like care and ports/logistics but also emerging opportunities around low carbon and small business. Some of Lincolnshire's most important businesses are foreign-owned, and the LEP is keen to help foreign owners to take investment decisions that benefit our area.

We have other sectors which are strong and could be further developed to provide a competitive advantage in the future such as Care and emerging opportunities around low carbon and small business.

Whereas we will adopt strategies for each of the three sectors in which we have most competitive advantage (as set out in the previous section), the majority of the actions in other sectors and types of business are similar and our emphasis will be on linking these actions together so that added value and critical mass can be achieved. We will, however, identify a number of specific actions where the LEP's input can make a significant difference.

Our vision is that we will have:

- "Priority sectors that are vibrant and growing"
- "Strong business to business links and supply chains"
- "A Renewable energy sector that enhances Greater Lincolnshire's environmental credentials"
- "Rural and coastal businesses support each other through effective networking"
- "A strong export focus"
- "SMEs that are flourishing"



Ports and Logistics

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 1 (Innovation), 4 (Low Carbon), 7 (Sustainable Transport), 8 (Employment)

The Humber Ports and in particular Grimsby and Immingham and the proposed Able UK port related developments are significant to the future growth agenda pursued by both Greater Lincolnshire LEP and the Humber LEP. Experiencing year on year growth the Humber ports handled 79.8m tonnes of cargo in 2011, 57.2m of which was via Immingham and Grimsby, making it the largest UK port complex by volume handled and the fourth largest in Northern Europe.

In addition to import/export related activities (which includes the chemicals and automotive sectors), the port underpins the agri-food sector for north of Greater Lincolnshire and provides a unique source of competitive advantage for the developing environmental technologies sector. Greater Lincolnshire also includes the port of Boston. The area benefits from being on the key north-south road and rail link (A1 and East Coast Main Line) as well as Humberside Airport.

Consignments handled across the Humber are varied and include bulk liquids, bulk raw materials, unitised Roll on Roll off (RoRo) and Lift on Lift on (LoLo) traffics, cars, forest products and general cargoes. Equally varied the Humber represents a Global gateway to Europe, Iceland, Scandinavia, Norway, USA and Russia and the rest of the world via feeder services. UK centric, the ports are connected via the motorway network and M62 corridor allowing goods to be delivered to 75% of the UK's population within a four hour transit time.

Moving forward, there are significant opportunities to develop the ports and logistics sector including:

- support for strategic infrastructure projects including rail gauge enhancements and the development of new freight services
- adding value to current operations through growth of the area's port-centric logistics offer
- skills development.

Care:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 2 (ICT), 3 (SME Competitiveness), 8 (Employment) and 10 (Skills)



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

We will support businesses within the care sector to be stronger and thereby to deliver better services. However, as demands change, then we believe that there will be significant opportunities for businesses to innovate – essentially as an incentive for innovation in technology and construction and as test bed for this innovation.

The Greater Lincolnshire LEP will champion schemes that benefit from us having an ageing population by driving innovation in technology and construction.

Low carbon:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 1 (Innovation), 3 (SME Competitiveness), 4 (Low Carbon), 6 (Environmental), 7 (Sustainable Transport) and 10 (Skills)

The LEP's vision is for the renewable energy sector to enhance GL's environmental credentials, thereby creating a Green County.

There's significant scope for Greater Lincolnshire to develop and thrive within a low carbon economy. By encouraging and facilitating our businesses to reduce waste throughout their processes and become resource efficient, we will help them to build resilience to outside pressures of fluctuating resource and raw material costs, thereby promoting and realising sustainable economic growth. Our key sectors of Agri-food and Manufacturing are particularly susceptible to fluctuation in resource and raw material costs.

There are also significant opportunities for Greater Lincolnshire businesses to become part of the low carbon supply chain due to increased take up of resource efficient and renewable technologies, the growth of energy crops and the opportunities presented by the South Humber and East Coast offshore projects.

The area stands on the brink of an unprecedented level of investment in offshore wind capacity. Over the next decade, at least 5GW of capacity could be installed off the Yorkshire/Lincolnshire coasts. The proximity of three major Round 3 offshore sites in the southern North Sea (Dogger Bank, Hornsea and East Anglia) creates a significant opportunity to attract large scale investment in wind turbine component manufacturing and pre-installation assembly facilities to the Humber area. This includes both large structural components (e.g. foundations, towers, nacelles, hubs and blades), gearboxes and electrical equipment. It has been forecast that up to



3,300 direct gross FTE jobs¹ could be created in component manufacture and pre-installation assembly.

In North Lincolnshire, Able UK has developed proposals for a Marine Energy Park (AMEP) at Killingholme to provide a multi-user facility for the manufacture, storage, assembly and deployment of offshore wind turbines and their associated supply chains. The project will offer almost 1,400 m of new, heavy duty deep water quays and 367 hectares (906 acres) of land for offshore wind-related development and could offer a number of economic benefits through the co-location of businesses across the supply chain. In August 2013, Minister for Transport Norman Baker confirmed that the Government is minded to approve the Development Consent Order for the project, subject to further clarification of matters relating to the Habitats and Species Regulations 2010 and local rail access.

Moving forward, GLLEP will work with the Humber LEP, UK Trade and Industry, the Manufacturing Advisory Service and other key partners to:

- raise awareness of supply chain opportunities in offshore wind manufacturing, assembly and installation and provide information on project delivery timeframes and tender opportunities
- build the capacity and capability of Greater Lincolnshire manufacturing and engineering firms to compete effectively for supply chain opportunities, including efforts to strengthen collaboration between businesses across the supply chain.

The Greater Lincolnshire LEP will support projects that help businesses to increase their competitiveness, increase collaboration, stimulate the need for/interest in renewable technologies, and promote opportunities for the green supply chain.

Small business:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 1 (Innovation), 2 (ICT), 3 (SME Competitiveness), 8 (Employment) and 10 (Skills)

Many of the county's small businesses are not in the LEP's priority sectors but with support they will grow and prosper. We have identified that small businesses are

1 Humber Sub-Regional Renewable Energy Sector Skills and Training Study, Parsons Brinckerhoff for East Riding of Yorkshire Council, January 2012



unsure of where to go for advice, require help to get into new markets including public contracts, and struggle to attract finance. The government's "growth hub" proposals will provide us with the ability to focus this work to the benefit of local business, and the local Federation of Small Business is keen to promote the concept of a One Stop Growth Shop for small and micro businesses.

Access to finance is a particular problem in Greater Lincolnshire because of our low GVA and levels of available finance –we are often described as "capital rich, revenue poor". However, finance is available both through bank lending and through other forms such as equity/angel sources. The challenge is to raise small businesses' awareness of the opportunities available to them and their ability to present persuasive cases for the funding.

Small businesses will be shown how to access and utilise new digital technology effectively, increase resource efficiency, embrace innovation and increase their strategic management capability in order to help them grow and access the national business support programmes (MAS,GA.TSB etc). Support will also be provided to assist people to become self-employed and graduates will be supported to create new enterprises with Lincolnshire.

In particular, the Greater Lincolnshire LEP will make Lincolnshire businesses the best informed in the country so that they can take strategic decisions based on sound, impartial information. The Greater Lincolnshire LEP will also increase businesses' ability to attract growth finance through better information, and access to what is available.

Foreign ownership:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 1 2 (ICT), 3 (SME Competitiveness) and 10 (Skills)

Our strategic partner in this work is UK Trade and Investment (UKTI).

UKTI and the GLLEP are currently has 70 foreign owned businesses on its Account Management list and we will need to continue to develop business relationships with all these companies as well as identifying other foreign owned businesses in the GLLEP area. It is important to note that over 70% of all new investments come from investor development, i.e. FDIs that are already in the local area. Foreign owned businesses are relatively few in the area but they make a significant difference to the economy.

The foreign owners of businesses based in Greater Lincolnshire will be made aware of the benefits of being here and a "Can do" approach to supporting their development will be taken. This will include us building on our already strong



account management approach, backing it up with initiatives that will help those businesses to grow here in Greater Lincolnshire. These are likely to include support for product innovation, tailored skills provision, and supply chain development.

The Greater Lincolnshire LEP will nurture and support the foreign owned businesses in the area so that they commit to investing and growing locally.

Actions to help Greater Lincolnshire adapt to the future

Thirdly, the GLLEP recognises that its sectors must not stand still –they must adapt for the future through higher level skills, innovation, and advanced technologies.

Our vision is that we will have:

- "University-led research supporting key sectors; effective knowledge transfer and good quality education and skills development"
- "Excellent digital communications and coverage; and a frontrunner in broadband"

Skills:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 8 (Employment) 9 (Social inclusion) and 10 (Skills)

Skills development has been described as a priority by all of the sectors and areas that we have analysed. Our strategic partner, the Lincolnshire and Rutland Employment and Skills Board, leads a series of initiatives that fill gaps in national provision and seeks to influence provision so that it meets the needs of employers. Our partners at the Humber LEP have recently published the findings of a business-led Skills Commission which has identified a number of common cross-LEP themes, including careers advice and sector skills.

-But there is more to do, and the Greater Lincolnshire LEP will support the Employment and Skills Board in delivering a significantly increased range of activity in this arena.

The Lincolnshire and Rutland Skills Plan explains these points in more detail. However, in particular, there is a need for skills provision to directly meet the needs of the local economy –now and as it grows into the future. This is a complex issue which combines (i) influencing the DWP family through advocating Lincolnshire's needs with (ii) helping companies to plan and articulate their skills needs and (iii) making good quality information about growth and jobs available to individuals and parents so that they can take informed choices.

We are also receiving anecdotal evidence from employers that many employees without qualifications have good practical skills but no accreditation of them, and a lack of basic literacy and numeracy can mask those practical skills thus holding back opportunities for individual and employer alike.



We are working with partners to identify and prioritise the long-term skills needs of our key manufacturing and engineering employers and other key sectors. Where possible, solutions will be employer-driven, building on successful initiatives including the Centre for Assessment of Technical Competence Humber (CATCH) which is an important focus for engineering skills in northern Lincolnshire.

Because of Lincolnshire's large geographical area, a concerted effort needs to be made to ensure that the right education and training premises are available, and by providing good quality facilities this will in turn have the effect of making training more attractive to businesses and individuals.

The Greater Lincolnshire LEP will champion skills development in Lincolnshire, making it a number 1 priority for employers, providers, and individuals alike.

Innovation:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 1 (Innovation), 2 (ICT), 3 (SME Competitiveness)

Innovation is vital for growth, but it's not just about advances in science and technology. An innovation is the implementation of a new or significantly improved product (good or service), or process, or marketing method, or new organisational method in business practice, workplace organisation or external relations. The minimum requirement for an innovation is that it must be new (or significantly improved) for the organisation. The GLLEP sees innovation, Research and Development, as an important theme for all its sectors.

On average, firms that create a culture of innovation development and delivery have four times the sales growth of non-innovating firms in the same sector. 27% of UK labour productivity growth is directly attributable to private investment in innovation with spill-over benefits generating a social return of a further 20-50% (BIS).

Over the last 10 years significant investment has been made by key stakeholders directly and indirectly, through levered investment of public funding. This has resulted in a physical architecture (e.g. innovation, incubation and leadership & management centres) and a knowledge legacy through major support programmes.

There is continued activity and investment directly (e.g. projects connected to education institutions etc.) and indirectly (e.g. the Regional Growth Fund, with grant secured directly by companies and programme funding too).

Innovation has inherent risks, with access to shared resources and funding GLLEP and businesses will be able to minimise these challenges. In an economic



environment with constrained resources we must work these assets and knowledge to ensure maximum value and return on any future investment. If we are to drive innovation the stakeholders must collaborate innovatively, exploring different mechanisms to partner, jointly commission and pool resources effectively. We will collaborate on innovation not just within the GLLEP area, but with other LEP partners to effectively lever both national and regional schemes.

We have developed our approach to innovation in accord with EU guidance on Smart Specialisation, driven by analysis of our knowledge/research and development assets, sectoral strengths and competitive advantage. This approach cuts across all five GLLEP objectives and underpins our strategy for EU funding over the 2014-2020 period. Our strategy builds firmly on the principles established through the EU RIS3 model, focusing on

- Choices and Critical mass
- Competitive Advantage:
- Connectivity and Clusters
- Collaborative Leadership

The Greater Lincolnshire LEP will substantially raise levels of innovation by raising awareness, improving levels of support and access to it, and building strong relationships between the Research and Development services of Higher Education and the local economy.

Advanced telecommunications:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 1 (Innovation), 2 (ICT), 3 (SME Competitiveness)

The roll-out of super-fast broadband is very welcome, and it will lead to substantial opportunities for local business.

We will need to ensure that super-fast broadband is available throughout the Greater Lincolnshire area. In addition to this, though, we will provide the conditions for companies to use super-fast broadband. This includes advice for businesses on all aspects of broadband, but also availability of research and development and cloud/data centres.

We will also lobby for substantially better mobile phone coverage.



Actions to build on Greater Lincolnshire's strength of place

Fourthly, the GLLEP recognises the importance of Lincolnshire's place, transport infrastructure to connect us with national and international markets, heritage/environment, and communities as a place for sustainable growth.

Our vision is that we will have:

- "An infrastructure plan that assesses the strategic infrastructure priorities which best support sustainable economic growth"
- "Excellent rail and road links connecting to the region and the UK"
- "Traditional market towns make economic and social contributions to residents and visitors alike"
- "The contribution of the retail sector to the visitor economy is fully recognised"

We know that there are substantial core strategies in place, and these are mentioned in an appendix to the growth plan. However, the LEP needs to focus on where it can help to make a difference.

The Greater Lincolnshire LEP will lead a series of inter-connected activities that will provide excellent conditions for business growth.

Transport: Using transport to unlock growth and overcoming transport bottlenecks. The greater Lincolnshire transport infrastructure provides a good opportunity to link the county into regional, national, and international markets as well as opening up areas for strategic development.

Our strategic partner, The Greater Lincolnshire local transport board, has identified that the transport priorities for economic growth should be:

- a direct London to Lincoln rail link
- Lincoln East West Link
- Lincoln Eastern Bypass
- Grantham Southern Relief Road,
- Spalding bypass.



In North/North East Lincolnshire, which is covered by a separate Local Transport Body, agreed transport priorities include works to the A180 at Cleethorpes and Great Coates; rail gauge enhancements between the South Humber Ports and Doncaster and access improvements to Humberside Airport.

Increasing investor confidence – flood management to provide confidence to investors. Because of its topography, Lincolnshire is vulnerable to both fluvial and tidal flooding, and this situation has led to high insurance levels and a reluctance/inability to invest in certain areas. Managing flood risk is a costly and complicated activity, involving a series of partners especially the upper tier authorities, Environment Agency, and Internal Drainage Boards amongst others. Despite being costly and complicated, the Greater Lincolnshire LEP sees flood management as very important and we will both champion the issue nationally and will support the local delivery of schemes that protect economic assets from flooding.

Better utilities: experience has shown us that investments can stall due to the limited availability of utilities and the relative cost of upgrading them. We believe that part of this is a commercial equation, and that part of it is about a stronger dialogue between the utility companies and local areas. The Greater Lincolnshire LEP will take a strong role in that dialogue with utility providers in order to better make Lincolnshire's case for investment in utilities.

Improving conditions for retailers: retail is an important part of the economy and it is changing, most notably in terms of the role that high streets play in relation to internet shopping. Nonetheless, shopping areas like Freshney Place (Grimsby), Marshall's Yard (Gainsborough), Lincoln High Street are all thriving and show that private sector investment has a strong impact on the retail sector and on the area as a whole. The Greater Lincolnshire LEP will support local authorities and others in establishing the right conditions for our retailers to adapt for the future, both on and off the high street.

Increasing investor confidence –especially enhancing the role our market towns play in making Lincolnshire a recognisable and attractive place: 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. However, 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 Greater Lincolnshire LEP will support partners in maintaining the vitality of our market towns.

Environment:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 4 (Low Carbon), 5 (Climate Change), 6 (Environmental)

The 'business' of protecting the natural environment is a growth sector in its own right - in 2010 it was the third largest Third Sector group with an annual turnover of £54 million. This figure rises to over £91 million if GVA, induced and indirect impacts are included. The Woodland Trust, based in Grantham, had a turnover of £17.3 million in 2000 and this has nearly doubled to £32 million in 2012. Similarly, the Royal Society of Wildlife Trusts, which was based in Lincolnshire until 1999, now has a turnover of £28 million, from its new headquarters in Newark.

In the same way that we see the ageing population as being positive, i.e. as a way of driving the growth of the care sector, we see that we can build on the strong environmental credentials of the county in order to drive growth. Our strategic partner is the Lincolnshire Nature Partnership. In particular, we will become a leader in agricultural innovation through technologies that reduce inputs, establish environmental tourism more strongly, facilitate a change in perception about Lincolnshire's natural environment; skills based learning in the environmental sector, and creation of wild spaces and connected ecological networks.

The Greater Lincolnshire LEP will use its natural environment to drive economic growth.

Communities:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 2 (ICT), 7 (Sustainable Transport), 8 (Employment), 9 (Social Inclusion) and 10 (Skills)

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. 25% of Super Output Areas (SOAs) in North East Lincolnshire are in the most deprived SOAs in England, and 13% of North Lincolnshire SOAs.

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

In particular, we see community input as learning and skills, community hubs and local delivery, and capacity support for new ways of delivering services. Our strategic partner is Involving Lincs.

The Greater Lincolnshire LEP will support community solutions to overcoming social exclusion and delivering services locally.



Actions to build on our housing growth

Fifthly, and finally, the LEP recognises the opportunities that Lincolnshire offers to new residents and it will support housing growth and promote the county effectively.

Our vision is that we will have:

- "Sufficient housing supply, especially for the working age population"

Housing:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 4 (Low Carbon), 6 (Environmental), 7 (Sustainable Transport), 9 (Social Inclusion)

Lincolnshire is committed to housing growth and will plan for the delivery of **78,000** dwellings up to 2031. The housing will be concentrated in the main urban centres of the county but will also allow for considerable growth in selected service villages in rural areas. Over half the housing growth will be located in Central Lincolnshire with one quarter (18,800) of the homes in the Lincoln area alone. This concentration is crucial for supporting Lincoln as the main economic driver in the county. The volume of housing to be provided is important in meeting identified need and expected demand.

In North East Lincolnshire, the link between economic prosperity and housing growth/quality of place is firmly understood and NELC is considering options for future housing growth as part of its emerging Local Plan.

The number of dwellings to be delivered is very high, and it will take a concerted effort to be achieved. This will require action in each of the following areas:

- Adopting a "can do" approach with developers, based on high levels of allocated land
- Support to construction sector including training
- New approaches to rented accommodation
- Joined up approach to developer contributions
- Affordable housing
- Agglomeration benefits



- Retail and leisure
- Waste and minerals
- Individual housing –new approaches to individualistic developments

The Greater Lincolnshire LEP's role in housing will be to support effective delivery, in particular through assisting developers and local authorities to work together and bring developments into place quickly. This might include supporting investments that will 'kick start' broader schemes. This will be especially important in those areas that will see accelerated economic growth due to sector based initiatives.

The Greater Lincolnshire LEP will support the effective delivery of high levels of housing in Greater Lincolnshire.

Promotion:

To support this sector the emphasis of EU funding is anticipated to use Thematic Objectives 3 (SME Competitiveness), 9 (Social Inclusion) and 10 (Skills)

Most businesses that we visited during this exercise asked the LEP to promote Greater Lincolnshire more widely. This was partly in order to attract qualified staff to the county, partly to help them to get into new markets, and partly to provide a local identity that they can associate their products with. At the same time, many people nationally and internationally are unaware of the location and nature of Greater Lincolnshire. The quality of life of Greater Lincolnshire is attractive to potential residents and investors alike.

There is a strong role for both the public and private sectors in promotion, and the LEP will take a leading role in co-ordinating promotion and establishing new approaches that raise Greater Lincolnshire's profile. There are a number of nationally important schemes and activities that the LEP can use to market Greater Lincolnshire, and the LEP will make the most of telling those stories in order to gain recognition.

The Greater Lincolnshire LEP will substantially increase levels of promotion of the area in order to reduce recruitment problems, and provide new market opportunities for its businesses.



Meeting local ambition, but supporting national priorities



Sectoral Activity and its links to national policy

The GLLEP recognises the contribution that its plans make to government policy.

The following table outlines the GLLEPs 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	<p>ENHANCING THE COMPETITIVENESS OF SMEs Encouraging SMEs to export/target new markets</p> <p>Strengthening local and national supply chains Adequate supply of incubation space & support services for the next generation of high growth businesses</p>
Advanced precision engineering - mechanical, electrical	Advanced manufacturing growth	Supporting Advanced manufacturing - AMSCI	<p>ENHANCING THE COMPETITIVENESS OF SMEs Encouraging SMEs to export/target new markets</p> <p>Strengthening local and national supply chains</p>
Energy/renewables/Off-shore wind	Support for green energy	Enabling sectors	<p>LOW CARBON Enhancing job creation capacity of the low carbon sector</p> <p>Support non-domestic sector to develop low carbon technologies and focus on energy efficiency</p>

Petro-chemicals, polymers	Supporting innovation	High value opportunities/R&D support	<p>INNOVATION Building collaborative research between enterprises</p> <p>Activities to accelerate the development, innovation, adoption, deployment & cost reduction of low carbon technologies & related supply chains/infrastructure</p>
Aerospace bearings/components	Space industry (reform of Outer Space Act)	Supporting manufacturing with a focus on industries such as aerospace	<p>ENHANCING THE COMPETITIVENESS OF SMEs Supporting new start and business growth</p>
WIDER CONNECTIVITY			
Proposed school of Pharmacy potential links to manufacturing supply chain	Supporting Life Sciences and Healthcare	Identifying where UK can have greatest successes	<p>INNOVATION Building collaborative research between enterprises</p>
Knowledge Transfer/skill enhancement/ UTCs	Apprenticeships, UTC programme expansion, work placements	Support for Knowledge intensive Industries	<p>INVESTING IN EDUCATION, SKILLS & LIFELONG LEARNING Improve the quality of vocational education and training Establishment of work-based learning/apprenticeship schemes</p>
Logistics	Long term forward view of infrastructure	New business practices, enabled through increased use of ICT and improvements in logistics	<p>PROMOTING SUSTAINABLE TRANSPORT Integration & intermodal of transport</p>

<p>Infrastructure (including broadband, access to ports, roads)</p>	<p>Support for new capital investment and investment across the regions</p>	<p>Enabling sectors such as construction and increased investment in transport infrastructure</p>	<p>ICT Promoting take up by SMEs/communities of emerging technologies & networks for the digital economy PROMOTING SUSTAINABLE TRANSPORT Local transport network connections</p>
<p>Tourism</p>	<p>£100 million tourism government campaign</p>	<p>Focus on long term growth and changes to planning</p>	<p>PROTECTING THE ENVIRONMENT Green infrastructure</p>

Delivering the Key priorities of ERDF and ESF

Key priorities for ERDF around Innovation, SME Competitiveness, ICT/Advanced Telecommunications and Low Carbon are directly aligned to the GLLEPs local ambitions to drive growth. We are also keen to support ESF priorities around social inclusion

Innovation

Driving our Ambitions through Innovation

Innovation is vital for growth, but it's not just about advances in science and technology. An innovation is the implementation of a new or significantly improved product (good or service), or process, or marketing method, or new organisational method in business practice, workplace organisation or external relations. The minimum requirement for an innovation is that it must be new (or significantly improved) for the organisation.

On average, firms that create a culture of innovation development and delivery have four times the sales growth of non-innovating firms in the same sector. 27% of UK labour productivity growth is directly attributable to private investment in innovation with spill-over benefits generating a social return of a further 20-50% (BIS). Innovative firms are those which create internal capacity for innovation for the organisation to learn, develop and use the talents and creativity of its entire workforce to the full.

LEP's vision

Innovation is a cross-cutting theme, relevant to all the priority sectors and particularly to GLLEP's Ambition Area 2 ('creating the right conditions for business growth'):

- Creating income via supply chains
- Improving skills
- Bringing R&D closer to business

Previous and current investment

The GLLEP area has growing centres of R&D, through our major firms (e.g.) and our two flourishing universities – who are generating research at a level that simply wasn't present even 5 years ago - drawing additional investment and resources to the benefit of Greater Lincolnshire.



Over the last 10 years significant investment has been made by key stakeholders directly and indirectly, through levered investment of public funding:

This has resulted in a physical architecture, including:

- Sparkhouse Incubation Centre
- Think Tank Innovation Centre
- Eventus Innovation Centre
- Lincolnshire's Leadership & Management Centre

A knowledge legacy through major support programmes, including:

- Innovation Lincolnshire
- Robust Futures
- SUSTAIN

There is continued activity and investment directly and indirectly, including:

- Lincolnshire Investment Network
- Lincoln Science & Innovation Park
- Teal Park
- Regional Growth Fund - with grant secured directly by companies such as Bifrangi, Dynex and Frontier Agriculture and programme funding secured through the University of Lincoln and North East Lincolnshire Council

Innovation has inherent financial risks, with access to shared resources and funding GLLEP and businesses will be able to minimise these challenges. In an economic environment with constrained resources we must work these assets and knowledge to ensure maximum value and return on any future investment. If we are to drive innovation the stakeholders must collaborate innovatively, exploring different mechanisms to partner, jointly commission and pool resources effectively. We will collaborate on innovation not just within the GLLEP area, but with other LEP partners to effectively lever both national and regional schemes.

Areas of Focus

We will raise the levels of innovation within the GLLEP area through a focus on the following themes and activities:

1. ***Celebrating and raising awareness*** – too many of our businesses are not aware of the value and opportunities created through innovation, with the some of the best innovators hidden from public view. Research and experience offer clear guidelines about how to build innovative capacity in the workplace, but there remains a substantial gap between this knowledge and practice on the ground. We will create an annual programme of events and activities designed to raise the profile of innovation across Greater Lincolnshire, based on strong case studies of existing good practice and culminating in an annual showcase event. We will explore the potential to



create a GLLEP 'Innovation Council' working alongside GLLEP bodies such as the Employment & Skills Board.

2. **Improved access to support** – we will build on the physical architecture created across the GLLEP region to build on the strength of our innovation and incubation centres. We will work to ensure these centres become beacons of innovation support, providing the management teams with the tools and access to support they need to refer clients and enquiries to. We will work with stakeholders to develop a hub & spoke model of support through the new Lincoln Science & Innovation Park.
3. **Technical support** – we will create a technical support service, offering hands-on support and advice to businesses, helping them to secure and access Technology Strategy Board and Horizon 2020 (and any other appropriate) innovation support funding streams. This support will also create the links to the national infrastructure beyond Greater Lincolnshire (e.g. High Value Manufacturing Catapult and East Midlands Health Science Network) We will map GLLEP's priority sectors against those of funders, ensuring a proactive, targeted service to deliver the maximum return on investment.
4. **Access to finance and investment readiness support** – innovation without access to the finance required to implement remains just an idea. We will work with stakeholders to map the on-going opportunities for finance (from public sector support to traditional routes from debt finance to equity investment) and develop proposals and support mechanisms to fill any identified gaps. This work will build on and encourage the continuation of existing successful schemes and consider the development of additional GLLEP specific products.
5. **Skills development of our current and future workforce** – one of the quickest routes to driving improvement, growth and innovation within a business is to introduce new skills, knowledge of new practices and technology, either through new staff or the development of the existing workforce.

There is a perception that many of our important industries do not require advanced or higher level and technical skills but this is incorrect. The innovation and technology within our 'traditional' industries (e.g. engineering, food manufacturing, catering, agriculture, care) has changed hugely. The demand for highly skilled and technical workers has increased and there are unfilled job vacancies. There are also gaps around supervisor, manager and leader roles.

We will work with all our learning providers to ensure that we have a pipeline of appropriately qualified potential recruits to satisfy employer demand. This



includes working with our schools, FE Colleges, Work based Learning Providers and our Universities to ensure that they understand the needs of our important and growing sectors, and to ensure that accurate information is available to our young people and their parents so they can make informed decisions about their future careers. Whether through an academic or vocational (traineeship and apprenticeship) route, we want to see clear mapping of roles and the progression that individuals can make within our growth industries so that we can plan to fill these higher level skills gaps in the future.

We will work with higher level skills providers (e.g. the Lincolnshire Leadership & Management Centre) to drive innovation and higher skills levels through targeted workshops, short-courses and CPD and ESF provision, to develop the current workforce. We will be equally concerned about 'skills use' in the workplace. Evidence from UKCES demonstrates that many firms only use a fraction of the skills, knowledge and experience which exists. We will help firms to realise forms of work organisation and culture to enable employees at all levels to use and develop their abilities to the full

6. **University R&D** – our higher education institutes are a primary source of research & development and we will work closely with them to drive higher levels of knowledge exchange between their academic staff and our businesses (both through the existing base and the creation of spin-outs and spin-ins). We will work with them to increase the level of knowledge exchange schemes (e.g. Knowledge Transfer Partnerships) and GLLEP specific schemes to release their applied research in the most effective manner (e.g. proof of concept funds). We will use their recognised status as 'investment magnets' to maximise the opportunities through the Lincoln Science & Innovation Park to create a high-value skills zone in the heart of the LEP region.
7. **Graduate talent** – Greater Lincolnshire is a net exporter of graduates. We will drive greater opportunities and incentives to retain and attract higher levels of graduates within the LEP region, both through direct employment routes (e.g. internships, placements, PhD studentships etc.) and through the stimulation of new graduate start-up businesses.
8. **Collaborative learning and development** - Greater Lincolnshire has the opportunity to become a leading local economy in Europe by learning from European successes. We will draw on experience from successful regions across Europe, particularly in the ways they help firms build capacity for innovation. GLLEP will play an active role in international networks such as EUWIN (the European Network for Workplace Innovation).



Outcomes and indicators

GLLEP will be driven by agreed outcomes and will work to ensure that a clear line of sight remains between these and any levered funding outputs. We will create an environment that supports and drives innovation in our businesses, demonstrated by:

- An increase in R&D spend
- An increase in skilled jobs
- An increase in the number of innovative businesses
- An increase in growth

We will measure the level of innovation through the following indicators:

- R&D investment as a % of GVA
- % of firms with co-operative arrangements on innovation (e.g. Knowledge Transfer Networks, Medilink etc.)
- % of business turnover accounted for by new, improved or novel products
- The level of Technology Strategy Board (e.g. Smart Awards, Collaborative R&D Awards, Knowledge Transfer Partnerships etc.) secured
- The level of EU Horizon 2020 (e.g. Framework Programme etc.) secured
- The level of uptake of national support schemes (e.g. Innovation Vouchers, MAS etc.)
- An increase in the spread of workplace practices that embrace innovation

SME Competitiveness

Small Business - Conditions for Business Growth

LEP's vision

Ambition 2 – Creating the right conditions for business growth

2.1 Create a business friendly culture and make it easier for the private and public sector to undertake development.

2.5 Encourage all Greater Lincolnshire businesses to source locally

2.6 Encourage public sector partners to source local products

2.7 Facilitate business-to-business contact within our key sector through networks and collaboration

The number of active enterprises across the GLLEP area in 2012 was 33,255 (*IDR 2012 ONS*). This doesn't include self-employed persons with turnover below the VAT limit.



Fig 6: Districts, Counties and Unitary Authorities within region by employment size band

	Employment size							
	0 - 4	5 - 9	10 - 19	20 - 49	50 - 99	100 - 249	250 +	TOTAL
North East Lincolnshire UA	2,795	595	290	155	45	25	20	3,925
North Lincolnshire UA	3,445	640	320	170	55	25	20	4,675
Lincolnshire County	18,255	3,530	1,610	780	260	135	85	24,655
GLLEP	24,495	4,765	2,220	1,105	360	185	125	33,255

Source: Annual Business Inquiry 2008

Fig 7: No of business units per sector

No. of business units	
Agri-food	6700
Manufacturing	2400
Visitor Economy	4600
Ports & Logistics	1700
Care	1300
Renewables	200

Source: Defra Agricultural Survey 2010

Fig 8: Percentage of employees by sector

	Agri-food	Manufacturing	Ports & Logistics	Care	Visitor Economy	Renewables
Total Employees	2,900	2,400	1,700	1,300	4,600	200
1-4 employees	58%	62%	71%	40%	62%	68%
5-10 employees	19%	16%	12%	21%	21%	13%
11-24 employees	12%	10%	8%	19%	11%	10%
25-49 employees	5%	5%	5%	13%	4%	5%
50-99 employees	2%	3%	3%	6%	2%	3%
100-199 employees	1%	3%	1%	1%	0%	0%
200-299	1%	1%	0%	0%	0%	0%

employees						
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Source: 2008 Annual Business Inquiry

Please note that Agri-food does not include farm data from the Defra Agricultural Survey as farm size by number of employees is not available

Please note that Total Employees figures have been rounded to the nearest hundred

Emerging themes from the SME Community

Lack of understanding of how to access information

Since the demise of the Business link face to face advisory service and the national www.businesslink.gov website businesses are finding it increasing difficult to find and access information to help them develop and grow. Many businesses either approach their bank or accountant or try and navigate their way through the www.direct.gov. However evidence suggests that these mechanisms are either not working or not sufficient for businesses to ascertain what support is available.

Small business support needs to be tailored towards;

- Ensuring businesses know where to go to access local information relating to business development and growth
- Supply Chain development, through encouraging businesses to conduct effective procurement practices to ensure that they are competent in sourcing local supplies and services.
- Helping them to access and utilise the internet and digital technology to achieve competitive advantage
- Facilitate the provision of strategic and financial management support to ensure SME's develop robust business plans which will help to secure growth investment funds
- Support individuals to create robust, sustainable businesses with growth potential
- Helping businesses to increase their innovative practices, through support to stimulate innovation, creative thinking and capacity building
- Support SME's to become growth ready in order to embrace innovation, access growth finance and create high level jobs and compete at a global level

We also recognise that our SMEs will benefit from support to develop and implement effective recruitment and induction practices. We expect this to have 3 main benefits:



- Through employing the right people for the right type of role, a reduction in staff turnover;
- By planning for future needs and recognising at the recruitment stage where new, junior staff will need future management or leadership skills, a reduction in supervisory skills gaps and an increase in clear progression routes;
- By providing a good induction and clear information about what is expected, a more motivated and 'work ready' workforce;

Sectoral Support

This business community are clearly requesting sectorial consolidation and provision of support e.g. dedicated information provision regarding local and national provision including programmes, grants, collaboration /supply chain opportunities and signposting. Businesses would like to see more sector specific/expertise and tailored sectorial growth programmes integrated with HE/FE R&D support to supplement some of the regional programmes.

Access to finance

Problems surrounding access to finance are still at the forefront of business requirements. There is an on-going issue with working capital, cash flow and sourcing investment funds.

Many businesses were not aware of, or utilizing, basic strategic management tools e.g. effective business planning, financial management and operational management. Furthermore it is acknowledged that businesses are wary of investing; confidence is low, they are trying to improve their working capital and holding cash reserves.

Businesses need to understand that accessing growth finance can take many forms and a range of solutions may be of benefit to a business in future. They need to be able to access clear information on possible routes to access finance. Current financial products include – Loans, grants, sectorial grants, Angel/Equity programmes, RGF grants etc.

Exporting

A large proportion of our established businesses are embracing export opportunities. The businesses interviewed suggest that those who are already exporting wish to expand into new markets. However there are a number of business who would like to enter new markets but they feel they need support over and above the UKTI offer.

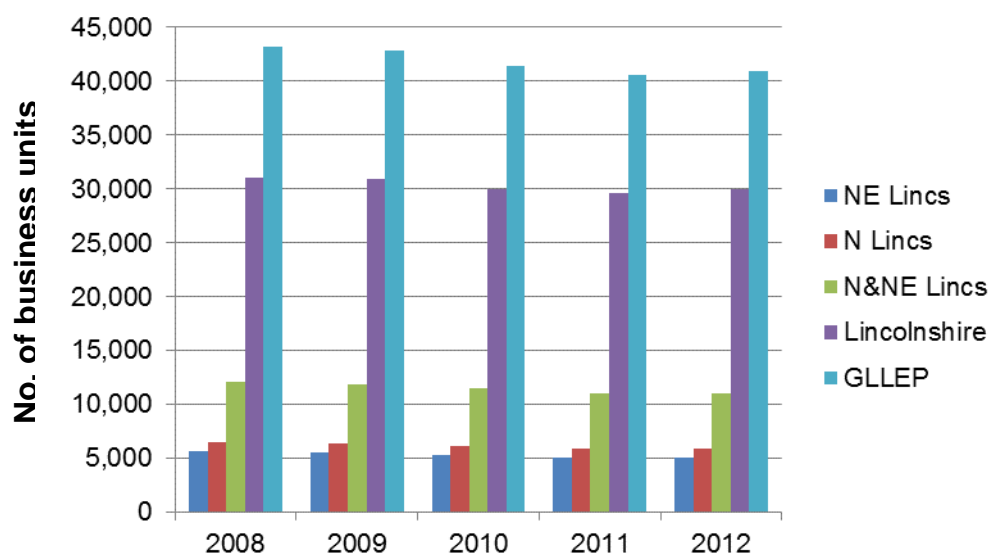
The constraints they face relate to document translation costs, access to interpreters, distribution and logistical technicalities, sourcing distributors and advisers with sectorial specialisms.



Start Up provision

The table below shows that business unit 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.

Figure 9: Growth in the numbers of business units (in VAT and/or PAYE based enterprises)



Source: *Inter Departmental Business Register, Office for National Statistics*

In line with this support for pre start businesses since 2011 has been piecemeal across the County and this is starting to have an adverse effect. Pre start businesses do not know where to go to source impartial advice and at present a postcode lottery exists as to whether you can access funded support/grants.

Procurement

Local businesses are increasingly frustrated by the bureaucracy, scaled up procurement packages and long term closed framework awards.

There is a need to make public procurement products and practices more competitive, transparent and equal for all.

The businesses interviewed has also revealed that the majority of their supply chain is outside Lincolnshire, some of this is due to the lack of local suppliers or the requirement to purchase from market leaders. However many businesses stated

that they didn't know or regularly check who was able to provide products/services within their locality.

Premises

The Greater Lincolnshire area is significant enough in scale to allow for a 'ladder of progression' containing incubation, innovation and manage workspace centres.

Whilst there is a good supply of managed workspace and enterprise/innovation centres across the county, there is still a shortage of small and medium sized starter units. Furthermore a large number of the centres are under occupied and need support to attract tenants in accordance with their entry criteria who have growth potential.

GLLEP Actions

Actions arising to support Lack of understanding of how to access information

There is a need for business support activity to be more effectively co-ordinated and to reach across the county. We recognise the need to ensure that any future support needs to be developed to complement and integrate into the range of existing business support products in order to provide a seamless approach.

- Further enhance the promotion of the range of business support products and service – utilising the BIS pathfinder www.businesslincolnshire.com – whilst reducing potential duplication of support
- Promoting simplified access to business support services no wrong door ethos
- Building the capacity and effectiveness of both public and private sector providers.

Actions arising for Sectoral Support

The establishment of priority sector Growth Hubs which will provide a single access point to a targeted package of diagnostic, advisory, coaching, mentoring and business development programmes. The hubs will address the key weaknesses² of the current business support system - duplication, poor coordination, complexity, difficulty of navigation and engagement. Sectorial growth hubs will drive SME growth by bring coherence to the business support landscape, improving awareness, understanding and accessibility to the support available.

² Support for growing businesses: a policy briefing, April 2013, Centre for Cities

Sectoral Business Growth Hubs in line with the GL LEP priority sectors will -

- Boost economic growth and improve coordination between the local and national tiers. The model would build on existing organisational structures eg the BIS pathfinder www.businesslincolnshire.com
- Increasing the uptake of local and national schemes: facilitate a 'single conversation' with local businesses, raising awareness and uptake of both public and private sector support by improving coordination, marketing and signposting.
- Maximising the reach of local national schemes: including 'amplification' – where local funding (EU) could be used to expand the provision of agreed national schemes (e.g. MAS, Growth Accelerator)
- Tailored business and innovation support: offer tailored support to businesses not targeted by existing national schemes. Focus on areas where the LEP can add most value, including leadership & management training, investment readiness advice, digital economy exploitation.

Actions arising for Export opportunities

- Greater alignment of the exporting offers e.g. Chamber provision, UKTI, EMITA and banks and accountants – development of a resource bank
- Utilise the aforementioned Sectorial Growth Hubs to provide tailored trade and investment support. For example, a designated sectorial International Trade Advisor and co-designed (linked to UKTI) export promotion strategy /tailored offer for Greater Lincolnshire
- Market entry specialists who can hand hold a business through the practicalities of exporting in a new market

Actions arising from Access to Finance

The following elements need to be provided in order to increase access to finance ;

- Increasing the level of financial literacy amongst SME's
- Supporting businesses to understand and access the new routes to finance including venture capital, equity investment, business angels etc.
- Ensuring businesses have robust strategic and business management skills to assist them to consider increased growth and productivity
- Promote strategic developments and infrastructure projects to the businesses community in order to show economic prosperity and create a positive environment which will in turn help increase business confidence
- A range of financial solutions need to be available for Lincolnshire businesses e.g. Loan funds, Angel support, Investment networks, Non Exec Financial Directors, Venture Capital, growth grants and seed funding.
- Development of a JEREMIE, fund of funds product



Actions arising for procurement

- County wide roll out of the Dynamic Purchasing System (DPS) an electronic platform which provides an EU compliant route for local authorities to purchase commonly used goods, works and services. This will provide a route to market, permanently opened to join through a simplified digitised process. It will provide exposure to a large number of business opportunities and have flexibility in meeting Lincolnshire's requirements
- GL LEP local authorities working together to Implement a simplified contract documentation and adopted a more flexible approach to assessing suppliers, e.g. providing alternative ways of assessing new suppliers who don't have a track record, e.g. business plans/action plans
- Stimulation of business to business procurement/supply chain development. A programme designed to assist businesses to improve performance by developing their knowledge and skills in tendering, procurement and local supply chains, as well as creating the environment for businesses to business transactions. This would include a web based private sector procurement portal

Actions arising for premises

- All the publically funded workspace, enterprise and innovation centres across the Greater Lincolnshire will align and share best practice, agree protocols and develop a cross centre support/signposting scheme
- Creation and promotion of a 'soft-landing' scheme which can help priority sector business and inbound inward investment businesses with rent free periods during their early stages of establishment. Support of this nature will also lead to the creation of new jobs.

Advanced Telecommunications (ICT)

LEP's vision and supporting information

One of the measures of the GLLEP's success is whether it achieves 'Excellent digital communications and coverage; and a front runner in broadband'³.

In the GLLEP Growth Ambitions Plan there are a number of areas where Advanced Telecommunications would play their part:

Ambition Area 1 focusses on Infrastructure. Priorities for infrastructure include 'Increased digital communications and coverage across Greater Lincolnshire

³ See <http://www.greaterlincolnshirelep.co.uk/what-we-do/vision> for GLLEP vision.



- Action 1.1 from the Growth Ambitions plan states:
1.1 To increase digital communications and coverage and become a front runner in broadband.

Ambition Area 3 focusses on Rural Enterprise which will include ‘lobbying to extend high-speed broadband to all rural areas’.

The Growth Ambitions plan also states that ‘a common theme constraining growth is the poor standard of connections linking production to markets, people to employment, skill needs to training opportunities and visitors to attractions’ and it clear that digital solutions and advanced telecommunications will have a part to play in addressing these issues.

GLLEP Objectives

It is key that the LEP objectives support Greater Lincolnshire to fully realise the potential that digital products and services can achieve. These objectives should cover 3 key areas. Firstly, ensuring that the physical infrastructure is in place (as highlighted in Ambition 1 and Ambition 3), secondly, ensuring that the vast majority of people have the basic skills to make use of the internet and digital services, and thirdly, to encourage businesses to help solve the issues of rurality – high cost of services, low skills, poor transport, isolation, etc., etc.

Actions that LEP will undertake to achieve the objectives

- The GLLEP will lobby for funding to achieve basic broadband coverage and for Lincolnshire
- Keep abreast of plans for Superfast cities and make sure Greater Lincolnshire learns from and benefits from lessons learned.
- The GLLEP will promote and support initiatives that will encourage innovation in digital products and services.

The GLLEP will raise the profile of the benefits of digital technologies such as:

- Improving quality of life through e-learning opportunities, access to online services, reducing isolation
- Reducing unemployment by improving ICT literacy, improving access to employment opportunities online
- Enabling employees to work from home, reducing the impact and necessity of travel
- Supporting business growth, enabling national and international trade, enabling cost savings, remote working, more cost effective solutions for business



Low carbon

The LEP's vision is for the renewable energy sector to enhance GL's environmental credentials, thereby creating a Green County.

There is significant scope for Greater Lincolnshire to develop and thrive within a low carbon economy. By encouraging and facilitating our businesses to reduce waste throughout their processes and become resource efficient, we will help them to build resilience to outside pressures of fluctuating resource and raw material costs, thereby promoting and realising sustainable economic growth. Our key sectors of Agri-food and Manufacturing are particularly susceptible to fluctuation in resource and raw material costs.

There are also significant opportunities for Greater Lincolnshire businesses to become part of the low carbon supply chain due to increased take up of resource efficient and renewable technologies, the growth of energy crops and the opportunities presented by the South Humber and East Coast offshore projects.

Renewables and Environmental Technologies is a sector which is cross-cutting with other industry sectors. Many of the activities taking place within this sector are either relatively new (such as renewable energy generation) or form part of other activities (such as agriculture, engineering, transport, or construction). For this reason, measuring the sector using standard approaches is difficult, and provides an incomplete picture of the overall sector.

Using relevant Standard Industrial Classifications – which relate mainly to recycling and treatment of waste - it is estimated that 3100 people across the Greater Lincolnshire LEP area, accounting for just 1% of jobs. This reflects a very small proportion of the overall activity that is currently taking place in the renewable and environmental technologies in Greater Lincolnshire.

Existing research conducted by the Renewables and Environmental Technologies task group for the Greater Lincolnshire LEP suggests that there are at least 150 companies engaged in renewable energy and environmental activities across the area. These comprise a wide range of activities, from installers of solar PV panels, to plastics recycling and manufacturers of electric car batteries.

Fig 10: Renewables sector workplaces by size

Business Size	1-10 employees	11-49 employees	50-199 employees	200+ employees
Area	%	%	%	%
GL LEP Average	84	13	3	1
Renewables	81	15	3	0

Source: *Annual Business Inquiry 2008, Office for National Statistics*

Social Inclusion

Within the European Structural and Investment (ESI) Funds programme for the 2014-2020 period, LEPs must ensure that at least 20% of the European Social Fund (ESF) element will be invested in activities which address social exclusion and combat poverty.

Social inclusion and combating poverty is defined as provision for those beneficiaries furthest away from the labour market. Provision should assist in improving employability, promoting active inclusion and combating discrimination in a holistic and integrated way, including early action before problems become entrenched, outreach activities and access to locally provided services.

The causes of social exclusion are multiple and usually appear connected with factors affecting a person's or community's social or economic circumstances, where the effect prevents people from participating fully in society. Communities might also self-exclude by removing themselves from the wider community.

This could include being excluded from society, or parts of society, as a result of one or more of the following factors:

- Unemployment
- Financial hardship
- Youth, or old age
- Disability & ill health (physical or mental)
- Substance abuse or dependency, including alcohol and drugs
- Discrimination on the grounds of sex, race, ethnic origin, religion, creed or sexuality
- Poor educational or skills attainment
- Relationship and family breakdown
- Poor housing (that is housing that does not meet basic habitable standards)
- Crime (either as a victim of crime or as an offender rehabilitating into society)
- Homelessness
- Learning difficulties or disabilities
- Offending
- Access to Transport

In terms of this GL LEP EU SIF document, there has been careful reference to One East Midlands **Embedded social inclusion: A framework to support LEP investment strategies for the 2014-20 EU SIF programme**



As **Promoting Social Inclusion and Combating Poverty** is a specified priority within the 2014-20 EU SIF programme, there a number of activities within this theme that can be supported, including:

- tackling barriers to work,
- tackling barriers to participation,
- combating discrimination in the workplace,
- growing the social investment market,
- supporting bottom-up and community-led approaches to local development initiatives,
- community grants,
- fair access to services (rural)
- developing the capacity of community groups to participate in delivery of any of these services

Promoting social inclusion must be able to demonstrate that:

- it carries out its activities amongst those who are socially excluded (as defined above)
- the purpose of those activities is the promotion of social inclusion for the GL LEP and public benefit
- those activities are capable of impacting upon the inclusion in society of the people who they are aimed at helping (i.e., there is a link between the activities and the aim)
- its promotion of social inclusion aim is set out in its primary objective, in a way that clearly describes the aim and how it is to be carried out, and provides a suitable definition of social exclusion

The term 'social inclusion', together with 'social exclusion' and 'social cohesion' are terms that are often used in relation to government initiatives and funding packages. The terms are broad and mean different things to different people in different contexts.

'Social inclusion' is often used to describe the opposite effect to 'social exclusion'. It usually results from positive action taken to change the circumstances and habits that lead, or have led, to social exclusion. It is about enabling people or communities to fully participate in society.

From information provided back from local Third Sector groups and communities, the following points have been identified as most at risk of social exclusion or will experience the highest levels of social exclusion:

- Economic migrants
- Low income families (including those in work)
- Families on benefits



- People with poor credit histories or in financial hardship
- Elderly people or those with physical disabilities, especially in rural areas
- People further away from the labour market
- People with disabilities and/or mental health issues
- People with poor education and /or skills attainment

In terms of considering the types of intervention and support needed for the groups listed above, the following approaches have been identified as delivering the best outcomes for those groups above:

- Funding community organisations that help people to budget, enable collective purchasing, affordable credit, crisis services, language support etc.
- Delivering 'wrap around' support to address the wider issues/barriers (e.g. health and mental health issues, debt advice) which prevent excluded groups and individuals from accessing and remaining in the labour market
- Maintaining (not cutting) rural services and transport.
- Increase in outreach services – those which can go to where they are needed rather than shrinking to a central point of delivery and expecting people to come to them.
- Developing capacity of community groups to reduce home-based isolation.
- Providing appropriate forms of support, at the point of need, which will allow progression into more mainstream support – where the individual will not feel as if they have been set up to fail

In terms of the EU SIF there will need to be full consideration of how all of these aspects will be incorporated within the project delivery of the social inclusion monies. This will also be linked to a proposed third sector programme co-supported with the Big Lottery Fund.

In addition significant work will be developed with DWP and Jobcentre Plus on their activity, linking with work carried out through Families working together team, and Children's Services.



Effective use of funding

Achieving Value for Money

As evidenced earlier in the document the GLLEP are prepared to pursue opt-in models where they meet the local priorities and needs. The GLLEP are also open to looking at other financial instruments – for example Jessica funding – which it is keen to pursue in more detail to ensure large strategic projects can be developed effectively to drive growth in the area.

Achieving Value for Money is critical for the Greater Lincolnshire LEP –and it is even more important due to the current fragile nature of local and national economies.

The Greater Lincolnshire LEP is seeking to achieve value for money through two routes:

- (i) at programme development level, and
- (ii) at individual project level.

Programme development level:

Firstly, the LEP board held a workshop on strategic priorities at its meeting in September 2013. As part of that workshop, it analysed the impact that initiatives can have on an area's economy and in particular the balance between business/revenue schemes and place/capital schemes. Further work on this –linked to the Treasury Green Book- will be done in the coming months in order to ensure that the LEP gets most value out of the funding programmes it has access to.

Secondly, as stated previously, officers are analysing the opportunities to use financial instruments in order to be able to recycle EU investments into the longer term. This requires a balance between the realities of offering loan investments in an area like Greater Lincolnshire which often suffers from market failures in terms of speculative private sector investment with the opportunity that financial instruments offer for financing in the long-term and therefore in achieving further value for money from the initial programme investment. A business growth loan fund is currently being worked on.

Individual project level:

Firstly, the Greater Lincolnshire LEP will put a robust system in place to ensure that EU grants are additional and are not being used where they are not needed. This will contribute to getting best value from the programme.

Secondly, the DCLG appraisal process is expected to analyse the value for money of each project against set published criteria.



The GLLEP are also looking at achieving value for money through collaborations and targeted investment:

A major focus of the GLLEP's strategy is to consider how added value can be achieved through facilitating joint working and collaboration and through targeting investment towards projects that will foster improvements across sectors and specialisms. The high level strategy is to look at projects that will facilitate clustering activity, share knowledge across sectors and specialisms, and develop systems and processes that will ensure any investment achieves the maximum value.

Consultation with key partners and industry leads along with research and analysis has enabled insights which point to huge potential within our business community, and to opportunities to develop creative and innovative interventions. These opportunities include the potential of the Agri-food, logistics and renewable energy sectors in the county to work more closely to share knowledge and resources.



Use of Community Led Local Economic Development

The GLLEP is a predominantly rural area and CLLD offers the opportunities to provide social and SME (including Micro) capacity building activity and access to 'action' investment funds on a scale that will compliment and add value to the higher strategic initiatives proposed.

Equally though, in the GLLEP area there are known pockets of urban deprivation in places North East Lincolnshire, Lincoln, Grantham and Gainsborough and we want to explore a case for a thematic CLLD for tackling deprivation looking at social inclusion to help address the wider issues faced within the area.

The LEP recognises that the Strategic Economic Plan has a large focus on the economic and 'industrial' innovation development. Economic Growth is the key focus but cannot be achieved without a focus on social and environmental growth. This is where CLLD can support to develop and expand social innovation in Greater Lincolnshire and help to grow the natural capital of the Greater Lincolnshire landscapes.

GLLEP will explore the potential to adopt the CLLD model in urban areas including Grimsby, Immingham and Cleethorpes, alongside the Humber LEP.

Working with the existing LEADER Groups within the GLLEP – Northern Lincolnshire Rural Local Action Group, Lindsey Local Action Group, Coastal Local Action Group and Wash Fens Local Action Group – will help shape Local Development Strategies and maximise the opportunities of a multi-fund approach to European funds.

The evidence and experience from the current work the Groups have achieved indicate that the use of CLLD will work to help deliver two of the three defined LEP growth areas:

- Increased skills leading to residents contributing to the growth of their economy
- Growth of businesses in Greater Lincolnshire creating wealth, jobs and contributing to UK plc

LEADER groups operate in the most rural areas of Greater Lincolnshire. Urban areas have a history of local community schemes. This will give the LEP greater improved reach to all sectors and target groups. Their work provides support where it



is needed most to address the issues at a local level. This will provide the LEP with the opportunity to; add value to strategic programmes and initiatives, and increase our ability to respond to barriers of rural growth which include the lack of access to:

- Markets due to distance and costs.
- Business skills development and training opportunities.
- Hubs of relevant innovation (e.g. R&D) due to distance and poor connectivity.
- Finance, similar to urban businesses.

Challenges identified

To highlight some very specific activities that have increased engagement & awareness between the GLLEP & Local Action Groups were two particular meetings:

- I. **Rural Development & Strategic Organisations.** Held on 22nd March 2013 and involved; DEFRA, LNP, GLLEP & LAG chairs and managers to update, shape & inform of the new programme 2014 – 2020 (GLLEP & DEFRA) and provide an understanding of RDPE and further engagement with other socio-economic rural organisations.
- II. **Leader Transition Funding & Partnership Engagement – Driving Localism.** Held on 3rd July 2013 and involved a wider range of partners being represented to continue engagement with GLLEP, LAGS & partner organisations. This included discussions around lessons learnt and added value from existing programmes, key priorities to focus on achieving wider engagement in future programmes

Skills

This is not just about the achievement of qualifications but about life skills, raising confidence and improving communication skills to act as a catalyst to enable, sustain jobs and provide skills for the future e.g. funding to provide good work experience opportunities for young people that will enable them to go on and develop careers. It is acknowledged that this will not create direct outputs for many programmes but will create a lasting impact. The visitor economy was highlighted as a priority area - visitors expect a good experience and a 'skills passport' to develop important social skills is key to improving the overall quality of the sector.

Changing the perceptions of the area

There are negative perceptions that need to be changed, for example; "The county is flat/boring". As an example; Stamford is a pretty exceptional 'gateway' to the county and we should capitalise on this to bring new visitors into the area. Show them the



rural and coastal natural assets including Donna Nook, Gibraltar Point, Anderby Creek. The coastal offer is greater than arcades/slot machines.

Market Towns

We need to explore what the common links are between market towns and look at where collaborative schemes can be developed. Question and find the special 'identities' of the market towns and their particular strengths. A co-ordinator role could bridge the gaps, particularly where there are no town centre managers due to lack of funding – again ensuring a quality control

Supporting Local communities

If we want to promote the areas as a more diverse area to visit, we can't keep our 'hidden gems' to ourselves. We need to help manage the success of our area including provision of car parks, hotels, provision of quality destinations. Difficulties experienced in getting projects off the ground are not always due to lack of investor interest, communities can be resistant to development and we need to show the benefits and get local community support and 'buy in' from the outset.

Rural Tourism

Developing Rural Tourism Opportunities in the areas and improving the complete offer in the local area to encourage visitors to extend their visit and travel from Lincoln and the central areas to stay longer in the local areas

Barriers to rural and coastal economic development

There are specific barriers the eastern side of Lincolnshire faces which are either already barriers to or will become barriers in the near future. These include; Coastal and Flood risk management, seasonality and managing the challenges of sustainability in the Landscapes of the area (the Wolds, the East Lincolnshire Coast and the South Lincolnshire Fens). All of these have a negative impact on growth.

Thematic Objectives likely to be covered

New CLLD groups, through the type of activity they will deal with are likely to cover the majority of the thematic objectives for ERDF, ESF and the four EAFRD priorities and measures that are identified to be used through the Structural Investment Funds plan. Initial work indicates that there are at least five main thematic objectives this



approach will be active in directly supporting and will also support an additional one or more objective.

Thematic	CLLD Activity	Key CLLD Activity Focus	Additional TO supported by CLLD Activity	GLLEP Priorities
TO1 Strengthening Research, Technological Development & Innovation,	✓		✓	✓
TO2 Enhancing Access to, and use and quality of, Information and Communication Technologies,	✓		✓	✓
TO3 Enhancing the Competitiveness of Small and Medium Enterprises	✓	✓		✓
TO4 Supporting the Shift towards a Low Carbon Economy in All Sectors,	✓		✓	✓
TO5 Promoting Climate Change Adaptation, Risk Prevention and Management &	✓		✓	✓
TO6 Protecting the Environment and Promoting Resource Efficiency	✓	✓		✓
TO7 Promoting Sustainable Transport and Removing Bottlenecks in Key Network Infrastructures	✓		✓	✓
TO8 Promoting Employment and Supporting Labour Mobility	✓		✓	✓
TO9 Promoting Social Inclusion and Combating Poverty	✓	✓		✓
TO10 Investing in Education, Skills and Lifelong Learning	✓	✓		✓

TABLE: Presence of ticks indicates where activities support the themes. Size and boldness of tick indicates the relevant strength of activity and focus against the theme

The LEADER and CLLD Groups work from the bottom up, identifying the issues to address and solutions to resolve them. The issues and solutions do not always fit neatly into one particular theme or measure. The opportunities presented by the multi-fund approach fits the CLLD approach to meet the challenges across the spectrum of economic, social and environmental issues at a local level.

The RDPE programme (2007-2013) measures for the LEADER Groups left gaps in the support to issues and groups of the community that the LAGs could give. The new programme with the option to take a multi fund approach offers the existing groups the opportunity to fill the gaps and address the needs.

Refinement of the themes likely to be covered will be an ongoing process with the Groups and the LEP and it is possible that groups may determine that they need to concentrate on specific areas of work which will cover just one or two themes.

GLLEP and its approach to opt-ins

The GLLEP has clear plans in place, and it recognises that the proposed Opt In methodology can add strongly to locally derived schemes. The LEP board has discussed opt-ins, and has stated clearly that it will not chase funding and will only engage with opt-ins where they directly meet its aims. As a principle, the GLLEP sees Opt-Ins as being concerned with co-investment and delivering additional services locally. Further detail is required from the opt-in providers before definitive decisions can be taken.

DWP Opt in Model

Context

The “opt-in model” has been developed to allow LEPs and their partners to join with national organisations/ programmes to deliver key priorities. By opting-in to a service offer from a national organisation/ programme, a LEP commits part of its ESI Funds allocation to the programme. In return, the LEP accesses match funding and administrative support.

Government has selected DWP because it is a:

National organisation with significant budgets (and therefore significant sources of match-funding);

- responsible for programmes which are key to delivery of Promoting Employment & Supporting Labour Mobility under the thematic objective
- have existing/future provision, that is likely to be relevant to all LEP areas.

The prospectus highlights the services the Department for Work and Pensions (DWP) can offer to Local Enterprise Partnerships (LEPs) to support the employment activities in their ESI Funds Strategies, should they choose to ‘opt in’ to the DWP offer. Their sphere of expertise supports Thematic Objectives 8 and 9 as identified in the Framework of European Growth Programme Priorities.

DWP’s leading role is in the provision of national employment activities, and is complemented by their local labour market intelligence. They have expertise in identifying gaps in provision and in understanding provision that works for particular participant groups. Through this, DWP is well placed to help support LEPs’ European Structural Investment Fund strategies.



In order to 'opt in' to using DWP to support your employment initiatives, they will need an indication of the GL LEP's likely plans and the potential value of provision, and then they will continue to work up proposals.

SFA Opt in Model

Context

From our conversations over the last few weeks, The GL LEP have the greatest amount of information about the Skills Funding Agency opt-in proposal. The SFA are the national organisation leading the Education, Skills and Lifelong Learning opt-in proposal.

The "opt-in model" has been developed to allow LEPs and their partners to join with national organisations/ programmes to deliver key priorities. By opting-in to a service offer from a national organisation/ programme, a LEP commits part of its ESI Funds allocation to the programme. In return, the LEP accesses match funding and administrative support.

Government has selected SFA because it is a:

- national organisation with significant budgets (and therefore significant sources of match-funding);
- responsible for programmes which are key to delivery of Education, Skills & Lifelong Learning activity under the thematic objective
- have existing/future provision, that is likely to be relevant to all LEP areas.

The prospectus highlights the services the Skills Funding Agency (SFA) can offer to Local Enterprise Partnerships (LEPs) to support the employment activities in their ESI Funds Strategies, should they choose to 'opt in' to the BLF offer. Their sphere of expertise supports Thematic Objectives 8, 9, and 10 within the 2014-20 European Growth Programme.

BLF Opt in Model

Context

The "opt-in model" has been developed to allow LEPs and their partners to join with national organisations/ programmes to deliver key priorities. By opting-in to a service offer from a national organisation/ programme, a LEP commits part of its ESI Funds allocation to the programme. In return, the LEP accesses match funding and administrative support.



Government has selected BLF because it is a:

- national organisation with significant budgets (and therefore significant sources of match-funding);
- responsible for programmes which are key to delivery of Social Inclusion & Third Sector activity under the thematic objective
- have existing/future provision, that is likely to be relevant to all LEP areas.

The prospectus highlights the services the Big Lottery Fund (BLF) can offer to Local Enterprise Partnerships (LEPs) to support the employment activities in their ESI Funds Strategies, should they choose to 'opt in' to the BLF offer. Their sphere of expertise supports Thematic Objective 10 as identified in the Framework of European Growth Programme Priorities.

The Big Lottery Fund (BIG) is making a flexible offer that supports local priorities and delivery, and provides a mechanism for the engagement of local civil society organisations (voluntary, community and social enterprise sector organisations) in the development and delivery of local initiatives.

BIG is the largest lottery 'good cause' distributor, funding local projects across England through both targeted strategic investment focused on specific themes and open, demand led programmes that can support local priority projects across a wide range of themes. These two principal routes to funding offer LEPs flexibility to take advantage of BIG's existing, tried and tested funding processes to support the LEP's own local social inclusion and poverty priorities, and to provide a streamlined route to match funding.

BIG's funding is distributed primarily through local civil society organisations. BIG has an extensive range of contacts and networks at local level, and a track record in brokering local partnership bids on specific themes. These resources will be deployed to support quality projects and ensure a key role for civil society organisations in delivery, in line with EU expectations.

Local Priorities

ESF OP Plan 2014-20 Funding Priorities

The Greater Lincolnshire Local Enterprise Partnership (GL LEP) continues discussions in contracting a significant proportion of the ESF allocation of resources to 'Opt-in' partners. At the present time these consist of:

- Skills Funding Agency, Department of Work & Pensions, & Big Lottery Fund



The value of the 'opt in' allocation being proposed is £35,586,000 which is subject to the 'opt-in' partners agreeing to the levels of match resources required, and that the activity requested is within their purview to deliver. Discussions are still ongoing in respect of the detail around how ESF activity will be tendered out. This is due to the levels of negotiation needed to:

- Ensure that the 'opt-in' allocations provide value for money
- That activity avoids any duplication, dilution, or confusion within the marketplace, both for individual beneficiaries, or providers –in the GL LEP area
- Providing a clear link and rationale to local provision and need for the GL LEP, as this will be scrutinised
- Support the GL LEP in delivering its spend and output requirements, as defined with its contracts with the Managing Agent

In terms of the remaining £10,000,000 balance the GL LEP is looking to keep this ring-fenced as a flexible response resource, which initially is outside of the 'opt in' agreements. The GL LEP will be looking to support any gaps in provision, where the 'opt-in' partners cannot support, and activity will need to be of a bespoke nature. The GL LEP will seek its own match resources for this in the first instance, but reserve the right to approach the 'opt-in' partners, and other funders, on a case by case basis.

The following information will give a summary of the activity to date, with respect to thematic objectives



Investment Priority	SFA Opt In	DWP Opt In	BLF Opt In	Other ESF Activity (not opt-in)
Access to employment for jobseekers and inactive people - thematic objective 8: employment	Can offer match funding for this thematic measure	Can offer match funding for this thematic measure if the GL LEP wants to deliver it e.g, Top up Enterprise Allowance Scheme; Job Club type activity; Licence to Practice Qualifications	Can offer match funding for this thematic, for wider social inclusion issues	Will need to assess any gaps around this thematic measure, The GL LEP will not use this funding to top up mainstream provision
Sustainable integration of young people - thematic objective 8: employment	SFA will be interested in the 15+ age range activities , around the NEET agenda Consideration will need to be made regarding the RPA constraints	DWP may be interested in gap activity, outside of any work programme, & return to work programme activity Will target 18-24 year olds	Possible opt in activity, but may be more concentrated around wider social inclusion element	Need to ascertain is there is any niche provision around Children's Services activity, and/or Vulnerable Families
Active inclusion - thematic objective 9: social inclusion	SFA may be a very small opt in partner, in this area	Possible opt in support for 'Hard to Reach' client activity – outside of any mainstream provision	Substantive opt in role, around the active inclusion agenda	May be interested in niche, in-depth delivery if SFA or DWP cannot contract with small local providers, but assume BLF can
Enhancing equal access to lifelong learning - thematic objective 10: skills	SFA opt in activity will be targeted around an English/Maths focus, and particularly an employment sector basis. This will also focus on skills of the Workforce	No opt in activity	BLF could tackle the wider range of lifelong learning activity, outside of the more focused SFA routeway	Need to ascertain emerging gaps, in order to identify possible opportunities
Improving the labour market relevance of education and training system - thematic objective 10: skills	SFA flexibilities around the 19-23 age range. e.g, Employer Engagement/Brokerage	Small set of possible opt in activity, potentially around Universal Credit System inclusion process	No opt in activity	Capacity may be considered on activity around the sectoral base approach

Breakdown of costs for ESIF Opt in Programme

Please note that this is an early draft allocation of ESF figures, and as such will be subject to change following further discussion with the opt in partners, and internal GL LEP discussions.

There will be further refinements, following on from the confirmation of activity support in the tables below.

	Investment Priority	SFA Opt In	DWP Opt In	BLF Opt In	Other ESF Activity (not opt-in)	Total
Thematic objective 8	Access to employment for jobseekers and inactive people	£2,293,000 to £3,793,000	£1,500,000 to £3,000,000	??	£855,500	£6,148,500
	Sustainable integration of young people	£2,293,000 to £3,793,000	£1,500,000 to £3,000,000	??	£855,500	£6,148,500
	Total	£4,586,000 to £7,586,000	£3,000,000 to £6,000,000	??	£1,711,000	£12,297,000
Thematic objective 9	Active inclusion	-	??	£7,000,000	£2,199,000	£9,199,000
	Total	-	??	£7,000,000	£2,199,000	£9,199,000
Thematic objective 10	Enhancing equal access to lifelong learning	£9,000,000	??	??	£3,095,416	£12,095,415
	Improving the labour market relevance of education and training systems	£9,000,000	??	??	£3,095,416	£12,095,415
	Total	£18,000,000	??	??	£6,190,832	£24,190,832

?? – indicates possibility of support, but at a minimal level

Access to employment for jobseekers and inactive people	Opt In Partner	GL LEP Involvement (not opt in)
<ul style="list-style-type: none"> • Additional and innovative approaches to pre-employment training • Training for those who need to upgrade their skills or learn new skills (including basic skills and English for speakers of other languages) to compete in the local labour market and adapt to changes in the economy • Helping people access or benefit from Apprenticeships • providing advice, guidance and support, adding value to National Careers Service where appropriate • Additional support for long-term unemployed people, including those who have completed the Work Programme. This will include new approaches to work experience and training, intermediate labour market activity and volunteering opportunities • Additional support to specific target groups such as people with disabilities or health barriers (including mental health issues), people with caring responsibilities, lone parents, ethnic minorities, ex-service personnel, and those from households with inter-generational worklessness. It will also help older workers to re-train, re-enter or stay engaged in the labour market • Support to help them sustain their employment and progress. Those in work who are at risk of, under notice of or facing redundancy will also be able to receive support, including training to upgrade their skills or learn new skills • Using self-employment as a route out of worklessness, including providing advice and support for self-employment 	<p>SFA opt in activity, around the skills training elements, particularly focused around sectors</p> <p>DWP opt in activity, around the support to mainstream provision/activity and licence to practice</p> <p>DWP opt in activity around the support for the unemployed</p> <p>BLF opt in activity potentially around the hardest to reach individuals/ social inclusion agenda</p>	<p>May be some GL LEP niche areas</p> <p>However will not want to provide any additional activity in this arena, unless 'significant' gaps are identified</p>
Sustainable Integration of Young People		
<ul style="list-style-type: none"> • Additional literacy, numeracy, ICT and employability provision • Training and vocational qualifications • Community and informal learning that help people access more formal learning • Intermediate labour market activity • Using self-employment as a route out of worklessness, including providing advice and support for self-employment • Re-engage marginalised young people NEET, including through innovative approaches, customised training and support and volunteering activities. Activities may be focused on specific target groups such as: young lone parents; looked after children and care leavers; carers; ex-offenders; those involved in gangs; and young people with learning difficulties and disabilities • Support Traineeships so long as it is not displacing already planned (and funded) provision and it adheres to the Traineeship Framework for Delivery • Complement Traineeships by enhancing or building on existing and planned Traineeship provision through wrap-around activity • Provide additional support for disadvantaged young people beyond the core elements of training (work preparation, English and maths) and work experience • Enhance local careers guidance services for young people, including where appropriate providing education and training providers and careers guidance professionals with information on local job options, business developments and local skills shortages • Broker opportunities with local employers to take on young people who are NEET (including those with complex barriers) - including through Traineeships • improve the employability of unemployed or inactive graduates, including through graduate placements 	<p>SFA opt in activity for age range 15+</p> <p>Some DWP potential opt in engagement, around 18-24 year olds</p>	<p>May be some GL LEP niche areas</p>
Active Inclusion		
<ul style="list-style-type: none"> • Basic skills and ESOL training • Money management support and advice and financial literacy programmes • Digital and internet literacy courses to aid job searching, access to benefits and progress in work • Local 'Community Grant' type activity • First contact engagement activities (for example, arranging events in places that people feel comfortable to visit) • local networks and groups to support people to get a job or access learning (for example, Jobs Club or Learning Champion type activity) • Softer skills development (for example, assertiveness, anger management and motivation) • Volunteering, which is recognised in general terms as a good way to re-engage those furthest from the labour market • Add value to other services and funds locally, especially helping those with more complex barriers move closer to employment. This may include helping those in greatest need of a more consistent service offer and who may require extra support to transfer to Universal Credit 	<p>BLF opt in activity, around social inclusion and hard to reach individuals</p> <p>Some DWP potential opt in engagement, may be some DWP opt in engagement around Universal Credit System</p>	<p>May be some GL LEP niche areas</p>

<p>Enhancing Equal Access to Lifelong Learning</p>		
<ul style="list-style-type: none"> • Basic skills interventions for the existing workforce • Additional or innovative approaches to training in a vocational context for those with low level skills in Maths, English and ICT, to support them in finding work or progressing in work; and to enable them to achieve vocational qualifications and continue to up skill • Support for intermediate, technical and advanced vocational provision for the unemployed and for career progression • Supporting low skilled people in low paid work to help them progress • Support for intermediate, technical and advanced skills for specific industries and sectors identified as driving growth in local economies in support of other relevant thematic objectives • Tailored training and lifelong learning opportunities for older people • Skills and training packages in response to redundancies (including earlier support to companies, as well as when redundancy occurs) • Skills support for Traineeships and Apprenticeships (but not direct funding of training or wage costs) including improvements to the recruitment, assessment and training • Support for informal learning and community based learning • Increase participation where there are current or predicted skills shortages, particularly where this addresses the needs of SMEs with growth potential or includes targeting under-represented groups. ESF could fund the development and delivery of outreach activity including access and taster programmes to increase the participation of particular groups • Support intermediate and advanced vocational provision for the unemployed and for career progression (but not tuition costs at level 3 and above, and not where mainstream provision is available) • Develop skills to meet future needs (for example, in relation to new technology, construction or production methods). This will include developing skills for innovation in companies including aligning with ERDF supported activities and in line with local growth priorities • Support employability and the transition into employment including: <ul style="list-style-type: none"> ○ funding the costs of specific modules (additional to the core credit-bearing element of higher education programmes) designed to better prepare under-graduates and graduates for employment or self-employment or to increase the effectiveness of those recently securing employment in SMEs; ○ funding specific activity (development or delivery) targeted at increasing the employability of particular groups (including graduates) who are under-represented in the workforce or who face particular barriers to gaining employment (for example, those with a disability); ○ supporting activity to develop self-employment or entrepreneurial skills to start and grow a business or social enterprise 	<p>SFA opt in activity</p> <p>BLF opt in activity, around the social inclusion, and hard to reach individuals agenda</p>	<p>May be some GL LEP niche areas</p> <p>Subject to freedoms & flexibilities requested</p>
<p>Improving the Labour Market Relevance of Education and Training Systems</p>		
<ul style="list-style-type: none"> • Support for collaborative projects, placements, internships or other activities with SMEs that enable students and graduates to gain industry relevant experience and skills • Building capacity in SMEs to provide project/placement/internship opportunities and enhance the contribution of advanced skills to SME growth. In particular this could include programmes to specifically engage the most disadvantaged groups or those who face particular local disadvantages in advanced skills • Brokering opportunities to encourage and increase work experience, work placements, Traineeships, Apprenticeships, and graduate placements, including through wider employer engagement • Promoting Apprenticeships (especially at advanced levels in manufacturing and other priority sectors) by developing a supportive environment for employer engagement • Developing better links between business and schools, further and higher education and other education partners to equip students with the skills to start and grow a business to meet local business needs • Support for activities to start and grow a business, including promoting entrepreneurship, social enterprise and self-employment, providing leadership and management training/advice within SMEs mentoring with existing businesses and entrepreneurs and developing internal capabilities and growth potential • Complementing mainstream funding to boost demand from young people to study mathematics and develop innovative provision at level 3 which can be combined with vocational qualifications to meet local skills and shortages, for example in engineering • Supporting the capacity of education providers (including schools, further education and higher education) to deliver better focused provision for employers and to innovate 	<p>DWP opt in activity around job search activity</p> <p>SFA opt in activity for skills</p>	<p>Possible GL LEP niche funding areas</p>

UKTI Opt in Model

UKTI Core Service Summary- until March 2015

UKTI are currently helping companies to develop an export plan; providing counselling on the right markets and the right people to deal with in those markets; advising on grants for trade missions or overseas trade fairs; setting up meetings; and generally helping to make business happen.

Current Delivery Model

Within the East Midlands UKTI currently contracts with EMB to deliver the regional international trade development service. There are currently 3.5 FTE general advisers currently operating in the Greater Lincolnshire area, although it should be noted that this excludes the districts of North Lincolnshire and North East Lincolnshire which are supported by an additional 2 advisers from the Yorkshire and Humber team. Lincolnshire clients also have access to an East Midlands pool consisting of a Language & Culture Specialist, 2 mid-sized Business Advisers that support companies with £40m+ t/o, 4 High Growth Market Specialists, an Export Finance Specialist and a Rail Specialist.

Core Service Components

The UKTI core service has a number of product offerings comprising which Lincolnshire businesses have access to :

Events: a varied programme of information and advice workshops and seminars, market visits and webinars delivered both at home and overseas.

Export Insight Visit: 'taster' market visits to European markets

Export Communication Review: one to one specialist support to ensure communication channels including websites are optimised.

Export Market Research Scheme: one to one specialist advice on how to research the most beneficial markets

Gateway to Global Growth: one to one specialist support for companies with some export experience

Inward Missions- An organised visit of overseas buyers looking for UK suppliers and partners



Market Visit Support: A grant supporting overseas market visits

Overseas Market Introduction Service: A paid for service provided by UKTI overseas offices identifying potential partners, sales prospects, providing in-market research and activities such as launch events hosted at UK embassies

Passport to Export: A programme of one to one advice with supporting workshops to companies that are new to export.

Significant Assistance: general trade advice provide by international trade advisers based either in the UK or at one of our overseas offices.

Trade Show Access Programme: funding to support attendance at overseas exhibitions and trade shows

Digital business opportunities: tailored e-alerts of potential business opportunities in chosen markets.

Client Engagement

A regional marketing and events team of 5 engage businesses with the service via telemarketing and digital campaigns, UK based information and advice events, overseas events and market visits and generating referrals via effective relationship building with business networks, professional intermediaries and export service providers.

Overseas network

Overseas, UKTI has a network of more than 100 offices usually located within British Embassies and Consulate Generals where over 1200 Trade & Investment Officers work to promote the interests of UK businesses. Locally based advisers act as the 'connectors' with these overseas teams.

Current ERDF Enhancement until March 2015

EMB is currently using ERDF funding across the East Midlands to deliver additional internationalisation support, using UKTI core funding as match. The current project runs until March 2015. This funding has enabled EMB to:

- recruit additional advisers,
- deliver more events and peer to peer networking opportunities, and,
- support companies with a joint investment fund, which provides up to £5,000 per company to match fund projects that help them sell to international markets.



ERDF is also helping us to reach more companies and encourage them to think about international trade for the first time at an earlier stage in their development.

Performance to Date

During April – Nov, UKTI has worked with 327 unique businesses in the GLLEP area, delivering the following activity. Some companies will have benefitted from more than one service.

Delivery to date 1 April 2013- 30 Nov 2013

Events - Open to Export Webinars	1
Events - Overseas	34
Events - UK Based	258
Events - Webinars	18
Exhibitions	9
Export Communication Review Scheme (ECR)	18
Export Insight Visit	2
Export Market Research Scheme (EMRS)	11
Gateway to Global Growth	24
Inward Missions	1
Market Visit Support (MVS)	17
Overseas Market Introduction Service (OMIS)	51
Passport to Export	38
Passport to Export R & D	3
Significant Assistance (PIMS)	335
Significant Assistance Development Aid (PIMS)	2
Trade Growth Value (TGV)	8
Tradeshaw Access Programme (TAP)	41
Tradeshaw Access Programme (TAP) Non Funded	7
UKTI Website - Business Opportunity	105
Total Service Deliveries	983



GL LEP EU Opt In

To avoid overlap with the current ERDF project there would be a start date for the new project of 1st April 2015.

GLLEP business survey research and other sources have identified the following issues in Greater Lincolnshire:

- Lack of understanding of the export development support on offer
- Uncertainty about 'exportability', particularly in the service sector.
- A requirement for greater 'hand holding' for companies new to export, particularly in sourcing distributors, logistics, managing language & cultural issues and building confidence – to an extent companies are looking for 'part time export manager expertise' to help them build capacity
- A particular desire for specific sector knowledge.

To meet these needs the new EU Programme will concentrate on both export development, helping companies take their first steps; and export expansion, helping companies increase the overall percentage of their business that is export related by selling more, developing new product lines or expanding their export activity into new markets. This would be achieved by layering additional support on top of the current UKTI trade development

Offer outlined above.

Overall objectives of the project would be as follows:

- to raise awareness amongst SMEs based in the Greater Lincolnshire LEP area of the opportunities presented by international trade;
- to increase the number of SMEs based in the Greater Lincolnshire LEP area that are considering trading internationally;
- to enhance the international trade capabilities of SMEs based in the Greater Lincolnshire LEP area;
- to increase the number of SMEs based in the Greater Lincolnshire LEP area which trade internationally;
- to improve overall SME competitiveness in Greater Lincolnshire.

Expected outcomes for 2015-2020 would be:

- 400 businesses assisted
- 200 businesses assisted to improve their performance
- 160 jobs created
- £1.95-£3m TBA GVA resulting from those businesses assisted to improve their performance
- an increase in the overall percentage of exporters from 22% (as measured by the LRO in June 2013) to 24% by 2020



This is subject to final negotiation.

Project objectives and outcomes would be realised by the following streams of activity:

Development - Increasing awareness, understanding, interest and capability

- ***Export Taster Programme*** – a targeted programme of events will be provided to encourage SMEs who want to grow their customer base, but may never have considered exporting as an option, to think about expanding into international market places through a series of ‘export taster’ workshops. These will be delivered by a suitably qualified trainer and marketed to SMEs in partnership with business representative and membership organisations such as the Chamber of Commerce, the FSB, Trade Associations and Sector Skills Councils. These will help companies understand if they have a product or service with export potential and give them some understanding of exporting basics like the importance of market research, how to get paid and sign post appropriate further help and next steps.
- ***Direct Engagement*** – a rolling telemarketing campaign will target SMEs in Greater Lincolnshire making appointments for them to discuss their export capacity with a UKTI Trade Adviser.
- ***Export Readiness*** -Those businesses that are identified from the export taster programme and the direct engagement activity but are not yet ready to benefit from the services of an International Trade Adviser will be connected with a Trade Development Officer who will work with them on a remote basis via telephone and email to help them to become ‘export ready’

Expansion – Co-investment in support of consultancy and other services and specific sector support.

- ***The GLLEP Export Co-Investment Fund*** – This fund will provide co-investment support at a 50% intervention rate. The minimum grant value will be £1,000 against a £2,000 SME project spend and the maximum grant value will be £5,000 against a £10,000 SME project spend. The following list provides examples of the types of activities to be supported via the grants programme. This list is not, however, exhaustive and additional activities may be supported should they be identified as a need for the beneficiary:
 - language and cultural training;
 - consultancy support for early stage exporters - i.e. part time export manager expertise
 - legal advice around international commercial agreements;
 - assistance with international marketing and branding, including website development and marketing materials;
 - attendance at overseas conferences;
 - advice relating to international commerce and e-commerce protocols;



- specialist support with IP protection and prototyping for overseas markets;
 - assistance in identifying and recruiting new staff to help enter international markets; and,
 - market research projects for new overseas market entry
- *Sector Specialist Advisers* - GLLEP has identified Food, Manufacturing and Renewables as key sectors and potentially want to support local SMEs with International Trade Advisers with specialist sector expertise and knowledge who would be connected to sector related growth hubs.

We are investigating the opportunity to share the cost of sector specialists and a co-ordinator role across LEP areas and we will report on this once we have concluded discussions across those LEPs based in the East Midlands region.

Operational costs

Project management resource to manage the EU administration and the co-investment fund. The costs will be dependent on the economies of scale that can be generated by aggregating overall requirements across LEPs based in the EM.

UKTI Programme Costs

Duration	UKTI Match	EU Match	Total
April 2015- 2020	1,500,000	1,500,000	3,000,000



MAS and GA Opt in

Manufacturing Advisory Service Core Service Summary – until March 2015

There is a single common MAS delivery model which develops strategic and technical support to SME's the programme drives economic growth and developed advanced manufacturing capabilities.

Current Delivery Model

Within the GLLEP area Pera are delivery agents for MAS. There are 2 advisers covering the Greater Lincolnshire area.

The revised MAS offer supports a business to focus on developing through focus on low carbon improvements, supply chain initiatives, new product development, strategy and operational improvements.

Core Service Components

MAS can help businesses to;

- Develop medium to long term strategies for growth
- Developing and /or introducing new products
- Reducing operation costs
- Application of Lean principles
- Introduction of advanced manufacturing techniques

Foundation projects- up to £1000, 50% of total project costs

Step Change project – up to £3000/50% of total project costs

Repeat Projects – 1 in a rolling 12 month period, clients are allowed 3 overall and the intervention rate reduced every 12 months 50%, 40%, 30%.

Current Targets – by 31 March 2015

Creation of 205 jobs

Increased GVA of £16,164,324

MAS Performance to date in Greater Lincolnshire over last 21 months April 2012 - 30th Nov 2013

- 80 SME's have accessed level 4 in-depth support
- 66 projects have been completed to date
- £17,484,222 GVA impact predicted by the 80 SME's on the programme



- 226 new jobs have been projected by the SME's
- 640 safeguarded jobs have been projected

Growth Accelerator Core Service summary – until March 2015

There is a single GA delivery model, the programme provide businesses with new connections, new routes to investment and new ideas and strategy to help them grow.

GA Growth managers match a company's individual needs to expert business coaches. They work together to deliver a bespoke package of support which can include coaching, connectivity, workshops and leadership training.

GA Current Delivery Model

Within the GLLEP area Pera are delivery agents for GA. There are 3 Growth Managers covering the Greater Lincolnshire area.

Core Service components

Businesses have to show a 20% year on year growth potential for 3 years. Prospective clients have to have a telephone interview with a Growth manager who assesses their ambition, capacity and opportunity to grow and decides if they are eligible to access the programme. If successful, the business can choose one route they wish to follow;

- Business Development
- Access to Finance
- Growth through innovation

Linked to the support there is a grant of £2000 per senior manager (matched 50/50 by the business) for the business to engage in Leadership and management development training.

Performance to date 21 months to 30th Nov 2013

In the Greater Lincolnshire area to date there has been;

- 365 SME leads
- Suitable companies- 158
- 132 companies from the GL LEP area are on the programme



GL LEPMAS/GA Opt in

Many growth hungry businesses in the GL LEP area are currently not able to access the GA offer because they are not able to demonstrate fully rounded potential to grow by 20% year on year.

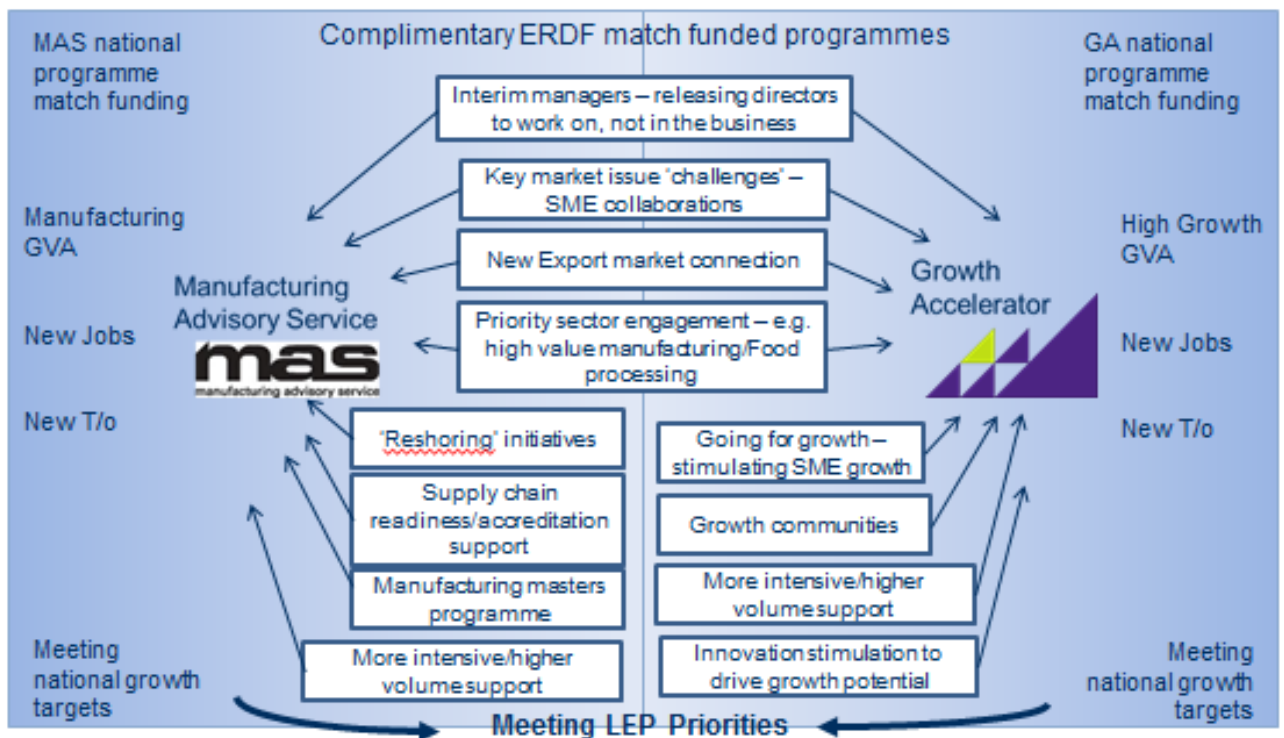
Therefore a **Growth Readiness Programme** needs to act as a pre cursor into the core G/MAS programmes.

The Growth Readiness Programme will:

- stimulate ambition to grow
- Provide access to new opportunities
- Stimulate innovation
- Increase growth aspirations

The Growth Readiness programme will be funded by 50% EU Match.

We are in discussions with Pera as to how we operate the Growth Readiness but it would include the elements outlined in the table below;



GA Opt in focus will be to;

Expand the core programme by extending the route businesses wish to follow eg at present they can select 1 of the following options; Business Development, Access to Finance or Growth through innovation. Through the opt-in this would be increased to 2 where additional outcomes justify.

We would establish a Growth Academy which would support business who have growth aspirations but need additional support/advice to help them develop their capacity and opportunity to a stage whereby they are assessed as eligible for the core GA coaching offer. We would focus on geographical clusters to provide a growth programme that will crystalize their strategic development plans.

GA Opt in Assumptions

We seek to ensure that GA service provision is focused on key issues/opportunities affecting SMEs in Greater Lincolnshire and that opt in model extensions will need to compliment the GA provision to deliver additional outcomes which will need to be derived from:

1. Increasing the impact of GA interventions carried out – for example through targeting higher growth potential beneficiaries, improving growth capabilities, introducing to new market opportunities, promoting innovation or developing growth stimulation programmes etc.
2. Increasing the volume of GA interventions taken up in GL LEP area – for example through enhanced engagement with key sectors, locations, supply chains etc. and/or through enhanced attractiveness of the service proposition and development of growth culture projects.

The current GA service delivery to businesses in the Greater Lincolnshire LEP area has been analysed and has been used to establish a notional baseline from which additional outcomes have been projected.

The table below outlines indicative projections for the most relevant additional outcomes based on the following draft assumptions/rationale:

Indicative match value of Growth Accelerator interventions:

Indicative calculations suggest that for every GA sign-up, the ERDF claimable BIS programme match value is likely to be worth c.£3,500 (this excludes any contributions from the SMEs). The projections below have been based on this figure as an average maximum programme match value per sign-up. (We would hope/expect the service to continue at a similar level across the ERDF programme period – but we recognise that neither Pera as the current delivery consortium partner nor BIS can give any assurances of continuation of the service in its current form beyond the current contracted period ending Mar 2015)



Additionality:

Assumptions have been made that the current intervention run rate is used as the baseline – i.e. we assume that with no ERDF opt-in, the current level of delivery would remain constant. Only outcomes over and above this level have been projected as additional outcomes resulting from ERDF matching

Additional outcome projections:

Assumptions have been made that ERDF enhancements to the GA service will have the effect of improving the quality and volume of engagement which will result in increased take up (although this will have to be limited due to national programme capacity) and increased impact per beneficiary SME. We have predicted volume growth to 25% over baseline (ramped up over the programme period) and projected an increase in GVA and jobs created per intervention ramping up to 25% over the programme period.

Growth Accelerator opt in Outputs

Indicative GA ERDF Opt-in projection for Greater Lincolnshire LEP area	2014	2015	2016	2017	2018	2019	2020	Total
Baseline activity in LEP area								
Total assessed – (SMEs supported)	90	90	90	90	90	90	90	630
GA sign-ups – (SMEs assisted)	75	75	75	75	75	75	75	525
Jobs created/safe guarded	119	119	119	119	119	119	119	833
GVA	£5,449,715	£5,449,715	£5,449,715	£5,449,715	£5,449,715	£5,449,715	£5,449,715	£38,148,003
Indicative projected additionality (EU opt in funds)								
Maximum GA match value **	0	£290,500	£301,000	£315,000	£329,000	£329,000	£329,000	£1,893,500
Additional assessments – (SMEs supported)	0	90	90	90	90	90	90	540
Additional Sign-ups – (SMEs assisted)	0	8	11	15	19	19	19	91
Additional Jobs created/safe guarded	0	17	38	52	67	67	67	309
Additional GVA	0	£762,233	£1,736,642	£2,397,874	£3,088,172	£3,088,172	£3,088,172	£14,161,265
Additional businesses supported to introduce new products	0	17	18	20	21	21	21	117
Additional private sector match investment leveraged		£32,000	£44,000	£60,000	£76,000	£76,000	£76,000	£364,000

** NB not all has to be matched to Opt-in. A smaller allocation can be made vs specific enhancement projects subject to administrative practicality.

NB. The core programme outputs self-certified by a business and may not meet ERDF evidence requirements. This needs to be confirmed with DCLG and outputs revisions agreed with the GLLEP if they are deemed not to be compliant.



MAS Opt in focus;

Supporting the main supply chains across the Greater Lincolnshire areas; engineering, renewables

Sectorial focus on growth areas, collaboration, opportunity identification and research

MAS Opt in Assumptions

The GLLEP is keen to ensure that MAS service provision is focused on key issues/opportunities affecting SME manufacturers in the economy. We recognise that opt in extensions will need to compliment the MAS provision to deliver additional outcomes which will need to be derived from:

1. Increasing the impact of MAS interventions carried out – for example through extending the depth/number of in-depth support assignments, targeting higher growth potential beneficiaries, improving advanced manufacturing capabilities, introducing to new market opportunities etc.
2. Increasing the volume of MAS interventions taken up in the GL LEP area – for example through enhanced engagement with key sectors, locations, supply chains etc. and/or through enhanced attractiveness of the service proposition

We have analysed the current MAS service delivery to businesses in the Greater Lincolnshire LEP area and have used this to establish a notional baseline from which additional outcomes can be projected

The table below outlines indicative projections for the most relevant additional outcomes based on the following draft assumptions/rationale:

Indicative match value of MAS interventions:

Indicative calculations suggest that for every Level 4 (in-depth) intervention completed, the BIS programme match value is likely to be worth £5,000. (We have discounted matching contributions from beneficiary SMEs) Projections have been based on an average maximum programme match value of £5,000 per L4 intervention completed. (We recognise that whilst we would hope/expect the service to continue at a similar level across the ERDF programme period; neither Pera as the current delivery consortium partner, nor BIS can give any assurances of continuation of the service in its current form beyond the current contracted period ending Mar 2015)

Additionality:

Assumptions have been made that with no ERDF opt-in the current level of delivery would remain constant. Only outcomes over and above this level have been projected as additional outcomes resulting from ERDF

Additional outcome projections:

ERDF enhancements to the MAS service will have the effect of improving the quality and volume of engagement which will result in increased take up (although this will have to be limited due to national programme capacity) and increased impact per beneficiary SME. We have predicted volume growth to 25% over baseline (ramped up over the programme period) and projected an increase in GVA and jobs created per intervention ramping up to 25% over the programme period.

Indicative ERDF Opt-in projection for GL LEP	2014	2015	2016	2017	2018	2019	2020	Total
Baseline activity in GL LEP area								
Level 2 – (SMEs supported)	191	191	191	191	191	191	191	1337
Level 4 – (SMEs assisted)	46	46	46	46	46	46	46	322
Jobs created/safeguarded	97	97	97	97	97	97	97	679
GVA	£8,492,336	£8,492,336	£8,492,336	£8,492,336	£8,492,336	£8,492,336	£8,492,336	£59,446,355
Indicative projected additionality EU Opt in Funds								
Maximum MAS match value **	0	£255,000	£265,000	£275,000	£290,000	£290,000	£290,000	£1,665,000
Additional Level 2– (SMEs supported)	0	19	29	38	48	48	48	230
Additional Level 4 – (SMEs assisted)	0	5	7	9	12	12	12	57
Additional Jobs created/safeguarded	0	14	32	42	56	56	56	255
Additional GVA	0	£1,205,543	£2,760,009	£3,692,320	£4,892,324	£4,892,324	£4,892,324	£22,334,845
Additional businesses supported to introduce new products	0	14	15	16	18	18	18	98
Additional Private Sector Match funding leveraged	£0	£14,854	£20,795	£26,736	£35,649	£35,649	£35,649	£169,331



** NB not all has to be matched to Opt-in. A smaller allocation can be made vs specific enhancement projects subject to administrative practicality.

NB. The core programme outputs self-certified by a business and may not meet ERDF evidence requirements.

This needs to be confirmed with DCLG and outputs revisions agreed with the GLLEP if they are deemed not to be compliant.

Draft MAS/GA Programme Costs

Programme	Duration	Match	EU Match	Total
MAS	April 2015-2020	1,665,000	1,665,000	3,330,000
GA	April 2015-2020	1,893,500	1,893,500	3,787,000



EIB Opt in Model

Context

7.5% of Lincolnshire's housing is in public ownership, compared to 5% as an average for the shire counties. Therefore we have a significant amount of social housing, and we recognise that it is important that the housing is maintained at a high level of quality. Clearly, having housing that can benefit from modern efficient energy provision is beneficial.

Given the levels of housing that might be involved, any retrofitting of housing will also support an increase in activity for the local construction sector.

We recognise that the Humber LEP is having parallel discussions with the opt-in partners, and we are working closely with them during the discussions.



Access to Finance/Financial Instruments

Financial instrument proposals

GLLEP is working collaboratively with other Local Enterprise Partnerships in the East Midlands to develop the availability of a portfolio of access to finance products to support SMEs to invest and grow. As a first stage, East Midlands and South East Midlands LEPs commissioned Mazars LLP to undertake market intelligence research to inform decision making about approaches to scale, collaboration, targeting and delivery mechanisms for a potential collaborative financial instruments. The research also considered the use of any legacy funding from financial products commissioned by the former East Midlands Development Agency. The research project is now complete and it available upon request.

The report provides a high level evaluation of the need for a Financial Instrument in the area covered by East Midlands and South East Midlands LEPs. The report was based on a combination of;

- Research into national trends of SME access to finance and the East Midlands business profile.
- A survey of over 500 businesses across the East Midlands with at least 100 in each LEP area
- Interviews with 37 local stakeholders in including banks and other financial institutions
- Analysis and implications of a potential revolving fund by in-house Mazars experts on funds, EU funds and access to finance for SMEs

The key results of the business survey are that;

- Approximately 26% of surveyed businesses consider Access to Finance as an impediment to growth, an estimated 56,800 businesses across the study area.
- Access to finance is one of a range of barriers to growth identified by SMEs in the East Midlands. Others include the wider economy, skills shortages, cashflow, and public sector regulation
- 20% of businesses in the East Midlands applied for financing in the past 5 years. This is a similar figure to national proportion.
- Funding was largely sought from banks (80%) in the form of a loan, followed by public sector sources in the form of grants.
- 63% of businesses seeking funding applied for £50,000 or below and 12% seeking funding of between £50,000 and £100,000.



- The main reasons for seeking financing were stated to be buying equipment (30%); working capital (26%); company expansion (20%).
- Of those firms seeking funding, 46% had not secured any of the funding sought – an estimated 17,000 firms.
- The principal barriers to investment include wider demand in the economy, the banks (tightened) lending conditions and expertise/ knowledge to apply for funding
- Broadly similar proportions of firms regard access to finance as a barrier to growth between LEP areas and sizes of firm
- 19% of firms say they have one or more current stalled project or unmet business need, an estimated 37,000 firms. 60% of firms have not sought finance for their stalled project

Key findings from stakeholder interviews include;

- Demand for lending is improving
- Due to restricted lending criteria, banks' focus is on 'better prospects'
- The 'market gap' is at the 'bottom end' of market (smaller, riskier businesses)
- There is support for a revolving Investment Fund at a East Midlands scale, if;
 - It is big enough to be viable and make a difference
 - It does not displace bank lending.
- There is a possible 'advice and knowledge gap' but there is a particular issue around 'investment readiness' of some SMEs seeking growth finance
- There is no strong sectoral focus to access to finance demand

Overall conclusions of the report are that;

- a) There is a 'lending gap' for newer, lower security and higher risk enterprises leading to a sufficient level of 'un-met' finance demand from business to make a £100m intervention fund viable
- b) There is evidence of latent growth potential that could be released through better access to finance for SMEs
- c) However there is a related need for better general business support and 'investor readiness'
- d) There is qualified support for an East Midlands 'fund of funds' from financial stakeholders;
- e) There is minor variation in terms of sector and business composition, suggesting that a regional revolving investment fund is feasible

Whilst the report provides a high level evaluation of need it does not provide the full range of information to establish a successful financial instrument. It does not fully substantiate the demand for equity, equity linked, mezzanine, seed-corn, loan guarantee or other non-debt related investments nor model the impacts of different products or types of intervention or forecast returns or economic impact nor model how the relationship with existing 'local' products can be managed.

In developing their approach, East Midlands LEPs have worked closely with the British Business Bank to identify up to £6.1m of 'match funding' available from emda legacy funds that can be used to support collaborative access to finance work between East Midlands LEPs.

East Midlands LEPs have also considered the experience of other regions, particularly the development work undertaken in the West Midlands and the operation to date of the Finance Yorkshire JEREMIE platform. LEPs have also worked closely with officials of CLG, BIS and the Business Bank to inform their approach together with evaluating the Mid-Term Review of the English JEREMIE Funds undertaken by Regeneris Consulting and considering the experience of the East Midlands Urban Development Fund – a 'JESSICA' Financial Instrument. Key issues identified from considering the experience of other Financial Instruments and the experience suggest the following considerations;

- The need for 'scale' of any fund to promote viability and attractiveness in the market
- The need to work 'with the grain' of existing providers and local routes to market
- The need for a balanced portfolio of investment products
- The need for flexibility to review priorities, funding envelopes and investment strategy on a periodic basis
- The need for private expertise to take primacy in making funding decisions, within an intelligently targeted investment strategy
- The need for an Investment strategy to clearly not duplicate market lending but to target growth companies.

East Midlands LEP Chairs and senior officers met on 29th November to consider the evidence gathered and the advice of officials from the British Business Bank, BIS and CLG, East Midlands LEPs have resolved to;

- a) work collaboratively to develop potential interventions to improve access to finance for SMEs in the East Midlands, including potentially an East Midlands 'JEREMIE' model
- b) identify sums of funding in SIFs to support enhanced access to finance for SMEs
- c) indicate to Government that they wish to use Legacy funding from RDA investment products to support a collaborative approach to improving access to finance for SMEs in the East Midlands, including further development work and any potential establishment costs.

The exact nature of any collaborative intervention, and whether East Midlands LEPs will seek match funding from the European Investment Bank, will depend on the



outcome of more detailed investigations and development work to meet the requirements of the 'ex ante assessment' process required for using European structural and investment funds for financial instruments. The detailed investigations will particularly focus on more targeted market assessment, intervention modelling, viability testing and development of effective models of governance and routes to market and testing the comparative merits of alternative approaches. Intervention modelling and viability testing will include an assessment of potentially working with one or more other regions. East Midlands LEPs will seek to complete this further development work by September 2014.

East Midlands LEPs will consider this further detailed research and development work before confirming any formal funding contributions to a collaborative financial instrument such as a 'JEREMIE'. Until any funding contributions are confirmed, East Midlands LEPs have provisionally identified sums of ERDF to promote SMEs access to finance or have ensured that they have sufficient capacity in their SME Competitiveness to support a collaborative approach.

Should the ex-ante assessment provide robust evidence of need, GLLEP has notionally allocated £5million from its EU Structural Fund allocation to aid the creation of a financial instrument in the form of a fund of funds /or alternative financial product.

Any final commitment of funds by LEPs in the East Midlands to a collaborative product would depend on;

1. Consideration of the further development work to be concluded by September 2014
2. Agreement on an equitable apportionment methodology for contributions and outcomes.
3. Confirmation of the extent of 'match' from RDA legacy funds and other sources
4. Full consideration of alternative approaches to meeting need and achieving the desired outcomes

If, after further investigation, East Midlands LEPs decide to collaborate to create an East Midlands JEREMIE and draw down a loan from the European Investment Bank, the LEPs will identify sufficient funding to make the JEREMIE viable and effective. East Midlands LEPs will continue to work with the British Business Bank to further investigate market intervention and match funding modelling. If East Midlands LEPs decide to establish a region-wide JEREMIE, and assuming that there are no unreasonable delays in the process and that clarity about the Commission's requirements from the ex-ante appraisal criteria are published in due course, it is anticipated that, from the point of decision, a fund could be launched within 12-13 months. An indicative timescale is suggested below.



Action	Month
Decision taken on whether or not to established an East Midlands Jeremie	1 (September 2014)
Allocation of budget and resources for the creation of the fund	1
Soft market testing of potential fund managers (February/March 2014)	1 to 2
Negotiation of co-finance from public and private sources (February- June 2014)	2 to 6
Establishment of fund vehicle and governance arrangements (March - June 2014)	2 to 6
Preparation of Ex Ante Appraisal and Formal Agreement of EIB loan	3 to 6
Procurement of Fund Manager	6 to 9
Negotiation of Contract with Preferred Fund Manager	9 to 11
Marketing of Fund	11-12
Formal opening of fund	12 (September 2015)

Collaborative planning to improve delivery

One of the main principles that the Greater Lincolnshire LEP has adopted since it started is that it has porous boundaries and that it will work closely with other areas of the country on schemes that will support its economic growth.

In April 2013 the Greater Lincolnshire LEP commissioned a study into "Understanding Lincolnshire's neighbouring economies and areas". The study identified that there are a number of common priorities amongst the neighbouring LEP areas as set out in the following table, and we may seek to pursue EU funding in support of collaborative projects that arise from the study:

4.9.3 Sector Based Collaboration

Section 1 of this report has set out the different sectors across Greater Lincolnshire and neighbouring areas. The LEP based analysis adds to this by identifying which sectors are prioritised by each LEP. All of the neighbouring LEPS have identified key sectors in one way or another, and whilst the definitions and detail of these are still evolving in some cases, there is a reasonably clear picture of which areas focus on which sectors as shown in Table 4.1 below.

Table 4.1 – LEP sector priority commonalities

	GLLE P	D2N 2	LLE P	SCR	GCG P	Humbe r	NEP	LC R	New Angli a
Agri-food (+ food & drink)	●	●	●		●	○	●		○
Manufacture (+engineering)	●	○	●	●	●	○		●	○
Renewables (+low carbon)	●		●	●	●	●		●	●
Visitor economy	●	●	●	●		○			●
Logistics	●		●	●		●	●		○
Healthcare (+biotech/medi)	●	●		●	●	○		●	
Creative/Design & Digital/ICT			●	●	●	○	●	●	○
Financial & Business service			●	●				●	○
Construction	●			●					○

● = Priority/core sector ○ = other sector identified as important (but not highest priority)

Table 4.1 shows the six priority GLLEP sectors and any other sectors adopted by more than one neighbouring LEP. It demonstrates considerable overlap in the sectors that LEPs have prioritised. For all six GLLEP priority sectors, at least five neighbouring LEPs have also identified that sector as important or a priority. Whilst LEPs are clearly co-operating in some areas such as bid proposals, shared areas and infrastructure, joint approaches to sector development are less evident. Nevertheless, such an approach may reap rewards, with potential to enhance

business engagement (especially for larger firms that see themselves and their supply chains as covering multiple LEP areas), skills and supply chain linkages.

Specific opportunities related to each of GLLEP's priority sectors are outlined below.

Agri-food (and food and drink)

Prioritised by an arc of LEPs to the south and west of GLLEP, and also identified by the Humber and New Anglia. Coupled with Greater Lincolnshire's widely acknowledged strength in the sector, this pattern effectively puts the GLLEP area at the heart of a large area with a concentration of agricultural and food and drink industry. This presents opportunity to promote an agriculture, food and drink 'super cluster' centred on Lincolnshire, with assets, institutions, businesses and supply chains that could better work together for mutual gain.

Environmental Industries and Renewables

This sector is prioritised by six other LEPs. It is a broad sector, with a split between those who concentrate on environmental technologies or low carbon goods and services (e.g. LLEP, GCGP, SCR) and those focused on renewable energy (Humber and New Anglia both make this one of only a few top level priorities). The latter group is highly relevant to the GLLEP Renewables sector, with biorenewables/energy crops and wind energy having great potential in all three LEP areas given the combination of a large land area, a significant coastline and ports. Greater Lincolnshire could have potential to bridge the assets and new renewables development in New Anglia and the Humber, with some opportunity to make links elsewhere too, such as to York, North Yorkshire and East Riding which has strengths in biorenewables, and the Tees Valley which has assets and ambitions around wind energy.

Tourism and Visitor Economy

A number of LEPs have a focus on this sector, notably New Anglia and a trio of LEPs to the west of GLLEP (D2N2, LLEP, SCR). Potential linkages relate to towns and cities with heritage offers and other attractions (e.g. Lincoln, Nottingham, Newark), coastal connections, or green tourism, for instance based around The Wash and the Humber Estuary and the special conservation/ornithological value of both areas.



Manufacturing

Nearly all the LEPs prioritise (advanced) manufacturing and engineering under one description or another, with prioritisation strongest in LEPs with big cities such as Leeds, Sheffield and Leicester. Few are aware of Greater Lincolnshire's manufacturing base, so promoting its strengths in this sector may be a first step to developing linkages. The presence of Siemens in Lincoln may be a key asset in this respect – it sparked a mixture of surprise and interest when mentioned to LEP interviewees. Centres such as Nottingham, Leeds, Northampton, Sheffield and Hull also host a significant Siemens presence and this in itself could open up avenues for collaboration.

Ports and Logistics

Four LEPs put priority on this sector, in every case related to specific assets and concentrations of activity such as the Humber Ports and distribution and logistics centres in or around Northampton, Doncaster and south of Leicester. There were different views as to whether these centres could better work together through collaboration or whether they were in competition with each other, especially in relation to securing value adding activities.

Health and care

This sector is prioritised in a spread of LEP areas with a major industry presence in cities such as Leeds, Nottingham, Cambridge and Sheffield. In all of these cases the focus is more on medical and healthcare technologies/life sciences than on the care focus that appears stronger in Greater Lincolnshire. One LEP suggested there could be potential to link health technology products/services from other centres to care needs in Lincolnshire, although how far this would deliver economic benefits to the GLLEP area is not clear.

In addition to collaborative projects of this nature, three other types of project should be noted. These are skills projects, higher education projects, financial loan projects, and possibly opt-in projects too.

Skills

The Lincolnshire and Rutland Employment and Skills Board operates across Greater Lincolnshire and into Rutland. The board has played a strong role in shaping the skills agenda for Greater Lincolnshire, and the rural nature of Rutland with few big employers or further education providers means that collaboration on skills projects is likely. (It should also be noted that a project to promote the benefits of broadband to businesses was run between Lincolnshire and Rutland during the 2007-2013 ERDF programme).



Higher Education

Higher education/business partnerships often do not recognise administrative boundaries. This is particularly the case when it comes to using specialist knowledge from one university to support a business in another area. It is also likely to be the case where economies of scale can be achieved –for example the University of Lincoln is currently collaborating on "Enterprise Inc", an East Midlands wide ERDF project which provides enterprise support to recent graduates.

Financial loan funds

As mentioned in the section on financial instruments, the Greater Lincolnshire LEP is keen to work collaboratively with partners from the East Midlands area to use "legacy" loan funding from the East Midlands Development Agency in order to create a new financial instrument. In order for the loan fund to be of sufficient size to generate the interest required to offer fund management, a collaborative and cross boundary approach is required.

Opt-in (EIB)

As with the financial loan funds, economies of scale are essential to enable EIB investment in low carbon retrofitting of social housing to be meaningful. We are actively discussing the opportunity to collaborate across boundary on this activity – both with housing organisations and with other LEPs and local authorities. This work is being facilitated by East Midlands Councils.



Voluntary & Community Sector engagement

The Greater Lincolnshire local Economic Partnership has been working closely with the Voluntary & Community Sectors, through a range of routes, over the past 8 months, in order that that will be prepared for the new round of European resources.

This has initially started with working through the Involving Lincs partnership to drive forward both an understanding of the process, but also about engaging with the sector, and its aspirations.

The Greater Lincolnshire local Economic Partnership has also worked closely with One East Midlands, to provide a context to a wider audience, and to support them in helping the sector to think around the issues involved. Latterly this has also been in partnership with ACEVO.

Separate to this the Greater Lincolnshire local Economic Partnership has also worked with the Lincolnshire Financial inclusion Partnership in a similar fashion.

We continue to consult on a number of points, namely:

- Working with the sector, to increase their capacity and capability, to engage with the process, through their 'Involving Lincs' model, which will need to include the sectors operating in North & North East Lincolnshire
- Working with the Big Lottery Fund opt-in model, to support a mechanism of engaging the Voluntary & Community Sector, around social inclusion delivery

We are hoping that the support mechanisms put into place, will allow the Voluntary & Community Sector, to marshal themselves into a good position to fully engage in the EU process.

The Consortium approach will ensure that they can bring forward fewer but more strategically focused schemes. The benefits will be to limit liabilities to individual VCS organisations and through greater partnership working, ensure that better reach and impact is delivered.



The Economic Case for Greater Lincolnshire's Key Sectors

The following Commissioning Matrix shows the key sector priorities that the GLLEP want to support and the type of activity that we envisage being brought forward through projects to achieve this.



Commissioning Plan Matrix

	Agri-Food	Engineering	Visitor Economy	Care	Low Carbon	Ports & Logistics	Small Business	Foreign Owned Business
Transport	To move products and supplies effectively	To move products and supplies effectively	To enable visitors to reach destination	To take beneficiaries to centres of support	Opportunities to develop markets through low carbon transport technologies	To build on our ports and logistics sectors importance to UK	To move products and supplies effectively	To open up strategic sites
Flood Management	To protect high quality land and to support production	To protect land and use as a coolant in energy processes	To use water as a visitor attraction	To protect communities	To use water in energy process	An important mode of transport	To protect land for investment	To protect land for investment
Retail Conditions	To promote locally sourced food	To promote vibrant communities to investors	To enhance the visitor experience	To provide locally accessible services	To promote vibrant communities to investors	To promote vibrant communities to investors	To provide opportunities for business growth	To promote vibrant communities to investors
Market Towns	To promote locally sourced food	To promote vibrant communities to investors	To enhance the visitor experience	To provide locally accessible services	To promote vibrant communities to investors	To promote vibrant communities to investors	To provide opportunities for business growth	To promote vibrant communities to investors
Environment & Heritage	To promote locally sourced food	Opportunities for small scale innovation	To enhance the visitor experience	To encourage older people to have active lifestyles	Opportunities to develop markets through low carbon approaches to schemes	To promote vibrant communities to investors	To provide opportunities for business growth	To promote vibrant communities to investors
Communities	To establish social enterprises in local food	To promote vibrant communities to investors	To provide a strong welcome to visitors	As an important element of delivery	To drive demand through community led schemes	To promote vibrant communities to investors	To provide opportunities for business growth	To promote vibrant communities to investors
Housing	To provide accommodation for workforce in areas of business growth	To provide accommodation for workforce in areas of business growth	To provide accommodation for workforce in areas of business growth	To provide business opportunities through adaptations etc	To provide business opportunities through installing low carbon technology	To provide accommodation for workforce in areas of business growth	To provide opportunities in construction sector	To provide accommodation for workforce in areas of business growth
Promotion	To attract skilled workers to the area	To attract skilled workers and investors to the area	To attract investment in our products	To attract skilled workers to the area	To attract skilled workers and investors to the area	To attract skilled workers and investors to the area	To provide opportunities for business growth	To attract investors to the area

Greater Lincolnshire's Economic Case for Flood Risk and Water Management & Supply

Summary of Key Facts

- Extreme weather events are a significant risk to businesses as they can restrict operations. Extreme weather events in Greater Lincolnshire can affect the UK as a whole if not managed appropriately
- The GLLEP has an area of 7,182 km²
 - 38.4 % (2,761 km²) is within the floodplain of rivers and the sea (flood zone 2)
 - (3,363 km²) is Grade 1 & 2 agricultural land, though 50% (1,687 km²) of this is within the floodplain. This represents 8% of the national area of Grade 1 & 2 agricultural land.
 - Flood risk is a complex business – there are over 600 key flood risk management structures maintained by the EA and almost 1,500km of raised defence (enough to stretch from Lincoln to Rome)
- Land drainage and flood defences within the Isle of Axholme protects £5.1bn of assets including key infrastructure important for the economy such as the M180, rail lines, a power station, many hectares of prime agricultural land and 18000 homes
- Also on the Humber Bank between Barton-upon-Humber and Grimsby, there are £3.4bn of assets
- The 2013 Business Continuity Management Survey by the Chartered Management Industry (CMI) asked businesses which disruptions would have a major impact on their business. This year 43% of businesses surveyed said extreme weather would have a significant effect on their business.
- During and after a flood, affected businesses slow or shut down operations due to property inundation, the loss of access to site, IT and electricity. For the agricultural sector, this is often worst during harvest time, where a loss of produce has major impacts on a farmer's revenue. Extreme levels

of rainfall in 2012 cost the English farming industry £600 million in lost output and £700 million in extra costs⁴

- During severe flood warnings, particularly in the case of North Sea surges, anticipated ship loads will be rerouted or delayed due to the risks of stormy weather. During a flood, shipping loads cannot be transported where surrounding transport routes are inundated. In some events piers will be damaged, causing several weeks of disrupted production while engineers are consulted and repairs are made
- The ports of Immingham and Grimsby are the largest Ports in the UK by tonnage and East Anglia as a whole supplies around 1/8th of total UK food consumption.
- Food and farming provides 13% of the county's Gross Value Added (GVA) income. In 2007, 252,400 ha of land in Greater Lincolnshire was dedicated to agriculture, which accounts for 2.7% of agricultural land in England.
- There are approximately 168,000ha of grade 1 and 2 agricultural land in Greater Lincolnshire that is at risk of flooding. According to 2012 land values this is worth approx. £3bn.
- Lincolnshire is the biggest producer of cereals and vegetables in England and agriculture in the East Midlands region contributes more than £5 billion GVA to the UK's economy annually.
- Agriculture is a major employer in Greater Lincolnshire with over 1 in 10 people employed in food or farming contributing to 13% of the Lincolnshire's GVA of more than £1 billion a year.
- It is estimated that approximately 32,000 people are employed in the food and farming sector in Greater Lincolnshire. In particular, in some areas these sectors are economically even more important such as the South Holland region where 10% people are employed food and farming accounting for approximately one third of GVA.
- More water is drained from fields in Greater Lincolnshire and pumped out to sea during the winter than abstracted for irrigation in the summer. Water availability for summer spray irrigation of crops is becoming an increasing issue. It is likely that a significant number of new winter storage reservoirs will be needed to meet current and future demand.
- Food manufacturing which includes primary production, food processing,

⁴ <http://www.conservativeruralaffairs.org.uk/docs/FloodIssuesUpdate28Nov2013.pdf>



wholesale, retail and packaging is a major industry within Greater Lincolnshire and provides employment to 73,000 people. The UK's food security relies upon Greater Lincolnshire's food manufacturing industry. This includes 70% of the country's fish that is processed within the Greater Lincolnshire area, along with 1/8th of wider food and drink processing

- Greater Lincolnshire's rich variety in both landscape and culture makes the area an attractive destination for visitors. The visitor's economy is estimated to be worth approximately £1 billion and provide 39,000 jobs. Visitors are attracted to the coast with the coastal towns of Skegness and Cleethorpes being popular destinations, while Butlins in Skegness is the UK's 4th most popular tourist resort. Other popular tourist areas in Greater Lincolnshire include the Fens, the Vales and the Wolds, all of which are known for their beautiful countryside. The tourism industry in Lincolnshire is growing and between 2011 and 2012 the number of tourists attracted to the region increased from 17 million to 17.4 million.
- Currently our beaches are maintained to ensure protection against flooding at an annual cost of approx. £7m. This also safeguards our beaches as a popular holiday destination. Without this scheme some of our beaches would become clay, hard flood defences would be undermined, tourism would decline and flooding would eventually occur. The strategy supporting this approach expires in 2015. Long term options are currently being considered but the current approach could become unsustainable and we need to plan for this now.
- While there are risks, there are also significant opportunities. There are considerable business benefits from regenerated watersides and improved waterways. A more attractive or accessible site results in a more buoyant visitor economy, meanwhile access to quality water environments improve employee productivity and attracts new staff

Water is a very important feature within Greater Lincolnshire. This is not only because it provides valuable services that underpin our environment, economy and quality of life, but also because of our geography. The way we manage water has shaped our landscape resulting in a network of rivers, raised river banks, sea defences and land drains that protect people and property, provide fertile land, navigable waterways and a home for wildlife.

Climate change, sea level rise, a growing population, and economic growth are placing increased pressure on water as a resource. We need to consider water management in a joined up way that takes into account the wide range of services it provides – including flood risk management, drinking water, as an input for business, crop irrigation, tourism and recreation (boating, angling, cycling etc.), supporting biodiversity etc. This will move us from just managing water toward managing water sustainably and help ensure Greater Lincolnshire is fit for the future, improve our competitiveness.

There are two aspects of water management in the Greater Lincolnshire area, namely:

- Flood risk management
- Water resources and supply.

Flood Risk Management

Flood risk is managed by a range of organisations across Greater Lincolnshire including the Environment Agency, Local Authorities, Internal Drainage Boards and the Water and Sewerage Companies. Lincolnshire has a national reputation for partnership working for flood risk management and maintains excellent relationships between all the risk management authorities.

The main potential sources of flooding are: sea and tidal estuaries/havens; rivers and watercourses; heavy rainfall; surface water run-off and over-flowing sewers; and groundwater.

Greater Lincolnshire has a vast network of rivers, canals and managed drainage networks which are integral to our management of water. The Environment Agency manages more than 600 key flood risk management structures and about 1,500 km of rivers with raised embankments, and coastal defences in Greater Lincolnshire (enough to stretch from Lincoln to Rome). 6,115 km of watercourses and 286 pumping stations across the Fens are maintained by the Internal Drainage Boards.

Extensive raised sea defences and drainage systems protect around 39% (2,761 km²) of Lincolnshire's extensive low-lying land in the coastal zone and fens to the south of the county. The Lincolnshire coast is protected by 128km of raised sea defences and natural defences like sand dunes. These protect the fens and coastal plain which lie at or below sea level – 225,000 people live in this area, and 46% of the county's properties are located there. There are also upland areas such as the



Wolds, where watercourses and gradients combine to create risks such as rapid inundation in locations such as Louth.

In financial terms, in Lincolnshire alone the IDB assets represent about £150m of investment, while the Environment Agency has invested in the region of £250m over the past twenty years in sea defences alone. At present average annual investment by the Environment Agency stands at about £10m.

Out of the 349 Local Planning Authorities in England and Wales the National Flood Risk Assessment (NaFRA) Dec 2013⁵ places four of Greater Lincolnshire's nine Local Authority areas within in the top 10 districts for '% properties at risk of flooding'.

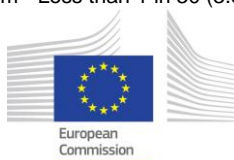
Area	Overall NaFRA rank x / 349	Residential properties at risk of flooding		Non-residential properties at risk of flooding		Total properties	
		Total	High or medium	Total	High ⁶ or medium ⁷	Number	%
Boston	2 nd	26554	8457	9312	2055	35866	92.4
East Lindsey	8th	29585	8018	17385	6364	46970	44.0
North East Lincolnshire	7th	31014	4555	7306	1458	38320	44.1
South Holland	3rd	32186	21410	14979	8860	47165	82.9
Greater Lincolnshire	n/a	151079	56357	66389	29341	217468	n/a

The figure below shows the areas at high, moderate and low risk as identified within the NaFRA 2012 dataset.

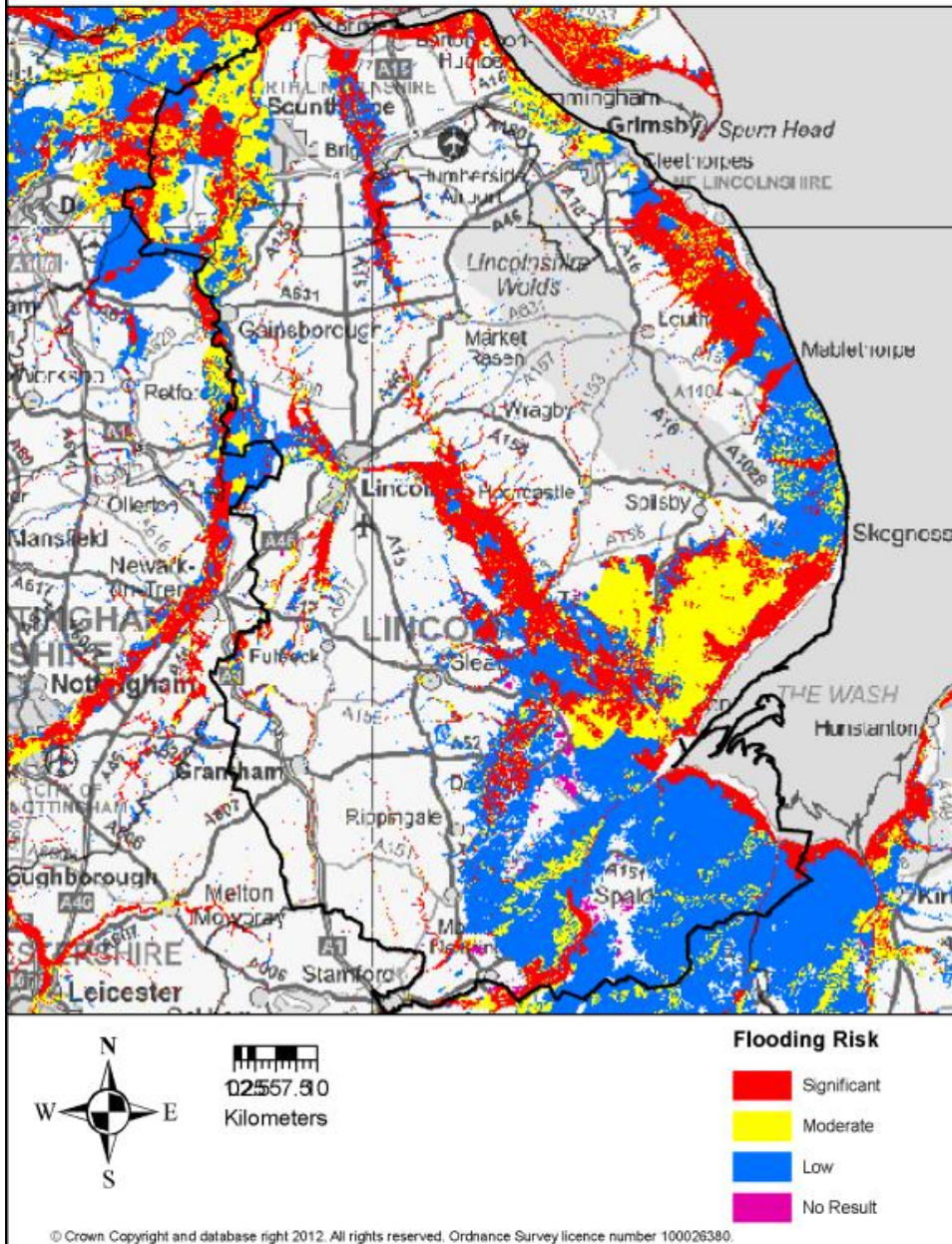
⁵NaFRA Dec 2013 ([Appendix H - Properties at risk from flooding](http://intranet.ea.gov/policies/environmentalwork/29621.aspx#09)):
http://intranet.ea.gov/policies/environmentalwork/29621.aspx#09

⁶ High - Greater than or equal to 1 in 30 (3.3%) chance in any given year

⁷ Medium - Less than 1 in 30 (3.3%) but greater than or equal to 1 in 100 (1%) chance in any given year



NaFRA 2012 for Greater Lincolnshire



Water resources and supply

The Greater Lincolnshire area is one of the driest in the country and is prone to drought. The availability and security of water supply is fundamental to a number of sectors especially the growth potential of the agri-food sector. The amount of water available varies across the county but generally it is close to acceptable limits.

We experience peaks of water in winter, but in the important growing periods we need water to irrigate and to support food production. This comes at a high cost to business, and therefore diverts funding away from business's ability to invest. Agriculture is a major consumer of water in the Greater Lincolnshire⁸. A reduction in available water from summer abstraction for irrigating crops has been identified as a threat to the areas growing agricultural sector.

Whilst the county is a relatively dry one there is annual and seasonal variation and intense periods of rainfall are the other extreme. To meet these demands Greater Lincolnshire relies heavily on the use of pumping infrastructure to move water around to help prevent both flooding and drought. The difference between dry and wet years is demonstrated through agricultural abstraction figures and IDB pumping figures:

- Over the summer of 2011 (a drought year) 5 million cubic metres was abstracted for spray irrigation, whilst in 2012 (a very wet summer) this fell to 2 million cubic metres.
- Between July 2012 and June 2013 the Black Sluice IDB pumped 77.4 million cubic metres out to sea. This would meet the domestic needs of 1.4 million people for a whole year (150 litres of water per day) or over 1500 modest agricultural storage reservoirs
- In 2012 the Witham Fourth District IDB pumped 99 million cubic metres of water out to sea.
 - Together this would be enough water to meet the domestic needs of 33 million people for a whole year (150 litres of water per day) or over 3800 modest agricultural storage reservoirs.

Climate predictions⁹ for Greater Lincolnshire are that by 2040 our rainfall will increase by >20% over the winter months and decrease by >20% during the summer months (figures below). In order to adapt to these changes alongside an increasing population and economic growth, future investment will be needed to ensure demand can be met and economic investment protected. Investment in infrastructure must consider both these climate extremes to ensure that land and people can both be protected from flooding and supplied with water for irrigation.

⁸ There are 1247 active abstraction licences in Greater Lincolnshire Local Enterprise Partnership's area, predominantly from surface water sources. More than three quarters are for the agriculture sector.

⁹ UKCIP09



What is the current situation?

Lincolnshire is a primary food producing area. Greater Lincolnshire accounts for 24% (839 sq km) of all Grade 1 agricultural land in England, the vast majority of which is protected by coastal flood defences. The fertility of the land has generated a thriving agriculture and food sector, which is a major employer in the LEP area. From a local base, the industry has expanded to manufacture food from both locally and internationally grown produce; in the north-east, production based on fishing represents further important diversification.

The area contains major assets of national significance; in particular 24% of England's grade 1 agricultural land. When extended to the whole area, including land in Norfolk, Cambridgeshire, Peterborough and Suffolk this increases to 50% of all grade 1 land in England.

Lincolnshire as a whole is the largest single contributor to agricultural production in England, providing nearly 30% of the field vegetable crop in the country, and it is second only to Norfolk in potato production. Lincolnshire's half a million hectares also support livestock, dairying and outdoor pig production as well as about 18 million hens, ducks, turkeys and geese. This arable, livestock and dairy production in turn supports a major food processing industry.

The Lincolnshire Fens alone produce significant a proportion of the entire nation's agricultural output, including:

- one third of the peas and beans grown for human consumption
- 29% of vegetables grown outside in fields (as distinct from in glasshouses)
- 41% of the bulbs
- 13% of the potatoes
- 22% of all the horticultural crop

The Fens as a whole (including parts of Cambridgeshire and Norfolk) produce 37% of England's vegetables, 25% of the country's potatoes and enough wheat to make 250 million loaves of bread every year.

This highly productive land is maintained in cultivation by an extensive artificial drainage system, managed by Internal Drainage Boards. Across the Fens as a whole the Boards maintain 3,800 miles of watercourses and 286 pumping stations. These are necessary because the land is generally lower than the main rivers which discharge to the sea. In turn, this means that the rivers themselves require raised embankments, 1,024km of which are managed in Lincolnshire by the Environment Agency.

Greater Lincolnshire is thus a major area of agricultural production and food manufacturing and contributes significantly to UK food security. Protection of the land mass and associated is thus a national not simply a local priority.



128km of raised sea defences, along the Lincolnshire coast protect the Fens and coastal plain which lie at or below sea level, where 225,000 people live and 46% of Lincolnshire's properties are located.

Across Lincolnshire flood defences protect 39% of the total land area of the county. The three district councils of East Lindsey, Boston, and South Holland, are in the top ten in England and Wales for the number of 'at risk' properties in a floodplain.

The floods of 1953 demonstrated the massive area of land that would be lost if the sea defences are not maintained, this not only includes that land that would be under water but also that which naturally drains to watercourses that themselves would become dysfunctional. This potentially includes all of South Holland but also affects parts of the North Lincolnshire coast. Climate change means that coastal areas are also exposed to increased coastal erosion and landslip risk due to rising sea levels.

On 5 Dec 2013 the Greater Lincolnshire LEP area experienced the most significant tidal surge, with the highest recorded levels in more than 60 years along our east coast. This, and subsequent tides affected many areas causing significant damage with around 1,400 properties flooded across the country. A combination of improved defences, more accurate forecasting, and better, more co-ordinated emergency response meant that the impacts were significantly less than the tidal surge of 1953.

Based on current information there were more than 1000 homes that were flooded including properties in Boston and South Ferriby. 80 commercial properties, including the Cemex cement factory and parts of the port of Immingham were also flooded. In addition there was significant damage to flood defences, transport and utilities infrastructure, and agricultural land.

The full impacts of the surge (to the economy, environment and society) are not yet clear and it will take some time to fully assess them. However, we do know that flooding has significant impacts. The Environment Agency's¹⁰ into the 2012 floods, which was a record-breaking wet year in England, shows that:

- Damage from flooding of all property is estimated to be up to £277million.
- Overall impact on businesses in England was up to £200m (£84m in property damage).
- The indirect impacts on businesses and local economies were up to £33m.
- Disruption to transport, communications and utility links was up to £82m.
- Every affected business was setback an average £60,000.
- 1 in 5 members of the federation of small businesses said flooding had had a negative impact on their company over the past 12 months.
- Around 50% of managers have reported that severe weather caused disruption to their organisation last year.

¹⁰ <http://www.environment-agency.gov.uk/news/150900.aspx>

- Nearly two-thirds of UK businesses have also reported that they suffered supply chain problems because of the extreme conditions.

In Greater Lincolnshire:

- **Boston:**
 - Residents in over 12,000 properties in Boston were issued a Severe Flood Warning.
 - 18,000 properties were at risk of flooding in Boston.
 - 494 residential and 40 commercial properties were flooded. Non-residential properties included Boston Standard newspaper offices, Boston College, Boston Stump, the bus station, Boston Grammar School, Boston College, Leisure centre, Boston Landfill, Britannia public house, Goodbarns Yard public house, The Cake Lady, and the Environment Agency's Black Sluice Pumping Station.
 - When the Boston barrier and associated defence improvements are completed Boston will be protected from a tidal surge with a 0.33 per cent annual probability (or 1 in 300 chance of happening in any one year).
- **Port of Immingham**
 - Loss of power and flooding of the rail line led to no freight movements (disrupting oil and coal supply) and reduced operations for a number of days. It has been estimated the overall cost of the flood damage at the docks was £40 million¹¹.
- **South Ferriby /Winteringham :**
 - 135 properties in total were flooded. This included Cemex which was shut down for a number of days. It is unclear yet how much the cost of recovery will be.
 - The defence did not breach though the overtopping has led to some damage of the defence
 - A1077 – The road was closed in parts and traffic disrupted for more than a week. There are long term concerns over the current location of this road.
- **Grimsby docks:** warehousing within the West Side Royal Dock flooded.
- Large areas of **agricultural land** along the south bank and down the River Trent were flooded including:
 - South Ferriby 500ha
 - Two poultry units near South Ferriby and Winteringham were flooded resulting in the death of 700 000 birds.
 - Gibraltar Point 500ha
- There was overtopping of defences in the general area of the **Lincolnshire Lakes** (Keadby, Burringham, Gunness). This resulted in flooding to approx. 160 properties and some significant damage to our defences.
- **Natural Environment / Tourism:**

¹¹ <http://www.grimsbytelegraph.co.uk/Cost-tidal-surge-rising-businesses/story-20326938-detail/story.html>

- Donna Nook: the surge swept seal pups away from their mothers at this managed realignment site that 52000 people visited in Nov/Dec 2012.
- The visitor centre at Gibraltar Point was flooded.
- The Far Ings visitor centre suffered minor flooding and the access road has been damaged. All of the pits have been inundated with brackish water except the five Blow Wells Pits to the south of Far Ings Lane

Water resources and supply

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¹² There are 1247 active abstraction licences in Greater Lincolnshire Local Enterprise Partnership's area, predominantly from surface water sources. More than three quarters are for the agriculture sector.

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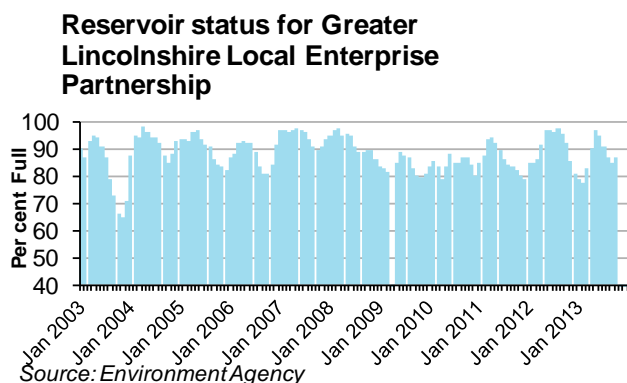
Water Abstraction Licences

There are 1247 active abstraction licences in Greater Lincolnshire Local Enterprise Partnership's area, predominantly from surface water sources. More than three quarters are for the agriculture sector. The others are mainly for the industrial, commercial and public services and water supply sectors.

These data were last updated on 04/11/2013; the next update is expected October 2014.

Reservoir status

Warning: No data for parts of the LEP that fall outside of Anglian Region's boundary.



This chart shows the mean percent full for the two reservoirs serving Greater Lincolnshire Local Enterprise Partnership. Note that areas supplied by reservoirs are variable; this report includes all reservoirs that can serve Greater Lincolnshire Local Enterprise Partnership.

The least full reservoir is Rutland at 82 % full.

These data were last updated on 18/11/2013; the next update is expected December 2013.

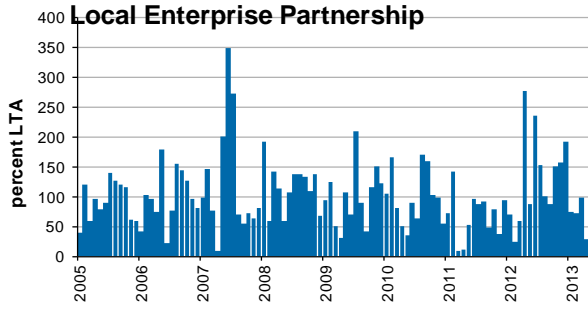
Rainfall

Warning: No data for parts of the LEP that fall outside of Anglian Region's boundary.

¹³ UKCIP09



Rainfall data for Greater Lincolnshire Local Enterprise Partnership



This chart shows monthly mean rainfall for Greater Lincolnshire Local Enterprise Partnership. Note that these data are approximate as hydrological boundaries do not match other boundaries.

Mean of last 3 months 108.5 % of LTA
 Mean of last 6 months 95.6 % of LTA
 Mean of last 12 months 99.4 % of LTA

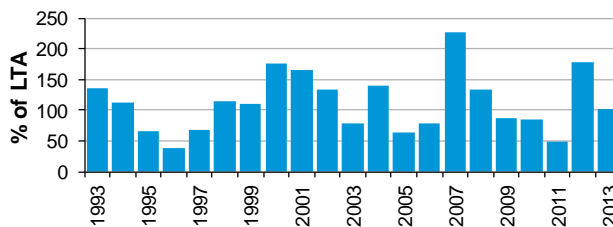
Source: Met Office

These data were last updated on 04/11/2013; the next update is expected December 2013. Copyright NCIC dataset (Met Office © Crown Copyright).

River Flow

Warning: No data for parts of the LEP that fall outside of Anglian Region's boundary.

Annual river flow for Greater Lincolnshire Local Enterprise Partnership



This chart shows annual river flow for Greater Lincolnshire Local Enterprise Partnership as a percentage of the Long Term Average (LTA).

The current annual mean flow is 101% LTA. There are 6 gauging stations for this area and the lowest flow is at Barlings Eau - Langworth at 78.5% LTA.

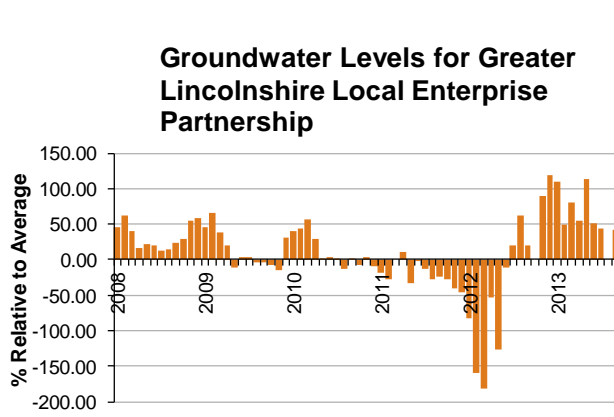
Source: Environment Agency

These data were last updated on 11/11/2013; the next update is expected December 2013.



Groundwater

Warning: No data for parts of the LEP that fall outside of Anglian Region's boundary.



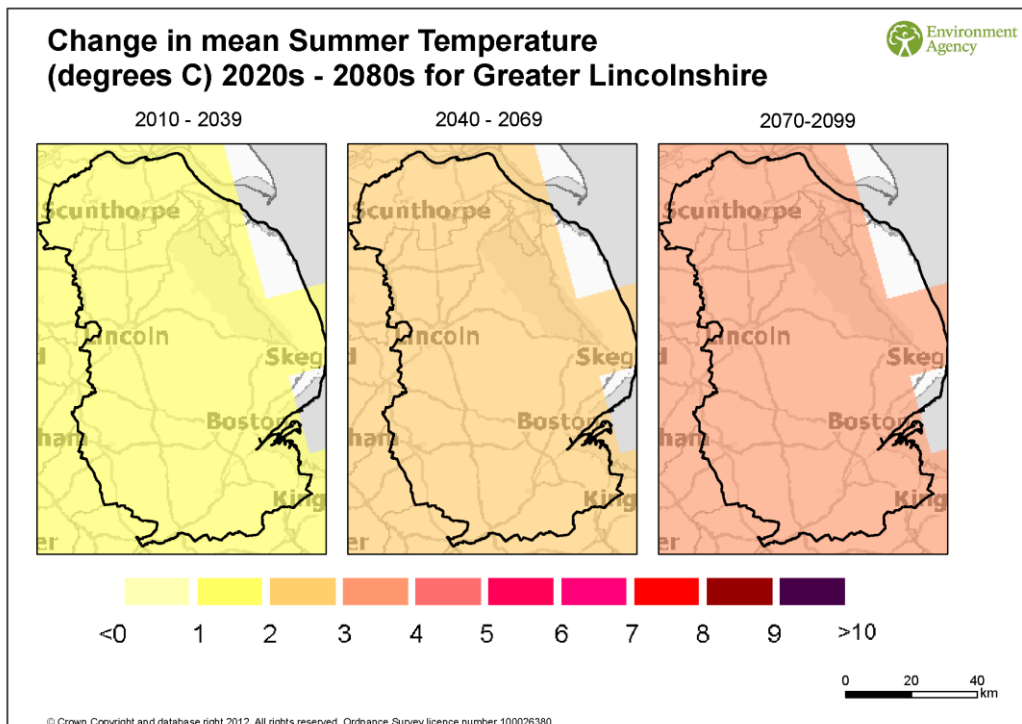
Source: Environment Agency

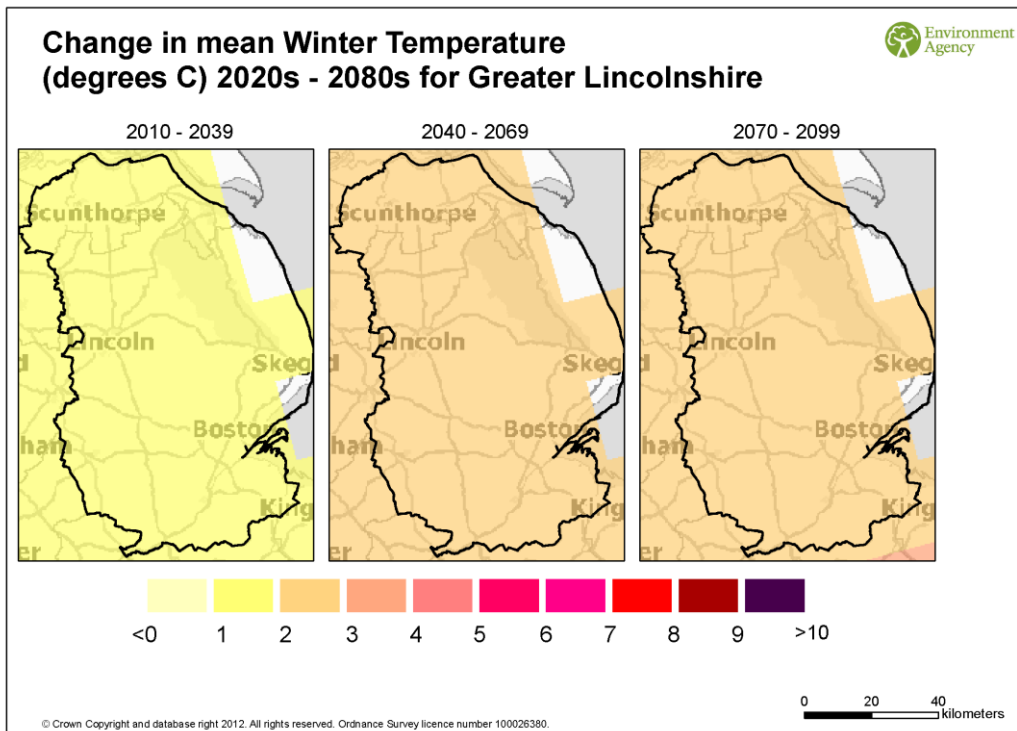
This chart shows monthly mean groundwater levels for Greater Lincolnshire Local Enterprise Partnership as a percentage of the Long Term Average (LTA).

The current lowest borehole is Central Limestone - Leasingham Exploratory at - 3.9%.

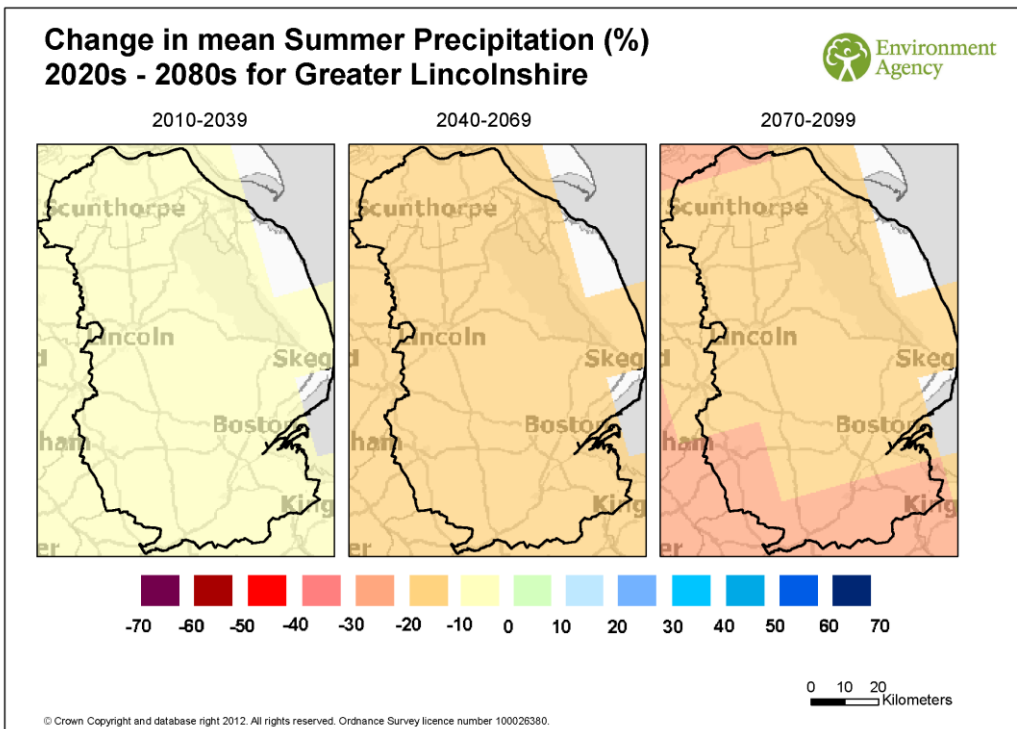
These data were last updated on 11/11/2013; the next update is expected December 2013.

These maps show the projected change in summer and winter temperature for Greater Lincolnshire Local Enterprise Partnership.

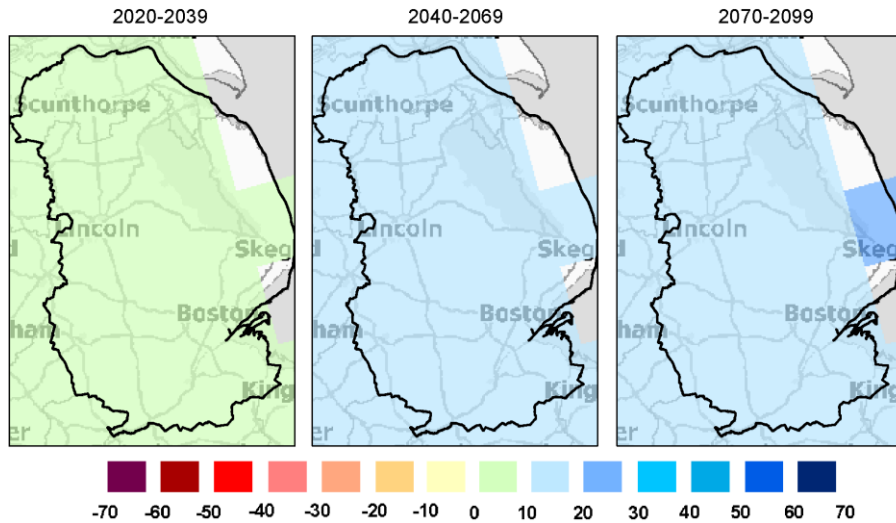




These maps show the projected change in summer and winter precipitation for Greater Lincolnshire Local Enterprise Partnership.



Change in mean Winter Precipitation (%) 2020s - 2080s for Greater Lincolnshire



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Why are these barriers/impacts to growth?

Flooding, and the threat of flooding, is a barrier to growth for a variety of reasons, and these need to be considered – due to:

- Any failure in flood defences could lead to massive economic loss as roads and buildings would be damaged, and the ability to move around the county would be temporarily compromised.
- Greater Lincolnshire grows around 1/8th of the country's food and processes more from other areas, so the impacts on the Agri-food industry would be significant locally in terms of the sector and the overall economy which relies heavily on the industry, but also nationally. Particular question marks are around the effects in terms of this sector and also the question mark over which areas of the country would be able to fill the void and how this would directly affect the economy of UK plc.
- The threat of flooding is also having an effect on planning permissions for residential properties and industrial/commercial developments where Environment Agency advice is required for land that could potentially be under water. Businesses that we have spoken to consider this to be a real threat both direct to the businesses that could be lost, and to the capacity of the businesses that remain to continue to operate at a reasonable scale.
- Wetter winters as a result of climate change may increase pollution in rivers from drainage infrastructure and diffuse sources. This could reduce aesthetic quality, promote bank erosion and reduce biodiversity, with certain aspects of the Visitor Economy most at risk in terms of impact on business and potential growth.
- Whilst businesses in the Visitor Economy are interested in sustainability and the environment from a marketing point of view, they are also considerate of the long term impact of changes in the climate. The visiting public can be fickle and poor summer weather and flooding can have a disproportionate impact on business

The Greater Lincolnshire area is one of the driest in the country and is prone to drought. The availability and security of water supply is fundamental to a number of sectors, especially the agri-food growth potential.

In addition to this the GL LEP area is one of the lowest lying and vulnerable areas to flooding in the country. This is especially the case along the coast (but does not exclude inland areas) where much of the agri-food, visitor and port infrastructure is located. Security from flooding is a key infrastructure requirement for these sectors, and the housing growth sector.

Lincolnshire is recognised nationally as having developed a best-practice partnership for food risk management. There is currently no such partnership in place for water resource management, nor is there any strategic approach to integrated water management.



Lincolnshire has a national reputation for partnership working for flood risk management with excellent relationships between the Environment Agency and Internal Drainage Boards. Greater Lincolnshire is positioning itself as the leading bio-economy in the UK.

Greater Lincolnshire has also been a fast growing area of the country, seeing a 9% increase in population since 2001, and it is anticipated that this trend will continue after the recession. The economy has been reasonably resilient and unemployment has been lower than the regional and national averages.

In 2012 ground water levels began at record lows. By the end of the year we had had one of our wettest years with ground at saturation. There will be increasing demands for water, both for agriculture and for domestic and business purposes.

Why EU & LEP funding is required?

Greater Lincolnshire faces very real water management issues that are directly affecting our business and communities. These issues are reflected in the deprivation experienced by parts of our area – particularly along the coast and in the Fens. Without action these issues will continue to affect our deprived communities. With action we can help address some of the factors of deprivation e.g. flood risk, improved employment and prospects, quality of life, increased investment etc.

These issues can be dealt with in isolation but this is not best way. The EU Strategic Investment Fund provides Greater Lincolnshire with the opportunity to address water management in an innovative and holistic way that will help Greater Lincolnshire grow sustainably by adapting to climate change. This will bring benefits to people, business and wildlife supporting the social, economic and environmental themes of the EUSIF.

As a rural area Greater Lincolnshire can struggle to receive Defra funding for large scale flood defences. EU and LEP funding will help improve our prospects of securing government funding, and thereby help protect the important rural industries that are so important for our rural communities.

Drainage authorities nationally are beginning to consider the importance of sustainable water resource management, while Treasury and Defra have both expressed interest in considering flood risk management from the perspective of delivering economic growth.

Our coast is strategically important for social, economic and environmental reasons – not just locally but also nationally and internationally. Were coastal defences to fail, or cease to be maintained, the combination of coastal flooding and lack of internal drainage would lead to the permanent inundation of an area almost 3,88 km², and the permanent loss of half of England's most productive agricultural land, at a time when our current national farming output represents only 71% of the UK's food requirement.



With high rates of retirement in-migration and seasonal working, some of our communities, particularly along the east coast, are among the most deprived in the country, with a high proportion of the population experiencing long-term health problems, unemployment, and social isolation.

In discussion with government the GLLEP has established water management as a key infrastructure issue. The GLLEP intends to develop a business case that robustly evidences the issue and the links to growth, to be available by early to mid-2014. This will be used to underpin further discussions with government, including Defra and BIS, to promote the case for investment in infrastructure to promote growth in the GLLEP area.

In financial terms, in Lincolnshire alone the IDB assets represent about £150m of investment, while the Environment Agency has invested in the region of £250m over the past twenty years in sea defences alone. At present average annual investment by the Environment Agency stands at about £10m, including £7m for the beach replenishment scheme known as Lincshore, that ensures the viability of the defences by maintaining beaches along the east coast between Mablethorpe and Skegness. .

This strategy supporting this approach expires in 2015. Long term options, including funding for this stretch of Lincolnshire coastline, are currently being considered. Partnership investment will be required.

These east coast defences protect the port town of Boston and the coastal resorts of Skegness and Mablethorpe, as well as numerous smaller settlements and leisure facilities supporting the tourist industry which is worth more than £400m to the local economy (£1.2bn for Lincolnshire as a whole). However, there is also nationally important industrial infrastructure on the east coast, such as the Theddlethorpe Gas Terminal which handles a significant proportion of the natural gas brought into the UK.



What difference would funding make?

Funding around the issues described above would allow the Greater Lincolnshire LEP to:

- Funding in this area would enable us to plan for and better protect business from the adverse effects of flooding. This would be particularly the case for the Agri-food sector where funding could help us to better understand the potential impacts of flooding on the sector locally, but as well the impacts on national food supply chains. This information would help inform plans to mitigate the effects of flooding, and as a result would help the area to secure food production for the future and support national food security.
- To give an indication of the overall costs to business, one year on from some of the worst flooding in 2012, latest research by the Environment Agency reveals that last year's record-breaking wet year in England could have cost the UK economy close to £600million.
- The overall financial cost to businesses of the extreme weather was up to £200m as total commercial property and contents damage totalled up to £84m, and further indirect impacts – such as staff working days lost – hit companies and local economies for up to £33m. Furthermore every affected business was setback an average £60,000 but flood defences protected 200,000 properties – worth up to £1.7 billion to the UK economy
- Support the unique water management issues within the GLLEP 'rural economy' area
- Secure the importance of agri-food, the visitor economy and ports in the GLLEP area – set in a local, 'regional' and national context
- Develop key growth sectors (agri- food, visitor, ports, housing) enabled/constrained by investment in flood risk and water management infrastructure
- Deliver opportunities to promote growth through delivering water security.
- Consolidate integrated water resource management that, in the longer term will deliver water security at farm level, and more strategically via water transfers at catchment level, across the GLLEP area.
- To do all of the above in the context of adapting to climate change.

Greater Lincolnshire's Economic Case for Broadband activity

The Digital Agenda: Summary of Key Facts

- Broadband coverage – 17% of business premises have either no internet access or internet access speeds of less than 2MB/S compared to on average 9% nationally (BDUK data)
- Whilst existing investments through BDUK will improve access to superfast broadband of 24 megabits per second (mbps) and upwards, around 10 % of premises will not be reached. Provision of superfast to meet the EU goals of full coverage to 30mbps and 50% of the EU to subscribe to broadband over 100 mbps require a long term commitment to invest in supply and demand
- Even if we do not take the areas lagging broadband coverage into account, based on calculations using national and regional figures, Lincolnshire alone would experience a GVA uplift of somewhere in the region of between £47m and £66m a year over the next 5-7 years as a result of the introduction of superfast broadband
- Productivity growth will come through business innovation, increased international trade and teleworking. Benefits will take time to be realised, and a national report notes that they are 'particularly dependent on managerial culture and skills' (UK Broadband impact study literature review Feb 2013), This finding is backed up by experience in Greater Lincolnshire through innovative digital hubs and business support projects that are beginning to address these issues and through supporting businesses to maximise the benefits on improved connectivity
- Broadband enables rural citizens to access learning and employment opportunities as well as entertainment, shopping, health and government services. It has far-reaching social impacts and is associated with 'higher levels of wellbeing' (UK Broadband impact study literature review Feb 2013).
- Being able to keep in touch when on the move will increase productivity of the public and private sectors in our sparse rural area. 4G rollout, will deliver coverage far beyond that of existing 3G services (which are notoriously patchy across Greater Lincolnshire). The expectation is that 98% of the UK population will be able to access 4G services by the end of 2014, making a significant contribution to economic growth though 'not spots' may remain to be tackled in parts of Lincolnshire (<http://consumers.ofcom.org.uk/4g-auction/>)



- Continuing investment in supply and demand would make the area more attractive to investors, boost sales and increase exports, encourage digital business start-ups, and raise digital literacy. Digital investment would create higher skilled jobs and provides an incentive for employees and employers alike to break out of the lower wage/lower skills equilibrium.

1. What is the current situation?

The present picture of broadband coverage in the county is that 17% of business premises have either no internet access or internet access speeds of less than 2MB/S compared to on average 9% nationally¹⁴. Planned investment to 2016 will bring superfast broadband to more businesses, though further investment will be needed to achieve near universal coverage as well as to facilitate mobile connectivity.

Lincolnshire's levels of digital connectivity are primarily due to the sheer size of Lincolnshire and its relatively small population. Lincolnshire is a large county, at 5,921km² the fourth largest in the country and despite being home to approximately 24,000 active enterprises, business sparsity is an issue with only five businesses per km² compared to 17 nationally. This situation however does differ in Northern Lincolnshire which doesn't suffer the same sparsity issues and has over 12,000 active businesses in the area.

The lack of infrastructure has meant that there is lack of awareness amongst businesses and individuals of digital services, and their potential to transform lives and life chances. There are limited opportunities in rural areas to see new equipment such as 3D printing at first hand, and to understand the potential for innovation.

E-commerce is an important instrument for business success in the global market place. ICT removes barriers to competition, enables the ability to find new markets and to innovate, and probably most importantly for an area such as Lincolnshire, brings businesses closer to consumers and suppliers, be they in relatively close proximity or the other side of the world.

There is strong reliance on traditional industries and therefore the area has a lower skilled workforce and lower wages than the national average, and thus people are more likely to be digitally excluded. Access to broadband and digital services will open up new opportunities for learning and business growth. The digital sector is growing and digital technologies are an enabler of growth in all sectors.

¹⁴ BDUK data



2. Why is this a barrier to growth?

Levels of digital connectivity have been a barrier to businesses realising their potential and moving up the value chain. They are also limiting the county as a place to do business, acting as a deterrent to new investment, particularly from the knowledge industries, and preventing the creation of higher skilled opportunities.

In the Agri-food sector, broadband allows farmers and their business colleagues to converse instantly which is increasingly necessary with internet trading.

One Low Carbon sector business described how it is planning to invest in an anaerobic digester but the developers need a good broadband link for remote monitoring. Similarly, some logistics firms have also pointed out that they would benefit from a wider coverage of the 3G network in order to be able to operate remotely.

For the visitor economy, ICT and broadband is particularly important in bookings and reservations and ultimately can impact significantly on levels of interest.

Point-topic has developed an assessment of digital deprivation. They have identified seven primary predictors of low broadband adoption.

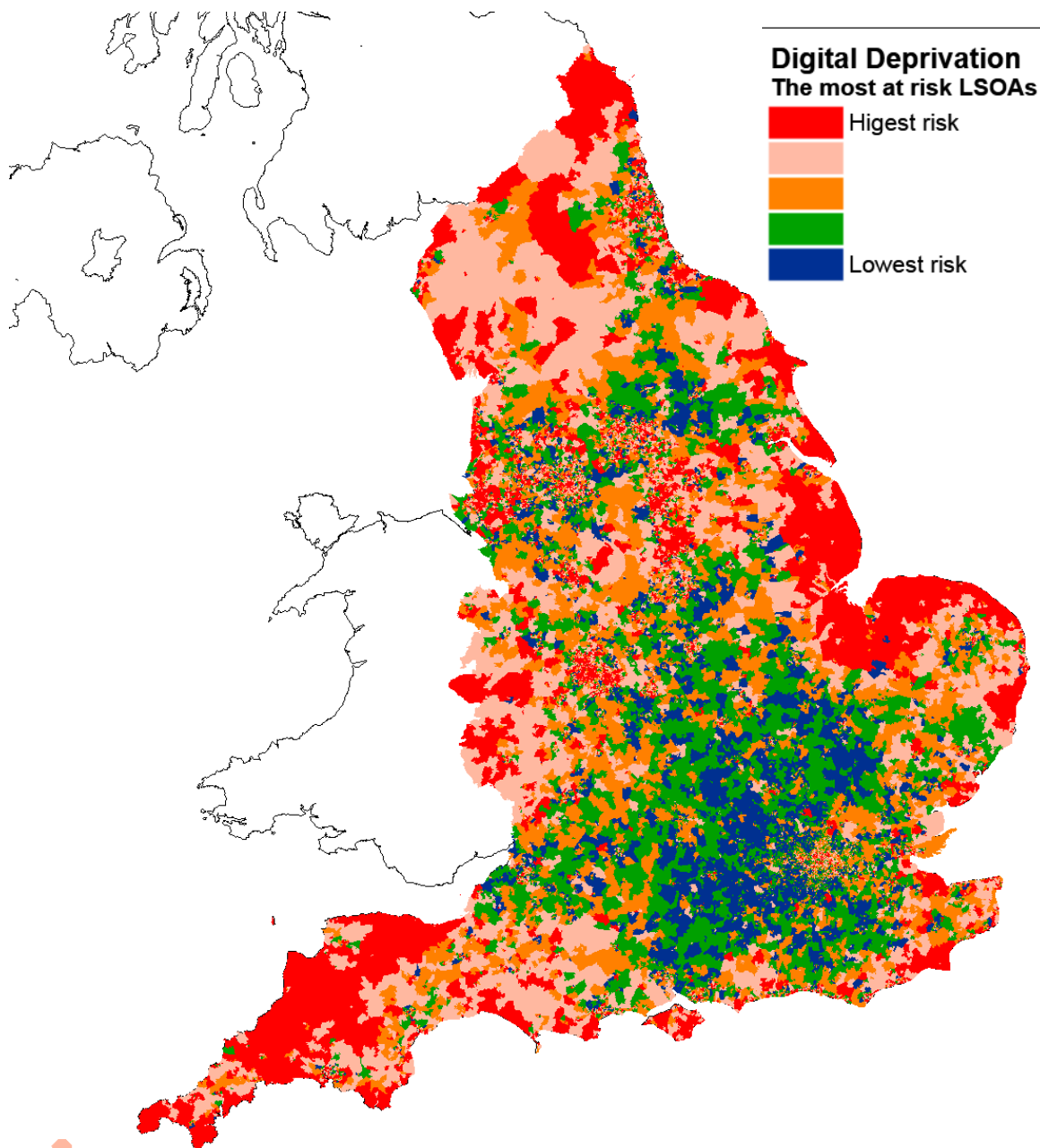
- Age – the older an individual the less likely they are to have a broadband connection at home
- Income – higher income means higher adoption rates
- Disability – the ONS has provided data indicating that half the non-adopting population are registered disabled
- Housing – those in social housing also show low broadband adoption rates
- Availability – having better and more numerous broadband options drives higher broadband penetration. Point Topic's Broadband Infrastructure Index (BII) provides the input for this component.
- Children – the presence of children in a household drives up broadband adoption
- Education – the higher the educational attainment the higher the rate of broadband adoption

The map below shows their prediction of the distribution of digital deprivation in England. Much of Lincolnshire is at the highest risk of digital exclusion, without concerted intervention.



In a ranking of 326 English local authorities, the lowest rank (least deprived) is South Kesteven (104) and the highest rank East Lindsey (323)

South Kesteven	104
North Kesteven	138
Lincoln	189
North Lincs	200
West Lindsey	233
South Holland	275
NE Lincs	295
Boston	305
East Lindsey	323



Distribution of the Broadband Digital Deprivation Index in England (June 2013) (Point-topic)

3. Why is EU and LEP funding required?

The digital agenda represents a considerable investment challenge for Lincolnshire. The benefits to Lincolnshire's economy and society as a whole of investment in digital infrastructure and services are much greater than the private incentive to invest.

This challenge is recognised by the EU's Digital Agenda for Europe 2020 and as one of the four priorities for regional Structural Funds. Government policy set out in Britain's Superfast Broadband Future¹⁵ is being implemented through national and local commitments to invest in digital communications¹⁶.

The spatial distribution of businesses and people across many very small settlements means the provision of the necessary infrastructure is particularly expensive to provide. Whilst existing investments through the BDUK¹⁷ programme will improve access to superfast broadband, 10% of premises will not be reached. Furthermore, provision of superfast to meet the EU goals of full coverage to 30mbps and 50% of the EU to subscribe to broadband above 100mbps requires a long term commitment to invest in supply and demand.

Investment has the potential to be one of the biggest drivers of business growth in our rural county and is key to reversing our GVA. Projects to establish 'digital hubs' similar to 'living labs', support for businesses to realise the benefits of ICT, assisting firms to innovate, and promotion of digital skills are all underway in the county. These initiatives need to be scaled up considerably to achieve sustained growth.

Excellent coverage and use of broadband is a primary goal for the LEP, and ICT and communications infrastructure has featured strongly in our consultations with local businesses as a priority for investment.

4. What difference would the funding make?

Research¹⁸ suggests that there is still potential for more firms to adopt and exploit ICT and drive up levels of GVA, even in areas with existing broadband coverage, and therefore Greater Lincolnshire potentially has a lot to gain coming from a lower base.

¹⁵ Britain's Superfast Broadband Future 2010

¹⁶ Investing in Britain's Future, Cm 8669, June 2013

¹⁷ Broadband Delivery UK

¹⁸ Technology Insights 2011: The impact of ICT on UK productivity, e-skills UK / Adroit Economics



Even if we do not take the areas lagging broadband coverage into account, based on calculations using national and regional figures, Lincolnshire alone would experience a GVA uplift of somewhere in the region of between £47m and £66m a year over the next 5 – 7 years as a result of the introduction of superfast broadband.

Continuing investment in supply and demand would make the area more attractive to investors, boost sales and increase exports, encourage digital business start-ups, and raise digital literacy. Digital investment would create higher skilled jobs, and provides an incentive for employees and employers alike to break out of the lower wage / lower skills equilibrium¹⁹.

To highlight further the importance of advanced telecommunications to our area, one of the specific measures of the Greater Lincolnshire LEP s success is whether it achieved ‘Excellent digital communications and coverage; and a front runner in broadband.’

In the GLLEP Growth Ambitions Plan there are a number of areas where Advanced Telecommunications would play their part:

Ambition Area 1 focusses on Infrastructure. Priorities for infrastructure include ‘Increased digital communications and coverage across Greater Lincolnshire

Action 1.1 from the Growth Ambitions plan states: To increase digital communications and coverage and become a front runner in broadband.

Ambition Area 3 focusses on Rural Enterprise which will include ‘lobbying to extend high-speed broadband to all rural areas’.

The Growth Ambitions plan also states that ‘a common theme constraining growth is the poor standard of connections linking production to markets, people to employment, skill needs to training opportunities and visitors to attractions’ and it clear that digital solutions and advanced telecommunications will have a part to play in addressing these issues.

5. Supporting information

Access to superfast or Next Generation(NGA) broadband is being delivered via 2 key routes. The first route is via a fixed line broadband connection to the home or work premises either via fibre connections to the exchange or via a fixed wireless solution. The second route is via mobile technology through a 4G broadband connection.



The BDUK programme is targeted with providing superfast fixed line broadband to at least 90% of premises in the UK and to provide universal access to standard broadband with a speed of at least 2Mbps. We have 2 broadband contracts which cover Greater Lincolnshire i. to deliver the Northern Lincolnshire BDUK programme, a project was contracted in June 2013 to deliver fibre broadband to 92.5% of premises by June 2015 in one of the quickest deployments nationally ii. to deliver Lincolnshire's BDUK project, a contract with BT was signed in March 2013 to deliver the roll out of the fibre network. There are also 2 pilot wireless projects which are being funded through the European Regional Development Fund. Together, this infrastructure will provide superfast internet connections to homes and premises which are capable of speeds of at least 24 Mbps. That is over two and a half times quicker than the current UK average of 9Mb/s.

The 4G rollout which is expected to be completed in 2014 will deliver coverage far beyond that of existing 3G services (which are notoriously patchy in Lincolnshire). The expectation is that 98% of the UK population will be able to access a 4G service indoors and even more outdoors. Ofcom recently announced the results of the 4G Auction where there were 5 successful winners. This new infrastructure, together with software development, employment opportunities and new mobile revenues, means 4G is likely to make a significant contribution to UK economic growth.²⁰

6. What can be achieved through this new infrastructure

Superfast broadband enables us all to do everything we can currently do via the internet only much faster and more efficiently. The infrastructure means that more and more data can be processed more quickly. More and more 'things' can be connected, whether that is people or machines.

Businesses can move to cloud based solutions for data storage; they can upload and download information and do transactions much quicker; they can be more productive; they can virtually meet with colleagues, customers, contacts – wherever they may be; they can reach a national and international audience; they can trade online in any currency; they can compete with others who are already better connected.

New equipment is becoming available as a result of changes to technology, such as 3D printers, scanners and measuring equipment. Access to cutting edge

²⁰ See Ofcom article regarding the 4G auction results at <http://consumers.ofcom.org.uk/4g-auction/>

technologies, combined with the improved data transfer, opens up new ways of working and opportunities for innovation.

GSMA and AT Kearney published a joint study earlier this year titled 'The mobile Economy 2013'. In it they discuss the exponential growth in the use of mobile technology and discuss the trends for the future. In the study they explain 'mobile is a vibrant and evolving industry at the heart of everyday life for a growing number of people... As technology continues to evolve, so the mobile ecosystem has built new business models to deliver new services... Connected living has become a reality for hundreds of millions of people across the world that cannot imagine life before the smartphone and the mobile broadband connection. The advent of the smartphone combined with the widespread deployment of mobile broadband network has led to an explosion of mobile data services and 2012 saw more mobile traffic than all of the preceding years combined.'²¹

The GSMA²² and Kearney Study also highlights potential areas of growth in the use of superfast broadband. Innovations which could be supported through a superfast network include the following:

- M2M connections – mobile handsets connecting to an ever growing range of other everyday devices whether these are at the office, factory or at home including internet enabled domestic goods and machinery which can be operated remotely, Smart TVs, etc.
- Connected vehicle systems have the ability to save lives through in-car solutions, such as emergency calling services, improve in-car services by accessing real time information to manage journeys and deliver in-car entertainment, allow remote monitoring and diagnosis of performance and location, enable preventative maintenance on vehicles, enable pay as you drive schemes for road tax, insurance or congestion charging and provide information to supply chain delivery networks, public transport or emergency vehicles.
- Reducing healthcare costs and improving healthcare services through Mobile Healthcare services such as remote monitoring and diagnosis, online appointments with trained medical professionals, monitoring to enable earlier identification of disease, emergency response systems and medicine reminder systems.

²¹ See GSMA and A.T.Kearney study - The Mobile Economy 2013 at <http://www.atkearney.com/communications-media-technology/ideas-insights/the-mobile-economy-2013>

²² GSMA - The GSMA represents the interests of mobile operators worldwide. See <http://www.gsma.com/aboutus/>



- Improving education opportunities by allowing students to study via the internet, but also by improving and enhancing the learning experience through such innovations as Augmented Reality (AR).
- In 2012, Glasgow won £24m of government funding to become one of the UK's first smart cities. It will demonstrate the idea that disparate data sets can be captured by intelligently connected infrastructure, people and vehicles to generate new insights and provide ubiquitous services that enable citizens. This may include real time information about traffic and apps to check bus and train information, linking CCTV cameras to the traffic management unit to identify traffic incidents quicker, assist with crime detection and prevention and monitor energy consumption through Smart grids and smart metering to reduce the carbon emissions. Birmingham, Sunderland and London are also rolling out technologies to make services work smarter.
- Mobile Commerce – utilising NFC²³ technology you could replace paper tickets on transport, replace cash and cards to make purchases, replace vouchers and coupons, replace traditional keys to hotel bedrooms and see a growth in contactless Point of Sale (PoS) terminals.
- Use of new technologies in the development of mobile applications will enhance the offer and will grow the potential applications. For example, joyn²⁴ services make it easier to share files, send messages and connect via video – on any device and via any network; rich content application development will enable improved group collaboration, multiplayer gaming and enhanced video calls between businesses, consumers and business to consumer.

Technology is developing at an exponential rate.

BT have reported recently that there is a likelihood that the HS2 high speed rail line may be unnecessary when it is scheduled in 20 years' time, as by then, people may be able to appear in meetings as holograms rather than needing to travel in person.²⁵

When you consider that it wouldn't have been imagined 20 years ago that we would be having face to face conversations with people on the other side of the world via a palm sized mobile hand set, this claim from BT does not seem so farfetched.

²³ Near Field Communications see <http://www.nfc-forum.org/aboutnfc/> for more info

²⁴ Joyn <http://www.joynus.com/about/>

²⁵ See BT article at <http://home.bt.com/news/uknews/holograms-may-replace-hs2-need-11363816722859>

7. GLLEP Objectives

It is key that the LEP objectives support Greater Lincolnshire to fully realise the potential that digital products and services can achieve. These objectives should cover **3 key areas**. **Firstly**, ensuring that the **physical infrastructure is in place** (as highlighted in Ambition 1 and Ambition 3), **secondly, ensuring that the vast majority of people have the basic skills to make use of the internet and digital services**, and **thirdly, to encourage businesses to help solve the issues of rurality** – high cost of services, low skills, poor transport, isolation, access to leading edge services and equipment etc.

Actions that LEP will undertake to achieve the objectives

- The GLLEP will lobby for funding to achieve the highest possible percentage of superfast broadband coverage – either through fixed line or 4G.
- The GLLEP will make it a priority to ensure an increasing number of the population have the basic ICT skills to access the internet.
- The GLLEP will ensure that strategic business sectors have the skills necessary to integrate superfast broadband into their core business processes. This will help to ensure that Greater Lincolnshire continues to be strong in all of its current major sectors.
- The GLLEP should keep abreast of plans for Superfast cities and make sure Greater Lincolnshire learns from and benefits from these experiments. Lincolnshire could test the concept of the ‘superfast village’ to see if there is a way for rural areas to benefit from some of the concepts being tested.
- The GLLEP will promote and support initiatives that will encourage innovation in digital products and services.
- The GLLEP will raise the profile of the benefits of digital technologies.
- The GLLEP will encourage and support Lincolnshire’s universities, colleges and digital businesses to help to respond to local geographic and demographic issues with technological solutions that make use of the newly installed infrastructure.
- The GLLEP could look for ways for Greater Lincolnshire to pilot any technological innovations from further afield. Providers of products and services will need to resolve the issues that flat and rural landscapes throw up. If Lincolnshire can open itself up to be a test area for suppliers, it raises the profile of the GLLEP and enables Greater Lincolnshire to benefit from innovations earlier.
- The GLLEP will do more to highlight the excellence of some of our digital businesses, perhaps by hosting a digital supplier meet the buyer event. There are a relatively small number of suppliers of digital products and services in Lincolnshire and have a low profile as a result. However some of these businesses are competing on a national and international level and yet Lincolnshire based customers have shown surprise that a Lincolnshire digital business is able to offer such a quality product.



- The GLLEP will ensure Greater Lincolnshire continues to improve its broadband infrastructure past 2015. It should identify strategic business locations and consider their ultrafast infrastructure requirements to stimulate key advanced sectors – such as key sector research.
- The GLLEP will promote Lincolnshire as having equally good infrastructure as other places in the UK. With levels of connectivity that can compete nationally, Lincolnshire could be a good location to attract inward investment from SE based companies to save operating costs by moving back office functions such as call centres, Disaster Recovery centres, accounts, finance and logistics to Greater Lincolnshire.
- The GLLEP will highlight to inward investors that superfast broadband removes distances. Why not locate your business beside the beautiful Lincolnshire coast or in an attractive Wolds village when you can be anywhere in the world, virtually, within an instant.
- In order to achieve this ambition we need to work closely with partner organisations, communities and also identify the appropriate funding sources to make this happen. The EU SIF, which will help deliver elements of the Strategic Economic Plan, will be able to drive growth within this sector particularly in ensuring that once all the physical infrastructure is in place that the technology is then used effectively. Making the structural funds work together more effectively means that we can target even our hardest to reach communities with easy to access technology and service provision.



Greater Lincolnshire's Economic Case for Sustainable Transport

The Economic Case for the Sustainable Transport: Summary of Key Facts

- The rail network in Lincolnshire is limited with just Grantham lying on the main inter-city network (the East Coast Main Line), although connections are also available at Newark, just outside the county. Only 9 of the 22 largest towns have a rail station
- Outside of the largest urban areas, none of the remaining towns have resident populations in excess of 30,000 (although the coastal population increases dramatically during the holiday season) and more than a third of the population live in settlements of less than 3,000. Therefore issues around isolation in some communities are severe.
- Due to the extent of the area, the highway network is extensive at 8,905 kilometres - the 5th largest of any local highway authority. However, within this total there are no motorways and just 66 kilometres of dual carriageway of which the vast majority are made up of the A1 and A46
- Together, the Ports of Immingham and Grimsby are the largest port complex in the UK and the fourth largest in Western Europe. These ports have emerged as the destination of choice for a large number of blue chip energy firms working in the offshore wind industry. Centrica, EON and Dong have all chosen to locate there and Siemens could also be investing £300 million in offshore projects in the area.

Boston and South Holland also have a significant part to play to increase investor confidence to the area and create more jobs through supply chain activity.

- As a result of being a predominantly rural shire county with limited public transport, particularly in the evenings and weekends, there is a greater reliance on the car for travel with 82% of all households having access to a car or van across Lincolnshire, compared with 74% for England (2011 Census).



- The proportion of people using public transport (bus and rail) to travel to work in Lincolnshire is low at 3.4% compared with 13.9% for England (2011 Census)
- The Nottingham-Grantham-Boston-Skegness line operates as the 'Poacher' Community Rail line. Although rail services are relatively limited away from the East Coast Main line, rail passenger numbers across Lincolnshire have risen in recent years with some 4.5m people using the county's stations in 2010/11 up from 4.1m in 2004/5.
- Expanding the cycle network across the Greater Lincolnshire area, particularly in the larger urban areas where the opportunities are greatest to encourage people to cycle for shorter trips.

1. What is the current situation?

Greater Lincolnshire is potentially accessible to a large proportion of England being half way up the coast, but it is considered to be 'on a limb', lying as it does to the east of key national transport corridors such as the A1/A1(M) and the East Coast Main Line.

Neither Lincolnshire nor North East Lincolnshire has any motorway, whilst North Lincolnshire has a stretch of about 20 miles of M180 (and the M181 link spur). There is also very little in the way of dual carriageway. In total about 35 miles out of a total of approximately 750 miles of 'A' roads throughout the area (less than 5%) is dual carriageway. The remainder of the major road network comprises single carriageway roads. This often falls well below current design standards with narrow widths and poor horizontal and vertical alignment. In addition, many carry significant numbers of goods vehicles which are limited to 40 mph on such roads and during the summer months, flows increase dramatically on those roads leading to the coastal resorts. Even relatively minor incidents on the network quickly lead to substantial delays to road users. Consequently, journey times across the area are generally both slow and variable.

Away from the East Coast Main Line, the rail network is also relatively limited with just Grantham lying on the main inter-city network, although connections are also available at Newark and Retford just outside the area. In Lincolnshire, just 9 of the 22 largest urban areas have a rail service. In a national context, rail services are generally limited, although the number of people using the stations in the county has been rising in recent years.



The geographical size and the low population density across much of the area, coupled with the nature of the road network outlined above, make delivering a comprehensive bus service network difficult. Good progress has been made in recent years with the rollout of InterConnect and CallConnect services in the rural areas and IntoTown services in some of the larger urban areas. However, services remain limited in the evenings and at weekends.

2. Why is this barrier to growth?

The inadequacy of the current road infrastructure is regarded as major factor affecting the Agri-food supply chain more in terms of real cost and lost opportunity. This is particularly important as food production is extremely time-sensitive. For example, the vining pea crop requires processing within hours of being harvested, in the summer months vegetables need to have field heat removed as quickly as possible post-harvest, and products have to be delivered to end users in accordance with strict timetables.

With the shortcomings of the majority of the highway network identified above, hauliers and logistic companies are increasingly challenged to deliver their loads within the required timescales. The concept of 'just in time' delivery has also been embraced over the last decade by the food and farming sector, headed by the logistical expertise of the retail sector. This has shaved millions of pounds off storage and logistical costs. However, when 'just in time' fails and becomes 'just out of time', these costs can very quickly become transferred straight back onto the supply chain. Good access to stores and delivery points is more critical now than ever before.

The limitations of the public transport network can mean that getting to work can be difficult for employees who do not have access to a car. In recent interviews with our top businesses, many highlighted this as an issue impacting on recruitment and retention, particularly for non-professional staff. One employer said that staff are now reluctant to travel more than 20 miles because of the cost of fuel whilst another said they had to pay a higher basic salary to attract staff because of the difficulties staff had travelling to work, particularly where the factories operate shifts. Whilst many improvements have been (and continue to be) made to enable travel on foot, by bike or on public transport, much remains to be done.

In addition, the Visitor Economy businesses have also highlighted transport as a barrier in terms of moving visitors around the area to the various and numerous places of interest. The concern is that if visitors experience transport problems whilst in the area, then they are less likely to return or to encourage others to come.

3. Why is EU and LEP funding required?

The Lincolnshire 4th Local Transport Plan sets out priorities for delivering major schemes over the coming years. This includes the following major highway schemes:

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

All of these schemes will help to improve road movement within the area. However, they will also open up the opportunity for other smaller-scale connectivity schemes such as:

- Improved interchange facilities
- Better transport information
- Initiatives to encourage sustainable travel by foot, cycle and public transport
- Unlocking access to business sites

This will build upon the lessons learnt from the successful "Access LN6" initiative currently being delivered in SW Lincoln and North Hykeham as part of the government's Local Sustainable Transport Fund

4. What difference would the funding make?

LCC has undertaken local consultation and reviewed the findings against the issues and problems identified within Lincolnshire's 2nd and 3rd Local Transport Plans, and a recent Scoping Study for the area commissioned by NKDC. This has identified the following local problems:

- Negative impacts on the local economy caused by traffic congestion and delay
- Poor access to work and community facilities
- Poor public transport services and travel information
- Inadequate walking and cycling facilities and lack of green links
- Car centric culture and over demand for parking
- Safety and security concerns
- Issues associated with deprivation, health and poor air quality; and
- A lack of local planning

Funding will help address these key challenges and local problems by:



Supporting the local economy and facilitating economic development:

A range of initiatives that are aimed at encouraging a travel mode switch from private car to more sustainable modes. Such measures will improve accessibility to the growing number of employment opportunities, whilst alleviating congestion, improving journey time reliability and reducing personal and business operational travel costs for all modes. Business efficiency will also be improved through the implementation of an intelligent travel database aimed to reduce unnecessary HGV trips by promoting travel share between local businesses. The area will also experience wider economic benefits linked to agglomeration and labour supply. The combination of these outcomes will provide sustainable support to the continued growth of the local economy.

Reducing carbon emissions:

Measures which will encourage modal switch from private car to alternative, more sustainable travel modes and will also reduce the need to travel. Schemes that will tackle local congestion through reducing the absolute number of car trips and mileage travelled by car, whilst encouraging walking and cycling trips, thus contributing for an overall reduction in carbon emissions associated with transport in the area.

Delivering wider social and economic benefits for the community:

To deliver wider social and economic benefits for the local community. Improvements to bus services, introduction of new services and the establishment of a transport hub will significantly enhance people's mobility and improve the area's accessibility and social interaction within the wider area.

The provision of better access to employment opportunities and other essential services will contribute to reduced deprivation levels. The local community will also benefit from improvements to journey quality, perceived and actual security and travel affordability

Improving safety:

Improvements to cycle routes, mostly off-road routes, a review of lighting and speed limits and the introduction of new crossing facilities will improve road safety through reducing the absolute number of accidents involving pedestrians and cyclists and reducing the overall severity of the accidents in the area.

Improving air quality and delivering wider environmental benefits:

Through the promotion of more sustainable modes of transport and reduced traffic levels, this will lead to an improvement in air quality and reduce noise levels



Actively promoting increased levels of physical activity and wider health benefits:

Significant improvements to cycling and walking facilities and promoting active living, will present more opportunities for increased physical activity amongst existing and new users by reducing reliance on private cars. This will enhance overall public health and people's awareness of public health issues through targeted promotion and marketing to 'sell' the benefits.

Future growth

Examples of initiatives that have driven economic growth in the area:

Short to medium term growth will occur through forthcoming development at Teal Park (www.tealpark.co.uk) Teal Park is key to delivering an economic step-change for the region by providing a high quality serviced site which will stimulate private sector investment and develop links with the new Engineering School at the University. The site has attracted the relocation of Siemens and will be the base for over 500 Siemens employees from autumn 2012 but this only represents Phase 1 of 3. The latter two phases will bring over 85,000sqm of new floorspace and the entire development is estimated to bring approximately 4,000 jobs to the area. LCC is committed to invest £10m to support improvements to the site highway accessibility, which would be complemented by the sustainable travel measures proposed as part of Access LN6.

The development of the Energy from Waste Plant has significant potential if marketed to large energy users. Adjacent to the railway station, the brownfield site of Lincoln Castings is being promoted by CBRE and has outline planning permission for a 36ha development including 310 dwellings and 3,000sqm of employment with a s106 that includes a £700,000 transport package.

Examples of Initiatives to be developed to drive economic growth in the area:

Spalding Rail Freight Interchange is a site covering approximately 100-150 acres. The development will provide opportunities for leasing or purchasing land or commercial space and size of units. The project will see the development of an intermodal rail freight terminal of approximately 20 acres together with development land for B8 manufacturing use of approximately 80 acres for lease or purchase.

This would provide opportunities for the development of units of between 25,000 sq. ft. and 300,000 sq. ft. subject to demand. The rail freight terminal and B8 logistics/manufacturing will be suitable for new food processing companies in the area. It is estimated that up to 1500 new jobs will be created in the area in addition to safeguarding the existing food processing employment.



Key benefits of the scheme will be:

- that the project will safeguard the food processing jobs in the area by providing essential logistics infrastructure requested by the main employers
- if South Holland is to retain its major employers in the food sector and attract further major companies, better transport connections are required to and from the local area
- The railways now carry fresh produce in temperature controlled containers, including on long-distance routes between Spain, Italy and the UK. This provides a more efficient and sustainable alternative to using long distance road haulage
- The latest Government rail statistics show that movement of containers by rail has grown by nearly one-third over the last 5 years, ahead of previous forecasts, despite the economic downturn. By 2030, forecasts suggest rail freight traffic as a whole will more than double. It is important that local business can benefit from these new services.
- Network rail will be upgrading the railway through Spalding creating a new bypass line for freight trains between Peterborough and Doncaster. This creates a one-off opportunity to construct the road/rail interchange at the same time, minimising local disruption
- There will be environmental benefits for the region reducing CO2 emissions and alleviating road congestion on the longer trunk roads
- Major road/rail hubs are proposed in other parts of the East Midlands creating a real risk that some of our existing major employers will relocate to sites with better transport connections by road and rail. The project will help retain the jobs which already exist in the area but also provide further local job opportunities for the next generation

Strategic Site – Grantham

Grantham has grown significantly in the last 10 years and whilst economic activity rates are high, unemployment levels in the area are also high and average earnings for employees are well below average. There is a need to increase the working age population, increase the supply of jobs and attract higher paid jobs to raise average earnings.

The Southern Quadrant Sustainable Urban Extension (SUE) is located on the southern edge of Grantham and extends to approximately 250 ha. It is the largest development site to come forward following Grantham's designation as a Growth Point in 2007 and is expected to accommodate approximately 3,500 new homes together with supporting infrastructure, open space and services.

The SUE includes land allocated to provide approximately 70,000 sq. m (700,000 sq. ft.) of new, high quality business space (B1, B2 and B8 units) which will be in addition to an existing planning consent for a 120,000 sq. m (1.2m sq. ft.) Distribution Hub adjacent to the A1.



Infrastructure improvements and increased connectivity are vital for the growth of Grantham and will:

- Provide access to the Southern Quadrant sites for housing and employment land
- Help manage traffic flow in the town centre
- Provide opportunities for town centre regeneration
- Create an opportunity to put a ban on HGV's in the town centre

The potential economic impacts of the development will be:

- Almost 36,700 jobs created/supported including 30,050 construction jobs over 20 years, of which at least 7,500 are expected to be filled by local people.
- An additional £745 million of GVA generated by businesses in South Kesteven.
- Increase in the population of Grantham by 8,400
- Increase in the working age population by 3,480
- Increase in resident spend of £71.3 million per annum
- Additional spend in Grantham itself of £41.3 million per annum
- Savings in congestion costs of almost £5 million over 10 years
- Reduce the cost of bridge strikes in Grantham by almost £1.08 million of 10 years.



Case Study evidence to support the need for TO7 Sustainable Transport to drive economic growth in Greater Lincolnshire

Further supporting evidence has been provided using the following specific case studies (full documents are attached in the Technical Appendices) to support Greater Lincolnshire's economic case for allocating a proportion of ESIF funds to TO7 Sustainable Transport. This remains a local priority given our large but sparsely populated area and funding support under this thematic objective will help to ensure long term growth and support activity being brought forward under the rest of the Growth Programme.

LN6 A Plan for the Future

LN6 is the brand name for a significant employment area located in the south-west quadrant of the City of Lincoln. The plan provides the strategic direction to ensure the continued growth of the area which is seen as necessary and important by local businesses and the local community alike.

Section 4 (p.13) details some of the challenges businesses face operating within the LN6 area which is compromising business efficiency. Many of the top priorities to be addressed are around connectivity and include reducing congestion, increasing footways/cyclepaths, improved access to Hykeham Station, nature reserves/green spaces. This is further summarised on page 15.

Section 5 (p. 37) details how economic development objectives can be delivered and how investment is inter-linked to achieve the long term growth needed in the area. Accessibility being an imperative need to address the movement issues to enable further growth is vital. If this is addressed and people are more easily able to access the area, there will be opportunities to look at larger more flexible workspace units moving away from small units delivered in a low density piecemeal fashion. This will help create a more comprehensive business support structure (larger buildings with more people to make the costs viable), better networking facilities, creating a sustainable culture through accessible and improved facilities and increased inward investment opportunities that will follow.

Go Skegness

This report details the economic appraisal of the GO Skegness package of smarter travel measures and supports the Local Sustainable Transport Fund (LSTF)



Application. It aims to deliver an inter-connected package of measures to unlock growth in the local economy and tackle issues around local deprivation.

Areas for development and a summary of the measure are clearly mapped out in Table 2-2 –Go Skegness Package of Measures (p3/4)

GLLEP Growth Strategy – A business case for Water Management Executive Summary

This summary document shows how water management has been recognised as a key barrier or enabler to green economic growth in Greater Lincolnshire. A Task & Finish group was set up to deliver a draft business case setting out the growth potential of investment in water management infrastructure and the options to deliver and fund it.

GLLEP Growth Strategy – A business case for Water Management Full Report

Section 5 of the more detailed report Cost and benefit analysis (p60) shows the overall benefits of specified investment projects aimed at supporting businesses and economic growth. Table 19 (p61) provides a table to show the direct job creation through each of the projects, Table 20 (p62) shows the Indirect Job creation, Table 21 (p63) shows the Cost and benefits results and Table 22 (p64) shows the Cost and Funding status of recommended GLLEP investment priorities.

Lincoln Central Transport Hub Project

This is an example of a priority project that has been identified in the GLLEPs Strategic Economic Plan. It is a connectivity scheme that will link a new bus station with a revitalised transportation concourse, connect to the Science and Innovation Park and other public access infrastructure improvements.

The project will be delivered in four phases and demonstrates how it meets GLLEP priorities and drivers for growth. It will increase inward investment opportunities, provide improved transport infrastructure by increasing the potential for services for national/international markets, help promote the ambition to become one of Britain's World Class Heritage Cities, increase the viability of housing growth numbers projected for the area, improve congestion which is an identified real barrier to growth and through innovative design promote a low carbon approach to construction.

There is already a funding commitment from City of Lincoln and Lincolnshire County Council with additional support needed from sources including Single Local Growth Fund and EU SIF Growth funding support. Project completion is due to be in 2017.



Greater Lincolnshire's Economic Case for the Visitor Economy

The Economic Case for the Visitor Economy: Summary of Key Facts

- Investment in strengthening and promoting the place of Greater Lincolnshire as a destination and the services available is highly important in attracting new businesses and investment across all sectors.
- The Visitor Economy provides major employment and in certain areas it's by far and away the only growing sector. The impact on the economy in Lincolnshire of tourism activity is measured through the STEAM model. In 2012 the overall impact was calculated as £1.115bn and accounted for 17,796 jobs. There is clear ambition within Greater Lincolnshire to grow and expand this sector.
- The Visitor Economy is vital locally, but also the UK sales pitch to the world. Lincoln, Skegness and Cleethorpes are Visit England's attack brands.
- 1,133 19+ year old apprentices followed hospitality and catering framework during 2011/12 in Greater Lincolnshire. This was in the top 5 apprenticeship subjects and is recognised as also providing transferable skills which can be used across other sectors.
- Tourism makes a significant contribution to employment in the UK accounting for 9 percent of all main and second job employment in 2011 (ONS, Geography of Tourism Employment November 2012). We need to ensure that skills provision and training opportunities are aligned to the industry's needs but also up-skill to enable impact on other growth sectors too.
- Actions like the Heritage Skills centre in Lincoln City and the National Centre for food manufacturing at Holbeach, are exemplar centres of excellence, brought together by partnership working. They provide higher level skills to match specific industry requirements and we will look to add value and widen this offer within the Greater Lincolnshire area.
- In GVA terms the total contribution of heritage to the UK economy can be estimated at just under £50bn per year. Key economic benefits of heritage activity: impact associated with the day to day operations of a heritage

attraction/facility; benefits to the local areas of heritage-based recreation and tourism; impact associated with capital works including restoration and repair; how heritage and cultural institutions make a place more attractive for non-tourism businesses and workers to locate; economic security (Values and benefit of heritage: a research review by HLF Strategy & Business Development Department December 2013)

- Greater Lincolnshire has a unique landscape to promote the rural offer. Connectivity schemes around key initiatives including the Coastal Country Park, cycleways/waterways/pathways/rail ways have led to business start-ups and are used by the *local community* for commuter/leisure purposes as well as increasing visitor numbers to the area.

THE NATIONAL PICTURE

Deloitte, with Oxford Economics, were commissioned by VisitBritain to update and refresh previous analysis on the economic contribution of tourism in the UK.

Tourism: Jobs and growth - The economic contribution of the tourism economy in the UK report quantifies the economic contribution of tourism and highlights future opportunities and challenges facing the industry over the next decade. (November 2013).

The total contribution of tourism to England is calculated by including the wage-financed spending of the 2.58 million people employed directly by the industry or its supply chains. Under this wider measure, tourism contributes £142.1 billion to England's GDP in 2013, equivalent to 11.1 per cent of the nation's economy. In generating this contribution, 3.14 million jobs are supported in England.

Key trends over the next decade

The digital world: To be successful over the next decade, organisations in the tourism economy must invest in technology. However the assessment of projected returns on that investment will need to be more rigorous than ever. Travel and tourism businesses will need to attract consumers through effective technology as well as the right products and prices. In future technology will be used more to segment and understand customers and offer them more relevant choices. This trend will affect both business and consumer behaviour. Advances in digital capabilities will drive more activity at a global scale as geographical boundaries are broken.

Opportunities from emerging markets in the longer term and the cost of a trip were key trends included in the report.



VisitEngland commissioned Trajectory, a leading insight and futures consultancy, to help identify the trends that will influence domestic tourism over the coming years, drawing on their own research and the views of industry experts.

The report summarises the trends identified and presents them in five groups – demographic, economic, technological, consumer and tourism-related. Highlights include:

- Social media drives 'Fear of Missing Out' (now significant enough to have its own acronym 'FOMO') which encourages people to pursue broader leisure experiences and try new things;
- Organisations with the strongest mobile platforms and apps will benefit the most from this;
- Technology driven 'individualocracy' where customers seek experiences very tailored to their own needs, often booked at the last minute;
- Families are changing: grandparents are 'younger' in outlook than ever before, and intergenerational holidays will increase;
- A segment of the very elderly population (over 80s) who would like to go on holiday, or for a day out, but will be geographically limited by disability will also be a factor; and
- Consumers have become 'value hunters' in the recession, making developing brand loyalty important.

Shaping future trends and opportunities

The report assessed which future trends and opportunities were most susceptible to influence by policymakers, and which are likely to generate the greatest impact in terms of improving the performance of the UK's tourism industry.

Investment in infrastructure: Maintaining and improving the UK's international and domestic transport and infrastructure will be critical to sustaining the strength of its tourism economy. Without strong road, rail and aviation infrastructure, it will become less accessible and attractive to visitors.

Continued support for businesses in the sector: to leverage opportunities such as the use of digital technologies, understand and exploit target markets and respond to changes in legislation.

Continued targeted marketing effort: to address weakness and build on strengths. The UK can also respond to increasing desire for more 'authentic' and individual travel experiences by working with partner organisations in the business and cultural sectors to promote the UK's unique offer through targeted marketing efforts, e.g. through online channels and social media. This final point will be crucial to maintain and build awareness of the UK's strong tourism offer in the face of rising competition from other countries.

THE VISITOR ECONOMY IN LINCOLNSHIRE

Lincolnshire's Destination Management Plan (December 2013) reflects the national picture shown by this Deloitte study. It states an ambition of where the visitor economy needs to get to in Lincolnshire in order to maximise its impacts on the economy, resulting in growth, wealth, employment and quality of life.

The DMP will:

- Support growth and investment: Developing existing provision to improve quality and performance and encouraging investment will sustain existing and create new jobs and wealth.
- Address fragmentation: The visitor economy involves a whole set of experiences delivered by many organisations in the public, private and voluntary sectors. It is essential that they work together and in doing so achieve better use and management of resources.
- Recognise, strengthen and coordinate different functions: Supporting the visitor economy is not just about promotion but must cover a whole range of activities aimed at strengthening the quality of the visitor experience and the performance of businesses.
- Manage and monitor impacts: Tourism has a range of impacts on society and the environment and is inherently an activity that benefits from management.
- Influence the priority and allocation of resources: A key benefit of having a plan is to identify what the real needs and priorities are so that financial and human resources can be used most effectively.

The Vision for the Visitor Economy in Lincolnshire;

By 2020, tourism will be recognised as having made a real and positive change to Lincolnshire's economy. It will be seen to have delivered growth, safeguarded and created jobs, driven investment and had a positive impact on the quality of life for Lincolnshire residents.

Together, we will aim to double the real value of tourism to our economy by 2020.

What will success look like in 2020?

- A small number of coordinated, well managed and promoted distinct destinations performing well and delivering growth.
- A highly effective network of destination organisations working seamlessly towards a shared set of goals.
- Lincoln positioned on a world stage as a leading heritage destination.
- The Coastal product re-established as a quality offer presenting a range of experiences appropriate to a wide range of target audiences.
- A network of strong, fully functioning, supporting destinations and experiences built around market towns, rural themes, aviation, food and drink.
- An over-all increase in the quality of the visitor experience, and especially a growth in quality accommodation provision.



- An established reputation as a provider of high quality visitor experiences.
- An extended tourism season with a more diverse audience base.

Why is the visitor economy important?

During the current period of economic uncertainty and austerity, it is worth asking the question: **why is the visitor economy important to a destination?** Tourism can be seen as many things and has in the past sometimes been dismissed as a 'candy floss' industry of low value. This view is now largely rejected and tourism is seen as one of the sectors that can help drive economic growth within a destination and within the country. Of particular interest to local authority partners is the role the visitor economy plays in influencing the overall quality of life of residents and for the wider local economy:

- By strengthening the visitor economy, services enjoyed by local people, such as restaurants, attractions, arts and entertainment will benefit.
- Looked at the other way, actions directly aimed at making somewhere a better place to live and work will also make it a more appealing place to visit.
- Strengthening and promoting the image and awareness of a destination and the services available can be highly important in attracting new business and investment across all sectors.
- Tourism has demonstrated its ability to stimulate growth in jobs and is a relatively accessible sector in which to start a new business.
- The health of tourism-related businesses can be very important to other parts of the local economy who supply them, such as food producers, maintenance services etc.
- The skill set required for the tourism industry is not bespoke; therefore training can incorporate and have impact on other sectors such as the care sector.

The plan sets out an approach to developing the visitor economy that will address the following issues:

- **Visitor Economy Product** - overall appeal and appearance, access, infrastructure and visitor services, issues of capacity and quality of accommodation, attractions, places and services, making improvements, filling gaps and pursuing new development. Sustainable development.
- **Routes to market** - the need to embrace new technologies especially relating to communicating and social media, selling to customers, existing markets, trends and the opportunity for change, consideration of current and future target markets, overseas v domestic.
- **Skills and training** - identifying needs within the industry and ensuring the various training providers are offering appropriate and accessible opportunities.



- ***Destination image, branding and promotion (marketing)*** - the need to 'sing from the same song sheet' in how we talk about the county and our tourism products. The balance between county-wide and sub-destination activity. Agreeing on our 'hero' brands and supporting their growth and development.
- ***Working structures and communication*** - the need to improve stakeholder engagement and joint working, through better structures and communication.
- ***Visitor economy performance and impacts*** - the balance of volume and value, the advantage and chance of increasing spend per head. Opportunities to increase the level of tourism spending retained locally, for example through local supply, prioritise towards staying as against day visitors, and increasing length of stay, lengthening the season.

Greater Lincolnshire's Economic Case for Skills & Higher Level Skills

Summary of Key Facts

- Employers tell us that skills gaps are one of the top five barriers to growth
- Our important sectors require growing numbers of higher level skilled staff, and employers have told us that they struggle to recruit locally to fill these roles.
- The statistics show why. Significantly fewer of our residents are highly qualified to Level 4 when compared with the UK average. The 25-34 age range demonstrates the greatest challenge. From national averages we would expect around 40% of this age group to be qualified to at least Level 4, yet only 27% of 25-34 years old residents actually are.
- Similarly, using the national average as a benchmark we would expect 14% of our 16-24 year olds to have achieved at least a Level 4, but only 9% have. This age group is also under-represented within Level 3 achievements. We would expect 26% of our resident 16-24 years old to have achieved a Level 3, but the percentage is only 23%.
- One of the ways in which the Greater Lincolnshire LEP will drive additional growth will be through supporting its residents to achieve higher level qualifications and supporting its businesses to up skill their employees.
- The proportion of 16-64 year olds in Greater Lincolnshire with no qualifications is 6% higher than the England average. The gap is most noticeable in our 16-34 year olds.
- The proportion of school leavers obtaining a level 2 qualification is amongst the highest in England.
- Youth unemployment accounts for 29 per cent of all job seekers in Greater Lincolnshire, much higher than 25 per cent nationally (Dec 2013).



- Sparsity is a barrier to successful employer-led skills training and development. This is because of a lack of available training facilities AND because in a large rural area it is difficult to achieve cohort numbers to make training economically viable.

What is the current situation?

The GLLEP has identified skills as one of the top five barriers to business growth. The Employment and Skills Board explored the issues in more depth within three specially commissioned reports around skills gaps in the Visitor Economy, the Manufacturing sector and the Agri Food sector:

- <http://www.lincsrutlandesb.com/documents/publications/147-sector-skills-gaps-the-visitor-economy>
- <http://www.lincsrutlandesb.com/documents/publications/146-sector-skills-gaps-manufacturing-engineering>
- <http://www.lincsrutlandesb.com/documents/publications/145-sector-skills-gaps-agri-food>

The research showed that the ‘skills gaps’ employers were reporting fell into different categories. These are summarised in the table below. Other sectors have also agreed that this a good reflection of their own challenges, in particular the care sector.

Hard to fill vacancies	Difficulty recruiting to some technical and higher skilled vacancies.
Supervisory & management skills	Often, but not always, associated with the managerial skills of those initially employed for their technical skills; makes it difficult to ‘grow your own’.
Perception of sectors & opportunities within them make for a reluctant labour market	Lack of awareness amongst learners, parents & schools of roles, career paths and technological advancements in our ‘traditional’ sectors.
Business skills of owners	Owner managers lacking skills to run the business, including recruitment and HR knowledge

Work Readiness	Percentage of young people & adults without a willingness to learn and the qualities that employers seek
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A good example of where we have begun to solve this challenge is in the engineering sector. Through developing a purpose built Engineering School, and an Engineering University Technical College (UTC, due to open September 2014), we are ensuring that provision is available.

By working with our schools, Apprentice Champions and career specialists, we are raising awareness of the roles in the engineering sector to there is increased demand for learning. This approach is ensuring we are preparing well for the growth in demand for the engineering skills required by our local businesses. However more is required now to support those currently within the workforce.

In many of our sectors we have a challenge around replacement demand – our workforce is getting older and we need to support businesses to plan effectively for the future.

For Current skills gaps details in the Greater Lincolnshire area, refer to:

https://nationalcareersservice.direct.gov.uk/advice/planning/LMI/Pages/LEP_Greater_Lincolnshire.aspx

This includes detail of current skills gaps in each employment sector, in the Greater Lincolnshire area.

Other challenges include:

- Qualification frameworks not meeting the needs of some of our sectors
- Business owners struggling to understand the wide range of schemes, incentives and jargon associated with skills and qualifications; within this there is a challenge around continuity – ever-changing funding rules and schemes make it difficult for employers to plan
- A continued lack of awareness amongst our SMEs about the Apprenticeship scheme, as reported by our Apprentice Champions and local ATA working to reach those who have not engaged with the scheme previously
- Statistics imply that those who are more highly qualified leave the area

- An ageing workforce and no succession planning or younger workers to replace the skills required
- Transport to work (and work experience) is a barrier, particularly for young people in search of work. This is not just apparent in rural areas where accessibility and transport availability is a challenge, but also in more urban areas; access to places of work require two bus journeys and this cost is relatively high in comparison to the an Apprentice wage
- Data provided by the Skills Funding Agency shows that there are over 300 providers actively targeting Greater Lincolnshire businesses, and employers tell us they are inundated with providers from outside of the local area selling them skills provision.
- Some businesses do not recognise the role that FE Colleges have in providing skills to the workforce; others are not able to find provision locally
- Whilst many businesses invest in training there are many others that do not invest in training over and above mandatory training requirements through fear that their workforce will leave
- Some of the nationally funded programmes with regional (rather than local) contractors or providers do not always benefit the Greater Lincolnshire area because it is easier to achieve targets in neighbouring larger urban areas
- Lack of availability of training in low populated areas (cohort sizes, few main providers, national provision parachuted in.)
- Lack of employer facing information about skills qualifications available locally
- Funding not always aimed at developing the skills of the existing workforce for growth
- National policy has driven forward on a sectoral basis (not our important sectors) creating a mismatch locally (i.e. not focused on local need)
- Micro business are not generally the businesses that training providers work with

Why is this a barrier to growth?

The table above shows that our sectors with the greatest potential to grow are limited through particular skills barriers.

In order to grow, put simply, employers must have:

- a pool of suitable people from which to recruit
- access to training for new and existing staff

and there are multiple actions required to address these.

The LEP would also like to support businesses to plan and articulate their current and future more effectively. In turn, this information about the skills needs of the future is vitally important for schools and training providers who are developing training and curriculums to prepare the workforce of the future.

In addition to the above activity, reference does need to be made to the issue of support for the unemployed, as being a barrier also. Good quality support should increase the levels of individuals accessing the marketplace, and a key component within the employment and skills themes, will be geared to the delivery of support, that adds values to mainstream delivery via DWP and the SFA.

The sheer number of schemes and incentives, for the unemployed, are a barrier to some employers using them. This does carry over also to the individuals benefiting from these, who are often confused just by the plethora of mainstream support and provision.

Why is EU and LEP funding required?

The skills agenda represents a considerable investment challenge for the Greater Lincolnshire, and making wise choices in terms of how the resources are deployed to reflect local needs, are key to how the Greater Lincolnshire Local Economic Partnership see their role in the future.

The benefits to Lincolnshire's economy and society as a whole of skills investment cannot be underestimated, and the balance of activity from an ESF perspective, will need to take into account what mainstream national provision will provide at the present - and into the future.

Our important sectors require growing numbers of higher level skilled staff and employers have told us that they struggle to recruit locally to fill these roles.

The statistics show why. Significantly fewer of our residents are highly qualified to Level 4 when compared with the UK average. The 25-34 age range demonstrates the greatest challenge. From national averages we would expect around 40% of this age group to be qualified to at least Level 4, yet only 27% of 25-34 years old residents actually are.

Similarly, using the national average as a benchmark we would expect 14% of our 16-24 year olds to have achieved at least a Level 4, but only 9% have. This age group is also under-represented within Level 3 achievements.

One of the ways in which the Greater Lincolnshire LEP will drive additional growth will be through supporting its residents to achieve higher level qualifications and supporting its businesses to up skill their employees.

European funding will be an extremely important tool in tackling issues around the current local challenges faced, particularly around higher level skills, because there needs to be a focus on progression from level 2 upwards.

It gives us the flexibility to work around the following issues, namely:

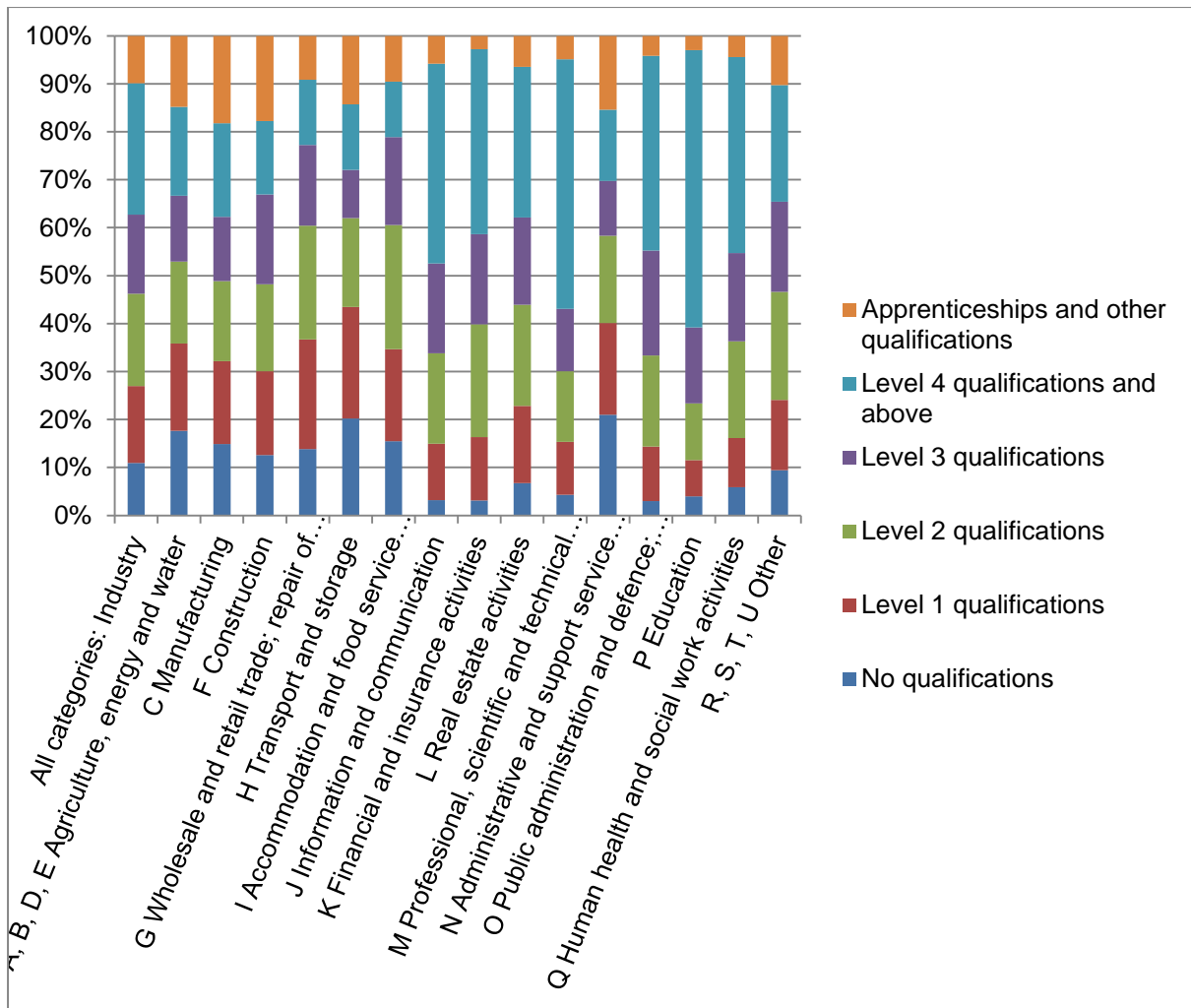
- Supporting the whole arena of skills support, to mirror economic conditions within the Greater Lincolnshire area – which link closely to the Strategic Economic Plan
- Linking and adding value to mainstream provision, by providing the mechanism of either supporting more activity (where applicable), or filling gaps in provision where no activity is occurring – or where more technical/intensive support is required



- Addressing the parity needed to support individual sectors to maximise their impact, across a range of qualification requirements, both now and in the future
- Provide support for those unemployed and not engaging within the employment market, together with providing social inclusion solutions to engage those with multiple barriers, or who are the hardest to reach
- Linking skills provision and spread across the range of qualifications available, to more accurately mirror local economic conditions
- Supporting the requirement of higher level skills, particularly for identified sectors in the GL LEP area, where this is a barrier to either business diversification or growth
- Acknowledging the spatial distribution of providers and people across many very small settlements, such that the provision of the necessary infrastructure to deliver skills can be particularly expensive to provide, and looking at embedding solutions around mobility of skills delivery as an important factor to shape delivery
- Making sure that opt in solutions provide the best fit, and value for money, for the GL LEP area – particularly where employment and skills solutions overlap. This is also prevalent for social inclusion support, effectively where it provides extra intensive and specialist engagement, leading up to provision through either further European funding, or mainstream delivery

From the table below, we can see a breakdown of sectors in the Greater Lincolnshire area, and the breakdown of their skills levels.





We will be looking towards the sector skills plans within the strategic economic plan, to provide specific sectoral steers, as to how their skills breakdowns need to be changed - in order to reflect more effectively current and future requirements and needs.

What difference would the funding make?

Research via the Lincolnshire Research Observatory, Lincolnshire & Rutland Employment & Skills Board, Local Partners and Providers, suggests that there is great potential for more firms to adopt and exploit effective skills development, as this can be seen as an opportunity to drive up levels of GVA. This does not detract from the job of supporting a wide range of people and businesses, who may not need this, but does however provide a solution as to how we can deliver greater growth and jobs in the future

Investment in supply and demand around skills, would make the GL LEP area more attractive to investors and businesses wanting to potentially move into the area. This is particularly important to emerging new employment sectors around for example renewables and green energy. Investment in higher level skills would create higher skilled jobs, and provides an incentive for employees and employers alike to break out of the lower wage/lower skills equilibrium, that typifies certain sectors.

European Social Funding will provide the necessary funding levels to address the above issues, in a targeted and coherent way, and will look at the whole gamut of skills provision around:

- Support for the unemployed, and moving people back into the employment market, particularly youth unemployment
- Supporting the skills gaps that employers have indicated are barriers to growth
- Tackling the disparity in the Greater Lincolnshire population, who have no qualifications, particularly in the 16-34 age range
- Making sure that skills levels within the general working population reflect adequately the employment markets, both current and future
- The general working population having the right type of skills that businesses are looking for when expansion or technological advances are needed, and that we have the right qualification frameworks and providers to deliver this
- Less reliance on 'importing' skills from outside of the GL LEP area, and more opportunity to 'grow our own', to make skills delivery more sustainable in the long term, and allow the required flexibility of approach which does not have deleterious effect of productivity in a largely SME dominated environment
- The ability to better co-ordinate provision, so that it avoids duplication of approach, dilution of impact, and confusion within the market place of employers and employees



- Allowing the opportunity for a wider range of providers to be part of a skills solution, by improving the information flow of tender opportunities, and also working with smaller local providers to be part of the delivery mechanism

GLLEP Objectives

The GLLEP wants to ensure that employers have access to:

- a pool of suitable people from which to recruit
- access to training for new and existing staff

and that they are more effectively able to articulate their current and future skills needs so that schools, colleges and other providers can develop provision that meets their needs.

There a wide range of activities that will deliver these objectives.

Actions that LEP will undertake to achieve the objectives

The GLLEP would like to continue activity that is proven to work as well as providing new, joined up and innovative support. There are a number of challenges, and therefore actions, that span all of our important sectors.

- To develop a systematic way of capturing employer's skills needs and ways of addressing these. This will include:
 - a. helping business to plan and articulate their skills needs better
 - b. supporting local Colleges and training providers around capacity and expertise to deliver provision that meets these needs;
- Simplifying the skills offer to employers. Data provided by the Skills Funding Agency shows that there are over 300 providers actively targeting Greater Lincolnshire businesses, and employers tell us they are inundated with providers from outside of the local area selling them skills provision. This confusion is not helpful and we want to support employers to take up good quality provision where and when they need it most. Part of this is about ensuring continuity of schemes, initiatives, and the skills funding rules.
- Help schools, colleges and training providers understand our locally important industry and their role in preparing people for current and future job and career opportunities.

- Make good quality information about our sectors, and the jobs and careers available within them, to individuals and parents so that they can take informed choices. This will include:
 - a. working with Sector Skills Councils to map career pathways
 - b. delivering locally tailored 'Have-A Go' events so that young people, and adults, can experience a range of activities and understand better what vocational education means.
- Continue to raise the profile of vocational qualifications to schools, parents and young people , recognising they provide an effective, alternative employment route to academic qualifications
- We know that there are many of our SMEs who do not know how to access the Apprenticeship scheme so we will continue to raise awareness of Apprenticeships to our SME population and provide ways for them to use an Apprentice where direct employment is not an option. This will include:
 - a. Enhancing the current impartial support available to SMEs through our local Apprentice Champions.
 - b. Ensure that opportunities to increase the number of apprentices locally are not lost because small businesses are unable to employ them directly.
- Support partners and businesses alike to find solutions to the problem that a proportion of people are not well prepared for the world of work.
- Support our SMEs to plan and deliver effective recruitment and induction strategies to better support the transition from learning to the world of work. In turn this will reduce staff turnover.
- Work with partners such as Sector Skills Council, local Colleges, Schools and Job Centres to help change the perception of our working in our important sectors, notably the care sector, the agri-food sector and the visitor economy.
- Develop new entry routes into sectors through traineeships and apprenticeships, particularly focussing on the NEET cohort
- Work with businesses affected by seasonal trends to find innovative ways of overcoming the challenges of releasing workers for training

- Support our rural businesses to access good local training provision, facilitating business-led partnerships that can seek economies of scale and overcome challenges that exist around access to business networks and high travel costs.
- Ensure that the business-led informal learning schemes already developed locally are built upon so that they provide a solid platform for progression to accredited learning. The locally developed Work-based Learning Advocates scheme has been rolled out nationally and we would like to support a greater number of non-unionised SMES to join the scheme.
- 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
- Deliver locally-tailored activity that will produce better outcomes for the long term unemployed. This will combine tried and tested activity through our smaller, community based providers and pilot new, innovative approaches that put people and businesses at the heart of the solution.
- Ensure that skills programmes and activities are properly glued together so that they yield greater impact for local businesses and communities
- Develop and support schemes aimed at retaining a greater number of our graduates

In relation to our specific sectors we will:

- Attract experienced engineers to fill higher skilled and technical roles and ensure a good pipeline of recruits for the future
- Raise skills levels within the workforce of the visitor economy so that we provide our visitors with a fantastic experience and enhance the image of working in this sector.
- Ensure that our young people recognise the vast opportunities to work the agri food sector and fill higher skilled gaps that currently exist.
- Map roles and occupations within our Health and Care sector so that young people can see progression opportunities that are not currently apparent. Raise awareness of the higher skilled opportunities that are available within these and ensure young people are prepared for them.



- Work with the low carbon/renewables sector to ensure that relevant frameworks and training are available.
- Raise awareness of the roles within Port and logistics sector

Partnerships and Delivery



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 are properly represented.

The LEP Board is business-led but includes public sector partners. Board members are:

- **Ursula Lidbetter** (Chair: Business/Social Enterprise)
- **David Dexter** (Deputy Chairman: Small Businesses)
- **Andy Orrey**, Ongo Housing (Business, housing sector)
- **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)
- **Colin Davie** (Lincolnshire County Councillor)
- **Doreen Stephenson** (District Councillor)
- **Prof. Mary Stuart** (Higher Education)
- **Chris Shaw** (NE Lincs County Councillor)
- **Liz Redfern** (Leader, North Lincolnshire Council)
- **Richard Wills** (Executive Director, LCC, representing the LEP Secretariat)



At the time of writing there was one private sector board vacancy but a recruitment process is being undertaken.

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.

All of the board meetings are transparent, and we register and deal with conflicts of interest, and publish our meetings, papers, and decisions on our website. The appointment of private sector board members is an open competition.

The Greater Lincolnshire LEP will go through the process of incorporation during summer 2014. That process will have been completed by the time of the first bidding and allocation rounds for EU funding in late autumn 2014.

By incorporating, the GLLEP will have strengthened two areas of its work:

1. Making and informing decisions

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

2. Financial regularity/propriety

- 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 GLLEP will be incorporated as a company limited by guarantee. The board will be supported by four formal sub-groups and by several advisory groups. The formal sub-groups are the audit committee, approval board, appointments committee, and Employment and Skills Board. Each of the formal sub-groups will be created legally as part of the GLLEP's articles of association.

The most important sub-group for the purpose of EU funding is the Approval Board.

The board will be chaired by a vice-chairman of the GLLEP board.

It will comprise members of the private and public sector, and it will take decisions on LEP and EU funding. For the purposes of EU funding, DCLG will provide a deputy chairman and representatives of the voluntary sector, social partners, and the



education sector will be co-opted. The structure will therefore mirror that of the national EU monitoring committee/growth board.

The specific functions of the Approval Board will be:

- To agree the scope of calls for projects
- To prioritise activity that is seeking funding
- To consider appraisals and make a decision to invest in a project under the European programme
- Approve applications to the Growing Places Loan Fund
- To receive and challenge performance management reports on the Growing Places Fund and the European Programme 2014-2020
- Review and monitor performance of programmes and priorities within the SEP and the SIF
- Ratify any sanctions on the funding programmes

The approval board will seek advice from a range of partnerships in determining its decisions.

The following stages set out how the GLLEP will look to deliver the GLLEP EUSIF (subject to further information and guidance):

Stage 1 – Calls for Activity

The role of the GLLEP will be to assess the strategic priorities, investment and endorsement of schemes/projects. The GLLEP will determine the Investment Plan priorities, the target/activity to be supported, route to market – this could be an open bidding round/competitive call for activity; Opt-in call; a specific piece of work which could be commissioned; or a framework to find the most appropriate deliverer for specified activity- and details of the call or bidding round and the outputs it expects to achieve.

Procurement and legal advice will be sought locally where appropriate.

Stage 2 – 1st Stage Application

The role of the Managing Agent will be to manage the call and assess the Stage 1 Application Form. It is understood that this will be tested against national and local criteria. The Managing Agent and GLLEP will then jointly assess the schemes. The GLLEP will set the priorities which should align to the GL EUSIF to assess whether projects are approved, rejected or deferred and confirm the investment to be taken forward with the Managing Agent. The Managing Agent (on behalf of the GLLEP) will then invite bids to come forward to full application.



Stage 3 – Full appraisal/Contracting

The GLLEP and Managing Authority board will go through the initial endorsement, strategic priority and any compliance issues. If the project is technically compliant and still meets the GLLEPs priorities, the Managing Agent will then issue a funding agreement which will be a contract between the relevant managing agent and applicant.

If the scheme/project has eligibility issues but it is still a strategic priority, the GLLEP will work with the Managing Agent and applicant to see if the scheme can still be delivered using EU funds (it could be for example that the scheme is re-packaged, ineligible activity taken out etc.) The project will then be re-assessed by the GLLEP and Managing Agent to ensure the scheme is fully compliant.

Stage 4 – Disseminating Management Information

The Managing Agent will provide regular Management Information (MI) to the GLLEP (Local Approval Board). The management information will inform the GLLEP of projects progress and allow the GLLEP to work with the applicant and Managing Agent if projects slip/are not meeting contractual requirements. The GLLEP will then need to decide whether the scheme is likely to get back on track or whether funds will need to be re-distributed. Working in partnership in this way will ensure annual spend targets and outputs are met as well as strategic priorities.

Technical Assistance

Bringing forward schemes that fit the GLLEPs strategic priorities and meet European regulations can be challenging. Technical Assistance will be sought to help develop projects. This will include:

- Encouraging partnership engagement
- Bringing forward fewer but more strategic schemes
- Balancing a range of 'quick win' schemes that should be compliant ready
- Working closely with the Managing Agent local representative to bring forward medium/long term schemes which may have a longer lead in time.

This will help to ensure that strategic priorities are met and the right funding mechanism is used to support the activity – this could be through a specific EU funding route, a combination of funds or other sources of funding may be identified as being more appropriate for delivery.

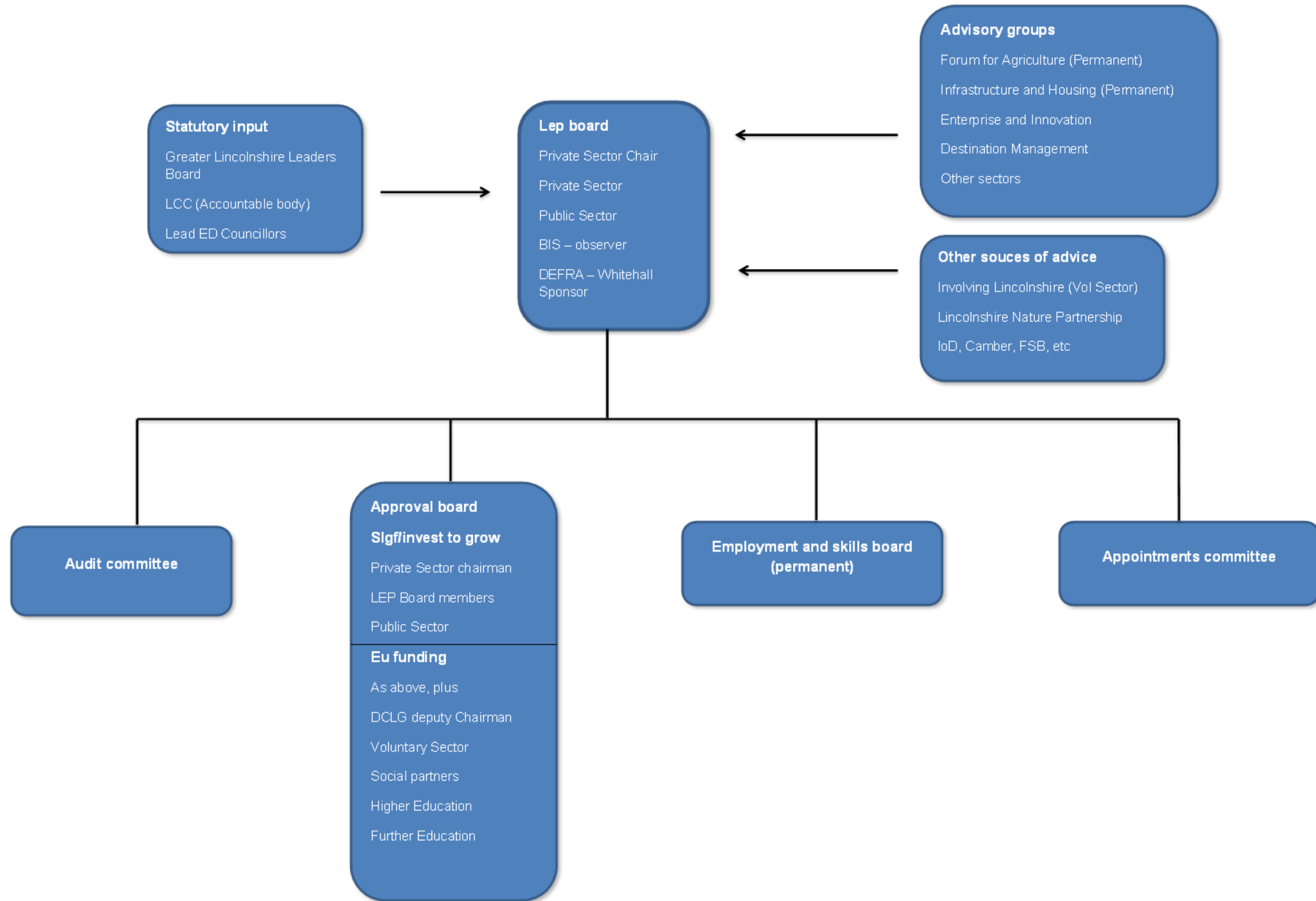
The GLLEP will refer to the www.greaterlincolnshirelep.co.uk and www.businesslincolnshire.com websites which details finance sources and this will also be up-dated with projects funded through the EU SIF once funding agreements are in place. This will help promote schemes of activity, help take-up and delivery



and be an easily accessible site for public, private, third sector businesses, individuals and organisations to refer to.



Current Structure



Consultation with partners

The Greater Lincolnshire LEP has decided that it will construct its EU structural and investment funds strategy as part of the process that it is following to produce its strategic economic plan. This will ensure consistency and enable businesses and partners to engage with one clear message. 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 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 and 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 77 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 economic development schemes that could kick-start rural housing developments)
- 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)
- Attendance at Humber LEP feedback session on draft EU SIF strategy

To date, therefore, we have consulted widely on our priorities and we shall continue to do so between the submission of the draft strategy and the adoption of the final version. The draft strategy is published on the Greater Lincolnshire LEP's website, and the priorities were discussed at the LEP's Business Summit on 8th November 2013. The Summit was attended by 200 people from across Greater Lincolnshire.



Stewardship of the funding



Understanding rules and regulations

The GLLEP recognises that EU funding is complicated and bureaucratic, and that it must ensure that the funding is managed effectively. This requires an understanding of rules and regulations, meeting state aid requirements, managing the process through application to appraisal to approval and delivering the programme in a way that meets sustainable development and equality & diversity principles. These will be carried out within the context of Lincolnshire County Council being the accountable body for the GLLEP.

It is understood that the National Growth Board and Managing Authorities want schemes to be deliverable according to their contract schedules which detail EU regulations. This can be particularly challenging for larger scale, innovative schemes and the GLLEP would like to find the most effective ways of supporting these schemes.

The sector specialists and Accountable Body roles will provide this support for the majority of schemes to ensure that the GLLEP can prioritise good quality schemes that meet local needs, are EU compliant and are deliverable.

Technical assistance or a percentage of ring-fenced funds may also be considered to provide at risk funds towards higher risk/large strategic schemes which could help towards procurement costs, packaging schemes to find appropriate State Aid solutions, preliminary planning costs etc. This will be particularly relevant to schemes that are innovative and where they are less able to look at previous experience in delivering a specific project.

The Management of Funds section looks at this in more detail.



Governance – Management of Funds

The Greater Lincolnshire LEP understands that there are strict compliance and eligibility criteria when supporting schemes using European funds. The GLLEP is keen to promote smaller numbers of strategic schemes that will give maximum impact and growth opportunities for the area. The GLLEP will prioritise programmes of activity that are right for the area, fit within the SEP and then look for the relevant funding sources to enable effective delivery. Working closely with partners and the Managing Agent will be key to successful delivery.

Already a masterlist of schemes is being compiled so that the GLLEP can ensure there is a mix of 'quick win' schemes – meet strategic priorities, can be delivered quickly and effectively and fit well with specific funding streams (this could be done through an open bidding round); medium term schemes which may have a longer leading time – this could be due to planning permissions, procurement, delivery times etc. and longer terms schemes that could be more complex in nature (this might be commissioned activity). This should mean that spend targets/outputs are met, but also that making funds work together effectively and packaging schemes so activity is delivered coherently and not piecemeal across the area, will maximise the economic benefits.

The following stages set out how the GLLEP will look to deliver the GLLEP EUSIF (subject to further information and guidance that will follow post 31st January 2014):

Stage 1 – Calls for Activity

The role of the GLLEP will be to assess the strategic priorities, investment and endorsement of schemes/projects. The GLLEP will determine the Investment Plan priorities, the target/activity to be supported, route to market – this could be an open bidding round/competitive call for activity; Opt-in call; a specific piece of work which could be commissioned; or a framework to find the most appropriate deliverer for specified activity- and details of the call or bidding round and the outputs it expects to achieve.

Procurement and legal advice will be sought locally where appropriate.

Stage 2 – 1st Stage Application

The role of the Managing Agent will be to manage the call and assess the Stage 1 Application Form. It is understood that this will be tested against national and local criteria. The Managing Agent and GLLEP will then jointly assess the schemes. The GLLEP will set the priorities which should align to the GL EUSIF to assess whether projects are approved, rejected or deferred and confirm the investment to be taken



forward with the Managing Agent. The Managing Agent (on behalf of the GLLEP) will then invite bids to come forward to full application.

Stage 3 – Full appraisal/Contracting

The GLLEP and Managing Authority board will go through the initial endorsement, strategic priority and any compliance issues. If the project is technically compliant and still meets the GLLEPs priorities, the Managing Agent will then issue a funding agreement which will be a contract between the relevant managing agent and applicant.

If the scheme/project has eligibility issues but it is still a strategic priority, the GLLEP will work with the Managing Agent and applicant to see if the scheme can still be delivered using EU funds (it could be for example that the scheme is re-packaged, ineligible activity taken out etc.) The project will then be re-assessed by the GLLEP and Managing Agent to ensure the scheme is fully compliant.

Stage 4 – Disseminating Management Information

The Managing Agent will provide regular Management Information (MI) to the GLLEP (Local Approval Board). The management information will inform the GLLEP of projects progress and allow the GLLEP to work with the applicant and Managing Agent if projects slip/are not meeting contractual requirements. The GLLEP will then need to decide whether the scheme is likely to get back on track or whether funds will need to be re-distributed. Working in partnership in this way will ensure annual spend targets and outputs are met as well as strategic priorities.

Technical Assistance

Bringing forward schemes that fit the GLLEPs strategic priorities and meet European regulations can be challenging. Technical Assistance will be sought to help develop projects. This will include: encouraging partnership engagement; bringing forward fewer but more strategic schemes; balancing a range of 'quick win' schemes that should be compliant ready; and working closely with the Managing Agent local representative to bring forward medium/long term schemes which may have a longer lead in time.

This will help to ensure that strategic priorities are met and the right funding mechanism is used to support the activity – this could be through a specific EU funding route, a combination of funds or other sources of funding may be identified as being more appropriate for delivery. The GLLEP will refer to the www.greaterlincolnshirelep.co.uk and www.businesslincolnshire.com websites which details finance sources and this will also be up-dated with projects funded through the EU SIF once funding agreements are in place. This will help promote schemes of activity, help take-up and delivery and be an easily accessible site for public, private, third sector businesses, individuals and organisations to refer to.



Joint applications to the Greater Lincolnshire and Humber LEPs

As North and North East Lincolnshire crosses boundaries with the Greater Lincolnshire LEP and Humber LEP, the two LEPs will have early discussions to agree at Stage 1 how strategic priorities of both LEPs will be met and share pipeline project information. Working closely with the Managing Agents from both areas will help determine the best way of packaging projects to ensure ease and effectiveness of delivery.

EAFRD, CLLD and Leader

Key priorities targeted at the rural programme will be focused on the agri food, low carbon, and water, and tourism sectors. The GLLEP will work alongside the Forum for Agriculture & Horticulture to help set the priorities for this funding stream. The Forum is not just representative of the farming community but has a much wider membership to ensure it understands the needs of the wider rural community.

Terms of reference are in place which will ensure membership continues to be representative of rural businesses throughout the programming period. Mark Tinsley, the Chair, is a good link as a GLLEP and Forum member and Grant Lockett from West Lindsey District Council is also the DEFRA representative for the GLLEP so this will add to the strong partnership links. The Forum will also be one of the Strategic Advisory Groups to the LEP board, specialising in the agricultural and food sector

The GLLEP sees the importance of getting the place right so that funding can be targeted effectively. During the transition period, the current Local Action Groups will evaluate what has worked well and where gaps in provision occurred. This will help inform new geographies, sectors, activity to be supported and what/whether new groups will need to be established through CLLD to meet specific needs.

The GLLEP also wants to ensure that it maintains connectivity between their overall strategic ambitions and specific funding streams identified to deliver these ambitions. It will therefore be important that Local Development Strategies developed through Leader link to the GLLEPs Strategic Economic plans and also that effective signposting can happen between schemes. A clear relationship will be developed between the successful Local Action Groups and the GLLEP to ensure consistent delivery across the funding streams.



Addressing State Aid

The GLLEP will ensure projects meet local priorities which have real impact on the area; however, there is an awareness that State Aid rules are complex and the GLLEP wants to ensure that projects are robust in terms of strategic need and delivery.

The GLLEP as part of their governance structure will have thematic specialists with an understanding of specific sectors i.e. manufacturing, engineering, tourism, agri/food etc. and the Accountable Body will also be able to advise, where appropriate, on State Aid implications at early stages of the development of projects.

The Accountable Body has considerable experience of developing, managing and monitoring European funded programmes and they will have an advisory role to the GLLEP. Technical Assistance funding could also help the GLLEP provide support to applicants by helping with project development to ensure Expressions of Interest meet GLLEP local priorities as well as European requirements. This will allow the GLLEP to focus time on selecting projects that are deliverable, can help scope and shape schemes at this stage to gain maximum benefit for the area and provide comprehensive feedback so applicants are clear on how to proceed.

At application stage the Accountable Body will work with the applicant to understand EU eligibility regulations and work closely with BIS/Managing Agents for advice on State Aid rules. The GLLEP are keen to liaise with the relevant Managing Agents at early stages of project development, particularly where there are State Aid implications, to ensure that schemes are compliant from the start and the focus can then be on delivery of the scheme.

The GLLEP would like to protect schemes as far as possible to ensure that projects:

- avoid penalties which could be faced by projects unwittingly giving illegal State Aid (usually due to lack of clarity/understanding of the State Aid rules) especially as we seek to encourage joint ventures and working in partnership with the private sector
- have support selecting the most suitable vehicle for State Aid relevant to their project (which could include designing aid to avoid or minimise the element of State Aid within a project)
- have assistance in handling notifications and procedures for getting State Aid approval which need specialist advice due to the complex and changing regulations



Projects will therefore understand the processes and assessments needed as required.

Advice to the private sector

It is advised that private sector organisations seek independent legal advice. Any public funding being received should be directed to the public authority who will use advice based on the relevant government departments for example:

Government Department State Aid specialists to be consulted

- DEFRA – agriculture, fisheries and aquaculture
- DfT – transport
- DCLG – land & property regeneration

When is State Aid present?

4 criteria must be met for State Aid to be present:

- does the aid favour certain undertakings or the production of certain goods?
- Is aid provided through state resources?
- Does the aid distort/threaten to distort competition?
- Does the aid affect trade between Member States

If one or more of these conditions is **not** met this will not be a State Aid.

The GLLEP will have training/workshops to outline the basic principles of State Aid so that they are aware whether there are likely to be issues with specific schemes and have specialist legal advice through the Accountable Body/ Government Departments.

Cross cutting theme: sustainable development

Sustainable Development Policy

Summary

'The goal of sustainable development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations'.

This policy has been developed to show how the GL LEP will address sustainable development within its ESF SIF document.

It details the meaning of Sustainable Development and why it is so important, as well as outlining actions that the GL LEP will take in order to achieve the aims and objectives contained within this policy which are:-

- Comply with relevant environmental legislation
- Minimise waste by reducing and reusing
- Maximise recycling
- Conserve energy, water and other natural resources
- Prevent pollution
- Reduce emissions from buildings and business related travel
- Ensure that this policy is publicly available
- Raise staff and provider awareness of SD issues
- Reduce the usage of paper and office consumables.

Like any large organisation, the GL LEP recognises that's its actions, and those of its providers, have substantial good and bad effects on the local and global environment.

It is committed to reducing the environmental impact of its activities so that future generations may benefit from the region's heritage and environment.

The GL LEP will therefore contribute and support the UK Strategy for Sustainable Development, and will through its Accountable Body (Lincolnshire County Council):-

- Build sustainable development into all EU policies and plans
- Identify, monitor and mitigate social, economic and environmental impacts to direct continual improvement



- Produce an action plan to meet the objectives of the UK Strategy and report progress
- Specify sustainable goods and services during procurement, wherever possible.
- Ensure providers operate to improve their environmental performance.
- Operate an Environmental Management System

In order to achieve the above through an EU programme, the Local Authority Consortium members and their providers will:-

- Comply with relevant environmental legislation
- Minimise waste by reducing and reusing
- Maximise recycling
- Conserve energy, water and other natural resources
- Prevent pollution
- Reduce emissions from buildings and business related travel
- Ensure that this policy is publicly available
- Raise staff and provider awareness of Sustainable Development issues
- Reduce the usage of paper and office consumables.

The GL LEP will ensure these issues are part of the tendering process, and keep its own activities under review, setting objectives, targets and responsibilities and scrutinising performance to ensure the aims of this policy are met.

What is sustainable development?

Sustainable development is about providing a good quality of life for everyone now, and for generations to come.

Two centuries of industrial development have made life better for many people in ways that would have been unimaginable even a generation ago. But it has also brought increasing damage to the physical systems and social fabric on which our well-being depends.

It is clear we cannot continue in this way, and the call for a change of direction is urgent. We now need a different kind of development, which meets people's needs without compromising our future.

For this to be sustainable, we must take full account of the social, economic and environmental impacts of our decisions, over the long term.

The GL LEP uses the Government definition which defines sustainability as meeting the following four objectives at the same time:-

- Effective protection of the environment
- Prudent use of natural resources



- Social progress which meets the needs of everyone
- High and stable levels of economic growth and employment at the same time, in the region and the world as a whole.

Why is sustainable development important?

The GL LEP recognises the importance of:

- providing opportunities to allow everyone to fulfil their potential (social inclusion)
- environmental protection and enhancement through the delivery of projects (environment); and
- providing skills that businesses both demand and require – now and in the future (economy/labour market)

Providers will be contracted with in order to support the programme's strategic priorities, and will be obligated to actively promote Sustainable Development. They will inherently support two key elements of sustainable development – social inclusion, the economy, and the environmental.

All providers therefore have needed to consider how they deliver their services in terms of trying to reduce negative impacts and increase positive impacts on the environment. This will be achieved by:

- preparing environmental policies
- undertaking SD implementation plans.

Purpose of sustainable development

As the availability of natural resources decreases, the cost increases. As the UK government becomes more aware of the threat of climate changes and the importance of reducing our collective foot print on the planet, the GL LEP believes that we, and their providers, should respect natural limits and reduce consumption when carrying out our business.

The purpose of this strategy is to demonstrate the commitment to the principles of sustainable development and provide a framework for continued action. Through its implementation, we will manage what we do on a day-to-day basis to reduce on the negative, and improve on the positive, impacts of our activities.



Scope/Management and Priority Areas

The GL LEP recognises its responsibilities for the wider environment and to the local community, and will carry out its activities in compliance with all relevant environmental regulations. The GL LEP, through its Accountable Body will aim to continually improve its environmental performance, educate, lead and influence others to do likewise.

The Consortium is committed to improve the environmental quality of the area by:

- Complying with relevant environmental legislation
- Minimise waste by reducing and reusing
- Maximise recycling
- Conserve energy, water and other natural resources
- Prevent pollution
- Reduce emissions from buildings and business related travel
- Ensure that this policy is publicly available
- Raise staff and provider awareness of SD issues
- Reduce the usage of paper and office consumables.

Objectives

- Keep up to date with development of good practice
- Update and communicate its policy
- Minimise the use of natural resources and the amount of waste produce



GLLEP Approach to Sustainable Development

The approach to sustainability will be in line with the GLLEP overarching approach and reflect the Government definition of sustainability; “Sustainable development means encouraging economic growth while protecting the environment and improving our quality of life – all without affecting the ability of future generations to do the same.

Capital build projects will be required to use the BREEAM route if the scale and value of project requires it, if not the project will have to carry out an environmental assessment on the work to demonstrate the sustainability.

Locally the SUSTAIN Lincolnshire project; a programme of activities, led by Lincolnshire County Council aims to help Lincolnshire’s business to become more competitive at the same time as reducing their carbon footprints and safeguarding the environment. It recognises the major business opportunities that climate change presents and supports the emerging green sector. Activities included advice to businesses on improving their sustainability and action plans to work through. The GLLEP will encourage projects at the early stages to seek the advice and support to help them develop projects which embed a sustainable approach.

Lincolnshire is an area which has an important part to play in the ability to maintain and improve the ecosystem services the landscapes and habitats provide. Particularly in respect of flood management and availability of water. The CLLD initiative will have a part to play in the overall plan in ensuring the recognition of the services provided and in maintaining them.

As Accountable Body, Lincolnshire County Council has a policy on Caring for the Environment Environmental Policy – implementation strategy which the GLLEP will use as a benchmark for all projects submitted and a further study has been carried out by the Greater Lincolnshire Nature Partnership 'The Value of the environment to jobs and growth' which will also be used to ensure sustainable development is considered throughout the programme.



Cross cutting theme: environmental policy

Corporate Environmental Policy

In order to achieve the above commitments, Lincolnshire County Council will:

- i) operate an environmental management system which will enable the Council to set objectives and targets, agree Action Plans, monitor performance and make this information publicly available;
- ii) raise awareness amongst staff of the Council's environmental policies and objectives. Relevant aspects of this policy will be incorporated into County Council induction sessions and training (specific training will be given to key staff);
- iii) implement and maintain procurement practices in accordance with the Policy; contract award criteria will take into account whole life cost;
- iv) work with our schools to integrate sustainability into the curriculum and their day-to-day operation;
- v) provide information and encourage an open dialogue with members, staff and our communities on environmental issues;
- vi) work with and encourage Council partners, contractors and suppliers to set and maintain environmental standards similar to those of the Council;
- vii) ensure that the Council is compliant with all relevant environmental legislation at all times;
- viii) provide information and give advice countywide;
- ix) enforce regulations, where applicable;
- x) establish a protocol and procedures to ensure significant decisions are taken with an understanding of their sustainable development implications

The work of the Council has a major effect on the local environment and impacts on the global environment. It is responsible for delivering many services, is also a major employer, and responsible for schools. It is committed as part of its Sustainability Framework and the Nottingham Declaration on climate change to reducing the



environmental impact of its activities on the environment so that future generations may benefit from Lincolnshire's heritage and environment.

The County Council will carry out its activities in compliance with all relevant environmental regulations. It will seek to prevent pollution.

Lincolnshire County Council continually aims to improve its environmental performance. It will educate, lead and influence others to do likewise.

The Council aims to improve the environmental quality of Lincolnshire by:

- minimising any adverse environmental impacts resulting from its own activities;
- encouraging others in the community to do likewise

The Council will keep its own activities under review, setting objectives, targets and responsibilities and scrutinising performance to ensure the aims of this policy are met.



Ten Principles will be implemented across all the Council's Directorates:

Resource Management

The County Council will:

- i) **reduce Greenhouse gas emissions (principally CO₂) and adapt to combat climate change.** It will seek to minimise energy use in every area of its work including transport, heating and lighting. It will continue to improve energy efficiency in all its buildings and to use and promote renewable energy;
- ii) **minimise water consumption** in all its buildings and on its land. It will seek to implement measures to reduce pollution entering waste water and to recycle water wherever possible;
- iii) **procure products and services which do the least damage to the environment** wherever possible, and promote sustainable construction and design, taking whole life costs into account;

Waste Management

- iv) promote **sound waste management** practices and will minimise its own waste through reducing materials consumed, re-using and recycling materials wherever possible;
- v) **and dispose of waste in a safe and responsible way;**

Minimising pollution

- vi) **minimise and monitor pollution**, accepting the principle that the polluter should pay;
- vii) promote a **sustainable transport system** that integrates land use and all forms of travel to minimise environmental impact and reduces the need to travel;

Natural, historic and built environment

- viii) protect and enhance Lincolnshire's distinctive natural and historic landscape character; encourage wildlife and increase biodiversity and protect, enhance and conserve the historic environment;

Cultural and Heritage Management

- ix) **record, protect, develop and promote our cultural heritage;** promote good practice in the care of historic buildings and structures in the Council's ownership;

Sustainable development

- x) in its own activities, plans and policies, **promote sustainable patterns of development** and work with Lincolnshire and neighbouring communities to **encourage sustainable practices and lifestyles.**

Corporate Environmental Policy

General Statement of Environmental Policy



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Councillor MJ Hill
Leader of the County Council

T McArdle
Chief Executive

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For further information contact the Sustainability Officer, Directorate for Development, City Hall, Lincoln LN1 1DN

Telephone: (01522) 554816 Email: sustainability@lincolnshire.gov.uk

CORPORATE ENVIRONMENTAL POLICY adopted February 2007

Cross cutting theme: equality and diversity

The Equality and Diversity policy for the GL LEP, is encapsulated within the policy of its Accountable Body, namely Lincolnshire County Council. In terms of this document, the following elements highlight the undertakings that the GL LEP will aim to deliver, in respect of the EU SIF document.

Aims

- The GL LEP acknowledge the collective responsibility to address imbalances caused by discrimination and disadvantage.
- The GL LEP SIF will aim to show that projects supported will contribute positively to equal opportunities by ensuring equal access across the area to EU funding opportunities. Projects will aim to break down barriers that are being encountered.
- The GL LEP will aim to be responsive and open and will ensure that people, and the communities where support is being offered are treated fairly, with courtesy and respect.
- The GL LEP will aim to promote equality and diversity in all aspects of EU funding and funded projects.
- The GL LEP will monitor the use of the resources, ensuring those aspects which are identified as requiring additional help to overcome barriers, receive the appropriate support.
- The GL LEP will aim to provide services, support and tuition that are accessible according to need, including offering equality & diversity based training (where possible).
- The GL LEP will aim to meet the needs and aspirations of people and the communities within its area.
- The GL LEP will aim to ensure that people can fully participate in and benefit from the diverse cultural, economic, and environmental quality of life that the area offers.
- The GL LEP will aim to ensure that best practice arising out of the projects that we are supporting, is disseminated as widely as possible.

Commitment

GL LEP are committed to eliminating unlawful discrimination, promoting equality of opportunity and promoting good relations between people from different groups and expect the providers with whom we work to adopt the same ethos. Individuals, project providers, and commissioners will be encouraged to undertake learning, and



will receive support and equality of opportunity, eliminating discrimination regardless of:

- age
- disability
- race, colour, nationality, national or ethnic origin
- gender or gender identity
- marital or civil partnership status
- sexual orientation
- religion, religious or political beliefs
- caring responsibilities for children, family or dependants
- social class, income or housing circumstances
- trade union membership or trade union activity
- any other status identified within the European Convention of Human Rights.

Values and Benefits

The Equality and Diversity policy of the GL LEP Accountable Body demonstrate the value placed on Community Cohesion and Equality.

It is acknowledged that community cohesion and equality are two different concepts - the achievement of one does not always bring about the achievement of the other. It is important to recognise that there are different issues in achieving equality and community cohesion, how they are managed in order to achieve the aims of both.

Key principles and values include:-

- Promoting harmonious relationships between and within all communities.
- The celebration of cultural diversity as part of the quality and richness of life in the GL LEP area
- Knowledge, understanding, social and cross cultural contact between all communities

Benefits of Promoting Equality & Valuing Diversity

There are many benefits of successfully promoting Equality and Valuing Diversity, all of which go to improve the services delivered to the participants/customers in the region by:-

- Creating a better working/training environment
- Improving awareness
- Enhancing motivation and building self confidence
- Developing a positive image in the community
- Meeting legislation
- Helping to build a creative and diverse workforce



- Providing a greater understanding of people's needs
- Assisting in creating a better working environment
- Helping to increase recruitment and retention

Legislation and Codes of Practice

The Equality and Diversity policy held by the GL LEP Accountable Body, relates to the relevant Legislation, and codes of practice including the following:

- **Human Rights Act 1998**

DISABILITY:

- **Disability Discrimination Act 1995**
- **Disability Discrimination Act 2005**
- **Disability Rights Commission Act 1999**
- **Special Educational Needs and Disability Act 2001**

GENDER:

- **Equal Pay Act 1970 (as amended)**
- **Sex Discrimination Act 1975 (as amended)**
- **Equal Pay (Amendment) Regulations 1983**
- **Sex Discrimination and Equal Pay (Amendment) Regulations 2003)**
- **Sex Discrimination Act 1986**
- **Sex Discrimination (Gender Reassignment) Regulations 1999**
- **Sex Discrimination (Indirect Discrimination and Burden of Proof) Regulations 2001**
- **Equal Treatment Directive (amended 2002)**
- **Equal Pay Directive**
- **Pregnant Workers' Directive**
- **Equality Act 2006**
- **The Employment Equality (Sexual Orientation) regulations 2003 (as amended in light of Civil Partnership Act)**

RACE AND RELIGION:

- **Race Relations Act 1976**
- **Race Relations (Amendment) Act 2000**



- Race Relations Act 1976 (Amendment Regulations) 2003 – EC Article 13 – Race directive enhancing RRAA – e.g. by amending definition of indirect discrimination
- Employment Equality (Religion or Belief) Regulations 2003

Codes of Practice

DISABILITY RIGHTS COMMISSION

- Code of practice: the elimination of discrimination in the field of employment against disabled persons or persons who have had a disability
- Code of practice: Employment and occupation (2004)
- Code of practice: Trade organisations and qualifications bodies (2004)
- Code of practice: Rights of access, goods facilities, services and premises (1999)

EQUAL OPPORTUNITIES COMMISSION

- Code of practice on sex discrimination (1985)
- Code of practice on equal pay (2003)
- Code of practice for the elimination of discrimination on the grounds of sex and marriage and promotion of equal opportunities in employment

COMMISSION FOR RACIAL EQUALITY

- Code of practice on the duty to promote race equality (2005)
- Code of practice for the elimination of Racial Discrimination in Education in England and Wales (1989)
- Code of practice in primary health care services (1992)
- Code of practice in maternity services (1994)

Distribution of funding

Investment priorities

Distribution of European Structural and Investment Funds across thematic objectives

Please refer to Technical Spreadsheets (Annex 1) for latest split of GLLEP activity against the Thematic Objectives. We anticipate that we will distribute funding as follows:

- Innovation - £15.000m
- ICT - £3.000m
- SME Competitiveness - £14.646m
- Low Carbon - £10.348m
- Climate Change - £6.5m
- Environmental Protection - £7m
- Sustainable Transport - £12.5m
- Employment - £12.297m
- Skills - £24.5m
- Social Inclusion - £9.199m
- TOTAL - £114.991m

Significant public sector funding is also expected to come from local sources and the Single Local Growth Fund. We also want to discuss with Managing Agents the most effective way of leveraging private match funding contributions to ensure that this is compliant with EU regulations and we are clear about messages we give around this source of funds; this will be from developers as well as business beneficiaries.

The technical spreadsheets have not yet identified specific match funding sources due to the lack of information available at present, but the following table gives an early indication of the sources we are currently pursuing. Based on our current ERDF/ESF allocation of approximately £114.99 million (*NB this has been converted from Euros into pounds and the latest exchange rate calculation will be used once the final SIF is submitted – figures are all approximate at this stage*) we need approximately £76.652 million match funding to give a total programme cost of approximately 192 million over the years 2014-2020.



Match Funding

The table below gives an early indication of potential match funding sources:

Potential Match Funder	£ Million
Public National (Single Growth)	20.00
Public Local	20.00
Private	12.00
Opt-in UKTI	1.00
Opt-in GA	1.00
Opt-in MAS	1.00
Opt-in DWP/SFA	20.00
Opt-in BLF	3.00
Total	78.00m

Investment Priorities are set out in the attached spreadsheets (see Annex 1):

- Analysis of common objectives against GLLEP priorities
- Funding allocations per common objective
- Structural & Investment Funds Technical Annex
including Investment Priorities, Spend by Thematic Objective (TO) by year, match funding and outputs

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

Technical Appendices