

## Paper 0 LEP Board Agenda and Papers

**Date and Time:** -Thursday, 28<sup>th</sup> January 2016 – 10.00am to 12.45pm

**Venue:-** Epic Centre, Lincolnshire Showground

<b>Time</b>	<b>Item and brief description</b>	<b>Lead</b>	<b>Access/Circulation</b>
<b>10.00 10 mins</b>	<b>Item 1 - Welcome and Introductions</b> <ul style="list-style-type: none"> <li>• Apologies for Absence and Declarations Of Interest</li> <li>• Minutes of 04/11/15 (Director and Board)</li> <li>• Directors business</li> </ul>	Chair , Ursula Lidbetter	All Members - Paper 1 All Members -Paper 1.1
<b>10.10 10 mins</b>	<b>Item 2 -Management Report</b>	Ruth Carver, LEP	All Members -Paper 2
<b>10.20 10 mins</b>	<b>Item 3 – LEP Finance Report -For Information</b>	Andy Orrey	All Members-Paper 3
<b>10.30 30 mins</b>	<b>Item 4 – Devolution – For discussion</b>	Richard Wills	All Members–Paper 4
<b>11.00 20 mins</b>	<b>Item 5 - Approval of SEP - For Approval</b>	Jon Burgess	All Members – Paper 5 and 5.1
<b>11.20 20 mins</b>	<b>Item 6 - Partnership Working</b>	All	All members – Paper 6
<b>11.40 20 mins</b>	<b>Item 7 -Greater Lincolnshire Place Marketing Campaign - For Approval</b>	Chris Baron and Lydia Rusling	All Members - Paper 7
<b>12.00 5 mins</b>	<b>Item 8 - Greater Lincolnshire Rail Strategy – For Approval</b>	Cllr Oxby & Angela Blake	All Members – Paper 8 and 8.1
<b>12.05 15 mins</b>	<b>Item 9 – Greater Lincolnshire Water Management Plan – For Approval</b>	Richard Wills	All Members – Paper 9
<b>12.20 5 mins</b>	<b>Item 10 - Area Reviews – For information</b>	Herman Kok	All members – Paper 10
<b>12.25 5 mins</b>	<b>Item 11 - Science &amp; Innovation Audits – For Information</b>	Ruth Carver	All members - Paper 11
<b>12.35 5 mins</b>	<b>Item 12 - Midlands Engine – For information</b>	Ursula Lidbetter	Verbal
<b>12.40</b>	<b>AOB and AGM</b>	Ursula Lidbetter	

**Attendees: Board:** Ursula Lidbetter (Chair), David Dexter (Deputy Chair), Andy Orrey, Chris Baron, Cllr Ray Oxby, Cllr Bob Adams, Cllr Lady Liz Redfern, Cllr Colin Davie, Pat Doody, Tony Hill, Herman Kok, Richard Wills  
**Observers:** Sarah Hendry (DEFRA), Pete Holmes (Cities & Local Growth Unit)  
**Officers:** Ruth Carver, John Burgess  
**Apologies Received:** Prof Mary Stuart, Mark Tinsley, Steve Middlebrough,

**Date of Next Meeting :** 24<sup>th</sup> March 2016 – venue to be confirmed

**Additional Papers Pack**

AP1 – Investment Minutes from 4 November 2015  
AP2 – Growth Hub Minutes from 16 December 2015  
AP3 – ESIF Minutes from 14 December 2015 (draft)  
AP4 – Verification of Cash Balances March 2015  
AP5 – Comms Report October – December 2015

<p><b><u>LEP Directors present :</u></b> Ursula Lidbetter (UL) Chair), Mark Tinsley (MT), Cllr Colin Davie (CllrD), Cllr Rob Waltham (CllrW), Cllr Dave Watson (CllrWa), Cllr Bob Adams (CllrA), Herman Kok (HK), David Dexter (DD), Andy Orrey (AO), Pat Doody (PD), Chris Baron (CB), Chris Duffill (CD)</p> <p><b><u>Apologies from Directors:</u></b> Cllr Liz Redfern, Prof Mary Stuart, Richard Wills, Dr Tony Hill</p> <p><b><u>Observers:</u></b> Pete Holmes (PH), BIS, Sarah Henry (Defra)</p> <p><b><u>LEP:</u></b> Ruth Carver (RC), Jon Burgess (JBU) and Sue Groves (SG) Note Taker</p> <p><b><u>In Attendance for specific items:</u></b> Lydia Rusling (LCC), Clare Hughes (LEP)</p>	<p><b>Actions</b></p>
<p><b><u>Welcome by the Chair – Ursula Lidbetter</u></b></p> <p>The Chair welcomed everyone. The minutes of the meeting on 10<sup>th</sup> September were agreed as drafted, subject to amendments. Both these and the agenda are to be published on the LEP website – all present agreed they were happy for these to be published. The Chair declared an interest in Lincoln Transport Hub and Tentercroft Street East West Link growth deal schemes.</p> <p><b><u>Matters Arising</u></b></p> <ul style="list-style-type: none"> <li>• The Innovation Council is being moved forward by MS and progressing with nominations. It is hoped that the first meeting will be held mid December and report to the January Board meeting.</li> </ul>	
<p><b><u>Formal Directors Business</u></b></p> <ul style="list-style-type: none"> <li>• The directors' minutes were agreed and signed from the meeting on 10<sup>th</sup> September 2015.</li> <li>• An open recruitment process has been carried out to find a replacement for Neil Corner and 3 responses were received. It was recommended by the Appointment Committee and the LEP Board that Steve Middlebrough from Siemens in Lincoln be appointed.</li> <li>• An open recruitment process is to be held to find an Agrifood business leader as a replacement for Ian Munnery.</li> <li>• Core spending and SEP Funding 2015/2016 – A financial report will be brought to the January Board. The Board was informed that core spending is on track. This will be discussed at the next Finance and Audit Committee which is to be held on 13 January 2016.</li> <li>• The first AGM for the Company will be held on 28<sup>th</sup> January at the EPIC Centre, after the LEP Board.</li> <li>• SEP Refresh to be discussed at the Strategy meeting later today. Final draft to be circulated by the end of the year.</li> </ul>	

<p><u>Operational Report</u></p> <ul style="list-style-type: none"> <li>Midlands Connect and Midlands Engine - In the summer, the Government announced a £5m commitment of additional funding for Midlands Connect to help the Midlands develop its vision and strategy launched on 22<sup>nd</sup> October.</li> <li>All LEPs are collaborating to produce a prospectus and the launch of this will be held at Aston University, Birmingham on 4 December. RC to circulate the invitation to Board members.</li> </ul> <p><u>Growth Deal</u></p> <ul style="list-style-type: none"> <li>Growth Deal is on track.</li> <li>Annual Review has been arranged to take place on 30 November with BIS. PH stated that he would give feedback to DCLG about spending for 2016/2017 and will look at key elements.</li> </ul> <p><u>Devolution</u></p> <ul style="list-style-type: none"> <li>A challenge session, attended by public and private sector, was held with DCLG Minister Marcus Jones on 28 October. PH stated that feedback had not yet been received, but the feeling was positive.</li> <li>The Deal document by Greater Lincolnshire is to be circulated to Government departments and the ambition is to move quickly.</li> <li>Conversations are continuing with DCLG. There is a concern regarding the timetable and questions are being asked regarding Governance for areas without a mayor</li> <li>CllrWa attended the bid session, which was well received, and would continue to push for devolution.</li> <li>UL believes that Greater Lincolnshire is in a good position with having 5 years' experience of working together. The bid is politically driven with LEP advice.</li> <li>CllrD believes that there is unity around the proposal, but believes the Treasury is driving this, but should be driven by the private sector as it is this sector that creates growth, jobs, housing etc.</li> <li>AG informed the group that a paper regarding Governance will be circulated to all Councils between 10 November and 18 December.</li> <li>DD agreed that the private sector should be predominant.</li> <li>Latest version of the Devolution document to be circulated.</li> </ul>	LEP
<p><u>Report from the Scunthorpe Tata Steel Task Force – For Info</u></p> <ul style="list-style-type: none"> <li>CllrW gave an update stating that Lady Redfern is heading the task force.</li> <li>Meetings have been held with Ministers to discuss: <ul style="list-style-type: none"> <li>How to make the site sustainable for the future</li> <li>Working with BIS following receipt of £9m from the Government for training etc.</li> <li>Expectations need to be matched up to ensure that the rest of the business is stabilised.</li> <li>RC thanked for all her help at the meetings.</li> </ul> </li> </ul>	
<p><u>Infrastructure Priorities - To agree transport and rail schemes</u></p> <p>Andy Gutherson led this item – the LEP Transport Strategy is a document that shows how transport can support economic growth across GL. The Transport Strategy and the key corridors were agreed and could be published. AG stated that improvements to Sutton Bridge (swing bridge) should also be included on the list.</p> <p>However the schemes need to be refined through prioritisation and identification of cost benefits and concentration on the key corridors. Expression of interest/Business cases should be sought and RC asked that all Local Authorities concentrate on what is deliverable before the end of the parliament and what the economic benefits are, ie, growth, jobs etc.</p>	LEP to contact LA through HIG

<p><b><u>Developing the Visitor Economy and a place marketing agenda – Chris Baron and Lydia Rusling led this item</u></b></p> <ul style="list-style-type: none"> <li>• Tourism is the 4<sup>th</sup> largest industry across GL. 9% of the workforce in Greater Lincolnshire is in the tourism industry. 25% of East Lindsey the workforce is employed in this industry.</li> <li>• The visitor economy is over £1.9bn a year to the Greater Lincoln visitor economy, supporting more than 39,000 jobs. This shows that the visitor economy is a key part of growth. This demonstrates both the value and future potential of the visitor economy to Greater Lincolnshire and the GLLEP has established an aspiration to substantially grow this figure by capitalising on our heritage and environment assets.</li> <li>• The LEP's target is to double the value of the Visitor Economy.</li> <li>• Suggested Actions</li> <li>• A more cohesive website to cover the whole of Greater Lincolnshire would be more conducive to attracting visitors. Currently there is more than one website which could be confusing. It would be easier for visitors to simplify and co-ordinate Greater Lincolnshire's online presence and to market the area as a whole, but not just for tourism, but for living, working, investment. LR to carry out research and assess what other resources are available, ie, Visitor Economy. Funds to be discussed at the Place Marketing meeting and will make recommendations to the Board. Agreed that all three local authorities work together on the Visit Lincolnshire website.</li> <li>• Concerns raised regarding the restrictions to growth: <ul style="list-style-type: none"> <li>- infrastructure (including transport)</li> <li>- the national living wage (particularly) in coastal areas which could have an impact on the number of jobs.</li> <li>- school holidays (need to extend season) flood risk, caravan licences and housing.</li> </ul> </li> <li>• Suggested that creating visitor attractions, VAT being halved for accommodation, as in other countries would help people spend their holidays in this country.</li> </ul> <p>The LEP agreed that place marketing was an issue that need further investigation and LEP support through a Task and Finish Group.</p> <p>The LEP Board agreed that all three local authorities should work together on a Visit Lincolnshire website.</p> <p>A place marketing business plan be developed and brought to the next meeting that clarifies and prioritises the objectives for place marketing, capture and understand the amount of resource and budget currently going into place marketing.</p>	<p>LR</p> <p>LR</p> <p>LR</p>
<p><b><u>The Value of Nature Tourism</u></b></p> <ul style="list-style-type: none"> <li>• Fran Smith from the Greater Lincolnshire Nature Partnership gave an overview of what the Greater Lincolnshire Nature Partnership is, deals with the natural environment, is funded by Defra and has 48 partner organisations.</li> <li>• GLNP has commissioned independent research into the economic value of nature tourism in Greater Lincolnshire.</li> <li>• Nature tourism makes a significant contribution to our economy, which has not been fully recognised, and visitor numbers are not included in the tourism statistics. The value of Nature Tourism from the report is £58m for Greater Lincolnshire, whereas before the report, it was £0.</li> <li>• FS stated that the GLNP would like to thank the GLLEP for their contribution towards the cost of the research and a final version of the report and next steps would be circulated to LEP Board members once complete.</li> </ul>	

<p><b><u>Reviewing the Post 16 Education Training</u></b></p> <ul style="list-style-type: none"> <li>• It was explained that in order to raise productivity and economic growth, Government believes that substantial changes are required within the Further Education sector, therefore, Area Reviews will be carried out on Further Education Colleges and 6<sup>th</sup> Form Colleges in order to rationalise them. In the Greater Lincolnshire LEP area, there are 7 FE colleges (including Riseholme that is run by Bishop Burton, based in Hull) and 2 6<sup>th</sup> Form colleges. Concerns raised that School 6<sup>th</sup> Forms are not included. PH stated that the Government do not want to widen the scope of the reviews and that the Government want to change how FE is funded to make it more efficient. Currently, financial instability has triggered Area Reviews in other areas, but not in Greater Lincolnshire as yet.</li> <li>• The role of the LEP would be to sit on a steering group, which would also include a range of stakeholders, chairs of governors of each institution, the FE and 6<sup>th</sup> Form College, Commissioners, Regional Schools Commissioners and Local Authorities. The steering group will oversee and steer the review's work, including analysis and consideration of options. However, it will be for the governing bodies of each individual institution to decide whether to accept the recommendations.</li> <li>• The steering group will also be asked to consider the establishment of Institutes of Technology to provide specialist higher level professional and technical education.</li> <li>• It was agreed that skills required by businesses should be gained (evidence needs to be gained). UL believes that this data must be kept, ie, information kept by the Skills Board.</li> <li>• It was agreed that a Position Statement should be produced by the LEP stating what it is hoped to achieve, outlining the challenges, and how we would like to see the geography, our preference for a wider review of provision, what key things we would look for in the evidence base and what issues make Greater Lincolnshire different.</li> </ul>	CH
<p><b><u>Peer Review Update</u></b></p> <ul style="list-style-type: none"> <li>• AG gave an update on the peer review, and talked about the synergy with the devolution process, however, there is strong communication between the two areas. On track.</li> <li>• The Chief Executives of Greater Lincolnshire have taken ownership of the growth agenda, leading and directing as previously outlined.</li> <li>• Technical support is provided for all themes.</li> </ul>	
<p><b><u>Any Other Business</u></b></p> <p>The Board asked for a paper on future finances of Local Authorities as a result of the business rates announcement.</p>	March 16
<p><b><u>The meeting was closed at 12.30</u></b></p>	

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Chairperson

.....  
Date

**Welcome and Attendance**

*Ursula Lidbetter is appointed chairperson of the meeting and chaired the meeting throughout. The chairperson should report that due notice of the meeting has been given and that a quorum is present. Accordingly, the chairperson declares the meeting open.*

Record attendees/ apologies/ declarations of interest.

**Minutes of previous Board**

Review, agree and Chair's signature required on Director's minutes.

**Recruitment & Resignations**

Steve Middlebrough was incorporated a GLLEP Director with Companies House on 8<sup>th</sup> December 2015 taking the lead on Manufacturing.

We have a vacancy and have run a recruitment process to replace Ian Munnery. We have sought applications for agri-food business leaders. The Appointments Committee will consider the three applications and make a recommendation to the Board electronically.

**Company Finances Quarter 3 update**

**Quarter 3 report**

The LEP's Finance and Audit Committee meets on Tuesday 19<sup>th</sup> January 2016, and the Chair Andy Orrey will give a verbal report to the directors. A report from the Accountable Body on progress against financial targets is included within the main board pack.

**Audit**

2014-2015 – Streets Ltd Accountants, appointed by the Directors, have finalised and signed off a cash balance audit on the 2014-15 finances in early January with a formal letter from the auditor anticipated prior to the LEP Board on 28<sup>th</sup> January. A copy of the audit letters from Streets is included in the additional papers pack.

2015-2016 – the scope of the 2015-16 audit is to be proposed and discussed at the Finance and Audit Committee meeting on 19<sup>th</sup> January and will be shared with directors. The Audit Committee are recommending that Streets be re-engaged to undertake the May 2016 at a cost of £2,000.

**Year End Arrangements**

- Scope of Audit (2015-16) – to be agreed at F&A Committee meeting : January 2016
- Q3 Finances (2015-16) – to be signed off at F&A Committee meeting : January 2016
- Q3 Finances to be shared with GLLEP Board presented by Andy Orrey : 28<sup>th</sup> January 2016
- GLLEP recorded finances aligned with Agresso – GLLEP officers and Accountable Body to produce final year end cash balances: March 2016
- FYE cash balances signed off by F&A Committee : April 2016
- FYE cash balances signed off by Accountable Body Finance Director – April 2016
- FYE cash balances to be shared with GLLEP Board presented by Andy Orrey : 27<sup>th</sup> May 2016
- External Audit to be actioned and completed: May 2016

2015-16 AGM (aligned with Accountable Body FYE) : June 2016

### **AGM**

The GLLEP Company Ltd was incorporated on 17<sup>th</sup> September 2014 with the first AGM required to take place within the first 18 months. The AGM for 2014-15 is planned to take place on 28<sup>th</sup> January following the GLLEP Director's Board meeting. Company Members are invited and the meeting is intended to be kept short and to cover:-

1. To receive the Accounts of the Company for the accounting period from 19 September 2014 to 31 March 2015 together with the Reports thereon of the Directors and the Accountants of the Company; and
2. To re-appoint the Accountants of the Company.

The intention is to give an overview of the company incorporation and declaration of the dormant accounts within context to be delivered by Ruth Carver. Ursula will also give a short overview and achievements of the GLLEP based on the Business Live presentation. Both Streets accountants and Wilkins Chapman (legal services), will be present to answer any questions. There are no constitutional issues to deal with.

### **Other**

Director's liability insurance was due for renewal on 27<sup>th</sup> November 2015. This was renewed with Thompson & Richardson (underwriters: Chubb) keeping the premium at the previous years' level with an annual cost of £1,368.75. This covers:-

#### **COMPANY INSURANCE**

Executive Liability (Directors & Officers)	£1,000,000
Organisational Liability (Entity Defence)	£ 250,000

The main objective of Entity Defence cover is to respond to Corporate Manslaughter.

### **Recommendation**

- 1 The board is invited to note the contents of this report.
- 2 The Directors are to consider recommending to the AGM, that the company reappoints Streets as Auditors, and specifically that Streets undertake the audit for 2015-16.



### **Summary of Items**

This report provides an update of key LEP activity since the November Board meeting. All items are for information.

### **Operational activity post previous GLLEP Co Ltd Board meeting**

ESIF Committee and EU calls posted, ESB (Employment & Skills Board), Investment Board; AGM and financial year end matters progressed, Growth Deal project development, Devolution bid submitted and governance negotiations, Growth Hub workshops, Midlands Engine progressed, SEP (Strategic Economic Plan) refresh completed, LEP officer recruitment; website rebuild developed.

Events attended include; Skills Show; LEP Executives; Bishop Burton opening;

Meetings taken place include; Growth Deal Annual Review; DEFRA; DCLG (WLDC); Skills Officers Group; Leaders and Chief Executives; Devolution; TATA Taskforce; Midlands Engine skills workshop; Water management board; EU Opt ins; Economic Scrutiny; DIGG.

## **Strategic Items**

**Strategic Economic Plan Review:** Work is now complete on the SEP Refresh, with all local authority areas contributing. Efforts have focussed on looking at growth location, how the LEP programmes are contributing to the delivery of the SEP and updating as a result of policy changes. It is likely that once the devolution asks are agreed, that a further revision will be needed. The LEP Directors are asked to approved the refreshed SEP at this meeting.

**Transport Strategy –** Work continues in implementing the LEP's Transport Strategy after sign off at the last board. Joint work between LCC/WLDC/NLC is to be commissioned on the economic impact of upgrading the A15 which will be ready in June, and similar with the A17 with LCC and Norfolk County Council.

### **Midlands Connect**

The Governance Structure for Midlands Connect (MC) has been agreed. Sir John Peace has been as the Independent Chair for the MC, and will chair the Midlands Connect Strategic Board. Richard Wills will also join this Board, and represent the East Midlands LEP Chairs along with Dr Anne Limb, chair of SEMLEP. Northamptonshire LEP will sit on the Programme Steering Group.

### **Midlands Engine**

We welcomed the launch of the Midlands Engine prospectus on 4<sup>th</sup> December 2015, which aims to boost productivity, attract inward investment, increase connectivity and build a regional tourism offer.

GLLEP are one of 11 LEPs which have pooled their ambitions in the Midlands Engine prospectus, which was launched at Birmingham University. The new prospectus, supported by Business Secretary

Sajid Javid MP, focuses on five key themes – skills, innovation, transport, promoting the Midlands Engine and finance for business – and is part of the Government's wider plans to support jobs and growth. A separate paper on the Midlands Engine has been produced

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/482247/midlands-engine-for-growth.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482247/midlands-engine-for-growth.pdf)

#### **MIPIM exhibition**

The LEP has commissioned LCC Investment Team to plan and attend MIPIM. Currently the team is working on targeting investors, working with partners, producing a new investment video and planning the events. A significant amount of sponsorship from local partners has achieved, Sponsors include: Pygott and Crone, Delta Simons, Gleeds, Simons, Morgan Tucker, Jackson and Jackson, Lindum, Willmott Dixon, William Saunders, Building Design Services, BSP, LK2, CPMG, CPW, Stirlin, Globe, Core Architects, Taylor Lindsey, and Bond Bryan.

#### **CSR**

A separate note was sent to Board members on the outcome of the CSR, headlines being apprenticeship levy, closing of MAS and Growth Accelerator,

#### **GVA Update**

At the close of 2015, the ONS published their latest Gross Value Added output figures, with a revision to the 2013 figure and a provisional 2014 figure. This data is now available to us at LEP level.

Some relevant headlines from the data:

- Provisional GVA for GL of £20.1bn in 2014 – year on year growth of 3.2%
  - Nationally, GVA grew by 4.6% year on year
  - Growth in the Midlands (East and West) was 3.5%
- GVA per head is £18,500 for Lincolnshire and £20,000 in North and North East Lincs, which is 74% and 80% of UK average respectively (no LEP level data for this yet)
- In 2013 we had projected the value of GL's economy to reach £19bn by 2025 – so growth has been much quicker than projected both in GL and nationally (though this also has something to do with revisions of the baseline data).
- Key Sectors
  - Manufacturing is worth £3.9bn
  - Public admin, education and health £2.2bn
  - Distribution, transport, accommodation and food service is worth £4bn (this is not broken out in the provisional tables at present).

Further detail to follow in due course.

#### **QES**

Results from the latest (Q4 2015) QES were released on 5<sup>th</sup> January 2016. The results showed a high level of optimism from Greater Lincolnshire businesses with a significant upturn in investment. Around a quarter of businesses anticipate increasing their workforce in the next quarter, while 34 per cent have upwardly revised their investment in equipment and machinery.

There is steady performance in the service sector whilst the manufacturing sector still struggles but has seen a slight upturn in comparison to Q3. The steady performance in the service sector is being driven by strong domestic demand, with weak export performance continuing to be a challenge, particularly to manufacturers. This is likely to be driven by slow economic growth in Europe, particularly with weak exchange rates affecting foreign markets appetite for import.

The latest Economic Briefing is available from the LRO; <http://www.research-lincs.org.uk/UI/Documents/Lincolnshire-Economic-Briefing-January-2016.pdf>

### **Communications**

This has been a busy two months. Key activity includes:-

- Growth Deal anniversary
- Growth Hub launch
- Business Live coverage
- LEP Comms leads workshop London
- BBC devolution interviews
- MIPIM Insider Magazine article
- Quarterly newsletter
- Grimsby Telegraph article
- 9 news releases
- Website updates and input into rebuild

## **FUNDING ITEMS**

### **ESIF – European Programme**

Our Greater Lincolnshire ESIF Sub-Committee chaired by Pat Doody, have opened up calls under the European Regional Development Fund (ERDF) to support activity under Research & Innovation; ICT; SME Competitiveness; Low Carbon; Climate Change adaptation, risk prevention & management and Protecting the Environment & resource efficiency. The calls have been promoted through the GLLEP website, Business Lincolnshire Growth Hub, ESIF Sub-Committee members and sector specialists to get the message out to potential applicants. The closing date is the end of January.

Projects from the first round of calls are now progressing from outline application to full application and we are hoping that the first contracts will be awarded early in the New Year.

Under the European Social Fund the Department for Work and Pensions (DWP) and Skills Funding Agency (SFA) are continuing with negotiations at a national level on identifying tender calls. The Big Lottery Fund have supported 3 out of 4 applications to stage 2 level which includes supporting people back into employment, skills for life and finance/debt management.

The tourism call under the European Agricultural Fund for Rural Development (EAFRD) has now closed and the ESIF Committee will be looking at outline applications in the New Year. The Rural Payments Agency are still to agree when we can open up further calls for activity.

### **One Public Estate**

Councils across Greater Lincolnshire were successful in applying for government funds of £340,000 to join together to use their assets more effectively to deliver ambitious programmes of service transformation and local economic growth. The capacity funding is from the Cabinet Office to get their projects off the ground. A volunteer LEP Board Member is sought.

### **Coastal Revival Fund**

The Coastal Revival Fund is separate to the Coastal Communities Fund (CCF) as it is funds coastal heritage projects. Seventy-seven projects received £3 million coastal revival funding which covers total

project costs. Ranging from theatres to piers and lidos to lighthouses, the projects will each receive grants of up to £50,000 to kick-start restoration work. There were 222 bids totalling £9m with funding 3 times oversubscribed - there were 77 successful applications receiving up to £50k. In Greater Lincolnshire this included:

Tower Gardens Pavilion, Skegness will receive £50,000. The project will fund survey work and a feasibility study to restore the Pavilion building in the Tower Gardens Skegness. This will provide a platform for further funding applications to fully restore the building to provide a museum, tea rooms and gallery/exhibition and community space

Cleethorpes Cycle Hub also receives £50,000. The project will transform a vacant Listed building, located within the Cleethorpes Central Seafront Conservation Area and once used as the Railway Ticket Office into a Cycle Hub. The project will improve access to cycling in the resort and creates the opportunity to enjoy the 4 mile coastline on two wheels.

Blenkin Hall Revival Project, Boston gets £25,000 which will consider options for the future of a Grade 2 listed building in the context of the church and the town of Boston

## PROJECT ITEMS

### Overview of LEP programmes:

**Single Local Growth Fund (overall growth deal programme for GL x this year £18.6 million):** The Growth Deal projects remain on track. 5 schemes are contracted and underway, with the remaining project at Heads of Terms stage. There are currently no red rated projects and are track to meet the year end targets. **Progress and decisions on the SLGF is discussed at the LEP's Investment Board**

**Growing Places Fund (circa £9.6 million):** North Walsham project is progressing well, with spine road under construction and over 40 houses built. Several new enquiries to the scheme now underway **Progress and decisions on the GPF is discussed at the LEP's Investment Board**

**Growth Hub (£0.3 million) -** The new team of three growth and skills advisers have enjoyed a flying start, engaging with more than 450 Lincolnshire businesses in its first seven months (more info below). **Progress on the Growth Hub is discussed at the LEP's Growth Hub Board**

Food Enterprise Zones -

### **Single Local Growth Fund**

All Single Local Growth Fund projects remain on track. 5 schemes are contracted and underway, with the remaining project at Heads of Terms stage. There are currently no red rated projects and are track to meet the year end targets

Claims against expenditure for 2015/16 Growth Deal awarded schemes are coming through, and it is anticipated that we will meet our target by March 2016. Some balancing of the Grantham Southern Relief Road scheme LTB funding will be required by the accountable body in future years due to delays resulting from the Judicial Review, however this approach has been formally agreed with Government as part of the Greater Lincolnshire LEP Annual Review.

Following the recent Spending Review Government has written to Lincolnshire County Council's Section 151 Officer to confirm Greater Lincolnshire LEPs indicative Growth Deal funding profile between 2016-17 and 2020-21. This means we can begin the due diligence, approval and contracting for schemes that had forecasted to start in 2016/17.

**Government Annual Conversation** – The Chair and the LEP Director met the BIS Regional Director to undertake a government review process into LEP's. The review covered Growth Deal Programme Delivery; Accountable Decision Making and Stakeholder Management; Delivery Systems; Growing Places Fund; Growth Hub; Freedoms and Flexibilities; Devolution and LEP overlaps.

An overview was provided of Growth Deal Programme delivery progress and key milestones for the 17 Growth Deal projects with existing allocations. The GLLEP's two priority freedoms and flexibilities, water management/flooding and skills were also discussed. In relation to accountable decision making and stakeholder management, Greater Lincolnshire LEP was noted as having strong working relationships and government colleagues supported our approach to handling conflicts of interest and scrutiny. Positive feedback was given in relation to risk management and delivery of other programmes.

It was felt that good progress had been made by the Greater Lincolnshire partnership in submitting and presenting a devolution prospectus to the Minister in September. The importance of the LEP role in ensuring that the business community remained engaged was reiterated.

A copy of the formal written report of the 'conversation' will be received shortly and circulated to Board Directors once all LEPs have been through the process. The purpose of these reviews is to influence future funding to individual LEPs on a case by case basis; hence it is of utmost importance that we continue to perform well and provide government with confidence that funding programmes and delegated responsibilities will be delivered to expectations.

#### **Growing Places Fund /Invest and Grow Fund**

The Invest and Grow Loan fund has made 3 loans (bomber command, Golf Road Mablethorpe and Boston Quadrant) and is establishing a feasibility pot and business fund. On loans we have invested £7,515,921 of the £9,485,301 fund, and have a number of enquiries. The loans will help to deliver 334 new jobs and 381 new homes.

The November Investment Board agreed to set up a new £3million grant pot with some of the recycled balance under the Invest & Grow Fund, with the remainder to be kept as a loan fund in. £300,000 had previously been allocated as a specific loan pot for feasibility work on development schemes, which will be converted to a grant fund to support local investment. A more detailed report will be taken back to Investment Board in January for formal approval of both aspects.

#### **Business Lincolnshire Growth Hub**

Our Business Lincolnshire Growth Hub continues to make very positive progress. The three Business Growth Advisers have been busy delivering an active programme of masterclasses delivered in partnership with the University of Lincoln Leadership and Management Centre. These masterclasses have been very successful and will continue to run in 2016.

**Key Growth Hub performance metrics:**

<b>Figures to December 2015</b>	<b>Number</b>
Intermediaries interacted with	54
Businesslincolnshire.com unique users	47,490
Call centre referrals	30
Start-up enquiries	22
Masterclass event attendees	71
Sponsored event attendees	733

Next steps on business support: The £4.4m Growth Hub ESIF application which will fund future Growth Hub support activity is in its final appraisal process. Partners to that application include Lincolnshire County Council, University of Lincoln, Bishop Grosseteste University, North Lincolnshire Council and E- Factor covering North East Lincolnshire. The application is for a 3 year programme of support including Business Growth Advisers, provision of intensive 1-1 support for resource efficiency and supply chain development and investment readiness, a start-up offer for enterprising graduates, a comprehensive event, workshop and masterclass programme, and a small business growth grant, growing graduate enterprise, awareness raising programmes.

Further funding for Growth Hubs was announced in November, we await confirmation of the process. A decision is by the end January / early February 2016.

**Food Enterprise Zones Update**

The teams are working towards the production of a Local Development Order (LDO) by summer 2016/2017 for each of the three approved zones. In addition to simplified planning, each Food Enterprise Zone is working with their sponsoring Council and the GLLEP to develop a package of business support, grant aid and other financial incentives to support the growth of food chain companies. Companies locating in the Food Enterprise Zones will also benefit from being part of a food sector cluster which will strengthen their commercial linkages.

**1. Europarc 4, Grimsby**

- A 70ha site with a focus on supporting growth of the existing fish & value added food proceeding cluster on the south bank of the Humber
- This FEZ will also form part of the wider regeneration zone at the South Humber Industrial Investment Programme (SHIIP) and this will facilitate access to logistics clusters, ports and infrastructure to support the growth of food sector companies
- This FEZ builds on the existing food processing cluster in North East Lincolnshire and is specifically adjacent to Europarc 3 which already has a substantial food business cluster
- Europarc 3 also hosts the Humber Seafood Institute and as links to the Grimsby Institute of Further and Higher Education to meet company's training needs



- The existing fish processing cluster on the Humber already processes 70% of all the fish processed in the UK as well as hosting many other food chain companies in a cluster containing over 100 food companies

## 2. Central Lincolnshire, Riseholme and Hemswell Cliff

- Incorporating 30ha of industrial land at Hemswell Cliff (former MoD base) and part of the Lincolnshire Showground at Riseholme to support growth of the arable & food sector
- This FEZ will accommodate both small and larger companies at sites which already have large agri-food companies (e.g. Woldgrain central store at Hemswell) and substantial interaction with the industry (e.g. Lincolnshire Agricultural Society at Riseholme)
- Start up and early stage companies will be specifically supported by linking to the new Bishop Burton College campus at Riseholme which will also provide access to training for staff
- Central Lincolnshire is a major producer of cereals, arable crops and poultry meat with nearly 1/5<sup>th</sup> of UK poultry produced in the LEP area. It is also home to some of the largest arable companies such as Frontier Agriculture and major fresh produce companies such as Branston potatoes

## 3. Holbeach

- A 15-20ha development zone next to the growing town of Holbeach and will benefit from new dedicated road improvements linking the site to the A17 and A16 road network
- The site is at the heart of the South Lincolnshire food and fresh produce cluster which also has strong links to the adjacent sub regional food cluster in West Norfolk and the Cambridgeshire Fens, allowing the FEZ to service a wide geographic area
- The site is also within ½ mile of the National Centre for Food Manufacturing (NCFM) run by the University of Lincoln which focuses on the growth of the high value food chain. NCFM will provide support to companies on the FEZ
- This FEZ will accommodate both food companies as well as strong technology cluster which will service the food chain in the wider sub region
- South Lincolnshire is the centre of the UK's Fresh Produce sector with the sub region producing a third of the UK's fresh produce and the adjacent town, Spalding, dispatching over 1,000 truckloads of food per day to the UK and international markets

GL LEP has big ambitions for the agri-food sector and has set out a vision for its food sector in the Greater Lincolnshire Agri-food Sector Plan (2014). The sector plan specifically focuses on growing the whole food chain from field to fork, including the growth of ancillary and technical companies which support food and farming companies.

The plan also promotes the growth of its existing clusters, which the Food Enterprise Zones will facilitate through simplifying the planning system and by aligning other investment incentives.

### **Financial Instrument - Summary of Current Position**

GLLEP ESIF Committee has notionally allocated £5m of ERDF funding to support an East and South-East Midland cross-LEP fund to provide a mix of loan, early-stage and growth capital to SMEs. Midlands Engine. An investment strategy has been created by Blue Sky Corporate Finance Ltd. It provides an overview of local conditions, defines the most suitable financial instruments and how they might operate in a single fund structure.

Consultants with partners and business intermediaries have demonstrated a clear need for intervention in a number of areas outlined in next steps required to progress and an Options Analysis has been devised.

The GLLEP ESIF Committee and LEP Board has agreed that GLLEP should be a partner in a fund of funds in which its ESIF allocation may be pooled and matched 1:1 by funding from the European Investment Bank (EIB). The Options Analysis identifies options of collaborating with LEP groups in either the West Midlands or Yorkshire which would provide the greatest economies of scale and qualify against EIB's minimum engagement limit. The East and South East Midland LEPs would still be free to decide and control the investment strategy of its part of the fund. The preferred option at this stage is thought to be offered by the West Midlands as they are at a similar stage insofar that they do not have an existing fund of funds, are already 'virtual-participants' with the East Midlands in a legacy fund that is likely to provide an important financial stake (ATBF).

**Next Steps** - Following the decision at the ESIF committee, GLLEP alongside the other East Midlands LEPs has endorsed and submitted the investment strategy to EIB, whereupon it will complete Block 2 of the Assessment which effectively will form the basis of a detailed implementation/operating plan which will then be evaluated by the EIB. Work on the governance structure is currently being undertaken.

A small task group consisting of the following GL LEP Board members; Herman Kok and Pat Doody has been set up to drive this forwards.

#### **Boston Skills Project**

Earlier this year Boston College successfully bid to take part in a Two Way Street Exchange project. They were one of only nine projects, funded by the Education and Training Foundation, UCL Institute of Education and the Association of Employment and Learning Providers.

The Two Way Street projects bring together organisational leaders. The Principal of Boston College, Amanda Mosek, and the HR manager of TH Clements, Rachel Gedney, came together to develop bespoke management training.

The project has been very successful, and a newly developed training course, employer funded, starting in January 2016, will provide flexible business training, at the time of year and at intervals that are most suitable to the employer. The Institute of Education is making a film of 5 of the two-way street project, including the Boston project. The short 5 minute films will be used as examples of best practice, at conferences and to show to other Colleges.

<http://twowaystreet.org.uk/>

#### **Recommendation**

The board is invited to note the contents of this report.



## Overview

This report summarises the financial position of the Greater Lincolnshire LEP for the period to December 2015 of financial year 2015-16.

## Core Funding and SEP Funding 2015-16

As the Board is aware the funds are used for the operational costs of the GLLEP. We received our allocation of £500,000 cash at the beginning of the financial year and we have been providing quarterly spend reports to inform you how spend is progressing on the various activities outlined in the original business plan. We are required to match this with a further £250,000 which can come from cash spend or in kind funding.

The table below provides an overview of the spend against the business plan headings and incorporates cumulative spend to December 2015.

CORE FUNDING	BUDGET (£)	Expenditure To (31/12/15)	Remaining Budget for Quarter 4	Forecast
<b>Area 1</b> LEP Executive (staffing) *	245,531	144,397	101,134	235,713
<b>Area 2</b> Company requirements (insurance/ legal)	7,000	15,179	-8,179	23,716
<b>Area 3</b> Operation of the LEP: Comms, Events & Lobbying Activity	42,467	48,536	-6,069	92,967
<b>Area 4</b> Sector or Issues Expenditure Budget	182,002	75,634	106,368	94,292
<b>Area 5</b> Delivery of Growth Deal 1 & 2 & ongoing development	23,000	15,926	7,074	23,550
<b>Total</b>	<b>£500,000</b>	<b>299,672</b>	<b>200,328</b>	<b>470,238</b>

\*Salary figures may change following a year end reconciliation following problems within Agresso. The figures include an assumption on monthly transfers for secretary costs and secondees costs..

**Year to date** - The LEP Team have continued to deliver and support increased numbers of LEP Boards and committees inaugurated as part of the Ltd Co process, including significant additional informal task and finish groups on both the Midlands Engine and devolution agendas. The new Ltd Company obligations are now becoming embedded within LEP culture and learning from previous associated budget omissions are being addressed going forwards.

Partners and stakeholders were invited to ensure strategic fit with the complex funding streams now channelled through LEPs and the ESIF Committee now meets regularly to scrutinise and recommend key local projects for European Funding Programmes with most themes now open for calls.

Growth Deal continues to deliver against Government targets with six key projects contracted and underway and a

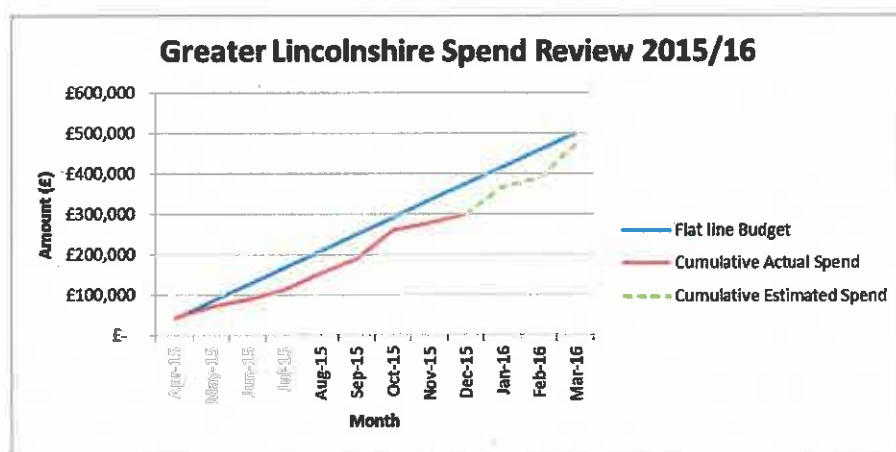
further five nearing contractual sign off.

We launched the Business Lincolnshire Growth Hub earlier this year which provides an essential platform of tailored advice, finance, training and solutions to new and growing businesses and we're also at the forefront of the development of three exciting food enterprise zones and a further generic enterprise zone proposal.

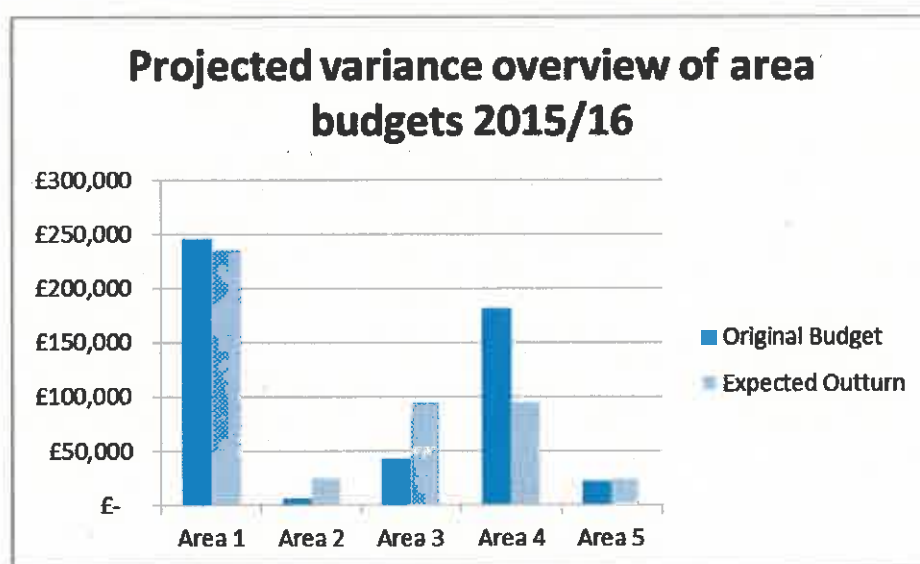
Events have been a highlight for the LEP this year with over 300 delegates attending the Business Live 15 Conference. MIPIM Cannes and London both attracted much attention and investment interest in Greater Lincolnshire and this has further been driven by the Midlands Engine focus.

Our LEP is one of 11 LEPs involved in Midlands Engine which have pooled their ambitions, and aims to boost productivity, attract inward investment, increase connectivity and build a regional tourism offer and the new prospectus was supported and launched by Business Secretary Sajid Javid MP at Birmingham University in November.

The table below shows on a cumulative monthly basis actual spend to date, projected spend to financial year end against a flat line budgeted expenditure position. For 2016/17 expenditure will be forecasted based on previous years to provide the board with a view moving forward on how expenditure is performing against budget.



#### Variance by area



Primary variance in 2015-16 hinges on the change of government early in the financial year and a focus shift

towards the devolution and Midlands Engine agendas. Driving sector work activity and plans anticipated for this FY will be carried over and budgeted in the 2015-16 FY budgets.

#### Area 1 Executive Team

- Growth Deal Project Manager adjusted working week from 5 days to 4.
- Housing Policy advisor amended following confirmed / adjusted salary figure from EMC.
- Recruitment costs following LCC restructure
- Seconded costs are invoiced quarterly

#### Area 2 Company requirements

- Actual insurance renewal – no increase based on no previous year claims.
- LCC legal costs for Growth Deal. Not previously budgeted as LEP legal costs procured separately (Wilkins Chapman)
- AGM requirement for new company within first 18 months.

#### Area 3 LEP Communications, Events and Lobbying

- Business Live delivered for less than forecast due to additional sponsorship of zones by Growth Hub
- MIPIM UK and France not previously budgeted .
- Full website rebuild forecast and being delivered.
- Additional design and printing required for sector brochures/ strategies/ SEP refresh/ Annual review/ improved banners and event presence following increased LEP profile and development.
- Additional meetings and room hire/ catering costs linked to devolution/ Midlands Engine agendas.

#### Area 4 Sector Expenditure

- Several unknown but expected costs against strategic investment and infrastructure were budgeted with Midlands Connect and Midlands Engine work feeding into those areas.
- As highlighted in the rationale for key variances, this area has been most effected with expected activity (replaced by devolution and Midlands Engine focus) put on hold for driving forward in 2016-17.
- One key area of focus for 2016-17 will be contracting with a manufacturing individual or consultant to drive forward the Manufacturing actions from the sector plan.

#### Area 5 - Delivery of Growth Deal and Development Work on next Growth Deal

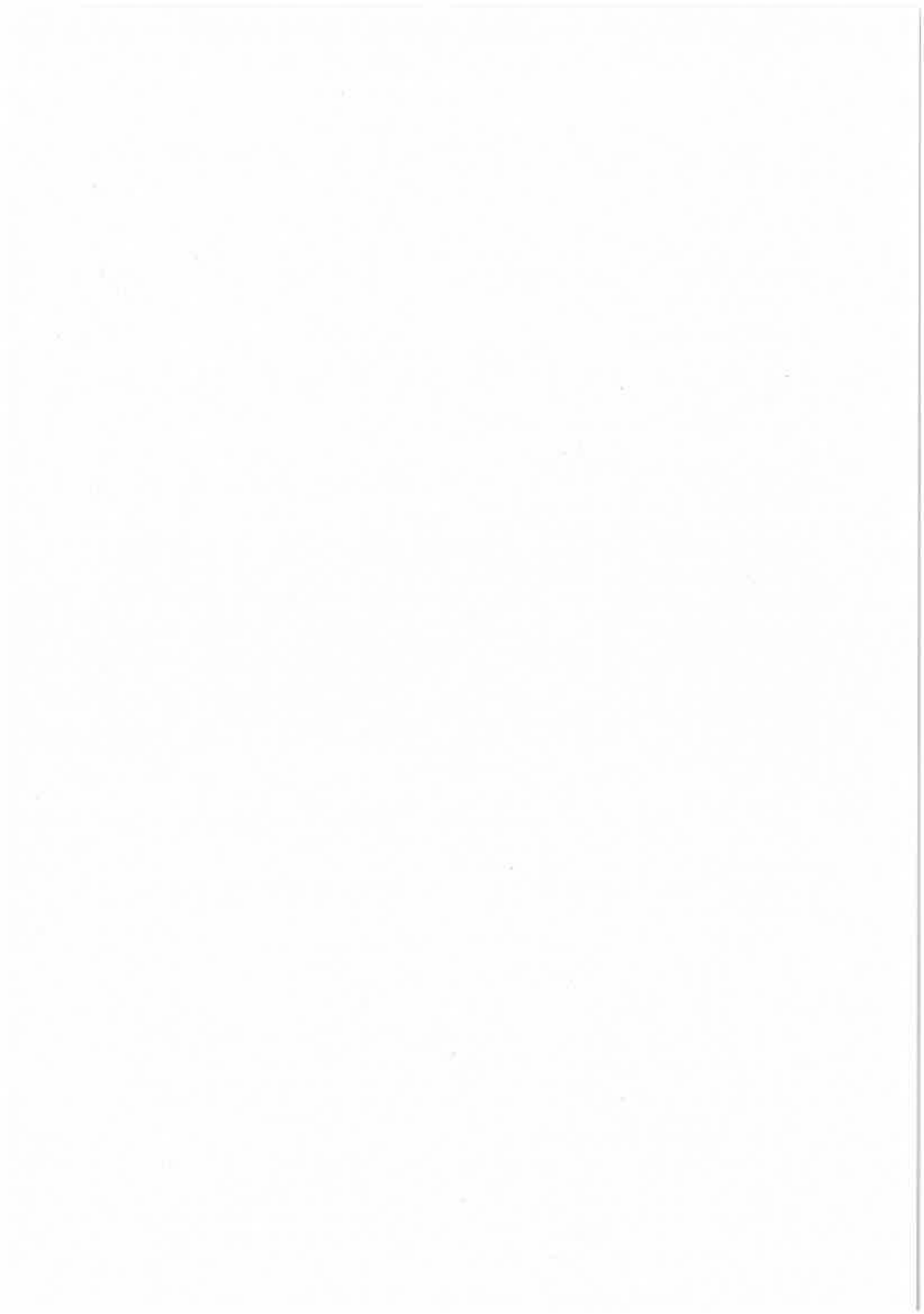
- Primarily on track with due diligence services tendered although the 2 year contract does not dictate equal costs in each FY and so is variable dependent on ongoing work bringing Growth Deal projects to contract as soon as possible in order to keep in line with agreed profiling.
- State Aid Advice is being negotiated with LSL as may be covered within the LCC legal costs against Accountable body additional costs.

*Current projections show an estimated addition to the core reserve of £29,762.*

#### Sign off 2014-15 Financial Year End

The Finance and Audit Committee were presented with a financial year end report on the 30<sup>th</sup> June 2015 and were asked to endorse the report to progress for sign off. The Finance director has signed off the report as a true and accurate record and the report was passed to the Chair of the LEP board for counter signing. As part of the process the board requested that the cash balances detailed above are independently assessed by an external auditor. The auditors have undertaken the work and a draft report is expected by the 19<sup>th</sup> January.

For  
information



## **Progress**

1. There has been no formal response from Her Majesty's Government to the Greater Lincolnshire bid since the meeting with Marcus Jones on the 28 October. It had been expected that there would be some rural areas that would be approved for devolved powers and funding in the Chancellor of the Exchequer's Autumn Statement. However, no announcements were made then and none since.
2. In order for the 10 local authorities to make progress towards a possible Combined Authority (with or without a directly elected mayor) a model resolution was developed by the councils' chief executives. This was considered by each Council before Christmas and commits the councils to the following:
  - a) *Continued formal engagement with Government with a view to the Greater Lincolnshire Devolution expression of interest, submitted to the government on 4 September 2015, being developed into a fit for purpose devolution document.*
  - b) *Subject to confirmation from Government that the Greater Lincolnshire submission is to be negotiated to detailed Deal stage, to support in principle the carrying out of a governance review, to commence no sooner than January 2016 such review to be conducted, to the fullest extent envisaged by the Act, as a formal governance review under section 108 of the Local Democracy, Economic Development and Construction Act 2009.*
  - c) *Subject to the outcome of any governance review, to support in principle the establishment of a combined authority for the Greater Lincolnshire geography if that is the most effective and efficient means of securing strategic economic (and related) growth.*
  - d) *Endorse some defined principles agreed between councils as those that should underpin and inform the establishment of and formal governance arrangements between the ten Councils.*
  - e) *Support in principle the appointment in any event of a joint committee under section 102 (1(b)) of the Local Government Act 1972, to exercise the functions and responsibilities referred to in this report and operating as the Greater Lincolnshire Leadership Board.*
3. Despite the lack of progress from Government, there are two aspects of Government policy about which the Board needs to be aware: the Cities and Devolution Bill and the Local Government Spending Settlement

## Cities and Devolution Bill

4. This is presently completing its passage through Parliament. The Government has accepted amendments that will alter the legislative framework around which Combined Authorities can be formed and may have implications for the future of councils.
5. **Combined Authorities**  
At present a County Council would have a veto on whether a district council could enter into a combined authority with another group of authorities that were beyond the County Council's administrative boundary. Commons Amendment 31 allows districts and counties to join or form a combined authority without the consent of the other. More significantly, powers of the county council with respect to a particular district could be taken from the county council and place them in a combined authority, where it has been decided that the district is to join a combined authority without the consent of the county council. This amendment has been adopted into the proposed legislation.
6. **Unitary Councils**  
Clause 15 of the Bill allows for orders to be made by the Secretary of State to introduce fast-track changes to local authority structures in respect of boundary reviews and local authority governance. The Bill as originally introduced stated that this power was only exercisable if all affected local authorities agreed. However, Commons Amendment 36 allows until 31 March 2019 for proposals to be made to the Secretary of State for structural or boundary changes of non-unitary district councils by either the district council or the county council of which it forms a part without the consent of the other.
7. At the time of writing a date for Royal Assent has not been determined.

## Local Government Spending Settlement

8. The Autumn Statement indicated that the local government sector would take a considerable amount of the reduction in public expenditure. With some areas of the Government's budget being protected there was a greater squeeze on the unprotected budgets, including that of the Department for Communities and Local Government.
9. The Spending Review set out plans for the local government spending measure, which is made up of the Local Government Departmental Expenditure Limit (LG DEL) and locally financed expenditure, as the table below shows. Overall local government spending is forecast to rise by £0.2bn in cash terms from £40.3bn in 2015-16 to £40.5bn in 2019-20; this represents a decrease of 6.7% in real terms, based on the latest inflation forecasts.
  - The LG DEL will reduce from £11.5bn in 2015-16 to £5.4bn in 2019-20; a 56% real terms decrease. Revenue Support Grant is included within the LG DEL.
  - Locally financed expenditure is forecast to increase by £6.3bn from £28.8bn in 2015-16 to £35.1bn in 2019-20; a 13% real terms increase.

Local Government	£ billion				
	2015-16	2016-17	2017-18	2018-19	2019-20
Local Government DEL	11.5	9.6	7.4	6.1	5.4
Locally Financed Expenditure	28.8	29.0	31.5	33.6	35.1
<b>Local Government Spending</b>	<b>40.3</b>	<b>38.6</b>	<b>38.9</b>	<b>39.7</b>	<b>40.5</b>
Year-on-year change to DEL Funding (% cash)		-17%	-23%	-18%	-11%

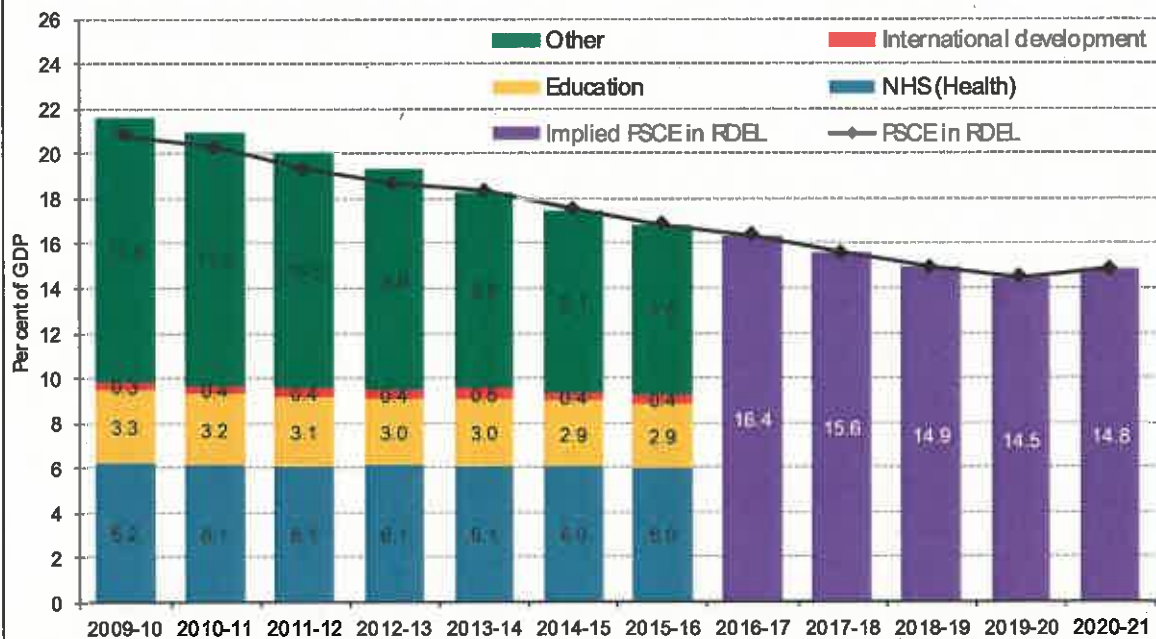
10. Each Council then gets its own settlement. Forecasts based on the Autumn Statement proved to be much worse for rural areas than anticipated because there was a redistribution, through formula funding, that favoured cities. The government did not consult on this change, so it was a surprise. The Council comprising our LEP will therefore have significant reductions in funding and a consequent reduction in services.

#### Considerations for the Board

11. The Board will need to consider how a combined authority should develop for successful devolution. The Board has always recognised that political administrative boundaries are frequently irrelevant for business activity. However, it has also recognised that boundaries are a pre-requisite for some decision. **The Board may wish to express a view on whether it wishes to confirm the present default position of the Greater Lincolnshire devolution bid, which is to form a Combined Authority based on the GLLEP boundary.**
12. In the past, private sector directors of the GLLEP Board have expressed a view that they favour a County-wide unitary, though the Board has never resolved a formal position on this. Such a position has not been necessary because the district councils within the Lincolnshire County Council's administrative area have worked collaboratively in support of the GLLEP objectives within its area. The forthcoming Act may well encourage councils across the country to consider reorganisation before the deadline of 31 March 2019. **The Board may well find itself having to consider this matter in the future and express a view on its preferred model for council governance.**
13. The loss of funding for councils could have an effect on the local economy and the way in which councils support economic activity. Economic development is a discretionary power rather than a statutory duty. It is therefore vulnerable to cuts when services like social care have considerable demographic pressures. Councils will be aware, though, that in future they will keep any growth in business rate income, so that may encourage some to maintain some investment. **The Board may wish to monitor council expenditure and influence how funding streams not in the control of councils can be gained to support prosperity in Greater Lincolnshire.**

# OFFICE OF BUDGET REGULATION

## Graph of Forecast expenditure as a proportion of Gross Domestic Product.



Note: The historical data in this chart have been adjusted for major discontinuities to produce a more comparable series. Details are in the supplementary fiscal tables on our website. In March, we adjusted for some of these discontinuities by adjusting the forecast series instead of the historical series. Our latest approach gives consistent forecast figures throughout the *EFO*. The previous approach added 0.6 per cent of GDP to RDEL on average between 2015-16 and 2019-20. This effect has now been removed, with historical data adjusted instead. Source: HM Treasury Public Expenditure Statistical Analyses, July 2014; HM Treasury Budget, July 2015; OBR



### **1. Background**

Board Members have previously agreed the basis for refreshing the content of our Strategic Economic Plan (SEP) for Greater Lincolnshire, since it was first published in March 2014. Over the past few months, a number of sessions have been held with lead partners to discuss delivery of the SEP priorities and review our strategic framework for future investment and intervention. We have also sought to ensure that the updated SEP is consistent with the emerging national policy landscape within Government (devolution, Midlands Engine), alongside the recommendations of the Open for Growth Peer Review and our published sector plans. As part of this process, local authority colleagues have also hosted a number of business consultation events in their respective areas to raise further awareness of the SEP and to consider what future support and actions the LEP could undertake to help increase local growth and productivity.

### **2. Summary**

In particular the updated content has focussed on:

- Evidencing our achievements to date in attracting new investment to deliver growth in Greater Lincolnshire;
- Updating our priorities for investment under each theme;
- Integrating the headline asks within the Greater Lincolnshire Devolution Prospectus (published Sept 2015).

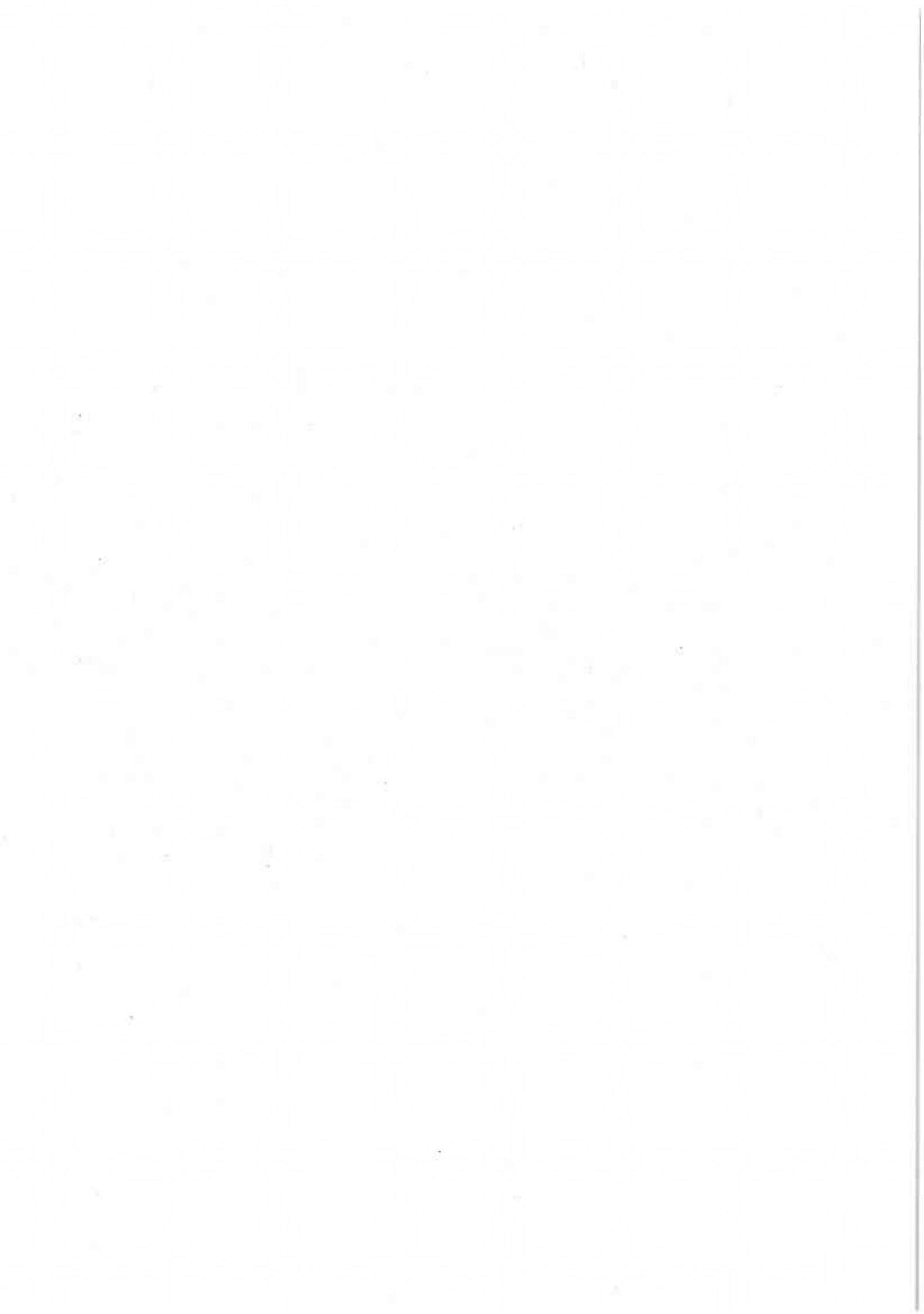
In order to extend the shelf-life of the refreshed SEP, the number and detail of individual projects has been reduced in favour of focussing on fewer 'big ticket' items that will provide the greatest impact in terms of delivering economic growth. This is intended to demonstrate that the LEP has a clear view on our key priorities for future investment and thematic objectives. Officers are continuing to develop a separate masterlist of potential investment opportunities across Greater Lincolnshire that will be managed on an ongoing basis. This list will be used for a range of purposes (ranging from Midlands Engine/devolution asks, requests from the Treasury, future bidding opportunities etc.

### **3. Next Steps**

It is likely that a further refresh will be necessary once Greater Lincolnshire has concluded its devolution discussions. The aim is agree the revised wording and produce a pdf version in advance of the Spring Budget 2016.

### **Recommendations**

LEP Board Members are asked to discuss and approve the refreshed Strategic Economic Plan for Greater Lincolnshire.



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How government can help us meet our priorities

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## 3: Place

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## 4: Outputs and impact

Outputs and impact

Achieving value for money

## Conclusion and acknowledgements

### Notes on refreshed content:

Blue – new/revised wording

Yellow – to check

Red – need to input

*Devolution*

## Foreword from the Chair of the LEP, Ursula Lidbetter

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A stable and strong economic future for every part of the UK depends on growth.

The Greater Lincolnshire LEP believes that our area has real potential to deliver sustainable growth and we're here to enable us all to achieve that.

We want to help businesses across Greater Lincolnshire create wealth and jobs, contributing to the local economy.

We want to increase the skill levels of people in our communities, giving them opportunities and allowing local businesses to recruit the talented employees they need to develop.

Our housing market also plays an important role in supporting the local economy. We intend to ensure that public and private finance work together to provide a wide range of homes to suit all budgets, in the right places to support business growth and stronger communities.

As a board, we have a vision for the future – a list of priorities. It has been developed following detailed research into our area's strengths, talking to our businesses and drawing on the expertise of those in economic development, especially in local authorities and the education sector. We've listened to their concerns and ideas and they've been built into this Strategic Economic Plan.

The targeted actions and intervention of the LEP will directly accelerate the creation of 13,000 new jobs, help 22,000 businesses and increase the value of the Greater Lincolnshire economy by £3.2 billion by 2030.

**Ursula Lidbetter**  
Chair, Greater Lincolnshire LEP

*Greater Lincolnshire is key to the successful delivery of the Midlands Engine, Humber Energy Estuary and Northern Powerhouse. We are net contributor to UK GDP and a major gateway to Europe. We have clear high-growth potential in key industry sectors and have the space and political will to exploit this*

## SECTION 1: SETTING THE SCENE

## Introducing Greater Lincolnshire

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Greater Lincolnshire contributes over £18 billion to the national economy. Some of the most significant energy, food manufacturing and chemical industries in England are located here. We have the largest UK port by tonnage and the area's ports and logistics companies serve the whole of the UK and beyond. Tourist visitors to the area generate almost £2bn a year in local expenditure.

We have a diverse base of almost 44,000 VAT/PAYE-registered businesses with a higher proportion of microbusinesses and small/medium-sized SMEs than England as a whole. Greater Lincolnshire is also an attractive option for investors; a range of factors come together to make it a great place to live and work:

- our own airport serving the business community, and central location;
- part of the largest Enterprise Zone in the UK (over 1,000 hectares of land in Northern Lincolnshire now benefits from EZ status);
- two Universities, two new University Technical Colleges and 6 Colleges of Further Education;
- low housing costs and low crime rates;
- historic sites, beautiful countryside and miles of sandy beaches;
- vibrant market towns and urban centres.

And it has real potential to deliver sustainable growth.

Almost 100,000 new houses are planned that will provide major growth opportunities along nationally important investment corridors. The 40,000 small and medium sized businesses in our area have massive supply chain opportunities

### Small Businesses

Greater Lincolnshire has a strong and vibrant small business community. These businesses are the hub of many communities and represent a chance to transform High Streets, business parks and the local economy. Our research shows that the small business community is often left with less help in comparison with larger businesses that are more likely to receive support despite having the structures in place to be more able to access the information they need.

- Greater Lincolnshire has approximately 41,000 businesses, of which the vast majority are small and medium sized enterprises (SME's)
- 97% of Greater Lincolnshire businesses employ fewer than 50 people
- Half of all employment in Greater Lincolnshire is provided by businesses employing less than 50 people compared to 45% nationally.
- Businesses generally survive for longer in the area, particularly in Lincolnshire, which sees 60% of start-ups surviving for three years compared to the national average of 58%; survival rates in North/North East Lincolnshire are improving but still below the national average

For example, our small businesses are often unsure of where to go for advice, require help to get into new markets including public contracts, are unclear of skills training opportunities and struggle to attract finance. They are often overlooked when it comes to funding opportunities, such as the Regional growth Fund, which puts spending levels at a much higher rate than a small business would be likely to apply for.

**Our priority** is to ensure that our SME community flourishes, creating more work opportunities (both employed and self-employed).

We will do this by:

- creating the right conditions for growth, described within the next sections of this document,
- making our businesses the best informed in the country so that they can take strategic decisions based on sound, impartial information, and
- improving access to finance and the ability to attract growth finance.

### **Foreign Owned Businesses**

Foreign owned businesses are relatively few in the area but statistics show that they are more likely to invest locally and make a significant difference to the economy. The Greater Lincolnshire LEP and UK Trade & Investment (UKTI) currently have 70 foreign owned businesses on its Account Management list.

**Our priority** is to ensure foreign owned businesses commit to investing and growing in our area, creating new jobs and opportunities

We will do this by:

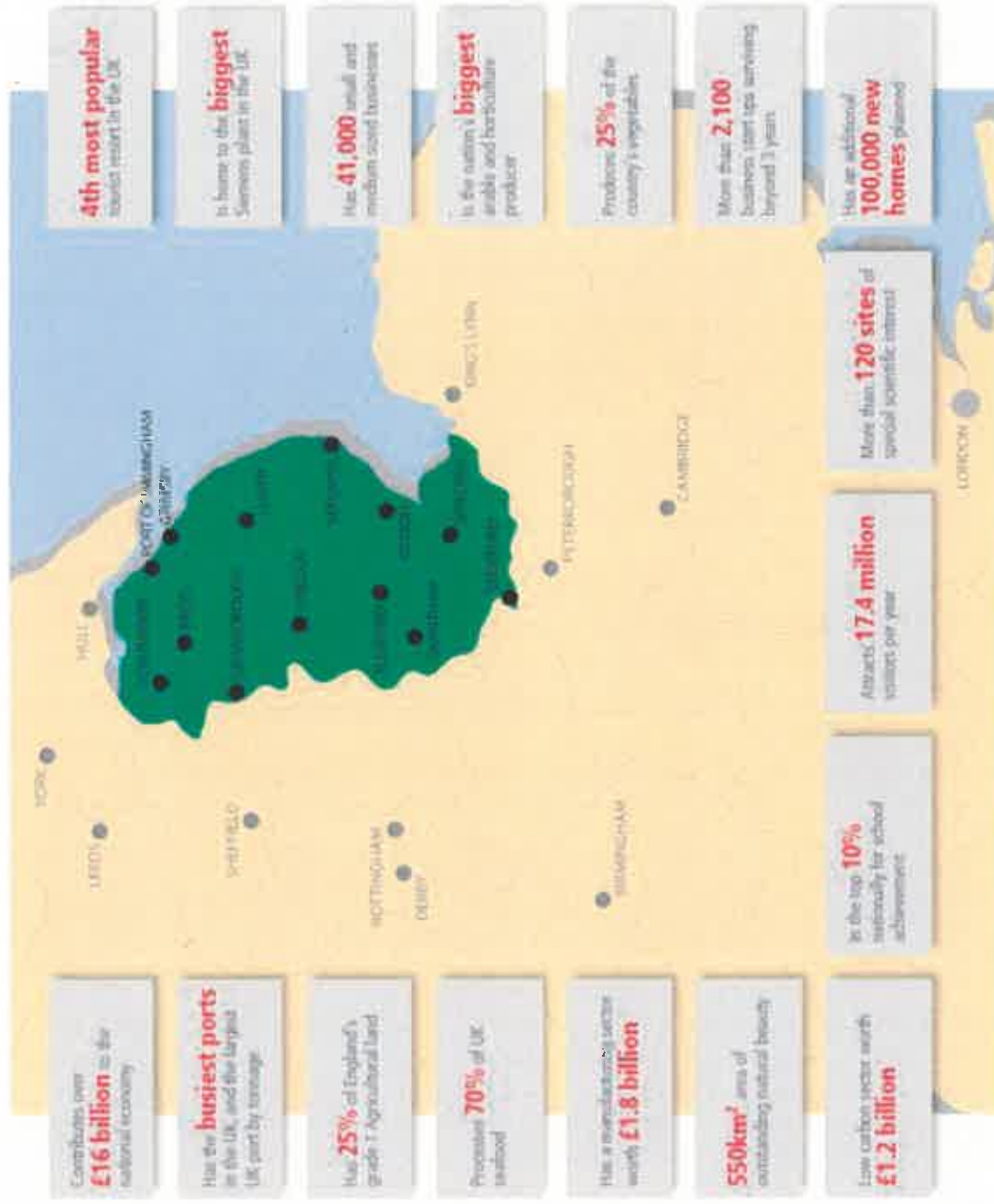
- nurturing and support the foreign-owned businesses in the area so that they commit to investing locally
- ensuring that the owners of those businesses based here are aware of the benefits
- taking a "can-do" approach to supporting their development and tailor support to meet their needs

As part of this strategic vision, the LEP has already established the Greater Lincolnshire Growth Hub as an online portal to help Greater Lincolnshire businesses access local, regional and national business information on advice and grant schemes, support programmes, events and networks contained in one place.

There are also things that hold the economic growth of Greater Lincolnshire back. Transport bottlenecks, underdeveloped economic infrastructure and a risk of flooding are problems that need solving. Greater Lincolnshire is also very diverse; it has some of the most and some of the least deprived populations within its boundaries. Whilst employment levels are better than the national average overall, there is more to do to ensure that all of our residents are able to take advantage of the work opportunities that are available.

The following pages describe the actions that the Greater Lincolnshire LEP will lead.

Check/Update figures -- i.e. now 18bn GVA  
 Add box on largest Enterprise Zone in UK





## Priorities for Growth

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Our priorities for growth are outlined below and are formed from the evidence base that we have developed, through commissioning studies, [face to face interviews with business leaders](#) in the area, running Board workshops and working with major partnerships to shape strategy.

We recognise that Greater Lincolnshire plays an important role in the national economy by contributing to:

- Food Security
- [Access to key European markets](#)
- [Domestic renewable energy output](#)
- Manufacturing Output
- UK Visitor Economy
- Our country's housing needs

Business leaders in our area have told us that their business will grow if they:

- are able to access the right skills and training
- can access new markets through innovation, supply chains, technology and financial improvements
- have confidence that there will be improved infrastructure and security
- can locate/operate in an area with excellent schools, housing choice and cultural/leisure offer that is recognised countrywide.

So we know that the following LEP investment will directly meet what businesses need to grow:

- Innovation, technology, and skills programmes tailored to need
- Sector-specific schemes that give businesses the confidence to invest
- Area-based schemes that unblock housing developments, improve transport, and increase the vitality of our area

We have taken these opportunities and turned them into five priorities and drivers for success, to help shape delivery programmes to best effect.

Our priorities and drivers for success are:

1. to drive the growth of the area's defining and strongest sectors which offer the most competitive advantage :
  - agri-food
  - advanced manufacturing and engineering
  - [the low carbon economy, with a particular focus on renewable energy](#)
  - visitor economy
2. to grow specific opportunities identified as future defining features of the area:
  - health and care sector,
  - ports and logistics
3. to drive this growth by putting expansion into new markets, **modern telecommunications, infrastructure** improvements and the **skills** of individuals and business owners, at the forefront of what we do.

4. to promote Greater Lincolnshire as a place for sustainable growth through improved **transport** infrastructure to connect us with national and international markets, enabling wider enjoyment of our world class heritage sites, culture and strong communities
5. to recognise the need for new **housing** for the existing local population and potential movers to the area, and support balanced housing and economic development through promoting the area's capacity to deliver high quality growth.

It is important that we recognise the large contribution our small businesses and our foreign owned businesses will have in the success of this plan.

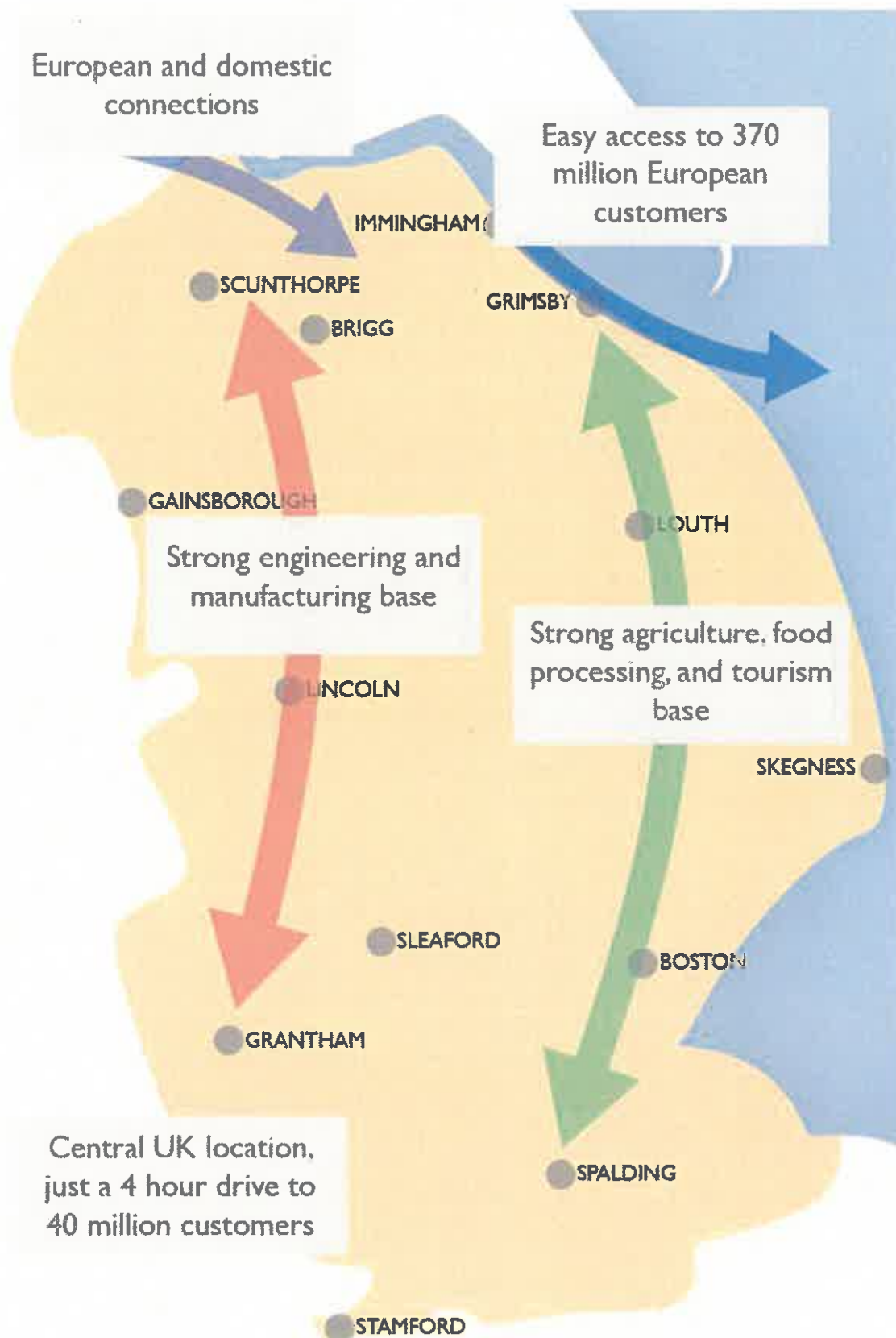
We also recognise the importance of the range of partners that will come together to deliver these priorities – Local Authorities, our schools, training providers, FE Colleges, Universities, Chambers of Commerce, Federation of Small Business and our communities. There are a great number of very successful partnerships and networks across the area; we have an excellent track record of working together to achieve more.

In taking forward the ambitions outlined in our Strategic Economic Plan, the LEP Board has consulted with over 100 leading businesses in our area to develop and embed a number of more detailed sector plans

- Agri Food
- Manufacturing
- Destination Management (Visitor Economy)
- Health and Care
- Transport
- Water Management
- Skills

Each sector plan clearly sets out the activity and interventions that our partners, organisations and providers will be tasked to deliver in order accelerate growth and increase business productivity. The LEP has also established a new private sector led Food Board, Water Management Board and Innovation Council to further shape our future investment priorities and delivery of major projects.

In 2016/17 the LEP will also finalise sector plans for low carbon and ports and logistics.



Update to show Food Enterprise Zone triangle – Europarc, Hemswell, Hoolbeach

## **Deprivation**

Deprivation is not automatically addressed through economic growth. It is important that when planning for growth we consider all sectors of the community and how the projects/activities we support will contribute not only to the economic success and productivity of an area, but also how they will impact on the wellbeing, sustainability and development of our most deprived neighbourhoods.

In the latest Indices of Multiple Deprivation (IMD), released at the end of September 2015, CLG produced LEP level summaries on where they rank the LEPs in terms of their average deprivation scores. Greater Lincolnshire ranks 13<sup>th</sup> of the 39 LEPs overall in terms of average deprivation levels (rank 1 being the most deprived). However when we look at the indices in more depth, Greater Lincolnshire is the 11<sup>th</sup> most deprived in terms of education, and top 15 in terms of income, employment and health. This endorses the focus of our Strategic Economic Plan (SEP) and Growth Deal to date, and shows the importance of understanding and measuring how schemes supported will have a bearing upon society as a whole.

Existing Growth Deal projects in Greater Lincolnshire will greatly improve key infrastructure, enhancing sustainable travel opportunities; creating more effective and regular bus services; introducing new cycle and pedestrian routes and addressing public realm issues such as safety, dereliction and access.

The Social Value Act released in January 2013 highlighted the benefits of introducing direct measures to project development and delivery, be it at procurement stage or beyond. By considering carefully how our scarce resources are allocated and utilised we create 'social value'. GL LEP endorses commissioning and procuring for social value, and will work with partners to understand how its scheme delivery might provide specific local employment opportunities.

As we look to refresh the SEP going forward, we will include metrics that demonstrate how our projects are contributing to growth whilst helping to reduce levels of deprivation. These can then be linked to project outputs and outcomes at contracting stage, and will be evaluated upon scheme completion as per the GLLEP Monitoring and Evaluation framework.

## Delivering major projects – now- to meet our strategic priorities

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The Greater Lincolnshire LEP recognises that our leadership must be balanced with the facilitation of projects that give businesses the confidence to invest. Projects of various scope and scale are being developed but we focus here on the projects that have already been supported to meet our immediate strategic priorities.

The Greater Lincolnshire LEP will continue to promote a package of deliverable projects benefitting the whole of the LEP area that offer a strong growth deal to the LEP. The projects will demonstrate a significant impact on our priority sectors, our housing numbers, and the infrastructure that we need to support growth and productivity.

The board will continue to assess our future programme on the basis of

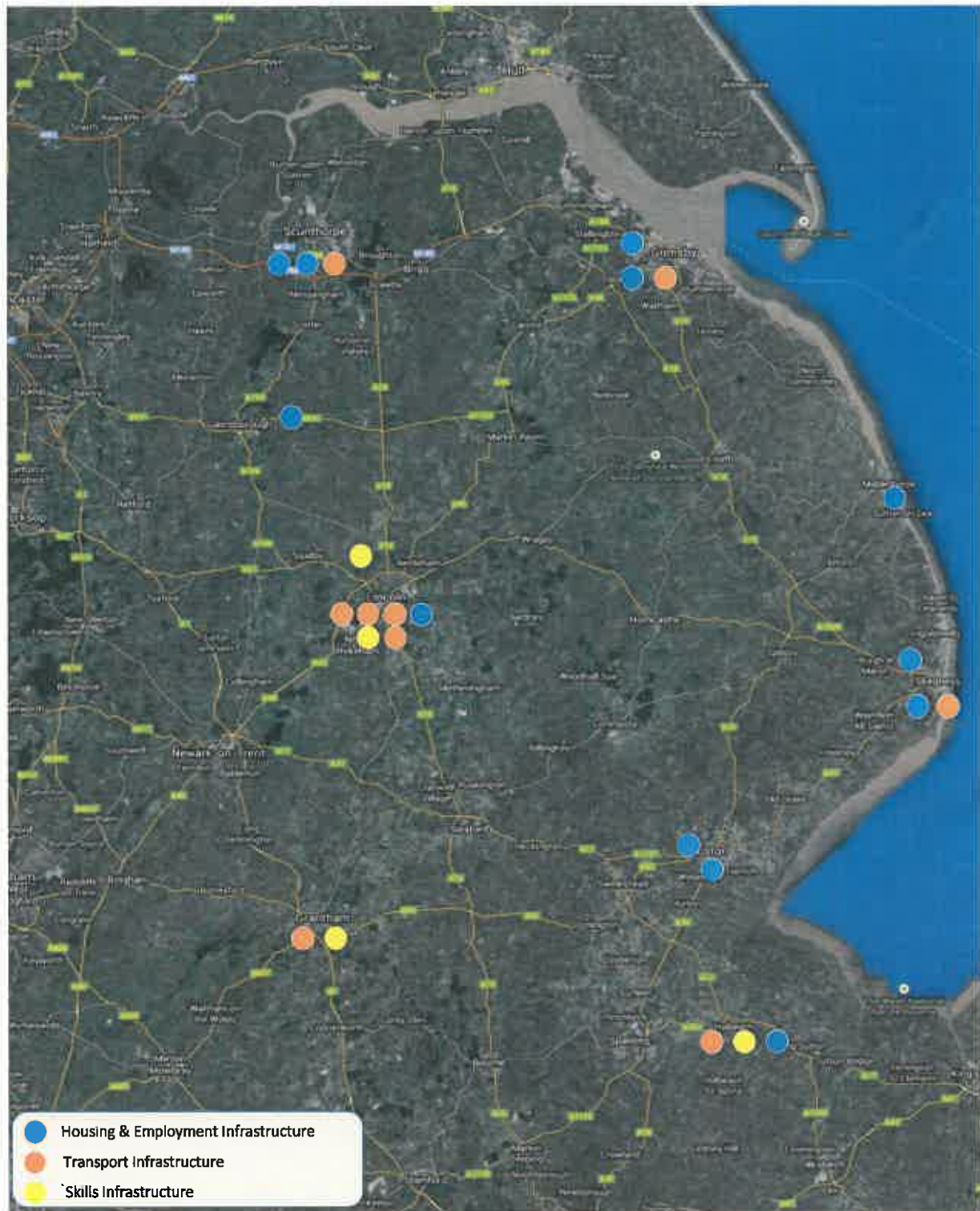
- **Deliverability** – does a project have match funding, planning permission and necessary delivery structures in place?
- **Impact** – will the whole of the LEP area?
- **Productivity** – does a project offer substantial direct outcomes that support economic growth? Do the outcomes represent good value for money? Will the investment lever other funding, and is there a clear plan in place to realise the benefits of the project?
- **Priority Sectors** – does a project directly support agri-food, tourism, engineering, care, ports, or low carbon. Is there a project that is available to all businesses
- **Housing** – does a project directly create housing growth
- **Infrastructure** – does it provide critical infrastructure for growth
- **Social Value** – does the project deliver wider social, economic and environmental benefits? Will it help to reduce deprivation?

Provided below is a list of schemes which the Greater Lincolnshire LEP has supported and endorsed since the launch of our Strategic Economic Plan in March 2014:

1. Lincolnshire Lakes Blue and Green Infrastructure, Scunthorpe
2. Scunthorpe Town Centre
3. Berkeley Circle Highway Improvement, Scunthorpe
4. South Humber Industrial Infrastructure Programme (SHIIP): Phase 1
5. Access to Employment Zones, Grimsby
6. Bishop Burton College
7. Lincoln Central Transport Hub
8. Lincoln East West Tentercroft Street
9. Boole Technology Centre
10. Lincoln Eastern By-Pass
11. Unlocking Rural Housing Programme: Phase 1
12. Skegness Countryside Business Park
13. Go Skegness (sustainable transport)
14. Boston Quadrant, Phase 1
15. Grantham Southern Relief Road
16. Grantham College
17. Peppermint Interchange, Holbeach
18. Agri Food Centre of Excellence
19. Food Enterprise Zones (Europarc, Hemswell, Holbeach)
20. Lincolnshire Bomber Command Memorial



- 21. Golf Road Development, Mablethorpe
- 22. Nottingham to Lincoln train enhancements
- 23. Greater Lincolnshire Growth Hub



– published image to be as per NLC map (Check if Kate Robinson can help source)

In total, these projects will be contracted to directly deliver:

**TOTAL NEW INVESTMENT**

**£430m**

**9,250**

**JOBS CREATED OR  
SAFEGUARDED**

**900,000m<sup>2</sup>**

**NEW COMMERCIAL  
FLOORSPACE**

**6,500**

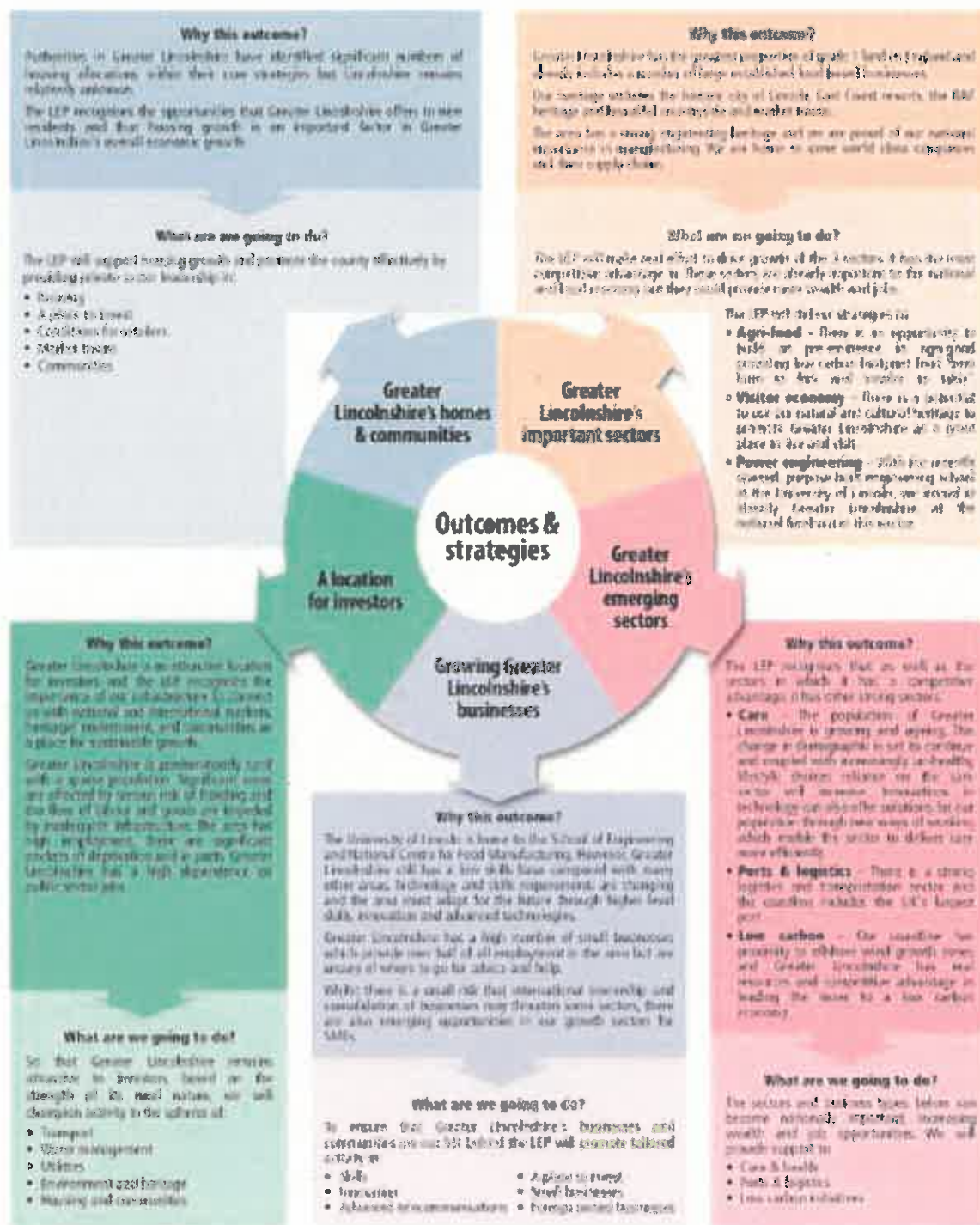
**NEW HOMES  
BUILT**

**4,500**

**NEW LEARNERS SUPPORTED**

Our track record to date demonstrates the ability of our local partnership structures to bring forward activity which fit our shared ambitions for the area. We recognise the importance of continuing to build on this momentum to further strengthen our economic performance and bring increased benefits to all of our communities across the LEP area.

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## How Government can help us meet our priorities

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Our Strategic Economic Plan sets out ambitious targets to achieve the following by 2030:

- create 13,000 new jobs
- support 22,000 businesses
- increase the value of the Greater Lincolnshire economy by £3.2 billion by 2030
- deliver up to 100,000 new homes

### Devolution

Working with our lead partners and organisations across Greater Lincolnshire, we have identified proposals to devolve a range of specific powers that will enable us to accelerate delivery of these ambitions and achieve growth more quickly than anywhere else in the UK. We believe that, in discussion with government, we can develop our proposals to form a strong, viable and transformational plan for Greater Lincolnshire based around the following key areas:

- Accelerated growth
- Transport
- Skills
- Housing
- Water
- Health
- Public Protection
- Leadership

We believe that local control of these powers (and the associated funding) will deliver a step change in our skills base, place us at the forefront of new technologies, improve health and wellbeing outcomes and deliver radical public service reform for the benefit of our citizens.

We believe that bringing the risks of commissioning and delivery to the local place enables them to be best managed, building on our robust structures of governance that are in place to enable this to take place

*In order to accelerate our ability and ambitions to deliver growth, we will work with Government to progress:*

- *a pilot scheme for statutory agencies to be accountable to deliver our ambitions for growth and to fast track delivery;*
- *alignment with the local Growth Plan of business support budgets*
- *devolution of the governance of these funds to provide strategic leadership and integration of EU funded "opt ins";*
- *an appropriate share of Single Local Growth Fund monies, and from devolved transportation capital, to create a Greater Lincolnshire Investment Fund;*
- *devolution of the management of our EU programme including granting of Intermediate Body status;*
- *a strategic land use plan that aligns our economic ambitions with funding streams and streamlined processes for major projects.*

*As well as developing new flexibilities around the retained element of local business rates, we wish to explore with Government how the use of capital receipts and borrowing powers can be enhanced to allow us accelerate the critical infrastructure investment that is required to deliver wider economic growth. We will also work to encourage Government to review the funding allocation formula for*

*Greater Lincolnshire to ensure it matches the actual needs of our population. As part of this process we are keen to devolve powers to acquire nationally held local public sector land for the overall benefit of the region – delivering improved and effective strategic planning for enterprise, housing, infrastructure and growth.*

*We anticipate that the range of powers and funding sought may take us into territory for which the governance arrangements would be no less than a Combined Authority. We will enter into discussions with the Government over the precise governance arrangements that would be most appropriate in order to fully secure the scale of devolution that we seek. We will therefore offer a governance arrangement that will provide transparent democratic accountability and an effective interface for ministers whilst continuing to ensure that specialists such as clinical commissioners maintain a strong voice. We will also integrate democratic leadership of local authorities working with elected bodies including the PCCs bringing these elected leaders together with the NHS leadership and the Chair of the LEP.*

*As part of our negotiations with Government, we are also committed to delivering accelerated growth and better Public Protection through the transfer of the commissioning of Prison Services to local political control; alongside the additional transfer of the administration of HM Courts and Tribunal Service and the Ministry of Justice estate to local authorities in the area.*

#### **Midlands Engine for Growth**

Along with the other 11 Midlands LEPs the Greater Lincolnshire LEP is actively engaged in developing a robust business case and evidence base to secure further strategic investment through the Midlands Engine for Growth. Our negotiations highlight the positive net contribution which Greater Lincolnshire already makes towards national GVA output. Our ongoing discussions with HM Treasury will also focus on the national economic importance of improving connectivity to Greater Lincolnshire ports and food production corridors as a key driver for delivering accelerated growth and productivity across the Midlands region.

## SECTION 2: PRODUCTIVITY

## Growing UK plc: driving the productivity of our key economic sectors

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### Building on our strengths

Our economic strategy has a critical focus on growing our contribution to the economy of UK plc. We will do this by concentrating the activities and investment of the Greater Lincolnshire LEP in those sectors and areas where we can have the greatest impact; we have a strong mandate from the LEP Board to do so. This means building on our strengths – the economic assets with the greatest potential to

- drive productivity and output growth
- capitalise on our knowledge/innovation base
- develop our export potential
- create a mix of entry level, intermediate and highly skilled employment opportunities.

Through the Strategic Economic Plan, the LEP has identified and prioritised three core sectors where we can truly grow UK plc and add real value to the Government's Industrial Strategy. These are: check for updated stats, anything new to add on productivity of each sector

- **agri-food**; Greater Lincolnshire has more grade 1 agricultural land than any other LEP in England, producing/processing over 12% of the UK's food supply including more than 70% of its seafood and 25% of its vegetables; the sector employs **around 75,000** people across the supply chain with a diverse mix of businesses including Cranswick Plc, Greencore, Moy Park, 2 Sisters Walkers and Young's Seafood alongside a wide range of primary producers
- **manufacturing and engineering**; this sector contributes over £3.5bn (21%) of Greater Lincolnshire's output, employs **around 41,000** people; our manufacturing/engineering strengths encompass power engineering, petrochemicals/chemicals, steel manufacture and motorsport engineering with global businesses including Siemens, Total, Phillips 66, Tata Steel, Novartis, Cristal and Pilbeam Racing Designs.
- **our visitor economy** is worth over £1.9bn per annum to the Greater Lincolnshire economy, supports over 39,000 jobs and has long-term growth potential; more than **31** million people visited Greater Lincolnshire's world class visitor attractions in 2014 including Lincoln Castle and Cathedral, the Lincolnshire Wolds and the vibrant coastal resorts of Cleethorpes, Mablethorpe and Skegness – the UK's fourth most popular holiday resort.
- **the low carbon economy**; already worth £1.2bn per annum to Greater Lincolnshire and employing over 12,000 people, and with the potential for up to £60bn of private investment over the next fifteen years, there are major opportunities for growth in offshore wind (linked to manufacturing/installation of turbines and in operations and maintenance activity) as well as in biomass, biofuels, energy from waste and the development of other low carbon or environmental goods and services; we will collaborate with our partner LEPs (Humber and New Anglia, both Centres of Offshore Renewable Excellence) to support delivery of some of this activity

### Why focus on these sectors?

Public sector employment fell by 13% between 2009-2014 as the Greater Lincolnshire economy rebalances in emerging from the recession. Despite this, the number of employees rose marginally during the same period. Our economic make-up is therefore changing; although, employment in the agri-food and manufacturing sectors has remained stable, over a period where nationally the manufacturing sector saw a decrease in employment.

Greater Lincolnshire's economic output (GVA) was over £18.3bn in 2013, having grown by 7.3% since the onset of the recession in 2008. Although this is a positive sign of the area's economic resilience and emergence from recession, GVA growth lagged behind that of the East Midlands (11.1%) and England as a whole (11.4%) over this period.

Workplace-based GVA per head in Greater Lincolnshire was just 76% of the UK average in 2013 – reflecting our particular mix of sectors and low economic participation rates in some parts of the GLLEP area. This, along with levels of multiple deprivation, has resulted in Greater Lincolnshire's status as a 'Transition Region' for the purposes of the European Union Structural and Investment Funds programme for the 2014-2020.

The importance of the contribution made by our agri-food, manufacturing and visitor economy sectors to the UK economy is highlighted in the table opposite. This shows that Greater Lincolnshire's contribution to GVA from agri-food is four times the UK average and over one and a half times the UK average for manufacturing GVA. Both the agri-food and manufacturing sectors are over represented in employment terms compared to the UK average. The visitor economy performs near the UK average in terms of employment and output and, once consideration is given to GVA and employment in the retail sector that supports and is supported by, the visitor economy, its importance is clear.

Sector	Employment		Economic Value (GVA)	
	%	UK=100	%	UK=100
Retail/Wholesale	18	114	13	112
Financial & Business Services	14	60	14	46
Health & Care	14	107	11	120
Public Admin, Education & Defence	13	90	13	99
<b>Agri-food</b>	<b>10</b>	<b>318</b>	<b>11</b>	<b>407</b>
<b>Manufacturing</b>	<b>9</b>	<b>127</b>	<b>13</b>	<b>151</b>
<b>Visitor Economy</b>	<b>8</b>	<b>86</b>	<b>5</b>	<b>96</b>
Ports & Logistics	5	120	5	103
Construction	5	107	9	127
Other Services	2	93	2	84
Energy, Water & Waste	1	118	4	120
Communications	1	38	1<	27

*Source: Business & Employment Register Survey 2012, Office for National Statistics; Local Economy Forecasting Model, Cambridge Econometrics 2013*

Moving forward, Greater Lincolnshire will continue to punch above our weight in agri-food, manufacturing and the visitor economy. In doing so, we will grow our contribution to UK plc.

## Agri-food

*The Greater Lincolnshire agri-food sector will double its contribution to the economy by 2030 through an ambitious programme of investment in productive capacity, skills and knowledge to drive an increase in high value added sales to UK and export markets*

### Our strategy

Greater Lincolnshire has the UK's largest and most progressive food sector based on clusters of dynamic businesses and well developed supply chains. The local agri-food sector is therefore truly a national leader in this growing sector. The impact of the sector on the economy is however, much wider than farming, fishing and food processing, with sectors as diverse as logistics, packaging materials, professional and businesses services all dependent on the food chain for much of their livelihood. Our aim is to make Greater Lincolnshire the growing heart of the UK's food sector.

The food chain is estimated to generate a GVA of over £2.5bn and employs 56,000 people in the GLLEP area. If food retail and catering are included the figures rise to £3.4bn of GVA and over 100,000 jobs.

Despite these strengths the sector faces challenges including a relatively poorly developed local research infrastructure, poor road connections to priority national markets, particularly in the south of the LEP area; long term challenges on water supply, an over-reliance on migrant workers and relatively low levels of investment in technology compared to some competitors. Levels of export activity are comparatively low, and exports will need to play a much stronger key part in growing the sector in future. Globally, other areas which until recently did not see the agri-food sector as a priority have been increasing their investment in the sector strongly. We must therefore be ambitious and develop a clear strategic plan to sustain its market leading position.

Since the launch of the Strategic Economic Plan, we have established and embedded a clear plan for the Greater Lincolnshire food sector to sustain its market leading position. The delivery of the sector plan will be supported by an industry led Food Board which has been established to develop more detailed economic data on the industry and engage larger employers in the industry. This will facilitate the development of new programmes to secure investment, support skills development and collaborate with locally based partners and other LEP areas on future projects.

The LEP has also secured investment to deliver the following projects:

- **Agri Food Centre of Excellence** - a new facility at the University of Lincoln's Holbeach campus to help Food Manufacturing businesses access specialist research, innovation and higher level skills;
- **Bishop Burton College** - a new land-based campus to increase skills levels in the agri-food sector, support small businesses, and strengthen the link between local food and tourism;

The Greater Lincolnshire LEP has also secured funding to support the development of three sites at Europarc, Holbeach and Hemswell Cliff which have strong links to the agri-food sector. This will enable local partners to develop a strong business case for each area to become a nationally recognised **Food Enterprise Zone**. As well as attracting new investment, the Food Enterprise Zones will encourage closer ties between food and farming businesses and unleash the entrepreneurial spirit of the countryside and local food producers. They will make it simpler and easier for food and farming businesses to grow, and attract new companies operating within those areas. Local communities will benefit from new jobs and the opportunity to develop local produce, boosting their economies. In recognising the strategic

importance of the new Food Enterprise Zones across Greater Lincolnshire, the LEP will work with local partners to secure the infrastructure investment that is required to boost the domestic food production and farming sector in all three areas.

In terms of future interventions, we will also support the industry to:

- Increase productivity and process innovation across the agri-food sector by ensuring that companies in the GLLEP food chain have access to high quality food grade industrial space and the necessary facilities and support to increase collaboration and competitiveness;
- Design and implement a new sector skills plan to develop our skills base and align future skills investment with the role of our key innovation hubs and sector support that will secure additional applied science, technology and research opportunities for GLLEP agri-food companies;
- Develop and implement a 25 year plan for water management to support agri-food production, linking this to a GLLEP Centre of Excellence in Water Management that will develop new approaches to water resource management (including water quality and storage);
- Build an economic case for investment in the strategic transport infrastructure required to support long term growth of the agri-food sector growth, with a particular focus on enhancing road freight capacity along the A15 and A17 corridors and other key routes to markets;
- Promote export activity by making high quality business support available to food sector businesses and fostering collaboration across the sector to enter new markets
- Promote inward investment through the Food Enterprise Zones and building on the Ports of Grimsby, Immingham and Boston and Humberside Airport's Perishables Hub.

#### ***Future Intervention priorities***

Our priorities for future investment in the agri-food sector include:

- **Food Enterprise Zones:** Providing key infrastructure and connectivity to allocated sites in line with the adoption of new Local Development Orders at Europarc, Hemswell and Holbeach alongside a package of marketing/promotional activity
- **Delivery of Innovation Hubs** – linking specialist sector support provision for the agri food sector through established and emerging hubs (e.g. National Centre for Food Manufacturing, Agri-Food Centre of Excellence, Bishop Burton College, Humber Seafood Institute, Food Refrigeration and Process Engineering Research Centre). Includes opportunities to link with knowledge base in other LEP areas including Yorkshire, Norfolk and Cambridgeshire.
- **Spalding Western Relief Road** –delivery of a relief road to reduce congestion based on the high number of HGV movements in the area, thus making the area more attractive for investment by logistics companies who are keen to locate close to the food production cluster but may be deterred by congestion

## **Manufacturing and Engineering**

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*We will increase manufacturing employment, output and investment, grow existing businesses, attract inward investment and focus on where the impacts will be greatest*

#### **Our strategy**

Greater Lincolnshire has a long and distinguished heritage in manufacturing and engineering with significant concentrations of activity in metals manufacturing (North Lincolnshire); chemicals/petrochemicals (North and North East Lincolnshire); power engineering (Lincoln); agricultural engineering (East Lindsey); rubber and plastics (East Lindsey); electrical machinery (Grantham/Stamford) and wood products (Boston). Our manufacturing and engineering sectors are pivotal to our long-term plans for economic growth, employing almost 40,000 people and generating over £1.8bn of economic output.

In 2011, the University of Lincoln, in partnership with Siemens Industrial Turbomachinery Limited, developed the first new Engineering School in the UK in twenty years. Located in the heart of Lincoln at Brayford Pool, the School of Engineering is already achieving a reputation for its research excellence and innovative and pro-active approach to engagement with business.

The Humber University Technical College, which opened in Scunthorpe September 2015, will provide top-class education and training (both academic and technical), specialising in the subjects of Engineering & Renewables energies.

The low carbon economy is creating new opportunities for manufacturing and engineering businesses, initially focused on the offshore wind sector but embracing a much wider range of low carbon goods and services. Our businesses also face some common challenges – encompassing access to finance, new markets, innovation and a skilled workforce. These are explored in the 'low carbon' section.

The Humber petrochemicals/chemicals sector is of European scale and the second largest in the UK, supported by the Humber Ports. Two oil refineries, Phillips66 and Total Lindsey, provide 27% of the UK's refinery capacity and are located on the South Humber Bank. Other global firms located in the area include Novartis (specialist pharmaceutical production); BASF and BOC (production of basic chemicals); Air Products (industrial gases) and Cristal (pigments, paints and coatings). These businesses tend to operate in niche markets and as a result, have not been impacted as seriously by the global economic recession than other businesses in the sector. However, all are headquartered outside Greater Lincolnshire and will continue to be subject to globalisation pressures and competition from producers in China and the Middle East.

Key constraints or barriers to growth to the manufacturing/engineering sector include skills, and in particular an ageing workforce, under-representation of women in the workforce requirement for specialist technical skills, depleting number of young people with STEM subjects coming through the education system with interest in industry and anticipation of competition with the offshore wind sector for engineering skills

Since the launch of our Strategic Economic Plan, we have launched a Manufacturing Action Plan that sets out our priorities for investment and how we will deliver them.

We also recognise the importance of helping local businesses and communities recover from major economic shocks within our key sectors. We will work with HM Government to maximise the support



for workers affected by the Tata Steel redundancies and seek to secure further investment to maintain the Scunthorpe site as a strategic employment location.

The LEP has also secured investment to deliver the following projects:

- **Boole Technology Centre** - a new Innovation Centre providing specialist laboratory, workshop and office space for high growth SMEs in advanced engineering and manufacturing
- **Grantham College** - a new build facility to deliver business, computing and technology curriculum and enterprise skills to support growth of the local engineering sector

To support the continued growth of our manufacturing and engineering sectors, we will:

- develop world class, industry-focused research and development activity at the University of Lincoln School of Engineering alongside an extensive programme of business engagement to facilitate technology transfer and commercialisation of research;
- continue to invest in business infrastructure to support the growth of our manufacturing and engineering sector, including major road improvements in Grantham, Spalding, Lincoln and along the A180;
- Further investment in port infrastructure and encourage investment in rail services to improve national connections to support business travel, particularly connections between London , Lincoln and Northern Lincolnshire and further development of services from Humberside International Airport
- maintain a supply of high quality, serviced employment sites and premises across Greater Lincolnshire, including the Humber Enterprise Zone, to support the attraction of inward investment and facilitate the expansion of existing businesses;
- develop an integrated package of business advice and support for manufacturing and engineering firms, drawing together exports support services from UKTI, the Manufacturing Advisory Service, University of Lincoln and other public/private sector providers;
- encouraging employer engagement in Apprenticeships and workforce development through a range of measures to de-risk investment in training.

#### ***Future Intervention priorities***

Our priorities for future investment in the manufacturing/engineering sector include:

- infrastructure and land assembly to unlock development of key sites along the South Humber Bank complex to support future growth of the renewable energy and chemicals/petrochemicals sectors
- rail gauge investment between Immingham and the East Coast Main Line at Doncaster to enhance the rail freight capacity of the South Humber Line
- Expand the network of incubator/managed workspace facilities across Greater Lincolnshire to create the right environment for the growth of innovative businesses
- **Work in partnership with the University of Lincoln and Lincolnshire Co-operative to deliver the Lincoln Science and Innovation Park;**
- **Delivering enhanced business support, through the Growth Hubs, to drive up export activity**

# Low Carbon and Renewable Energy

*Working with partners across all sectors, the Humber Energy Estuary is becoming the renewable energy and offshore wind capital of Europe*

## Our strategy

The Humber Estuary is fundamentally connected with at least 25% of the UK's energy production. This includes serving major fossil fuel-based power plants within and adjoining the area from the Port of Immingham, which plays a key role in supplying coal and biomass to the industry. The major refineries at Immingham operated by Total and Phillips 66 refine over 25% of the UK's petroleum. There are also gas-fired power stations at Immingham and Stallingborough.

The south bank of the Humber is at the centre of an emerging £60bn offshore wind market, with the potential to create wholly new supply chains. We are also the centre of new offshore gas production in the southern North Sea.

The area stands on the brink of an unprecedented level of investment in offshore wind capacity. Over the period to 2030, up to 20GW of additional capacity will be installed in the southern North Sea across the major Round 3 development sites at Dogger Bank, Hornsea and East Anglia. This is equivalent to 40% of forecast UK offshore wind capacity and will generate investment of up to £60bn by 2030. The Government has confirmed strike prices for offshore wind projects over the period to 2018/19, which emphasises continuing investor/developer confidence in the long-term growth of the sector.

Over £2bn of offshore wind projects have recently been completed or are currently under construction within proximity of the Humber, including the DONG Energy's Westernmost Rough and Eon's Humber Gateway schemes. DONG Energy has recently announced that it will commence construction of the Race Bank scheme off the Lincolnshire Coast that will provide power for almost 400,000 homes. Three of the major Round 3 projects (estimated installed capacity of 20GW) are cited within proximity of the Humber Estuary, with the closest, Hornsea, having been completely acquired by DONG Energy earlier in 2015.

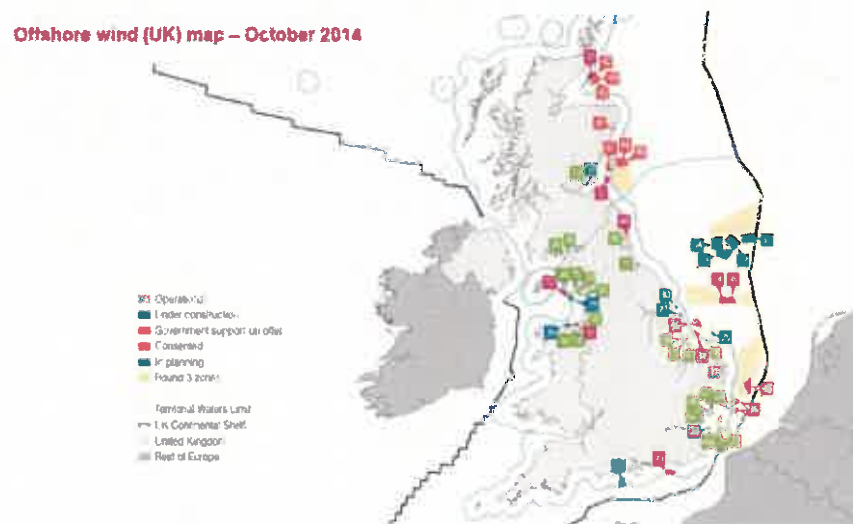


Figure 1: UK offshore wind projects October 2014

The area is capable of supporting all aspects of the offshore wind development lifecycle, with specific capability in manufacture; assembly; construction/ installation and operations and maintenance (O&M):

**ABLE Humber Port** - is the UK's fastest growing port and logistics centre and Europe's largest new port development. It provides an exciting proposal for the burgeoning marine renewable energy sector and a variety of port centric logistics functions. UK Government has identified AHP as a strategic location in the National Renewable Infrastructure Plan and HMG UK Treasury has since confirmed AMEP as the UK's largest Enterprise Zone eligible for 100% enhanced capital allowances. It consists of:

- **Able Marine Energy Park (AMEP)** offers 1,389m of new heavy duty deep water quays and 366.7 hectares (906 acres) of developable land. It is designed specifically for the marine renewables sector providing a multi-user facility for the manufacture, storage, assembly and deployment of next generation offshore wind turbines (OWTs) and their associated supply chain(s). The facility will be fully fit for purpose, future proofed, and particularly suited for the deployment of new generation jack-up installation vessels.
- **ABLE Logistics Park (ALP)** offers a 497.5ha (1,229.5 acres) site with full planning permission in place for the creation of extensive warehousing (1,700,000m<sup>2</sup>), external storage and transportation depots. The development will complement AMEP's tenants activities, potentially enabling a just in time approach minimising inventories, sustaining and maximising efficiencies and workflow concepts. ALP will also offer a purpose built Business Park providing office facilities for engineers, consultants, OEMs, supply chain companies, developers and associated businesses.

The **Port of Grimsby East** is the closest major port to the current Round 1 and 2 windfarms and to the major Round 3 sites at Hornsea and Dogger Bank. It has played a key role in the construction and installation of these major projects and has become the preferred location for long-term Operations and Maintenance activity. International businesses including DONG Energy, Centrica, Eon, Siemens, MHI Vestas, Windcat, Turbine Transfers and many others are already operating from the port supporting around 400 direct jobs. Further companies are expected to invest in O&M facilities to serve new offshore windfarms over the next decade, with a strong pipeline of enquiries.

These developments will act as a catalyst to grow the offshore wind supply chain across the Humber, generating significant demand for a wide range of skills including specialist engineering, fabrication and construction. It has been estimated that at least 7,000 jobs could be created across Greater Lincolnshire, including 3,000 long-term O&M posts.

Proposed developments will significantly increase demand for skilled engineers to support both construction and O&M and require employers to upskill their existing workforce to meet evolving industry training standards. However, research<sup>1</sup> for the Humber LEP has reinforced national evidence of a significant shortage of engineers with the appropriate training and experience for either onshore and offshore roles. The proposed National College for Wind Energy, being developed by RenewableUK and Humber LEP, will form part of the response to this challenge alongside other key facilities including the Centre for Assessment Technical Competency Humber (CATCH).

We will also collaborate with the Humber LEP and New Anglia LEP to take forward new opportunities in offshore wind.

The low carbon and environmental goods and services (LCEGS) sector also offers much wider opportunities for Greater Lincolnshire – encompassing biofuels, biomass and other bio-energy initiatives and energy from waste. We are also working with businesses across all of our key sectors to

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

develop their competitiveness through energy efficiency, waste management and other process improvement support.

In order to become a leading national and international centre for energy, we will

- Provide the best possible operating conditions and infrastructure to enable the current engineering and manufacturing base to perform well and increase the area's investment appeal for new companies to the area
- continue to invest in the infrastructure to support the growth of the offshore wind sector with a focus on our key Enterprise Zone sites (Able Marine Energy Park, Able Logistics Park, the SHIIP sites and the Port of Grimsby) in partnership with Humber LEP
- raise awareness of supply chain opportunities in offshore wind manufacturing/installation and operations and maintenance and build the capacity and capability of Greater Lincolnshire manufacturing and engineering firms to secure contracts (in partnership with Humber LEP and New Anglia LEP)
- supporting research and innovation activity in offshore wind and other renewable energy technologies to support industry efforts to drive down construction and operating costs and to develop innovation capacity within the supply chain
- work with our University Technical Colleges, FE Colleges, University, private training providers and manufacturing, engineering and energy sector employers to deliver an increase in low carbon Apprenticeships and adult training/employment opportunities
- support research and development and innovation activity across the LCEGs sector and promote technology transfer
- Lobby government to invest in carbon capture technology to support coal and renewable sources of electricity generation
- Explore opportunities in new energies and technologies whilst preserving the areas attractive environment.

In 2016/17 the LEP will agree and adopt a sector plan for the low carbon and renewable energy sector

#### ***Future Intervention priorities***

Our priorities for the low carbon, **renewables and off shore** economy include:

- Increase the supply of young people and adults with the low carbon skills and deliver short course training for employers, including investment in training infrastructure and provision, including at the employer-led CATCH training facility on the South Humber Bank (to be delivered in partnership with Humber LEP)
- Delivery of an integrated supply chain development programme (with UKTI – potentially covered through EUSIF)
- Greater Lincolnshire-wide energy efficiency/waste management programmes (again potentially EUSIF programme)
- Enterprise Zone infrastructure improvements and site assembly (to be delivered in partnership with Humber LEP)

## Visitor Economy

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

### Our strategy

With golden blue-flag beaches and resorts, historic sites, rolling hills, high quality food, an iconic cathedral, bustling city centres and strong aviation heritage. The Visitor Economy is worth over £1.9bn per annum to the Greater Lincolnshire economy, supporting over 39,000 and has long-term growth potential. The culture, heritage and environment of Greater Lincolnshire all combine to attract more than 31 million visitors each year<sup>2</sup>.

Partners have already invested in some of our most important assets; a £20 million project to open a purpose built Magna Carta Vault in Lincoln will double the number of visitors to Lincoln Castle and strengthening its role as a major UK centre for short breaks. Butlins has also recently completed a £13m investment programme at its Skegness resort.

In some parts of Greater Lincolnshire, our road and rail infrastructure remains a significant barrier to the growth of the visitor economy, particularly Lincoln to London rail connectivity. Further investment is required to broaden and deepen the network of attractions across the area to extend the average length of stay and visitor expenditure. In addition, there is a need to integrate the network of private sector –led destination management organisations which have responsibility for visitor marketing and promotion.

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. Since the launch of the Strategic Economic Plan, we have established a Destination Management Plan, and set of priorities, which will address development of the tourism product and new routes to market, skills and training needs, destination branding and marketing, stakeholder communication and monitoring sector performance.

We have also committed investment to help deliver the following projects:

- **Skegness Countryside Business Park** - a new serviced employment park to accommodate businesses serving the tourism industry and a four leg roundabout to reduce congestion in the town centre.
- **Lincolnshire Bomber Command Memorial** - a new visitor centre and educational facility to build on area's significant aviation heritage.

It is crucial to ensure the availability of appropriate skills training in order to support the capacity of businesses in the sector to develop and grow. It is important to bear in mind that while there are specific and bespoke skills required within this sector, the general skills set is transferrable and can impact in other sectors such as Care and Retail for example.

Highlighting the visitor economy as part of the skills element incorporates our need to deliver apprenticeships differently, so that the main training section occurs during the close season and the main on the job training occurs during the peak season. Our major tourism businesses have proposed this and are willing to pilot it in greater Lincolnshire. It is about a skills ladder which includes entry level

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<sup>2</sup> Scarborough Tourism Economic Activity Monitor, STEAM 2014



skills, customer care skills which are transferrable to other situations, and a high number of career/managerial skills.

There is a potential to improve the perception of skills (and access to skills development/business support) in the visitor economy sector – it provides a good introduction to employment and great potential business opportunities for entrepreneurs.

We have further opportunities where we can capitalise on our unique proposition, for example:

- We have an intrinsic part of the Mayflower Pilgrims story across Lincolnshire, Nottingham and Yorkshire. We already have an established regional group that is part of the national Mayflower 400 campaign
- We successfully won 'Britain's top food spot' above Cornwall in 2012 and continue to use our authentic local produce to increase the value of tourists visits as well as attracting new visitors looking for genuine food experiences.
- Our extensive and rich Aviation Heritage connects the whole region with a network of trails and distinctive visitor experiences, including home of the Battle of Britain Memorial Flight and the famous Red Arrows Display Team, Lincolnshire's Bomber Command Memorial, see two of only four Lancaster bombers left in Britain and the world's oldest military air academy at RAF Cranwell.
- Greater Lincolnshire also enjoys over 550km<sup>2</sup> of outstanding natural beauty in the form of the Wolds (a designated Area of Outstanding Natural Beauty), has over 600 ancient monuments and more than 120 sites of special scientific interest. Confirming the broad range of landscapes available is the fact that Greater Lincolnshire includes no less than ten National Character Areas (NCAs)

With the right support from the public sector, the private tourism sector will continue to grow. Significant growth can be generated from extending the tourism season and converting day visitors to overnight stays. In addition, the growth of Greater Lincolnshire's visitor economy will not displace activity in other parts of the UK; it will grow it in absolute terms.

#### **Coastal Developers Forum**

A new forum for coastal development has been brought together to ensure that there is a joined-up approach to growth in the county's seaside towns and villages. We recognise our seaside towns have enormous potential, and the county council is already making a positive impact in the area with projects like the new visitor centre at Gibraltar Point and the Coastal Observatory.

We want to make sure that the county gets its fair share of the funding from Government to help coastal towns and villages grow their economies and reduce unemployment and deprivation.

In order to support the growth of our visitor economy, we will continue to

- work in partnership with public and private sector partners to extend the network of visitor attractions across Greater Lincolnshire, building on our diverse heritage and landscape assets.
- simplify and coordinate Greater Lincolnshire's online presence and work with the network of Destination Management Organisations to develop a series of marketing campaigns based on our product strengths.
- enhance the quality of the visitor experience through supporting the development of the visitor accommodation/hospitality sectors and delivering investment in local visitor infrastructure – including parking, tourist information and other services.
- develop the customer service and other skills of the visitor economy workforce and work with key employers to develop Apprenticeships and other pathways into sustained employment.

- support and encourage appropriate strategic investment and development in tourism infrastructure and related areas such as transport and the natural environment

We will take full advantage of future event opportunities, for example the Pilgrim Fathers 2020, Hull City of Culture 2017

Greater Lincolnshire's tourism and heritage sector and the local food and drink industry rely on our unique and special landscape to produce and market their offers. There is an increasing body of evidence that higher quality places to live and work increase not only the draw to employers and employees but enable them to be more productive when they are working.

It is important that we protect our rural economies and our natural environments, so that people are able to benefit from them, both economically and socially. We have an active Greater Lincolnshire Local Nature Partnership that has contributed to our plans

The 'business' of protecting the natural environment is a growth sector in its own right across the UK. Yet the scale and scope of this contribution to Greater Lincolnshire has not been fully recognised – many natural attractions are free, do not count visitor numbers and these figures are not included in these tourism statistics despite the large numbers that visit them. For example:

- Over 60,000 visitors to the seals at Donna Nook in November and December extend the season offering the opportunity to create value in quieter months
- The Lincolnshire Wolds Walking Festival brings 4,600 visitors to a different part of the County and is valued at over £500,000. It has proved such a successful concept it is now being trialled in the south of the county
- Saltfleetby-Theddlethorpe Dunes National Nature Reserve supports over 26 FTE jobs and £845,000 in GVA, primarily through its 290,000 visitors per annum

The Greater Lincolnshire Nature Partnership (GLNP) has commissioned independent research into the economic value of nature tourism in Greater Lincolnshire. The research will enable better decision making both at the policy level and for the individual small businesses that make up the majority of the sector thereby increasing visitor revenues. In the longer term it should also lead to better protection and management of the natural environment creating an improved sense of place and contributing to the wider economy.

#### **Our goals include:**

- To become a leader in agricultural innovation ensuring sustainable agricultural growth through application of technologies that reduce inputs, water use and soil impacts
- To establish environmental tourism as part of wider destination marketing strategies to diversity our visitor offer
- To raise awareness of Greater Lincolnshire's natural environment and add to the high quality landscapes that will attract investment and the skills required for growth in all sectors
- To support the role of skills based learning and volunteering in the environmental sector as part of programmes to improve readiness to work and social inclusion
- To support the work of Heritage Lincolnshire and the Greater Lincolnshire Nature Partnership in order to protect and promote the area's natural and built resources

### ***Future Intervention priorities***

Our priorities for future investment for the visitor economy sector include:

- Support the implementation of at least 5 further sustainable developments of a national scale i.e. sporting events, festivals, new thematic activities and products
- Commission a new hotel and accommodation demand study to identify future needs and support investment & marketing strategy to drive investment
- Introduce a comprehensive programme of 'welcome' training for all front-line staff
- Unlocking sites for major hotel, conference and leisure developments and integrating public realm improvements with Environment Agency investment in upgrading the area's flood defences



## Growing UK plc: developing our emerging sectors

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### Introduction

Alongside our focus on the three Greater Lincolnshire sectors which will make the most significant contribution to growing and rebalancing the UK economy, the LEP will champion the development of three emerging sectors with acknowledged growth potential in the medium/long-term, or where our partner LEPs will take a lead role:

- **ports and logistics;** Greater Lincolnshire's central location ensures that we can serve over 75% of the UK population within four hours drive time and the Port of Immingham – the largest UK port by tonnage – is a key gateway to Europe and plays a vital role in supporting the UK energy sector through imports of oil, coal and biomass; the Ports of Grimsby (automotive import/export) and Boston (grain) and Humberside Airport (perishables) are also key assets alongside a diverse logistics sector which employs 18,000 people
- **health and care;** our growing and ageing population and dispersed settlement pattern are driving opportunities for economic growth in Greater Lincolnshire's health and care sector, which currently employs 56,000 people and is worth £1.2bn per annum to our economy; opportunities include developing and embedding innovation across the NHS through the new Schools of Life Sciences and Pharmacy at the Lincoln Science and Innovation Park, deploying assistive technology and ensuring our housing stock can meet the 'whole life' needs of residents.

## Ports and Logistics

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*We will develop our unique estuary land assets to create new logistics, manufacturing and trade opportunities to become the gateway to the Northern Powerhouse and Midlands Engine*

### Our strategy

With our international ports – the Ports of Grimsby and Immingham handled over 59m tonnes in 2014 making them the busiest in the UK – Humberside Airport and excellent road and rail links (including both the A1 and East Coast Main Line), Greater Lincolnshire is a natural hub for the logistics sector. Our ports and logistics sector will continue to underpin growth of agri-food, manufacturing and the low carbon economy, including offshore wind – as well as generating opportunities for wider growth.

The Port of Grimsby and Immingham has remained largest port by tonnage handling over 59m tonnes of goods per year. It is well placed being 200 miles from London, Edinburgh and Rotterdam.

The Port specialises in bulk liquids, bulk raw materials, unitised Roll on Roll off (RoRo) and Lift on Lift on (LoLo) traffics, cars, forest products and general cargoes. The Immingham Oil Terminal imports crude oil for the local refineries; the Immingham Gas Jetty imports Liquid Petroleum Gas; and the Immingham Bulk Terminal imports coal for the UK's coal-fired power stations. ABP recently invested over £130m in a new Renewables Fuel Terminal at Immingham that is focused on the import of biomass for Drax and other power stations that are investing in renewable energy generation.

The Ports account for over 25% of UK rail freight, connecting to the major energy and manufacturing providers in the North of England. Rail gauge improvements are planned to increase local freight capacity and improve connectivity with the East Coast Main Line. Continued lobbying, via the Transport for the North/Midlands Connect programmes, is essential to secure continued investment in rail freight facilities and capacity.

Coal import activity is likely to decline further at the Port of Immingham over the period of the economic strategy, with all UK coal-fired power stations to cease operation by 2025. However, there are opportunities for further expansion of biomass imports – dependent on future Government energy policies – and for container freight activity.

The Port of Immingham provides daily services to Belgium, Holland, Germany and Scandinavia with further expansion of services and routes underway. A significant proportion of container freight with an origin or destination in the North of England continues to utilise the South Coast ports and there is a significant opportunity to develop new services to create new opportunities for investment and employment.

There is scope to increase added value through the expansion of container freight services and facilities at the Port of Immingham, with a particular focus on the development of Ro/Ro activity. Unit load business continues to expand at Immingham, with strong growth experienced at the Immingham Container Terminal and DFDS. Significant investment in equipment upgrades for container handling will take place early 2016.

The Port of Grimsby also imports over 0.5m cars each year. This employs over 500 people in this activity alone. Additionally the Port of Boston plays a significant role in the agri-business, moving grain and wood products from the extensive farm land of Lincolnshire. The port also leads the way in agri-technology with a number of specialist firms operating out of the area. Trent Wharf supports the iron

ore shipment to Tata Steel Scunthorpe as well as other industry based in Flixborough, Gunness and Amcotts.

The South Humber Gateway area remains the largest developable port site in the UK with over 4 square miles of land (this includes the land for the new Able developments) offering a deep water port environment. The Able Business and Logistics Park (1230ha) has been granted planning permission and will provide 5340 direct jobs with over £400m worth of investment. Additionally, the Able Marine Energy Park (367ha) is a major development for the off shore wind industry building a new quay which will generate in excess of 4100 direct jobs. It is bringing £450m of investment to the area.

The North East Lincolnshire **South Humber Industrial Investment Programme (SHIIP)** is a major programme of strategic investment that will enable large scale economic growth in the LEPs' priority sectors including ports and logistics, renewables and the inter-related supply chain, and chemical processing. Each of the proposed sites has a distinctive sectoral focus and will play a key role in delivering the LEP's Strategic Economic Plan.

The facilitation of large scale economic growth through SHIIP, will be achieved through utilising public and private sector resources to overcome current deficiencies and constraints in the commercial property market, namely the provision of suitable sites and premises and ecological and infrastructure restrictions. Funding for up-front infrastructure will largely be provided through Council borrowing, augmented by existing Local Growth Fund (LGF) grants and underpinned by business rate retention through Enterprise Zone status. Over 190 hectares of land will benefit from EZ status.

Since the launch of the Strategic Economic Plan, we have supported the delivery of the following project:

- **South Humber Industrial Infrastructure Programme (SHIIP): Phase 1** - strategic intervention to unlock a major programme of investment on the South Humber Estuary by removing environmental constraints and improving access between the Ports of Grimsby and Immingham.

In 2016/17 we will approve a detailed intervention plan for our ports and logistics sector, in partnership with the Humber LEP. In developing the sector plan and continuing our support for this key growth sector, we will

- invest in strategic infrastructure projects which increase the capacity and competitiveness of our ports/logistics sector, including rail gauge improvements between on the South Humber Line; and a new rail freight terminal at Spalding
- support ABP, Humberside Airport and other key partners to attract new international freight services which strengthen export opportunities for Greater Lincolnshire's firms
- develop opportunities for ro/ro and port-centric logistics by attracting a higher proportion of containerised freight with an origin or destination in Greater Lincolnshire and the adjoining area
- bring forward sites including the Able Logistics Park and SHIIP programme to support growth of the ports/logistics sector
- support employers to invest in Apprenticeships and adult training opportunities to generate entry level, intermediate and higher skilled jobs for Greater Lincolnshire residents.
- Work closely with business and promote the ports as a well-connected asset, 200 miles from Rotterdam, London and Edinburgh

***Future Intervention priorities***

Our future investment priorities for the ports and logistics sector include:

- Port access and employment programmes –to develop further job opportunities based on increased transport/logistics activity at our ports
- rail gauge investment between Immingham and the East Coast Main Line at Doncaster to enhance the rail freight capacity of the South Humber Line (developed jointly with Humber LEP)
- Humberside Airport access improvements (developed jointly with Humber LEP)

## Health and Care: Innovation for Living

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*Our Health and Care Sector will be a vibrant sector which offers great career opportunities and provides the right environment for local research, innovation, technology and service provision that leads to economic growth*

### Our strategy

Demographic change and the need to embed innovation and efficiency across the NHS and social care sector are driving the growth of Greater Lincolnshire's health and care sector. Our population is growing – but also ageing – rapidly and the number of people with long-term health conditions is also set to increase significantly over the next decade. All of these factors create challenges for the delivery of effective health/care services which are exacerbated by Greater Lincolnshire's dispersed population; they also create significant opportunities for economic growth.

We will build on key assets including the University of Lincoln's Schools of Life Sciences and Pharmacy and our research-focused clinicians to drive the development of innovative new products and practices and embed them across the NHS and wider Health & Care environment. We will also explore the deployment of assistive technologies to support new, innovative ways of helping people with long-term health conditions manage their illness in a community setting; and invest in our housing stock to ensure it meets the whole life needs of residents, generating further demand for innovation. This will also drive the provision and take-up of superfast broadband in those locations which are not currently served by it.

Since the launch of the Strategic Economic Plan, the LEP have approved a dedicated sector plan which sets out our commitment to championing a world-class health and care sector in greater Lincolnshire, which is strong and vibrant, and based on innovative and collaborative partnerships:

We recognise that the health and care sector is already an important element of our local economy. The Greater Lincolnshire Local Enterprise Partnership sees our ageing community as an opportunity rather than a problem, and the need for this sector is set to grow over the next 10 years.

The LEP seeks to join up local health and social care budgets, which is reflected in the Health and Care sector strategy. The sector plan also identifies the creation of a Greater Lincolnshire medical school as an important priority. The University of Lincoln and Lincolnshire County Council (public health) are working together on the opening of a post-graduate medical facility in October 2016, and our FE sector is working on vocational skills within the sector. This will require a specific dialogue with the Department of Health.

In order to deliver a new approach to health and social care, that will improve the quality of care, integrate services, reduce the burden on the taxpayer, and help to grow a new invigorated sector, we will:

- Foster an increased understanding of the Greater Lincolnshire's 'silver economy', and developing innovative and appropriate products and services for the future.
- Work with housing developers and registered providers to develop whole-life housing, personalised support packages and new models of supported living that promote independence, well-being and choice.

- Develop the skills base of the health and care sector through enhanced information, advice and guidance, apprenticeships and adult training opportunities, to support long-term workforce recruitment and retention.
- Create opportunities for the frail, vulnerable and elderly to become a community resource through intergenerational schemes, volunteering schemes and involvement in research and development projects.
- Develop Greater Lincolnshire's role as a 'living laboratory' to pilot and roll out assistive technologies to support the management of long-term conditions.
- Develop the role of social enterprise, Community Benefit Societies and other new models of health and social care delivery, building on the success of the Care Plus Group and other innovative organisations across Greater Lincolnshire.

*In order to accelerate the growth of Health and Social Care as a priority sector across Greater Lincolnshire, we are working with Government to develop*

- *devolution of the range of commissioning resources that support the health and wellbeing of Greater Lincolnshire people;*
- *greater coordination of Local NHS and Social Care Commissioners with a devolved place-based health & social care budget with a minimum four year settlement;*
- *integrated commissioning of all community services;*
- *joint commissioning of DCMS sports, physical activity, culture and arts programmes to align with local health and wellbeing strategies*

#### ***Future Intervention priorities***

Our future priorities for the health and care sector include:

- Changing the landscape of education and skills development across the health and care sector to establish a Career College, Post-Graduate Medical School and Graduate Medical School
- Enabling infrastructure investment to unlock development of the Lincoln Science and Innovation Park as a research hub, to include relocation of the School of Life Sciences, the provision of new incubator space and 'Living Lab' facilities
- Developing Apprenticeships and a wide range of adult training programmes to improve access to employment opportunities in the health and care sector
- Supporting the availability and development of leadership and management/supervisory and entrepreneurial skills offers
- Providing support to an emerging Personal Assistant Scheme and general retirement/extra care/respite care models and provision
- Developing the role of the not for profit sector in delivering health and social care services

# Skills, Innovation, Technology and Promotion

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## Introduction

Innovation, skills, technology and promotion are crucial to the growth of our businesses. Technology and skills requirements are changing. Our business successes, from the world's leading golf club manufacturer in the north of the area, to an international pyrotechnics company in the east, have gained market share through adapting to the future.

We do not want our important sectors, and our businesses, and those seeking jobs within our communities, to stand still. We will help them adapt for the future, and we will promote Greater Lincolnshire so that businesses get access to new markets, attract the qualified staff into the area that they need as well as ensuring that our own residents are retained, and to provide a local identity that they can associate their products with.

We recognise that innovation is not just about advances in science and technology. It is the implementation of a new or significantly improved product, service, process, or workplace practice. Businesses owners that create internal capacity within their organisation to learn develop and use the talents and creativity of its entire workforce to the full will be far more likely to innovate.

Before we outline the measures we will take in creating the right conditions for business growth, there are two important groups of businesses that must be recognised.



## Skills and Employment

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When our business community tells us about 'skills-gaps' they are often describing different challenges: not being able to find the right skills within the local labour market and difficulty in recruiting experienced, higher level and technically skilled workers from other areas; lack of interest to work in their particular sector and not being able to access the right training for their workforce, to name a few.

### The Current Picture

Within the Greater Lincolnshire area we have two Universities, six Colleges of Further Education, a range of smaller, independent providers and two new University Technical Colleges.

Our large geographical area can be a barrier to employer-led skills training and development, 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.

There are also very large numbers of training providers – over 400 - operating in the area. Businesses tell us that they are often inundated with 'cold calls' that lead to confusion about what training is available and what financial contribution they are expected to make.

We have fantastic GCSE results; the proportion of our school leavers obtaining a Level 2 qualification is amongst the highest in England. The most recent statistics show that we don't maintain this competitive advantage (Census 2011).

Fewer of our 16-24 years old are qualified to Level 3 and Level 4 when compared with the UK average. Across our 25-34 age range the challenge is even greater - from national averages we would expect around 40% of this age group to be qualified to at least Level 4, yet only 27% of our 25-34 year old residents actually are.

The proportion of 16-64 year olds in Greater Lincolnshire with no qualifications is 6% higher than the England average, and, despite the exemplary school leaver achievements, this gap is predominantly amongst our 16-34 year olds. Participation in vocational learning is increasing but has traditionally been lower than the national average

In particular we must support our businesses to plan for succession because the population of Greater Lincolnshire is growing, and ageing. Forecasting models have predicted that our businesses will need to fill around 200,000 jobs by 2022, and that there will be greater demand for more highly skilled workers in sectors that are traditionally seen as low skilled.

Given that our current (Dec 13) youth unemployment accounts for 29 per cent of all job seekers in Greater Lincolnshire, higher than 25 per cent nationally, we must have a priority to support our young people and to help them continue in Further Education and progress to higher levels of qualifications so that they can take advantage of the opportunities that are currently available and that will increase as we implement our growth plans.

Our overall priorities for future education and skills investment in Greater Lincolnshire are based on the premise that in order to grow business owners need:

- a pool of suitable people from which to recruit, now and in the future
- access to training for new and existing staff and



- support to help them plan and articulate their current and future skills need, particularly our smaller SMEs

We know that there will be large numbers of job vacancies in the future and that demand for higher level, technical and managerial skills will continue to grow. In order for businesses to fill these roles we must support everyone in our communities, both in and out of work, and within our schools and Colleges, to raise their skills levels and understand the career opportunities available. We also need to encourage businesses to invest in intermediate and high level skills to support career progression and create new entry level employment opportunities.

We will seek local solutions to these challenges and develop sector specific responses, which recognise the importance of:

- Identifying the needs of employers and translating into clear skills pathways for our sectors
- Improving the perception of various sectors
- Enhancing skills and training information for businesses and for individuals
- Developing collaborative and coherent partnerships

We have a committed resource in the **Greater Lincolnshire Employment and Skills Board (GLESB)** to navigate the complexities of the skills system and have piloted activity that addresses barriers so we already know that we can make a difference. The GLESB will continue to commission activity that:

- Creates a network of specialist skills advisors, helping businesses, particularly SME's, to articulate their skills needs and supporting colleges and providers to develop training that better meets employer's needs. Advisors will provide us with intelligence on persistent gaps and that will be fed back into the system.
- Expands the work we have already begun through the 'Aspirations' publication, creating and inspiring interest in our most important sectors; promote vocational qualifications and support employers and schools to make greater links
- Develops a local resource that makes it easier for everyone to access information about industry, skills, workforce training and employer's skills needs.

In developing our programme of growth we must not overlook our existing FE infrastructure. We know that a proportion of our FE estates will require refurbishment within the lifetime of this programme to 2020, and we expect a proportion of any skills capital allocation in 2016/17 to contribute to that aim.

We will undertake an Area Based review of post-16 education and training institutions. This will to ensure that we have the right capacity to meet the needs of students and employers in our area that is provided by institutions which are financially stable and able to deliver high quality provision. The review will help to inform and develop a skills investment programme for Greater Lincolnshire.

**Greater Lincolnshire's manufacturers demonstrate low levels of innovation.** Despite the presence of the University of Lincoln's pioneering School of Engineering, developed in partnership with Siemens, business expenditure on research and development and levels of product/process innovation remain very low. Driving our manufacturing sector 'up the value chain' through innovation remains a major, long-term challenge.

Just 8% of businesses are engaged in R&D (the lowest of all 39 LEP areas) and 17% of businesses have undertaken product or service innovation<sup>3</sup>. Engaging Greater Lincolnshire's manufacturing businesses with appropriate sources of R&D/innovation expertise and technology transfer opportunities is vital if competitiveness and growth are to be sustained.

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<sup>3</sup> Benchmarking local innovation – the innovation geography of the UK, Roper, Love and Bonner, Enterprise Research Centre, 2015

The University of Lincoln is at the forefront of supporting innovation in the local business community, growing its research capacity and performance and driving transformational change. Effective partnerships have enabled the recently built private sector focused School of Engineering – the first of its kind for 20 years - and continues to deliver a wide range of business knowledge exchange schemes and support directly meeting the needs of business. The National Centre for Food Manufacturing is working with the Technology Strategy Board and local business on a range of research projects. In Grimsby, the Food Refrigeration and Process Engineering Research Centre supports the growth of the area's agri-food sector. These important collaborations are supporting businesses to access finance that they would not have otherwise.

Innovation is vital for growth. It's not just about pure 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.

We want to ensure that our businesses are innovative, ambitious with workers who are more highly skilled, imaginative, productive and more highly paid.

Since the launch of the SEP we have established a new Innovation Council, chaired by the University of Lincoln, which will

- Develop strategic guidance as a framework for innovation activity
- Become the authoritative voice for innovation, representing GL interests locally, nationally and internationally
- Identify innovation priorities, consistent with the general objectives of the SEP but challenging assumptions to ensure the SEP fully addresses the innovation needs of GL
- Set out short term actions and identify long term vision for innovation in Greater Lincolnshire
- Embrace open innovation thinking, looking to establish collaborative relationships across LEP boundaries
- Promote awareness raising and actions that support a culture of innovation

**Our future goals include:**

- Increasing our support for SMEs to collaborate with larger organisations, HEIs and with each other to take advantage of funding opportunities for skills, innovation and technology that they cannot access alone
- Retaining more of our graduates through, for example, our successful intern programme
- Building on the strengths of our innovation, enterprise and incubation centres, through increasing access to innovation support, knowledge, research and technical support
- Our longer term aim will be to build up to an Innovation Programme that comprises a co-ordinated package of: Knowledge-intensive business services, support for patenting and licencing, facilitating networks and access to research funding;

### Underpinning skills activity

Supporting growth across all our goals, we want to:

- Change perceptions so we can stimulate demand amongst our young people for careers in our most important sectors and for vocational education, providing them with the knowledge they need to make informed decisions;
- increase literacy and numeracy levels
- ensure that the 'employability' skills business owners want are delivered to those that need them
- support business and community integration through ESOL programmes that are tailored to our particular need
- 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.
- Ensure that skills programmes and activities are properly glued together so that they yield greater impact for local businesses and communities

*In order to accelerate delivery of our skills development priorities, we will also work with Government to enable Greater Lincolnshire to control:*

- powers to reshape and re-structure local Further Education (FE) provision, in line with the Rural Productivity Plan;
- funding streams of Post 16 Education Funding Agency and Skills Funding Agency (SFA) budgets;
- responsibility for career information, advice and guidance (CIAG) for adults and young people;
- an increased role in the coordination of the delivery of professional and technical skills across the region to ensure that is responsive to local economic priorities;

## Promotion

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Most businesses that we have consulted have asked the LEP to promote Greater Lincolnshire more widely. This was partly 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 Lincolnshire. There is a strong role for both the public and private sectors in promotion

As part of this process, we have formed a **Framework for Investment and Growth in Greater Lincolnshire** to outline how place marketing in Greater Lincolnshire can successfully support and achieve our aspirations for growth. This strategy will set out how we will broadcast Greater Lincolnshire to a wider audience and boost investment by:

- attracting and retaining businesses
- supporting businesses to create jobs
- appealing to new and highly skilled residents and students
- and enticing visitors and employees to Greater Lincolnshire

We recognise that attracting new investment is not exclusively about marketing individual places. Instead, we will work on understanding and providing the specific information which businesses, visitors and employees need to inform their location and investment decisions. We will also work with our local business community to create a powerful and authentic image of how businesses are operating successfully in Greater Lincolnshire, and promote these strong messages to visitors, investors and the media.

We will draw on our expertise, research and feedback from a variety of businesses to explore what investor audiences are likely to want and how we can attract them through providing specific information on:

1. Investment opportunities
2. Business Intelligence
3. Quality of life
4. Account management/Business support

### **Our Goals Include:**

- Attracting, developing and retaining relationships with investors through providing a single point of contact.
- Supporting foreign owned companies and large indigenous companies with the aim of retaining and increasing the workforce and/or investment.
- Bringing together networks of companies to cooperatively market Greater Lincolnshire.
- Concentrating promotion on specific sectors so skilled individuals have confidence that there is career progression within the area.
- Utilising thematic projects to collaborate across district and county boundaries ensuring tourism is joined up and aligned with the government's ambitions to grow tourism outside London.

### SECTION 3: PLACE

## A Place to Invest

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Greater Lincolnshire is an attractive option for investors; a range of factors come together to make it a great place to live and work.

So that Greater Lincolnshire remains attractive to investors, we will champion activity in:

- Housing and Communities
- Environment and Heritage
- Transport
- Water Management
- Utilities

These activities focus on strengthening Greater Lincolnshire's status as a place where people want to live, work, invest and visit and have been aligned with the various planning policy documents that are emerging or are already adopted across Greater Lincolnshire. There is a strong planning policy foundation on which to build delivery.

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

### Homes and Communities

Housing and the economy in Greater Lincolnshire are inextricably linked. As a sector, it contributes substantially to the local economy - two jobs per house built<sup>4</sup>. Greater Lincolnshire is committed to housing growth and will plan for the delivery of 100,000 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 rural areas

Generating investment in the area is essential to generate housing sales and to maximise build rates for developers. Sites that have planning approvals will see an increased incentive to build with increased economic development, causing increased housing delivery to meet the needs of residents now and in the future.

The housing market reflects how an area and its quality of life is perceived. New housing has the potential to attract and retain the workforce needed to enable the area to grow. The key sector activity will generate employment opportunities so employers need to attract people from the local and national labour markets. A key part of the offer to the applicant, other than the job opportunity, is the housing market available to them. An area needs to have attractive starter homes and family housing available to enable people to achieve aspirations about their movement within the market.

Greater Lincolnshire will not attract new people by its housing offer alone. The night time and retail economy being offered will attract people into the towns and city, increasing the spending. This includes retail opportunities across the spectrum from lower cost food options to high end supermarkets and boutique smaller localised shops. Also, we need to ensure that we cater for differing interests within the entertainment offer. This sustains and generates an increased market for the service and leisure industry – generating more employment opportunities in the area.

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<sup>4</sup> Chartered Institute of Housing

**Weaknesses to be addressed through identified projects:**

- Our low volume of housing market activity putting off national house builders
- The legacy and impact of poor quality affordable housing
- The restricted range of housing offer in some LEP areas
- The remoteness and poor external perception of the area
- The educational and cultural offer can appear weak in various market towns
- The opposition to more housing in more affluent villages
- Lack of public funding for regeneration and further cuts for example on welfare assistance
- The opportunity to enhance community facilities
- Costs of development of affordable housing

Since the launch of the Strategic Economic Plan, the LEP has already supported the delivery of the following housing schemes and initiatives

- **Lincolnshire Lakes Blue and Green Infrastructure, Scunthorpe** - first phase works on the Lincolnshire Lakes scheme creating a lake, sustainable drainage system and green infrastructure to unlock new housing development
- **Unlocking Rural Housing Programme:** a LEP wide programme to enable new housing and tackle the twin challenges of delivering housing in areas of low land values and flood risk
- **Boston Quadrant, Phase 1a** mixed use development that will enable housing and employment land to be developed and deliver a new distributor road to reduce congestion in the town centre
- **Peppermint Interchange, Holbeach** - road infrastructure and highway improvements to unlock new employment land and housing development
- **Golf Road Development, Mablethorpe** - mixed use scheme on a total site of 37 acres. LEP funding secured to meet the high upfront costs of site preparation, access and infrastructure works to accommodate redevelopment of the site

**In order to support continued housing delivery and business growth, we will:**

- Plan and deliver infrastructure and housing in the right places to support business growth
- Support an area based focus to align regeneration and growth in our key towns e.g. Lincoln, Gainsborough, Grimsby, Scunthorpe, Grantham.
- Look at the tenure and quality of new housing to suit the aspirations and needs of existing and new employees in new and growing businesses
- Identify opportunities for funding packages of private and public sector funding, working with housing companies where they emerge
- Support skills development, innovation and growth in companies in the housing sector
- Support a capacity building programme across public, private and third sectors to deliver exemplar large housing/place developments

*To further accelerate our strategic priorities for housing growth, we recognise the need to work with Government in order to deliver*

- *enhanced powers to allow local councils to use short hold assured tenancies, remove borrowing caps and allow councils and Registered Providers (RPs) to use prudential borrowing, and to allow financing through a council's general fund.*
- *to increase and improve the quality and affordability of housing supply through*
  - *the One Public Estate approach for land, including control over nationally held public assets;*
  - *freedom to develop local housing rules on right to buy and housing stock financing and management;*



- the pooling and devolution of central government and HCA resources into a Housing Investment Fund;
- devolved power for both Registered Providers and Local Authorities to set rents and retain right to buy receipts;
- a unique deal that specifically tackles the underlying causes of in- work poverty including linking the payment of Housing Benefit to the delivery of certain minimum housing standards in the private rented sector.



### Need to check housing numbers

#### Market towns and retail opportunities

Lincoln, Boston, Cleethorpes, Gainsborough, Grantham, Grimsby and Scunthorpe offer particular opportunities for growth. The market towns that operate around them, such as Brigg, Horncastle, Louth, Market Rasen, Sleaford, Spalding, Spilsby and Stamford, play a role within the identity of the county, providing attractive townscapes against the rural backdrop.

The shifting retail patterns, ageing townscapes and changing communication mechanisms have provided challenges for the vitality of the market towns in Greater Lincolnshire. We will seek to provide opportunities for social enterprises and community groups to maximise their resource for service delivery, therefore enhancing the quality of community life in the area.

#### Enterprising communities

Greater Lincolnshire will remain a sustainable and vibrant area through investment in the enterprising communities found within it. The learning and skills opportunities will be enhanced by apprenticeships, community led training, management and leadership opportunities and volunteering into employment.

We also support the creation of community hubs where library services, training centres, community cafés, micro and SME business support and networking can operate from. There will also be capacity support for small businesses including private and voluntary and community Sector – potentially to lead to community investment projects, ICT innovations, support to Lincolnshire's Heritage and social enterprise development.

The growth opportunities presented will include investment in areas of towns that need to be enhanced to provide an attractive offer for new town centre housing opportunities. Also, there are a series of larger sites coming forward for development that will allow the housing offer to progress to meet the needs of new communities generated by the expected economic growth.

Support for rural affordable housing needs to be considered, to enable the expected delivery of affordable housing.

The diagram below shows employment land and housing growth ambition across the Greater Lincolnshire area. In order to achieve this level of growth we need to overcome significant barriers which are currently impeding delivery. Our Local Authority partners share our ambitions to deliver housing. In Greater Lincolnshire the barrier is not a lack of appetite for growth but issues which relate to the specific nature of our area.

These include the predominance of smaller sites, relatively low volume of housing market activity, the need for regeneration in areas of poor quality housing and to widen the range of the housing offer, lack of large developers and developer confidence, plus additional costs arising from the need for flood mitigation and infrastructure which combine with low land values to create general viability issues.

## Transport

To achieve planned, sustainable growth in the cities, towns and rural areas, road and rail links will be reviewed as part of the planning process. Infrastructure schemes will be identified to ensure houses can be delivered whilst minimising the impact on the wider transport network. Where funding cannot be obtained for schemes from a Local Authority alone, we will seek private sector leverage and match funding opportunities through the LEP process.

The whole plan contains many infrastructure projects that will require up-front funding from developers. In order to deliver this growth, we will explore ways by which we can fund the infrastructure then claim the costs back from developers over time.

Demand for the movement of people and goods continues to grow across Greater Lincolnshire, putting increased stress on existing transport networks. Over 4 million lorry loads of goods per year add to pinch points in traffic congestion and poor access will weaken the future sustainability of the economy.

This is a major factor affecting the Agri-food supply chain in terms of real cost and lost opportunity 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.

The cost of freight is regularly cited as critical to business productivity. Our tourism sector will benefit greatly from improved access on the east of the greater Lincolnshire area.

The Local Transport Plans in Greater Lincolnshire put economic growth and regeneration firmly at the heart of transport strategies.

These can be summarised as:

Lincolnshire	North Lincolnshire	North East Lincolnshire
<ul style="list-style-type: none"><li>• Inter + intra-regional access to a support a growing economy</li><li>• Access to services, jobs and leisure</li><li>• Well managed and safe environment</li></ul>	<ul style="list-style-type: none"><li>• Facilitate economic growth</li><li>• Protect and enhance the natural environment</li><li>• Improve transport safety &amp; security</li></ul>	<ul style="list-style-type: none"><li>• Enable sustainable growth</li><li>• Improve journey times</li><li>• Better access to markets</li><li>• Support regeneration and employment</li></ul>

Humberside International Airport provides critical infrastructure to support new gas investment in the southern North Sea (mostly off the Humber in the Rough and York gas fields). It also supports the emerging off-shore wind sector both in terms of non-fixed wing aviation support and also in providing direct links to the major German and Scandinavian developers. The airport is home to the largest helicopter facility in England (second largest in the UK). A new £5m BAE Systems National training academy was built at Humberside Airport, providing up to 60 apprentice opportunities every year resulting in over 150 new jobs over three years.

Whilst Humberside airport is seeing growth, particularly around new helicopter flights and a new hotel development, the airport requires some significant infrastructure improvements within the next 5 years to sustain this growth.

The GLLEP has already supported successful bids for transport investment through various funds, including:

- **Grantham Southern Relief Road** - a new relief road, bridge and connections that will enable major housing and employment land to be developed and reduce traffic congestion in the town centre
- **Lincoln Eastern By-Pass** - to minimise traffic congestion, support Lincoln's growth as a principal urban centre, and enhance the inter-city environment. A planning application for a single carriageway was granted in June 2013. The bypass will serve as a step towards the completion of an eventual ring road around Lincoln
- **Lincoln Central Transport Hub** a new bus station, pedestrian footbridge and car park, integrated with the train station and connecting to the Science and Innovation Park, improving transport linkages to attract new investment
- **Berkeley Circle Highway Improvement, Scunthorpe** junction improvement to reduce congestion and enable the development of planned housing, commercial and leisure investments.
- **Access to Employment Zones, Grimsby** junction improvements on the A16 and A46 routes to and from Grimsby, enabling the development of new housing and employment sites
- **Go Skegness** sustainable transport projects including junction and pinch point enhancements, new pedestrians and cyclist facilities, a seasonal park and ride site; and real time passenger information
- **Tentercroft East-West Growth Corridor, Lincoln** mixed use development to enhance public transport and pedestrian flows to enable the development of new housing and employment sites.
- **Nottingham to Lincoln train enhancements** A proposal has been drawn up by lead partners to enhance service and capacity between Nottingham and Lincoln for a three year period

*In identifying our local priorities to enhance transport provision and infrastructure, we recognise that economic growth will be delivered faster and more effectively through:*

- *an amendment to the Highways England programme to produce faster east-west links as set out in the Midlands Engine commitments;*
- *a commitment from the Department for Transport to allocate funding within its second Roads Investment Strategy for 2020;*
- *recognition of the major road corridors within Greater Lincolnshire that fulfil a national role in moving people and goods;*
- *rationalisation of the appraisal process for transport projects;*
- *powers to adopt bus service franchise powers and apply a discounted fuel duty scheme to support transport in rural areas;*
- *phased implementation of the outcomes of the GLLEP's rail strategy, which supports the Midlands Engine commitment to improving rail services.*

We also recognise the pre-eminent role of councils in developing transport strategies through their Local Transport Plans. The GLLEP will identify economic priorities and assist local authorities to develop complementary transport strategies. Similarly, the GLLEP will identify its priorities to help shape the plans of Highways England, Network Rail, Train Operating Companies and other transport operators. By identifying priorities the opportunity will exist to ensure that the Government control of funding can be influenced.

The LEP Board have agreed a roads investment strategy which identifies key transport corridors within Greater Lincolnshire that are most likely to contribute to growth in existing centres and along which new growth could be prioritised as:

- South Humber Corridor: M180/A180 from A1 to Grimsby/Cleethorpes
- East Midlands Coastal Way: A46 Newark to Lincoln and A158 Lincoln to Skegness
- Mid-Southern Lincolnshire Corridor: A17 Newark to Kings Lynn
- Ermine Street North Corridor: A15 Lincoln to M180 to Humber Bridge
- Lincoln Corridor: A46 to and around Lincoln
- A52 Grantham to Boston
- East Coast Link: A16 Peterborough to Grimsby:

We will also prioritise investment towards

- **Transport pinchpoint schemes** which provide funding for small scale improvements in a group of recognised transport bottlenecks, relieving congestion and assisting with the movement of goods.
- **Sustainable transport schemes** in order to improve local transport, promote sustainability, and reduce transport's negative impact on the environment.

The LEP Team have also been actively supporting the **Midlands Connect** consortium to champion the economic case for strategic transport investment towards a Greater Lincolnshire growth corridor that will transform transport connectivity between the east and west of the region and help rebalance the UK economy as a whole.

The LEP have commissioned a rail feasibility study to address network and service improvements that are needed for both passengers and freight movements to deliver accelerated growth. This will form the basis of our new rail prospectus that will provide a means for lobbying for rail improvements through links with Network Rail and other lobbying groups.

The LEP Board will also consult with the relevant ports authorities in its area to determine the priorities for investment that the GLLEP can add most value to in a lobbying position.

# Flood Risk & Water Management

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**Water management is fundamental to 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 Greater Lincolnshire Local Enterprise Partnership (GLLEP) considers the effective management of flood risk and water resources to be a critical factor in enabling economic growth in its area. The strength of existing and longstanding partnership working in flood risk management in Greater Lincolnshire provides an opportunity to develop this further and to drive links with organisations responsible for water supply and management.

Our aim is for Greater Lincolnshire to be seen as a national exemplar for water management; both flood risk management and water supply, so that this plan acts as an incentive for investors in GLLEP's priority sectors. This will enable effective water management to be a positive contributor to economic growth.

In achieving this aim, the GLLEP believes that close collaboration with the neighbouring LEP areas (Humber, New Anglia, Greater Peterborough and Greater Cambridgeshire) is essential, these areas sharing many important economic challenges and opportunities. Water does not respect LEP administrative boundaries and for effective flood risk management or water provision, GLLEP needs to work with neighbouring LEPs.

GLLEP is also conscious that more investment in water management is needed, but that the historic models of funding on their own cannot meet future needs, not least because of constraints on public funding. It is, therefore, essential to develop new partnership based funding models which unite public, private and community level investments.

We are developing an integrated approach to water that links flood risk, drainage and water resources management so that we can maximise the services it provides, including , drinking water, input for business, crop irrigation, tourism and recreation and improved biodiversity. 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.**

- Around 39% (2,761 km<sup>2</sup>) of Greater Lincolnshire lies within the floodplain and the area has been affected by a number of significant coastal and inland floods, most notably in 1953, 2007 and 2013.
- The Greater Lincolnshire area is also one of the driest in the country and is prone to drought. 2011/12 demonstrated the challenges and raised awareness of the need to adapt to this element of our changing climate.

**Greater Lincolnshire is a major area of agricultural production and food manufacturing that contributes significantly to UK food security.** Greater Lincolnshire accounts for 25% 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 UK's food security relies upon Greater Lincolnshire's agriculture, horticulture and food manufacturing industries. As such water management in our area is a national not simply a local priority.

The ports of Immingham and Grimsby are the largest Ports in the UK by tonnage and East Anglia as a whole supplies around 1/8 of total UK food consumption.

A further way in which Greater Lincolnshire will grow is in terms of population. The **100,000 new homes** needed by 2031 to meet this growth will bring economic growth but require a strong utility structure.

**Security from flooding is a key infrastructure requirement for our economy.** Our coast, which is a major part of our visitor economy, is particularly vulnerable to the impacts of climate change and sea level rise. We are committed to working with partners to secure flood risk management through the sustainable development of our coastal economy whilst protecting our communities. These impacts are also felt inland. At Louth and Horncastle in the Lincolnshire Wolds risk management authorities have combined their efforts to prepare flood resilience measures against significant flood risk affecting the potential of these towns to drive growth and provide development opportunities. The LEP will seize this opportunity to harness the potential of effective flood risk management to boost and local growth.

The importance of water management in Greater Lincolnshire, and its established expertise in managing flood risk – a key part of the solution - provides an opportunity to explore innovative approaches across the whole range of water management activities. No other part of the country is taking this comprehensive approach or has identified water management as so essential a factor in bringing about economic growth.

The LEP Board has identified a detailed programme of intervention that will enable, promote and delivers sustainable growth across Greater Lincolnshire, under three main themes:

Theme 1: Education, research and training

Theme 2: Water provision for growth (with Water Resources East Anglia)

Theme 3: Flood risk reduction

*In order to accelerate the delivery and impact of our strategic priorities for water management, we will also negotiate with Government to implement:*

- *delegation of decision-making powers over flood risk management priorities from national to the local level;*
- *tax incentives for agri-food businesses and the steel industry to develop water resources or water efficiency measures on their sites;*
- *freedom to extend the arrangements for tax relief for businesses contributing to flood relief schemes;*
- *devolution of the EA powers around flood risk operations and use of the capital funding within the Medium Term Programme (MTP).*



***Future Intervention priorities***

- Integrated water management of the Black Sluice catchment
- Wrangle Wash Banks flood scheme
- Haven Banks (Boston) flood scheme
- Sustainable Management of the open coast
- Fossbank – Lincoln flood scheme
- Cleethorpes flood scheme
- Killingholme Marshes Drainage Improvements
- A1077 Highway Improvement & Flood Alleviation Scheme South Ferriby
- East Halton (North Killingholme) Flood Defence Scheme
- Boston Barrier
- Flood risk mitigation solutions for the Lincolnshire Lakes and the Western Growth Corridor

# Infrastructure

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***The Strategic Economic Plan for Greater Lincolnshire identifies that building a long-term commitment and strategic platform for infrastructure investment is critical to our efforts to accelerate economic and housing growth across Greater Lincolnshire.***

We know that providing a reliable and sustainable utilities infrastructure will allow us to realise our strategic ambitions and growth potential. The provision of these services is equally critical to the growth of fully sustainable communities. However, infrastructure funding and delivery is a key risk in plan-making and project delivery. The size of our LEP area, and the subsequent remoteness of some sites that are suitable for development, can mean that the current provision of roads, water, sewerage, energy services and telecommunications may be insufficient to accommodate the level of growth required. Experience has shown us that many local investments can become stalled due to the limited availability of utilities and the relative cost of upgrading the necessary infrastructure.

We also recognise that infrastructure delivery requires strong leadership. The LEP Board will therefore work to ensure greater clarity on future infrastructure requirements and delivery through an integrated **Infrastructure Investment Plan for Greater Lincolnshire**, which would embrace all types of infrastructure: transport, power, water and flood defence. This will be informed by our sector and place priorities for economic growth. There may be other drivers that will ultimately shape investment, such as social need and environmental imperatives. Hence it will be important to work with local councils, other parts of the public sector and utility providers in order to promote Greater Lincolnshire's case for investment. This coordinated approach (aligned to the agreed priorities within the SEP) will ensure a 'single conversation' approach to effective delivery programmes.

Good progress is already being made. The GLLEP works closely with upper tier councils in determining transport and highways priorities. The overall objective of the Infrastructure Investment Plan is to provide a robust and up to date picture on planning for infrastructure in Greater Lincolnshire. It will thereby allow more productive discussions with local plan-making authorities. The intention is to clearly understand opportunities and constraints affecting Greater Lincolnshire in relevant areas to promote collective working on delivery solutions. The overall aim is to support the delivery of growth by setting out key priorities and our strategy to address the infrastructure funding gap.

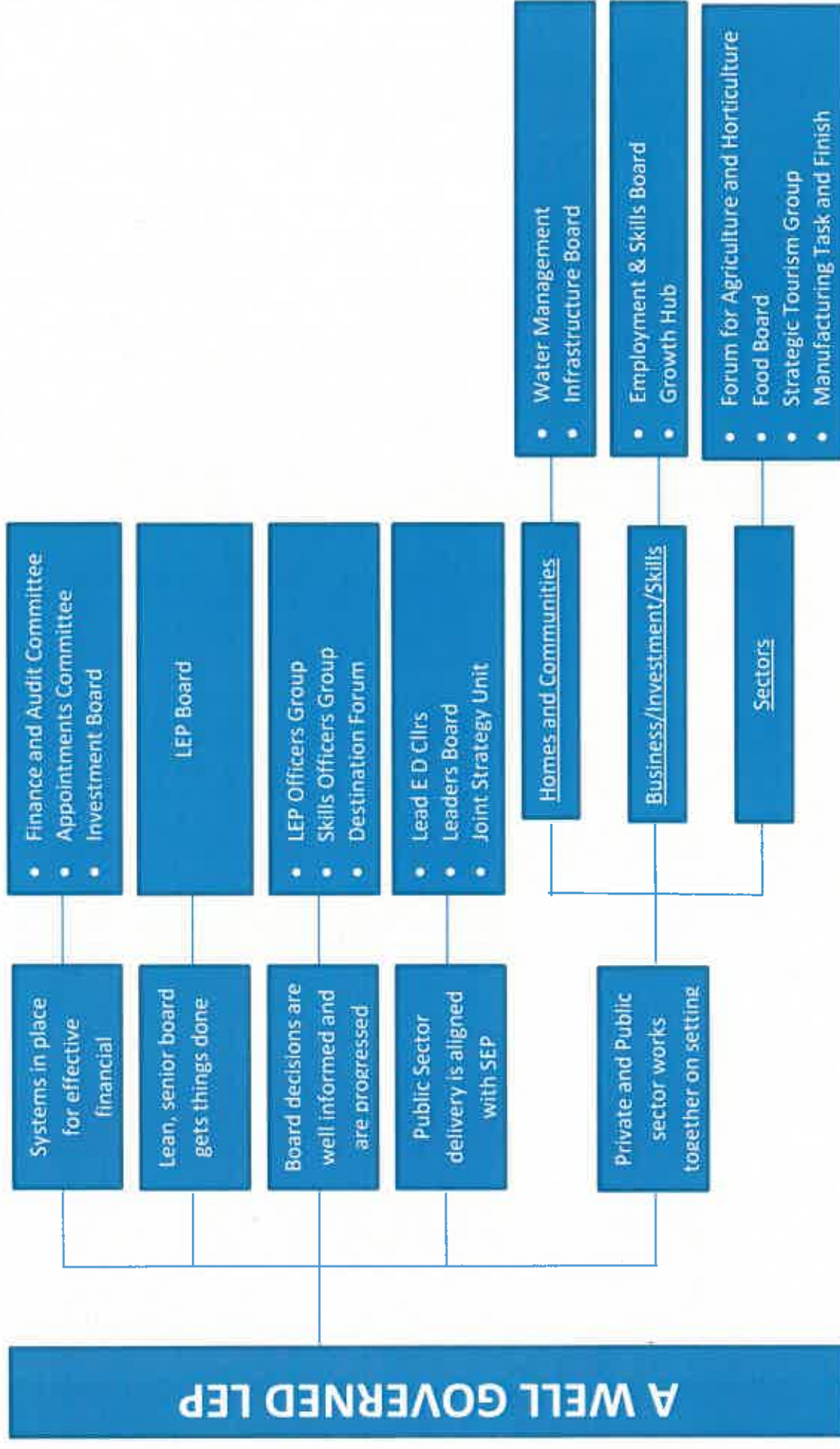
Cross boundary working also needs to be explored further given that infrastructure rarely stop within local authority or LEP administrative boundaries. Businesses need to be assured that connectivity and access to supply chains, airports, key sites, and potential employees are being looked at as part of the mix when priorities are determined.

**In order to ensure we can deliver a reliable and sustainable utilities infrastructure to support growth, we will seek to:**

- Improve connectivity between markets by delivering new/improved road, rail, port and airport links.
- Support the delivery of high quality employment sites and modern, flexible commercial properties in key locations
- Take a stronger role in dialogue with utility providers so that the case for investment in Greater Lincolnshire's utilities is better promoted and understood
- Deliver excellent digital communications and mobile phone coverage
- Support the development of initiatives that will encourage innovation in digital products and services, and ensuring that strategic business sectors have the skills necessary to fully utilise enhanced digital connectivity and broadband infrastructure

## SECTION 4: OUTPUTS AND IMPACT

## Governance (re-draw diagram in published doc)



Link to assurance framework and monitoring and evaluation plan

Insert structure chart from: a well governed LEP – redraw

Integrate Devolution/Combined Authority references

#### Ability to Deliver/Track record

The Greater Lincolnshire economy has performed better than other areas during the recent recessionary period, with year on year growth post-recession stronger than nationally.

In terms of employment the area has consistently enjoyed a higher employment rate than nationally, particularly during the recession, and has only in recent times come into line with the national average.

Lincolnshire County Council is the accountable body for the Greater Lincolnshire LEP, and under the current 2007-13 EU programme has delivered almost ¾ of the strategic projects currently contracted, with great success. This includes council investment of 37.7m that has attracted 110.8million in grants, with advice and support provided to other projects attracting a further 13.7m for our partners.

A range of active and enterprising local partnerships are finding new ways to meet local need, for example combining funding to deliver schemes at transport pinch points, and new approaches to skills training.

The areas success is due to:

- Active lobbying, research and partnership building;
- Knowledge of funding opportunities and the gaps in economic development provision that the local economy requires;
- The ability to produce high quality projects for funding – from project concept through bid writing and delivery;
- Utilising a capital funding programme supported by levels of revenue that enable schemes to be designed, managed and delivered.

It is important to recognise that the Greater Lincolnshire LEP has already started work on delivering its ambitions and worked closely with business-led partnerships that support economic growth in the area.

For example the LEP has:

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

Based on this evidence of partnership working, track record of delivery and the stable nature of the local economy, The Greater Lincolnshire LEP is confident in the ability to lead the delivery of its Strategic Economic Plan.

### **Collaborative Working**

The Greater Lincolnshire LEP has always described its boundaries as permeable, and so we are actively looking at opportunities for collaboration and joint working with areas outside of the LEP

We have undertaken studies to identify future joint working opportunities – they include

- Increasing innovation in our food production sector
- Strengthening the availability of technological support through strong higher education collaborations
- Adapting skills provision through work with sector skills councils

Using collaboration to drive economic growth is an important focus for the Greater Lincolnshire LEP.



## Outputs and Impact

This strategic economic plan sets out the actions that the Greater Lincolnshire LEP will champion. It explains how we will achieve economic growth in support of our vision to 2030.

We have analysed what our actions are likely to achieve, based on the strong past performance that we had. This indicates that we will:

- Increase the value of the Greater Lincolnshire economy by £3.2 billion
- Assist 22,000 businesses
- Create 13,000 jobs

These assumptions have been based on the value of the EU funding programme 2013/2020, and they assume that the EU funding will trigger investment on a 1:3 basis. The 2013/2020 allocation of EU funding to Greater Lincolnshire is 133m euros (roughly £115m).

Our calculations are based on an assumption of a total spend of £390m and delivering schemes that meet our aims to

- Put skills, growing new markets, and modern telecommunications at the forefront of growing our businesses and sectors further (these are described as “business and employment” schemes)
- Make the most of Lincolnshire’s attractiveness to investors through protecting what we have, improving connectivity, and increasing housing (these are described as “place” schemes)

Using both national research<sup>5</sup> and analysis of previous funding EU programmes, we anticipate that the following outputs could be achieved.

£1million spend =	Project Type		Average
	Business & Employment	Place	
Jobs created (Gross)	52	22	37
Business assisted	112	22	67
GVA uplift	£11.9m	£5.7m	£8.8m

On the basis of the assumptions about funding available locally, between now and 2021 we can expect to spend around £153m on 'Business & Employment' projects, and around £237m on 'Place' projects. If that is the case, then we could anticipate achievements of the following order:

£390m spend =	Project Type		Total
	Business & Employment	Place	
Jobs created (Gross)	8,011	5,109	13,119
Business assisted	17,140	5,175	22,314

<sup>5</sup> Valuing the Benefits of Regeneration, Department for Communities and Local Government, December 2010

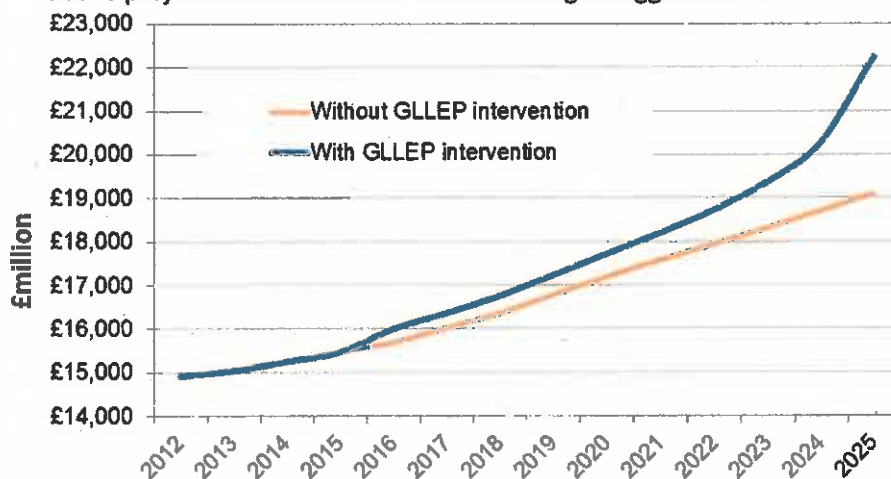
GVA uplift

£1.82bn

£1.35bn

£3.17bn

We have also projected what this might mean in terms of growth in the local economy over and above projected natural trends. The following is suggested:



There is very little in the way of national or local benchmarking data available for us to rigorously test these figures against. However there are various reports looking at the economic impacts of projects and assorted regeneration activities on which we can draw and get a feel for how realistic these figures are. For example, an independent audit of the East Midlands Development Agency found that for every £1 it had spent resulted in £9 of economic growth in the region's economy. This is very close to the £1:£8.80 impact we are forecasting.

Specifically in terms of 'Place' projects, the Department for Transport have recently released some figures on projected outputs from 2014 construction activity with results ranging from £1 spent:£2.3 in benefits in the Yorkshire and Humber region to £1 spent:£7.3 in benefits in the East. Overall the national average worked out at £1 spent:£4.4 in benefits. Our projection of £1 spent:£5.7 in benefits is therefore higher than the national average but well within the range presented.

Even more recently we have been made aware of some figures for spending by LEPs to date that suggests that around £1.5bn of spending on projects already underway will deliver in the region of 217,000 jobs. This works out at £1m spend creating 145 jobs, which is considerably higher than the £1m spend creating on average 37 jobs we are forecasting. However it should be noted that without the detail of these various projects then it is difficult to know whether we are comparing like with like, so we have taken a conservative view based on our experiences locally.

## Achieving value for money

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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:

- a) at programme development level
- b) at individual project level

### Programme development level

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.

### Individual project level

Firstly, the Greater Lincolnshire LEP will put a robust system in place to ensure that 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 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.

## **Background**

Since the formation of LEP's in early 2011, the Greater Lincolnshire LEP (GL LEP) and other partners have embraced an overlap with the Humber LEP in North and North East Lincolnshire Council areas. At this time, LEPs were required to write to the BIS Secretary of State for formal approval. The overlap has been successful for both the LEP's and the local authorities, and has cemented the Greater Lincolnshire geography and the bid for devolution. Since the formation of LEP's, there has been little movement in terms of geographical boundaries nationally and as far as we are aware, no additional formal overlaps created.

Over recent months, three local authorities within Greater Lincolnshire have notified the LEP that they wish to review boundaries and working arrangements:

- South Holland District Council (SHDC) wishes to strengthen relationship and create a formal overlap with the Greater Peterborough and Greater Cambridgeshire LEP (GCGP LEP);
- South Kesteven District Council (SKDC) wishes to develop an informal strategic alliance with the Greater Peterborough and Greater Cambridgeshire LEP (GCGP LEP); and
- West Lindsey District Council (WLDC) also wishes to develop an informal strategic alliance with the Humber LEP.

Advice from Government (see below) is that any requests for formal changes to geography would require formal approval from BIS and DCLG Ministers, whereas informal arrangements would not. This paper invites LEP board members to discuss the economic justification and rationale for the changes in geographical boundaries.

## **Government Advice**

There are two instances where local authorities are working across LEP boundaries. **Strategic Alliances and formal overlaps.**

**Strategic Alliances:** The Cities and Local Growth Team are aware of instances where Local Authorities have decided to develop '**strategic alliances**' with other LEPs (sometimes by becoming members of more than one LEP) as a means of strengthening relationships and developing support for their priority schemes but not formally impacting on funding allocations. These fall short of requesting a change to a boundary through a formal overlap and do not involve or require Ministerial approval. The Greater Lincolnshire LEP has actively encouraged Lincolnshire Local Authorities to develop strong strategic alliances with their neighbouring LEP's and authorities.

**Formal Overlaps:** The situation is different where LEPs (through a proposal from a Local Authority) are seeking to **change their boundaries by creating a formal overlap**. In these instances, government advice is that they need to demonstrate to Ministers that the new boundaries still meet the criteria set out in the Local Growth White Paper (Local growth: realising every place's potential, 2010):

- **Support from business** - this was a particularly important factor, especially whether the proposal demonstrated direct engagement with a broad range of local businesses (including SMEs), not just organisations that represent business and commerce.
- **Economic geography** - whether the geography proposed represents a reasonable natural economic geography and whether the geography is supported by business and is sufficiently strategic.
- **Local authority support** - whether there is sufficient support from the local authorities whose areas are covered by the partnership proposal.
- **Added value and ambition** - whether the proposal sets out a clear vision in terms of local economic priorities and demonstrate how it will create the right environment for business and growth, over and above that which would otherwise occur.

As part of demonstrating the criteria, government would expect the LEP and Local Authority to seek and demonstrate support from all of the LEP's involved and local authorities to the proposal so there is clear local commitment. This would be followed by writing to DCLG and BIS Ministers to seek approval by outlining the proposed changes and how they meet the criteria set out in the Local Growth White Paper. The triggering of a formal overlap has potentially complicated implications for both existing and future funding such as the European Structural and Investment Funds (ESIF), Growing Places Fund (GPF) and Single Local Growth Fund (LGF). Whereas the allocation of ESIF and GPF to LEP areas is made on the basis of populations, the existing LGF has been allocated to LEP areas on the basis of assessed projects. There has been no announcement yet about the method and timing of allocation of future LGF. For ESIF, the situation is particularly complicated. Greater Lincolnshire is categorised by the European Commission as a 'transition' area (receiving more funding and able to support activity at a higher intervention rate than areas categorised as 'more developed' such as GCGP).

In considering any requests to create formal overlaps, it is important to be clear about the LEP and local authority's intentions with regard to existing and future funding and devolution

### **South Holland District Council – Formal overlap**

SHDC has applied and joined the GCGP LEP as a strategic member. SHDC wish to formalise this by becoming an overlapping member and would operationally form part of the Greater Peterborough sub group of GCGP and work closely with its neighbours and the LEP. GCGP LEP have already written to government requesting SHDC overlap status be recognised. SHDC politicians and officers are clear that the council's intention is to become a full member of GCGP LEP in addition to GL LEP and thereby creating a formal overlap. This would involve local partners including GL LEP, and business agreeing and meeting the test set out above.

South Holland has submitted a full economic justification and rationale to the LEP. SHDC is already well connected to the economies of Peterborough, Fenland and King's Lynn. The economy is principally agri-food and manufacturing based, centred on Spalding; however, the growth ambitions of SHDC is to harness the innovation, skills and housing growth agenda with partners in GCGP to further grow the economy.

In respect of funding, existing overlapping areas have a proportion of funding in each lep, often

dependent on economic business cases. SHDC has written to the GL LEP suggesting that they would not wish to unpick existing funding programmes such as the European programme, but would wish that for future funding streams such as Local Growth Fund that they are treated as an overlap. BIS and DCLG are investigating whether this is an option, and whether operationally this is possible.

The subject of devolution has been raised in their proposal to become an “overlapping authority”. SHDC has recently voted unanimously to continue to work with other Greater Lincolnshire authorities and GL LEP to secure a devolution deal with government. SHDC remains committed to continuing to play its part as a full member of the Greater Lincolnshire LEP. The Council values this relationship and hopes to continue to benefit from it. It is their belief that overlapping membership of the Greater Cambridgeshire/ Greater Peterborough LEP can only enrich partnership working and bring economic benefits to Greater Lincolnshire.

### **South Kesteven District Council**

South Kesteven has a more complicated boundary with D2N2, Leicester and Leicestershire LEP and GCGP. South Kesteven wishes to develop a collaborative and strategic relationship with GCGP.

SKDC's strategic alliance with GCGP LEP would:

- Help to enable the Greater Peterborough economic sub-region to both plan for and manage growth more coherently in order to fulfil the wider sub-region's full economic potential.
- Recognise and build upon the strong established 'travel to work' and 'strategic housing market area' linkages SKDC already has with Peterborough, Rutland and SHDC.
- Maximise the advanced engineering, agri-food and drink, land-based business synergies GCGP already has with its economic partners within South Lincolnshire.
- Enable a stronger focus on nationally strategic transport corridor improvements – prioritising the A1 and East Coast Mainline corridors, enabling east-west access improvements and bringing forward skills reforms on a logical labour market area basis.

GLLEP is perfectly positioned on the boundary of the Midlands Engine and also with the Northern Powerhouse. In the same way that South Humber's dual membership gives GLLEP stronger ties to the north; so will SKDC's strategic alliance with GCGP potentially enhance the economic relationship with the South East. SKDC will be well placed to readily champion the Lincolnshire growth agenda in GCGP both with, and on behalf of, our GLLEP partners.

### **West Lindsey District Council**

WLDC has a boundary with D2N2 and the Humber LEP, and wish to influence both the Greater Lincolnshire LEP and the Humber LEP and develop a collaborative approach to working. WLDC has a history of collaborative working and have been meeting with colleagues in North and North East Lincolnshire on areas of common interest such as housing growth, Infrastructure (A15) and sector growth such as the supply chain for the renewable sector over the last few years.

Both LEP's and WLDC wish to develop a statement that outlines how, and when we would work together on issues, and it is thought that this would cover collaboration on potential upgrades to the A15 and focusing on developing supply chains for the renewables sector in WLDC

## **Recommendations**

Board members are asked to share their views on the attached report and

- 1) Agree that the LEP Secretariat work with the neighbouring LEPs and WLDC and SKDC to develop a statement that outlines the strategic alliance and how partners will work together
- 2) Board members are asked to discuss options and consider SHDC becoming a full member of the GCGP LEP as set out above.



## Introduction

Greater Lincolnshire has ambitious targets for growth reflected in the Strategic Economic Plan which is promoted by the Greater Lincolnshire Local Enterprise Partnership.

Over the past 3 months we have met and discussed how place marketing in Greater Lincolnshire can successfully support and achieve these aspirations for growth with over 30 businesses and stakeholders.

This included the focus group which met following the last LEP board meeting and included: Richard Wills (Lincolnshire County Council), Dr Tony Hill (NHS), Simon Beardsley and Emma Tatlow (Lincolnshire Chamber of Commerce), Herman Kok (Lindum Group), Ursula Lidbetter (Lincolnshire Co-operative) and Chris Baron (Butlins).

Individual meetings with district councils have corroborated a willingness to pursue the advantages for the Greater Lincolnshire area. North and North East Lincolnshire were party to discussions around devolution and the visitor economy in November 2015; and were in agreement with a strategic co-ordinated approach to this sector. Initial discussions with Discover North East Lincolnshire/Invest North East Lincolnshire in relation to supporting and complementing activity, have mooted utilising Lincolnshire's wider product offer to encourage skilled workers to North East Lincolnshire. Meetings are scheduled with Lesley Potts and Jenny Couch at North Lincolnshire Council and Discover North East Lincolnshire to develop an ongoing dialogue around place marketing for Greater Lincolnshire.

There are a number of important messages emerging from these discussions including:

- A coordinated approach to marketing and communications is critical to the success of a place marketing strategy.
- Collectively we need to ensure that robust communications are in place to explain and sell the story to potential future investors, businesses, visitors and residents i.e., segmenting the market/target audience. This will complement the inward investment and investor development protocols already in place.
- Competing demands and resources to deliver for a limited supply of private/public sector marketing investment capital means that through co-ordination better value for that investment can be delivered. This can reduce the risk of a fragmented approach that could damage holistic growth aims by providing mixed, or at worst, contradictory messages.

Our thinking has evolved from an exclusive emphasis on place marketing; by working with Lincolnshire County Council's 'Invest Lincolnshire' colleagues we have formed a **Framework for Investment and Growth in Greater Lincolnshire**. This strategy will set out how we aim to boost investment into Greater Lincolnshire. Our approach is holistic and collaborative to achieve the ambitious plans for growth set by the Local Enterprise Partnership.

Collectively we will broadcast Greater Lincolnshire to a wider audience to win investment. This includes:

- attracting and retaining businesses
- supporting business to create jobs
- appealing to new and highly skilled residents and students
- and enticing visitors to Greater Lincolnshire

Attracting investment is not exclusively about marketing and promoting the place; we must meet the needs of the different audiences we want to attract, providing a first-class service by:

- Develop and maintain strong, positive working relationships across industry sectors in Greater Lincolnshire.
- Draw on the expertise and enthusiasm across the county's business community to bring to life the reasons why Lincolnshire businesses are flourishing and why people enjoy working and living in the county.

Identifying our audience is critical and has been the first step to understanding and meeting their needs.

## Audience

The table below shows how we have segmented the market/target audience.

Invest	Visit	Live
Existing businesses looking to invest in growth	Visiting friends and relatives Day visitors/Short breaks Family/coast Heritage and culture enthusiasts Outdoor activity participants	House builders
New businesses Inward investment Businesses looking to relocate Supply chain development	Tourism businesses Event's organisers Attraction managers	Skilled people Doctors/nurses/health care professionals Agri-food technical Skilled engineers
Intermediaries Agents Developers and Contractors Financiers and Investors	Destination Marketing Organisations Tourism themed groups (eg. Farm Stay, Farm attractions, Hotel Associations, etc.)	Students (attracting into higher education) Retaining talent

The next step was to draw on our expertise, research and feedback from a variety of businesses to explore what the audience is likely to want and how we attract them. There were four key areas that presented as strong and reliable attractors:

1. Investment opportunities
2. Business Intelligence
3. Quality of life
4. Account management/Business support

We are now working on an action plan to show what specifically we require to meet the needs and how we can deliver; **we welcome feedback on identifying short term and long term priorities:**

## Priorities

### INVESTMENT OPPORTUNITIES:

1. Site specific information for development land and commercial property, together with helpful intelligence about the area – local demographics, research, regeneration initiatives, transport and travel, development land, up-to-date local information.
2. Enhancing our relationship with UKTI and promoting the benefits of investing in Lincolnshire.
3. There is a demand for hotel development in certain areas of Greater Lincolnshire, but in light of our joint strategic priority to double the value of the visitor economy it would be beneficial for the LEP to undertake its own assessment of this.
4. Specific inward investment plan focusing on understanding the opportunities from China following the Hunan delegation.

However, consideration needs to be given to our low business location index score (Grant Thornton Place Analytics insight, October 2015), which shows the performance of areas attracting foreign-owned businesses and UK businesses considering relocating. Identified as low quality/low cost presents the challenge of 'regenerating and restricting the local economy, in part by marketing the area to niche sectors where access to markets is less critical and where cost is more of a concern.' The report identifies important implications in the development of inward investment strategies:

*Economic Performance:* Inward investors and businesses considering location are keen to understand how well the economy of an area is currently performing. Equally weighted criteria included economic scale, productivity, knowledge-driven businesses and business and enterprise.

*People and skills:* The skills of the workforce and characteristics of the local labour market are critical considerations in business location. Equally weighted criteria included economically active workforce, skills and qualifications, knowledge worker and labour market.

*Environment and infrastructure:* The characteristics of an area's environment and infrastructure are the third key consideration for inward investors and businesses considering location. Equally weighted criteria included connectivity, innovation and quality of life.

### **ACCOUNT MANAGEMENT:**

The LEP Growth Plan Investor Development states: 'It is important to note that over 70% of all investments come from investor development i.e. FDIs that are already in the local area. It is vital therefore to have this account management approach ...'

1. 'Investor friendly' by providing a trusted single point of contact, the right information, intelligence, suggested itineraries, knowledge of the area, etc. Offering a supportive service to investors. Attracting, developing and retaining relationships with investors.
2. Supporting foreign owned companies and large indigenous companies with the aim of retaining and increasing the workforce and/or investment. Business advice based on growth plans.

### **PROMOTION:**

1. Lincolnshire Advocates to inspire and share in their success:
  - i. Bringing together networks of companies to cooperatively market Greater Lincolnshire.
  - ii. Create and maintain a positive image of the area amongst the businesses of Lincolnshire and disseminate those strong messages creatively to talk to investors and the media.
  - iii. Draw on the expertise and enthusiasm across the county's business community to bring to life the reasons why Lincolnshire businesses are flourishing and why people enjoy working and living in the county.
2. Create and maintain a positive image of the area amongst the people of Lincolnshire and disseminate those strong messages creatively to talk to visitors, investors and the media. By drawing on the authenticity of the area and the people we would set a truthful expectation of the experience, and tell these stories when communicating to stakeholders.
3. Concentrating promotion on specific sectors so skilled individuals have confidence that there is career progression within the area.
4. Focus on creating and promoting the destination as unique. Utilise thematic projects to collaborate across district and county boundaries ensuring tourism is joined up and aligned with the government's ambitions to grow tourism outside London.

It is advisable to bear in mind that the visitor economy in particular is recognised nationally as being fragmented, with a "difficult mosaic" of over 200 Destination Management Organisations nationally (plus parts of the country, and Greater Lincolnshire, not covered by a DMO at all). The recent LEP Business Live event demonstrated the disjointed promotion of the county currently and obvious areas of duplication as noted by both private and public sector delegates.

**We ask for your support in addressing fragmentation and in doing so achieve better use and management of resources.**

### **EVIDENCING SUCCESS:**

Without intelligent information on our existing product, what is currently being done and the ability to have a starting point/benchmark to develop from, we will not be able to evidence the impact on growth.

## Summary

On 12<sup>th</sup> January Lincolnshire County Council's Economic Scrutiny Committee considered these priorities in line with their new structure for commissioning. Complementing the existing inward investment and investor development protocols already in place, LCC colleagues will initially focus on a plan to advance investment opportunities for Greater Lincolnshire and an improved account management service.

However, following engagement with stakeholders and businesses a number of priorities have emerged. These include:

- **Research:** information is critical for targeted marketing and for attracting new investment. Based on occupancy rates we should be seeing more hotel investment but possibly investors are not being supplied with the right information that they need to make those decisions. We also need a starting point/benchmark to develop from, enabling us to evidence the impact on growth, which could be facilitated through a partnership approach with the University of Lincolnshire and the Lincolnshire Echo.
- **Web presence:** The current information presented to our various audiences is disjointed and a coordinated web presence for the promotion of the Greater Lincolnshire area is central to any marketing and communications being effective and successful.
- **Sustainable model:** Although feedback has suggested an arm's length organisation to Lincolnshire County Council, our priority needs to be a robust sustainable model for place marketing with public and private sector engagement.

We have also identified a number of existing work streams that could be brought into line with this approach and utilised to meet our place marketing objectives. These include:

- Invest Lincolnshire event programme
- Business Lincolnshire and LEP website information
- Made in Lincolnshire/Manufacturing brochures
- Existing commissioned activity, for example Select Lincolnshire/Good Taste
- Cultural Strategy Refresh
- Opportunities for International Trade
- Recommendations from the GLNP Nature Tourism Report

## Recommendations

1. Agree the short and long term priorities.
2. Champion the need to commission a co-ordinated programme of activity for place marketing.
3. Advise the commissioning of a hotel demand study

