

Paper 0 LEP Board Agenda and Papers

Date and Time: -Thursday, 24th March 2016 at 10.30 am to 12.50 pm

Venue:- Room SGLRC No 4, Bishop Burton College, Showground Campus, Lincoln – Use gate 3 at the Lincolnshire Showground, Horncastle Lane, North Carlton, LN1 2ZR

Time	Item and brief description	Lead	Access/Circulation
10.30 10 mins	Item 1 - Welcome and Introductions <ul style="list-style-type: none"> Apologies for Absence and Declarations Of Interest Minutes of 28/01/16 (Director and Board) Directors business 	Chair , Ursula Lidbetter	All Members - Paper 1 All Members -Paper 1.1
10.40 to 11.00 20 mins	Item 2 – Spring Budget Roundup	All	Verbal
11.10 to 12.00 50 mins	Item 3 – Devolution Roundtable discussion	George Spiteri	Verbal
Coffee			
12.10 5 mins	Item 4 -Management Report <ul style="list-style-type: none"> HIG and Infrastructure Priorities Midlands Engine & Connect progress LEP Conference 	Ruth Carver, LEP	All Members -Paper 2
12.15 10 mins	Item 5 – Business Plan for 2016/17	Ruth Carver, LEP	All Members – Paper 3
12.25 10 mins	Item 6 – Place Marketing Proposal	Ruth Carver, LEP	All Members – Paper 4
12.35 15 mins	Item 7 – Housing Policy	Cathy Jones	All members – Paper 5
12.50	AOB and Finish		
13.00 – 14.00	<u>Lunch with the Hunan delegation</u> led by Mr Zhenhong CAI, Vice Governor of Hunan Province. Joining us will be Douglas Leckie; Growth Deal Implementation Policy Lead, Cities and Local Growth Unit		

Attendees:

Board: Ursula Lidbetter (Chair), David Dexter (Deputy Chair), Chris Baron, Cllr Dave Watson, Cllr Bob Adams, Cllr Lady Liz Redfern, Cllr Colin Davie, Pat Doody, Herman Kok, Richard Wills, Mark Tinsley, Steve Middlebrough

Observers: Sarah Hendry (DEFRA) and, Pete Holmes (Cities & Local Growth Unit)

Officers: Ruth Carver, Jon Burgess, Cathy Jones

Apologies Received: Dr Tony Hill, Richard Wills, Professor Mary Stuart, Andy Orrey

Date of Next Meeting : 27th May 2016 – venue to be confirmed

Additional Papers Pack

AP1 - Investment Board Minutes from 28 January 2016

AP2 - Growth Hub Agenda for 15 March 2016

AP3 - ESIF Minutes

AP4 – GLLEP Innovation Council

AP5 – GLLEP Report from UKTI East Midlands

Board Members Present:

Ursula Lidbetter – Chair (UL) David Dexter – Deputy Chair (DD) Chris Baron (CB), Andy Orrey (AO), Pat Doody (PD), Herman Kok (HK), Richard Wills (RW), Dr Tony Hill (TH), Cllr Colin David (CD), Cllr Ray Oxby (RO), Councillor Bob Adams (BA), Cllr Rob Waltham (RWa)

Apologies from Board Members:

Cllr Lady Redfern, Prof Mary Stuart, Mark Tinsley, Steve Middlebrough

Observers:

Pete Holmes (PH, Chris Duffill (CDu)

LEP

Ruth Carver (RC), Jon Burgess (JB)

In attendance for specific items:

Lydia Rusling (LCC)

Item 1

Welcome and Introductions

Minutes of 4 November 2015 agreed as a true record and can be published with no matters arising.

Item 2

Management Report

Board members welcomed the trajectory of GVA growth for Greater Lincolnshire, which is on track with the wider East Midlands region. A quarterly one page report on the economy will be produced alongside performance indicators for the LEP.

Positive progress on the Business Lincolnshire Growth Hub was noted. A mid-February announcement is expected on future funding opportunities to support the continued delivery of Growth Hubs. Local officers are also working on a £4.5m bid to deliver new support services within Greater Lincolnshire, which will go to the ESIF committee for formal approval. It was noted that some gaps may still exist in terms of local provision following the closure of the national Manufacturing Advisory Service and Growth Accelerator.

PH advised the Board that DCLG have agreed a formal response to the positive annual conversation with the LEP. It is expected that an official note will be circulated by the end of February with payments to follow in early April. This would be circulated to the LEP Board members and the members of the Finance and Audit Committee.

Actions:

- **A quarterly one page report on the economy will be produced for the Board alongside performance indicators for the LEP.**
- **Circulate the note of the Annual Conversation to the LEP Board members and the members of the Finance and Audit Committee.**

	<ul style="list-style-type: none"> Establish how Growth Hub operates and what services are offered in the Humber LEP and GCGP.
<u>Item 3</u>	<p><u>Finance Report</u></p> <p>Members were advised that the LEP is currently spending to the operational budget. Members were informed of progress with the Single Local Growth Fund and the challenges around the Local Transport Board Allocation for in year spend. PH encouraged accelerated spend across the Growth Deal programme in future years.</p>
<u>Item 4</u>	<p><u>Devolution</u></p> <p>Members were advised that two further meetings have been set up in February to progress negotiations with Government around a Greater Lincolnshire deal. It was confirmed that partners and the LEP Board remains fully committed to negotiating a deal for Greater Lincolnshire that will enable partners to facilitate increased business growth.</p> <p>Members were encouraged to think about how our proposals for a devolution deal have moved on since the original prospectus for Greater Lincolnshire was launched. As part of this process, local partners need to be clear on our priorities and what we bring to the table, alongside the fiscal requirements of any deal. Discussion also focussed on the local governance review and likely structures that would be required to support our bid.</p> <p>Actions:</p> <ul style="list-style-type: none"> The LEP Board endorsed the development of a combined authority model based on the Greater Lincolnshire LEP geography as part of any devolution deal. Board members agreed that business breakfasts should be arranged in Greater Lincolnshire to focus on raising awareness of the outcomes and benefits to local businesses. PH encouraged representatives from Greater Lincolnshire to take up the offer of a meeting with DCLG officials (led by Pete Rowsell) to discuss technicalities flowing out of the local governance review process.
<u>Item 5</u>	<p><u>Strategic Economic Plan</u></p> <p>Members were keen to link evidence of achievements with the SEP to subsequent growth in local businesses, employees and GVA.</p> <p>The Board also supported the work of officers to maintain an active pipeline of future growth schemes across the LEP area. Managing this database effectively will allow the LEP to progress future bidding opportunities and manage any underspend on the current Growth Deal programme.</p> <p>Actions:</p> <ul style="list-style-type: none"> Members agreed to sign off the updated SEP, subject to inclusion of final comments received from local authority partners. Officers to develop a suite of key indicators that can be used to promote the local economy and demonstrate positive change since the LEP's inception. Officers will launch a call for Transformational projects during February.
<u>Item 6</u>	<p><u>Partnership Working</u></p> <p>Detailed consideration was given to the emerging alliances between Greater Lincolnshire authorities and neighbouring LEPs. Members recognised the importance of maintaining permeable boundaries to support business growth, alongside the opportunities for LEPs to jointly support and fund mutually beneficial projects in our respective areas.</p>

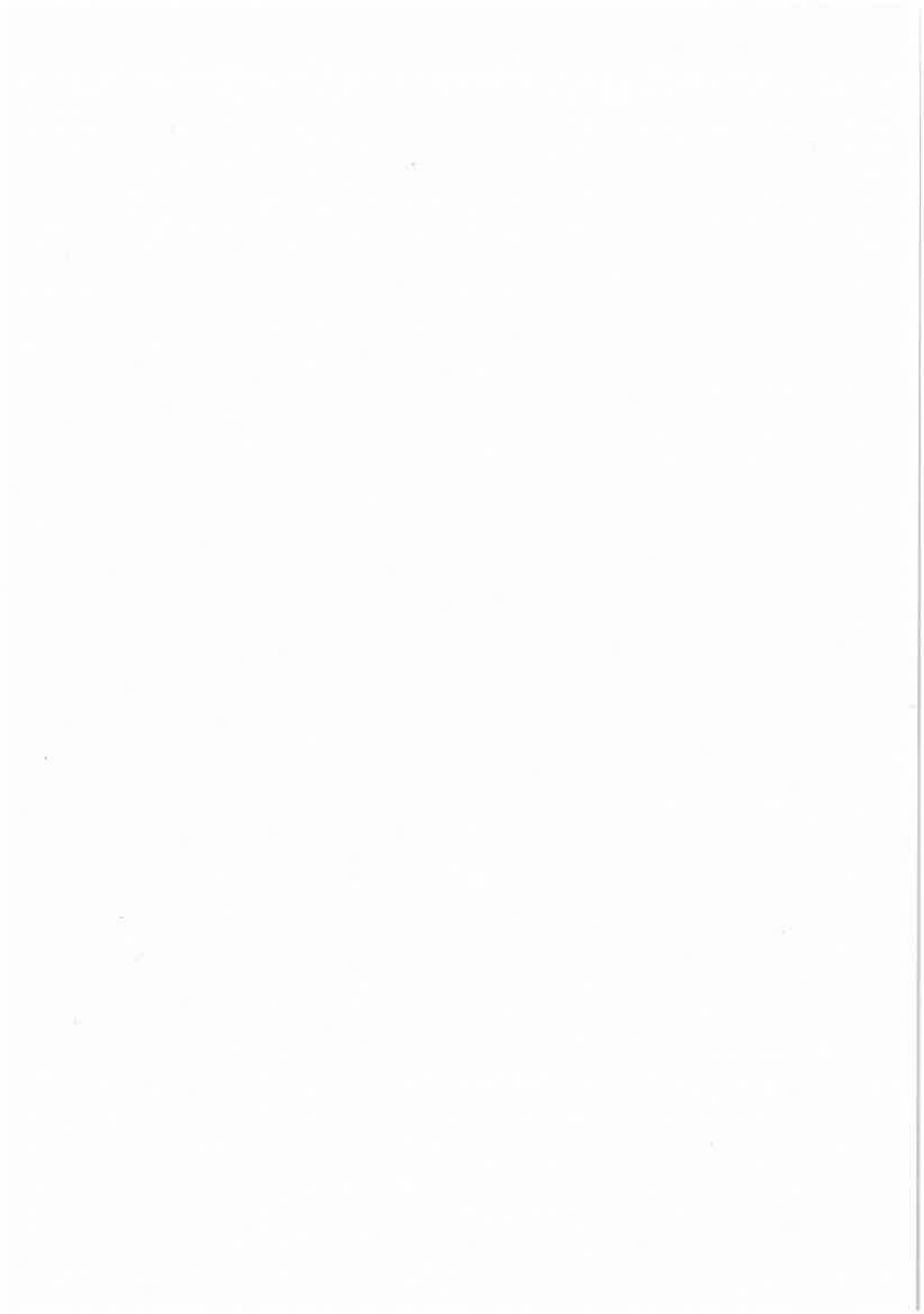
	<p>Members noted complexities and difficulties associated with any endorsing any formal changes to the existing structures and overlap areas, which would require local business, LEP and Secretary of State approval. It would also be extremely difficult to unpick existing funding arrangements, through EU Structural Investment Funds in particular.</p> <p>Members also felt that supporting a formal alliance with another LEP area could undermine the business case that is being developed to promote devolution and that Greater Lincolnshire is a robust and coherent economic geography.</p> <p>Actions</p> <ul style="list-style-type: none"> • The LEP Board welcomed and supported the development of strategic alliances with neighbouring areas that are being progressed by West Lindsey District Council and South Kesteven District Council. • The LEP Board were not able to support or encourage a formal alliance between South Holland District Council and the Greater Cambridgeshire and Greater Peterborough LEP. • Representatives from South Holland District Council to be invited to articulate any specific investment priorities which they felt are inconsistent or could not be pursued under the current LEP structures
<u>Item 7</u>	<p><u>Place Marketing</u></p> <p>Board members welcomed the presentation and work to date in formulating a plan to market Greater Lincolnshire to a wider audience. Members considered it to be a core role of the LEP to develop and promote a core brand for Greater Lincolnshire. It was also noted that there is a huge willingness across the public and private sectors to work together on this agenda, which has been backed up by various offers of in kind and direct support to progress the key areas identified.</p> <p>Actions</p> <ul style="list-style-type: none"> • Members agreed that the LEP should take initial ownership of coordinating the Place Marketing priorities and deliverables for Greater Lincolnshire. • The team should focus on developing three areas, namely, a hotel study, a partnership to develop an ambassador scheme engaging all partners and an online campaign and portal to capture the story of Greater Lincolnshire and its growth. • A request for initial funds and proposals for delivery will be brought back to the next meeting.
<u>Item 8</u>	<p><u>Rail Study</u></p> <p>The LEP Board considered the Greater Lincolnshire Rail Study and thanked the officers involved.</p> <p>Actions</p> <ul style="list-style-type: none"> • The LEP Board agreed to accept and endorse the Rail Study as a leveraging/lobbying tool, subject to final comment from local authority colleagues by the end of February. • The final Rail Study to be submitted to the Midlands Engine Working Group. • Consultants to be asked to produce an Executive Summary of the Rail Study. • Officers to be asked to prepare a strategy for next steps, ie, key activity for local authorities and the LEP to work on over the next two years and the priorities for intervention. This would return to the next LEP Board meeting.

<p>Item 9</p>	<p><u>Water Management Plan</u></p> <p>Members recognised that the development of a Water Management Plan for Greater Lincolnshire has been a collaborative effort across local industry and the public sector to establish a clear business case for future intervention in this area. Members of the Water Management Board, under the leadership of Mark Tinsley and the Water Management Officers Group, were thanked for their contributions.</p> <p>It was also acknowledged as an important opportunity to promote Greater Lincolnshire on a national scale, given the innovative approach that has been taken to establish economic impact as the key driver underpinning the case for future investment.</p> <p>It was noted that the priority themes are not sequential or listed in priority order, which would allow future presentation of the plan to be tailored to the respective audience.</p> <p>Actions</p> <ul style="list-style-type: none"> • Board members agreed to accept and endorse the Water Management Plan for Greater Lincolnshire with the amendments suggested. • Officers were asked to ensure alignment of the priority asks with the ongoing devolution negotiations. • The Water Management Board was asked to consider the next steps, and in particular the actions needed in delivery the Water Management Plan and a launch of the Plan. • A national infrastructure sub group is to be established.
<p>Item 10</p>	<p><u>Area Reviews</u></p> <p>It was noted that the Government Review to consolidate activities is likely to start in September 2016. The reviews for Greater Lincolnshire and Humber are currently scheduled to run at the same time and will also gather the same data. Arising out of this process, members were advised that LEPs could take on responsibility for approving local college curriculum.</p> <p>It was also noted that sixth form colleges will form part of the review, although it will be for the respective schools/colleges to decide which area review they will be part of in overlap areas.</p> <p>HK advised the Board that conversations are being held with neighbouring LEP areas to maximise opportunities for collaborative learning and joint working on the area reviews.</p> <p>Members were asked to consider volunteers from both the LEP Board and Employment and Skills Board to join the local working group to ensure a focus on quality of future delivery from a local business perspective.</p> <p>Actions</p> <ul style="list-style-type: none"> • The Greater Lincolnshire LEP and ESB's statement on area reviews was agreed for publication.
<p>Item 11</p>	<p><u>Science and Innovation Audits</u></p> <p>It was noted that universities across the Midlands have agreed that they would like to work together as part of one single Science and Innovation Audit, as part of the Midlands Engine region.</p> <p>Actions</p>

	<ul style="list-style-type: none"> • Board members welcomed and endorsed the approach for a collaborative Science and Innovation Audit involving all universities across the Midlands Engine region. • Prof Mary Stuart to provide further updates on progress for both the Innovation Council and the SIA for Board members at the next meeting.
Item 12	<p><u>Midland Engine</u></p> <p>It was noted that lots of work has been progressing to develop a final prospectus for the Midlands Engine. It was recognised that the main drivers endorsed, within the prospectus, to provide Greater Lincolnshire with a huge opportunity to be a strong voice in the shaping and implementing the Government's ambitions.</p> <p>Actions</p> <ul style="list-style-type: none"> • LEP officers to produce a fact sheet for Board members on the Midlands Engine key asks and opportunities for Greater Lincolnshire. • Board members were asked to continue to promote the Midlands Engine through their various networks and meetings.
Item 13	<p><u>Any Other Business</u></p> <p>Papers were requested on the impact of the Business Rates Policy changes and local government finances across Greater Lincolnshire, and housing policy and delivery were requested for the next Board.</p>
<u>Meeting Closed</u>	

.....
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 Directors Meeting

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

Company Finances 2015-16

Audit

2015-16 -The scope of the 2015-16 audit was agreed at the Finance and Audit Committee meeting on 19th January and recommended to and signed off by the Board of Directors on 28th January 2016. The objective of the audit is to provide an independent audit opinion of the annual financial reports of the Greater Lincolnshire Local Enterprise Partnership (GLLEP) for the financial year covered by the terms of the audit appointment. The audit will also review the effectiveness and efficiency of the operational procedures conducted on behalf of the GLLEP by the Accountable Body Lincolnshire County Council (LCC). The cost of the audit is £2000 and the auditor will report the Chair of the Finance and Audit Commitment and to the Accountable body for the GLLEP.

Scope of the Audit

The auditor is to carry out such work as is necessary to form an opinion as to whether:-

- The accounts are properly kept; and
- the annual financial reports:
 - are prepared in accordance with the requirements of the funding
 - represent fairly the results of the operations and cash flows for the financial year and the financial position of the GLLEP as at 31st March 2016.

Include in the report any matters identified during the audit procedures such as:-

- any significant adverse trends in the financial position or financial management practices
- any material irregularities in the LEP's accounting management
- any weaknesses in the internal controls operation in particular those listed in the grant determination agreement and any subsequent requirements as advised by government.

The Finance & Audit Committee and Board of Directors additionally requested that the scope included a project walk through with the auditors. Bishop Burton College was agreed as the most suitable and advanced project for this. Also to include an audit of LEP risk assessment and interest rates.

Recommendations

- 1 The Directors are invited to note the contents of this report
- 2 The Directors are asked to consider and sign off the draft Business Plan 2016-17.

Summary of Items

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

Operational activity post previous GLLEP Co Ltd Board meeting

Devolution continues to absorb much resource during this period. ESF progress and preparation for calls continues. Employment & Skills Board was held and the Area Reviews continue. Investment Board and ESIF Committee EU calls were posted with a number of applications received for review in early March. Growth Deal projects continue to progress with a focus on claims within this financial year. Growth Hub workshops have been held and the first Meet the Buyer event in South Holland attended. MIPIM Cannes arrangements accelerate as the event dates near and over 20 sponsors have now been secured. Midlands Engine is progressed, SEP (Strategic Economic Plan) refresh completed and out for final consultation. The website rebuild is progressing well and Manufacturing Conference attended and co-supported. Ursula opens the LEP Annual Conference in London on 22nd March with Mark Tinsley and Ruth Carver also attending. The LEP also welcomes Laura Spittles; the new Project Officer resource to the team.

Events attended include; LEP Conference; Meet the Buyer/ South Holland; MIPIM Cannes; Rural Economy

Meetings taken place include; Devolution negotiation – Westminster; Leaders and Chief Executives; TATA Taskforce; Midlands Engine; Matt Warman MP; DFT TDE funding; EZ feedback.

There is also a National audit report on LEPs due out during March which we may be required to respond to.

Jon Burgess has come to the end of his secondment with the LEP Team and therefore be returning to ELDC at the end of March and a subsequent recruitment will take place to replace Jon's work on Invest & Grow funds; infrastructure and EZ development work. We'd like to thank Jon for his sterling contribution to LEP activity and growth during his 2 years with us.

Strategic Items

Devolution -

Midlands Connect - Following the appointment of the Independent Chairman Sir John Peace, the Chairman of the Steering Group has been announced as Andrew Cleaves, with his deputy Mike Ashworth. February was a very busy month which included a Strategic Board meeting, a Steering Group meeting and a Technical Advisory Group meeting (TAG) all of which were well attended.

Briefs for Work packages 2 – 4 were issued through the Centro Professional Services Framework. Atkins who are working on Package 1, have developed a Common Appraisal Framework, to ensure that all interventions identified by the Work Packages are appraised in a consistent way.

During March the MC team visited the Marches LEP to join discussions around the emerging

Highways' England Growth Plan and also attended a "Manufacturing & Engineering Conference" organised by the East Midlands Chambers (Derbyshire, Nottinghamshire, Leicestershire) and in addition to this, the concept and aims of MC have been presented at a number of internal Network Rail forums.

A website has also been launched for up to date information, aims and activities at www.midlandsconnect.uk

Midlands Engine -

Whilst there is evidence of much work continuing since the Prospectus launch, the need for an Implementation Plan reflecting the ambition in more detail has been identified. This will also include the formation of a governance structure being established and should help focus the work of the Theme Groups.

The Midlands Engine is also planning a Summit in the summer of 2016, followed by support to a ME-based commercial conference towards the end of the calendar year, alongside developing a draft Communication Strategy.

The Midlands engine Pitch Book will also be launched at MIPIM with UKTI. This is a prospectus on investible schemes across the Midlands.

We are also organising a midlands Engine breakfast in Lincoln and inviting businesses on 4th May.

Strategic Economic Plan Review - A final document for comment was circulated for feedback by 26th February with several changes required from Chief Executive and Economic Scrutiny. The document is being designed in line with the new look website and a final version will be circulated once available for final sign off.

HIG

A Housing and Infrastructure Group has been established and has commissioned a Greater Lincolnshire Strategic Investment Plan. This is due to report in the summer and will guide future investment. The LEP sits around HIG.

Enterprise Zones

Officers have hosted two follow up meetings (in Lincoln and Grimsby) with the DCLG lead for Enterprise Zones, to discuss feedback on the two unsuccessful Enterprise Zone bids for Greater Lincolnshire. Positive feedback from the meeting indicated that both pitches were strong and valid in terms of their targeted sectors, commercial proposition and selling pitch to Government.

In terms of future bidding, helpful feedback was given in relation to the assessment process and the absolute importance of demonstrating uplift in land values as the core criteria which economists will use to make their recommendations. It is likely that there will be future bidding rounds for Enterprise Zones over the remainder of the current parliament. The feedback given by DCLG will be used as a basis for strengthening our bids in the future.

MIPIM exhibition

The GLLEP has more than doubled its contingent as an impressive 22 members from the public and private sector and are part of the Team Lincolnshire presence at MIPIM. The international property exhibition, which attracts over 21,000 delegates, provides the opportunity to collaboratively promote Greater Lincolnshire to encourage investment into the area, most notably via its business part

developments, food enterprise zones, housing-led urban extensions and leisure and retail projects.

The highlight of the GLLEP's activities is the very popular Networking Brunch event, which includes the inaugural showing of the new GLLEP video. Over 100 investors and developers attended last year and it is hoped to increase that figure this year. A Lincolnshire Pitchbook has also been produced which complements the Midlands Engine Pitchbook which is being launched by UKTI at a press conference on the first day of MIPIM.

Communications -

Highlights since January include:-

- Feasibility Fund section to website and associated news release
- Manufacturing Conference news releases and copy
- Freelance photographers and collated galleries of Lincolnshire images for new LEP website
- LEP Comms leads meeting in London 1st February 2016
- Pitched Manufacturing Conference to Lincolnshire Echo and Lincolnshire Business
- Funding call news release and web
- Meetings with Mel West (Lincolnshire Echo), Ethan Thorpe and Samantha Harrison re: partnership with The Business supplement
- Agreed partnership and agreed editorial schedules and advertising
- Created first full-page ad for The Business
- Lincoln bypass green light news release

The LEP and the Business Lincolnshire Growth Hub have jointly entered into a partnership for one year with the Lincolnshire Echo's monthly The Business supplement. Other partners include Lincoln College and the University of Lincoln.

The next LEP newsletter will be issued shortly after the Budget the week of 15th March.

FUNDING ITEMS

ESIF – European Programme

The ESIF Committee continues to meet regularly to ensure Growth Programme projects fit local strategic priorities. The Committee opened up calls for European Regional Development Fund (ERDF) activity, where all priority areas were open to applicants. Calls closed on 29th January and the ESIF Committee are working with national partners to look at further bidding rounds which are likely to be opened again in April 2016. Call details will be published on the Greater Lincolnshire LEP website <http://www.greaterlincolnshirelep.co.uk/funding/eu-funding>.

Under the European Agricultural Fund for Rural Development (EAFRD) limited calls for activity have been announced to date but we have been advised that further calls for activity are likely to be opened again in the summer 2016. We will continue to engage with the Forum for Agriculture and Horticulture when DEFRA confirm what activity can be opened up to applicants and the bidding timetable is confirmed.

Under the European Social Fund (ESF), the Big Lottery Fund Opt in is progressing 3 out of 4 recent calls and delivery of programmes around social inclusion and the Third sector should start around June/ July 2016. The Skills Funding Agency Opt in is due to procure over the next couple of months with delivery starting by September. The first activity to be procured is likely to be for training people in

work, with training support for unemployed people following that. The Department for Work and Pensions Opt in focusing on the delivery of promoting employment and supporting labour mobility is likely to have tenders out in May/June with delivery starting January 2017 onwards.

The 5 LEADER programmes are open across Greater Lincolnshire (the Coastal, Lindsey, Wash Fens, Kestevens and Northern Lincolnshire Local Action Groups) and they are all accepting outline application forms.

PROJECT ITEMS

Single Local Growth Fund

The Annual Conversation written report has now been received from BIS local and the Cities and Local Growth Unit. Growth Deal funding for 2016/17 totalling £39.9m will be released this month to the Accountable Body in line with current forecasts for the next financial year. Release of allocated amounts for 2017/18 onwards will however remain dependent on annual performance.

Expenditure for 2015/16 remains on track to achieve the £26.4m target expected, with balancing of the Grantham Southern Relief Road's Local Transport Board allocation being met by the East West Link capital scheme and being reallocated to the growth deal programme in future years as agreed with government and the Section 151 Officer.

Five more growth deal schemes are currently going through due diligence appraisal and will be presented to the Investment Board for a formal decision on proceeding to contracting on the 24 March 2016.

A call for growth related projects was sent out on 8th February and closed on 7th March. All projects submitted have been individually scored in line with the Assurance Framework and a resulting pipeline of priority transformational schemes for Greater Lincolnshire will be presented to the Joint Strategy Unit, Investment Board and Leaders Board.

An audit report has been provided by the NAO following consultation with DFT on whether the GLLEP Assurance Framework meets expected criteria for assessment of transport related projects. As a result some minor additions will be made to the Assurance Framework as part of its annual review and update.

Boole technology centre is having a Dedication Ceremony on 30th March.

Growing Places Fund /Invest and Grow Fund

The Lawn proposal (Stokes Coffee) is progressing to full application for Invest & Grow funding and is likely to secure planning permission for the intended development by 20th May planning committee at City of Lincoln Council. The applicant is working to provide the necessary information to enable due diligence and formal contracting (subject to approval) to be complete by June 2016.

The LEP launched the Greater Lincolnshire Feasibility Challenge Fund in February and received 29 completed bids from across the LEP area by the deadline. Bids were received from a range of different areas and include targeted support for our key sectors. Bids totalling over £2m in feasibility costs were received from both public and private sector applicants. A report will be submitted to the Investment Board to seek formal approval to award the £300K allocation to individual schemes. Details of the initial call for projects is online at: <http://www.greaterlincolnshirelep.co.uk/funding/feasibility-fund>

The Investment Board will also consider the detailed proposals to launch a new £3million grant fund (similar to Regional Growth Fund) in March, with a view to finalising the launch of the programme and

inviting applications by June 2016. Support will again be targeted towards growth of our priority sectors across Greater Lincolnshire.

Business Lincolnshire Growth Hub

Business Lincolnshire Growth Hub Performance Statistics

Figures to 7 March 2016	Number
Growth Hub Adviser Engagements	560
Business Diagnostics	242
Intermediaries interacted with	94
Businesslincolnshire.com unique users	52,056
Call centre referrals	58
Start up enquiries *	44
Masterclass event attendees	157
Sponsored event attendees	1140

BusinessLincolnshire.com Growth Hub has 52,056 users up to 7 March 2016. The Advice and Grant Scheme Finder has the most page views with events, event and finance close behind. The average session duration is 3.33 minutes with 3.7 pages per session viewed.

Future Funding

The Secretary of State for Business, Innovation and Skills has made grant funding (**£246,000 pa.**) available to GL LEP over the next two years (in 2016-17 and 2017-18) to deliver a schedule of work which will further develop the Business Lincolnshire Growth Hub and to ensure it meets the following principles;

- **Principle 1 - Providing strategic co-ordination and building inclusive partnerships with local stakeholders, the private sector and government.**
- **Principle 2 - Maintaining robust governance arrangements to oversee growth hub activity and ensure ongoing alignment with the LEP Strategic Economic Plan**
- **Principle 3 - Offer a triage, diagnostic and signposting service that joins up national and local business support, simplifying the support offer for businesses**
- **Principle 4 - Ensuring plans for Growth Hubs are deliverable and sustainable beyond March 2018 when Government funding ends, and core services remain free to business at first point of contact.**
- **Principle 5 - Applying a common performance and evaluation framework to identify what works and measure impact.**

The principles of funding set out above provide a framework which will enable all LEPs to build capability and capacity in their growth hubs to achieve best value.

EU funding bids

Appraisal questions have been answered for the Growth Hub's £4.4m Sustainable Business Growth Programme bid and await final endorsement by the ESIF committee. A further outline application; Business Lincolnshire Digital Growth Programme (£912,300), has also been submitted in the January 2016 round.

Financial Instrument

The Midlands Engine Investment Fund (MEIF or the Fund) is a proposed investment and loan fund, not a grant fund. It will operate in all 11 LEP areas across the East and West Midlands supporting private businesses that are looking to secure investment to grow that is not available from the private market.

It aims to boost start-up and survival rates, productivity growth and employment creation by supporting viable propositions that are not funded by private investors and lenders. The Fund would be delivered through sub-funds that respond to local market need. The type, focus and investment in the sub-funds can be managed and amended over the life of the programme. The Fund aims to secure a legacy to support future rounds of investment.

The proposal is for each of the 11 LEPs to invest a share of their notional allocation of European Regional Development Fund (ERDF) funds. In addition, the Fund will secure 'legacy' funds from previous investments by the East and West Midlands Regional Development Agencies and would be matched by investment from the European Investment Bank (EIB) and potentially attract investment from other sources, including the British Business Bank (BBB) and the sub-fund managers themselves (through a Budget 'ask'). Consequently the local investment would be more than doubled through partner organisations. This will create a fund of approximately £200m, with a notional allocation of £5m being allocated to Greater Lincolnshire.

DATES/ EVENTS

22.03.16 – LEP Network Conference – Westminster

24.03.16 – Chinese dignitaries delegation visiting Lincolnshire (LCC led event) – also meeting the LEP Board for lunch at Bishop Burton College – one of our funded Growth Deal projects.

30.03.16 – Boole Technology College Dedication Ceremony

04.04.16 – UKTI bus – Think Tank – first stop of Midlands tour

04.05.16 – Midlands Engine Breakfast

We have also had two postponed visits planned for the Secretary of State for Transport and expect a reschedule imminently.

Recommendation

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



BUSINESS PLAN
Greater Lincolnshire LEP
2016-2017

1.0 Introduction

The Greater Lincolnshire Local Enterprise Partnership (LEP) was formed to create the right conditions for growth across Greater Lincolnshire. Our main purpose is to be the voice of the business community and ensure that the economic interests of the area are properly represented.

This plan contributes to the economic vision for Greater Lincolnshire as detailed in the Strategic Economic Plan (SEP) (refreshed in the Spring 2016), which is to increase the value of the Greater Lincolnshire economy by £3.2 billion by 2030 by creating 13,000 new jobs, supporting 22,000 businesses and delivering up to 100,000 new homes.

This Business Plan 2016-17 identifies the budgeted expenditure and activity required to drive forward the actions to deliver economic growth and provides a framework to inform direction as well as detailing governance and structure alongside day to operations. Core funding from government (DCLG) has been confirmed as £250,000 for this financial year with an additional £250,000 Capacity-Funding agreed to support activity development. In addition to this, the LEP is required to match fund the £250,000 core funding with non-cash support through in kind expertise and staffing, and public or private financial contributions towards the LEP's running costs, including activity such as events or budget alignment.

In 2016-17 we continue to focus on delivering funding programmes including; Growth Deal; Invest & Grow (including the newly formed Feasibility and Challenge funds); alongside developing European Funding programmes and other funding programmes. A further Growth Deal funding round may be announced in the Spring budget and a pipeline of projects have been developed against our strategic aims for this as well as the other strategic funding streams above, should this be the case. Midlands Engine and devolution discussions are gaining momentum and should a deal be agreed through devolution, much LEP resource will inevitably focus on this over the coming year along with a number of Big Debates we are planning to engage the business community around key themes. Housing and skills (particularly apprenticeships) are moving to the fore and activity in these areas will escalate. A Manufacturing Board will be formed to drive forward the actions in this sector plan and both the imminent Water Management Plan and Transport Plans will steer activity and projects in these critical areas over the coming year. Finally, the EU Referendum in June is likely to dictate LEP agenda around that time, and beyond - depending on the outcome.

2.0 The role of the LEP

The LEP is a partnership, not a bureaucracy and we understand that our partners have primary roles to play in realising our vision. That means we work with them to drive economic growth and we are clear that the LEP should focus on where it can add value to the efforts of others.

As a partnership of leaders from both the business community and local authorities with their democratic mandates, our LEP first and foremost, performs a leadership role.

This role means acting as staunch advocates for our area, working with Government to find solutions that will enable us to deliver the strategic projects and programmes that will drive national, regional and local

prosperity and economic growth. On 17th September 2014 the Greater Lincolnshire LEP became a company limited by guarantee.

The GLLEP Directors Board is supported by strategic and advisory forums covering: water management; housing; skills; visitor economy; Agri-food; manufacturing; health & care; infrastructure and housing and takes expert advice from the Accountable Body (Lincolnshire County Council) and commissioned expert opinion on strategic issues as and when required.

3.0 LEP Priorities

Activities are concentrated in those sectors and areas where we can have the greatest impact. This means building on our strengths and those economic assets with the greatest potential to:

- Drive productivity and growth
- Capitalise on our knowledge and innovation base
- Develop our export potential
- Create a mix of entry, intermediate and highly skilled employment opportunities

The five 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
 - 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
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 also important that we recognise the large contribution our small businesses and our foreign owned businesses will have in the success of this plan. Our priority is therefore to ensure that our SME community flourishes, creating more work opportunities. We will do this by:

- Creating the right conditions for growth
- Making our businesses the best informed in the country, and
- Improving access to finance and the ability to attract growth finance.

Our priority is also 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 supporting the foreign-owned businesses so that they commit to investing locally

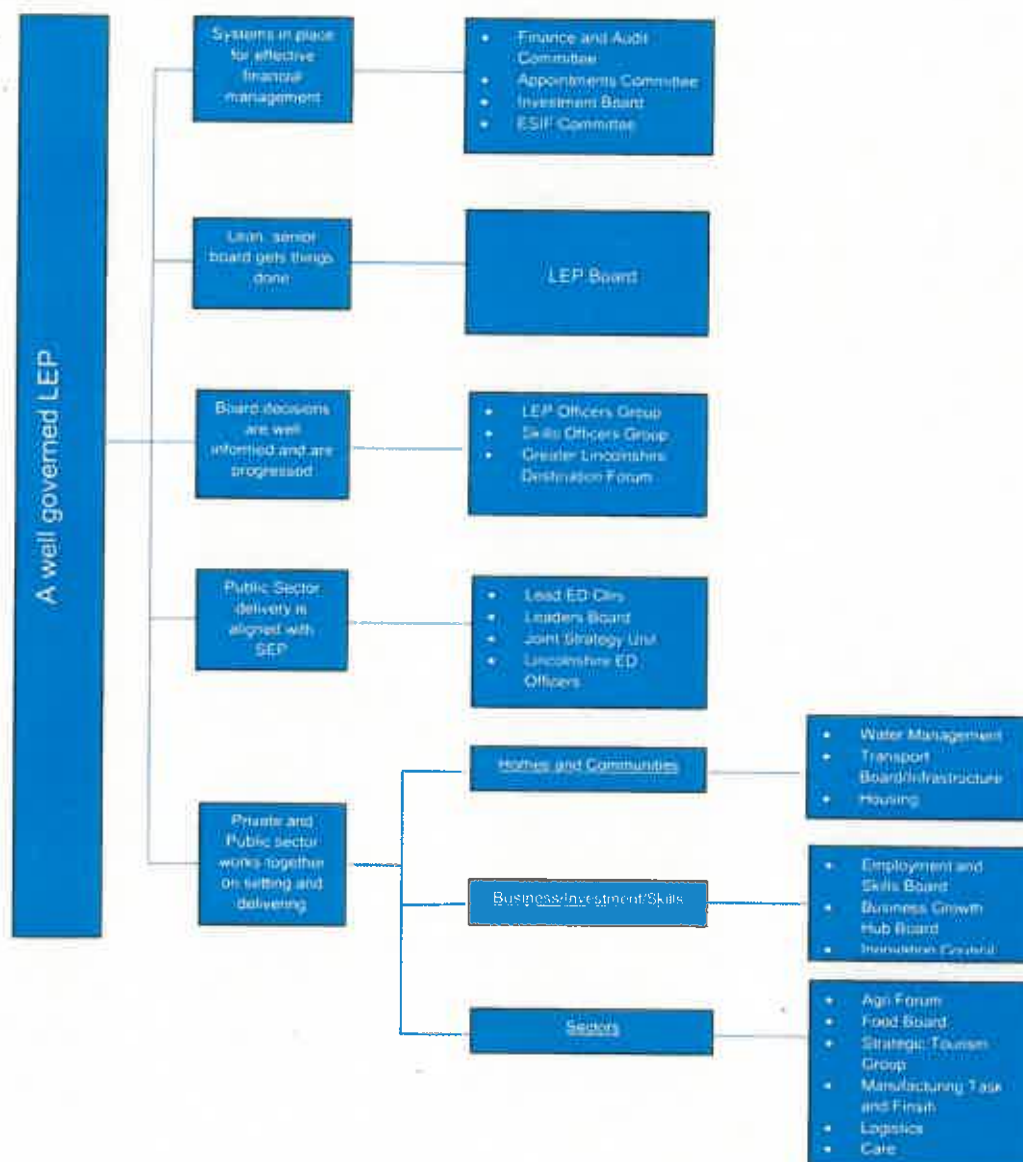
- Ensuring that the owners of those businesses based here are aware of the benefits
- Taking a "can-do" approach to supporting their development and tailor support to meet their needs

4.0 Governance and Operational procedures

The GLLEP Directors Board has formed a company limited by guarantee and works closely with local government and other partners to ensure effective communication, strategy and delivery.

The GLLEP Directors Board is supported by a number of committees and boards to ensure adequate scrutiny and clarity on LEP activity and works closely with partners to ensure alignment of local strategies and delivery of programmes.

The Greater Lincolnshire LEP's greatest asset is our collective ability to exercise influence over partners, delivery organisations, investors and policy makers (including Government) and the outcomes of this influence can be measured against our success. During the year we will need to review how we work alongside the local authority family in Greater Lincolnshire in the devolution arena, and play an active role in the Midlands Engine.



Our work is guided by a set of core operating principles:

- **Led by the Private Sector:** The LEP is committed to articulating the economic growth opportunities and challenges faced by business and social enterprises.
- **Dedicated to a strategic and balanced economic growth plan:** Efforts are concentrated on developing an overarching economic policy with our partners. We are responsive to emergent opportunities, but concentrate on our five priorities within the SEP, only supporting those that relate to the long-term growth in jobs and prosperity.
- **Partnership Working:** We work to influence stakeholders while remaining open and responsive to the business leaders that drive the majority of business activity within the LEP. Maintaining dialogue and sharing resources with appropriate organisations, neighbouring LEPs and other external partners is a fundamental part of our work. We use the insights, capacity and energy of our partner organisations where possible and only build our own in-house team where no alternative exists.
- **Influencing Funding:** Rather than pursue funding sources on an ad hoc basis, we influence funders to respond to our needs and objectives by developing and maintaining appropriate relationships at local, national and European levels.
- **Shaping Policy Development:** Maintaining, building and influencing dialogue at all levels ensures that our influence has the greatest impact and reaches the most appropriate stakeholders.

5.0 How we make decisions

The LEP has limited resources and sometimes needs to make tough choices about where to invest its influence, time and energies. Three test questions have been applied to determine our priorities. These will also form an important part of the board's ongoing decision making process:

- 1) Can we have any influence?
- 2) Is there support across Greater Lincolnshire?
- 3) Will change be noticeable in Greater Lincolnshire?

The principles the lep team use to evaluate scheme is published in our assurance framework on the LEP Website. This is reviewed annually.

6.0 Expenditure Areas of Activity

Area 1, 2 and 3 are concerned with operational activity for the company, and areas 4 and 5 below concentrate on delivery of the SEP objectives. The suggested activities, services, outcomes and budget for the Greater Lincolnshire LEP based on a 12 month period from 1st April 2016 – 31st March 2017 are:-

Activity Budget/ Expenditure

Area 1 Executive Team – Total Cost: £247,165

LCC the hosting organisation and the accountable body were restructured in October 2015 and now the team consists of; Ruth Carver - LEP Director, Clare Hughes – Principal Commissioning Officer LEP, Halina Davies – Growth Deal Manager; Jon Burgess – Investment Manager; Cathy Jones – Housing Manager; Kate Storey – Commissioning Officer (LEP), (Funding); Laura Spittles – Project Officer (LEP); and administrative support.

The remainder are paid by the Accountable Body (Lincolnshire County Council) with some forming part of the match funding required against the £250,000 core funding. Area 1 also contains provision for LEP staff expenses and travel.

Area 1 – Outcomes

Delivery of strategy support to LEP company, boards and committees. These are internal facing, and are supported by an Officers' Group, which has representatives from the three upper-tier local authorities; Lincolnshire, North Lincolnshire and North East Lincolnshire; BIS Local; Skills Officers Group; Greater Lincolnshire Destination Forum; and numerous expert groups and forums.

More recently, the Employment and Skills Board has joined forces with the LEP to ensure that strategies and delivery of the skills needs for Greater Lincolnshire are robust and connected. The LEP is also supported by the Finance & Audit Committee; ensuring that the company maintains satisfactory systems of financial and operational control, and that any published financial reports comply with statutory requirements and the Appointments Committee; managing the process for appointing LEP Board Directors and Company Members to the Greater Lincolnshire LEP.

Outcomes are summarised as follows:-

- Advice on strategy and policy
- Day to day operation of the LEP
- Implementation of the company and operation of the company
- Communications lead and delivery
- Accountability and responsibility for the Growth Deal
- Partnerships, Building relationships, Collaboration, Brokering

Area 2 -Company requirements – Total costs £15,000

This budget area for £15,000 includes provision for the Directors Liability Insurance, company legal cost provision, and audit and accountancy advice and services to support the Company.

Area 3 - LEP Communication and Events -Total cost £71,450

Communications

Email: Quarterly newsletters to the business community, parliamentary bulletin, and food sector focused newsletters (managed by the team and issued by the PR company).

Website: A new website has been developed which will go live in Q1 of this financial year. This provides primarily strategic information with signposting to www.businesslincolnshire.com for business support and funding advice to ensure a clear division. The new website covers strategies and plans (to include LEP priorities), boards and governance, funding and projects along with a 'what's new' area. It is the LEP's intention to provide increased in house management to the website going forward alongside a maintenance contract delivered by a contracted service provider.

Editorial: The LEP has two contracts with the press, including a recently agreed one with the Echo Business Editorial which allows monthly advertising and column space which we share with the Business Lincolnshire Growth Hub.

Social media: Communication via social media channels (twitter, LinkedIn, Video, Periscope) continues to grow and is managed by the Team and delivered by an outside company.

The PR and web maintenance contracts are included within this section.

Events

The LEP annual conference; LEP Business Live, is an external facing event to the business community and stakeholders to communicate key messages, annual highlights and activity. Guest speakers are invited alongside the LEP Chair's popular roundup of the year. This event is currently co-funded by the LEP and Media Lincs and delivered by the LEP Team.

MIPIM UK and MIPIM involves targeted promotion of investment opportunities across Greater Lincolnshire to the development industry with match budget funding alignment from Lincolnshire County Council.

Sector and issue events; Regular workshops or tasks and finish groups take place to develop sector plans, LEP strategy or implement project delivery with expert Board Directors and partners involved. This year we are also planning a number of Big Debates to take place around the Midlands Engine and the primary issues of interest and concern to the food industry, bringing in MPs and a media platform to gain wider interest.

All designed and printed literature is included in this budget area and also includes the statutory AGM and room hire and catering for events and meetings (where not sponsored by partners).

Area 4 Sector Expenditure Activity – Total Costs £146,450

Area 4 includes provision for resource and activity budgets for key priority sectors and implementation of sector action plans including:-

- Continued resource to drive implementation of the Agri-food Sector Plan
- Resource to drive implementation of the Manufacturing Sector Plan
- Place marketing provision and additional support
- Skills provision and additional support
- Specific research commissions
- Provision for Midlands Engine and devolution development

Area 5 - Growth Deal and project development – £20,000

This additional provision (outside of the Growth Deal Project Manager), supports the implementation of the Growth deal through a robust and necessary due diligence process to reduce risk of project failure in advance of contracting Growth Deal projects.

7.0 Milestones and Measure of Success

The objectives outlined within this plan are intended to allow for flexibility in order to flex with a changing LEP agenda. The key milestones are listed below and will be monitored against progress and updated on a regular basis.

Q1 2016

- March Spring budget – shaping focus and agenda
 - Devolution/ Midlands Engine/ Enterprise Zones
- April Sign off of the 2016-17 Business Plan
- April Launch new LEP website
- April Q1 newsletter – including Growth Deal progress
- April Innovation Council inauguration and recruitment
- May/Jun Big Food Debate (South) (MP driven)
- May/Jun Launch Water Management Plan
- May/Jun Launch Transport Plan
- May Big Debate - Midlands Engine

Q2 2016

- Jul Publish Annual review of growth hub
- Jul Tender process for manufacturing consultant
- Jul Q2 newsletter - including Growth Deal progress
- Jul Single local Growth Fund submissions

Q3 – 2016

- Oct LEP Business Live 16 – Annual conference
- Oct AGM/ Annual Review
- Oct Big Food Debate (North) (MP driven)
- Oct MIPIM UK
- Oct Q3 newsletter - including Growth Deal progress
- Nov Fundamental Spending Review

Q4 - 2017

- Jan Q4 newsletter - including Growth Deal progress
- March Draft Business Plan 2017-18

Measuring our Success

Our goal is to increase the value of the Greater Lincolnshire economy by £3.2 billion by 2030 by creating 13,000 new jobs, supporting 22,000 businesses and delivering up to 100,000 new homes. We will report on the progress quarterly and announce this annually. We will also compile anecdotal evidence to demonstrate the positive evolution of the Greater Lincolnshire economy and this will be provided regularly to the Directors Board.

Refreshing our Perspectives

The LEP Strategic Economic Plan remains the overarching document forming the basis of all the activity which we undertake. A recent refresh showed that this remains valid and relevant with only some detailed areas requiring update or inclusion in the Spring of 2016.

8.0 Annual Budget

Income	£	Expenditure	Amount cash £
Core Funding (BIS/DCLG)	250,000	Area 1 LEP Executive (Staffing)	247,165
Capacity Funding	250,000	Area 2 Company requirements	15,000
		Area 3 Communication and Events	71,450
		Area 4 Sector Expenditure Activity	146,450
		Area 5 Growth Deal and project development	20,000
Total Income	<u>500,000</u>	Total Anticipated Expenditure	<u>500,000</u>
Match (ie staff or budget alignment or board members time)	<u>250,000</u>	Match Expenditure	<u>£250,000</u>
Total Operational Budget	<u>£750,000</u>	Total Operational Budget	<u>£750,000</u>

The LEP additionally holds in reserves an available (non-committed) cash balance of £506,453. Following financial year end (31st April), there may be a requirement to draw down a small amount to balance 2015-16 expenditure but at present, spend for this financial year remains on track and is likely to require little or no draw down from reserves.

9.0 Recommendation

The Business Plan summarises the expenditure, activities and outcomes which the LEP proposes developing during 2016-2017 in order to deliver our objectives. Regular reports will be made to the Directors Board on the progress of the business plan through the Operational Report.

Approval is sought from the LEP Board to implement and fund this LEP Business plan 2016-17.

GLLEP BUDGET 16-17				
LEP Business Plan - Headers		BUDGET 16-17	Provisional or actual	
Area 1 - Executive Team		inc on costs		
LCC	LEP Director (RC)		a	
LCC	LEP Commissioning Officer (KS)		a	
LCC	LEP Principal Commissioning Officer (CH)		a	
LCC	LEP Project Officer (LS)		a	
LCC	LEP Secretary (SG)		a	
Contract	LEP Growth Deal Project Manager		a	
Secondment	LEP Investment Manager		p	
Secondment	LEP Housing Manager		a	
	Travel expenses	£ 5,700.00	p	
	Phones, IT	£ 2,000.00	p	
	Provision for increase	£1,900	p	
		£ 247,165.00		£ 247,165.00
Area 2 - Company Requirements				
	Legal costs (Ltd Co secretary)	£ 1,500.00	a	
	Legal services Lincolnshire	£ 5,000.00	p	
	Ltd Co insurance	£ 1,500.00	a	
	Ltd Co Audit and Accounts provision	£ 3,000.00	a	
	Board expenses	£ 2,835.00	p	
	Board room hire & catering	£ 1,165.00	p	
		£ 15,000.00		
Area 3 Communications and Events				
Events	GLLEP Business Live	£ 14,000.00	p	
	MIPIIM Cannes	£ 5,000.00	a	
	MIPIIM UK	£ 1,500.00	a	
	Agri business conference exhibition	£ 800.00	a	
	Agri food MP events x 2	£ 1,000.00	p	
	Manufacturing conference 16	£ 500.00	p	
	AGM	£ 800.00	a	
	Big Debates x 3	£ 1,500.00	p	
	LEP Away day strategy work	£ 500.00	p	
Comms	PR/ Comms contract	£ 18,000.00	a	
	Web support maintenance contract	£ 4,800.00	a	
	Media contract contribution (Echo) 16-17	£ 3,250.00	a	
	Media contract contribution (Lincolnite)	£ 2,500.00	a	
	LEP Network	£ 5,000.00	a	
Design	Online and hard copy design	£ 6,500.00	p	
Printing	Brochures/ banners/ stands	£ 2,500.00	p	
	Branded pens / other	£ 300.00	p	
Film/AV	Film / 3D imaging	£ 2,500.00	p	
Photography		£ 500.00	p	
		£ 71,450.00		

Area 4 Sector & Priorities Support and Expenditure			
	Agri-Food Support	£ 29,950.00	a
	Manufacturing Support Provision	£ 20,000.00	p
	Research commissions	£ 20,000.00	a
	Place Marketing Provision	£ 30,000.00	p
	Skills Support Provision	£ 15,000.00	p
	Midlands Connect development	£ 10,000.00	a
	Midlands Engine development	£ 10,000.00	a
	Devolution development	£ 8,500.00	p
	Innovation Council	£ 3,000.00	p
		£ 146,450.00	
Area 5 Growth Deal/ Project delivery			
	Due dilligence Advice Provision	£ 20,000.00	a
		£ 20,000.00	
Total Planned Expenditure		£ 500,065.00	

**Developing a Strategic Marketing
Proposition for Greater Lincolnshire**

24th March 2016

Executive Summary

This report updates the LEP Board on the development of a marketing proposition for the Greater Lincolnshire area.

Background

At the meeting of the LEP Board in January 2016, approval was given to the LEP team to develop with partners a strategic marketing proposal to strengthen place marketing across Greater Lincolnshire. The overall proposal should complement the number of strategic development sites being brought forward across the area and address long term under performance in positioning and marketing the Greater Lincolnshire offer to potential new investors and developers, occupiers and businesses, whilst supporting the effective marketing of one of the UK's leading visitor destinations.

It was agreed at the January LEP Board that the initial proposal should focus on xx workstreams:

1. A Greater Lincolnshire story and campaign
2. A Greater Lincolnshire website and resource portal, focussing on live and work, including short films
3. Commission specific work packages such as a hotel demand study and information to promote development opportunities to house builders.

It was agreed that the LEP would take an active role in the first 18 months to 2 years, and form a partnership to drive the outcomes and align existing partners. Wherever possible, local partners should be commissioned to undertake the workstreams because of their strong local knowledge and "ambassadorial" qualities. Each of these items is expanded in more detail within the report.

Place marketing is all embracing, but there is a risk that addressing every aspect of place marketing could delay anything happening at all. By identifying various small but essential packages of work to be undertaken, the LEP can lead some activity quickly.

It should be remembered that place marketing is concerned with promoting opportunities about Greater Lincolnshire and those opportunities are available now.

Proposed Activity

Workstream 1.1

A compelling Greater Lincolnshire storey, or economic narrative, that clearly sets out a strong visual identity and a clear sense of purpose and place. This will support future place marketing and positioning by the LEP and all the partners across Greater Lincolnshire. It will also be effective in generating the endorsement and support of the private sector. It will deliver a programme of engagement, meeting with a wide range of interviewees to "get under the skin" of Greater Lincolnshire. It will deliver an economic narrative that is shared by partners in the private and public sector, a visual identity, brand guidelines and toolkit for all to use. This area will also consider a bondholders or ambassadors scheme. The branding should be white labelled and the key focus be "Greater Lincolnshire".

Workstream 1.2

An initial 18 month media and communication campaign, as part of an overarching strategy, to increase awareness of the Greater Lincolnshire offer with key stakeholders and business sectors by employing a range of communication approaches, especially digital channels, appropriate to target audiences. The outcomes of this would be additional investments in Greater Lincolnshire.

Workstream 2

A web portal that promotes the Greater Lincolnshire economic narrative. It should have resources such as short films, photographs, brochures, case studies and the latest development news for Greater Lincolnshire. This should build on existing websites, making them as strong as those of our counterparts elsewhere.

Workstream 3

Specific deliverables such as LEP Wide evidence base for hotel development and working together to attract a wider range of house buildings and commercial agents to Greater Lincolnshire.

In summary, the key objectives of the activity are:

- Improve the positioning of Greater Lincolnshire in a national context and the LEP and Greater Lincolnshire in a regional context.
- Establish a strong and clear economic identity for Greater Lincolnshire that highlights key attributes such as live and work and the benefits by sector.
- Identify key stakeholders and opinion formers regionally and nationally and transform them into supporters and influencers of the Greater Lincolnshire brand.
- Stimulate further interest, enquiries and subsequent UK and inward investment enquiries to Greater Lincolnshire.
- Raise the profile of strategic investment opportunities which flow through the LEP, particularly our strategic housing and employment sites.
- Identify the key achievements and messages that best portray the Greater Lincolnshire "story" through a multi-channel approach to target audiences.
- Develop engagement and closer working relationships with the private sector in communicating a united and proud Greater Lincolnshire that has a confident and ambitious voice.
- Identify a suite of marketing collateral and opportunities to showcase the Greater Lincolnshire "story" regionally and nationally.

Proposed Budgets

At the meeting of the LEP Board in January, it was agreed that a costed proposal would be brought for consideration. The figures below are estimates over a two year period starting April 2016.

Area	Estimated Amount during 2016/2017 and 2017/2018
Programme Management	£38,000
Workstream 1 – Story and comms programme	£40,000 £60,000
Workstream 2 Portal	£15,000 £4,000
Workstream 3 – Specific tasks hotel and house builders	£26,000 £34,000
Promotional films	£16,000
Total	£239,000 over two years

Potential Contributions	
LEP	£60,000 over two years
LCC	£60,000 over two years
NE and NLC	£60,000 over two years
Other Partners	£60,000 over two years
	£240,000

There is a further opportunity to bid for European funding or Midlands Engine funding to increase the budget, developing and delivering specific activity.

Using Existing Partnerships

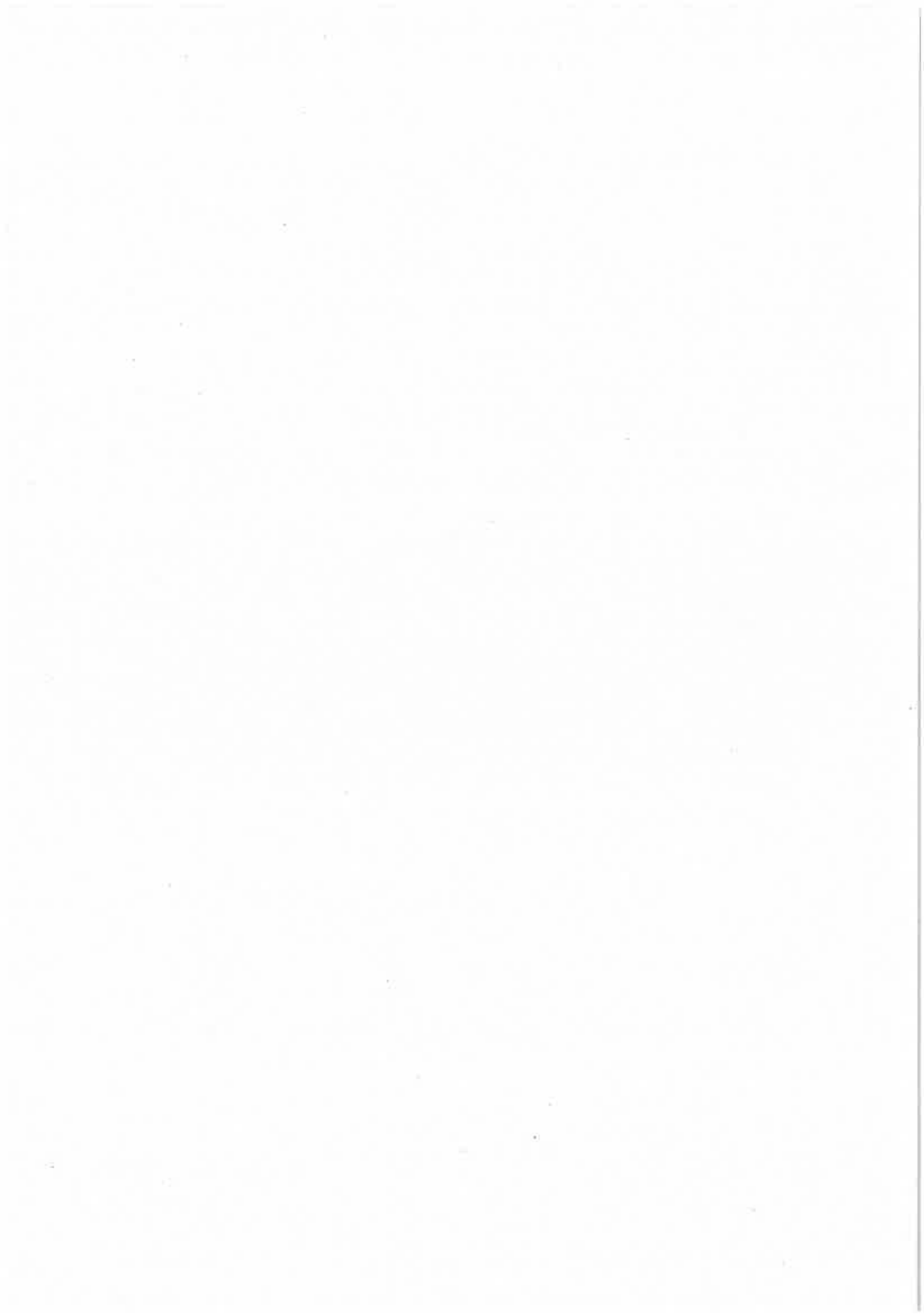
The intention is for the LEP and a wider partnership group to enable activity on place marketing and develop a Task and Finish Group, chaired by a LEP Board member, to take forward the initial work, ie, Workstream 1. Partnership members should be Lincolnshire Chamber, Greater Lincolnshire LEP, Lincolnshire County Council, Lincoln University, North Lincolnshire Council and North East Lincolnshire Council. The partnership could co-commission activity.

The role of the partnership steering group should be to steer the first stage of the work, developing the economic vision of the Place. Once the economic vision is established, the intention is to launch an ambassador programme led by the private sector.

Recommendations

The LEP Board is asked to:

- Approve the proposed approach to developing a strategic marketing proposition for Greater Lincolnshire as set out in this report;
- Approve the funding proposal, as set out in this report;
- Delegate authority to a LEP Board Member and the LEP Director to bring together a partnership to commission and to progress with the work programmes and outputs required from this.



The purpose of this paper is to provide an update on changes in housing policy and their implications for both Greater Lincolnshire and for LEP policy, against a background of devolution, future Growth Deal opportunities and wider strategic issues.

At the time of writing it is not known what the outcome of Greater Lincolnshire's devolution ambitions will be, nor how a further round of Single Local Growth Fund may evolve. These are the subject of separate items on the GLLEP Board agenda and there will be the opportunity at the Board meeting to draw out any implications for housing.

Introduction

1. The summer budget, Comprehensive Spending Review 2015 and the Housing and Planning Bill have introduced significant, rapidly evolving changes to housing policy and an ever-increasing drive to promote home ownership.

Housing policy changes during 2015/16

2. These are summarised as briefly as possible with more detail provided in the Appendix to this paper.
 - a. Starter Homes - evolving from its origins as an exceptions site policy to the Housing and Planning Bill requirement that they will be included on all "reasonably" sized sites. To be offered for sale at a minimum of 20% below open market value, to under-40s who have not previously been a home owner. Prices to be capped at £250,000 outside Greater London and £450,000 within the capital. Will work better in some parts of the country than others. Local Authorities will take differing views on the usefulness of Starter Homes in the context of their local housing market, and local political priorities. Large scale provision in any given area may distort the market and there are State Aid concerns. Until there is clarity on a number of points the rollout of schemes may be delayed. There may also be adverse impacts on the local economy through impaired labour mobility and key worker retention. Despite all this, Government has put Starter Homes centre-stage in their ambition to address the national housing shortfall. The message from civil servants has been unequivocal – this is the main focus of housing policy for the current government.
 - b. Reduction in social housing rent (1% every year for 4 years from April 2016) - adversely affecting the business plans of Registered Social Landlords (RLS) and councils which retain their housing own stock. Particularly problematic for supported housing schemes, if fully implemented, although the government has announced a delay of one year to research the impact of their policy.
 - c. Housing benefit cap in line with Local Housing Allowance (LHA) rates. This represents a further threat to social landlords' business plans, particularly those schemes designed for older people where service charges will put the total rent above LHA
 - d. "Voluntary" deal between Government and housing associations to extend the Right to Buy

to housing association tenants – continued lack of clarity regarding how (and by how much) landlords will be reimbursed, how much freedom they will have regarding where homes should be replaced and what tenure they should be.

- e. High value sales - Councils will be charged a fixed levy based on a prior estimate of vacant high-value homes they will sell. Councils are urgently calling for clarity over the amount they will be charged next year as they are in the process of setting 2016/17 budgets.
- f. Pay to Stay - social tenants whose income exceeds a specified annual amount (based on household income and could include two people on minimum wage levels) will be required to pay the full market rent for their home. This policy will be voluntary for housing associations, but will apply in full to LAs.
- g. Housing association reclassification and deregulation - has implications for public borrowing, and part of a wider pattern of policy announcements and reversals which are denting confidence, impeding future planning and delaying delivery.
- h. Comprehensive Spending Review November 2015 – increased the overall amount of funding for housing delivery accompanied by a shift in public subsidy from affordable rented homes in favour of Starter Homes. The HCA's Affordable Housing Programme was subsequently closed to new bids for rented units, and a new prospectus which will allocate funding for Starter Homes and Shared Ownership for 2016 to 2021 is awaited.
- i. Direct commissioning - Government has announced plans to directly commission up to 13,000 new homes from small and medium-sized companies (SMEs) on publicly-owned land. 40% of new housing on these sites will be developed as Starter Homes. The pilot will begin this year on four sites: Northstowe in Cambridgeshire, Lower Graylingwell in Chichester, Daedalus on the Waterfront in Gosport and Connaught Barracks in Dover.
- j. Other noteworthy aspects of the Housing and Planning Bill include: an increase in stamp duty to discourage buy-to-let; introduction of a Planning "delivery test" and introduction of the potential for a Combined Authority to develop a Local Plan if LAs fail to do so.

Analysis and responses

3. Savilles have published a helpful: "Policy Response: The impact of new housing measures on development" (February 2016)¹:

- Help to Buy, Starter Homes and shared ownership will largely serve the same parts of the market. As a result of the overlap, there is a risk that the schemes may not deliver additional homes. Furthermore, these schemes are unlikely to help low income households. The shift in policy from Affordable Rent to one of the other tenures, and in particular the classification of Starter Homes as a form of Affordable Housing, is likely to leave a gap in housing provision for those on lower incomes.
- Rental demand: the private rented sector will still expand by more than one million households over the next five years, despite the drive to boost homeownership. Savilles expect to see opportunities for large scale investors to provide rental stock and enable developers to de-risk schemes through forward-funding structures.
- Uncertainty surrounding the details of these schemes makes the appraisal of land values a challenge.

"With so many details yet to be decided, developers are unlikely to start delivering Starter Homes much before 2017. The pressure to meet targets is likely to prompt developers to seek the most straightforward routes to delivering Starter Homes."

As a result we are likely to see the bulk of Starter Homes delivered as a replacement for other forms of Affordable Housing on sites that are already allocated, rather than via the more time-consuming and difficult route of finding exception sites."

All of this...will have a profound effect on viability testing, not only of development schemes but also of Local Plans, including the policy level of Affordable Housing requirement and CIL. This adds to the burden on local authorities, who may want to amend their plans, and may derail plans that are currently on target to be adopted before the Government's 2017 deadline. Such a review would need to balance the Westminster requirement to provide Starter Homes with the duty to house people in need, at the same time as ensuring development can take place on a financially viable basis"

4. With more of a public sector focus, (EMC) has recently completed a Housing Review which helpfully offers a very recent cross-party, cross-sector perspective. The review, which included input from the National Housing Federation reported to EMC's AGMⁱⁱ on 5 Feb 2016 with the following observations:

"Most people want to own a home of their own and, for that reason, the Government's emphasis on helping people into home ownership is welcome. However, local housing markets need a balance of homes both for sale and rent at different price points to meet the diversity of needs in our communities. A robust supply of truly affordable rented housing, such as that provided by local authorities and housing associations is an essential part of the mix. There is a continuing need to build new affordable rented homes for the 25% to 30% of our community who will never be home owners. This needs to be reflected more in the Government's programme to invest £2 billion per annum in delivering 400,000 new homes by 2020/21. In essence, the Government needs to make sure that we are building a range of new homes which are affordable to people on all incomes including those who cannot afford to buy.

As well as building new homes for affordable rent, we need to ensure that the existing stock owned by councils and housing associations remains viable and able to meet housing needs across the East Midlands. The Housing and Planning Bill contains a range of measures, such as mandatory fixed term tenancies, the sale of high-value vacant council homes and pay-to-stay for high income tenants, which will add to the administrative burden for stock-retaining councils without helping them to meet housing need in their areas. Equally, the 1% per annum rent reduction will hamper local authority and housing association plans for investing in the long term viability of their existing homes as well as building badly-needed new housing."

5. The LGA has stated that these national housing reforms will severely hamper the ability of councils to build new homes by taking £12 billion out of local investment in affordable rented housing by 2020: "Town hall leaders are calling for the flexibilities to decide on the number, type and quality of starter homes so that they meet the needs of local communities. Councils also need powers to provide affordable rented homes that are crucial for enabling people to save money towards a deposit, and the means to secure investment in vital infrastructure that new home buyers will expect and will rely on".ⁱⁱⁱ

Implications for Greater Lincolnshire and for GLLEP

6. On a practical level, the general lack of clarity is delaying development.
7. Publicly-funded housing has long been a mix of rented, intermediate (part-buy, part-rent) and shared ownership. The schemes supported in GLLEP's current Unlocking Housing Fund reflect that mix. Our current Fund is working well and should not be affected.

8. Close liaison with the HCA has indicated that there is a significant amount of Affordable Homes Programme Investment in place for HCA development partners to develop sites in 16/17 and 17/18. This helps to create a buffer period for Registered Providers to consider options for their future delivery of alternative housing products.
9. For the purposes of future Growth Fund discussions **GLLEP should build on its successful Unlocking Housing Fund to enable a GLLEP-wide focus on unlocking sites of all sizes** where infrastructure costs, flood protection or a general viability gap are delaying development.
10. GLLEP should also ensure that **our strategic priorities (e.g. the priority areas for growth and regeneration as set out in the revised Strategic Economic Plan) continue to be integral to local strategic investment decisions of partner organisations such as the HCA.** A Housing Infrastructure Group has been established and has commissioned a Greater Lincolnshire Strategic Investment Plan. This is due to report in the summer and will naturally inform this process.
11. There is so much government energy and funding going into starter homes that this product will probably look after itself in delivery terms – albeit subject to some delays as highlighted above. In the absence of clarification from government we would, however, need to revisit our legal advice on state aid advice if the Board did wish to co-fund delivery of this product.
12. Even for a low cost/low wage area such as Greater Lincolnshire, there are doubts as to whether starter homes will do much to improve affordability for first-time buyers. This makes the likely loss of social and affordability rented provision more worrying still.
13. LAs will still have a duty to house people in need – but with the possible exception of specialist schemes for older people (see below) there will be very little public subsidy available for social rent or affordable rented development from the HCA. Partners may seek alternative funding from SLGF. This seems unlikely to succeed unless there is robust evidence that ownership and market rent products are inappropriate in the local context. Proposals for a Greater Lincolnshire Combined Authority or Mayor are beginning to contemplate potential planning powers aligned to a single spatial vision but we are not there yet, and housing market studies continue to be aligned with individual local plan timetables and requirements. In practice this will mean that **partners will need to finance development through their own resources** (borrowing, rental streams, etc) all of which are under threat from the policy changes outlined above.
14. Most if not all LAs in Greater Lincolnshire are considering options for Local Housing Companies to deliver income-generating stock which may then cross-subsidise the delivery of homes for affordable or social rent. There is a potential role for the LEP in **attracting finance** from institutional investors (Place Marketing has a part to play here).
15. Alternatives to generic market housing (e.g. eco-friendly, custom-build opportunities etc) may help to support a differentiated housing market and enhance Greater Lincolnshire's housing offer. There is a potential role for the LEP in **stimulating and supporting initiatives aimed at reducing build costs through innovation** (prefabrication, alternative materials etc.).

- 14 There are indications that the HCA's forthcoming Affordable Housing Prospectus 2016-21 may include an element of affordable rent provision for specialist schemes for older people. Lincolnshire County Council's procurement process for Extra Care is already underway. Reflecting the SEP's health and social care priority, previous Board papers on housing have noted the high need and lack of suitable provision of specialist housing for older people/housing with care across Greater Lincolnshire. The HCA has highlighted that there is a pipeline of schemes for older people across GL and suggested that GLLEP, LCC, HCA and their development partners consider a joint approach to funding these schemes. A verbal update will be provided at the meeting about any relevant Business Case proposals which have been put forward response to the Board's recent call for projects.

Recommendations and conclusions

- 15 On a practical level, the general lack of clarity is delaying development. The policy changes around rent levels and benefit caps are adversely affecting the ability of public sector partners to invest in affordable schemes in general, and particularly affecting affordable rent schemes for older people. Help to Buy, Starter Homes and shared ownership will largely serve the same parts of the market so there is a risk that the schemes may not deliver additional homes
- 16 Accelerating delivery of the planned housing growth in Greater Lincolnshire against this policy backdrop will require initiatives to streamline Local Authority housing and planning processes, build skills and capacity, and adopt an increasingly pro-active and market-focused approach. The role of the GLLEP in this process will evolve in light of the devolution process. The Board will need to keep under review how it might use future funding and/or influence to support initiatives which can contribute to building the capacity of the housing development sector and delivering the differentiated housing offer required.
- 17 Whilst the focus of this paper has been housing policy, the sheer pace and scope of this year's reforms also touch on planning policy and welfare reform. Understanding the implications for Greater Lincolnshire LEP depends partly on devolution: will we or won't we have a Combined Authority/Mayor, and with what powers? As this remains unclear, at present Board Members are recommended to agree the following priority order of investment:
- i. At such a challenging time, focus on what is winable – support and develop bids which have come forward for older people's provision and are in line with SEP priorities on housing, health and care.
 - ii. Develop a GLLEP-wide Unlocking Housing Fund informed by the Greater Lincolnshire Strategic Investment Plan to unlock sites of all sizes where infrastructure costs, flood protection or a general viability gap are delaying development
 - iii. The future delivery (or not) of social and affordable rented homes will be a matter for individual housing authorities within the context of their local plan. There is broad scope, however, for GLLEP influence in seeking and supporting opportunities for large scale investment and for innovation in the construction sector.

Appendix – further detail of housing policy changes summarised in the paper

Reduction in social housing rent

1. In the summer budget (July 2015) Government announced a reduction in social housing rent (1% every year for 4 years from April 2016), which is adversely affecting the business plans of Registered Social Landlords (RLS) and councils which retain their housing own stock.
2. An *Inside Housing* survey of RSL 135 chief executives suggested the reduction will prompt a dramatic change in the sector. 31.9% of association chief executives said it is likely their organisation will stop entering new agreements for sub-market rent. The survey also revealed landlords are likely to build more homes for sale, with nearly 73% saying it is likely low-cost homeownership and market sale will make up a greater proportion of their future pipelines
3. The rent cut will be particularly problematic for supported housing schemes, if it is fully implemented.

Housing Benefit Cap

4. Government has also announced a cap on housing benefit in line with Local Housing Allowance (LHA) rates, representing a threat to social landlords' business plans.
5. In January 2016, after much lobbying, government announced supported housing schemes will be exempt from the rent cut. "Protections" (but not an exemption) from the plans to cap housing benefit for one year were also announced, pending the outcome of a review into costs which is due to report in March 2016

Right to Buy

6. The Housing and Planning Bill sets out in draft legislation the "voluntary" deal between Government and housing associations to extend the Right to Buy to housing association tenants. However, there remains a lack of clarity regarding the funding mechanism, how (and by how much) landlords will be reimbursed, and how much freedom they will have regarding where homes should be replaced and what tenure they should be.

Pay to Stay

7. Under this policy social tenants whose income exceeds a specified annual amount will be required to pay the full market rent for their home. HM Revenue and Customs will share income information with social landlords to help them implement the government's Pay to Stay rules. In a separate consultation which had already launched at the time of the Bill's publication, government confirmed there is likely to be a taper in the Pay to Stay regulations meaning tenants would not be required to pay the full rent increase as soon as their income rose above the threshold.
8. In a further change on 15 December 2015, Government announced that this policy will be voluntary for housing associations, but will remain in place for LAs. However, associations will be able to set higher levels of rents for high-income tenants.

High Value Sales

9. Councils will be charged a fixed levy based on a prior estimate of vacant high-value homes they will sell. Local authorities have raised concerns that they could be left out of pocket if the government over-estimates likely sales. Councils are urgently calling for clarity over the amount they will be charged next year as they are currently in the process of setting their 2016/17 budgets.

Housing association deregulation

10. Housing association regulation is carried out by the Homes and Communities Agency (HCA). It gives confidence that the sector is a safe place to invest. In Autumn 2015 the increasing range and nature of powers vested in government over housing associations (including consent powers over disposals of social housing assets, power to direct the use of disposal proceeds, and powers over the management of a registered provider through the HCA) led ONS to reclassify housing associations as public bodies (or "Public Non-Financial Corporations", to be precise).
11. Given the implications this has for public borrowing, Government has publicly committed to reversing this ruling as soon as possible. Changes are being tabled as amendments to the Housing and Planning Bill to allow housing associations to move back into the private sector.
12. This matters because it has implications for public borrowing but also because it is part of a wider pattern of policy announcements and reversals which are denting confidence, impeding future planning and delaying delivery.

Comprehensive Spending Review November 2015

13. With housing racing up the political agenda, CSR heralded an increase in the overall amount of funding available to support housing delivery. However, this was accompanied by a shift in public subsidy from affordable rented homes in favour of Starter Homes (more detail below). The HCA's Affordable Housing Programme was duly closed to new bids for rented units shortly afterwards, and a new prospectus which will allocate funding for Starter Homes and Shared Ownership for 2016 to 2021 is awaited.
14. Whilst the increase in funding announced in CSR is welcome, addressing our housing shortfall will require an increase of all types of housing, including those for affordable and social rent alongside those to support home ownership. Not everybody is ready to buy, and it is crucial that councils are still able to ensure there is a mix of affordable homes which is right for everybody.

Starter Homes

15. The concept of Starter Homes is evolving from its origins as an exceptions site policy to the Housing and Planning Bill requirement that they will be included on all "reasonably" sized sites.
16. The national starter home exception site planning policy was intended to provide discounted, high quality homes for young first time buyers. The exception site policy enables

applications for development for Starter Homes on under-used or unviable industrial and commercial land that has not been currently identified for housing.

17. Starter Homes are to be offered for sale at a minimum of 20% below the open market value of the property, to people who have not previously been a home buyer, and who are below the age of 40 at the time of purchase. Starter home sale prices are to be capped at £250,000 outside Greater London and £450,000 within the capital.
18. Government has pledged to build 200,000 starter homes by 2020. It launched a £26m fund for housebuilders to acquire brownfield sites for high quality starter homes for first-time buyers, and an £8m pot was made available for Local Authorities to bid for funding to facilitate site preparation for the delivery of starter homes on exception sites. LCC and North Lincolnshire Council secured the allocations below, which must be spent by 31 March 2016. Practical completion of the homes on these sites is required by 31 March 2019.

Local Authority	Site Name	Total Funding Allocated	Number of Starter Homes to be delivered
Lincolnshire County Council	South View	£185,000	15
North Lincolnshire	Burnham Road, Epworth	£22,500	3
North Lincolnshire	Lindum Street, Scunthorpe	£290,000	48

19. The Housing and Planning Bill keeps the same definition of Starter Homes but considerably extends the initial focus on unallocated land. In the draft legislation the Secretary of State would be given the power to issue regulations ordering councils to approve Starter Homes at defined levels, through planning obligations, on any housing scheme meeting a centrally prescribed description. Developers would also be able to offer a cash payment as an alternative to on-site provision.
20. It is anticipated that there will need to be appropriate restrictions to ensure that Starter Homes are not resold or let at their open market value for 5 years following the initial sale, although there is still much debate on this point. It formed part of the original exceptions site policy but does not, as of yet, feature in the Bill.
21. Lenders are reported to have expressed unwillingness to lend on starter homes in the absence of any requirement for the discount to be attached to the home in perpetuity, and there are technical challenges about how the properties should be valued for lending purposes (at full price or taking account of the 20% discount?).
22. Under government proposals, planning authorities will waive the cost of Section 106 affordable housing contributions. In return, the developer will provide Starter Homes at a 20% discount. This will work better in some parts of the country than others, and different Local Authorities will take differing views on the usefulness of Starter Homes in the context of their local housing market, and local political priorities.

23. Developers have generally expressed support for starter homes whilst calling for clarity on a number of key points. Until these are resolved, it is possible that the rollout of schemes will be delayed and there is already anecdotal evidence that this is happening – surely the last thing the UK needs given the current housing shortfall.
24. There are also concerns that large scale provision of starter homes in any given area may distort the market. This gives rise to uncertainty about State Aid, may reduce the demand for full-priced homes, or cause buyers to delay moves whilst they wait for anticipated schemes to become available.
25. Despite all this, Government has put Starter Homes centre-stage in their ambition to address the national housing shortfall. The message from civil servants has been unequivocal – this is the main focus of housing policy for the current government. Starter homes will be regarded as within the definition of affordable housing for planning purposes regardless of levels of unmet need for homes to rent.

Other developments

26. Other noteworthy aspects of the Housing and Planning Bill include: an increase in stamp duty to discourage buy-to-let; introduction of a Planning "delivery test" and introduction of the potential for a Combined Authority to develop a Local Plan if LAs fail to do so.
27. Government has also announced plans to directly commission up to 13,000 new homes from small and medium-sized companies (SMEs). The homes will be built on publicly-owned land and 40% of new housing on these sites will be developed as Starter Homes to be sold at 20% off market value to first-time buyers under 40. The pilot will begin this year on four sites outside London: Northstowe in Cambridgeshire, Lower Graylingwell in Chichester, Daedalus on the Waterfront in Gosport and Connaught Barracks in Dover.

ⁱ <http://pdf.euro.savills.co.uk/uk/residential---other/policy-response-new-housing-measures-2016.pdf>

ⁱⁱ <http://www.emcouncils.gov.uk/East-Midlands-Councils-meeting>

ⁱⁱⁱ http://www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/7694909/NEWS

