

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

April 2016 Refresh



# Foreword

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Dear Colleague

This is the European Structural and Investment Funds (ESIF) strategy for Greater Lincolnshire. It sets out our ambitions and plans for using ESIF monies to grow our economy.

The Greater Lincolnshire ESIF sub-committee is comprised of motivated and knowledgeable individuals. We are focused on three main objectives: driving the strategic use of ESIF, promoting good quality projects, and managing the programme to meet its stated targets.

**Driving the strategic use of ESIF** –this ESIF strategy is all about programming the funding onto meeting the stretching targets of the LEP's Strategic Economic Plan (SEP). We are determined to use ESIF to achieve the SEP's ambitions of growing the greater Lincolnshire economy by £3.2bn, creating 13,000 new jobs and assisting 22,000 businesses.

**Promoting good quality projects** –this is perhaps the most important matter for our sub-committee. We have spent time creating our definition of 'quality'. The sub-committee believes that 'quality projects' means projects that

- directly meet the aims of the SEP
- are of sufficient scale to make a difference
- exceed value for money expectations on outputs
- have a clear and sustainable future
- we aim to sustain a pipeline of qualifying projects by ensuring wide communication of the available support

**Managing the programme** –as a sub-committee we will carefully monitor the progress of our programme, making sure that customer needs are met all the way from the point that an initial expression of interest is submitted until a project is entirely complete. We will not be afraid to challenge a lack of progress, but we will also be supportive in helping to tackle any problems that arise.

I hope that you find this strategy useful, and that you refer to it in order to inform your own organisation's planning and project development.

I look forward to delivering the ESIF programme with you.

**Pat Doody**



**Nat West Bank plc**

**Chairman, Greater Lincolnshire European Structural and Investment Funds  
Sub-Committee**



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# Introduction

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

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

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

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

The GLLEP sees growth as:

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

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

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

- Our Strongest Sectors



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

# Rationale for Intervention

# What is Greater Lincolnshire Like?

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

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

Greater Lincolnshire LEP covers an area of more than 7,000 square kilometres and includes the local authority areas of Lincolnshire, North East Lincolnshire and North Lincolnshire. The area is sparsely populated, with an average of 150 people per sq. km compared with 375 per sq. km across England and Wales. The GLLEP area has just over 1.06 million residents. However the geography of the area is mixed as North and North East Lincolnshire have a much more urban and densely populated geography.

The GLLEP area is made up of predominantly small market towns and villages with the only city in the region (Lincoln) situated towards the centre of the area. The area has approximately 30 market towns and coastal resorts, and a fairly even distribution of villages across the area. The largest centres of population are the city of Lincoln (approx. 98,000), Grimsby 90,000), Scunthorpe (80,000), Grantham (42,000), and Boston (41,000).

Because of the high quality of its farmland (25% of the UK's grade 1 agricultural land is in the area) Greater Lincolnshire is one of the UK's most important agricultural areas, supporting world-class businesses in the packaging, food processing, fertilisers, agricultural machinery, and distribution sectors.

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

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



There are significant variations across the GLLEP area in terms of road and rail connectivity with the north and west of the area having better access to motorways, dual carriageways and rail connections than those in the south and east. Towns such as Boston, Spalding, Skegness and Louth, are more remote from large population centres and served mainly by single carriageway roads but they are important settlements particularly in the agri-food and visitor economy sectors.

The Greater Lincolnshire area however has good international connections with the nationally and internationally important ports of Immingham and Grimsby, and Humberside International Airport in the north of the area. Humberside Airport which is also home to the largest helicopter facility in England (second largest in the UK) serves business passengers and also has a growing cargo facility, with a chilled perishables hub.

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

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

Of particular note are:

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

# Business prospects in Greater Lincolnshire

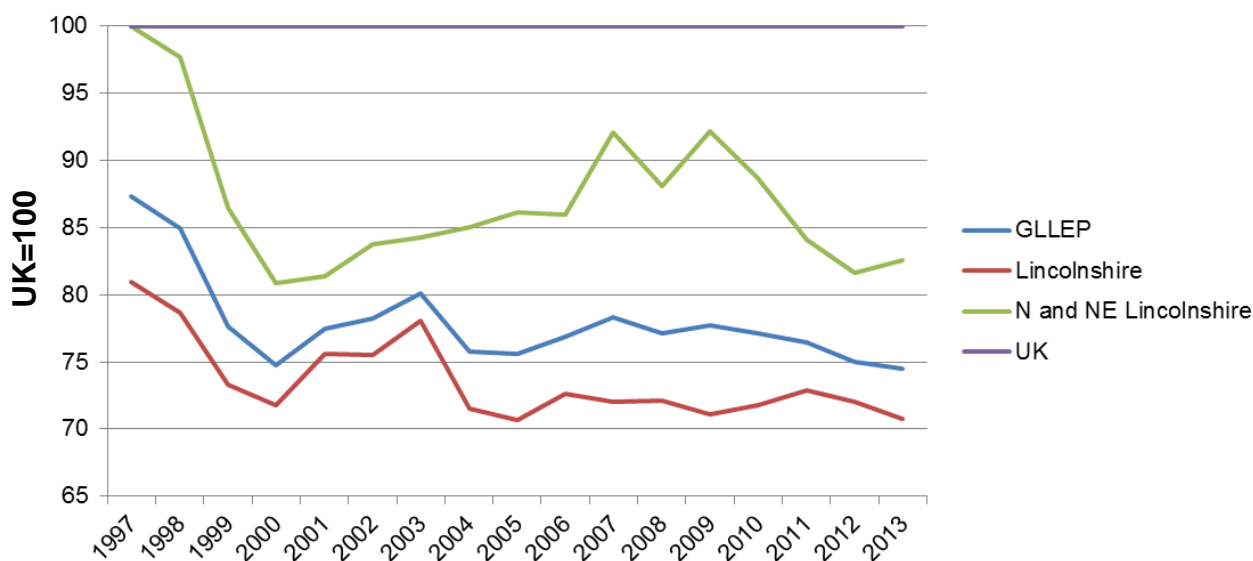
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Greater Lincolnshire has a relatively diverse economy, with strong representation of 'traditional' sectors, particularly agriculture, manufacturing, and the visitor economy. Important subsectors include ports and logistics, health and care, and the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

The Greater Lincolnshire economy is currently over £18bn based on the measure of Gross Value Added (GVA measures the value of an economy's outputs less the cost of inputs used in their production i.e. labour, raw materials etc. and is an internationally recognised measure of economic performance). In order to make the measure of GVA comparable across other areas, particularly nationally, it is commonly divided by the population in an area to arrive at a value for GVA per head. Referring to figure 1 below, based on this measure the Greater Lincolnshire economy is performing well below the national average and the gap has been widening.

Figure 1 also shows that since 2007, Greater Lincolnshire's GVA per head has steadily been around 75-80 per cent of the national average. Whilst North and North East Lincolnshire's figures seem somewhat volatile, Lincolnshire has reflected national trend, albeit at a lower level. However, in recovery from the economic downturn, the gap between national GVA per head and Greater Lincolnshire appears to be widening once more.

**Figure 1: GVA per head (UK=100)**



**Source:** Office for National Statistics

Greater Lincolnshire has approximately 44,500 businesses, of which the vast majority are small and medium sized enterprises (SME's). Referring to figure 2 below, and in line with the national picture, 97% of Greater Lincolnshire businesses are businesses which employ fewer than 50 people.

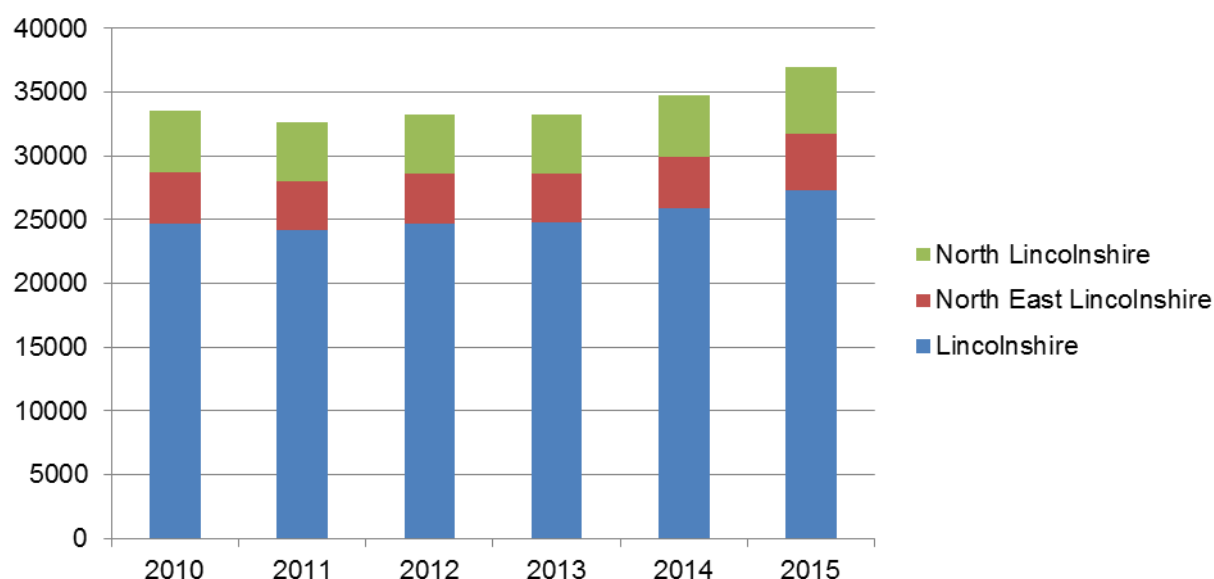
**Figure 2: Proportion of businesses and employment by business size**

		Business Size (employees)			
		0 to 9	10 to 49	50 to 249	250+
% of businesses	Greater Lincolnshire	83	14	3	0.4
	UK	84	13	3	0.4

**Source:** Inter Departmental Business Register 2015

Referring to figure 3 below business numbers had been in decline across all local areas since the 2008 credit crunch and ensuing economic downturn, with a period of consolidation between 2011 and 2013 before larger increases in 2014 and 2015.

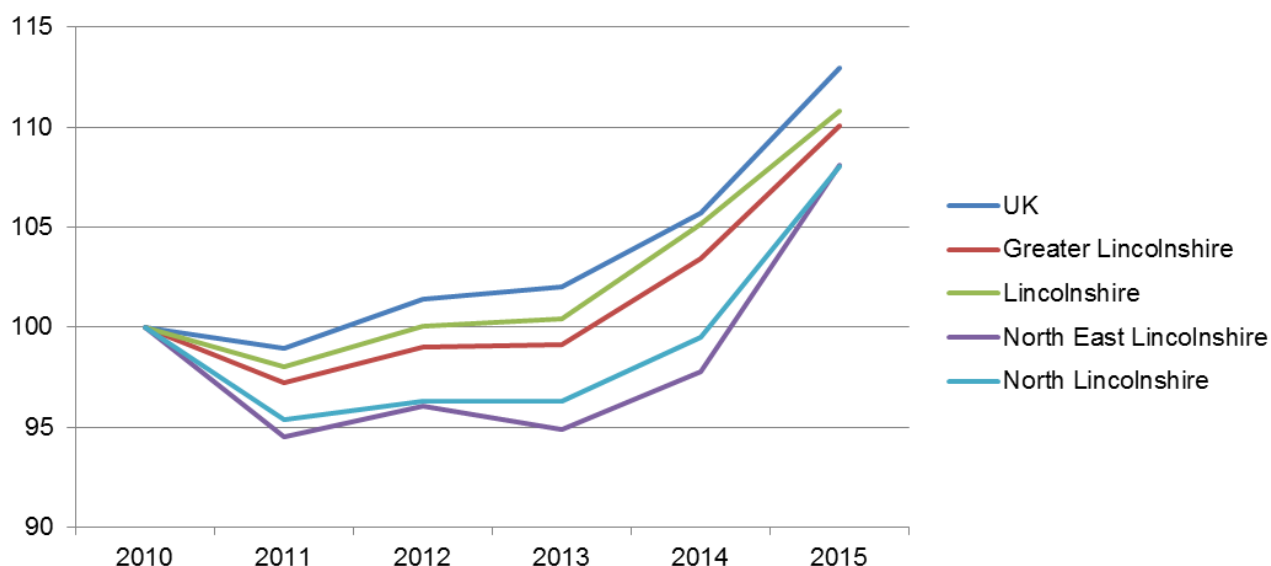
**Figure 3:** Growth in the numbers of business units (in VAT and/or PAYE based enterprises)



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

Again, to put these changes in business numbers into context, figure 4 below shows change since 2010 compared to the UK. It shows that relative to the national picture, the declines locally in businesses were more pronounced locally than at the national level, however since 2013 business growth in Greater Lincolnshire has been in line with national levels.

**Figure 4:** Growth in the number of business units (2010 = 100)



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

Business birth rates in the Greater Lincolnshire area at 12% of all active enterprises, is in line with the national rate, as is the death rate at 8%. However, businesses generally survive for longer in the area, particularly in Lincolnshire which has 60% of start-ups surviving three years compared to the national average of 58%. The exception to this is in North East Lincolnshire, which whilst enjoying a business birth rate of 17%, only has a three year business start-up survival rate of 29% and a five year survival rate of 19%.

## Our Priority Sectors

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

## 'Competitive Advantage Now' Sectors

### Agri-food

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

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

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

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

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

- 34% of England's Fresh Produce sector is concentrated in Lincolnshire, Cambridgeshire, Norfolk and Suffolk . This equates to a direct industry value of £1.1 billion with an estimated further £3 billion in processing, wholesale and logistics.
- Around 70% of the UK's chilled seafood is processed in Grimsby, involving 60 species of seafood from more than 30 countries. All of the UK's major seafood processing businesses, including Youngs and Coldwater, are based in the area and in 2012, Morrison's established its UK seafood hub in Grimsby; this facility is expanding rapidly. The largest concentration of cold storage in Europe is also in Greater Lincolnshire
- Greater Lincolnshire is a major foodservice suppliers' base, supplying: Waitrose, M & S, Tesco, Sainsbury's, Morrison's and Asda.

The growth of the Food and Drink industry is a priority for the GLLEP, and we have commissioned an action plan for the Sector to build on the key initiatives already undertaken. The

emerging issues and opportunities are

### *Issues*

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

### *Opportunities for Growth*

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

The Manufacturing sector employs almost 40,000 workers which equals 9% of manufacturing jobs. This rises to 15.5% when including Agri-food manufacturing. The sector delivers a direct economic value to the Greater Lincolnshire economy of £1.8 billion per year within a number of key growth areas - primarily; Engineering; Chemical; Renewables; Steel; and Polymers.

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

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

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

Following the trend nationally, the number of people employed in this sector has declined over the last 10 years but Greater Lincolnshire has fared better than nationally, losing approximately a quarter of its employment compared to a third across Great Britain. There are however, now significant challenges facing the steel industry nationally and particularly at TATA steel in Scunthorpe with the announcement of some 900 job losses at the plant in October 2015. In order to support those directly and indirectly affected by the challenges in the steel industry, the ESIF strategy will give priority to projects which help address the issues faced.

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

- Metal manufacturing, accounting for 5,000 jobs, with a particular cluster in North Lincolnshire.



- Rubber and plastics account for almost 4,000 jobs, with a concentration around Louth in East Lindsey
- Wood products account for around 2,000 jobs, with a focus around Finn Forest, a major wood importing and processing business in Boston.
- Chemicals and petroleum, which together account for almost 5,000 jobs are both focused around the North and North East Lincolnshire border; the area includes two oil refineries, Phillips 66 and Total Lindsey, provide 27% of the UK's refinery capacity and major gas-fired power stations at Killingholme, Brigg and Stallingbrough which support the growth of the cluster and help to meet the UK's wider energy needs.
  - The Port of Immingham forms part of the largest complex in the UK and handles almost 60m tonnes of key feedstocks including oil, gas coal, biomass and other chemical and bulk agricultural products

## ***Visitor Economy***

Across Greater Lincolnshire, the visitor economy is worth more than £1.9 billion and supports around 39,000 jobs. Our tourism product is built on the distinctive features of the Greater Lincolnshire area i.e. our coastline, our cultural heritage in terms of our attractions e.g. Lincoln Cathedral and Castle, our natural heritage and our market towns.

The number of visitors and the amount of revenue and employment supported by tourism in Lincolnshire increased in 2014, according to the latest figures released by Global Tourism UK. STEAM data for Greater Lincolnshire shows there were 31.4m visitors in 2014, up from 29.2m in 2010. Day visitors made up the largest proportion of tourists.

## ***Ports & Logistics***

Our Ports & Logistics sector has an internal, national and international focus, determined by the sector that logistics providers are engaged with. Our ports include Immingham, a truly international port focused on bulk materials and car import/export, and part of a network of ports managed by Associated British Ports which includes the port of Grimsby, which is developing major focus on the offshore wind sector. Two smaller “niche” ports in Boston and Sutton Bridge with a specific focus on cargo such as timber and grain.

Humberside Airport has airfreight related to the local seafood industry, and is part of an Enterprise Zone bid

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

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

## 'Future Competitive Advantage' Sectors

### Health and Care

The Health and Care sector employs around 56,000 workers; with a direct economic value to the Greater Lincolnshire economy of £1.2 Billion per year.

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

The table below shows how our population profile is set to change over the next decade. The 65+ age group is set to make up an increasingly larger proportion of our overall population. This change is set against overall projected growth in the population between now and 2022 of 6%, or around 60,000 people. Growth is set to be highest in the 75+ age group which is set to increase by 24% over the same period, or nearly 51,000 people.

Age Group	0-19 (%)		20-64 (%)		65+ (%)	
Year	2012	2022	2012	2022	2012	2022
Greater Lincolnshire	22	22	57	54	21	24
England & Wales	24	24	59	58	17	19

**Source:** 2012 Based sub-national population projections, Office for National Statistics

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

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

In the longer term, the growing and ageing population requires more strategic rethinking of business opportunities in the sector. An ageing population has traditionally been seen as a problem, but projects such as “Excellent Ageing” recognise that it can also provide some new opportunities. In rural economies, firms that are not considered part of the Care Sector may be able to provide new services - or tailor their existing services more closely to the needs of people with care needs.

In the short term, key challenges are to introduce more competition into the sector and to understand the barriers that local businesses face in understanding these new/emerging markets, and also winning contracts. With the introduction of Personal Budgets, new opportunities are expected to emerge and there is a need to look at the current and future sustainability of the health and social care workforce.

## **Low Carbon, renewables and offshore sector**

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

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

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

Key renewables activities in Greater Lincolnshire include:

- Offshore wind: over the next decade, at least 5GW of additional capacity is forecast to be installed off the Yorkshire/Lincolnshire/Humber coasts; the proximity of three major Round 3 offshore sites in the southern North Sea (Dogger Bank, Hornsea and East Anglia) creates a significant opportunity to attract large scale investment in wind turbine component manufacturing and pre-installation assembly facilities to the Humber area, creating up to 3,300 jobs
- In North Lincolnshire, the Able Marine Energy Park (AMEP) is continuing to develop. AMEP offers a world-scale fully integrated offshore wind manufacturing and assembly facility with the potential to deliver 9,000 direct/indirect jobs. Next to the AMEP is the Able Logistics Park which when developed will offer a business park, warehousing, hotel and offices, vehicle storage, distribution and HGV park.
- Centrica, EON, Siemens, RES and Dong Energy are

already developing operations and maintenance (O&M) facilities at the Port of Grimsby. The Port includes an 11 hectare site with Enterprise Zone status. There is potential for significant further growth to serve the Humber wind farms and others across the UK.

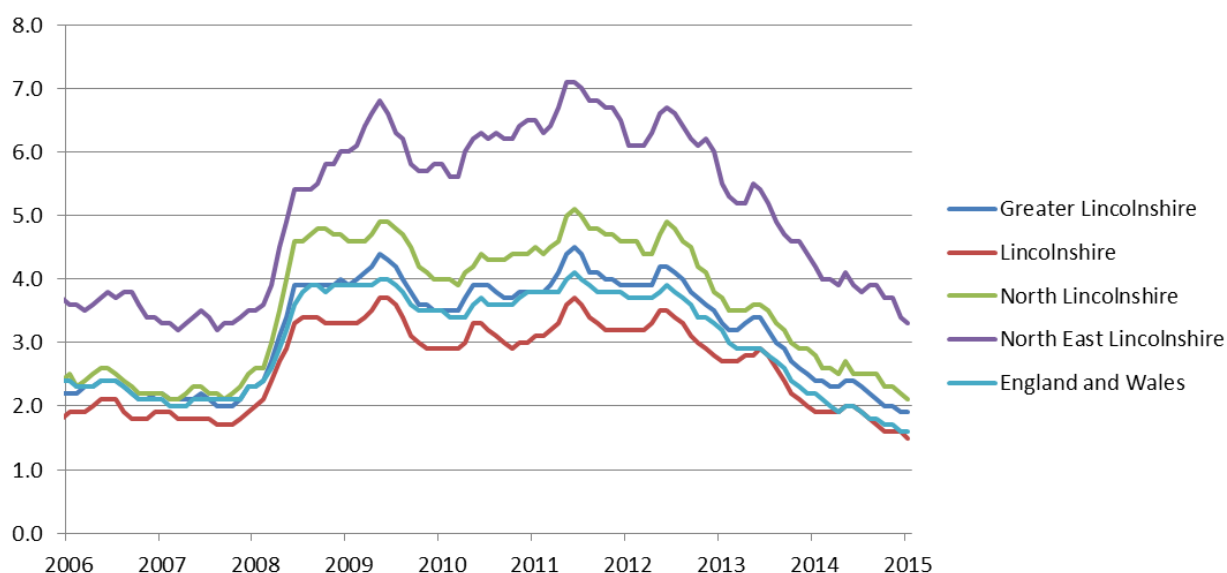
- Renewable energy for business and domestic premises: there is significant potential across Lincolnshire in the creation of energy from waste wood, energy crops, straw, poultry waste, and AD – particularly in the more rural agricultural areas.
- North/North East Lincolnshire Energy Corridor: There is also a broad corridor of low carbon energy activity taking place between the ports at Grimsby/Immingham and the coal-fired power stations at Drax and Ferrybridge. This is based around use of biomass which is mixed with coal to reduce the power stations' carbon emissions and use of fossil fuels. Both the coal and biomass are imported at Grimsby/ Immingham and transported by rail to the Yorkshire power stations.

# The Greater Lincolnshire Labour Market: employment & skills

Presently there are approximately 472,300 people in the GLLEP area either employed (full time or part time) or self-employed. The employment rate in the area at 73% is in line with the national average.

Figure 5 below shows there are currently around 12,100 people in the GLLEP area that are out of work and claiming Job Seekers Allowance. The rate of unemployment in the GLLEP area is currently above the national rate (1.9% compared to 1.6% respectively) and has been following this trend for most of the period post 2008. This however is strongly influenced by rates of unemployment in North and North East Lincolnshire which are substantially above the national rate whilst Lincolnshire's rate consistently remains below.

**Figure 5: Jobseekers Allowance Claimant Rate (%)**



**Source:** Office for National Statistics

Skills levels are a particular issue in the Greater Lincolnshire area despite above average school level attainment. Of the 16 plus population:

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

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

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

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



# Greater Lincolnshire: environment for investors

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## Urban & Rural Differences

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

Across Greater Lincolnshire, access to services such as supermarkets, health services and education/training courses can differ greatly, and there are still some of the more rural communities that experience a feeling of being 'cut-off' or 'isolated'. This places an increased importance upon the sustainability of market towns to support, and maintain, the projected population growth through their provision of services.

However, Greater Lincolnshire is not isolated from the rest of the country, with approximately 56,000 (14%) residents commuting out of the area to work. Commuters mainly travel short distances to neighbouring areas such as Nottinghamshire, Hull and Peterborough, but some, particularly in the south of Lincolnshire, commute as far as London. These out-commuters tend to be higher skilled people working in the sectors of Business & Finance and Manufacturing. This loss of skills to Greater Lincolnshire through out-commuting is a trend that is also set to continue.

## Housing & Affordability

The present economic situation has also impacted on the rate of new house building towards the end of decade. The average number of housing completions throughout the decade has been approximately 3,800 each year. By April 2010 this number had fallen back to around 2,600, well below the annual target of 3,620 of which 400 were to have been affordable homes. A recent report suggests that there are nearly 21,000 people on housing waiting lists across the county and a need for over 1,500 new affordable homes each year. This is a sizeable challenge considering that only around 2,000 affordable homes were built in the last ten years. To assist in tackling this demand, three areas in the county (Lincoln, Gainsborough and Grantham) along with Newark, have been awarded Growth Point status with each area receiving up to

£8 million as part of a national strategy for sustainable development. Similarly, the emerging core strategies in the area point towards high levels of housing allocation. In North Lincolnshire a transformational waterside development is in the early stages of delivery. Once completed the Lincolnshire Lakes schemes will deliver up to 6000 new homes in 6 new villages surrounded by 5 functional lakes.

## Land and Development Opportunities

Availability of land, or lack of, is not the only barrier to development. The size of the Greater Lincolnshire area, and subsequently the remoteness of some of the sites that are suitable for development, can mean that the current network of utilities such as electricity and water may have insufficient capacity. Despite these identified barriers and vulnerabilities, it seems that the majority of housing development, business growth, and the creation of economic opportunities is going to be in the west of the county. There are a number of reasons for this, including the availability of land, the lower risk of flooding and the presence of a higher skilled workforce. One of the challenges is to ensure that the positive effects of development in the west are felt as widely as possible throughout the whole of Greater Lincolnshire. For development in the east of the area, the emphasis needs to be on ensuring an understanding of local conditions in order to maximise the benefits for the local community. The risk of flooding, and its impact on investor/insurer confidence, and the significant problems associated with transport both have a negative effect on the area's growth.

# SWOT Analysis - Rationale for Intervention

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## Strengths

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

## Opportunities

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

## Weaknesses

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

## Threats

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

# Growth Vision

# GLLEP Vision

## Greater Lincolnshire – Economy

### Our Mission – What We Do

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

### Our Vision – Where We Want To Be

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

### What It Looks Like – The Headlines

The right conditions for growth.

Infrastructure that has delivered and sustains economic growth.

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

Sustained growth in the strongest key sectors.

UK leader in Rural & Coastal Enterprise.

### The Difference – How We Know We're There

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

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

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

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

Strong business to business links and supply chains;

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

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

A strong export focus.

SME's are flourishing

Renewable energy sector enhances GL's environmental credentials

SReliable utilities infrastructure to support growth.

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

Businesses in creative industries, leisure and tourism have grown from greater

Lincolnshire heritage and natural assets.

Rural & coastal businesses support each other through effective networking.

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

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

Sufficient housing supply, especially for working age population.

### Community Values – How We Want Greater Lincolnshire To Work

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

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

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

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

# GLLEP's five priorities for growth

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We have identified five priorities to meet our vision.

**Firstly**, the GLLEP will make real efforts to drive the growth in the sectors that it has most competitive advantage in.

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

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

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

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

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

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

Our vision is that we will have "An infrastructure plan that assesses the strategic infrastructure priorities which best support sustainable economic growth", "Excellent rail and road links connecting to the region and the UK", "Traditional market towns

make economic and social contributions to residents and visitors alike", and "The contribution of the retail sector to the visitor economy is fully recognised".

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

Our vision is that we will have "Sufficient housing supply, especially for the working age population". The GLLEP will also substantially increase levels of promotion of the area in order to reduce recruitment problems, and provide new market opportunities for its businesses.



# Action to support our sectors with competitive advantage

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

Our vision is that our:

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

## **Agri-food:**

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.

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, long term challenges on water supply, an over-reliance on migrant workers and relatively low levels of investment in technology compared to some competitors. 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.

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.

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

Across the Greater Cambridgeshire, Greater Peterborough (GCGP), Greater Lincolnshire (GLLEP) and New Anglia (NALEP) LEP areas the agri-food sector shares many similarities. The food chain in these three LEP areas has the most productive agriculture in the UK with a focus on arable crops, intensive horticulture and pigs and poultry. The area delivers some of the highest yields in the world and has globally important research centres, but faces challenges to its competitiveness from international competitors, climate change and competition for resources. It also contains progressive supply and food chain companies, many of which work across all three LEP areas, and has a key role to play in delivering UK agri-food sector growth through replacing imports, increasing exports and innovation. This will help deliver the growth objectives of DEFRA's emerging 25 year plan for food and farming.

The area has important output in key sectors including 85% of the UK's sugar beet, over half of the peas and beans, 45% of vegetables and salads, a third of poultry meat, potatoes and wheat, 30% of ornamentals and quarter of all the pigs. Agriculture in the three LEPs has an estimated output of £4.1bn at the farmgate, a GVA of £2bn and supports nearly 50,000 jobs. With food processing, wholesaling and supply chain jobs the total rises to £8bn of GVA in a sector employing over 150,000 staff.

To build on this, the three LEPs are keen to facilitate collaborative calls to the Rural Development Programme with a particular focus on developing added value food production and the application of innovation to deliver long term competitiveness. Given the fact that key local sectors, such as vegetables, salads, ornamentals, pig and poultry production currently have high rates of imports, prioritising competitiveness in these sectors would deliver increased UK economic activity. The three LEPs are also keen to explore the potential to offer calls focused on specific sectors and geographies, such as the vegetable industry which is concentrated in the 'Fens' area across the three LEPs

An **Agri-food Sector Plan** has been developed that sets out how we will continue to strengthen Greater Lincolnshire's already recognised role as a centre of excellence in food production. Our agri-food businesses will be helped to implement the latest technologies, get into new markets, improve skills, and have the right economic infrastructure for their growth.

[http://www.greaterlincolnshirelep.co.uk/assets/downloads/Agri-food\\_sector\\_plan\\_final.pdf](http://www.greaterlincolnshirelep.co.uk/assets/downloads/Agri-food_sector_plan_final.pdf)

### *Manufacturing:*

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

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.

There are also two University Technical Collages (UTC) in Greater Lincolnshire. Lincoln University Technical College, which opened in September 2014 and specialises in science and engineering. Lincoln UTC was created by three partners: Siemens, University of Lincoln and Lincoln College and developed through a significant number of employer partners who are closely involved in the development of the college and the curriculum. For further information follow the link <http://lincolnutc.co.uk>

The Humber UTC, which opened in September 2015, will provide top-class education and training (both academic and technical), specialising in the subjects of

Engineering & Renewables energies. Colleges in the area make a significant contribution including for example North Lindsey College Engineering centre - more info at the following link <http://www.northlindsey.ac.uk/current-news/2015/2016/engineering-technology-centre-officially-opens/>

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.

The Humber petrochemicals/chemicals sector is of European scale and the second largest in the UK, supported by the Humber Ports. The Humber is now home to one of the UK's four main petrochemical clusters. Two oil refineries, Phillips66 and Total Lindsey, provide 27% of the UK's refinery capacity and are located on the South Humber Bank. Speciality niches of excellence have emerged in the Humber in recent years that are bucking economic trends and creating growth opportunities in employment and GVA, particularly in biomass-derived chemicals.

Key constraints or barriers to growth include skills, and in particular an ageing workforce, lack of women, 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.

A **Manufacturing Action Plan** has been launched that sets out or priorities for investment and how we will deliver them. This includes a focus on providing the infrastructure for economic growth, increased skills, and attracting new employees to the area. In particular, we will drive up demand for the knowledge and skills which will subsequently help manufacturing businesses to adapt new technologies and create new products.

[http://www.greaterlincolnshirelep.co.uk/assets/downloads/Manufacturing\\_Plan\\_Final.pdf](http://www.greaterlincolnshirelep.co.uk/assets/downloads/Manufacturing_Plan_Final.pdf)

### *Visitor economy:*

With golden blue-flag beaches and resorts, historic sites, rolling hills, high quality food, an iconic cathedral, bustling city centre and strong aviation heritage, Greater Lincolnshire has a wealth to offer the tourism sector, attracting over 31.4m (2014) visitors each year. The visitor economy employs around 39,000 people and is worth £1.9bn to the Greater Lincolnshire economy.

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

- By strengthening the visitor economy, services enjoyed by local people, such as restaurants, attractions, arts and entertainment will benefit. Making an area more attractive to live will help in attracting and retaining skilled staff and managers to those areas.
- Looked at the other way, actions directly aimed at making somewhere a better place to live and work will also make it a more appealing place to visit.
- Strengthening and promoting the image and awareness of a destination and the services available can be highly important in attracting new business and investment across all sectors.
- Tourism has demonstrated its ability to stimulate growth in jobs and is a relatively accessible sector in which to start a new business.
- The health of tourism related businesses can be very important to other parts of the local economy who supply them, such as food producers, maintenance services etc.

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

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

We have products that are nationally significant, such as Lincoln Cathedral, Skegness, Cleethorpes and the east coast, the Lincolnshire Wolds AONB, a range of quality food and drink, and the history of many Royal Air Force bases. The £20m redevelopment of Lincoln Castle, which opened in 2015, and a series of significant

investments in private sector tourist attractions and accommodation show the level of our investment and ambition for the sector. However, there is more to do to retain our competitive advantage.

We 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.

[http://www.greaterlincolnshirelep.co.uk/assets/downloads/Destination\\_Management\\_Plan.pdf](http://www.greaterlincolnshirelep.co.uk/assets/downloads/Destination_Management_Plan.pdf)

# Action to support emerging sectors and businesses

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

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

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

Our vision is that we will have:

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

## *Ports and Logistics*

With our international ports – the Ports of Grimsby and Immingham handled over 60m tonnes in 2012 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. It is well placed being 200 miles from London, Edinburgh and Rotterdam. It was the largest importer of dry bulks at 21.3m tonnes and in the top five handlers of liquid bulk and Roll on Roll off (RoRo) cargo. Dominating EU routes, it's the second largest port for intermodal traffic for non-EU short sea and deep sea routes.

Experiencing the largest growth in Lift on Lift off (LoLo) main freight units, the port saw traffic increase by 51% to 123 tonnes due to investments in systems with this activity being mainly imports based. The port is one of just 15 out of 53 UK ports (28%) that can handle all four (Liquid, Dry, LoLo, RoRo) cargos. The port generates 25% of UK rail freight onto the network. This could be increased with enhanced investment.

ABP's £130m investment in a biomass facility at the Port of Immingham now sees 12 trains per day currently leave Immingham with the potential for this to increase.

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 four 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 Ports of Immingham and Grimsby's main priorities for growth continue to be cars, RoRo, renewables and liquid bulk.

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

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

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

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

In partnership with the Humber LEP we will establish a detailed plan which will set out our interventions for the ports and logistics sector.

### *Health & Care:*

We recognise that the health and care sector is already an important element of our local economy. The GLLEP 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 GL LEP seeks to join up local health and medical budgets, which is reflected in the Health and Care sector plan. 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.

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.

A main challenge facing the health and care sector is to meet increasing demand for services, whilst operating with constrained resources. This sits alongside rising demand for health and care services from a growing, ageing and more demanding population, which is increasingly adopting unhealthy lifestyles. The demand for a highly skilled, flexible workforce to meet our health and social care needs is also increasing. We need to foster a sense of innovation, create the right environment for growth and establish the sector as an attractive career proposition.

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

We have developed a dedicated **Health and Care 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.

[http://www.greaterlincolnshirelep.co.uk/assets/downloads/285\\_GLLEP\\_Care\\_Sector\\_Brochure.pdf](http://www.greaterlincolnshirelep.co.uk/assets/downloads/285_GLLEP_Care_Sector_Brochure.pdf)

### *Low carbon, renewables and offshore:*

The GLLEP's vision is for the renewable energy sector to enhance Greater Lincolnshire's environmental credentials, thereby creating a green county.



The low carbon economy is already worth £1.2bn per annum to Greater Lincolnshire and employing over 12,000 people, 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

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

The south bank of the Humber is at the centre of an emerging £100bn offshore wind market, with the potential to create wholly new supply chains. We are at the centre of new offshore gas production in the southern North Sea and home to the 2nd largest chemical cluster (£6bn pa), the largest helicopter facility in England and the largest UK refinery cluster – 27 % of UK total capacity.

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 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 a

proximity of the Humber Estuary, with the closest, Hornsea, having been completely acquired by DONG Energy earlier in 2015.

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 emerging National College for Wind Energy 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.

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

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

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

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

- Raise awareness of supply chain opportunities in offshore wind manufacturing, assembly and installation and provide information on project delivery timeframes and tender opportunities
- Build the capacity and capability of Greater Lincolnshire manufacturing and engineering firms to compete effectively for supply chain opportunities, including efforts to strengthen collaboration between businesses across the supply chain.
- Seek 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 and Port of Grimsby) in partnership with Humber LEP;
- 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 opportunities
- Support research and development and innovation activity across the LCEGs sector and promote technology transfer.
- Explore opportunities in new energies and technologies whilst preserving the areas attractive environment

The GL LEP will respond to identified business demand for the **low carbon sector** to ensure activity is strategically developed.

### *Small business:*

Many of the county's small businesses are not in the GLLEP's priority sectors but with support they will grow and prosper. We have identified that small businesses are unsure of where to go for advice, require help to get into new markets including public contracts, and struggle to attract finance. In line with the government's "growth hub" agenda we have created the Business Lincolnshire Growth Hub, which is a locally-led partnership that coordinates business, innovation, trade and financial support within the GL LEP area and make it simple for businesses to access the support they need. Its aim is to bring together all of the local bodies involved in supporting businesses, working with national bodies such as UKTI, the Business Growth Service (incorporating Growth Accelerator and MAS) and Innovate UK to ensure that national and local business support works together in the most streamlined and effective way possible, putting the business customer at the centre



of the system. Specifically, it raises awareness of national and local business support, provide a single access point for businesses and provide a diagnostic and signposting service to make sure that all businesses, no matter what their size or sector, knows what support available.

Moving forward all future business support provision will be aligned under the Growth Hub umbrella.

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

Small businesses will be shown how to access and utilise new digital technology effectively, increase resource efficiency, embrace innovation and increase their strategic management capability in order to help them grow and access the national business support programmes (MAS,GA.UKTI etc). Support will also be provided to assist people to become self-employed and graduates will be supported to create new enterprises with Lincolnshire. Support will be provided to assist those directly affected by the challenges to the UK steel industry. Support could be in the form of assisting existing businesses to grow to take on additional employees, support those directly affected to become self-employed or to support the creation of new enterprises.

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%

For example, our small businesses are often unsure of where to go for advice, require help to access 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.

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

### *Foreign ownership:*

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

We will continue to develop business relationships with all these companies as well as identifying other foreign owned businesses in the GLLEP area. It is important to note that over 70% of all new investments come from investor development, i.e. Foreign Direct Investments that are already in the local area. Foreign owned businesses are relatively few in the area but they make a significant difference to the economy.

The foreign owners of businesses based in Greater Lincolnshire will be made aware of the benefits of being here and a "Can do" approach to supporting their development will be taken. This will include us building on our already strong account management approach, backing it up with initiatives that will help those businesses to grow here in Greater Lincolnshire. These are likely to include support for product innovation, tailored skills provision, and supply chain development.

The GLLEP has already established the **Business 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.

<http://www.businesslincolnshire.com/business-guidance/business-lincolnshire-growth-hub>



# Actions to help Greater Lincolnshire adapt to the future

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

Our vision is that we will have:

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

## **Skills:**

Skills development has been described as a priority by all of the sectors and areas that we have analysed. Our strategic partner, the Greater Lincolnshire Employment and Skills Board (GLESB), leads a series of initiatives that fill gaps in national provision and seeks to influence provision so that it meets the needs of employers.

Our partners at the Humber LEP have recently published the findings of a business-led Skills Commission which has identified a number of common cross-LEP themes, including careers advice and sector skills.

We are working with partners to identify and prioritise the long-term skills needs of our key manufacturing and engineering employers and other key sectors. Where possible, solutions will be employer-driven, building on successful initiatives including the Centre for Assessment of Technical Competence Humber (CATCH) which is an important focus for engineering skills in northern Lincolnshire. In the short term we recognise there is a need to provide skills support to those facing challenges as a result of the job losses at TATA steel in Scunthorpe. There will be a need to offer skills support to those directly and indirectly affected.

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.

Within the Greater Lincolnshire area we have two Universities, seven 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 (Oct 15) youth unemployment accounts for 22 per cent of all job seekers in Greater Lincolnshire, higher than 19 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 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 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 Further Education (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.

The Greater Lincolnshire Employment and Skills Board (GLESB) have developed a **Skills Strategy** which sets out our challenges and priorities for investment.

### *Innovation:*

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 GLLEP Technology Strategy Board and local business on a range of research projects. These important collaborations are supporting businesses to access finance that they would not have otherwise.

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

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

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

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

Innovation has inherent risks, with access to shared resources and funding GLLEP and businesses will be able to minimise these challenges. In an economic environment with constrained resources we must work these assets and knowledge to ensure maximum value and return on any future investment. If we are to drive

innovation the stakeholders must collaborate innovatively, exploring different mechanisms to partner, jointly commission and pool resources effectively. We will collaborate on innovation not just within the GLLEP area, but with other LEP partners to effectively lever both national and regional schemes.

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

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

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

We will seek to create 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;

### *Technology and superfast broadband:*

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

This challenge is recognised by the EU's Digital Agenda for Europe 2020 and as one of the four priorities for regional Structural Funds. Government policy set out in

Britain's Superfast Broadband Future<sup>2</sup> is being implemented through national and local commitments to invest in digital communications<sup>3</sup>.

The spatial distribution of businesses and people across many very small settlements means the provision of the necessary infrastructure is particularly expensive to provide. Whilst existing investments through the BDUK<sup>4</sup> programme will improve access to superfast broadband, 10% of premises will not be reached. Furthermore, provision of superfast to meet the EU goals of full coverage to 30mbps and 50% of the EU to subscribe to broadband above 100mbps requires a long term commitment to invest in supply and demand.

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

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

The spatial distribution of businesses and people across many very small settlements, particularly in Lincolnshire, means that the provision of the necessary broadband infrastructure will be difficult and expensive to provide. However, the current investments, via the BDUK<sup>4</sup> programme, will improve access to superfast broadband (SFB) and only 5% of premises in Lincolnshire will not have been reached by the end of 2017. In the much smaller geographical area of North and North East Lincolnshire it is expected that only 1% of the area will not have access to SFB by the end of that period. The UK definition of SFB is 24mbps so achieving the EU goals of full coverage to 30mbps by 2020 will require more investment. An even more challenging EU target is to see 50% of the area having to access SFB with speeds above 100mbps within that timescale. Nevertheless, the SFB investment to date is transforming the GLLEP area, and development of services like BT's G-fast could make the EU targets much more feasible than it may currently appear.

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<sup>2</sup> Britain's Superfast Broadband Future 2010

<sup>3</sup> Investing in Britain's Future, Cm 8669, June 2013

<sup>4</sup> Broadband Delivery UK



A sister project of the BDUK investment is a national £150 Mobile Infrastructure Project (MIP) which is running alongside the improvements to the UK's broadband network. Many areas of the UK, and that includes large parts of the GLLEP area, do not receive good quality mobile coverage from network operators. In some areas, especially remote rural areas, it might not be cost-effective for mobile operators to provide coverage. Good mobile coverage helps businesses to grow and people to stay in touch, which can be very important for people who are vulnerable or isolated. The project will see new masts in rural parts of the county and an improvement in mobile connectivity. It should be noted that after a relatively slow start to the 4G roll out in the GLLEP area that many of the urban areas, and some more rural areas, are now able to access the new service.

Technology is already transforming our area. Our newly created digital hubs are demonstrating its benefit and impact. Lincolnshire County Council is leading one of the first roll-outs of superfast broadband in the country, and similar programmes are running in North and North East Lincolnshire.

This improved infrastructure increases our current business competitiveness and makes us an attractive location for inward investors.

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

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

### **Our priorities will include:**

- Developing initiatives that will encourage innovation in digital products and services, and ensure that strategic business sectors have the skills necessary to integrate superfast broadband into their core business processes
- Improving mobile phone coverage across the Greater Lincolnshire area, whilst ensuring technical solutions are compatible with future technological developments
- Focus investment on achieving coverage where there is genuine market failure so that all rural businesses and communities can share in the opportunities of a fast broadband connection

## *Promotion*

Most businesses that we visited during this exercise asked the GLLEP to promote Greater Lincolnshire more widely. This was partly to attract skilled staff to the area, partly to help them to get into new markets, and partly to provide a local identity that they can associate their products with.

At the same time, many people nationally and internationally are unaware of the location and nature of Greater Lincolnshire. There is a strong role for both the public and private sectors in promotion



# Actions to build on Greater Lincolnshire's strength of place

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

Our vision is that we will have:

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

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

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

## **Transport:**

To achieve planned, sustainable growth in the city, 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 GLLEP process.

Greater Lincolnshire seeks to address the barriers to growth identified by having poor transport infrastructure within the area. These limitations in our network result in the poor commuter accessibility, limitations for growth in the visitor economy, need

to reduce carbon emissions and deliver wider social and economic benefits for the community.

It is a priority to encourage and facilitate the use of sustainable travel options. This will include:-

- Unlocking access to development sites
- Improving congestion and unlocking existing bottlenecks
- Improving availability of information;
- Simplifying ticketing;
- Making connections between different steps in the journey,
- Making different modes of transport, easier; and providing better interchange facilities.

The benefits of achieving this will be felt in many different areas:

- Protecting the environment – by increasing use of sustainable transport, we can help cut carbon emissions and improve air quality, making a significant contribution to meeting our demanding carbon reduction targets;
- Boosting economic growth – by improving connectivity and interchange and cutting congestion, we can help to link our businesses and markets. Fast and reliable journeys support business;
- Supporting society – by providing a well-connected and accessible transport system that is safe and secure, we can help improve public health and the quality of life; and
- Delivering a good deal for the traveller – by integrating the door-to-door journey as a whole, we can help make travel more reliable and affordable.

The Greater Lincolnshire transport infrastructure provides a good opportunity to link the county into regional, national, and international markets as well as opening up areas for strategic development.

Our strategic partner, The Greater Lincolnshire Local Transport Board, has identified that the transport priorities for economic growth should be:

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

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

Demand for the movement of people and goods continue to grow across Greater Lincolnshire, putting increased stress on existing transport networks. Over four 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 GLLEP Team have also been actively supporting the Midlands Connect and Transport for the North 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 and Water Management***

Greater Lincolnshire is home to approximately 1,051,600 people, covers approximately 6330km<sup>2</sup> of land with one of the longest coastlines in the country at 165km and the biggest area of floodplain in the country at 2,843km<sup>2</sup>, around 45% of the area (17% of the floodplain in the England). The area includes the Humber and the Wash, two of the UK's biggest estuaries in the country (and some of the most protected sites in Europe). The floodplain of The Wash is one of the largest single pieces of floodplain in England at nearly 2,200 square kilometres.

Greater Lincolnshire is subject to flood risk from the sea, rivers, surface water and ground water. The extent and nature of this risk varies across the area, and is described in more detail in the Local Flood Risk Management Strategies for Lincolnshire, North Lincolnshire and North East Lincolnshire.

The area has 1,500km of Main River with flood risk reduced by around 1,700km of raised defences. Coastal and tidal rivers have around 350km of raised defences. Main Rivers drain large catchments, many of which are pumped.

The National Flood Risk Assessment (NaFRA<sup>5</sup>) identifies that around 45% of the properties in the Greater Lincolnshire area, and 50% of the population are at risk of flooding. Lincolnshire on its own has the highest number of properties at risk in the country (out of 152 Lead Local Flood Authorities) and the 3<sup>rd</sup> highest number of residential properties at High Risk of flooding. Including North and North East Lincs this is more than twice the next highest area (City of Kingston on Hull) for combined properties at risk, and the 2<sup>nd</sup> highest number of residential properties at High risk of flooding in the country. There are 223,677 properties (residential & commercial) at risk of flooding (fluvial and coastal / tidal floods), with 170,000 properties below the high tide level (so at risk of flooding from the sea).

The risk of coastal flooding affects up to 40% of the land area of Greater Lincolnshire, while surface water flooding, although more localised, occurs more frequently and is more difficult to predict. The area has been affected by a number of significant coastal and inland floods, most notably in 1953, 2007, 2012 and 2013. Coastal flooding is the 3<sup>rd</sup> highest risk on the National Risk Register of Civil Emergencies behind only Pandemic Flu and equal to wide spread electricity failure. The key impacts on economic growth from flood risk are:

- Risk to existing economic activity
- Perceived risk impacting on the confidence to invest in the area
- Costs of recovery from flooding event
- Costs of mitigating flood risk
- Insurance costs

The Greater Lincolnshire LEP sees flood risk management as very important and we will both champion the issue nationally and support the local delivery of schemes

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<sup>5</sup> [http://www.geostore.com/environment-agency/WebStore?xml=staticweb/xml/dataLayers\\_NaFRAPcFLCG.xml](http://www.geostore.com/environment-agency/WebStore?xml=staticweb/xml/dataLayers_NaFRAPcFLCG.xml)

that safeguard and enable sustainable economic growth, reducing risks to business premises land, in order to reduce constraints on investment and economic growth.

The equal importance of managing water quality and supply in Greater Lincolnshire – together with our established expertise in managing flood risk – 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 significant a factor in bringing about economic growth.

Our aim is for water management across Greater Lincolnshire to act as an incentive to investment for the GLLEP's priority sectors, and for effective water management to be a positive contributor to economic growth. In achieving this aim, the GLLEP believes that close collaboration with the neighbouring Humber LEP, Greater Cambridgeshire and Greater Peterborough LEP and New Anglian LEP is essential, these areas sharing many important economic challenges and opportunities.

We are developing an integrated approach to water that fully 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 and improve our competitiveness.**

**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 at risk of flooding (the salination of soils associated with a coastal flood would result in significant economic impacts due to the length of recovery time. 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. Protecting this resource from flood risk and water resource pressures now and into the future is a strategic priority for the GLLEP.

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.

Greater Lincolnshire is within one of the driest regions of the country, and current models of climate change predict increasing scarcity of water over the 21<sup>st</sup> century. This is clearly important for the agri-food industry, with its resilience on a plentiful



and reliable supply of clean water for growing and processing foodstuffs. It also plays a major part in supporting the growth of the visitor economy, and in sustaining well-planned and appropriate housing growth.

**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. The location of these ports places them at significant risk of flooding.

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.**

The threat of flooding affects **developer confidence and development viability**. Our coast, which is 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 sustainable 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 GLLEP will seize this opportunity to harness the potential of effective flood risk management to boost local growth.

We have established the **Water Management Plan** which:

- Sets out the GLLEPs aims and objectives for water management as a driver for economic growth
- Identifies key current, emerging and future projects that will secure these aims and objectives
- Establishes a 'pipeline' of potential bids for funding from a range of sources
- Draws on key actions set out in the three Lead Local Flood Authorities Local Flood Risk Management Strategies where these directly contribute to economic growth
- Promotes integration between flood risk and water resource management in terms of key projects that facilitate economic growth
- Defines specific opportunities to promote co-operative ventures with neighbouring LEPs



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

We know that providing a reliable infrastructure will allow us to reach our growth ambitions and potential.

The provision of affordable, 'fit for purpose' employment premises, is dependent on the provision of sustainable infrastructure services: roads, water, sewerage, energy services and telecommunications. The provision of these services is equally critical to the growth of fully sustainable communities.

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

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, 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.

**Increasing investor confidence –especially enhancing the role our market towns play in making Lincolnshire a recognisable and attractive place:**

Lincolnshire has a network of attractive market towns. Each can play a strong role both in attracting visitors and investors, and in providing good quality services to its residents. Our distinctive market towns are part of what makes Greater Lincolnshire the place that it is. However, changing retail patterns, ageing townscapes, modern

communications and infrastructure all mean that it is vital to help our market towns to adapt to the future so that they continue to contribute to the county's identity. The GLLEP will support partners in maintaining the vitality of our market towns.

### *Environment and heritage:*

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.

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

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 and has membership on our local ESIF Sub-Committee.

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) with the GLLEP 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.

In the same way that we see the ageing population as being positive, i.e. as a way of driving the growth of the care sector, we see that we can build on the strong environmental credentials of the county in order to drive growth. In particular, we will become a leader in agricultural innovation through technologies that reduce inputs, establish environmental tourism more strongly, facilitate a change in perception about Lincolnshire's natural environment; skills based learning in the environmental sector, and creation of wild spaces and connected ecological networks. The GLLEP will use its natural environment to drive economic growth. Opportunities also exist in the education and visitor economy linked to the Energy Estuary. This is an area for future exploration.

### ***Communities:***

Greater Lincolnshire has pockets of deprivation both in its city and towns, and in its rural communities. Solutions to tackling deprivation need to be delivered at community level. 25% of Super Output Areas (SOAs) in North East Lincolnshire are in the most deprived SOAs in England, and 13% of North Lincolnshire SOAs.

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

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

The 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 20% affordable housing – negotiated by each Planning Authority.

The GLLEP will work in partnership with the Humber LEP to support North Lincolnshire and North East Lincolnshire's plans to work with communities to develop solutions for over-coming social exclusion and delivering services locally, support community solutions to overcoming social exclusion and delivering services locally.

### ***Voluntary & Community Sector engagement:***

The GLLEP has been working closely with the Voluntary & Community Sectors, through a range of routes, to support them to engage in the EU programme.

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

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

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

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



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

This has allowed the Voluntary & Community Sector, to work together positively to fully engage in the EU process.

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

We have established the **Greater Lincolnshire 3rd Sector & Social Inclusion Strategy** which outlines the vision to provide a responsive, sustainable, innovative and dynamic third sector, which represents and supports the community and plays a vital role in improving the quality of life of the people in Lincolnshire and contributing to the economy.

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

# Actions to build on our housing growth and communities

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

Our vision is that we will have:

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

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

North Lincolnshire is committed to housing growth and is focused on enabling the delivery of new homes. Work on the transformational waterside development, Lincolnshire Lakes continues to progress and once completed s will deliver up to 6000 new homes in 6 new villages surrounded by 5 functional lakes.

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

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

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

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

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

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

### *Promotion:*

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

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

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

# Meeting local ambition, but supporting national priorities

# Sectoral Activity and its links to national policy

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

The following table outlines the GLLEPs key growth sectors and how they align to national policy and plans:

GLLEP AREA	Government Growth Plan	BIS Industrial Strategy	ERDF 2014 - 2020
Agri-food	Encourage investment and exports	Recognition of importance of growing supply chain	<b>ENHANCING THE COMPETITIVENESS OF SMEs</b> Encouraging SMEs to export/target new markets  Strengthening local and national supply chains Adequate supply of incubation space & support services for the next generation of high growth businesses
Advanced precision engineering - mechanical, electrical	Advanced manufacturing growth	Supporting Advanced manufacturing - AMSCI	<b>ENHANCING THE COMPETITIVENESS OF SMEs</b> Encouraging SMEs to export/target new markets  Strengthening local and national supply chains
Energy/renewables/Off-shore wind	Support for green energy	Enabling sectors	<b>LOW CARBON</b> Enhancing job creation capacity of the low carbon sector  Support non-domestic sector to develop low carbon technologies and focus on energy efficiency

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



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

# Delivering the Key priorities of ERDF, ESF and EAFRD

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The GLLEP will maintain the strategic overview for the economy of Greater Lincolnshire which has been summarised in the Growth Vision section taken from their Strategic Economic Plan ( [http://www.greaterlincolnshirelep.co.uk/assets/downloads/Strategic Economic Plan 2014.pdf](http://www.greaterlincolnshirelep.co.uk/assets/downloads/Strategic_Economic_Plan_2014.pdf) ). The ESIF Sub-Committee is part of the GLLEP architecture and will be responsible for the strategic oversight of local investments of the EU Growth Programme Funds.

The ESIF Sub-Committee role is about championing projects in support of the GLLEPs strategic plans, supported by specialist advisory groups with detailed knowledge about our specific sectors. The ESIF Sub-Committee will set priorities, promote project ideas and monitor progress to ensure that we contribute and add value to the vision for strengthening Greater Lincolnshire's economy (for further information about the ESIF Sub-Committee role please refer to the governance section on page 116 ).

The EU Growth Programme Funds have an indicative allocation of £123m ( which are intended to be used as a combined source of funding to deliver strategic support to growth sectors identified by the GLLEP. The focus is on **bigger, strategic** projects or programmes of activity that lead to job creation and growth. There will need to be a balance of supporting schemes that fit well with the specific funding criteria to ensure we hit spend targets and ensuring local priorities are met.

## Headline Objectives for the EU Funding Programmes

### What do the different funding streams support?

**The European Regional Development Fund (ERDF)** is focused on reducing economic disparities within and between member states by supporting economic regeneration and creating/safeguarding jobs.

**The European Social Fund (ESF)** was set up to help people into work, stay in work and to invest skills and training of those further from the labour market

**The European Agricultural Fund for Rural Development (EAFRD)** is a funding mechanism under the Common Agricultural Policy. This support is provided to

agriculture, forestry & environment/natural resources management as well as to the sustainable development of the rural economy.

- To note that **ERDF** is the primary source of funding for business support and **ESF** is the primary source of funding for skills and training.
- **EAFRD** can only fund these areas as a last resort, where there is evidence of an unmet need in those sectors in rural areas.

The table highlights Greater Lincolnshire's SEP priorities and how we hope to use EU funding to support these priorities. Clearly EU funds have a specific activity focus and this will need to be complemented with other financial/funding mechanisms to ensure the overall ambitions are met.

SEP		ESIF
Agri-food	→	ERDF priority 1
		EAFRD
Tourism	→	ERDF priority 3
Manufacture	→	ERDF priority 1
		ERDF priority 3
Low carbon sector	→	ERDF priority 1
		ERDF priority 4
Ports/logistics	→	ERDF priority 1
SMEs	→	ERDF priority 1
		ERDF priority 3
Innovation	→	ERDF priority 1
		ERDF priority 2
Marketing	→	ERDF priority 3
Skills	→	ESF priority 1
		ESF priority 2
Housing	→	ERDF priority 4
Environment	→	ERDF priority 6

Water	→	ERDF priority 5
Transport	→	ERDF priority 4
Utilities	→	ERDF priority 4

### **Economic Infrastructure** (ERDF/EAFRD) will include:

- Research and Development
- Incubator Centres
- Supporting our priority sectors
  - World Class Food Production and Manufacturing Sector – new technologies/products
  - Ports & Logistics – skills, logistics and infrastructure
  - Doubling the value of tourism – supporting the visitor economy through eligible activity as identified through the Destination Management Plan ([link](#))

### **University Research & Development**

Our Higher Education institutes are a primary source of research & development and we will work closely with them to drive higher levels of knowledge exchange between their academic staff and our businesses (both through the existing base and the creation of spin-outs and spin-ins). We will work with them to increase the level of knowledge exchange schemes (e.g. Knowledge Transfer Partnerships) and GLLEP specific schemes to release their applied research in the most effective manner (e.g. proof of concept funds). We will use their recognised status as 'investment magnets' to maximise the opportunities through the Lincoln Science & Innovation Park to create a high-value skills zone in the heart of the GLLEP region.

### **Incubator Centres**

We will build on the physical architecture created across the GLLEP region to build on the strength of our innovation and incubation centres. We will work to ensure these centres become beacons of innovation support, providing the management teams with the tools and access to support they need to refer clients and enquiries to. We will work with stakeholders to develop a hub & spoke model of support through the new Lincoln Science & Innovation Park.

## Supporting our Priority Sectors

**Innovation** is a cross-cutting theme relevant to all the priority sectors and an Innovation Council has been set up, working alongside GLLEP bodies to raise the levels of innovation within the Greater Lincolnshire area. Innovation is vital for growth, but it's not just about advances in science and technology. An innovation is the implementation of a new or significantly improved product (good or service), or process, or marketing method, or new organisational method in business practice, workplace organisation or external relations.

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 need to create the right conditions for business growth through creating income via supply chains, improving skills and bringing R&D closer to business. The GLLEP area has growing centres of R&D, through our major firms and our flourishing university - who are generating research at a level that simply wasn't present even five years ago, drawing additional investment and resources to the benefit of Greater Lincolnshire.

Innovation has inherent financial risks, but with access to shared resources and funding, GLLEP and businesses will be able to minimise these challenges. In an economic environment with constrained resources, we must work these assets and knowledge to ensure maximum value and return on any future investment. If we are to drive innovation across our sectors, the stakeholders must collaborate innovatively, exploring different mechanisms to partner, jointly commission and pool resources effectively. We will collaborate on innovation not just within the GLLEP area, but with other GLLEP partners to effectively lever both national and regional schemes. (please refer to page 106-110 for further information on how the Greater Lincolnshire LEP proposes to work in collaboration with other partners).

## SME Investment Support (ERDF, EAFRD)

We want to create the right conditions for business growth by:

- Creating a business friendly culture and make it easier for the private and public sector to undertake development
- Encourage all Greater Lincolnshire businesses to source locally



- Encourage public sector partners to source local products
- Facilitate business-to-business contact within our key sector through networks and collaboration

Emerging themes from the SME Community that need to be addressed are:

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

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

- Further enhance the promotion of the range of business support products and service services – utilising the Growth Hub signposting portal [www.businesslincolnshire.com](http://www.businesslincolnshire.com) – whilst reducing potential duplication of support
- Promoting simplified access to business support services no wrong door ethos
- Building the capacity and effectiveness of both public and private sector providers.

### **Actions arising for Sectoral Support**

The establishment of priority sector support coordinated through the Growth Hubs which will provide a single access point to a targeted package of diagnostic, advisory, coaching, mentoring and business development programmes. The hubs will address the key weaknesses<sup>6</sup> of the current business support system - duplication, poor coordination, complexity, difficulty of navigation and engagement. Sectorial support will drive SME growth by bring coherence to the business support landscape, improving awareness, understanding and accessibility to the support available to our priority sectors.

## **Sectoral Business support line with the GLLEP priority sectors will -**

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

## **Actions arising for Export opportunities**

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

## **Actions arising from Access to Finance**

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

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



## Actions arising for procurement

- GLLEP local authorities working together to Implement a simplified contract documentation and adopted a more flexible approach to assessing suppliers, e.g. providing alternative ways of assessing new suppliers who don't have a track record, e.g. business plans/action plans
- Stimulation of business to business procurement/supply chain development. A programme designed to assist businesses to improve performance by developing their knowledge and skills in tendering, procurement and local supply chains, as well as creating the environment for businesses to business transactions. This would include a web based private sector procurement portal

## Actions arising for premises

- All the publically funded workspace, enterprise and innovation centres across the Greater Lincolnshire will align and share best practice, agree protocols and develop a cross centre support/signposting scheme

## Role of Growth Hubs

All LEPs across the country have been required by BIS to establish a Growth Hub service during 2015-16. The GLLEP bid secured £300,000 as part of the GLLEP's Growth Deal to establish an advice and signposting service. The Growth Hub remit is to ensure that a 'single conversation' is facilitated with local businesses, raising awareness and uptake of both public and private sector support by improving communication, co-ordination, marketing and signposting.

Growth Hubs are locally-led partnerships that coordinate business, innovation and trade support within a LEP area and make it simple for businesses to access the support they need. They aim to bring together all of the local bodies involved in supporting businesses, working with national bodies such as UKTI, the Business Growth Service (incorporating Growth Accelerator and MAS) and Innovate UK to ensure that national and local business support works together in the most streamlined and effective way possible, putting the business customer at the centre of the system.

Specifically, they raise awareness of national and local business support, provide a single access point for businesses and provide a diagnostic and signposting service to make sure that all businesses, no matter what their size or sector, know what is available and can access the right support.

Growth Hubs have three main objectives:





- Improve the awareness and coordination of local and national business support
- Provide clear signposting and diagnosis to help businesses find the right support easily
- Improve the impact and value for money of business support

The **Business Lincolnshire Growth Hub** became live in April 2015. Business Lincolnshire Growth Hub business support includes the following:

- Online information webportal - [www.businesslincolnshire.com](http://www.businesslincolnshire.com)
- Fully funded Business Growth Advisers and Skills Advisers
- Access to the National Business Support Helpline via phone and online webchat
- Facilitate access to local and national advice, grants and programmes
- A comprehensive events programme, incorporating workshops, briefings and flagship events

All the publically funded business support programmes will be included as part of the Growth Hub offer to ensure consistency and clarity to the business community.

### *Financial instrument proposals*

GLLEP is working collaboratively with other Local Enterprise Partnerships (LEPs) in the East and South-East Midlands, as well as stakeholders such as the British Business Bank and DCLG, to develop a new fund-of-funds in the region. This recognises that access to finance remains a constraint to business formation, development and growth. The LEPs have already invested in research and analysis of market failure for SME finance in the region. However, the Block 1 ex-ante assessment indicated that further work was necessary to pinpoint the areas in which investment in Financial Instruments (FIs) was justified.

Blue Sky Corporate Finance has recently been commissioned to support the LEPs with this work, which is being funded by the British Business Bank.

SME surveys provide useful data but given that just 25% of SMEs seek finance at any single point in time, it can be difficult to identify a sample that have had recent enough experience upon which to base any objective conclusions. Among those that do seek finance, they may be hampered by a lack of experience and the financial competence necessary to reassure funders. The objectivity of responses may also be affected by the outturn of any search for finance – those SMEs that were declined, may naturally become disaffected by the process, which in turn may indeed influence when and whether they re-enter the finance market in the future.

Therefore, the LEPs have undertaken a qualitative survey of business intermediaries that have both live contacts in regional SME markets and an oversight of prevailing business conditions and this survey will help to test and confirm the conclusions of the earlier research and analysis and the Block 1 ex-ante assessment. In turn, this will support the construction of a sound Investment Strategy.

The survey and earlier research and analysis will support an analysis of the options for implementation, range of products to be supported, including the type of investment intervention (debt, equity, mezzanine and / or loan guarantees), the case for and against sectorally focussed funds, optimum fund sizes, any geographical (LEP) focus and the evidence supporting the likely outcomes of these options. Outcomes will be considered in terms of both economic deliverables and likely financial returns. The various option approaches will also be tested with the European Investment Fund (EIF) informally and in real terms before an optimum approach, including possible operating models and structures, is recommended. The recommendation will also seek to link with LEP specific priorities and how these are best served by the proposed model and structure, the scope for local partnership leadership to be involved in the development, management and monitoring of the performance of the proposed structure, and how LEP targets will be set, measured and monitored.

Recommendations will be incorporated into a market assessment report. The report itself will lead on to the development of an Investment Strategy which will not only match the Block 1 ex-ante assessment proposals against LEP investment priorities but also define a workable business plan (with assumptions), which can deliver the different needs identified by the LEPs and other stakeholders, such as the British Business Bank and DCLG. The Investment Strategy will be submitted to the EIF as part of the Block 2 ex-ante assessment.

In parallel with the Block 2 ex-ante assessment that will be carried out by the EIF, a detailed business plan and financial model will, then, be developed which satisfies LEP investment priorities and the objectives of the other stakeholders, as well as making a substantial impact on growing SMEs in the East and South-East Midlands. The plan and model will also take into account the implications of compliance with State Aid, COCOF, the FCA and other regulations and regulatory bodies.

A detailed business plan and financial model is due to be delivered by Blue Sky Corporate Finance by 31 January 2016, in order to enable any fund procurement process to commence by 31 March 2015.

**In order to support the new Financial Instrument, there has been a £5million ring-fenced allocation identified.**



## Renewables/Resource Efficiency (ERDF/EAFRD)

- Investments in green and blue infrastructure
- Water management/flood mitigation focused on strategically important sites
- Developing the natural environment
- Stimulate the need for renewable technologies
- Promote the opportunities for the green supply chain

The LEP's vision is for the renewable energy sector to enhance Greater Lincolnshire's environmental credentials.

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

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

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

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

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

**Fig 10:** Renewables sector workplaces by size

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

Source: Annual Business Inquiry 2008, Office for National Statistics

### Broadband/ICT (ERDF/EAFRD)

- The GLLEP will lobby for funding to achieve universal SFP for all, and enhanced mobile (4G) connectivity for the area
- Further access to ultrafast broadband for example 4G
- Promoting and supporting initiatives that will encourage innovation in digital products and services

The GLLEP wants to achieve excellent digital communications and coverage and be a front runner in broadband. A common theme constraining growth is the poor standard of connections linking production to markets, people to employment, skill needs to training opportunities and visitors to attractions and it is clear that digital solutions and advanced telecommunications will have a part to play in addressing these issues.

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

To achieve these objectives:

- The GLLEP will lobby for funding to achieve basic broadband coverage and for Lincolnshire
- Keep abreast of plans for Superfast cities and make sure Greater Lincolnshire learns from and benefits from lessons learned.

- The GLLEP will promote and support initiatives that will encourage innovation in digital products and services.

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

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

## Skills (ESF/EAFRD)

### *Skills for Growth*

- Increasing skills levels, work readiness and advice within the labour force
- Improving employer participation in engagement & learning

### *Inclusive Labour Markets*

- Tackling youth unemployment
- Access to employment and improving transferable skills for unemployed, inactive & disadvantaged people
- Using self-employment as a route out of worklessness

There is great potential for more firms to adopt and exploit effective skills development, as this can be seen as an opportunity to drive up levels of GVA. This does not detract from the job of supporting a wide range of people and businesses, who may not need this, but does however provide a solution as to how we can deliver greater growth and jobs in the future.

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

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

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

Government has selected the following national organisations because they have significant budgets and therefore sources of match funding:

**Skills Funding Agency (SFA)** responsible for programmes which are key to delivery of Education, Skills & Lifelong Learning activity.

**Department for Work and Pensions (DWP)** responsible for programmes which are key to delivery of promoting employment & supporting labour mobility.

**Big Lottery Fund (BLF)** responsible for programmes which are key to delivery of Social Inclusion and Third Sector activity.

ESF will provide the necessary funding levels to address these issues in a targeted and coherent way and will look at a whole gamut of skills provision around:

### **Enhancing Equal Access to Lifelong Learning (SFA)**

- Basic skills interventions for the existing workforce
- Additional or innovative approaches to training in a vocational context for those with low level skills in Maths, English and ICT, to support them in finding work or progressing in work; and to enable them to achieve vocational qualifications and continue to up skill
- Support for intermediate, technical and advanced vocational provision for the unemployed and for career progression
- Supporting low skilled people in low paid work to help them progress



- Support for intermediate, technical and advanced skills for specific industries and sectors identified as driving growth in local economies in support of other relevant priority objectives
- Tailored training and lifelong learning opportunities for older people
- Skills and training packages in response to redundancies (including earlier support to companies, as well as when redundancy occurs)
- Skills support for Traineeships and Apprenticeships (but not direct funding of training or wage costs) including improvements to the recruitment, assessment and training
- Support for informal learning and community based learning
- Increase participation where there are current or predicted skills shortages, particularly where this addresses the needs of SMEs with growth potential or includes targeting under-represented groups. ESF could fund the development and delivery of outreach activity including access and taster programmes to increase the participation of particular groups
- Support intermediate and advanced vocational provision for the unemployed and for career progression (but not tuition costs at level 3 and above, and not where mainstream provision is available)
- Develop skills to meet future needs (for example, in relation to new technology, construction or production methods). This will include developing skills for innovation in companies including aligning with ERDF supported activities and in line with local growth priorities
- Support employability and the transition into employment including:
  - funding the costs of specific modules (additional to the core credit-bearing element of higher education programmes) designed to better prepare under-graduates and graduates for employment or self-employment or to increase the effectiveness of those recently securing employment in SMEs;
  - funding specific activity (development or delivery) targeted at increasing the employability of particular groups (including graduates) who are under-represented in the workforce or who face particular barriers to gaining employment (for example, those with a disability);



- supporting activity to develop self-employment or entrepreneurial skills to start and grow a business or social enterprise

## Improving the Labour Market Relevance of Education and Training Systems (SFA)

- Support for collaborative projects, placements, internships or other activities with SMEs that enable students and graduates to gain industry relevant experience and skills
- Building capacity in SMEs to provide project/placement/internship opportunities and enhance the contribution of advanced skills to SME growth. In particular this could include programmes to specifically engage the most disadvantaged groups or those who face particular local disadvantages in advanced skills
- Brokering opportunities to encourage and increase work experience, work placements, Traineeships, Apprenticeships, and graduate placements, including through wider employer engagement
- Promoting Apprenticeships (especially at advanced levels in manufacturing and other priority sectors) by developing a supportive environment for employer engagement
- Developing better links between business and schools, further and higher education and other education partners to equip students with the skills to start and grow a business to meet local business needs
- Support for activities to start and grow a business, including promoting entrepreneurship, social enterprise and self-employment, providing leadership and management training/advice within SMEs mentoring with existing businesses and entrepreneurs and developing internal capabilities and growth potential
- Complementing mainstream funding to boost demand from young people to study map priorities and develop innovative provision at level 3 which can be combined with vocational qualifications to meet local skills and shortages, for example in engineering
- Supporting the capacity of education providers (including schools, further education and higher education) to deliver better focused provision for employers and to innovate

## Access to employment for jobseekers and inactive people (SFA/DWP)

- Additional and innovative approaches to pre-employment training
- Training for those who need to upgrade their skills or learn new skills (including basic skills and English for speakers of other languages) to compete in the local labour market and adapt to changes in the economy
- Helping people access or benefit from Apprenticeships
- providing advice, guidance and support, adding value to National Careers Service where appropriate
- Additional support for long-term unemployed people, including those who have completed the Work Programme. This will include new approaches to work experience and training, intermediate labour market activity and volunteering opportunities
- Additional support to specific target groups such as people with disabilities or health barriers (including mental health issues), people with caring responsibilities, lone parents, ethnic minorities, ex-service personnel, and those from households with inter-generational worklessness. It will also help older workers to re-train, re-enter or stay engaged in the labour market
- Support to help them sustain their employment and progress. Those in work who are at risk of, under notice of or facing redundancy will also be able to receive support, including training to upgrade their skills or learn new skills
- Using self-employment as a route out of worklessness, including providing advice and support for self-employment

## Sustainable Integration of Young People (DWP)

- Additional literacy, numeracy, ICT and employability provision
- Training and vocational qualifications
- Community and informal learning that help people access more formal learning
- Intermediate labour market activity
- Using self-employment as a route out of worklessness, including providing advice and support for self-employment

- Re-engage marginalised young people NEET, including through innovative approaches, customised training and support and volunteering activities. Activities may be focused on specific target groups such as: young lone parents; looked after children and care leavers; carers; ex-offenders; those involved in gangs; and young people with learning difficulties and disabilities
- Support Traineeships so long as it is not displacing already planned (and funded) provision and it adheres to the Traineeship Framework for Delivery
- Complement Traineeships by enhancing or building on existing and planned Traineeship provision through wrap-around activity
- Provide additional support for disadvantaged young people beyond the core elements of training (work preparation, English and maths) and work experience
- Enhance local careers guidance services for young people, including where appropriate providing education and training providers and careers guidance professionals with information on local job options, business developments and local skills shortages
- Broker opportunities with local employers to take on young people who are NEET (including those with complex barriers) - including through Traineeships
- improve the employability of unemployed or inactive graduates, including through graduate placements

### Active Inclusion (BLF)

- Basic skills and ESOL training
- Money management support and advice and financial literacy programmes
- Digital and internet literacy courses to aid job searching, access to benefits and progress in work
- Local 'Community Grant' type activity
- First contact engagement activities (for example, arranging events in places that people feel comfortable to visit)
- local networks and groups to support people to get a job or access learning (for example, Jobs Club or Learning Champion type activity)

- Softer skills development (for example, assertiveness, anger management and motivation)
- Volunteering, which is recognised in general terms as a good way to re-engage those furthest from the labour market
- Add value to other services and funds locally, especially helping those with more complex barriers move closer to employment. This may include helping those in greatest need of a more consistent service offer and who may require extra support to transfer to Universal Credit

## ESF Local Funding Priorities

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

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

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

There will also be a ring-fenced allocation of £1million to help North Lincolnshire Council and North East Lincolnshire Council to support the social inclusion agenda issues in their area. This approach will augment activities identified in specific communities, with a separate stream of investment opportunities from the Greater

Lincolnshire Local Enterprise Partnership, subject to a strong economic case being made.

## Developing Calls for Activity

The ESIF Sub-Committee will need to open up calls for activity under the different funding streams. This will be a balance of opening up funding streams to get a good pipeline of projects coming forward and the commissioning schemes where there are identified gaps. This could be for example gaps in delivery for certain sectors, spend/outputs targets that need to be met etc.

Headline Objectives	ERDF (€)	EAFRD (€)	ESF (€)	Total Funding (€)
SME Investment Support	24.345	6.518	-	30.863
Economic Infrastructure	28.753	1.343	-	30.096
Renewables/Resource Efficiency	21.793	1.051	-	22.844
Broadband	3.139	0.292	-	3.431
Skills for Growth	-	1.051	28.254	29.305
Inclusive Labour Markets	-	-	24.963	24.963
Under negotiation with DCLG to be reallocated	1.746	-	-	1.746
<b>Total Funding</b>	<b>79.776</b>	<b>10.255</b>	<b>53.217</b>	<b>143.248</b>

## Complementarity between funds

The GLLEP wants to ensure that there is effective use of EU funds across ERDF, EAFRD and ESF. The following tables show the focus of the priority areas of activity that each fund supports:



The following tables show the priority areas of activity that each of the EU funding streams are focused on and the outputs that need to be achieved. Member State ESI Funds allocations and the Operational Programme of each Fund are in euros. ESI Funds notional allocations to LEP areas are therefore also in euros. Sterling valuations of LEP area euro notional allocations will therefore naturally change to reflect ongoing euro/sterling fluctuations.

## ERDF

Priority Axis 1: Research and Innovation				Amount (€m)	Target for 2018 Euro
				19.026	4.859
Investment References	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European Interest			
	1b	Promoting business investment in R&I; developing links and synergies between enterprises, research and development centres and higher education sector in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation; and supporting technological and applied research, pilot lines, early product validation actions, advance manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.			
Sub Objective	SO1.1	Increase investment in research and innovation infrastructure that catalyses collaboration with the research community especially in sectors identified through smart specialisation.			
	SO1.2	Increase investment in research and innovation by small and medium enterprises in sectors and technologies and diffusion of general purpose technologies.			
	SO1.3	Increase the number of SMEs engaged in knowledge exchange , collaborative and contract research and innovation with research institutions, public institutions or large enterprises in order to help them bring new products and processes to market.			
Outputs and Results	ID		Indicator	Measurement unit	Target value (2023)
	1a	CO25	Research, Innovation: Number of researchers working in improved research infrastructure facilities	Full time equivalents	15
		P1	Number of researchers working in improved research or innovation facilities	Full-time equivalents	29
		P2	Public or commercial buildings built or renovated	Square metres	738
	1b	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	487
		CO02	Productive investment: Number of enterprises receiving grants	Enterprises	341
		CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	25
		CO04	Productive investment: Number of enterprises receiving non- financial support	Enterprises	119
		CO05	Productive investment: Number of new enterprises supported	Enterprises	41
		CO06	Productive investment: Private investment matching public support to enterprises (grants)	EUR	411,870
		CO07	Productive investment: Private investment matching public support to enterprises (non- grants)	EUR	651,253
		CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	39
		CO26	Research, Innovation: Number of enterprises cooperating with research institutions	Enterprises	264
		CO28	Research, Innovation: Number of enterprises supported to introduce new to the market products	Enterprises	39

	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	Enterprises	78
	P2	Public or commercial buildings built or renovated	Square metres	210

Priority Axis 2: Enhancing access to, and use and quality of, Information Communication and Technology				Amount (€m)	Target for 2018 Euro
				3.139	802
Investment References	2a	Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy			
	2b	Developing ICT products and services, e-commerce, and enhancing demand for ICT			
Sub Objective	SO2.1	Increase the coverage and take up of superfast and ultrafast Broadband in areas where the market is failing, particularly where this is creating a barrier to SME growth			
	SO2.2	Increase the number of SMEs making productive use of digital technologies.			
Outputs and Results	ID		Indicator	Measurement unit	Target value (2023)
	2a	CO01	Productive investment: Number of enterprises receiving support	Enterprises	131
		CO05	Productive investment: Number of new enterprises supported	Enterprises	28
		P3	Additional businesses with broadband access of at least 30mbps	Enterprises	1,326
	2b	CO01	Productive investment: Number of enterprises receiving support	Enterprises	14
		CO05	Productive investment: Number of new enterprises supported	Enterprises	10
		CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	Enterprises	2
		P4	Additional businesses taking up broadband with speeds of at least 30Mbps	Enterprises	54



Priority Axis 3: SME Competitiveness				Amount (€m)	Target for 2018 Euro
				24.345	6.218
Investment References	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.			
	3c	Supporting the creation and the extension of advanced capacities for products, services and development			
	3d	Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes			
Sub Objective	SO3.1	Increase entrepreneurship, particularly in areas with low levels of enterprise activity and amongst under-represented groups			
	SO3.2	Increase growth capacity of SMEs			
	SO3.3	Increase growth capability of SMEs			
Outputs and Results	ID		Indicator	Measurement unit	Target value (2023)
	3a	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	389
		CO02	Productive investment: Number of enterprises receiving grants	Enterprises	256
		CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	16
		CO04	Productive investment: Number of enterprises receiving non- financial support	Enterprises	99
		CO05	Productive investment: Number of new enterprises supported Final	Enterprises	304
		CO06	Productive investment: Private investment matching public support to enterprises (grants)	EUR	1,347,449
		CO07	Productive investment: Private investment matching public support to enterprises (non- grants)	EUR	44,326
		CO08	Productive investment: Employment increase in supported enterprises Final	Full time equiv.	159
		CO28	Research, Innovation: Number of enterprises supported to introduce new to the market products Final	Enterprises	30
		P11	Number of potential entrepreneurs assisted to be enterprise ready	Persons	1,226
		P2	Public or commercial buildings built or renovated	Square metres	48
	3c	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	957
		CO02	Productive investment: Number of enterprises receiving grants	Enterprises	639
		CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	40
		CO04	Productive investment: Number of enterprises receiving non- financial support	Enterprises	248
		CO05	Productive investment: Number of new enterprises supported Final	Enterprises	304
		CO06	Productive investment: Private investment matching public support to enterprises (grants)	EUR	4,042,347
		CO07	Productive investment: Private investment matching public support to enterprises (non- grants)	EUR	1,329,785

		CO08	Productive investment: Employment increase in supported enterprises Final	Full time equiv.	398
		CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products Final	Enterprises	152
		P13	Number of enterprises receiving information, diagnostic and brokerage	Enterprises	96
		P2	Public or commercial buildings built or renovated	Square metres	119
	3d	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	574
		CO02	Productive investment: Number of enterprises receiving grants	Enterprises	383
		CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	24
		CO04	Productive investment: Number of enterprises receiving non- financial support	Enterprises	149
		CO05	Productive investment: Number of new enterprises supported Final	Enterprises	183
		CO06	Productive investment: Private investment matching public support to enterprises (grants)	EUR	2,666,114
		CO07	Productive investment: Private investment matching public support to enterprises (non- grants)	EUR	886,523
		CO08	Productive investment: Employment increase in supported enterprises Final	Full time equiv.	239
CO29		Research, Innovation: Number of enterprises supported to introduce new to the firm products Final	Enterprises	91	
P13		Number of enterprises receiving information, diagnostic and brokerage	Enterprises	57	
P2		Public or commercial buildings built or renovated	Square metres	72	

Priority Axis 4: Supporting the shift towards a low carbon economy in all sectors				Amount (€m)	Target for 2018 Euro
				19.454	4.969
Investment References	4a	Promoting the production and distribution of energy derived from renewable sources			
	4b	Promoting energy efficiency and renewable energy use in enterprises			
	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector			
	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation			
	4f	Promoting research and innovation in, and adoption of, low-carbon technologies			
Sub Objective	SO4.1	Increase the number of small scale renewable energy schemes in England			
	SO4.2	Increase energy efficiency in particular SME's , including through the implementation of low carbon technologies			
	SO4.3	Increase energy efficiency in homes and public buildings, including through the implementation of low carbon technologies.			
	SO4.4	Increase implementation of whole place low carbon solutions and decentralised energy measures.			
	SO4.5	Increase innovation in, and adoption of, low carbon technologies			
Outputs and Results	ID		Indicator	Measurement unit	Target value (2023)
	4a	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	24
		CO05	Productive investment: Number of new enterprises supported Final	Enterprises	5
		CO30	Renewables: Additional capacity of renewable energy production	MW	3
		CO34	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	1,942
	4b	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	253
		CO34	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	1,380
	4c	CO31	Energy efficiency: Number of households with improved energy consumption classification	Households	123
		CO32	Energy efficiency: Decrease of annual primary energy consumption of public buildings	kWh/year	118,624
		CO34	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	1,962
	4e	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	207
		CO34	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	1,918
	4f	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	51
		CO05	Productive investment: Number of new enterprises supported Final	Enterprises	10
		CO26	Research, Innovation: Number of enterprises cooperating with research institutions Final	Enterprises	5
		CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	Enterprises	8

		CO34	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	767
Priority Axis 5: Promoting climate change adaptation, risk prevention and management				Amount (€m)	Target for 2018 Euro
				6.455	1.649
Investment References	5b	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems.			
Sub Objective	SO5.1	Enabling and protecting economic development potential through investment in flood and coastal flooding management where there is demonstrable market failure.			
Outputs and Results	ID	Indicator	Measurement unit	Target value (2023)	
	CO23	Nature and biodiversity: Surface area of habitats supported to attain a better conservation status	Hectares	2	
	P6	Businesses and properties with reduced flood risk	Number	2,220	

Priority Axis 6: Preserving and protecting the environment and promoting resource efficiency				Amount (€m)	Target for 2018 Euro
				5.611	1.433
Investment References	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure			
	6f	Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution			
Sub Objective	SO6.1	Investments in Green and Blue infrastructure and actions that support the provision of ecosystem services on which businesses and communities depend to increase local natural capital and support sustainable economic growth			
	SO6.2	Investments to promote the development and uptake of innovative technologies, in particular in resource efficiency, in order to increase the resilience and environmental and economic performance of businesses and communities			
Outputs and Results	ID	Indicator	Measurement unit	Target value (2023)	
	6d	CO22	Land rehabilitation: Total surface area of rehabilitated land	Hectares	2
		CO23	Nature and biodiversity: Surface area of habitats supported to attain a better conservation status	Hectares	111
	6f	CO01	Productive investment: Number of enterprises receiving support	Enterprises	129
		CO05	Productive investment: Number of new enterprises supported	Enterprises	26
		CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	Enterprises	21

Priority Axis 8: Promoting Social Inclusion and Combating Poverty and Any Discrimination	Amount (€m)	Target for 2018 Euro
	1.746	0

The GLLEP has confirmed with DCLG that it will no longer pursue CLLD as a delivery mechanism. Greater Lincolnshire has now had 5 LEADER areas approved which provides a bottom up, community led approach to delivering funding to rural areas. However, the GLLEP has also recognised the need to support North and North East Lincolnshire's plans to work with communities to develop solutions for over-coming social exclusion and delivering services locally which will be done through ESF. DCLG will need official notification from the European Commission to move the current ring-fenced allocation of £1.495 to our other ERDF measures.

## ESF

Priority Axis 1: Inclusive Labour Markets			Amount (€m)	Target for 2018 Euro
			24.963	4.680
Investment References	1.1	Access to employment for jobseekers and inactive people (1.1). This will help unemployed people, and also inactive people who are relatively close to the labour market, to tackle barriers and enter progress in and sustain employment. It will provide help for those who have made the transition to work but need continued support, or who are in work but at risk due to skills deficiencies or facing redundancy.		
	1.2	Sustainable integration of young people (1.2). This will focus on helping young people, particularly those not in education, employment or training (NEET) to participate in the labour market and learning in areas not eligible for the Youth Employment Initiative.		
	1.4	Active inclusion (1.4). This will help people who are some distance from the labour market and may face multiple disadvantages to tackle their barriers to work and to move towards or into employment or to sustain employment.		
Sub Objective	1.1.1	To improve the employability of long-term unemployed people, so that they can compete effectively in the labour market.		
	1.1.2	To provide individuals from groups which face particular labour market disadvantage with additional support so that they can compete effectively in the labour market.		
	1.1.3	To encourage inactive people to participate in the labour market and to improve their employability.		
	1.1.4	To address the basic skills needs of unemployed and inactive people so that they can compete effectively in the labour market.		
	1.1.5	To provide support for women at a disadvantage in the labour market, and particularly those who are currently inactive, to contribute to our efforts to reduce the gender employment gap.		
	1.2.1	To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities.		
	1.2.2	To engage marginalised 15-18 year olds and support them to re-engage with education or training.		
	1.2.3	To address the basic skills needs of young NEETS so that they can compete effectively in the labour market.		

	1.2.4	To provide additional work experience and pre-employment training opportunities to unemployed 18-24 year olds		
	1.2.5	To support young lone parents to overcome the barriers they face in participating in the labour market (including childcare).		
	1.4.1	To support people with multiple and complex barriers to participation to address these underlying issues and to move closer to or into the labour market.		
	1.4.2	To support prisoners in custody and on release, and those without work who are serving sentences in the community, to improve their employability.		
	1.4.3	To engage marginalised individuals and support them to re-engage with education, training, or in employment.		
Outputs and Results	ID		Indicator	Target value (2023)
	1.1	O1	Participants	10,200
		O4	Participants over 50 years of age	2110
		O5	Participants from ethnic minorities	280
		O6	Participants without basic skills	1,790
		CO01	Unemployed, including long-term unemployed	7,140
		CO03	Inactive	2,550
		CO16	Participants with disabilities	2,380
		CO14	Participants who live in a single adult household with dependent children	1,260
	1.2	O2	Participants (Below 25yrs of age) who are unemployed or inactive.	1,570
		O5	Participants from ethnic minorities	50
		O6	Participants without basic skills	280
		CO01	Unemployed, including long-term unemployed	1,100
		CO03	Inactive	390
		CO16	Participants with disabilities	150
		CO14	Participants who live in a single adult household with dependent children	80
	1.4	O1	Participants	4,510
		O4	Participants over 50 years of age	820
		O5	Participants from ethnic minorities	130
		CO01	Unemployed, including long-term unemployed	2,350
		CO03	Inactive	1,850
		CO16	Participants with disabilities	1,040



Priority Axis 2: Skills for Growth			Amount (€m)	Target for 2018 Euro
			28.254	5.297
Investment References	2.1	Enhancing equal access to lifelong learning . This focuses on improving the skills of individuals to meet their goals and the needs of the local economy, primarily training, advising or supporting individuals, including those in work but at risk due to skills deficiencies or facing redundancy.		
	2.2	Improving the labour market relevance of education and training systems. This focuses on improving employer participation and engagement in learning so that it is responsive to the needs of the local economy and more individual's progress into or within learning. This is primarily about improving partnerships and systems.		
Sub Objective	2.1.1	To address the basic skills needs of employed people, particularly in SMEs and Micro businesses.		
	2.1.2	To increase the skills levels of employed people from the existing level to the next level up, to encourage progression in employment.		
	2.1.3	To increase the number of people with technical and job specific skills, particularly at level 3 and above and into higher and advanced level apprenticeships, to support business growth.		
	2.1.4	To increase the skills levels of employed women to encourage progression in employment help address the gender employment and wage gap.		
	2.2.1	To promote improvements in the labour market relevance of skills provision through active engagement with relevant institutions and employers, particularly SMEs and Micro businesses.		
Outputs and Results	ID		Indicator	Target value (2023)
	2.1	O1	Participants	18,300
		O4	Participants over 50 years of age	3,870
		O5	Participants from ethnic minorities	410
		O6	Participants without basic skills	3,220
		CO14	Participants who live in a single adult household with dependent children	790
		CO16	Participants with disabilities	1,280
	2.2	CO23	number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	330



## EAFRD

Focus area 1A: Fostering innovation, cooperation, and the development of the knowledge base in rural areas			Amount (€m)
			0.934
Investment References	2	Advisory services, farm management and farm relief services (article 15)	
Sub Objective	2.1	Support for providing advisory services	
Outputs and Results	Indicator		Target value (2023)
	Number of beneficiaries advised		322
	Number of operations supported		322
	Total public expenditure		800,000

Focus area 5C: Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non-food raw material for the purpose of the bio economy			Amount (€m)
			0.446
Investment References	8	Investment in forest area development and improvement of the viability of forests (article 21)	
Sub Objective	8.6	Support for investment in forestry technologies and in processing, mobilising and marketing of forestry products.	
Outputs and Results		Indicator	Target value (2023)
		Total investment (public + private)	382,192
		Number of operations supported for investments in forestry technology and primary processing/marketing	TBC
		Total public expenditure	191,096

Focus area 6A: Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non-food raw material for the purpose of the bio economy			Amount (€m)
			5.138
Investment References	4	Investment in physical assets (article 17)	
	6	Farm and business development (article 19)	
	16	Cooperation (article 35)	
Sub Objective	4.2	Support for investment in processing/marketing and /or development in agricultural products.	
	6.2	Business start- up aid for non-agricultural activities in rural areas.	
	6.4	Support for investments on creation and development of non-agricultural activities.	
	16.3	(Other) co-operation among small operators in organising joint work processes and sharing facilities and resources, and for developing/marketing tourism.	
	16.4	Support for horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets.	
Outputs and Results	Indicator		Target value (2023)
	Number of jobs created (male/female)		183
	Number of operations of support for investment (in processing and marketing of agricultural products)		21
	Total investment (public + private)		2,000,000
	Total public expenditure		2,800,000
	Number of beneficiaries (holdings) receiving start up aid for investment in non-agri activities in rural areas		11
	Number of beneficiaries (holdings) receiving support for investment in non-agri activities in rural areas		11
	Number of (other) cooperation operations among smaller operators in organising joint work processes and sharing facilities and resources, and for developing/marketing tourism		TBC
	Number of cooperation operations supported (non-EIP) for joint action to mitigate or adapt to climate change or for collective approaches to environmental projects/practices		TBC
	Number of agricultural holdings involved in cooperation on short supply chains/local markets		TBC

Focus area 6B: Fostering local development in rural areas.			Amount (€m)
			3.445
Investment References	1	Knowledge transfer and information actions (article 14)	
	7	Basic services and village renewal in rural areas (article 20)	
Sub Objective	1.1	Support for vocational training and skills acquisition.	
	7.2	Support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy savings.	
	7.5	Support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure.	
Outputs and Results	Indicator		Target value (2023)
	Number of participants in training		323
	Number of training days		237
	Number of operations		64
	Total public expenditure		1,410,714
	Total investment (public + private)		2,050,000
	Number of jobs created (male/female)		86
	Number of operations supported for investments of small scale infrastructure, including investments in renewable energy and energy saving		19
	Number of operations (beneficiaries) supported for investments in recreational/tourist infrastructure		23

Focus area 6C: enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas.			Amount (€m)
			0.292
Investment References	7	Basic services and village renewal in rural areas (article 20)	
Sub Objective	7.3	Support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and enhancing the accessibility and use of ICT in rural areas.	
Outputs and Results		Indicator	Target value (2023)
		Total investment (public + private)	250,000
		Total public expenditure	125,000
		Percentage of rural population benefiting from new or improved services/infrastructures (ICT)	TBC
		Number of operations for investments in broadband infrastructure and access to broadband, including e-government services	TBC

## Summary Performance Framework Targets

Priority axis		Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
				Transition	Transition
1	Promoting Research and Innovation Final	Productive investment: Number of enterprises receiving support	Enterprises		487
	Promoting Research and Innovation	Expenditure	Euros	8,098,701	31,709,670
	Promoting Research and Innovation	Number of enterprises receiving support that has been achieved by partially or fully completed operations Final	Number	120	
2	Enhancing access to, and use and quality of, ICT	Expenditure	Euros	1,336,087	5,231,318
	Enhancing access to, and use and quality of, ICT	Additional businesses with broadband access of at least 30mbps	Enterprises	339	1,326
3	Enhancing the Competitiveness of SMEs Final	Productive investment: Number of enterprises receiving support	Enterprises		1,914
	Enhancing the Competitiveness of SMEs	Expenditure	Euros	10,362,976	40,575,217
	Enhancing the Competitiveness of SMEs	Number of enterprises receiving support that has been achieved by partially or fully completed operations Final	Number	334	
4	Supporting the Shift Towards a Low Carbon Economy in all Sectors Final	GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2eq		7,929
	Supporting the Shift Towards a Low Carbon Economy in all Sectors	Expenditure	Euros	8,280,959	32,423,285
	Supporting the Shift Towards a Low Carbon Economy in all Sectors	Number of enterprises receiving support that has been achieved by partially or fully completed operations Final	Number	86	
5	Promoting Climate Change Adaptation, Risk Prevention and Management	Expenditure	Euros	2,747,866	10,759,000
	Promoting Climate Change Adaptation, Risk Prevention and Management	Percentage of schemes in place	Percentage	20	
	Promoting Climate Change Adaptation, Risk Prevention and Management	Businesses and properties with reduced flood risk	Number		2,220
6	Preserving and Protecting the Environment and Promoting Resource Efficiency	Nature and biodiversity: Surface area of habitats supported to attain a better conservation status	Hectares		107
	Preserving and Protecting the Environment and Promoting Resource Efficiency	Expenditure	Euros	2,388,456	6,576,178
	Preserving and Protecting the Environment and Promoting Resource Efficiency	Surface area of habitats supported in order to attain a better conservation status that has been achieved by partially or fully completed operations	Hectare	15	

Due to the specific funding criteria and eligibility restrictions, EU funding will not be able to support all activity as outlined in the Strategic Economic Plan so other funds will need to be sourced to make sure that the priorities are achieved.

2 other funding streams to be particularly aware of that will directly complement the Growth Programme Funds (ERDF, ESF and EAFRD) are the LEADER programme and GLLEP Growth Deal.

### *Leader in Greater Lincolnshire*

The LEADER approach is not a scheme, fund or set of objectives, but a method of harnessing local knowledge to enable a “bottom up”, community led approach to delivery of Rural Development Programme funding in rural areas.

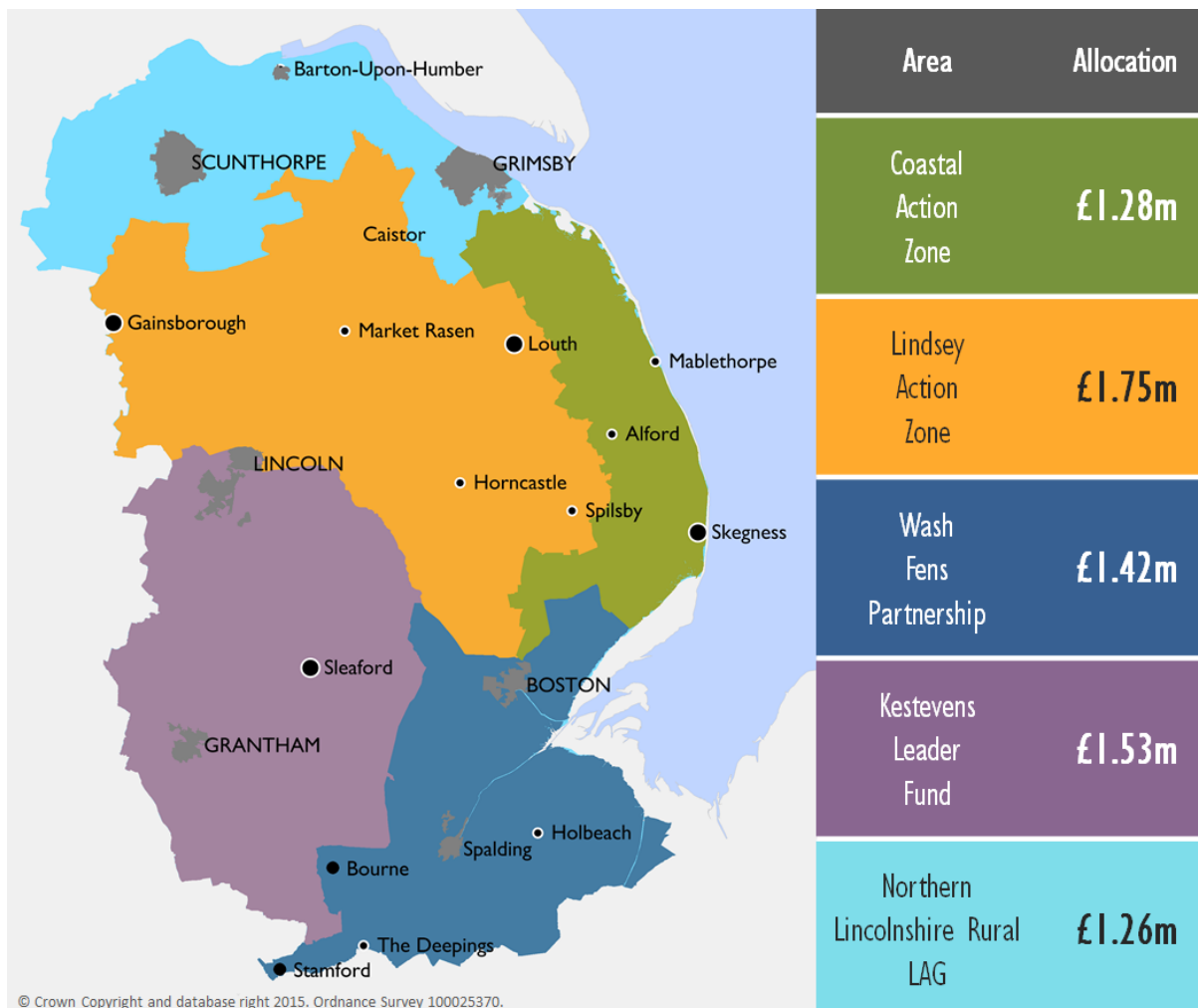
It works on the basis of a Local Action Group comprising local public, private and civil society representatives being delegated powers of strategy and delivery. Through an agreed Local Development Strategy, this allows them to address important local priorities in an innovative, locally specific and participative way. There are 80 Local Action Groups across England, and Greater Lincolnshire was successful in bidding for 5 of these groups.

**LEADER is based on seven principles - all of which must come together for it to be successful:-**

- Area-based local development strategies
- Bottom-up elaboration and implementation of strategies
- Local public-private partnerships: Local Action Groups
- Integrated multi-sectorial actions
- Innovation
- Cooperation
- Networking

**Defra's rural development priorities for LEADER Local Action Group areas for the 2014-2020 programme are:-**

- Support for micro and small enterprises and farm diversification.
- Support for rural tourism
- Support for cultural and heritage activity
- Provision of rural services
- Support for increasing forestry productivity
- Support for increasing farm productivity.



**LEADER is not available in built-up areas; *Lincoln, Grantham, Boston, Spalding, Scunthorpe, Grimsby & Barton-upon-Humber***

Each of the LEADER areas covering large rural parts of Greater Lincolnshire will need to ensure that this bottom up approach to funding, directly complements what the Growth Programme EAFRD are targeted at. For example where there are clear areas of activity that overlap both funds like the support for business, LEADER will target the micro and small enterprises wanting smaller amounts of grant funding, whereas EAFRD will support larger projects and can also include medium sized enterprises.

The ESIF Sub-Committee will have presentations on LEADER funding so that they can see how the programmes can be developed to complement and not duplicate activity.



## Growth Deal Funding in Greater Lincolnshire

The GLLEP will continue to promote a package of deliverable projects benefitting the whole of the GLLEP area that offer a strong growth deal to the GLLEP. 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 GLLEP Growth Deal was published on 7th July 2014. It sets out how the Government and GLLEP will deliver the Single Local Growth Fund element of the plan (SLGF).

The GLLEPs have committed an allocation of £67.5m through the growth deal to projects that embrace growth, job creation, skills and technology and seek to help Greater Lincolnshire's businesses and communities to move forward in a growing economy. They include:-

- **Grantham Southern Relief Road, LCC.** £16.1million from the Growth Deal will support the construction of a southern relief road for Grantham. The road will form a growth corridor to the east of Grantham joining the A1, re-routing through-traffic, improving the town centre environment and unlocking housing and employment land.
- **Boston Quadrant Infrastructure and Housing** - £4.8 million from the Growth Deal will provide essential infrastructure investment to improve access to the town centre and enable housing and employment land to be developed.
- **Boole Technology Centre, Lincoln Science and Innovation Park** - £3.4 million from the Growth Deal will help establish the first Phase of the Lincoln Science and Innovation Park, providing a state of the art innovation centre comprising laboratory, workshop and office space.
- **Unlocking Rural Housing Programme** - This £4.2 million programme will create much needed rural housing development, supporting economic growth in an area where there are significant barriers impeding housing delivery.
- **Skegness Countryside Business Park** - £4 million from the Growth Deal to create a new serviced employment park off the Western Relief Road, including development of a new innovation centre and roundabout.
- **Bishop Burton College, Lincoln** - Building of Phase 2 of the new college. £7.5 million from the SFA Skills Capital Pot to deliver a new specialist land based campus at the Lincolnshire Showground.
- **Development of an Enterprise Centre at Grantham College** £2.3 million to create a new business, computing and technology building, facilitating growth in the STEM (Science, Technology, Engineering and Maths) agenda





- **Lincoln Transport Hub** - £13 million to replace an outdated bus station with a revitalised transportation concourse, new pedestrian footbridge and a multi-storey car park, facilitating major city centre redevelopment.
- **Access to Employment Zones in North East Lincolnshire, A16 and A46 in Grimsby Road Improvements** - £4.2 million to enable access to housing and employment zones through the provision of key infrastructure.
- **Lincoln East-West Link Regeneration** - £1.1 million to capitalise on the opportunities unlocked by the construction of the new Lincoln East West Link road scheme, reclaiming adjacent land and providing new commercial, leisure and residential space.
- **GO Skegness Sustainable Transport** - £4.0 million for strategic sustainable transport initiatives and public realm improvements linking into Gibraltar Point and the town centre.
- **Berkeley Circle, Scunthorpe** – £2.9 million towards a key infrastructure project, significantly enhancing linkages between retail areas to the west of Scunthorpe and the town centre, improving access to employment land, and unlocking the potential to deliver additional housing numbers.

The GLLEP agreed an expansion to its Growth Deal with Government as of 29<sup>th</sup> January 2015, which will see an extra £14.8m invested in Greater Lincolnshire between 2016 and 2021.

- **Peppermint Interchange, Holbeach** - £2.4million towards road infrastructure and highway improvements that will unlock new employment land and housing development
- **Scunthorpe Town Centre** - £4 million to deliver infrastructure changes that will provide new homes, sustainable transport measures and new educational facilities
- **Lincolnshire Lakes Blue and Green Infrastructure, Scunthorpe** - £2 million towards first phase works on the Lincolnshire Lakes scheme creating a lake, sustainable drainage system and green infrastructure to unlock new housing development
- **South Humber Industrial Infrastructure Programme (SHIP) Phase 1** - £4 million towards a major programme of investment on the South Humber Estuary by removing environmental constraints and improving access between the Ports of Grimsby and Immingham

The European funding streams identified within our Structural and Investment Strategy 2014-20 will seek to compliment and add value to these activities and future projects as new funding is announced. For further information on each project visit <http://www.greaterlincolnshirelep.co.uk/funding/growth-deal>



# Collaborative planning to improve delivery

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One of the main principles that the GLLEP has adopted since it started is that it has porous boundaries and that it will work closely with other areas of the country on schemes that will support its economic growth. This is particularly relevant as North and North East Lincolnshire sit in two LEP areas (Greater Lincolnshire and Humber).

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

## **4.9.3 Sector Based Collaboration**

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

**Table 4.1 – LEP sector priority commonalities**

	GLLEP	D2 N2	LLEP	SC R	GC GP	Humber	NEP	L C R	New Anglia
Agri-food (+ food & drink)	●	●	●		●	○	●		○
Manufacture (+engineering)	●	○	●	●	●	○		●	○
Renewables (+low carbon)	●		●	●	●	●		●	●
Visitor economy	●	●	●	●		○			●
Logistics	●		●	●		●	●		○
Healthcare (+biotech/medi)	●	●		●	●	○		●	
Creative/Design & Digital/ICT			●	●	●	○	●	●	○
Financial & Business service			●	●				●	○
Construction	●			●					○

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

Table 4.1 shows the six priority GLLEP sectors and any other sectors adopted by more than one neighbouring LEP. It demonstrates considerable overlap in the sectors that LEPs have prioritised. For all six GLLEP priority sectors, at least five neighbouring LEPs have also identified that sector as important or a priority. Whilst LEPs are clearly co-operating in some areas such as bid proposals, shared areas and infrastructure, joint approaches to sector development are less evident. Nevertheless, such an approach may reap rewards, with potential to enhance business engagement (especially for larger firms that see themselves and their supply chains as covering multiple LEP areas), skills and supply chain linkages.

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

### ***Agri-food (and food and drink)***

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

### ***Environmental Industries and Renewables***

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

### ***Tourism and Visitor Economy***

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

### ***Manufacturing***

Nearly all the LEPs prioritise (advanced) manufacturing and engineering under one description or another, with prioritisation strongest in LEPs with big cities such as



Leeds, Sheffield and Leicester. Few are aware of Greater Lincolnshire's manufacturing base, so promoting its strengths in this sector may be a first step to developing linkages. The presence of Siemens in Lincoln may be a key asset in this respect – it sparked a mixture of surprise and interest when mentioned to LEP interviewees. Centres such as Nottingham, Leeds, Northampton, Sheffield and Hull also host a significant Siemens presence and this in itself could open up avenues for collaboration.

### *Ports and Logistics*

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

### *Health and care*

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

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

### *Skills*

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



### **Higher Education**

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

### **Financial loan funds**

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

### **Opt-in (EIB)**

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

# Partnerships and Delivery



# Governance Structures

## Greater Lincolnshire Local Enterprise Partnership

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

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

- **Ursula Lidbetter** (Chair: Business/Social Enterprise)
- **David Dexter** (Deputy Chairman: Small Businesses)
- **Andy Orrey**, Ongo Housing (Business, housing sector)
- **Chris Baron** (Tourist sector)
- **Herman Kok** (Construction sector/employment & skills)
- **Mark Tinsley** (Food & Agriculture)
- **Tony Hill** (Public Health)
- **Colin Davie** (Lincolnshire County Councillor)
- **Bob Adams** (Leader South Kesteven District Council)
- **Prof. Mary Stuart** (Higher Education)
- **David Watson** (NE Lincs County Councillor)
- **Liz Redfern** (Leader, North Lincolnshire Council)
- **Pat Doody** (Chair ESIF Sub Committee)
- **Richard Wills** (Executive Director, LCC, representing the LEP Secretariat)
- **Steve Middleborough** (Siemens)



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

## The European Structural and Investment Fund Sub-Committee

### **Partnership working: governance and roles of ESI Funds Growth Programme Board, its national and local sub-committees, Managing Authorities and local partners**

A national ESI Funds Programme Monitoring Committee (PMC) has been established in England. It is the PMC for the Operational Programmes for the ERDF and the ESF in England and is known as the ESI Funds Growth Programme Board (GPB).

The EAFRD PMC will be the PMC for EAFRD funds within the European Growth Programme.

The GPB is chaired by a representative of the Managing Authorities, who also provide the Secretariat. The membership of the GPB is drawn from representatives of a wide range of partners across the public, private, business, social, voluntary and environmental sectors.

The GPB is supported by a number of sub-committees advising it on relevant policy and operational matters. These sub-committees, which will provide supporting advice in specific policy areas such as innovation, skills and aspects of implementation, will bring in leading experts from their fields and provide an important resource for the GPB and ESI Funds Growth Programme.

All sub-committees will report to the GPB, to ensure transparency of proceedings. The GPB will not delegate decisions to these national sub-committees though their advice will be important in informing the GPB's perspective, advice and decisions.

The Managing Authorities will work in partnership with economic, environmental, equality, social and civil society partners at national, regional and local levels throughout the programme cycle, consisting of preparation, implementation, monitoring and evaluation.

At the local level, ESI Funds sub-committees have been set up in each Local Enterprise Partnership area. These local sub-committees in each Local Enterprise Partnership area will operate as sub-committees of the GPB, to whom they will report. Local promotion of ESI Funds projects and their impact will be a priority, as will local leadership of this amongst partners. This will complement the functions of the Managing Authority but not substitute for them.

Each Local ESI Funds sub-committee is therefore chaired by a local partner who, along with other members drawn from business, public, environmental, voluntary and civil society sectors, are advocates for the opportunities and impact of the ESI Funds. Membership of these sub-committees is inclusive and in line with EU



regulations and the wide scope of ESI Funds priorities. The Managing Authority is the Deputy Chair of the local ESI Funds sub-committee, except in London.

The role and purpose of these Local ESI Funds sub-committees is clearly defined in Terms of Reference published on GOV.UK<sup>7</sup>. They are not responsible for any tasks set out in EU regulations for which Managing Authorities are responsible in relation to management of the ESI Funds.

The local sub-committees :

- Provide advice to the Managing Authorities on local development needs and opportunities to inform Operational Programmes and ESI Funds Strategies;
- Work with sectors and organisations they represent so that they engage with and understand the opportunities provided by the ESI Funds to support Operational Programme objectives and local economic growth;
- Promote active participation amongst local economic, environmental and social partners to help bring forward activities which meets local needs in line with the Operational Programmes and local ESI Funds strategies and Implementation plans;
- Provide practical advice and information to the Managing Authorities to assist in the preparation of local plans that contribute towards Operational Programme priorities and targets. Similarly, provide local intelligence to the Managing Authorities in the development of project calls decided by the Managing Authorities that reflect Operational Programme and local development needs as well as match funding opportunities;
- Provide advice on local economic growth conditions and opportunities within the context of Operational Programmes and the local ESI Funds Strategy to aid the managing authority's assessment at outline and full application stage;
- Contribute advice, local knowledge and understanding to the Managing Authority to aid good delivery against spend, milestones, cross-cutting

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<sup>7</sup> The Terms of Reference for the Growth Programme Board can be found on the following web page:  
<https://www.gov.uk/government/groups/growth-programme-board>

The Terms of Reference for the local ESIF sub-committees can be found on the following page:  
<https://www.gov.uk/government/groups/local-enterprise-partnership-area-esif-sub-committees>



themes, outputs and results set out in the Operational Programme and local ESI Funds strategies.

In this way partners at local level will play the important role foreseen in the Common Provisions Regulation and the main principles and good practices set out in the European Code of Conduct on Partnership. Managing Authorities will ensure that partner roles and responsibilities are clearly set out at all levels and that conflicts of interest are avoided.

Where specific Managing Authority functions are designated to an Intermediate Body, that body will seek advice from the relevant LEP area ESI Funds sub-committee in the same way as the Managing Authority would. The LEP area ESI Funds sub-committee will therefore provide advice to the Intermediate Body and/or the Managing Authorities as appropriate and as set out in the written agreement with the Intermediate Body.

## Members of the Greater Lincolnshire ESIF Sub - Committee

ESIF Committee Member	Elected Substitute	Representation	Contact Details
Pat Doody (Chair)	Ian Green	Business Partner	<a href="mailto:Pat.Doody@natwest.com">Pat.Doody@natwest.com</a>
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To be confirmed		Local Authority (North Lincolnshire Council)	
To be confirmed		Local Authority (North East Lincolnshire Council)	
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Peter Holmes		BIS Local	<a href="mailto:pete.holmes@bis.gsi.gov.uk">pete.holmes@bis.gsi.gov.uk</a>



## ESIF Strategic Review Group

### Roles & Responsibilities

The Terms of Reference for the Greater Lincolnshire LEP area ESIF Sub-Committee were agreed by the Growth Programme Board in December 2015.

Members of the ESIF Sub-Committee have been asked to sign a code of conduct and declaration of interest which DCLG keep a register of.

DCLG have confirmed that local groups that support the ESIF Sub-Committee do not form part of the governance process and the ESIF Sub-Committee may choose to consider or disregard any advice given by the local 'Strategic Review Group'.

The objectives of the local Strategic Review Group are:

- Preparing presentations on GLLEP strategies and how they are being implemented and identifying the potential opportunities to use ESIF to support those strategies.
- Developing a work plan so that strategic information can be presented to the ESIF Sub-Committee in a timely fashion so members are equipped with the right information when making decisions
- Assisting Managing Authorities in providing local intelligence in the development of project calls.
- Specialist strategic advice and local intelligence on project proposals that have been scored and assessed by the Managing Authorities to ensure fit with local strategic priorities and assist members with a better understanding of how those proposals fit within the wider GLLEP priorities.

The outcome of the Strategic Review Group meetings will form papers which will be circulated via DCLG to the ESIF Sub-Committee.

Any member of the Strategic Review Group who feels that their advice may be a conflict of interest (for example if they have a direct interest in one project) then they will make this known to the members of the group.

Papers circulated to the ESIF Sub-Committee will have an annex to show members who attends each Strategic Review Group (this could change due to different specialisms being brought in to advise on specific activity) and any conflicts of interest raised at each meeting.



## Focus on bigger, strategic schemes

The Greater Lincolnshire LEP understands that there are strict compliance and eligibility criteria when supporting schemes using European funds. The GLLEP is keen to promote smaller numbers of strategic schemes that will give maximum impact and growth opportunities for the area. The GLLEP will prioritise programmes of activity that are right for the area, fit within the SEP and then look for the relevant funding sources to enable effective delivery. Working closely with partners and the Managing Agent will be key to successful delivery.

### Technical Assistance

Bringing forward schemes that fit the GLLEPs strategic priorities and meet European regulations can be challenging. Technical Assistance will be sought to help develop projects. This will include: encouraging partnership engagement; bringing forward fewer but more strategic schemes; balancing a range of 'quick win' schemes that should be compliant ready; and working closely with the Managing Agent local representative to bring forward medium/long term schemes which may have a longer lead in time.

This will help to ensure that strategic priorities are met and the right funding mechanism is used to support the activity – this could be through a specific EU funding route, a combination of funds or other sources of funding may be identified as being more appropriate for delivery. The GLLEP will refer to the [www.greaterlincolnshirelep.co.uk](http://www.greaterlincolnshirelep.co.uk) and [www.businesslincolnshire.com](http://www.businesslincolnshire.com) websites which details finance sources and this will also be up-dated with projects funded through the EU SIF once funding agreements are in place. This will help promote schemes of activity, help take-up and delivery and be an easily accessible site for public, private, third sector businesses, individuals and organisations to refer to.

### Joint applications to the Greater Lincolnshire and Humber LEPs

As North and North East Lincolnshire crosses boundaries with the Greater Lincolnshire LEP and Humber LEP, the two LEPs will have early discussions to agree at Stage 1 how strategic priorities of both LEPs will be met and share pipeline project information. Working closely with the Managing Agents from both areas will help determine the best way of packaging projects to ensure ease and effectiveness of delivery.

### EAFRD and Leader

Key priorities targeted at the rural programme will be focused on the agri food, low carbon, and water, and tourism sectors. The GLLEP will work alongside the Forum for Agriculture & Horticulture to help set the priorities for this funding stream. The





Forum is not just representative of the farming community but has a much wider membership to ensure it understands the needs of the wider rural community.

Terms of reference are in place which will ensure membership continues to be representative of rural businesses throughout the programming period. Mark Tinsley, the Chair, is a good link as a GLLEP and Forum member. The Forum will also be one of the Strategic Advisory Groups to the LEP board, specialising in the agricultural and food sector.

The GLLEP sees the importance of getting the place right so that funding can be targeted effectively.

The GLLEP also wants to ensure that it maintains connectivity between their overall strategic ambitions and specific funding streams identified to deliver these ambitions. It will therefore be important that Local Development Strategies developed through Leader link to the GLLEPs Strategic Economic plans and also that effective signposting can happen between schemes. A clear relationship will be developed between the successful Local Action Groups and the GLLEP to ensure consistent delivery across the funding streams.

# Consultation with partners

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The Greater Lincolnshire LEP has decided that it will construct its EU structural and investment funds strategy as part of the process that it is following to produce its strategic economic plan. This will ensure consistency and enable businesses and partners to engage with one clear message. Specific discussion and consultation about the strategic economic plan, its content and vision and how EU funding could be used to deliver against its priorities, has taken place as follows:

- Local Enterprise Partnership board meetings (two monthly)
- Visitor economy, manufacturing, and agri-food sector group meetings, led by LEP board members (roughly monthly, to consider sector priorities as reflected in this strategy document)
- Lincolnshire and Rutland Employment and Skills Board (quarterly, including specific discussion about ESF opt-ins)
- Lincolnshire Forum for Agriculture and Horticulture (quarterly, including specific discussion about EAFRD connections)
- Face to face interviews with 77 important local businesses (over summer 2013, to be increased to 100 by Christmas 2013)
- Involving Lincs, Lincolnshire's voluntary sector forum (3 specific meetings to discuss priorities and in particular the role that social inclusion can play in economic growth)
- Greater Lincolnshire Nature Partnership (to discuss the opportunities relating to the environmental economy)
- Heritage Trust of Lincolnshire (to identify the importance of the area's heritage to its economic growth)
- Lincolnshire affordable housing group (to identify the economic development schemes that could kick-start rural housing developments)
- Local authority lead economic development councillors' forum (quarterly, to discuss major priorities and the role that EU funding has in delivering these)
- Officer workshops, including education, voluntary, and local government sectors (2 meetings, to discuss major priorities and the distribution of EU funding amongst measures)
- Liaison with neighbouring LEPs, particularly Humber and York/East Yorkshire (phone conference involving LEP chairmen, 3 officers' meeting)
- Attendance at Humber LEP feedback session on draft EU SIF strategy

To date, therefore, we have consulted widely on our priorities and we shall continue to do so between the submission of the draft strategy and the adoption of the final version. The draft strategy is published on the Greater Lincolnshire LEP's website, and the priorities were discussed at the LEP's Business Summit on 8<sup>th</sup> November 2013. The Summit was attended by 200 people from across Greater Lincolnshire.

# Governance – Management of Funds

## Addressing State Aid

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The GLLEP will ensure projects meet local priorities which have real impact on the area; however, there is an awareness that State Aid rules are complex and the GLLEP wants to ensure that projects are robust in terms of strategic need and delivery.

The GLLEP as part of their governance structure will have priority specialists with an understanding of specific sectors i.e. manufacturing, engineering, tourism, agri/food etc. and the Accountable Body will also be able to advise, where appropriate, on State Aid implications at early stages of the development of projects.

The Accountable Body has considerable experience of developing, managing and monitoring European funded programmes and they will have an advisory role to the GLLEP. Technical Assistance funding could also help the GLLEP provide support to applicants by helping with project development to ensure Expressions of Interest meet GLLEP local priorities as well as European requirements. This will allow the GLLEP to focus time on selecting projects that are deliverable, can help scope and shape schemes at this stage to gain maximum benefit for the area and provide comprehensive feedback so applicants are clear on how to proceed.

At application stage the Accountable Body will work with the applicant to understand EU eligibility regulations and work closely with BIS/Managing Agents for advice on State Aid rules. The GLLEP are keen to liaise with the relevant Managing Agents at early stages of project development, particularly where there are State Aid implications, to ensure that schemes are compliant from the start and the focus can then be on delivery of the scheme.

The GLLEP would like to protect schemes as far as possible to ensure that projects:

- avoid penalties which could be faced by projects unwittingly giving illegal State Aid (usually due to lack of clarity/understanding of the State Aid rules) especially as we seek to encourage joint ventures and working in partnership with the private sector
- have support selecting the most suitable vehicle for State Aid relevant to their project (which could include designing aid to avoid or minimise the element of State Aid within a project)



- have assistance in handling notifications and procedures for getting State Aid approval which need specialist advice due to the complex and changing regulations

Projects will therefore understand the processes and assessments needed as required.

### Advice to the private sector

It is advised that private sector organisations seek independent legal advice. Any public funding being received should be directed to the public authority who will use advice based on the relevant government departments for example:

### Government Department State Aid specialists to be consulted

- DEFRA – agriculture, fisheries and aquaculture
- DfT – transport
- DCLG – land & property regeneration

### When is State Aid present?

4 criteria must be met for State Aid to be present:

- does the aid favour certain undertakings or the production of certain goods?
- Is aid provided through state resources?
- Does the aid distort/threaten to distort competition?
- Does the aid affect trade between Member States

If one or more of these conditions is **not** met this will not be a State Aid.

The GLLEP will have training/workshops to outline the basic principles of State Aid so that they are aware whether there are likely to be issues with specific schemes and have specialist legal advice through the Accountable Body/ Government Departments.

# Cross cutting theme: sustainable development

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## Sustainable Development Policy

Our ESIF Strategy aims to make a positive difference to the lives of people living and working in Greater Lincolnshire. Two cross cutting themes are being addressed: Sustainability and Equalities. The purpose of these cross cutting themes within the Greater Lincolnshire ESIF Strategy is to ensure that Sustainable development and Equalities underpin and inform all activity financed through the Programme. The aim is to integrate, or mainstream, the themes across all activities. Mainstreaming ensures that cross cutting themes are considered at every stage of the life of a programme/project, from its development, application and delivery, to how it is monitored and evaluated. As such they will contribute to the ESIF strategy aim of driving forward sustainable economic growth in Greater Lincolnshire.

### ***Sustainable development***

*'The goal of sustainable development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations'<sup>8</sup>.*

The objective of the sustainable development cross cutting theme is to deliver a balanced portfolio of environmental, social and economic gains from Programme Activities. The cross cutting theme does recognise however that environment is the most frequently overlooked and particular focus should be given to minimise environmental and resource impact, respect environmental capacities, and maximise the potential for the environment as an economic driver.

The effective integration of sustainable development principles into this ESIF Strategy can help deliver a more competitive, dynamic and innovative sub regional economy by embracing and responding to the wider multi-functional opportunities presented. For example, a high quality environment can enhance quality of life, improve productivity, help tackle deprivation and attract people, businesses and

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<sup>8</sup> Department for Environment, Food and Rural Affairs, Securing the Future, 2005, Available at: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/69412/pb10589-securingthe-future-050307.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69412/pb10589-securingthe-future-050307.pdf)

investment. Alternatively, improving environmental performance through measures such as energy and resource efficiency, sustainable transport and waste minimisation, saves businesses money while helping to reduce carbon emissions, water use and reduces the whole life costs of buildings and premises. To support the delivery of sustainable development, objectives will include supporting sustainable production and consumption (including the efficient use of resources), supporting sustainable communities and protecting and improving the built and natural environment.

Minimising a project's negative impact and, where possible, enhancing benefits will be achieved both directly by funding specific activities under each investment priority and indirectly by raising awareness of, promoting and developing sustainable development approaches in project design, delivery, monitoring and evaluation.

### ***GLLEP approach to sustainable development***

The GLLEP is committed to ensuring that ESIF contributes to the quality of the everyday environment within Greater Lincolnshire and, in so doing, promotes economically, socially, physically and environmentally sustainable forms of development and growth. This underpins all objectives outlined in this strategy. At the same time the GLLEP recognises that social, economic and environmental issues are interdependent and that activity in one of these areas should not be pursued in isolation but should also have consideration for the others.

The GLLEP endorses the principles set out by Government in its strategy for sustainable development, *Securing the Future*, which puts social progress, the environment and the economy at the heart of policy-making<sup>9</sup> The guiding principles state that the goals of the strategy are:

- **Living within Environmental Limits:** Respecting the limits of the planet's environment, resources and biodiversity – to improve our environment and ensure that the natural resources needed for life are unimpaired and remain so for future generations.
- **Ensuring a Strong, Healthy and Just Society:** Meeting the diverse needs of all people in existing and future communities, promoting personal wellbeing, social cohesion and inclusion, and creating equal opportunity for all.

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<sup>9</sup> [www.gov.uk/government/policies/sustainable-development](http://www.gov.uk/government/policies/sustainable-development)

- **Achieving a Sustainable Economy:** Building a strong, stable and sustainable economy which provides prosperity and opportunities for all, and in which environmental and social costs fall on those who impose them (polluter pays), and efficient resource use is incentivised.
- **Promoting Good Governance:** Actively promoting effective participative systems of governance in all levels of society – engaging people’s creativity, energy, and diversity.
- **Using Sound Science Responsibly:** Ensuring policy is developed and implemented on the basis of strong scientific evidence, whilst taking into account scientific uncertainty (through the precautionary principle) as well as public attitudes and values.

Projects funded with ERDF, EARDF and ESF will aim to deliver positive environmental impacts and minimise negative effects. To this end, key environmental protection requirements have been promoted in the identification of priorities. Key areas which the strategy will aim to address include:

- **Climate change and energy:** to mitigate the effects of climate change by reducing emissions of greenhouse gases and adapting to its impact. Activities such as promoting energy efficiency, developing and deploying renewable and alternative energy technology will be supported where these can contribute towards a more dynamic environmental business sector. Activities which promote climate change adaptation, risk prevention and management including measures that safeguard and enable sustainable economic growth, reducing significant flood and coastal risk to business premises and as a result addressing investment and economic growth risk constraints will be supported;
- **Natural resources and waste management:** to address the unsustainably high levels of natural resources used to drive economic development and manage the waste that is produced as a result. Activities such as supporting resource efficiency, encouraging sustainable consumption and production, addressing all aspects of waste management and pursuing environmentally sustainable procurement and commissioning will be supported;
- **Environmental quality including built and open spaces:** to ensure physical support for sustainable and high quality development, with a focus on areas of Greater Lincolnshire that have the greatest opportunity and need for regeneration. Investment in infrastructure will adopt the principles of sustainable design and construction to ensure that buildings have high environmental specifications; also that the surrounding natural environment is protected and enhanced to enable it to deliver its full range of social, economic and environmental functions.



- **Environmental awareness:** to improve awareness and understanding of how good environmental management and performance can provide financial benefits and competitive advantage in all business sectors;
- **Market development and support for the environmental sector:** to ensure that the full economic potential of the environmental sector is realised and that the Humber Energy Estuary will become the renewable energy and offshore wind capital of Europe. Activities such as work with the low-carbon sector to make it more competitive and innovative in the national and global market will be supported; and
- **The Polluter Pays principle will apply to all activities:** the ESIF will not be used to rectify environmental damage where a polluter can be identified or where legislation requires remedial action to be undertaken<sup>10</sup>.

### ***Implementation***

The GLLEP expect that wherever practicable all Programme Activities will be designed to promote mitigation and adaptation approaches to climate change and contribute to a more resource efficient sub regional economy by:

- Minimising the need to travel, and where necessary, taking steps to minimise the environmental impact of travel & transport (including procurement measures which allow locally produced/sustainably sourced goods and services to compete on equivalent terms);
- Programmes/projects should, through the consumables they buy and use, seek to minimise environmental impact(s) and maximise cost savings through the efficient use of resources;
- Undertake to reduce, reuse, recycle or reclaim wastes and surplus materials wherever possible;
- Require subcontractors, and encourage clients and collaborators, to do the same; and
- Consider opportunities for related social and economic benefits (e.g. involvement of local groups/volunteers).

Programme Activities that involve **capital investments in land and/or buildings** should:

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<sup>10</sup> Set out in article 192 of the Treaty on the functioning of the European Union.

- Prioritise existing buildings and brownfield land as development sites (where local conditions permit);
- Achieve BREEAM “Excellent rating” for new build projects (unless site constraints or project objectives mean that this requirement conflicts with the obligation to achieve value for money), BREEAM “Very Good rating” for refurbishment projects; and CEEQUAL Very Good<sup>11</sup> for infrastructure projects. Where alternative environmental assessment methods are used an equivalence rating should be achieved;
- Have regard to the conservation and enhancement of biodiversity; and
- Incorporate climate change adaptation measures at design stage.

The above will apply to both Programme/project design and delivery (operational) stages.

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<sup>11</sup> See for more information: [www.ceequal.com/](http://www.ceequal.com/)



# Cross cutting theme: equality and diversity

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The Equality and Diversity policy for the GL LEP, is encapsulated within the policy of its Accountable Body, namely Lincolnshire County Council. In terms of this document, the following elements highlight the undertakings that the GL LEP will aim to deliver, in respect of the EU SIF document.

## Aims

- The GL LEP acknowledge the collective responsibility to address imbalances caused by discrimination and disadvantage.
- The GL LEP SIF will aim to show that projects supported will contribute positively to equal opportunities by ensuring equal access across the area to EU funding opportunities. Projects will aim to break down barriers that are being encountered.
- The GL LEP will aim to be responsive and open and will ensure that people, and the communities where support is being offered are treated fairly, with courtesy and respect.
- The GL LEP will aim to promote equality and diversity in all aspects of EU funding and funded projects.
- The GL LEP will monitor the use of the resources, ensuring those aspects which are identified as requiring additional help to overcome barriers, receive the appropriate support.
- The GL LEP will aim to provide services, support and tuition that are accessible according to need, including offering equality & diversity based training (where possible).
- The GL LEP will aim to meet the needs and aspirations of people and the communities within its area.
- The GL LEP will aim to ensure that people can fully participate in and benefit from the diverse cultural, economic, and environmental quality of life that the area offers.
- The GL LEP will aim to ensure that best practice arising out of the projects that we are supporting, is disseminated as widely as possible.

## Commitment

GL LEP are committed to eliminating unlawful discrimination, promoting equality of opportunity and promoting good relations between people from different groups and expect the providers with whom we work to adopt the same ethos. Individuals,



project providers, and commissioners will be encouraged to undertake learning, and will receive support and equality of opportunity, eliminating discrimination regardless of:

- Age
- Disability
- Race, colour, nationality, national or ethnic origin
- Gender or gender identity
- Marital or civil partnership status
- Sexual orientation
- Religion, religious or political beliefs
- Caring responsibilities for children, family or dependants
- Social class, income or housing circumstances
- Trade union membership or trade union activity
- Any other status identified within the European Convention of Human Rights.

### Values and Benefits

The Equality and Diversity policy of the GL LEP Accountable Body demonstrate the value placed on Community Cohesion and Equality.

It is acknowledged that community cohesion and equality are two different concepts - the achievement of one does not always bring about the achievement of the other. It is important to recognise that there are different issues in achieving equality and community cohesion, how they are managed in order to achieve the aims of both.

Key principles and values include:-

- Promoting harmonious relationships between and within all communities.
- The celebration of cultural diversity as part of the quality and richness of life in the GL LEP area
- Knowledge, understanding, social and cross cultural contact between all communities

### Benefits of Promoting Equality & Valuing Diversity

There are many benefits of successfully promoting Equality and Valuing Diversity, all of which go to improve the services delivered to the participants/customers in the region by:-

- Creating a better working/training environment
- Improving awareness
- Enhancing motivation and building self confidence



- Developing a positive image in the community
- Meeting legislation
- Helping to build a creative and diverse workforce
- Providing a greater understanding of people's needs
- Assisting in creating a better working environment
- Helping to increase recruitment and retention

## Legislation and Codes of Practice

The Equality and Diversity policy held by the GL LEP Accountable Body, relates to the relevant Legislation, and codes of practice including the following:

- **Human Rights Act 1998**

### DISABILITY:

- **Disability Discrimination Act 1995**
- **Disability Discrimination Act 2005**
- **Disability Rights Commission Act 1999**
- **Special Educational Needs and Disability Act 2001**

### GENDER:

- **Equal Pay Act 1970 (as amended)**
- **Sex Discrimination Act 1975 (as amended)**
- **Equal Pay (Amendment) Regulations 1983**
- **Sex Discrimination and Equal Pay (Amendment) Regulations 2003)**
- **Sex Discrimination Act 1986**
- **Sex Discrimination (Gender Reassignment) Regulations 1999**
- **Sex Discrimination (Indirect Discrimination and Burden of Proof) Regulations 2001**
- **Equal Treatment Directive (amended 2002)**
- **Equal Pay Directive**
- **Pregnant Workers' Directive**
- **Equality Act 2006**
- **The Employment Equality (Sexual Orientation) regulations 2003 (as amended in light of Civil Partnership Act)**

### RACE AND RELIGION:



- Race Relations Act 1976
- Race Relations (Amendment) Act 2000
- Race Relations Act 1976 (Amendment Regulations) 2003 – EC Article 13 – Race directive enhancing RRAA – e.g. by amending definition of indirect discrimination
- Employment Equality (Religion or Belief) Regulations 2003

## Codes of Practice

### DISABILITY RIGHTS COMMISSION

- Code of practice: the elimination of discrimination in the field of employment against disabled persons or persons who have had a disability
- Code of practice: Employment and occupation (2004)
- Code of practice: Trade organisations and qualifications bodies (2004)
- Code of practice: Rights of access, goods facilities, services and premises (1999)

### EQUAL OPPORTUNITIES COMMISSION

- Code of practice on sex discrimination (1985)
- Code of practice on equal pay (2003)
- Code of practice for the elimination of discrimination on the grounds of sex and marriage and promotion of equal opportunities in employment

### COMMISSION FOR RACIAL EQUALITY

- Code of practice on the duty to promote race equality (2005)
- Code of practice for the elimination of Racial Discrimination in Education in England and Wales (1989)
- Code of practice in primary health care services (1992)
- Code of practice in maternity services (1994)