

Greater Lincolnshire LEP Board Meeting

Thursday, 20th July 2017
Meeting Room 1, Ground Floor,
South Holland District Council Offices, Priory Road, Spalding, Lincs, PE11 2XE

Paper 0- Agenda

Time	Item and brief description	Lead	Access/Circulation
10.00	Welcome, Apologies, Declarations of Interest <ul style="list-style-type: none"> • Approval of Minutes • Review of Actions 	Chair	Paper 1 attached
10.10	LEP Directors Report and Update from the Chair <ul style="list-style-type: none"> • Progress against Business Plan • Quarterly Financial Report • Forward Plan 	Ruth Carver, LEP	Paper 2 attached Paper 2.1 attached Paper 2.2 attached
10.15	LEP Board Terms of Reference Review and refreshing the board	Chair	Paper 3 – to follow
10.30	Emerging new Government themes and Local Industrial Strategies	Liz Shutt, LEP	Paper 4 – attached
10.45	Lincoln University and the growth agenda	Mary Stuart	Verbal
11.15	Future Funding and ESIF Update	Pat Doody	Paper 5 attached
11.30	Housing	Ian Fytche and Philip Roberts, NKDC	Presentation Confidential – Directors and Members Only Background paper in additional paper pack
12.00	SHDC – Priorities for Growth	Christine Marshall SHDC	Presentation
12.30	Any Other Business	All	

Attendees - LEP Board Directors: Ursula Lidbetter (Chair), David Dexter (Deputy Chair), Andy Orrey, Chris Baron, Cllr Colin Davie, Cllr Peter Wheatley, Cllr Rob Waltham, Herman Kok, Pat Doody, Richard Wills, Mary Stuart

Apologies Received: Steve Middlebrough

Observers: Pete Holmes BEIS, Simon Green NLC,

Officers: Ruth Carver, Sue Groves (Note Taker), Liz Shutt, Cathy Jones

For Agenda Items: Ian Fytche CX at NKDC, Philip Roberts Corporate Director at NKDC, and Christine Marshall, Director of Commercialisation

Additional Papers Pack (just for information and not for printing)

AP1 – Draft minutes of ESIF Committee – 6 June 2017

AP2 – Draft Minutes of Growth Hub Board – 16 June 2017

AP3 – LEP Sector Update

AP4 – Bi-monthly report May to July

AP5 – Draft minutes of ESIF CORE meeting – 7 March 2017

AP6 – Draft minutes of ESIF INTERIM meeting – 27 March 2017

Arrangements

The address for SHDC Offices is South Holland District Council Offices, Priory Road, Spalding, Lincolnshire, PE11 2XE. Please note that visitor parking at the Council offices is limited to 30mins only. Please see the attached map for car parking – the recommended car park is The Vista, Spalding, PE112RA, which is a very short walk away. The meeting will be followed by lunch, then the AGM and the Investment Board.

Key dates for LEP Board Members 2017

- Utilities Summit – 18th July – All Directors welcome
- Water Management Board – 19th July
- Visitor Economy Board – 13th September
- Manufacturing Conference – 15th September LEP Board and Investment Board – 29th September (North Kesteven District Council Offices)
- November LEP Board and Investment Board – 24th November (University of Lincoln)
- LEP Business Live – 20th October

Board Members:

Ursula Lidbetter- Chair; David Dexter – Deputy Chair; Cllr Colin Davie; Pat Doody;
Richard Wills; Steve Middlebrough; Andy Orrey; Chris Baron; Herman Kok

Apologies from Board Members:

Cllr Rob Waltham; Professor Mary Stuart; Mark Tinsley, Cllr Peter Wheatley

Secretariat: Ruth Carver; Andy Brooks (Item 4); James Baty (Item 6); Sue Groves (Note Taker)

Guests from SKDC: Cllr Matthew Lee (Leader), Bev Agass (Chief Executive), Steve Ingram, Paul Thomas

Observers: Pete Holmes (BEIS); Sam Downes (BEIS); Sally Grindrod-Smith (NLC)

Item 1 - Welcome and Introductions

The Chair welcomed all to the meeting. The minutes of the 23rd March meeting were agreed and can be published following minor amendment.

Declarations of Interest

As per the Register of Interest published on the LEP Website, specific declarations of interest for this meeting, Cllr Davie confirmed that LCC as the Accountable Body would be the employer, and the LEP the host organisation for the Careers and Enterprise proposal.

Actions:

Action: Minutes to be published – LEP secretariat

Item 2 - LEP Directors Report

Directors Recruitment

The recruitment of a Director from the Health and Social Care sector (public or private sector) is underway with a closing date of mid-June.

Two District Council Directors are being sought from the District Councils and we understand this will be considered at the next Chief Executive/Leaders meeting. There are three new Leaders in the Greater Lincolnshire area.

Visitor Economy Board

The first meeting of the Visitor Economy Board took place on the 4th May 2017 and was hosted by the Lincolnshire Wildlife Trust in Horncastle. The 20 representatives are a good cross-section wishing to work together on the common agenda and promote Lincolnshire. The next meeting is to be held on the 13th September 2017.

Cllr Colin Davie stated that District Councils were interested in the new Visitor Economy Board and may want to have a representative on this Board. Cllr Davie to discuss with Chris Baron (Chair of the VEB).

Manufacturing Board

A good cross-section of applications received and the first Board meeting will be held on the 29th June 2017, hosted by Siemens. Board members will be involved in the Manufacturing Conference which will be held later in the year.

Business Plan

The updated Business Plan is part of the "Additional Papers" pack, but if there any further comments, Ruth would welcome these.

Forward Plan

Agendas for future meetings were included in the Directors Report.

- Pete Holmes suggested that the headlines from the new Government should be included on the July Board agenda.
- Chris Baron suggested that the Visitor Economy Board be included on the September Board meeting

Industrial Strategy

The LEP's response to the Government's consultation on its Industrial Strategy was submitted at the end of April and is included in the "Additional Papers" pack and on the website.

Growth Deal Report

David Dexter was pleased to see that the report had been revised to include self-employed businesses and that this means we have more than doubled the amount of businesses operating in Greater Lincolnshire and that the LEP should consider how resources are spent.

Ruth Carver stated that the survival rates of small businesses are being looked at and so far shows that Greater Lincolnshire is above the national average for retention. However, David Dexter stated that these figures could be improved and that North East Lincolnshire shows fewer small business being retained, but higher new businesses starting up.

Actions:

- Headlines from the new Government on the July Board Meeting
- Visitor Board update on the September Board Meeting

Item 3 - Report from the Accountable Body for Financial Year 2016/17

Andy Orrey started by saying that new members for the Finance & Audit Committee are needed and welcomed any nominations. Ruth Carver said that the LEP membership has been written to asking for applicants.

Andy went on to explain that the Finance & Audit Committee had selected a project to walk through, looking at financial and risk information as well as process and internal controls. The board spent some time understanding and holding the LEP Director to account on the financial year. He also summarised the financial income and expenditure of the Greater Lincolnshire LEP from 1st April 2016 to 31st March 2017.

Growing Places Fund

The Board asked for an options paper on bad debt provision with the loan fund to be considered by the Investment Board.

Single Local Growth Fund

As at 31st March 2017, the Accountable Body held contracts to the total spend value of £235m with an agreed grant contribution of £79,755m single local growth fund, therefore leveraging in a further £141m of additional investment. Within the year, the LEP received the second tranche of growth deal monies to the sum of £47,863.47.

Accountable Body

The cost of the Accountable Body was forecast at the beginning of the year to between £70k and £80k and this year it is estimated that it will be £75k, as audited by Streets.

Recommendations

The paper was agreed in principle by the Board, however, it was agreed to circulate a final version following receipt of the audit report. The executive then would seek agreement prior to presentation to the members at the AGM.

Actions:

- Develop an options paper on bad debts and legal costs provision for the Growing Place Fund
- LEP Executive to circulate for electronic approval the final version of the financial report for 2016/17 for presentation at the AGM
- LEP executive to undertake a further round of nominations for the Finance & Audit Committee

Item 4 Utilities – Andy Brooks, LCC

Andy talked about a paper produced around the challenges of utility provision across GL. The LEP's Feasibility Fund contributed towards a Greater Lincolnshire utilities study.

The future proofing of the capacity of utilities in Greater Lincolnshire is desperately needed. Many partners locally are increasingly aware that development activity within Greater Lincolnshire is potentially being hampered because of constraints on the supply of utilities (electricity, water (supply and drainage) and gas infrastructure).

Atkins have been procured to carry out this survey and have asked stakeholders for their feedback. A final report is due in the near future. Two stakeholder events have already been held and Utilities Summit has been arranged for the 18th July 2017 and asked the Board to provide some views on the items for the agenda:

- Scope
- Findings
- Agreement on the emerging issues
- Plan to take forward issues, lead organisations etc.

Andy asked the Board to consider the following:

- To what extent can the LEP influence both Government and Utility companies
- What role can the LEP take to support local developers in bringing forward projects, where utility provision is proving a real constraint.
- Is there any appetite for a LEP Utility vehicle and would there be a greater achievement of impact if this were to be done collaboratively.

Actions: All Board members to be invited to the Utilities Summit.

Item 5 - Place Marketing

Ruth Carver presented an update on the place marketing work commissioned earlier in the year, the plans to expand Team Lincolnshire and demonstrated the marketing toolkit.

Actions:

- **Board members asked to contribute items for the toolkit, such as 5 items of outstanding photography, videos that represent Lincolnshire and quotes**

Item 6 - LEP Research Plan and the Annual State of the Economy report

James Baty from the LEP Team presented this item and outlined the research and intelligence plan for the year.

Research focused on the priority of emerging sectors, with a broad-reaching State of the Economy report to be delivered annually and will set out the main economic events over the previous year. The Impact Report is a progress report based on the contracted LEP activity. This includes a real-time monitoring of the economic growth, job creation, business support and home building directly supported by LEP activity. This is intended as an annual report and will sit alongside the State of the Economy Report to provide a full overview of the impact the LEP provides.

As well as the macro-level level indicators, it is important to monitor our main sectors progress. There have previously been two "State of the Sector" reports produced for the evidence base. An annual update will be produced, noting any changes occurring the priority and emerging sectors in Greater Lincolnshire and this will be completed by the end of the calendar year.

The Quarterly Economic Briefings use up to date indicators relating to the economy as well as results from the Chamber of Commerce Quarterly Economic Survey to provide quarterly monitoring of the local and national economy. The briefings currently take the form of an infographic page, together with some context which forms an ideal monitoring report.

There is also scope within the research programme to produce one-off focused reports on specific, relevant topics from various Boards and Committees. Previous examples included Business Demography and Living Wage.

Actions:

- **The research Plan for the Year was agreed**

Item 7 - A proposal to pilot a Careers and Enterprise Advisor

Ruth Carver presented this item - The LEP Board is asked to consider releasing £50k from the reserves to support a pilot programme that addresses careers information, advice and guidance in Lincolnshire.

The main gaps and challenges, of particular interest to the LEP, are lack of employer engagement in some schools, lack of knowledge in schools about the range of jobs and careers in Greater Lincolnshire, and a lack of resource in many schools to co-ordinate the large range of free careers schemes.

The Enterprise Co-ordinator would be employed by the LEP. This would ensure that the programme is embedded into the SEP and the Skills Strategy and aligned to the brand of the LEP and our Growth Hub. The Enterprise Co-ordinator would be line managed by the Skills Lead at the LEP and would report to the Employment and Skills Board, which would in turn report to the LEP Board. The Employment and Skills Board would therefore agree the project plan, budget, reporting and performance indicators.

The Employment and Skills Board and the LEP executive are therefore proposing that the LEP takes forward a two year pilot scheme for one Enterprise Co-ordinator. The pilot would be used to test the approach and to learn from the programme in a number of different settings, namely those schools that are perceived as good, those that are perceived as poor and those that are in rural locations and our urban centres.

The Humber LEP already covers North Lincolnshire and North East Lincolnshire, so the focus for this pilot would be Lincolnshire. Having consulted with Lincolnshire County Council, they are keen to support this initiative, but cannot give any financial support. The recommendation from the LEP team is that this pilot should focus on West Lindsey, East Lindsey, Boston and South Holland, and be a mixture of academies, grammar schools and special schools.

Chris Baron asked whether colleges could be included in the pilot, but Ruth Carver stated that the Careers and Enterprise Company concentrated on schools, but colleges may be included at a later date.

Actions:

- The proposal was accepted and the executive were asked to take the action forward working closely with the employment and skills board

Item 8 - MIPIM Report

Ruth Carver presented this item. The Board want to thank Team Lincolnshire and the LCC Team for organising attendance at MIPIM on behalf of the Greater Lincolnshire LEP. The report outlined the impact of attending MIPIM for Greater Lincolnshire and sought the Boards agreement for £10,000 contribution towards attendance in 2018.

Actions:

- The LEP board agreed a capped contribution of £10,000 towards Team Lincolnshire's presence at MIPIM 2018.

Item 9 - South Kesteven District Council – Priorities for Growth

Councillor Matthew Lee (Leader) welcomed the LEP Board to Grantham and SKDC's Offices. He said that he could see the potential of SKDC and will endeavour to make things happen to ensure delivery. SKDC had, in the past, a good relationship with the LEP and hopes that this will continue. South Kesteven is developing a new profile locally and nationally.

Beverley Agass, Chief Executive of SKDC also welcomed the LEP Board to Grantham and looked forward to working together even though she is leaving in the near future.

David Dexter congratulated SKDC on their business survival rates in that they had been second highest in the 5 year section and also in the 1 year section.

Steve Ingram, Director of Growth, then gave a very informative presentation, which will be circulated with the minutes.

AOB	<u>There were no items of AOB and the meeting was closed.</u>
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Board Directors are asked to note the content of this report, and give a decision on the following

- A letter of support for North Lincolnshire in respect of the logistics hub.

Area one - Policy & Strategy

There is a separate paper on the agenda on the emerging policy and themes from government

Manufacturing Board

The first meeting of this Board is taking place on 6th July with topics under discussion including; the implications of Brexit for the sector; the Manufacturing Conference in September and delivery of the LEP's Manufacturing Sector Plan for Greater Lincolnshire. The Board is made up of 16 members from across the manufacturing sector. See for more information visit

<https://www.greaterlincolnshirelep.co.uk/about/boards/manufacturing-board/>

National Productivity Investment Fund (NPIF)

In his 2016 Autumn Statement, this fund was announced comprising £23bn of additional spending in areas key to boosting productivity: transport, digital communications, research and development and housing. In January 2017, Department for Transport (DfT) confirmed individual awards to local highway authorities from a national allocation of £185m which aim to reduce congestion at key locations, upgrade or improve the maintenance of local highway assets, improve access to employment of housing or develop economic and job creation opportunities.

In his 2017 Spring Budget, the Chancellor launched a £690m competition for local authority projects aimed at tackling congestion and getting transport networks moving again. The DfT has since issued guidance on the application process for £490m of funding for 2018/19 and 2019/20. Funding is 100% capital and can be used for construction costs and land acquisition with a cap of two on the number of bids that an individual local highway authority can submit.

Four schemes have been submitted in Greater Lincolnshire with LEP endorsement:-

- Melton Ross Bridge – North Lincolnshire Council
- A17 Long Sutton – Lincolnshire County Council
- Welton Road roundabout – Lincolnshire County Council
- Brigg Link Road – North Lincolnshire Council

Housing Infrastructure Fund

- Expected to be launched 4th July by DCLG SoS at the LGA Conference

World of Work Website

The World of Work is the name of a new local website to be launched in October this year. It builds on the success of a booklet called Aspirations that was produced and circulated to schools between 2011 – 2014, aimed at sharing information and changing perceptions about jobs in local industry and sectors.

There is a large gap between what young people understand about the world of work and the reality, and there is little awareness of the fantastic careers that are available locally. The information that is held on the World of Work website will be about industry or business in Greater Lincolnshire.

Inward Investments Successes

This item will be covered verbally as the investments are commercially sensitive

Heathrow Airport Logistics Hubs - Confidential

Heathrow has announced the creation of new logistics hubs to pre-assemble components of the expanded airport before transporting them in consolidated loads to Heathrow. Their plan is not to build everything on-site with the logistics hub playing a key role in supporting the project's efficient delivery, through affordability and reduced emissions by transporting assembled components to site in fewer vehicles. Four new logistics hubs are planned in the UK to spread the jobs created from the project across more communities in every corner of the UK. While off-site construction has enjoyed some success in the construction of homes – reducing costs by up to 25% and speeding up project delivery by 30% – the approach has had a limited role supporting major infrastructure projects. The airport is aiming to drive a step-change in Britain's construction industry and give Britain a leading-edge in an untapped new sector that can then be leveraged to support other major projects around the world and Heathrow has invited communities across Britain to showcase why their area is suitable to host one of the new logistics hubs. Suitable locations will have good connectivity, access to a relevant supply chain and strong local skills.

The deadline for Expression of Interest is 31 July 2017 with British Steel leading a consortium to develop the Hub in Greater Lincolnshire, based around their site in Scunthorpe and are working with Hull University, North Lincs Council and the Humber LEP to prepare the application with other partners contributing as required. The LEP is asked to consider its support

Area Two - Business Performance

Actions against the SEP 2016-17	Ranking
1 LEP Activity, Business Engagement and Media	Green
2 Growth Deal Performance	Amber
3 Growing Places Fund	Green
4 Feasibility Funding	Green
5 ESIF	Green
6 Skills	Pending ESB assessment
7 Business Lincolnshire Growth Hub	Green

1 LEP Activity, Business Engagement and Media

- **LEP Board Lead – Ursula Lidbetter**
- **LEP Exec Lead – Ruth Carver**

LEP supplier services – A 4th contract this year has now been finalised for an agri-food consultant and this was won by Collison Associates. A further procurement will follow for PR agency services later this summer.

Financial Year End – This was successfully delivered faster and more efficiently than previously thanks to the LEP Accountable Body and Commissioning Teams working hard to implement new processes to support this. The AGM has subsequently been brought forward to July with the intention of holding annually around this time.

Place Marketing – Work to deliver a website and toolkit has been developed and ready to go live. Details and links will follow in due course.

Media – Successful Growth Deal projects (Broadfield Lane Boston), the Manufacturing Conference, the Manufacturing Conference and the 2nd of the Board Pen Portraits have been published. The quarterly newsletter was circulated at the end of June and new comms circulation groups set up.

Design and Branding – As part of the successful design contract, a new stationary suite and electronic and presentation templates are nearing completion along with our latest Annual Report 2016-17 in time for the AGM and subsequent Business Live conference.

LEP Business Live – Plans are progressing at speed with the theme agreed as Embrace the Future focusing at how new technologies and robotics will impact on our businesses.

2 Growth Deal Performance - Amber

- **LEP Board Lead – Ursula Lidbetter, Chair of the Investment Board**
- **LEP Exec Lead – Halina Davis**

Greater Lincolnshire has a challenging year in terms of spend this year, a growth deal expenditure of £15.7m. There are a number of slippages within the programme and it is clear that the 2017/18 growth deal expenditure target may not be fully achieved. Actions to meet this target are being undertaken, primarily examining options to bring forward programme expenditure. A full report is within the Investment Board paper pack.

3 Growing Places Fund - Green

- **LEP Board Lead – Andy Orrey**
- **LEP Exec Lead – Cathy Jones**

A claim was received for the second instalment of loan funding received from The Lawn. Meanwhile, Haywood Estates Ltd are progressing their full application for loan funding for Grantham Enterprise Village. The balance available to lend is £1.9m. Interest of £54k has been received on loan funding to Boston Quadrant.

4 Feasibility Funding - Green

- **LEP Board Lead Andy Orrey**
- **LEP Exec Lead Cathy Jones**

Claims were received in from the University of Lincoln/FSB, Beevor Street, Lincoln (Lincoln Science and Innovation Park) and Holbeach FEZ (Round 1 grants), and processed.

5 Skills – Pending business plan approval

- **LEP Board Lead – Herman Kok** **LEP Exec Lead – Clare Hughes**

There is a skills meeting in September

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6 ESIF - Green

- **LEP Board Lead – Pat Doody LEP Executive Lead – Susannah Lewis**

There is a separate paper on the agenda at this meeting

7 Greater Lincolnshire Growth Hub - Green

- **LEP Board Lead Prof Mary Stuart LEP Executive Lead Samantha Harrison**

Figures from April 2015 to 31 st may 17	Number
Growth Hub Adviser Engagements	1285
Business Diagnostics	726
Client satisfaction with Growth Hub Service	93%
Intermediary interactions	211
Businesslincolnshire.com unique users	90248
National Helpline call centre referrals	208
Start up enquiries to Growth Hub	99
Business Workshops event attendees	619
Sponsored event attendees	4550
Twitter followers	4255
New Jobs created (potential)	34 (416)

The Growth Hub's ERDF funded business support offer, Growth Lincolnshire, is now fully operational and has engaged with 516 businesses since it went live in August 2016, mainly through one to one business support. A workshop and events programme has commenced with 13 events delivered in the last quarter and 310 attendees. Further events are scheduled throughout the rest of 2017, across a wide range of topics such as 'Selling Over the Internet', 'Essential rules and regulations for business', 'How to create your business documents to attract investment', etc.

Social Change UK Ltd are delivering the Growth Hub PR & marketing contract which is working very well and we are seeing continued engagement through all channels, particularly through the online and e-newsletter channels. Business Lincolnshire is developing a number of case studies including video case studies to be used not only on the website but also for promotion of the Growth Hub. New branding for Business Lincolnshire has been developed and is starting to be rolled out, which aligns and updates Business Lincolnshire with the LEP branding. The Business Lincolnshire website is also being updated as part of this work.

Area Three – Company Business

Date and Meeting	Standing Items	Areas for discussion and decision
29 September 2017 GLLEP Board – NKDC (Sleaford)	Minutes of last meeting Management Report Media Report Emerging Policy	Skills Policy Visitor Economy Board Update (Chris Baron) Priorities for Growth NKDC Skills Eco System (Clare Hughes) Board Refresh
24 November 2017 GLLEP Board – University of Lincoln	Minutes of last meeting Management Report Media Report	Export and trade (Samantha Harrison) Growth Hub Review and recommendation from Review of the Business Survival Commission Q2 performance Food Board Update Manufacturing Board

1. Financial Update Quarter 1 – 2017-18

This report summarises the financial position of the Greater Lincolnshire LEP for the first quarter of 2017/18. The Accountable Body continue to hold and administer the funds on behalf of the LEP.

Operational Core Funding

The LEP's core income and expenditure for the period was:

- Total income received in period £500,000
- Actual expenditure outturn for April - June £ 56,989

The table below shows the breakdown of expenditure against the headings identified within the 2017-18 Business Plan, and the comparison of actual expenditure against projected budgets.

Table 1				
Budgeted Amount				
Budget Area	Sum of Original Budget	Sum of Revised Budget	Cumulative to date	Remaining to spend
Area 1 Executive Team	248,919	249,681	40,331	209,350
Area 2 Operational Budget	252,600	255,595	16,658	238,937
Grand Total	501,519	505,276	56,989	448,287

Following a review of Quarter 1 spend and activity:

The expected year end outturn has increased to £505,276.

- To date £463,975 is contractually committed to be spent leaving circa 40K in negotiation.
- If all spend is realised as projected there would be a requirement for a small drawdown from the LEP core reserves of £5,276

Defrayed* spend to date equates to £56,989. Although this appears low a further £69,464 is currently in the system and will be defrayed in July.

**Financial reporting is now captured on a defrayal basis (i.e. left the bank account) allowing for easy transfers to the balance sheet in order to calculate interest.*

Match Funding

There is a requirement for the LEP to match fund £250,000 of the core budget with a further £250,000 of match funding and to date we have consistently over-achieved the levels of match achieved.

To date £121,465 of evidenced match funding has been provided which has resulted in a positive contribution to our area of work. It is expected that the match funding target will be achieved by the end of

quarter 2 however we will continue to capture all matched resources showing added value towards our SEP and Business Plan delivery.

2. Other LEP Funds Update – 2017-18

Growing Places Fund (Invest & Grow)

£7,815,921 of loan finance has been awarded to 4 schemes to date with an initial loan for Golf Road, Mablethorpe paid back with interest. Within the quarter a payment of £190,000 has been released to the Lawn project where refurbishment is making good progress. It is expected that a second payment to the full value of the loan will be actioned in the next quarter.

Feasibility Fund

8 Contracts to the value of £276,500 grant have been awarded. Projects are progressing and the first grant claim has been received and paid. We are forecasting to pay all monies for these contracts in this financial year.

Single Local Growth Fund

The Accountable Body have taken receipt of the 2017/18 release of Growth Deal to the value of £15,687,335. The first quarter project claims are currently being processed. All projects were asked to review contract spend and output delivery with a view of issuing contract variations for more accurate reporting.

3. Accountable Body Costs

Following year end the Accountable Body have written to the Chair of the Finance and audit committee confirming year end balances and advising on expected interest and costs for the 2017/18 period. It has been estimated that interest on cash balances will be Circa £100,000 and that Accountable Body costs will amount to £85,000.

4. Finance & Audit Committee

The Appointments Committee has approved two appointments on the Finance & Audit Committee to replace committee members tendering resignations. These are:-

- Janet Hemmant (Vice Principal/ Boston College)
- Ian Knowles (Director of Resource/ WLDC)

Both have strong financial and risk management experience and will be asked to join the next F&A Committee in October. The board are asked to ratify these appointments.

5. Recommendations

The F&A Committee are asked to note the contents of the report and ratify the F&A Committee new members

Quarter 1 Progress against Business Plan 2017-18

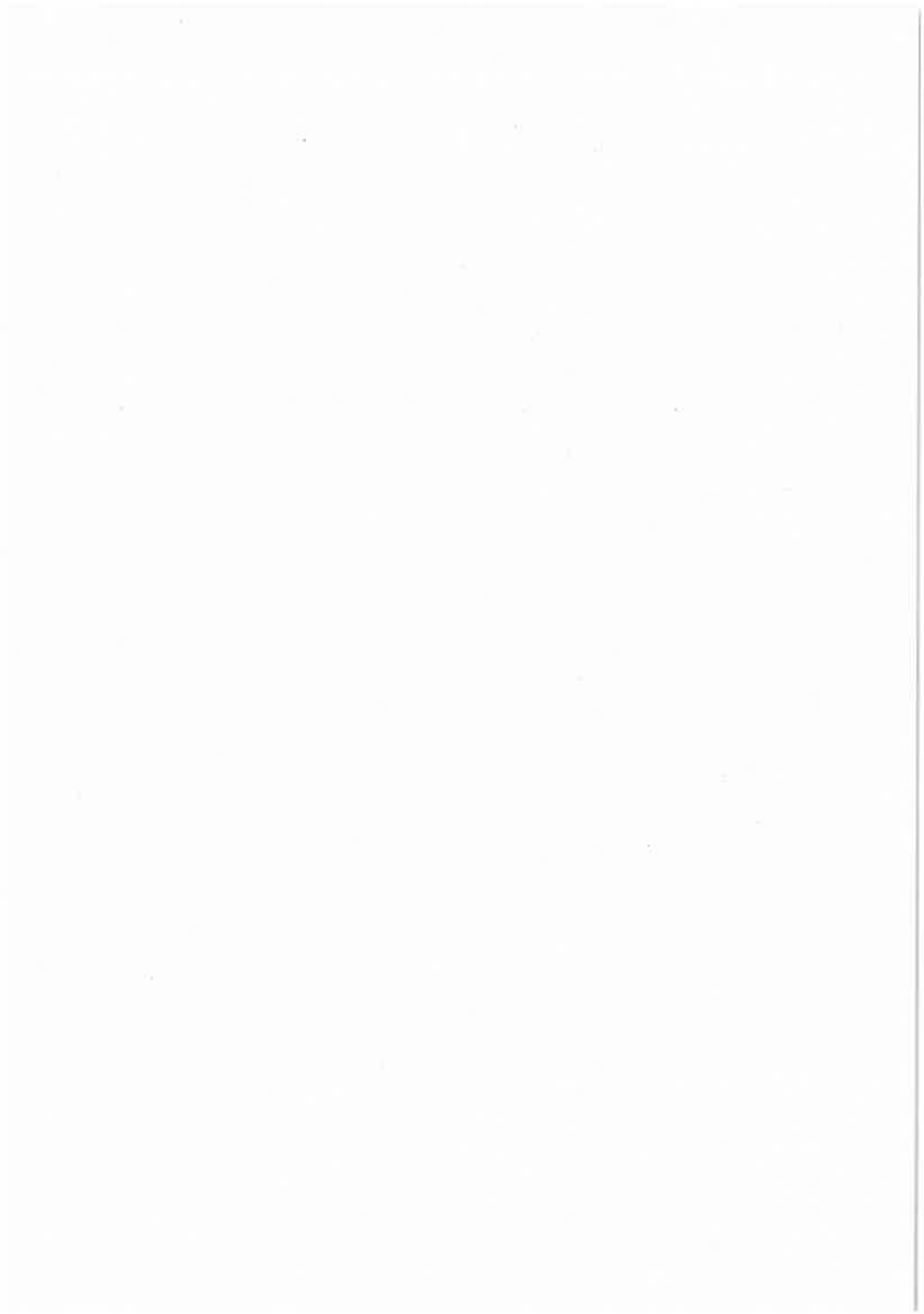
DELIVERY AREA	WORKSTREAM	PROGRESS
Delivery Area 1	1.1 Champion our strongest sectors	<ul style="list-style-type: none"> • FEZ LDO secured for Holbeach. Hemswell pending. • FEZ challenge Fund applications submitted and scored pending decision at Investment Board 20th July • FEZ task and finish group formed to develop website • Agrifood Centre of Excellence growth deal project is still awaiting contractual confirmation of ESIF grant monies. • Manufacturing Sector Plan refresh first draft complete. • Manufacturing board recruited and first meeting held 6th July • Visitor Economy board recruited and activity underway • Health & Care board director recruited
	1.2 Support partners with activity in our future delivery sectors	<ul style="list-style-type: none"> • New brand guidelines have been developed and the PR& marketing materials have been produced with the website refresh commencing in the autumn. • To date 301 businesses have received intensive support from the Growth Hub's Business Growth Advisers. • Digital landscape analysis research has been undertaken and an action plan has been developed, this will be presented at a future board meeting. • The Digital conference took place on the 17 May during Lincolnshire Tech Week with were 200 attendees. • ESF Projects continue to be monitored. Over 400 employers have taken advantage of one of these and over 1100 workers are receiving new skills or learning to contribute to the effectiveness and growth of the business. • The World of Work new website project has been developed and content for the new site is being developed working with local employers. • Work has begun on a proposal to support local providers and colleges to collaborate on future learning bids so that there is a greater likelihood of contracts being awarded locally. • Inward investment activity increased due to MIPIM 17 with 32 Team Lincolnshire sponsors
	1.3 Championing activity into new markets, modern telecommunications, infrastructure	

Quarter 1 Progress against Business Plan 2017-18

improvements and the skills of individuals and business owners	
1.4 Advocate and influence improvements to our area's transport Infrastructure (Transport Strategy)	<ul style="list-style-type: none"> • Several growth deal projects are or will be contributing to SIDP priorities. Initial meetings held with infrastructure project leads over the last couple of months. • The LEP is endorsing submissions to the National Productivity Investment Fund. Four projects have been submitted from the Greater Lincolnshire area for DFT to consider.
1.5 Support balanced housing and economic development and promoting the area's capacity to deliver high quality growth	<ul style="list-style-type: none"> • LEP responded to the Government's Housing White Paper • Housing discussion at the agenda
1.6 To develop an understanding of the impact of the Brexit vote on the local economy, identifying challenges and opportunities	Met with BRO's to understand impact and joint reporting
Delivery Area 2 Maximising impact from programme delivery	<ul style="list-style-type: none"> • Good progress is being made on many schemes and four projects are now completed on site and delivering against output targets. • Programme expenditure targets for first quarter 2017/18 are experiencing some project delays and mitigation measures are being presented to the 20th July Investment Board. • Assurance Framework continuously improved and implemented and additional updates have been drafted for consideration. • Greater Lincolnshire Growth Fund nearing delivery with procurement imminent for a delivery partner. • Feasibility Fund contracts have been agreed to develop the project pipeline
Delivery Area 3 Building Solid Economic Evidence and Analysis	<ul style="list-style-type: none"> • Q1 Economic Briefing for LEP was published in April • State of the Economy 2017 presented to LEP board 26th May • Business Survival Round table meetings undertaken and presented to Growth Hub Board on 14th June • Update on Sectors underway for publishing early July
Delivery Area 4 Good Governance	<ul style="list-style-type: none"> • Regular review and profiling meetings are being held between the LEP and Accountable Body in relation to Growth Deals, and the Accountable Body and LEP attend meetings with BEIS collectively every quarter to update on progress

Quarter 1 Progress against Business Plan 2017-18

	<p>reports/delivery.</p> <ul style="list-style-type: none"> • Effective working relationships and support provided to all of the LEP boards and the development of tangible outcomes • External audit completed and AGM brought forward to align more closely with financial year end date.
Delivery Area 5 Clear strategic communications and engagement	<ul style="list-style-type: none"> • New Comms circulation groups completed and being piloted • Quarter 1 Newsletter in new format completed. • Growth of promotion and sponsorship with Team Lincolnshire post the Midlands Engine MIPIM event • Delivered a Utilities Event (18th July). • Business Live 17 developed with the theme and focus to embrace the future, in particular looking at how new and emerging technologies will impact all of our businesses • Support provided by way of LEP presentation and skills priorities to Recruitment Fair in Sleaford, and to New College Stamford Board of Governors
Delivery Area 6 Robust Finance	<ul style="list-style-type: none"> • Finance and Audit new Committee members recruitment nearing completion • Accountable Body implementing additional procedures to report LEP finances accurately and timely



This paper summarises post-election developments and emerging themes in our area of interest and it recommends actions to positively position Greater Lincolnshire for future policy developments.

Recommendations:

- Ask the LEP executive to lead, with support from local partners and neighbouring leps, in the production of a high level local industrial strategy for Greater Lincolnshire.
- Ask the LEP executive to continue to develop policy positions on emerging areas such as future funding needs and institutes of technologies.
- Ask the LEP executive to work with local partners who wish to submit applications to the Housing Infrastructure Fund with sign off from the directors with leads on housing, Andy Orrey and Herman Kok.
- Ask the Chair, on behalf of the board to seek engagement with new ministers Claire Perry and Jake Berry, including possible visits to Lincolnshire.

Despite an unpredicted election outcome, there are a number of emerging themes and a degree of continuity in key areas affecting the work of Greater Lincolnshire LEP, including on the Industrial Strategy.

Queen's Speech

Board members will have followed the Queen's speech opening Parliament at the end of June. It was our first glimpse at how the Government is choosing to take forward an uncertain mandate and manage a hung Parliament. A number of high profile policies were noticeably left out of the Speech, including Grammar schools, the net migration target, and scrapping universal school meals.

Brexit makes up the majority of Bills scheduled for the two-year period covered by the speech, including the Repeal Bill and Bills on Customs, Trade, Immigration, Fisheries, Agriculture, Nuclear Safeguards and International Sanctions.

Non-legislative measure of note include:-

- **Deficit/austerity:** The Government's supporting documentation states "we will reflect on the message voters sent at the General Election – while always remembering that we have to balance the books and eliminate the deficit we inherited following the financial crisis. This is to ensure that future generations do not pay when we fail to live within our means".
- **Technical education:** Work to reform technical education continues, including the development of 15 technical education routes, within which students will sit T-levels, new Institutes of Technology, and continuing support for the expansion of apprenticeships.

- **Wage equality:** The Speech confirmed that the National Living Wage will be increased and also that there will be a focus on tackling the gender pay gap and discrimination against people on the basis of their race, faith, gender, disability or sexual orientation.
- **Housing:** The Housing White Paper reforms will be delivered aiming to: release more land for homes where people want to live and build new homes more quickly.
- **Energy:** A Green Paper will be published that will examine markets that are not working fairly for consumers.

Key ministers

In some senses, there is greater certainty that might otherwise have been due to the general lack of movement in top level positions. With Greg Clark still as the Secretary of State for Business, Energy and Industrial Strategy, the programme of work to further develop the Industrial Strategy Green Paper continues. Indeed, he reiterated his commitment to this during a speech to the CBI just after the election and a White Paper is expected in the Autumn. Justine Greening, known to have misgivings about May's Grammar School proposals, also remains as Secretary of State for Education. Sajid Javid is still the Minister for Communities and Local Government, with continuity therefore in relation to the Housing White Paper.

Board members will have followed the announcements of new positions, including Damien Green as First Secretary of State and Minister for the Cabinet Office, leading to speculation that a softer version of Brexit may emerge. Other new appointments of note include:

- Anne Milton as Apprenticeships and Skills Minister with a likely focus on career learning
- David Gauke, MP, as Work and Pensions Secretary
- Liz Truss as Chief Secretary to the Treasury
- Michael Gove is back in Government as Environment Secretary – the Food Board is preparing a letter to him and Greg Clark, setting out the priorities for Greater Lincolnshire
- Clare Perry is the new Minister for Climate Change and Industry and also our designated Ministerial Local Growth Champion.

Recent Meetings and Discussions – Emerging Issues

We have had a number of meetings with colleagues across Government since the Election, including from within BEIS, the Department for Education, DCLG and the Cabinet Office. A general refrain during these discussions is that plans made before the election remain in place, but on hold awaiting confirmation. That said, there are a number of themes emerging which are focussing minds:

Brexit: Ministers are keen to gather insights from business as negotiations continue. Plans for future funding post-ESIF are being developed in the shape of the UK Shared Prosperity Fund. New spending commitments from ESIF are set to end in Spring 2019, with domestic growth programmes concluding in 2021. The new fund will replace the £4.6bn ERDF and £3.9bn ESF. Alignment with a successor for Local Growth Funding is also being considered. A consultation is expected in the Autumn, with a fund up and running for March 2019.

Role and legal status of LEPs

The Conservative Party manifesto stated: "...we will support local growth through combined authorities, mayoralities and **local enterprise partnerships**...We will give local enterprise partnerships greater weight by **backing them in law**." This clear commitment to LEPs adds to the Industrial Strategy Green Paper decision to "work with Local Enterprise Partnerships to review their role in delivering local growth and examine how we can spread best practice and strengthen them". However, Backing LEPs in law could mean anything from status as statutory bodies in their own right with their own powers and duties, through to placing a requirement on other bodies to convene LEPs. There is no further information at this stage and the policy was not included in the Government's first Queen's Speech. The LEP Network has commissioned Metro Dynamics to gather views from the LEP Network.

Industrial Strategy: As stated above, work continues towards publication of a White Paper in the Autumn

– the focus on rebalancing the economy and productivity remains. We understand that the White Paper is likely to include greater emphasis on the linking to the Housing White Paper, the role of Universities and culture. Serious consideration is also being given to the Conservative Manifesto commitment to "make each LEP and combined authority responsible for co-ordinating their own local industrial strategy". It would be helpful to know the Board's view about how such an exercise could add value alongside the existing Strategic Economic Plans.

All businesses exist in a local place. They employ local people and are crucial parts of the communities and economies in which they operate. Collaboration and supply chains function across administrative boundaries and LEPs are working together (e.g. on food and drink, nuclear, automotive and aerospace) to reflect that. The Conservative Manifesto committed to recognising this interplay of national and local sectors and clusters, and the vital role of the SMEs that make up the majority of UK businesses. The opportunity here is to create local industrial strategies that are based on a detailed understanding of the local economy and business needs, and which can be used to join up action and funding locally, whilst also setting out clearly how nationally important sectors and firms will be supported. A national industrial policy is best created and then delivered through local strategies and plans. LEPs are already seen as the leaders of economic strategy in their areas and ask to lead the production of local industrial strategies, building on the work that they are already doing.

There is also an important opportunity, set out in the Manifesto, to better align growth, infrastructure and housing funding. It is increasingly likely that funding for major transport projects will come from a blended mix involving more local funding than in the past. The scale of these kinds of projects means that a regional or LEP area-wide approach will be needed. LEPs ask that their economic / industrial strategies are increasingly used to look across housing and infrastructure funding, setting the strategic framework and case for projects.

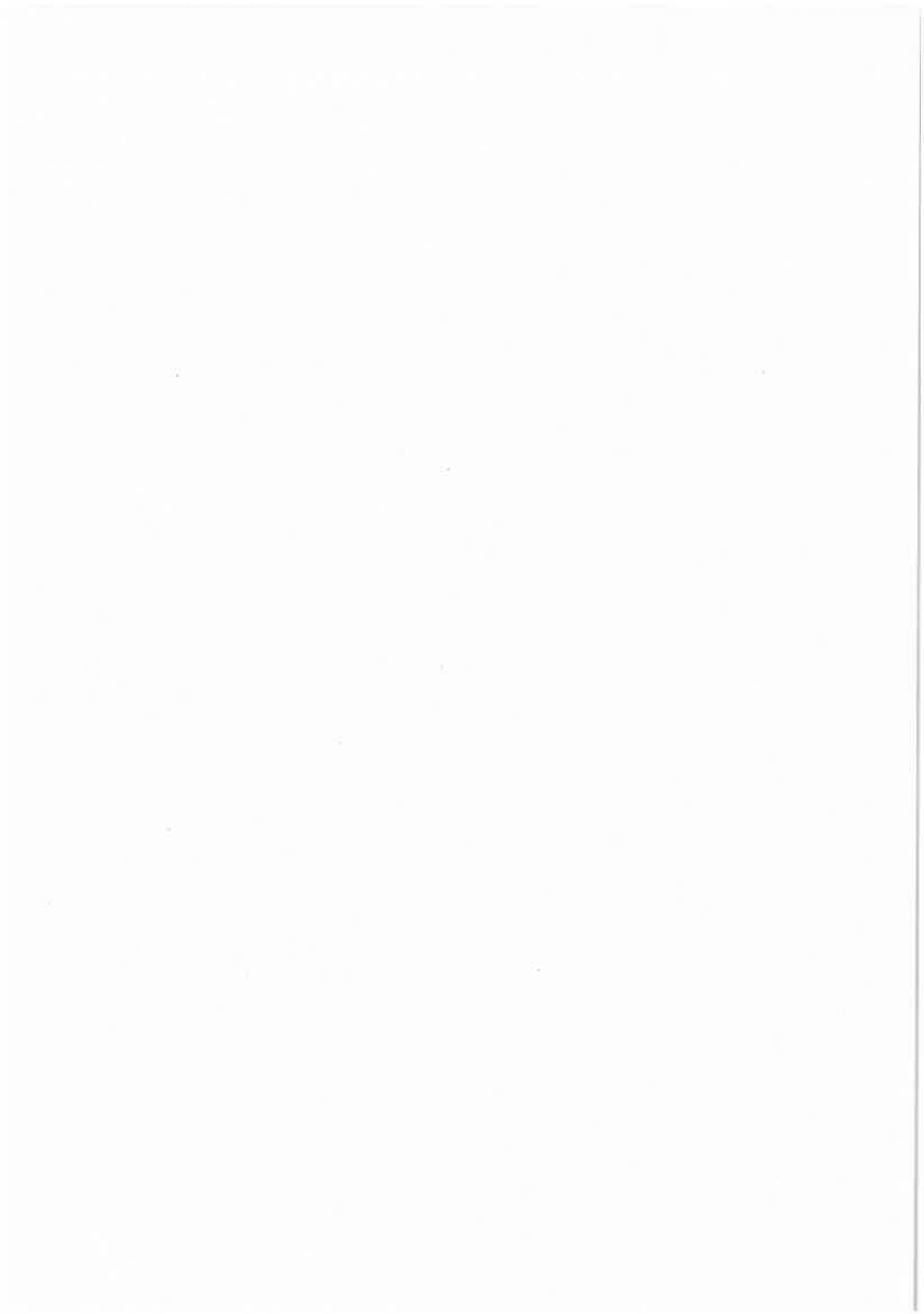
Governance of LEPs: The Government is clear that LEPs, with strong business leadership, should continue to play a leading role in local growth; including the development of local industrial strategies and administering the UK Shared Prosperity Fund. DCLG Non-Executive Director, Mary Ney, has launched a review of accountability and transparency. The Review is aiming to provide assurance that LEPs have implemented existing requirements for appropriate governance and transparency. Greater Lincolnshire has been engaging with the Review, which is expected to publish its recommendations shortly.

Business rates

The conservative manifesto committed to a further "full review of the business rates system" and "longer-term reforms". The Government promised to "continue to give local government greater control over the money they raise". However the Local Government Finance Bill, which included the retention of business rates policy previously discussed at the Board, fell when the election was called and a replacement was not mentioned in the Queen's Speech.

Housing: The Housing White Paper was referred to in the Queen's Speech and a £2.3 billion Housing Infrastructure Fund has been launched to offer funding to local authorities on a competitive basis, for infrastructure to support up to 100,000 new homes. Local Authority applicants are asked to work with Local Enterprise partnerships to develop proposals. Given that the LEP Board next meets close to the submission day, the LEP is asked to delegate this to the LEP Executive with sign off from the two leading housing directors, Andy Orrey and Herman Kok.

Technical Education: There was political consensus across the Conservative and Labour Manifestos on the need to tackle the gap in provision for technical and intermediate skills – by 2020, the UK is set to fall to 28th out of 33 OECD countries in terms of developing intermediate skills. This translates into cross-party support for increasing the number of apprenticeships and various solutions to improve Further Education. As such work continues to develop, the proposal for Institutes of Technology (focusing on qualifications at levels 3-5) and T-levels (aiming to simplify intermediate level qualifications and create a level playing field with A-levels). The Department for Education currently awaits advice as to how these proposals will be taken forward.



This paper is to provide LEP Board Members with:

- i. how our European Structural and Investment Fund programmes are currently performing
- ii. how we are trying to drive up performance
- iii. what we need to plan for in shaping policy around what domestic regeneration funding the Greater Lincolnshire LEP would want to lobby for post Brexit

European Structural and Investment Fund Performance up-date

As members will be aware, the Greater Lincolnshire area has notionally been allocated approximately £116m of ESIF funding for the period 2014-2020. There have been no immediate changes to the Government confirming that it will guarantee EU funding for ESIF projects signed before the UK's departure from the EU. The LEP's ESIF Committee ensures that projects requesting EU funds provide good value for money and meet local as well as domestic strategic priorities.

European Regional Development Fund (ERDF)

Funds are focused on larger, more strategic projects that will help realise growth in our local priority sectors. The Greater Lincolnshire notional allocation of ERDF funding for 2014-2020 is £62.2m where we have £42.1m under consideration of which £25.7m of projects have been contracted to date.

Projects include a Centre of Excellence in Agri-Food; a Lincolnshire Open Research & Innovation Centre, Broadband Connectivity, business support activity aligned to the Business Lincolnshire Growth Hub, flood defence activity around Boston Haven, Wrangle Sea Banks, Winteringham Ings and South Ferriby and a Gainsborough Marina biodiversity scheme.

Calls that are currently still open for outline applications to be submitted include:

- Supporting the shift towards a Low Carbon economy
- Promoting climate change adaptation, risk prevention and management
- Preserving and protecting the environment and promoting resource efficiency

The calls close on 31st October 2017. Outline applications are being submitted and reviewed but the area where we have struggled to bring projects forward has been under the Low Carbon measure, mainly due to timescales, eligibility restrictions and state aid issues. Nationally, this is a similar picture. The ESIF Committee are currently reviewing progress and demand for funding in the other measures, so we can make a case to move funds to areas where we have had more demand and in preparation of being able to launch further calls later in the year.

European Social Fund (ESF)

This fund focuses on activities that support people in and out of work and businesses with skills provision and support for improving social inclusion and labour mobility. The Greater Lincolnshire notional allocation is £45m over the full seven year period.

The opt in partners of the Department of Work & Pensions, Big Lottery Fund and the Skills Funding Agency have supported 12 projects, to a value of £18.1m. These programmes will run between 18 months to 3 years, and cover a range of activity from supported the economically inactive and unemployed, through to supporting individuals in work with their skills and training – together with the employer support to articulate business needs around skills and training.

European Agricultural Fund for Rural Development (EAFRD)

This fund is part of the Rural Development Programme for England (RDPE). The notional allocation of EAFRD for Greater Lincolnshire is £8.7m for the seven year period and this is a nationally run programme. We currently have calls open under food processing, business development and tourism infrastructure where minimum grants are for £40,000 to support our local businesses.

A similar amount is invested in LEADER activity which is a bottom up approach to rural development where we have local accountability for the funding. These funds also give direct local support to businesses and have ensured that our micro and SMEs have been able to access funding opportunities. The value of grants range from £2,500 to £170,000.

Funding is targeted directly at businesses to support investment in business diversification, food processing facilities, rural tourism, culture/heritage and rural services. All Greater Lincolnshire LEADER programmes remain open for business.

Driving up Performance

The ESIF Committee has been very keen that to publicise the ESIF funding programmes as widely as possible. This has been particularly important given the challenges around elections and Brexit which has seen programmes stopping and starting. We have now delivered our 19th event since the start of the programmes to over 700 businesses and partners and have had very positive feedback and an increase in project applications being brought forward. We have two further events planned for July to promote LEADER/EAFRD and our Growth Hub activity at Stoke Rochford on 18th July 2017 and Forest Pines, in partnership with Northern Lincolnshire, on 25th August 2017. Events have taken place all around the Greater Lincolnshire area to disseminate call information as widely as possible to our business community and partners.

Future Priorities for Funding Post Brexit

As part of the Brexit process, the government is committed to designing a new funding programme, to be known as the **United Kingdom Shared Prosperity Fund**, specifically designed to reduce inequalities between communities to help deliver sustainable, **inclusive growth** based on the modern industrial strategy.

Government have committed to consult widely on the design of the fund, including with the devolved administrations, local authorities, businesses and public bodies. Early stage consultation on this successor to ESIF has now started. There may also be potential for this to be the successor to the Local Growth Fund, in whole or in part.

The LEP Board and the ESIF Committee and our local partners will want to seek to ensure that the funding policy fits with Greater Lincolnshire needs and opportunities. The ESIF Committee are meeting on 17th July 2017 to review what the ESIF Programmes have achieved in targeting schemes that support economic need and Local Growth Deals which are focused around growth opportunity. We will also start to identify questions that government officials are posing during the design process of the fund, so we can work with officers in producing a position statement on future funding for Greater Lincolnshire.