



LEP DIRECTORS BOARD

23rd March 2018

International Bomber Command Centre,
Canwick Hill, Lincoln, LN4 2RF

Paper 0 - Agenda

Time	Item and brief description	Lead	Access/Circulation
9.30	Tour of International Bomber Command Centre		
10.00	Welcome, Apologies, Declarations of Interest <ul style="list-style-type: none"> • Approval of Minutes • Review of Actions 	Chair	All Members Paper 1 attached Paper 1.1 attached
10.10	LEP Directors Report and Update from the Chair <ul style="list-style-type: none"> • Forward Plan • LEP Review • LEP Conference & Dinner - 20th March 	Ruth Carver, LEP	All Members Paper 2 attached
10.30	Governance & Performance Update	Ruth Carver, LEP	All Members Paper 3
10.40	Productivity Report - Briefing	James Baty, LEP & Adam Peacock, Code Consulting	All Members Paper 4 & 4.1 attached Presentation
11.10	Implementing the outcomes of the Utility Study Briefing and decision on next steps	Andrew Brooks, LCC	All Members Paper 5
11.30	Update on progress with the Local Industrial Strategy - Briefing	Liz Shutt/Cathy Jones/James Baty, LEP	All Members Paper 6
12.00	Update on LEP Strategies	Cathy Jones	Paper 7 attached
12.10	Update from the Food Board and Work Plan for the year - Decision	Ruth Carver	Paper 8 attached
12.20	Terms of Reference and work plan for the Growth Hub Board - Decision	Mary Stuart	Paper 9 attached Paper 9.1 attached
12.30	Revised Terms of Reference and Work Plan for the ESB	Herman Kok	Paper 10 attached Paper 10.1 attached
12:40	AOB and close of meeting		

Attendees:

Ursula Lidbetter (Chair & Lincs Co-op), David Dexter (Vice Chair & FSB),
Cllr Colin Davie (LCC), Cllr Craig Leyland (ELDC), Cllr Peter Wheatley (NELC),
Cllr Ric Metcalfe (CoL), Cllr Rob Waltham (NLC), Chris Baron (Butlins, Skegness)
Dean Fathers (Health), Herman Kok (Lindums), Mary Stuart (UoL),
Pat Doody (Nat West), Richard Wills (LCC), Steve Middlebrough (Siemens)

Apologies: None

Observers: Pete Holmes (BEIS), Simon Green (NLC), Chris Duffill (NELC)

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

For Agenda items: Adam Peacock, James Baty, Cathy Jones, Andrew Brooks

Parking Arrangements

Location Map attached and visitors will need to pay for parking on arrival and place the ticket in the windscreen. Parking costs are £3.00 for the first 3 hours and £2.00 per hour thereafter.

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

AP1 - Minutes of Manufacturing Board - 6th December 2017

AP2 - Minutes of ESIF Committee - 16th January 2018

AP3 - Minutes of Visitor Economy Board - 24th January 2018

AP4 - Bi-monthly Report (16th January - 12th March 2018)

Key dates for LEP Board Members 2017

Water Management Board

10th May 2018, 30th July 2018, 8th November 2018

Manufacturing Board

16th April 2018, 3rd July 2018, 2nd October 2018

Visitor Economy Board

17th May 2018, 20th September 2018

Employment & Skills Board

11th April 2018, 4th July 2018, 3rd October 2018 - Skills Board Planning Session,
21st November 2018

Innovation Council

14th March 2018, 12th June 2018, 19th September 2018, 11th December 2018

Growth Hub Governance Board

13th March 2018, 10th July 2018, 13th November 2018

ESIF Sub-Committee

21st March 2018, 20th June 2018, 19th September 2018, 5th December 2018

Present:

Board Directors: Ursula Lidbetter (Chair) (Lincs Co-op), David Dexter (FSB) , Chris Baron (Butlins) , Cllr Colin Davie (LCC), Cllr Craig Leyland (ELDC), Cllr Rob Waltham (NLC), Cllr Ric Metcalfe (CLC), Herman Kok (Lindum), Prof Mary Stuart (UoL), Pat Doody (Nat West)

LEP Executive: Ruth Carver, Halina Davies, Cathy Jones, Sue Groves

Observers: Pete Holmes (BEIS), Simon Green (NLC) , Warren Rails (LEP Network)

Apologies: Richard Wills, Cllr Peter Wheatley, Dean Fathers, Steve Middlebrough, Sarah Hendry

Guests: Eve Fawcett-Moralee, Jo Walker, Marina Di Salvatore, WLDC

Welcome by the Chair

Apologies and Declarations of Interest

Formal apologies were received from the following Directors:

Richard Wills (AB, LCC) Cllr Peter Wheatley (NELC), Dean Fathers (Health), Steve Middlebrough (Siemens)

Declarations of Interest:

Full declarations of interest can be found at

<https://www.greaterlincolnshirelep.co.uk/documents/declarations-of-interest-register-nov-2016/>

The board were reminded that declarations of interest are required as part of LEP governance and must be submitted at least annually, and if anything changes to the LEP office at the earliest convenience.

Declarations relevant to this meeting:

Cllr Davie, LCC – Holbeach FEZ - Update on FEZ

Ursula Lidbetter Lincolnshire Co-op, – Lincoln Science and Innovation Park

Prof Mary Stuart – University of Lincoln - Lincoln Science and Innovation Park

Cllr Rob Waltham, NLC – Lincolnshire Lakes Northern Roundabout – LEP Directors Report

Simon Green, NLC – Lincolnshire Lakes Northern Roundabout - LEP Directors Report

Minutes and Matters Arising

The minutes of the 29th September 2017 were accepted as a true record and can be published on the website. Any matters arising are included on this Board's agenda.

LEP Exec

LEP Directors Report & Update from the Chair

UL attended the inaugural meeting of the Food and District Council on the 29th January 2018, for which she is the LEP national representative. A request was made for resource to support the LEPs and it was agreed Martin Collison should take on this role as part of his current contract and support the LEPs. An immediate task was to assess the current research and strengths across the interested LEPs.

Martin Collison

Approval sought from the Board for the Chairman of the Employment and Skills Board to be delegated powers to provide letters of support for the Flexible Learning Fund – Approved.

Clare Hughes

<p><u>The LEP Network and its Priorities – Warren Rails, Director LEP Network</u></p> <p>It was explained that the LEP Network is run by LEPs for LEPs and that it employs 3½ members of staff. It represents all LEPs and is a central vocal point for issues to Government. The cost to each LEP is £6k and also receives Government funding and sponsorship. It is responsible for organising the Annual Conference and Dinner. Queries from external stakeholders can be put in touch with appropriate LEP.</p> <p>The priorities for the LEP Network are:</p> <ul style="list-style-type: none"> • LEP Review • UK Shared Prosperity Fund • Showcasing LEP impact • Event to be held on 20 March that Ministers will be attending • Bi-annual meeting that the Prime Minister will attend 	
<p><u>Update on Local Industrial Strategy – Cathy Jones presented this item</u></p> <p>Following on from the LIS Strategy day held in December, the Board was asked consider their priorities. The National Industrial Strategy White Paper is still the most up-to-date guide on the Government's expectations of Local Industrial Strategies. This will be developed in a phased approach, after the pathfinders. Work on the Brexit impact has already been commissioned, as has Productivity. LEP executive team were asked to compile a briefing note on the Brexit research being undertaken by both the LEP and the Local authorities.</p> <p>Stakeholder engagement is ongoing and a Plan is being produced. As part of this, Roundtable meetings with MPs and local businesses are to be held and sectors will be briefed at their meetings. Business engagement needs to be shown and it could be that Growth Hub Advisers could seek business views.</p> <p>DD asked whether R&D tax rates, which are only available to limited companies, could be extended to non-limited companies as there is estimated to be 50,000 small businesses and self-employed which are not registered and therefore not picked up in the business register.</p> <p>PH suggested that GLLEP should focus on identifying specific prioritised opportunities aligned to the Industrial Strategy and underpinned by robust evidence.</p> <p>It was unclear whether it would be necessary to maintain (and therefore refresh) the SEP as well as the LIS, with the latter being a more focused document, but the LEP was rightly focusing its efforts on building and refreshing its evidence and engaging stakeholders at an early stage.</p> <ul style="list-style-type: none"> • GLLEP may want to look at the SEP in the future • Local and regional stakeholders may need to be involved early • LIS is a more focused document, but will update further <p>RC to circulate dates of Roundtable meetings with MPs and would like Board Directors to attend, with large and small stakeholders invited. So far, meetings with Matt Warman (2nd March) and John Hayes (16th March) have been arranged.</p>	<p>LEP Exec</p>

<p><u>The Board Agreed</u></p> <ul style="list-style-type: none"> • To note the content of the LIS and the direction of travel. • To circulate a note on the BREXIT research and the relationship to the LA's research on BREXIT. • Seek volunteers from the Board to cover the MP roundtables. 	
<p><u>Scrutiny Arrangements</u></p> <p>Ruth Carver presented this paper; one of the recommendations from Mary Ney was for LEP's to develop independent scrutiny arrangements. A discussion paper was circulated. The proposal is to form an independent Greater Lincolnshire wider scrutiny committee and options were discussed. It was suggested that GLLEP could look at examples of other LEPs and look at the website "Centre for Public Scrutiny".</p> <p><u>The Board Agreed:</u></p> <ul style="list-style-type: none"> • To note the content of the report and the direction of travel. • For a more detailed paper to be brought back to a subsequent meeting. 	LEP Exec
<p><u>Visitor Economy Update and Proposals – Chris Baron</u></p> <p>Chris Baron, lead board director on the visitor economy, updated the LEP board on the progress on the visitor economy sector, and the action plan. The report was noted. A request was made for :</p> <ul style="list-style-type: none"> • Up to £5k, as a one-off contribution, towards an enhanced or new website for the Visitor Economy sector across Greater Lincolnshire. Other partners to contribute. • Additional resources needed at LEP level to represent Lincolnshire nationally and with bodies such as Visit England/Visit Britain. A contract of up to £10k per is requested and this may be used to employ a consultant. <p>CB stated that the recent Hotel study is to be released in the near future and will be on the next Board agenda.</p> <p><u>The board agreed:</u></p> <ul style="list-style-type: none"> • To support the website and additional resources to the value of £15,000 	LEP Exec
<p><u>Update on FEZ – Halina Davies</u></p> <p>HD gave an update on each of the emerging Food Enterprise Zones across Greater Lincolnshire.</p> <p>Europarc FEZ – The project will enable two very specialist commercial units to be delivered. Significant progress has been made on the scheme with the scheme design and appraisal agreed with the landowners, and enquiries already increasing for the site. Independent state aid advice has been sought by North East Lincolnshire Council and there are no concerns identified, Due Diligence is expected to be carried out in March.</p> <p>Central Lincolnshire FEZ – The aim of the scheme is to develop Hemswell Cliff Business Park to create a Central Lincolnshire Food Enterprise Zone, supported by an LDO along the A15 growth corridor. This will provide flexible and cost effective premises to meet the demand of expanding local agri-food businesses and inward investors. WLDC now has a technical solution for the power supply across the site. General progress:</p> <ul style="list-style-type: none"> • Requirements for Phase 1 still to be finalised • LDO already in place • Design for access road has been completed, but still needs to be discussed with Highways 	

- Due Diligence of the scheme is due at the end of February
- Once all in place, state aid advice can be commissioned
- Transfer on the SPV is about to be concluded with the landowner
- Already interest for additional space on the FEZ site from existing nearby businesses.

South Lincolnshire FEZ – LCC have completed the enabling road improvements at the junction of the A17 and A51, including a new roundabout on the A151 which will provide access to the FEZ site. SHDC is developing an LDO which is scheduled for adoption in March once it has been approved by the Secretary of State via DCLG. Once adopted, this will create a simplified planning regime for the delivery of the FEZ. The LEP agreed to convene a meeting of the three FEX to explore options for commercial marketing.

The board agreed

- To note the content of the report and the progress made

Governance & Transparency

Halina Davies presented this item. HD talked through the Mary Ney recommendations on governance and transparency, and the national guidance issued recently by BEIS. There are five items that need to be agreed and published by 28th February. Further training regarding the Local Assurance Framework to be carried out.

Approval sought from the Board for the updated LAF and associated policies, including new Register of Interest and Code of Conduct. The register of interest must be returned to the LEP Executive as soon as possible, and new register of interest must be notified within 30 days to the LEP.

LEP Board

The LEP Board agreed to approve the following:

- The code of Conduct for Directors
- The Register of interest for Directors
- The Complaints and Compliments Policy
- The Whistleblowing policy
- The latest version of the Local Assurance Framework

Economic Growth Priorities for WLDC

Eve Fawcett-Moralee (Executive Director of Economic and Commercial Growth) gave a presentation on the priorities for Growth for WLDC.

Priorities for Growth

- Central Lincolnshire Local Plan – working on regional strategy
- To attract inward investment through major project delivery
- To retain, support and facilitate the growth of businesses in the District
- Housing led economic growth, for which there are opportunities
- To understand and address the skills gap in the District, as in Greater Lincolnshire
- Promote and expand the agri-food sector
- To understand and promote the value of the visit economy

Delivering Major Projects – Invest Gainsborough

- Alter perception of Gainsborough to attract investment and build new and differentiated housing market
- Housing Agenda – Housing Zone sites, 2 strategic sites – Riverside Gateway and Riverside North are two gateway sites
- Growth Programme – Successful GLLEP Growth Deal funding of £4m, Development Partnership, Sun Inn, Market Street Renewal, Improved Public Hub at Guildhall, Potential Marina,

Gainsborough Green Corridor – this is a boost to confidence for Local Authorities

- Objective: lead Gainsborough to a financially self-sustainable future, with MTFP £2m income to replace revenue support grant.

WLDC Approach

- Inclusive growth
- Place based social regeneration
- The People – their health and wellbeing
- Employment and Skills agenda
- Strong partnership work

Any Other Business

None - The meeting closed at 12.30pm

Signed

Chairperson

Date

DRAFT

Items to come back to board

<u>GLLEP Board Date</u>	<u>Action</u>	<u>Person Responsible</u>	<u>Carried Out</u>
20 July 2017	Progress relationship with HCA	Pete Holmes/Ian Fytche	ongoing
	Explore options for smart/futuristic homes	Cllr Davie	Report May 2018
29 September 2017	Agree small number of messages that GLLEP wants to give to Government, avoid being diverted by Government announcing different policies on LIS	Strategy Away Day	Jan 2018 - complete
	Assurance Framework training for LEP Board and Investment Board members	Linsay HillPritchard	May 2018
	PR on Skills Capital Fund, use the grants being given to Lincoln and Stamford as a way you can demonstrate that GLLEP is investing in the digital agenda	Ruth Carver/Clare Hughes/Halina Davies	ongoing
24 November 2017	Update on progress and a report on enhancing scrutiny arrangements	Richard Wills	Jan 2018 – complete – detailed report May 2018
	Decarbonisation Project – Humber LEP & GLLEP to share	Humber LEP & GLLEP - Simon Green	
	Self-Employment Project – figures captured Growth Hub	Samantha Harrison	
	Actions from the Digital Action Plan being implemented.	Angela Driver	
31st January 2018	Visitor Economy website and national profile	Ruth Carver	

Paper 2 - LEP Directors Report

Recommendations

LEP Board Directors are asked to note the content of this report.

Recommendation 1 - That the LEP executive and the Water Management Board develop a response to the Anglian Water consultation on the Water Resources Management Plan 2019. The consultation closes on Friday 1 June 2018.

Recommendation 2 - That LCC are asked to work with the Lincolnshire Forum for Horticulture and Agriculture to develop a response to the DEFRA consultation on the future of food, farming and the environment.

Recommendation 3 - That the lep and Local authorities are asked to submit evidence to the LEP review in respect of role and geography.

Introduction

This is an interim report on activity since the LEP Board in January, a full progress update against the business plan, and on year end finances will be given at the May 2018 board for the 4th Quarter

2 Area One - Policy & Strategy

There is a separate paper on the agenda capturing our local policy and strategy work.

LEP Review - As reported at previous boards, as part of Government's continued focus on strengthening LEPs and considering their role in relation to the Industrial Strategy and the UKSPF there is a Ministerial Review of LEPs currently taking place. Although it is due to conclude in the late spring. It is likely that the report will not be published until after the local elections in May.

The Terms of Reference for the review are to;

- Define with greater clarity the **strategic** role of LEPs' in driving growth and productivity for business; people; ideas; infrastructure; and place.
- Strengthen **business leadership and corporate governance** to ensure that LEPs remain diverse private sector-led organisations that can shape and challenge local economic decision making, through the adoption of best practice.
- Establish clear **accountability** through rigorous financial reporting and enforcement of transparency in decision making.
- Assess the **impacts** of boundary overlaps to ensure clarity, transparency and representation of functional economic areas.
- Improve organisational capability and planning certainty, including looking at options for a common incorporation model; how LEPs are resourced and the standardisation of organisational structures and reporting.
- Define the relationship between LEPs and Local Authorities, as well as new organisational structures such as Mayoral Combined Authorities

As the review may have fundamental implications for the role and operation of the LEP, the LEP Executive should prepare a submission in respect of overlaps from the Board. The Lincolnshire local authorities are also asked made a submission to the review on the impacts of the overlap issue.

A verbal update will be given at the meeting on the emerging findings of the review.

Shared Prosperity Fund - Additional significant activity on the UK Shared Prosperity Fund (SPF) is on hold pending the launch of the Governments consultation. No date for this has been set yet, but could be anytime between June and October 2018, with an expectation that the fund will not be launched until 2021/22. Key principles have been discussed by the LEP Board and the work undertaken will be useful in preparing the groundwork for the consultation when it is launched, but it is recognised further work and engagement will be required with local partners once the detail of the consultation is known. It is too early to predict any detail on the scope and scale of the UK SPF.

Highways England Strategic Road Network (SRN) Initial Report

At the last board the LEP agreed the lines to respond to the consultation on the SRN Initial report by the 7th February deadline. The final report once released will help inform future Road Investment Strategy allocations.

DFT Major Road Network Consultation

It was agreed that the Chair and the lead transport Board Director Richard Wills would sign off the response to the MRN consultation on the MRN. The Department for Transport provided 16 consultation questions and the Greater Lincolnshire LEP response will be submitted by the 19th March deadline. The draft LEP response is attached in the additional papers pack

Future agricultural policy - DEFRA is seeking view on their proposals for the future agricultural policy in England, through the publication 'Health and Harmony: the future for food, farming and the environment in a Green Brexit' This consultation closes on 8 May 2018 and the LEP has asked the Local Authorities to lead on the response through the Lincolnshire Forum for Horticulture and agriculture chaired by Mark Tinsley.

Local Government Association Post Brexit Commission of the LGA - The LEP executive is working with the local authority to respond to call for evidence by the 30th March deadline.

Anglian Water - launched the consultation on its draft Water Resources Management Plan 2019 on 12 March 2018. The consultation will close on Friday 1 June 2018 and the LEP executive and the Water Management Board develop a response to the Anglian Water consultation on the Water Resources Management Plan 2019.

Midlands Engine

It is one year since the Midlands Engine Prospectus was published by HMG There a number of things to celebrate

- The detailed response from the ME - the Midlands Engine Vision for Growth
- The Midlands Engine Investment Fund has now been launched. The Lincolnshire launch has been rescheduled for 23rd February at 11pm.
- MIPIIM - The Midlands area is coming together to showcase investment opportunities from across the region worth almost £10 billion at this year's global property and real estate show.

Midlands Engine Investment Fund (MEIF) Committee

Pat Doody will be stepping down from his position as Chair of the MEIF Committee and the LEP would like to thank him for his focused and successful efforts to bring many projects to launch stage. Ian Green has been formally invited to act as the LEP deputy on the Midlands Engine Investment Fund (MEIF), and Strategic Oversight Board (SOB), replacing Pat Doody. The SOB is part of the governance structure for the Investment Fund and has a remit to oversee the implementation of the fund. Ian Green Relationship Manager at HSBC Lincoln has accepted the role

as a deputy alternate representing LEP on the Midlands Engine Investment Fund (MEIF), Strategic Oversight Board (SOB) subject to Appointment Board approval.

Energy Strategy

Following a bidding process, the Greater Lincolnshire LEP has recently been awarded funding of £40,000 to develop a Local Energy Strategy from the Department for Business, Energy and Industrial Strategy (BEIS). £10,000 of the funds will be used to develop an energy map and portal across Greater Lincolnshire, with the remainder focussed on a set of consultation exercises with stakeholders and production of an Energy Strategy and a Chapter for the Local Industrial Strategy.

Delivering the Local Energy Strategy will require resources and BEIS has allocated funding for the co-ordination, management and technical feasibility studies needed to promote and accelerate delivery of new local energy infrastructure. This will be in the form of five Energy Hubs nationally being established from April 2018 in England to resource this need. Nottingham City Council on behalf of the Midlands Engine will create and manage the Hub team with project managers and technical specialists. There will be a Lincolnshire Project Manager. BEIS have committed to fund these Hubs for a period of 2 years from April 2018 onwards.

It is anticipated that there will be a national review of LEP Energy Strategies in the summer.

Digital Strategy

This month the government has announced the six winning projects of a £25m competition to pave the way for a future rollout of 5G technology in the UK. The six projects will be led by small and medium-sized enterprises (SMEs), universities and local authorities. The projects will test 5G across a range of applications, including smart farming with drones, using the Internet of Things (IoT) to improve healthcare in the home, increasing manufacturing productivity and maximising the future benefits of self-driving cars. In the Midlands Engine, Worcestershire was successful in securing a test 5G capabilities in a new commercial tech accelerator located at the Malvern Hills Science Park. Lincolnshire is in a partnership project with 5G Rural Integrated Testbed (5GRIT) - 5GRIT will be trialling innovative use of 5G technology across a range of rural applications, such as smart agriculture, tourism and connecting poorly-served communities, using shared spectrum in the TV bands and a mix of local ISPs and self-provision.

Housing

The Ministry of Housing, Communities and Local Government (MHCLG) is revising the National Planning Policy Framework (NPPF), issued in March 2012, as part of the planning reform package set out in the February 2017 Housing White Paper, the September 2017 Planning for the Right Homes in the Right Places consultation and further announcements in last November's Autumn Budget. Some of the main points to note are:

- Local plans should provide for objectively assessed needs for development, including unmet need from neighbouring areas, unless particular policies provide "a strong reason for restricting the overall scale" of development.
- The presumption in favour of sustainable development would be triggered where a council cannot demonstrate a five-year housing supply "or where the housing delivery test indicates that delivery of housing has been substantially below the housing requirement over the previous three years".
- A standard methodology for assessing housing need will be implemented via the revised framework, despite only around one quarter of consultation responses agreeing with this approach. Details of the methodology are to be set out in revised guidance.

- A housing delivery test will impose sanctions on councils failing to meet housebuilding targets in their local plans. The draft would allow councils to consider imposing planning conditions, requiring development to be brought forward within two years, unless this could hinder viability or deliverability. It also encourages local planning authorities to consider why major sites have not been built out when considering subsequent planning applications.
- Where policy requirements have been tested for viability at the plan-making stage, such issues should not usually need to be revisited again at the planning application stage. The proposed new policy expects all viability assessments to reflect a recommended approach to be set in revised national planning guidance and says all viability assessments should be made publicly available.
- In a separate consultation, the government revealed that it may, in the future, consider setting developer contributions nationally and making them "non-negotiable".
- An "end-to-end review" of the planning inquiry process, with the aim of halving the time they take to reach decisions, was also announced.

Consultation on the revised NPPF runs until 10 May. The government's intention is to produce a final version this summer.

Team Lincolnshire Event

More than 100 people attended the first ever Team Lincolnshire celebratory lunch at the RAF Members' Club in London on Tuesday, 27th February. The event was organised by the LEP and attended by UK investors and developers hosted by Lincolnshire businesses and stakeholders from the Local Authorities. The sell-out event was designed to showcase Lincolnshire to a wide UK audience to encourage interest and engagement with investors looking for new opportunities.

Lincoln to London rail service - 11 new direct trains from May 2019

Tim Hedley-Jones, Major Projects Director at Virgin Trains, has confirmed that Lincoln will be getting more regular direct trains to London from next year. Lincoln will get direct trains to and from London every two hours from May 2019, Virgin Trains confirmed. Lincoln currently has one direct morning train to Kings Cross and one direct evening return service to Lincoln Central, operated by Virgin East Coast (the rest are connections via Newark through East Midlands Trains). From May 2019, there will be an additional five direct trains to London and an extra six return trains to Lincoln per day. Additionally, the East Main Line will be getting new rolling stock in the Azuma Trains from November 2018. Grantham already has a very regular service of 64 mins to Kings Cross.

Physiotherapy and Occupational Therapy Degree Apprenticeships

The Lincolnshire Talent Academy and United Lincolnshire Hospitals NHS Trust are the national leads for the Physiotherapist and Occupational Therapist Degree Apprenticeship Trailblazers. As a Trailblazer group, their standards have been approved by Government and are currently finalising the EPA prior to submission. Whilst the 3 NHS Trusts are predominantly the biggest employers for the programme, due to the requirements of the degree delivery, it is important that they consider the local independent employer requirements from the model during the development phase, and are therefore offering employer briefing events as the first part of the local development process. The employment and skills board of the LEP will engage with this programme.

The Talent Academy is part of United Lincolnshire Health Trust and oversees and manages all apprenticeship provision for the Trust. The Academy is funded by the 3 Trusts whom it represents as a collective for education, training, apprenticeships and engagement

activities and advises and supports the Trusts on a wide range of education and training elements, including trailblazer development and set-up.

3 Area 2 Business Performance

Actions against the SEP 2017-18	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	Green
7 Business Lincolnshire Growth Hub	Green

1 LEP Activity, Business Engagement and Media - Green LEP Board Lead - Ursula Lidbetter, LEP Exec Lead - Ruth Carver

Delivery has been achieved against; Mary Ney publications; Register of Interests; Code of conducts; Assurance Framework; Whistleblowing policy; Complaints policy; and website online forms. Additionally a review of the Articles of Association; non-statutory board codes of conduct and terms of reference, is underway to be further influenced by phase 2 of the Mary Ney guidance due in May. The LEP is currently procuring for a supplier to deliver the LEP annual conference and exhibition due to both increased transparency requirements and in order to test the market to ensure best value for money. Dependent on the outcome of this, we may require a move away from the October date within Business Week previously utilised.

Read press releases and blogs here:- <https://www.greaterlincolnshirelep.co.uk/whats-new>

- Over 100 attend the Team Lincolnshire celebratory lunch at the RAF club, London:
- Further EU funding workshops announced:
- Launch of £250m Midlands Investment Fund:
- Midlands Engine Investment Fund briefings announced:
- Team Lincolnshire head to London to promote the area:
- Lincolnshire's strongest team gears up for MIPIM 2018:
- Holbeach launches Food Enterprise Zone:
- Launch of the Countryside Productivity small grants scheme:
- Agri businesses urged to take up a free business skills programme:
- Housing sector to receive a £22m boost:
- Quadrant homes open for viewing:
- Lincolnshire's housing sector has received a boost in the shape of more than £22 million of Government funding to help pay for new homes.
- Lincolnshire's developing Local Industrial Strategy (LIS).
- The LEP is holding two events in February to explain the Career Learning Pilot.
- Businesses encouraged to submit content for the World of Work website:
- LEP seeks to recruit a temporary skills policy officer:

Inward Investment

Five FDI visits took place during January and February with one visit is currently scheduled to take place in March. A total of 54 visits have taken place between April 2017 and February 2018. One FDI inward investment enquiry has been received during January and February 2018 regarding a Turkish company interested in locating to Peppermint Park FEZ in Holbeach (Food Enterprise Zone). The LEP are currently working with the company in supporting this inward investment.

2 Growth Deal Performance - Amber

LEP Board Lead - Ursula Lidbetter, LEP Exec Lead - Halina Davies

Greater Lincolnshire LEP held its follow up meeting to the Annual Conversation with Government on the 6th March 2018. The LEP has been classed as 'good' in relation to governance and strategy and as having 'room for improvement' on deliver, and good for strategy. There was an understanding by Government of the complexities in relation to some of our larger growth deal schemes and awareness that all was being done to bring forward expenditure, manage schemes effectively and resolve any arising issues as well as discussions around project classification by the LEP as undeliverable within expected timescales and replacement projects being brought forward. The use of our freedoms and flexibilities to achieve the 2017/18 target of £15.7m was supported. Board members are asked to read this in conjunction with the separate paper on governance and performance on the agenda.

Growth Deal Progress

Three projects are currently deemed as a high risk in terms of milestones to the programme as part of the Quarter 3 reporting and details on these schemes will be provided to the Investment Board for review. A due diligence appraisal report will be presented to Investment Board on the Europarc FEZ scheme this spring. The South Lincolnshire FEZ scheme was approved for LEP funding contracting on the 8th March by the Investment Board and the official launch for the South Lincolnshire Food Enterprise Zone site was held on the 9th February. The £7.34m Skills Capital Investment Fund programme will progress to delivery stage this spring/summer and was also approved to contract stage on the 8th March. The two of the four provisionally approved schemes aim to come forward for due diligence by Quarter 1 in 2018/19.

The Quarter 3 report on the programme indicates that recent project profiles reported to board remain unchanged as an estimated spend of £9.6million. An identified gap of £6 million will be spent through freedom and flexibilities via a contracted programme approach to the Skills Capital Investment Fund. A detailed progress report is prepared for the Investment Board.

Judicial Review

The LEP has formally provided the defence to the claim for Judicial Review from Scunthorpe United Football Club in relation to Northern Junction Roundabout in Scunthorpe. Counsel sent our response on the 13th February to the Court and to the football club. We would expect to hear from the Court in around 3-5 weeks with their decision on the papers regarding permission.

3 Growing Places Fund - Green

LEP Board Lead - Ursula Lidbetter, LEP Exec Lead - Cathy Jones

Dialogue continues with an applicant pending clarification of utilities connection costs on the Grantham Enterprise Village. Existing loans are on track with no significant updates.

4 Feasibility Funding - Green

LEP Board Lead - Ursula Lidbetter, LEP Exec Lead - Cathy Jones

Comprehensive quarterly monitoring reports are reported to Finance and Audit Committee. If there are separate matters requiring decisions on new funding rounds for Feasibility Fund or new applications or concerns about existing loans these are the subject of a separate paper to LEP Board.

5 Skills - Green

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

TORS and action plan for the year for consideration at this meeting. The Greater Lincolnshire LEP was awarded two skills pilots in December 2018 by the Department for Education. Work to develop a proposal for the Career Learning Pilot has developed at speed and in intensity during February, and will continue during March and April so that activity can commence as soon as possible. The second pilot, discussions have been held about the pilot work which will see a new national framework for skills and training evidence at local level. This is currently at a conceptual stage and consultation will take place in the next few months.

The ESIF Committee has agreed a provisional extension to a large element of the European funded skills and training programmes, from approx. £12m to £18m. This will see several ESF programmes continuing to support businesses with training needs until March 2019 once contracts are extended in April 2018

The LEP Skills Manager has provided supporting quotes for 3 bids in this quarter based on local evidence of need:

Two bids have been submitted by a local consortium of Colleges to a national Flexible Learning Fund, that aims to support new ways of delivering training to adults. Results of these bids are expected in the next month or so and if successful further information will be supplied.

One bid has been submitted by a local consortium of Colleges and the University of Lincoln, to the first round of the Institutes of Technology fund application. If the bid succeeds in moving to Stage 2 of the process further information will be supplied.

6 ESIF - Green

LEP Board Lead - Pat Doody LEP Executive Lead - Susannah Lewis
European Regional Development Fund

The EU programmes continue to progress and we move towards trying to commit remaining funds. This quarter, the LEADER/EAFRD/Growth Hub workshops have been very well attended with the last 2 events due to be held this quarter at Bourne Corn Exchange and EPIC Centre, Lincolnshire Showground. Further expressions of interest have been submitted to the LEADER and Growth Programme following the workshops. Bespoke applicant workshops are now being delivered to try and ensure good quality applications are submitted and to make the process as simple for businesses as possible.

The January 2018 ERDF call has now closed for Priority Axis 1 Research and Innovation, Priority Axis 3 SME Competitiveness and Priority Axis 5 Promoting climate change adaptations. Outline applications have been submitted to the national team which have been scored and they will be presented to the Greater Lincolnshire European Structural and Investment Fund Committee (ESIF) on 21st March 2018 for their input on local strategic fit and value for money. Following this, projects will be asked to come forward to full application.

Further ERDF calls have been announced with a closing deadline for outline applications of 20th April 2018 for the following:

Priority Axis 3 SME Support - Call to run project's enhancing the competitiveness of small and medium sized enterprises in Greater Lincolnshire <https://www.gov.uk/european-structural-investment-funds/sme-support-call-in-greater-lincolnshire-oc14r18p-0755>

Priority Axis 4 Low Carbon - Call to run project's supporting the shift towards a low carbon economy in Greater Lincolnshire <https://www.gov.uk/european-structural-investment-funds/low-carbon-call-in-greater-lincolnshire-oc14r18p-0737>

Priority Axis 3 SME support International Trade Performance - Call to run a project supporting the competitiveness of small and medium sized enterprises in various locations in England. <https://www.gov.uk/european-structural-investment-funds/sme-support-international-trade-performance-call-in-england-oc50r18p-0777>

Priority Axis 3 SME support Manufacturing - Call to run a project to create and extend the capabilities of small and medium sized enterprise manufacturers to grow and engage in innovation in various locations in England. <https://www.gov.uk/european-structural-investment-funds/sme-support-manufacturing-call-in-england-oc50r18p-0776>

Priority Axis 9 Technical Assistance - Call to run a local or national Technical Assistance project in England. <https://www.gov.uk/european-structural-investment-funds/technical-assistance-call-in-england-oc00r18p-0778-oc00s18p-0779>

7 Greater Lincolnshire Growth Hub - Green

LEP Board Lead Prof Mary Stuart LEP Executive Lead Samantha Harrison

Business Lincolnshire continues to provide support for businesses in Greater Lincolnshire through the advisory network, the workshop and events programme and the grant funding. With regard to workshops, the General Data Protection Regulation changes which come into force in May have been a particular area of interests and additional events have been scheduled to respond to demand. Interest in the grant support remains very strong with the capital grants being particularly popular and that grant pot is almost exhausted for this programme. The following table summarises the position with the 3 grant pots as at the end of February 2018:

	Capital Grants	Revenue Grants	Digital Grants
Budget	£275,000.00	£175,000.00	£100,000.00
Number of pipeline applications in progress	24	17	27
Value of pipeline applications in progress	£90,952.44	£38,959.49	£27,000.00
Number of applications approved	49	28	35
Value of applications approved	£172,900.07	£73,650.13	£35,000.00
Number of grant claims received and approved for payment	25	14	16
Value of grant payment received and approved for payment	£81,108.08	£32,012.39	£16,000.00
Value of private sector contributions received based on grants paid	£157,385.95	£59,310.39	£35,593.59
Balance grant funding remaining against budget available	£11,147.49	£62,390.38	£38,000.00

Work on the updated BusinessLincolnshire.com website is well underway and the team are working to develop fresh new content to go along with the new look site. The new site is expected to go live in June 2018.

Development of a support package for our Scale Up businesses has been underway. Noreen Read will be our new Scale Up Adviser and there is a recruitment ongoing to provide a replacement Growth Hub Adviser to back fill Noreen's post. Noreen will be proactively working with scale up and potential scale up businesses and referring clients into a range of both local and national support offers depending on the needs of the business.

Regarding funding for the Growth Hub Activity, BEIS have confirmed funding for 2018/19 and 2019/20 (although there is an expectation that a further 2 years funding has also been earmarked). The current ERDF funded activity is in place until mid 2019. The team have now submitted an outline application to extend the activity for a further 3 years, including the advisory support, events activity and grant funding.

Figures from April 2017 to 31st January 2018	Number
Growth Hub Adviser Engagements	874
Business Diagnostics	319
Client satisfaction with Growth Hub Service	93%
Intermediary interactions	137
Businesslincolnshire.com unique users	112,019
National Helpline call centre referrals	57
Start up enquiries to Growth Hub	48
Business Workshops event attendees	357
Sponsored event attendees	940
Twitter followers	4742

LEP Rolling Forward Agenda Planner 2018



Forward Board Agenda Planner			
Date and Meeting	Standing Items	Progress Reports/Reports back from Sub Groups	Areas for discussion and decision
31 January 2018 GLLEP Board WLDC Offices, Gainsborough	<ul style="list-style-type: none"> LEP Director Report including Policy Updates and Consultations – DEFRA 25 year environment plan and NIC call for evidence, briefing on skills pilots Quarter 3 Finance and progress against BP Q4 Business Survey Results Midlands Engine 	Local Industrial Strategy Progress - Liz	<ul style="list-style-type: none"> Governance Transparency – May Ney Review - Ruth Annual Conversation Scrutiny Arrangements - Richard Progress and impact of Food Enterprise Zones – Halina Visitor Economy Board Electronic approval for LAF
23 March 2018 GLLEP Board International Bomber Command Centre	Theme: LIS Productivity Outcomes <ul style="list-style-type: none"> Minutes of last Meeting LEP Director Report Midlands Engine 	Local Industrial Strategy – Liz Food Board Progress and Workplan Governance	<ul style="list-style-type: none"> Productivity Report – Adam Peacock Food Board Progress and Workplan Utilities – Next Steps – Andrew Brooks ESB TORS, Membership and Workplan - Herman Growth Hub Workplan – Mary Coastal Communities LEP Strategies
23 March 2018 GLLEP Investment Board International Bomber Command Centre	<ul style="list-style-type: none"> Minutes of last meeting 		<ul style="list-style-type: none"> Project approval Review of the Feasibility Fund Approach on future Funding
25 May 2018 GLLEP Board Boston	Theme: LIS People <ul style="list-style-type: none"> Approval of Business Plan LEP Director Report Review of 17/18 Midlands Engine QES Results Q1 2018 – May board 	Local Industrial Strategy – Liz Innovation Council Scenarios	<ul style="list-style-type: none"> Business Rates Pilot - Angela Andrews Joint with ESB Skills Pilots – learner loans and SAP Manufacturing Board Energy Strategy Strengthening Scrutiny Arrangements

LEP Rolling Forward Agenda Planner 2018



Forward Board Agenda Planner			
Date and Meeting	Standing Items	Progress Reports/Reports back from Sub Groups	Areas for discussion and decision
25 May 2018 GLLEP Investment Board	<ul style="list-style-type: none"> Minutes of last meeting 		<ul style="list-style-type: none"> Project Approval Year end project spend Assurance and Governance training Boston Borough Council
20 July 2018 GLLEP Board Lincoln	Theme: LIS Infrastructure <ul style="list-style-type: none"> Minutes of last meeting Management Report Media Report 	Local Industrial Strategy - Liz	<ul style="list-style-type: none"> Water Management Board Road Rail Infrastructure Priorities
20 July 2018 GLLEP Investment Board	<ul style="list-style-type: none"> Minutes of last meeting 		<ul style="list-style-type: none"> Project approval
21 September 2018 GLLEP Board Manby	Theme: LIS Place <ul style="list-style-type: none"> Minutes of last meeting Management Report Media Report QES Results Q2 2018 – September board 		<ul style="list-style-type: none"> Approval of the draft Local Industrial Strategy Growth Hub Housing – delivery across Greater Lincolnshire
21 September 2018 GLLEP Investment Board	<ul style="list-style-type: none"> Minutes of last meeting 		<ul style="list-style-type: none"> Project approval Quarter 2 review
30 November 2018 GLLEP Board Lincoln	Theme: LIS Business/Environment <ul style="list-style-type: none"> Management Report Media Report QES Results Q3 2018 – November board 		<ul style="list-style-type: none"> Industrial Strategy Impact of the Lincolnshire Growth Hub Inward investment and export Team Lincolnshire progress Growth Hub
30 November 2018 GLLEP Investment Board	<ul style="list-style-type: none"> Minutes of last meeting 		<ul style="list-style-type: none"> Project approval

Paper 3 - Greater Lincolnshire - Governance & Performance Update

1. RECOMMENDATION

That the LEP Board Directors note the content of the report, and task the LEP executive with completing the actions from the Annual Conversation, and keeping the board updated.

2. BACKGROUND

In April 2017, Melanie Dawes, the MHCLG Permanent Secretary, commissioned a review into LEP governance and transparency. The Non-Executive Director, Mary Ney, led the review, which is now complete and published. Government has accepted all 22 of the review recommendations in full and is undertaking the following steps to implement them.

- Enhancing the LEP Annual Review process: DCLG developed new guidance to underpin the 2017 LEP Annual Review process. This guidance ensured the Annual Review process had a greater focus on LEP governance and transparency arrangements.
- Best Practice: Publishing Best Practice guidance on the following corporate governance issues: codes of conduct; publication of meeting and agendas; confidential reporting procedures for third parties and the public; whistleblowing policies; and registers of interests.
- Finance: Providing further guidance on the publication of financial information and the role of the Section 151/73 Officer. This guidance is being produced in partnership with the LEP network and The Chartered Institute of Public Finance and Accountancy (CIPFA) respectively.
- Assurance Framework Guidance: Following the completion of the Minister led LEP Review, the Government will publish revised guidance for LEP Assurance Frameworks.
- Government approach to non-compliance: Following the completion of the Minister led LEP Review, the Government will share its approach to non-compliance with LEPs.

3. GOVERNANCE

The recommendations of Mary Ney's review will be included in a revised National LEP Assurance Framework around May time this year, following a wider review by DCLG and BEIS Ministers into strengthening the role of LEPs. The Mary Ney Implementation Plan is attached as **Appendix 1**, a full paper was brought to the January 2018 board meeting, and the LEP Team has now implemented the following by the deadline of 28th February 2018 in accordance with the guidance issued.

- An updated Local Assurance Framework
- Annual Assurance Statement from the LEP Chair/CX
- Updated Growth Deal Implementation Plan
- Process to ensure the publication of LEP Board paper's and minutes.
- Confidential reporting policy and procedures for third parties and the public.
- Whistleblowing Policy.
- Code of Conduct for all board directors.
- Individual Register of Interests for all decision making boards.

4. PERFORMANCE

The Annual Conversation with Government took place in December 2017, the notes were published with the January board papers. The LEP Executive has now received a written response from Government that follows its Performance Review. The Greater Lincolnshire LEP letter is attached at **Appendix 2**. Greater Lincolnshire is considered to be requiring improvement but with good features. The overall rating is determined by the lowest of the ratings. In the 3 specified categories, it assesses Greater Lincolnshire's performance as;

- a) Governance - Good
- b) Delivery - Requires Improvement
- c) Strategy - Good

The LEP Executive understands that the Greater Lincolnshire LEP is one of a number of LEPs in the middle category of 'requiring improvement', particularly in delivery area. The following actions were as follows:

- Governance - The LEP agreed to actively address gender and age diversity on its main board during the recruitment of new members. - **Ongoing**
- Delivery - Reduce the ongoing reliance on section 31 flexibilities, maximising all opportunities to accelerate spend by Growth Deal projects and ensuring that due diligence, approval and contracting is undertaken and completed as soon as possible. - **Ongoing**
- Delivery - LEP and Accountable Body to maintain a proactive approach to risk management, providing regular detailed reports for key risk projects to the Board; and review pipeline schemes; examine scope and case for expanding existing projects; invite other projects to come forward at risk; and produce, agree and publish a single prioritised pipeline list. **Ongoing**
- Strategy - The LEP should maintain its focus and pace on evidence gathering and analysis to enable the development of an ambitious strategy - **Ongoing**
- Strategy - On skills, it is noted that the LEP has embraced its invitation to participate in the Skills Advisory Panel and Career Learning Cost and Outreach pilots and should use the opportunity to develop its skills strategy and refresh its Employment and Skills Board.
- Strategy - On engagement and collaboration, the LEP should continue to maximise efforts to convene and engage partners and stakeholders (including the implementation of a MP engagement plan) and enhance collaborative work with neighbouring LEP areas and across the Midlands Engine and Northern Powerhouse.

All identified points have either already been addressed or are scheduled to be addressed this year as part of the LEP Business Plan to ensure that Greater Lincolnshire continues to strengthen its performance on delivery. The LEP Executive is confident therefore that the successful implementation of these plans will enable the LEP to obtain an at least 'good' overall rating in the 2018/19 Annual Conversation.

Appendix 1 - Mary Ney Implementation Plan

	Recommendation	New	Action	Key Deadlines
No	Area		Recommendation	Complete
1	Culture and Accountability	New	The National Assurance Framework requires a brief formal assurance statement on an annual basis from the leadership of the LEP - ie, the chair and CEO on the status of governance and transparency within their organisation	Completed and discussed at the annual conversation
2	Culture and Accountability	New	The current Assurance Framework requirement for LEPs to have a standards of conduct policy that all board members and staff sign up to, should explicitly require the Nolan principles of public life to be adopted as the basis for this policy.	Complete - The Greater Lincs LEP code of conduct has been updated to and has been published on the website.
3	Structure and decision making		The National Assurance Framework should draw explicit attention to the importance of LEP decision making structures accommodating these separate components of good governance and that they form an essential part of assurance and ensuring probity. In addition we will cross check with Government guidance when published to ensure compliance	Complete - Existing LEP policy and processes already comply with this recommendation.
4	Structure and decision making	New	Local Assurance Frameworks should set out that all decisions must be subject to the normal business case, evaluation and scrutiny arrangements. There must be a written report with the opportunity for the Section 151 officer to provide comments, that the conflict of interests policy will apply to decision makers regardless of whether there is a formal meeting, and that decisions should be recorded and published in the normal way.	Complete - Existing LEP policies and processes already comply with this recommendation. In addition we will cross check with Government guidance when published to ensure compliance
5	Conflicts of Interest		All Board Directors take personal responsibility for declaring their interests and avoiding perceptions of bias.	Complete and published
6	Conflicts of Interest	New	LEPs to include in their local statements how scenarios of potential conflicts of interest will be managed whilst ensuring input from their areas of expertise in developing strategies and decision making without impacting on good governance.	Complete
7	Complaints	New	LEPs to publish a whistleblowing policy and arrangements for confidential reporting of allegations of untoward concerns by third parties/the public.	Complete
8	S151 Officers		The National Assurance Framework to set a requirement for the Section 151 officer to provide a report on their work for the LEP and a requirement to identify any issues of concern on governance and transparency.	Complete as part of Annual Conversation
9	Transparency		National Assurance Framework to provide additional guidance of publication of agendas, meeting papers and decisions. Complete by end of Feb 2018.	The LEP Board is already compliant
10	Transparency		LEP to publish its accounts and to keep on its website a rolling schedule of funded projects.	Complete - our financial statement is already published



Department for
Business, Energy
& Industrial Strategy



Ministry of Housing,
Communities &
Local Government

Cities and Local Growth Unit
1st Floor, Fry Building, 2 Marsham Street,
London,
SW1P 4DP

20 February 2018

Ruth Carver
LEP Director, Greater Lincolnshire LEP
By email

Dear Ruth

I am writing to you following your Annual Conversation on 5 December 2017 to communicate formally the outcome of the process and to set out the next steps and immediate actions that are required. The agreed note of the Annual Conversation is attached.

With the increasingly important role that LEPs have, it is important to Ministers and our Permanent Secretary, Melanie Dawes, as Accounting Officer, that there is a strong emphasis on ensuring that LEPs have the highest standards in place and are able to effectively act as key drivers of growth in their places. This is a point reinforced by the Public Accounts Committee in their recent hearing.

Performance Review

As set out in the 2017 Annual Conversation Guidance, following the Annual Conversation officials in the Cities and Local Growth Unit undertook a Performance Review to look at the performance of each LEP across the three themes; governance, delivery and strategy. The review also sought to highlight any areas where there may be need for further development or where there is good practice to be shared. This involved reviewing the information provided for the Annual Conversation along with other sources including (but not limited to) Growth Deal data submissions and LEP governance processes and policies. Following the conclusion of the Annual Conversation process we have determined that overall your LEP is requiring improvement but has good features. **Feedback under each theme is set out below:**

Governance

The LEP's governance is generally considered to be good and it is noted that there is a strong governance culture with a commitment to continuous improvement, led by the Chair and yourself and underpinned by the disciplines of operating in a company limited by guarantee.

Your LEP works effectively with its Accountable Body to maximise and manage programme spend, the Accountable Body is responsive and engaged with programme management and quarterly review meetings are organised with the Section 151 Officer to update him on progress with LEP Programmes and the likely impact on the council's annual capital expenditure allocation as a result i.e. offset requirements/repayments. The S151 statement highlights that the Accountable Body has continued to strengthen its role; recognises the need to continue to respond to further government guidance; and reports that it undertook an Internal Audit Team assessment of the LAF, that an External Audit reviewing processes and financial transactions was completed in May 2017, and prepared an Annual Financial Record signed off by External Audit and agreed at the AGM.

Although the requirement for some improvements (including the update of its Register of Interests) was noted prior to the Annual Conversation, your LEP and its Accountable Body have since responded to the Mary Ney Review recommendations proactively and at pace, updating documentation and achieving Board sign off at the meeting on 31st January for the full range of measures in response to the Government Guidance: Register of Interest forms; Code of Conduct; Complaints Procedure; Whistleblowing Policy; and a summary of proposed changes to its Assurance Framework. You also committed to reviewing and strengthening your scrutiny arrangements, taking account of best practice. The LEP and Accountable Body have committed to ensuring that all requirements are in place and published on the LEP's website by 28th February.

At the Annual Conversation, in addition to actioning the Assurance and Transparency recommendations from the Mary Ney Review, I understand your LEP agreed to maintain and seek continuous improvements to your website to enhance functionality and ensure that key information including governance documents and dates of forthcoming meetings remains accessible and up to date. **One key area of potential improvement was noted:**

- the LEP agreed to actively address gender and age diversity on its main board during the recruitment of new members. It current only has two female members on its board of sixteen. It needs to strengthen its diversity statement to set out the steps being taken to widen diversity on its boards.

Delivery

Although good progress has been achieved by some of the LEP's projects (notably the Lincoln Transport Hub) and the LEP's programmes are spending to budget, other projects are experiencing slippage, there is a continued reliance on the use of section 31 flexibilities and there a number of areas requiring improvement by the LEP.

It is good that the LEP and Accountable Body maintain close links to all of the projects, undertaking regular monitoring visits, scrutinising quarterly claims and offering support and mitigation as issues arise. It is acknowledged that the LEP and Accountable Body have been consistently open with Government and the LEP Board about programme and project progress, key risks, and the need to use section 31 flexibilities to meet annual spend targets.

Your LEP's programmes are spending to budget, but in the case of the Growth Deal this is only being achieved through the continued and extensive use of section 31 flexibilities including capital offsets and advance payments.

In the first two years of the Growth Deal Programme, against a cumulative allocation of £74 million, although certifying 100% spend, this included a net total of £18 million of temporary capital payments to non-Growth Deal projects. In 2017-2018 Growth Deal projects were forecast to achieve net spend of £9.5 million against an allocation of £15.7 million, with the balance of £6.2 million being achieved through the addition of the Skills Capital Programme as 'spend'. This forecast is also an optimistic one in that the forecast includes £4.3 million spend by projects which, at the end of January, had yet to be contracted. Although the use of flexibilities under section 31 is in line with the terms of the Department's Grant Offer Letters, the Department would expect to see the cumulative total reduce by 17-18 rather than continue to increase and as a consequence projected outputs are behind target. It is noted that the LEP is not forecasting the need to use any additional flexibilities in 18-19 or beyond.

A number of areas where the LEP needs to demonstrate improvement were identified and discussed during the Annual Conversation:

- Reduce the ongoing reliance on section 31 flexibilities, maximising all opportunities to accelerate spend by Growth Deal projects and ensuring that due diligence, approval and contracting is undertaken and completed as soon as possible;
- LEP and Accountable Body to maintain a proactive approach to risk management, providing regular detailed reports for key risk projects to the Board; and
- Review Pipeline schemes; examine scope and case for expanding existing projects; invite other projects to come forward at risk; and produce, agree and publish a single prioritised pipeline list.

To provide assurance that delivery issues are being addressed **I ask that you hold a meeting with the CLoG Area Director by the end of March alongside the Section 151 officer from the Accountable Body and your delivery lead.** This meeting will allow us to work with you to identify and agree issues where improvement is required.

Strategy

Your LEP's approach to strategic planning is generally considered to be good. You have a good awareness of your vision, ambition and available levers. It is recognised that your current focus is on refreshing your evidence base (building on your work on Brexit, utilities, skills, clusters and inclusive growth), reviewing your priorities (with a stronger focus on robotics, automation and digital skills) and engaging with stakeholders to prepare for the development of your strategies and a potential refresh of its SEP. **A number of areas of focus for continued improvement are suggested:**

- On strategy, the LEP should maintain its focus and pace on evidence gathering and analysis to enable the development of an ambitious strategy;
- On skills, it is noted that the LEP has embraced its invitation to participate in the Skills Advisory Panel and Career Learning Cost and Outreach pilots and should use the opportunity to develop its skills strategy and refresh its Employment and Skills Board; and
- On engagement and collaboration, the LEP should continue to maximise efforts to convene and engage partners and stakeholders (including the implementation of a MP engagement plan) and enhance collaborative work with neighbouring LEP areas and across the Midlands Engine and Northern Powerhouse.

Next Steps

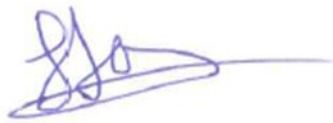
Key actions that require attention are set out above and your local Area Lead will be in touch to follow-up on this letter. If you have not already done so you should now upload the joint assurance statement you wrote with the LEP Chair ahead of your Annual Conversation to the LEP website. **Please ensure this is done by the 28 February.**

As I am sure you are fully aware, your Accountable Body's Section 151 Officer is required to write to the Ministry of Housing, Communities and Local Government Permanent Secretary by this date, confirming compliance of your Local Assurance Framework with the National LEP Assurance Framework (updated November 2016) and that the best practice guidance has been implemented. This is to ensure that the

recommendations contained in the Mary Ney Review best practice guidance **have been implemented by the 28 February.**

I also wanted to take this opportunity to thank you, the LEP Chair, and the Accountable Body for participating positively in the process. As part of the Annual Conversation preparation we asked you to provide us with information on where Government could better support you to fulfil the ambitions of your place. We will continue to work with you to explore these issues over the coming months.

I am aware that LEPs are already doing good work to ensure they have the highest standards in place. As this letter sets out, we are committed to working with you to support this work over the coming months.



STEPHEN JONES
DIRECTOR, CITIES AND LOCAL GROWTH UNIT

Paper 4 - Productivity Report

1. Summary

- 1.1. This paper forms part of the Local Industrial Strategy research programme outlined in the paper to the Board on the 24th November 2017. The research forms the basis of our understanding around the positioning, challenges and opportunities to our broad sectors in respect to productivity. It is to be noted that this is the first stage of analysis prior to a further "deep dive" into productivity drivers and lower level sub-sectors.
- 1.2. This paper is accompanied by the full research paper and a presentation to Board in which the main findings are explained.

2. Context

- 2.1. The Productivity Puzzle is high on the Governments agenda at present. The UK as a whole has a lower productivity rate (in all productivity measures) that most of the G7. The Government are particularly concerned by the UK's sluggish productivity as it is seen as proxy to wage growth and therefore living standards. The UK is also one of the most centralised countries in the G7 when it comes to productivity, with London significantly out-performing every other area in the country.
- 2.2. As a policy response to the low-performing and highly centralised "productivity puzzle", the Government produced the Modern Industrial Strategy white paper, released in November 2017, which had a single objective; to raise productivity, and therefore wages and the standard of living in all parts of the UK.
- 2.3. The Modern Industrial Strategy white paper was published by Government in November 2017 following several months of consultation on their green paper "Building an Industrial Strategy". The white paper set out 5 drivers (or "pillars") of productivity; which are to be assessed locally as part of the Local Industrial Strategies. These pillars are:
 - a) Place (local focus on industrial strategies)
 - b) People (skills)
 - c) Ideas (innovation)
 - d) Business (enterprise)
 - e) Infrastructure
- 2.4. As a LEP, we already have a strong focus on the drivers of productivity as part of our existing structure, process and activity:
 - a) **Place** through our process to create a local industrial strategy and sector boards
 - b) **People** through the Employment and Skills Board

- c) **Ideas** through the Innovation Council and the Sector Boards
- d) **Business** through the Growth Hub Board
- e) **Infrastructure** through Housing and Infrastructure Group, local plans and strategic infrastructure delivery plan

Remit of research and future work

- 3.1 The remit of the initial productivity analysis and paper is to give us a platform from which we can hone and focus on sectors, ultimately resulting in strong evidence for policy decisions and asks emerging from the Local Industrial Strategy.
- 3.2 The research is an ongoing process; the next phase is to take the evidence from this paper and focus down into lower sectoral levels to understand further the drivers behind productivity and where specifically we need to focus our attention.
- 3.3 Together with the forthcoming Brexit analysis and ongoing work on inclusive growth, we have the cornerstones of our evidence base in terms of understanding the broader impacts realised at a local level and what changes have occurred since the Strategic Economic Plan was first produced.

Update on Productivity in Greater Lincolnshire



Introduction

This paper provides an update to the original ‘Productivity in Greater Lincolnshire’ paper (<http://www.research-lincs.org.uk/lep-evidence-productivity.aspx>) which used the then latest data relating to 2013 to look at productivity levels locally and considered how these could be improved. Since that point, more recent data for 2016 has been published by the Office for National Statistics (ONS) and it is this latest information that will be covered in this paper.

At the national level, this paper could have easily been called “The Productivity Puzzle continues.....”. In fact, Richard Heyes, the Deputy Economist at the ONS, went a bit further than this in his December 2017 blog describing it as “the key economic issue of our age”.

Why is this? Well, borrowing heavily from the aforementioned blog post, for the five decades before the most recent economic downturn, productivity has grown on average by around two per cent per year and this has been achieved through oil crises, inflation spikes, and various periods of boom and recession.

In contrast, and following the 2007/8 financial crash, UK productivity fell and has subsequently endured its slowest recovery since the second world war. To put this into context, if productivity had grown in line with the pre-2008 trend, output per hour would today be 21 per cent higher. This is important because higher levels of productivity bring higher levels of GDP, living standards, and tax receipts.

What is confusing economists is that this productivity issue comes at a time of great technological advancements, a stable labour market, and low levels of unemployment.

Further compounding this issue is the fact that this appears to be largely confined to the UK. As we will see later on in this paper, UK levels of productivity have continued to stagnate whilst many of our largest global competitors have seen levels of productivity return to pre-recession levels.

In the latest attempt to tackle this issue, the Government has issued the UK Industrial Strategy, which sets out a long-term plan to boost productivity, earning power, and well-being of people throughout the UK.

The strategy outlines the five foundations of productivity where the Government will work with industry, academia and civil society to build on the UK's strengths, make more of untapped potential and create a more productive economy that works for everyone across the UK.

Those five foundations are as follows:

1. Ideas - the world's most innovative economy
2. People - good jobs and greater earning power for all
3. Infrastructure - a major upgrade to the UK's infrastructure
4. business environment - the best place to start and grow a business
5. places - prosperous communities across the UK

As previously mentioned, whilst the latest local data on productivity relates to 2016, national level data is more up-to-date, and at present paints a more positive picture. The latest data relates to the period Oct – Dec 2017 and shows that output per hour rose by 0.8 percent, resulting from a 0.5 per cent increase in GVA, and 0.3 per cent fall in total hours worked. In the previous three month period, output per hour rose by 0.9 percent meaning that this was the strongest two quarters of productivity growth since the recession of 2008.

Headlines

- Greater Lincolnshire remains in the bottom 10 LEP areas based on its performance against both measures of productivity.
- Growth in Greater Lincolnshire's productivity levels between 2013 and 2016 has been below that seen at the national level.
- Even when taking into account regional disparities and removing the effects of London, then Greater Lincolnshire still performs well below national levels.
- Experimental figures for productivity at sector level suggest that there is "headroom" (i.e. productivity levels are below those seen in comparator areas and nationally) across most sectors (including priority sectors) in Greater Lincolnshire.
- Removing this productivity headroom based on Greater Lincolnshire closest performing comparator area (D2N2 LEP) in the priority sectors would raise GVA per job to just under £49,000, placing it in 15th position (as opposed to 32nd) out of the 38 LEPs.
- If employment were to stay the same, then this would result in a Greater Lincolnshire economy GVA of nearly £24bn, an increase of £2.6bn based on what it is currently.

Productivity Definitions

The Office for National Statistics defines (labour) productivity as the "amount of output produced by a unit of labour input. A higher level of productivity means that a higher level of output is being produced per unit of labour input".

Productivity matters because increasing productivity is a major factor in increasing economic growth. An economy's output can only be increased by either increasing the amount of inputs or by raising productivity. Increasing productivity is, therefore, an important aim for both national and local economies.

Measures of Productivity

The Office for National Statistics has produced experimental statistics for two measures of labour productivity, GVA per hour worked, and GVA per filled job. The preferred measure of labour productivity is GVA per hour worked though we will look at both sets of indicators in this paper.

GVA, or Gross Value Added, is the measure of value created on goods and services once the price of the means of production (inputs, wages etc.) have been taken into account. It is broadly in line with GDP (Gross Domestic Product) plus taxes less subsidies.

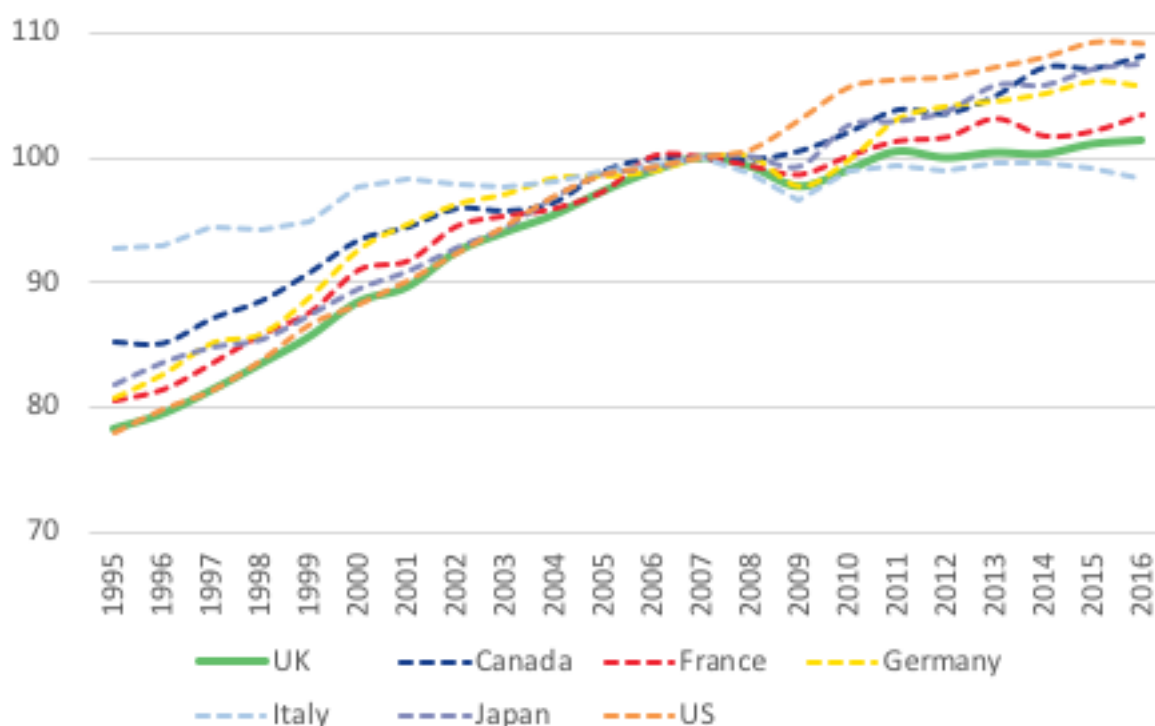
Measures of Productivity at International Level

GVA per hour worked

Figure 1 illustrates why productivity levels have become such an issue for the UK and successive governments. Prior to the financial crash in 2007/08 the UK's level of productivity was growing strongly, in line with that of the US economy. Post financial crash, levels of productivity have been fairly flat, only showing small signs of improvement from 2014 onwards. The same cannot be said for most of the G7 countries, with only Italy (where growth in productivity prior to 2007/08 was low compared to the rest of the G7) having a lower level of growth in GVA per hour worked post 2007/08.

Figure 1 – Labour Productivity Levels (GVA £ per hour worked) across the G7 (2007 = 100)

Sources: Organisation for Economic Cooperation and Development, Office for National Statistics



GVA per filled job

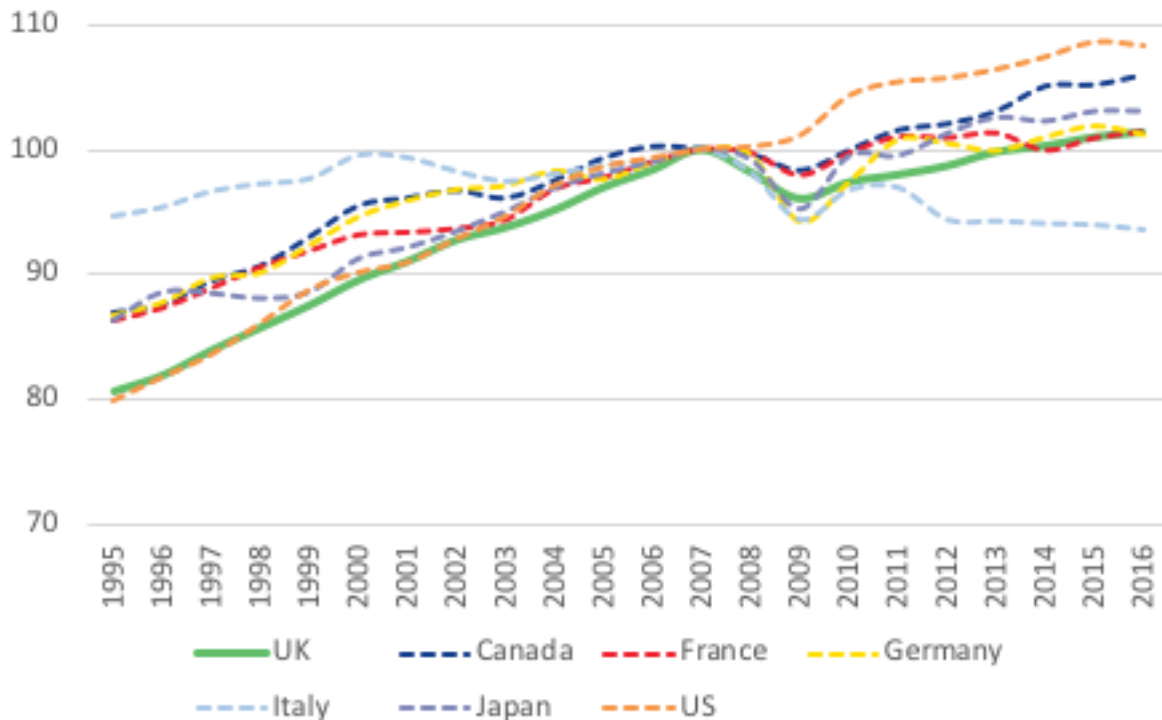
Figure 2 tells a very similar story for the UK to that of figure 1, with strong pre-financial crash productivity growth. However, post 2007/08 we can actually see a marked fall in productivity levels (which fitted well with the thinking at the time that businesses were retaining staff despite tough conditions) with the UK economy returning to 2007 levels of productivity in 2013, effectively representing six years of lost productivity growth.

The difference here is that based on the productivity measure of GVA per filled job some of the other G7 nations fared similarly to the UK with noticeable dips in productivity levels and

subdued levels of growth in the post-recession period (Germany being a particular case in point).

Figure 2 – Labour Productivity Levels (GVA £ per filled job) across the G7 (2007 = 100)

Sources: Organisation for Economic Cooperation and Development, Office for National Statistics



Measures of Productivity at NUTS Level

Before we look at the measures of productivity for this level of geography, first an explanation of what NUTS actually is. ‘NUTS’ stands for the Nomenclature of Territorial Units for Statistics, and it is a basic classification for regional data in the EU.

There are three level of NUTS but in terms of the UK then the one we are most interested in is that of NUTS2 which is the lowest level official statistics on Gross Value Added (GVA) are available. NUTS2 breaks the area of the UK down into: Northern Ireland; Counties in England; Groups of districts in Greater London; Groups of unitary authorities in Wales; and Groups of council areas in Scotland.

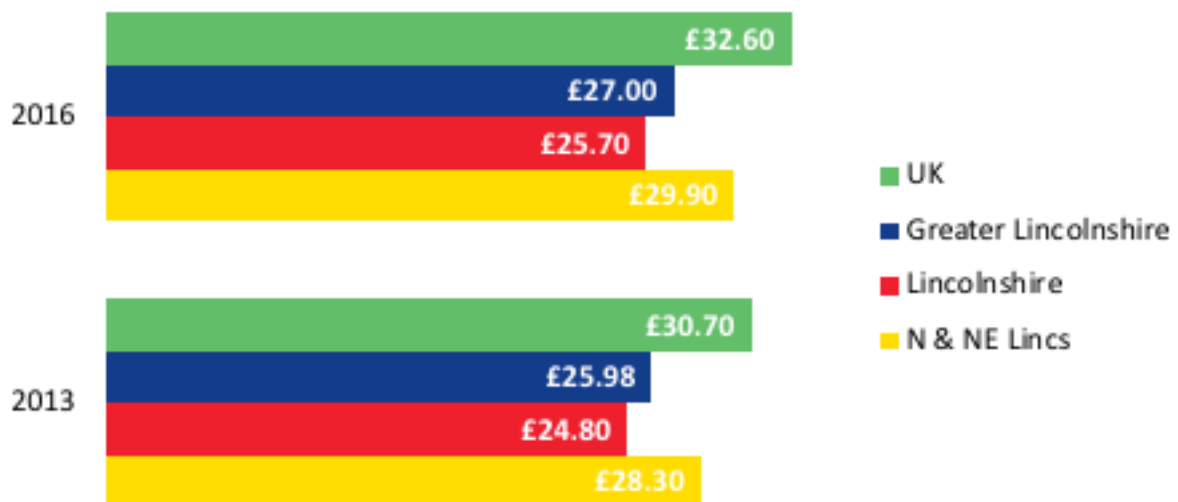
Note that NUTS2 does break England further down in terms of unitary authorities or districts. It is for this reason that we present data in the following section for North and North East Lincolnshire combined as this is a NUTS2 area.

GVA per hour worked

Based on the measure of GVA per hour worked, in 2015 Greater Lincolnshire's workers generated on average £27.00 compared to the national average of £32.60. Going below the GLEP level then North and North East Lincolnshire's GVA per hour worked is higher at £29.90 (but still lower than the national average), whilst Lincolnshire's is lower at £25.70.

Figure 3 – Labour Productivity Levels (GVA £ per hour worked), 2013 and 2016

Source: Office for National Statistics



Growth in GVA per hour worked across Greater Lincolnshire has been weaker than nationally over the period 2013 to 2016, increasing at a rate of 3.9 per cent compared to 6.2 per cent nationally.

Figure 4 – Change in Labour Productivity Levels (GVA £ per hour worked), 2013 to 2016

Source: Office for National Statistics



Figure 4 shows that whilst the increase in GVA per hour worked in North and North East Lincolnshire has been relatively high at £1.60 (though still lower than national increase of £1.90) over the three year period, it is weaker growth in Lincolnshire at £0.90 which has effectively held Greater Lincolnshire productivity back. Figure 5 further illustrates this point showing that despite some periods of strong growth, more recently productivity growth levels in Lincolnshire, and North and North East Lincolnshire have been much weaker relative to the UK.

Figure 5 – Greater Lincolnshire Labour Productivity levels (GVA per hour worked), 2004 to 2016 (UK=100)

Source: Office for National Statistics

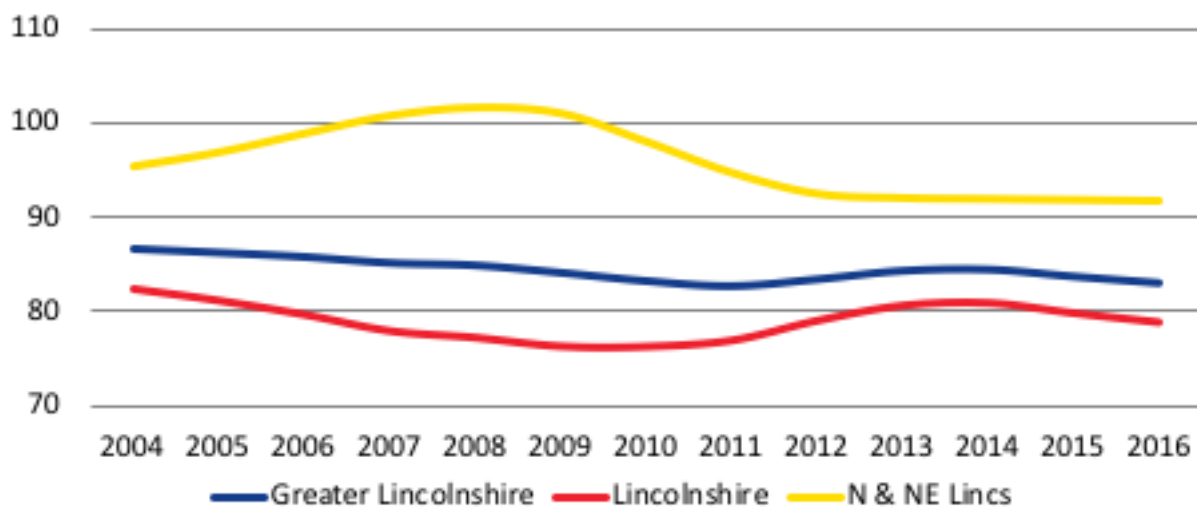
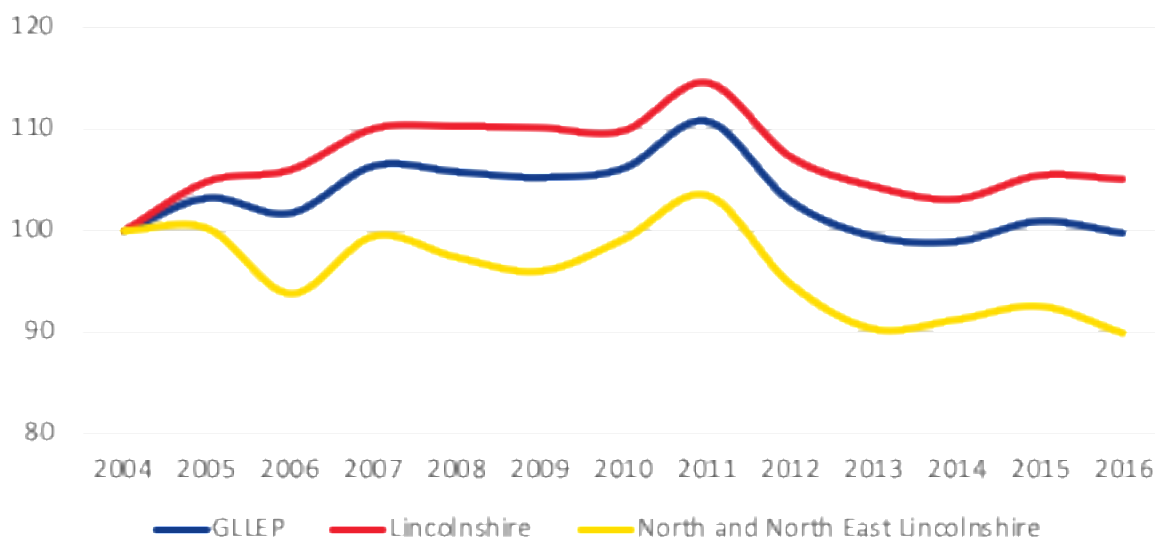


Figure 6 shows that whilst prior to 2011, growth in productivity hours worked will have played some role in pushing down productivity levels relative to the UK, since that point productivity levels and hours worked have both fallen relative to UK performance.

Figure 6 – Productivity hours worked per week in Greater Lincolnshire, 2004 to 2016 (UK=100)

Source: Office for National Statistics

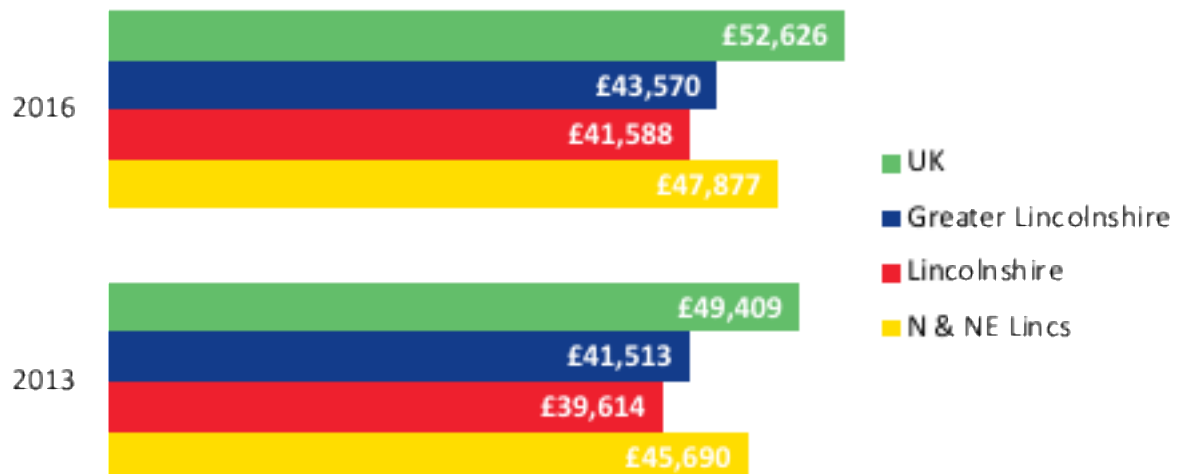


GVA per filled job

Despite being the less preferred measure of labour productivity, GVA per filled job paints a similar picture to that of GVA per hour worked. Referring to figure 7, a Greater Lincolnshire worker generates on average £43,570 per year, which again is lower than the national average of £52,626.

Figure 7 – 2013 and 2016 Labour Productivity Levels (GVA £ per filled job)

Source: Office for National Statistics



Going below the GLLEP level then North and North East Lincolnshire's GVA per filled job is higher at £47,877 (again, still lower than the national average) whilst Lincolnshire's is lower at £41,588.

Referring to figures 8 and 9, then unlike the measure of GVA per hour, both Lincolnshire, and North and North East Lincolnshire, have experienced similar levels of growth between 2013 and 2016, but again both are well below the growth seen at the national level.

Figure 8 – Change in Labour Productivity Levels (GVA £ per filled job), 2013 to 2016

Source: Office for National Statistics

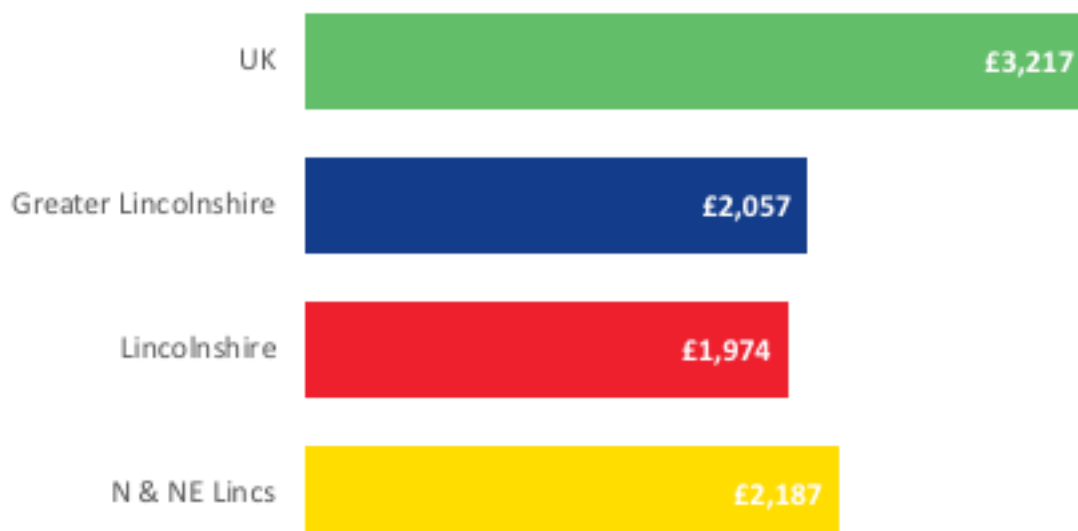
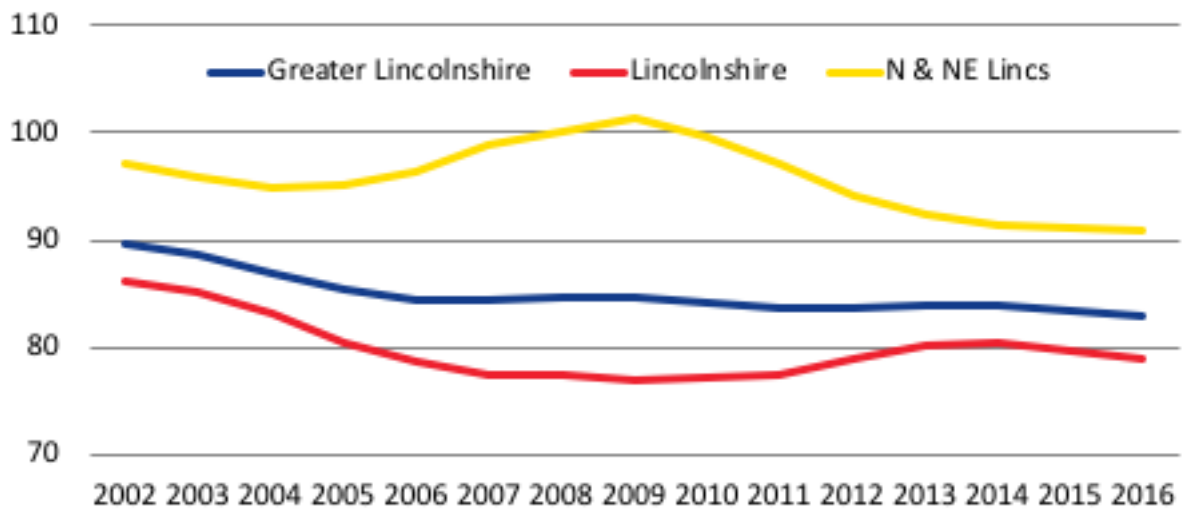


Figure 9 – Greater Lincolnshire Labour Productivity levels (GVA £ per filled job), 2002 to 2016 (UK=100)

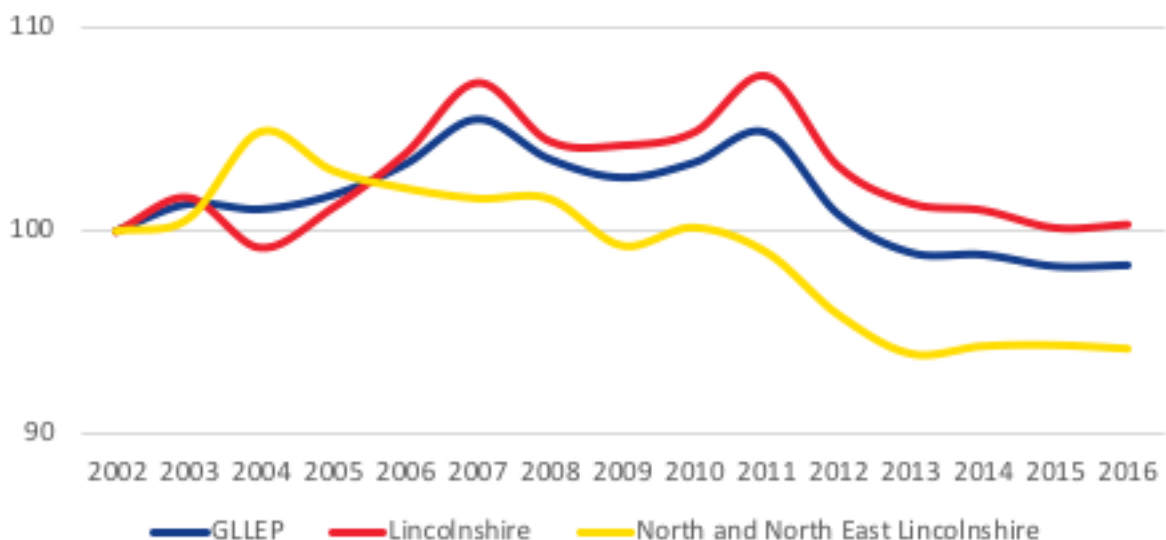
Source: Office for National Statistics



Again, and as shown in the analysis of productivity hours worked (figure 6) then prior to 2011, growth in productivity job numbers (figure 10) will have played some role in pushing down productivity levels relative to the UK, but since that point productivity levels and jobs worked have both fallen relative to UK performance.

Figure 10 – Productivity jobs in Greater Lincolnshire, 2002 to 2016 (UK=100)

Source: Office for National Statistics



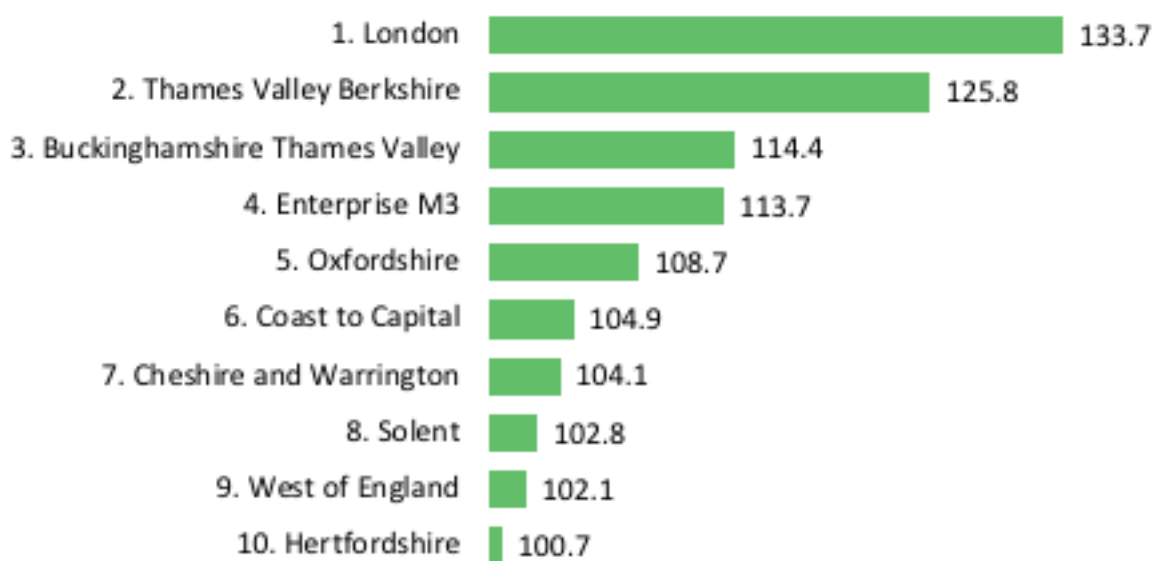
Measures of Productivity at LEP Level

GVA per hour worked

Figure 11 below shows the top ten LEPs with the highest labour productivity levels in 2016. It is perhaps not surprising to see that many of the LEPs that make up the South East and cover the Greater London area appear in this top ten list, with productivity levels above the UK average.

Figure 11 – 2016 Labour Productivity Levels (GVA per hour worked), Top Ten Performing LEP Areas (UK=100)

Source: Office for National Statistics



Referring to figure 12, and turning our attention to the bottom ten LEPs (bearing in mind that there are 38 LEPs, then this effectively constitutes the bottom quartile of LEPs), then compared to 2013, when Greater Lincolnshire was ranked at number 32 (of 39 LEPs), it now appears at number 33 with a labour productivity (GVA per hours worked) index of 82. In this position, Greater Lincolnshire finds itself between The Marches LEP (83.0) and the Sheffield City Region LEP (82.8) in the table.

Reviewing the bottom ten LEPs then we can see that there are many areas which Greater Lincolnshire uses as its comparator areas for performance such as Heart of the South West, Cornwall and Isles of Scilly, and Stoke-on-Trent and Staffordshire. There are also perhaps surprisingly two northern city region areas within the bottom ten.

Figure 12 – 2016 Labour Productivity Levels (GVA per hour worked), Bottom Ten Performing LEP Areas (UK=100)

Source: Office for National Statistics

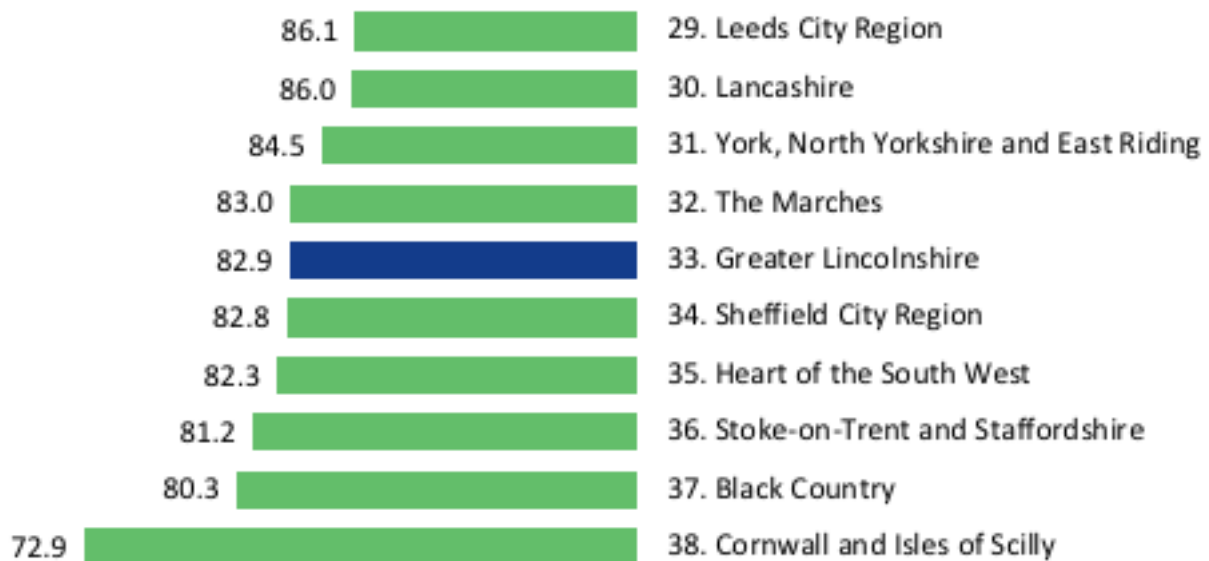
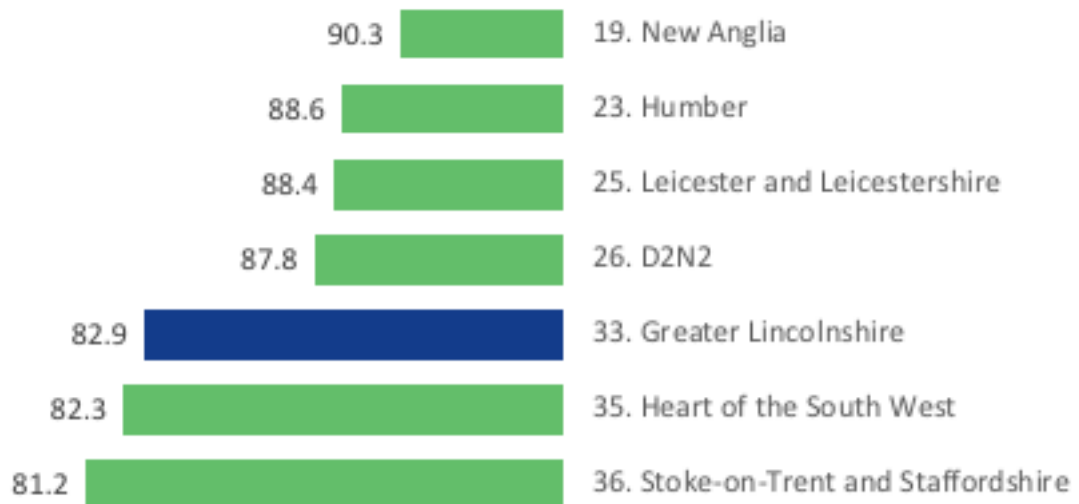


Figure 13 isolates the results for those LEP areas that Greater Lincolnshire most often compares itself to and we can see now that performance is closest to that of the D2N2 LEP but that there is some distance between the two.

Figure 13 – 2016 Labour Productivity Levels (GVA per hour worked), Greater Lincolnshire and Comparator LEP Areas (UK=100)

Source: Office for National Statistics

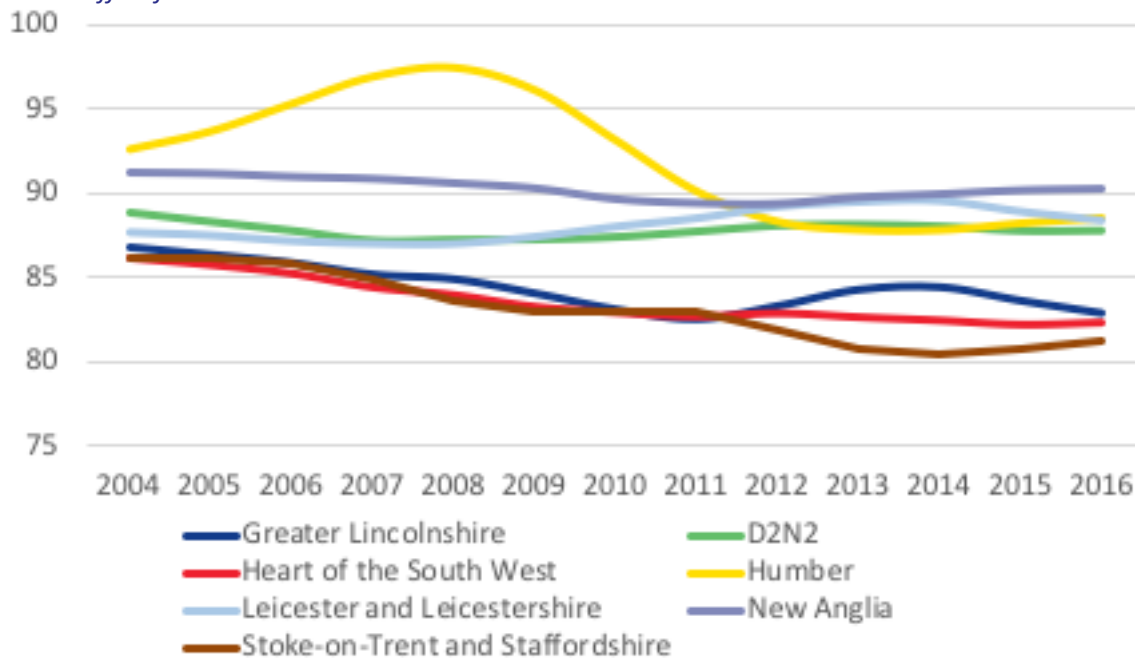


If we consider the performance of these comparator areas over time, then referring to figure 14, we can see that the LEP areas of Greater Lincolnshire, Stoke-on-Trent and Staffordshire, and Heart of the South West, have all been in decline relative to the UK from 2004 onwards. It is worth noting though that Greater Lincolnshire did experience an upsurge in

performance between 2011/12 and 2013/14 but that this has subsequently fallen away in more recent years.

Figure 14 – Labour Productivity Levels (GVA per hour worked) over time, Greater Lincolnshire and Comparator LEP Areas (2004=100)

Source: Office for National Statistics

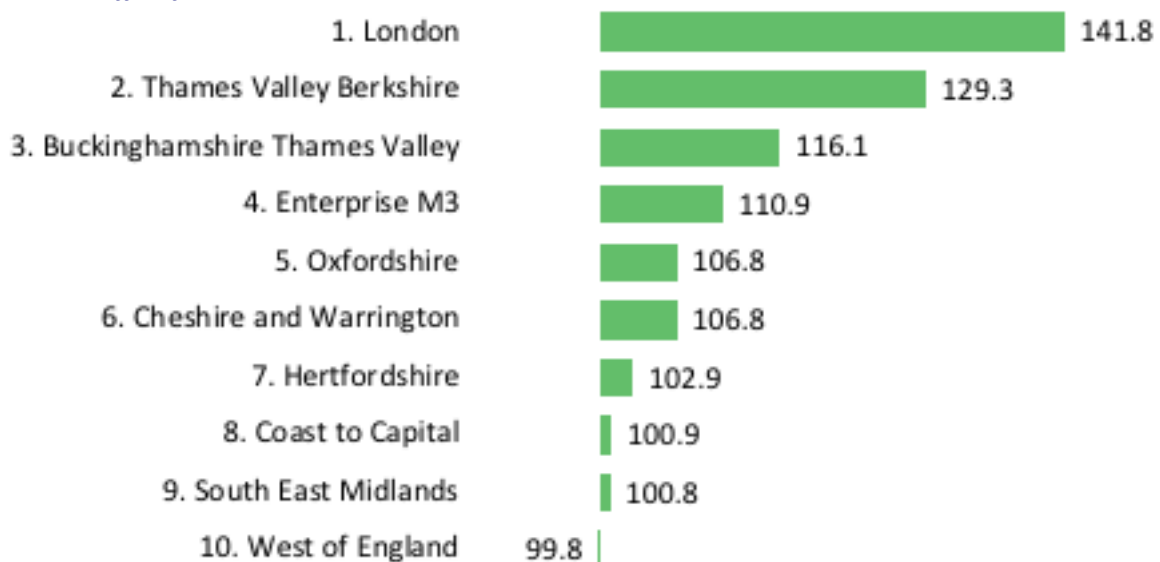


GVA per filled job

Figure 15 shows the top ten performing LEP areas based on this productivity measure, and again we see the familiar LEP names at the top of the tree but further down there are also appearances from the South East Midlands, West of England, and Cheshire and Warrington.

Figure 15 – 2016 Labour Productivity Levels (GVA per filled job), Top Ten Performing LEP Areas (UK=100)

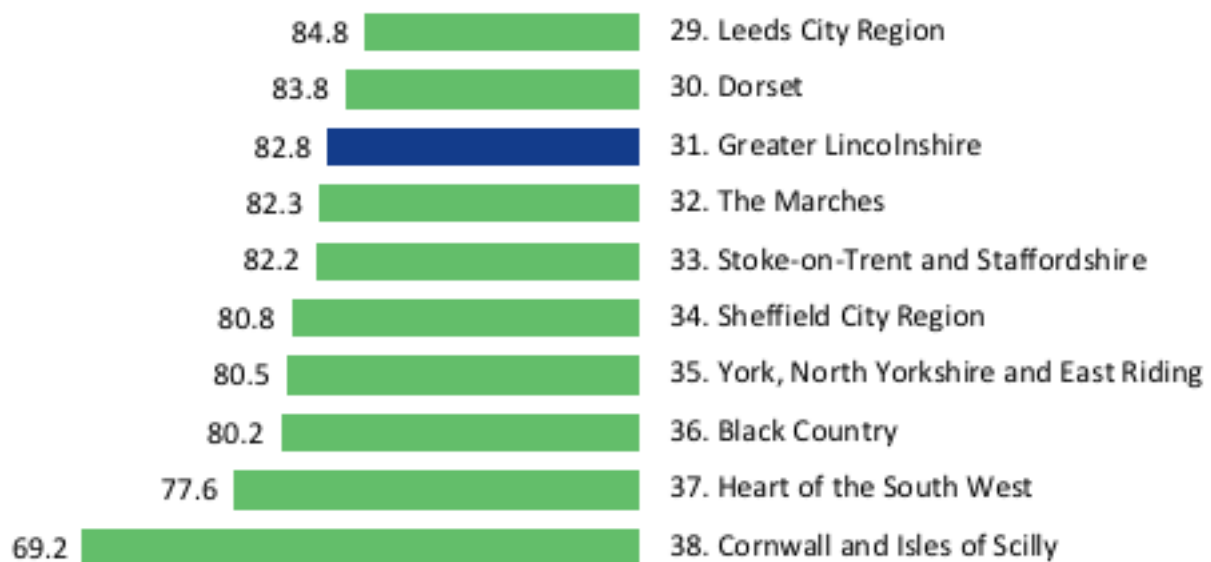
Source: Office for National Statistics



In terms of the bottom ten LEP areas (figure 16), and compared to 2013, then again Greater Lincolnshire remains in this group, appearing at number 31 (the same position it was in 2013 though at the time that was out of 39 LEPs), above The Marches LEP area this time.

Figure 16 – 2016 Labour Productivity Levels (GVA per filled job), Bottom Ten Performing LEP Areas (UK=100)

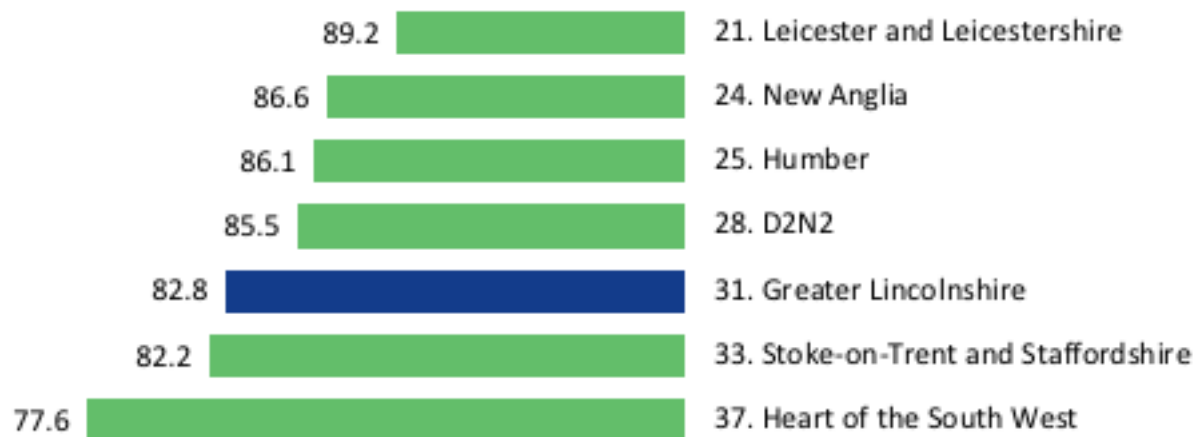
Source: Office for National Statistics



In figure 17 we consider again those areas that Greater Lincolnshire regularly compares performance against, and it tells a similar story to that of GVA per hour worked in figure 11. However, on a positive note, Greater Lincolnshire's performance on GVA per filled job is closer to that of D2N2 (82.8 compared to 85.5 respectively) than it is based on the GVA per hour worked measure (82.9 compared to 87.8 respectively).

Figure 17 – 2016 Labour Productivity Levels (GVA per filled job), Greater Lincolnshire and Comparator LEP Areas (UK=100)

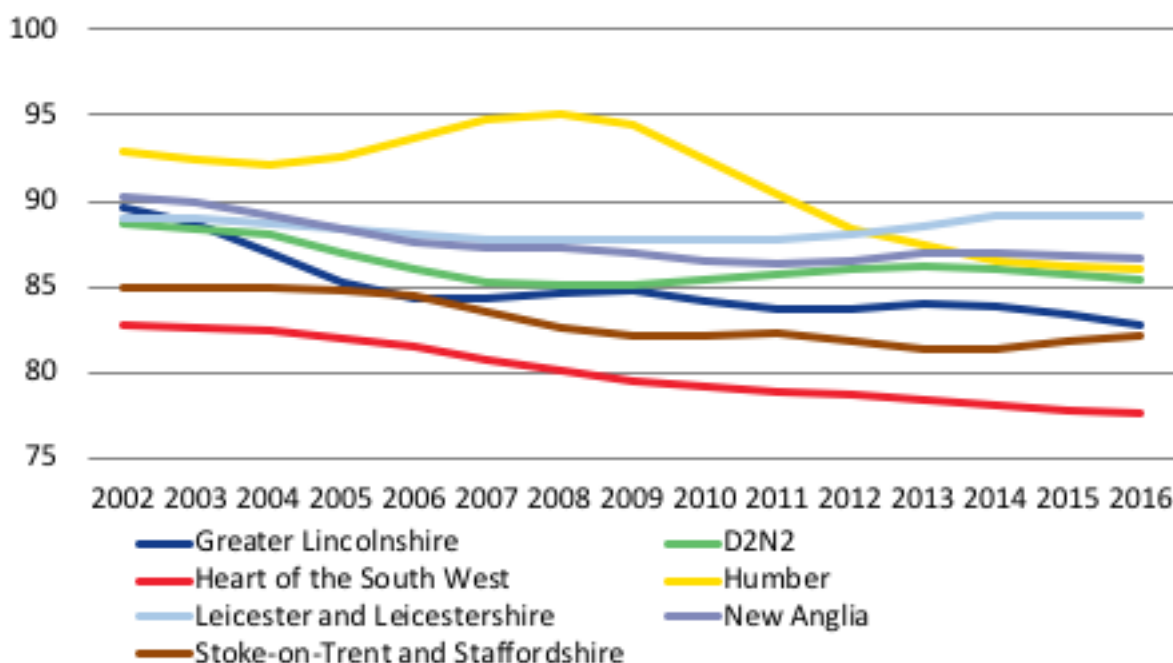
Source: Office for National Statistics



Referring to figure 18, then again it the LEP areas of Greater Lincolnshire, Heart of the South West, and Stoke-on-Trent and Staffordshire which have experienced poor runs of performance over the longer term in terms of productivity. In the shorter term, notably it is the Humber LEP which has experienced the most rapid dip in productivity levels beginning around 2008/09 (noting that the Humber LEP also contains North and North East Lincolnshire).

Figure 18 – Labour Productivity Levels (GVA per filled job) over time, Greater Lincolnshire and Comparator LEP Areas (2002=100)

Source: Office for National Statistics



Finally, it is worth noting at this stage that based on both measures of productivity then London LEP outperforms all other LEPs by some distance. It is this well documented ‘London Effect’ that results in the UK having the biggest gap in regional GDP of any EU country, and why we have so much policy directed at rebalancing the national economy.

With this in mind it is worth considering how the national economy would perform on productivity measures with the effect of London removed. On this basis then, estimating the effects of the removal of London from the calculations suggests that GVA per job for England would be somewhere in the region of £48,000, a drop of around £4,500. However, even at this much lower level, the national economy still outperforms Greater Lincolnshire and its constituent areas.

Measures of Productivity at Local Authority Level

The Office for National Statistics do not produce statistics on productivity at local authority level. But, given that they do produce statistics on both Gross Value Added (the latest being 2015), and employment numbers at the local authority level, then we are able to produce some estimates for productivity at this level. Figure 19 presents estimates which have been adjusted to bring them into line with productivity measures at LEP level. Figure 20 shows change in productivity levels since 2013 with North East Lincolnshire appearing to have been the main source of productivity growth in North and North East Lincolnshire over this period

Figure 19 – Estimates for GVA per job across Greater Lincolnshire, 2015

Source: Codename:Consulting 2017, using ONS experimental statistics on GVA and employment at local district and unitary authority level

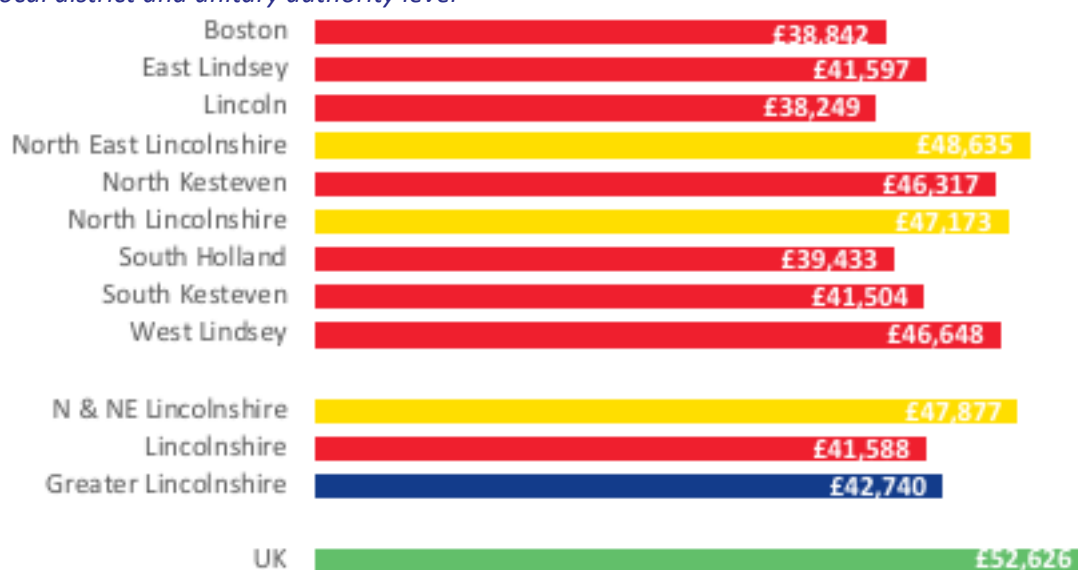
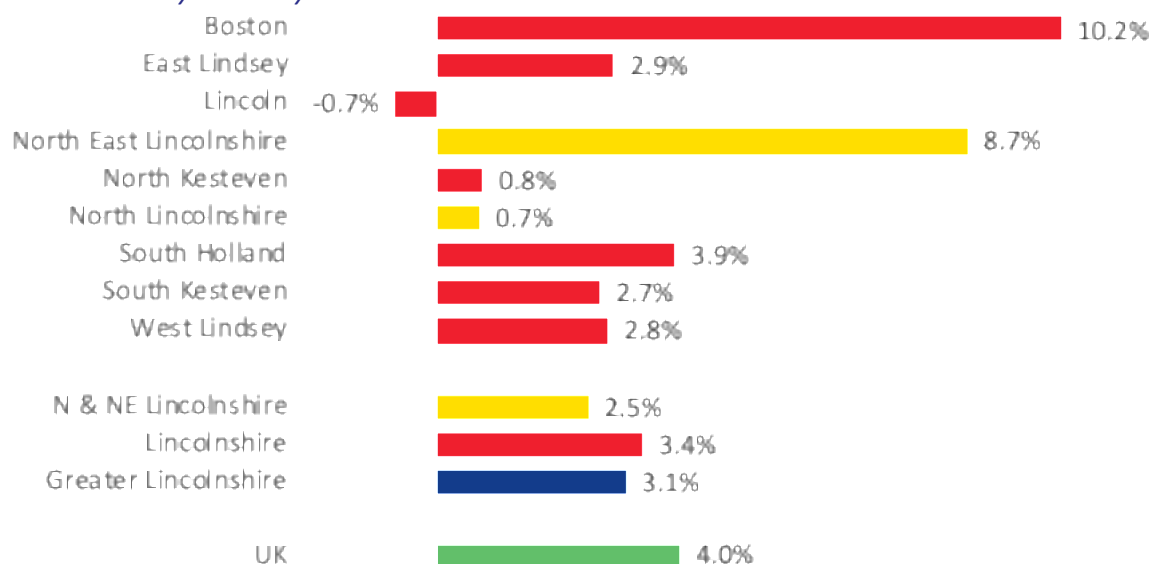


Figure 20 – Estimates for change in GVA per employee across Greater Lincolnshire, 2013 - 2015

Source: Codename:Consulting 2017, using ONS experimental statistics on GVA and employment at local and unitary authority level



Measures of Productivity by Sector

Similarly, as with the previous statistics on productivity at local authority level, then the Office for National Statistics do not produce statistics on sectoral productivity at the local authority level. But again, using ONS experimental statistics on GVA at the local authority level along with figures on employment from the Business Register and Employment Survey, we can create some approximations, and these are presented in figure 21.

Figure 21 – GVA per job by sector across Greater Lincolnshire, 2016

Source: Codename:Consulting 2017, using ONS experimental statistics on GVA and employment at local and unitary authority level

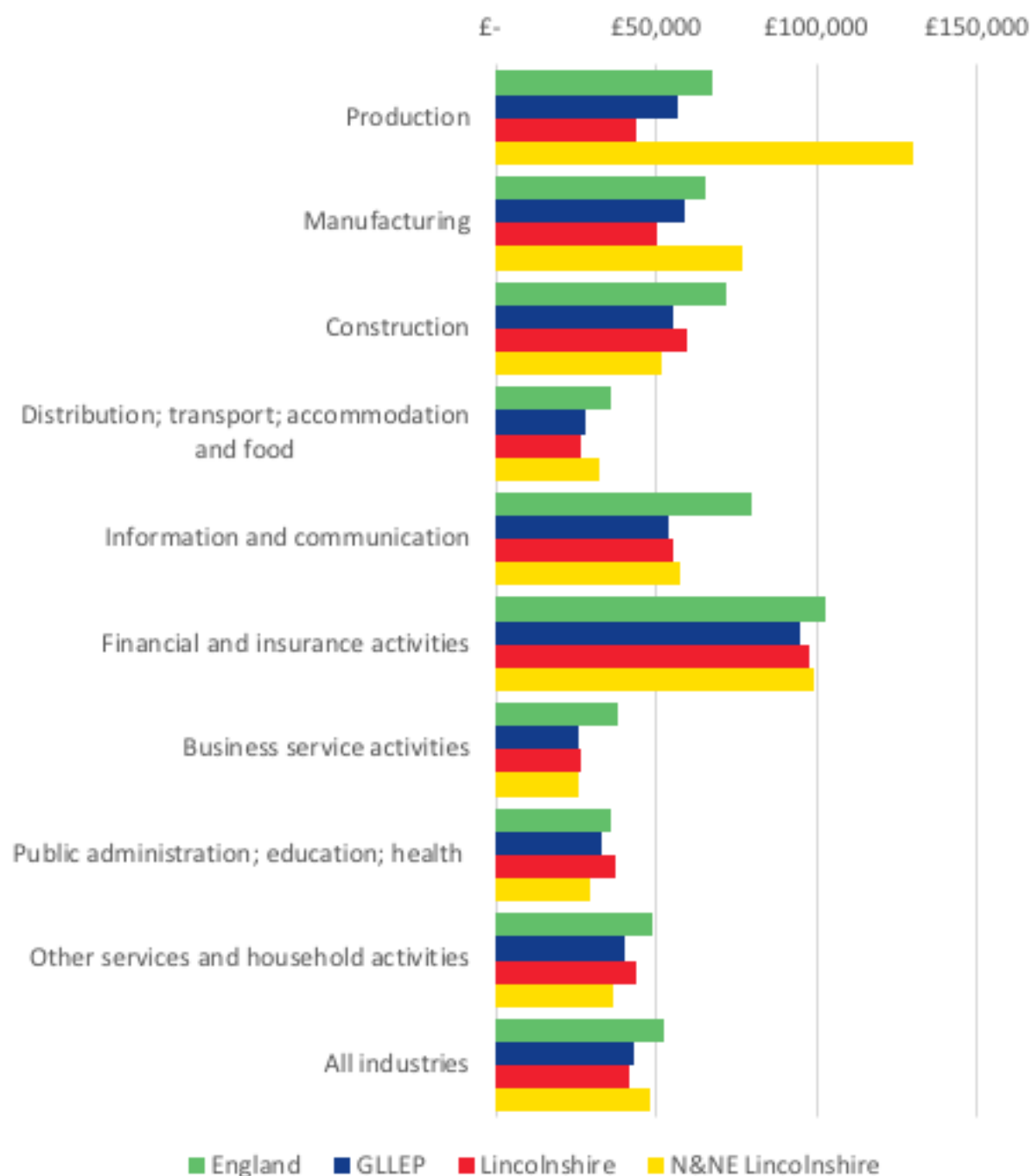
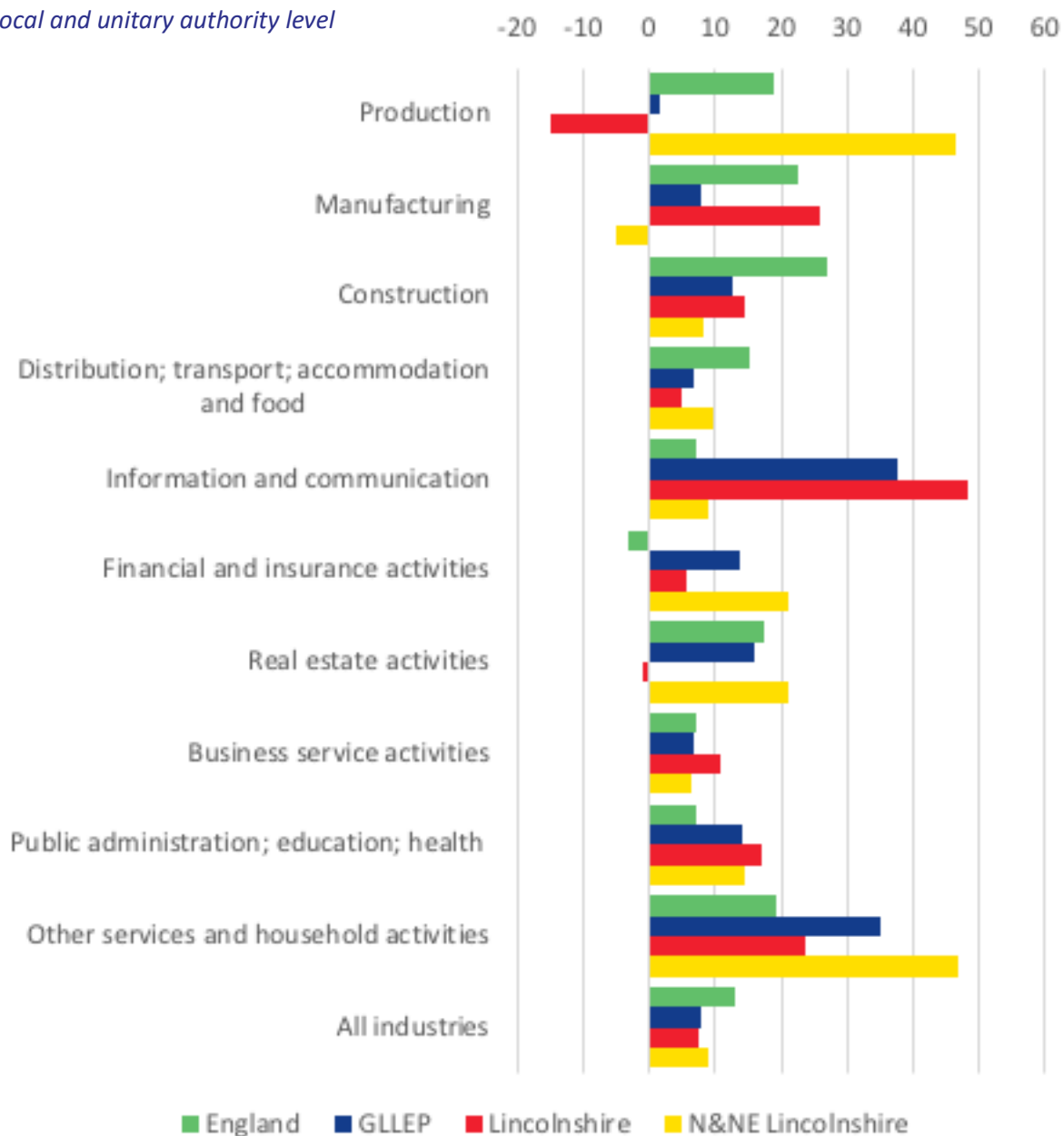


Figure 21 presents no real surprises in that Greater Lincolnshire, and the areas of Lincolnshire, and North and North East Lincolnshire, continue to lag behind nearly all sectors nationally when it comes to GVA per job. There are however some notable exceptions for North and North East Lincolnshire where this is not the case, those being ‘Production’ (which includes things like Agriculture, fishing, and energy) and ‘Manufacturing’.

So, Lincolnshire, and North and North East Lincolnshire, have both been outpaced by national level growth in productivity, but which sectors then have performed well? Again, as with previous figures presented, then we will attempt to answer this question using estimates devised from ONS experimental statistics at local authority level GVA (figure 22).

Figure 22 – Change in GVA per job by sector across Greater Lincolnshire, 2010 – 2016 (Index, 2010 = 100)

Source: Codename:Consulting 2017, using ONS experimental statistics on GVA and employment at local and unitary authority level



Firstly, please note that given the experimental nature of these statistics then we have considered a longer time period of change (2010 to 2016), rather than the period covered by the headline productivity statistics (2013 to 2016).

So, with that in mind, and referring to figure 22, we can see that there are a few sectors which stand out in terms of where Greater Lincolnshire (and/or Lincolnshire, and North and North East Lincolnshire) has experienced relatively large positive changes in productivity when compared nationally. In the order they are presented in figure 22 then these are:

- Production
- Manufacturing
- Information and communication
- Financial and insurance activities
- Business service activities
- Public administration; education; health
- Other services and household activities

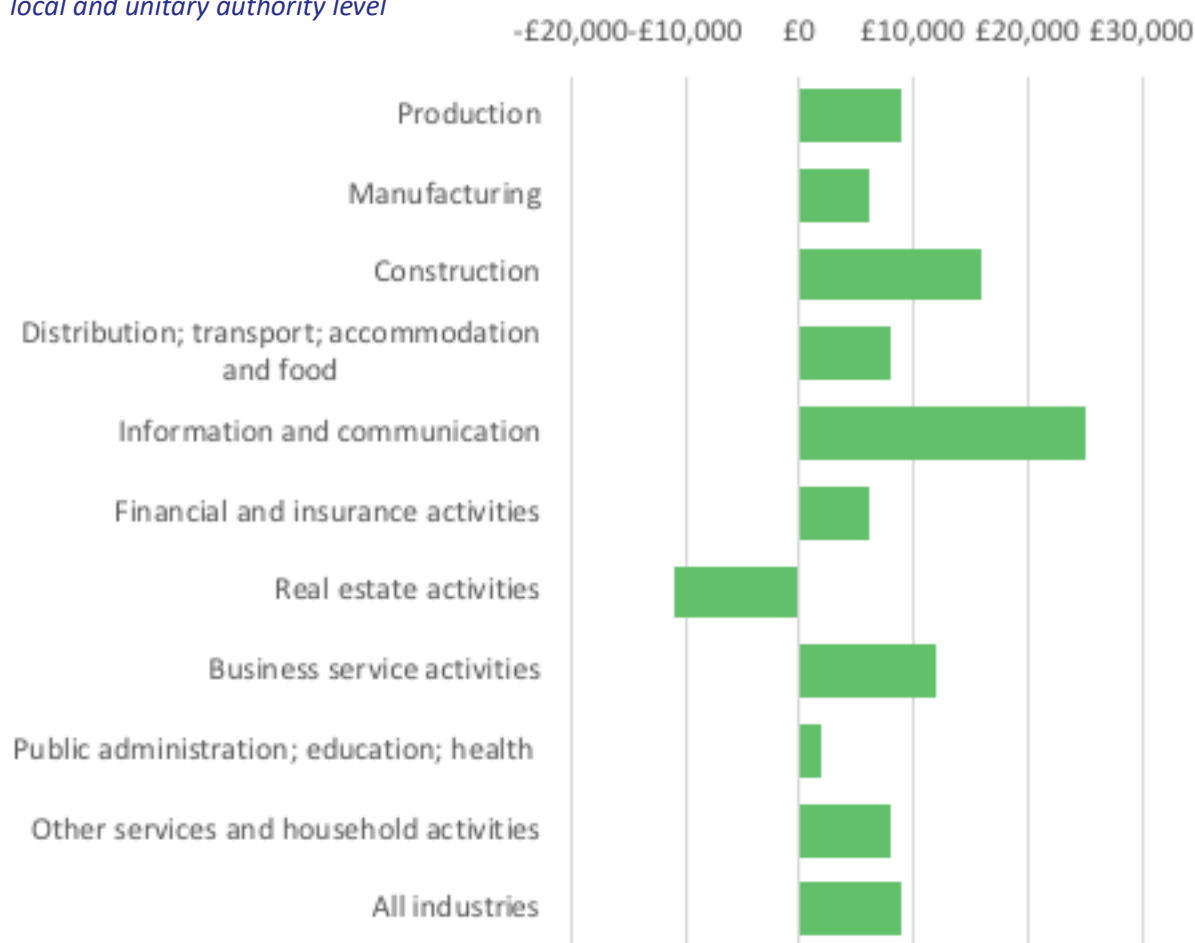
Given that the level of analysis we are able to do at this stage is based on fairly broad industrial groups, then admittedly it is limited. For example, given the sector of 'Distribution; transport; accommodation and food' can we assume that productivity gains have been felt right across the spectrum of activities that it captures, or in just one element? At this stage, and until ONS produces more detailed statistics on sectoral GVA at local authority level then we will have to assume the former for now.

Closing the Productivity Gap

Having identified areas of activity that appear to have performed well over the last few years, this leads us to ask as to whether these improvements might continue into the future and help to close the gap on UK productivity levels further. One way of considering this would be to look at what the available “headroom” (i.e. the positive difference between national and local levels of GVA per job) is between productivity levels for each sector, and this is what figure 23 does.

Figure 23 – Productivity headroom by sector across Greater Lincolnshire, 2016

Source: Codename:Consulting 2017, using ONS experimental statistics on GVA and employment at local and unitary authority level



So, where is the productivity headroom? Referring to figure 21, and discounting ‘Financial and insurance activities’ (which whilst not having the largest amount of headroom, what is there will most likely be due to the effect of the City of London at the national level), then these estimates suggest that the sectors in which Greater Lincolnshire could realistically improve are:

- Production
- Manufacturing
- Construction

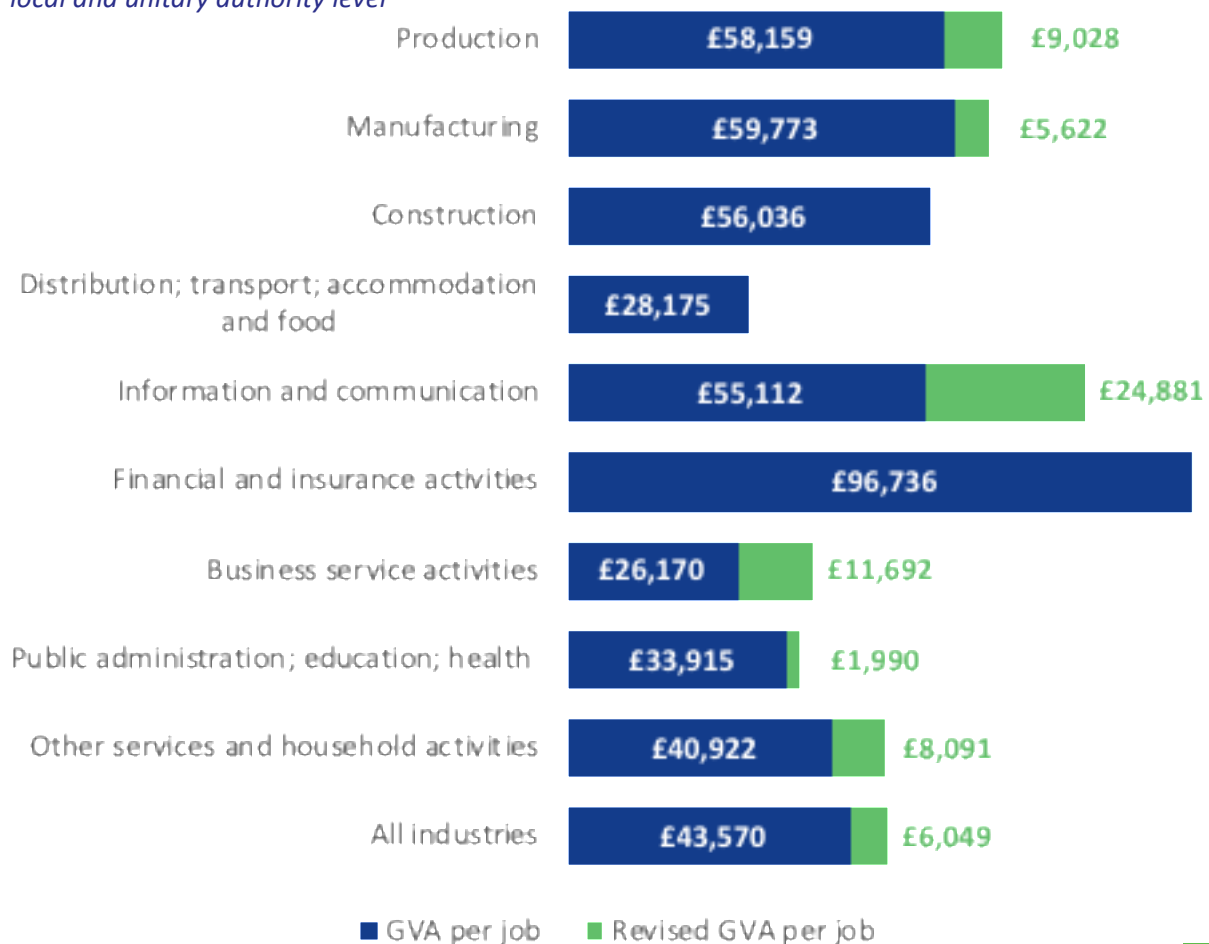
- Distribution; transport; accommodation and food
- Information and communication
- Business service activities
- Public administration; education; health
- Other service and household activities

Referring back to figure 20, then six out of eight of these sectors were highlighted as having made the most in terms of productivity gains in recent years. Having quantified the productivity headroom within sectors which have shown high levels of productivity growth over the last few years, and assuming that these sectors will continue to improve in productivity terms, what would be the result for Greater Lincolnshire of matching national levels of productivity within these identified sectors (scenario 1)?

Well, all other things remaining the same, if GVA per job in each of the five sectors were in line with the national level in 2016 then Great Lincolnshire’s GVA per job would increase by approximately £6,049, to £49,619, as shown in scenario 1 in figure 24. Overall GVA for the Greater Lincolnshire economy would subsequently be at £24.3bn, an increase of nearly £3bn.

Figure 24 – Greater Lincolnshire productivity headroom Scenario 1 – Levels of GVA per job in Greater Lincolnshire growth sectors matched to national levels

Source: Codename:Consulting 2017, using ONS experimental statistics on GVA and employment at local and unitary authority level



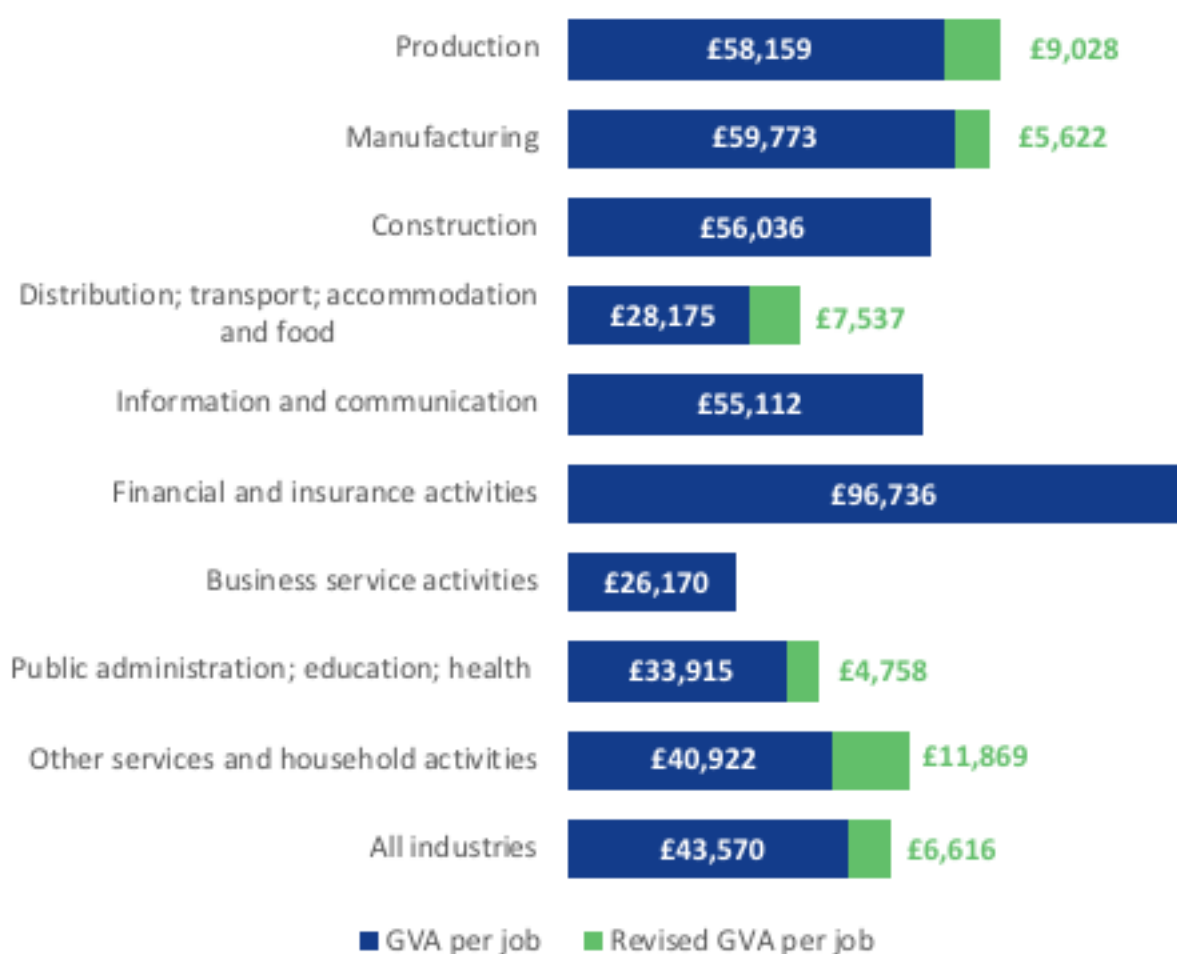
A GVA per job of £49,619 would place Greater Lincolnshire in 15th place out of the 38 LEP areas, above areas such as the South East, and Greater Birmingham and Solihull.

On the basis that it is probably unrealistic for Greater Lincolnshire to match national levels of productivity in certain sectors then let us consider increase in productivity in those sectors which the Greater Lincolnshire has prioritised (scenario 2).

In this instance it will mean matching national productivity levels in the broad industrial groups of ‘production’ (which contains agri-food), ‘manufacturing’, ‘distribution; transport accommodation and food’ (which captures both visitor economy and ‘ports and logistics’ activity), ‘public administration; education; health’ (which contains ‘Health and Care’), and ‘Other services and household activities’ (which contains activity covering culture, the arts, and sports, all important elements of the visitor economy).

Figure 25 – Greater Lincolnshire productivity headroom Scenario 2 - Levels of GVA per job in Greater Lincolnshire priority sectors matched to national levels

Source: Codename:Consulting 2017, using ONS experimental statistics on GVA and employment at local and unitary authority level



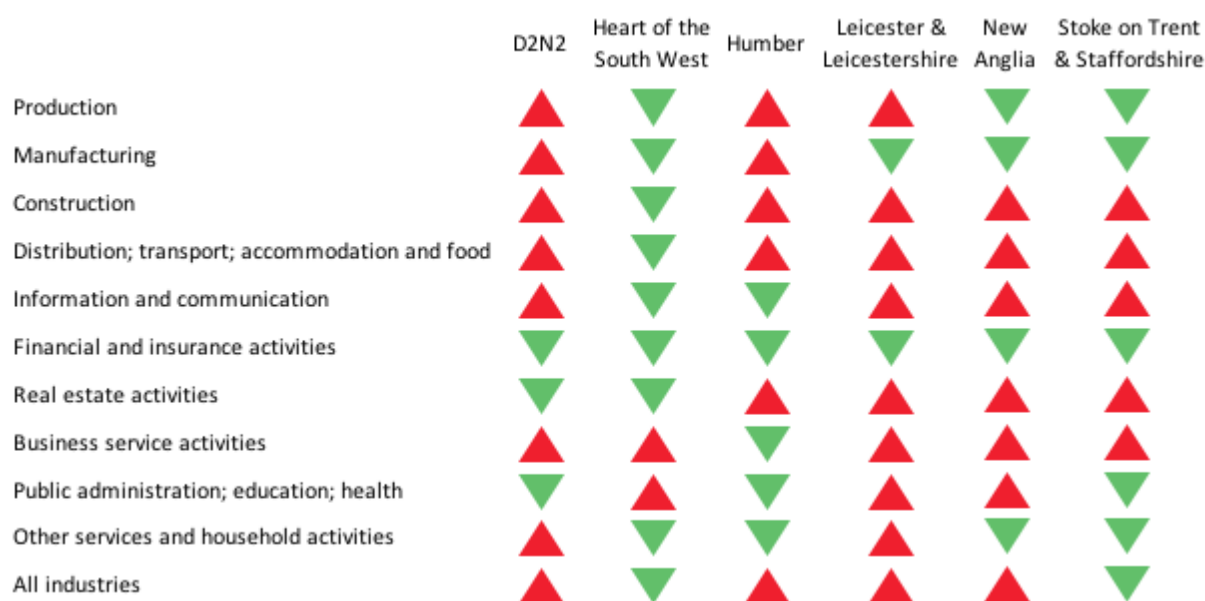
Again, and if all other things remain the same, if GVA per job in each of the priority sectors were in line with the national level in 2016 then Great Lincolnshire’s GVA per job would increase by approximately £6,616, to £50,186, as shown in scenario 2 in figure 25. This would place Greater Lincolnshire in 13th place out of the 38 LEP areas, above areas such as Greater Cambridge and Greater Peterborough, and Gloucestershire. Overall, GVA for the Greater Lincolnshire economy would subsequently be at £24.5bn, an increase of over £3bn.

Scenario 2 actually chimes well with the Industrial Strategy as it rightly points out that “some of the biggest opportunities for raising productivity come in sectors of the economy that have lower average productivity levels, but where many people work and which are vital to our economy”. The visitor economy comes in for particular focus with the Government stating that it “will work closely with sectors such as hospitality, retail and tourism on each of the foundations of productivity in order to be able to progressively drive up the earning power of people employed in these industries and enhancing our national productivity”.

Whilst it is useful to compare with national performance levels, perhaps more realistically Greater Lincolnshire should be looking at some of its nearest performing LEP areas and identifying more achievable areas of productivity headroom. Figure 26 shows where Greater Lincolnshire productivity levels by broad industrial group are either above (▼ - signifying no productivity headroom) or below (▲ - signifying productivity headroom is available)

Figure 26 – Greater Lincolnshire productivity headroom across LEP comparator areas

Source: Codename:Consulting 2017, using ONS experimental statistics on GVA and employment at local and unitary authority level

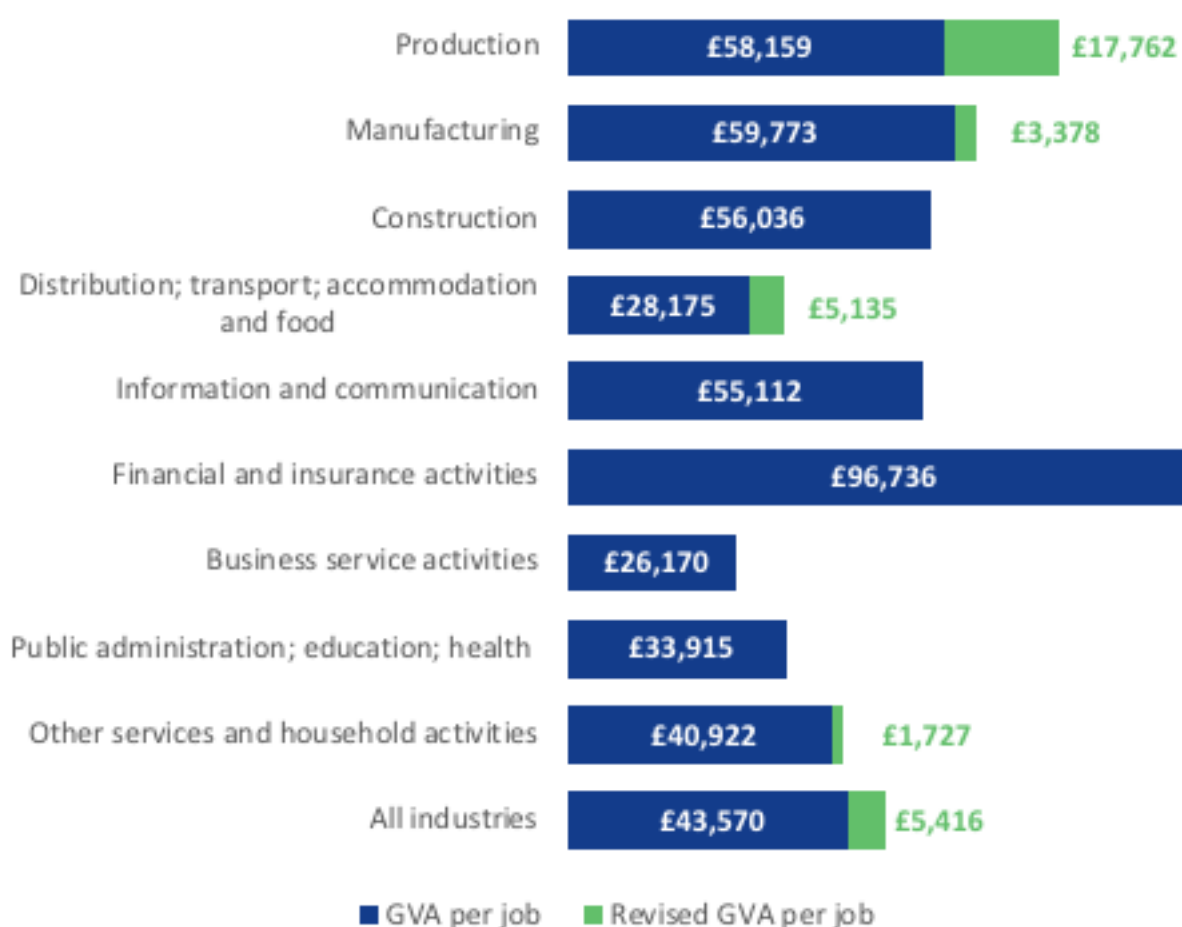


If we refer back to figures 13 and 17 then D2N2 was the next highest performing comparator LEP on both measures of productivity. Referring to figure 26, then we can also see that across all of the priority sectors (apart from Health and Care) then there is in theory some productivity headroom in Greater Lincolnshire when compared to D2N2.

So, with this in mind, lets consider a scenario 3, where Greater Lincolnshire productivity levels within those sectors align with those of D2N2.

Figure 27 – Greater Lincolnshire productivity headroom Scenario 3 - Levels of GVA per job in Greater Lincolnshire priority sectors matched to D2N2 levels

Source: Codename:Consulting 2017, using ONS experimental statistics on GVA and employment at local and unitary authority level



Referring to scenario 3 in figure 27, then on this basis Greater Lincolnshire’s GVA per job would increase to £48,986, placing it again in 15th position out of the 38 LEPs. Overall, GVA for the Greater Lincolnshire economy would nearly be £24bn, an increase of £2.6bn.

Driving productivity growth

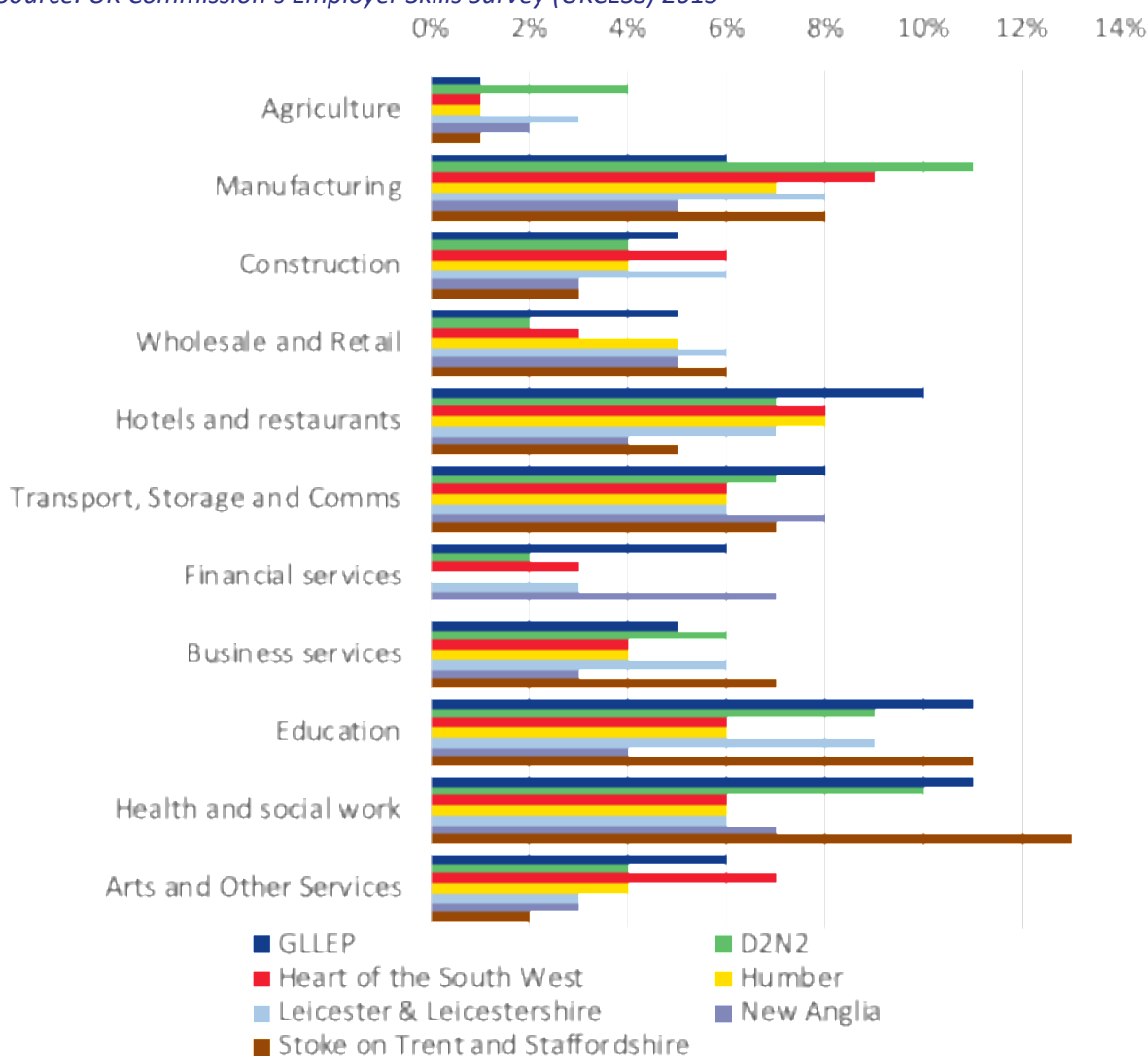
Having considered what Greater Lincolnshire productivity levels might look like if they were to match comparator and national levels, let us now turn our attention to some of the drivers of productivity growth (as outlined in the five pillars of the Industrial Strategy), and how these might both be affecting productivity levels, and stimulated in order to raise performance levels.

People (Skills)

The UK's Industrial Strategy recognises that people, and the skills they have, are a key driver of productivity. According to research by the Confederation of British Industry, disparities in education and skills are the biggest drivers of regional variation in productivity. We also know from multiple sources that Greater Lincolnshire lags behind national averages on skills levels, but that this position is improving. However, results from the UKCESS 2015 suggest that Greater Lincolnshire still has a way to go in some sectors when performance against its comparator areas is considered.

Figure 28 – Percentage of establishments with a skills shortage vacancy

Source: UK Commission's Employer Skills Survey (UKCESS) 2015



Referring to figures 28 and 29 then a number of sectors stand out that align well with those sectors identified previously as having potential productivity headroom, namely:

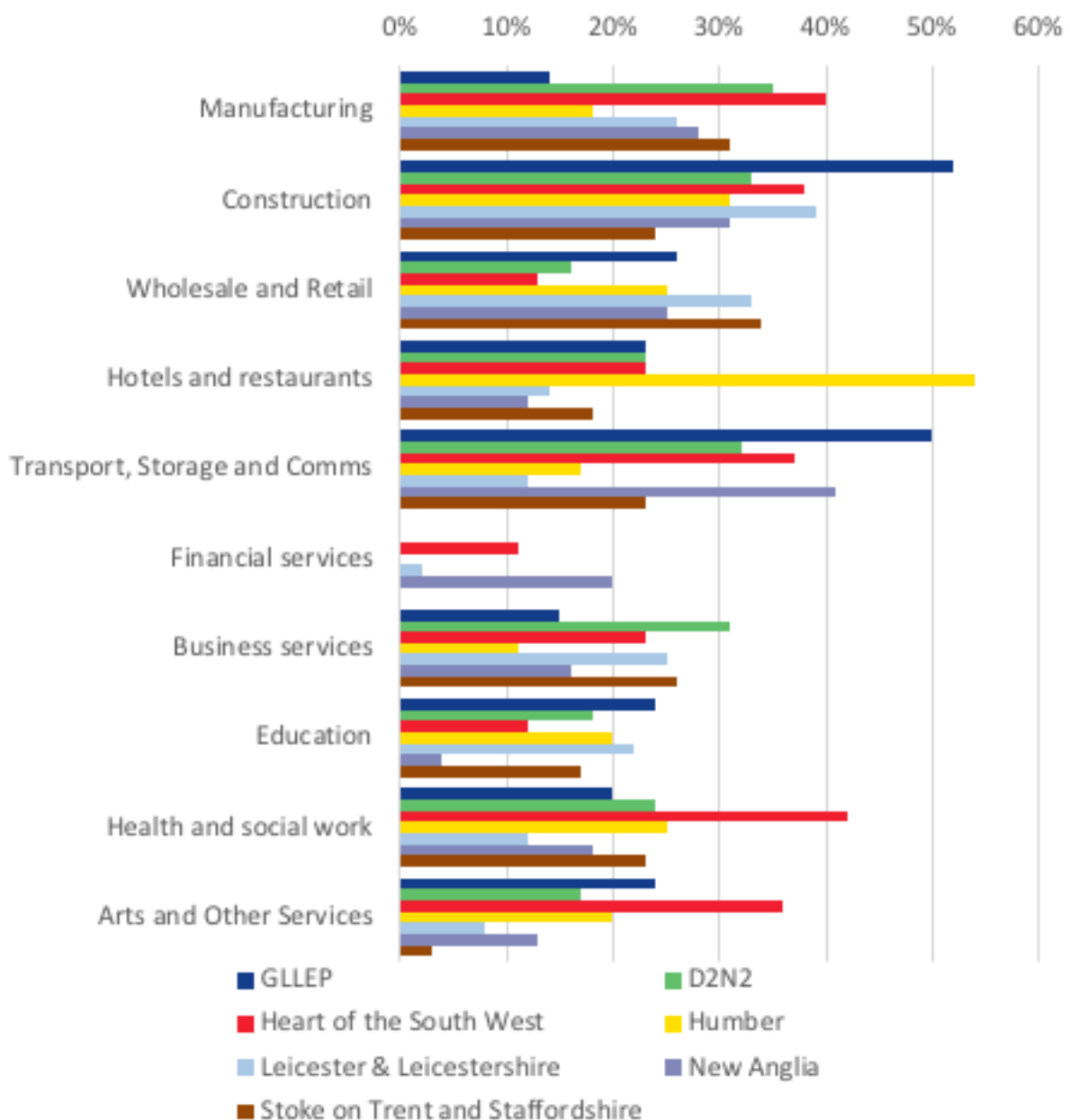
- Hotels and restaurants (figure 28)
- Transport, storage and comms (figure 28 and 29)
- Health and social work (figure 28)
- Arts and Other Services (figure 28 and 29)

These sectors also correspond well with Greater Lincolnshire LEPs priority and emerging sectors.

Figure 29 – Percentage of all vacancies that are a skills shortage vacancy

Source: UK Commission's Employer Skills Survey (UKCESS) 2015

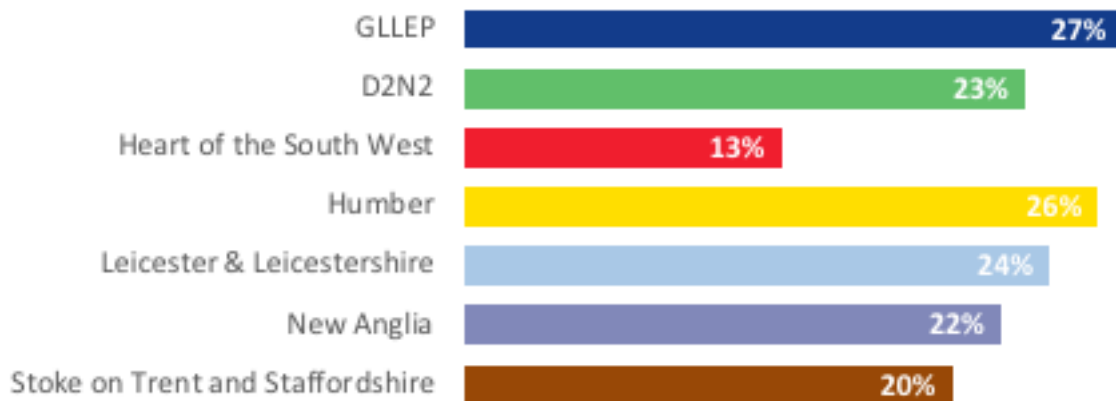
Please note that data was available for the Agriculture industry



Up until this point Manufacturing has not featured strongly but, if we consider where manufacturing establishments have stated that they have staff who are not fully proficient, then Greater Lincolnshire manufacturers top the list of its regular LEP comparator areas (figure 30).

Figure 30 – Percentage of manufacturing establishments with any staff not fully proficient

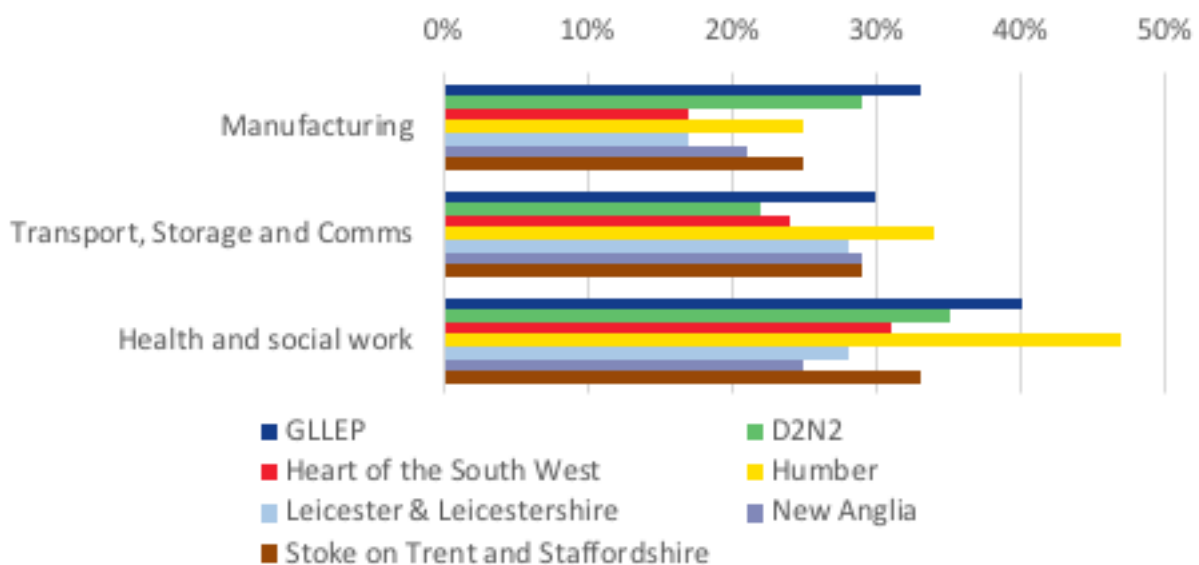
Source: UK Commission’s Employer Skills Survey (UKCESS) 2015



Finally, if we consider those establishments that stated they had underutilised staff then Manufacturing, Transport, Storage and Comms, and Health and social work establishments all featured strongly for Greater Lincolnshire on this measure of performance (figure 31). As such, all of these sectors would be good places to concentrate activity in terms of realising productivity headroom.

Figure 31 – Percentage of establishments with underutilised staff

Source: UK Commission’s Employer Skills Survey (UKCESS) 2015



Many of these skills challenges faced by employers have been summarised neatly as part of the recent Greater Lincolnshire Area Review. The review goes on to identify the following mechanisms that Greater Lincolnshire LEP will use to drive change and support local employers:

- Seven European Social Fund / Skills Funding Agency projects tailored to address some of these challenges
- A bid to the Growth Deal for a skills capital programme
- A Place Marketing Strategy
- Inward investment support
- Supporting businesses through Growth Hub Advisors

Ideas (Innovation)

IR4.0, or the fourth industrial revolution, refers to the huge transformational effect we are currently going through due to the ever growing digitalisation of our economy. IR4.0 encompasses such technological advances as labour automation, artificial intelligence, additive manufacturing, augmented and virtual reality, and the use of big and open data, to name but a few.

It is the first two examples in that list that perhaps provide the best opportunities to drive productivity growth through the “replacement” of humans with machines to undertake routine tasks. There are the ever present fears that these developments will drive up unemployment but the reality is much more likely that those people “replaced” by machines will be trained for work higher up the value chain as we see the economy generate more and more higher skilled jobs. The key for Greater Lincolnshire, and its levels of productivity, will be ensuring that it is somewhere near the front of the pack when it comes to realising these technological advancements, particularly within its traditional industries.

Business (Exports)

The UK Industrial Strategy notes that “Businesses that export account for 60 per cent of the UK’s annual productivity growth, deliver stronger employment growth and pay higher wages than those that don’t”. So, whilst it would appear that exporting is a key component of productivity levels, and that there exists good information on this at the national level, unfortunately the understanding of levels and types of exporting at the local level has until recently been quite limited due to the lack of official data. Instead we have relied on local surveys to provide information on the types and places of exporting but have only been able to discern limited data on levels of exporting. However, the GLLEP 2014 business survey did find that only 13 per cent of Lincolnshire businesses exported, a figure which was significantly below the UK average.

This lack of information at the local level is something that is changing, in part with new data sets being released by HMRC for local enterprise partnerships, and it is this information

(along with other relevant sources) that will be considered in a forthcoming paper on exporting in Greater Lincolnshire. Initial analysis of this data shows that the total value of exporting is worth £2.91bn to Greater Lincolnshire, with £651m of this generated by chemicals exports, and that Greater Lincolnshire's top trade partner is Belgium.

Business (Environment)

Greater Lincolnshire is under-represented in terms of businesses that have high growth intentions or wish to enter new markets. We also estimate that in addition to the 36,400 VAT/PAYE register businesses there is somewhere in the region of a further 50,000 small businesses not picked up in official datasets.

This research looking at productivity has highlighted that Greater Lincolnshire's nationally important sectors still have significant room for raising productivity levels. In order to make sector based initiatives to raise productivity a success, we first need to understand that different sectors will have different levers to do enable this, and identify what they are.

Alongside this, further work to identify existing, or potential, for business clusters (through Location Quotient analysis) will be carried out. It is through these business clusters that we will look to introduce or improve the ability to share best practice, and encourage capacity building and leadership through specifically developed support.

Finally, and in addition, there is still much work to be done in order to further understand small businesses and their specific challenges and motivations.

Infrastructure

Greater Lincolnshire already makes a significant contribution to meeting the nation's food supply. We are the nation's biggest arable and horticulture producer. We produce 25% of the country's vegetables, have 25% of the nation's Grade 1 agricultural land, and process 70% of the UK's seafood. In addition to this then there is potential for Greater Lincolnshire to make a similarly significant contribution to national water and energy requirements, without sacrificing the character and appeal of the area. But there are infrastructure challenges which will need to be overcome in order to achieve this.

More Information

This paper was produced by Codename:Consulting on behalf of Lincolnshire County Council's Economy and Environment Research Team for the Greater Lincolnshire Local Enterprise Partnership (GLLEP).

The GLLEP evidence base on the Lincolnshire Research Observatory is the key source of analysis and intelligence for the GLLEP.

www.research-lincs.org.uk/lep-home.aspx



Paper 5 - Implementing the Outcomes of the Utility Study

Recommendations

The vision for Greater Lincolnshire Partners would be to establish a **utility infrastructure action and communication plan** designed to minimise the risk of utility infrastructure being a barrier to the growth strategy for the LEP area. This would be developed locally with the Housing and Infrastructure Group, that reports into the Lincolnshire Leaders and CX Group.

This would then be included, alongside further energy strategy work, into a comprehensive energy chapter within the emerging Local Industrial Strategy document for Greater Lincolnshire.

1 Background

A long-term commitment to infrastructure investment is critical in efforts to accelerate commercial and housing growth across Greater Lincolnshire. Investments can stall due to the limited availability of utilities and the relative cost and time involved in upgrading them. There is a need for a strong dialogue between the utility companies and local partners both private and sector, particularly at local level.

A report into the "**Future-proofing the capacity of utilities in Greater Lincolnshire**" was commissioned between the local authorities and the LEP utilising some of the LEP feasibility funds. LCC led on this study, and this has now been completed and this report will summarise the recommendations, and proposed next steps.

2 Summary of Report Findings

A long-term commitment to infrastructure investment is critical in efforts to accelerate employment and housing, and productivity growth across Greater Lincolnshire. However, action is also needed immediately to deal with network infrastructure capacity shortfalls being encountered on a regular basis and ease the pressures on land development in the short term. In addition, new solutions will be needed for the inter-related system challenges, which will need to be faced by Greater Lincolnshire into the future.

In summary, the study findings;

- provided evidence that there is an issues of utilities capacity, hindering the full development potential of Greater Lincolnshire.
- showed that there is a lack of existing utilities capacity at proposed development sites, leading to increased associated costs and time implications of necessary reinforcement works.
- identified that there are a high percentage of smaller developers who are less able to bear the high costs of reinforcement.
- clarified that the process of engagement between developers, local authority planners and utilities firms to establish the nature, scale and cost of required reinforcement works is complex, un-transparent and lacks consistency.
- outlined that investments are needed not only in maintaining and replacing existing infrastructure, but also upgrading and building new facilities and networks.

- are supported by a Government that recognises (through White Paper consultations) and accepts that utilities have the potential to hinder growth.

These issues appear to be partly a result of Greater Lincolnshire's natural characteristics and under investment. These factors include the relatively peripheral and rural nature of the area and relatively low land and property values, leading to issues of viability.

3 Details of the overall cost burdens

In the final study, estimates for the utility capacity upgrades looked at 25 strategic sites across the Greater Lincolnshire area. Costs for abnormal reinforcement works were estimated to be around £125m in total. If this figure was applied to all development planned in Greater Lincolnshire in the next 20 years ie the SEP period, it would equate to abnormal utilities costs of around £250m. A significant upfront investment for development

4 How to we take this forward

Greater Lincolnshire has to find a solution to its long terms utilities needs in order to fulfil its potential for the UK and locally. This will involve working on a number of areas, namely:

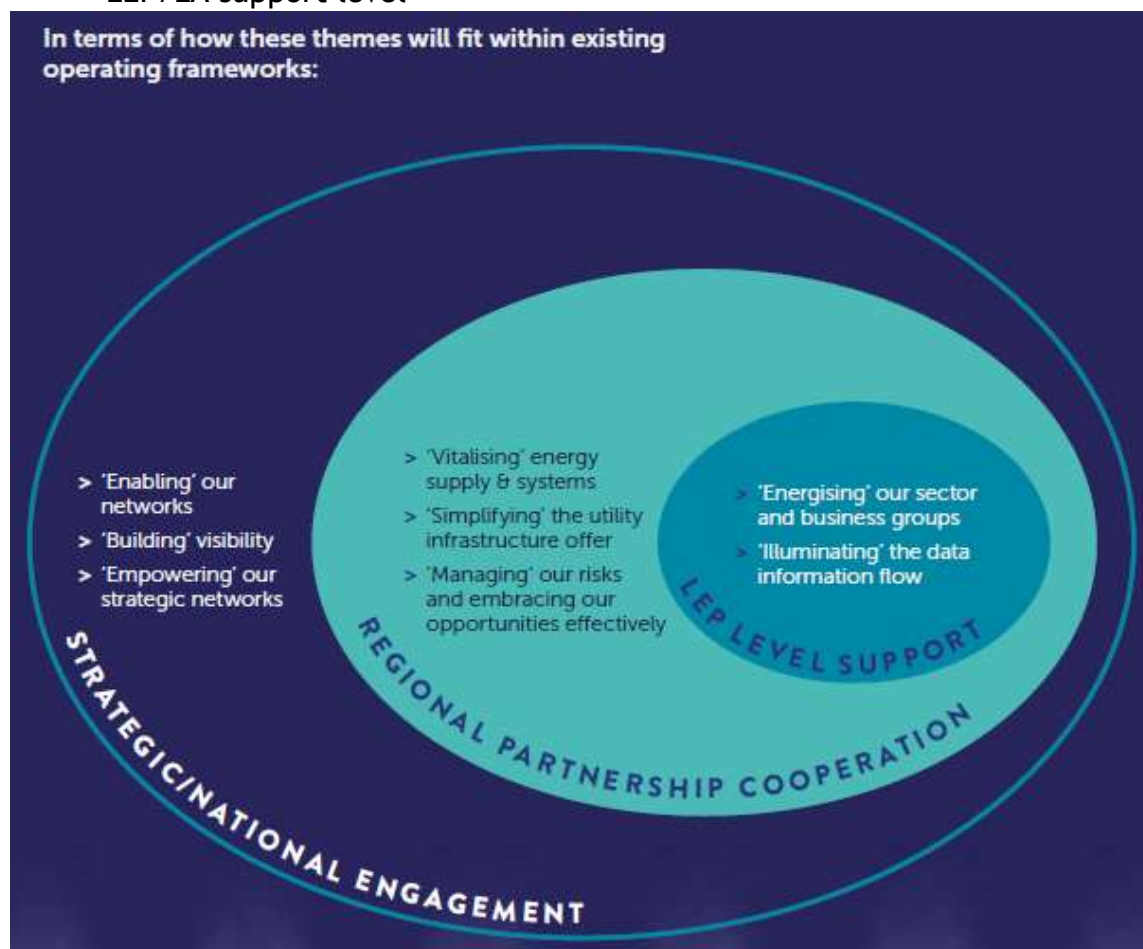
- Investigating the true energy requirements for growth aspirations over the next 20 years
- Assessing what gaps may be present (if any) between these requirements, and investments to be made by utility companies over that time period
- If a gap is found to be present through a national infrastructure provision, ascertaining what innovative local solutions could be put in place to augment available options
- What investment value would be needed to achieve all of this, and then identify the most appropriate financial models to support this

We now have in place a utility infrastructure report which outlines a number of issues and recommendations for the Greater Lincolnshire area. The next phase of activity will be to turn these findings into a set of 'calls to action', for a range of identified stakeholders. The ultimate vision is to establish a **utility infrastructure action plan** designed to minimise the risk of utility infrastructure being a barrier to the growth strategy for the LEP area. Within the report there are three main areas of consideration in moving the utility infrastructure agenda forward, namely:



The following diagram shows how all of these themes interlink, with an indication of what and who should be taking a lead on looking at, and delivering the required solutions to these issues. In board terms the areas to engage with are at a:

- Strategic/National engagement level - MP's/BEIS
- Regional Partnership Co-operation level - Midlands Engine and utility companies
- LEP/LA support level



There are three main areas that utilities infrastructure action should be considered:

- establish a strong influencing group for greater Lincolnshire on utilities
- make sure that good quality information is collected and given to organisations who need to hold it
- increase the dialogue between businesses, planning organisations, and the utility providers (described above as "Planning and predictability")

Establishing a strong influencing group

- Create a "Utilities Champions" panel of local businesses which can inform the LEP and local government about current utility matters and can also provide a private sector voice to our influencing.
- Provide regular briefings on our utilities work to decision makers at local and national level so that greater Lincolnshire's utility needs are prioritised.
- Develop a communication and influencing plan

Collecting good quality information

- Use the utility study and the information provided by the "Utility Champions" panel to produce a series of pithy fact sheets.
- Undertake a further study which provides more detail about greater Lincolnshire's utility demand, with a particular emphasis on the affordability of different solutions at specific sites.

Increasing the dialogue between businesses, planning organisations, and utility providers

1. Deliver a seminar programme through the Business Lincolnshire Growth Hub which helps businesses to address their energy concerns, partly by adapting processes to reduce energy demand and partly through understanding the planning process and the way that utility providers respond to business demand.
2. Produce an "Energy chapter" of the Local Industrial Strategy so that the utility challenges in greater Lincolnshire are properly communicated to, and prioritised by, policy makers.
3. Supporting the utility companies need to make data on infrastructure in our area available, and the impact it has more visible, which in turn will help inform strategic investment decisions.

5. Conclusion

We have been able, through the utility study, to gain a better understanding of the issues facing the infrastructure side of delivery. This has been an important piece of work to do, as we do not have at present a comprehensive energy strategy to underpin the growth aspirations outlined in our strategic economic documents.

We also have a great opportunity; within the energy strategy work outlined above, to expand our baseline understand of the wider energy agenda, so that the two areas of activities can be ultimately combined into a detailed and achievable set of proposals.

Paper 6 - Update on progress with the Local Industrial Strategy

1 Update on Local Industrial Strategy

- 1.1. This paper provides an update on continuing work to develop a Local Industrial Strategy (LIS) for Greater Lincolnshire.
- 1.2 We have had several meetings with Government and national stakeholders to ensure that we are up to date with the latest thinking and can adapt our process accordingly. The research programme is well underway - indeed there is a separate item on the findings of the productivity paper which has now been completed. We also continue to engage with a wide range of local and national stakeholders, the details are below.

2 Policy Developments

- 2.1. As set out in the Industrial Strategy White Paper, Government intends to co-develop LIS's in partnership with each area. This means that it will be a phased process with the first three pathfinder areas aiming to produce their LIS's for March 2019. They are initially working with the West Midlands Combined Authority, the Greater Manchester Combined Authority and Oxfordshire - in relation to the [Oxford - Cambridge Corridor](#) as pathfinders / pilots. We understand that this work is going well but that different approaches are emerging with the intention of identifying a few things that can make the difference.
- 2.2 Meanwhile, beyond the criteria taken from the White Paper (that LIS's should be based on clear evidence, align with the national Industrial Strategy, identify local strengths and challenges and establish new ways of working) any steers around the precise nature of LIS's have been intentionally kept fairly high level. This is because Officials are keen to allow space to determine what works best for each area. That said, there has been an increasing interest in sectors as outlined below. We have also been encouraged to write to Greg Clark setting out Greater Lincolnshire's approach and existing thinking and we will be drafting this following the Board discussion.
- 2.3 Alongside the work with pathfinders, the Cities and Local Growth Unit have asked the Cabinet Office Implementation Unit to explore the LEP experience of developing Strategic Economic Plans so that any lessons can be drawn into the LIS process. The team have spoken to the Greater Lincolnshire LEP. Discussions focussed on understanding our resource and structure, the deal approach, what Government can do to support LEPs in strategy and data collection and engagement with local stakeholders.
- 2.4 Work is underway within BEIS to develop the Grand Challenges policy and they are gathering intelligence about how different parts of the country can link into them. The Board will recall that there were four Grand Challenges set out in the White Paper: artificial intelligence and big data, clean growth, the future of mobility (public and private transport systems), and meeting the needs of an ageing society. There are a number of opportunities for Greater Lincolnshire within this including

our plans for the National Centre for Rural Health and in relation to the food sector, as well as energy and infrastructure needs.

- 2.5 Finally, the LEP Review continues, led by Jake Berry MP (MHCLG), Lord Henley (BEIS) and Robert Jenrick (HMT). The Advisory Panel has now met twice to consider LEP's roles and responsibilities, leadership, governance, accountability, financial reporting and geographical boundaries. Emerging policy drivers include ensuring: clear mission and focus; strong business leadership that is diverse and representative of the private sector; and that arrangements are in place to enable LEPS to develop long term strategy and deliver economic improvements. Two further meetings of the Panel are planned in March prior to publication of the findings.

3 Sectors

- 3.1 There has been an increasing focus on sectors in our discussions with Officials about the LIS process. The West Midlands Combined Authority are focussing in on their transformational sectors, identified within their Strategic Economic Plan, for example Advanced manufacturing, Business, professional and financial services and Digital and creative. They are planning to develop the thinking around what support is needed for these sectors and to develop a more detailed understanding of specialisms, sub-sectors and clusters. Cornwall and the Isles of Scilly have also published a document setting out their 10 key sectors in a brochure which Officials have been interested in. In line with these developments we are working on publishing a sector analysis as an early output of our LIS process.
- 3.2 This analysis will need to draw upon existing work in relation to the sectors set out in our Strategic Economic Plan (agri-food, advanced manufacturing and engineering, the low carbon economy, visitor economy, health and care, ports and logistics) including the sector plans. In addition, the evidence gathering phase of the LIS process is already considering (or has considered) sectors as part of the research programme including on: productivity, Inclusive Growth and Brexit. These pieces of work form a solid contextual foundation, establishing the changes which have occurred since the SEP was written and how these areas may impact our sectors and, importantly, sub-sectors in varying ways. In addition, the Innovation Council has run a Future Scenarios Workshop on the 14th March, which had a strong focus on sectors.
- 3.3 The sector analysis will need to draw on these findings as well as existing sector work such as our location quotient sector analysis. Building on this we will want this new sector analysis to help us develop a more granular understanding of the distinctive strengths of these sectors within Lincolnshire as well as any emerging trends and potential interventions. Questions we will want to consider include:
 - What activity is distinctive to Greater Lincolnshire? What are our specialisms and sub-sectors? Are there identifiable clusters?
 - What are our overall priorities? E.g. Increase productivity, a mix of sectors to protect against economic shocks, high performing sectors to build a cluster, struggling sectors to protect jobs, or emerging sectors to turbo-charge growth?
 - What are the emerging areas of economic activity?

- What are our assets? Where are the opportunities for external investors?
- What are the cross-cutting issues across sectors?
- Where are the market failures? What Government support / interventions are required and why?

3.4 We will be aiming to pull together an initial draft during the Spring which can then be tested with stakeholder including the relevant GLLEP Sector Boards. This will be an important part of the process to validate our findings.

4.0 Research

- 4.1 The research programme, outlined in the paper to Board on 24th November 2017 has focussed on three main areas of initial research. These were: Productivity, Brexit and Inclusive Growth. These were identified as areas that have caused disruptions or changes to the national economy and policy in the years since the SEP's were first written.
- 4.2 The initial productivity paper has been produced, with the findings due to be reported at this Board meeting. The productivity research has measured productivity at a macro level across the GLLEP area and has also looked into broad sectors and the varying productivity challenges that each broad sector faces.
- 4.3 The Brexit work is being undertaken presently, with sign off on the project due in late April. This research puts some of our priority sectors under a microscope in order to understand the potential opportunities and risks associated with leaving the EU. This research will factor in varying types of Brexit deal and deliver a range of impacts.
- 4.4 Inclusive Growth research has not yet been commissioned as the understanding of the concept is still firming up, however we have reviewed all of the leading research on the topic and have built the Joseph Rowntree Foundation's Inclusive Growth Monitor into our evidence base. We are also in discussions with the RSA, who led the original Inclusive Growth Commission, in relation to their Food, Farming and Countryside Commission which is currently underway. They have selected Greater Lincolnshire as one of three places where they will conduct some deep dive research and they are keen to align this with the LIS process in order to support our work.
- 4.5 We have also been selected as one of the places that will receive support from the What Works Centre for Local Growth to help develop our LIS. So far this has involved attending a workshop with the other areas to share experiences and knowledge of how the process is developing. Members of the team joined the Innovation Council workshop on 14th March to help us identify together where support will be most helpful.
- 4.6 The next phase of research is to understand the business and employment make-up of Greater Lincolnshire at a micro level. This will involve understanding concentrations, specialisations and supply linkages of businesses in the area.

5 Stakeholder Engagement

5.1 We are developing a rolling Stakeholder Engagement Plan which identifies the groups and events that will enable a wide range of stakeholders to receive updates about our LIS development activities, and to help shape our thinking. The local Stakeholders identified include:

- Local Authorities
- GLLEP Board
- GLLEP Sub-Boards
 - Education and Skills Board
 - Innovation Council
 - Food Board
 - Manufacturing Board
 - Growth Hub Board
 - Visitor Economy Board
 - Water Management Board
 - ESIF Committee
- LEP Officers Group
- Voluntary and Community Sector (VCS)
- Universities and Colleges
- FSB
- Lincs Chamber of Commerce
- Transport, energy & infrastructure Commissioners at LCC
- County sports partnership
- Rural Skills Hub panel

5.2 In addition, we are developing a programme of Place-based Engagement, as part of which the LEP has written to MPs offering to host roundtables enabling them to talk to businesses about what they need from the LIS in each constituency. The following are confirmed or in progress:

- A 2/3/18 Roundtable with Matt Warman, MP for Boston and Skegness was confirmed but had to be rescheduled due to the severe weather conditions. We are in the process of agreeing a new date.
- 20/4/18 Roundtable with Rt Hon Jon Hayes, MP for South Holland & The Deepings
- Date tbc - Roundtable with North Lincs MPs

5.3 We are also engaging with a wide range of national and sub-national partners, and a range of other sources of external expertise as detailed throughout this paper.

Paper 7 - LEP Strategies Update

1 Background

- 1.1. This report outlines the different strategies that are either published or under development along with a timetable for completion for information for Board Directors, Members and Partners.

2 Recommendation

- 2.1. The LEP Board is invited to note the contents of this report and to reconfirm LA and Board Lead Responsibilities where appropriate.

3 Introduction

- 3.1 Greater Lincolnshire LEP Strategic Economic Plan set out a vision to transform the economy of Greater Lincolnshire. Headline targets by 2030 are:

- Create 13,000 new jobs
- Support 22,000 businesses
- Increase the value of the Greater Lincolnshire economy by £3.2 billion by 2030.

- 3.2 Our plan is to capitalise on our global strengths in a range of key sectors such as agri-food, manufacturing and visitor economy. Our key sectors will only flourish if they have the right eco-system to innovate and grow:

- This means targeted enterprise and innovation support so businesses have access to finance and expertise to improve business productivity and levels of innovation.
- A skills system that meets the needs of employers now and in the future, and a system which better prepares people for the range of opportunities on offer.
- High quality infrastructure enabling business to travel more efficiently by road, rail, air or sea, and infrastructure that unlocks housing and commercial development.

- 3.3 The table below outlines the work being carried out on a range of strategies that underpin the delivery of the Strategic Economic Plan. It also notes LEP Board and Secretariat leads and, where these have previously been identified, LA Leads. These strategies interconnect and together with ensure the LEP and partners focus investment and other resources on the areas of maximum potential

4 Recommendations

- 4.1 Members are invited to note the update provided in this paper, and to reconfirm LA and Board Lead Responsibilities where appropriate.

Work Area	Summary of Work Area	Completion Date	Status	LEP Lead and support and governance group
SEP refresh and Performance Review	<p>To ensure we keep the competitive edge and succeed in delivering our ambitions in the SEP, there is a need to review how the economy is performing, both strategically and against the targets set. A refresh of the SEP was undertaken in 2016, and because of the impacts on the economy, a further refresh is planned in 2019, alongside the production of a Local Industrial Strategy.</p> <p>Progress against the SEP is review and published annually</p> <p>http://www.greaterlincolnshirelep.co.uk/priorities-and-plans/strategies-and-plans/</p>	<p>Review to be undertaken in 2019</p> <p>Annual Performance Review</p>	Underway	<p>Board Lead: Chair and the LEP Board</p> <p>LEP Lead: LEP Director</p>
Local Industrial Strategy (LIS)	<p>Greater Lincolnshire LEP is leading the development of a LIS for our area. This will sit alongside the SEP and will identify priorities to improve skills, increase innovation and enhance infrastructure and business growth. It will also guide the future use of local funding streams and any spending from national schemes.</p> <p>Research is underway to underpin our LIS, focussing on:</p> <ul style="list-style-type: none"> • Productivity • Brexit impacts • Inclusive growth <p>A separate and comprehensive update is provided at each GLLEP Board meeting.</p>	March 2019	Underway	<p>Board Lead: Chair and the LEP Board</p> <p>LEP Lead: LEP Director</p> <p>LA CX Lead: Stuart Davy</p>
European Structural Investment Fund Strategy	<p>All LEPs were asked by Government to produce a local European Structural & Investment Fund (ESIF) Strategy, identifying priorities to improve productivity and create jobs. The Greater Lincolnshire ESIT strategy was updated and finalised in April 2016.</p> <p>http://www.greaterlincolnshirelep.co.uk/funding-and-projects/eu-funding/</p>	April 2016	Complete	<p>Board Level Pat Doody</p> <p>LEP Lead Susannah Lewis</p>

Infrastructure	(SIDP), appraising 36 priorities identified by local authorities within their emerging Local Plans and local Infrastructure Delivery Plans; and ranking them according to Strategic Fit against the SEP, Economic Impact and Deliverability & Risk.	Completed	On track	<u>Board Lead:</u> Richard Wills <u>LEP Lead:</u> Cathy Jones <u>Authority Lead:</u> HIG and the Chief Execs Group
Transport	<p>The 2016 SEP Refresh incorporates our roads investment strategy, investment priorities in a GLLEP Rail Strategy and sector priorities for the Ports and Logistics sector.</p> <p>A Midlands Connect Strategy has been published, setting long-term transport investment priorities to help unlock growth and jobs http://www.greaterlincolnshirelep.co.uk/whats-new/midlands-connect-strategy-launched/</p> <p>Within LCC a separate piece of work, "Lincolnshire Connected" will consider how we react to the future (ie, connected and autonomous vehicles, electric vehicles, Mobility as a Service etc). It is in its very early stages.</p>	Complete	On track	<u>Board Lead:</u> Richard Wills <u>LEP Lead:</u> Cathy Jones <u>Authority Lead:</u> HIG and the Chief Execs Group
Utilities	The "Future Proofing Utilities in Greater Lincolnshire " study was commissioned by Lincolnshire County Council, with support from the LEP and its constituent local and unitary authorities. The study provides research and analysis on utilities provision in the GL LEP area. It assesses whether current and future utilities provision might hinder the full growth potential of GL and if so, what might be done to address it. The study also assesses how the utilities planning system should and could work. Recommendations are made on the best way to "future proof" utilities in Greater Lincolnshire.	Study complete. Comms plan being finalised	On track	<u>Board Lead:</u> Ursula Lidbetter <u>LEP Lead:</u> Andy Brooks <u>Authority Lead:</u> HIG and the Chief Execs Group

Skills Strategy and action plan	<p>The Greater Lincolnshire Employment and Skills Board published a Skills Strategy in 2015, and a Skills Evidence Base for the Area Review in 2016. Both are available on the skills page of the LEP website. http://www.greaterlincolnshirelep.co.uk/priorities-and-plans/priorities/priority-skills/</p> <p>Additional research is currently underway to examine specific challenges that sectors face in recruiting or training supervisors and managers, and to describe what solutions are being used to overcome different kinds of skills challenges. This is due to completion in August 2018.</p> <p>An action plan for the Employment and Skills Board has been agreed and is due to be published (end of March 2018). The action plan includes the need to update the Skills Strategy due to several large shifts in Government policy.</p>	August 2015	On track	<p><u>Board Lead:</u> Herman Kok through the Employment and Skills Board <u>LEP Lead:</u> Clare Hughes</p>
Innovation Council	<p>The Council brings together innovation champions from across our region and beyond. It identifies and fosters best practice, driving and supporting innovation across Greater Lincolnshire. It works to increase business start-ups, business growth and productivity to ensure we meet the prosperity ambitions of our region and impact on the wider UK.</p> <p>This supports implementation of the SEP, ESIF, Industrial Strategy, Growth Hub and Sector plans.</p>	December 2015	On track	<p><u>Board Lead:</u> Professor Mary Stuart through the Innovation Council <u>LEP Lead:</u> Samantha Harrison <u>Partner Lead</u> Andrew Stevenson</p>
Growth Programme	<p>The existing growth programme was developed by the LEP and local strategic partners and funded through a series of Growth Deals agreed with Government. Future projects will be identified, bid for and appraised as per the Local Assurance Framework and National Guidance as and when the new UK Prosperity Fund programme is made available.</p>	Completed	On track	<p><u>Board Lead:</u> Chair and the LEP Board <u>LEP Lead:</u> Halina Davies</p>
Energy Strategy	<p>Work to support the development of a Greater Lincolnshire Energy Strategy is being commissioned. It is expected that this will form an energy chapter for the LIS.</p>	December 2017	Ongoing	<p><u>Board Lead:</u> tba <u>LEP Lead:</u> Andy Brooks</p>

Agri-Food Sector Plan	<p>The LEP initially developed and published an agri-food sector plan during 2014. This was updated in 2017, with refocused recommendations/priorities.</p> <p>Agri-Food Sector Plan Refresh 2017</p>	Completed		<p><u>Board Lead:</u> Mark Tinsley (need replacement) <u>LEP Lead:</u> Through Mark Tinsley - Martin Collison and the Food Board <u>LA Lead:</u> SHDC</p>
Manufacturing Sector Plan	<p>The plan was refreshed in 2017. This identified 3 priorities; Productivity, Access to skilled workforce and Supply Chain development. Further resources are needed to support its implementation.</p> <p>http://www.greaterlincolnshirelep.co.uk/priorities-and-plans/sectors/manufacturing/</p>	Completed	On track	<p><u>Board Lead:</u> Steve Middlebrough <u>LEP Lead:</u> Samantha Harrison <u>LA Lead:</u> Tba</p>
Visitor Economy Sector Plan	<p>The LEP published the Destination Management Plan in 2014. The Visitor Economy Board has also been established and is chaired by Chris Baron.</p> <p>The plan and other reports published by the Board (including visitor data and market intelligence reports) are at: http://www.greaterlincolnshirelep.co.uk/priorities-and-plans/sectors/visitor-economy/</p>	Completed	On track	<p><u>Board Lead:</u> Chris Baron and the strategic tourism group <u>LEP Lead:</u> Mary Powell <u>LA Lead:</u> ELDC</p>
Health conversation	<p>The LEP published its health and care sector plan at the end of 2014 http://www.greaterlincolnshirelep.co.uk/assets/documents/285_GLLEP_Care_Sector_Brochure.pdf</p> <p>The Health and Care Sector representative, working through the LEP Board, will review and revise the HCSP 2014, and will identify 1 or 2 important areas or added benefit/impact that could be pursued.</p>			<p><u>Board Lead:</u> Dean Fathers <u>LEP Lead:</u> Andy Brooks <u>LA Lead:</u> LCC</p>

Water Management	<p>A Water Management Plan has been developed by the Water Management Board. Further work to review the plan, its objectives and undertake a prioritisation exercise is underway.</p> <p>http://www.greaterlincolnshirelep.co.uk/priorities-and-plans/priorities/water/</p>	Completed	On track	<p><u>Board Lead:</u> Mark Tinsley (need replacement) <u>LEP Support</u> Martin Osbourne</p>
Housing	<p>Each Borough, District and Unitary Authority is responsible for producing a housing strategy and a Local Plan. The District Housing Network (DHN) has lead responsibility for co-ordinating the housing delivery role. DHN intends to develop an evidence-based approach leading towards a Strategic Housing Delivery Plan for Greater Lincolnshire, beginning with housing market intelligence-gathering. There is not currently a timetable for this work. The LEP Board has worked closely with partners to integrate housing within the SEP and to identify how its work can add value. The Board receives regular updates on housing and will request a further report from DHN in July 2018.</p>	Evolving	Evolving	<p><u>Board Lead:</u> Recruitment to replace Andy Orrey is underway <u>LEP Support</u> Cathy Jones <u>LA Lead</u> Ian Fytche</p>
Team Lincolnshire	<p>Team Lincolnshire is creating a uniform brand and strategic vision for the Greater Lincolnshire area. This work has developed a place marketing toolkit which is available for our partners in the public and private sector to use to raise awareness of our place to government, businesses, tourists and people considering re-locating here.</p> <p>The website is now live at https://www.marketinglincolnshire.com/</p> <p>https://www.greaterlincolnshirelep.co.uk/funding-and-projects/team-lincolnshire/</p>	Evolving		<p><u>Board Lead:</u> Cllr Colin Davie <u>LEP Support:</u> Ruth Carver <u>LA Lead:</u> Ian Fytche</p>

Paper 8 - Update from the Greater Lincolnshire Food Board

1 Update from the Greater Lincolnshire Food Board

1.1. Board Directors are asked to note the contents of this paper.

2 Major Activities Undertaken:

- The LEP worked with the University of Lincoln LIAT team to host:
 - DEFRA Industrial Strategy, Access to Labour and Exiting the EU teams on 17th October to discuss sector growth (including visiting Food Board member QV Foods).
 - The Migration Advisory Committee (MAC) chair Professor Alan Manning and his secretariat on 3rd November 2017 to discuss future workforce supply (including a visit to Food Board member Dalehead).
- Organised a briefing for 7 Lincolnshire MPs on the food chain in the House of Commons hosted by John Hayes MP on the 1st November covering innovation, trade, infrastructure and labour.
- The Made Smarter Review (formerly the Industrial Strategy Review) was published by government in November 2017 and included a focus on the value of digitalisation to the food chain, £56bn over 10 years. Lincolnshire led on the food chain strand in this report.
- A joint meeting was held with Humber LEP Food companies on the 16th January 2018 to agree priority food sector issues for the forthcoming Local Industrial Strategies.
- DEFRA established a Food and Drink Sector Council in January 2018 on which Ursula Lidbetter will serve as the LEP representative. The Greater Lincolnshire LEP is working closely with DEFRA to link the work of the Council to all LEPs with an interest in food and drink.
- A submission was made to the EFRA Select Committee Inquiry on Access to Labour in February 2018.
- The Lincoln Institute of AgriFood Technology (LIAT) at the University of Lincoln has, with support from the LEP and Food Board members, been successful in a series of major bids (both as consortium lead and partner) in the last 3 months which will be announced shortly once due diligence is completed. The bids which total over £8million for the consortia involved are focused on: regional/national delivery of food chain digitalisation, automation and robotics for the food sector and the growth of the agritech sector.

3 Workplan for 2018-2019

3.1 Two main Food Board meetings are being planning for 2018-2019:

- **Spring 2018** - host in Lincolnshire and focus on: the Local Industrial Strategy, Sector Deals and DEFRA's Food and Drink Sector Council. Invitations proposed to visit Lincolnshire to coincide with this meeting will be made to other Food and Drink Sector Council Members (provisionally Judith Batchelar of Sainsburys and Sir Peter Kendall of AHDB).
- **Autumn 2018** - an event will be held in Westminster to follow up with MPs on the first meeting in November 2018. The proposed focus for this event will be

on infrastructure (buildings, roads, ports, power and water) and their role in supporting a progressive food sector which is able to grow post Brexit.

Further to these two main events for the Food Board, the plan will be to continue to seek opportunities for Food Board members to:

- Host events by MPs, government officials and other visitors to project the industry and to participate in regional and national events as speakers or panel members.
- Inform food sector policy through the Sector Council and direct links with DEFRA and BEIS.
- Partner bids for support to grow the food industry.

4 Recommendation

4.1 That the Board notes the activity of the Food Board to progress the Agri-Sector Plan.

Paper 9 - Business Lincolnshire Board

Recommendation

The LEP Board is asked to approve the revised terms of reference for its Business Lincolnshire Board and the work plan for 2018/19

1 Terms of Reference

The Growth Hub Governance Board was established in March 2015, and will be renamed as the Business Lincolnshire Board to reflect its role.

The board will

- inform the LEP and partners on the issues, needs and opportunities facing the Greater Lincolnshire's business community
- Develop , and then consider and review the Enterprise Strategy for Greater Lincolnshire
- align, simplify and rationalise business support in the Greater Lincolnshire LEP area
- Make best use of the Growth Hub resources to support the Enterprise Strategy.
- To provide input to the LEP on Enterprise Strategy and Growth Hub.

The aim of the Board is to boost economic growth by creating more appropriate, relevant business support offers and its role is to shape and influence future business support products to meet the needs of businesses in Greater Lincolnshire.

The Business Lincolnshire Growth Hub is the business support arm of the LEP and provides a single access point for business support, bringing together both national offers and local offers, so that businesses get what they need wherever they start their growth journey. The Growth Hub also brings together public and private sector support, for example, the support offered by local authorities, universities, Chambers of Commerce, Federation of Small Businesses and enterprise agencies, etc.

The Growth Hub will work with business support partners, local authorities and intermediaries to collaborate in the delivery of all business support services. This 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 co-ordination, marketing and signposting.

The Board aims to:

- Lead, influence, challenge and champion business growth and enterprise across greater Lincolnshire

- To ensure needs based business support is provided to all business and sectors across greater Lincolnshire
- Ensure that business support is co-ordinated and aligned to provide businesses with a clear route of products and expertise that will help them fulfil their growth potential
- Co-ordinate activity across greater Lincolnshire and with our neighbouring LEP's
- Oversee growth hub activity and ensure alignment with the Greater Lincolnshire Local Enterprise Partnership's (GLLEP's) strategic economic plan.
- Facilitate the joining up of national and local business support and simplifying the local offer
- Review the outcomes of the common evaluation framework (which will identify what works and measure impact) and endorse recommendations
- Increase awareness and take up of the business support offers available to businesses within Greater Lincolnshire
- Influence and support the growth ambitions of businesses within Greater Lincolnshire

The role encompasses all enterprise activity, the business support needs of pre-start, start-up and growth potential and scale-up businesses. There will be a two-way relationship between the Greater Lincolnshire LEP and the Business Lincolnshire Board.

The Board will:

- Oversee and provide strategic input on the direction of the business growth agenda
- Take an holistic view on business support provision and ensure future provision is needs based
- Oversee the delivery and monitor the development of the national Growth Hub project, ensuring that it is meeting the original contractual requirements
- Provide a strategic steer to policy formation on matters affecting the Growth Hub and business support
- Develop, procure, champion and review business support for Greater Lincolnshire
- Seek influence delivery agents to reach businesses who haven't previously accessed business support
- Develop a business support commissioning framework, monitor and review its effectiveness
- Provide the Greater Lincolnshire LEP and its Approvals Board and ESIF committee with local intelligence and strategic fit on SME Competitiveness funding and business support projects.
- Review the business simplification mapping results and make recommendations
- Use experience and knowledge of Board Members and others associated with the Board to seek to shape strategy and policy on business support provision

The Board will work closely with the Innovation Council and the Employment and Skills Board on area of interest and cross cutting themes and to agree forward plans.

2 Board Composition and Meetings

The Business Lincolnshire Board is a LEP Board that leads on Enterprise strategy and business support across Greater Lincolnshire. The Chair will be a Director of the Greater Lincolnshire LEP.

The Board will comprise of key local bodies involved in business support. Representatives will include senior officers and members from:

- GL LEP Board Director (Chair)
- GLLEP Director
- Lincolnshire Chamber of Commerce
- Federation of Small Businesses
- Other business representative organisations
- Programme Board Chairperson
- Lincolnshire County Council
- North Lincolnshire Council
- North East Lincolnshire Council
- District Council
- University of Lincoln
- Bishop Grosseteste University
- 1 Financial Intermediary Forum member- private sector
- BEIS (Observer)

Ideally all board members will work or live in the Greater Lincolnshire area. The Board will meet 3-4 times a year in private. Members are expected to provide apologies if they cannot attend and no substitutes will be allowed.

3 Task & Finish Groups

From time to time it may be necessary to establish a task and finish group and other specialists may be invited to join these. Any group or panel would need to be sponsored by a Board Member, who may or may not chair the group, depending on the issue under consideration.

4 Role of Board Members

As well as attending Board meetings, members may be asked to attend other meetings as a representative for the LEP and Growth Hub, and will be required to read background papers and documents and input into plans.

The specific role of a Board Member is to:

- Use experience and knowledge to help shape strategy and policy on business support provision;
- Influence the prioritisation, planning and investment in business support provision and the shape of delivery;
- Support the strategic aims of the Greater Lincolnshire LEP

- Represent a range of people, organisations or views, not just their own or that of their own organisation

5 The way we do business

The Board will adopt good practice and its Members will act within the General Duties and Obligations set out in this document and adopt the following values:

- Championing to influence and lead by example
- Enterprising solutions that are creative
- Partnership working across the private, public and the third sector
- Sharing best practice
- Being inclusive of each locality and community across Greater Lincolnshire

A Code of Conduct and Register of Interest is in place and all Board members and observers are required complete a declaration of interest

6 Observers

The Secretariat will also be represented at all meetings.

Members of the Business Lincolnshire Programme Board Group (see below) may be invited to attend Board meeting as observers from time to time to provide continuity between the Programme Board and The Governance Board; by request to the Chair.

Specialists may be invited by the Chair to attend specific Board meetings or Agenda items where particular expertise is required.

Occasional observers may request to attend a meeting through the Chair.

7 A business Lincolnshire Programme Board will serve the Board with officer representation from:

- Lincolnshire County Council
- North Lincolnshire Council
- North East Lincolnshire Council
- District Council of Lincolnshire Economic Development Team
- 1 Financial Intermediary Forum member- private sector
- Institute of Directors
- Department for International Trade
- All the ESIF Business Support Programme leads
- Lincolnshire Chamber of Commerce
- Federation of Small Businesses

Members of the Programme Board will meet at least 3 times a year.

They will help steer the agenda of the Board, providing impartial policy advice and practical support through production of papers, working with individual Board Members, championing particular subjects or sectors, sharing and contributing relevant information as required.

8 A Provider Forum

8.1 The Greater Lincolnshire LEP has a number of specialist advisory groups that will feed into its strategy and decision making processes. A Provider Forum will have the following membership, context and purpose:

- The Provider Forum is a sub-group of the Business Lincolnshire Growth Programme Hub Board
- It has a maximum of 25 members, with a geographical spread from across the Greater Lincolnshire LEP area, and will include both Higher Education, Colleges of Further Education and Independent Business Support Providers, preferably those who hold direct business support funding contracts.
- It will be chaired by a member of the Business Lincolnshire Growth Hub Programme Board who will be responsible for communication between the Forum and the Growth Hub, and for assisting in the representation of the Forum's considerations to the LEP.

Members will:

- have a current understanding of the operational and strategic aspects of business support provision through operating significant contracts within Greater Lincolnshire
- be expected to disseminate information, and collate thoughts, about the forum's business from within their own organisations
- ensure that those not directly represented around the table, involved in smaller, niche or rural sub-contract delivery, hear the same messages and that their views are considered and fed into the Growth Hub.

The Forum will:

- provide a voice about the current business support products
- advise the Business Lincolnshire Growth Hub Governance Board on matters of business support provision, alignment and communication channels.
- identify freedoms, flexibilities, and improvements that could be made to government funded business support provision so that the Board can promote changes that will improve local provision.

9 Administration

9.1 The Business Lincolnshire Board and its sub groups will be supported by a professional secretariat hosted by Lincolnshire County Council. The meetings and papers of the Board will be prepared by Lincolnshire County Council and be in the same format as the LEP Papers, with members subject to the same conditions of operation, shared values and code of conduct.

Paper 10 - Greater Lincolnshire Employment and Skills Board

1 Terms of Reference

1.1 The aim of the Greater Lincolnshire Employment and Skills Board is to boost economic growth and productivity by creating a more appropriate, relevant and highly skilled local workforce. Its role is to shape and influence employment and skills training and support to meet the needs of employers in Greater Lincolnshire. The role encompasses the skills needs of our young people, those seeking jobs and the skills of the current and future workforce.

The Board aims to:

- ensure that employers are able to access the right skills and training to grow their businesses
- increase the level of skills of the population of Greater Lincolnshire
- increase skilled employment opportunities in Greater Lincolnshire

The role encompasses the business support needs of pre-start, start-up and growth potential and scale-up businesses.

The Employment and Skills Board is a strategy group that reports to the Greater Lincolnshire Local Enterprise Partnership (LEP), it has a specific role to lead, develop and inform LEP and Greater Lincolnshire strategic plans on skills and training needs.

The Greater Lincolnshire LEP is a company limited by guarantee, established to provide strategic leadership to set out local economic priorities for Greater Lincolnshire. Its role is to ensure that elements are in place to enable it to deliver its aspirations.

There will be a two-way relationship between the Greater Lincolnshire LEP and the Employment and Skills Board, and each will give advice and be asked for advice on matters where a skills perspective is required.

The Board will:

- Develop, champion and review a Skills Strategy for Greater Lincolnshire
- Develop a skills commissioning framework, monitor and review it
- Provide the Greater Lincolnshire LEP and its decision making committees with recommendations on skills funding and skills projects
- Optimise the impact of employment and skills investment for local, communities, employers and individuals
- Use experience and knowledge of Board Members and others associated with the Board to seek to shape strategy and policy on learning and skills development

2 Board Composition and Meetings

2.1. The Greater Lincolnshire Employment and Skills Board is an advisory body with no legal status but with a specific role as part of the Greater Lincolnshire LEP structure. There will be a maximum of 16 members, including the Chair. The Chair will be a private sector Director of the Greater Lincolnshire LEP.

The Board will comprise of at least 8 businessmen and women from across the area who between them will represent important industry sectors and different sizes of employers, profit and social enterprise businesses.

Other employer members will represent the publically funded sector of the economy that includes Local Government, NHS, education, training and skills providers.

All Board members will work or live in the Greater Lincolnshire area and it is expected that they will have extensive knowledge of the local area or sector in which they work.

The Board is comprised of:

Board Roles	Number	Time provided by Board member
Private Sector Employers		
Private Sector Chair (LEP Director)	1	Minimum 2 days per month
Business Sector	At least 7	Minimum 1 day per month
Public Sector Employers		
Public Sector should include at least one representative of the following: Local Government University Further Education Independent Training provider Education/School provider	At least 5 (to be discussed)	
Total	16	

All board members will be appointed through open advertising and approved by the Greater Lincolnshire LEP Appointment committee. Local authority representatives shall be nominated by the relevant bodies.

Applicants for LEP Board Directors are asked to submit a covering letter and a CV which will be considered by a task and finish group of the ESB, before approval by LEP Appointments Committee. The task and finish group made up of

members of the ESB, shall decide, as appropriate, whether they wish to interview candidates, before being brought to the LEP board for ratification. The term of appointment would be three years.

Where a board members' three year term has concluded, the Chair of the ESB shall write to the Board member asking for their intentions in writing for a subsequent term, and if they wish to re-apply their application will be considered by the Appointments Committee. The task and finish group's role is to establish whether the board members' skills sets and experience are suitable for another term. Some posts represent a sector or type of organisation, and where this is the case, the group may consider other applications at this point. No board member shall serve more than 3 terms, i.e. nine years. Recruitment will be undertaken in line with the Equality and diversity policy of the LEP, and all board members shall be inducted. In making recommendations to the appointments committee, the ESB should consider sectorial and geographical representation, as well as equality and diversity and succession planning. In order to maintain continuity, as well as allowing for succession planning, a number of the Board (to be determined and agreed by the Board) shall be considered for reappointment each year.

The Board will meet 4-6 times a year in private. Members are expected to provide apologies if they cannot attend and no substitutes will be allowed.

3 Task & Finish Groups

3.1 From time to time it may be necessary to establish a skills task and finish group and other skills specialists may be invited to join these. Any group or panel would need to be sponsored by a Skills Board Member, who may or may not chair the group, depending on the issue under consideration.

4 Role of Board Members

4.1 As well as attending Board meetings, members may be asked to attend other meetings as a representative for the LEP and ESB, and will be required to read background papers and documents and input into plans.

The specific role of a Board Member is to:

- Use experience and knowledge to help shape strategy and policy on learning and skills development
- Influence the prioritisation, planning and investment in skills supply and the shape of delivery
- Support the strategic aims of the Greater Lincolnshire LEP
- Represent a range of people, organisations or views, not just their own or that of their own organisation

5 The way we do business

5.1 The Board will adopt good practice and its Members will act within the General Duties and Obligations set out in this document and adopt the following values:

- Championing to influence and lead by example
- Enterprising solutions that are creative

- Partnership working across the private, public and the third sector
- Sharing best practice
- Being inclusive of each locality and community across Greater Lincolnshire

A Code of Conduct and Register of Interest is in place and all Board members and observers are required complete an annual declaration of interest. It is the board members responsibility to keep this up to date and notify the LEP Executive of any changes.

6 Observers (non-members)

6.1 3 permanent observers will be invited to attend Board meetings from the following organisations:

- Lincolnshire County Council - Accountable Body
- DWP (Job Centre Plus); West Lindsey District Council
- Other observers are invited at the discretion of the Chair

Members of the Skills Officer Group (see below) may be invited to attend Board meeting as observers from time to time to provide continuity between the Skills Officer Group and the Employment and Skills Board, by request to the Chair.

Specialists may be invited by the Chair to attend specific Board meetings or Agenda items where particular expertise is required.

7 Board Member Remuneration

7.1 Board Members shall not be remunerated for the normal business of attending ESB meetings although they may be paid expenses for additional activities and roles undertaken on behalf of the LEP and the ESB. All potential expenses likely to be incurred by Board Members must be made known to the Secretariat beforehand and duly authorised before reimbursement.

7.2 A Skills Officer Group (formerly the Executive Steering Group) will serve the Board with senior management representation from:

- Lincolnshire County Council - Economy (Accountable Body)
- North Lincolnshire Council
- North East Lincolnshire Council
- 2 District Councils of Lincolnshire
- Department of Work & Pensions
- Skills Funding Agency

Members of the Skills Officer Group will meet at least 4 times a year.

They will help steer the agenda of the Board, providing impartial policy advice and practical support through production of papers, working with individual Board Members, championing particular subjects or sectors, sharing and contributing relevant information as required.

8 Executive

8.1 The Greater Lincolnshire Employment and Skills Board and its sub groups will be supported by the LEP Executive team. The meetings and the papers of the Board will be prepared by LEP executive, and the forward plan for the ESB shall be agreed with the ESB annually as part of the business planning process.

The terms of reference will be reviewed annually at the spring meeting of the ESB and substantial changes will be agreed by the LEP Board.

Greater Lincolnshire Employment and Skills Board Action Plan 2018 - 2020

Core Objective	Action - What will be done	Outcome	Timescale
Build on the solid economic evidence and analysis, ensuring that business has a voice in new skills and education developments	<ol style="list-style-type: none"> 1. Produce a skills strategy summary document 2. Ensure there is an easily accessible skills evidence base 3. Develop links between ESB and LEP sector boards 4. Review new skills reports and intelligence as they become available 5. Commission new reports where there are gaps 6. Increase engagement with local businesses, find new ways for them to report challenges and feed into new developments (e.g. T-Levels, Career Learning Pilot, and Skills Advisors Panel etc.) 7. Work with Government on the Skills Advisory Panel (SAP) pilot reports to establish a national framework for skills data 8. Feed into the 'Skills' section of the Local Industrial Strategy 	<ol style="list-style-type: none"> 1. Partners with training funds are better informed of the skills actions required to drive forward growth and productivity 2. Education and training providers are better informed to modify their training offers 3, 4, 5 & 6. Continual understanding of challenges facing local business so that responses and solutions are always the most appropriate. 6. Increased number of businesses, particularly SMEs feed into new national skills and training developments so that their needs are taken into account 7. Influencing a national framework that may in future drive skills funding 8. New Government policy takes into account local employer need, particularly that which is unique to Lincolnshire 	<ol style="list-style-type: none"> 1. May 2018 2. Oct 2018 3. Apr 2018 4. Ongoing 5. Ongoing 6. Jan – Dec 2018 7. May – Dec 2018
Governance	<ol style="list-style-type: none"> 1. Update terms of reference in line with LEP 2. Update declaration of Interest forms 3. Recruit to vacant posts 4. Close old ESB website 	<ol style="list-style-type: none"> 1 & 2 ESB meets LEP Government best practice advice in line with LEP review 3. Raise profile of ESB 	<ol style="list-style-type: none"> 1. March 2018 2. April 2018 3. 2018-19
Provide expert advice to the LEP Board and LEP activity	<ol style="list-style-type: none"> 1. Regular progress reports to the LEP and others on activity, particularly on the two Pilots given their importance 2. Contribute as an "independent expert commentator for employment and skills issues" locally, for example writing blogs, contributing to Marketing Lincolnshire and Team Lincolnshire activity; contributing to Board papers and LEP Board meetings; 	<p>Raising the profile of the education, skills and training agenda</p> <p>Raising the profile of the ESB</p>	2018-19

Greater Lincolnshire Employment and Skills Board Action Plan 2018 - 2020

<p>Increase availability of good quality information from employers to schools and job seekers</p>	<ol style="list-style-type: none"> Promote and stimulate interest in the World of Work website, so that employer content is maximised Recruit Enterprise Co-ordinator (EC) and launch pilot Career and Enterprise Company Programme Complete the career films of the food sector and develop marketing and communication plan Create a Careers information advisory group, bringing together partners involved in delivery to schools to reduce duplication and confusion 	<p>1, 2 & 3 Young people, teachers and job seekers are better informed to make decisions about local jobs</p> <p>4 Reduce duplication within this agenda</p>	<ol style="list-style-type: none"> May 2018 May 2018 Mar 2018 April 2018
<p>Increase the number of businesses and young people participating in vocational education</p>	<ol style="list-style-type: none"> Continue to work with Department for Education and relate national messages to local stakeholders, taking advantage of any funding that they offer to LEPs Collate information where employers are unable to access the Apprenticeship standard that they need Raise the profile of Apprenticeships to all Increase the participation of SMEs in Apprenticeships through raising awareness of reforms affecting them 	<ol style="list-style-type: none"> Influence how policy is implemented Existing feedback mechanisms from employers to LEP working well To be agreed 	<ol style="list-style-type: none"> Ongoing Ongoing Tbc Tbc
<p>Ensure that there is a strong, and high quality, flexible and responsive local provision</p>	<ol style="list-style-type: none"> Support providers and Colleges to collaborate for the benefit of local residents and businesses Develop and Launch a Skills capital Investment Fund Maximise impact of ESF delivery, through monitoring of ESF Programme (ESFA opt-in) and make recommendations to ESIF Committee as required 	<ol style="list-style-type: none"> A stronger provider base better able to meet local need Increase in the right type of provision Fewer gaps in provision 	<ol style="list-style-type: none"> July 18 July 18 ongoing