

Greater Lincolnshire LEP Board Meeting

Friday, 24th November 2017
Room E1, Enterprise Building, University of Lincoln
Paper 0- Agenda

Time	Item and brief description	Lead	Access/Circulation
9.30	Tea/Coffee		
10.00	Welcome, Apologies, Declarations of Interest <ul style="list-style-type: none"> • Declaration of interest • Approval and publication of Minutes of 29th September 2017 • Review of Actions • Directors Update 	Chair	Paper 1 attached – all members
10.10	LEP Directors Report and Update from the Chair <ul style="list-style-type: none"> • Update from the Chair • Progress against business plan • Launch of Team Lincolnshire, marketing Lincolnshire and the Greater Lincolnshire Growth Fund • Mary Ney Review and the annual conversation • Quarter 2 Finances 	Chair LEP Director	Paper 2 attached – all members Paper 2.1 AP5 Mary Ney review Paper 2.2 attached – all members
10.20	Autumn Budget Summary from 22nd November	Pete Holmes, BEIS	Verbal
10.40	Modern Industrial Strategy and Lincolnshire's Local Industrial Strategy <ul style="list-style-type: none"> • Plan for the strategy Session • Decision on BREXIT research 	Ruth Carver	Paper 3 attached]
11.00	Clean Growth Strategy Made Smarter UK	Cathy Jones	Paper 4 attached

11.20	Enterprise - Annual Growth Hub Review and discussion	Samantha Harrison, Business Lincolnshire and Dave Hawkins	Paper 5 attached
11.40	Enterprise - The Digital Sector across Greater Lincolnshire	Ivan Annibal/ Angela Driver	Paper 6 attached
11.50	Enterprise - Trade and Investment performance	Simon Hall, Director Export & Investment Midlands Engine	Paper 7 and Presentation
12.15	Water Resources East – emerging strategy	Mark Tinsley	Paper 8 attached
12.30	AOB		

Attendees - LEP Board Directors:

Ursula Lidbetter, David Dexter, Herman Kok, Chris Baron, Cllr Peter Wheatley, Cllr Craig Leyland, Cllr Rob Waltham, Cllr Colin Davie, Pat Doody, Mary Stuart, Richard Wills

Apologies Received: Andy Orrey, Ange Blake

Observers: Simon Green NLC, Damien Jaines-White NELC, Pete Holmes BEIS

Officers: Ruth Carver, Cathy Jones, Liz Shutt

For Agenda Items: Simon Hall, Ivan Annibal, Angela Driver, Samantha Harrison, Dave Hawkins

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

AP1 Minutes from the Investment Board

AP2 Comms Summary

AP3 QES 3rd Quarter Results

AP4 Mary Ney Review

Parking

Parking has been arranged as follows:

Enterprise Building: David Dexter, Mark Tinsley, Cllr Peter Wheatley, Cllr Rob Waltham

Isaac Newton Building: Cllr Craig Leyland, Herman Kok, Chris Baron, Simon Green, Damien Jaines-White, Simon Hall, Ivan Annibal, Pete Holmes

Key dates for LEP Board Members 2018

LEP Board (Venues to be confirmed)

31st January 2018 - Gainsborough

23rd March 2018 - Boston

31st May 2018

20th July 2018

21st September 2018

30th November 2018

Investment Board (Venues to be confirmed)

31st January 2018 – Gainsborough

23rd March 2018 - Boston

31st May 2018

20th July 2018

21st September 2018

30th November 2018

Visitor Economy Board

18th January 2018 – The Beachcomber, Butlins, Skegness

17th May 2018

20th September 2018

Manufacturing Board

6th December 2017 – Lancaster House

Launch of Team Lincolnshire and Marketing Lincolnshire

30th November 2017 – Double Tree by Hilton Hotel, Lincoln

Annual Conversation

5th December 2017 – Boole Technology Centre

LEP Strategy Session

13th December at the Hemswell Cliff Hotel

Board Members: Ursula Lidbetter – Chair, David Dexter – Deputy Chair, Cllr Colin Davie, Cllr Peter Wheatley, Cllr Rob Waltham, Cllr Craig Leyland, Herman Kok, Pat Doody, Mark Tinsley, Mary Stuart, Dean Fathers, Richard Wills

Secretariat: Ruth Carver, Clare Hughes, Sue Groves (Note Taker)

Observers: Pete Holmes - BEIS

Apologies: Chris Baron, Steve Middlebrough, Andy Orrey

Guests: John Latham, Ian Fytche (CX NKDC), Cllr Richard Wright (Leader NKDC)

Actions

Welcome by the Chair – Ursula Lidbetter

Apologies, Declarations, Minutes and Matters Arising

The Chair welcomed Dean Fathers and Cllr Craig Leyland as new Directors Board.

The Minutes of July 2017 were accepted as a true record following minor amendments and it was agreed they could be published.

Updates and Actions from previous minutes:

- HCA's Highways Infrastructure Fund – 2 bids have been made – Lincoln Southern Bypass and Grantham Southern Relief Road for forward funding, 7 applications for marginal funding have been made – Herman Kok and Andy Orrey to provide letters of support on behalf of the LEP
- Board Directors reported on the recent visit of Tom Walker, BEIS, and moving to the HCA, to Lincoln.

Action

- Minutes of previous meeting to be published, once amended

Paper 2 – Refresh of the Greater Lincolnshire LEP Board and Terms of Reference

Draft terms of reference and a policy for the appointment of Directors, the chair and vice chair were considered and discussed. After discussion, the board agreed both the terms and the policy.

A proposal was tabled that outlined the terms of the current directors, and proposed staggered terms for directors to ensure that the board is refreshed and churned, with a range of one year, two year and three year terms proposed. Those directors, whose terms are ending in September, are asked to write into the LEP Director stating whether they wish to be reconsidered for a further term. Those directors are Richard Wills, Ursula Lidbetter, Prof Mary Stuart, Chris Baron, Andy Orrey and Mark Tinsley. The new process of recruitment and appointment to be in place for the January Board. The Mary Ney Review and the LEP review may have an impact on the role of directors. Pete Holmes said that the Mary Ney Review (DCLG) will be published imminently.

Actions:

- The terms of reference were approved
- The process for selection of Board Directors, and the chair and vice chair was agreed
- Both will be published on the website, and be part of the recruitment and induction process for new board directors

Paper 3 – LEP Directors Report

Cllr Craig Leyland is the new District representative of the Board. There is a vacancy for a public sector Director and nominations will be sought from the leaders of the District Councils. Nominations have been requested by mid-October.

The Board discussed the Business Live event to be held on 20th October at the Epic Centre, Lincolnshire Showground. The theme is "Embrace the Future" and demonstrations of robotics and automation will take place. Speakers will be Ursula Lidbetter, Mike Wilson, the Chairman of the British Automation and Robot Association (BARA) and sales and marketing manager at ABB, Ann Daniels (Polar explorer and motivational speaker) and Sir John Peace of Midlands Engine.

Midlands Engine - The first £120m tranche of Midlands Engine Investment Fund has been launched and is designed to provide greater support to the region's smaller businesses accelerate economic growth and promote job creation in line with the Government's Midlands Engine Strategy. Midlands Engine Investment Fund of £250m is to be launched in October.

Coastal Communities Fund – the fifth round of this fund for 2019 to 2021 is to be launched in the near future and will be open for applications in early 2018. Any schemes that are eligible should be ready for the next round of bids. Agreed that the County Council, District Councils and private sector should be better co-ordinated on making any bids.

David Dexter attended the opening of Chapman Court in Skegness (Retirement Homes/ Apartments) Growth Deal and David Dexter attended the re-signing of the RAF Armed Forces Covenant.

Paper 4 –Emerging Policy Considerations for the LEP

A discussion took place about the development of a Local Industrial Strategy (LIS) to enable the LEP to be in a position produce a LIS by March 2019 and to understand the local economy. All were requested to think about what evidence is needed, ie, how to grow industry etc. A date for all to discuss this has been arranged for the 13th December 2017 LEP Strategy Session. A discussion took place that asked questions about the function of the SEP versus the LIS, and the role of existing groups to feed in such as the manufacturing board, the innovation council etc. It was agreed that this would be discussed at the LEP Strategy Session, after the anticipated publication of the white paper.

The Board were informed that the Annual Conversation will take place in December.

There is currently LEP Review process ongoing, which is being led by DCLG and BEIS – Ursula and Ruth to draft a response and will circulate to Board members for approval.

Action: Institute of Technology – Expressions of Interest are due by the 31st October. The LEPs role is to support bids, and the Secretariat will work with the chair of the ESB to support relevant expressions of interest..

Paper 5.1 – Food Board

Mark Tinsley gave an update on the work of the Food Board and the sector plan.

Issues include businesses not investing/expanding; schools should look at focussing on careers and not to focus on exams; productivity needs improving which in turn would drive exports; Broadband; A17 is still a barrier to growth and the population of South Lincolnshire.

He wished to congratulate Mary Stuart for the work on innovation council and the role of the university in

driving the agenda for food locally, regionally and nationally. Looking beyond Greater Lincolnshire, GLLEP is ahead of their neighbours regarding food.

The next Food Board is to be held at the House of Commons on the 1st November 2017 and the majority of Greater Lincolnshire MPs and some Civil Servants will be attending. Mary Stuart said the Holbeach Academy is working with the local community. Councillor Leyland wished to pass on Councillor Worth's praise to Mark for all his work.

The manufacturing board and the Visitor Economy board was discussed, and the minutes of the meetings endorsed.

Actions

The Food Sector plan was agreed and can be published

Paper 6 – Team Lincolnshire

Team Lincolnshire is an initiative supported by between LCC and GLLEP, to harness the support of the private and public sector in promoting the whole of Greater Lincolnshire. The proposal in the report asked for a financial contribution toward team Lincolnshire for a three year period, subject to annual approval of the LEP business plan. Councillor Davie said that this was hugely important in the Property and Construction industry and would well with other sectors.

Actions:

The LEP board supports the expansion of Team Lincolnshire by committing the following resources from core funding subject to annual funding confirmation.

Year 1 2017-2018 – £17,500

Year 2 2018-2019 - £15,000

Year 3 2019-202 - £10,000

Skills Strategy

A presentation was given by Clare Hughes, of the LEP Team, it covers the work of the employment and skills board and covered the opportunities and challenges within the skills system. The paper and presentation was intended as briefing and discussion for the LEP Board.

There are 200,000 predicted job vacancies over the next 10 years. There is increased demand for qualifications that are higher than those currently held by the local population and whilst this is a national challenge, it is a bigger one for Greater Lincolnshire. There are fewer jobs for those with no qualifications. This is a UK-wide phenomenon, but more acute in Greater Lincolnshire as it has a higher proportion of 16-34 year olds with no qualifications. There is an increased demand for machine operatives and skilled trade occupations, and for a range of Level 3 technical and associate professional technical roles. The challenge of filling skilled trade occupations is cross-sector. Almost two out of three vacancies (64%) for skilled trade roles were hard to fill due to a lack of skilled applicants in Greater Lincolnshire. This was far higher than the UK average of 43%.

An additional 126,000 workers with qualifications at Level 4 and above over the next ten years will be needed and only 128,000 18 year olds will be leaving school in that timeframe.

16-24 year olds	Greater Lincolnshire	England	Difference
No qualifications	12%	10%	+2%
Level 1	20%	17%	+3%
Level 2	30%	27%	+3%
Level 3	23%	26%	-3%

Level 4	9%	14%	-5%
---------	----	-----	-----

25-34 year olds	Greater Lincolnshire	England	Difference
No qualifications	11%	9%	+2%
Level 1	15%	12%	+3%
Level 2	20%	15%	+5%
Level 3	19%	15%	+4%
Level 4	27%	41%	-14%

Discussion took place growing our own regarding statistics, Dean Fathers stated that students leave Greater Lincolnshire to get qualifications and do not return, Mary Stuart said that this happens nationally.

23% of the Greater Lincolnshire working age population is classed as economically inactive. Almost 30% or 43,000 would like a job, a higher proportion than the East Midlands and the UK.

Local Themes

Hard to fill vacancies	Lack of technical and skilled labour, eg, food technology
Supervisory and management skills of technical staff	Difficult to grow your own
Perception of sectors/opportunities within them make for a reluctant labour market	Lack of awareness amongst learners, parents and schools or career paths and technological advancements
Business skills of owners	Owner/manager lacking skills to run the business, including recruitment and HR knowledge
Work Readiness	Percentage of young people and adults lacking a willingness to learn

How can we influence?

EU funded projects

- Skills Support to the Workforce: training for employees to help them progress within the workplace
- The World of Work: the new website, due to be launched next month, that will provide information about local employers, sectors and industry
- Specialist Skills Advisor Programme: In-depth practical support for employers to help them articulate their skills needs, and to solve some of the problems they have in overcoming persistent skills gaps
- Industry Teaching Programme: providing employers with the skills they need to deliver industry masterclasses in local Colleges, enhancing the curriculum, ensuring that training is up to date and relevant
- Apprenticeship Growth Programme to help SMEs take on an apprentice for the first time
- Skills Support to the Unemployed providing training to unemployed people to help them get into jobs
- Career Net to inspire unemployed 18-24 year olds about the possible careers locally

Paper 7 – Degree Level Apprenticeships

This paper was presented by John Latham, Director of DVC Projects. The funding and arrangements for the delivery of apprenticeship training in England has now been running for 6 months and the pattern for delivery demand, as well as the administration arrangements, are now settling down, providing an opportunity to review what is happening locally and determine how these arrangements can help the GLLEP deliver against the priorities of the SEP.

This is a broad overview of the new apprenticeship arrangements, the current position in terms of the Standards for Degree (Level 6) and above programmes and how it links with Further Education are being developed. For this to work, more work is needed with providers because out of the 500,000 new apprentices, only 1,300 were degree level.

The levy process is only for existing businesses.

Actions: The LEP board asked that the ESB and the University continue to provide intelligence on the apprenticeship programme, and provide regular reports to the LEP Board.

Paper 8 – Consultation of East Midlands Rail Franchise

This is an update on the position of 3 rail franchises which provide services across Greater Lincolnshire. It outlines the consultation currently being carried out by the Department for Transport for the re-letting of the East Midlands rail franchises and the Board are asked to delegate the sign-off of the consultation response to Richard Wills, Transport Lead.

- Discussion took place with the following comments:
- Cllr Waltham said that work is ongoing with the Cleethorpes/Barnetby/Lincoln route and will share information.
- Cllr Davie said that this is an opportunity and could be launched at Business Live 2018.
- Cllr Leyland said he had concerns regarding the Lincoln to Spalding line, particularly the timetable, ie, no late trains.

Action: The LEP Board agreed to delegate the sign-off of the consultation response to Richard Wills, Transport Lead.

Priorities for Growth – NKDC

Ursula welcomed Cllr Wright and Ian Fytche to the LEP Board, and thanked them for hosting the meeting and their hospitality. Ian Fytche and Cllr Richard Wright gave a presentation on the priorities for growth at NKDC. NKDC are concentrating on economy, homes, environment, communities and working on financial stability for the Council. Their communities are flourishing, with award winning leisure centres. In the economy, they are supporting business growth and jobs, regenerating the area and driving investment in the area, including transport routes. One of their successes is the strategic development at Teal Park. The Sleaford Master Plan is to focus on the town centre, particularly on the retail sector and there are 100 business units in NK for rent.

Their current focus is the Central Lincolnshire Local Plan, which has been adopted with a view to building 37,000 homes. The Sleaford Master Plan, NKDC have purchased a 37 acre site in order to grow investment and build 4,500 homes over the next few years. Lafford Homes (NKDC owned) has recently delivered 200 new homes. There is also focus on the Sleaford Maltings, in how to take this forward. Challenges facing NKDC are Brexit, what will the impact be on local issues, ie, employment etc, the Policy and Funding environment, how to influence bids, land availability, viability and infrastructure.

Cllr Richard Wright is the new leader of the Council, but has been with NKDC for 10 years. He believes in partnership working and since he took over, he has re-shaped the Executive and talks to businesses about the future of NK. NKDC wish to continue working closely with the GLLEP as a key strategic partner

ACTIONS FROM LEP BOARD MEETINGS FROM 2017

<u>GLLEP Board Date</u>	<u>Action</u>	<u>Person Responsible</u>	<u>Carried Out</u>
July 17	BREXIT monitoring – LEP to commission research on understanding the proposed impact of BREXIT across Greater Lincolnshire	LEP	November 17
23 March 2017	Housing – Andy Orrey to lead a task & finish group looking at housing delivery	AO/Cathy Jones	
September 2017	Work up local Industrial Strategy framework ahead of Autumn	Ruth Carver/Liz Shutt	LEP Strategy Session – Dec 17
July 2017	Progress relationship with HCA	Pete Holmes/Ian Fytche	
July 2017	Explore options for smart/futuristic homes	Cllr Davie	Jan 18 Board
September 2017	Implement LEP Board Refresh	ALL	December 17
September 2017	Continue to monitor apprentice programme	ESB	Report 6 monthly

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

Area One - Policy & Strategy

The LEP are currently working on the following policies and strategies:-

- Local Industrial Strategy
- Manufacturing sector plan
- Brexit Monitoring activity
- Utilities strategy
- Hotel study

Midlands Engine

Update on the outcome of nominations for the Midlands Engines boards are; Maria Machancoses has been appointed as the Director of Midlands Connect; Isobel Brown has been appointed as Interim Programme Director for Midlands Engine; and a permanent Chief Executive and Programme Director are currently being recruited to provide the strong leadership needed in driving, delivering and communicating the Midlands Engine Vision for Growth and our programme of work.

CP Large Grants - Adding Value for Agri-Food and Improving Farm Productivity

The Environment Secretary, Michael Gove, announced the opening of a [£40 million grants scheme for investment in farming technology and equipment](#). On 29 July, Lord Gardiner announced a [£200 million package of RDPE funding](#) to support growth of rural businesses. This included a package of £120m under Countryside Productivity for capital grants to increase farmers' productivity and help them prepare for future challenges. Half of this was for large capital grants and half for small capital grants.

The first two large grants, Improving Forestry Productivity and Water Resource Management were made available from Monday 31 July. The two remaining CP large grants were launched on gov.uk on Monday 30 October.

Bazalgette Review

The [Bazalgette Review](#) was published on 22nd September –it sets out key recommendations for how the Creative Industries can underpin the UK's future economic growth and sets out areas where, as part of the Industrial Strategy, government and industry should work together to develop a Sector Deal for the Creative Industries. With a particular focus on addressing barriers to growth in these industries, the review makes recommendations across the following areas: Creative Clusters (key recommendation), Innovation, Access to finance, Intellectual Property, International , Skills / talent pipelines and Screen industries.

Institutes Of Technology (IoTs)

On 21st September, the DfE released a [policy statement](#) and some [FAQs](#) about the Institutes of Technology and the Government will be launching a call for proposals to establish Institutes of Technology before the end of 2017. Applicants will be able to bid into a £170m fund to establish high quality and prestigious institutions which specialise in delivering the higher-level technical skills that employers need across England. DfE expect the first IoTs to open in 2019. DfE are looking for

collaborative approaches between employers and the FE and HE sectors.

FE Colleges – New Recruitment Process

Recruitment of local Colleges of Further Education to the Greater Lincolnshire LEP Employment and Skills Board, is changing. The ESB has proposed that colleges adopt a model that is used elsewhere going forward; which is for colleges to self-select to one position, with the second position remaining subject to an open and transparent recruitment process. Colleges have agreed this approach and have selected Gary Headland, CEO of the Lincoln College Group to fill this position, and Janet Meenaghan, Principal of New College Stamford to attend if he is unable to.

Housing, future supply consultation

The government's [consultation](#) on further measures set out in the housing white paper to boost housing supply in England is underway and we are will be submitting views by the deadline of 9th November. Our consultation response can be found on our website.

Area Two - 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	Pending ESB assessment
7 Business Lincolnshire Growth Hub	Green

1 LEP Activity, Business Engagement and Media

LEP Board Lead – Ursula Lidbetter, LEP Exec Lead – Ruth Carver

Place Marketing The website and toolkit was successfully launched at LEP Business Live. <https://www.marketinglincolnshire.com/> **World of Work** Aimed at young career-seekers, this website was also successfully launched at LEP Business Live [www. www.theworldofwork.co.uk](http://www.theworldofwork.co.uk)

Media Please see below links to press related activity since the end of September. In addition there has been extensive social media taking place, particularly around our events and the quarterly LEP Newsletter was circulated on 2nd October

The LEP welcomed a report which calls on the UK to lead the Fourth Industrial Revolution by embracing digital technology. <https://www.greaterlincolnshirelep.co.uk/whats-new/lep-welcomes-reports-call-to-embrace-future-technologies/>

- A £40 million grants scheme has been launched for farm technology and equipment. <https://www.greaterlincolnshirelep.co.uk/whats-new/countryside-productivity-grants/>
- Apprentice Macaulay Revell is taking part in the WorldSkills competition in Abu Dhabi. <https://www.greaterlincolnshirelep.co.uk/whats-new/macaulay-flies-the-skills-flag-in-abu-dhabi/>
- Lincolnshire's Olympic gold medallist Georgie Twigg MBE is guest speaker at a dinner hosted in London later this month by the Greater Lincolnshire LEP. <https://www.greaterlincolnshirelep.co.uk/whats-new/hockey-star-to-speak-at-lep-property-dinner-in-london/>

- Brexit, labour supply and high-tech innovation in the food sector were all on the agenda last week (1st November) when politicians and business leaders met at the House of Commons to discuss the Greater Lincolnshire food industry.
<https://www.greaterlincolnshirelep.co.uk/whats-new/lep-takes-food-sector-issues-to-parliament/>
- Visitors to LEP Business Live get a glimpse of a high-tech future as robots and machines take over the EPIC Centre at the Lincolnshire Showground.
<https://www.greaterlincolnshirelep.co.uk/whats-new/robots-to-take-over-lep-business-live-this-month/>
- See also two blogs from October from Ursula Lidbetter on the Midlands Engine for Growth
<https://www.greaterlincolnshirelep.co.uk/whats-new/the-midlands-engine-vision-for-growth/>
- And the Team Lincolnshire Ambassador Programme
<https://www.greaterlincolnshirelep.co.uk/whats-new/flying-the-flag-for-greater-lincolnshire/>

LEP Business Live 2017

Our fifth annual conference and networking event with the theme of robotics and automation highlighted the growing high-tech sector in the area attracted over 400 delegates and exhibitors. Speakers included Mike Wilson; Chair of the British Automation and Robotics Society; Ann Daniels – polar explorer; and Anthony May – CEO of Nottingham Council and Midlands Engine Vision for Growth lead. Titan the Robot further helped raise our profile and reach through extensive social media which escalated on the day. This is our best and biggest event to date with positive feedback received from Board, stakeholders, delegates and exhibitors. To date, our event feedback via surveymonkey has returned a 25% response rate from attendees. This shows that 71% of delegates found the conference element of the event either very or mostly relevant to their needs and 78% found the exhibition element either very or mostly relevant.

LEP Food Board House of Commons Reception

Members of the Food Board met MPs and ministers at a House of Commons reception on 1st November. Innovation, skills, labour supply and high-tech innovation in the food sector were all on the agenda as members of the Food Board, civil servants and MPs met as guests of Rt Hon John Hayes MP, and spoke to MPs about the needs of the area's food sector.

Simon Dwyer of Seafox Management Consultants and Will Naylor from food firm Bakkavor spoke about future trading relationships, Simon Telfer of potato firm Branston and Steve Evans from fresh produce business Freshtime discussed labour supply; and Duncan Worth of QV Foods and Professor Simon Pearson from the University of Lincoln addressed innovation and future technologies such as automation and robotics. The debate continued over dinner with John Hayes MP leading a discussion on transport and infrastructure. The debate was initiated by Robert Smith of Danish Crown and Simon Dwyer who explained why an efficient transport system is so essential to the food chain.

We will be following up the issues discussed with DEFRA, BEIS and with the DOE, the infrastructure discussion at dinner will be followed with John Hayes MP, and utilities with Dr Caroline Johnson MP. This very successful event demonstrates clearly that together with the private sector voices, we have a powerful and influential voice and genuinely can make a difference going forwards.

Inward Investment

14 FDI visits took place during October with a further 7 scheduled to take place in November. Seven of these are with foreign owned companies with no previous relationship to the LEP. 3 DIT FDI inward investment enquiries were received over the last 2 months. Proposals and support have been submitted for them all, and responses are awaited. One of these enquiries if successful would bring between 250-250 FTE to the Humber Bank and a £350m investment. Examples are work with Gas Turbine Services and **Nutrapharma UK Ltd**

2 Growth Deal Performance – Amber

LEP Board Lead – Ursula Lidbetter, LEP Exec Lead – Halina Davis

A full report is included within the Investment Board paper pack and will be discussed at Investment Board. Two projects are being discussed at the Investment Board, Skegness Countryside Business Park which is in the process of reviewing its design and focusing on a Skegness Gateway approach, and Grantham Southern Relief Road which will report on progress with milestones, as agreed with the grant recipients in July.

Following the recent review of forecasts for all contracted growth deal schemes the programme is currently forecasting £10.5m in expenditure for this financial year, however taking a risk based approach given that some schemes included still need to be contracted, LEP Officers and the Accountable Body feel that a target of around £7m is a more likely outcome. This will leave a significant gap for the LEP to consider as part of its freedoms and flexibilities and solutions have been agreed at the Board. Contractual commitments to date are over £251m, this includes £82m of growth deal.

Excellent progress is being made on a number of schemes within the programme, for example the £13m Lincoln Transport Hub project will officially open its new Multi-Storey Car Park this November in time for Christmas lights switch on, and the new bus station adjacent to it will be completed in January.

Annual Conversation

Greater Lincolnshire LEP will hold its Annual Conversation with Government on the 5th December. These meetings are the formal process by which the Government and each LEP meet annually to: discuss the contribution the LEP has made towards driving forward local economic growth; to review LEP Governance and assurance processes; to look at progress with delivery on key local growth programmes; and to discuss the LEP's priorities and challenges for the year ahead. It provides an opportunity for the LEP to ask questions with regard to emerging government policy and also acts as a key milestone in the process for confirming the following year's Local Growth Fund (LGF) payments. Key outcomes and actions arising from the meeting will be addressed and shared with the LEP Board and Investment Board in January.

Greater Lincolnshire Growth Fund (GLGF)

The LEP's £3 million GLGF was launched at Business Live on the 20th October and the LEP have appointed Greenborough Management Ltd to manage the fund as part of the Growth Hub programme. A paper is being presented today to inform the Investment Board about the fund and the important role it has to play in determining which projects should be supported.

3 Growing Places Fund – Green

LEP Board Lead – Andy Orrey, LEP Exec Lead – Cathy Jones

Haywood Estates have deferred submission of their loan application until January due to delays obtaining a connection quote from Western Power. All other schemes remain on track and a more detailed report is given in the Q2 finance paper.

4 Feasibility Funding - Green

LEP Board Lead Andy Orrey, LEP Exec Lead Cathy Jones

A report on claims and progress is given in the Q2 finance paper

5 Skills – Pending business plan approval

6 ESIF – Green

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

ERDF

Greater Lincolnshire has committed 64% of the overall ERDF allocation to projects, with further projects under appraisal. The Greater Lincolnshire European Structural and Investment Fund Committee are meeting to discuss remaining funds against the current pipeline of projects that we know about. Further calls are likely to be announced December 2017 and March 2018 to try and commit the rest of the funds. There may be a future call window in the summer to commit any underspends from contracted projects, but this is to be agreed by national leads.

The focus will be to commit funds over the next two bidding rounds to projects that meet ERDF eligibility criteria but also have a strong local strategic fit and provide good value for money.

EAFRD/LEADER

Our LEADER programmes are still open for business and we are continuing to accept applications. Projects have to be contracted by March 2019 but these timescales could change. The EAFRD Growth Programme calls focused around food processing, business development and tourism infrastructure are currently open until January 2018, but this has just been extended to May 2018 and we have requested further top-up of these allocations for all three calls. Countryside Productivity grants have also been launched and the Water Resource Management call has been extended to 29th June 2018.

Information on our EU funded programmes and calls for activity are publicised/up-dated on the GLLEP and Business Lincolnshire websites.

European Agricultural Fund for Rural Development (EAFRD)

7 Greater Lincolnshire Growth Hub – Green

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

A full paper is included within the board pack.

Date and Meeting	Standing Items	Areas for discussion and decision
14 th November	Water Management Board	
24 November 2017 GLLEP Board – University of Lincoln	Minutes of last meeting Management Report Media Report	Export and trade (Samantha Harrison) Growth Hub Review and recommendation from Review of the Business Survival Commission Q2 performance Food Board Update Manufacturing Board
5 th December 2017	LEP Annual Conversation	
13 th December 2017	LEP Strategy Session	
14 th December 2017	Innovation Council	
18 th January 2018	Lincolnshire Business Expo	LEP attending

Summary - This report outlines the Mary Ney review of LEP governance- the full review is in the additional papers pack along with a plan to implement the recommendations.

Background - In April 2017, the Department of Communities and Local Government commissioned Mary Ney, in her role as a DCLG non-executive director, to review LEP Governance and Transparency. The review followed a report by the National Audit Office into local growth including LEPs and an investigation into the Greater Cambridge Greater Peterborough LEP following a complaint by a local MP. As part of the review Mary Ney met with a number of LEP chief executives, chairs, and local authority 151 officers. Her report has been published and all recommendations adopted by the Government.

DCLG has now written to all LEPs to advise them of the review and the need to implement the recommendations. As a good performing LEPs we are already compliant with many of the recommendations, and our own independent audit means we are well placed to comply with the remainder of the recommendations.

The implementation plan attached outlines our proposed approach, which will ensure we are fully compliant by the Government's deadline of February 28th. It is worth reflecting that this piece of work is unlikely to be the last. The Government, through ministers Jake Berry and Margot James, is also conducting a wider review of LEPs. This review has a broader remit including role, remit, funding and geography. This will not conclude until the spring, after which further changes might be required. Further updates will be provided to the board once we have more information from Government on the wider review.

It is imperative the Mary Ney recommendations are implemented without delay. We are proposing three phases.

- **Phase one – adoption of the implementation timeline (end of November).**
- **Phase two – amendments required as part of the annual conversation (end of December).**
- **Phase three – revisions required following the annual conversation (end of February).**

Recommendation:

The board is invited to formally adopt the Mary Ney recommendations The board is invited to endorse the timetable outlining the implementation of the recommendations.

1. Financial Update Quarter 2 – 2017-18

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

2. Operational Core Funding

The LEP's core income and expenditure for the 6 months to September 17 are shown below:

- Total income received in period was £500,000
- The revised budget is £493,555
- Spend to date is £156,538
- Remaining spend is £337,017 (against revised Budget)

Budget Area	Sum of Original Budget	Sum of Revised Budget	Cumulative to date	Left to spend
Area 1 Executive Team	248,919	254,046	119,810	134,236
Area 2 Company requirements	9,850	9,775	2,775	7,000
Area 3 Communication and Events	114,750	124,757	21,881	102,876
Area 4 Sectors and Priorities	109,500	93,142	8,142	85,000
Area 5 Growth Deal / Project Delivery	18,500	11,835	3,930	7,905
Grand Total	501,519	493,555	156,538	337,017

The figures highlighted are on a defrayed basis and according to the accounts there is a further £32,718 in process under the standard 28 day payment terms. Taking this into consideration spend is currently at 38% of our revised budget. At this stage in the year, we are estimating that a small amount of £6,445 will be placed on reserve at year end. Of the revised budget £454,349 is committed through contracts.

Key Quarter 1 & 2 achievements utilising core funds

The table below shows delivery against the agreed LEP 2017-18 Business Plan:-

DELIVERY AREA	WORKSTREAM	PROGRESS
Delivery Area 1	1.1 Champion our strongest sectors	<ul style="list-style-type: none"> • FEZ LDO secured for Holbeach. Hemswell pending, FEZ task and finish group formed to develop website, FEZ challenge Fund applications submitted and indicative offers made • Agri-food Centre of Excellence growth deal project is still awaiting contractual confirmation of ESIF grant monies. • Manufacturing Sector Plan refresh first draft complete. • Manufacturing board recruited and first meeting held 6th July • The Manufacturing Conference 15th September to over 100 delegates. Visitor Economy board recruited and activity underway • Health & Care director recruited • Team Lincolnshire Ambassador Programme developed launch 30th November
	1.2 Support partners with activity in our future delivery sectors	<ul style="list-style-type: none"> • New brand guidelines are being developed and the PR& marketing materials have been produced with the website refresh commencing in the autumn. • To date 790 businesses have received intensive support from the Growth Hub's Business Growth Advisers with 1371 businesses engaged through the programme. • Digital landscape analysis research has been undertaken and an action plan has been developed. • The Digital conference took place on the 17 May during Lincolnshire Tech Week with were 200 attendees. • ESF Projects continue to be monitored. Over 400 employers have taken advantage of one of these and over 1100 workers are receiving new skills or learning to contribute to the effectiveness and growth of the business. • The World of Work new website project has been developed working with local employers for launch at the LEP Business Live Conference • Work has begun on a proposal to support local providers and colleges to collaborate on future learning bids so that there is a greater likelihood of contracts being awarded locally.
	1.3 Championing activity into new markets,	<ul style="list-style-type: none"> • New Growth Hub brochures published on; Explore Manufacturing and Explore

modern telecommunications, infrastructure improvements and the skills of individuals and business owners	Growth	<ul style="list-style-type: none"> National Agri-food conference being attended with one to one business meetings being set up with potential investors and businesses
1.4 Advocate and influence improvements to our area's transport Infrastructure (Transport Strategy)		<ul style="list-style-type: none"> Several growth deal projects are or will be contributing to SIDP priorities. Initial meetings held with infrastructure project leads over the last couple of months. The LEP is endorsing submissions to the National Productivity Investment Fund. Four projects have been submitted from the Greater Lincolnshire area for DFT to consider.
1.5 Support balanced housing and economic development and promoting the area's capacity to deliver high quality growth		<ul style="list-style-type: none"> LEP responded to the Government's Housing White Paper Working with the Housing District Network The Unlocking Rural Housing programme has delivered 419 completed homes across 3 sites. SLGF fund housing schemes progressing well.
1.6 To develop an understanding of the impact of the Brexit		<ul style="list-style-type: none"> 1/4ly meetings with BRO's to understand impact and joint reporting BREXIT research to be commissioned during December
Delivery Area 2 Maximising impact from programme delivery		<ul style="list-style-type: none"> Good progress is being made on many schemes and four projects are now completed on site and delivering against output targets. Assurance Framework continuously improved and implemented and additional updates have been drafted for consideration. Implementation of the Mary Ney Review Skills Capital Investment Fund has been launched and scored pending sign off. Greater Lincolnshire Growth Fund launched
Delivery Area 3 Building Solid Economic Evidence and Analysis		<ul style="list-style-type: none"> Feasibility Fund contracts have been agreed to develop the project pipeline Q1 – Q2 Economic Briefings for LEP are completed. State of the Economy 2017 presented to LEP board 26th May Business Survival Round table meetings undertaken and presented to Growth Hub Board on 14th June

Delivery Area 4 Good Governance

- Regular review and profiling meetings are being held between the LEP and Accountable Body in relation to Growth Deals, and the Accountable Body and LEP attend meetings with BEIS collectively every quarter to update on progress reports/delivery.
- Effective working relationships and support provided to all of the LEP boards and the development of tangible outcomes
- External audit completed and AGM brought forward to align more closely with financial year end date.
- New Governance area added to the website
- Mary Ney Review being implemented

Delivery Area 5 Clear strategic communications and engagement

- Quarter 1 and 2 Newsletter in new format completed.
- Growth of promotion and sponsorship with Team Lincolnshire post the Midlands Engine MIPIM event
- Delivered a Utilities Event (18th July).
- Business Live 17 developed with the theme and focus to **embrace the future**, in particular looking at how new and emerging technologies will impact all of our businesses
- Food Board in London
- Utilities communication plan
- Support provided by way of LEP presentation and skills priorities to Recruitment Fair in Sleaford, and to New College Stamford Board of Governors

Delivery Area 6 Robust Finance

- Finance and Audit new Committee new members recruited
- Accountable Body implementing additional procedures to report LEP finances accurately and timely

Variance analysis against core budget

Expenditure variances are due to a number of contributing factors with key ones primarily identified as:-

Area 1 – Executive Team – On track

- The Growth Deal Manager has been recruited as LCC staff member following a recruitment exercise 2017.

Area 2 – Company Requirements – On track

- Legal costs will increase due to the imminent review of the Articles of Association and Terms of Reference

Area 3 – Communications and Events – On track

- LEP Business Live costs will reduce because of partner contribution from the Business Lincolnshire Growth Hub
- A formalised agreement between the LEP commissioning team and LCC to deliver the first phases of Team Lincolnshire
- Provision was included for a further contribution towards the Midlands Connect activity which was subsequently confirmed as not payable during this period.

3. Other LEP Funds – 2017-18

Growing Places Fund (Invest & Grow)

Bomber Command

Progress	A detailed Progress Report has been requested. During a recent visit the scheme was observed to be progressing well. The Trust is still fundraising for the remaining scheme costs..
Interest	Under the terms of the loan agreement, £57,001.42 interest is due on this loan to date. A further payment of £16,054.88 is due in November 2017. Interest accrued on the loan will continue to be payable every six months thereafter until the loan and all outstanding interest has been repaid in full. The Loan Repayment Date (as set out in the loan agreement) for the full amount loaned (£800,000) is the fifth anniversary of the date of commencement on site of the Primary Infrastructure Works. Agreed long-stop date: May 2020. As the project is still raising a further £2 million for the completion of the visitor centre. It was agreed that interest payments would be requested in January 2018.

The Lawn

Progress	This refurbishment project has made good progress and the café is now open for business. Payment of agreed £600k loan has now been made. A combination of: cost inflation over the last two years; unexpected issues with the building due to its age, type and listed status; and some upgrading of the specification mean that total building costs are expected to increase from £1.66 million to £1.95 million. The applicants advise in their June 2017 progress report that most of the remaining expenditure is fixed and they do not anticipate any significant further variation to the total costs. They also report strong interest in surplus parts of the property which should allow the project to achieve its rental projections.
Interest	Not yet due.

Boston Quadrant

Progress	The full loan amount (£3.5m) has now been claimed and approved. The scheme is well underway. The scheme was visited by staff for monitoring purposes during June 2017.
Interest	Interest is now payable on the amount loaned. £6,890.63 and £48,466.63 have been charged for interest due on all payments advanced up to 31 March 2017. A further payment

	of £84,467.29 has been requested for loan interest up to 30/9/2017. Interest will continue to be payable every 6 months until repayment.
--	--

Loans currently issued under the Invest to Grow fund are £4,900,000. To date no other full loan applications have been received.

Greater Lincolnshire Growth Fund

<http://www.businesslincolnshire.com/advice-grant-scheme-finder/248/greater-lincolnshire-growth-fund>

£circa £3 million has been allocated from the Growing Places fund towards the LEP's Greater Lincolnshire Growth fund. The fund will be accessed through the LEP's Business Growth Hub and will provide grants to businesses to create new jobs. It is estimated that the average grant investment will be for £50,000 with an upper limit of £200,000. This is a £3m fund and was formally launched at LEP Business Live.

Feasibility Fund

The total feasibility pot is £375,982. We have received 3 claims to date.

- Science Park – Paid £26,656.
- Holbeach FEZ – £34,000
- Grantham Enterprise Village – £19,985

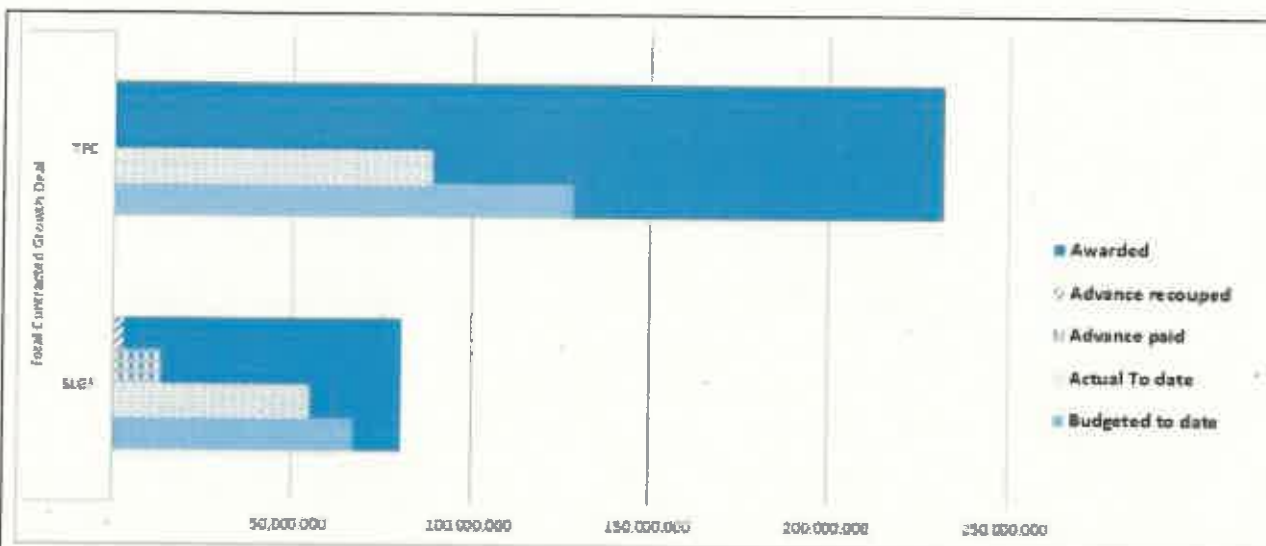
Single Local Growth Fund

We currently hold 23 contracts to the value of £232 million in total project costs providing £80.6 million SLGF grant leveraging in £151.4 of public/private sector investment.

Contracted projects continue to submit quarterly claims and we have also conducted a number of project monitoring visits. Both claim reviews and visits allow us to assess project progress and spend position.

Having had a challenging target last financial year and utilising a variety of freedom and flexibilities we were aware that the new allocation, although smaller at £15.8million, would be difficult to achieve. Notwithstanding stalled progress on some of the larger schemes, Government allocations for Growth Deal 3 schemes were only confirmed in March 2017, and revised business cases submitted reflect new delivery timescales from those originally put forward in July 2016. Letters from the Accountable Body regarding formal variations to contract on expenditure and output forecasts were issued to all grant recipients with funding agreements in place. These have been fully reviewed as part of our quarterly claim cycle and revised contractual forecasts are now being formally confirmed. This will enable us to enhance our existing risk based approach against achieving the government targets.

The graph below shows the programme position prior to the profiling exercise. Whilst these original targets have now been reviewed with grant recipients, and the recent re-profiling exercise once actioned on the system will show project profiles as being aligned, it is important for the committee to understand to what extent the programme has adjusted over time.



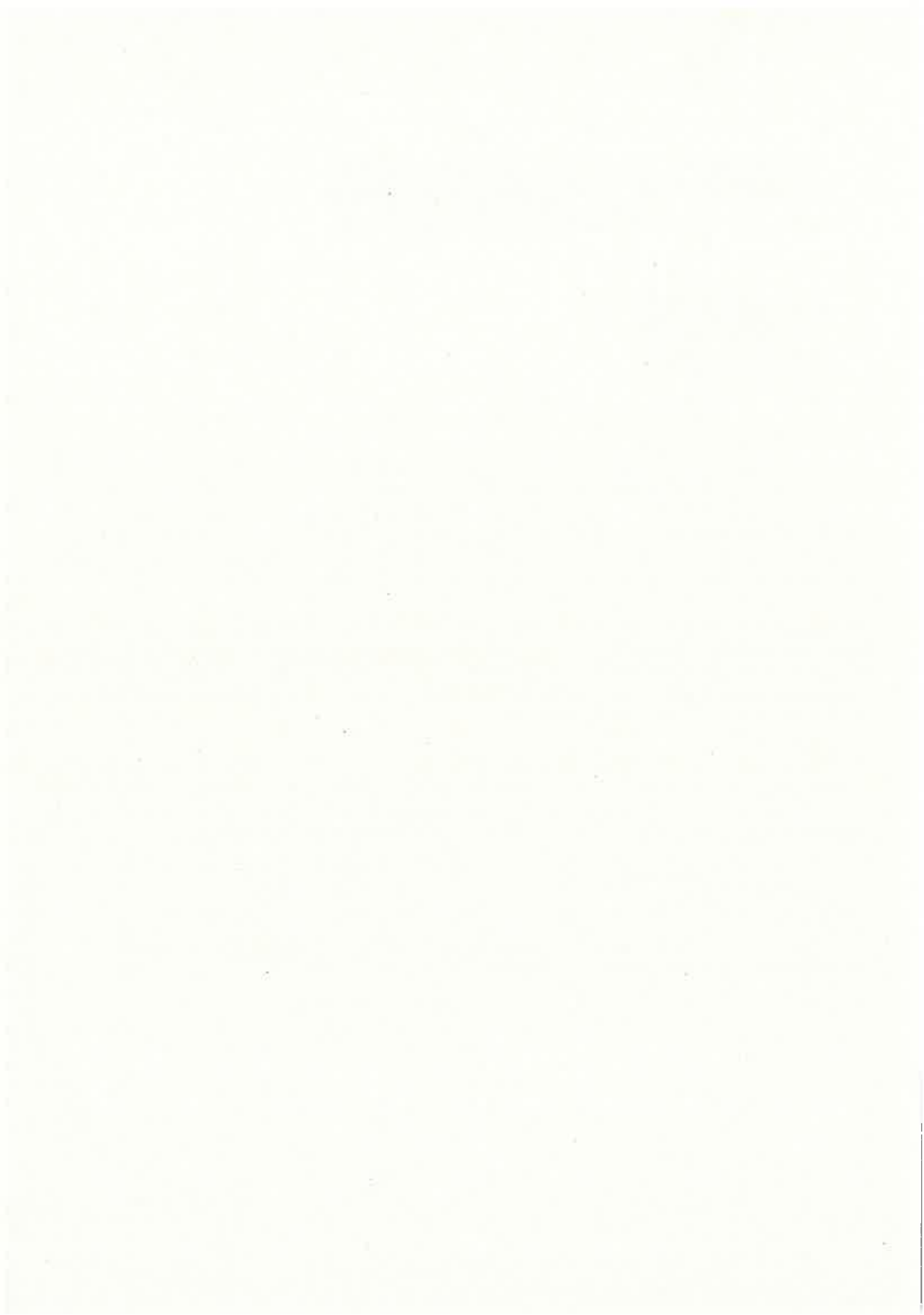
Contracted projects are currently 32% under contractual spend targets. With regards to SLGF release projects are under target by 19%. Although you would expect to see a similar level in % variance, the reason it is different is the fact that we have utilised freedoms and flexibilities around paying projects higher intervention rates and have also released advance payments. Having given out £13.5million in advance payments, we have recouped 20% to date through claim submissions. Although we are clear on the schedule of repayment, £11.5million of advance is still to be evidenced within claims.

Aligned to this is the use of Lincolnshire County Council's capital programme to help ensure the spend targets are achieved. Within the grant determination we are able to pay SLGF grant monies to projects within our own capital projects (In year) to release LCC net capital budget to be utilised against SLGF contracted projects in later years. To date we have achieved £18.3 million of the spend target in this way. The majority of this will be adjusted in 2019/20.

Further proposals have been discussed with the LEP investment board and we will continue to work through these to ensure we secure the funds for our area. The Accountable Body team continues to provide a robust environment in which the LEP operates and the single local growth fund projects are in the main progressing well into delivery. Project spend will be monitored closely following the re-profile exercise.

3 Recommendations

The F&A Committee considered and reviewed the finances on 10th October 2017 and are recommending the paper to the full board to review and note the contents.



Background

In January 2017, BEIS produced a Green Paper called 'Building Our Industrial Strategy'. The paper focussed on a long term sustainable, locally driven strategy, with more focus on inclusivity and a view on the post-Brexit landscape:

"Industrial strategy can mean many different things. In the 1970s, industrial strategy became synonymous in Britain with the failures of nationalised industries like British Leyland, "picking winners", poorly targeted government investment and sclerotic growth. More recently, industrial strategy has been used to describe successful interventions in countries as diverse as South Korea, the United States, Germany and in some aspects, the UK. Targeted interventions – ranging from tax breaks and deregulation to strategic procurement decisions and specific investment in particular skills – have been combined with free market economic policies to nurture growth in particular sectors and places. Far from the experience of 1970s Britain, the international approach to industrial strategy has often been fruitful, leading to more productive and better balanced economies."

Since the Green Paper, there have been many responses, papers and think-pieces trying to define what a local industrial strategy should look like. **The white paper on the LIS, released on week commencing 20th of November, will cement the governments thinking with a likely focus on five pillars: Places, People, Business, Innovation and Infrastructure.**

It is also evident that the LIS is viewed as an extension of the current Strategic Economic Plan, couched in the current conditions with a sub-LEP view and more focus on inclusive growth, boosting earnings and productivity. The Strategic Economic Plan first came into focus in 2011 when LEPs were formed amid the backdrop of an economy recovering from recession. The strategic objective was clear: growth in the economy. Since then, the sands have shifted in terms of the underlying conditions to the national economy:

- The labour market is reaching 'maximum employment' – UK reaching around 75% employment, the highest rate ever recorded.
- Despite this, there is a growing gap between high and low quality jobs, pay and quality of life. These disparities are evident at a national and local geographic level.
- Brexit will have profound challenges and opportunities which will vary from local area to local area.
- Productivity is still the main focus of this government and will form the foundations of the Local Industrial Strategy.

However, in order to be in a place to best respond to the Local Industrial Strategy, LEPs will need to refocus their evidence bases in order to address some of these conditions which were not present during the time that SEP's were being written. As such it is recommended that three pieces of baseline research are undertaken, covering:

1. A review of Greater Lincolnshire's Productivity, drivers and risks in a deep dive analysis.
2. A thorough low level analysis of Brexit, particularly risks posed to Greater Lincolnshire's priority sectors and labour market.
3. A report focusing on Inclusive Growth, what indicators we want to measure, what outcomes we can achieve and to give some shape to Greater Lincolnshire's current standing in the Inclusive Growth agenda.
4. Wage levels

These elements will provide a solid background to Greater Lincolnshire's forward looking Industrial Strategy.

Productivity

A paper was produced in 2015 which outlined productivity, how it was measured and how Lincolnshire's broad sectors fared. Since then, more data and analysis has been made available, enabling deeper dive research. This new analysis should target sub-sectors and geographical areas which may require particular support or intervention.

It is intended that this analysis is carried out in house or via the LEP's call-off contract with local economic research consultants, Codename Consulting Ltd. The final output will be in the form of a report, with a presentation of the executive summary.

Brexit Analysis

Brexit is going to create disproportionate challenges and opportunities across different sectors across the UK. It is important that these risks are understood now in order to understand the local implications. An analysis is required to better understand the sectoral impact of Brexit and how it might affect local businesses and the local economy. In particular, a detailed analysis of local areas to help identify which businesses are most at risk from Brexit – and importantly how to respond to it are required.

There is a need to focus on specific insights relating to:

- Trade (impacts on trade/exports and investment decisions)
- Regulation (impacts of regulatory issues on how businesses operate)
- Workforce (impacts on sectoral workforce demand and skills)
- Funding (impacts on research/R&D and EU funding)

It is important to also understand specifically which geographic areas are most at risk. This will help us understand the potential impacts on specific sectors, help target businesses with regards to engagement and help think through specific policy responses. This work is likely to take the form of a report, together with a presented executive summary or high level analysis identifying the parts of the LEP which are most at risk from Brexit.

It is likely we will need to commission this work given the potentially labour intensive nature, with an anticipated cost of around £20,000.

Inclusive Growth

Work has already begun to gather interpretations and analysis relating to inclusive growth. A list of stakeholders (national) has been drawn up, including some of the country's leading academics in the field. A full review of the inclusive growth agenda will be followed by an analysis of Greater Lincolnshire's indicators, benchmarking against other areas. This will enable us to see where the LEP stacks up in terms of the way inclusivity relates to the areas growth.

Recommendation

In summary, these topics are vital to understanding the current conditions both in relation to what challenges we face but also to what shape our future policy and intervention should take. The Modern Industrial Strategy is due to be launched next week, and it will further the SEP in bringing localised responses fit for Greater Lincolnshire, but only if the evidence behind it is solid.

That the LEP Board approve expenditure of up to £20,000 from this year's Core Funding for detailed BREXIT analysis across the Sectors in Greater Lincolnshire.

1. Purpose of this paper

An initial briefing note on the Clean Growth Strategy was circulated to the Greater Lincolnshire LEP Board last month. This paper is intended to provide further detail and serve as the basis for the Board's response to the consultation.

2. Introduction

The UK government's [Clean Growth Strategy](#) was published in October 2017. It sets out 50 headline policies and proposals to cut emissions and grow low carbon investments across the economy.

Minister for Climate Change and Industry, Claire Perry described it as:

"...an ambitious strategy to cut emissions while keeping costs down for consumers, creating good jobs and growing the economy. This is an important component of our modern Industrial Strategy."

Government welcomes views on this Strategy, and intends that the individual departmental policies and proposals contained within the plan will be consulted on separately, where such consultation has not already taken place. Views received will be considered as key elements of the strategy are updated before setting the sixth carbon budget by 30 June 2021.

3. Summary of the main policies and proposals

A total of 50 proposals (not all new) are grouped under:

- Accelerating Clean Growth
- Improving Business and Industry Efficiency – 25% of UK Emissions
- Improving Our Homes – 13% of UK Emissions
- Accelerating the Shift to Low Carbon Transport – 24% of UK Emissions
- Delivering Clean, Smart, Flexible Power – 21% of UK Emissions
- Enhancing the Benefits and Value of Our Natural Resources – 15% of UK Emissions
- Leading in the Public Sector – 2% of UK Emissions
- Government Leadership in Driving Clean Growth

This paper does not address all 50 proposals. However, they are attached in full as Appendix 1 should Members wish to discuss any of the points which are not covered below.

General Observations

This strategy enjoys clear cross-government backing. The Prime Minister's foreword notes:

"Clean growth is not an option, but a duty we owe to the next generation. Success in this mission will improve our quality of life and increase our economic prosperity".

The strategy sets out a comprehensive set of actions that will hopefully have required support from several government departments beyond the Department of Business, Energy and Industrial Strategy (BEIS), in order to get this far.

The cross-government support should help to provide political certainty and provides a clear sense of policy direction. Our response should welcome this and note that a positive, consistent message from government has considerable potential to impact positively on investor confidence.

Power

Offshore wind receives a boost: *"We will work with industry as they develop an ambitious Sector Deal for offshore wind. Provided costs continue to fall, this could result in 10 gigawatts of new capacity built in the 2020s, with the potential to support high value jobs and a sustainable UK industry exporting goods and services around the world. We will also consider whether there could be opportunities for additional offshore wind deployment in the 2020s, if this is cost-effective and deliverable. This would mean up to £557 million for further Pot 2 Contract for Difference auctions, with the next one planned for spring 2019."* Our response should welcome this as good news for the renewables sector in NL and NEL.

However, the strategy fails to set out a clear role for mature renewables like onshore wind and solar power which have become increasingly competitive on cost. Our response should note that this is a missed opportunity for government to work with industry to develop a subsidy free mechanism that will encourage the development of projects in parts of the country where communities want them.

We should also recommend in our response that more needs to be made of the potential in smart grid technology. As energy production becomes more dispersed and demand side response becomes possible, the potential to match supply and demand locally is enabled. This will reduce use and the carbon emissions of energy production by making the economics of renewables better without the need for subsidy.

Local Example

Proposals are being developed to bring a major UK smart grid trial to Lincolnshire to match supply from, for example, Anaerobic Digestion (AD) plants to local demand. The existing AD plant in North Hykeham now generates 100MW, more than double the city's demand and so there is real scope to improve efficiency locally. This project will also look at the potential in a rural county such as Lincolnshire to integrate EV charging points into this local smart grid to accelerate the move to electric vehicles

Buildings

The strategy treats residential and commercial premises separately, but many of the proposals apply to both. All fuel poor homes are to be upgraded to an energy efficiency standard of EPC Band C by 2030 (funded through the Energy Company Obligation). In addition, the strategy aspires for as many private sector homes as possible to be EPC Band C by 2035 "where practical, cost-effective and affordable". Government will also consult on how social housing can meet similar standards over this period.

Following the outcome of the independent review of Building Regulations and Fire Safety, and subject to its conclusions, Government also intends to consult on strengthening energy performance standards both for new and existing homes under Building Regulations, and on future-proofing new homes for low carbon heating systems.

Our response should note that achieving these ambitions for improved energy-efficiency standards is likely to require clear regulations mandating improvements in energy efficiency standards by a particular date, and appropriate fiscal incentives for private homeowners e.g. such as stamp duty rebates. Left to the market, history suggests that success is unlikely.

On heating, Government commits to build and extend heat networks underpinned by public funding to 2021; invest in low carbon heating by reforming the Renewable Heat Incentive (£4.5 billion) and invest £184 million (including two new £10 million innovation programmes) to develop new energy efficiency and heating technologies. These proposals should help us better understand the potential and limitations of different technologies in what can be a very complex topic.

Regarding commercial buildings, government will consult on improving the energy efficiency of new and existing commercial buildings, and on raising minimum standards of energy efficiency for rented commercial buildings. Government will also explore how the provision of information and advice on energy efficiency to SMEs may be improved. In our response we should note that our Growth Hub already delivers information and advice on energy efficiency to SMEs. However, this is funded by ERDF. Clarity about how this can continue to be delivered when ERDF comes to an end is required. The Growth Hub will be happy to work in partnership to deliver any future national provision.

Transport

The strategy builds on recent policy announcements with an additional £80m to support the deployment of charging infrastructure, alongside £15 million from Highways England to ensure rapid charge points every 20 miles across 95 per cent of England's Strategic Road Network. This is an essential requirement if electric vehicles are to be widely taken up. This funding will be accompanied by new powers under the Automated and Electric Vehicles Bill which will allow the Government to set specific requirements for the provision of charging points or hydrogen refueling infrastructure, as well as ensuring that charge points are convenient to access and work seamlessly right across the UK.

However, this gives rise to three immediate concerns:

- Our Utilities Study has demonstrated that the existing network infrastructure in Greater Lincolnshire is already fragile. It may struggle to cope with the increased demand of public charging points, especially when residential/industrial demand may be more pressing.
- Secondly there has been no assessment carried out at GL level as to where any charging points would need to be, outside of some specific and public points (mainly centered around Lincoln at present).
- Furthermore, for places such as ours where the vast majority of roads are not part of the Strategic Road Network this raises questions about how charge points elsewhere can be delivered.

We will need to urge consideration of these concerns in our response to the strategy. We should also invite Partners to advise regarding an assessment of where charging points need to be across GL.

On freight and heavy goods vehicles, the strategy largely repeats existing provision whilst noting that further measures to support the pathway to low emission freight will be set out by March 2018, as part of a long term strategy for the UK's transition to zero vehicle emissions. We should recommend that innovation to cut emissions for heavier duty vehicles needs to remain a priority.

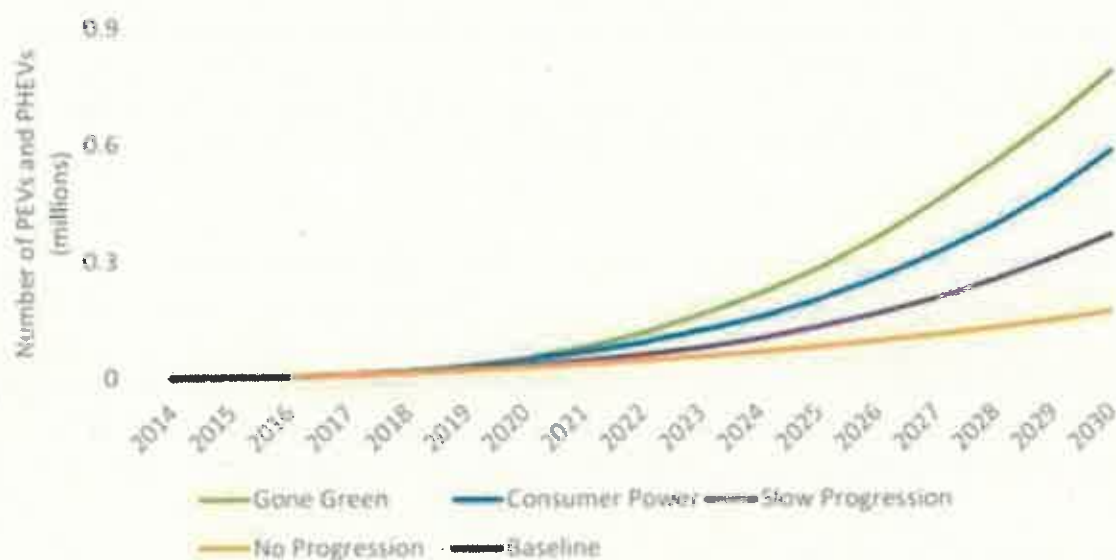
However, increased roll-out of electric vehicles must be accompanied by the development of a flexible, low carbon power grid. Network operators need to be given the tools to invest in the capacity and systems they need to accommodate the increased demand from electric vehicles as efficiently as possible. Electric cars require regular

charging and this has a significant impact on management of the distribution network.

In the Western Power Distribution (WPD) East Midlands licence area, under the 'two degrees/gone green' scenario, the number of electric vehicles would rise from 5,023 in 2016 to 786,240 in 2030. Even in the 'steady state/no progression' scenario, the baseline figure of 5,023 rises to 169,722. This indicates that even with a scenario with very limited take-up of low carbon technologies, the number of electric vehicles will rise significantly from the current figure. Under any scenario, a significant increase in the numbers of electric charging points across the UK's road network (and not just the Strategic Road Network) will be required.

Whilst the WPD figures do not cover the entire Greater Lincolnshire area, they nonetheless provide a helpful steer as the potential trends.

Number of electric vehicle scenarios in the WPD East Midlands Licence Area



One challenge is the time profile of this demand. People tend to charge their vehicles when they get home from work and overnight and this will need to be taken into account.

2030 Electric vehicles by scenario for WPD East Midlands supply area

Consumer Power

582,120



Gone Green

786,240



No Progression

169,722



Slow Progression

366,660



2030 electric vehicle numbers by scenario and supply area

WPD East Midlands licence area

400 to 1,000 1,000 to 2,500 2,500 to 5,000 5,000 to 10,000 >10,000

Business and Industry

Overall, business and industry now account for approximately 25% of the UK's emissions. Businesses and industry are also major users of electricity, accounting for over 50 per cent of electricity use. The strategy builds on current energy efficiency measures for industry and notes the potential opportunities to be gained from building the energy efficiency sector itself, which already turns over £20.3 billion, employs 144,000 people and sells exports worth over £1 billion (UK wide)

The strategy also commits to establishing an industrial energy efficiency scheme for large companies and publishing joint decarbonisation and energy efficiency action plans with seven of the most energy intensive sectors.

Local Example

The University of Lincoln is working with Tesco to remotely control their 112,000 fridges using the Internet of Things (IoT) so that they can match their energy demand (1% of national grid) to the availability of power. This reduces the need for backup in the grid and thus directly saves energy and will develop new technology to manage the grid which is exportable.

Natural Resources

This section includes proposals to design a new system of future agricultural support to focus on delivering better environmental outcomes, including addressing climate change more directly. It also notes £99 million in innovative technology and research for agri-tech, land use, greenhouse gas removal technologies, and waste and resource

efficiency.

In our response we should note the potential represented by the bio-economy and bio-refining to utilise **biomass** to replace fossil fuel derived chemicals. Biomass examples include crop by- and co-products, food waste, forestry residues etc.

Local Example

A review of the economic potential of biomass, being led by Martin Collison, shows large unmet potential. Addressing food waste at every stage of the food chain is a major imperative with estimates of waste from farm to fork normally about 1/3rd of all production (over 1.4 billion tonnes of crop waste per year globally), with some estimates even higher. Food chain technology is just as important as agri-tech in addressing this - more work on shelf life, food storage and distribution, consumer education and many other areas are needed to address this. Taking a UK lead on this would lead to exportable technologies as it is a global problem.

Soils are the largest land based reservoir of carbon and yet neglect of soil management for 100 years has led to rapid decline in soil organic matter (now about 1/4 of the level at the start of WW1). Whilst some work is now being done to address this it is a major imperative for the next 25 years, as building up soil carbon content not only acts as a carbon store, it improves crop production, reduces the need for fertilisers and energy for cultivation, improves water holding capacity and reduces flooding. Our response should recommend that all biomass, including the organic fraction of Domestic and Municipal waste, sewage sludge and similar sources should be processed and returned to the land.

We should also emphasise the need to continue research and innovation in how to manage agriculture more effectively to reduce energy use e.g. through low intensity cultivation techniques and reduced fertiliser use (often 50-80% of all greenhouse gas emissions in crop systems).

Finally, the proposal (number 39) to expand UK forestry is unlikely to contribute to clean growth globally. Planting new trees in the uplands to replace sheep would produce a positive benefit. In the lowlands, however, whilst trees will indeed reduce the emissions of UK land use, the loss of productive land in the UK means we will as a result import more food and drink, which in turn contributes to land use change (forestry to agriculture) in other parts of the World as natural habitat is cleared to produce more food there instead. Land use change is the single largest cause of biodiversity loss globally with the Living Planet Index saying that it is responsible for over half the loss of all biodiversity globally. This is very important for clean growth because 12% of global greenhouse gas emissions come from land use change (nearly as much as the rest of the food chain at 15%). In our response we should note that at the global scale you get cleaner growth if you keep existing crop lands in production for food, thus reducing the need to clear new agricultural land.

4. Conclusion

With clear government messaging and measures targeted to a wide range of economic sectors, the Clean Growth Strategy has the potential to improve business confidence in the UK's low carbon economy and we should welcome it on that basis. The challenge now will be for government departments to work even more closely together to deliver the detailed measures needed to deliver a step change in investment in key areas like buildings.

5. Recommendations

Members of the Board are recommended to agree that this paper should serve as the basis for a Greater Lincolnshire response to the Clean Growth Strategy, subject to any additional points agreed at the meeting.

Appendix 1

Key Policies and Proposals in the Strategy

Members will note that the proposals become rather circular as some points are repeated under different sections e.g. proposals 8 and 18.

Accelerating Clean Growth

1. Develop world leading Green Finance capabilities, including by:

- Setting up a Green Finance Taskforce to provide recommendations for delivery of the public and private investment we need to meet our carbon budgets and maximise the UK's share of the global green finance market
- Working with the British Standards Institution to develop a set of voluntary green and sustainable finance management standards
- Providing up to £20 million to support a new clean technology early stage investment fund
- Working with mortgage lenders to develop green mortgage products that take account of the lower lending risk and enhanced repayment associated with more energy efficient properties

Improving Business and Industry Efficiency – 25% of UK Emissions

2. Develop a package of measures to support businesses to improve their energy productivity, by at least 20 per cent by 2030, including by:

- Following the outcome of the independent review of Building Regulations and fire safety, and subject to its conclusions, we intend to consult on improving the energy efficiency of new and existing commercial buildings
- Consulting on raising minimum standards of energy efficiency for rented commercial buildings
- Exploring how voluntary building standards can support improvements in the energy efficiency performance of business buildings, and how we can improve the provision of information and advice on energy efficiency to SMEs
- Simplifying the requirements for businesses to measure and report on energy use, to help them identify where they can cut bills

3. Establish an Industrial Energy Efficiency scheme to help large companies install measures to cut their energy use and bills

4. Publish joint industrial decarbonisation and energy efficiency action plans with seven of the most energy intensive industrial sectors

5. Demonstrate international leadership in carbon capture usage and storage (CCUS), by collaborating with our global partners and investing up to £100 million in leading edge CCUS and industrial innovation to drive down costs

6. Work in partnership with industry, through a new CCUS Council, to put us on a path to meet our ambition of having the option of deploying CCUS at scale in the UK, and to maximise its industrial opportunity

7. Develop our strategic approach to greenhouse gas removal technologies, building on the Government's programme of research and development and addressing the barriers to their long term deployment

8. Phase out the installation of high carbon forms of fossil fuel heating in new and existing businesses off the gas grid during the 2020s, starting with new build

9. Support the recycling of heat produced in industrial processes, to reduce business energy bills and benefit local communities

10. Innovation:

- Invest around £162 million of public funds in research and innovation in Energy, Resource and Process efficiency, including up to £20 million to encourage switching to lower carbon fuels
- Support innovative energy technologies and processes with £14 million of further investment through the Energy Entrepreneurs Fund

Improving Our Homes – 13% of UK Emissions

Improving the energy efficiency of our homes

11. Support around £3.6 billion of investment to upgrade around a million homes through the Energy Company Obligation (ECO), and extend support for home energy efficiency improvements until 2028 at the current level of ECO funding

12. We want all fuel poor homes to be upgraded to Energy Performance Certificate (EPC) Band C by 2030 and our aspiration is for as many homes as possible to be EPC Band C by 2035 where practical, cost-effective and affordable

13. Develop a long term trajectory to improve the energy performance standards of privately-rented homes, with the aim of upgrading as many as possible to EPC Band C by 2030 where practical, cost-effective and affordable

14. Consult on how social housing can meet similar standards over this period

15. Following the outcome of the independent review of Building Regulations and fire safety, and subject to its conclusions, we intend to consult on strengthening energy performance standards for new and existing homes under Building Regulations, including futureproofing new homes for low carbon heating systems

16. Offer all households the opportunity to have a smart meter to help them save energy by the end of 2020

Rolling out low carbon heating

17. Build and extend heat networks across the country, underpinned with public funding (allocated in the Spending Review 2015) out to 2021

18. Phase out the installation of high carbon fossil fuel heating in new and existing homes currently off the gas grid during the 2020s, starting with new homes

19. Improve standards on the 1.2 million new boilers installed every year in England and require installations of control devices to help people save energy

20. Invest in low carbon heating by reforming the Renewable Heat Incentive, spending £4.5 billion to support innovative low carbon heat technologies in homes and businesses between 2016 and 2021

21. Innovation: Invest around £184 million of public funds, including two new £10 million innovation programmes to develop new energy efficiency and heating technologies to enable lower cost low carbon homes

Accelerating the Shift to Low Carbon Transport – 24% of UK Emissions

22. End the sale of new conventional petrol and diesel cars and vans by 2040

23. Spend £1 billion supporting the take-up of ultra-low emission vehicles (ULEV), including helping consumers to overcome the upfront cost of an electric car

24. Develop one of the best electric vehicle charging networks in the world by:

- Investing an additional £80million alongside £15million from Highways England to support charging infrastructure deployment
- Taking new powers under the Automated and Electric Vehicles Bill, allowing the Government to set requirements for the provision of charging points

25. Accelerate the uptake of low emission taxis and buses by:

- Providing £50 million for the Plug-in Taxi programme, which gives taxi drivers up to £7,500 of the purchase price of a new ULEV taxi, alongside £14 million to support 10 local areas to deliver dedicated charge points for taxis
- Providing £100 million for a national programme of support for retrofitting and new low emission buses in England and Wales

26. Work with industry as they develop an Automotive Sector Deal to accelerate the transition to zero emission vehicles

27. Announce plans for the public sector to lead the way in transitioning to zero emissions vehicles

28. Invest £1.2 billion to make cycling and walking the natural choice for shorter journeys

29. Work to enable cost-effective options for shifting more freight from road to rail, including using low emission rail freight for deliveries into urban areas, with zero emission last mile deliveries

30. Position the UK at the forefront of research, development and demonstration of Connected and Autonomous Vehicle technologies, including through the establishment of the Centre for Connected and Autonomous Vehicles and investment of over £250 million, matched by industry

31. Innovation: Invest around £841 million of public funds in innovation in low carbon transport technology and fuels including:

- Ensuring the UK builds on its strengths and leads the world in the design, development and manufacture of electric batteries through investment of up to £246 million in the Faraday Challenge
- Delivering trials of Heavy Goods Vehicle (HGV) platoons, which could deliver significant fuel and emissions savings

Delivering Clean, Smart, Flexible Power – 21% of UK Emissions

32. Reduce power costs for households and businesses by:

- Implementing the smart systems plan, which will help consumers to use energy more flexibly and could unlock savings of up to £40 billion to 2050
- Working with Ofgem and National Grid to create a more independent system operator to keep bills low through greater competition, coordination and innovation across the system
- Responding to the forthcoming independent review into the cost of energy led by Professor Dieter Helm CBE
- Publishing a draft bill to require Ofgem to impose a cap on standard variable and default tariffs across the whole market

33. Phase out the use of unabated coal to produce electricity by 2025

34. Deliver new nuclear power through Hinkley Point C and progress discussions with developers to secure a competitive price for future projects in the pipeline

35. Improve the route to market for renewable technologies such as offshore wind through:

- Up to £557 million for further Pot 2 Contract for Difference auctions, with the next one planned for spring 2019
- Working with industry as they develop an ambitious Sector Deal for offshore wind, which could result in 10 gigawatts of new capacity, with the opportunity for additional deployment if this is cost effective, built in the 2020s

36. Target a total carbon price in the power sector which will give businesses greater clarity on the total price they will pay for each tonne of emissions. Further details on carbon prices for the 2020s will be set out in the Autumn 2017 Budget

37. Innovation: Invest around £900 million of public funds, including around:

- £265 million in smart systems to reduce the cost of electricity storage, advance innovative demand response technologies and develop new ways of balancing the grid
- £460 million in nuclear to support work in areas including future nuclear fuels, new nuclear manufacturing techniques, recycling and reprocessing, and advanced reactor design
- £177 million to further reduce the cost of renewables, including innovation in offshore wind turbine blade technology and foundations

Enhancing the Benefits and Value of Our Natural Resources – 15% of UK Emissions

38. As we leave the EU, design a new system of future agricultural support to focus on delivering better environmental outcomes, including addressing climate change more directly

39. Establish a new network of forests in England including new woodland on farmland, and fund larger-scale woodland and forest creation, in support of our commitment to plant 11 million trees, and increase the amount of UK timber used in construction

40. Work towards our ambition for zero avoidable waste by 2050, maximising the value we extract from our resources, and minimising the negative environmental and carbon impacts associated with their extraction, use and disposal

41. Publish a new Resources and Waste Strategy to make the UK a world leader in terms of competitiveness, resource productivity and resource efficiency

- 42. Explore new and innovative ways to manage emissions from landfill
- 43. Support peatland through a £10 million capital grant scheme for peat restoration
- 44. Innovation: Invest £99 million in innovative technology and research for agri-tech, land use, greenhouse gas removal technologies, waste and resource efficiency

Leading in the Public Sector – 2% of UK Emissions

- 45. Agree tighter targets for 2020 for central government and actions to further reduce greenhouse gas emissions beyond this date
- 46. Introduce a voluntary public sector target of a 30 per cent reduction in carbon emissions by 2020-21 for the wider public sector
- 47. Provide £255 million of funding for energy efficiency improvements in England and help public bodies access sources of funding

Government Leadership in Driving Clean Growth

- 48. Work with businesses and civil society to introduce a “Green Great Britain” week to promote clean growth
- 49. Reinststate a regular Clean Growth Inter-Ministerial Group responsible for monitoring the implementation of this Strategy and driving ambitious clean growth policies
- 50. Report annually on our performance in delivering GDP growth and reduced emissions through an “Emissions Intensity Ratio”

Recommendations

This paper provides information on the work of the LEP Growth Hub – Business Lincolnshire

It is recommended that board members;

- Note the progress to date and to endorse the activity to date
- Discuss the future focus of the service
- Support the Business Lincolnshire Growth Hub by helping to ensure that all businesses are aware of the support available

Progress to date

The Business Lincolnshire Growth Hub was launched by the LEP in April 2015 following a BEIS requirement for all 38 Local Enterprise partnerships to facilitate the development of a Growth Hub to provide a one-stop support shop which supports businesses from all sectors and at all growth stages. It provides a single access point to a targeted package of information, diagnostic, advisory, coaching, mentoring and development programmes for business. Furthermore, the Hub ensures a 'single conversation' is facilitated with local businesses, raising awareness and uptake of both public and private sector support, by improving co-ordination, co-ordination, marketing and signposting.

The Business Lincolnshire Growth Hub offer includes;

- One to one general advice – fully funded, easy access to impartial business growth adviser who will undertake a Business Review and Action Plan.
- One to one specialist advice – fully funded specialist support around accessing finance, resource efficiency, supply chain development, digital, innovation, exporting as well as sectoral support such as for manufacturing and agri-food.
- Business workshops, briefings & flagship events.
- Online information portal – www.businesslincolnshire.com - which provides:
 - Advice and grant scheme finder - information and access to all the publically funded and private business support offers as well as grants and growth finance
 - guides and self-help tools
 - events calendar
 - Information on business opportunities and skills
- Access to National Business Support Helpline via phone or online webchat.
- Facilitated access to the national programmes including: Department for International Trade, Intellectual Property Office, Innovate UK, Enterprise Europe Network, etc.
- Access to outreach 'spokes', eg, enterprise, innovation and incubation spaces across the county, which provide services such as virtual office, hot desk facilities, meeting rooms, networking events, etc.

We have been able to provide these services as a result of a successful bid to BEIS for £300,000 of revenue funding for the year 2015-2016 through the LEP, plus a further £246,000 for 2016-17 and 2017-18. Some of the BEIS funds have been used to support businesses that are ineligible to access the ERDF funded business support programme, eg, retail, tourism businesses, large employers, foreign direct investment businesses, thus providing support for ALL businesses seeking to grow. The BEIS funds are also being used to support GLLEP Priority Sectors, eg, Visitor Economy review, Digital Landscape Analysis etc.

Business Lincolnshire Growth Hub Performance Statistics

The information below covers the second year of operation for the Business Lincolnshire Growth Hub 1 April 2016- 31 March 2017 and includes metrics from services directly delivered by the Business Lincolnshire Growth Hub, as well as those delivered by ESIF Funded business support offers aligned under the Business Lincolnshire Growth Hub umbrella.

The headline results for this activity can be found in the table below and in the presentation appended to this report.

Indicator	Growth Hub Cumulative (since launch - April 15)
Total number of businesses engaged (excluding website and social media)	7427
Total number of individuals (pre-starts and start-ups (trading less than one year) engaged	1026
Total number of referrals to public/private support	559
Total number of referrals to national programmes e.g. DiT/UKTI, Innovate UK, IPO, Start-Up Loans, etc.	191
Total number of businesses receiving diagnostic & brokerage support	2086
Total number of businesses that have received intensive face to face support (12 hours +)	779
Total number of individuals who have been helped to start a business	383
Total number of mentoring or business to business relationships created	88
Total number of jobs created	679
Total number of jobs safeguarded	348
£ increase in GVA	£4,211,403
Businesslincolnshire.com unique users	67,702
Twitter followers	4530
Facebook followers	751
Client satisfaction with Growth Hub Service	93%

In order to continue to provide the existing Growth Hub offer, and also to enhance it locally to meet market failure, LCC made an application for £2,475,829 of ESIF funding from the 2014-2020 Operational Programme to deliver the £4,153,047 3 year Sustainable Business Growth Programme. This is a partnership application between LCC, North Lincolnshire Council, E Factor (on behalf of North East Lincolnshire Council) and the University of Lincoln.

The funding provides a strategic and comprehensive business growth programme, tailored to the specific needs of Eligible SMEs within the Greater Lincolnshire LEP area and aligned with the GLLEP Strategic Economic Plan. It offers a range of one to one support, including Business Growth, Supply Chain Development, Resource Efficiency and Investment Readiness (including the continuation of the Lincolnshire Investment Network), complemented by a small grant pot which will provide grants from £500 to £10,000 at varying intervention rates, dependent upon the level of grant.

A further ESIF Digital Support bid secured a further £578,349 of funding to deliver a £963,915 3 year programme to provide digital support to businesses. This includes services such as a 1 to 1 advisory support digital health-check, cyber security audits, as well as providing access to super high tech equipment via the Lincolnshire Technology Hubs. There is also a small grant pot to help businesses bring forward digital business projects (grants of £1,000 at 50% intervention rate).

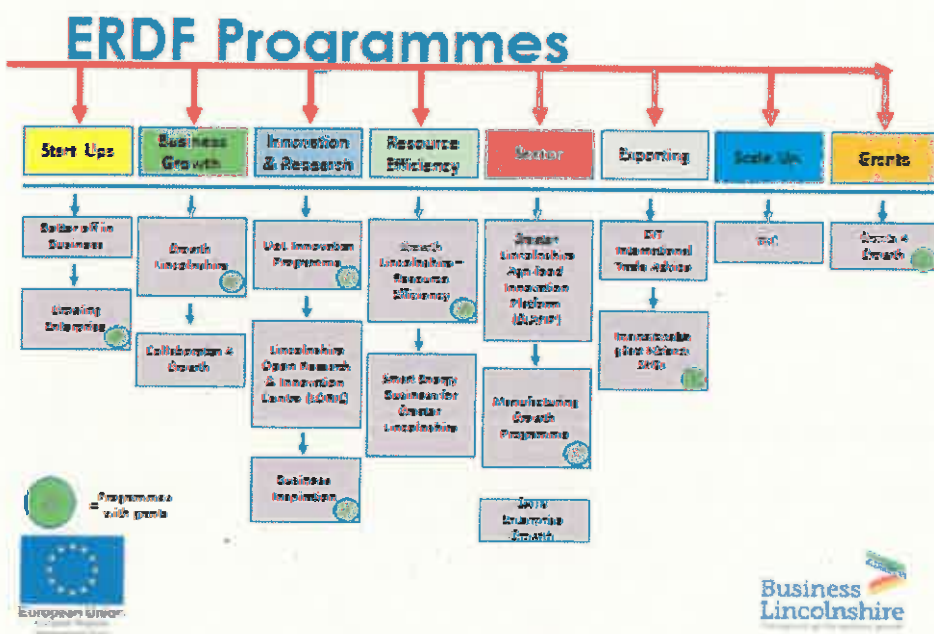
The funds from both BEIS and ESIF are contributing to a single strategic business support contract which will deliver the LCC led Business Support and Grant Activity, which will be known collectively as the 'Growth Lincolnshire' offer. This contract has recently been tendered and won by EMB Ltd, the same

company that has been delivering the current Growth Advice service since April 2015.

The ESIF programmes are progressing well and are due to end in May 2019, therefore, further 3 year extension bids will be submitted in the December ESIF call for bids.

Other ESIF Activity

The Growth Lincolnshire offer has been designed following a detailed review of other ESIF funded support planned for Lincolnshire, which will also be delivered by various organisations across the county under the Growth Hub banner. This joined up approach has been implemented to identify gaps in provision and to reduce overlaps. The table below provides a summary of the other provision that is being delivered in Greater Lincolnshire.



A data sharing agreement is in place with all the ERDF business support delivery partners to ensure that client data can be shared and transferred securely. A password protection stage has been built into the CRM system to ensure everything transferred is completely secure.

Growth Hub Benchmarking

The Business Lincolnshire Growth Hub board members tasked us to undertake a small local benchmarking exercise with other Growth Hubs operating in LEP areas with similar geographies and business make up as ourselves. We reviewed their 2016/7 annual reviews in order to gain a comparable insight. See Appendix 1. Overall, the Business Lincolnshire Growth Hub is performing well in terms of engagement, customer satisfaction and job creation.

Neighbouring Growth Hub Alignment

We have been working closely with our colleagues at the Humber LEP/Humber Growth Hub and the Greater Cambridgeshire and Greater Peterborough LEP (GCGP) to map out existing business support provision and identify overlapping programmes. The overlapping areas for growth hub are North and North East Lincolnshire, South Holland District Council and South Kesteven District Council.

We have shared information about the respective programmes progressing through ERDF approval process and have agreed a way forward in terms of sharing and promoting overlapping programmes and

assisting the businesses to access the right support for them irrespective of LEP boundaries.

We have begun to map out clear customer journeys on the 3 programmes that do duplicate and it has been agreed that a business can access advisory support from all three growth hubs, but if they access a grant or sign up to a programme, then the resulting outputs, eg, jobs created, will be allocated to the host growth hub. We have all agreed to have quarterly meetings to ensure consistency, alignment and cross referral. We are also working with the New Anglia LEP/Growth Hub and the Greater Cambridgeshire and Greater Peterborough LEP /Growth Hub to provide support to Agri-tech businesses.

We continue to work with the 4 East Midlands LEPs to promote the new Midlands Engine Investment Fund.

Next Steps

Scale Up Provision

Over the years, there have been a number of terms and definitions used to identify and categorise high growth business, eg, Gazelles, Growth Accelerators (Business Growth Service), etc. In November 2014, a Scale-Up report on UK Economic Growth was commissioned by the chancellor; Sherry Coutu wrote the report and the new term 'Scale-up' business was coined.

Definition: A 'scale-up' is an enterprise with average annualised growth in employees or turnover greater than 20 per cent over a three-year period, and with more than 10 employees at the start ¹.

Why are they important: the number of scale-ups in the UK lags the US and other leading economies. Boosting the scale up population by just 1% could create 228,000 jobs and add £38bn to GVA2².

Scale up businesses are critically important to economic growth. If we increase the population of scale up businesses, we will create a step change in economic performance.

We need to become more targeted and more informed, so that we can improve the odds of reaching the right businesses. We need to look at historical performance and consider the enablers, eg, market trends, competitive strategy, ownership structures, the levels of innovation, proactivity and competitive drive.

The Scale Up Report suggests that a more robust ecosystem needs to be developed by the government, local authorities and universities.

The focus should be on;

- Targeting, supporting, promoting and reporting on scale-up gap closure
- Accessing talent
- Developing Scale up leadership
- Increasing customer sales at home and abroad
- Financing scale-ups
- Accessing infrastructure
- Accessing data

The Business Lincolnshire Growth Hub and the LEP have identified the need for enhanced provision of support for 'high growth' businesses and firms with the potential to be 'high growth businesses'. Research by NESTA (2009) indicated that High-growth companies represented only 6 per cent of all UK firms employing ten or more people in 2008 but generated a majority of jobs.

¹ OECD

² Sherry Coutu The Scale-up Report on UK Economic Growth 2014

BEIS Requirement for Scale-up Provision

BEIS has stated as a condition of their current funding agreement, that all Growth Hubs have a role to play in identifying and targeting those businesses with the potential to scale up with support and inspiring, motivating and encouraging those already scaling up, and linking both with the right services. There is also a need to make sure that scale-up processes are successful and provide sustained impact.

The LEP, through its Growth Hub should therefore develop proposals (linked to the LEP Strategic Economic Plan) setting out how it will identify and target businesses with growth potential and the ability to scale up, in line with the definitions set down in the 'common metrics and evaluation framework' which states:

Total number of businesses that have received 'Medium' and 'High' Intensity support that, have the potential grow, or can be classified as a 'Scale-Up Business' using the definition provided below:

- Minimum of 10 employees at the start of the engagement.
- Achieved minimum £500k turnover in last year (operating for at least 3 years).
- Potential/aspiration to grow turnover and/or profit by a minimum of 20% (per annum) over a 3 year period

And/or (depending on local economic priorities):

Total number of businesses that have received 'Medium' and 'High' intensity support, that have the potential to grow, or can be classified as 'Potential Scale-Up Business' using the definition provided below:

- Minimum of 5 employees at the start of the engagement
- Achieved minimum £250k turnover in last year
- Potential/aspiration to grow turnover and/or profit by a minimum of 50% per annum over a 3 year period

The Business Lincolnshire Governance Board have decided to take a boarder approach to the scale up definition and focus the majority of activity on encouraging future scale ups, eg, 5-10 employee businesses with 50% growth.

We will recruit a Scale account manager who can help a business access support to internationalise, innovate, adoption digital technology, develop their leadership and management skills and access growth finance, eg, plug businesses into the Goldman Sachs 10,000 Small Business Programme – connect with DIT Internalisation support, refer to the Innovation Programmes delivered by the University of Lincoln, Innovate UK etc.

Actions

- 1) Create a Scale Up Account Manager post to focus on current and future scale up businesses for the Growth Hub and refer to existing provision.
- 2) Take a boarder approach to the scale up definition and focus the majority of activity on encouraging future scale ups eg 5-10 employee businesses with 50% growth.
- 3) Use a mixture of the Scale Up Institute, MINT and Tractivity CRM data to client an existing and future scale up client list for Greater Lincolnshire.

Policy Direction

Helping to make the UK the best place in the world to set up and run a modern business. The Industrial Strategy paper states we want to "support businesses to start and grow" and bring together sectors and place." The government is committed to "work with LEP's to review their role in delivering local growth", the Growth Hubs which the LEPs have created are ideally placed to play a key role in delivering this ambition.

BEIS state that the government need to provide a strong and established local business support infrastructure, as the UK leaves the EU. They believe the network of Growth Hubs is a good prism through which the Government can achieve this in local areas.

The plan is to 'turbocharge' the network of Growth Hubs to expand, deepen and push the boundaries of the current model in order that they play a more proactive role in building business capability, supporting economic growth and increasing productivity.³

Turbocharge activity equates to:

- **Strategic partnerships and collaboration**
- **Target identification, triage diagnosis and signposting of growth potential businesses and scale ups.**
- **Business support simplification**
- **Leadership and management skills**
- **Skills Apprenticeships**
- **Access to finance**
- **Access to markets**
- **Procurement & supply chain**

Super charged Growth hub offer;

- Access to data
- Cultivating world leading sectors
- Innovation and technology diffusion
- **Digital support**
- Regulation (Better Business for All)
- Mentoring , peer-to-peer networks and business ambassadors
- **Intellectual property support**

(Bold= areas that we are progressing currently)

The direction of travel reiterates that Growth Hubs should remain impartial and act trusted brokers and avoid crowding out the private sector. This is a positive step and we are ready to enhance of activity (within the confines of the funding).

Conclusion

The LEP's Growth Hub is performing well and has achieved good results since April 2015. Satisfaction levels and feedback reported from clients is also good. Impact in terms of job creation is excellent and this has been enhanced due to growth hub clients realising their growth plans and re engaging with their adviser for further support. The Growth Hub is maintaining relationships with all business contacts so that we are continually capturing jobs and GVA impacts as they are realised.

The team has worked hard to establish the governance structures, management systems, adviser services, helpline services and effective communication channels with providers, public and private sector intermediaries and neighbouring LEPs.

Under the guise of the growth hub, we have been able to work with intermediaries in a more open and transparent way including delivery of joint events, annual aligned programmes and utilisation of shared resources. We are developing an agreement that we can ask partners to sign up to, to add further strength to this approach. Further funding will be sought via 3 year ESIF extension bids, which will able a greater variety of services to be offered. We are anticipating bidding for further BEIS core funding for the Growth Hub during 2018.

³ BEIS Growth Hub Policy Direction 2017

Actions Required:

It is recommended that LEP board

- Note the progress to date
- Provide feedback & comment on the strategic direction of activity
- Consider whether the Digital Sector should be formally highlighted as an enabling Sector for the Greater Lincolnshire LEP in the Industrial Strategy
-

Background

Earlier in the year some research was commissioned by the LEP through Business Lincolnshire. The aim of the research was develop a better understanding of the digital technology landscape in Greater Lincolnshire and enable comparison of the area's digital landscape with other areas profiled in the *Tech Nation 2016* report. The most recent Tech Nation findings can be found here: <http://technation.techcityuk.com/>

Ivan Annibal from Rose Regeneration will present the research findings and activity to date to the Board and the paper provides some background information.

The specific objectives of the report were to establish:

- The numbers, locations and types of digital technology businesses located within the Greater Lincolnshire Area and the number of employees within the digital technology sector (based on the Department for Culture, Media and Sport (DCMS) defined SIC Code list).
- The number and location of employees with digital technology jobs within traditional businesses (ie, non-digital business SIC codes).
- The needs of employers in terms of digital technology skills and infrastructure / investments to enable increased use of digital technology.
- The value of digital technology jobs in the local economy.
- An understanding of how the GLLEP digital landscape compares to other areas within the UK in terms of notable digital subsectors, geographic clustering, economic value, etc.
- The barriers that businesses face in furthering the use of digital solutions within their activities.

The research included a desk based review as well as direct feedback from representatives from the sector via a survey with face to face meeting. **A summary document have been circulated with the Board papers on the additional papers pack.**

As part Tech Week, the Growth Hub invited business representatives from the sector to get involved in a roundtable discussion to provide direct feedback on the findings and also to feed into a developing action plan.

There has been strong support and commitment from a number of businesses in the sector.

The research has identified the following areas of opportunity for future development:

- **The relevance of the sector** – The digital sector is not only important in the context of its own straightforward development; digital workers are seen to underpin the competitiveness of many established businesses in other sectors.
- **Relationship management** – The relatively modest size of the sector and its geographical clustering provide opportunities to develop relationships and support networking.
- **Image** – Lincolnshire isn't necessarily recognised as a place where cutting edge Digital / Tech businesses

exist.

- **Recruitment/Education** – There is scope to highlight the opportunities that exist for people to work in the sector.
- **Networks** – There is scope to enhance the inter-trading and wider growth of the sector through networking.
- **Infrastructure** – In some parts the GLLEP, geography, broadband functionality continues to impede the development and growth of digital businesses. Businesses in this sector require ultrafast capabilities and this should be a consideration when planning broadband supply. “Growing space” for established businesses also came out of the survey as a need.
- **Scaling Up** – *Tech Nation 2016* makes the economic benefits of an agglomeration effect around this sector clear. There is a nascent cluster of digital businesses in Greater Lincoln underpinned by 2 HE bodies and the defence sector as key clients.

Next Steps

Development of this sector will result in additional high skilled and high value jobs. The sector is developing in importance in itself, but it is also important in the context of all other sectors highlighted within the Strategic Economic Plan which all require elements of digital/technology advancement. The sector should very much be seen as enabler for development of almost all industry sectors in the future. This was highlighted in the Industrial Strategy for Greater Lincolnshire work undertaken by Liz Shutt on behalf of the GLLEP earlier in the year. The GLLEP could consider formally highlighting the Digital Sector as an enabling Sector in the strategic economic plan.

Feedback and engagement with the sector is developing and a number of businesses have come forward to offer support to assist in the development of future plans and activities. The sector has an active and respected champion in Daniel Westlake and an established networking/communication platform in Digital Lincoln. The Growth Hub is supporting the work that Digital Lincoln is doing and we are jointly developing an e-newsletter with content aimed specifically at this sector. In addition, we will continue to develop business support solutions and link in with national programmes, such as the Digital Catapult, to ensure Greater Lincolnshire digital businesses have the right support.

A number of projects and activities, which will help to answer some of the needs identified are already in progress, not least the Place Marketing work that the LEP have commissioned and the 'World of Work' website that the LEP Skills Board are developing which can be utilised to address some of the points highlighted around Image/Recruitment/Education.

With regard to infrastructure, there are a couple of funding applications in process that aim to support fibre to the premises broadband provision which would support speeds in excess of 'superfast broadband' (which is defined as 30Mbps). There is an Expression of Interest (EoI) with BDUK for a slice of the £200M fund to enable the provision of fully funded fibre networks. If successful, the intention is to divide the funding between the 7 Districts and North & North East Lincolnshire with a view to funding a fibre build in each area at a site of their choice. In addition, there is an ERDF bid for SME FTTP connectivity currently in progress.

DIT Background Information

Department for International Trade (DIT) DITs Mission is to help businesses export, drive investment, open up markets and champion free trade. It was established in July 2016 to secure the best deal for the UK as we establish new trading relationships worldwide. Whilst DIT brought together organisations that existed before, it is also a new organisation in its own right. DIT was created by the Prime Minister for our specific context and time following the EU referendum in which Britain voted to leave the EU. Its creation brought together into one Department the existing parts of Government that helped the UK trade, and attract investment. It has four key functions:

- **Export Support** - Promoting and supporting UK businesses and exports to grow an economy that works for everyone
- **Investment Support** - Maximising opportunities for wealth creation through supporting Foreign Direct Investment and Outward Direct Investment
- **Trade Policy** - Delivering the best international trading framework for the UK to maximise global trade and investment opportunities
- **Promotion of the UK** - Building the global appetite for British goods and services and encouraging more people to visit, study, invest in and do business with the UK through the GREAT campaign

Operating Nationally and Internationally DIT operates both nationally and internationally, both physically and virtually:

- **National** National support consists of Policy Staff, Subject Matter Experts (eg Sector Specialists, UK Export Finance), Inward Investment Teams and 300 local International Trade Advisors (ITAs) who work face to face with businesses to develop an Export Plan: market analysis, identifying trade fairs and exhibitions, providing advice on grants.
- **International** DIT's overseas network operates in 108 countries and 177 individual locations (more significant markets eg USA, China, India have several DIT posts in different cities) providing global market insight, and helping businesses win trading opportunities. DIT Teams around the world drive demand for British goods, services and investment opportunities.
- **Virtual** The GREAT website: full of information and services for exporters and potential exporters (eg Export Opportunities)
- **A Simple Equation** DIT International creates/identifies Demand; DIT National provides Supply.

CURRENT TRADE STATISTICS

East Midlands Trade Statistics (Source HMRC) Currently HMRC data on exports is only available at a regional (East Midlands) level rather than a LEP level and refer to goods only.

- In 2016, exports of goods from the East Midlands increased by £814m (4.8%) to £17.7bn from 2015 (£16.9bn); the first increase in three years since 2014.
- Exports of goods in Q2 2017 increased by 11% to £5.5bn compared to £4.9bn in Q1 2017.
- In 2016, exports of goods from the UK was £291bn, an increase of 5.7% (£15.6bn) compared to 2015 (£275.4bn).
- The East Midlands increase in 2016 was the 7th largest across all English regions

East Midlands	2013	2014	2015	2016
Total exports	£ 16.7 bn	£ 17.5 bn	£ 16.9 bn	£ 17.7 bn
		£ 0.8 bn	-£ 0.6 bn	£ 0.8 bn
Change year on year		5.1%	-3.5%	4.8%

East Midlands Top 20 export markets

Rank	East Midlands	2013
1	United States	£2.63 bn
2	Germany	£2.05 bn
3	Belgium	£1.32 bn
4	Irish Republic	£1.03 bn
5	France	£957.99 m
6	Singapore	£948.11 m
7	Netherlands	£747.11 m
8	Hong Kong	£681.18 m
9	Italy	£590.81 m
10	Japan	£566.93 m
11	China	£555.91 m
12	Spain	£537.65 m
13	Sweden	£527.81 m
14	Turkey	£443.11 m
15	Canada	£386.49 m
16	UAE	£274.35 m
17	Norway	£257.49 m
18	Australia	£244.50 m
19	India	£233.78 m
20	Poland	£213.00 m

Rank	East Midlands	2014
1	United States	£2.46 bn
2	Germany	£1.88 bn
3	Belgium	£1.17 bn
4	Irish Republic	£1.07 bn
5	France	£897.43 m
6	Netherlands	£740.32 m
7	Singapore	£736.98 m
8	China	£644.55 m
9	Spain	£577.22 m
10	Italy	£574.36 m
11	Japan	£566.77 m
12	Sweden	£505.19 m
13	Hong Kong	£447.57 m
14	Canada	£354.94 m
15	Turkey	£349.78 m
16	UAE	£258.27 m
17	Norway	£232.84 m
18	Australia	£227.35 m
19	Poland	£205.77 m
20	Czech Republic	£201.08 m

Rank	East Midlands	2015
1	United States	£2.32 bn
2	Germany	£1.79 bn
3	Belgium	£1.19 bn
4	Irish Republic	£1.09 bn
5	France	£842.68 m
6	Singapore	£789.78 m
7	Netherlands	£710.66 m
8	Spain	£620.70 m
9	China	£607.00 m
10	Hong Kong	£551.19 m
11	Italy	£550.03 m
12	Sweden	£497.89 m
13	Turkey	£348.67 m
14	Japan	£341.22 m
15	Canada	£311.16 m
16	UAE	£271.33 m
17	Australia	£229.98 m
18	Poland	£229.13 m
19	Saudi Arabia	£216.39 m
20	Norway	£212.12 m

Rank	East Midlands	2016
1	Germany	£2.06 bn
2	United States	£1.91 bn
3	Irish Republic	£1.26 bn
4	Singapore	£1.19 bn
5	Belgium	£1.07 bn
6	France	£895.24 m
7	Netherlands	£764.82 m
8	Spain	£730.88 m
9	Hong Kong	£726.21 m
10	China	£661.87 m
11	Italy	£590.62 m
12	Sweden	£547.49 m
13	Turkey	£386.12 m
14	Japan	£371.18 m
15	Canada	£286.08 m
16	UAE	£277.42 m
17	Poland	£243.57 m
18	India	£224.15 m
19	South Africa	£210.59 m
20	Australia	£189.03 m

Source: HMRC RTS (Oct 2017)

In 2017 the top five markets for East Midlands are Germany (£2.06bn); United States (£1.91bn); Irish Republic (£1.26bn); Singapore (£1.19bn) and Belgium (£1.07bn). Collectively they represent £7.49bn (42.4%) of the region's exports.

Summary Of DIT Support Available In Greater Lincolnshire Lep Area

DIT Core Export Support in Greater Lincolnshire Delivery of Core Export Support in the Greater Lincolnshire LEP Area is provided by ITAs split between DIT's Northern Powerhouse team (covering North and North East Lincolnshire) and the Midlands team which covers the rest of the Greater Lincolnshire Area (provided under a DIT contract by EMB Ltd). Jane Waldron is the Area Manager for Lincolnshire. DIT Advisers who live and work in Lincolnshire are Dale Atkins who covers Lincoln and the northern half of the county and Sarah Dudley covering Stamford and the southern half of the county. These advisers are then further supported as demand dictates by Suzy Bolton and Gordon Binnie. They offer a broad range of direct services and can also introduce other government support, e.g. UK Export Finance, and independent third party service providers for more in-depth support across specialist areas. Most of these services are free of charge. Direct services include advice on:

- Export strategy and planning
- Sales and marketing; including: market knowledge, contacts in overseas markets, the Overseas Market Introduction Service (OMIS), and access to trade missions
- E-exporting, optimising digital sales channels/websites.
- Language and culture
- Product and service development, including innovation, IP, certification/standards
- Legal and regulatory issues, export controls, documentation, logistics and distribution

Foreign Direct Investment (FDI) EY provide FDI lead handling services under contract to DIT and Nick Thomas is the EY Partnership Manager who supports Greater Lincolnshire. Additionally the DIT Midlands Investment Hub (based in Birmingham) provides a pan-Midlands approach to FDI focussing on developing and articulating an aggregated and amplified Midlands FDI offer to raise the profile of the Midlands as an investment proposition on the world stage.

DIT's strategy is at the heart of the UK Government's drive to promote growth through trade and investment. The GLLEP, through Lincolnshire County Council, North Lincolnshire Council and North East Lincolnshire Council, continues to be at the forefront of promoting the GLLEP area, aiming to attract new investment from abroad and co-ordinating investor development (aftercare) support for foreign owned businesses already based in Lincolnshire. Lincolnshire County Council, on behalf of the GLLEP, ensures that investor development services co-ordination, prioritisation and delivery are implemented with effective communication channels in place.

- Promoting the area beyond its boundaries to a regional, national and international audience of investors, Foreign and Direct Investors, developers, house builders, hotel operators and intermediaries
- Introduction of the Team Lincolnshire Ambassador Programme, with collaboration and sponsorship opportunities and benefits
- Attendance at major national and international events eg MIPIM UK and MIPIM – one of the world's leading property and investment exhibitions
- Working with Department for International Trade (DIT) to attract investment which supports the growth of the priority sectors by dealing with enquiries, promoting the area at sector specific events eg agri-tech showcase and expanding the number of sector and investment manager contacts at DIT HQ as well as hosting sector team visits to Lincolnshire to showcase sectors eg agri-food and advanced manufacturing

Investor Development – FDI Account Management

We work with DIT and District Council partners to ensure that all foreign owned businesses are visited on a regular basis by designated account managers – sometimes with LCC or District Council officers - to identify if there is any specific support or assistance the company might require eg skills, funding, recruitment, raising company's profile, expansion requirements.

A Visit Report is produced for each visit and circulated to relevant partners with action points agreed. The partnership approach is also embedded with the Business Lincolnshire Growth Hub Team who attend company visits as and when appropriate. There are also regular meetings set up (bi-monthly) between DIT's Partnership Manager for Investment and the Principal Growth Officer at Lincolnshire County Council to ensure continuity and consistency of approach. Significant progress has already been made over the past two years around the account management of foreign owned businesses. At the beginning of the 2016/17 year we were aware of approximately 80 foreign owned businesses in Greater Lincolnshire. By the end of 2016/17 the Growth Team had visited or connected with 45 of these companies. Our connection with these companies resulted in 18 new projects being added to the Department for International Trade's (DIT) investment pipeline, known as CDMS. This resulted in 447 new jobs being created, a further 100 jobs being safeguarded and significant investment.

Total Project Information

	FY16/17			FY15/16		
	New Jobs	Safeguarded Jobs	# Projects	New Jobs	Safeguarded Jobs	# Projects
Involved	446	100	16	171	348	9
Non- Involved	1	0	1	12	4	2
TOTAL	447	100	17	183	352	11

Through our continued research work, close working relationship with DIT and partners, and the take-over of some UK owned companies by foreign owned parents, as at the beginning of 2017/18 we were aware of 125 FDIs within the Greater Lincolnshire area.

Additional Support In addition to the Core Export and FDI Support available in the Greater Lincolnshire LEP Area there are three forms of Additional Support currently being provided:

- **ERDF Project Internationalising SMEs** The Core Export Support Service in Greater Lincolnshire is supplemented by an additional ERDF Funded Export Support Project called Internationalising SMEs (ISME). This provides additional market engagement and events activity to help SMEs exploit opportunities in overseas markets including specialist advice for locally significant sectors, such as Advanced Manufacturing and Food and Drink. The project also offer specialist market research

advice to help SMEs target the right markets for their products/services and grant funding for SMEs, in order to address financial barriers to exporting. GLLEP are represented on the grant panel by Samantha Harrison.

- **Midlands Engine** Additional Funding has been made available through the Midlands Engine initiative to support Midlands specific Trade Missions (eg Germany, China (twice), USA (twice)) and additional FDI Activity including the first ever Midlands Pavilion at MIPIM 2017 which will be repeated in 2018 with GLLEP participation. Midlands Engine funding also supports the development of sector specific FDI propositions in key sectors. GLLEP has been actively involved in work on the Food and Drink/Agricultural Technology proposition. Activity within the Midlands Engine Trade and Investment Programme is monitored by the Midlands Engine Trade and Investment Group which GLLEP is a member of.
- **Global Growth Pilot** The recently commenced Global Growth Pilot targets Medium Sized Businesses (turnover £5M - £40M) to help them capitalise on the business growth possible through exporting with financial support of up to £3,500 available to support procurement of specialist third party services to address barriers to export.

Activity Statistics Detailed GLLEP activity statistics for both Export Support and FDI will be covered in the DIT Presentation to be delivered to the GLLEP Board on Friday 24th November

Events DIT delivers events across the East Midlands that are attended by Greater Lincolnshire businesses. Specific Lincolnshire activity since March 2016:

Event Title	Date	Partner	Venue
GLLEP Manufacturing Conference	10/03/2016	GLLEP	Gainsborough Golf Club, Lincolnshire, DN21 1PZ
Exporting is GREAT Hub in Lincolnshire	04/04/2016	UKTI - EIG Truck	Lincoln University
ME:16 Make the Middle East your next target market	20/04/2016	EMITA	Urban Hotel Grantham, Swingbridge Road, Grantham NG31 7JX
Agents and Distributors	28/04/2016	UKTI Masterclass	BG Futures Business & Enterprise Centre, Bishop Grosseteste University, Lincoln, LN1 3DY
Talking Turkey, meet the expert	11/05/2016	UKTI / British Chamber of Commerce Turkey OBNI	Bishop Grosseteste University, Longdales Road, LN1 3DY
Researching Export Markets	09/06/2016	UKTI Masterclass	Stoke Rochford Hall, Stoke Rochford, Grantham, Lincolnshire, NG33 5EJ
Digital Trade Advice Clinic-Charlie	13/07/2016	UKTI e-commerce clinic	Streets Chartered Accountants, Tower House, Lucy Tower Street, Lincoln, LN1 1XW
Entering the China market	08/09/2016	CBBC / Lincs Chamber / UKTI	Lincoln Audi, LN6 3RS
Lincolnshire Business Week (17-21 Oct) Export Hub	21/10/2016	Lincolnshire Chamber-Export Hub TRUCK	Lincolnshire Showground
Managing Agents and Distributors	24/11/2016	EEN/EMC	Lincolnshire Chamber of Commerce, tbc
Lincolnshire Business Expo Export Hub: Lincoln - Exporting: Is it for you?	18/01/2017	Stonebow Media	Lincolnshire Showground, Lincoln, LN2 2NA
The Big Chinese Takeaway 2	26/01/2017	CBBC / Streets Chartered Accountants	Lincoln College

Event Title	Date	Partner	Venue
Intellectual Property Rights	15/03/2017	DIT Masterclass	The Bentley Hotel, Newark Road, South Hykeham, Lincoln LN6 9NH
Building a Better Business - Going for Growth: What does the future look like?			

Forthcoming event activity planned

Event Title	Date	Partner	Venue
Boston Business Club - Expand your horizons	30/11/2017	Lincolnshire Chamber	Lincoln Chamber
Int. Web Op & Digital Marketing	06/12/2017	DIT	Lincoln Chamber
Digital Clinic	13/12/2017	DIT	Lincoln Chamber
Lincolnshire Business Expo 2018	17/01/2018	Organiser Stonebow Media	Lincolnshire Showground
You Can Export - Business Mandarin for Beginners	16/03/2018	DIT	TBA
You Can Export - Working with Agents & distributors	21/03/2018	DIT	TBA

Three Short GLLEP Case Studies Included to give a feel for typical DIT activity.

Vision Aid International Limited (Spalding, South Holland)

Product: Electronic Magnification and reading aids for the blind and partially sighted.

Sarah Dudley has worked with this business for several years on a variety of DIT programmes such as Passport to Export (early stage exporters) Gateway to Global Growth (more experienced exporters). Early in 2017, the business used ERDF matched funding to attend the US CSUN exhibition where they met and have now engaged a new US distributor. Following the CSUN exhibition, we recorded an export win in May 2017 of £39k for 2017 with a forecast for 2018-19 for a further £78k, so a total export win of £117k. This expansion into the US market could be a major step forward in their growth.

"Just a quick comment about Sarah Dudley - our adviser. She has helped us a great deal over the last few years to secure important funding and has always been extremely helpful and to the point. Keep up the great work!"

Larson Marine Surveys (Holton Le Clay, East Lindsey)

Service: marine surveys and audits, marine consulting including expert witness services, education and training.

A young business which is likely to grow rapidly. Dale Atkins together with support from overseas Post at the Hague assisted and advised on an opportunity to provide services to the Permanent Court of Arbitration at the Hague, who ultimately appointed Larsens as Tribunal Expert in the Arbitration between The Netherlands and the Russian Federation in 2016. The value of the win was initially £32k.

Dale also provided a Trade Visit Grant to support their trip to Greece for meetings with the International Naval Surveys Bureau (INSB) in Piraeus, Greece. This visit took place between 2 July and 6 July 2017 during which Larsens met with high ranking officials in the organisation, assisted with general advice on Greek business culture by ourselves. This resulted in them being awarded a contract worth £85k with the International Naval Surveys Bureau. This is for the classification and statutory survey/audit of internationally trading ships. They expect this work to grow to be worth £100k per year over the next 5 years.

"We would like to thank Mr Dale Atkins for his support of Larsens Marine Surveyors & Consultants Ltd. As a young company, almost five years in business, we have grown in turnover year on year and the assistance of Mr Atkins has been contributory to this. We foresee the company growing over time with much of the target market being in the export arena."

Dynex Power (Lincoln)

Dynex Power is engaged in design and manufacture of semiconductors access to the Chinese semiconductor market has been crucial to the company's investment plans.

In June this year, a visit report from Greater Lincolnshire LEP flagged up that a key member of the Dynex research team had been denied a visa for procedural reasons. All parts of DIT were engaged including Nick Thomas the FDI Partnership Manager working alongside the Investment Hub in Birmingham, DIT Visa specialists and DIT Overseas Posts in China in order to overcome the issue quickly. Dynex said that this was such an important issue that they might have had to reconsider expansion plans or even withdraw from the UK if it had not been resolved.

Summary

This report updates members on activities relating to Anglian Water's (AW) Water Resources East (WRE) Project and the opportunities that might emerge from it in relation to Greater Lincolnshire and the GLLEP Water Management Plan. LEP and LA Officers have been supporting AW to develop the proposal and to ensure that Lincolnshire is correctly positioned to exploit the opportunities that emerge from it.

Background

Long-term water resource planning is currently focused on public water supply and is mostly undertaken by water companies. It has been recognised that continuing with such a narrow approach will hamper effective planning and preparation for long term issues of water availability faced by the east of England. This presents significant consequences for levels of growth across the region and the ability of sectors such as agri-food to operate effectively. An integrated, collaborative approach, working across sectors is far more likely to deliver success. In seeking to address these long term pressures, Anglian Water has worked with a wide range of stakeholders to develop the Water Resources East (WRE) project. The purpose of this is to develop a long-term, multi-sector, water resource strategy that delivers better outcomes for the region, more efficiently and at a lower environmental cost than would otherwise be possible.

Anglian Water's Water Resources East Project

Water Companies are required to produce a Water Resource Management Plan (WRMP) every 25 years and to review their plan every 5 years. AW's Water Resource East (WRE) project is a medium to long term strategic project that will identify and appraise options to ensure security of Public Water Supply across the Anglia region and meet projected growth in demand for the next 25 years. The next WRMP is due for publication in 2019.

In the past major infrastructure projects such as this have usually been delivered in isolation without consideration being given to collaborative working. AW are now trialling an inclusive approach, working with the EA, the LEP, IDB's, Local Authorities, farmers and growers and environmental groups. WRE will appraise the benefits of collaborative working to deliver major infrastructure projects and the opportunities created to share the costs and benefits of a water transportation and storage system designed to meet wider ranging ambitions. This approach is in response to DEFRA guidance and WRE is a case study in new ways of working and LEP Officers and the Water Management Board are actively supporting it.

WRE covers the whole AW region and one of the additional storage options shortlisted for detailed appraisal is a new reservoir in South Lincolnshire, supplied via water transfer from the River Trent and water captured in the Black Sluice catchment. The transfer would be via a combination of new and existing open water channels which would create opportunities to move, store and supply water, create and join wetland habitat, develop visitor destinations, improve and extend navigation routes and increase levels of flood protection. The WRE Project Group (the South Lincs Water Partnership (SLWP)) has been meeting for approximately eighteen months. They have identified the needs and aspirations of the stakeholder groups and quantified them in terms of additional demand for water and a workshop has been held to appraise how this demand could be met, the preferred option being:

- A large main reservoir supplemented by smaller ponds throughout the catchment.
- Water security for Lincolnshire's agri-food sector.
- Open water channels to provide access to water throughout the catchment (delivering environmental gains and economic benefits from the tourist and visitor sector).
- To capture and use water from drainage channels within the catchment where possible.
- To slow the flow in the natural water courses to the West of the South Forty Foot Drain to improve water quality, create and improve wet habitat and reduce flood risks.

This project is being monitored by DEFRA whose officers have visited the catchment and met with the project team. In May 2017 the Project Team held a launch to DEFRA of the proposal that WRE takes forward this work as a pilot study to develop the collaborative approach to the Black Sluice catchment as an option to meet the demands for water for supply to the public and those of the wider stakeholder groups. AW has confirmed that the South Lincs option has been shortlisted for detailed appraisal that will identify their preferred option(s) in November 2017.

Greater Lincolnshire's Water Management Plan

The Greater Lincolnshire's Water Management Plan (launched 2016), sets out the LEP's view of effective flood risk and water resource management as critical success factors in enabling economic growth across the area. In developing the plan it is recognised that three of Greater Lincolnshire's four priority sectors require a secure supply of water and protection from flooding to facilitate their growth namely; Agri-food, Visitor Economy and Manufacturing and Engineering.

The Water Management Plan builds on long-standing partnership working in flood risk management – a Lincolnshire Partnership which has been seen as a national exemplar by government. Partners are currently beginning a formal review of the existing Lincolnshire Flood Risk & Drainage Management Partnership Framework and the Joint Flood Risk Strategy, with a view to integrating flood risk and the LEP's perspective more closely together. In addition, the development of the Water Resources East initiative offers an opportunity to reinforce this integrated approach by aligning the Lincolnshire partnership's objectives with those of Water Resources East. LA's and the GLLEP will be key players in supporting and driving this initiative forward. The LEP's Water Management Plan 'Water for Growth' has the following aims:

- Sets out the aims and objectives for water management as a driver for economic growth
- Identifies current, emerging and future projects that will secure these aims and objectives
- Sets out the water supply challenges for Greater Lincolnshire and the potential construction of major new reservoirs and/or water distribution infrastructure
- Establishes a 'pipeline' of potential bids for funding from a range of sources
- Draws on core actions set out in the three Local Flood Authorities Local Flood Risk Management Strategies where these directly contribute to economic growth
- Promotes integration between flood risk and water resource management in terms of focussed projects that facilitate economic growth
- Defines specific opportunities to promote co-operative ventures with neighbouring LEP's

There are clearly strong synergies between the GLLEP Water Management Plan and WRE and that working in partnership with AW and the SLWP will create opportunities to deliver beneficial outputs identified in the GLLEP Water Management Plan. WRE is recognised as being a potential delivery mechanism for projects that align with the WMP.

Conclusion

There are clearly strong synergies between the WRE project, the LEP WMP, as well as sector plans, the SEP and LA's Waterways Development Strategy. LCC and LEP Officers are working in partnership with AW and the SLWP to ensure that if the proposed WRE South Lincs Reservoir is approved for development, the wider opportunities to deliver benefits to the environment, flood risk management, the agri-food and tourism sectors are recognised and exploited where possible.

LCC has supported the development of the Black Sluice Project, and its potential as Water Resources East pilot, as part of its contribution to delivering the existing Joint Lincolnshire Flood Risk Strategy and the GLLEP's Water Management Plan. The present paper is intended to ensure that LEP Directors are aware of the potential for this project to deliver significant strategic options for managing water in Lincolnshire and economic benefits

Recommendations

To consider the report contents and task the Water Management Board and officers to continue to work with Anglian Water and other stakeholders to ensure that Lincolnshire is positioned to attract the investment that WRE could bring to the area and exploit the wider economic opportunities that it would create.