

LEP DIRECTORS BOARD

25th May 2018

Committee Room, Boston Borough Council,
Municipal Buildings, West Street, Boston,
Lincs, PE21 8QR

Paper 0 - Agenda

Time	Item and brief description	Lead	Access/Circulation
9.30	Refreshments		
10.00	Welcome, Apologies, Declarations of Interest <ul style="list-style-type: none"> • Declarations of Interest • Approval of Minutes • Review of Actions 	Chair	All Members Paper 1 attached Paper 1.1 attached
10.10	Boston Borough Council - Priorities for Growth	Phil Drury CX, BBC	Presentation
10.30	Lincolnshire Business Rates Pilot	Angela Andrews CX CoL	Verbal Update
11.00	Update from the Chair and LEP Directors Report and <ul style="list-style-type: none"> • Policy Update • Senior Sponsor • Year End 17/18 Position 	Ruth Carver, LEP	All Members Paper 2 attached Paper 3 attached
11.10	Business Plan for 2018/19	Ruth Carver, LEP	Paper 4 to follow Paper 4.1 attached
11.30	Update on the Greater Lincolnshire Local Industrial Strategy	James Baty, LEP	Paper 5 attached
11.45	The Annual State of the Economy Report	James Baty, LEP	Paper 6 attached
12.00	Impact of Brexit on Greater Lincolnshire sectors	James Baty/ Metro Dynamics	Confidential - Board Directors Only Paper 7 attached Presentation
12.45	AOB and close of meeting		

Attendees: LEP Directors

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

LEP Directors Apologies:

Cllr Colin Davie (LCC), Steve Middlebrough (Siemens), Herman Kok (Lindum),

Observers: Pete Holmes (BEIS), Jacqui Moody (BEIS), Graham Pendlebury (DfT), Chris Duffill (NELC), Pete Moore (S151 Officer LCC)

LEP Officers: Ruth Carver, Sue Groves, and James Baty,

Guests: Phil Drury, Boston Borough Council, Angela Andrews, City of Lincoln Council.

Parking Arrangements

Parking permits have been issued and must be displayed in your car (car park location map attached). For Councillors attending, please do not park in the bays marked for Boston Borough Councillors only.

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

AP1 - Minutes of Manufacturing Board - 16th April 2018

AP2 - Minutes of ESIF Committee - 21st March 2018

AP3 - Minutes of Employment & Skills Board - 11th April 2018

AP4 - Bi-monthly Report on Comms

Key dates for LEP Board Members 2018**Water Management Board**

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

Manufacturing Board

3rd July 2018, 2nd October 2018

Visitor Economy Board

20th September 2018

Employment & Skills Board

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

Innovation Council

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

Growth Hub Governance Board

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

ESIF Sub-Committee

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

LEP Conference - 28th September 2018

LEP DIRECTORS BOARD

23rd March 2018

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

Draft Minutes

Present:

Board Directors: Ursula Lidbetter (Chair) (Lincs Co-op), David Dexter (FSB) , Prof Mary Stuart (UoL), Pat Doody (Nat West); Dean Fathers (Health), Steve Middlebrough (Siemens), Richard Wills (LCC Accountable Body), Cllr Colin Davie (LCC), Cllr Craig Leyland (ELDC), Cllr Rob Waltham (NLC), Cllr Ric Metcalfe (CLC),

LEP Executive: Ruth Carver, Sue Groves (Note Taker), James Baty (LEP), Liz Shutt (LEP)

Observers: Pete Holmes (BEIS), Simon Green (NLC)

Guests: Adam Peacock (Codename Consulting) Andy Brooks (LCC)

Board Apologies: Herman Kok (Lindum), Cllr Peter Wheatley (NELC), Chris Baron (Butlins)

Welcome by the Chair, Apologies and Declarations of Interest,

Following a tour of the International Bomber Command Centre, the Chair welcomed the Board. IBCC received a loan from the LEP's Growing Places Fund.

Formal apologies were received from Herman Kok (Lindum), Cllr Peter Wheatley (NELC), Chris Baron (Butlins)

Full declarations of interest can be found at:

<https://www.greaterlincolnshirelep.co.uk/assets/documents/>

Copy_of_Declarations_of_Interest_Register_Main_LEP_Board_%28November_2017%29_.pdf

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

DF stated that he now attends the Parliamentary Health Ombudsman meetings, and his register of interest has been updated accordingly.

UL congratulated Prof Mary Stuart on the award of Medical School at the University of Lincoln.

Minutes and Matters Arising

The minutes (paper 1) of the 31st January 2018 were accepted as a true record and can be published on the website. Any matters arising are included on this Board's agenda, with the exception of:

Judicial Review Claim -Scunthorpe United Football Club and Greater Lincolnshire LEP Ltd. RC stated that LEP is still awaiting a view from Court as to whether this claim would be supported to a hearing. The Executive should hear in the next two weeks and will keep the Board informed on any updates.

Action

LEP Executive

LEP Directors Report (Paper 2)

Governance & Performance Update

As reported previously, the LEP Review is taking place and the Mary Ney recommendations have been fully implemented.

The Government's focus is on strengthening LEPs and considering their role in relation to the Industrial Strategy. There is a Ministerial Review of LEPs currently taking place, three meetings have already taken place, with a fourth

Action

<p>meeting imminent. Although it is due to conclude in the late Spring, it is likely that the report will not be published until after the local elections in May and before summer recess.</p> <p>The review is to:</p> <ul style="list-style-type: none"> • Define with greater clarity the strategic role of LEPs' in driving growth and productivity for business, people, ideas, infrastructure and place. • Strengthen business leadership and corporate governance to ensure that LEPs remain diverse private sector-led organisations that can shape and challenge local economic decision making, through the adoption of best practice. • Establish clear accountability through rigorous financial reporting and enforcement of transparency in decision making. • Access the impacts of boundary overlaps to ensure clarify, transparency and representation of functional economic areas, information on this is needed from the business community. • Improve organisational capability and planning certainty, including looking at options for a common incorporation model, how LEPs are resourced and the standardisation of organisational structures and reporting. • Define the relationship between LEPs and Local Authorities, as well as new organisational structures such as Mayoral Combined Authorities. <p>As the review may have fundamental implications for the role and operation of the LEP, the LEP Executive will prepare a submission in respect of overlaps from the chair on behalf of the Board.</p> <p>The Lincolnshire Local Authorities are also asked to make a submission to the Review on the impacts of the overlap issue.</p> <p>PH stated the reasons behind the Review were for clarity of business and accountability and said that the GLLEP should think how collaboration could be enhanced with overlaps and what the benefits would be. All evidence should be collated and sent to the Government with the response.</p> <p><u>Annual Conversation</u></p> <p>PH stated that the annual conversation process is almost complete, with letters sent to all LEPs regarding performance. The Greater Lincolnshire LEP's performance is generally considered good although there was a requirement for some improvements in equality and diversity, delivery and project pipeline. UL stated that some of the most significant issues for delays are with national agencies, not projects being able to reach the targets of spending growth deal funding within the expected timeframe. At the recent LEP annual dinner, she had spoken with Ministers of the frustrations.</p> <p>The LEP Executive understands that the GLLEP is one of a number of LEPs in the middle category of "requiring improvement", particularly in delivery area. The following actions were as follows:</p> <ul style="list-style-type: none"> • Governance - The LEP agreed to actively address gender and age diversity on its main board during the recruitment of new members - Ongoing. • Delivery - Reduce the ongoing reliance on Section 31 flexibilities, maximising all opportunities to accelerate spend by Growth Deal projects 	<p>LEP Executive</p> <p>Lincolnshire Local Authorities.</p>
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<p>and ensuring that due diligence, approval and contracting is undertaken and completed as soon as possible - Ongoing.</p> <ul style="list-style-type: none"> • Delivery - LEP and Accountable Body to maintain a proactive approach to risk management, providing regular detailed reports for key risk projects to the Board, and review pipeline schemes, examine scope and case for expanding existing projects, invite other projects to come forward at risk, and produce, agree and publish a single prioritised pipeline list - Ongoing. • Strategy - The LEP should maintain its focus and pace on evidence gathering and analysis to enable the development of an ambitious strategy - Ongoing. • Strategy - On skills, it is noted that the LEP has embraced its invitation to participate in the Skills Advisory Panel and career Learning Cost and Outreach pilots and should use the opportunity to develop its skills strategy and refresh its Employment and Skills Board. • Strategy - On engagement and collaboration, the LEP should continue to maximise efforts to convene and engage partners and stakeholders (including the implementation of an MP engagement plan) and enhance collaborative work with neighbouring LEP areas across the Midlands Engine and Northern Powerhouse. <p>All identified points have either already been addressed or are scheduled to be addressed this year as part of the LEP Business Plan. The LEP Executive is confident that the successful implementation of these plans will enable the LEP to obtain a "good" overall rating in the 2018/19 Annual Conversation.</p> <p><u>Growth Deal Update</u> RC informed the Board members that the Investment Board had been cancelled this month, and the Team's focus was on year end. The Board was also informed that of the £15m target will be met utilising freedoms and flexibilities. A year end finance report will be presented at May's Board meeting.</p> <p><u>MIPIM</u> Cllr D gave an update on MIPIM and said that it had been a huge success and that there were a number of potential investors for Lincolnshire and that it showed how well GLLEP was working with the Midlands Engine. Also the launch of Team Lincolnshire at a London event was also very well received with over 100 people attending.</p>	<p>Points to be addressed in the Business Plan.</p> <p>May 2018</p> <p>Impact of team Lincs and Mipim in September 2018</p>
<p><u>Productivity Report (Paper 4)</u></p> <p>A presentation was given by Adam Peacock (Codename Consulting) and James Baty from the LEP and provided an update on the original data of "Productivity in Greater Lincolnshire" which was given in 2016. Since then, more data has been published by the ONS and this was explained.</p> <p>In some areas, the UK average was compared with other LEPs where Greater Lincolnshire was 33rd out of all 38 LEPs. Comparison with the more local LEPs, the nearest to Greater Lincolnshire was D2N2 who were 26th. A discussion took place and agreed that productivity in Lincolnshire was lower due to infrastructure.</p> <p>This information was useful, but it needs to be contested and take this to each of the sectors and perhaps test these at Roundtables. GLLEP should focus on small specialist areas.</p> <p>The next research will include Brexit and will be brought to the next Board in May.</p>	

UL asked what is driving the difference in efficiency, ie, geography and can we do anything about it. RC stated that within the food sector could be more efficient with the use of robotics as they are too reliant on labour. MS said that most of the issues were to do with connectivity.

DD asked whether the self-employed were included within the data and JB responded that they are working with HMRC to gather this data and should be available within the next 18 months. Cllr D said that skills and vacancies are an issue nationally. Cllr Wa said that the shortage of labour will make employers become innovative and find other ways of doing things.

Cllr L said that with the new Medical School and making improvements to infrastructure were steps in the right direction and that this should be built upon.

Implementing the outcomes of the Utility Study (Paper 5)

Andrew Brooks, LCC presented this item, he has led on behalf of all of the partners on Utility and Energy reporting to the LEP board and HIG. The LEP and other partners funded this work, and AB stated that the final report today fulfilled the feasibility fund

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

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

Agreed that there is a need to develop the study and that a chapter on Utilities should be included in the LIS.

AB said that the summit held in July, where more than 70 companies, OFGEM, utilities and MPs attended proved challenging, with a number of issues being raised:

- The current framework
- Regulator that is given directions from the Government
- Electric cars being promoted, but this could be in an issue in rural areas where energy is more difficult to provide as Utilities are reluctant on proposed sites and should look at the Local Plan.
- Links to productivity

It was suggested that the Utility study and the information therein be used to provide a series of facts sheets and that a further study should be undertaken to provide more detail on Greater Lincolnshire's utility demand, with a particular emphasis on the affordability of different solutions at specific sites.

The actions with the paper were agreed, with further reporting back to the lep board regularly.

Update on progress with the Local Industrial Strategy

Liz Shutt gave an update on the continuing work to develop a Local Industrial Strategy for Greater Lincolnshire.

<p>More focus has been given on sectors and discussions with Officials about the LIS process. GLLEP will need to draw on exiting work in relation to the sectors set out in the SEP, including sector plans. The evidence gathering phase of the LIS process is already considering sectors as part of the research programme, including productivity, inclusive growth and Brexit. These pieces of work will form a solid contextual foundation, establishing the changes which have occurred since the SEP was written and how these areas may impact our sectors and sub-sectors in varying ways.</p> <p>Work is currently being undertaken on Brexit, with sign off on the project due in late April. This research puts some of our priority sectors under a microscope in order to understand the potential opportunities and risks associate with leaving the EU. This research will factor in varying types of Brexit deal and deliver a range of impacts.</p> <p>Action : The LEP Board agreed that the Chair should write to the SoS regarding the challenges and opportunities for Greater Lincolnshire and the LIS, The board wanted to demonstrate that the GLLEP is open to be a trial area and demonstrate that we can focus on areas of difference</p>	<p><u>Letter to SOS re Greater Lincolnshire work on the LIS</u></p>
<p><u>Update on LEP Strategies</u> RC gave an update on the LEP Strategies</p> <p>Members were asked to note the update provided and to reconfirm Local Authority and Board Lead responsibilities where appropriate, which had previously been circulated. Members were asked to volunteer to be LEP Leads in certain areas, but these could be filled by new Directors which are currently being recruited. Once this has been completed, it will be published.</p> <p>Query raised regarding where "completed" and this is to be amended to read a "refresh date".</p>	<p>Action: CJ to publish a revised version</p>
<p><u>Update from the Food Board and Work Plan for the year</u></p> <p>An update was given on the activities currently being undertaken by the Food Board and what the priorities are. At the Spring meeting, priorities and actions are agreed and another meeting, which is held in the Autumn, an event is proposed in November 2018 to update Government Ministers to raise the profile of Greater Lincolnshire and the Food Board.</p> <p>PH stated that engagement with partners and Government is needed and that the date for the Spring meeting is needed to be able to invite the Minister.</p> <p>Decision : The Food Board work plan was agreed for the 18/19</p>	
<p><u>Terms of Reference and Work Plan for the Growth Hub Board</u></p> <p>MS chair of the Growth Hub Board presented this paper. The Growth Hub Governance Board was established in March 2015 and that it is now to be re-named the Business Lincolnshire Board to reflect its role, ie, now asking more strategic questions rather programme delivery.</p> <p>The aim of this Board is to boost economic growth by creating more appropriate, relevant business support officers and its role is to shape and influence future business support products to meet the needs of businesses in Greater Lincolnshire. The Business Lincolnshire Growth Hub is the business</p>	

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

Decision: The name change, the revised terms of reference and the work plan were agreed by the LEP Board.

Revised Terms and Reference and Work Plan for the Employment & Skills Board

RC presented this item, and the revised terms of reference and annual work plan were discussed and agreed. It was agreed that the work of the employment and skills board

More resources and effort next year on Apprenticeships, Careers and Life Long learning, and will be included in the revised Business Plan and the need to build on the Skills Pilots awarded to Greater Lincolnshire.

SM stated that at all the Manufacturing Boards that he has chaired, the main issue is apprenticeships. Trainers do not appear to be communicating with local businesses to see what their needs are and some businesses are now providing their own training.

MS said that there had been a call for bids from the IoT for levels 4 and 5 of Higher Education. Businesses will be providing information on what skills are required. The bid that UoL has submitted has gone through Stage 1 and waiting to see if they go further.

Decision: The revised terms of reference for the employment and skills board and the work plan were agreed by the LEP Board.

Any Other Business

RC sought delegated approval from the LEP Board to submit an expression of interest to the Coastal Communities Fund on delivering skills in the winter season on the Lincolnshire coast- **The LEP Board approved this approach.**

MS informed the Board that the Innovation Council is creating a network for businesses with growth potential, which the University will be managing, if anyone is interested.

The meeting closed

Items to come back to board

<u>GLLEP Board Date</u>	<u>Action</u>	<u>Person Responsible</u>	<u>Carried Out</u>
20 July 2017	Progress relationship with HCA	Pete Holmes/Ian Fytche	ongoing
	Explore options for smart/futuristic homes	Cllr Davie	Report May 2018
29 September 2017	Agree small number of messages that GLLEP wants to give to Government, avoid being diverted by Government announcing different policies on LIS	Strategy Away Day	Jan 2018 - complete
	Assurance Framework training for LEP Board and Investment Board members	Linsay HillPritchard	May 2018
	PR on Skills Capital Fund, use the grants being given to Lincoln and Stamford as a way you can demonstrate that GLLEP is investing in the digital agenda	Ruth Carver/Clare Hughes/Halina Davies	ongoing
24 November 2017	Update on progress and a report on enhancing scrutiny arrangements	Richard Wills	Jan 2018 - complete - detailed report May 2018
	Decarbonisation Project - Humber LEP & GLLEP to share	Humber LEP & GLLEP - Simon Green	
	Self-Employment Project - figures captured Growth Hub	Samantha Harrison	
	Actions from the Digital Action Plan being implemented.	Angela Driver	
31st January 2018	Visitor Economy website and national profile	Ruth Carver	
23rd March 2018			

Paper 2 - LEP Directors Report

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

2 Area One - Policy & Strategy

The LEP is currently working on the following policies and strategies:

- Local Industrial Strategy, including Brexit Monitoring activity and MP Roundtables:
- Q1 Business Briefing completed and published
- Manufacturing sector plan - underway
- Utilities strategy - Phase 2 underway

A verbal update will be given at the meeting on emerging policy issues, such as the LEP Review, LIS and UK SPF.

Local Industrial Strategy - A separate update is provided on the agenda

Housing

Following more Ministerial changes, James Brokenshire has been announced as the government's new Secretary of State for Housing, Communities and Local Government. The LEP Network has scheduled a meeting between LEPs working on housing and Tom Walker, Deputy Chief Executive of Homes England, on 23rd May. A verbal update will be given at the GLLEP Board meeting.

3 Area Performance

Actions against the SEP 2017-18	Ranking
1 LEP Activity, Business Engagement and Media	Green
2 Growth Deal Performance	Amber
3 Growing Places Fund	Green
4 Feasibility Funding	Green
5 ESIF	Green
6 Skills	Green
7 Business Lincolnshire Growth Hub	Green

1 LEP Activity, Business Engagement and Media

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

Delivery has been achieved against; Local Industrial Strategy Councillor round tables; the Skills Pilot; Financial year end; GDPR implications.

The LEP is has also procured for a supplier to deliver the LEP annual conference and exhibition. This will be delivered by the Lincolnshire Showground and will take place on 28th September at the Epic Centre, Lincoln. The theme for this year is 'The Future of the Lincolnshire Economy' and will have a stronger conference feel and incorporate more panels and discussions with opportunities to capture input and feedback from delegates. E-invites have been circulated.

Paper 2 - LEP Directors Report

The following Comms activity has taken place since the March board meeting. Read press releases here:-

- Business leaders gathered to discuss what our Local Industrial Strategy should cover.
<https://www.greaterlincolnshirelep.co.uk/whats-new/business-leaders-gather-for-mp-round-table/>
- Businesses are being asked to take part in a survey about the importance of the A46
<https://www.greaterlincolnshirelep.co.uk/whats-new/businesses-invited-to-complete-survey-on-the-importance-of-the-a46/>
- The General Data Protection Regulation (GDPR) will affect every organisation that collects and handles customer data - including the LEP.
<https://www.greaterlincolnshirelep.co.uk/whats-new/is-your-business-ready-for-gdpr/>
- After receiving an £800,000 loan from the LEP, the International Bomber Command Centre has officially opened on 12th April
<https://www.greaterlincolnshirelep.co.uk/whats-new/greater-lincolnshire-lep-helps-secure-the-future-of-the-international-bomber-command-centre/>
- RDPE Growth Programme Calls currently open across Greater Lincolnshire, Derbyshire, Nottinghamshire and Leicestershire
<https://www.greaterlincolnshirelep.co.uk/whats-new/rdpe-growth-programme/>
- Anna Tsartsari, a Director at BE Design and Team Lincolnshire sponsor shares her tips from MIPIM
<https://www.greaterlincolnshirelep.co.uk/whats-new/seven-things-i-learned-about-mipim-this-year/>
- Funding fairs will take place between April and July to showcase funding opportunities for small businesses
<https://www.greaterlincolnshirelep.co.uk/whats-new/funding-fairs-to-showcase-small-business-grants/>

Inward Investment

Three FDI visits took place during March and April with seven visits currently scheduled to take place in May. Three of these visits are with companies with no previous strong links. Four FDI inward investment enquiries have been received during March and April 2018 and the LEP have met with one of the companies, CSNR Technologies Ltd, a Turkish owned manufacturer of protective clothing for specialist industries using CBNR Technologies to Nato Standards. The LEP has suggested various sites and are working with the company to find solutions. Propositions have been put forward to DIT for the other enquiries.

2 Growth Deal Performance - Amber

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

Following a positive Annual Conversation and full achievement of Growth deal targets for 2017/18, the LEP received a grant determination notice and supporting letter from

Paper 2 - LEP Directors Report

the Ministry of Housing, Communities and Local Government on the 11th April 2018 confirming release of a payment of £8,733,858 to the LEP.

Due diligence appraisal reports on Europarc FEZ, Scunthorpe Town Centre Phase 1, Northern Junction Roundabout, Digital Skills Centre (New College Stamford), EMAT Centre (Boston College) and Technology & Innovation Centre Grantham (University Campus) will be presented to Investment Board in early April for a decision on progression to contracting.

One of the Growth Deal project is currently high risk in terms of milestones to the programme as part of the Quarter 4 reporting and details on this scheme will be provided to the Investment Board for review.

The Quarter 4 report on the programme indicates that recent project profiles reported to board remained unchanged in the main. The Growth Deal target spend for 17/18 of £15,687,335 was achieved with direct project spend of 15,425,809 and the remainder offset against LCC capital spend to be secured and utilised in future years. A variety of freedom and flexibilities were used within the year including two larger advance payments to the Skills Capital Programme and South Lincolnshire Food Enterprise Zone.

3 Growing Places Fund - Green

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

Application pending. Update expected for July board.

4 Feasibility Funding - Green

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

Comprehensive quarterly monitoring reports are reported to Finance and Audit Committee. If there are separate matters requiring decisions on new funding rounds for Feasibility Fund these are considered by Investment Board.

5 Skills - activity ongoing, action plan pending approval on 6th February

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

The Greater Lincolnshire LEP was awarded two skills pilots in December 2018 by the Department for Education. A background paper has been provided to summarise progress to date on both. Work to develop a proposal for the Career Learning Pilot has developed at speed and intensity during March and April so that activity can commence as soon as possible. Following local approval of extension, six of the seven ESF skills projects are waiting for national processes to be completed before receiving new contracts that will allow delivery to continue until March 2019.

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

Two bids that were submitted by a local group of Colleges to a national Flexible Learning Fund have not been successful. Colleges are waiting for feedback on why their bids were not successful.

The Career and Enterprise Company has launched a bidding round for LEPs, which, if successful will see around 20 local Career Hubs developed across England. Based on a

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pilot delivered by North East LEP, Hubs will bring together between 20 - 40 secondary schools and Colleges to improve careers activity. The LEP is developing a proposal so that it can submit a bid by the deadline 25th May 2018.

Employers who pay the apprenticeship levy can now make a transfer to fund apprenticeships in another organisation. Employers can view their transfers allowance in their apprenticeship service account and use a new 'transfers estimator' tool to help them plan a transfer. The Employment and Skills Board will be raising awareness of this, so that any unspent levy funds can be used in Greater Lincolnshire.

The Department for Education is looking for employers to represent sectors to help them develop the new T Levels, the new set of qualifications that 16 year olds will be able to choose instead of A levels. The Department is currently recruiting for T level panel membership in Catering and Hospitality, Hair and Beauty, Creative Design, Business and Admin (including management) and Agriculture and Animal Care. They would like to ensure participation from a good mix of industry.

If you or one of your colleagues is interested in working with the Department of Education on the T level panel, please contact Laura Rowlinson directly via email, Laura.ROWLINSON@education.gov.uk

6 ESIF - Green

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

Following a series of workshops to promote LEADER and EAFRD Growth Programme calls over the past 3 months, deadlines for submitting Expressions of Interest (EOI) to these programmes is now looming. We are now into the last month of the EAFRD calls where the closing date for EOIs is 31st May 2018 and LEADER will be in September 2018. Newsflash bulletins are being promoted through the LEP and Business Lincolnshire websites as final reminders to potential applicants. Full details of the EAFRD Growth calls and how to apply are here: <https://www.gov.uk/government/publications/rdpe-growth-programme>

We have currently committed 87% of Greater Lincolnshire's ERDF allocations to projects following the last 2 calls in 2018. This includes projects that have been awarded contracts, pending funding agreements, at application or outline application stage. The next ESIF Committee meeting in June 2018 will determine the next calls for activity that can be announced to take up remaining funds and any underspends/de-commitments to the programme. Project performance is also being scrutinised to help meet national spend targets.

7 Greater Lincolnshire Delivery Programme Growth Hub and Team Lincolnshire - Green

LEP Board Lead Prof Mary Stuart LEP Executive Lead Samantha Harrison

Growth Lincolnshire continues to provide support for businesses in Greater Lincolnshire through the advisory network, the workshop and events programme and the grant funding. With regard to workshops, the General Data Protection Regulation changes

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which come into force in May have been a particular area of interests and additional events have been put in place during February & March to respond to extra demand with. Interest in the grant support remains very strong with the capital grants being particularly popular and that grant pot is now fully committed for this programme, although an extension to this grant is expected shortly. The following table summarises the position with the 3 grant pots as at the end of April 2018.

	Capital Grants	Revenue Grants	Digital Grants
Budget	£275,000.00	£175,000.00	£100,000.00
Number of pipeline applications received	19	24	33
Value of pipeline applications received	£71,107.50	£69,084.49	£33,000.00
Number of applications approved	57	40	4
Value of applications approved	£199,784.26	£96,754.51	£47,000.00
- of which pending awaiting beneficiary claim	£99,059.91	£56,547.42	£
Number of grant claims received and approved for payment	31	18	23
Value of grant payment received and approved for payment	£100,724.35	£40,207.09	£23,000.00
Value of private sector contributions received based on grants paid	£198,999.20	£70,783.69	£44,634.38
Balance grant funding remaining against budget available	£4,108.24	£9,161.00	£20,000.00
Value of applications received on reserve list	£2,962.00	£9,499.99	£0.00
Balance available	£1,146.24	(£338.99)	£20,000.00

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

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

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

Cumulative figures from April 2017 to 31 st March 2018	Number
Growth Hub Adviser Engagements	1217
Business Diagnostics	447
Client satisfaction with Growth Hub Service	93%
Intermediary interactions	150
Businesslincolnshire.com unique users	120,156
National Helpline call centre referrals	70
Start up enquiries to Growth Hub	233
Business Workshops event attendees	495
Sponsored event attendees	1585
Twitter followers	4887

Greater Lincolnshire Growth Fund

The GLGF was officially launched in October 2017 at Business Live and aims to support private sector businesses of all sizes, operating in one of the priority LEP sectors to deliver transformational projects which align with the wider ambitions of the Strategic Economic Plan. One application for a total of £500,000 of grant funding support has been taken through due diligence appraisal and will be presented to the Investment Board for consideration today.

Paper 2 - LEP Directors Report

Team Lincolnshire for information

Summary

To explain and reinforce the Team Lincolnshire Ambassadors Programme's objectives and to provide a Two Year Activity Plan for 2018/19 and 2019/20, which outlines the benefits, events and activities available to Team Lincolnshire ambassadors.

Background

Team Lincolnshire is a partnership between the private and public sector brought together with the purpose of seeing Lincolnshire flourish and to be part of its success. Its concept is that all members become Lincolnshire ambassadors and by collaborating together gives them a much strong and passionate voice.

Team Lincolnshire evolved from a number of property and construction businesses attending MIPIM, a major international annual property show, four years ago. Providing sponsorship monies to support the LEP's attendance at MIPIM has enabled Greater Lincolnshire to be not only represented with the Midlands UK pavilion, but also to hold its own events outside of the exhibition, targeting investors, developers and intermediaries.

It was recognised that there was an increasing need to extend Team Lincolnshire across other sectors to create a team of like-minded individuals and businesses who are passionate about promoting Lincolnshire. There was also a need to co-ordinate existing and reduced budgets in order to make the programme sustainable in the future.

A marketing toolkit www.marketinglincolnshire.com was developed and is available to businesses so that all ambassadors have a coherent and compelling narrative to use to help to increase investment, have more visitors and more money in the local economy.

On 30th November 2017, the Team Lincolnshire Ambassador Programme was officially launched, offering members a range of services and support:

- Being part of a team of like-minded individuals and organisations passionate about promoting Lincolnshire.
- An Annual "Lincolnshire in London" event.
- The opportunity to attend a number of events every year, the majority of which are free.
- Priority as a member to sponsor other events.
- Early and unique access to information about Lincolnshire through a newsletter.
- Access to a toolkit of marketing materials.
- A page on the website to profile your business.
- The opportunity to build new relationships at a senior level to secure new business.
- The opportunity to share your news through the website, social media channels, PR and the Team Lincolnshire newsletter.

Paper 2 - LEP Directors Report

- Logo on all relevant materials.
- MIPIIM and MIPIIM UK packages available to members.

There is an annual subscription fee of £350 per company.

It has been identified that there are three main elements to the Ambassador Programme:

1. Local Activities - feeling that you belong to a like-minded group of people.
2. B2B - opportunities for members to collaborate and gain business from each other.
3. Promoting Greater Lincolnshire outside of the area - this is seen as the most important element as it is a key component for growing the economy and Team Lincolnshire hosted the first "Lincolnshire in London" event, supported by sponsorship monies from Team Lincolnshire members, in February 2018 at the RAF Members Club.

Research and intelligence gathering will continue to underpin the development and growth of the programme. A mini survey undertaken in March 2018 with existing and new members shows that Team Lincolnshire is already providing opportunities and holding events that members are keen to attend.

Team Lincolnshire has also attracted some extremely positive publicity over a wide range of media. All of this has helped raise Team Lincolnshire's membership to over 60 members and is still growing. A website has been developed and the members' page on www.teamlincolnshire.com went live on the 18th May.

Conclusion

The approach is to strengthen and enhance Team Lincolnshire by building on success. Team Lincolnshire will:

- Inform - share information and facilitate collaboration between private sector businesses and public sector organisations across Greater Lincolnshire
- Inspire - the next generation of entrepreneurs and encourage existing businesses to grow and prosper.
- Invest - encourage and support UK and international organisations to invest and locate in Greater Lincolnshire.

The aim of the Two Year Activity Plan is to sustain the membership for 2018/19 in the first year and to increase membership to a minimum of 100 in the second year. In addition, Team Lincolnshire will actively target companies via the Top Companies List and other sources as well as specific sector related events where appropriate.

Paper 3 - 2017-2018 Financial Update Report - Report from the Accountable Body

1 Summary

- 1.1. This paper is intended to provide an overview from the Accountable Body of the unaudited LEP transactions for the 2017-2018 financial year.
- 1.2 The LEP is in a strong financial position and continues to operate a number of reserves to allow them to respond to operational pressures and deliver their agreed business plan priorities. We have continued to support the LEP in utilising freedom and flexibilities in the area of growth deal funding and this year sees the start of some newer funding initiatives that the LEP wanted to support.
- 1.3 We are currently scheduling the audit which is expected in early June and will be undertaken by Streets Audit LLP. Full sign off is on target to be completed in July 2018.

2 Recommendation

- 2.1. The Board are asked to:
 - Review and approve the contents of this report
 - Endorse the Finance and Audit Committee to undertake in-depth scrutiny of the finances including a review of any audit findings prior to formal sign off by the LEP Board in July.

3 Overview

- 3.1 This report summarises the financial income and expenditure of the Greater Lincolnshire LEP from 1st April 2018 - 31st March 2018. The following funding pots have been utilised for activity in 2017-2018 and are summarised below:

- | | |
|----------------------------|-------------|
| • Core Funding | £500,000 |
| • Other receipts | £70,000 |
| • Single Local Growth Fund | £15,673,566 |
| • Cash balances | £6,610,794 |

Summary

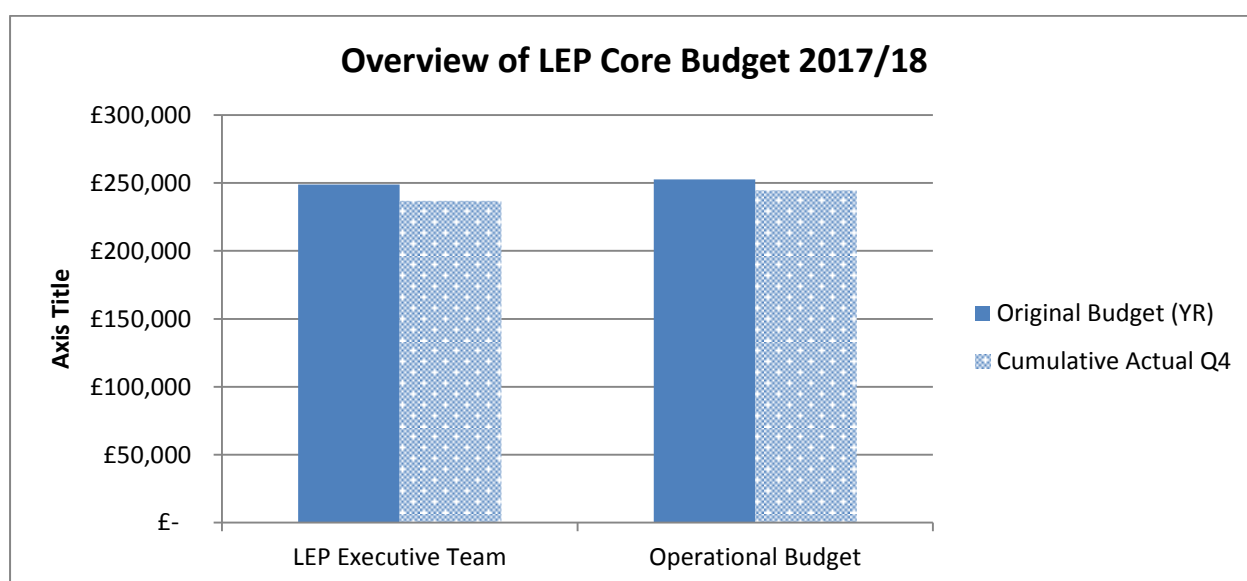
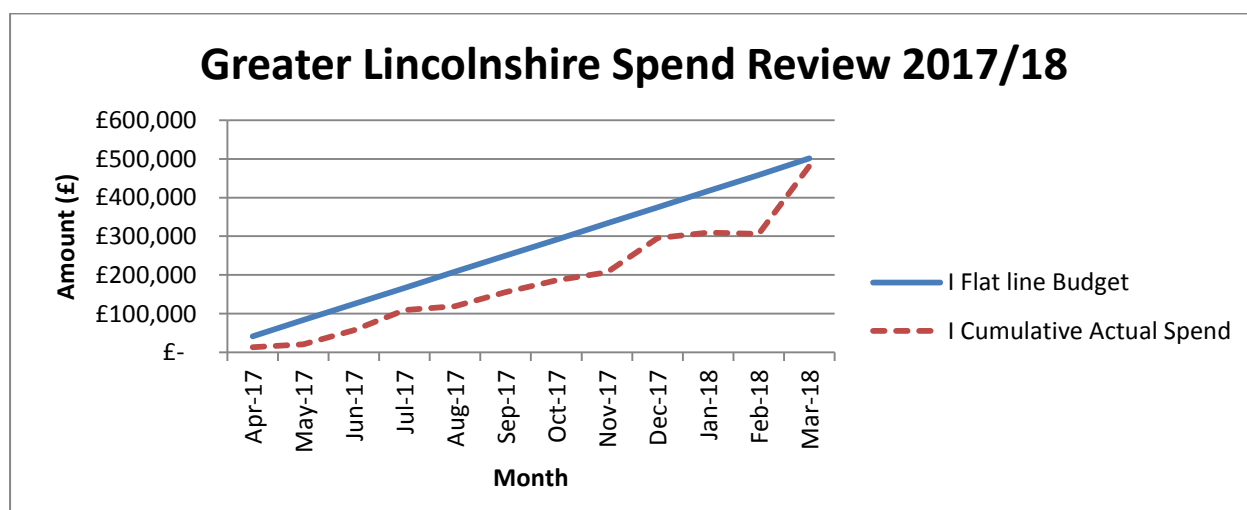
Operational Core - The LEP's core income and expenditure for the 12 months to March 2018 are shown below:

- Total income received in period was £500,000
- Actual expenditure outturn for 17/18 is £481,398

The table and graphs below show the breakdown of expenditure against the heading identified with the 17/18 Business Plan and the comparison of actual expenditure against projected budgets.

Paper 3 - 2017-2018 Financial Update Report - Report from the Accountable Body

Area - Description		Original Budget (YR)	Year End Position	Variance
Area 1	Executive Team	248,919	236,802	(12,117)
Area 2	Company Requirements	9,850	11,403	1,553
Area 3	Communications and Events	114,750	110,782	(3,968)
Area 4	Sector & Priorities Support and Expenditure	109,500	103,421	(6,079)
Area 5	Growth Deal/ Project delivery	18,500	18,990	490
Total		£ 501,519	£ 481,398	£ (20,121)



*LEP Executive covers Area 1 and Operational Budget Covers Areas 2-5

Paper 3 - 2017-2018 Financial Update Report - Report from the Accountable Body

Variances are due to a number of contributing factors with a summary on each area provided below:

LEP Executive Team

- An underspend of £12k occurred due to the several staff changes, including:
 - The Growth Deal Project Manager being incorporated into LCC as a permanent member of staff from January 2018;
 - Reductions in two secondment costs;
 - Budget saving following agreed return post maternity date.

Operational Budget

- There is a small underspend of £8k following:
 - Two separate media agreements not being renewed;
 - LEP Business Live gaining additional income therefore reducing our contribution to the successful event;
 - Small savings against budgeted LEP priority sector consultant costs.

The LEP has envisaged a spend target of £501k which would have meant a drawdown from reserve, however, the true underspend against the £500k received for operational costs is £18,602. This has been placed on the LEP accounts as Uncommitted reserve.

Match Funding

There is a requirement for the LEP to match fund £250,000 of the core budget with a further £250,000 of match funding. Analysis has shown that match funding of £384,347.93 has been achieved supporting the delivery of the LEP core function.

These costs are made up of:

- | | |
|---|-------------|
| • Board Directors Voluntary Time (Equivalent Value) | £74,934.72 |
| • Officer support (Non Accountable Body) | £202,878.12 |
| • Budget Transfers (databases) | £17,526.80 |
| • Events (partner contributions) | £89,008.29 |

Other

Within the year the LEP received the following additional income contributions:

- £40,000 from BEIS to support the LEP in developing both an evidence base and a specific Energy Strategy for Greater Lincolnshire.
- £30,000 from LCC to enhance the work of the place marketing model in 18/19.

£70,000 has been placed on the LEP accounts as a committed reserve.

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Within year £28,850 of earmarked reserves have been used to cover place marketing costs and Food Enterprise Zone marketing.

Feasibility Pot

The total feasibility pot is £375,982. To date, 8 contract awards have been made to a value of £271,500. We are currently undertaking a full review of the Feasibility pot with a view of taking a separate report to the Finance and Audit Committee.

- 3 projects remain uncontracted; A15 (Riseholme Roundabout (A15/A46 junction) and Junction 4 (A15.M180 Junction), Advance Food Factory Scheme, Europarc, Grimsby and Cleethorpes Station Quarter.
- £87,811 has been paid to contracts to date. This is lower than expected and we are in the process of ensuring that claims are being received on a timelier basis.
- We have identified programme underspend of £44,674 and following a review by the Finance and Audit Committee will make recommendations on options on how to utilise these funds.

The Accountable Body will be providing a separate paper to Finance and Audit Committee and recommendations will be reported back to the LEP Investment Board.

Business Investment Fund

Since the launch of the Greater Lincolnshire Growth Fund in October 2017, there has been significant interest in the fund. Greenborough have recorded 21 enquiries. The enquiries have come from the following LEP priorities:

LEP Priority	No of enquiries	%
Manufacturing	8	38%
Health and Care	4	19%
Digital	3	14%
Logistics	1	5%
Carbon	1	5%
Tourism	1	5%
Other	3	14%

All of these enquiries have been followed up, but not all are eligible for the Growth Fund. Where possible, Greenborough have referred these businesses to other funds through the Business Lincolnshire Growth Hub.

There are two notable enquiries that have significant potential and the first project that has proceeded to full application will be discussed at the LEP Investment Board.

No grants have been issued to date, however, we have released £15,000 to Greenborough for Project Management costs in delivering the programme.

Growing Places Fund (Invest to Grow)

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The Growing Places Fund (Invest & Grow) is a following infrastructure loan fund designed to kick start stalled housing and commercial developments. Funding is available for larger schemes which can unlock developments and enable the delivery of new jobs, commercial space and homes.

The balance as at 1st April 2017 was £2,518,044 and with interest applied as the Interest Policy, the total value available for loans and associated costs was £2,571,624.

- There has been 1 loan release within period to the Lawn Investment of £600,000.
- Legal costs of £90.09 were also incurred and a contribution of £10,000 was made to Nottinghamshire County Council as the last of a three year contribution to the Nottingham to Lincoln train service line for an enhanced service.
- Interest Payments are fully up to date having received £290,109 within the period.
- Loans issued and classed as Long term investments amount to £4,900,00 (including the Lawn investment).

In summary, at year end, £2,251,643 remains uncommitted on the loan fund, however, a full application is still outstanding from Heywood Estates for Grantham Enterprise Village.

Single Local Growth Fund

We currently hold contracts to the total spend value of £259 million with an agreed grant contribution of £88 million single local growth fund therefore leveraging in a further £171 million of investment.

Within the year, we received our third tranche of growth deal monies to the sum of £15,687,335.

The table below shows how the monies were distributed across the growth deal projects.

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GROWTH DEAL CLAIM EXPENDITURE - ACTUALS 2017/2018		
Project Name	Total Project Expenditure	17/18 Grant Paid
Access to Employment Zones 1	301,944	301,944
Bishop Burton College	198,634	-
Boston Quadrant	1,588,936	1,123,347
Food Enterprise Zone	-	2,985,000
Go Skegness	1,065,160	399,999
Grantham College	-	-
GSRR	2,006,463	-
Holbeach Peppermint Junctions	3,884,443	-
Lincoln Transport Hub	16,675,688	1,243,872
Lincolnshire Lakes	409,240	-
SHIP Phase 1	82,346	-
SHIP Phase 2	133,205	133,205
Skills Capital Investment Fund	-	7,340,000
Suttern Roundabout	821,965	750,864
Unlocking Rural Housing Contracted	18,443,854	1,147,577
Freedom and Flexibility (LCC Capital Spend)	261,525	261,525
Total Programme	£45,611,878	£15,687,335

The Growth Deal target spend for 17/18 of £15,687,335 was achieved with direct project spend of £15,425,809 and the remainder offset against LCC capital spend to be secured and utilised in future years.

A variety of freedom and flexibilities were used within the year including two larger advance payments to the Skills Capital Programme and South Lincolnshire Food Enterprise Zone. Where possible, we have concentrated freedom and flexibilities on contracted projects.

The table below provides an overview of the whole programme and demonstrates where freedom and flexibilities may be utilised:

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	ACTUAL			FORECAST			Total ALL Years
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	
SLGF Allocation	26,400,000	47,863,787	15,687,335	8,733,858	6,809,606	18,153,052	123,647,638
Project spend	17,901,011	38,359,044	15,425,810	19,143,991	19,086,213	13,731,570	123,647,638
Offset used	-	298,990	-	-10,410,133	-7,855,125	-	18,564,248
Offset gained	8,498,990	9,803,734	261,525	-	-	-	18,564,248
GAP	-	-	-	-	4,421,482	-4,421,482	-

- Spend on LCC capital projects (offset) amounts to £18.6 million. Current forecasts show that this will not be utilised until 18/19 (£10.4 million) and 19/20 (£7.8 million).
- We have released £24 million in advance payments and have recouped £6.8 million through evidence claims. A further £12.4 million is expected to be evidenced in the 2018/19 period with the remaining £5m 19/20.
- £156k of grant from Grantham College was paid back within 17/18 and this was placed on an earmarked reserve at year end and will be used to fund future growth deal contracts.

A full growth deal update paper will be provided at LEP Investment Board, however, in summary:

- One project is currently recorded as high risk (Skegness Gateway) and as agreed with Investment Board, will be reporting in full as to its current standing.
- Outputs are marginally below forecast targets but this is reflective of identified project delays and the requirement for the projects to supply comprehensive supporting evidence.
- As we move into the 18/19 period, additional focus will be placed on outputs and outcomes for those projects nearing completion.
- We will continue to monitor project spend targets closely as we seek to redress the given Freedom and flexibilities.

Interest and Accountable Body Costs

At the beginning of the financial year, the Accountable Body held cash balances of £6,610, 794 on behalf of the LEP.

The County Council earns interest from loaning out its cash on a daily basis, and operates a low risk strategy. The rate of return therefore reflects the risk taken. Cash balances earn an average yield following strict guidelines as dictated by the Cipfa Code of Practice on Treasury Management. Interest

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calculations take account of the daily transactions actioned within each of the LEP codes.

Final interest calculations and Accountable Body costs have been calculated.

Interest is calculated on each of the 3 cash balances as per the table below:

Cash Balance 1	Core Funding, reserves and other balances	£2,678
Cash Balance 2	Growing Places Fund (Invest to Grow)	£29,969
Cash Balance 3	Single Local Growth Fund	£76,231
Total Reserve		£108,878

As per the cash balance and interest policy, the interest gained on Cash Balance 2 would be retained by the Invest to Grow Fund and would be utilised for further loans and/or associated costs.

This would leave £78,909 of interest accrued on Cash balance 1 and 3 and as per the Financial Interest policy, this would be utilised to pay for the costs of the Accountable Body function with the remainder placed on an opportunity reserve.

Accountable Body costs have been estimated at £85,000, however, actual costs within the year have come in lower at £75,607.21. After application of the policy, this would enable £3,302 to be placed on core reserves.

Giving consideration to the interest accrued and the reserves held, the LEP remains in a strong financial position.

The table below provides an overview of estimated cash balances expected in 17/18.

Estimated Reserves 17/18	
Invest to Grow Fund	£2,251,643
Other cash balances	£397,485
Capacity 2 Fund	£28,600
Core Reserve	£296,855
Business Investment Fund	£2,985,000
Feasibility Fund	£288,171
Single Local Growth Fund	£156,354
Interest Received	£108,878
Total	£6,512,986

As identified through this report and previous financial reporting, some of the reserves above are already committed to projects activity. Uncommitted funds include:

- Interest paid back within the Invest and Grow fund to the sum of £209,109. As this is interest on loan values, it offers greater flexibility for use over the stand balance for loan issue.

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- Interest gained on cash balances to the value of £108,878 remains uncommitted (pending a decision to cover the Accountable Body costs). If agreed, this would leave £33k uncommitted. **NB:** *Board should be mindful that within this figure, £30 is interest gained on the cash balance of the Invest to Grow Fund and pending agreement of the use of the cash balance policy, this £30k would be added to the available loan balance.*
- Within other cash balances, there remains £123,991 uncommitted.

Financial Report 2017/18

As part of the open and transparent reporting of the LEP finances, a published Financial Statement for the 2017-2018 financial year will be produced which will include:

- Company Information
- Foreword by F&A Committee Independent Chair (A Orrey)
- Statement by Auditor
- Statutory obligations
- Finances
 - Income and Expenditure
 - Invest & Grow Fund
 - Growth Deal
 - Reserves
 - Interest
- Notes/Conclusion

This statement follows the same format as the previous financial year and will be used as the primary document for the Audit review scheduled for June 2018.



Workstream SEP 1.1 - Champion our strongest sectors

<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
Champion our strongest sectors through our sector advisory boards (food, manufacturing and visitor economy). The LEP will provide leadership through a private sector chair and resource to run the boards and develop actions	High	Ongoing	Ongoing	
Agri-food	Medium			
<ul style="list-style-type: none"> Revise and publish an updated Agri-food Sector Plan by July 2017; Work with partners to deliver Local Development Orders (LDOs) for the three Food Enterprise Zones in Greater Lincolnshire by November 2017; Agree investment plans for the three Food Enterprise Zones via a challenge fund process by October 2017 to facilitate the delivery of the Growth Deal; Develop a skills strategy for the agri-food sector by March 2018 to focus investment in FE, HE and innovation to drive sector productivity growth; Work with partners inside Greater Lincolnshire, regionally and nationally by January 2018 to develop the work of the Holbeach FEZ / National Centre for Food Manufacturing so that it is the national centre for food processing automation. 		Complete	Complete	<ul style="list-style-type: none"> Designed and published by FYE
		Complete	Ongoing	<ul style="list-style-type: none"> Recent meetings with Humber LEP re further advancements
		Ongoing	Ongoing	<ul style="list-style-type: none"> 2 complete. Different approach for Europarc
			Complete	<ul style="list-style-type: none"> FEZ provisional allocations determined.
		Ongoing	Ongoing	<ul style="list-style-type: none"> Due diligence proposals for Europarc and South Lincs coming forward this Spring.
			Ongoing	<ul style="list-style-type: none"> Underway but pending adjustments
		Ongoing	Ongoing	<ul style="list-style-type: none"> Underway and pending acceleration under sector deals
			Complete	<ul style="list-style-type: none"> Food Board agenda and plan set for 2018
Manufacturing	Medium			
<ul style="list-style-type: none"> Recruit a manufacturing board 		Complete	Complete	<ul style="list-style-type: none"> The Manufacturing Board has been established and 3 meetings have been held.
<ul style="list-style-type: none"> Update the manufacturing sector plan and actions for the year 		Ongoing	Ongoing	<ul style="list-style-type: none"> The Manufacturing Sector Plan has been refreshed.
<ul style="list-style-type: none"> Deliver a manufacturing conference 		Complete	Complete	<ul style="list-style-type: none"> A conference was held in October 2017 and planning is in place for the March 2019 conference
<ul style="list-style-type: none"> Aligning and promoting widely all of the manufacturing offers for business across Greater Lincolnshire – delivered through 2 workshops for businesses 		Complete	Complete	



				<ul style="list-style-type: none"> An events work plan has been created 	
Visitor Economy	Medium				
<ul style="list-style-type: none"> Recruit a VE board Update the VE sector plan and actions for the year 		Complete	Complete	<ul style="list-style-type: none"> First meeting held May 2017 Visitor Economy Board – Work Program Update Production of a comprehensive body of information about visitors to the GL area – Uploaded on website 	
		Ongoing	Ongoing	Ongoing	<ul style="list-style-type: none"> Development of a Strategic Investment Plan for the VE - Draft Investment Plan out to members and partners for project input
			Complete	Complete	<ul style="list-style-type: none"> Visitor Economy Conference – Tourism Expo March 2018, VE Conference Planned for early November with a Heritage Coast and Innovation Technology / digital theme
			Complete	Complete	<ul style="list-style-type: none"> Produce a place marketing toolkit for the VE – draft toolkit presented to members
			Complete	Complete	<ul style="list-style-type: none"> Hotel Study – commissioned by the GLLEP, LEP Board adopted the action plan
			Ongoing	Ongoing	<ul style="list-style-type: none"> Mayflower – work continuing with University
<ul style="list-style-type: none"> Consider the LEP approach on Low carbon economy, with a particular focus on renewable energy 	Medium	Ongoing	Ongoing	Ongoing	<ul style="list-style-type: none"> Working with BEIS to produce a Low Energy Strategy for GL
<ul style="list-style-type: none"> Submit a cross cutting response to the governments' Industrial strategy plans 	High	Ongoing	Ongoing	Ongoing	<ul style="list-style-type: none"> Production of LIS underway Roundtable and MP workshops complete/ ongoing

Workstream SEP 1.2 - Support partners with activity in our future delivery sectors



<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
<ul style="list-style-type: none"> Identify lead organisations to support growth in the ports and logistics sector and the health care sector (2018) 	Low	To identify	To identify	<ul style="list-style-type: none"> Health sector work progressing with D Fathers
<ul style="list-style-type: none"> Review the relevance of the plans (2018) 	Low	To identify	Ongoing	<ul style="list-style-type: none"> Proposals to Board in early 2018/19 FY
<ul style="list-style-type: none"> Review its sector priorities during the year 	Low	Ongoing	Ongoing	<ul style="list-style-type: none"> Proposals to Board in early 2018/19 FY

Workstream SEP 1.3 – Championing activity into new markets, modern telecommunications, infrastructure improvements and the skills of individuals and business owners

<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
Deliver a comprehensive growth hub and programmes for the business community of GL through the <u>Growth Hub Board</u>	High			
<ul style="list-style-type: none"> Rebrand of Business Lincolnshire to align with GLLEP branding and refresh the content on www.businesslincolnshire.com. 		Identified	Complete	<ul style="list-style-type: none"> Growth Hub rebranding has taken place and the new refreshed website will go live in July
<ul style="list-style-type: none"> Increase the profile and reach of the Business Lincolnshire Growth Hub, through face to face adviser visits, website access (15 % increase), newsletter registrations (50 % increase) and social media awareness (25% increase) 		Ongoing	Ongoing	<ul style="list-style-type: none"> Engaged with over 2779 businesses since April Website users increased by 10% by Oct 2017 FB engagement has increased by 68%.
<ul style="list-style-type: none"> Intensively assist 608 SME businesses through the Growth Hub's ERDF contracts April 2017 – March 2018 		On track	On track	<ul style="list-style-type: none"> Newsletter registrations have increased by 88%, but these may fall due to GDPR opt in preferences. 316 businesses have been intensively assisted from April 17-March18
<ul style="list-style-type: none"> Gain GLLEP endorsement to confirm that the digital sector is an enabling sector and create an action plan by June 2017 		Ongoing	Ongoing	<ul style="list-style-type: none"> Adopted in Nov LEP board.
<ul style="list-style-type: none"> Digital Conference May 2017 – raise the profile of and help businesses to increase the use of digital technology 		Ongoing Complete	Complete Complete	<ul style="list-style-type: none"> We are holding 2 events as part of 4th June 2018 tech week. We will have an exhibition stand at the Tech Expo on the 5th June. A Go Digital 18 conference has been planned for



					the 18 th July at the Isaac Newton Building at the University of Lincoln.
<ul style="list-style-type: none">Shape and influence employment and skills training and support, so that it better meets the needs of employers in Greater Lincolnshire. This encompasses the skills needs of our young people, those seeking jobs and the skills of the current and future workforce, and activities with reference to skills and training, and national policy particularly in terms of Further Education, Apprenticeships, Careers information, and funding systems. Employment and Skills BoardRaise awareness of the barriers and challenges facing employers and learners in accessing or achieving qualifications and training	High	Ongoing	Ongoing	<ul style="list-style-type: none">7 ESF projects that relate to skills and training are reaching the original contract end (July 2018).	
			Complete	<ul style="list-style-type: none">More than 600 businesses and 1000 employees have benefitted to date	
			Ongoing	<ul style="list-style-type: none">Following local agreement of extensions to well-performing contracts, we are waiting for national approvals of new contracts	
			Ongoing	<ul style="list-style-type: none">Work on the Career Learning Pilot, and Skills Advisory Panel (SAP) Pilot is underwayCareer and Enterprise Company Career Hub proposal being developed to be submitted by 25th May deadline	
<ul style="list-style-type: none">Raise aspirations to innovate and drive innovation investment across Greater Lincolnshire through the <u>Innovation Council</u>.	High	Ongoing	Ongoing	<ul style="list-style-type: none">Report to LEP Board Nov 17University of Lincoln leading on this work	
<ul style="list-style-type: none">Increase the investment and trade inward investment activity for Greater Lincolnshire	Med	Ongoing	Ongoing	<ul style="list-style-type: none">Detailed report at LEP Board November 2017Team Lincolnshire Ambassador Programme launched to increase activity	
			Complete	<ul style="list-style-type: none">70 new members recruited	
<ul style="list-style-type: none">Establish Greater Lincolnshire as a national leader in water management, and through the water management plan increase the investment in water management schemes. Ensure that LCC lead the water management work so that it	Med	Ongoing	Ongoing	<ul style="list-style-type: none">Water Management Board established 2015	
			Complete	<ul style="list-style-type: none">Water Management Plan launched 2016	
			Ongoing	<ul style="list-style-type: none">Review and Workshop 2018	
			Ongoing	<ul style="list-style-type: none">6 Schemes underway – EA and ERDF	



meets economic needs.

Ongoing

funding

- Close working with WRE

Workstream SEP 1.4 - Advocate and influence improvements to our area's transport Infrastructure (Transport Strategy)

<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
<ul style="list-style-type: none"> • Strategic Infrastructure Delivery plan – With partners raise the profile of the top three to five infrastructure improvements that will realise major economic benefits 	Med	Ongoing	Ongoing	<ul style="list-style-type: none"> • SIDP work completed in 2017. LEP infrastructure bids being made to HE Growth & Housing Fund and RIS2 to help support priority schemes. Significant Growth Deal investment in Grantham Relief Road.
<ul style="list-style-type: none"> • Working with rail and airport operators and local partners to improve transport services and connections, and connectivity and access between transport modes 	High	Ongoing	Ongoing	<ul style="list-style-type: none"> • Virgin trains Lincoln to London route confirmed

Workstream SEP 1.5 - Support balanced housing and economic development and promoting the area's capacity to deliver high quality growth.

<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
<ul style="list-style-type: none"> • Housing policy - develop an approach with the local authorities where focus is on the delivery of strategic sites 	Low	Ongoing	Ongoing	<ul style="list-style-type: none"> • Working through District Housing Network Q2 DHN report to GLLEP Board to agree approach
			Ongoing	<ul style="list-style-type: none"> • Supported successful applications for £22.4m Housing Infrastructure Funding on strategic sites.
			Ongoing	<ul style="list-style-type: none"> • Continuing to work through District Housing Network to maintain focus on strategic sites, leading towards a Strategic Housing Delivery Plan



					for Greater Lincolnshire led by DHN.
<ul style="list-style-type: none">Food Enterprise Zones – work with partners to deliver the food enterprise zones, and raise awareness of the food sector across greater Lincolnshire.	Med	Ongoing	Complete Complete Complete Complete Complete Complete Complete Complete	<ul style="list-style-type: none">2 LDO's In placeSLGF indicative funding agreed –due diligence completed on two schemes with one now contracted.Refreshed sector plan complete Jan 2018Food Board high profile MP event (HoC 2017)Joint humber lep and Lincs LEP roundtable Jan 2018 – feed into LISJanuary 9th – Peppermint Park launch event successfully hostedDIT Food Sector visit – Scheduled for 16th May at NCFMUrsula Lidbetter admitted to Food and Drink council	
<ul style="list-style-type: none">Develop strong working relationship with the HCA	Med	Ongoing	Ongoing Ongoing	<ul style="list-style-type: none">Liaising regularly, including through District Housing NetworkOngoing work, including through District Housing Network	
<ul style="list-style-type: none">Develop and implement place marketing activity	High	Ongoing	Complete Ongoing	<ul style="list-style-type: none">Phase 1 website complete and launched Oct 2018Phase 2 identified, procured and underway	

Workstream SEP 1.6 -To develop an understanding of the impact of the Brexit vote on the local economy, identifying challenges and opportunities.

<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
<ul style="list-style-type: none"> Commission a report to understand the impact on the 	High	Ongoing	Ongoing	<ul style="list-style-type: none"> Brexit commissioned work complete – to be



economy

Ongoing

delivered to LEP Board 25th May

- Ongoing intelligence sought from Growth Hub, FDI's and BRO's – Quarterly report to LEP Board

Delivery Area 2 - Maximising impact from programme delivery

<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
<ul style="list-style-type: none"> • Maximise programme delivery by delivering against targets for growth deal 	High	Ongoing	Ongoing	<ul style="list-style-type: none"> • Outputs on a number of initial growth deal projects now being realised. Funding targets being met utilising local freedoms and flexibilities.
<ul style="list-style-type: none"> • Continuously improve and implement our assurance framework. 	High	Ongoing	Complete Complete	<ul style="list-style-type: none"> • Latest version on website 28 Feb 18 • Mary Ney recommendations implemented
<ul style="list-style-type: none"> • Publish annual LEP Impact report in a dashboard form September 2017 	Medium	Ongoing	Complete	<ul style="list-style-type: none"> • Quarterly Government Dashboard now published on growth deal targets.
<ul style="list-style-type: none"> • Launch and manage the Greater Lincolnshire Growth Fund 	Medium	Ongoing	Complete Ongoing	<ul style="list-style-type: none"> • Launched at LEP Business Live • Activity ongoing
<ul style="list-style-type: none"> • Maximise the investment within the growing places fund 	High	Ongoing	Ongoing Ongoing	<ul style="list-style-type: none"> • New application expected for March Board taking up most of the remaining fund. • Expression of Interest approved by Board, awaiting full application. • Growing Places Fund – dialogue continues with applicant pending clarification of utilities connection costs
<ul style="list-style-type: none"> • Manage the feasibility fund to develop a pipeline of 	Medium	Ongoing	Ongoing	<ul style="list-style-type: none"> • Fund fully committed. Most projects underway.



projects

Delivery of the ERDF Programme, including ESF and RDPE <ul style="list-style-type: none"> • 6 Promotional events to raise awareness of European Structural and Investment Fund activity and LEADER • £15 million external funding attracted to Greater Lincolnshire • 60 Businesses supported through the LEADER/EAFRD programme 	High	Ongoing	Ongoing Complete Complete Complete Complete Ongoing	<ul style="list-style-type: none"> • Regular workshops held • 4 workshops were held between Jan and Mar 2018 to promote LEADER, EAFRD and Growth Hub activity. • GL has submitted the most ERDF applications to the national team • £3m awarded to GL ERDF projects to date • 173 businesses supported to submit EOIs for LEADER • £55m ERDF is committed to projects in the Greater Lincolnshire area following the latest April 2018 call (includes contracted, projects at final funding agreement stage, and outline applications).
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Delivery Area 3 -Building Solid Economic Evidence and Analysis

<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
<ul style="list-style-type: none"> • Publish an Annual State of the Economy Report (Jan 18) 	Medium	complete	Complete Complete	<ul style="list-style-type: none"> • Ongoing quarterly • Final Annual State of the economy report for 2017 complete – in May 2018 board papers.
<ul style="list-style-type: none"> • Publish a LEP impact report, incorporating output dashboard (July board 18) 	Medium	Ongoing	Ongoing	<ul style="list-style-type: none"> • To be delivered to reflect changes over the financial year
<ul style="list-style-type: none"> • Sector level update (November 17) 	Medium	Ongoing	Complete	<ul style="list-style-type: none"> • To coincide with the Annual State of the Economy report



• Quarterly Economic Briefings for the LEP (April, July, October, January)	Medium	Complete	Complete	• Ongoing. Completed for each quarter to date
• Programme of business research (ongoing)	Low	Ongoing	Ongoing Ongoing Complete Complete	• Commissioned work ongoing. • Local Industrial Strategy Research Programme • Brexit report complete • Productivity report completed

Delivery Area 4 -Good Governance

<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
• Maintain an effective working relationship with the Accountable Body	high	Ongoing	Ongoing Complete Complete Complete	• New procedures in place • Report quarterly to F&A Committee the financial position • Implementation of Mary Ney recommendations • 2017-18 FYE statement complete
• Maintain strong relationships with our local authorities, via the leaders board, and LEP meetings	high	Ongoing	Ongoing	• Joint Strategic Unit reinstated
• Effective working relationships and support to all of the LEP boards and the development of tangible outcomes annually	Med	Ongoing	Ongoing Ongoing	• New members welcomed and inducted. • Recruitment complete and underway.
• Refresh the board, Board (s) induction and succession planning	med	Ongoing	Ongoing Complete	• Articles and governance document review taking place Q4 / 2018 (pending P2 Mary Ney updates) • Mary Ney P1 recommendations complete



Delivery Area 5 -Clear strategic communications and engagement

<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
<ul style="list-style-type: none"> Develop the LEP as an "independent expert commentator for business issues" and reinforce our reputation as thought leaders on the economy locally 	medium	Ongoing	Ongoing Complete	<ul style="list-style-type: none"> Team Lincolnshire and Marketing Lincolnshire launch event' – recruited 70 members for Team Lincs New members area launching on the website on 18th May
<ul style="list-style-type: none"> Develop and deliver a programme of business events, big debates, launches 	high	Ongoing	Ongoing Complete Complete Complete	<ul style="list-style-type: none"> BL17, Manufacturing conference, Big Debate series, ERDF workshops, Team Lincolnshire launch, Marketing lincs events – successfully held 'Lincolnshire in London' event – 27th Feb, over 100 guests, including Karen Lee MP, Martin Vickers MP, Nick Boles MP 'Team Lincolnshire Belton Horse Trials event – April 18 2018-19 deliver plan of activity complete and pending sign off
<ul style="list-style-type: none"> Social media campaign on impact of leps work and growth deal 	low	Ongoing	Ongoing Complete	<ul style="list-style-type: none"> Included within new comms contract Comms function contracted
<ul style="list-style-type: none"> Operation of Greater Lincolnshire LEP Limited (company limited by guarantee) 	high	Ongoing	Ongoing	<ul style="list-style-type: none"> Continuous improvement

Delivery Area 6 -Robust Finance

<u>Task</u>	<u>Impact</u>	<u>Q1,2,3</u>	<u>Q4</u>	<u>Progress Notes</u>
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<ul style="list-style-type: none"> Regular budget and finance reports to the finance and audit committee and the full board 	Medium	Complete	Complete	<ul style="list-style-type: none"> Ongoing
<ul style="list-style-type: none"> Transparency of finance and decision making 	High	Ongoing	Ongoing	<ul style="list-style-type: none"> Published to LEP website
<ul style="list-style-type: none"> Investigate options for a sustainable operational budget in the longer-term 	medium	Ongoing	Ongoing	

Paper 5 - Update on Local Industrial Strategy

1 Summary

- 1.1. This paper provides an update on continuing work to develop a Local Industrial Strategy (LIS) for Greater Lincolnshire.
- 1.2 Since the last Board meeting, we have written to the Secretary of State, Greg Clark. We have also held the first of our MP-led roundtables with local businesses, hosted in Holbeach by John Hayes. The research programme continues with the paper on Brexit being presented at this meeting. The national policy context continues to have a big bearing on the development of local industrial strategies, with a new Secretary of State for Housing, Communities and Local Government and the LEP Review due to conclude before the Summer recess.
- 1.3 In discussion, it would be helpful to have input and early reflections on the emerging priorities set out in paragraph 4.

2 Policy Developments

- 2.1. As set out in the Industrial Strategy White Paper, Government intends to co-develop LIS's in partnership with each area. This means that it will be a phased process with the first three pathfinder areas aiming to produce their LIS's for March 2019. They are initially working with the West Midlands Combined Authority, the Greater Manchester Combined Authority and Oxfordshire - in relation to the [Oxford-Cambridge Corridor](#) as pathfinders/pilots.
- 2.2 Following the discussion at the last Board meeting, we have written to Greg Clark setting out our ambition to be one of the next areas to work with Government on a Local Industrial Strategy, attached at Annex A. We understand that a number of other areas have also written, but we have yet to receive a response and are not aware of any planned announcements from Government about the next areas that will co-develop a local strategy.
- 2.3 The LEP Review, led by Jake Berry, MP (NHCLG), Lord Henley (BEIS) and Robert Jenrick (HMT), is expected to report before the Summer recess. We understand that consideration is still being given to the issue of overlapping borders, which may have a bearing on the LIS process - assuming that Government will want strategies to map onto each LEP areas.
- 2.4 Following Sajid Javid's promotion to Home Secretary, we have a new Minister in the Department for Housing, Communities and Local Government, James Brokenshire, who will be closely involved in steering the LIS process.

3 Research

- 3.1 The research programme, outlined in the paper to Board on 24th November 2017, has focused on three main areas of initial research. These were: Productivity, Brexit and Inclusive Growth. These were identified as areas that have caused disruptions or changes to the national economy and policy in the years since the SEPs were first written.
 - Inform - share information and facilitate collaboration between private sector businesses and public sector organisations across Greater Lincolnshire

Paper 5 - Update on Local Industrial Strategy

- Inspire - the next generation of entrepreneurs and encourage existing businesses to grow and prosper.
- Invest - encourage and support UK and international organisations to invest and locate in Greater Lincolnshire.

3.2 The initial productivity paper has been produced, with the findings due to be reported at the March Board. The productivity research has measured productivity at a macro level across the GLLEP area and has also looked into broad sectors and the varying productivity challenges that each broad sector faces.

3.3 The Brexit works puts some of our priority sectors under a microscope in order to understand the potential opportunities and risk associated with leaving the EU. This research is to be presented at the May Board.

3.4 Inclusive Growth research is in the process of being commissioned as the understanding of the concept is still firming up. However, we have reviewed all of the leading research on the topic and have built the Joseph Rowntree's Inclusive Growth Monitor into our evidence base.

3.5 We have also been selected as one of the places that will receive support from the What Works Centre for Local Growth to help develop our LIS. Members of the team will attend a second workshop on 16th May to help the design of the LIS.

3.6 We are in the process of commissioning the work on sectors discussed at the last Board meeting. This will involve understanding concentrations, specialisations and supply linkages of businesses in the area as well as any emerging trends and potential interventions.

4 Emerging Priorities

4.1 While the evidence gathering phase continues, a number of priorities are beginning to develop, based on the research undertaken to date and the input of the Board and other stakeholders:

- a) Food processing productivity:** Productivity increases in the food process sector, automation and robotics potentially through the development of the digital demonstrator for food manufacturing.
- b) National Centre for Rural Health:** Linking with the Ageing Society Grand Challenge, we have been supporting locally led plans to develop a National Centre for Rural Health and Care. The Centre will support the development of a cluster of businesses with expertise in the development of technological and service innovation around rural health and care
- c) Future skills needs:** Building on the opportunity of our involvement in the Skills Advisory Panel and Career Learning Pilots, we would like to develop an approach that builds the partnership between providers, businesses and the LEP to improve our capacity to plan for and deliver against future skills needs and test the impact of greater local control. This could include a particular focus on groups at risk of being left behind by the process of industrial digitalisation.

Paper 5 - Update on Local Industrial Strategy

- d) **Test bed area for rural energy solutions:** Linking to the Clean Growth Grant Challenge, we would like to work with the University to support and to develop the SMART GRID Energy supply (farmers with renewable generation, waste conversion sites) and demand market (EV/Batteries and existing large energy users).

4.2 We will be testing, developing and refining these priorities over the coming months in our ongoing stakeholder engagement as well as through a series of Roundtable discussions that we are planning. This will support a more detailed discussion at the July GLLEP Board.

5 Stakeholder Engagement

We have developed a rolling Stakeholder Engagement Plan which has previously been reported to Board. It identifies the groups and events that will enable a wide range of stakeholders to receive updates about our LIS development activities, and to help shape our thinking.

In addition, we wrote to MPs offering to host Roundtables enable them to talk to businesses about what they need from the LIS in each constituency, as follows:

On 20th April 2018, we brought together around a dozen business leaders with the MP for Spalding and the Deepings, Rt Hon John Hayes MP, to discuss what our Local Industrial Strategy should cover. The meeting was kindly hosted by the University of Lincoln at the National Centre for Food Manufacturing, Holbeach. Representatives of South Holland District Council also joined the discussion. Business representatives shared a range of views with us about what our LIS should cover: how it should evolve; what the priority themes should be; and the actions which businesses need from national government and local agencies to support their growth. A separate meeting note is available on our [LIS blog](#).

The March Roundtable with Matt Warman, MP for Boston and Skegness, which had to be re-scheduled due to the severe weather conditions, has been rearranged for 31st May 2018.

A Roundtable with Karen Lee, MP for Lincoln, will take place on the 22nd June 2018.

We are also working with North Kesteven District Council on an event in their area.

Paper 6 Annual State of the Economy Report

1. Summary and Context

- 1.1. The Annual State of the Economy report for 2017 is our annual update on the performance of Greater Lincolnshire's economy. The full briefing (paper X) gives an overview of the past year and uses the latest available indicators to update on Greater Lincolnshire's performance and position in respect to the UK.
- 1.2. This year an extra indicator has been added to monitor productivity in line with the Local Industrial Strategy research programme and ongoing monitoring.

2. Headlines

- 2.1. The economic output, in terms of Gross Value Added, of Greater Lincolnshire increased by around 2 per cent between 2015 and 2016 (latest GVA data). This equates to growth of £355m. Nationally the economy grew by around 5 per cent in the same time frame.
- 2.2. Employment growth was stronger than national levels across all priority sectors, except for Manufacturing. However, overall employment growth was slightly lower than the national rate.
- 2.3. Last year it had been reported that employment levels in North East Lincolnshire had been particularly adversely impacted post-recession. The latest data shows that employment levels in the area have now climbed to pre-recession levels.
- 2.4. Annual wages for full time workers fell slightly in Greater Lincolnshire between 2016 and 2017; although part-time workers wages increased above the national rate.
- 2.5. House building completion rates fell once more, with overall completions in Greater Lincolnshire at their lowest since 1980.
- 2.6. Productivity levels have been relatively stagnant across Greater Lincolnshire, with the highest increases in North and North East Lincolnshire.

3. Future Work and recommendations

- 3.1. It is recommended that the next update on the state of the economy incorporates a single-page dashboard of key economic indicators, in line with the businesses plan. This dashboard will be an easy to read monitor for performance and utilise the latest annual data.
- 3.2. In addition the State of the Economy report will follow its current form of outlining the main headlines in the data from the previous year.

THE ANNUAL STATE OF THE ECONOMY REPORT 2018



Since 2011 when the Greater Lincolnshire Local Enterprise Partnership (LEP) began it has been successful in drawing down £307m of external investment funding from government.

This includes Growth Deals, Local Growth Fund awards, Growth Hub Funding, investment support and Transport Majors funding. The LEP is responsible for managing a suite of 35 projects/programmes, and last year alone over £47m was invested in the Lincolnshire economy, creating jobs, allowing people to access new learning opportunities, and attracting partner and overseas investment.

The Greater Lincolnshire LEP has already begun to demonstrate economic impact. It has six growth deal projects completed on site delivering new learning opportunities, securing new tenants, creating employment space, building much needed new homes, creating improved infrastructure and drawing down substantial public and private leverage. The Unlocking Rural Housing Programme is also making significant progress with several housing schemes now complete or nearing completion providing a range of new affordable homes.

Whilst the Greater Lincolnshire LEP is on target to deliver substantial change in the local economy, what follows in this report is a wider look at economic conditions across Greater Lincolnshire.

OVERVIEW AND HEADLINES

THE STATE OF THE ECONOMY REPORT

presents the Greater Lincolnshire LEP with the opportunity to review the latest economic data that was released, in this case, throughout 2017 and early 2018, and assess how the economy is performing. In this sense, it is much like the Spring Statement, in that it enables an update on our understanding of how the local economy has recently performed and what current economic conditions are like.

HEADLINES FROM THIS YEARLY REVIEW INCLUDE:

- The county and unitary areas of Greater Lincolnshire increased economic output between 2015 and 2016
- Employment growth across all the priority sectors (barring Manufacturing) between 2015 and 2016 has been positive and stronger than that experienced nationally
- Employment levels in North East Lincolnshire have returned to pre-recession levels
- Productivity levels have been stagnant across Lincolnshire with North and North East Lincolnshire productivity increases ensuring only a slight increase in levels across Greater Lincolnshire between 2015 and 2016
- Annual wages for full time workers in Greater Lincolnshire fell slightly during 2017
- House building rates fell again with the number of houses completed in 2016/17 at its lowest level based on records stretching back as far as 1980.

In assessing the current state of the Greater Lincolnshire economy, we will consider the following seven indicators and sources of economic performance:

GVA

GROSS VALUE ADDED

EMPLOYMENT
GROWTH

PRODUCTIVITY

**BUSINESS
GROWTH &
SURVIVAL RATES**

**HOUSE
BUILDING
RATES**

**WAGE
GROWTH**

**LABOUR
MARKET**

GVA

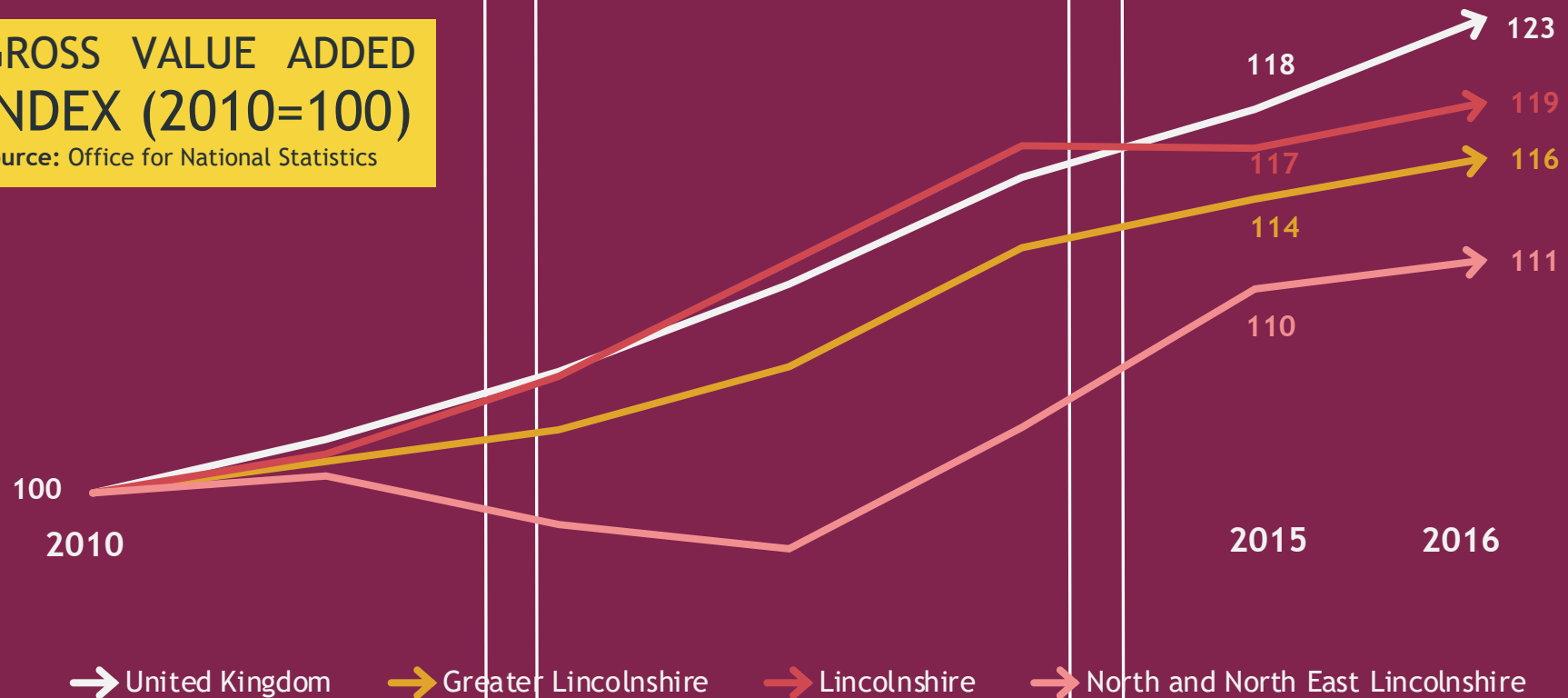
GROSS VALUE ADDED

GROSS VALUE ADDED
INDEX (2010=100)

Source: Office for National Statistics

ECONOMIC GROWTH ACROSS ALL AREAS OF GREATER LINCOLNSHIRE

can be observed between 2015 and 2016 but it is
weaker than the growth seen nationally.



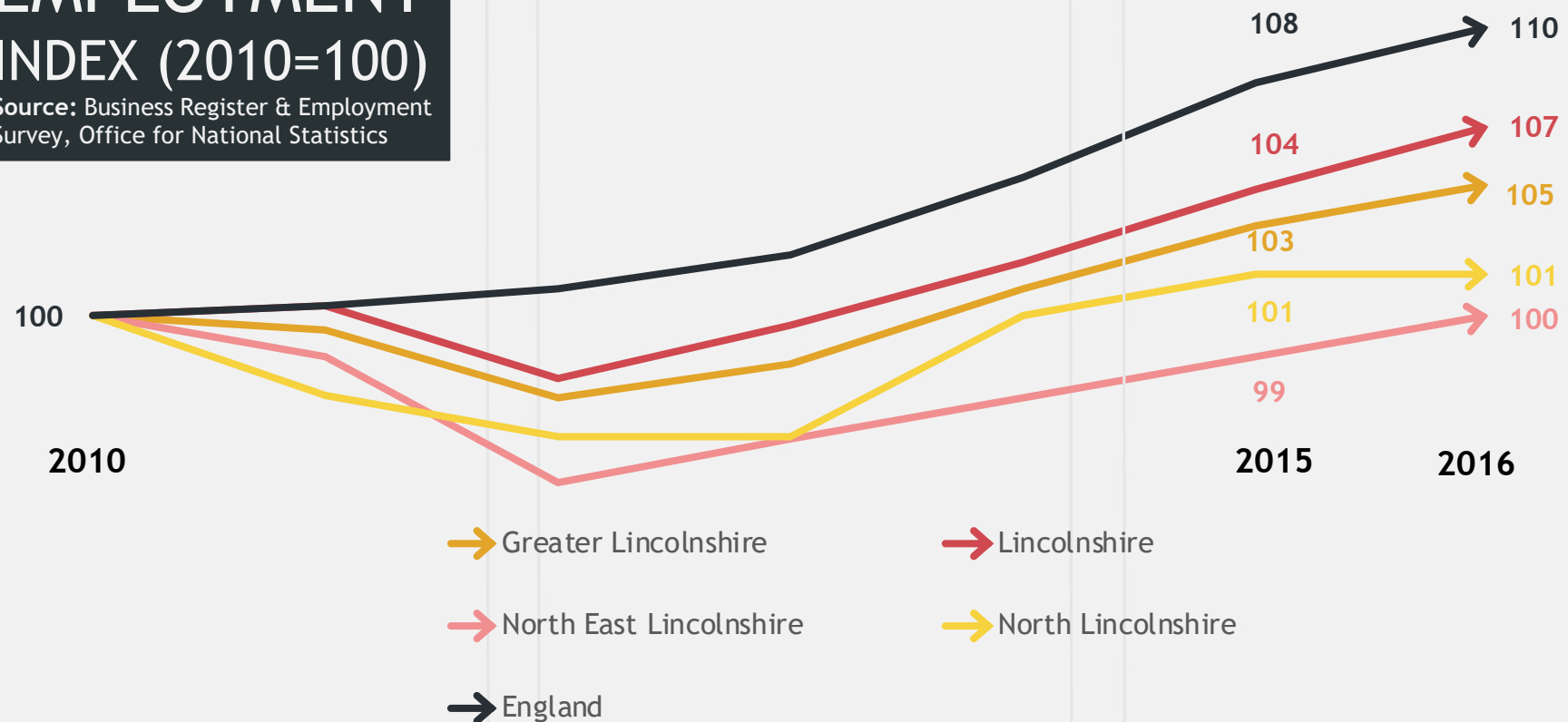
EMPLOYMENT GROWTH

EMPLOYMENT INDEX (2010=100)

Source: Business Register & Employment Survey, Office for National Statistics

EMPLOYMENT GROWTH HAS BEEN POSITIVE

ACROSS ALL AREAS OF GREATER LINCOLNSHIRE but at levels below that experienced nationally. Also of note is the fact that employment levels in North East Lincolnshire have now returned to pre-recession levels.



CHANGE IN EMPLOYMENT 2015 - 2016

SOURCE: BUSINESS REGISTER & EMPLOYMENT SURVEY,
OFFICE FOR NATIONAL STATISTICS

ENGLAND

GREATER
LINCOLNSHIRE

↑ 1.7%

↑ 5.6%

↓ -0.3%

↓ -11.9%

↑ 4.8%

↑ 14.0%

↑ 2.3%

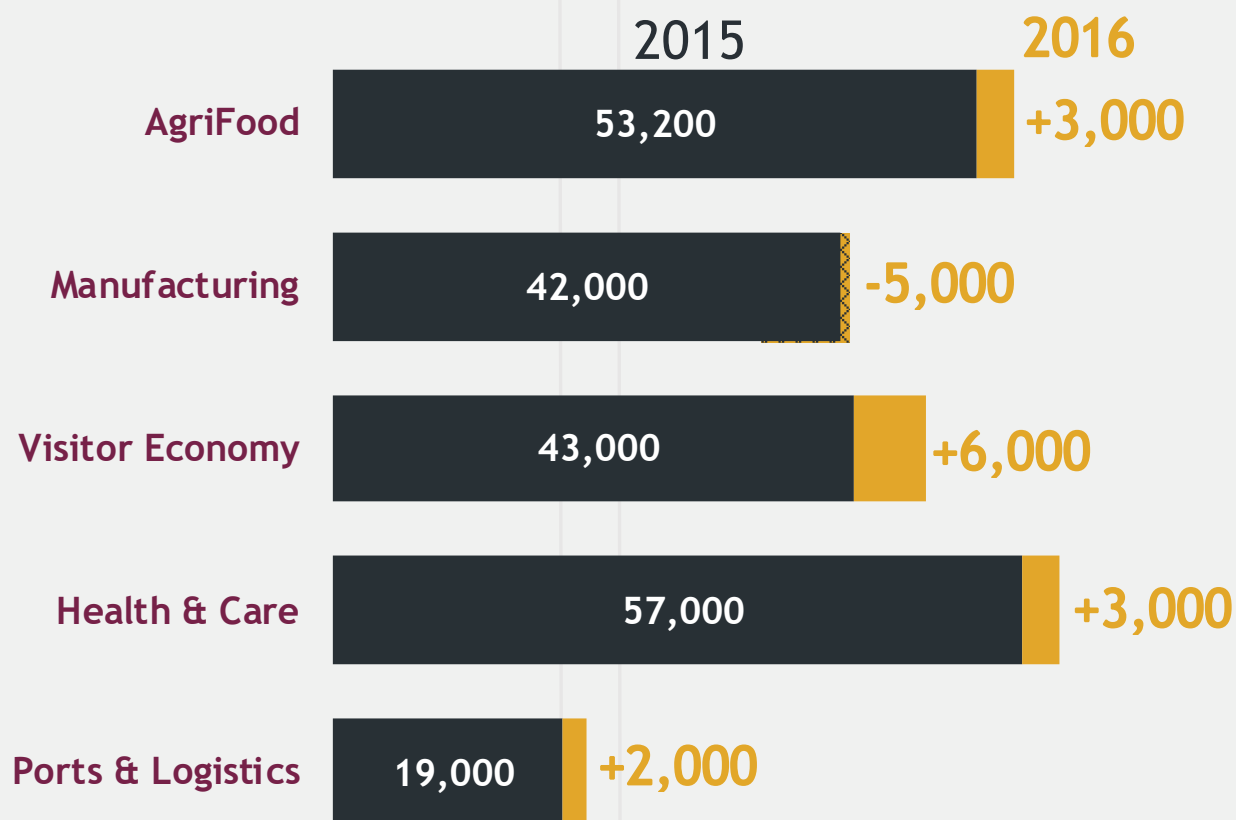
↑ 5.3%

↑ 8.5%

↑ 10.5%

EMPLOYMENT GROWTH ACROSS NEARLY ALL OF THE PRIORITY SECTORS HAS BEEN POSITIVE

AND STRONGER THAN THAT EXPERIENCED NATIONALLY, apart from the Manufacturing sector where employment has declined and at a greater extent than that experienced nationally.



PRODUCTIVITY

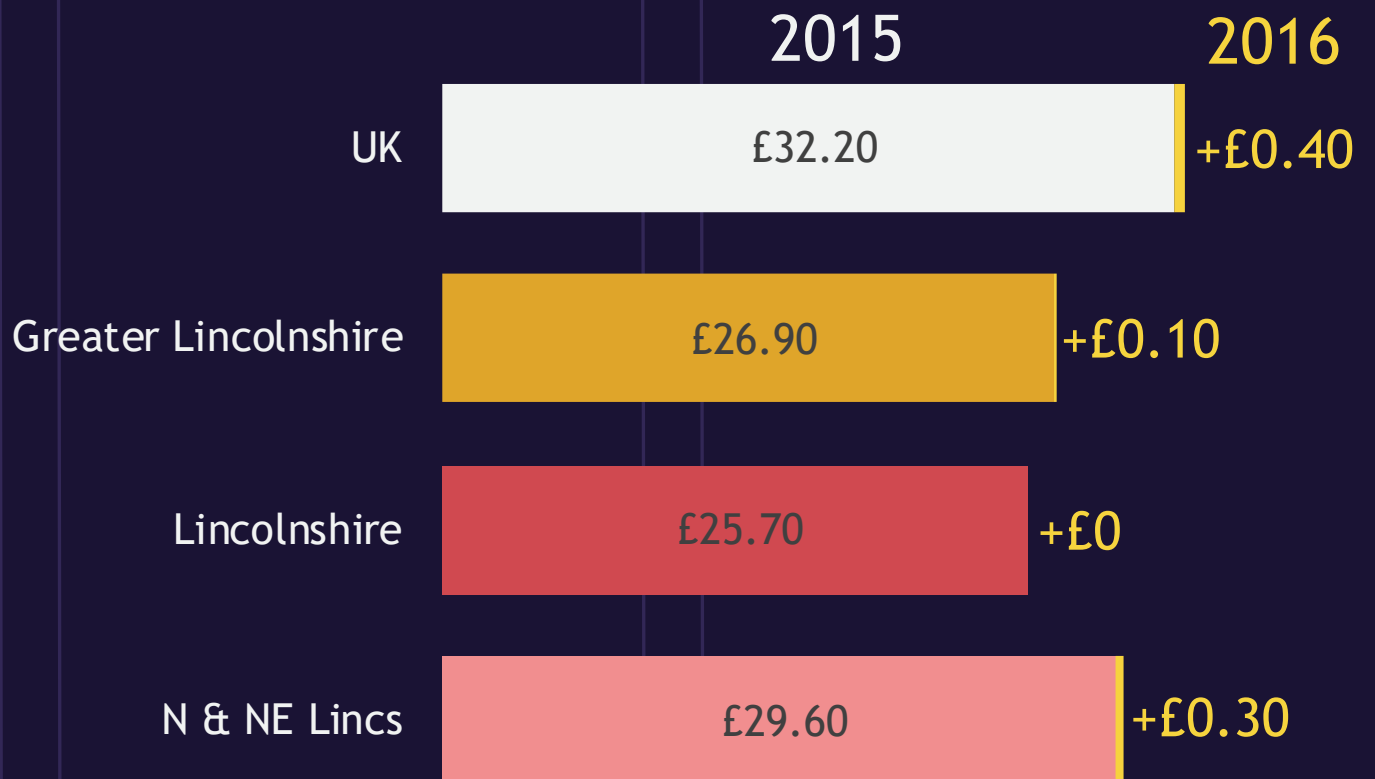
2016 GVA (GROSS VALUE ADDED) PER HOUR WORKED

Source: Office for National Statistics

Of the 38 Local Enterprise Partnerships, based on this measure Greater Lincolnshire features at 33:

1. London	£43.60
UK Average	£32.20
33. Greater Lincolnshire	£26.90
38. Cornwall and Isles of Scilly	£23.70

BETWEEN 2015 AND 2016, LEVELS OF PRODUCTIVITY GREW ACROSS GREATER LINCOLNSHIRE (AS MEASURED BY THE VALUE GENERATED PER HOUR WORKED) BUT ONLY SLIGHTLY (£0.10). THIS WAS IN THE MAIN DUE TO NO GROWTH IN PRODUCTIVITY LEVELS ACROSS LINCOLNSHIRE. OVERALL, PRODUCTIVITY LEVELS ACROSS GREATER LINCOLNSHIRE REMAIN MUCH LOWER THAN THE NATIONAL AVERAGE AND MANY OF ITS COMPARATOR AREAS.



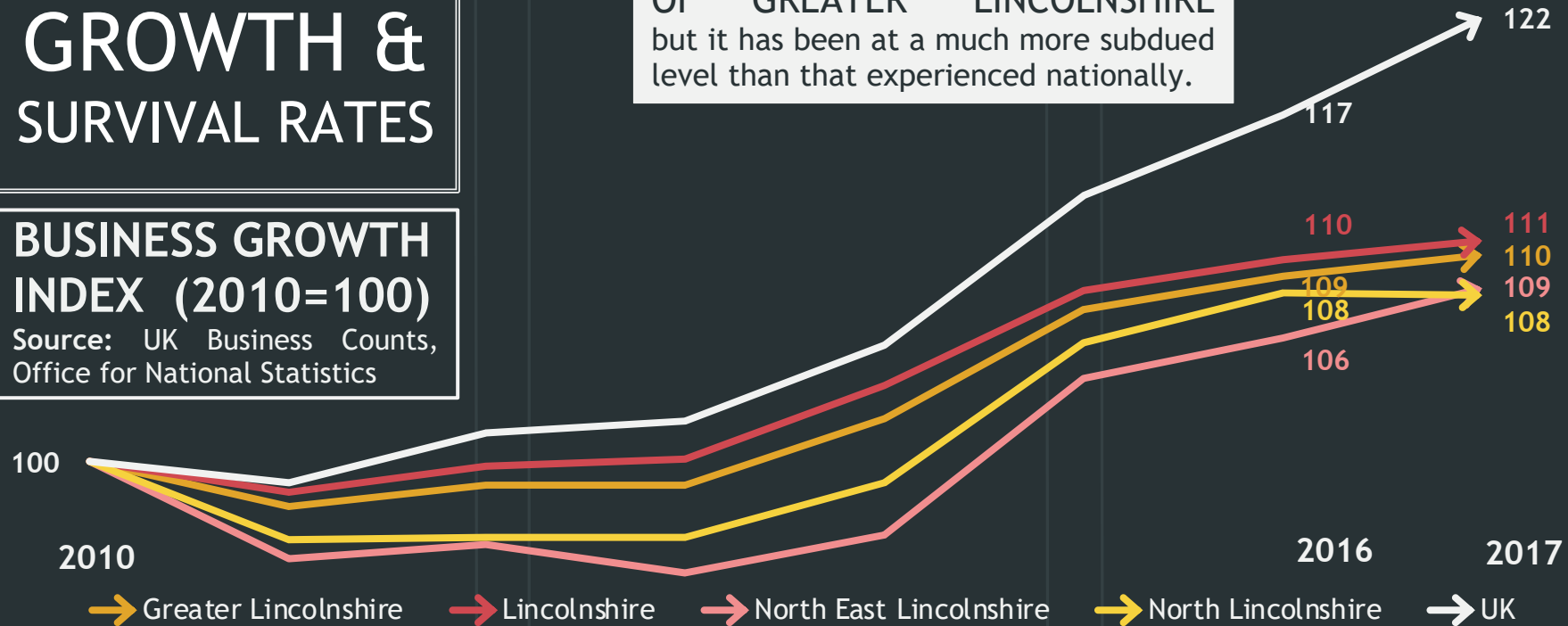
BUSINESS GROWTH & SURVIVAL RATES

BUSINESS GROWTH INDEX (2010=100)

Source: UK Business Counts, Office for National Statistics

BUSINESS NUMBERS

HAVE GROWN ACROSS ALL AREAS OF GREATER LINCOLNSHIRE but it has been at a much more subdued level than that experienced nationally.



1 YEAR BUSINESS SURVIVAL

rates have fallen for a 2nd year in a row for all areas of Greater Lincolnshire and nationally

Source: Business Demography 2016, Office for National Statistics

2014 ONE YEAR SURVIVAL RATE (%)

92.0 66.3* 96.0 92.2

Lincolnshire North East Lincolnshire
North Lincolnshire UK

2015 ONE YEAR SURVIVAL RATE (%)

91.7 64.1* 93.4 89.7

*Please note that North East Lincolnshire business survival rates are low due to the Grimsby office being used for overseas and single transaction registrations nationally, which typically have short lives.

CHANGE IN BUSINESS NUMBERS 2016 - 2017

SOURCE: UK BUSINESS COUNTS, OFFICE FOR
NATIONAL STATISTICS

ENGLAND

GREATER
LINCOLNSHIRE

↑ 1.6%

↑ 0.4%

↑ 1.3%

↓ -0.6%

↑ 2.2%

↑ 1.5%

↑ 3.8%

↑ 1.6%

↑ 17.9%

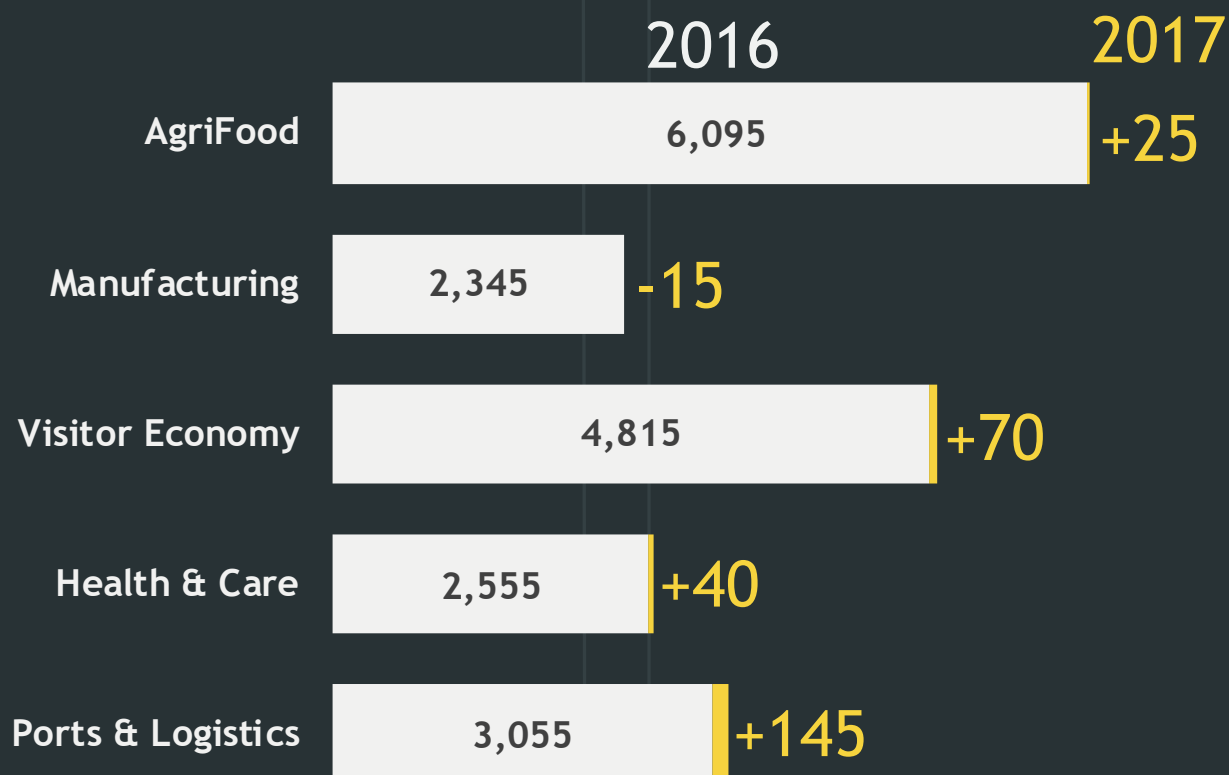
↑ 4.7%

BUSINESS GROWTH

ACROSS NEARLY ALL OF THE PRIORITY SECTORS

HAS BEEN POSITIVE

all be it not as strong as that seen at the national level.
It is again the Manufacturing sector where declines in
business numbers between 2016 and 2017 can be seen.

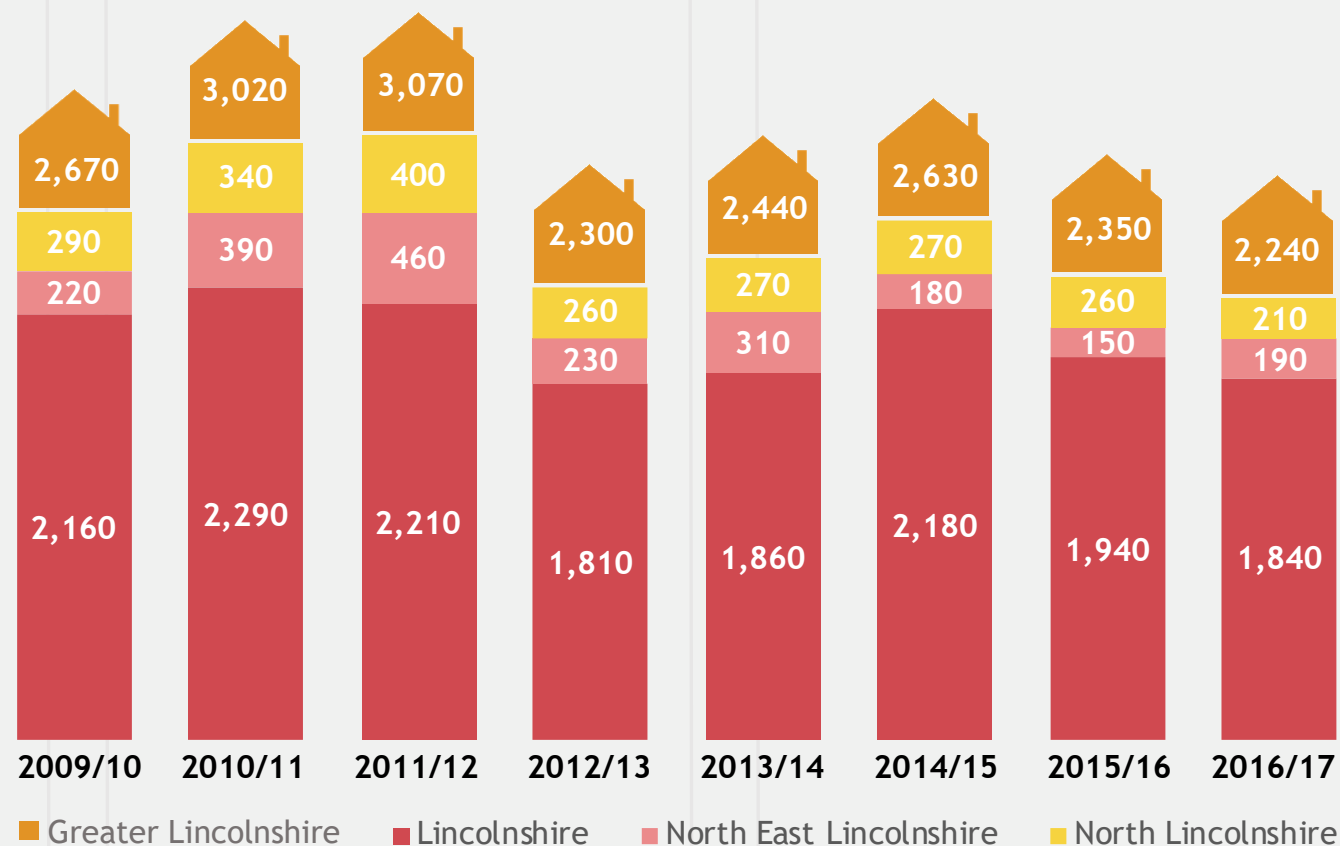


HOUSE BUILDING RATES

COMPLETED DWELLINGS

Source: Ministry of Housing,
Communities and Local Government

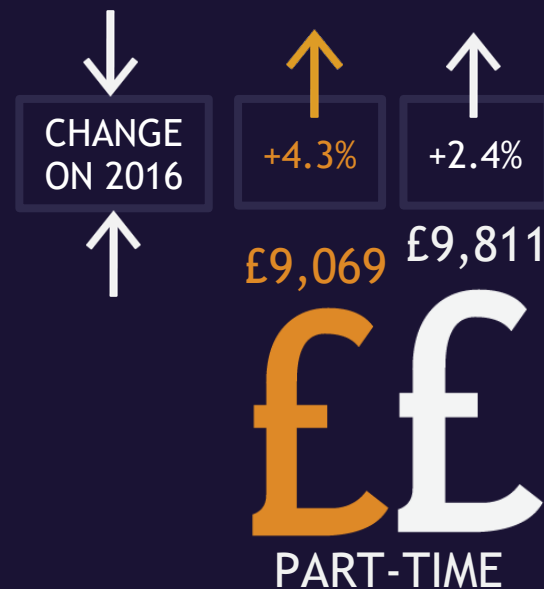
HOUSE BUILDING RATES HAVE FALLEN AGAIN
with the number of houses completed in 2016/17 at its
lowest level based on records stretching back as far as 1980.



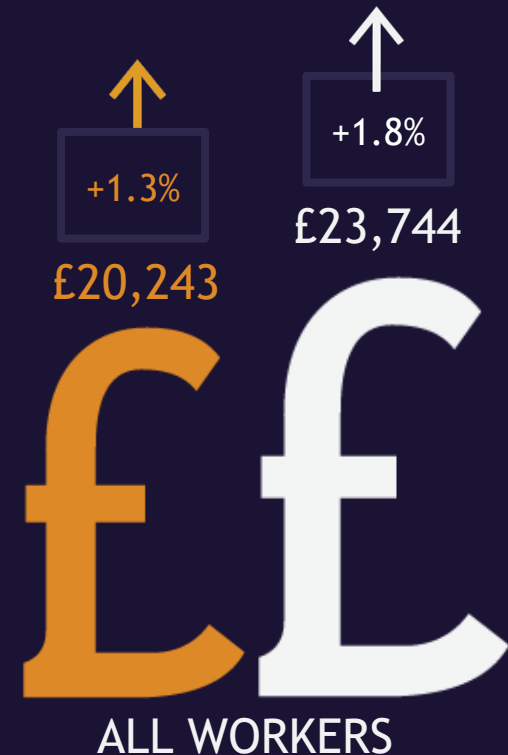
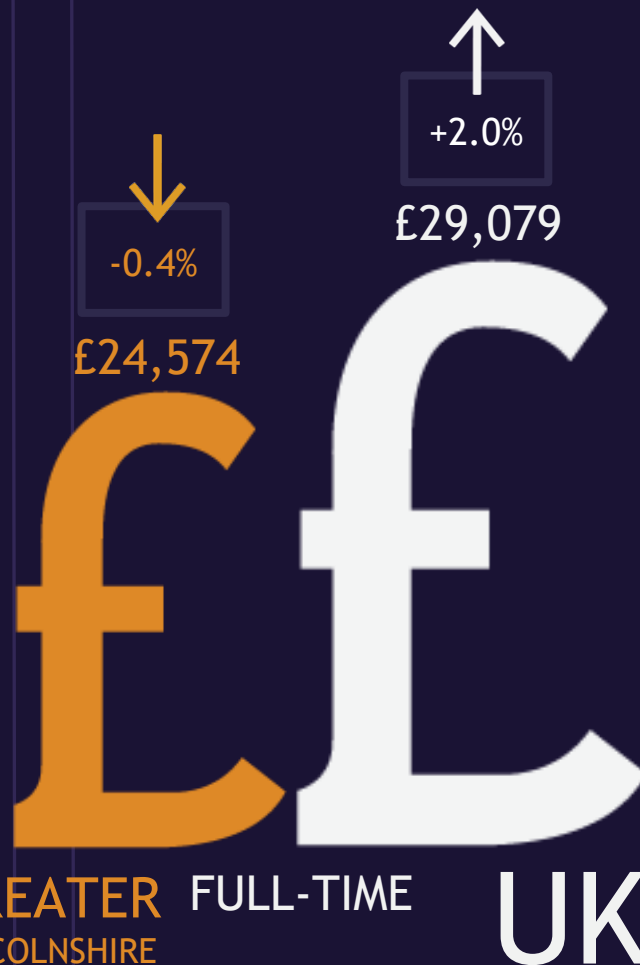
WAGE GROWTH

2017 MEDIAN ANNUAL WAGES

Source: Annual Survey of Hours and Earnings, Office for National Statistics



GREATER LINCOLNSHIRE FULL-TIME



ANNUAL WAGES FELL SLIGHTLY

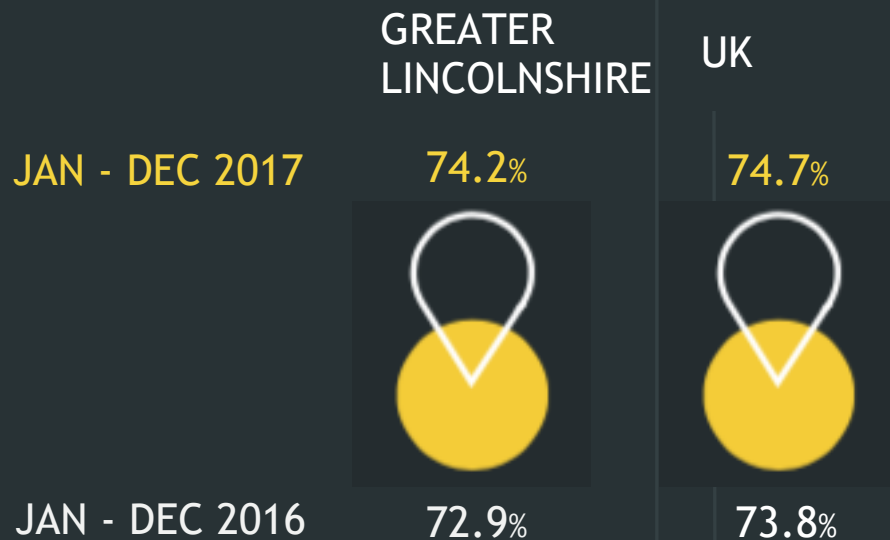
FOR FULL-TIME WORKERS IN GREATER LINCOLNSHIRE whilst part-time workers enjoyed a larger than national growth rate in their annual wages. Overall wage increases in Greater Lincolnshire and nationally were both much lower than the rate of inflation during 2017.

LABOUR MARKET

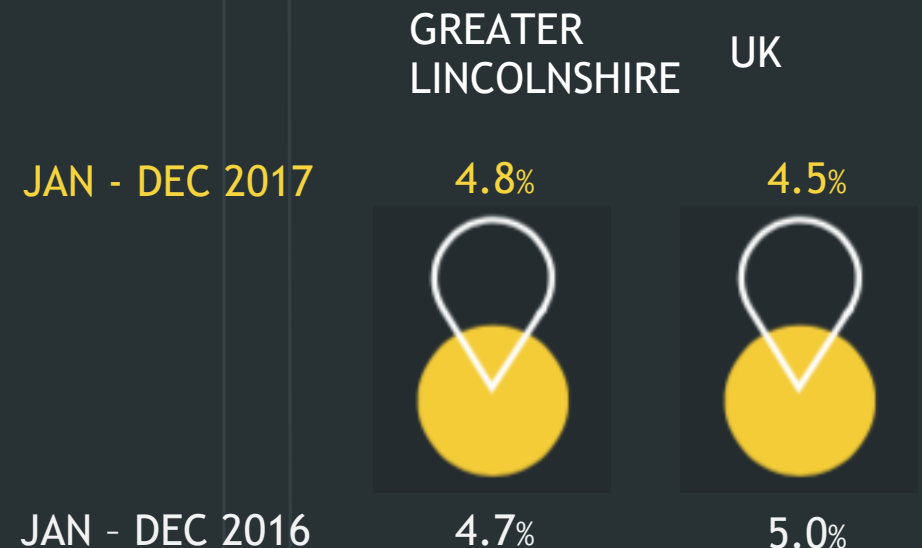
RATES OF EMPLOYMENT HAVE CONTINUED TO RISE DURING 2017 WITH UNEMPLOYMENT CONTINUING TO MOVE IN THE OPPOSITE DIRECTION, IN LINE WITH THE NATIONAL RATE

Source: Annual Population Survey, Office for National Statistics

EMPLOYMENT RATE (AGED 16-64)



UNEMPLOYMENT RATE (AGED 16-64)



This state of the economy report has been written and produced by Codename:Consulting on behalf of the Lincolnshire County Council Economy and Environment Research Team for the Greater Lincolnshire Local Enterprise Partnership (GLLEP).

The GLLEP evidence base on the Lincolnshire Research Observatory is the key source of analysis and intelligence for the GLLEP.
www.research-lincs.org.uk/lep-home.aspx

