

LEP DIRECTORS BOARD

30th November 2018

Council Chamber, East Lindsey District
Council, Tedder Hall, Manby Park, Louth,
Lincs, LN11 8UP

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"> Approval of Minutes Review of Actions 	Chair	All Members Paper 1 attached Paper 1.1 attached
10.10	For information and Discussion East Lindsey District Council - Priorities for Growth	Cllr Craig Leyland, ELDC	Paper 2 and Presentation
10.40	Update from the Chair	Chair	Verbal
10.50	Update from the Chair and LEP Directors Report <ul style="list-style-type: none"> Outcome of Judicial Review MP Engagement Plan (for decision) LEP Board, ESB and F&A Committee recruitment progress (for decision) Policy 01 - Appointment of LEP Chair and Deputy Chair, Directors and Strategic advisory (for decision) Policy 02 - Confidential Reporting Procedure (for decision) 	Ruth Carver, LEP	Paper 3 attached Paper 3.1 attached Paper 3.2 attached Paper 3.3 attached
11.00	<ul style="list-style-type: none"> Growth Deal Programme Review - Six Month Review LEP Core Funding 	Ruth Carver, LEP	Paper 4.1 attached 4.1.1 Appendix A attached 4.1.2 Appendix B attached Paper 4.2 attached
11.10	Brexit Action Plan	James Baty, LEP	Paper 5 attached
11.30	Impact of the Lincolnshire Growth Hub and Bi-annual report	Samantha Harrison (Business Lincolnshire)	Paper 6 attached
12.00	Greater Lincolnshire Energy Strategy	Andy Brooks, LCC	Paper 7 attached Paper 7.1 attached
12.30	AOB and close of meeting	All	

Attendees: Ursula Lidbetter (Chair & Lincs Co-op),
David Dexter (Vice Chair & FSB), Cllr Colin Davie (LCC),
Cllr Craig Leyland (ELDC), Cllr Peter Wheatley (NELC),
Cllr Richard Hannigan (NLC), Chris Baron (Butlins, Skegness),
Dean Fathers (Health), Pat Doody (Nat West)

Apologies: Keith Ireland (LCC), Mary Stuart (UoL); Cllr Ric Metcalfe (CoL),
Herman Kok (Lindums), Cllr Rob Waltham (NLC),
Steve Middlebrough (Siemens)

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

Officers: Ruth Carver, Sue Groves (Note Taker)

For Agenda items: James Baty, Samantha Harrison, Andy Brooks

Parking Arrangements

No special arrangements - large car park available

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

AP1 - ESIF Sub Committee - 18th June 2018

AP2 - Growth Hub Governance Board - 10th July 2018

AP3 - Employment & Skills Board - 11th September 2018

AP4 - Manufacturing Board - 2nd October 2018

AP5 - Visitor Economy Board - 3rd October 2018

Key dates for LEP Board Members

LEP Strategy Day

10th December - to be held at Belton Woods Hotel, Grantham

LEP Board Dates for 2019

25th January, 29th March, 24th May, 19th July, 27th September, 29th November

Employment & Skills Board 2019

13th February, 17th April, 26th June, 11th September, 13th November

Innovation Council

11th December 2018

ESIF Sub-Committee

5th December 2018

LEP DIRECTORS BOARD

21ST SEPTEMBER 2018

SIEMENS, TEAL PARK ROAD, NORTH
HYKEHAM, LINCOLN, LN6 3AD

Draft Minutes

Present: Board Directors: Ursula Lidbetter (Chair) (Lincs Co-op), David Dexter (Vice Chair FSB), Cllr Craig Leyland (ELDC), Cllr Ric Metcalfe (CLC) Cllr Peter Wheatley (NELC), Cllr Rob Waltham (NLC), Chris Baron (Butlins), Prof Mary Stuart (UoL), Pat Doody (Nat West); Dean Fathers (Health), Richard Wills (LCC AB), Herman Kok (Lindum), , Cllr Colin Davie (LCC), Steve Middlebrough (Siemens)

LEP Executive: Ruth Carver, Clare Hughes, Lauren King (Note Taker)

Observers: Pete Moore LCC, (S151 Officer at LCC), Pete Holmes (BEIS), Graham Pendlebury (DfT Senior Sponsor),

Attendees: Gary Headland (Lincoln College and ESB), Graham Metcalf (JCP and ESB), Ian Fytche (NKDC), Phil Roberts (NKDC) , Simon Green (NLC), Angela Blake (NELC)

Steve Middlebrough, Siemens, welcomed the LEP Board to the Teal Park site of Siemens, and gave a short overview of the activity on the site.

Welcome by the Chair - UL welcomed the LEP Board, and acknowledge Richard Wills' retirement from LCC and the LEP Board, and on behalf of the Board thanked him for his invaluable contribution to the LEP board since its formation. Richard was presented with a gift and card.

Apologies and Declarations of Interest - There were no apologies, and there were no declarations of interest received for the agenda items. Full declarations of interest can be found at: https://www.greaterlincolnshirelep.co.uk/assets/documents/LEP_Rols_LIVE_list_March_2018_.pdf

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

Minutes and Matters Arising

The minutes of the 20th July 2018 (Paper 1) were accepted as a true record with one request to amend the wording in the paragraph of the final agenda point - from 'Team Lincolnshire' to 'Lincolnshire County Council'.

Board Actions: DF updated the Board on the formation of a Health Board, and a LIS roundtable on Health.

Forward Plan (Paper 1.2) - the Board discussed/noted the forward planner and reiterated the need to support local businesses leading up to and beyond the planned exit of the EU. RC informed the Board that a series of workshops was being organised with the Lincolnshire Chamber of Commerce and a BREXIT action plan would be discussed at the November 2018 (relating to Brexit). Creative Lincolnshire Project findings to be added to a future LEP Board meeting.

LEP Directors' Report (Paper 2)

RC introduced this paper, and highlighted the growth deal performance, and the new scale up programme being launched at the LEP's annual conference.

The LEP Board endorsed the appointment of Keith Ireland CX at LCC, to take the place of Richard Wills as the representative of the Accountable Body on the Board

Strengthening of LEP Review and Geographic Proposals (Paper 3)

The Chair updated the Board following the publication of the Strengthening LEP policy at the end of July 2018. The policy review was multi-faceted, with central government intending to devolve more resources/powers to LEP's through the UK Shared Prosperity Fund. The board discussed some of the principles of the LEP Review, but focused on the proposals for geography.

UL gave an overview of the findings of the Board's task and finish group. RC gave an overview of the views of local public and private stakeholders. Each of the Board gave a view on the timing and content of the overarching LEP Review, it was agreed that the Lincolnshire LEP proposal would embrace the LEP review, and be bold and positive.. All board members were supportive of the proposals, with North East Lincolnshire recognising the functional economic geography of Greater Lincolnshire, but preferring to operate within a Humber model

After much discussion, it was agreed that

- All members of the LEP Board recognised that Greater Lincolnshire was a strong functional economic geography, as supported by the evidence - a case for Greater Lincolnshire
- Rutland, be accepted, into the Greater Lincolnshire LEP, in principle and be included in the LEP Review proposals.
- That the preferred option for the functioning economic geography was at a Greater Lincolnshire Level
- That a second option be submitted considering a wider geography- a merger between Humber and Lincolnshire lep's.
- That the LEP board agreed to the direction of travel from a dormant company limited by guarantee to an active company limited by guarantee.
- That the LEP Board delegate to the LEP Review Task and finish Group, the signing off of the proposal to government on implementation of the LEP review.

Employment and Skills (Paper 4)

Paper presented by Clare Hughes (LEP) and Herman Kok (Chair of the Employment and Skills Board), Graham Metcalf (JCP) and Gary Headland (Lincoln College) on the achievements of the employment and skills board and its future plans.

Clare shared a poster of Skills activities currently being undertaken by the ESB, broken down into the main (but not only) issues that are being addressed, namely;

- Lower than the UK average of skills within the existing workforce
- Applicants for jobs not having the right skills and competencies for the roles
- Young people not recognising range of career opportunities locally
- Employers struggling to recruit outside of Greater Lincolnshire
- Investment in education infrastructure to ensure the delivery of training for the future workforce

Clare highlighted the ambition of the ESB to stimulate more 'Work Inspiration' opportunities for young people (and adults) and the recent recruitment of our enterprise co-ordinator, and the support towards the made in Gainsborough project.

Action

CH

<p>Discussion</p> <p>Board members congratulated the employment and skills board on the work it has undertaken to date, and asked to further communicate this through various channels.</p> <p>Board Members highlighted:</p> <ul style="list-style-type: none"> • The role that primary and secondary education plays in preparing young people for the workplace • The opportunities to promote self-employment within that preparation, and through the work of the Enterprise Coordinator • How the LEP can help smaller businesses to promote themselves, and engage, so that young people and adults are more aware of the diverse range of opportunities • Lack of aspiration is often a localised issue, and that a perception of what is available can be directly correlated with the number of schools leavers and NEET. • Changing the narrative about some of our sectors so that low paid workers have something to aspire to • The need to be clear about the problem(s) or barriers so that the LEP can understand what solutions it can develop, against a backdrop of not controlling much of the budget of education and training. • That more should be done to encourage teachers into industry • The need to consider some of the challenges ahead: preparing Colleges, particularly given the funding cuts for training for both young people and adults, how we develop the right people in light of the speed of advancements in technology/digital; • the need to do more for those with disabilities, or caring responsibilities coming back into the workplace; • How important 'soft' skills are, and that it's not necessarily about qualifications • That the paper provides has only touched the surface of the skills agenda e.g. T levels; and how small initiatives can be scaled up with additional investment (e.g. Made in Gainsborough) 	
<p><u>UKSPF and Future Funding for Greater Lincolnshire (Paper 5)</u></p> <p>Pat Doody Chair of the ESIF committee gave an update on the current european programmes (paper 2) and highlighted the intention for further calls for activity in PA 1, PA 3, PA 4, PA 5 and PA 6. Pat went on to discuss how Greater Lincolnshire should shape future funding, and the new opportunities post European funding there may be for our area. The paper has developed with a wide stakeholder group and had identified a number of specific themes that Lincolnshire would want addressing in a new funding programme, such as physical regeneration of place, making sense of state aids, 100% funding where needed, investment in businesses directly, intervention in the provision of utilities, forward funding activity, recognition of local economic conditions such as land values or population.</p> <p>It was agreed that the report would be shared with local partners ahead of the national consultation on UKSPF.</p>	

<p><u>Housing & Infrastructure Delivery across Greater Lincolnshire (Paper 6)</u></p> <p>Ian Fytche and Phil Roberts (Chief Executive and Corporate Director at North Kesteven District Council) gave an update on housing delivery and recent changes to the planning and housing policy environment. They reported that in 2017/18 Greater Lincolnshire only delivered 65% of the homes which have been assessed as needed, and only 37% of the affordable housing required. They summarised the activities underway to address the housing delivery challenge and circulated the draft District Housing Network action plan.</p> <p>Board members noted the report and discussed:</p> <ul style="list-style-type: none"> • the need for housing to be more effectively aligned with other areas including health planning, energy strategy and infrastructure developments • potential gains from focusing more on SME builders rather than the Big 6. • opportunities to work on R&D with the university in modern methods of construction (MMC) and elder care • the need to explore a new approach to state aid • the link to Greater Lincolnshire's generally low land values • the need to think about how this is presented i.e. housing versus homes: housing can be an abstract concept whereas homes are things we live in, which we all need. Referring to homes rather than housing may help to overcome objections to new development • 	
<p><u>Growth Deal Quarterly Dashboard (Papers 7, 7.1 and 7.2)</u></p> <p>The two growth deal dashboards for the LEP's SLGF were approved, namely Quarter 4 2017/2018 and Quarter 1 2018/19.</p>	
<p><u>AOB</u></p> <p>None.</p>	
<p><u>The meeting was closed.</u></p>	

GLLEP Board Actions

<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 July 2018
29 September 2017	Assurance Framework training for LEP Board and Investment Board members	Linsay HillPritchard	Awaiting new national assurance framework
	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 – LEP Review
	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	
	State of the Economy – next update should incorporate a single-page dashboard of key economic indicators, in line with the Business Plan	James Baty	
	Brexit – Action Plan to be formulated	James Baty	
	Business Rates Pilot – Update for the November Board	Angela Andrews	
	LEP Review – Implementation Plan to be discussed at July Board	Ruth Carver	
20th July 2018	GLLEP Executive to work with partners to produce itinerary for Government Sponsor to visit ports in North and South Lincolnshire	GLLEP Team	

Paper 2

East Lindsey District Council – Priorities for Growth

1 Strategic Context

- 1.1. Growth of local economic prosperity and productivity in East Lindsey is identified as a priority in a number of Council strategies and policy documents. In particular, the Council has produced a strategic framework for economic development (appendix A) which is aligned with the Greater Lincolnshire LEP's priorities for future investment and intervention, including:
- i) *Visitor Economy* - Our latest estimates report that the value of tourism to the East Lindsey economy is worth £650m, and supports over 8,500 Full Time Equivalent (FTE) jobs. Whilst the Visitor Economy is a dominant and dynamic economic sector, the coastal economy is seasonal and this significantly affects the business environment on the coast. Around half of coastal businesses are categorised as in decline, despite a significant year on year increase in visitor numbers, spend and tourism related employment. High level priorities include investing in sector skills and improved visitor facilities and infrastructure to maintain a welcoming environment.
 - ii) *Manufacturing/Engineering* - East Lindsey has a strong manufacturing sector, with a number of local activities that have seen continued employment growth. These include the manufacture of plastic products and agricultural machinery, both of which are long established industries in East Lindsey. The area has seen significant investment by BAE systems at Coningsby, with more than 400 jobs created in Aircraft Engineering. East Lindsey saw growth in its Manufacturing sector during the recession, while the numbers employed nationally declined. Providing support to these industries to overcome the 'challenging' aspects of the local economy - skilled labour, serviced employment land, and transport and broadband connectivity - should, therefore, be a priority for growth.
 - iii) *Agricultural and Food Processing* - Agri-Food is a core and underpinning component of the East Lindsey economy. Agriculture accounts for the largest number of businesses (c.19%) in East Lindsey and employs more than five times the national average, reflecting the very rural nature of the District. The Agri-Food sector - which includes primary production, processing, catering, and food retail - employs almost a quarter of the total East Lindsey workforce. The sector has proved relatively resilient and has seen an increase in independent niche food production, all of which contribute to the local food offer and East Lindsey's growing reputation as a food destination.
 - iv) *Health and Social Care* - East Lindsey has continued to see a growth in older age groups, and a decline in the working age population. This trend has implications for labour market participation, and raises demand for healthcare and other public services in the District. The ageing profile of the population also provides a mix of economic

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challenges and opportunities to support innovation across the sector and improve workforce skills and employment. In rural areas, perhaps even more than elsewhere, there is a need to achieve greater integration between health and social care services.

The LEP's Strategic Economic Plan also recognises the importance of protecting our rural economies and natural environments so that people are able to benefit from them, both economically and socially. This is especially important for East Lindsey as a significant proportion of the District is covered by the Lincolnshire Wolds, which is the only Area of Outstanding Natural Beauty in the East Midlands, and one of only two nationally protected landscapes in the region. The coastal strip also includes designated Sites of Special Scientific Interest (SSSIs) and National Nature Reserves (NNRs).

2 Current Growth Initiatives

2.1. The Council has published and regularly updates an Economic Action Plan, under the Invest section of our main website. This sets out our commitment to work towards the ambitions of the Greater Lincolnshire Local Enterprise Partnership in respect of economic development and to work with both the County Council and the Environment Agency, along with private sector organisations that wish to invest in the District. Feasibility work is currently focused on progressing the following projects within the plan:

- i) *Skegness Foreshore Masterplan and Design Code*
LEP colleagues have been engaged as a consultee in the drafting of a revised masterplan and new design code for the Skegness Foreshore, which will be adopted by the Council's Executive Board in December. The completed studies will set out a revised framework that will be used by the Council to inform the future design and development of the Foreshore. The reports will also be used to target future investment and funding opportunities to support a year round visitor economy. The updated masterplan proposes a package of related improvement schemes, totalling £6.2million. Collectively, this programme of works will deliver significant public realm enhancements (£4m) alongside dedicated space for mobile investments, pop-up events and dedicated trading space for new commercial activity that will help to diversify the current offer and support the night time economy.

The final report also includes a separate, longer term aspiration to develop some form of commercial, landmark structure which would draw people to the Foreshore and act as a visitor hub and attraction in its own right. This could offer high level sea views across Skegness, with commercial spaces providing high quality food and drink. The proposed height of the structure could also host exciting activities on a time limited basis, such as a zip wire or orbital slide. The key driver here is economic as it will enhance the visitor experience in Skegness

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and encourage new and repeat visits. It also provides an opportunity to develop new innovative activities which cannot be accommodated in Skegness currently. A specific type of structure is not defined within the masterplan at this point but, as an estimate, a high quality building on the former festival pavilion site with commercial spaces and some form of observation facility at a height of c.30metres would be expected to cost around £10m-£15m.

ii) *Fairfield Industrial Estate extension, Louth*

Louth is a key employment location and has been identified in the LEP's Manufacturing Sector Plan as a location with available land to accommodate growth. Louth's proximity to Grimsby and Scunthorpe is expected to support the estimated growth of the South Humber Estuary as businesses look to access quality, low-cost sites and premises within the economic catchment area. The Humber and Greater Lincolnshire Business Premises Study (2015) also concluded that there was an under-supply of employment space across all sectors in East Lindsey based on current vacancy rates. Whilst the Council has previously addressed the lack of start-up space with the development of managed workspaces, there remains a lack of growth space for businesses to expand and move out of smaller units. Further, low vacancy rates point to the limited supply of industrial space in the District with a lack of good quality space in traditional industrial estates. As a result, land and rental values have increased and little viable development land remains available to sell to new developers or investors within the existing estate.

The aim for the Fairfield Industrial Estate extension is to deliver additional serviced employment land in Louth. It will address the future employment land requirement identified in the Council's Adopted Local Plan. The land identified for servicing is allocated for employment use and the first phase (3ha) is already in the Council's ownership. At this early stage it is anticipated that the following outcomes will be delivered over a 10-15 year period, following completion of the infrastructure works:

- 14 hectares of net additional development land;
- 56,000 sq m of new employment space;
- £3.6million future capital receipts;
- £1.5m increase in NNDR receipts;
- Up to 1,163 net additional jobs.

The Council has commissioned AECOM and Gleeds to provide a high level cost estimate for the first phase of works, which will progress the technical design works to RIBA Stage 4. The full scheme has been submitted to the LEP for consideration under the updated Strategic Infrastructure Delivery Plan (SIDP) for Greater Lincolnshire and recent call for major projects. It is estimated that a funding deficit of c£7million currently exists to deliver the full infrastructure works

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required to service all 14ha and achieve the full extent of forecasted outputs.

iii) *Danelaw Multi-User Path*

There was a consensus at a recent ‘Helping to Shape Future Funds in Greater Lincolnshire’ event that Lincolnshire should be developed as a ‘County for Cyclists’. It was concluded that Lincolnshire (via the GL LEP and Local Authorities) need to take the next step to draw together a coherent strategy, which recognises the need for both commuter/school routes as well as leisure routes. Linked to this, the Council is also looking to provide more detailed design and preparatory works for the development of a Multi User Path (MUP) from Louth to Tetney Lock, along the route of the Louth Navigation canal. This section measures approximately 20km and has a notional cost of c.£3m to deliver. The proposal has the potential to create multiple economic, social and environmental opportunities for local residents, businesses and visitors to the area.

Independent of the MUP project, the following work has also been undertaken to raise the profile of cycling in East Lindsey:

- Funding support for the Tour of the Wolds 2017. Discussions are ongoing with the organisers in the hope the event can return in 2019;
- Initial development of a Love Lincolnshire Wolds Cycle Club, via the Strava app (170 members);
- Promotion of cycling on lovelincolnshirewolds.com, and through the Council’s PR contract with Shooting Star PR and other promotional outlets;
- Part funding of the six Lincolnshire Wolds cycle routes and financial contribution to a reprint;
- Becoming a partner in a £1 million Cycle England project (ending March 2019). This is a joint project between Yorkshire and Lincolnshire to develop and sell cycling packages to the Dutch and German market. Four routes are being developed, these will include accommodation, attractions and things to see and do.

iv) *Business Support*

The Council currently has three grant funding programmes that are available to support local business growth:

- Manufacturing Growth Incentive - new £750K programme that will offer a three year tapered refund on business rates for growing manufacturing firms in East Lindsey.
- Shop Front Grant Scheme - up to £10K grants available to restore historic shop front features in designated town centre boundaries;
- Micro Business Grant - up to £3K to support micro businesses with a range of start-up, marketing, training or equipment costs.

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Officers are also working up a £30K programme to support High Street retailers and market stall holders in our inland market towns, through:

- Retailer training/development events;
- Developing local Landlord/Estate Agent relationships;
- Pop Up Shops;
- Market stall promotion and events;
- Direct business advice for independent retail businesses and market stall holders.

Within the Council's Growth and Promotions Service, our tourism officers have developed a close working relationship with colleagues at West Lindsey District Council to bring forward a coordinated destination plan for the Lincolnshire Wolds. A number of campaigns and initiatives have been delivered and are being developed under the 'Love Lincs Wolds' branding and media platforms, as a result of this collaborative approach. This includes delivery of the second Wolds Conference held with local tourism businesses on November 27th at Market Rasen racecourse. East Lindsey officers are also leading additional countywide collaboration to promote Lincolnshire as a visitor destination through our role in chairing the Lincolnshire Tourism Officers' Group.

v) *Business Networking*

The Council facilitates an active, quarterly business network through the Rural Lincolnshire Enterprise Hub. This provides the Council with direct access to the larger manufacturing and engineering firms in the District, with heavy involvement from 'anchor' businesses including Mortons, Luxus, Micronclean, J & A International and Polypipe. Collectively, the Hub represents a local workforce in excess of 1,000 employees. Officers are also progressing other works to consider the development of a small business hub in East Lindsey. This would be operated through the Fairfield Enterprise Centre in Louth, following the Business Hive model which is based in South Kesteven.

The Council's second Business Expo was held on the 7th November 2018 at Stanhope Hall in Horncastle. The Expo provides an opportunity for local businesses and secondary school students to meet local businesses and support providers. One of the key aims is to help local businesses and learners better understand the career development, networking and business growth opportunities that are available within the local economy. Ten workshops were also available for attendees on the day, offering a variety of advice on business and career development opportunities.

vi) *Delivery Partner Support*

Elsewhere, partners are also leading on proposals to further develop the Coastal Highway, Coastal Country Park, Skegness Countryside Business Park and a Heritage Coast designation in East Lindsey.

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East Lindsey District Council – Priorities for Growth

3 Future Challenges and Priorities

3.1 We feel that the following areas provide the greatest opportunity for further collaboration with the LEP, in addition to our ongoing involvement in helping to shape a Local Industrial Strategy for Greater Lincolnshire and a future UK Shared Prosperity Fund.

i) *Flood Defence: Infrastructure and Investment*

The East Lindsey coast forms part of an interrelated coastline which coexists with the Humber Estuary and the eroding East Riding coast to the north. Within this area 103,000 households and c.300,000 residents are vulnerable to flooding. Defences in East Lindsey protect vast areas of prime agricultural land (c.35k ha) and a tourism sector which generates c.£0.5b annually. The East Lindsey Coast also contains c.25,000 static caravans (the largest concentration in Europe) and all these caravans are located in the most vulnerable flood risk locations.

Along the East Lindsey coast, flood defences are managed through a mixture of hard defences, flood banks and an annual beach nourishment programme, which started in the early 1990's. The current defences service 20km of open coastline and it currently costs c.£6.5m to deliver the beach nourishment works each year. If the beach nourishment project is stopped, there is a high risk that the beach would return to its clay under layer and the hard defences would start to erode within 8 years (without any other major weather events). Critically, having 38% of the area of the District in coastal flood risk affects the ability to bring forward new build housing in East Lindsey. In addition to coastal flooding many of the towns and villages within the District are also subject to fluvial and pluvial flood risk which further increases the cost burden of delivering flood defences.

The LEP's Water Management Plan reinforces that "security from flooding is a strategic infrastructure requirement for our economy. The threat of flooding affects developer confidence and development viability. Our coast, which is a major part of our visitor economy, is particularly vulnerable to the impacts of climate change and sea level rise. We are committed to working with partners to secure long-term flood risk management through the sustainable development of our coastal economy whilst protecting our communities".

ii) *Skills Provision*

Given the lack of a dedicated Higher or Further Education campus within East Lindsey, there remains a significant challenge in terms of providing local learners, employers and employees with the skills they need to develop training, career and business opportunities throughout the District. A lack of locally based choice or provision often means learners undertaking extended journey times to access

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professional skills development. This dampens young people's aspirations and curtails their opportunities. In general, the area experiences significant outflows of talented young people and local businesses find it very difficult to animate career pathways to school age students given the lack of careers advice within schools.

The lack of further education provision and low skill levels of the resident population also impacts on the ability of local employers to recruit employees that meet the needs of their business, particularly those in more specialist sectors and with specific professional requirements. Additionally, many small businesses find skills investment hard to manage/deliver given funding constraints and the impact of seasonality and seasonal contracts on scheduling training

iii) High Street Rejuvenation

The Council is already developing a programme of smaller scale interventions to support our local high streets and market towns. However, following the recent announcement of a Future High Street Fund to be developed in 2019, we would be keen to work with the LEP and other countywide partners to support the launch of a national High Streets Task Force.

As part of this process, we would strongly encourage a collective focus on initiatives to improve the viability and vibrancy of smaller rural centres which lack the individual scale to benefit from larger Growth Fund or Town Deal investments, yet still provide an important service centre function to local communities across a much wider rural hinterland. This is already consistent with the recognition in the LEP's Strategic Economic Plan that market towns such as Horncastle, Louth and Spilsby play an important role within the identity of the county, providing attractive townscapes against the rural backdrop. It is also noted that the shifting retail patterns, ageing townscapes and changing communication mechanisms have provided challenges for the vitality of the market towns in Greater Lincolnshire.

iv) Future Prosperity Funding

It is recognised that investment in larger commercial projects in East Lindsey will require significant enabling works (in terms of improved utility and transport connectivity) to open up key sites for investment, if the full economic impact is to be realised. This is likely to form the basis of future bids into available funds. We would also welcome the opportunity to bid for future feasibility monies to help progress detailed design works on projects that offer significant growth potential, in support of key sectors. Following publication of the LEP's Utility Study, East Lindsey also provides the opportunity to work with national suppliers to trial new energy solutions in our rural areas.

Paper 3

Report from the Chair and the LEP Directors Report

Recommendations:

Board Directors are asked to note the content of this report and to consider the following items for Decision

Item One - endorsement of the Appointments board recommendation to appoint Phill Ball of Metsawood Boston, and Melanie Weatherly of Walnut Care to the Employment and Skills Board.

Item Two - discussion and agreement on the Greater Lincolnshire LEP's board position on LEP Geography and collaboration.

Paper 3.1 Discuss and approve the MPs Engagement Plan

Paper 3.2 Approval of the Policy - The Appointment of Directors, and members of the Strategic Advisory Groups

Paper 3.3 Approval sought on the Policy - Confidential Reporting

1 Directors Business

Recruitment - The LEP Board, Employment and Skills Board, and the Finance and Audit Committee have completed a wide-ranging recruitment campaign to attract from a broader applicant base and to make a strong start in meeting our gender targets implemented by government as part of the LEP review. We received 25 submissions with a 65% response rate from female applicants and have shortlisted 10 individuals for interview by the appointments committee in the forthcoming month.

Two candidates, namely Phil Ball of Metsawood in Boston and Melanie Weatherall of Walnut care are recommended by the Appointments Committee to be appointed to the private sector vacancies on the Employment and Skills Board.

Judicial Review brought by Scunthorpe United Football Club -the two day hearing took place on 31st October and 1st November in Leeds, with an oral judgement being given in Newcastle the following week.

2 Area One - Policy & Strategy

LEP Review - The Task and Finish Group of the LEP Board has met twice since the last board meeting, and considered proposal for the removal of the overlap between Humber and Lincolnshire LEP's and progress on Legal Personality and Independent Secretariat. Since the last Greater Lincolnshire LEP board, the Secretary of State has written to a number of LEP's with overlaps confirming the position of government to remove overlaps, emphasizing collaboration between LEPS and the potential impact of not resolving geography on access to capacity funding and UKSPF in the future. In light of this information, the Greater Lincolnshire LEP Board will be asked to further discuss their

Paper 3

Report from the Chair and the LEP Directors Report

position and proposals for LEP Geography at the Board Meeting on 30th November. A separate paper on LEP geography and collaboration will be circulated.

Industrial Strategy - Andy Haldane has been named as the Chair of the Industrial Strategy Council, a new independent body set up to assess the government's progress on the commitments made in its modern Industrial Strategy. Andy is the Chief Economist of the Bank of England, where he is responsible for research and statistics as well as being a member of the Monetary Policy Committee and was named as the first council chair on 8th October by Business Secretary Greg Clark. The council met for the first time at the beginning of November and be joined by senior individuals from business, academia and civil society from the UK.

Local Industrial Strategy - The Strategy Session on 10th December at Belton Woods, near Grantham will concentrate on framework for the Local Industrial Strategy. Subject to the view of the board and a wider partnership that has been invited to attend, it is our intention to launch a consultation on the evidence and the framework.

National Assurance Framework - LEPs have been asked to comment on the recently released draft National Assurance Framework which includes guidance on essential requirements for Local Assurance Frameworks following on from the LEP Review. We responded collectively through the LEP Network on Friday 16th November 2019 and individually the following week. There are several additional areas of compliance.

All LEPs must update their LAFs and have them approved and signed off by the Section 151 Officer by the end of February 2019, ensuring complete compliance and demonstrating how new measures will be taken forward.

Delivery Plan - The Strengthened Local Enterprise Partnerships review states that all LEPs should follow best practice and produce an annual Delivery Plan. This should include key performance indicators (yet to be agreed) to assess the impact of our Local Industrial Strategy, funding and interventions. A draft outline has been provided as a suggested approach for topics to be covered consistently by all LEPs, and a final version should be in place by April 2019. It will be based on the LEP Review, the Delivery Plan Working Group meeting held in October and documents from CLGU. It was discussed further at the Working Group meeting on 15th November in London. Our intention is that the Delivery Plan will be brought to the March 2019 LEP Board.

Annual Conversation - The Greater Lincolnshire LEP Annual Performance Review, know previously as the Annual Conversation has been set for 10th January 2019. This review is between Government and the LEP (Chair, LEP Director and key staff), and the Accountable Body. The guidance and templates have been issued recently as a draft, and will be circulated to board directors for information.

LEP Policy Review

As part of the LEP Review alongside our ongoing processes and procedural reviews, the following policies are due for review this month. Please see additional papers for the tracked change recommendations made by both the Finance & Audit Committee and the Appointments Committee which feed into this process requiring discussion and sign off by the Directors Board.

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1. Policy for the Appointment of the Greater Lincolnshire Directors and Board Members
2. Policy for Confidential Reporting

Pipeline Call

A call for Pipeline project ideas was launched on the 29th October 2019. Projects need to demonstrate how they will deliver against the Strategic Economic Plan (SEP) and emerging Local Industry Strategy (LIS) that will contribute to economic growth and productivity. The Strategic Infrastructure Delivery Plan (SIDP) led by our 10 Local Authorities will also feed into the bid.

The Greater Lincolnshire LEP is also mindful that when the UK Shared Prosperity Fund is announced by government next year, Greater Lincolnshire will want to have a clear position on the business cases and prioritisation of schemes that will both contribute to the delivery of the SEP and the LIS. We therefore want to be in the position that a pipeline is in place by the Spring of 2019. The closing date for outline business cases is Monday 10th December 2018.

BREXIT

We are engaging with other LEPs via the LEP Network who are producing action plans or strategy around Brexit for their local area, and the role LEPs can play in supporting local business. The PM has also recently established five Post-Brexit Business Councils to provide high-level advice and policy recommendations on the critical issues affecting business with LEPs expecting to take a role in these.

Education - On 16th October LEPs met with the Rt Hon Damian Hinds MP where they landed the key messages. The main points from the meeting were :

- DfE want a continued conversation with LEPs on how to drive up the quality of Apprenticeship training and increase the number of apprenticeships.
- Confirmation that Skills Advisory Panels (SAP) will be integrated into existing arrangements that LEPs already have in place. (awaiting announcement, and clarification on resource and implementation)
- DfE will provide info on which of the T-Level providers cover which LEPs, and the role of LEPs to support the system.
- The DfE are forming a skills policy Advisory Group for LEPs and Local Authorities - chaired by the Skills Minister. The Group will test and develop skills policy, and look to improve the government policies that are in place. In the immediate term the focus is likely to be on Apprenticeships (how to boost numbers and employers getting the best from the Levy); T-Levels and Education Reforms.

Housing - Lifting HRA cap Government has responded to intense lobbying and removed the restrictions which limit council borrowing against rental income within their Housing Revenue Account (often referred to as the "HRA Cap"). This is potentially good news for those Local Authorities which were affected in that it will enable them to borrow more to fund housing delivery. It should be noted, however, that this is borrowing and not grant funding.

Homes England strategic plan 2018 to 2023 published Homes England's new strategic plan acknowledges the need to disrupt the housing market. It commits the agency to "striking bold deals and forming new types of innovative partnerships to shake up housing

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delivery." The agency aims to "create a new type of delivery agency that will play a far more active role in the housing market. We will also show leadership on design, diversity and modernisation." The agency makes a commitment to a place-based approach, working alongside civic and business leaders, combined authorities, county, borough and district councils and local enterprise partnerships: "We will intervene in the right places at the right time to change the market, by working with ambitious partners and being more intelligence-led in our decision making".

Rutland News - As part of our discussions with Rutland County Council regarding the LEP Review and future working relationships, RCC has shared information about a proposed new Garden Community on the site of the former St George's Barracks near North Luffenham. The site was originally a heavy bomber base during World War II, and more recently an army barracks. In November 2016 the Ministry of Defence (MOD) declared the 300-hectare site will be surplus to operational requirements by 2020 as part of its Defence Estate Optimisation Programme.

The proposed redevelopment of the barracks as St George's Garden Community and the creation of a new Garden Village have the potential to contribute to wider sub regional growth. It would deliver a new community with the potential to create 2,300 new homes, a Country Park and a 14 hectare business park with up to 2,000 jobs. Rutland are pursuing a number opportunities to support the project including inclusion within the Garden Communities Programme and the Housing Infrastructure Fund. Greater Lincolnshire LEP has provided a broad letter of support to accompany Rutland's Garden Communities submission (deadline 9/11/18), in much the same vein as those we have previously provided for the Housing Infrastructure Fund bids.

Midlands Connect -The A46 Stage One Corridor Study has been published making the case for improving one of the UK's most important trade routes. Future proofing the A46 is locally, regionally, nationally and internationally important. As well as providing critical connections between communities, homes and jobs; acting as a ring road or bypass for cities like Coventry, Lincoln and Leicester; and helping businesses reach their supply chains and customers; the A46 also provides access to international gateways like Birmingham and East Midlands airports and seaports in Bristol and the Humber.

Read the published report at:

<https://www.midlandsconnect.uk/media/1526/a46-corridor-study-stage-one-summary-november-2018.pdf>

Inward Investment -Eight FDI visits took place during September and October, three of which were new companies that previously we had no relationship with. Eight visits are currently scheduled to take place in November and all eight are companies we have not had a close relationship with in the past. Two FDI inward investment enquiries have been received during September and October 2018 and one of these have had support from the LEP to take their investment plans forward.

In addition, throughout this period the LEP have been made aware of eleven potential expansions/investments by indigenous FDIs. XPO Logistics have now received planning permission which will include a £67m investment and creation of 300 FTE at their site in Easton. Bright Lite Structures also secured a new site in Stamford with the support of the

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LEP in which will see their workforce increasing by 17 FTE from their current 14 FTE with the potential to increase further as production grows.

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

3 Area Two - Performance

1 LEP Activity, Business Engagement and Media

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

The LEP remains strongly focused on the LEP Review and the Local Industrial Strategy with a number of additional mapping activity underway to support this work. Delivery also continued on; delivery of the Career Learning and Skill Pilots; delivery of the annual LEP Conference; work on the Shared Prosperity Fund; Team Lincolnshire activity and events programming; the LEP Food Board HoC event; and the Quarterly Economic Survey.

The following Comms activity has taken place since September:-

Food industry issues were on the agenda when our Food Board met MPs in Parliament
<https://www.greaterlincolnshirelep.co.uk/whats-new/key-issues-for-the-food-sector-under-discussion-in-parliament/>

LEP board member Councillor Colin Davie gives his reaction to yesterday's Budget
<https://www.greaterlincolnshirelep.co.uk/whats-new/reaction-to-budget-2018/>

Work has started on the Cress Marsh Mitigation Site in North East Lincolnshire
<https://www.greaterlincolnshirelep.co.uk/whats-new/cress-marsh-work-starts-in-north-east-lincolnshire/>

A new University Technology and Innovation Centre will open in Grantham next summer
<https://www.greaterlincolnshirelep.co.uk/whats-new/university-of-lincoln-to-bring-higher-education-to-south-kesteven/>

The Lincolnshire Open Research and Innovation Centre (LORIC) is to hold an open evening this month
<https://www.greaterlincolnshirelep.co.uk/whats-new/new-research-facility-opens-to-small-businesses/>

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Call Goes Out for Major Projects in Need of Future Funding

<https://www.greaterlincolnshirelep.co.uk/whats-new/call-goes-out-for-major-projects-in-need-of-future-funding/>

LEP Investment in North Lincolnshire Close to £9 million

<https://www.greaterlincolnshirelep.co.uk/whats-new/lep-investment-in-north-lincolnshire-close-to-9-million/>

East Midlands Leads UK Exports Growth

<https://www.greaterlincolnshirelep.co.uk/whats-new/east-midlands-leads-uk-exports-growth/>

The annual Greater Lincolnshire LEP Conference drew a big crowd to the Lincolnshire Showground

<https://www.greaterlincolnshirelep.co.uk/whats-new/lep-conference-draws-a-big-crowd/>

Experts Line Up to Discuss Future of Lincolnshire Economy

<https://weareshootingstar.co.uk/newsroom/1720-experts-line-up-to-discuss-future-of-lincolnshire-economy>

LEP Annual Conference

The new-look annual Greater Lincolnshire LEP Conference took place at the Lincolnshire Showground on Friday 28th September 2018 and attracted over 400 delegates and exhibitors.

The theme of the day was The Future of the Lincolnshire Economy and four panels stimulated discussion on skills, digitalisation, robotics and automation and water and energy with over 20 expert panellists drawn from business, academia, research and local government. At the end of each panel members of the audience were invited to have their say by answering a question relevant to each topic. Following the speeches and panel discussions four guest experts led round-table discussions on topics such as Brexit, skills, robotics and infrastructure.

There was also an exhibition featuring a range of businesses and public-sector organisations, a visit by the Department for International Trade's Export Hub truck and ample opportunity for delegates to network. We have received numerous and very positive feedback on the style and content of this year's conference which we will be building on to deliver a strong and relevant conference again next year.

Greater Lincolnshire LEP Food Board - House of Commons

The Food Board met in the House of Commons followed by a dinner at the Farmers Club to debate key issues for the food chain with MPs, Lords and officials from DEFRA last month. A very positive discussion on the future of the food chain was led by Ursula Lidbetter MBE, Chair of Greater Lincolnshire LEP and Rt. Hon John Hayes MP, with Melanie Onn MP, Nic Dakin MP, Martin Vickers MP, Dr Caroline Johnson MP, Cllr Baroness Redfern and Lord Haskins meeting Food Board members.

Discussions focused on three major areas:

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Workforce supply and skills

- Will Naylor of Bakkavor and Robert Smith of Danish Crown both spoke about the challenges associated with securing the skilled workforce needed for current operations and to facilitate growth. Both spoke on the potential to improve productivity and working conditions through automation, and the considerable investment in facilities and training to implement;
- The same theme was picked up by David May of the Lincoln Institute for AgriFood Technology (LIAT) who explained that whilst there are automation solutions available for some jobs, notably areas such as handling and loading, in other areas such as crop harvesting or sandwich making the technology is not yet available.

Trade

- Jonathan Oldfield of Moy Park explained that in the meat sector trade was a major issue, not only for the end product, but also in terms of inputs such as livestock feed. The meat trade is truly global and both imports and exports need to be enabled. Simon Dwyer of Seafood Grimsby and Humber and Simon Smith of Seachill explained that in the fish sector 90% of the seafood processed is imported mostly from EEA states although much of this fish transits the EU to get to the UK. Frictionless trade is therefore essential to the continuation of the trade in meat and fish products, as well as the food chain more generally;
- James Dallas of Openfield explained that Brexit does provide the potential to improve the ease with which the UK can trade by reducing regulation if approached correctly. In the grain sector this should include focusing on targeting higher value markets and added value products.

Infrastructure

- The need for competitive infrastructure was discussed and focused on electricity supplies and water resources;
- On water resources the need to unite flood prevention and water supply to provide holistic landscape scale water management was debated with the potential to develop a water grid and to move water seen as being a good way to meet future water supply challenges;
- On energy it was recognised that rural growth is being constrained by a lack of grid capacity. University of Lincoln explained some of the work they are undertaking to develop a smart grid programme for Lincolnshire with the LEP, which is also intending to include rural smart grids in its Local Industrial Strategy;

Ports and Logistics at the LEP Network- Greater Lincolnshire is involved in the national group on the ports and logistics Sector which meets for the first time on 23 November 2018.

Formalising our engagement with MPs/ Draft Engagement Plan

A plan of engagement for our local MPs has been drafted with an aim of improving engagement and support in LEP activity and by promoting the policy, political and parliamentary work we undertake. We propose to highlight the framework for influencing policy, developing information and evidence on issues relating to our area, and working to

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influence government and other decision makers that this provides and the opportunities arising.

We propose formalising our engagement with these MPs by identifying a Lead Board Member for each MP. We have suggested lead Board Members to link with MPs in the table attached as an additional paper and are proposed for discussion, amendment or confirmation. In particular, please let us know if there are any existing connections which would be a logical starting point e.g. geography, existing relationships, common interests etc.

Lead Board Members will be asked to have a regular briefing session with their link MP.

2 Growth Deal Performance - Amber

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

Growth Deal Project Update

A detailed six month review of the Growth Deal Programme has been carried out this month and will be shared with the the LEP Investment Board/Board for discussion and comment. It includes updates on progress, expenditure forecasts, spend to date, likely milestone achievements for 2018/19, analysis of risks and suggested mitigations, and output forecasts for contracted and uncontracted projects.

3 Growing Places Fund - Green

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

The most recent Expression of Interest has not yet progressed to a full application due to the high costs of utility connections to the site in question. The potential applicant is exploring options jointly with LCC and the utilities provider. The Board may, in due course, wish to consider the potential relevance of loan funding for schemes on our forthcoming Project Pipeline.

4 Feasibility Funding - Green

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

Both Finance and Audit Committee and Investment Board have received reports reviewing the operation of the fund to date, which has awarded grant worth £376,500 to 11 projects. 7 projects are complete, 2 are in progress, 1 is progressing but not yet contracted and 1 has withdrawn. The Boards have endorsed recommendations for the remaining funds being used as a feasibility fund for development of the future project pipeline, rather than operating an open call for applications.

Construction Skills Fund

Whilst not directly involved in the bid, we understand that Lindum submitted a collaborative bid under this fund which is now closed for new applications. CITB expects to announce details of the successful on-site training hubs in November 2018. A verbal update will be provided at the Board meeting if any news is forthcoming.

5 Skills - activity ongoing

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

Current ESF skills and training programmes end in March 2019. Procurement for new contracts is underway and new schemes will start on 1st April ensuring there are no gaps in delivery. An ESB task and finish group will commence in January to review Apprenticeship priorities, and a group of Board Members will be exploring how to support smaller

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businesses to offer work experience to young people and adults. The University of Lincoln and FE Colleges from around the Greater Lincolnshire area have submitted a bid for an Institute of Technology. If successful, this will lead to additional facilities for delivery of Level 4, 5 and 6 STEM and Agri-Tech qualifications. Results are expected in March 2019.

6 ESIF - Green

LEP Board Lead - Pat Doody, LEP Executive Lead - Susannah Lewis

European Regional Development Fund

There are calls for activity that are currently open for remaining ERDF notional allocations

Priority Axis 1 - Promoting Research and Innovation £5,060,878

Priority Axis 3 - SME support £9,064,495

Priority Axis 4 Low Carbon £4,086,642

Priority Axis 5 Promoting Climate Change adaptation £3,344,663

Priority Axis 6 Preserving and Protecting the Environment £2,023,815

A good pipeline of projects is being worked up across all Priority Axes. The calls close on 23rd November 2018 and then there is likely to be a March 2019 call which will hopefully take up any remaining funds left in the Greater Lincolnshire notional allocations. Further calls may then be announced to take up underspends nationally but this has not yet been confirmed.

European Agricultural Fund for Rural Development

Our LEADER programmes are currently closed to new applications from 1st September 2018 but large numbers of projects have come forward and are being assessed to take up funds. Growth Programme EAFRD funds which were focused around business development, tourism infrastructure and food processing closed May 2018. Full applications received are still being processed and contracts are being awarded to businesses.

Countryside Productivity (large grant) scheme

There is a national scheme available which is currently open for applications around Improving Farm Productivity. This has quite a specific offer- robotics, energy efficiency and slurry and digestate management. The handbook on GOV.UK lists specific eligible items and activities that can be supported. This scheme closes in December 2018.

<https://www.gov.uk/guidance/countryside-productivity-scheme#improving-farm-productivity>: <https://www.gov.uk/guidance/countryside-productivity-scheme#improving-farm-productivity> .

It was also announced a few weeks ago that there will be a second round of the Countryside Productivity small grant. Round 2 will be very similar in design but the Rural Payment Agency are reviewing and updating the eligible items list. They expect this scheme to open in the New Year. Here's a link to the announcement. https://www.gov.uk/government/news/30-million-commitment-to-help-farmers-boost-productivity?utm_source=db5361f0-2148-44c6-a312-

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At present, it is not anticipated that any additional schemes or rounds will be opened under EAFRD.

European Social Fund

There was an uplift to the LEP allocation from £45m to £47.5m, due to exchange rate re-evaluation. The majority of this programme has been allocated to opt in partners to deliver. The first tranche of the £18.1m allocated within the programme will be coming to an end over the next 6 months. Extensions to certain ESFA contracts have also been made to this tranche, to allow for extended delivery. We are now in the process of looking at how we manage the rest of the LEP allocation. Due to timescales, and the way in which opt in partner wish to contract with providers, we are acting on a range of approaches. DWP and BLF will be looking to extend their contracts, with no new open & competitive tendering process, to allocate the remainder of their activity. The ESFA have carried out a very quick OCT round, with the option to extend these new contracts, if necessary.

7 Greater Lincolnshire Delivery Programme

Team Lincolnshire - Green

Team Lincolnshire celebrates its first birthday at the end of the month, with a prestigious networking event in Birmingham on 29th November. The ambassador scheme continues to go from strength to strength with over 80 members. The feedback from our members has been extremely positive, citing our networking events as an excellent way to nurture collaborative working. It has provided an excellent platform to promote investment and development opportunities across Greater Lincolnshire.

Future events also include a 'Lincolnshire in London' event on 18th February 2019. Plus Team Lincolnshire will once again be part of the GLLEP/Midlands Engine Pavilion at MIPIM France in March.

For further information please visit www.teamlincolnshire.com

Business Lincolnshire - Green

LEP Board Lead Prof Mary Stuart LEP Executive Lead Samantha Harrison

Our new High Growth Scale Up Programmes have commenced. Two programmes currently being delivered and due to high demand we are in discussion with our delivery partners to deliver additional support **during 2019**. We have a target client list which we are actively working through to identify other appropriate scale up businesses.

We continue to positively develop the relationship between Lincolnshire and the region of Hunan (China). At the beginning of October 2018 a high-level civic delegation of officials from the Hunan Regional Government visited Lincolnshire, and talks were held to move forward commercial and educational collaboration between the two provinces in key areas such as Manufacturing, Robotics and Agri-Food. The visit culminated in the signing of an official 'Sister Region Agreement' between Lincolnshire and Hunan, blessed by the Beijing

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Government, which will pave the way for even closer and mutually beneficial collaboration in the coming months and years.

The current ERDF funded business support programme is in place until mid 2019. A new European bid £5.28m has been submitted to extend the activity for a further 3 years, this includes advisory support, specialist advice, mentoring support, events activity and business growth grant funding. This is currently in appraisal and we are planning that it will commence July 2019.

Cumulative figures from April 2017 to 31 st October 2018	Number
Growth Hub Adviser Engagements	2440
Business Diagnostics	990
Client satisfaction with Growth Hub Service	88.86%
Intermediary interactions	193
Businesslincolnshire.com unique users	135,988
National Helpline call centre referrals	81
Start up enquiries to Growth Hub	340
Business Workshops event attendees	925
Sponsored event attendees	4936
Jobs Created	214
Twitter followers	5208

Growth Lincolnshire continues to provide support for businesses in Greater Lincolnshire through the advisory network, the workshop and events programme and the grant funding. We have held Brexit workshops which have been very popular and Round Table Mastermind Workshop as part of the Lincolnshire Business week. Interest in the business growth grant fund remains very strong. The following table summarises the position with the 3 grant pots as at the end of October 2018:

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	Capital Grants	Revenue Grants	Digital Grants
Budget	£326,668.00	£200,000.00	£100,000.00
Number of pipeline applications received	18	18	8
Value of pipeline applications received	£71,831.58	£52,227.00	£8,000.00
Number of applications approved	69	56	90
Value of applications approved	£230,821.74	£144,852.39	£90,000.00
- of which pending awaiting beneficiary claim	£66,149.57	£28,925.90	£24,000.00
Number of grant claims received and approved for payment	51	43	66
Value of grant payment received and approved for payment	£164,672.17	£115,926.49	£66,000.00
Value of private sector contributions received based on grants paid	£322,619.77	£197,924.44	£115,924.23
Balance grant funding remaining against budget available	£24,014.68	£2,920.61	£2,000.00
Value of applications received on reserve list	£16,061.00	£0	£0
Balance available	£7,953.68	£2,920.61	£2,000.00

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MP Engagement Plan

1 Summary

- 1.1 Greater Lincolnshire LEP works to provide a strong local voice and positively influence the external environment on behalf of Greater Lincolnshire, supported by our Board members and part organisations.

One of the main ways in which we do this is through our policy, political and parliamentary work. This provides a framework for influencing policy, developing information and evidence on issues relating to our area, and working to influence government and other decision makers.

Our areas of activity include:

- Responding to government consultations
- Briefing for debates and parliamentary questions
- Influencing legislation
- Developing relationships with MPs, political parties and think tanks
- Engagement at political party conferences
- Holding roundtables
- Conducting research
- Organising conferences, seminars and other events which bring together MPs and representatives from the business sector.

2 Formalising our Engagement with MPs

- 2.1 Our MPs are listed in the table attached. We propose formalising our engagement with them by identifying a Lead Board Member for each MP.

We have suggested Lead Board Members to link with MPs in the table. These are just suggestions in the first instance. They can, of course, be amended but are proposed for discussion (and amendment or confirmation) at the November 2018 Board meeting. In particular, please let us know if there are any existing connections which would be a logical starting point, eg, geography, existing relationships, common interests etc.

Lead Board Members will be asked to have a regular briefing session with their link MP.

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MP Engagement Plan

MPs for GLLEP Area

<u>Name</u>	<u>Constituency</u>	<u>Party</u>	<u>Contact Details</u>	<u>Government Position</u>	<u>Ministerial Team</u>	<u>Proposed Lead Board Member</u>
Victoria Atkins	Horncastle/ Louth	Conservative	<u>Constituency</u> Louth& Horncastle Conservatives, 16 Eastgate, Louth, Lincs, LN11 9NE <u>Parliamentary</u> House of Commons, London, SW1A 0AA Tel No: 020 7219 5897 Victoria@victoriaatkinsorg.uk	Parliamentary Under Secretary (Home Office) Minister for Women	Anny Kirk, Diary Manager Anny.kirk@parliament.uk Parliamentary Assistant, London: Frances Mellor: Francesl.mellor@parliament.uk Tel No: 020 7219 597	Cllr Craig Leyland
Nick Boles	Grantham & Stamford	Conservative	<u>Constituency</u> Grantham &Stamford Constituency, Office 8, The Old National School, 62 North Street, Bourne, PE10 9AJ Tel No: 01476 978121 Nick.boles.mp@parliament.uk <u>Parliamentary</u> House of Commons, London, SW1A 0AA Tel No: 020 7219 7079 Nick.boles.mp@parliament.uk			Cllr Colin Davie
Rt Hon John Hayes	South Holland & The Deepings	Conservative	<u>Constituency</u> Office 1, Broad Street, Business Centre, 10 Broad Street, Spalding, Lincs, PE11 1TB Tel No: 01775 711534 Fax No: 01775 713905 davieshm@parliament.uk <u>Parliamentary</u> House of Commons, London, SW1A 0AA hayesj@parliament.uk		Christine. Solou@dft.gsi.gov.uk Parliamentary Support Robert.thomas@parliament.uk Dave Sergeant: SergeantDT@parliament.uk	Prof Mary Stuart

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MP Engagement Plan

<u>Name</u>	<u>Constituency</u>	<u>Party</u>	<u>Contact Details</u>	<u>Government Position</u>	<u>Ministerial Team</u>	<u>Proposed Lead Board Member</u>
Sir Edward Leigh	Gainsborough	Conservative	<u>Constituency</u> Office 1, 20 Union Street, Market Rasen, Lincs, LN8 3AA <u>Parliamentary</u> House of Commons, London, SW1A 0AA Tel No: 020 7219 6480 Fax No: 020 7219 4883 Edward.leigh.mp@parliament.uk	Member of the Panel of Chairs Member of Public Accounts Commission Member of the Procedure Committee	Giles McNeill - Association Secretary & Communications Constituency Manager mcneillg@parliament.uk Tel: 01673 849461	David Dexter
Karen Lee	Lincoln	Labour	<u>Constituency</u> Grafton House, 32 Newland, Lincoln, LN1 1XJ Tel No: 01522 528041 <u>Parliamentary</u> House of Commons, London, SW1A 0AA Tel No: 020 7219 3569 Karen.lee.mp@parliament.uk	Shadow Minister (Home Office) (Fire)	Helena Mair - Senior Caseworker: Helena.mair@parliament.uk	Cllr Ric Metcalfe
Dr Caroline Johnson	Sleaford & North Hykeham	Conservative	<u>Constituency</u> Sleaford & North Hykeham Conservatives, 6 Market Place, Sleaford, Lincs, NG34 7SG Tel No: 01529 306721 admin@snhca.co.uk <u>Parliamentary</u> House of commons, London, SW1A 0AA Tel No: 020 7219 5381 Caroline.johnson.mp@parliament.uk	Food & Rural Affairs Select Committee	Contact Dr Caroline Johnson direct	Steve Middlebrough

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MP Engagement Plan

<u>Name</u>	<u>Constituency</u>	<u>Party</u>	<u>Contact Details</u>	<u>Government Position</u>	<u>Ministerial Team</u>	<u>Proposed Lead Board Member</u>
Matt Warman	Boston & Skegness	Conservative	<u>Constituency</u> 63 Wide Bargate, Boston, Lincs, PE21 6SG Tel No: 01205 809110 <u>Parliamentary</u> House of Commons, London, SW1A 0AA Tel No: 020 7219 8643 Matt.warman.mp@parliament.uk	PPS DCMS Sec of State	Emma Turney - for London events: Tel No: 0207 219 8643 or Stephanie Dickens on Stephanie.dickens@parliament.uk Or 01205 809110 for local events	Ursula Lidbetter
Andrew Percy	Brigg & Goole	Conservative	<u>Constituency</u> 81-83 Pasture Road, Goole, North Humberside, DN14 6BP Tel No: 01405 767969 Brigg.goole@gmail.com 2 Morley's Yard, Old Courts Road, Brigg, North Lincolnshire, DN20 8JD Tel No: 01624 650094 <u>Parliamentary</u> House of Commons, London, SW1A 0AA Tel No: 020 7219 7208 Andrew.percy.mp@parliament.uk			Cllr Rob Waltham

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MP Engagement Plan

<u>Name</u>	<u>Constituency</u>	<u>Party</u>	<u>Contact Details</u>	<u>Government Position</u>	<u>Ministerial Team</u>	<u>Proposed Lead Board Member</u>
Martin Vickers	Cleethorpes	Conservative	<p>Constituency 62 St Peter's Avenue, Cleethorpes, DN35 6HP Tel No: 01472 603554</p> <p>Parliamentary House of Commons, London, SW1A 0AA Tel No: 020 7219 7212 Martin.vickers.mp@parliament.uk</p>	Member of Health & Social Care Committee		Chris Baron
Nic Dakin	Scunthorpe	Labour	<p>Constituency Suite 3, Limewood Suite, First Floor, 5 Park Square, Laneham Street, Scunthorpe, DN15 6JH Tel: 01724 842000</p> <p>Parliamentary House of Commons, London, SW1A 0AA Tel No: 020 7219 0446 Nic.dakin.mp@parliamentary.uk</p>	<p>Member of Procedure Committee</p> <p>Member of the Speaker's Advisory Committee on Works of Art</p> <p>Member of the European Statutory Instruments</p>		Herman Kok

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MP Engagement Plan

Melanie Onn	Great Grimsby	Labour	<p>Constituency 112 Cleethorpes Road, Great Grimsby, North East Lincolnshire, DN31 3HW Tel No: 01472 359584 Melanie.onn.mp@parliament.uk</p> <p>Parliamentary House of Commons, London, SW1A 0AA Tel No: 020 7219 6282 Melanie.onn.mp@parliament.uk</p>	<p>Shadow Minister (Housing, Communities and Local Government) (Housing)</p> <p>Member of Procedure Committee</p> <p>Member of the Consolidation Bills (Joint Committee)</p>		Cllr Peter Wheatley
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Paper 3.2



002 Policy for the Appointment of the Greater Lincolnshire LEP Directors and Board Members

LEP Board Directors

Appointment : LEP Directors are appointed to the LEP Board, and the Investment Committee, and other decision making committees established by the Greater Lincolnshire LEP. The terms of reference with the LEP Board and Investment Committee are reviewed annually and published on the website.

All Director vacancies for Greater Lincolnshire LEP Board Directors shall be openly advertised and communicated via the LEP website, LEP Network, press release and social media. Applicants for LEP Board Directors are asked to submit a covering letter and a CV which will be considered by the LEP Appointments Committee. Officers may be asked to shortlist and the Appointments Committee will decide, as appropriate, whether they wish to interview candidates, before being brought to the LEP Board for ratification.

All directors of the company will need to comply with the LEP's code of conduct, register with Companies House as a Director of the LEP and complete a register of interest form ([https://www.greaterlincolnshirelep.co.uk/assets/documents/Code_of_Conduct_Directors_Board - Final signed off Feb2018.pdf](https://www.greaterlincolnshirelep.co.uk/assets/documents/Code_of_Conduct_Directors_Board_-_Final_signed_off_Feb2018.pdf)).

A registers of interest is published for company directors and should be reviewed regularly by directors, and any changes notified to the LEP Team.

Directors are normally appointed for terms of office between one and three years. Good corporate governance practice states that that non-executive directors should not serve more than nine years in total.

Public sector directors are those directors from the Public sector such as local authorities or publically funded bodies. Non-public sector directors include the private sector, the voluntary sector and the education sector. The Greater Lincolnshire LEP Board will consist of up to 20 Directors, and will be balanced between the public and non-public sectors, with the non-public sector being at least two-thirds of the Board of Directors.

The Greater Lincolnshire LEP is committed to improving its gender balance and representation of those with protected characteristics that reflect the geography. The aim is that women will make up at least one third of the LEP board by 2020, and that the LEP Directors Board is representative of the business and communities it serves.

Up to five co-opted board members may be considered for limited time periods on the Directors Board, subject to the agreement of the LEP Board of Directors, and normal appointments procedures would be applied as outlined in this policy.

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Re- appointment: Where a Director's three year term has concluded, the Chair of the Board shall write to the Director asking for their intentions in standing for a subsequent term. If the director wishes to re-apply their application will be considered by the Appointments Committee and endorsed by the LEP Board. The Appointments Committee's role is to establish whether the Directors' skills sets and experience are suitable for another term. Some directors positions represent a sector or type of organisation, and where this is the case, the Appointments Committee may recommend seeking other applications at this point.

The Appointments Committee will therefore make recommendations to the LEP board for ratification on whether to reappoint the Board Director or to seek a replacement. In making a recommendation, the Appointments Committee should consider sectorial and geographical representation, as well as equality and diversity and succession planning.

In order to maintain continuity and a functioning board, as well as allowing for succession planning, a number of the Board (to be determined and agreed by the Board) shall be considered for reappointment each year in September.

The Appointment of the LEP Chair and Vice Chair

The LEP Directors Board is private sector led, and the need to appoint a private sector Chair is triggered when the existing Chair resigns or gives notice to resign. This could arise for a number of reasons including:

- The Chair has come to the end of a term and does not wish to be appointed for a further three year term.
- The Chair wishes to remain on the Board for a second or third three year term but not as Chair.
- The Chair wishes to resign from the Board for business or personal reasons.

Re-election

At the end of the term, the Chair would indicate whether they were prepared to remain as Chair for a subsequent term. If so, the Board would be notified in writing of that through the board papers. Other directors would be given an opportunity to nominate an alternative Chair and a yes or no vote would be held. There are a number of benefits of appointing, where possible, an existing board member as Chair. These include building continuity into the process and strengthening the development of the Board. In addition, an existing board director has already shown the necessary commitment and will understand what the role entails.

External Appointment of a Chair

The agreed process for future appointments of Chair is as follows:

The current Chair first informs the LEP Board Directors in writing of a wish to remain or resign. In the case of resignation, at the next board meeting, the Chair calls for nominations for a successor.

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Those nominated must be:

- 1) One of the private sector board members and
- 2) Willing and able to serve as Chair for a three year term
- 3) Have an up-to-date date register of Interests

Each nomination should have a proposer and a seconder.

If there is only one nomination, the Board retains the right to vote yes or no to the appointment, and a handover period agreed with the current Chair. This would normally be at least three months to enable the new Chair to undertake a handover process and the aim would be for the new Chair to begin in post after a minimum of 3 months. If more than one board director is proposed as chair, then a secret ballot of all directors on the basis of one director one vote would be undertaken. In the event of a tie or a majority of no votes, fresh nominations will be sought and the election process re-run. If there are no nominations from within the Board, then an external recruitment process will need to be run.

External Appointment of a Chair

In the event of no nominations arising from the Directors Board, the post would be externally advertised and a selection panel comprising the current Chair and two other board Directors, one from the public sector and one from the non-public sector would interview a shortlist of candidates. The LEP Directors Board is committed to consulting widely and transparently with the business community before appointing a new Chair. This would involve publishing the position widely within the business community, and involve the business community in the process of selection.

Their recommendation would be brought for ratification by the LEP Board. The recruitment of an external Chair would, in most instances, take longer than a month. Therefore the existing Chair would be asked to delay resignation until the new Chair was in post. If that was not possible, then one of the vice chairs of the LEP would become interim Chair until the appointment of the new Chair.

When appointed, the new term of office is three years, irrespective of the remaining length of their current term as a Board Director. In essence, the clock is reset at the time of appointment as Chair.

A motion of no confidence in the Chair or the Vice Chair may be called in any Board Meeting either a petition signed by at least 50% of the membership of the Directors Board or by a two-thirds majority vote at a members meeting.

Appointment of the Vice Chairs of the LEP

The Board will elect from its ranks two vice chairs from within the LEP Board group to support the Chair in the role. One vice chair from the public sector and one vice chair from the private sector. Those nominated must be:

- 1) one of the private sector or public sector Directors Board and
- 2) Willing and able to serve as Vice-Chair for a three year term and

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3) Be nominated and elected by the LEP Directors Board (and not by external public sector nominations in the case of the public sector appointment)

Each nomination should have a proposer and a seconder. If there is only one nomination, the Board retains the right to vote yes or no to the appointment. If more than one board director is proposed, then there is a secret ballot of all board directors on the basis of one director one vote. In the event of a tie, fresh nominations are sought, and the election process re-run.

If there are no nominations from within the Board and there are vacancies, then an external recruitment process will need to be run.

Independent Chair of the Finance and Audit Committee

The Greater Lincolnshire LEP's Finance and Audit Committee shall be chaired by an independent Chair, who is not a member of the Greater Lincolnshire LEP Board.

The Chair will be required to chair the finance and audit committee, and by invitation to report back and make recommendations to the LEP Board. The appointment of the independent Chair shall be considered by the Appointments Committee of the LEP and agreed by the Greater Lincolnshire LEP Board.

The Chair of the Finance and Audit Committee should adhere to the LEP's code of conduct and have a published register of interest.

Appointment of LEP Board Members to Strategic Advisory Boards

All appointments of Board Members to strategic advisory boards such as the Food Board, the Water Management Board and the Employment and Skills Board, will be made by invitation or external advertising as deemed appropriate, and will be agreed by the LEP's Appointments Committee and noted by the LEP Directors Board. A covering letter or a CV will be considered by the Appointments Committee. The Appointments Committee will agree whether candidates should be interviewed.

Where possible, the make-up of the strategic advisory boards shall follow a similar composition to the LEP Directors Board, and balance between the public and non-public sectors, unless stated in the terms of reference and agreed with the LEP Directors Board.

Board members should be appointed for a similar term of three years, with the maximum term being 3 x 3 years in line with corporate good governance and in line with the agreed terms of reference for that Board.

All Board Members must adhere and sign the LEP's Code of conduct, and ensure their Register of Interest is held at the LEP's offices and is up to date.

The policy was agreed by the LEP Board at its 30th November 2018 meeting and will be reviewed annually

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Policy 02 – Confidential Reporting Procedure

1 Scope

- 1.1 The purpose of this policy is to protect the interests of individuals and organisations working with Greater Lincolnshire LEP who can expect Greater Lincolnshire LEP to uphold their confidentiality. All LEPs need to demonstrate accountability and transparency but also ensure confidence is kept and commercial sensitivity is respected.
- 1.2 Unless covered by this policy, all Board and decision making committee agendas, papers and minutes will be published on the GLLEP website in line with the Government Best Practice Guidance. This policy relates to the Greater Lincolnshire LEP Directors Board and the Investment Board. All other boards within the LEP structure are advisory, and papers are published on our website.

2 Access to Agenda and Reports

- 2.1 At least 5 clear working days before decision making boards, the Greater Lincolnshire LEP and the Investment Committee, the following documents will be publicly available and published on the Greater Lincolnshire LEP website:
 - A) the agenda for the meeting; and
 - B) any reports which are to be made accessible in accordance to these procedure rules.

At least 10 clear working days after the meeting takes place, the minutes of the meetings will be published. This may be in draft format if internal LEP processes require clearance before the minutes are finalised. The final minutes will be published within 5 clear working days of being approved at the subsequent meeting.

3 Confidential and exempt items

- 3.1 The only exception to publishing LEP papers in line with policy on the LEP website relates to material of a personal, confidential or commercially sensitive nature that includes, but is not exclusive to the following:
 - Information provided by a government department on terms which forbid the disclosure of the information to the public;
 - Where disclosure to the public is prohibited by a court or;
 - Where the LEP holds “exempt information” under **Schedule 12A of the Local Government Act 1972**
http://www.legislation.gov.uk/ukpga/1972/70/pdfs/ukpga_19720070_en.pdf
(make linkable) This includes information relating to an individual, relating to the financial or business affairs of a particular person, negotiations, labour relations, legal professional privilege and in connection to the investigation or prosecution of a crime.
 - Where a commercial action is noted that may be compromised or adversely affected by the information being in the public domain

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Policy 02 – Confidential Reporting Procedure

3.2 The table below sets out the exemption descriptions and qualifications:

Description of exempt information	Qualification
1. Information relating to any individual	Exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
2. Information which is likely to reveal the identity of an individual	Exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
3. Information relating to the financial or business affairs of any particular person including the authority holding that information	Exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Information falling within paragraph 3 is not exempt information by virtue of that paragraph if it is required to be registered under: (a) The Companies Act 1985 (b) The Friendly Societies Act 1974 (c) The Friendly Societies Act 1992 (d) The Industrial and Provident Societies Acts 1965 to 1978 (e) The Building Societies Act 1986 (f) The Charities Act 1993
4. Information relating to any consultations or negotiations or contemplated consultations or negotiations in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, of office holders under, the authority	Exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings	Exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
6. Information which reveals that the authority proposes: (a) To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) To make an order or direction under any enactment	Exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime	Exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

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Policy 02 - Confidential Reporting Procedure

4 Application of the Rules

- 4.1 The Greater Lincolnshire LEP has a standard process for marking documents which are not for publication but for consideration at meetings:
- The agenda item will be marked confidential on the agenda
 - Papers will be circulated with a confidential watermark and not published on the website
 - Members will be expected not to circulate the confidential papers and will be mindful of hard copies in their possession.
 - Any hard copy confidentially marked papers will be disposed in confidential waste
 - A brief minute will be made on the item for publication - the chair may request an additional confidential minute is kept and not published
 - On occasions, some papers or minutes may be published with parts redacted
- 4.2 The decision for which documents are designated as confidential will be taken by the Director or authorised delegate of GLLEP. The GLLEP Board have agreed that the position taken by the LEP Director is to be cautious and where there is a risk that confidentiality or commercially sensitive materials are involved, this should be treated as confidential and not published. This decision will be taken prior to the finalisation of the agenda and reviewed before the final issue of the papers. It will be reviewed again at the time of the publication of the minutes.
- 4.3 The Finance and Audit Committee will oversee the policy and ensure that the balance is being struck between accountability and transparency and ensuring that confidence is kept and commercial sensitivity is respected. Any confidential papers will be made available to the F&A Committee following publication of papers to the LEP website by the LEP Director, in order for the F&A Committee to undertake their scrutiny role in this regard.

5 Additional rights to information

- 5.1 These rules do not affect any more specific rights to information contained elsewhere in the Assurance framework or the law, in particular the public may have additional rights of access to information under:-

Local Government Act (1972) Human Rights Act (1998)
Data Protection Act (1998) Public Interest Disclosure Act (1998)
Freedom of Information Act (2000) General Data Protection Regulations (2015)

6 Review

- 6.1 Policy No 02 Confidential Reporting - Policy and Procedure shall be reviewed annually by the Greater Lincolnshire LEP Directors Board and the Finance and Audit Committee to ensure compliance with national and legal guidance and with best practice as part of the annual review of Policies each year.

Version 1 - November 2018

This version was approved at the x 2018 LEP Board

This document will therefore be reviewed at the x 2019 LEP Board

Paper 4.1

Growth Deal Programme Review

1. PAPER FOR DECISION

- 1.1 Board Directors are asked to consider the Growth Deal Programme review and note the risks to programme delivery identified.
- 1.2 The paper seeks to inform board of the ongoing pressures of spend targets, detailed project updates, LGF reporting and re-profiling and changes in procedures to highlight risks earlier in project assessment.

2. BACKGROUND

- 2.1 The £123.7m Greater Lincolnshire Growth Deal Programme now includes 17 individual projects and two sub-programmes containing 13 projects. Schemes are at varying stages of development/delivery and several are now completed with subsequent outputs and outcomes being closely monitored.
- 2.2 Appendix One to this paper provides an overview of progress made on each scheme/programme, identifying key risks to delivery and forecasts, providing clarity on mitigations where possible. More detailed information is available on each project and will be shared with BEIS as part of ongoing monitoring of the programme delivery.
- 2.3 Forecasts provided by grant recipients earlier in the year had indicated that GL LEP would substantially exceed its government target of £8.7m, thus enabling significant repayment of offset/advances released in previous years under agreed freedoms and flexibilities. Unfortunately, due to unforeseen delays in progression of some of the larger contracted schemes and slower than envisaged development of uncontracted schemes this is now an unlikely scenario.

3. GROWTH DEAL PROGRAMME UPDATE PROGRAMME DELIVERY

- 3.1 The summary Dashboard for Q2 of 2018/19 provided as part of the DCLG reporting mechanism is enclosed as Appendix B. As previously reported we were awaiting confirmation from BEIS that a re-profiling exercise was approved. We have been reporting against targets that were set in June 2017 and as we have highlighted above many of the projects have experienced slippage in both spend and output delivery. The re-profile exercise is now confirmed and will be submitted alongside the Q2 dashboard submission.
- 3.2 Once endorsed by Board the Q2 dashboard will need to be signed off by the Section 151 Officer and will be sent to central government by the revised deadline of 7th December 2018.
- 3.3 It should be noted that the dashboard presented shows actual achievement against the currently agreed forecasts. The re-profile exercise is still in progress as we scrutinise project estimated delivery.

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Growth Deal Programme Review

3.4 The Growth Deal target spend for 2018/19 is £8,733,858. Having liaised with grant recipients over previous forecasts and discussed reasons for scheme delays, projected programme spend has altered considerably and it is expected at this time to be £7,234,398 and not the £19,102,416 previously forecast in July 2018.

3.5 The table below provides an overview of the whole programme:-

	ACTUAL	FORECAST			Total ALL Years
	TO Mar 2018	2018/19	2019/20	2020/21	
	TOTAL	TOTAL	TOTAL	TOTAL	
SLGF Allocation	89,951,122	8,733,858	6,809,606	18,153,052	£123,647,638
Project spend (SLGF)	71,685,865	7,234,398	25,074,865	19,652,512	£123,647,638
Offset used	-298,990	-	-18,265,259		-£18,564,249
Offset gained	18,564,249	-	-	-	£18,564,249
GAP	-	-1,499,460	-	1,499,460	-

- The figures above are the latest estimates from both contracted and uncontracted projects.
- The spend outcome is still a high risk. Only £2.8Million of estimated spend is with live projects meaning £4.4million with uncontracted schemes, albeit several are in latter stages of negotiation.
- Projected spend is **£1.5 Million lower** than the agreed allocation.
- No offset will be used in this financial year as previously identified. We can confirm that this money is held within an unapplied grant account within Lincolnshire County Council (LCC). Estimates show this being fully used in 19/20.
- The figures above take into account using the £159K paid back from the withdrawal of the Grantham College project.
- £3.6million has been paid back from LCC relating to the withdrawal of the Skegness Countryside Business Park project. With previous approval this will be held on a reserve and will be used in future years.

4. ADVANCE PAYMENTS

4.1 During the life of the programme 10 projects have received an advance payment. These have been awarded for a variety of reasons including:-

- requested project cash flow
- full transfer of project programme allocation (Skills)
- using freedom and flexibilities on a risk basis to meet government targets.

To date £24.4million has been released in this way with 5 projects evidencing expenditure of the full advance through the claims

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process. £14.4m remains to be evidenced and recent reviews have highlighted that this will be achieved to the value of £5million during the remainder of 18/19 and £9.4million in 19/20. The table below provides an overview of the outstanding commitments.

ADVANCE PAYMENTS		2018/19		2019/20	Total ALL Years
		To Sept 2018	Remainder of FYR	TOTAL	
Go Skegness	Advance Given	1,465,428			£1,465,428
	Advance Recouped	- 1,169,403	- 296,025		-£1,465,428
GSRR	Advance Given	5,209,040			£5,209,040
	Advance Recouped	- 2,776,121	- 2,038,593	- 394,327	-£5,209,040
Lincolnshire Lakes	Advance Given	1,800,000			£1,800,000
	Advance Recouped	- 409,240	- 600,000	- 790,760	-£1,800,000
Skills Capital Programme	Advance Given	7,340,000			£7,340,000
	Advance Recouped	-	- 1,438,500	- 5,901,500	-£7,340,000
Holbeach FEZ	Advance Given	2,985,000			£2,985,000
	Advance Recouped	- 37,655	- 661,133	- 2,286,212	-£2,985,000
Total Programme	Total Advance	£18,799,468	£ -	£ -	£18,799,468
	Total Recouped	-£ 4,392,419	-£5,034,251	-£9,372,798	-£18,799,468

5. Analysis and Options

- 5.1 Having focussed extensively on the spend position there are limited options in ensuring that the spend target for 18/19 is met.
- 5.2 No further offset could be gained this financial year and considering we are yet to use a large proportion of this freedom and flexibility until future years it would be prudent to not use this option.
- 5.3 Given the complexities and reporting scrutiny of both SLGF and ERDF funding, the board agreed previously that it would be sensible to transfer the SLGF element to an applicant where a multi fund of this nature was operating. This was with the view to ease the burden on the applicant and allow the scrutiny from the European grant process to be used, negating the need for double claim submissions. The Agri-food project fits this criteria and if contracted in 2018/19 could receive a grant of £2.4million.

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Growth Deal Programme Review

- 5.4 Increasing intervention rates has been used previously but again there are limited options within the current projects. We should also note that using this method does affect the recording of match funding within year. The Grantham Technology and Innovation project is yet to be contracted, however we are aware that they have been operating at risk and have progressed spend on the project. When contracted we would expect a claim to the value of £2.4m. We would be releasing £1.34m, however if we increase the intervention rate on this evidenced expenditure we could release a further £660,000 and capture the match funding in future years.
- 5.5 Utilising freedom and flexibilities under the programme is allowable as per the grant determination. The importance is that we lower the risk of using these flexibilities and therefore we propose a joint solution to cover the underspend and also future proof against any other identified shortfall. These options are:-
- Increase the intervention to 83.3% on the Grantham Technology and Innovation Centre.
 - Release a proportion of the grant to the Agri-food Centre of Excellence - 1st year SLGF allocation is £1.4m.
- 5.6 There is a wider issue in that many of the Growth Deal projects are complex and unlike EU funded programmes are contracted at a point where there are still some key milestones to be achieved, for example around land negotiation, third party agreements, design and procurement. The board have previously agreed that it is right to support the most strategic schemes but understand that these do run at a higher risk where unknowns remain.
- 5.7 The current due diligence assessment does identify barriers to delivery, but Officers have identified that this could be further enhanced to enable the Investment Board to be more informed of the risk in the timeframes of achieving the project key milestones and how these may impact on spend and output delivery moving forward. With this in mind LEP Officers have explored some additional elements for inclusion within the appraisal process and these will be considered for all future appraisals.
- 5.8 Aligned to this is building on lessons learnt and challenging the projects coming forward for due diligence. The board will note that we are not bringing forward schemes for decision until we are confident that we have the required information for due diligence.

6. OUTPUTS AND OUTCOMES

- 6.1 As can be seen from the dashboard project output delivery is low in the key outputs. Given the lower spend and delays on delivery this is expected and we can see the direct impact on the production and evidencing of outputs.

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Growth Deal Programme Review

- 6.2 We have noted within our project discussions that applicants can be over ambitious on the timings of outputs and this is an area we will address earlier in project inception.
- 6.3 Positively, no project has identified that outputs will not be achieved and they are working with us to ensure that in the current re-profile exercise that these will be forecasted more realistically.
- 6.4 Aligned to this is ensuring that the correct mechanisms are in place within partner organisations for appropriate reporting. This is not only to seek evidence of direct outputs as reported in the dashboard but to ensure we can capture and report the added value through the project lifecycle.

7. RECOMMENDATION

- 6.1 That the LEP Board is asked to:
 - note the position of Single Local Growth Fund expenditure.
 - agree the proposals to meet the spend target in 18/19.

Paper 4.1.1 – Appendix A

Growth Deal Programme Project Review – 30 November 2018

PROJECT	UPDATE	CONTRACT STAGE	RISK LEVEL	RAG RATING		
Grantham Southern Relief Road	<p>The detailed design for the scheme is substantially completed with contract documentation for Phase 2 being prepared.</p> <p><u>Public Enquiry</u></p> <ul style="list-style-type: none"> Lincolnshire County Council submitted a statement of case in June 2018. Proof of evidence for a public Inquiry has been submitted by Expert Witnesses supporting the County Council on 13 November 2018. LCC are continuing to work with objectors to remove the objections to the scheme. The Planning Inspectorate (PINS) have put forward a potential public inquiry (PI) date of 4 of December 2018. Should the inquiry proceed, a decision on the orders is expected within 2 months of the PI and construction could begin soon after. <p>The forecast for the scheme for the year is not expected to change despite the potential for an inquiry. Following a financial review of the Scheme, it is to be noted that the costs of the scheme have increased from £81.5m to £102m. The council has committed to underwrite these increased costs in the first instance with the intention of recouping the costs through alternative means (S106, other bids or commercial deals).</p>	Contracted	Medium/High	Delivery	Forecast for 2018/19	Spend by March 2021
Boston Quadrant	<p>Works continue to progress on site as follows:</p> <p><u>Area 1/2</u> - Works completed and roundabout now adopted by Lincolnshire County Council.</p> <p><u>Area 3</u> - Final remedials being completed on surfacing.</p> <p><u>Area 3A</u> - All works completed except final surfacing.</p> <p><u>Area 3B</u> - All works completed except final surfacing and cycle/pedestrian link to Tytton Lane East. Due for completion in early 2019.</p> <p><u>Area 4</u> - Stage One works are complete, with finishing works to progress to provide link to London Road works.</p> <p><u>Area 5</u> - Technical Approval now received from Lincolnshire County Council and Planning Condition Compliance submitted to Boston Borough Council. Project being re-tendered with aim to appoint contractor in January 2019 with a forecast start on site March 2019.</p> <p><u>Area 6</u> - Construction drawings being prepared by December 2018 to enable works to be tendered alongside road 7 and drainage for commercial sites. Aim for contract to be awarded in early 2019 to enable completion of works to tie in with commercial land sales requirements in mid-2019.</p> <p><u>Area 7</u> - Construction drawings being prepared for tender/works as above.</p> <p><u>Area 8</u> - Engineers instructed to complete design work for Technical Approval submission for early</p>	Contracted	Medium	Delivery	Forecast for 2018/19	Spend by March 2021

	2019. <u>Housing</u> Construction on-going on Phases 1 and 2 of housing site, with over 100 units sold/under construction. Twenty five market dwellings sold and occupied, with a further 9 sold and under construction.																				
Boole Technology Centre	Project is complete and outcomes are being monitored.	Contracted	Low	Delivery	Forecast for 2018/19	Spend by March 2021															
Unlocking Rural Housing Programme	Unlocking Rural Housing has being a very successful programme. 9 schemes are contracted, of which 2 are now fully delivered and 6 with a final retention to claim which will be completed by Q1 2019/20. Boston Quadrant will continue, with the scheme due to complete by 2021. <ul style="list-style-type: none">This programme has unlocked development on priority sites to deliver much-needed affordable rural housing and has delivered 419 new affordable housing units.£7.3m public sector leverage and £32.9m private sector leverage has been claimed.Numerous openings have taken place which have been attended by a representative from both the GLLEP and a Board Director.	Contracted	Low	Delivery	Forecast for 2018/19	Spend by March 2021															
Bishop Burton College Riseholme Campus	Project is complete and outcomes are being monitored. The total contract sum for the project was £11,508,612, of which a grant was received of £7,500,000 from GLLEP. <u>2017/18 Outputs</u> <table><tr><td></td><td><u>Target</u></td><td><u>Actual</u></td></tr><tr><td>Learners supported</td><td>350</td><td>507</td></tr><tr><td>New jobs created</td><td>5</td><td>11</td></tr><tr><td>Jobs safeguarded</td><td>30</td><td>49</td></tr><tr><td>Businesses supported</td><td>65</td><td>114</td></tr></table> Learners supported includes full time FE, part time FE and HE. In addition to this the College had 333 students on apprenticeships and full cost courses which resulted in 114 employers being support in 2017/18.		<u>Target</u>	<u>Actual</u>	Learners supported	350	507	New jobs created	5	11	Jobs safeguarded	30	49	Businesses supported	65	114	Contracted	Low	Delivery	Forecast for 2018/19	Spend by March 2021
	<u>Target</u>	<u>Actual</u>																			
Learners supported	350	507																			
New jobs created	5	11																			
Jobs safeguarded	30	49																			
Businesses supported	65	114																			
Tentercroft Street Growth Corridor	Project is complete and outcomes are being monitored.	Contracted	Low	Delivery	Forecast for 2018/19	Spend by March 2021															
Lincoln Transport Hub	<ul style="list-style-type: none">Construction works are now completed.A publicity event to include all key partners/funders is being organised for January 2019 to celebrate one year of the bus station being operational.The project has proved extremely successful and transformative for the city centre, encouraging further private investment in the area and has benefited from a number of awards including Safer Bus Station, Park Mark and East Midlands Engineering Project of the year.	Contracted	Low	Delivery	Forecast for 2018/19	Spend by March 2021															

	<ul style="list-style-type: none"> The 127 bed Travelodge Hotel on Tentercroft Street enabled by this scheme will take bookings from 17 December 2018. 					
Skegness Gateway Project	<p>The project plans have recently been re-profiled along with project milestones. Obtaining the land is the primary objective and as such a recent meeting was held with the land owner to make them aware that a new valuation of the land for phase 1 had been commissioned, as conditioned in the Due Diligence report.</p> <ul style="list-style-type: none"> Progression of legal documentation is dependent on land values and once the revised valuations have been received. Detailed design cannot progress at this point, as it is reliant on acquisition of the land and completion of the legal processes. <p><u>Revision of key milestones for delivery:</u></p> <p>contractor Engagement 16/11/18 Utility search renewal 21/12/18 Land Valuation 21/12/18 Framework Contractor Appointed (Gateway 1) 14/12/18 Feasibility (Gateway 2) 7/1/19 Pre-construction design (Gateway 3) 11/3/19 Planning submission 31/3/19 Detail design (Gateway 4) 13/5/19 Mobilisation (Gateway 5) 1/10/19 Site completed 28/2/20</p> <p>Phase 2 will be looked at in more detail when a Framework contractor has been appointed for Phase 1.</p> <p><u>Risks</u></p> <p>The severest risk to the project is identified as the lack of Utility capacity. Initial enquiries indicate that there is sufficient capacity in the area for Phase 1; however there are no guarantees that this will be the case until the required amount is secured through the placement of Purchase Orders for electricity and other utility connections such as telecommunications, water and sewage.</p> <p>Planning Permission is also a risk. Could be difficult to control objections during the consultation, may require the application to be referred to the Planning Committee. The method of reducing this risk will be to approach all interested parties and statutory consultees as early as possible to alleviate any concerns and respond to queries before the Planning Application is made.</p> <p>Finalising negotiations and securing the land required for phase 1. These can be best avoided by on-going dialogue to provide confidence that the development is a high priority for LCC and is being dealt with in an open and trusting environment.</p>	Detailed Design	High	Delivery	Forecast for 2018/19	Spend by March 2021

	Based on the current milestones, drawdown of the Phase 1 SLGF funding would not be until Q3 of 2019/20 at the earliest. Phase 1 totals £1,279,000. The funding agreement for Phase 1 between GL LEP and LCC was drafted in June 2018, however the scheme is still not in a position to progress and therefore this will be held in abeyance until further progress has been made and there is more certainty over progression of the scheme.					
Go Skegness Sustainable Transport	<p>Growth Deal expenditure is on target for this scheme.</p> <p>The current works schedule for the next 3 months is as follows:</p> <p><u>Gibraltar Point</u></p> <ul style="list-style-type: none"> Ongoing negotiations relating to the land dedication agreement for Gibraltar Point Phase 4b new footway/cycleway <p><u>Grand Parade / Scarborough Avenue / Roman Bank junction improvements works</u></p> <ul style="list-style-type: none"> 5th - 30th November 2018: junction remodelling 27th - 30th November 2018: installing a new fully accessible central crossing point Carriageway resurfacing works due to start mid-December 2018. <p>In terms of outcomes the project should achieve 3,830 metres of new cycleway and 640 metres of new roads this year.</p>	Contracted	Low	Delivery	Forecast for 2018/19	Spend by March 2021
Access to Employment Zones	<p>Design work is continuing to progress on all three schemes.</p> <p><u>Toll Bar – Phase 1</u></p> <p>This project is designed to improve highways conditions at A16 ‘Toll Bar’ junction, providing additional safety infrastructure for pedestrians and cyclists, reducing congestion in traffic and improving access to key employment sites in Grimsby and the South Humber Bank.</p> <p>Significant delays to the original works program have occurred as a result of political objection from opposition parties. The scheme has been subject to a number of Scrutiny call-ins. On 29 October Cabinet endorsed its earlier decision to proceed with the Toll Bar scheme as proposed, so the scheme can now proceed to final/detailed design and procurement.</p> <p>Delays associated with securing renewed political approvals have meant ongoing delays to the financial profile, and NELC has confirmed that little, if any, physical infrastructure will be delivered during the 2018/19 financial year.</p> <p>The next stage of the project will be to go out to the open market with a tender specification to appoint a suitably qualified and experienced contractor to deliver the physical infrastructure required. An April on-site start date should be considered realistic.</p> <p><u>Nuns Corner/Littlecoates Road –Phase 2</u></p> <p>Detailed design and costings awaited from NELC.</p>	Phase 1 Contracted Phase 2 Detailed Design	Medium/High	Delivery	Forecast for 2018/19	Spend by March 2021
Normanby Enterprise Park Site 7	<ul style="list-style-type: none"> The road has been redesigned alongside new infrastructure costs associated with drainage 	Contracted	Medium	Delivery	Forecast for	Spend by March

	<p>and foul run off.</p> <ul style="list-style-type: none"> • Planning applications have now been submitted for both the industrial complex going on the site in relation to the inward investment (ABM Precast Solutions Limited) and the newly designed road. Both are due to be determined in December. • NLC are currently on site undertaking an exercise in capturing and rehoming the great crested newts that have created a slight delay. • New formal civil designs have been undertaken; the expected start time on site for the road is December 2018 and it should be completed by mid-2019 • Financial completion will be no later than December 2019. • There will be photo opportunities in December 2018 for the launch of both the new access road the ABM investment. 				2018/19	2021
Northern Junction Roundabout	<p>This project is at contracting stage having gone through a full due diligence appraisal and Investment Board approval process in July 2018. A GL LEP/NLC funding agreement has not been signed yet. NLC are hopeful that negotiations over match funding release will be resolved over the next few weeks, enabling Clugstons to begin preparatory works with a start on site in early 2019. This slight delay may affect the level of expenditure achievable for 2018/19.</p> <p>A Judicial Review raised by SUFC (former applicants) in relation to this scheme found in favour of GL LEP on the 9th November 2018.</p>	Awaiting confirmation of Homes England funding	Medium	Delivery	Forecast for 2018/19	Spend by March 2021
South Humber Industrial Investment Programme	<p><u>Ecological Mitigation – Phase 1</u></p> <p>Works on site are underway on the largest of the mitigation sites with public access and should complete in January 2019.</p> <p><u>Humber Link Road – Phase 2</u></p> <p>Planning permission has been granted and determination of the winning tender has been scheduled for November. Ecological Mitigation is to be provided for the Link Road – this is a planning condition. Vegetation management has been undertaken on alignment of proposed Highway.</p> <p>Key Milestones:</p> <ul style="list-style-type: none"> • Land Transferred to NELC from both Landowners, November 2018 (as conditional to planning) • Contractor Appointed November 2018 • Construction start January 2019 • Construction complete Spring 2020 	Contracted	Medium	Delivery	Forecast for 2018/19	Spend by March 2021
Lincolnshire Lakes Lake 1	<p>As per the Northern Junction Scheme this project is in abeyance pending release of Homes England funding to the wider scheme. Discussions continue with Homes England over the match funding required for the project, until this has been resolved, NLC are unable to make any further progress with the Lake 1 project.</p> <p>Clugston are appointed to construct the lake and are in a position to commence on site, once NLC are</p>	Contracted	Medium	Delivery	Forecast for 2018/19	Spend by March 2021

	able to instruct them accordingly.					
Agri-Food Centre of Excellence	<ul style="list-style-type: none"> Planning permission for the Centre of Excellence has been granted. ERDF funding for Centre of Excellence is now finalised and pending final agreement between parties the growth deal contract between GL LEP and University of Lincoln should be signed by the end of November/beginning of December 2018. A full OJEU procurement process for Centre of Excellence could take six months, leading to a start on site mid-2019. This has implications for the £1m growth deal expenditure currently forecast against the scheme in 2018/19, and will impact on wider SLGF programme targets. 	Draft contract under negotiation	Medium	Delivery	Forecast for 2018/19	Spend by March 2021
Holbeach Peppermint Junction	<ul style="list-style-type: none"> Construction of the road has been completed. Some residual works are taking place to finish off to a satisfactory standard; these should be finished by end of December 2018. The finances and funding of this project will face a final review in the next claim, which will be the last financial claim of the project. 	Contracted	Low	Delivery	Forecast for 2018/19	Spend by March 2021
Scunthorpe Town Centre	<ul style="list-style-type: none"> Comments received back in November from NLC on the draft funding agreement. We are hopeful that a final version can be agreed and signed by early December. Over £2m of eligible retrospective funding can potentially be claimed in 2018/19 once the funding agreement is in place. 	Draft contract under negotiation	Low	Delivery	Forecast for 2018/19	Spend by March 2021
Suttern Roundabout	Project is complete and outcomes are being monitored.	Contracted	Low	Delivery	Forecast for 2018/19	Spend by March 2021
Gainsborough Growth Project	<ul style="list-style-type: none"> The development agreement with Muse to be engrossed and in place by November/December 2018. Feasibility and design work for the town centre scheme to be completed by Muse incorporating the Public Realm scheme by March 2019. Planning Application for the town centre scheme incorporating the Public Realm to be submitted by 30th June 2019. Planning Approval to be secured by 31st December 2019. Competitive tendering of the works to commence in January 2020. Contractor appointed by March 2020. Practical completion of the Public realm scheme by March 2021. Delivery of the wider Muse development anticipated by 2024. Living Over The Shop's rollout to commence on site early 2019. Living Over The Shop's rollout to be completed September 2019. 	Draft contract under negotiation	Medium	Delivery	Forecast for 2018/19	Spend by March 2021
Europarc Food Enterprise Zone	<p>We are hopeful that the contractual agreement between GL LEP and NELC can be signed by early December 2018. North East Lincolnshire Council's legal team will draw up a partner agreement with Wykeland Ltd (the landowner) that replicates the terms and conditions of the LEP agreement with NELC in December.</p> <p>A topographical survey will be undertaken on the scheme and detailed design work will be completed in February 2019, with full planning permission being submitted in March 2019. Subject to the</p>	Draft contract under negotiation	High	Delivery	Forecast for 2018/19	Spend by March 2021

	<p>planning decision procurement will take place in June 2019, with construction starting on site for the first 30,000 sqft unit in October 2019. We expect this unit to be available for occupancy by April 2020. Construction of the second 15,000 sqft unit would begin in July 2020.</p> <p>There is however a higher risk to the wider growth deal programme targets as a result of changes to agreed milestones and forecasts. The changes will result in £730,391 less of growth deal grant being drawn down by NELC for the project this financial year; a revised expenditure profile has been provided.</p> <p>Delays are due to the time it has taken to finalise the grant agreements between the three parties. Despite the later project start, both parties are keen to progress the work / make up some time, and remain confident that construction of both units can still be delivered before the LEP programme ends in March 2021.</p>					
Holbeach Food Enterprise Zone	<ul style="list-style-type: none"> The Local Development Order (LDO) goes to full South Holland District Council on the 28 November 2018 and will be effective immediately. In addition to the Agri-food centre of Excellence the University of Lincoln is applying for funding to enable an Institute of Technology for Greater Lincolnshire. The building footprint would be approx. 400/450m2 and UOL would like to build it adjacent but separate to Centre of Excellence on the Holbeach FEZ site. Utilities scoping works for Phase 1 of the FEZ have drawn to a close now. There is enough power to supply Centre of Excellence on the site at the moment but after that there is limited supply. The scheme is likely to require a new substation to power the rest of the FEZ. SHDC/LCC/University of Lincoln to establish common objectives which should help determine a suitable delivery strategy. Economic value and market demand needs more investigation work. The growth deal expenditure forecast has been recently revised due to delays caused by determination of the ESIF funding agreement for the Agri-Food Centre of Excellence anchor project and Phase 1 land negotiations (now resolved). A Communications Strategy is still to be developed and LCC, UOL and SHDC are investigating delivery options for the remainder of Phase 1. There are ongoing talks with a third party landowner in relation to land for Phase 2. 	Contracted	High	Delivery	Forecast for 2018/19	Spend by March 2021
Hemswell Food Enterprise Zone	<p>Meeting held with WLDC and the landowner on the 22 November to discuss the draft funding agreement. Sign off of the grant agreement expected in December 2018 with the back to back sign off of the grant agreement between WLDC and the SPV likely soon after.</p> <p>Other milestone dates are as follows:</p> <ul style="list-style-type: none"> FEZ Demand Analysis – completed end of January Initiate planning process (discharge of LDO planning conditions) as soon as grant agreement is signed 	Draft contract under negotiation	Medium	Delivery	Forecast for 2018/19	Spend by March 2021

	<p>- Submission of first grant claim for retrospective costs February/March 2019</p> <p>The detailed design process should be complete by March 2019, with full technical approval secured from the Highways Authority by June 2019. The infrastructure works will be subject to a tender exercise to appoint a contractor around May 2019, hence the main works would commence on site in July 2019 and be completed by February 2020.</p>					
Grantham Technology and Innovation Centre, Grantham	<ul style="list-style-type: none"> Core cinema complex building within which the University Centre will be located is currently being built on site. The expenditure for the building shell has been progressing smoothly with a forecasted delivery date for mid-January 2019. The remaining milestones are outlined as below: <ul style="list-style-type: none"> Finalise all of the side elevations (80-85% complete) Roof to be completed (beginning of December) Internal structure works (December to January 2019) Fit out (January 2019 – April 2019) 	Draft contract under negotiation	Low	Delivery	Forecast for 2018/19	Spend by March 2021
Skills Capital Investment Programme	<p>There are four schemes under the auspices of this programme, they can be broken down as follows:</p> <p><u>Boston EMAT Centre</u></p> <ul style="list-style-type: none"> The construction extension works were delayed by Anglian Water's requirement for a build-over agreement. These works are now in progress. Enabling works, including surveys and creation of temporary car parking, have been completed. Planning consent has been obtained. Delays to the construction works have led to expenditure being slightly behind profile. This will be resolved during this quarter. Tenders were received for the EMAT Centre construction contract on 26 September and appointment of a contractor was confirmed in early November. Works on site will commence soon. <p><u>Digital Skills Centre, Stamford</u></p> <ul style="list-style-type: none"> The refurbishment work to accommodate the Digital Skills Centre is now complete. Publicity is likely next month on this project which has completed on time and on budget. There will be an official launch on January 15th 2019. Claims will be made in two tranches, one in December 2018, and one before the end of the financial year, completing the project. Work is now on-going to promote the facility to businesses in the area. <p><u>North Lincolnshire Higher Level Technical, Business Skills and innovation Hub</u></p> <p>Due diligence information is being submitted in November for appraisal. All planning permissions and procurement requirements will be completed at the end of January in readiness for work to commence on the refurbishment of the Civic Centre building in February 2019.</p> <p><u>Digital and Professional Skills Centre, Lincoln</u></p>	<p>2 Schemes contracted</p> <p>1 Scheme under due diligence appraisal</p> <p>1 Scheme still at detailed design stage</p>	Low/Medium	Delivery	Forecast for 2018/19	Spend by March 2021

	<p>The Digital Skills Hub project could have procurement in place by spring 2019 if all goes to plan. A revised draft business case for the growth deal scheme was requested by GL LEP to be submitted by the deadline of 31st October 2018, as since the scheme was originally put forward in 2017 the project has become a refurbishment scheme rather than a new build extension, but no detail has been provided. Unfortunately the college was unable to meet the proposed deadline and details are awaited.</p>					
A46/A15 Roundabout Junctions	<p>In terms of the A46 roundabouts north of Lincoln (Nettleham and Riseholme) the latest position is as follows:</p> <p><u>Riseholme</u></p> <ul style="list-style-type: none"> This has had a slight amendment to the design to still permit the 3 lanes of entry, and hence traffic flow improvements. Planning permission or an EIA is not required for this junction; Lincolnshire County Council can undertake the scheme under Highways Act powers. Detailed design is now underway. <p><u>Nettleham</u></p> <ul style="list-style-type: none"> Slight amendments to the design have been required, which have required Lincolnshire County Council to undertake some further modelling works. Discussions are still ongoing with landowners. Detailed design works should commence within the next few months. <p>For both schemes early contractor involvement will take place; detailed costs are expected to be determined by mid-2019, and works on site should commence in January 2020.</p>	Due diligence expected summer 2019	Low	Delivery	N/A	Spend by March 2021
Sleaford Growth Project	<p>Detailed designs will be completed by the end of Autumn 2019. Construction is expected to begin in March 2020 and to complete by November 2020. Both projects will be run in parallel so technical works can be co-ordinated.</p> <p>For the Holdingham Roundabout scheme (the intersection between the A15 and the A17) Lincolnshire County Council are employing some traffic management and surveys works to be completed by December to inform the detailed programme. A design brief has been written and agreed with Technical Services Partnership, who will ultimately be responsible for the delivery of the design, and its subsequent procurement. Overall junction cost is expected to be around £3.8m with £1.5m coming from SLGF.</p> <p>The Sleaford Rugby Club junction is likely to be less complicated. The recommended option is geometric improvements and permanent traffic lights. A design brief has been written and costs for this junction are expected to be around £1.46m with £500,000 being contributed from SLGF.</p> <p>An initial programme was discussed at the last Sleaford Growth Board in September, and it was confirmed that procurement will be through a framework, so early contractor involvement will be required to keep traffic disruption to a minimum. The schemes will come forward for due diligence</p>	Due diligence expected Feb/Mar 2019	Low	Delivery	N/A	Spend by March 2021

	appraisal in February/March 2019.					
Advanced Engineering R& D Centre (The Bridge)	<p>Funding for this project will construct and equip an Advanced Engineering R&D Centre (known as 'The Bridge') for Greater Lincolnshire.</p> <ul style="list-style-type: none"> 788m² integrated facility that will catalyse growth & productivity in the gas turbine supply chain and across the wider manufacturing & engineering sector Creating the space for 9 FTE researchers to work in improved research facilities. Co-designed with industrial partners (including: Siemens, Teledyne e2v, Dynex, Fenner Precision Polymers, Linwave Technologies, Micrometric Laser Manufacturing Service, Eminox, North Lincs Engineering) to address an identified market failure. Provides a unique opportunity to establish an R&D network integrating links between industry and a world-class research base. <p>The Bridge will be constructed as a standalone building with car parking on a plot of land known as the Westleigh site which is adjacent to Charlotte Scott building and close to the Joseph Banks Laboratories located on the Lincoln Science & Innovation Park. It will be a separately identifiable facility adjacent to the existing, extensive, cross-disciplinary research facilities.</p> <p>The Bridge will open in September 2022. An ESIF submission under the Productivity Programme has been made for funding towards this project as match, and growth deal delivery timescales will therefore need to consider this process. UOL are hoping for a 2019/20 start on site, but much will depend on the timings for the ESIF process.</p>	Due diligence expected spring 2018/19	Low	Delivery	N/A	Spend by March 2021
Lincoln School of Medicine	<p>A business case has been provided to GL LEP</p> <p>The Lincoln School of Medicine will drive growth and productivity throughout the health and care sector, injecting higher level skills and innovation for the benefit of the entire supply chain.</p> <p>UOL has partnered with the University of Nottingham to utilise their existing curriculum and delivery model. Students will study at Lincoln for a University of Nottingham BMBS medical degree, underpinned by the University of Lincoln's outstanding infrastructure, research and employer partnerships.</p> <p><u>Milestones</u></p> <p>Jan 2019 - RIBA Stage 3 design completed</p> <p>Jan 2019 - Planning permission submitted</p> <p>Feb 2019 - Procurement process commenced</p> <p>Jun 2019 - Construction contract awarded</p> <p>Aug 2019 - Start of construction</p> <p>Jan 2021 - Completion of construction</p> <p>This project has been developed to the minimum size to create a sustainable model, based upon an annual (secured) allocation of 80 medical student places</p>	Due diligence expected early 2018/19	Low	Delivery	N/A	Spend by March 2021

Growth Deal Dashboard

LEP Name Greater Lincolnshire LEP

This Quarter: Q2_1819

Deliverables Progress



Housing	This Quarter	15-17	17-18	18-19	Financial Year			Total
Houses Completed	0	0	384	0	19-20	20-21	21-25	384
Forecast for year	566	-	455	566	896	675	5,023	7,615
Progress towards forecast	0%	-	84%	0%	0%	0%	-	5%



Jobs	This Quarter	15-17	17-18	18-19	Financial Year			Total
Jobs Created	0	0	218	1	0	0	-	219
Apprenticeships Created*	0	0	0	0	0	0	-	0
Jobs including Apprenticeships	0	0	218	1	0	0	-	219
Forecast for year	526	-	302	526	1,427	2,627	7,969	12,851
Progress towards forecast	0%	-	72%	0%	0%	0%	-	2%

* Apprenticeships included within jobs totals prior to 2017



Skills	This Quarter	15-17	17-18	18-19	Financial Year			Total
Area of new or improved floorspace (m2)	0	0	0	0	0	0	-	0
Forecast for year	0	-	0	0	0	0	6,025	6,025
Progress towards forecast	-	-	-	-	-	-	-	0%



Transport	This Quarter	15-17	17-18	18-19	Financial Year			Total
Number of New Learners Assisted	0	0	378	0	0	0	-	378
Forecast for year	350	-	700	350	350	437	3,550	5,387
Progress towards forecast	0%	-	54%	0%	0%	0%	-	7%

Project RAG Ratings		Project RAG Ratings	
Project Name	Previous Quarter Q1_1819	Project Name	Previous Quarter Q1_1819
Grantham Southern Relief Road	AR	Grantham Southern Relief Road	AR
Boston Quadrant Infrastructure Programme	A	Boston Quadrant Infrastructure Programme	A
Boole Technology Centre	G	Boole Technology Centre	G
Unlocking Rural Housing	G	Unlocking Rural Housing	G
Bishop Burton College Lincolnshire Showground	A	Bishop Burton College Lincolnshire Showground	AG
Tentercroft Street Growth Corridor Phases 1 and 2	G	Tentercroft Street Growth Corridor Phases 1 and 2	G
Lincoln Transport Hub	G	Lincoln Transport Hub	G
Skegness Countryside Business Park	N/A	Skegness Countryside Business Park	N/A
Go Skegness Sustainable Transport	G	Go Skegness Sustainable Transport	G
Access to Employment Zones	G	Access to Employment Zones	A
Normanby Enterprise Park	AR	Normanby Enterprise Park	A
Northern Roundabout Junction	N/A	Northern Roundabout Junction	N/A
South Humber Infrastructure Investment Programme	AR	South Humber Infrastructure Investment Programme	A
Lincolnshire Lakes Lake 1	AR	Lincolnshire Lakes Lake 1	AR
Agri-Food Centre of Excellence	N/A	Agri-Food Centre of Excellence	N/A
Holbeach Peppermint Junction	AG	Holbeach Peppermint Junction	AG
Scunthorpe Town Centre	N/A	Scunthorpe Town Centre	N/A
A46-A15	N/A	A46-A15	N/A
Sleaford Growth Project	N/A	Sleaford Growth Project	N/A
Sutton Roundabout	G	Sutton Roundabout	G
Grantham Technology and innovation Centre	N/A	Grantham Technology and innovation Centre	N/A
Gainsborough Growth	N/A	Gainsborough Growth	N/A
Skills Capital Investment Fund	G	Skills Capital Investment Fund	AG
GL Centre of Medical Science	N/A	GL Centre of Medical Science	N/A
Advanced Engineering R and D Centre	N/A	Advanced Engineering R and D Centre	N/A
Food Enterprise Zones	G	Food Enterprise Zones	AG
SLGF Balance	N/A	SLGF Balance	N/A



Area lead comments

Financial Progress

LGF Award		2015-16	2016-17	17-18	18-19	19-20	20-21	Total
		£26,400,000	£39,863,787	£12,687,335	£8,733,858	£6,809,606	£18,153,052	£112,647,638

LGF Outturn	This Quarter	15-17	17-18	Financial Year			Total
Actual	£ 5,990	£ 46,524,178	£ 14,181,938	18-19	19-20	20-21	£ 60,923,055
Forecast for year	£ 18,914,836	£ 46,524,178	£ 8,252,961	£ 18,914,836	£ 18,756,360	£ 20,199,303	£ 112,647,638
Progress towards forecast	0%	-	172%	1%	0%	0%	54%

LGF Expenditure	This Quarter	15-17	17-18	Financial Year			Total
Actual	£ 510,315	£ 36,605,631	£ 8,304,579	£ 1,570,406	£ -	£ -	£ 46,480,615
Forecast for year	£ 23,796,048	£ 34,980,339	£ 15,315,589	£ 23,796,048	£ 18,356,359	£ 20,199,303	£ 112,647,638
Progress towards forecast	2%	-	54%	7%	0%	0%	41%

Non-LGF Expenditure	This Quarter	15-17	17-18	Financial Year			Total
Actual	£ 821,160	£ 45,471,567	£ 36,474,796	£ 5,279,657	£ -	£ -	£ 87,226,020
Forecast for year	£ 65,891,508	£ 45,471,567	£ 48,623,854	£ 65,891,508	£ 39,895,489	£ 47,523,296	£ 247,395,714
Progress towards forecast	1%	-	75%	8%	0%	0%	35%

Total LGF + non-LGF Expenditure	This Quarter	15-17	17-18	Financial Year			Total
Actual	£ 1,331,475	£ 82,077,198	£ 44,779,375	£ 6,850,062	£ -	£ -	£ 133,706,635
Forecast for year	£ 89,687,556	£ 82,077,198	£ 63,939,443	£ 89,687,556	£ 58,241,848	£ 67,722,599	£ 361,668,644
Progress towards forecast	1%	-	+70%	+8%	+0%	+0%	37%

Contractual Commitments (manual entry)

	15-17	17-18	18-19	19-20	20-21	Total
Forecast	£ 34,980,339	£ 15,315,589	£ 23,796,048	£ 18,356,359	£ 20,199,303	£ 112,647,638
Actual	£ 36,605,631	£ 8,304,579	£ 1,570,406	£ -	£ -	£ 46,480,615
Variance	+5%	-100%	-100%	-100%	-100%	-68%

Commentary

Section 151 Officer Approved

Name

Signature

Date

Paper 4.2 – Report from the Accountable Body on the LEP Core Finances

1 Recommendations from the Finance and Audit Committee

The Committee met on 7th November 2018 to review and approve the six month finances and made a recommendation that summarised information be presented to the LEP Board for information.

2 OVERVIEW

This report summarises the financial income and expenditure of the Greater Lincolnshire LEP Core Fund from 1st April 2018 - 30th September 2018, the first six months of the financial year. Included is an overview of the cash balances currently held and an update on the Invest to Grow fund and Business Investment programme. The Greater Lincolnshire LEP remains in a good financial position having received its core funding allocation of £500k and the third tranche of £8.7million of Single Local Growth Fund following a successful annual conversation sign off.

3 Operational Core

The LEP's core income and expenditure for the 6 months to September 2018 are shown below:

- Total income received in period was £500,000.
- Actual expenditure to date £230,913

The table below show the breakdown of expenditure against the 2 main identified headings.

Area - Description		Original Budget (YR)	Actual Spend as at Sept 18	Left to spend
Area 1	Executive Team	£235,000	£112,336	£122,664
Area 2	Operational	£265,000	£118,577	£146,423
Total		£500,000	£230,913	£269,087

The Greater Lincolnshire LEP is currently 46% spent against the core budget allocation in year. The full amount of core funding received in year is expected to be fully utilised. Core funding has been used to drive forward the business plan for 18/19 and the past 6 months has seen a wide range of activity focus, including:

Policy

- The LEP team continue to support the production of a Local Industrial Strategy in partnership with Government to identify the areas in which the UK has a strong competitive advantage and in which Lincolnshire has a pivotal part to play in the future.
- Brexit monitoring has been commissioned and quarterly briefings for LEP Directors alongside work to understand the local economy at a significantly granular level.

Governance / LEP Review

- Significant progress has been made on strengthened governance structures and processes to include a policy mapping and review, a recruitment drive to attract new board members from a wider base, and greater transparency of published governance documents in the public domain via the LEP website.
- A substantial resource has been used to respond to the LEP review over the summer with the first phase of new geographies being identified, consulted on and submitted to government.
- The LEP has produced a legal case to defend the judicial review over the Northern Junction Roundabout decision.

Sector progress and priority themes

- The importance of improved infrastructure including water, utilities and housing, remains a very high priority for the LEP and progress continues on a Energy Study to be published later this year.
- The LEP Chair and CEO of the Lincolnshire Co-Operative; Ursula Lidbetter MBE, was also appointed to the Food and Drink Sector Council established by DEFRA earlier this year, as the representative for all 38 LEPs across the country. This has resulted in additional resource to support.
- The Career Learning Pilot is underway as part of a national pilot commissioned by the Department for Education supported by the Learning and Work Institute which is being undertaken to test the best ways to reach out to adults with low to medium skills who are in work or returning to work
- An enterprise co-ordinator has been recruited and has been in place since September.

Communication / Events

- A newly contracted partner to deliver the LEP Annual Conference was important in creating a successful front facing public event yet with over 400 delegates, speakers and 25 panellists debating the big current local and national economic themes.
- Progress continues on building the newsletter database, (complying with GDPR regulations), developing and renewing the website, developing marketing campaigns and communicating more effectively with our stakeholders.

Future Funding

- Significant input is being made to influence future funding streams through the UK Shared Prosperity Fund with a call for pipeline projects currently open.

, with £297k remaining in the operational reserve.

4 Greater Lincolnshire Growth Fund

This £3 million grant fund is promoted through the Greater Lincolnshire website and administered through a contract with Greenborough, a business growth and project management service. Greenborough have been working with applicants to take them through the process. 3 contract awards have been made:-

Tong Engineering - Spilsby - To create a new production facility, enabling the company to consolidate their two existing sites in to one; safeguarding the future

of the company by ensuring the business meets its growth aspirations. Investment of £3,665,095 of which the LEP are funding £500,000 - 26 Jobs created.

SDG Access Ltd - Navenby - To build a new bespoke business premises, enabling the company to consolidate their two existing sites in to one; safeguarding the future of the company by enabling the company to deliver against their growth aspirations. Investment of £654,720 of which the LEP are funding £151,346 - 23 Jobs created.

Wolds Manufacturing Services Ltd - Louth - To build a new manufacturing facility, enabling the company to significantly improve production efficiency ensuring they have the capacity to meet increasing customer demand and deliver against future growth plans. Investment of £1,092,178 of which the LEP are funding £327,653 - 16 Jobs created.

To date only a small amount of money has been released to cover the operational management fee.

5 Growing Places Fund (Invest to Grow)

The balance as at 1st April 2018 was £2,281,612 and within the last 6 months interest of £99,395.85 has been received on the current loan investments of £4.9 Million. No further loan applications have been submitted.

RW Stokes & Sons Ltd recently approached the LEP to seek a redemption figure on the 600K loan awarded for the Lawn Investment. We expect that this will be paid back with interest next month.

6 Assessment of funding and cash balances

The LEP continue to hold a number of committed reserves to allow them to respond to operational pressures and deliver their agreed business plan priorities. The table below shows the reserve position as at 30th September 2018.

Cash Balance 1 - Core Funding, Reserves and other cash balances			
Name of Fund	Balance at 31 March 2018	Balance at 30th September 2018	Year end forecast
Legacy funding to LEP	£78,396	£78,396	£78,396
LEP Operation Core	£296,855	£565,942	296,855
LEP Operation FEZ Marketing	£4,975	£4,975	£0
Career Advisor (2years 50%)	£50,000	£50,000	£30,000
Energy strategy	£40,000	£30,000	£0
Skills and Employment Manager (3years)	£0	£147,275	£ 135,000

Housing and Growth Deal Evidence Base	£0	£15,000	£0
LEP Operation Place Marketing	£62,175	£62,175	£23,000
Sub total	£532,401	£953,763	563,251
Cash Balance 2 - Growing Places Fund (Invest to Grow)			
Name of Fund	Balance at 31 March 2018	Balance at 30th September 2018	
Feasibility Fund	£215,714	£138,482	£138,482
Greater Lincolnshire Growth Fund	£2,985,000	£2,972,500	£1,993,501
Feasibility Fund (Commissioned Projects)	£0	£104,024	£104,024
Invest to Grow Loan Fund	£2,281,612	£2,381,008	£3,011,008
Sub total	£5,482,326	£5,596,014	5,247,015
Cash Balance 3 - Single Local Growth Fund			
Name of Fund	Balance at 31 March 2018	Balance at 30th September 2018	
SLGF	£156,354	£12,279,263	£3,600,000
Sub total	£156,354	£12,279,263	£3,600,000
	£6,171,082	£18,829,041	£9,410,266

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Brexit Action Plan

1. INTRODUCTION

- 1.1 It is now over 18 months since the UK triggered Article 50 and signalled its intent on leaving the European Union. Since then Brexit has been as divisive as it was on the lead up to the EU Referendum vote. With less than 6 months until the negotiation period ends (although Government may extend the negotiation period), time is running out for businesses to put into place plans to adapt to the impacts Brexit might bring.

A recent survey by the CBI found that 57 per cent of their businesses were examining Brexit scenarios for their sectors, whilst over half of businesses had increased their engagement with government.¹

Despite this, planning for businesses is very difficult due to the lack of information available, or the varying possible outcomes of the Brexit settlement. As we approach the end of the negotiation period, it is still unclear as to exactly how Brexit will impact businesses. In early 2018 Greater Lincolnshire LEP commissioned a [study into Brexit](#) and the potential impacts across the main sectors within the LEP. This study found that on the whole, businesses engaged in the predominant sectors within Greater Lincolnshire would be disproportionately impacted by Brexit (compared to other areas) in varying ways, and a number of recommendations were made:

- Support local businesses to become ‘Brexit ready’ by ensuring local businesses have adequate support to address new administrative challenges and costs resulting from Brexit, as well as using the Local Industrial Strategy to support local firms to make the transition to a post-Brexit marketplace successfully.
- Develop local skills to mitigate against the impact of Brexit on EU labour in key sectors.
- Ensure Greater Lincolnshire is ‘open for business’ by strengthening the local strategies for place marketing and inward investment, and continuing to support the growth of the visitor economy to ensure place promotion is strong.
- Strengthen key sectors by encouraging innovation, collaborating with other regions elsewhere to strengthen and promote key sectors, continuing to implement and develop priority sector plans, and carrying out a comprehensive review of the area’s infrastructure.

1.2 Brexit in the wider context

It is important to consider that whilst Brexit will have a large impact on a number of areas which will impact business, it is not the only determinant in the economy at present. The ongoing challenges (and opportunities) to businesses in Greater Lincolnshire include: an ageing workforce, a weak pound, infrastructure, sparsity,

¹ <http://www.cbi.org.uk/cbi-prod/assets/File/FINAL-Brexit-preparedness-survey-write-up.pdf>

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access to and cost of energy and other overheads, availability of workspace and the perception of the area.

Brexit will amplify some of these challenges and create some opportunity whilst inevitably taking time away from businesses which they would otherwise spend undertaking other activities, delaying investment activities and potentially stifling progress.

As work continues to develop a long-term focussed vision of the future of Greater Lincolnshire's economy via the Local Industrial Strategy, it is important that Brexit is a key area of consideration as it will impact the future landscape of the country.

2 WHAT ROLE CAN THE LEP PLAY?

2.1 As a voice for businesses in the local area, Greater Lincolnshire LEP can assist in three predominant areas in addressing the challenges and opportunities Brexit can bring:

- **Supporting Businesses to Be Brexit Ready**
Shape the support and advice offered to businesses at an operational level via the Growth Hub; providing linkages into expert services such as legal advice and legislation experts.
- **Align the LEPs strategies to ensure they account for Brexit**
Amend/adjust or create new strategies to align with the future challenge and opportunities incorporate, but not exclusive to, Brexit.
- **Monitoring and Evaluation**
Continue to monitor and evaluate the business community, feedback and adapt accordingly.

3 SUPPORTING BUSINESS TO BE BREXIT READY

3 Supporting Businesses to be Brexit Ready

3.1 It will be important to ensure local businesses in Greater Lincolnshire have adequate support to address new administrative challenges and costs resulting from Brexit, particularly for companies highly exposed to trade and EU workforce.

In the Brexit research commissioned by GLLEP, there were a number of policy recommendations around Brexit readiness of business. These were:

- Provide advice or signposting to advice on:
 - Administrative Costs of implementing trade barriers, such as compliance with new standards and regulations/other legal requirements.
 - Administrative cost and cash flow to deal with EU VAT advance payment.
 - Legal advice and support administrative costs relating to recruitment of EU citizens and reviewing the legal status of current workers
 - Support businesses in developing training programmes for current and new employees and develop links to educational institutions.
- Use the opportunity to engage with local businesses and Government via the development of the Local Industrial Strategy.

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- Help businesses understand the global opportunities for new markets and products.

Increasingly, support is being given to Businesses in the guise of checklists and toolkits. These range from broad business toolkits from organisations such as the Chambers of Commerce, the Institute of Directors and Federation of Small Businesses, right through to sector specific toolkits such as the EEF, Agriculture and Horticulture Development Board and the Institute of Chartered Accountants for England and Wales.

These toolkits and checklists work at a high level for a wide range of businesses. However there is likely to be some value in splitting businesses by further defining them in order to better understand the specific requirements and whether they are being met.

Locally, the Greater Lincolnshire Growth Hub has been working in partnership with the Lincolnshire Chamber of Commerce to host "Brexit ready" workshops. These well attended workshops cover elements such as Workforce, Cross Border Trade, Taxation and Currency risk. Further, the Growth Hub's website, Businesslincolnshire.com is has added a section linking to Brexit toolkits such as the British Chambers of Commerce toolkit, IoD checklist and EEF toolkit

Recommended Actions:

1. Continue to support the rollout of Growth Hub and Lincolnshire Chamber delivered sessions.
2. Growth Hub to review the type of interaction and support available across other areas and via trade bodies.
3. Growth Hub to gather feedback from members.
4. LEP to ensure the website links to the Business Lincolnshire site.

4 ALIGNING THE LEP'S STRATEGIES TO ENSURE THEY ACCOUNT FOR BREXIT

- 4.1 Brexit, and the changing of funding mechanisms will fundamentally change the way that LEPs and Local Authorities will be able to provide funding. The shape and scale of the UK Shared Prosperity Fund is not yet known, and is due to be set out by the time of the Comprehensive Spending Review in 2019.

The LEP has already commenced development of a Local Industrial Strategy, which Government have indicated will be used to "inform Local Enterprise Partnerships' approach to any future local growth funding deployed through them.....Local Industrial Strategies will help areas in England decide on their approach to maximising the long-term impact of the UK Shared Prosperity Fund." ²

The LEP will also be updating the Strategic Economic Plan to bring it up to date, with a refreshed evidence base. Both of these will provide the opportunity to create, or adjust strategic approaches which might be impacted by Brexit.

² Local Industrial Strategies: Policy Prospectus, HM Government (October 2018)

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It is also an opportunity to re-visit or develop sector plans and consider the development of additional plans or strategies.

Based on the recommendations from the LEP commissioned Brexit report, it is recommended that there is a particular focus on the following sectors or themes with some important questions which might need to be addressed:

- Skills/workforce - it is expected that Brexit will likely have an impact on the shape of the labour market in Greater Lincolnshire, with supply of certain aspects of the workforce expected to decline.
- Inward Investment - As the labour market continues to tighten and if migration continues to slow, then there is a strong case for further focussing and strengthening place marketing and inward investment in order to reach out to the people you need to attract and retain as well as the investment needed to drive productivity³. Further, there is a balance to strike between working to keep foreign businesses in the area, and attracting new business in, whilst making sure the LEP is 'open for business'.
- Priority sectors - GLLEP has detailed sector plans for agri-food and manufacturing. These identify a series of actions around the areas of innovation and research, exports, inward investment, infrastructure, logistics, supply chains and skills to take forward to support the sectors. Brexit offers a key opportunity to refocus these existing sector plans and develop new sector plans for ports and logistics and the visitor economy.⁴

Other areas of focus, which are important to our future economy, such as innovation, digital and physical infrastructure and will all be considered within Local Industrial Strategy and Strategic Economic Plans.

Recommended Actions:

5. a. Task all sub-boards with running a facilitated session on Brexit specific to the sector with a view to producing short recommendations of focus back to board.
b. Using this information, consider how this impacts existing sector plans and/or consider development of new sector plans.
c. LEP Team to compile and integrate sub-board recommendations and new information into Industrial Strategy and Strategic Economic Plan.
6. LEP to consider the balance of Inward Investment/Retention activity with a view to a session with Team Lincolnshire on promoting focussed Brexit-specific messaging and production of an action plan.
7. Re-visit the Area Review of Skills evidence base, considering current and forecast labour market challenge.

³ Greater Lincolnshire LEP – Brexit Economic Analysis, Metro-Dynamics (May 2018)

⁴ Greater Lincolnshire LEP – Brexit Economic Analysis, Metro-Dynamics (May 2018)

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5 MONITORING OF BREXIT

- 5.1 Whilst Brexit will be triggered on 29th March 2019, it may take significantly longer to understand the effects of Brexit on our local area, deal or not. As such, it is important to bolster local monitoring and reporting of how businesses are faring and how they see their immediate and long term futures.

In 2014, the LEP undertook its largest ever business survey, with over 1,000 participants across Greater Lincolnshire. This formed the evidence baseline which underpinned the SEP and Sector Plans. More current reporting on businesses revolves around the LEPs network: FDI monitoring by the Growth Team, monitoring and feedback to the Business Lincolnshire Growth Hub, and partnership with the Lincolnshire Chamber of Commerce and University of Lincoln on the Quarterly Economic Survey.

The LEP team have also held frequent local area consultations with businesses and MPs as part of the development of the Local Industrial Strategy, with every session having some feedback on Brexit as part of the view to the future.

There is an opportunity to consolidate our sources of intelligence and local monitoring and utilise it to provide as good and timely view of the local economy as possible. This could be provided to LEP board in papers at each meeting going forward.

Recommended Actions:

8. LEP team to consider existing, 'live' business intelligence sources and develop a monitoring 'dashboard' to measure business sentiment and specific interventions, opportunities or challenges businesses are facing.
9. LEP team to bring proposals to the board on the commissioning of a wide-scale business survey to replicate the 2014 benchmarking survey.

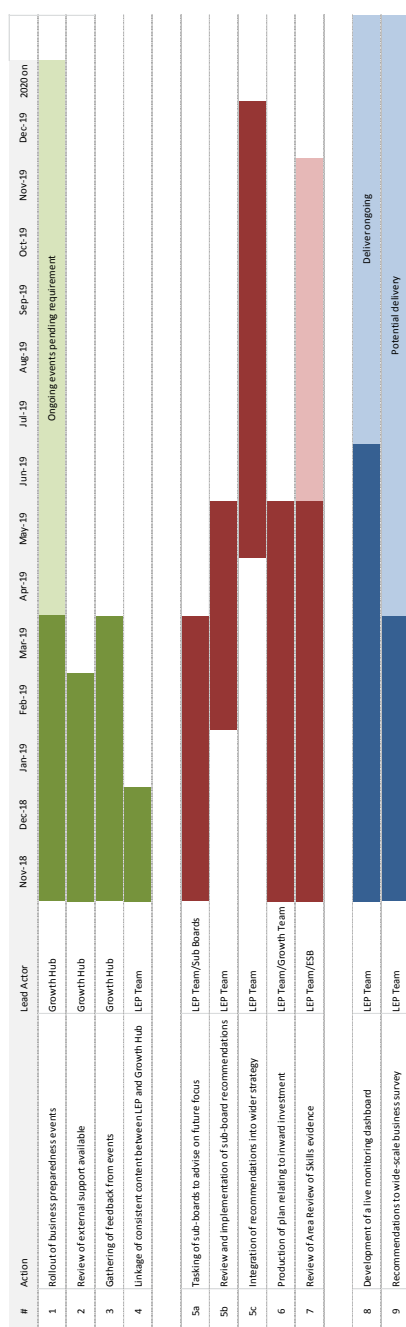
6. SUMMARY AND TIMESCALES

- 6.1 In summary, there are number of tasks the LEP can undertake in order to be pro-active on Brexit. Whilst much of the detail is still up in the air, it is timely for LEPs to re-visit plans and strategies whilst the Local Industrial Strategy is developed and UKSPF drawn up.

Ultimately, many of the recommended actions and activities will either enable businesses to be prepared, or will recognise the changes businesses will face via future strategy. Therefore the timescales for the recommended actions are somewhat variable. Table 1 shows an indicative timescale for each action.

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Impact of the Lincolnshire Growth Hub & Bi-Annual Report

1 Summary

- 1.1. This report provides an update on the activity and impact on the LEP's business support arm, the Business Lincolnshire Growth Hub. The business support offers have been enhanced to include support for businesses who seek rapid growth and future European funding is being secured to ensure the programmes continue for a further 3 years. The www.businesslincolnshire.com website has been refreshed in response to business feedback and now contains a business directory, business opportunity page, toolkits, industry spotlights alongside the existing advice and grant finder, events calendar and weekly e-bulletin.

Over the next 12 months the Growth Hub will focus on supporting businesses to ScaleUp, internationalise, utilise modern technology, enhance their leadership and management capability, undertake research and development, embrace skills development and access apprenticeships. Renewed emphasis will be placed on enhancing communication channels awareness raising and increasing the newsletter sign up and social media reach.

2 Background

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

2.2 The Business Lincolnshire Growth Hub offer includes:

- One to one general advice - fully funded, easy access to impartial business growth adviser who will undertake a Business Review and Action Plan.
- One to one specialist advice - fully funded specialist support around accessing finance, resource efficiency, supply chain development, digital, innovation, exporting as well as sectoral support such as for manufacturing and agri-food.
- Scale up account manager and tailored Scale Up programmes for rapid growth businesses
- Access to ERDF funded Business Support Programmes and implementation grants (ERDF funded projects are being delivered locally under the Business Lincolnshire Growth Hub branding, including specific support for start-up businesses, Innovation, Exporting, Capital Grants and

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Impact of the Lincolnshire Growth Hub & Bi-Annual Report

manufacturing support. Referrals to other sources of help will also be made where they fit the needs of the business)

- Business workshops, briefings and conferences.
- Refreshed Online information portal - www.businesslincolnshire.com - which provides:
 - Advice and grant scheme finder - information and access to all the publically funded and private business support offers including grants and growth finance
 - guides and self-help tools
 - events calendar
 - Information on business opportunities and skills
 - Industry spotlights
- Access to National Business Support Helpline via phone or online webchat.
- Facilitated access to the national programmes including: Department for International Trade, Intellectual Property Office, Innovate UK, Enterprise Europe Network, etc.
- Access to outreach 'spokes', eg, enterprise, innovation and incubation spaces across the county, which provide services such as virtual office, hot desk facilities, meeting rooms, networking events, etc.

We have been able to provide these services as a result of a successful bid to BEIS for £246,000 of revenue funding for the year 2018-2019 through the LEP and through accessing £1,715,203. ERDF funding. Some of the BEIS funds have been used to support businesses that are ineligible to access the ERDF funded business support programme, eg, retail, tourism businesses, large employers, foreign direct investment businesses and the new scale up pilot programmes thus providing support for ALL businesses seeking to grow. The BEIS funds are also being used to support GLLEP Priority Sectors, eg, Visitor Economy, Digital Landscape Analysis and Strategy etc.

2.3 New ERDF Business Support Growth Hub Bid Update

Business Lincolnshire Sustainable Business Growth 2 (BLSBG2) is a £5.28m project which will enable the Business Lincolnshire Growth Hub to extend the business support services being provided via the Sustainable Business Growth and Digital Business Growth projects from June 2019 to May 2022. The support programme will be marketed externally as Growth Lincolnshire.

The project will be mostly focussed towards established businesses and 1087 enterprises will be provided with support at least 3 hours of support with 768 enterprises receiving either 12 hours of advisory support and/or at least £1000 grants. Overall the project will create 204 jobs whilst increasing productivity and unlocking private sector investment of £775,000.

Growth Lincolnshire will provide a comprehensive and enhanced offer of one to one support, capacity building and growth funding, and will include the following support:

- ✓ 1 to1 and 1 to many business support covering

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- information advice and guidance and action planning for growth
- specialist advice including
 - investment readiness/ access to private sector investors
 - resource efficiency
 - developing use of digital technologies and ICT
 - Supply chain development
 - Legislative Best Practice - early stage best practice advice to businesses to achieve legislative compliance
 - Other niche / specialist support as demand dictates
- enhanced assistance for high growth potential SMEs (scale ups)
 - Business Leaders Peer Support and Mentoring
- ✓ Events, briefings, workshops and masterclasses
- ✓ Business Growth Grants - providing capital (60% match) and revenue (50% match) of £1,000 to £10,000 to enable growth projects to be brought forwards
- ✓ Digital Growth Grants - providing £1,000 grants to enable businesses to invest in digital products and services

2.4 Business Support Simplification

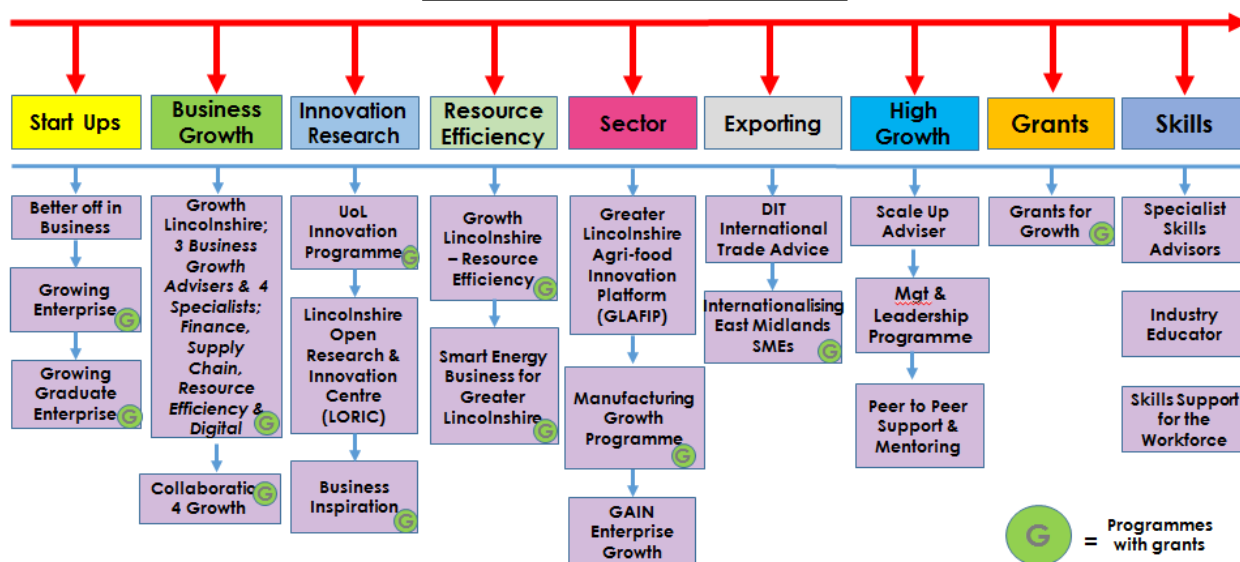
We continue to simplify the local business support landscape and minimise duplication.

The Business Lincolnshire Growth Hub manager sits on the GLLEP ESIF Committee and provides the committee with local intelligence and strategic fit on SME Competitiveness funding and business support projects. This helps ensure that ERDF and ESFA business support and skills programmes are not overlapping and that a clear ladder of provision is developed and funded. The majority of the existing programmes list below come to an end during 2019 but have applied for ERDF continuation funding for another 3 years delivery up until 2022, this will help limit the stop/start nature of publically funded services.

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Impact of the Lincolnshire Growth Hub & Bi-Annual Report

Business Lincolnshire Growth Hub ESIF Business Support Programmes



2.5 Key Performance Outcomes

Indicator	Bi-annual Total (1 April - 30 September 2018)	Cumulative Total (since launch of Growth Hub 2015)
Businesses that have received 'light touch' triage, information and/or signposting support (excluding website traffic)	335	4202
Individuals ¹ that have received 'light touch' triage, information and/or signposting support (excluding website traffic)	1066	5051
Total number of unique visitors to Growth Hub website	17,468	135,231

¹ Number of businesses and individuals are both required as (for example) several individuals from the same business may attend an event.

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Businesses receiving 'medium intensity' information, diagnostic and brokerage support	588	2504
Businesses receiving 'high intensity' support e.g. account management / intensive support directly provided by the Hub or partner organisation	130	2075
Businesses receiving 'Medium' and 'High intensity' support that, have the opportunity, ambition and greatest potential to grow (including Scale-Ups)	25	25
Total number of individuals who been helped to start a business	13	658 helped (137 actually started)
Businesses referred to a finance and/or funding programme (combined figure for 'Medium' and 'High' intensity interventions only)	103	392
New jobs created (existing and start up businesses)	100	1,151
Customer satisfaction level "How satisfied or dissatisfied are you with the quality of this service" ('Medium' and 'High' intensive interventions only)	88.87%	91%
How likely are you to recommend this service?	95.3%	87%
Twitter Followers	70	4992
Newsletter registrations	Reduced to 1333 * due to GDPR	5053

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2.6 Growth Hub 2018-19 Successes

- 1) Through partnering with professional intermediaries we have been able to deliver high profile, professional events e.g. Greater Lincolnshire Manufacturing in Action Conference, Go Digital Conference, Build a Better Business Conference, Start Up and Grow Conference, Triton Knoll Wind Supplier Opportunities event, GLLEP Business Live/ Growth Hub event etc.
- 2) Bitesize events have taken place across the Greater Lincolnshire area - covering E commerce, Digital Marketing, SEO Tips, Tender Writing, Cyber Attack, Team Building, GDPR etc .
- 3) Hosted Tim Dafforn Roundtable event, where 12 local SMEs took part in a lively discussion around business support and EU Exit.
- 4) We have supported the University of Lincoln to access and secure external funding via ERDF and Interreg Funds for Agri Tech Demonstration support to increase the portfolio of services that the Growth Hub can offer.
- 5) We have 3 Technology Hubs which provide an environment where businesses are given the opportunity to use state-of-the-art equipment, as well as having the option to take advantage of workshops and other advice. The hubs can help to create a prototype product, develop a new service or provide a greater level of detail to help improve production lines. They are the Horncastle Hub, Designblok Hub and the MoCap Hub.
- 6) Alongside Streets Accountants, Andrew & Co and NatWest Bank we support the Family Business Forum, which meets quarterly, there are 262 family businesses members.
- 7) We help to promote the manufacturing sectoring through the Made in Lincolnshire supply chain information and we support the Made in Lincolnshire Awards.
- 8) We are supporting our businesses to make international connections and have established civic and trade relations with Hunan Province in China. We have held events, promoted trade missions and made supply chain connections.
- 9) We have undertaken a mapping exercise of the digital economy, held a symposium and action plan to support this growth sector.
- 10) We have undertaken research to see how we can support the Visitor Economy sector (they are not supported through ERDF) and devised an action plan how the sector can be supported to grow.

2.7 New for 2018 - ScaleUp - High Growth Business Support Provision

The Business Lincolnshire Growth Hub has developed a tailored offer to help Greater Lincolnshire's high growth businesses reach their potential.

The ScaleUp Programme is led by Noreen Read, the ScaleUp Account Manager for Business Lincolnshire who can provide expertise and guidance to local businesses, provide access on to our fully funded programmes as well as helping to develop a strategic business plan for future growth. There are

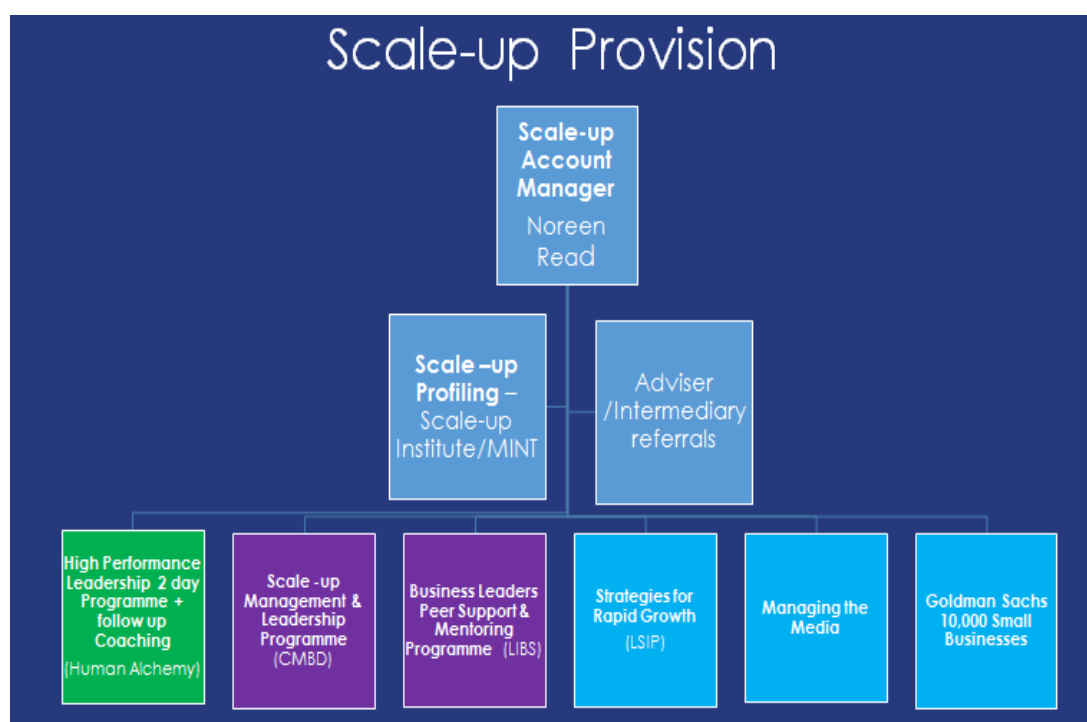
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a range of support offers for businesses to access depending on their stage of growth, size of business and preferred learning style.

We have developed a mix and match range ScaleUp Programmes (as listed below) to support businesses who are either existing ScaleUps (a business which is growing at a rate of more than 20% per year, for a continuous period of 3 years) or Future ScaleUp's. We recognise that periods of high growth are exciting for a business, but they can come with challenges, such as identifying highly skilled employees to bring into a business, accessing growth finance, utilising the best leadership methods and adapting to new consumer markets. Therefore, the programmes have been designed to meet these needs.

The ScaleUp Programme offers: one to one guidance, leadership and management programmes, peer to peer networks, including coaching and mentoring support as well as pathways to National offers, the support will help rapid-growing businesses cope with the difficulties that increased demand can have in periods of high growth. The Programme has been designed to facilitate that growth, offering a range of leadership and management programmes led by successful business entrepreneurs, specialist workshops (Access to Finance, Managing the Media) and supported with access to business coaching, exposure to a network of professional experts and mentoring through one-to-one support.



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We have 3 pilot programmes running/due to run/or be repeated currently;

- **High Performance Leadership-** (existing scaleups)- due to run in Feb 2019
- **ScaleUp Management and Leadership Programme** (Future scaleups) - Oct 2018 - 12 delegates attended, Feb 2019 -12 booked, April 2019 -12 booked
- **Business Leaders Peer to Peer Support and Mentoring** (Future Scaleups)- Sept 2018 - 12 delegates, we are recruiting for the March 2019 new programme
- **Referrals in to the Goldman Sachs Programme**

We are collecting baseline data, client feedback and 6 monthly monitoring - it is too early to provide impact data. We will continue to review the pilot programmes, assess the evaluation and roll out a formal programme.

2.8 Future ScaleUp Provision

Alumni from the Lincolnshire programmes will be invited to join a peer to peer network and link to businesses who have accessed the other East Midlands Growth Hub programmes through a cross LEP ScaleEM programme.

2.9 LEP Board Alignment

Changes have been made to the terms of reference, following the Mary Ney Governance. The Growth Hub Governance Board will now be called the "Business Lincolnshire Board" covering all aspects of growth and scale up, this will enable the Growth Hub to manage the forward plans and shape debate. The Board will align with both the Innovation Council and the Employment & Skills Board and work jointly on cross-cutting themes, including Sector development, the Local Industrial Strategy and Strategic Economic Plan. This joint working will help to ensure future work plans are co-ordinated and help to shape future strategy and delivery mechanisms to transform the future.

2.10 Local Industrial Strategy

The Growth Hub is fully integrated into the LEP/LCC planning process, we are aligned with the Strategic Plan and Local Industrial Strategy work through Board papers, consultations, workshops and client feedback. All our board members are consulted with and have the opportunity to shape future support and feed into the LIS priorities. The Growth Hub will support the LIS and provide a vehicle to promote the priorities and showcase the activities to the business community.

2.11 Next Steps

We are focusing on the following priorities for action:

- 1) **Enabling businesses to trade internationally**

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Impact of the Lincolnshire Growth Hub & Bi-Annual Report

We are working closely with DIT and the Internationalising SME's ERDF funded programme. We link directly to Lincolnshire Chamber of Commerce for export documentation support and we have jointly developed a number of BREXIT events/support guides. We will also be working with the Chamber to develop an Export Support Programme for small businesses (which will then provide a ladder of progression in to the national DIT Medium sized business support offer).

2) Improve the take up of modern technologies that improve productivity (e.g. cloud computing, data analytics, CRM, automation/machine learning etc.)

We have 3 Business Lincolnshire Technology Hubs which provide an environment where businesses are given the opportunity to use state-of-the-art equipment, as well as having the option to take advantage of workshops and other advice. The hubs can help businesses to create a prototype product, develop a new service or provide a greater level of detail to help improve production lines.

- **Horncastle Hub** technologyhub@mortons.co.uk
- **Designblok Hub** www.designblok.co.uk
- **MoCap Hub**

We have also made sure that digital support is clearly featured within our newly refreshed website

<https://www.businesslincolnshire.com/explore/digital>.

We are due to launch a new digital online diagnostic tool a Digital Health Check Toolkit for businesses to review their use of digital technology within their businesses and identify areas for development or further support. This information directly links back to solutions and guidance.

We are also working to develop a Digital Business Strategy and Action Plan.

3) Stimulate investment in science, research & development

We regularly partner with the Innovation Family (Innovate UK, Knowledge Transfer Partnerships, Enterprise Europe Network) and the University of Lincoln to provide support and guidance and deliver events to stimulate invite activity and we also working with external partners to deliver R&D Tax Credit workshops.

4) Adopt leadership & management best practice

Our ScaleUp Programmes predominantly focus on Leadership and Management development and showcase best practice.

Paper 6

Impact of the Lincolnshire Growth Hub & Bi-Annual Report

5) Improve workforce skills and access the right talent/apprentices needed to grow

We directly support businesses to develop their staff and access apprentices, via the Skills Support to the Workforce ESFA programme and the National Apprenticeship Service (this is part of our Growth Hub offer). GLLEP has also produced a website showcasing career/business sectors and support via www.theworldofwork.co.uk

6) Increase business awareness and participation in public procurement and major infrastructure projects

The Growth Hub has an opportunities portal and we promote supply chain links eg we held a Meet the Buyer event for the Triton knoll Wind Farm etc. We will be working with Source Lincolnshire to ensure businesses can access future public sector procurement calls.

3 Conclusion

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

The team has worked hard to secure future funding through BEIS and ERDF, refresh the website, comply with GDPR, align the client relationship management system with the website, enhance the advisory services, develop ScaleUp pilot programmes and ensure effective communication channels with providers, public and private sector intermediaries and neighbouring LEPs. There is still work to be done to extend reach and ensure that businesses are aware of the service.

Under the guise of the growth hub, we have been able to work with intermediaries in a more open and transparent way including delivery of joint events, annual aligned programmes and utilisation of shared resources.

The Growth Hub's next phase is to evaluate the ScaleUp pilot programmes and roll out the service formally and continue to develop new business support services in market failure situations.

Paper 7

Greater Lincolnshire Energy Strategy

1 Overview

- 1.1 Items 1 for information.
Items 2 for discussion and decision.
- 1.2 Greater Lincolnshire has been provided with £40K of funding from BEIS, to develop an energy strategy for Greater Lincolnshire. The financial allocation has been used to develop and matching energy mapping exercise with the Local Energy East project, and also provide an allocation for a consultant (Metro Dynamics Ltd) to deliver an energy strategy. This also includes narrative and information, which will also be used as part of the Local Industrial Strategy document.
- 1.3 The GLLEP is taking a thought leadership role on the connection between the economic agenda and the landscape for energy. The Greater Lincolnshire Energy Strategy will identify where the LEP can support/tackle some of these issues, but will also identify where help is needed to take on bigger, grander challenges - and where local actors need to take steps to tackle delivery issues closer to home.
- 1.4 The emerging vision in Greater Lincolnshire is:
 - **To create a sustainable supply of energy, which meets Greater Lincolnshire LEP's ambitions for growth, and business sector development**

The vision is underpinned by four key objectives:

- **Delivering secure, low-cost, low-carbon energy across Greater Lincolnshire**
- **Commercial and Residential Development in capacity constrained areas**
- **A sustainable transport system**
- **A strengthened local energy industry within Greater Lincolnshire**

The diagram below summarises the journey that has, and will inform this energy strategy's development:



Paper 7

Greater Lincolnshire Energy Strategy

- 1.5 Attached in Appendix A, is the Final Draft Greater Lincolnshire Energy Strategy produced by Metro Dynamics Ltd, being presented to the LEP Board for approval, and any final comments.

2 Important points to raise, and discuss

- 2.1. The document outlines a high level strategy, putting Greater Lincolnshire LEP as the strategic thought leaders, with the establishment of an energy lead on the board to champion these ambitions. Implicit within the document will be the identification of lead partners and the private sector as actual delivery leads.
- 2.2 Fundamental to this proposed energy transformation for Greater Lincolnshire, will be the need to underpin any delivery proposals, to show they are:
- Backed by sound and credible local evidence base
 - Technically fit for purpose
 - Unlock innovation at scale
 - Enable best value for business/customers
 - Are adaptable to ongoing change
- 2.3 To maintain a lead for the LEP on energy, there will need to be a very clear association between investment, utilities, housing and water, through a wholesystem approach of delivery. This will provide the LEP area with an ability to provide a steer on the transformation of a future power system architecture that has a local and real impact.
- 2.4 As the Energy Strategy is a high level strategic document, it will be important to articulate more detailed delivery steps with the identification of engagement from relevant LEP sub-boards, particularly HiG and Water Management, to help with this process.
- 2.5 There is also a great opportunity to produce an energy prospectus/action plan for Greater Lincolnshire, on the basis of the strategy. This will allow a better identification of investment themes that closely align with the SEP, and emerging Local Industrial Strategy work, and pinpoint a range of organisation that could be responsible for taking it forward. This could be completed internally by March 2019.
- 2.6 By presenting the Greater Lincolnshire Energy Strategy to the LEP Board, it will be able to:
- Endorse the final draft Energy Strategy, and strengthen the links between sub-board activity
 - Provide discussion, and approval for an energy lead, on the Board
 - Approve the next stage proposals of an energy prospectus/action plan, to help hone down investment themes, and accountable leads



An Energy Strategy for Greater Lincolnshire

November 2018

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Note:

This document is a confidential draft. It is not for wider distribution or communication.

Summary

The world is undergoing an energy revolution: a move towards a new, more dynamic and efficient model of energy generation, distribution and usage. This opens up new possibilities for energy sector companies and across the whole economy from improved and cheaper energy supply. At the same time, the threat of climate change and pollution call for radical changes in the way our economy works in order to reduce CO₂ and pollutant emissions, and use available resources more effectively.

We recognise the importance of responding to the challenges and opportunities of the energy revolution. Our vision is clear: **To support the creation of a sustainable system of energy, which meets Greater Lincolnshire's ambitions for growth, and business sector development.** This is an ambitious vision. If we can support Greater Lincolnshire to meet this vision, it will have significant benefits for our businesses, residents and other local organisations.

This strategy sets out our ambitions for the area over the period to 2050. We recognise that Energy is part of a broader system of resource management that includes Water and Waste as well. Therefore, whilst this strategy predominantly focuses on Energy (electricity and gas), we have tried to take a holistic approach which encompasses Water and Waste considerations where these are most relevant.

A summary of the actions we will take is set out below, under our four key ambitions. Some of these actions are immediate and can be used to support Greater Lincolnshire Local Enterprise Partnership's (GLLEP) emerging Local Industrial Strategy (LIS). Others are further intelligence gathering that will supplement what we already know about Energy, Water and Waste in Lincolnshire, and some are longer term actions, the precise details of which will become apparent as we learn more about the options available.

All of these actions will require partners - the LEP, local authorities, utility providers, businesses, and HEIs - across Greater Lincolnshire to work together, and to work with other agencies and organisations, including: the Midlands Energy Hub, other LEPs, Midlands Engine, and Government.

Ambition 1: Secure, Low Cost, Low Carbon Energy across Greater Lincolnshire

- **Establish an Energy Lead on the LEP Board to champion our energy ambitions**
- **Develop our understanding of the future energy landscape and understand the opportunities for a whole system approach to energy issues. Use both of these to support business case development.**
- **Support businesses to adopt new technologies, best practice and retrofit**

Ambition 2: Commercial and Residential Development in Capacity Constrained Areas

- **Develop greater understanding around energy needs in key economic corridors, and opportunities for energy from commercial waste**
- **Use planning mechanisms to raise funding for infrastructure investment, and to encourage the right kinds of sustainable development**
- **Work with other LEPs and other bodies to make the case for up-front investment in energy infrastructure**
- **Explore the potential for a locally owned energy company**

Ambition 3: A sustainable transport system

- **Review options for local charging networks as information becomes available and support the roll-out of EV charging points over the longer term**
- **Drive forward improvements to infrastructure with Midlands Connect and map other key research projects**
- **Support future bids for hydrogen fuel cell technologies**

Ambition 4: A strengthened Local Energy Industry within Greater Lincolnshire

- **Support opportunities around anaerobic digestion (AD) and agri-energy / biofuels**
- **Support the local energy, water and waste sectors, and the broader supply chain**

Context

The Big Picture

The energy system is undergoing significant changes, which will continue to disrupt the ways we generate and distribute energy.

Key Drivers	
Theme	Description
Policy Drivers	<p>One of the most significant legal obligations on the United Kingdom is the Climate Change Act. This commits to reducing greenhouse gas emissions by 80% from their 1990 levels. To achieve this, a series of Carbon Budgets have been passed into law, so far running up to 2032. While the UK has thus far kept within its budgets, current projections from the Committee on Climate Change (CCC) have indicated there are real risks of not meeting future, more stringent targets. In particular, the significant reductions which have been made over recent years have largely stemmed from the power generation sector, while other sectors (including agriculture, transport, etc) have remained largely static.</p> <p>There is therefore a growing impetus on these sectors to drastically reduce their greenhouse gas emissions. This has only intensified following the publication of the Intergovernmental Panel on Climate Change (IPCC) Report¹ on the serious consequences of global warming above 1.5°C above pre-industrial levels.</p> <p>Another very important policy driver is the UK's Industrial Strategy. This sets out four 'grand challenges' for the UK economy, one of which is Clean Growth. There are indications that government is prepared to seriously tie its approach to UK business support based upon emissions – with the recent green paper on support for Agriculture post-Brexit tying subsidy to environmental measures.</p> <p>The Government has also signed several “sector deals” with key sectors to drive innovation and improve productivity. One of these is the nuclear sector, and there have been calls for a similar deal with offshore wind. Finally the Industrial Strategy includes ‘missions’ such as one to at least halve the energy use of new buildings by 2030, and another to ensure all new cars and vans are ‘effectively zero emission’</p>

¹ <http://www.ipcc.ch/report/sr15/>

	<p>by 2040.</p> <p>A further example of similar thinking is that only 2% of buildings in the UK are heated by a District Heating Network – but the Committee for Climate Change estimate this will need to rise to 18% by 2050 to meet our carbon targets cost effectively.</p> <p>There has been pressure across all sectors to reduce the volume of waste sent to landfill. In 2000/01 almost 80% of household waste in England was sent to landfill – this reduced to 15.7% in 2016/17. Over the same period the proportion of household waste that was recycled or composted increased from 12.0% to 42.8%, and the proportion that was incinerated to produce energy from waste rose from 8.0% to 37.8%.</p> <p>Finally, the UK Government’s 25 year Environment Plan stresses the need to recognise that all of our energy ultimately stems from ‘natural capital’, and that therefore we need to generate energy in a way that protects this. It also talks about the need for high environmental standards for new builds.</p>
Technological Drivers	<p>Developments in energy technology are revolutionising the sector. Within generation, the cost of renewables such as solar and wind has fallen drastically, as better methods of construction and improved reliability have made them much more commercially viable.</p> <p>Within distribution, more intelligent ‘smart grid’ approaches have been developed, where the usage of energy is monitored in detail, and connected appliances and properties can ‘communicate’ with one another to buy and sell energy, helping minimise wastage, and maximise the opportunity of commercial generation for householders and businesses.</p> <p>Distribution Network Operators (DNOs) are making the transition to being Distribution System Operators (DSOs) which means they will be responsible for ensuring demand can be met by generation. They are therefore procuring flexibility services for selected areas to incentivise consumers to avoid consumption at peak times. As energy demands grow, these services will be rolled out across wider areas.</p> <p>Within the waste sector artificial intelligence is beginning to be used to sort waste, and improvement in recycling technology has greatly increased the proportion of waste that is recycled. Finally, within transport new technologies, in particular electric vehicles, are helping reduce greenhouse gases from transport, but increasing pressure on the distribution network.</p>

Market Drivers	<p>As new models of energy generation and distribution develop, gaps in the market are opened up for new entrants. At the start of 2011, the 'big six' energy suppliers had a 100% market share. By the end of 2017, this had dropped to 77%. Rates of switching between suppliers have climbed in recent years, with 5.1m electricity transfers in 2017 up from 3.3m in 2012. However, the cost of energy in the UK is still among the most expensive for major countries in Europe, and is <i>the</i> most expensive for extra large industrial consumers.</p> <p>Within energy distribution there have also been changes – moving from a geographical monopoly model (where the relevant DNO was the only company able to install connections to the distribution network) to a regulated competition model, with approved Independent Distribution Network Operators (IDNOs) now responsible for the majority of new installations.</p>
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The New Energy System

It is impossible to say with complete confidence what the energy future will look like. But looking at the key drivers we can get a strong sense of where things are headed. Smart technology will drive gains in efficiency, with businesses and consumers able to monitor and adjust consumption in real time from a remote distance. An increasingly decentralised model will prevail, with increased competition driving down costs, as firms which take on the responsibility of switching energy to a better tariff increase competitive pressure.

Renewables will play a greater part in the energy mix, and the energy potential of waste and biofuels will be maximised. The demand for energy in the form of electricity will increase relative to other sources due to the shift to electric vehicles and the (slow) decline in the demand for natural gas for heating and power.

Despite these improvements, the impact of human behaviours on the climate will potentially make a big impact on the world, with increased flooding and less predictable weather adding to disruption. This will create increased pressure on water and drainage infrastructure in particular.

Finally, pressures to reduce waste will likely see the 'circular economy' move from rhetoric to reality, with better technology and innovative products allowing us to minimise the proportion of the waste mix that is not reused in some way.

Therefore there are significant opportunities but also important challenges associated with transitioning towards this energy future. The main barriers are:

The Barriers	
Theme	Description
Financial barriers	Some of the new technologies, such as electric vehicles or air source

	heat pumps, place a higher peak load demand on the national distribution network than their counterparts. To allow for the widespread roll-out of these technologies will require large-scale, co-ordinated investment in the network at large. This will require serious upfront investment.
Regulatory barriers	Many of the current regulations tend to favour and entrench the current energy system. They have been established to regulate a centralised sector with natural monopolies, and therefore the incentives they create often tend toward this (although there have been recent positive changes to stimulate competition).
Behavioural barriers	Much of the new energy future will be enabled by new technologies. However, there may be a hesitancy among businesses and consumers to adopt this technology.

The Local Picture

The Greater Lincolnshire Local Enterprise Partnership (GLLEP) area is home to 1.1m people², and 38,300 active businesses³. We generate gross-value added (GVA) of £20.2bn⁴ to the UK economy and our key sectors include Agri-food, Manufacturing and Engineering, Low Carbon, and the Visitor Economy, with emerging growth sectors in Ports and Logistics, and Health and Care.

Our LEP area has some productivity challenges however – Gross Value Added (GVA) per hour worked was £27.02 in 2016, below the UK average (£32.58)⁵, placing us 34th out of 39 LEP areas on this measure. Our emerging Local Industrial Strategy will target many of the impediments to productivity in the LEP area to improve this. But as identified by government in the Industrial Strategy, infrastructure is one of the five ‘foundations’ of productivity – energy infrastructure is a vitally important part of this.

There are many other local strategies which this one pays heed to and will have to interact with. These include:

- GLLEP’s Strategic Economic Plan
- GLLEP’s Strategic Infrastructure Delivery Plan
- District Council Local Plans
- The Joint Municipal Waste Management Strategy (JMWMS) for the Lincolnshire Waste Partnership
- GLLEP’s Water Management Strategy

² ONS mid-year population estimates for 2017

³ ONS Business Demography, 2016

⁴ ONS Regional Accounts, 2016

⁵ ONS Table C3: Table C3: Nominal (smoothed) GVA per hour worked (£); Local Enterprise Partnerships, 2004 - 2016

- Lincolnshire County Council's Minerals and Waste Local Plan

The energy and waste landscape in the Greater Lincolnshire LEP area

Energy Providers

There are two DNOs in the GLLEP area. The majority of the GLLEP area is covered by Western Power Distribution, who also serve the majority of the Midlands, southern Wales, and the south west of England. The north of the GLLEP area is covered by Northern Powergrid, who also serve Yorkshire and the north east of England. Cadent is the Gas Network Operator for the area, and Anglian Water is the Water Supplier.

Energy and Waste Assets

The GLLEP area is home to some of the UK's most vital energy assets. Around the Theddlethorpe Gas Terminal, there is a network of gas pipelines which supply energy across the UK. A new gas pipeline is currently being installed under the Humber, due for completion in 2019. This will be the longest gas pipeline in a tunnel, inserted in a single string, in the world.

The recently completed Race Bank Wind Farm, with 573MW of capacity – enough to power 406,000 homes – has the sixth largest capacity of any offshore wind farm in the world. It is expected to run for 24 years and is operated by Ørsted (formerly DONG) who manage the operation and maintenance of the farm from Grimsby. This is just a part of wider investment in offshore wind, with over £2bn worth of projects completed or in construction close to the Humber Estuary. A wider ecosystem has grown up around this sector, with manufacturing and construction capability in Lincolnshire.

Over the period to 2030, up to 20GW of additional capacity will be installed in the southern North Sea across the major Round 3 development sites at Dogger Bank, Hornsea and East Anglia. This is equivalent to 40% of forecast UK offshore wind capacity and will generate investment of up to £60bn by 2030. Through the ABLE Marine Energy Park and the ABLE Logistics Park, both facilities which serve offshore wind industry, and through the ports of Immingham and Grimsby, the area is well-placed to benefit from the development of offshore wind.

The LEP area also holds key knowledge assets in energy. The School of Engineering at the University of Lincoln has a Power and Energy Group (PEG), which conducts research into areas such as electric and hybrid vehicles, energy systems management, and power systems architecture. The Holbeach Food Enterprise Zone will be a centre for research into agricultural processes and food manufacturing, which has many relevant connections to energy, water, and waste.

Oil refining is another big strength – with two major refineries in Immingham – the Lindsey Refinery (operated by Total) and the Humber Refinery (operated by Phillips). These both receive power and heat from the nearby Immingham Power Station (operated by VPI Immingham). There are also five gas turbine power stations in the Greater Lincolnshire area with a total capacity of 4.4GW. Another gas turbine power station will potentially be commissioned in 2021, and there is a planned expansion at Spalding Power Station in 2020. There are also several battery storage units planned for the GLLEP area which will enable better use of existing energy capacity.

Within waste, the North Hykeham and Newlincs Energy from Waste (EfW) plants have a combined capacity of 220 kilotons per annum (ktpa) and are operating at nearly full capacity as of 2017⁶. There is a biomass straw-fired power plant at Sleaford. The latest data shows that there are 35 Anaerobic Digestion (AD) plants in Lincolnshire, with capacity for more.

Energy usage

We have some indicative data of energy demand across the LEP area; however, much more needs to be done to generate a robust understanding of this demand. One of our key actions from this strategy is to continue to develop our understanding of the energy demand curve in key growth areas of the LEP area.

Local challenges

As well as the barriers to transitioning to the new energy system outlined above, our area faces some specific challenges.

Local Challenges	
Theme	Description
Local generation strengths not reflected in local capacity	<p>Despite having strong energy generating assets, and being a national leader in offshore wind in particular, Lincolnshire's energy infrastructure has areas of significant capacity constraint.</p> <p>A key example is South Holland, where there are 2 operational gas fired power stations and a third under construction. It is also where the power cable that links the Race Bank, Inner Dowsing and Linc's offshore windfarms makes landfall. However, at the same time, there are also identified utility constraints for a number of housing and commercial sites in the district, with larger sites most affected.</p> <p>As we transition to a more flexible and decentralised system, it is important that local areas feel the benefit of our many energy assets.</p>
Rurality	Because most of the Lincolnshire area is rural, agricultural land, it has a thinly stretched, radial grid, which is much "weaker" than a network grid, which would be found in denser urban areas.
Transport	Because of the nature of the area, its strategic location, and large agricultural sector, heavy transportation makes much use of our transport networks. This results in congestion, pollution, and hampers business efficiency.
Viability	Low land values in some parts of the LEP area means it is often very difficult to persuade developers to pay for upgrades to the electricity distribution network, as the levels of profit on new development is

⁶ Tolvik (2017) UK Energy from Waste Statistics 2017

	already low.
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These challenges have to be faced head-on by Greater Lincolnshire as it takes forward its energy strategy. But there is a real opportunity for the LEP area to be a pathfinder here, showing a way forward for other areas which face similar challenges.

Our Vision for Local Energy Provision

To guide all our energy strategy activity, we have set ourselves this central vision:

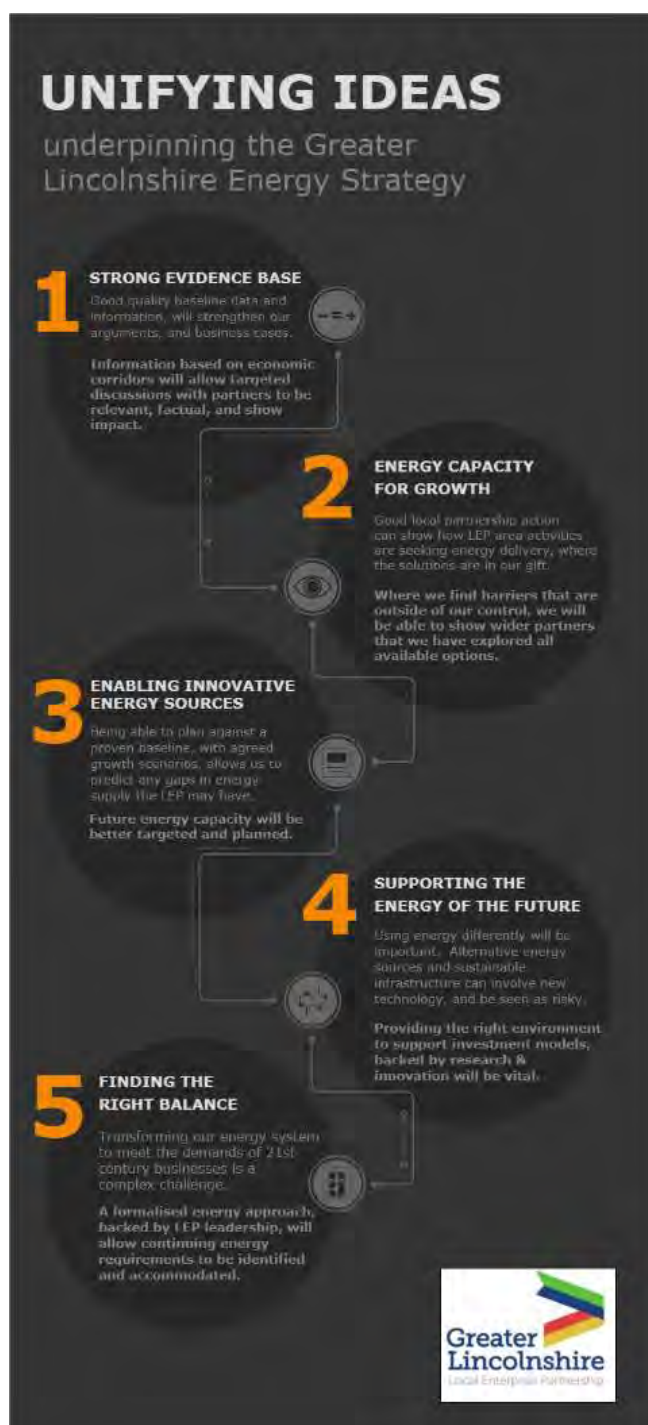
“To support the creation of a sustainable system of energy, which meets Greater Lincolnshire’s ambitions for growth, and business sector development.”

The thinking behind the vision

To develop the vision, five unifying ideas were brought together. These are: a strong evidence base, energy capacity for growth, enabling innovative energy sources, supporting the energy of the future, and finding the right balance (see infographic). These build upon one another, with the evidence base forming the foundation for everything that follows, and allowing informed responses in all the other areas – developing capacity, and embracing new forms of energy. As we apply this approach, it will put us in the strongest position to attract investment from government and the private sector into new energy delivery models.

The vision builds upon these five ideas, and brings actions together centred around four big ambitions:

1. **Secure, low cost, low carbon energy across Greater Lincolnshire**
2. **Commercial and residential development in capacity constrained areas**
3. **A sustainable transport system**
4. **A strengthened local energy industry within Greater Lincolnshire**



Ambition 1: Secure, Low Cost, Low Carbon Energy across Greater Lincolnshire



The 'Energy Trilemma' (see image) summarises the challenges of energy delivery in the 21st century. Providing secure energy will require developing and reinforcing energy networks. But this increases costs, passed onto the consumer, which reduces energy equity (as those with lower incomes are less able to afford energy, and may be pushed into fuel poverty). There can also be a tension between cheap energy and green energy (the Environmental Sustainability corner of the triangle) as renewable energy has typically been more expensive than energy derived from fossil fuels, though this is changing rapidly.

However, it is possible through innovation to reduce these trade-offs and improve on multiple fronts (represented by expanding the orange triangle, closer to the dark blue outline). Renewable energy is increasingly competing with fossil fuels in terms of price per unit of energy. Battery storage technologies are making it easier to manage the peaks and troughs of renewable energy technologies, increasing the certainty of supply and the flexibility of the system. We will push forward on all three fronts. This will enable us to realise our vision: **to support the creation of a sustainable system of energy, which meets Greater Lincolnshire's ambitions for growth, and business sector development.**

Where we want to get to

1. Energy Resilience

There are growing risks to the resilience and security of our energy systems. As demand from electric products increases, the possibility of peak loads exceeding power capacity leading to outages and intermittency rises. Renewables are typically a more intermittent source of power, meaning there is potentially more fragility in the system as we move towards these (though important to note that Energy from Waste generation can run 24/7). Greater integration of data and internet-connected services introduces cyber-security as a more serious threat to our energy provision model. And as climate change threatens to raise sea levels worldwide, key energy assets (particularly in a low-lying coastal area like Lincolnshire) may come under threat.

Therefore, we need to engage with all of these risks, future-proofing our energy industry to ensure it is ready to withstand shocks and provide a steady and reliable source of energy for businesses and consumers. It is important to recognise that one of the best ways to increase resilience is to

decrease overall energy usage through improved business practices, and investment in energy saving infrastructure (including energy efficient buildings). This includes retrofitting existing premises.

2. Affordable Energy and Waste

The cost of electricity was raised as a serious concern by businesses in the GLLEP area, with 82% of respondents (51 businesses responded in total) describing it as either “Quite Significant” or “Extremely Significant”, and no businesses at all describing it as “Not at all significant”. Worryingly, a major multinational manufacturer reported that “Shortage of electricity supplies is an impediment to growth and expansion.” The Independent Cost of Energy Review carried out in 2017 similarly found that costs of energy for businesses across the UK were high compared to other European countries.

Government is also seeing this as an increasingly pressing issue, with a price cap on a unit of energy being introduced. We need to act to reduce the cost of energy for business, ensuring that it at no point inhibits companies from growing, or pushes them to relocate elsewhere. This is also imperative for the waste sector, where a majority of businesses surveyed (67% - 34 businesses) also describe costs as being a significant issue, and again, no businesses described this as not being at all significant for them.

3. Sustainable Energy

We must play our part in helping business sectors reduce their greenhouse gas emissions, which have remained relatively static over the last decade. Decreases in emissions from power generation will not be sufficient for the UK to meet its obligations under the Climate Change Act. Businesses will need to adopt new, more environmentally friendly, technologies, and look to other sources of power (including, where relevant, on-site generation and storage) to reduce their carbon footprint. Heat networks offer important ways to utilise energy efficiently. The Department for Business, Energy, and Industrial Strategy (BEIS) has launched a Heat Networks Investment Project (HNIP) which will open for bids in January 2019, and we should seek to pursue these kinds of opportunities as they arise.

What we will do

- **Establish an Energy Lead on the LEP Board to champion our energy ambitions**

Timescales	What we will do	Responsibility
Short term	To provide LEP leadership and championing to the actions in this Strategy, we will nominate an Energy Lead on the LEP Board. Their role will be to oversee progress towards this strategy’s ambitions, and work with partners to encouraged the discussions and decisions needed to make this happen. We will establish an Energy Lead by early 2019.	GLLEP

- **Develop our understanding of the future energy landscape and understand the opportunities for a whole system approach to energy issues. Use both of these to support business case development.**

Timescales	What we will do	Responsibility
Short term	<p>Work with the Midlands Energy Hub to follow developments in energy and waste technology and trends to understand where there are opportunities for our area. As a first step, the LEP will meet with the Midlands Energy Hub to better understand their programme of horizon scanning. Where there are local horizon scanning efforts, such as the Lincolnshire Connected work, this will be incorporated into our thinking.</p> <p>We will explore where there are opportunities to support efficient, low cost energy through unlocking specific systemic opportunities arising from local conditions / assets – for example, the emerging Food Enterprise Zone at Holbeach could play an important role in the development and introduction of clean technology into the agri-food sector. There are likely to be opportunities around developing or retrofitting Combined Heat & Power (CHP) schemes. There are also likely to be opportunities around smart grid technology.</p> <p>As a first step, we will identify a short list of potential projects where there are ‘whole system’ opportunities. We will do this in partnership with the Midlands Energy Hub and local authorities, and draw upon key facets of waste strategy (such as food waste collection and recycling), as identified in the JMWMS.</p> <p>Based on this research, the Energy Lead will encourage business cases to bid for existing pots of Government and/or LEP funding, working with partners to develop these.</p>	GLLEP / Midlands Energy Hub / other partners leading on specific business cases
Medium to long term	We will work with other partners to use better understanding of the energy sector and specific opportunities to support funding bids, including looking at District Heat Networks. We will develop a response to systemic opportunities where we have a proven model for success.	GLLEP and partners

- **Support businesses to adopt new technologies, best practice and retrofit**

Timescales	What we will do	Responsibility
Short term	In partnership with the Midlands Energy Hub we will seek to put in place a small group of local energy champions: business people	GLLEP / Midlands

	<p>outside the energy sector who have experience in adopting sustainable energy technologies in their companies. Use these local energy champions to support other local companies to develop their approach to these issues.</p> <p>Make 'energy' a theme of the GLLEP Growth Hub. Work with the Midlands Energy Hub to understand the options for business grant and loan funding for microgeneration and energy efficiency, and use the Growth Hub and local business groups to disseminate this information and support bids.</p> <p>We will review our current approach to retrofit across Greater Lincolnshire and refine this in view of current best practice. This will include working with the Midlands Energy Hub to make the benefits of national subsidy schemes known and available to local firms.</p>	Energy Hub / local energy champions / Growth Hub
Medium to long term	<p>The GLLEP Energy Lead will develop proposals for scaling up the above activity: i.e. developing a long-term programme of activity which increases microgeneration (including anaerobic digestion), increases energy efficiency including through retrofit of existing properties.</p> <p>We will include energy as part of our conversations with Government on the future of the UK Shared Prosperity Fund (UKSPF).</p> <p>We will consider how the energy needs of our business might play a part in the developing Local Industrial Strategy, including potential bids to the Industrial Strategy Challenge Fund.</p>	GLLEP and partners

Case Study: Low Carbon Hub for East Lincolnshire

The Low Carbon Hub (LCH) for East Lincolnshire was designed to test a variety of new and innovative techniques for integrating significant amounts of low carbon generation on to electricity distribution networks, in an effort to avoid the costs and other issues that would normally be associated with more conventional methods of network reinforcement.

Lincolnshire is suitable for a wide range of renewable generation types. These include onshore and offshore wind farms, large scale solar PV and anaerobic digestion / agri-energy. However, many generators cannot connect to the distribution network closest to them due to the effects their connection would have on the operation of the existing network. These generators thus tend to require long, new underground cable installations to connect them to more robust sections of the network, the costs of which make the investment prohibitive.

The LCH project demonstrated how Distribution Network Operators (DNO) and generation developers can enter into new innovative commercial arrangements which can unlock additional generation capacity. Six new-style arrangements – known as Alternative Connections - have been accepted, allowing the connection of 48.8MVA of additional new connections at an estimated cost saving of £42m.

Two new constraint analysis software tools were specified, designed, and tested to understand the impact of Alternative Connections on the network. These planning tools provide greater visibility of the network power flows after Alternative Connections have been made, and so support planning and investment. The project also required hardware – an Active Network Management (ANM) scheme to monitor and manage key network points.

After a successful demonstration, Active Network Management will continue to be rolled out by WPD across all four WPD licence areas with 11 new zones opened by 2023. Each will use the Alternative Connection agreements developed as part of this project.

Ambition 2: Commercial and Residential Development in Capacity Constrained Areas

Our area has big growth ambitions. In our refreshed SEP we set out the expectation that the level of additional new investment that will be secured through the LEP towards local economic growth activity will directly accelerate the delivery of:

- **13,000 new jobs**
- **support to 22,000 businesses**
- **up to 100,000 new homes**
- **an increase in the value of the Greater Lincolnshire economy by £3.2 billion.**

The timeframe for these ambitions is up to 2031. But building 100,000 new homes and creating 13,000 new jobs will require significant development to provide the residential and employment land which will underpin them. That is why our energy strategy vision, **to support the creation of a sustainable system of energy which meets Greater Lincolnshire LEP's ambitions for growth and business sector development**, puts a central focus on ensuring energy meets the needs of business growth.

Where we want to get to

1. Achievement of our aims for housing, infrastructure, and growth in business

To achieve our growth ambitions, we need an energy system which supports economic development. Many of the most constrained areas are also those with the highest economic growth potential. We want this potential to be realised, rather than constrained by inadequate energy and waste infrastructure. We need to better understand the constraints associated with current infrastructure and the impact of new developments. And this needs to inform regular conversations between planners, developers and DNOs to ensure that capacity does not become a constraint on growth.

2. Planning best-practice that encourages and incentivises sustainability of development

There is huge potential to incorporate sustainability best-practice in the development of new housing and commercial sites. By doing this, we will reduce the long-term costs of doing business in Greater Lincolnshire and increase economic resilience.

3. A system where DNOs are able to invest up-front in infrastructure to support accelerated development

At the moment, the difficulty of getting new connections and delays causes real problems for business. We want planning cycles between businesses, developers, and local authorities to align, removing red tape and costly delays from the process.

The current system in which DNOs are unable to invest in energy infrastructure up-front is a national challenge, albeit with different capacity constraints in different parts of the country. It is particularly problematic given that water utility companies are able to invest up-front. We will support efforts to improve the rate at which distribution infrastructure is funded ahead of time (to ensure that areas are development-ready), and that improve the way local generation can be distributed locally and nationally.

What we will do

- **Develop greater understanding around energy needs in key economic corridors, and opportunities for energy from commercial waste**

Timescales	What we will do	Responsibility
Short term	<p>Identify immediate areas of constraint based on the existing evidence base and develop demand curve analysis (of energy needs and waste generation based on current usage and future development) for a few specific areas.</p> <p>Work with Western Power Distribution and Northern Powergrid to communicate upcoming developments so that capacity reinforcements do not slow down build-out.</p> <p>Use next round of Housing Infrastructure Fund (HIF) and similar funds to address the capacity challenge.</p>	GLLEP / local planning authorities / DNOs
Medium to long term	<p>Investigate funding broader demand curve work to understand constraints over the long-term and across Greater Lincolnshire. This includes understanding where existing substations may need upgrading. We will make this information available via an online platform to support developer and investor decision making.</p> <p>Work with local planning authorities and businesses to ensure clear lines of communication with the DNOs on future developments, to respond to any capacity challenges. This will enable greater alignment of planning and business investment cycles around energy capacity.</p> <p>Work with local planning authorities to use demand curves to inform waste-to-energy and recycling opportunities / investments. We will further develop our understanding of the commercial waste landscape and opportunities for EfW in this sector.</p>	Local planning authorities / DNOs

- **Use planning mechanisms to raise funding for infrastructure investment, and to encourage the right kinds of sustainable development**

Timescales	What we will do	Responsibility
Short term	<p>Undertake best-practice review in partnership with the Midlands Energy Hub to understand how planning mechanisms could support better outcomes – specifically:</p> <ul style="list-style-type: none"> • Explore opportunities for using S106/CIL to support up-front investment in energy infrastructure and/or energy efficiency / microgeneration investments. Clearly this needs to be mindful of viability concerns in some parts of the GLLEP area. • Consider opportunities for using planning mechanisms to encourage more sustainable design and development, including microgeneration. 	GLLEP / Midlands Energy Hub / Local planning authorities
Medium to long term	<p>Develop a best-practice approach for using planning mechanisms to support the energy outcomes we want. Draw on best practice from the Midlands Energy Hub and the National Infrastructure Commission (NIC) and disseminate through local planning authorities. As part of this, we will consider whether changes to land value capture legislation can support improved approaches in the long term, whilst recognising that other types of (e.g. transport, health, schools) also need to be supported by receipts from development.</p>	GLLEP / Midlands Energy Hub / Local planning authorities

- **Work with other LEPs and other bodies to make the case for up-front investment in energy infrastructure**

Timescales	What we will do	Responsibility
Short term	<p>We will work with other LEPs and other bodies such as the Midlands Engine to make the case to Government and the regulator that DNOs be permitted to invest in advance where there is a clear expectation of development (and therefore aligning the approach with the water industry where such up-front investment is permitted).</p>	GLLEP / Midlands Engine / LEP Network

- **Explore the potential for a locally owned energy company**

Timescales	What we will do	Responsibility
Medium to long-term	<p>The Energy Lead will work with local partners to investigate the possibility of establishing a local energy company that could address some of the local capacity challenges and take advantage of new opportunities (particularly the smart grid opportunity).</p> <p>We will work with Midlands Engine to understand best practice and commercial opportunities in this area and consider whether working up a business plan for an energy company is appropriate given the facts on the ground.</p>	Midlands Engine / LEP Network

Case Study: Spitalgate Development in Grantham

The planned Spitalgate Development south of Grantham is an exemplar of local co-ordination to drive energy infrastructure forward. The site, designed as a garden village, would provide houses and employment land, as well as access to local countryside. This will generate jobs and support economic growth in the economically vibrant town of Grantham.

In order to realise this opportunity, local developers have formed a consortium, organised by Hoare Lea, to fund a technical study into the requirements for utilities provision. This consortium is:

- Leading the research into energy demand requirements, liaising with site owners
- Making the case to central government in order to fund the infrastructure requirement through HIF

This is all being taken forward at pace, with the private sector providing resource that local government would be unable to. A final programme will be put forward in January 2019. Work so far has established that a new primary substation will be required – we call upon government to fund this crucial piece of energy infrastructure.

This shows the possibility of collaboration to tackle energy challenges which would be too much for any one actor. By sharing the cost of research and working together at an early stage, these companies and the LEP will be able to co-ordinate activities to deliver the development, and give confidence to government that the project is deliverable.

Ambition 3: A sustainable transport system

As of 2016, transport is the single biggest contributor to greenhouse gas emissions in the UK. CO₂ emissions from transport have barely changed since 1990, unlike other categories – particularly energy supply, industrial, and business uses – which have seen declines. Provisional figures for 2017 suggest this figure has not changed. This is in spite of the development and increased uptake of hybrid and electric vehicles (EVs) over recent years.

Transport plays a very significant role in many of our key sectors, such as agriculture, logistics, and manufacturing. It imposes a significant cost on business and the environment. New technologies in transport afford the opportunity to make a real impact for both. Therefore, in order to achieve our vision: **to support the creation of a sustainable system of energy which meets Greater Lincolnshire LEP's ambitions for growth and business sector development**, we need to embrace the transport revolution.

Where we want to get to

1. EV readiness with enough charging points to make driving EVs, and using them for business transportation, a viable option

Electric vehicle charging currently has a low coverage in Lincolnshire, with a few small concentrations, especially in Lincoln. This creates a risk that the GLLEP area will be slow to adopt EVs. The size of our area and the length of our road network (over 11,000km of roads) add a further dimension to this challenge.

We want to stimulate the market and developers to install more charging points across the LEP area. EV charging is particularly important in our rural areas and it is essential that the network is sufficient to overcome 'range anxiety', particularly for business users where the commercial risks of insufficient charging points could be severe. The GLLEP area also needs to be first in line to adopt charging for agricultural and freight road vehicles when this becomes available.

2. A close partnership with Midlands Connect and neighbouring LEP areas to upgrade transport infrastructure

Given the importance of East-West links across the UK economy, we want to work with our key partners across the Midlands, using Midlands Connect as a co-ordinating hub for infrastructure activity. This includes prioritising the electrification of the joint line that runs through South Holland.

3. Early adoption of new transport technologies

As transportation methods develop, the GLLEP area should be at the forefront of adoption, working with thought leaders in the sector to understand the infrastructure requirements of this. This includes work to support electric vehicles (see below), biofuel vehicles, hydrogen fuel cell vehicles, and other alternative battery/power options. Where possible, we will bring together local

providers of these technologies, and local firms that have significant transportation needs – particularly large logistics firms – to trial new approaches.

What we will do

- **Review options for local charging networks as information becomes available and support the roll-out of EV charging points over the longer term**

Timescales	What we will do	Responsibility
Ongoing	<p>The take-up of EVs continues apace. But there is little clarity at present exactly which model of delivery we are working towards, and many of the technical, practical and legal questions are as yet unanswered. While the LEP is not yet ready to lead on the delivery of EV charging, we will follow developments closely to understand what delivery will look like, to underpin a local model which enables EV charging across the LEP (not just in urban areas). This will inform options appraisals, which will incorporate demand curve analysis based on different EV take-up scenarios.</p> <p>This work will inform bids for funding, such as through the Charging Infrastructure Investment Fund which the Government is currently seeking proposals for. We will also work with developers to encourage integrating EV charging into business parks and other commercial premises.</p>	GLLEP, Local Highway authorities, and the Midlands Energy Hub, Midlands Connect, and Highways England.
Medium term	Installing a three-phase power supply into new homes makes it much easier to install EV charging later, rather than having to retrofit, though is subject to the same capacity challenges faced across the area. Depending on the outcome of the review above, we will discuss with planners from our local authorities how this can be encouraged for new developments.	GLLEP to lead discussion with local authorities, Homes England
Long-term	Once we have more clarity on the future path of EV charging infrastructure demands – and how this will be complemented by other fuel types – we will develop a strategy with local partners that addresses these opportunities and supports the growth needs of the area.	GLLEP / local authorities / Midlands Energy Hub

- **Support improvements to infrastructure with Midlands Connect and map other key research projects**

Timescales	What we will do	Responsibility
Short to	The A46 is a vital connector route, which has come under	Highways

Medium Term	<p>increasing strain due to heavy use. Similarly the A17 is a road which many logistics and AgriFood companies depend upon, and is often heavily congested. We will support Midlands Connect in their work on both routes, ensuring that they are developed in a manner fit for future energy for transport requirements⁷.</p> <p>We will also support research into future forms of transport and associated energy needs. The Alternative Fuels study that Midlands Connect are commissioning is a first step in this process.</p>	England, Midlands Connect and GLLEP, in partnership with DNOs
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- **Support future bids for hydrogen fuel cell technologies**

Timescales	What we will do	Responsibility
Medium to Long term	Where funding becomes available for hydrogen fuel cell technology / refuelling points, we will work with local authorities, freight companies, bus companies and other businesses to support any relevant local bids.	GLLEP

Case Study: Vanessa to send through case study

⁷ Midlands Connect note in the A46 Corridor Study – Stage 1 that “All of Midlands Connect’s road programmes, including the A46, aim to future-proof our region’s road network for the next century, making it fit to support new and emerging technology and innovation, including Connected and Autonomous Vehicles (CAVs), electric vehicles (EVs) and the associated physical and digital infrastructure.”

Ambition 4: A strengthened Local Energy Industry within Greater Lincolnshire

Much of this strategy focuses on providing the energy, water, and waste services that our businesses require. But we don't just use energy. We generate it. And we have local strengths in waste and water management. Therefore, we need to empower our local industries in these sectors to grow and develop, helping them help our businesses.

Where we want to get to

1. A strong energy industry – generating jobs, upskilling people, and supporting local supply chains

The GLLEP area already has a significant energy sector and many assets. This should grow, employing more people, providing them with higher skilled jobs, and training them to boost human capital. It should also be closely tied into local manufacturing and logistics supply chains as part of a broader energy ecosystem. There are particular opportunities from building on our strengths as an agricultural area and existing experience of anaerobic digestion (AD) and energy from waste (EfW) facilities.

2. A strong water and waste management sector

Between them, the waste and water sectors employ over 4,700 people in the LEP area. We want to be develop as a UK centre of excellence for these technologies. We will support local EfW opportunities.

3. An energy sector that supports local as well as national needs

Our energy sector contains nationally significant assets. But the strength of the sector is not always matched locally in terms of employment or supply chain opportunities for businesses, or in terms of how the sector addresses local energy constraints and bottlenecks. As we move towards a more decentralised and flexible energy system, we want the strength of our energy sector to be felt in terms of commensurate local impacts.

What we will do

- **Support opportunities around anaerobic digestion (AD) and agri-energy / biofuels**

Timescales	What we will do	Responsibility
Short term	Build on the holistic review of AD and agri-energy opportunities being carried out by the University of Lincoln. We will explore how we can continue to develop our Energy from Waste offer,	GLLEP / Midlands Energy Hub /

	including different types of biogases, and using agricultural waste and processes to provide maximum energy potential. We will develop business cases where there are funds available to support local companies to invest, and we will use the work of the Energy Lead and Energy Champions to support dissemination of expertise and awareness of investment opportunities.	University of Lincoln
Medium to Long Term	As the ability to export waste globally diminishes, the opportunity to process it at home grows. To drive this, we will enter into discussions with government, looking to create an 'agricultural energy innovation zone' (along the lines of the energy innovation zone in the West Midlands, but with a more agricultural focus).	GLLEP, UK Government

- Support the local energy, water and waste sectors, and the broader supply chain**

Timescales	What we will do	Responsibility
Short term	We will undertake an energy supply chain audit to better understand how our energy sector supports the local economy through direct and indirect employment, and through the interaction with local suppliers.	GLLEP
Medium to Long Term	Following this we will look at how we can use planning conditions to ensure that there is a local supply chain component in energy, waste and water projects, and in housing and commercial developments which incorporate energy generation or efficiency elements. This work will include working with local suppliers to get them ready to bid for such work, and looking at options for procurement methods.	GLLEP, local authorities
Short term	Through our Local Industrial Strategy, we will explore how the strengths of our sectors fit with the Government's Grand Challenges, and the Industrial Strategy Challenge Funds which have been established.	GLLEP
Medium term	We will support funding bids from energy businesses for research energy proposals, especially those which can be shown to bring tangible benefits to the Greater Lincolnshire area.	GLLEP / local HEIs / local businesses
Short to medium term	The continued growth of the offshore wind sector can generate opportunities for local supply chains. We will collaborate with other key LEPs on this coastline to continue to attract offshore wind companies to this area.	GLLEP, New Anglia LEP, Humber LEP, Department

		for Business, Energy, and Industrial Strategy
Short-medium term	We are aware of potential investments in the energy from waste sector (EfW) that could support our long-term vision. We will work with local partners to help land these opportunities where possible, and create a strong environment for investing in these facilities.	GLLEP, local authorities, UKTI

Case Study: Anaerobic Digestion of Food Waste in Greater Lincolnshire

A number of Greater Lincolnshire businesses are already using anaerobic digestion equipment to produce waste from surplus food produce or waste plant material. Specific examples include:

Staples Vegetables: Staples Vegetables is a company based in Boston, Lincolnshire, which is one of the UK largest vegetable producers. The company has built a biogas plant which uses surplus vegetables and maize silage as a feedstock. The plant then turns these into energy – the plant has capability to produce 24 million KWh of electricity a year – and nitrogen-rich fertiliser, for use on the fields. Staples’ initiative (which used Government funding in the form of the Environmental Transformation Fund) shows what is possible with large agricultural sites – simultaneously reducing waste, cutting greenhouse gas emissions, and powering industry.

Branston: Branston is one of UK’s biggest potato buyers, packers, distributors and marketers. At their Mere Road site they have established an anaerobic digestion facility which uses rejected potatoes as feedstock and generates 400KWe. Branston have also since invested in a water recycling plant which has had a major impact in reducing its mains water usage, with usage reduced by more than 60% over the first two years.

QV Foods: A leading supplier of fresh and prepared potatoes and vegetables, QV Foods have invested in a 1.4MW anaerobic digestion plant which uses waste from packing and processing operations, as well as vegetable food waste from other sources. The plant has made the farm 90%-95% self sufficient in electricity.

The advantage of having AD on site is that the farm is relatively remote, and so having access to a local energy source provides a better and more reliable platform for growth. It has also greatly reduced storage and transport costs of moving waste around, and has also produced fertiliser as a by-product of generation, further reducing overall operational costs.

What success will look like

This Strategy will be a success if it helps Greater Lincolnshire achieve the following things:

- A detailed understanding and forecast of local energy demand in a way that helps support public and private investment decisions.
- A clear articulation of the opportunities for investment backed by evidenced business cases: an 'energy prospectus'.
- Greater Lincolnshire businesses have a much better understanding of the energy issues that they will face, now and into the future – and the opportunities available to them. These will be championed by businesses for businesses.
- Adoption of sustainable technologies and business practices in a way which supports the growth of the Greater Lincolnshire economy, and which plays to our strengths.
- Working with other areas and LEPs: a strong message to Government and regulators about the legislative, regulatory and operational changes needed to support economic growth in our area (recognising that these are issues in many other parts of the country also). This includes:
 - More investment up-front in capacity enhancements and grid-balancing to support development and investment.
 - More investment in energy efficiency and systems which enable the optimisation of renewable energy generation.

All of this requires a partnership approach that no single organisation can address alone. We will develop the ideas in this Strategy by establishing an Energy Lead from the LEP Board and working with partners to develop actions plans that implement the key actions. This will include specific measures of success for each action. We will work closely with the Midlands Energy Hub to reflect and learn from their emerging ideas.

We will review and update this Strategy on a regular basis to reflect the changing context and new opportunities. We will build this kind of thinking into the Local Industrial Strategy and other emerging strategies.

Appendices

This Strategy is supported by an extensive evidence base. The following documents are included as appendices to this Strategy and inform the vision, ambition and actions:

- Appendix 1: Cornwall Insight (2018) Greater Lincolnshire LEP: Mapping analysis report
- Appendix 2: Atkins (2017) Future Proofing Utilities in Greater Lincolnshire
- Appendix 3: GLLEP (2018) Better Utilities: Greater Prosperity, Greater Lincolnshire
- Appendix 4: Martin Osborne & WSP UK Ltd. (2018) GLLEP Utilities in Lincolnshire: Review of Position and Way Forward
- Appendix 5: Sustainable Direction (2018) Future of Energy and Water for Greater Lincolnshire
- Appendix 6: Metro Dynamics (2018) Greater Lincolnshire Energy Sector Analysis
- Appendix 7: Lincolnshire County Council (2018) Lincolnshire Connected