

**Paper 0 Agenda - Greater Lincolnshire LEP Board Meeting**

**Thursday, 9<sup>th</sup> July 2015 at 10.00am**  
**Siemens, Feilden House, Teal Park, Teal Park Road, Lincoln, LN6 3AD**  
**(Conference Rooms 1 & 2)**

| <b>Time</b>                                      | <b>Item</b>  | <b>Lead</b>  | <b>Web links and additional Information</b>   |
|--|--|--|---|
| <b>10.00</b>                                     | <p><b>GLLEP Director's Meeting – Welcome by the Chair</b></p> <ul style="list-style-type: none"> <li>• Apologies for Absence and Declarations</li> <li>• Minutes of the Directors Meeting of 12/05/15</li> <li>• Directors Business</li> <li>• Minutes of Board Meeting 12<sup>th</sup> May 2015</li> <li>• Matters arising</li> </ul> | Chair - Ursula Lidbetter                             | <p>Verbal</p> <p>Paper 1 attached</p> <p>Paper 2 attached</p> <p>Paper 3 attached</p> |
| <b>10.20</b><br><b>For Information</b>           | Operational Report - including Growth Deal Progress, Midlands Connect, Midlands Engine and Enterprise Zones.   | Ruth Carver, LEP                                     | Paper 4 attached<br>Paper 4.1 Growth Deal Progress                                    |
| <b>10.40</b><br><b>For approval and decision</b> | Finance Paper - Approval of year end accounts, reporting of Q1 spend, and adoption of cash balance policy  | Andy Orrey, Chair of the Finance and Audit Committee | Paper 5 attached  |

| <b>10.50<br/>For decision</b>              | <b>Proposals for a Greater Lincolnshire Innovation Council</b>  | <b>Prof Mary Stewart</b>    | <b>Paper 6 attached</b> |
|--|---|-----------------------------|-------------------------|
| <b>11.20<br/>In principle<br/>decision</b> | <b>Update from the Greater Lincolnshire Employment and Skills Board - in principle decision on a skills capital programme</b> | Herman Kok and Clare Hughes | Paper 7 To follow       |
| <b>11.50</b>                               | <b>Devolution</b>   | All                         | Verbal                  |
| <b>12.10</b>                               | <b>LEP Strategies</b>   | Ruth Carver                 | Paper 8 attached        |
| <b>12.30</b>                               | <b>Lunch</b>  |                             |                         |

**Additional Papers for information:**

AP1 – Summary of LEP Communication  
AP2 – Draft Growth Hub Minutes –  
AP3 – Midlands Connect Briefing Note  
AP4 – LEP Network – Driving Sustainable Growth  
AP5 – Midlands Connect – Economic Impact Study  
AP6 – Provision of Legal Services Quotes

**Attendees:** Board: Ursula Lidbetter (chair) , David Dexter (Deputy Dexter), Chris Baron, Cllr Redfern, Cllr Davie, Cllr Watson, Prof Mary Stuart, Mark Tinsley, Neil Corner, Richard Wills, Dr Tony Hill, Pete Holmes (observers), Herman Kok, Ian Munnery

**Dates of Next Meetings:**

10<sup>th</sup> September 2015 – Civic Centre, Scunthorpe  
4<sup>th</sup> November 2015 – University of Lincoln, Lincoln  
21st October 2015– Building a better business event  
23rd October 2015– LEP Business Live

**Dates for Diary**

**Paper 2 GLLEP Directors Meeting 12 May 2015**

Minutes of a meeting of the board of directors of **GREATER LINCOLNSHIRE LEP LIMITED** (Company Number 09223395) held at Cofely, Origin One, Europarc, Grimsby, DN37 9TZ on Tuesday 12<sup>th</sup> May 2015 at 10:00hrs

| <b>PRESENT:</b>                             | <b>NAME</b>            | <b>POSITION</b>             |
|---|------------------------|-----------------------------|
|   | Ursula Lidbetter       | LEP Director (Chair)        |
|   | David Dexter           | LEP Director (Deputy Chair) |
|   | Neil Corner            | LEP Director                |
|   | Professor Mary Stuart  | LEP Director                |
|   | Andy Orrey             | LEP Director                |
|   | Richard Wills          | LEP Director                |
|   | Cllr Davie             | LEP Director                |
|   | Cllr Redfern           | LEP Director                |
|   | Cllr Oxby              | LEP Director                |
|   | Dr Tony Hill           | LEP Director                |
|   | Cllr Doreen Stephenson | LEP Director                |
|   |                        |                             |
|   |                        |                             |
| <b>IN ATTENDANCE:</b>                       | <b>NAME</b>            | <b>POSITION</b>             |
|   | Ruth Carver (RC)       | LEP Secretariat             |
|   | Pete Holmes            | BIS Observer                |
|   |                        |                             |
|   |                        |                             |
| <b>APOLOGIES FOR ABSENCE RECEIVED FROM:</b> | Herman Kok             | LEP Director                |
|   |                        |                             |

**1. CHAIRPERSON**

*Ursula Lidbetter was appointed chairperson of the meeting and chaired the meeting throughout.*

**2. NOTICE AND QUORUM**

*The chairperson reported that due notice of the meeting had been given and that a quorum was present. Accordingly, the chairperson declared the meeting open.*

### 3. DECLARATIONS OF INTEREST

- 3.1 The Chairperson declared an interest in the Boole Technology Centre and Lincoln Transport Hub.

### 4. MINUTES OF THE DIRECTORS MEETING HELD ON 5<sup>TH</sup> MARCH 2015

- 4.1 *The chairperson reported that the minutes of the board meeting held on 5<sup>th</sup> March 2015 were correct and that no other issues arose from those minutes.*

### 5. BUSINESS OF THE MEETING

The chairperson reported that the business of the meeting was to:

#### (a) Agree Interim Finance Report for FYE 2014-15

A full report is contained with the Board Papers pack. The Finance and audit Committee met on the 7<sup>th</sup> of May to consider the interim accounts and make a recommendation to the Director re appointment of external auditors. The interim Finance Report was agreed and that Streets be appointed as external auditors.

#### (b) Confirm progress of the Members Agreement

The Members Agreement has now been signed by all three unitary authorities and the GLLEP. It has been submitted to Companies House along with bespoke Articles and is pending formal adoption.

#### (c) Company Members

The appointment of Members is nearing completion. Our outstanding membership for the board are (Cllr Davie/ Cllr Redfern/ Cllr Oxby/ H Kok) and we also await Cllr Worth (SHDC) and Cllr Brighton (NKDC) applications. Amanda Mosek from Boston College has been recruited to represent the FE sector and Magda Read of Horizon Community Development Ltd (Hull) to represent the community sector. The list of invited members follows below.

|   | Organisation | Address to           | Invite as Member     | Notes                 | Response        | Named Member       | Approved for membership                  |
|---|--------------|----------------------|----------------------|-----------------------|-----------------|--------------------|--|
| 1 | SHDC         | Cllr Gary Porter     | Cllr Gary Porter     | Leader of the council | Chased 13.03.15 | Cllr Nick Worth    | Confirmed completing form 17.03 Awaiting |
| 2 | NKDC         | Cllr Marion Brighton | Cllr Marion Brighton | Leader of the council | Chased 14.04.15 | TBC                | NKDC pursuing Cllr completion            |
| 3 | BBC          | Cllr Peter Bedford   | Cllr Peter Bedford   | Leader of the council | Chased 13.03.15 | Cllr Peter Bedford | No application Adopted in Cllr Exec ✓    |
| 4 | SKDC         | Cllr Linda Neal      | Cllr Linda Neal      | Leader of the council | Chased 13.03.15 | Cllr Linda Neal    | ✓  |
| 5 | WLDC         | Cllr Jeff            | Cllr Jeff            | Leader of the council | Chased          | Cllr Jeff          | ✓  |

|     |                                | Summers                         | Summers                                      |  | 13.03.15             | Summers                            |  |
|-----|--------------------------------|---------------------------------|--|--|----------------------|------------------------------------|--|
| 6   | ELDC                           | Cllr Doreen Stephenson          | Self or Request alternative                  | GLLEP Director/ Leader of the council                    | ✓                    | Cllr Doreen Stephenson             | ✓  |
| 7   | CoLC                           | Cllr Ric Metcalfe               | Cllr Ric Metcalfe                            | Leader of the council                                    | Chased 13.03.15      | Cllr Ric Metcalf                   | ✓  |
| 8   | LCC                            | Cllr Colin Davies               | Cllr T Bridges                               | Cllr Davie is GLLEP Director LCC want alternative member | Chased 02 + 13.03.15 | Cllr T Bridges                     | Cllr Bridges ill Awaiting recommendation |
| 9   | LCC Public Health (ex. NHS)    | Dr Tony Hill                    | Self or Request alternative                  | GLLEP Director   | ✓                    | Mandy Clarkson                     | ✓  |
| 10  | NE Lincs Council               | Cllr Liz Redfern                | Self or Request alternative                  | GLLEP Director   | Chased 02 + 13.03.15 | TBC                                | No response                              |
| 11  | North Lincs Council            | Cllr Ray Oxby                   | Self or Request alternative                  | GLLEP Director   | Chased 02 + 13.03.15 | TBC                                | No response                              |
| 12  | Environment Agency             | Phil Younge                     | Phil Younge                                  |  | ✓                    | Phil Younge                        | ✓  |
| 13  | Lincolnshire Co-Operative      | Ursula Lidbetter                | Self or Request alternative                  | GLLEP Director   | ✓                    | Amy Morley                         | ✓  |
| 14  | Federation of Small Businesses | David Dexter                    | David Thorpe                                 | GLLEP Director   | ✓                    | Neil Sharpley                      | ✓  |
| 15  | Lindum Group                   | Herman Kok                      | Self or Request alternative                  | GLLEP Director   | Chased 02 + 13.03.15 | TBC                                | No response                              |
| 16  | Butlins                        | Chris Baron                     | Self or Request alternative                  | GLLEP Director   | ✓                    | Chris Baron                        | ✓  |
| 17  | Ongo Ltd                       | Andy Orrey                      | Self or Request alternative                  | GLLEP Director   | ✓                    | Andy Orrey                         | ✓  |
| 18  | Siemens                        | Neil Corner                     | Self or Request alternative                  | GLLEP Director   | ✓                    | Neil Corner                        | ✓  |
| 19  | PC Tinsley Ltd                 | Mark Tinsley                    | Self or Request alternative                  | GLLEP Director   | ✓                    | Mark Tinsley                       | ✓  |
| 20  | SES Vander Have UK             | Ian Munnery                     | Self or Request alternative                  | GLLEP Director   | ✓                    | Ian Munnery                        | ✓  |
| 21  | University of Lincoln          | Prof Mary Stuart                | Self or Request alternative                  | GLLEP Director   | ✓                    | Andrew Stephenson                  | ✓  |
| 22  | Bishop Grosseteste University  | Dame Judith Mayhew Jonas        | Dame Judith Mayhew Jonas                     | Chancellor   | ✓                    | Rob Jones - Director of Enterprise | ✓  |
| 23  | FE representation              | Press release recruitment plus: | Janet Farr                                   | CLIP   | ✓                    | Janet Farr                         | X  |
| 23a |                                | Invited:                        | Amanda Mosek                                 | Boston College   | ✓                    | Amanda Mosek                       | ✓  |
| 24  | Community Sector               | Invited:                        | Ben Barley<br>David Fannin<br>Carol Phillips | CVS - NK/ Lincoln/ WL<br>CVS - SH/ Boston/               | ✓                    |                                    | X  |

|     |                                  |                           |                            |   |   |                 |   |
|-----|----------------------------------|---------------------------|----------------------------|---|---|-----------------|---|
|     |                                  | Plus.. :-                 | Paula Grant<br>Fiona White | EL/SK<br>CVS – North Lincs<br>CVS – NE Lincs<br>Community Lincs |   | Philip -        |   |
| 24a | Community Sector                 | Press release Recruitment | Magda Read                 | HCDL - Horizon Community Dev Ltd                                | ✓ | Magda Read.     | ✓ |
| 25  | Lincolnshire Chamber of Commerce | Simon Beardsley           | Simon Beardsley            | CEO   | ✓ | Simon Beardsley | ✓ |

**(d) Update on the progress of LSL (appointed solicitors)**

We received notification from the Chief Legal Officer at LSL that they will no longer be providing advice to the GLLEP in relation to company matters and we therefore need to seek a replacement firm.

**(e) Update on insurance policy**

Cllr Redfern's declaration remains outstanding.

**(f) Review and agree Director's Code of Conduct Policy and complete Declarations of Interest form.**

Further to an anomaly in the wording raised by R Wills, the document is on hold pending legal advice and will be circulated again imminently.

The following declarations remain outstanding and require completion – following circulation of the updated version - (D Dexter/ Cllr Redfern/ M Tinsley)

**(g) Recruitment of Finance and Audit Committee**

The ToRs state that the committee shall be made up of up between 4 and 6 Members who shall be Company Members or Directors of Greater Lincolnshire LEP, and the membership will reflect the overall composition of the Company. Current membership consists of:-

- Andy Orrey (PR) (Chair)
- David Dexter (PR)
- Cllr Owen Brierley WLDC (PU)
- Vacancy (recruiting) 1 x public sector
- Vacancy (recruiting) 2 x private sector

The inaugural meeting is due to take place on 7<sup>th</sup> May and we are currently recruiting an additional 3 members from the company members (see 5). Penny Sharp – Commercial Director at WLDC is Cllr Brierley's nominated representative on this occasion. Other applications have been received from; Steve Deville – Director of Resources/ Bishop Grosseteste; Howard Gannaway ex Director and Associate of Horizon Community Learning Ltd; and Amanda Mosek – Principal and CEO of Boston College.

The Audit Committee will be reviewing and selecting from these in due course. It was resolved that Amanda Mosek and Steve Deville would be invited to join the Finance and Audit Committee.

**6. DOCUMENTS PRODUCED TO THE MEETING**

No documents were produced to the meeting.

**7. RESOLUTIONS**

IT WAS RESOLVED to:

7.1 The Interim Finance Report was agreed.

7.2 Appointed Auditors would be Streets.

7.3 Amanda Mosek and Steve Deville be invited to join the Finance and Audit Committee.

**8. FILING**

The chairperson instructed the Company Secretary OR LEP Secretariat to make all necessary and appropriate entries in the books and registers of the Company and to arrange for the necessary forms and documents to be filed at Companies House.

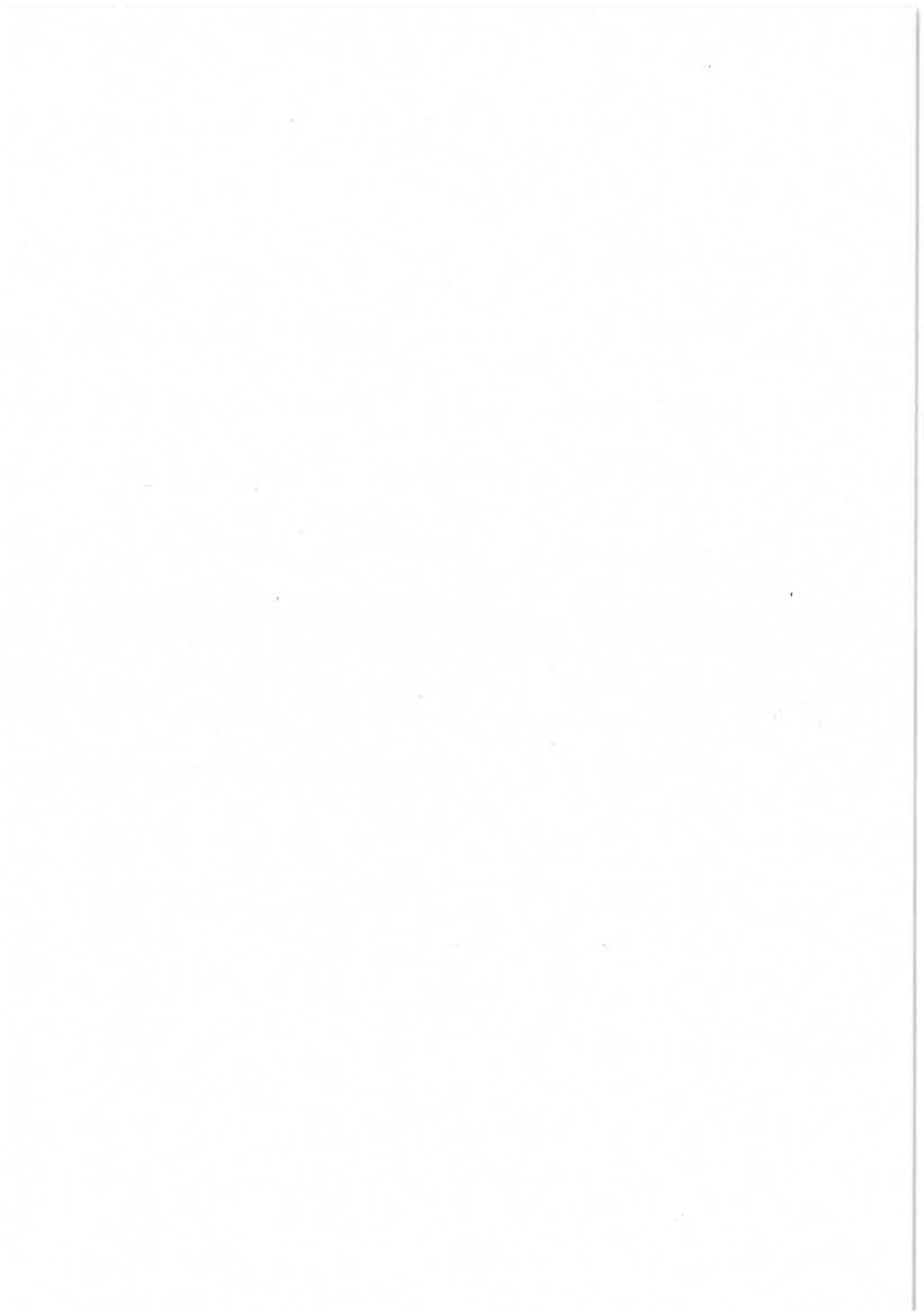
**OR**

The chairperson instructed [the Company Secretary OR LEP Secretariat to:

8.1 Update the entries to the register of directors [and secretary]; register of members; and minutes books for directors' and members' meetings.

**9. CLOSE**

*There was no further business and the chairperson declared the meeting closed.*





**Paper 2**

Minutes of a meeting of the board of directors of GREATER LINCOLNSHIRE LEP LIMITED (Company Number 09223395) held at The Apple Tree Restaurant, Grantham College, Stonebridge Rd, Grantham, NG31 9AP on Thursday 5<sup>th</sup> March 2015 at 10:00hrs

| <b>PRESENT:</b>                                     | <b>NAME</b>   | <b>POSITION</b>        |
|---|---|------------------------|
|   | Ursula Lidbetter  | LEP Director           |
|   | David Dexter  | LEP Director           |
|   | Richard Wills   | LEP Director           |
|   | Herman Kok  | LEP Director           |
|   | Dr Tony Hill  | LEP Director           |
|   | Andy Orrey  | LEP Director           |
|   | Mark Tinsley  | LEP Director           |
|   | Cllr Ray Oxby   | LEP Director           |
|   | Cllr Colin Davie  | LEP Director           |
|   | Chris Baron   | LEP Director           |
| <b>IN ATTENDANCE:</b>                               | <b>NAME</b>   | <b>POSITION</b>        |
|   | Ruth Carver (RC)  | LEP Secretariat        |
|   | Cathy Jones   | LEP Secretariat        |
|   | Andy Gutherson  | LCC                    |
|   | Halina Davies   | LEP Secretariat        |
|   | Samantha Harrison   | LCC                    |
|   | Andrew Stevenson  | University of Lincoln  |
|   | Angela Blake  | Officer - NELC         |
|   | Cllr Neil Poole   | NLC (for Cllr Redfern) |
|   | Pete Holmes   | Observer               |
| <b>APOLOGIES FOR<br/>ABSENCE RECEIVED<br/>FROM:</b> | Neil Corner, Ian Munnery, Cllr Liz Redfern, Professor Mary Stuart |                        |

**1. CHAIRPERSON**

Ursula Lidbetter was appointed chairperson of the meeting and chaired the meeting throughout.

**2. NOTICE AND QUORUM**

The chairperson reported that due notice of the meeting had been given and that a quorum was present. Accordingly, the chairperson declared the meeting open.

### **3. DECLARATIONS OF INTEREST**

- 3.1 Ursula Lidbetter declared an interest in Boole Technology and Lincoln Transport Hub. The Chair explained that we need to be clear on the strict policy that if a person declares an interest at the start of a meeting, then they are to leave the room should any discussions follow relating to their declared interest. All Director agreed

### **4. MINUTES OF THE DIRECTORS MEETING HELD ON 22<sup>ND</sup> JANUARY 2015**

- 4.1 The chairperson reported that the minutes of the board meeting held on 22<sup>nd</sup> January 2015 were correct and that no other issues arose from those minutes.

### **5. BUSINESS OF THE MEETING**

The chairperson reported that the business of the meeting was to:

#### **(a) Confirm progress of the Members Agreement**

North Lincolnshire has yet to sign the Members Agreement. Cllr Neil Poole (attending on behalf of Cllr Stephenson) advising that the paperwork was with their legal team but he would send a chasing email now to try and move this along.

#### **(b) Company Members**

The appointment of Members is now underway with member organisation and individuals (including GLLEP Directors) invited to apply. To date we have four returns from M Tinsley, Cllr Stephenson, T Hill and A Orrey. Can we please ask you to complete these where outstanding. In addition a press release has been issued to invite membership from the FE and voluntary sectors and Amanda Mosek from Boston College has been specifically invited to consider application to represent the FE sector. Other applications to date have been received from Magda Read of Horizon Community Development Ltd (Hull). The list of invited members follows under 6.

|   | <b>Organisation</b> | <b>Address to</b>      | <b>Invite as Member</b> | <b>Notes</b>           |
|---|---------------------|------------------------|-------------------------|------------------------|
| 1 | SHDC                | Cllr Gary Porter       | Cllr Gary Porter        | Leader of the council  |
| 2 | NKDC                | Cllr Marlon Brighton   | Cllr Marlon Brighton    | Leader of the council  |
| 3 | BBC                 | Cllr Peter Bedford     | Cllr Peter Bedford      | Leader of the council  |
| 4 | SKDC                | Cllr Linda Neal        | Cllr Linda Neal         | Leader of the council  |
| 5 | WLDC                | Cllr Jeff Summers      | Cllr Jeff Summers       | Leader of the council  |
| 6 | ELDC                | Cllr Doreen Stephenson | Request alternative     | GLLEP Directors CAN be |

|    |  |                                    |   |  |
|----|--|------------------------------------|---|--|
|    |  |                                    |   | company members  |
| 7  | CoLC   | Cllr Ric Metcalfe                  | Cllr Ric Metcalfe   | Leader of the council  |
| 8  | Lincolnshire County Council                            | Cllr Colin Davies                  | Cllr Jo Churchill   | Cllr Davie is GLLEP Director.<br>Jo agreed as member   |
| 9  | Lincolnshire County Council<br>Public Health (ex. NHS) | Dr Tony Hill                       | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 10 | NE Lincs Council                                       | Cllr Liz Redfern                   | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 11 | North Lincs Council                                    | Cllr Ray Oxby                      | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 12 | Environment Agency                                     | Phil Younge                        | Phil Younge   |  |
| 13 | Lincolnshire Co-Operative                              | Ursula Lidbetter                   | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 14 | Federation of Small<br>Businesses                      | David Dexter                       | David Thorpe  | GLLEP Directors CAN be<br>company members  |
| 15 | Lindum Group   | Herman Kok                         | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 16 | Butlins  | Chris Baron                        | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 17 | Ongo Ltd   | Andy Orrey                         | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 18 | Siemens  | Neil Corner                        | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 19 | PC Tinsley Ltd   | Mark Tinsley                       | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 20 | SES Vander Have UK                                     | Ian Munnery                        | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 21 | University of Lincoln                                  | Prof Mary Stuart                   | Request alternative   | GLLEP Directors CAN be<br>company members  |
| 22 | Bishop Grosseteste University                          | Dame Judith Mayhew<br>Jonas        | Dame Judith<br>Mayhew Jonas   | Chancellor   |
| 23 | FE representation                                      | Press release<br>recruitment plus: | Amanda Mosek  | Boston College   |
| 24 | Community Sector                                       | Press release<br>recruitment plus: | Ben Barley<br>David Fannin<br>Carol Philips<br>Paula Grant<br>Fiona White | CVS – NK/ Lincoln/ WL<br>CVS – SH/ Boston/ EL/SK<br>CVS – North Lincs<br>CVS – NE Lincs<br>Community Lincs |
| 25 | Lincolnshire Chamber of<br>Commerce                    | Simon Beardsley                    | Simon Beardsley   | CEO  |

(c) Update on the progress of LSL (appointed solicitors)

David Coleman; Head of Service within LSL is currently overseeing GLLEP activity supported by Gemma Grundy whilst a replacement locum; David Cox, becomes familiar with GLLEP work.

(d) Update on insurance policy

Cllr Redfern's declaration remains outstanding.

(e) Review and agree Director's Code of Conduct Policy and complete Declarations of Interest form.

Further to an anomaly in the wording raised by R Wills, the document is on hold pending legal advice and will be circulated again imminently.

The following declarations remain outstanding and require completion – following circulation of the updated version - (D Dexter/ Cllr Redfern/ H Kok / M Tinsley)

**6. DOCUMENTS PRODUCED TO THE MEETING**

No documents were produced to the meeting.

**7. RESOLUTIONS**

IT WAS RESOLVED to:

7.1 Chase NLC for their signed Members Agreement

7.2 Amend and circulate the Code of Conduct

THERE IS TO BE A FINANCE AND AUDIT COMMITTEE MEETING TO BE ARRANGED FOR APRIL/MAY – THEIR ROLE WILL BE TO CONSIDER THE YEAR END ACCOUNTS AND RECOMMEND AN EXTERNAL AUDITOR.

**8. FILING**

The chairperson instructed the Company Secretary OR LEP Secretariat to make all necessary and appropriate entries in the books and registers of the Company and to arrange for the necessary forms and documents to be filed at Companies House.

**OR**

The chairperson instructed [the Company Secretary OR LEP Secretariat to:

8.1 Update the entries to the register of directors [and secretary]; register of members; and minutes books for directors' and members' meetings.

**9. CLOSE**

*There was no further business and the chairperson declared the meeting closed.*

**Paper 2 GLLEP Directors Meeting 9<sup>th</sup> July 2015**

Minutes of a meeting of the board of directors of **GREATER LINCOLNSHIRE LEP LIMITED** (Company Number 09223395) held at Conference Rooms 1 & 2, Siemens, Teal Park, Lincoln 10:00 – 13:00

| <b>PRESENT:</b>                                     | <b>NAME</b>      | <b>POSITION</b>             |
|---|------------------|-----------------------------|
|   | Ursula Lidbetter | LEP Director (Chair)        |
|   | David Dexter     | LEP Director (Deputy Chair) |
|   |                  |                             |
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|   |                  |                             |
| <b>IN ATTENDANCE:</b>                               | <b>NAME</b>      | <b>POSITION</b>             |
|   | Ruth Carver (RC) | LEP Secretariat             |
|   |                  |                             |
|   |                  |                             |
|   |                  |                             |
| <b>APOLOGIES FOR<br/>ABSENCE RECEIVED<br/>FROM:</b> |                  |                             |
|   |                  |                             |

**1. CHAIRPERSON**

*Ursula Lidbetter was appointed chairperson of the meeting and chaired the meeting throughout.*

**2. NOTICE AND QUORUM**

*The chairperson reported that due notice of the meeting had been given and that a quorum was present. Accordingly, the chairperson declared the meeting open.*

### **3. DECLARATIONS OF INTEREST**

#### **3.1**

### **4. MINUTES OF THE DIRECTORS MEETING HELD ON 12<sup>TH</sup> MAY 2015**

**4.1** *The chairperson reported that the minutes of the board meeting held on 12<sup>th</sup> May 2015 were correct and that no other issues arose from those minutes.*

#### **4.2 Business of the meeting**

The chairperson reported that the business of the meeting was to:

##### **(a) Agree Finance Report for FYE 2014-15**

This paper was presented to the Finance and Audit Committee on 30<sup>th</sup> June 2015 chaired by Andy Orrey who have considered the report and make a recommendation to the GLLEP Board Directors that these are a true and accurate account and can be signed off. This is attached as a separate paper.

##### **(b) Cash Balance and Reserves Policy**

A paper was presented to the Finance & Audit Committee regarding use of cash balance funds. The Board are asked to consider and endorse the cash balance policy for adoption according to Finance and Audit Committee recommendations.

##### **(c) Agree Quarter 1 Finances for FY 2015-16**

This paper provides an overview of spend against budget for the first quarter period 1<sup>st</sup> April 2015 – 30<sup>th</sup> June 2015. This is attached as a separate paper.

##### **(d) Director Issues**

Cllr Stephenson recently retired and the Directors are asked to consider the appointment of Cllr Bob Adams from SKDC as the district representative replacement. The GLLEP would like to minute their thanks for the substantial contribution made by Cllr Stephenson during her time on the GLLEP Board.

The GLLEP Directors are asked to consider the appointment of Cllr Watson to the GLLEP Board, who is replacing Cllr Oxby as the GLLEP Board Member for North East Lincolnshire Council.

Declaration of Interests - Cllr Redfern's declaration remains outstanding.

The GLLEP Board were saddened to hear of the untimely death of Cllr Burnett. As a previous member of the GLLEP Board he was a strong advocate for North East

Lincolnshire and for the visitor economy and the Chair has expressed her sadness stating he was always very positive and supportive and has written to the Leader of North East Lincolnshire Council to express our heartfelt condolences.

**(e) Company Members**

SHDC have confirmed membership of with Cllr Nick Worth as nominated member. NKDC submitted a generic application wishing to be a Member but with an unnamed representative as this was prior to the elections. Cllr Brighton is the likely candidate but remains unconfirmed. This has been followed up and we await confirmation.

**(f) Recruitment of Finance and Audit Committee**

The ToRs state that the committee shall be made up of up between 4 and 6 Members who shall be Company Members or Directors of Greater Lincolnshire LEP, and the membership will reflect the overall composition of the Company. Membership is complete and consists of:-

- Andy Orrey (Chair)
- David Dexter
- Cllr Owen Brierley / Penny Sharpe WLDC
- Amanda Mosek – Boston College
- Stephen Deville – Bishop Grosseteste University

**(g) External Auditors**

The Finance and Audit Committee appointed Streets Chartered Accountants as external auditors for the 2014-15 company accounting period.

KPMG are the appointed Accountable Body (AB) independent auditor and are due to audit AB processes and procedures in July / August 2015. This is a fully comprehensive audit. It is recommended that Streets therefore do not undertake an additional assurance audit following KPMG's robust AB audit, as the GLLEP is deemed low risk on 2014-15 accounts but that the F&A Committee focus, consider and agree the scope of the Streets audit for the 2015-16 financial year as this includes the high value growth Deal income stream coming on line.

**(h) Accountants**

Streets have also been appointed as accountant to submit the company annual return on a pro bono basis for this first return for the company year ending 31<sup>st</sup> March 2015. Advice was that this would be a nil return which has subsequently waived by HMCR (which often occurs for companies registered as dormant – all transactions being channelled through the AB).

**(i) External Lawyers**

Legal advice pertaining to any issue involving any Accountable Body issue is already covered by Legal Services Lincolnshire. Therefore legal support is required only pertaining to any company matters and statutory requirements.

The level of activity is estimated as low and therefore three quotes were required to follow procurement regulations. Larken and Co, Wilkin Chapman and Chatterton McKinnels were approached for quotes. The responses can be found in Additional Paper 5.

The Board are asked to register their conflicts of interest and consider and select a law firm in order that we can progress outstanding company matters.

(j) **Code of Conduct**

The wording issue remains outstanding since Legal Services Lincolnshire have ceased working for the GLLEP. Therefore this will be resolved on appointment of external lawyers covering GLLEP Ltd Company business.

**5. DOCUMENTS PRODUCED TO THE MEETING**

Main Board Paper 5 – Accountable Body FYE Report 14-15  
Main Board Paper 5– Q1 GLLEP Financial Overview  
Additional Paper 6 - Legal Services commercial responses.

**6. RESOLUTIONS**

IT WAS RESOLVED to:

6.1

**7. FILING**

The chairperson instructed the Company Secretary OR LEP Secretariat to make all necessary and appropriate entries in the books and registers of the Company and to arrange for the necessary forms and documents to be filed at Companies House.

**OR**

The chairperson instructed [the Company Secretary OR LEP Secretariat to:

7.1 Update the entries to the register of directors [and secretary]; register of members; and minutes books for directors' and members' meetings.

**8. CLOSE**

*There was no further business and the chairperson declared the meeting closed at X.*

.....  
Chairperson

.....  
(Date)



**12 May 2015**

**Innovation Centre, Innovation Way, Europarc,  
Grimsby, NE Lincolnshire, DN37 9TT**

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| <p><b><u>LEP Directors present :</u></b><br/>         Ursula Ladbetter (UL – Chair), David Dexter (DD – Deputy Chair), Richard Wills (RW),<br/>         Dr Tony Hill (TH), Andy Orrey (AO), Mark Tinsley (MT), Cllr Colin Davie (CllrD),<br/>         Professor Mary Stuart (MS), Neil Corner (NC), Cllr Doreen Stephenson (DS), Cllr Rob Waltham<br/>         (RWa)</p> <p><b><u>Apologies from Directors:</u></b><br/>         Herman Kok, Cllr Liz Redfern, Ian Munnery, Chris Baron,</p> <p><b><u>Observers:</u></b><br/>         Pete Holmes, Cities and Local Growth Team</p> <p><b><u>LEP</u></b><br/>         Ruth Carver (RC) and Sue Groves (SG) Note Taker</p> <p><b><u>In Attendance for specific Items:</u></b><br/>         Andy Gutherson (AG) – LCC, David Brierley (DB) – North East Lincolnshire Council</p> <p><b><u>Officers:</u></b><br/>         Angela Blake (AB) (North East Lincolnshire Council)</p>  | <p><b>Actions</b></p> |
| <p><b><u>Welcome by the Chair – Ursula Ladbetter</u></b><br/>         The Chair welcomed everyone to Europarc at Grimsby.</p> <p><b><u>Declarations, Minutes and Matters Arising</u></b><br/>         The Chair stated that if Boole Technology and Lincoln Transport Hub were to be discussed,<br/>         she would have to declare an interest and leave the meeting. Declarations to be recorded<br/>         within the minutes</p> <p><b><u>Directors Business</u></b><br/>         See separate Directors Minutes.</p> <p><b><u>Board Meeting</u></b><br/>         The minutes of the meeting on 5<sup>th</sup> March 2015 were agreed as drafted with one minor<br/>         amendment. Both these and the agenda are to be published on the LEP website – all present<br/>         agreed they were happy for these to be published.</p> <p><b><u>Matters Arising</u></b><br/>         RW had attended a Midlands Connect event in Derby on 30 March 2015 on behalf of UL with<br/>         the Chairs of West and East Midlands LEPS. He updated the Board on the meeting, and all<br/>         agreed on the importance of engaging with the Midlands Connect. The board agreed a<br/>         contribution of up to £10,000.</p> |                       |

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| <p><b><u>Operational Report Including Growth Deal Progress</u></b></p> <p>Ruth Carver updated the Board on activities undertaken over the last six weeks. A number of EU funding calls launched at the end of March with applications expected.</p> <p>The chair is meeting the East Midlands CX, and will be discussing Financial Instruments. It was agreed that MS, PH, MT would make recommendations on behalf of the Board to the chair ahead of the meeting. The papers from meeting to be shared.</p> <p>The Food Enterprise Workshop was attended on 27 April 2015 focusing on the three FEZs. The Board agreed this should move from being a proposal to being a focussed plan with project leads continuing to lead. The structure of sub-groups are to be reviewed. A paper will be circulated and will be published on the website in the near future.</p> <p>RC stated that good progress is being made on Growth Deals and that all are projects are on target. Detailed discussions to be held at the GLLEP Investment Board.</p> <p>Following the opening of the Castle, visitor numbers have increased, with 34,000 visitors in April with local businesses reporting benefits. The Board agreed that this project should be promoted across the area.</p> <p>It was queried what the process would be for replacing a project which didn't progress and how replacement projects are brought forward. The Board agreed that a discussion would be needed with businesses with RC confirming a master list of available projects to be re-visited over the summer months.</p> | <p>RC</p> <p>MT/ MC</p> <p>RC</p>                                    |
| <p><b><u>Finance Report</u></b></p> <p>The Audit and Finance Committee met in May 2015, It considered the interim accounts for 2014-15. Direct income was from £500k cash and £250k match, with expenditure being approximately £540k, with the remainder being utilised this financial year and next. A balance sheet was provided in Paper 4. UL and Pete Moore are to sign off the finances. RC stated that no information is available regarding the future funding of LEPs.</p> <p>It was queried whether funds could be top-sliced from Growth Deal. Finance &amp; Audit Committee are addressing this as one other LEP is known to be auctioning this with two others considering it.</p>   | <p>Finance and audit committee</p> <p>Secretariat – future board</p> |
| <p><b><u>Approval of the Business Plan</u></b></p> <p>Ruth Carver presented the business plan for 2015-16. It was agreed that Area 4 should have an increased budget to implement working arrangements. The board agreed the business plan with the following amendments and suggestions</p> <p>GLNP to be invited to a future meeting.</p> <p>A proposal of up to £10k for a Midlands Connect -wide LEP is being assessed and negotiated.</p> <p>Priority 2 (Health &amp; Social Care) is dependent on the NHS, but work is ongoing but isn't included. TH to present to the September Board.</p> <p>A directory of businesses to be created as a way of communications, RC to action.</p> <p>The Board approved the Business Plan.</p>   | <p>RW/ RC</p> <p>TH</p> <p>RC</p> <p>RC</p>                          |

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| <p><b><u>NE Lincs Regeneration Schemes</u></b></p> <p>Angela Blake and David Brierley presented this item. The Board supported the plans for the regeneration of Grimsby and Cleethorpes –The presentation is to be circulated to board members.</p> <p>The Board queried whether Humberside Airport would be expanded. BAE are investing and therefore it is likely to grow. Offshore wind turbines are also important to the area and will continue being developed.</p> <p><b><u>Housing</u></b></p> <p>New housing will create new businesses within supply chains.</p> <p>Freeman Street/Hope Street are likely to be developed with a development programme for regeneration ongoing and to be made available by the Autumn</p>  | <p>AB</p> <p>AB</p> |
| <p><b><u>Peer Review Progress</u></b></p> <p>The Chair welcomed Andy Gutherson to the meeting. Andy gave an update to the meeting on the LGA/PAS "Open for Growth" peer review challenge undertaken earlier the year.</p> <p>To establish Best Practice, it was suggested talks be held with Cambridgeshire, Norfolk and Northamptonshire.</p> <p>Individual meetings with Chief Executives and their championing of the agenda are ongoing.</p> <p>There is a recognition that they need to embed so that the whole Council understands:</p> <ul style="list-style-type: none"> <li>• clarity of role and visibility of Board</li> <li>• re-affirm Champions of Board</li> <li>• Perhaps a joint of CEO and District Councils re-launch</li> </ul> <p>The board suggested addressing the balance of public and private sector to keep it fresh, be accountable and have a driving process for businesses.</p>               |                     |
| <p><b><u>Devolution</u></b></p> <p>A briefing paper on devolution was circulated to board members. It included information on the existing devolution and city deal from around the country . The paper set out a process in developing an economic prospectus for Devolution.</p> <p>Pete Holmes updated the board with insights on governments current thinking, including the involvement of LEPs in any devolution deals. Pete Holmes (PH) clarified that Government focus on devolution is driven by the Conservative Manifesto. Public sector Board members confirmed Las are under budget pressures and all non-discretionary duties are under pressure.</p> <p>Clr Doreen Stephenson has stepped down from the leadership at East Lindsey District Council and the Chair thanked her for all the work and support she has given to the LEP. A replacement will be sought at the next Lincolnshire Leaders Group.</p> |                     |
| <p><b><u>Any Other Business</u></b></p> <p>The Board stated the LEP should be able to shape the future with the new MPs and how we</p>   |                     |

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| can shape the Northern Powerhouse, Midlands Engine |  |
| <u>The meeting was closed</u>                      |  |

DRAFT

### Summary of Items

This report provides an update key LEP activity since the May Board meeting.

All items are for information

### Operational activity since the last meeting in March

- Ongoing Growth Deal progress (separate paper 3.1 attached)
- Company Members recruited
- Finance and Audit Committee members recruited
- External Auditors recruited (Streets Chartered Accountants)
- External accountant confirmed (Streets Chartered Accountants)
- ESIF Committee
- Investment Board
- LEP Business Live development (October 23<sup>rd</sup>)
- Agri-Food and Due diligence services procured
- Events include LEP Annual Conference, Lincoln Growth Strategy Conference, Skegness Countryside Business Park launch, LEPs and Midlands Connects dinner
- Meetings taken place include Water Management Board, Officers and Growth Workshop, Investment Board, LCC Scrutiny, Strategic Transport Transition, UKTI Consulate briefing, EM LEP CX, Midlands Connect, Midlands Engine Ministerial Meetings, Agri-tech Workshop
- Events (1) Lincoln Castle Official opening (2) Cereals Event
- Communications, Lead ED Cllrs, Leader and CX's, JSU, LEP Officers group

### Midlands Engine

Following the East Midlands CXs discussion on the Midlands Engine, all of the 11 Midlands LEP Chairs and CX's met with Anna Soubury, BIS Minister, and Marcus Jones, DCLG Minister on the 24<sup>th</sup> June in the House. It was a helpful and constructive discussion. The support for the concept of the Midlands Engine was strong and universal for the concept of a Midlands Engine, working in tandem with the Northern Powerhouse to re-balance the UK economy. The belief is that the Midlands Engine Initiative provides a unique opportunity to demonstrate private sector economic leadership across the Midlands through the LEPs, working in partnership with our public and education sector partners. The LEPS want to develop a Midlands Engine prospectus and the wider "asks and offers" this contains with Government in time for Autumn Statement. In order to do this, the LEPS are asking for the development of a Midlands-wide commission to provide the recommendations, working closely with HMT and the emerging combined authorities. We have asked that the Chancellor announces this commission and associated funding in the up-coming emergency budget on 8 July, as part of his continuing support for the Midlands Engine. The commission would further evolve the Midlands Economic Plan and the private sector growth and jobs that underpin it. The LEPs are able to make a financial and resource commitment alongside Government to undertake this work and ensure an evidenced based approach.

The Midlands LEPs will also undertake further work alongside this commission, including establishing regular liaison meetings between Midlands LEP Chairs. These will include a joint Midlands LEP Chairs/ Local Authority Leaders meeting with Patrick McLoughlin to agree next steps for Midlands Connect. There are also plans to arrange a Midlands Engine summit with Government to launch the outcomes from the commission.

Members of the board are to seek support from local MP's for this initiative.

### **Midlands Connect**

The Midlands Connect is a cross midlands infrastructure plan that we have briefed board members on previously. There is currently a survey out seeking information from businesses across the midlands on their experiences within our network and priorities for improvement. The Link is <https://surveymonkey.com/r/Z6JYJT3>.

### **LEP Network Update**

The LEP network is continuing to remind Government of the key role of the LEPS, highlighting their track records and unique role in providing critical business input into local growth. The secretariat worked with the LEP Network and other leps in the country to produce a submission to new government ministers (attached in the additional papers pack).

### **Transport Priorities**

Board Members will recall that Officers are producing a paper on transport priorities, roads, rail, ports and airports within the Greater Lincolnshire area. Alongside this the LEP has commissioned a rail study that to assess the economic impact of upgrading our railways. We will defer the transport discussion until the September LEP Board, and over the summer:

- The rail study report is shared with the transport authorities;
- The transport priorities are shared with each of the transport authorities
- That each transport authority is asked to comment and state what they support or may wish to challenge; and
- The report together with these comments is presented to the September Board meeting for detailed consideration and possible adoption in the light of comments.

### **Leaders Board**

The first Leaders board since the Election is due to take place on 1<sup>st</sup> July, a verbal report will be given to the meeting.

### **Emergency Budget and Enterprise Zones**

The Governments emergency budget is to be held on 8<sup>th</sup> July 2015. A verbal briefing will be provided on the day. In particular we will be looking for progress on another round of Enterprise Zones, commitment of funding for next rounds of the single local growth fund, and details on the Midlands Engine initiative.

### **Funding - Growth Deal**

A separate update paper is included in the Board papers pack that gives detailed information on each of the growth deal projects for 15-16. We await information concerning the size and scope of the next growth deal going forward and to what extent the funds will be incorporated into any devolution deals. Details may emerge at the budget in early July with more detail to be considered in the autumn statement.

### **Response to the First Calls for EU Funds in Greater Lincolnshire**

After lengthy delays, the EU Growth Programme funding 2014-2020 is starting to gather momentum as funding has been made available to bid for. Early calls that were released have now closed and as policy documents are being signed off by the Commission, we should be in a position to open further calls to deliver economic growth in Greater Lincolnshire.

### **Response to the first calls for activity**

The first calls for activity were focused on specific activity agreed by Government and the ESIF sub-committee discussed what early first calls to prioritise. It was decided that to get a good pipeline of projects coming forward budget should be released to support meaningful projects important to local economic growth.

### **European Regional Development Fund (ERDF) Calls**

The Greater Lincolnshire area has an indicative allocation of £68.5m for ERDF activity. There was the opportunity to open seven calls in March with the focus on bigger, strategic projects or programmes of activity that lead to job creation and growth. The ERDF calls reflect this as proposals have to be for a minimum of £500,000 ERDF grant and national output targets have been set which have been pro-rated against the amount of funding being released. The headline information that has been released from the national team to date shows the following responses to the first calls for activity:

| Priority Axis | Investment Priority  | Indicative Value of Call (£) | Total Grant Requested (£) | Balance available from first call |
|---------------|--|------------------------------|---------------------------|-----------------------------------|
| 1             | Research & Innovation  | 3,000,000                    | 5,067,324                 | -2,067,324                        |
| 2             | Enhancing access to, use & quality of ICT                        | 1,500,000                    | 1,500,000                 | 0                                 |
| 3             | Enhancing the competitiveness of SMEs                            | 2,000,000                    | 9,084,239                 | -7,084,239                        |
|               | To include national calls for:                                   |                              |                           |                                   |
|               | Enhancing the High Growth Potential of SMEs                      | Up to 1,000,000              | 1,149,850                 | -149,850                          |
|               | Enhancing the Growth Potential of SME manufacturers              | Up to 1,000,000              | 1,000,000                 | 0                                 |
|               | Enhancing the International Trade Performance of SMEs            | 900,000                      | 883,956                   | 16,044                            |
| 4             | Supporting the shift towards a low carbon economy in all sectors | 2,500,000                    | 2,554,137                 | -54,137                           |

\*Figures highlighted in blue show where there has been an over-bid against the initial value of the call

### **European Agricultural Fund for Rural Development (EAFRD) Calls**

The Greater Lincolnshire area has an indicative allocation of £8.7m for EAFRD activity. We were asked to restrict the first call to one investment priority. The Forum for Agriculture & Horticulture highlighted micro-SME investment support as a priority for investment which aligned to the ESIF sub-committee's wish to prioritise business growth activity.

The call focused on project proposals that are seeking grant support of a minimum of £60,000. This was to support business growth activity for our rural businesses but ensuring complementarity with our LEADER programmes that are due to be launched in the autumn which will provide similar support but to micro and small enterprises seeking smaller levels of grant funding.

The headline information that has been released from the national team to date shows the following responses to the first calls for activity:

| Priority Axis | Investment Priority       | Indicative Value of Call (£) | Total Grant Requested (£) | Balance available from first call |
|---------------|---------------------------|------------------------------|---------------------------|-----------------------------------|
| 4.2           | Support for Investment in | 1,000,000                    | 3,410,844                 | -2,410,844                        |

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| processing/marketing and/or development in agricultural products |  |  |  |
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### **European Social Fund (ESF) Calls**

The Big Lottery Fund (BLF) launched their Building Better Opportunities Fund on 5th June 2015 which encapsulates the GLLEPs ESF Opt in Activity proposals for social inclusion. 4 grants calls have been released to the value of £4,166,667 and the deadline for the submission of applications is Friday 31st July 2015.

Proposals for the Greater Lincolnshire LEP Department for Work and Pensions (DWP) Opt-in applications for ESF are currently being finalised. Final tender specification documentation is being produced in readiness for a tender call. Details of when the activity will be launched are still to be finalised by DWP. The value of this single contract will be £2.25m.

The Skills Funding Agency (SFA) is the agency responsible for spending all of government funds for skills qualifications and training (including apprenticeships) to those over the age of 19, both employed and unemployed.

£24m of ESF will be matched with money from the Skills Funding Agency (SFA) over the course of the programming period. Officers are working closely with our local SFA contacts to plan spending according to the priorities discussed at the Employment and Skills Board and within the Strategic Economic Plan.

A plan for the first 3 years of activity has been written and is currently being assessed by the Managing Agent. It is anticipated that this activity will be approved by the end of July 2015, after which the SFA will procure activity on our behalf.

### **How will the projects be assessed?**

All outline applications that have been submitted under the first calls for activity will be quality checked at a national level. Project assessment reports will be provided at the next ESIF sub-committee on 29th July 2015 where the Managing Agents will be seeking their advice on local strategic fit. Following the local advice and input from the ESIF sub-committee, the Managing Agents will finalise the assessment report and decide whether applicants can go to full application stage or not. Applicants will be notified directly from the Managing Agent of next stages.

### **Local Governance Structures in place to ensure projects supported drive our local growth agenda**

It is important that we have the local structures and expertise in place to ensure that the projects coming forward for EU funding are the right ones to drive growth in our local area. Projects will need to demonstrate how they fit with the priorities in the Strategic Economic Plan (SEP), EU Structural & Investment Fund plan and supporting sector plans/local strategies. The local governance structures that are in place specifically to ensure projects seeking EU funding drive our local growth agenda include:

The European Structural & Investment Fund (ESIF) Sub-Committee now has a full set of terms and conditions which mirror those of other ESIF committees in the country. These can be summarised as:

- To ensure that calls for funding, and projects themselves, are properly focussed on the objectives of the Strategic Economic Plan. The ESIF strategy is acknowledged locally as a funding mechanism to support the delivery of the Strategic Economic Plan.
- To actively promote funding opportunities to organisations who could deliver effective services in greater Lincolnshire.
- To monitor the implementation of the programme, in particular to make sure that supporting activity happens in a timely fashion and that projects achieve their outputs.



A European Structural & Investment Fund (ESIF) Working Group has also been set up comprised of empowered officers from the sector that are represented on the ESIF Sub-Committee. The objectives of the working group are:

- Preparing presentations on LEP strategies and how they are being implemented, identifying the potential opportunities to use ESIF to support those strategies. In the initial stages of the programme, the Chairman has asked that one strategy comes to each ESIF Sub-Committee
- Assisting DCLG in the drafting of calls for proposals
- Creating a template for papers to ensure that ESIF sub-committee members understand what the real purpose of the paper is and 'where it fits'
- Sifting project proposals so that only the 'most contentious' are discussed in depth by the ESIF sub-committee – and briefing applicants accordingly

#### **Next steps**

The next ESIF Sub-Committee meeting will be held on 29th July 2015. The main areas that will be covered at this meeting will include:

- Provision of local advice on applications submitted under the first calls for activity which will help inform whether they go to full application stage
- Informing the next calls for activity taking into account the response to the first calls for activity and strategic local priorities
- A clearer understanding from the managing agents of what activity is eligible for funding support as Operational Programmes are now being finalised and signed off by the European Commission. This will be particularly relevant to Greater Lincolnshire in terms of activity that can be supported in relation to Sustainable Transport, Flood Risk & Water Management & Supply.

#### **Funding - Coastal Communities Fund**

Coastal Community Teams - Seaside communities have been asked to create dedicated Coastal Community Teams to drive forward economic regeneration and a long-term vision, by new Coastal Communities Minister Mark Francois today (16 June 2015). The government is providing over £1 million to set up 110 Coastal Community Teams to deal with the specific economic challenges faced by seaside towns and take forward a local strategy for success. The closing date for Coastal Community Teams is 30th June with two being submitted for Mablethorpe and Skegness.

A Coastal Revival Fund of £3m is due to be announced shortly.

#### **Coastal Communities Fund existing projects**

**Lincolnshire Coastal Business Modernisation Program** - A scheme designed to support coastal businesses with information technology. This Program finished at the end of June and has been very well received far exceeding the impact expected on the coast. Contacts have been made with businesses that do not traditionally access public funding (case studies available.) The majority of businesses supported through the digital program have been hoteliers/ B&Bs and tourism businesses as well as local independent retailers and restaurants.

The business advice is backed by a Council grant, up to £1000 (or 50%) to help with the implementation of the advice. 65 businesses have been through the programme so far. A final report will be shared with the LEP via the

#### **Growth Hub Board**

The **East Lindsey Heritage Coast** project LCC achieved £10k through the CCT Pilot round and being co-run with the Lincolnshire Wildlife Trust around Donna Nook, Gibraltar Point and Chapel St Leonards' Green Tourism areas.

The **Gibraltar Point** scheme is currently being procured with no official appointment as yet but 4 companies responding. Project start is expected in the Autumn.

The **North Sea Observatory, Chapel St Leonard**, has completed the first procurement phase and have now invited 4 companies (all Lincolnshire based) to tender for the project. Project start on site is due to take place on 1<sup>st</sup> October 2015.

New rounds of CCF will be announced as per the Conservative Manifesto but 2016/17 is already allocated unless there is an underspend making real funds available until 2017/18.

#### **Bids submitted – Great UK Challenge Fund**

Two bids for this fund have been submitted from Greater Lincolnshire. The GREAT UK Challenge Fund is a new merit-based initiative, operating as part of the overall GREAT campaign, which is open to eligible education, tourism, and trade and investment organisations in England, Scotland, Wales and Northern Ireland to help them capitalise on opportunities in overseas markets. Up to 100,000 for each applicant to spend in this financial year.

Castles, Kings and Crusades of Middle England – Lincolnshire chamber of commerce has submitted a full application to promote and position Lincolnshire and Nottinghamshire as a place to study and visit to the US market (East Coast). Through a new coordinated marketing campaign the project will be a catalyst for education, tourism and business sectors to work together through a collaborative partnership, to increase recruitment of overseas students, international leisure and business visitors

**Feeding the World** - The LEP supported by the Agrifood board have submitted a bid that will showcase Greater Lincolnshire's world class agri-food businesses, research institutions and investment locations to a global audience of buyers and investors. An integrated programme of trade development and inward investment promotion will create focused commercial opportunities in three international markets – China, the Middle East and Northern Europe.

#### **Projects - Lincolnshire Business Growth Hub**

Board members will recall that the LEP secured £x through the recent Growth deal to establish a specialist business growth support service. The activity around the Business Lincolnshire Growth Hub is starting to gain momentum; the 3 Business Growth Advisers are now recruited and active within the area. The purdah restrictions have ceased and a full PR and marketing campaign is in progress. Since mid-April the advisers have engaged with 85 businesses, completed 41 diagnostics and 4 training needs analysis. An Information Sharing Agreement template has been devised and this will be rolled out to all partners/intermediaries, to enable the growth hub to share client data and make the referral process as easy as possible. The 2<sup>nd</sup> Business Lincolnshire Growth Hub Governance Board meeting took place on the 23<sup>rd</sup> June and members are pleased with the progress to date. The draft minutes of the meeting are in the additional papers pack.

#### **Projects - Food Enterprise Zones**

Greater Lincolnshire's three approved Food Enterprise Zones (FEZ): Europarc 4; Central Lincolnshire (Hemswell Cliff Business Park and Lincolnshire Showground); Holbeach, have all begun work on their Local Development Orders (LDOs) to establish FEZs with simplified planning frameworks. The focus of each FEZ is unique with Europarc focusing on food processing with strong links to the existing fish and processed food sector in NE

Lincolnshire, the Central Lincolnshire FEZ focusing on the arable sector and agritech and the Holbeach FEZ focusing of the fresh produce industry and associated food processing sector.

In parallel to the work on planning through the LDO process the LEP facilitated a workshop in late April for all 3 FEZ teams to meet and share their plans. The workshop included input from the LEP, Council and other partners such as the NCFM team from the University of Lincoln. This workshop began the process of scoping a business support package to sit alongside the LDO to provide incentives for food companies to locate in the Food Enterprise Zones.

Work is now continuing with each FEZ team to flesh out this support package, with an expectation that each package will be unique to recognise the different focus of each FEZ. Potential incentives and support includes: skills and workforce development programmes; applied research access; trade and inward investment support (e.g. via UKTI); rate relief and local 'recycling' of rate increment; landowner incentives; enhanced capital allowances and grants from both local (e.g. LEP ESIF EAFRD and ERDF programmes) and national sources (e.g. DEFRA Countryside Productivity Scheme and potentially future Growth Deals). The LEP is working with the FEZs to develop this package, agree what can be delivered with local interventions and support and to identify areas in which it needs to seek government support to fulfil the growth potential of the FEZs.

#### Procurement

Three contractors bid for the due diligence service tender and two were ultimately interviewed. We are pleased to announce that Thomas Lister were appointed ensuring the Growth Deal and Invest & Grow projects are kept on track.

The Agri-Food tender application was completed by three applicants with Collison and Associated Ltd the clear leader and subsequently awarded the contract. Initial focus is; driving FEZ development; continued 1:1 food board director visits; agenda planning for the next food board; and developing an agri-engineering event (Nov 15)

#### Lincoln Castle Revealed

There have been 70,000 visitors and over £500k in ticket sales in just two months of Lincoln Castle being revealed on 1 April following the £22m investment into its redevelopment. The official opening on 8 June was a success with HRH Princess Anne visiting and opening the Castle and the David PJ Ross Vault, the new state-of-the-art home for Lincoln's 1215 Magna Carta. Funders and many who had worked on the project over the last 4 years joined 2000 members of the public to welcome HRH Princess Anne and enjoy the day's event.

A week later Lincoln Castle joined the city in celebrating Magna Carta's anniversary over The Great Weekend. Many visitors to the city enjoyed various events, with the Castle hosting Magna Party on Saturday evening and a special showing of Horrible Histories on Sunday. On Monday a host of school children paraded up Steep Hill with a giant scroll into the Castle, along with a large King John puppet and giant seal to enjoy a large Magna Carta themed cake to celebrate the date which Magna Carta was sealed in Runnymede. The RAF Red Arrows fly past was a fitting culmination of the week's celebrations.

Significant media coverage has been achieved with TV, print and internet stories across the country helping to promote Lincoln Castle and the City's events. Working successfully with partners across the City has achieved an increase in visitors to not only the Castle but for Lincoln too, with a significant impact on local businesses.

#### Communications

Key activity includes:-

- News release for Water for Growth workshop 6th June 2015 and Agri-tech (UKTI event & Cereals) 16th

**June 2015**

- EU Funding and Big Lottery web pages added and updated
- LEP News stories; Castle Line – May 14<sup>th</sup>; Water for Growth – June 4<sup>th</sup>; Growth Hub – 10<sup>th</sup> June; Agri tech – June 16<sup>th</sup>; Quarterly Economic Survey

More detail can be found in the additional papers pack - Media report

**Recommendation**

The board is invited to note the contents of this report.

**Recommendation: A Paper for Information and Decision**

The aim of this paper is to update Board Members on the progress of all schemes within the Growth Deal Programme.

**Growth Deal Progress**

The following sections provide a summary of the latest progress made towards implementing the 17 schemes within Growth Deal Programme.

**Approved schemes (Growth Deal allocations start in 2015/16)**

| Project Name  | Update   | RAG monitoring |
|---|--|----------------|
| <b>Bishop Burton College (Contracting/Delivery Stage)</b> | <p>Growth Deal contract agreed and signed with Bishop Burton College. A meeting to discuss payment procedures, a project plan and monitoring/evaluation with the recipient was held on 17<sup>th</sup> June 2015 and an initial claim for approved retrospective expenditure will be submitted in July.</p> <p>The contractors have been appointed and the Phase 2 scheme will start on site in July 2015. Appraisal of the actual tender costs has confirmed that despite necessary cost saving adjustments to the scheme, the outputs and outcomes remain achievable and that the £7.5m being funded through growth deal still constitutes value for money.</p>  |                |
| <b>Boole Technology Centre (Contracting Stage)</b>        | <p>Contract documentation currently being signed by all parties concerned. Procurement details were agreed with the University of Lincoln and LSIP Director on 29 April, and the scheme will now be delivered via the Scape National Framework with the University acting as accountable body. Demolition work will take place in August 2015 and construction should be underway by September 2015. Though the scheme has been slightly delayed to enable appropriate procurement processes to be put in place, LSIP are confident that the £1.4m growth deal scheduled to be spent in this financial year remains achievable. There is interest in the proposed building from potential tenants already, which is extremely encouraging.</p> |                |
| <b>Boston Quadrant (Contracting Stage)</b>                | <p>Greater Lincolnshire LEP's Accountable Body Legal Services team responded to a further draft of the Growth Deal contractual agreement on the 29 June 2015. Comments received on the Invest and Grow Loan contract have also been responded to by LCC Legal Services and feedback from Chestnut Homes is awaited. Works are due to begin on site in September 2015 and the £1m Growth Deal forecast for 2015/16 is still</p>   |                |

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|  | deemed achievable by the recipients.   |
| <b>Grantham Southern Relief Road<br/>(Contracting Stage)</b>                       | <p>The SLGF grant agreement was signed by relevant parties on the 26th June 2015. The tender documents for Phase 1 will go out on 24<sup>th</sup> June 2015 with construction targeted from September 2015 to March 2016. Phase 2 will include the new junction on the A1, and the design for this element has commenced being scheduled for completion in November 2015.</p> <p>Procurement for Phase 2 will commence in early 2016 and construction should be underway in April 2016. Phase 3 is the largest section of the Southern Relief Road and a planning submission will be made in July 2015 to address necessary minor changes to the planning permission following detailed design. The road design for Phase 3 is substantially complete, but the bridge design will not be completed until January 2016. Side orders will be published in November 2015 and construction will begin on this final phase in late 2016/early 2017.</p> |
| <b>Skegness Countryside Business Park<br/>(Contracting Stage)</b>                  | <p>Revised contractual agreement has been agreed with LCC as recipient and is now being considered by Croftmarsh. Final Growth Deal contract expected to be signed by the beginning of July. Contracts with utilities companies will be let in September 2015, and LCC will be tendering for the main contractors in October/November, with a view to start construction on site in early 2016. Though originally a separate contract was being considered for the roundabout work in Autumn 2015, it was decided by all concerned that using one contractor for both elements of the scheme would be a more appropriate and cost effective approach.</p>  |
| <b>Unlocking Rural Housing Programme<br/>(At Due Diligence/Contracting Stage)</b>  | <p>Initial feedback on the Tyton Lane East contract has been received from Lindums and LCC Legal Services are advising GLLEP/the Accountable Body on their response. Draft contracts for Broadfield Lane and Saxonfields are still with Waterloo Housing and we await their formal reply.</p> <p>A meeting has been scheduled with Waterloo Housing on 1 July to discuss progress with another two housing schemes originally identified under the Housing Programme (Bishop Tozer Close, Burgh Le Marsh and Lanseer Avenue). The bid from Broadgate Homes for Roseberry Meadows has not been able to proceed to date. This is being kept under close review. Reallocation of Growth Deal funding to another scheme which meets the criteria for the Unlocking Housing Programme will be recommended in September if the situation is unchanged.</p>   |
| <b>DFT Retained Scheme (requires Ministerial Approval but starting in 2015/16)</b> |  |
| <b>Lincoln Transport Hub<br/>(At DFT Due Diligence Stage)</b>                      | <p>Initial elements of the business case will be submitted to DFT in July 2015 with the support of Mouchel, who are working with City of Lincoln Council to demonstrate as strong a value for money and strategic case as possible. A planning decision will be determined on the 9<sup>th</sup> September and the final business case will therefore not be submitted for Ministerial approval until the third week in September 2015, despite earlier iterations having been considered by DFT appraisal teams.</p> <p>The Lincoln Transport Hub Partnership Board met on 4<sup>th</sup> June and the following key points were discussed:</p>   |

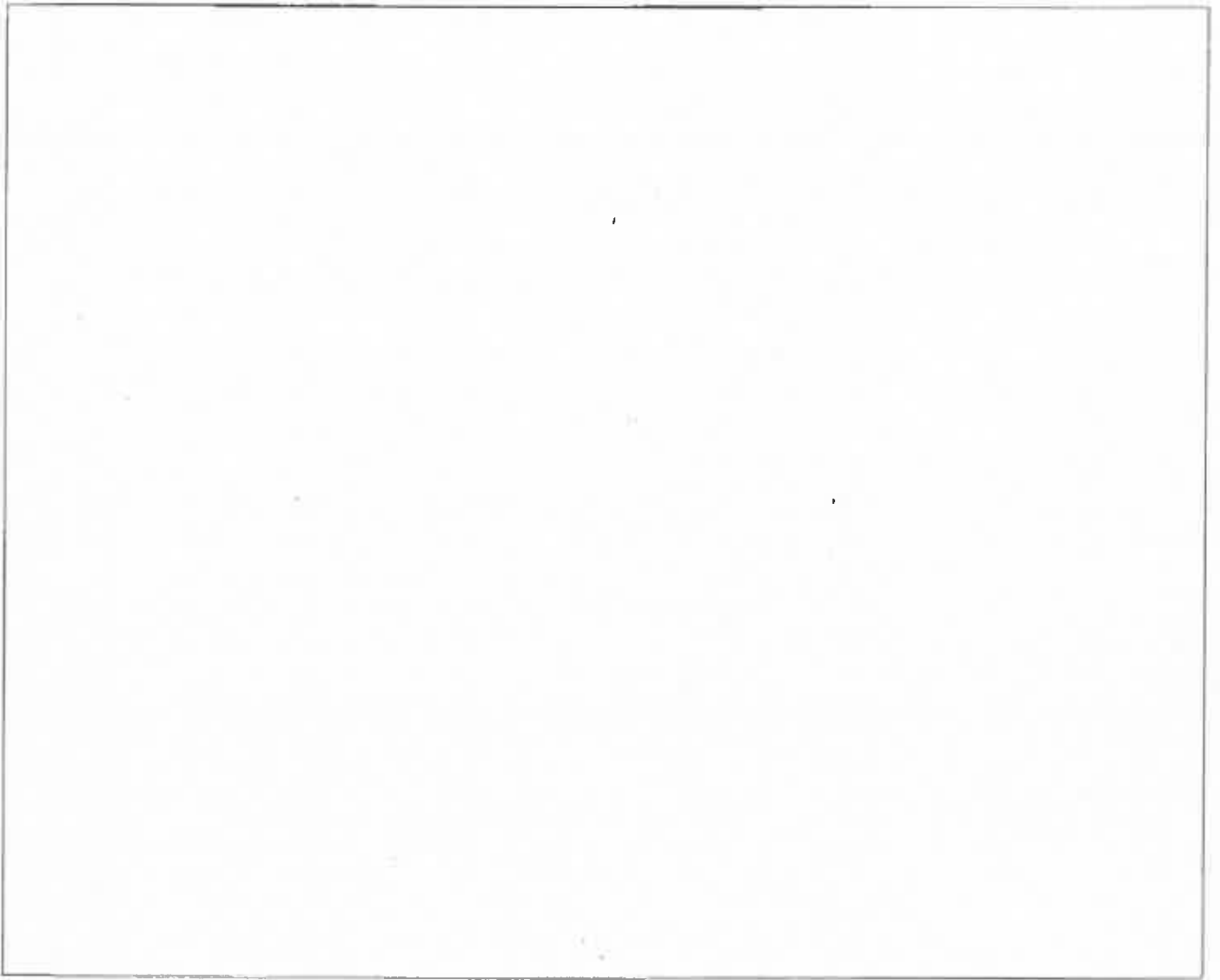
|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>• Memorandum of Understanding was endorsed by all present.</li> <li>• Planning application was to be submitted on 5<sup>th</sup> June.</li> <li>• East Midlands Trains are reroofing the entire train station building and providing new retail space inside.</li> <li>• A cycle hub will be developed outside the station by the end of March 2016.</li> <li>• Network Rail temporary car parking whilst the scheme is progressed will be adjacent to the new roundabout and at Wyvern House (staff/operational parking) from October 2015 for two and half years.</li> <li>• Permission is also being sought from HCA for additional temporary parking provision on the former coal stocking yard on Tentercroft Street.</li> <li>• Medieval archaeology has been found whilst working on the corner building for Tentercroft Street and this will require careful management.</li> <li>• The area currently designated for a pocket park in the scheme adjacent to the Sincil Drain will now be used to house a pumping station, given that the water main/sewer provision originally planned for Tentercroft Street is unable to proceed due to water table levels, and the real potential of finding additional significant archaeology.</li> <li>• Mouchel to be jointly commissioned by the City and County Council to bring together the DFT business case.</li> </ul> <p>Scheme programmed to start on site in October/November 2015 pending DFT approval.</p> <p>The Station Commercial Project Facility (SCPF) funding application, which will hopefully generate a further £1m of funding towards the Lincoln Transport Hub scheme, was submitted in May and a decision will be made in September 2015. DFT approved this £60m funding facility to enable the funding of projects that improve station environments and the passenger experience.</p> <p>DFT representatives visited Lincoln on 12<sup>th</sup> June to help with their understanding of the scheme and its wider context. The project and its ambitions were well received; however demonstrating DFT value for money requirements may prove to be quite a challenge for the project, which is clearly focused on job creation, housing and visitor experience and not highway provision.</p> |
| <b>Pipellie Schemes (Growth Deal allocations start in 2016/17)</b> |   |
| <b>Grantham College</b>  | <p>A detailed planning application for Phase 1 has been slightly delayed due to cost increases and the college is revisiting the scheme design prior to submission. Discussions with planners are underway and a planning decision should be determined by October 2015. Outputs and outcomes will not be affected by the changes. Due diligence remains scheduled for January 2016, contracting for March 2016, with construction starting in April 2016.</p>  |



|   |   |
|---|---|
| <b>Access to Employment Zones</b>                                   | <p>Detailed designs for the A16 (Toll Bar) and A46 (Nuns Corner) are moving forward and an updated business case document clarifying outputs will be completed by the end of June. Meeting arranged to discuss changes and any implications on 8<sup>th</sup> July. Due diligence appraisal is currently scheduled for November 2015.</p>   |
| <b>Lincoln East-West Link Growth Corridor (Due Diligence Stage)</b> | <p>A revised business case has been provided by Lincolnshire County Council and due diligence appraisal of the project is to be presented to 9<sup>th</sup> July Investment Board. The scheme has been revised following the transfer of delivery responsibility for the former Quantum House site to Lincoln City Council as part of the Lincoln Transport Hub project. The Tentercroft Street Growth Corridor scheme is now focused on delivery/improvement of essential utilities to enable future developments along Tentercroft Street Growth Corridor to progress.</p>  |
| <b>GO Skegness Sustainable Transport</b>                            | <p>Detailed design stage. Lincolnshire Highways Alliance provided a feasibility Report in May 2015 which highlights a number of options and prioritises activity for the Go Skegness scheme. It includes cost estimates and its findings will inform the detailed design process over the next few months. Due diligence appraisal is now scheduled for around January/February 2016, however the scheme is still on track for contracting in April 2016. The current programme is expected to emerge as follows:</p> <p><b>By end January 2016</b></p> <ul style="list-style-type: none"> <li>• Lumley road bus stops - full design/bill and estimate Butlins to Skegness cycleway – full design/bill and estimate</li> <li>• Ingoldmells Roman Bank south of junction with Sea Lane Bus Layby improvements - full design/bill and estimate</li> <li>• A52 Wainfleet Rd Skegness Laybys - full design/bill and estimate</li> <li>• Skegness to Gibraltar Point cycleway 27% of entire length - full design/bill and estimate (Split into 3 phases to enable some of the work to be tackled earlier)</li> <li>• Topographical surveys for all sites</li> <li>• Traffic counts and video surveys for traffic signal design work</li> </ul> <p><b>By end May 2016/July 2016</b></p> <ul style="list-style-type: none"> <li>• Option 12a Skegness A52/Sea View Road signalisation – full design/bill and estimate by end May 2016</li> <li>• Option 2 Ingoldmells A52/Sea Lane signalisation - full design/bill and estimate by end May 2016</li> <li>• Option 10b A52 Bus Lane extension – full design/bill and estimate by mid July 2016</li> </ul> <p>Design work for traffic signalisation sites cannot be progressed until early September 2015 when the traffic count data will be available. Land purchasing issues with regard to the Gibraltar Point route may also be a restricting factor on timescales.</p> <p><b>2016/17:-</b><br/>Work will commence on design and construction of the remainder of the scheme elements.</p> |



|   |   |
|---|---|
|   | <p>A full proposed programme has been provided for the entire project and GLLEP will be informed regularly of any changes/risks to profile should they arise.</p>   |
| <b>Berkeley Circle, Scunthorpe</b>                              | <p>Designs and costs relating to the two preferred options for improving Berkeley Circle have been produced by Mason Clark consultants, but a final decision on which option will be progressed is still awaited from elected members post-election. Due diligence appraisal is scheduled for around September 2015.</p>  |
| <b>South Humber Industrial Infrastructure Programme (SHIIP)</b> | <p>North East Lincolnshire Council is front loading its funding for the first year of the scheme to enable a start in October 2015. Pending due diligence appraisal and contractual agreement, Growth Deal funding will begin to be drawn down in early 2016/17.</p>  |
| <b>Scunthorpe Town Centre</b>                                   | <p>North Lincolnshire Council is proceeding with elements of the scheme which can be progressed in the absence of the infrastructure support being provided by SLGF. Due to Government Indicative allocations for growth deal this scheme remains forecast to begin drawing down grant in 2019/20.</p> <p>A project Board chaired by the Executive Director has been convened by North Lincolnshire Council, and this will oversee all town centre investment of which growth deal will be a crucial part.</p>  |
| <b>Lincolnshire Lakes</b>                                       | <p>North Lincolnshire Council has commissioned a company (FWS) to commence site investigation works. A performance brief has been drafted to enable procurement for the scheme design and this will be put out to tender this month. Visits have been arranged to London and Milton Keynes in June to explore other successful examples of man-made lakes.</p>  |
| <b>Holbeach Peppermint Junction</b>                             | <p>The start on site date for the junction improvements is currently programmed for late Aug.2016 in order to mitigate the impact of the works on summer holiday traffic on the A17. As stated previously, the Lincolnshire County Council Executive has approved in principle the possibility of forward funding this scheme and then drawing down SLGF contributions in 2019/20. Pre-planning design will be available in September 2015 and planning permission is expected in February 2016. The milestone dates provided assume that necessary consents are achieved without delays such as a legal challenge or reliance on the use of CPO powers for example, which could stretch this time line by up to 12 months.</p> |
| <b>Agri-food Centre of Excellence, Holbeach</b>                 | <p>The project is programmed to start in 2016/17; however SLGF support is currently scheduled to begin in 2017/18. Additional match funding options are still being explored by the University of Lincoln. An update meeting will be arranged with the University in July to review progress.</p>   |



|                  |   |                        |
|------------------|---|------------------------|
| <b>Section 1</b> | <b>Financial Year End Report 2014-15</b>                | <b>For sign off</b>    |
| <b>Section 2</b> | <b>Financial Quarterly Report – Q1 – 2015-16</b>        | <b>For information</b> |
| <b>Section 3</b> | <b>Financial Cash Balance and Draft Reserves Policy</b> | <b>For sign off</b>    |

## 1. Financial Year End Report 2014-15

Board members are asked to give the delegation to the Chair and Head of the secretariat to sign off the financial report for the financial year 2014/15. A fuller version of this report has been considered and approved by the Finance and Audit Committee on 30<sup>th</sup> June 2015.

### OVERVIEW

This report summarises the financial income and expenditure of the Greater Lincolnshire LEP from 1<sup>st</sup> April 2014 – 31<sup>st</sup> March 2015. There following funding pots have been utilised for activity in 2014-15. Table A shows the operating funds numbered 1-4 below :-

|                                    |  |
|------------------------------------|--|
| 1. Operational Core Funding:       | <b>£250,000</b>                                  |
| 2. Additional Operational Funding: | <b>£250,000</b>                                  |
| 3. Match Funding :                 | <b>£250,000</b> (not available for direct spend) |
| 4. Capacity Fund 2:                | <b>£28,600</b>                                   |
| 5. Growing Places Fund;            | <b>£9,780,054</b>                                |

Table A

| Management Accounts 2014-15                                       | INCOME              | EXPENDITURE        |
|---|---------------------|--------------------|
| <b>1. Core funding 2014-15</b>                                    | <b>£ 250,000.00</b> |                    |
| Staffing  |                     | £121,458.53        |
| Company Requirements and Growth Deal Costs                        |                     | £25,472.09         |
| Operation of the LEP - Comms, Events and Lobbying Activity Budget |                     | £65,509.23         |
| Sector or Issues Expenditure Budget                               |                     | £37,459.90         |
| <b>Sub Total</b>  | <b>£ 250,000.00</b> | <b>£249,899.75</b> |
| <b>3. Core funding 2014-15 Match</b>                              | <b>£250,000.00</b>  |                    |
| Board Member Time   |                     | £74,419.71         |
| LCC Staff   |                     | £165,618.23        |
| N/NE Staff  |                     | £3,106.59          |
| Skills Data Set   |                     | £2,000.00          |
| MIPM  |                     | £10,190.00         |
| <b>Sub Total</b>  | <b>£ 250,000.00</b> | <b>£255,334.53</b> |

|  |                     |                    |
|--|---------------------|--------------------|
| <b>2. SEP Growth Fund budget 2014-15</b>           | <b>£ 250,000.00</b> |                    |
| Other Development Work                             |                     | £ 43,695.25        |
| <b>Sub Total</b>                                   | <b>£ 250,000.00</b> | <b>£ 43,695.25</b> |
| <b>4. Capacity Fund 2 (15/16 paid in advance)</b>  | <b>£ 28,600.00</b>  |                    |
|  |                     | £ 0.00             |
| <b>Sub Total</b>                                   | <b>£ 28,600.00</b>  | <b>£ 0.00</b>      |
| <b>Total Operating Budget</b>                      | <b>£ 778,600.00</b> |                    |
| <b>Total Expenditure</b>                           |                     | <b>£ 543,595</b>   |
| <b>Proposed Operating surplus to cash balances</b> |                     | <b>£ 235,005</b>   |

Outputs and variances are shown in table B below and indicates the adjustments made against changes required throughout the year.

Table B

| Projected Outputs 14/15                             | Actual Outputs 14/15   | Variance  |
|---|--|---|
| <b>STAFFING</b>                                     | Secretariat for the LEP<br>(Core staffing: LEP Director (RC) and Manager (KS) + other support staff)   | <ul style="list-style-type: none"> <li>Additional Investment Officer secondment ext from 6 months to full year.</li> <li>Additional PA / secretarial services increased 0.4 FTE to 1 FTE</li> </ul>   |
| <b>COMPANY REQUIREMENTS &amp; GROWTH DEAL COSTS</b> | Growth Deals 1 & 2, secured with delivery due from 2015.<br>Including Project Manager staffing. Growth Deal due diligence high priority to ensure Growth Deal projects appraised and on track. | <ul style="list-style-type: none"> <li>Significant additional resourcing required to delivery.</li> <li>1 FTE Growth Deal Manager recruited</li> <li>Additional resource from external consultant.</li> </ul>   |
| <b>COMPANY REQUIREMENTS &amp; GROWTH DEAL COSTS</b> | Company statutory requirements fulfilled and Ltd Co status completed.  | <ul style="list-style-type: none"> <li>Additional legal, liability insurances, solicitor accountancy fees.</li> </ul>   |
| <b>OPERATION OF THE LEP/ COMMS &amp; EVENTS</b>     | Business Live, Chamber events, Growth Hub accelerated, PR & design.  | <ul style="list-style-type: none"> <li>After dinner speaker Business Live/ Manufac Conference additional costs</li> <li>Additional webpages and input required for G Hub and EU funding pages.</li> <li>Growth Hub match funding required.</li> </ul> |
| <b>SECTOR EXPENDITURE BUDGET</b>                    | Additional consultancy secured to drive water and agri food themes including Food Enterprise Zones.  | <ul style="list-style-type: none"> <li>Agri food plan launched with new Food &amp; Water Board formed.</li> </ul>   |

### Growing Places Fund

The Growing Places Fund activity, known locally as the Invest & Grow Fund, is detailed in Table D below.

Table D

|   |                   |                    |                   |
|---|-------------------|--------------------|-------------------|
| <b>Balance as at 01.04.14</b>                 |                   |                    | <b>£9,780,054</b> |
| <b>In Year</b>                                | <b>Income</b>     | <b>Expenditure</b> | <b>Net</b>        |
| <b>Loans Approved by LEP Board</b>            |                   |                    |                   |
| Golf Road                                     |                   | £2,915,921         |                   |
| Loan Repayments (incl interest)               | £2,915,921        |                    |                   |
| Loan Interest Repayment                       | £64,139           |                    |                   |
| Ekosgen Managed Workspace Study               |                   | £18,798            |                   |
| Legal and Professional Fees                   |                   | £13,869            |                   |
|   | <b>£2,980,060</b> | <b>£2,948,588</b>  | <b>£31,472</b>    |
| <b>Balance as at 01.04.15</b>                 |                   |                    | <b>£9,811,526</b> |
| <b>Proposed Loans 15/16</b>                   |                   |                    | <b>Forecast</b>   |
| Sleaford Pedestrian Bridge                    |                   |                    | £1,500,000        |
| Boston Quadrant                               |                   |                    | £3,500,000        |
| Bomber Command Memorial                       |                   |                    | £800,000          |
| Feasibility Fund allocation                   |                   |                    | £300,000          |
| <b>Total Proposed Loans</b>                   |                   |                    | <b>£6,100,000</b> |
| <b>Available Balance for additional loans</b> |                   |                    | <b>£3,711,526</b> |

- Golf Road Development, Mablethorpe has completed and repaid the loan in full with interest. This loan has enabled development of 180 new residential units and 263 jobs. This interest of £64,139 is now considered 'clean' funding and can be utilised more flexibly. This will be addressed in the draft Cash Balances and Interest Policy (see Cash Balances) section below.)
- The other projects are nearing contract stage pending ongoing due diligence required to minimise any risk.

### Cash Balances

Earmarked balances of £ 10,457,954 are held in the Accountable Body accounts. £6,239,975 of this is committed/ earmarked leaving £4,217,979 available as per Table E.

Table E: Summary LEP Cash Balances

| <b>Earmarked cash Balances</b>                             |  |                    |
|--|--|--------------------|
| <b>Cash Balance Name</b>                                   | <b>Purpose</b>                                   | <b>£</b>           |
| LE Funding to LEP  | Match for Financial Instrument                   | £78,396            |
| Local Transport Board                                      | Operational Budget for the Local Transport Board | £36,579            |
| Growing places Fund  | Invest to grow Loan fund and management          | £6,100,000         |
| Sites and premises Study                                   | Earmarked reserve for Sites and premises Study   | £25,000            |
| <b>Sub Total</b>   |  | <b>6,239,975</b>   |
| <b>Available Cash Balances</b>                             |  |                    |
| Growing places Fund  | Invest to grow Loan fund and management          | £3,711,526         |
| LEP General  | LEP Operation                                    | £506,453           |
| <b>Sub Total</b>   |  | <b>4,217,979</b>   |
| <b>Total held on cash balances by the Accountable Body</b> |  | <b>£10,457,954</b> |

The Board are asked to:

- Note the contents of the report.
- Agree report and progress to Accountable Body sign off and recommendation for final sign off by the LEP Board

## 2. Financial Quarterly Report - Q1 / 2015-16

Board members are asked to note the contents of the report

### Core Funding and SEP Funding 2015-16

These funds are used for our operational costs. We have received our allocation of £500,000 cash and will seek to lever in £250,000 in match for the financial year 2015/16 as previously achieved.

The projected annual budget is shown below as per the business plan:-

| Income                      | £        | Expenditure   | Amount cash £ | Amount match £ |
|-----------------------------|----------|---|---------------|----------------|
| Core Funding (BIS/DCLG)     | 250,000  | Area 1<br>LEP Executive (staffing)                                | 245,531       | 51,000         |
| Core Funding Match          | 250,000  | Area 2<br>Company requirements (insurance/ legal)                 | 7,000         |                |
| SEP (BIS/DCLG)              | 250,000  | Area 3<br>Operation of the LEP: Comms, Events & Lobbying Activity | 42,487        | 40,000         |
|                             |          | Area 4<br>Sector or Issues Expenditure Budget                     | 182,002       | 37,000         |
|                             |          | Area 5<br>Delivery of Growth Deal 1 & 2 & ongoing development     | 23,000        | 122,000        |
|                             |          | Total Cash and Match Expenditure                                  | £500,000      | £250,000       |
| Total Cash and Match Income | £750,000 |   |               | £750,000       |

Activity has continued on delivering the agreed business plan targets and actual expenditure for the quarter April-June 2015 is as follows:-

| CORE FUNDING  | BUDGET £ | EXPENDITURE TO DATE (£) |
|---|----------|-------------------------|
| Area 1<br>LEP Executive (staffing)                                | 245,531  | 31,643                  |
| Area 2<br>Company requirements (insurance/ legal)                 | 7,000    | 0                       |
| Area 3<br>Operation of the LEP: Comms, Events & Lobbying Activity | 42,487   | 13,645                  |
| Area 4<br>Sector or Issues Expenditure Budget                     | 182,002  | 28,000                  |
| Area 5<br>Delivery of Growth Deal 1 & 2 & ongoing development     | 23,000   | 0                       |
| Total   | £500,000 | £73,288                 |

We will expect to see an increase in spend in quarter 2 given the recent procurement of both

- a. Agri—Food Sector Consultancy services
- b. Due diligence services (Growth Deal Funding and Invest & Grow Funds )

Additionally, company requirements will show an increase further to procurement of external legal services.

### 1.3 Sign off 2014-15 Financial Year End

The Finance and Audit Committee were presented with the financial year end report on the 30<sup>th</sup> June 2015 to endorse the report to progress to the Board for sign off.

Our deadline for submitting the report is 31<sup>st</sup> July 2015 and therefore we are seeking the board permission for both Richard Wills as Head of the Secretariat and Ursula Lidbetter as chair to sign the final report.

A copy of the report will then be circulated to all board members and published on our website.

For  
Decis  
ion

## 3. Financial Cash Balance and Draft Reserves Policy

Board members are asked to consider and sign off the cash balance and reserves policy. A fuller version of this paper has been considered and approved by the Finance and Audit Committee on 30<sup>th</sup> June 2015.

### Recommendations:

Item on the cash balances is for decision. The recommendation is that the Finance and Audit committee consider and endorse the cash balance policy for adoption by the Board of Directors.

### Cash Reserves

Analysis of existing funds – An extract from the LEP Balance Sheet 2014-15 Year end March 2015

| Area 1 Earmarked Balances                      |  |             |
|--|--|-------------|
| Name   | Purpose  | £           |
| 1 LE Funding to LEP                            | Match for Financial Instrument from LE   | £78,396     |
| 2 Local Transport Board                        | Operational Budget for the Local Transport Board   | £36,579     |
| 3 Growing Places Fund                          | Pipeline Commitments on the Invest and Grow loan fund and management                     | £6,100,000  |
| Sites and Premises Study                       | From the growing places fund for a Sites and premises Study currently being commissioned | £25,000     |
| Sub Total                                      |  | 6,239,975   |
| Area 2 Additional Balances                     |  |             |
| 4 Growing Places Fund                          | Invest to grow Loan fund and Management  | £3,711,526  |
| 5 LEP General                                  | Operating balance Reserve  | £506,453    |
| Sub Total                                      |  | 4,217,979   |
| Total held on Reserves by the Accountable Body |  | £10,457,954 |

|   |  |
|---|--|
| <b><u>Recommendation:</u></b>   |  |
| The recommendation is that the Board consider and endorse the attached draft cash balance policy for adoption and sign off. |  |



### **Background**

There are a number of reasons the LEP might need to hold a cash balance or a reserves, and these depend on the future activity undertaken by the LEP, how it operates and funds its operations.

- To fund unexpected expenditure – such as retrospective VAT or unexpected legal costs
- To fund shortcomings in income, when income does not reach our expected levels – such as Government reduce core funding in future years
- To fund LEP Schemes – challenge funds

Using a risk identification approach, we can understand the income streams and their risk profile, the degree of commitment to expenditure and the risk environment we operate within in.

All LEP finances are held and administered by the Accountable Body (Lincolnshire County Council).

### **Purpose**

The purpose of the policy for the Greater Lincolnshire LEP is to ensure the stability of the ongoing operation of the LEP and to provide a source of funds for projects. The policy will be implemented along with other governance and policies of the LEP and is intended to support the goals and strategies within the Business plan.

### **Sources of Cash Balances**

#### **1. Operating fund**

Core operating funding has not always been fully spent on an annual basis building up a general reserve.

#### **2. Funding pots (LEP awarded funds)**

LEP administered funds where not all funds are allocated / loaned and an under-spend/ reserve remains. This includes the Growing Places Fund (Invest and Grow in Lincolnshire) which is a loan fund managed by the LEP. This is an evergreen loan fund with interest paid on low interest loans with interest funding being available for any identified LEP activity.

#### **3. Funding pots (LEP bid funds)**

Funds secured by the LEP against specific projects/ areas. Unlikely to have any underspend as paid against project profiling but still possible with project adjustments or fall out alongside changing regulations for LEP usage.

#### **4. Interest accrued**

TBC.

#### **5. Asset Transfers**

Occasionally other organisations will merge or fold with some of the functions and finances transferred into the LEP. This occurred with the previous Lincolnshire Enterprise transferring assets initially to Lincolnshire County Council and subsequently to the LEP.

#### **6. Organisational Transfers**

Continuing organisations brought under the umbrella of the LEP continuing to deliver specific functions. This would include organisations such as the Local Transport Board (LTB).

### **Identification Process**

Identification of the use of reserves requires three steps:

1. Identification of appropriate use of reserves - The LEP Director will identify the need for access to reserve funds and confirm the use is consistent with the purpose of the reserves as identified in this policy. A business case will be developed to use the funds.
2. Authority to use reserves - Authority for the use of operating cash reserves is delegated to the LEP Chair, Chair of the Finance and Audit Committee and the LEP Director. Authority for the use of the opportunity reserve will be based upon a business case approved by the investment board. All use of reserves will be reported to the Board and the Finance and Audit Committee as part of the regular financial reporting. Any reserves previously committed should remain for that purpose.
3. Reporting and monitoring - The Accountable Body is responsible for ensuring that the Reserve Funds are maintained and used only as described in this policy. Upon approval of the Reserve Funds, the Accountable Body will maintain records of the use of the funds and plans for replenishment. The Accountable body will provide regular reports to the Finance Committee and the Board.

### **Proposed Reserve Funds**

#### **1. Operating Cash Reserve**

Retain 50% of our current funding model in an Operating Reserve for a potential change in the operating model.

The operating reserve is intended to provide an internal source of funds for situations such as increase in expenses, one time unbudgeted expenses, unanticipated loss in funding or legal expenses. The minimum amount of operating reserves shall be equal to the operation of the company for a period of six months. The amount of operating reserve will be calculated each year after approval of the annual budget, and agreed by the finance and audit committee, and board in the regular reports.

#### **2. Opportunity Reserve**

Remainder of uncommitted reserves to be used for this purpose. The opportunity reserve is intended to provide funds to meet the targets of the LEP and the Strategic Economic Plan such as challenge funds, or feasibility funds to unlock strategic schemes across Greater Lincolnshire. Board

Directors and LEP Officers can develop ideas to meet the criteria of this reserve, and consideration will be given to leverage, additionality, impact, and strategic fit.

It is also intended as a source of internal funds for organisational capacity building such as staff and board development, research and development.

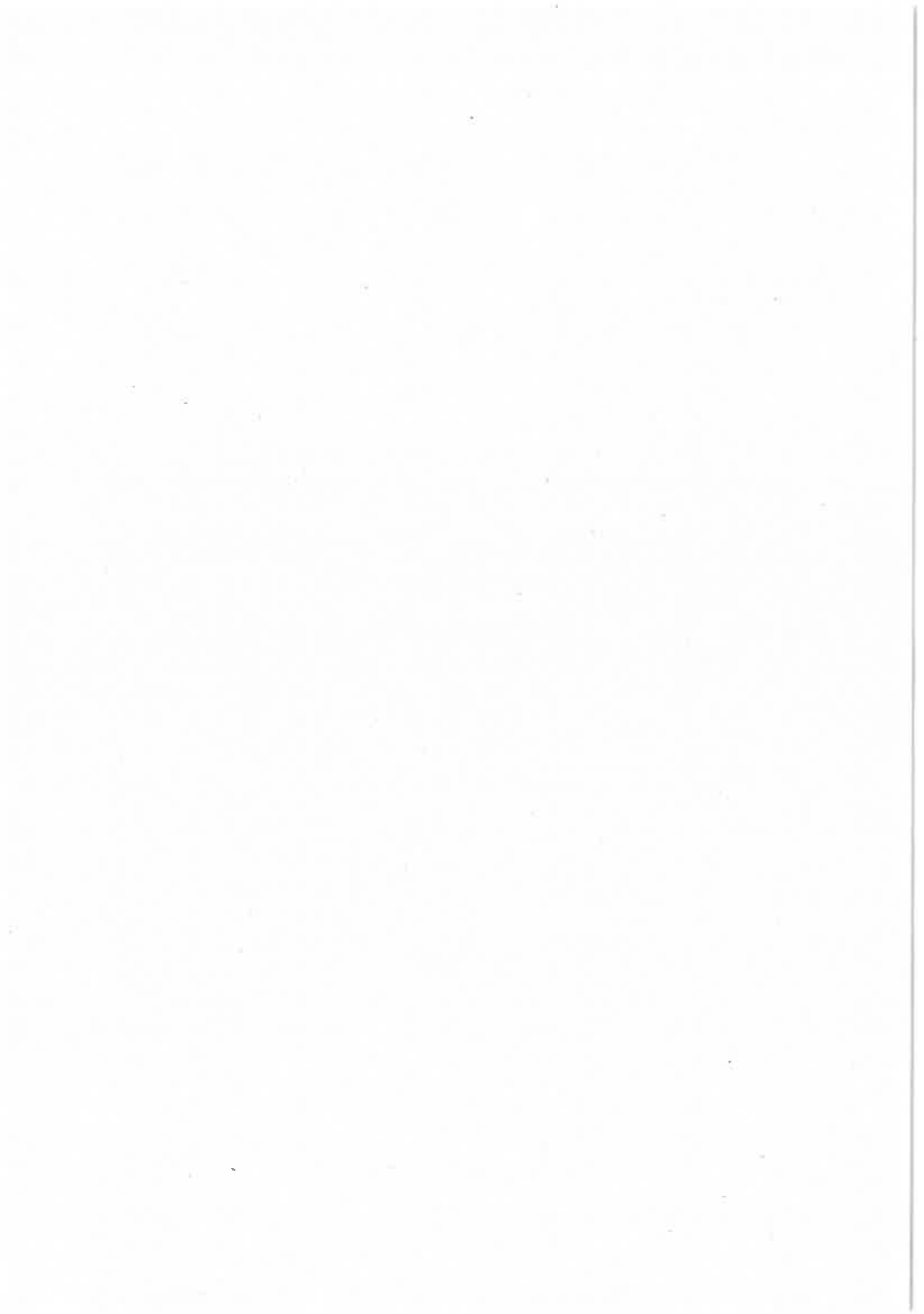
#### **Accounting for Reserves**

The reserve funds will be recorded in the financial records as LEP Operating Reserves. A statement of reserves will be provided by the Accountable Body annually or upon request by the Finance and Audit Committee.

#### **Review of Policy**

This Policy will be reviewed every year, as minimum by the Finance and Audit Committee and any recommended changes approved by the LEP Board of Directors. The policy should be reviewed sooner by the Finance and Audit committee if warranted by internal or external events or changes.

The process will be that the Finance and Audit Committee debate and recommend a reserve policy for the company to adopt at a future board meeting, and the Accountable Body be asked to implement the reserves policy. The monitoring of the policy should be undertaken by the Finance and Audit Committee, and the company should consider the policy annually.



### **Recommendation**

That the LEP Board Directors discuss the need for innovation and agree the principle of establishing an innovation council to take forward this agenda.

### **Background**

The Greater Lincolnshire Local Enterprise Partnership (GLLEP) wishes to establish an Innovation Council (IC), to be chaired by Professor Mary Stuart, Vice Chancellor of the University of Lincoln. Following initial scoping work in the summer of 2014 further work has been carried out to capture the views of key stakeholders and to establish the requirements that will guide the set up and operation of the IC. The key requirements can be summarised as follows:

#### **Strategic objectives, the IC should**

- ❖ Develop strategic guidance as a framework for Innovation activity
- ❖ Become the authoritative voice for innovation, representing GL interests locally, nationally and internationally
- ❖ Identify innovation priorities, consistent with the general objectives of the SEP but challenging assumptions to ensure the SEP fully addresses the innovation needs of GL
- ❖ Set out short term actions and identify long term vision for innovation in GL
- ❖ Embrace open innovation thinking, looking to establish collaborative relationships across LEP boundaries
- ❖ Promote awareness raising and actions that support a culture of innovation

#### **IC governance structure and extent of authority**

- ❖ The IC will report directly to the GLLEP Board
- ❖ The IC Chair will be a member of the GLLEP Board
- ❖ The IC will be the authoritative body on innovation, advising all other GLLEP bodies, e.g. ESIF Committee, on innovation matters
- ❖ The IC will have no direct control over budgets or spending decisions

#### **IC operating principles and responsibilities**

- ❖ Terms of Reference to be established and approved by GLLEP Board before IC members are recruited
- ❖ Members to serve an initial 3 year term with an option to renew and a maximum term of 9 years
- ❖ The IC should routinely meet at least quarterly, with some option to vary this according to specific work demands
- ❖ Members should be non paid volunteers, essential expenses may be paid by exception
- ❖ Members are not engaged on a contract, or required to sign an NDA
- ❖ IC members should be approved by the LEP appointments committee as done with other LEP bodies
- ❖ Members must abide by a code of conduct and sign a declaration of interest register

The proposal to establish an IC will be discussed by the GLLEP Board on 9<sup>th</sup> July and assuming it is accepted the next stage is to quickly move to recruit the IC membership and begin operations.

### Innovation Framework

It is proposed to establish an Innovation Framework that fits within the strategic envelope of the SEP but takes a fresh look at the innovation priorities and major projects related to innovation. The policy context for the Innovation Framework should take into consideration the most recent EU, BIS and Innovate UK policy and strategies, as set out in the report of 16<sup>th</sup> June 2015, "GLLEP Innovation Council Report".

An excellent structure for an Innovation Framework has been described in a recent BIS paper "Mapping Local Comparative Advantages in Innovation", June 2015, which creates a LEP level map of local innovation strengths, based on 6 elements:

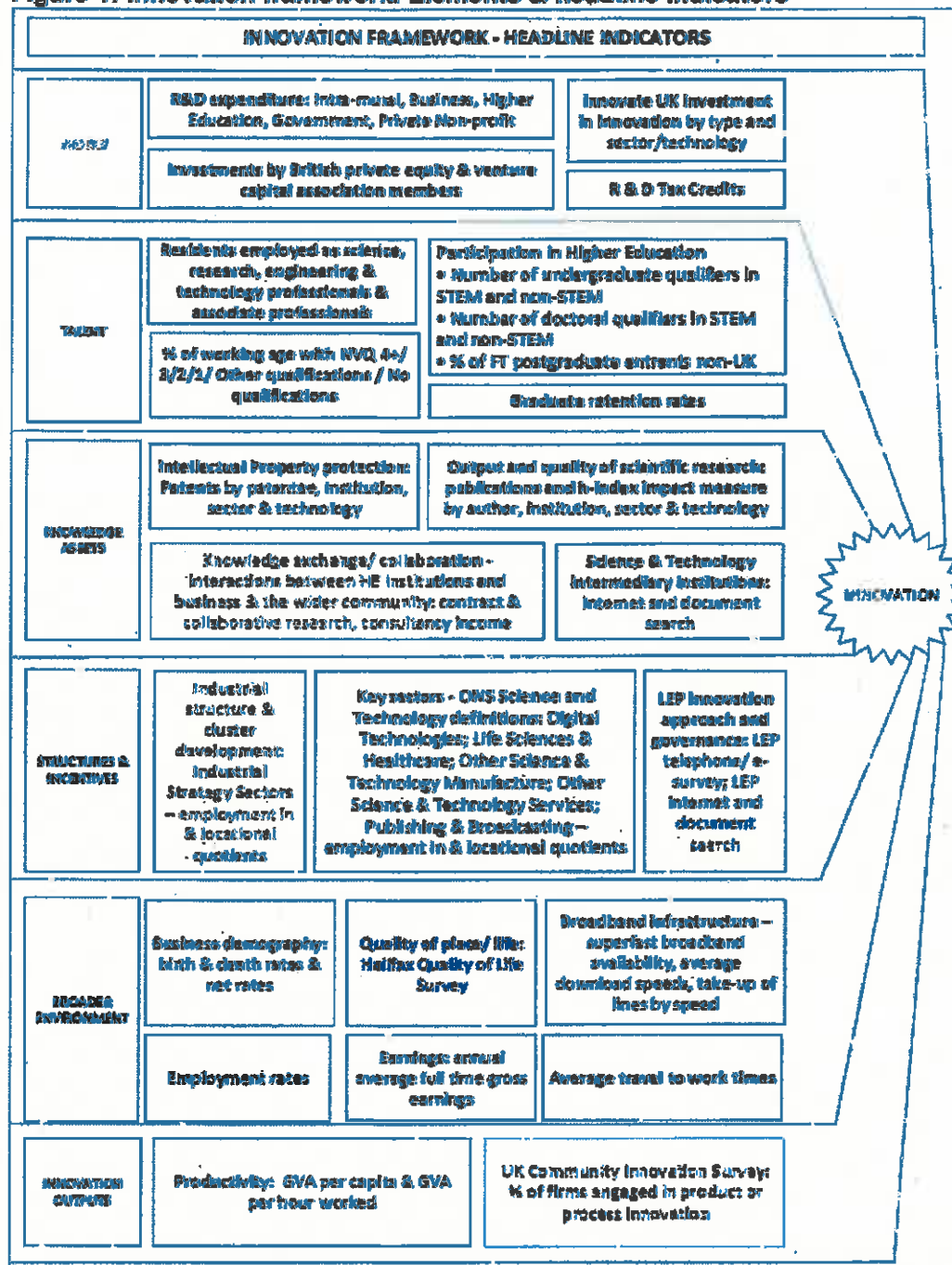
- **Money:** A key input into all parts of the system, used to invest in infrastructure, new knowledge, absorptive capacity and innovation.
- **Talent:** The human capital required to demand, develop, share and exploit new and existing knowledge.
- **Knowledge assets:** Intermediary outputs of the system that provide an indicator of its quality and potential and that are relatively easy to measure.
- **Structures and Incentives:** The institutions and interconnections that determine how effectively the actors in the system work together to generate outcomes.
- **Broader environment:** The economic and societal context with which the science and innovation system interacts.
- **Innovation outputs:** Measurable outputs that can be used as proxies for the ultimate outcomes sought, i.e. economic and societal benefits.

Each of these elements has a series of indicators, for which data can be collected and isolated at the LEP level.

| Element          | Indicator  |
|------------------|--|
| Money            | R&D expenditure: Intra-mural, Business, Higher Education, Government, Private Non-profit   |
|                  | Innovate UK Investment in Innovation by type and sector/technology   |
|                  | Investments by British private equity & venture capital association members  |
|                  | R&D Tax credits  |
| Talent           | Residents employed as science, research, engineering & technology professionals & associate professionals  |
|                  | % of working age with NVQ 4+ / 3/2/1/ Other qualifications / No qualifications   |
|                  | Participation in Higher Education: Number of undergraduate qualifiers in STEM and non-STEM Number of doctoral qualifiers in STEM and non-STEM % of FT postgraduate entrants non UK |
|                  | Graduate retention rates   |
| Knowledge Assets | Intellectual Property protection: Patents by patentee, institution, sector & technology  |
|                  | Knowledge exchange/ collaboration: interactions between HE Institutions and business & the wider community, contract & collaborative research, consultancy income                  |
|                  | Output and quality of scientific research: publications and h-index impact measure by author, institution, sector & technology   |
|                  | Science & Technology Intermediary institutions: Internet and document search   |
| Structures       | Key sectors - ONS Science and Technology definitions: Digital Technologies;  |

|  |  |
|--|--|
| <b>and<br/>Incentives</b>  | <b>Life Sciences &amp; Healthcare; Other Science &amp; Technology Manufacture; Other Science &amp; Technology Services; Publishing &amp; Broadcasting – employment in &amp; locational quotients</b> |
|  | <b>Industrial structure &amp; cluster development: Industrial Strategy Sectors – employment in &amp; locational quotients</b>  |
|  | <b>LEP innovation approach and governance: LEP telephone/ e- survey; LEP internet and document search</b>  |
| <b>Broader<br/>Environment</b>   | <b>Business demography: birth and death rates &amp; net rates</b>  |
|  | <b>Quality of place/ life: Halifax Quality of Life Survey</b>  |
|  | <b>Employment rates</b>  |
|  | <b>Earnings: annual average full time gross earnings</b>   |
|  | <b>Average travel to work times</b>  |
|  | <b>Broadband infrastructure – superfast broadband availability, average download speeds, take-up of lines by speed</b>   |
| <b>Innovation<br/>Outputs</b>  | <b>Productivity: GVA per capita &amp; GVA per hour worked</b>  |
|  | <b>UK Community Innovation Survey: % of firms engaged in product or process innovation</b>   |
| <b>Together these elements and indicators form an Innovation Framework as shown below.</b> |  |

**Figure 1: Innovation framework: Elements & headline indicators**



The key benefit of using this framework lies in the evidence base of data collected for all indicators, showing how each LEP area is performing. The indicators are also potential intervention levers and the IC could debate which might be appropriate as mechanisms to direct priorities, support programmes and investment. For example, a GL wide innovation support offer may have measures aimed at raising the amount of Innovate UK investment that is received by GL. The indicator data held in the BIS report will also establish a baseline for innovation performance in GL and enable an objective measure of the impact of the IC to be demonstrated over time. Data collected on the 23 indicators make clear that Greater Lincolnshire is towards the bottom of the table of 39 LEPs in almost every indicator and lies 38 / 39 in the overall ranking, ahead of only Cornwall and the Scilly Isles.



**Recommendation**

That the LEP Board Directors receive an update on the work of the Employment and Skills Board, and consider the need and development for a skills capital programme.

**Update on the work of the Employment and Skills Board - 2014-15 Overview**

Looking back over the year, it is fair to say that much of 2014 has been about governance and bureaucracy, and yet a great deal has been achieved and this report looks briefly at some of those things.

**Governance**

The Board officially became the skills arm of the local LEP in September 2014 when the Greater Lincolnshire LEP incorporated and named the Employment and Skills Board within its legal papers. That was the right time to align our geographies, and the Lincolnshire & Rutland Employment and Skills Board became the Greater Lincolnshire Employment and Skills Board.

Existing Board members have refreshed their membership against new terms of reference and a successful recruitment campaign has resulted in four new Board members whose experience and knowledge will support the strategic planning and decision making we are tasked with.

**European Funding**

If it feels like the discussions about forthcoming European Funds have gone on for a long time you, you're right, they have! Our first Board discussion about the 2014-2020 European Social Funds (ESF) took place in September 2013 and there haven't been many Board meetings since then that we haven't mentioned them. The importance of these funds should not be underestimated. They provide millions of pounds to support our small businesses and to upskill people and a considerable amount of work has been undertaken locally to identify what we want to buy.

We had been told that we can exert local influence on how money is spent. That seems to be the case for some funding but there are serious concerns yet to be addressed on this issue.

**Influence**

We continue to influence the skills agenda locally. As a Board our 'reason for being' is to influence skills funding, as well as championing good practice and skills within our respective workplaces and within our networks. Our project manager takes forward the strategic aims that we set and carries out work on our behalf.

Examples include the LEP's new Growth Hub, the banner under which all local support for SMEs will fall - making sure that new business advisors take into account our aims; and the 'Skills Support to the Workforce' project that we discussed - our role within that project was not only to influence the initial specification, but also to ensure that throughout the project work is carried out that meets our priorities.

Working with other LEPs we successfully influenced national policy around data sharing and the raw data that we have access to can now be published once it is analysed.

We have spent some time during Board meetings over the past 12 months discussing the kind of activity that is required to support economic growth, and support individuals to obtain jobs. We are working closely with the Skills Funding Agency, who will be spending some ESF money on behalf of the LEP area, to make sure they buy the kind of activity that we need.

#### **Projects**

At previous meetings this year we have heard about the development of World Host training for staff in our visitor economy through the Skills Support to the Workforce project. Other activities within this project include:

- Face to face discussions with over 300 small employers who have not engaged in training for at least two years to understand their skills needs for growth – analysis available this summer;
- A new brochure for employers that helps them understand more about training organisations in Greater Lincolnshire – to be published in June;
- Changing perceptions about the care sector and supporting and training employers within local care homes – event taking place during May for career advisors, teachers, job centre advisors and others to hear about future jobs, with keynote speaker Simon Weston.

This year we also developed a small pilot project, supporting 25 businesses with their recruitment and induction needs. The project has reported wide-ranging challenges facing small businesses, and a number of opportunities. We will be hearing the results of that at a future meeting.

#### **Consultations**

During the year the Board responded to the national Adult Learner Loans consultation to express our concern about extending the loan scheme to 19 year olds without proper evidence of how this might impose a barrier to the most disadvantaged within society. For now that move has been postponed.

A new consultation - A Dual Mandate for Adult Vocational Education – provides an opportunity to get involved in a broader review. Whilst some of you, in your capacity as direct deliverers of training, respond individually to consultations, it remains important to have broad mix of views at the Board and hope that everyone will contribute to this very important discussion.

#### **Capital Funding**

We continue to emphasise the importance of capital funding for training organisations, particularly Colleges who were previously able to bid into funds from SFA's Skills capital scheme that now forms part of the overall Single Local Growth Fund allocated to LEP areas. Bishop Burton College and Grantham College have both been allocated capital funding through Growth Deal 1, and at Holbeach, through Growth Deal 2, a centre for food manufacturing research, innovation and higher level skills.

#### **Schools and Careers**

It is critically important that our schools and Colleges provide good information about local career opportunities and industry. We created the idea for the Aspirations publication, and have continued this year to provide content for that, and information by speaking at events so that teachers and careers advisors gain a better understanding of the growth and the technological changes within our important industries.

At a recent meeting, those who aren't already involved learnt more about the National Citizen Scheme (NCS) for 16-18 year olds. This scheme appears to have a positive impact on those who attend and we

want to explore ways in which we can pilot local activity for 19-20 year olds.

We continue links with the other NCS – The National Careers Service – who have asked us about our priorities and how they can most make a difference locally. The local Apprenticeship Champions continue to work with schools to raise awareness of vocational learning.

There are a number of public and private sector ambassador and industry schemes, (construction works well and the food sector is trying to emulate) that schools can take advantage of and one of the things we want to do is make it easier for them to find out about them.

We continue to have involvement in Talent Match – the five-year Big Lottery funded programme that is supporting young people who have furthest away from the labour market. First year results are promising and they provide an insight into the challenges facing young people.

#### **Strategy and Action**

We have contributed to the production of the LEP's Strategic Economic Plan and various Sector Plans, and are now in the final stages of completing the Greater Lincolnshire Skills Strategy and a detailed action plan. Both will become documents that we will use regularly and it is good to see some of you feeding into this process.

#### **Looking Forward**

We have mentioned some things already – piloting an NCS-type scheme for 19 and 20 years olds; making it easier for schools and other providers of learning to link up with industry-led schemes; understanding recruitment challenges facing our small businesses and agreeing action.

Influencing how ESF money is spent will remain a large part of what we do, and by the end of the year we may have projects on the ground delivering activity that we may want to scrutinise.

We also want to re-fresh our web presence, either by renewing the existing one, or by incorporating into the main LEP website.

#### **Skills Capital Enhancing Training Provision: GLLEP Skills Support Fund**

There are seven Colleges of Further Education across Greater Lincolnshire, Boston College, Grantham College, Lincoln College, New College Stamford, Grimsby Institute, North Lindsey College and Bishop Burton College (operating Riseholme) and each delivers a wide range of training to a number of groups: 16-18 year olds, unemployed adults and to adults already in jobs.

The Skills Funding Agency look after the quality of their training provision and have also been responsible for collecting information about the condition of College buildings. We know from the most recent information that around 1,900m<sup>2</sup> of buildings/estate are at risk of failure and in need of immediate attention, with around 88,000m<sup>2</sup> requiring major refurbishment in the next 3 -5 years. The estimated costs of repair are £3.5m and £160m.

Until recently (2013/14) Colleges were able to bid competitively for capital funding to develop provision or teaching environments to meet local need and to update the condition of buildings. Successful bids generally secured 50% funding for projects. This national Skills Capital Fund is no longer available in the same way. Government has allocated it to the Single Local Growth Fund.

The Government's Skills Statement says:

*For 2015-16, £330 million of skills capital funding will be made available to LEPs on a competitive basis*

*through the Local Growth Fund (LGF) to use in tackling local skills capital priorities as set out in their Strategic Economic Plans. This skills capital element is open to providers offering vocational education provision.*

A further £330 million of skills capital funding was earmarked for 2016-17, now subject to the spending review.

Two Colleges were successful in securing funds through Greater Lincolnshire's first growth deal, Grantham College: £2.28m and Bishop Burton (Riseholme) £7.5m however many projects will be considerably smaller than this and will not compete successfully with other Local Growth Fund projects.

Examples of minor capital projects:

New equipment satisfying specific industry requirements within the food sector;

Re-modelling buildings or facilities to train renewable or green technologies;

Providing an up to date teaching environment around hi-tech health and care;

In order for these kinds of developments to take place when they are needed by industry, it is proposed that a skills programme is developed. This would use funds from a future Growth Deal allocation (as yet unknown) that would give local Colleges access to smaller amounts of capital funding so that they can carry out projects that relate specifically to growth within our local economy.

A fund of £2.5m is envisaged with an average grant of £100K – £150K and the programme would be evaluated and considered against other growth schemes.

If the LEP is in agreement, the Employment and Skills Board will establish a small working group to develop ideas further and LEP Board members are invited to consider and discuss this proposal.

Following a request at the May board, this report outlines the different strategies that are either published or under development along with a timetable for completion.

**Recommendation**

The LEP Board is invited to note the contents of this report and provide any comments.

**Introduction**

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

- create 13,000 new jobs
- support 22,000 businesses
- increase the value of the Greater Lincolnshire economy by £3.2 billion by 2030
- deliver up to 100,000 new homes

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

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

The table below outlines the work being carried out on a range of strategies that underpin the delivery of the Strategic Economic Plan. It identifies which ones are being reviewed and developed and how they relate to each other. These strategies interconnect and together will ensure the LEP and partners focus investment and other resources on the areas of maximum potential.

| Work Area                                    | Summary of Work Area   | Completion Date | Status   | LEP Lead and support and governance group   |
|--|--|-----------------|----------|---|
| SEP refresh and Performance Review           | <p>To ensure we keep the competitive edge and succeed in delivering our ambitions in the SEP, there is a need to review both how we are performing. This review will place us in good place to be clear where our focus should be and have an evidence base that shows we are delivering. It is anticipated that government will ask LEPS to undertake a review on their SEPS this year and this will be preparatory work.</p> <p><a href="http://www.greaterlincolshirelep.co.uk/what-we-do/our-strategy-for-growth">www.greaterlincolshirelep.co.uk/what-we-do/our-strategy-for-growth</a></p> | December 15     | Underway | <p><u>Board Lead:</u> Ursula Libbetter and the main board</p> <p><u>LEP Lead:</u> Ruth Carver and the JSU</p> <p><u>LA Lead:</u> Leaders Board</p>                              |
| European Structural Investment Fund Strategy | <p>Government have now agreed the operational plan (OP) for the structural funds and as result local ESIF strategies will have to be updated to ensure alignment. This will be required by the end of October</p> <p><a href="http://www.greaterlincolshirelep.co.uk/funding/eu-funding">www.greaterlincolshirelep.co.uk/funding/eu-funding</a></p>  | October 15      | Underway | <p><u>Board Level:</u> Herman Kok</p> <p><u>LEP Lead:</u> Pat Doody through the ESIF Committee</p> <p><u>LA lead:</u> City of Lincoln (funding sponsor)</p>                     |
| Infrastructure Strategy                      | <p>The LEP is developing a broad infrastructure strategy which outline our clear priorities for road, rail, air and sea. This will build on successful growth deal rounds.</p>   | October 15      | On track | <p><u>Board Lead:</u> Richard Wills</p> <p><u>LEP Lead:</u> Jon Burgess and the transport authorities</p> <p><u>Local Authority Lead:</u> Anna Graves and the Leaders Board</p> |
| Skills Strategy and action plan              | <p>The Greater Lincolnshire Employment and Skills Board has been undertaking a refresh of the existing skills strategy published in 2010 to take stock of the progress made and set a clear remit and focus for achieving the skills priorities within the Strategic Economic Plan. Draft version currently being updated after initial circulation to skills partners</p> <p>The innovation strategy will help us to identify the market niches within our high growth sectors where we have competitive edge. This will support the SEP, the ESIF and the Sector plans</p>                     | August 15       | On track | <p><u>Board Lead:</u> Herman Kok through the Employment and Skills Board</p> <p><u>LEP Lead:</u> Clare Hughes</p> <p><u>LA Lead:</u> Bev Agass</p>                              |
| Innovation Council and Strategy              |  | December 15     | On track | <p><u>Board Lead:</u> Professor Mary Stuart through the proposed Innovation Council.</p> <p><u>LEP Lead:</u> Samantha Harrison and Andrew Stevenson</p>                         |

|                             |   |              |          |   |
|-----------------------------|---|--------------|----------|---|
| Growth Programme            | A revised growth programme is being developed and subject to European funding that this will operate from January 2016. A proposal will be submitted to secure European funding.  | January 2016 | On track | <u>Board Lead:</u> Professor Mary Stuart through the Growth Hub Board<br><br><u>LEP Lead:</u> Justin Brown<br><br><u>Board Level:</u> Mark Tinsley<br><u>LEP Lead</u> through Martin Collison and the Food Board<br><u>LA lead</u> – SHDC |
| Agri- Food Sector Plan      | The LEP has developed and published an agri food sector plan during 2014. This is an ambitious seven point plan.<br><br><a href="http://www.greaterlincolnshirelep.co.uk/assets/downloads/Agri-food_sector_plan_final.pdf">www.greaterlincolnshirelep.co.uk/assets/downloads/Agri-food_sector_plan_final.pdf</a>  | Completed    |          | <u>Board Lead:</u> Neil Corner<br><u>LEP Lead:</u> Samantha Harrison<br><u>LA lead</u> – SKDC   |
| Manufacturing sector Plan   | The LEP has developed and is close to publishing a manufacturing plan, we need to consider resources to support its implementation.   | September 15 | On track | <u>Board Lead:</u> Chris Baron and the strategic tourism group<br><u>LEP Lead:</u> Lydia Rusling<br><br><u>LA lead</u> - ELDC<br>Cllr Dave Watson from NEL Lincs might be interested in this agenda                                       |
| Visitor Economy sector Plan | The LEP published the Destination Management Plan in 2014, the Strategic Tourism Group chaired by Chris Baron.<br><br><a href="http://www.greaterlincolnshire.co.uk/assets/downloads/Destination_Management_Plan.pdf">www.greaterlincolnshire.co.uk/assets/downloads/Destination_Management_Plan.pdf</a>  | Completed    | On track | <u>Board Lead:</u> Tony Hill<br><br><u>LEP lead:</u> Andrew Brooks<br><u>LA lead</u> – LCC  |
| Health conversation         | The LEP published its healthcare conversation at the end of 2014, the conversation<br><br><a href="http://www.greaterlincolnshire.co.uk/assets/downloads/">www.greaterlincolnshire.co.uk/assets/downloads/</a>  |              |          |   |
| Water Management Plan       | A water management plan is being developed by the Water management board, and the officers group. A initial workshop involving 50 partners has examined the issues, collaboration and potential solutions. A draft plan is expected in the early autumn.<br>Each Borough, District and Unitary Authority is responsible for producing a housing strategy and a Local Plan. During 2014/15 | November 15  | Underway | <u>Board Lead:</u> Mark Tinsley<br><u>LEP Support:</u> Water Management Officers Group  |
| Housing Position            |   | Evolving     |          | <u>Board Lead:</u> Andy Orrey<br><u>LEP Support:</u> Cathy Jones  |

|                  |   |            |  |  |
|------------------|---|------------|--|--|
| Statement        | the LEP Board has received 2 papers on its role in housing. These could form the basis of a LEP position statement.   |            |  | Local authority Lead: Manjeet Gill   |
| One Lincolnshire | One Lincolnshire (working title) is about creating a uniformed brand and strategic vision for the Greater Lincolnshire area. A strong marketing tool that can raise awareness of our place to government, businesses, tourists and people looking to locate here. | Evolving - |  | <u>Board Lead: tbc suggest Cllr Colin Davie</u><br>LEP Support: Ruth Carver<br><u>Local authority Lead: Ian Fytche</u> |

#### Additional areas of work

There is one additional area of work which was highlighted during the recent peer review that will complement the strategies outlined above.

|               |   |          |              |   |
|---------------|---|----------|--------------|---|
| Joint Working | Local authorities joint working across greater Lincolnshire was highlighted as a key outcome from the peer review, areas such as joint lobbying, research and project development were highlighted. A specification will be produced. | Evolving | January 2016 | <u>Board Lead: tbc</u><br><u>Local authority Lead: Phil Drury</u><br><u>LEP Support: Andy Gutherson</u> |
|---------------|---|----------|--------------|---|

#### Recommendation

The board is invited to note the contents of this report and provide any comments.