

Greater Lincolnshire LEP Board Meeting

Friday, 30th September 2016
10.00am to 12.30 pm
Committee Room 1, County Offices, Newland, Lincoln, LN1 1YL

Paper 0- Agenda

Time	Item and brief description	Lead	Access/Circulation
10.00 10 mins	1 – Welcome, Apologies, Declarations of Interest <ul style="list-style-type: none"> • Actions from the last meeting • Directors business – Succession Planning 	Chair	All Members - Paper 1 All Members –Paper 1.1
10.10 10 mins	2 – LEP Director's Report - Information	Ruth Carver	Paper 2 – All Members
10.20 20 mins	3 – Devolution - Update	Richard Wills/ George Spiteri	Verbal Update
10.40 30 Mins	4 - Greater Lincolnshire Strategic Infrastructure Delivery Plan – for comment	Gerry Dawson/Brendan Gallagher	Paper 3 attached – All members
11.10 20 mins	5 Progress on the Business Lincolnshire Growth Hub - Update	Samantha Harrison and Phoebe Edwards	Paper 4 attached – all members
11.30 20 mins	6 Current Position on ESIF	Pat Doody	Paper 5 attached – all members
11.50 20 mins	7 – Business Rates Consultation – decision	Ruth Carver	Paper 6 attached – All members
12.10 20 mins	8 – Priority and Emerging Sector Update Research Paper - Update	James Baty LEP	Paper 7 attached – All Members
12.30	Any Other Business Date of Next Meeting : 24 th November 2016 10 am to 12.30 pm		

The meeting will be followed by a buffet lunch at 12.30pm.
A Midlands Connect Briefing will take place between 1.00pm to 2.00pm,
The Investment Board will be held from 2.00 to 3.00 pm

Attendees - LEP Board Directors: Ursula Lidbetter (Chair), David Dexter (Deputy Chair), Andy Orrey, Chris Baron, Cllr Ray Oxby, Cllr Bob Adams, Cllr Lady Redfern, Cllr Colin Davie, Pat Doody, Herman Kok, Richard Wills


Observers: Sarah Hendry (DEFRA), Pete Holmes (Cities & Local Growth Unit)

Officers: Ruth Carver, Sue Groves

Apologies Received: Prof Mary Stuart, Mark Tinsley, Steve Middlebrough

Additional Papers Pack

- Investment Board Minutes from 27 May 2016
- ESIF Minutes (draft) from 14 June 2016
- Media Report last quarter

	<p>Paper 1.0: Greater Lincolnshire Draft LEP Board Minutes</p> <p>21st July 2016</p> <p>William the Conqueror Room, Prison Building, Lincoln Castle</p>
<p>Board Members Present: Ursula Lidbetter – Chair (UL); David Dexter – Deputy Chair (DD); Andy Orrey (AO); Cllr Colin Davie (CllrD), Pat Doody (PD); Herman Kok (HK); Richard Wills (RW), Prof Mary Stuart (MS); Mark Tinsley (MT); Cllr Rob Waltham (CllrWa); Cllr Peter Wheatley (Cllr Wh)</p> <p>Apologies from Board Members: Chris Baron, Cllr Bob Adams, Steve Middlebrough, Dr Tony Hill, Cllr Lady Liz Redfern</p> <p>Observers: Pete Holmes – Cities & Local Growth Unit (PH); Marcus Walker (MW); Chris Duffill (CD)</p> <p>Attendees for specific items – Clare Hughes (Item 6); Melanie Sensicle and Mary Powell (Item 10)</p> <p>LEP Ruth Carver (RC); Sue Groves (Note Taker)</p>	
<p>Item 1</p>	<p><u>Welcome and Introductions</u></p> <p>The Chair welcomed all to the meeting.</p> <p>At the start of the meeting, the Board was advised that Lincoln Castle has been a huge success with more than 200k visitors to date.</p> <p>The minutes of the LEP Board of 27th May 2016 were agreed, with minor amendments, as a true record and can be published.</p> <p>Declarations of Interest: UL – Boole Park, Lincoln Transport Hub MS – University of Lincoln schemes</p> <p><u>Directors Business</u></p> <ul style="list-style-type: none"> ➤ A company membership application from North Lincolnshire Council is outstanding ➤ RC reported on the National Audit Office findings into LEPS, The actions in relation to GLLEP were <ul style="list-style-type: none"> - An Annual Declaration of Interest that is published on our website- ➤ Statement of Accounts published annually. ➤ Both are produced, and Board Directors were asked to approve their publication <p><u>Matters Arising from previous minutes</u></p> <p>Actions:</p> <ul style="list-style-type: none"> ➤ The LEP's current Business Plan to be amended to reflect new business starts, and to be circulated. ➤ Minutes of 27th May to be amended and published

Item 2	<p><u>Impact of EU Referendum on the Greater Lincolnshire Economy</u></p> <p>RC produced a discussion paper regarding the impact of the result of the EU Referendum on the Greater Lincolnshire economy; the paper gave information on the state of the Greater Lincolnshire European programme in terms of commitments. The LEP Board members concerned that SEP is predicated on ESIF funding and therefore what impact on our targets.</p> <p>The impact on business is unknown and should be monitored. It was agreed that the LEP should gather evidence from the locality (Institute of Directors, Chamber of Commerce, Federation of Small Businesses, Food Board, Colleges etc) and it was agreed that any evidence should be forwarded to the Government at regular intervals.</p> <p>Actions</p> <ul style="list-style-type: none"> ➤ Pat Doody was asked to bring a regular report on the progress of the European programme to the Board ➤ It was agreed the LEP exec will pull together a BREXIT monitoring and intelligence piece with local partners.
Item 2.1	<p><u>Government Changes</u></p> <p>A number of ministerial changes have been announced. This provides an opportunity to re-engage with ministers and civil servants. Significantly for Greater Lincolnshire</p> <ul style="list-style-type: none"> • Andrew Percy, MP is now the Parliamentary Under Secretary of State at the Department for Communities and Local Government and has an interest in the Northern Powerhouse. • John Hayes, MP is now Minister of State for Transport <p>The new cross departmental industrial strategy will be outlined at the Autumn Statement</p> <p>A discussion took place and the following comments were made</p> <ul style="list-style-type: none"> • Energy companies are struggling, even in Germany and Holland. Off-shore energy needs to be supported and the Government needs to make early decisions about renewables • Certainty over infrastructure commitments would be an early ask of government. Mark Tinsley to write to the Secretary of State DEFRA regarding water management/eco systems, stating that we need to invest now, show Greater Lincolnshire as an example. • Government has committed to Local Growth Fund, but need to look at current proposals and the quantum, especially post BREXIT. • Action Plan required to deliver SEP. • Additional investment in transport by previous Government, ie, HS2. Greater Lincolnshire must press for local infrastructure funding to maximise benefit to businesses and housing. • Utilities is an issue for Greater Lincolnshire – LEP team to undertake a utilities study <p>Actions:</p> <ul style="list-style-type: none"> ➤ Circulate a list of the new ministers and portfolios and update Lincolnshire MP's contact details. ➤ Draft a letter to Greg Clark regarding energy issues affecting Humber and Greater Lincolnshire LEP.

	<ul style="list-style-type: none"> ➤ LEP to write to Andrea Leadsom as the new DEFRA Sec of State ➤ Commission a utilities report ➤ Produce a SEP Action plan
Item 3	<p><u>LEP Director's Report</u> Appointments to the Employment and Skills Board, ESIF Committee and Greater Lincolnshire Leadership Board (Joint Committee) all approved.</p> <p>Actions:</p> <ul style="list-style-type: none"> ➤ LEP Exec to provide a review of economy since LEP started in 2010, performance indicators going forward and impact of the SEP, paper to Board at Novembers board. ➤ Enterprise report from the Growth Hub Board.
Item 4	<p><u>Single Local Growth Fund</u> An overview of the Single Local Growth Fund had been given previously.</p> <p>A call for projects was launched in April 2016, with 70 schemes submitted along with Business Cases. These were scored by Officers and reduced to 9 schemes going forward to form the basis of the SLGF round 3 bid.</p> <p>Representatives of the LEP met with the Minister with a proposed bid of £106m and received positive feedback and discussions have been held with neighbouring LEPs regarding joint schemes, which may increase the value of the bid. Greater Lincolnshire should ensure that new projects are prepared for future asks. The Greater Lincolnshire Leaders Board have endorsed the submission and agreed the prioritisation.</p> <p>Action:</p> <ul style="list-style-type: none"> ➤ LEP Board agreed the proposals and agreed the prioritisation with the programmes and delegated the responsibility of submitting to the Chair and LEP Director.
Item 5	<p><u>Devolution</u> An update on devolution was given by George Spiteri from LCC and the following points were discussed:</p> <ul style="list-style-type: none"> • The new Government will want to continue with Devolution Deals, but it is unsure of the new timescales. • The consultation document for mayor is now available on-line and closes on 8 August 2016. • The implementation Plan is currently being worked on. • Devolution Deal 2 is currently being put together and will be submitted to the Government by the end of October. • A Combined Authority may be formed prior to a mayor being in place. • Big Debates have been held recently with great success and delegates asking pertinent questions and being supportive. The only concern raised was that there would be another level of bureaucracy and how much it would cost. • Consultation on Business Rates Levy for infrastructure is ongoing. <p>Actions:</p> <ul style="list-style-type: none"> ➤ LEP Executives and CA to develop a Joint paper on LEP Board on relationships between proposed MCA and LEP.

	<p>➤ Link to Devolution document to be circulated.</p>
Item 6	<p><u>Annual Accounts and Audit 2015/2016</u></p> <p>Andy Orrey, chair of the Finance and Audit committee led this item. The financial summary for 2015/16 was agreed, and the positive external audit report was discussed.</p> <p>Actions:</p> <ul style="list-style-type: none"> ➤ Annual Accounts and the LEP audit were agreed. ➤ The financial summary can now be published and an annual review prepared in time for the AGM and LEP Business Live.
Item 7	<p><u>Greater Lincolnshire Area Reviews</u></p> <p>Herman Kok led this item, supported by Clare Hughes from the LEP. A formal invitation for Area Reviews has been received and five fixed meetings have now been arranged, the first being on 1 October. Evidence from businesses and LEP will be required.</p> <p>All Agreed that the focus would be on vocational and business requirements, particularly small businesses who have difficulty in resourcing training for their employees</p> <p>Actions:</p> <ul style="list-style-type: none"> ➤ LEP Board agreed that the Chair of the Employment and Skills Board and the Chair of the LEP would decide on who would represent the LEP at the forthcoming Area Review
Item 8	<p><u>MIPIM 2017</u></p> <p>RC spoke to the Board, and stated that MIPIM 2016 had been successful and sought Board approval to attend MIPIM 2017.</p> <p>Actions:</p> <ul style="list-style-type: none"> ➤ It was agreed that the Greater Lincolnshire LEP and Team Lincolnshire would attend MIPIM 2017, The LEP would financially contribute up to the value of £22,500 in this financial year, the final amount would depend on sponsorship secured.
Item 9	<p><u>Water Management Board - Lincolnshire Coastal Vision</u></p> <p>A paper was presented by Mark Tinsley. The vision covers Greater Lincolnshire's ambitions for the coastal area:</p> <ul style="list-style-type: none"> • Sustain and grow coastal businesses and the economy • Sustain and develop coastal prosperity through infrastructure • Protect and sustain the coastal environment <p>The following comments were made:</p> <ul style="list-style-type: none"> • Resources need to be prioritised. • Transport links for the East Coast are an issue, road and rail. • Local Plans should incorporate this vision <p>Actions:</p> <ul style="list-style-type: none"> ➤ The Coastal Vision was approved for publication on the LEP's website and next steps will be considered at the Water Management Board.


<p><u>Item</u> <u>10</u></p>	<p><u>Greater Lincolnshire's Tourism Review</u></p> <p>Melanie Sensicle of Melanie Sensicle Consulting Ltd has reviewed visitor economy across Greater Lincolnshire and attended to give a presentation of her findings.</p> <p>In 2012, a Destination Management Plan was produced for Lincolnshire and a £2bn target was set for the value of tourism by 2020. In 2016, the value of tourism for GREATER LINCOLNSHIRE has already reached £1.9bn. This needs reviewing.</p> <p>The aims of her review were to identify headline priorities for the future, check that the visitor economy is being considered at a strategic level and see where Lincolnshire is better working as a collective and suggest how. Interviews and workshops have been held.</p> <p>At the workshops, leadership and co-ordination was seen as lacking, but not everyone considered it important at county level and there wasn't a common view on how to resolve. Tourism businesses want a co-ordinated approach on promotion and believe it should be Local Authority led.</p> <p>Actions:</p> <ul style="list-style-type: none"> ➤ Agreed that the market intelligence was a priority for the sector. ➤ It was agreed that a Visitor Economy Board would be formed by the LEP, and resourced by local partners. ➤ That a brand hierarchy strategy would be commissioned as part of the place marketing work. <p><u>Meeting Closed at 12:30</u></p>
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Chairperson

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Date

Actions from the Greater Lincolnshire LEP Board – 21st July 2016

✓ The LEP's current Business Plan to be amended to reflect new business starts, and to be circulated - Secretariat
✓ Minutes of 27 th May 2016 to be amended and published – Secretariat
✓ Pat Doody was asked to bring a regular report on the progress of the European programme to the Board.
✓ It was agreed the LEP Exec will pull together a BREXIT monitoring and intelligence piece with local partners.
✓ Circulate a list of the new ministers and portfolios and update Lincolnshire MP's contact details – Secretariat.
Draft a letter to Greg Clark regarding energy issues affecting Humber and Greater Lincolnshire LEP – RC.
✓ LEP to write to Andrea Leadsom as the new DEFRA Secretary of State – RC.
✓ Commission a utilities report.
Produce a SEP Action Plan. - ongoing
✓ LEP Exec to provide a review of the economy since LEP started in 2010, performance indicators going forward and impact of the SEP, paper to Board at November's Board.
✓ Enterprise report from the Growth Hub Board – SLH
✓ LEP Board agreed the proposals and agreed the prioritisation with the programmes and delegated the responsibility of submitting to the Chair and LEP Director.
LEP Executives and CA to develop a joint paper on LEP Board on relationships between proposed MCA and LEP – RC ongoing
✓ Link to Devolution document to be circulated.
✓ Annual Accounts and the LEP audit were agreed.
✓ The financial summary can now be published and annual review prepared in time for the AGM and LEP Business Live.
✓ LEP Board agreed that the Chair of the Employment and Skills Board and the Chair of the LEP would decide on who would represent the LEP at the forthcoming Area Review.
✓ It was agreed that the Greater Lincolnshire LEP and Team Lincolnshire would attend MIPIM 2017, the LEP would financially contribute up to the value of £22,500 in this financial year, the final amount would depend on sponsorship secured.
✓ The Coastal Vision was approved for publication on the LEP's website and next steps will be considered at the Water Management Board.
✓ Agreed that the market intelligence was a VE priority for the sector and this would be commissioned.
✓ It was agreed that a Visitor Economy Board would be formed by the LEP, and resourced by local partners, RC, SLH and Mary Powell to discuss
✓ The brand hierarchy strategy would be commissioned as part of the Place Marketing work.

	<p style="text-align: right;">Paper 1.1</p> <p style="text-align: center;">Good Governance with the Greater Lincolnshire LEP</p> <p style="text-align: right;">30th September 2016</p>
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<p>Recommendations</p> <p>A review of our governance and procedures has been undertaken by the Executive team, and taking into consideration the APPG investigation into the operation of LEPs nationally, and the recent NAO report.</p> <p>The secretariat would, therefore like to recommend the following changes to the LEP procedures.</p> <ul style="list-style-type: none"> • Introduction of an enquiries and complaints procedure • A published Value for Money Statement • Regular and published update on our programme <p><u>An Enquiries and Complaints Procedure</u> An Enquiries and Complaints procedure has been drafted for the LEP and is attached at appendix 1 for your discussion and approval.</p> <p><u>Value for Money Statement</u> A Value for Money Statement shall be produced and published on the website. DFT schemes above 5 million are covered by the DFT value for money assessment. The LEP's value for money statement shall explain how the LEP Board reaches decisions on value for money assessments.</p> <p><u>Updates on our programmes</u> Updates on Growth Deal and Growing Places Fund will be published at least quarterly on our website showing the latest information on the funds we hold, such as Growing Places fund and Growth Deal.</p>
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Appointment of LEP Directors

All Directors and sub boards of the LEP shall be considered by the Appointments Committee and recommended to the full Board by the LEP Appointments Committee. The positions will be advertised via our website, and through a press notice.

The company articles states that the LEP Board shall consist of 12 to 20 Directors, currently eight Private Sector Directors, three Upper Tier Council Directors, one District Council Director appointed collectively, one person nominated by whichever body provides the secretariat to the Company and three Public Sector Directors. Any changes to this would need to be agreed at the AGM.

The LEP company was established in September 2014 and the tenure for directors within the articles is three years. A further two additional terms of three years can be served, however additional terms are subject to an application process and consideration by the Appointments Committee

The Board has a current vacancy for a public sector director, and it is recommended that this place be held for a Mayor (anticipated May 2017). Additionally Tony Hill is retiring from his post in Health, and board directors are asked to discuss whether a health public sector director should be sought in replacement.

Tenure

Director	Organisation	Public /Private	Tenure
Ursula Lidbetter (Chair)	Lincolnshire Co-op	Private	3 years – 24 th September 2017
David Dexter (Deputy Chair)	Federation of Small Businesses	Private	3 years – 24 th September 2017
Andy Orrey	Ongo Homes	Private	3 years – 24 th September 2017
Chris Baron	Butlins	Private	3 years – 24 th September 2017
Herman Kok	Lindum Group	Private	3 years – 24 th September 2017
Pat Doody	Nat West Bank	Private	3 years – 4 th November 2018
Steve Middlebrough	Siemens	Private	3 years – 4 th November 2018
Mark Tinsley	PC Tinsley	Private	3 years – 24 th September 2017
Cllr Bob Adams	SKDC	Public	Political appointment
Cllr Colin Davie	LCC	Public	Political appointment
Cllr Lady Liz Redfern	North Lincs Council	Public	Political appointment
Cllr Ray Oxby	North East Lincs Council	Public	Political appointment
Prof Mary Stuart	University of Lincoln	Public	3 years – 24 th September 2017
Richard Wills	LCC	Public	3 years – 24 th September 2017
Tony Hill	Health representative LCC Retires September 16	Public	3 years – 24 th September 2017
Vacancy	Lincolnshire Mayor	Public	



Enquiries, Compliments and Complaints Policy

Greater Lincolnshire Local Enterprise Partnership

September 2016

General enquiries and compliments

The Greater Lincolnshire LEP welcomes all general enquiries. We would also like to hear from you if you have a suggestion on how we can improve or if you have been particularly happy with any part of the service you received from the Greater Lincolnshire LEP.

You can make an enquiry to the Greater Lincolnshire LEP by using the following contact details:

☎ 01522 550540
✉ enquiries@greaterlincolnshirelep.co.uk

✉ Enquiries
Greater Lincolnshire LEP
Unit 4
Witham Park House
Waterside South
Lincoln
LN5 7JN

We will aim to respond to your written enquiry or voice message within 5 working days of receipt.

All members of the Greater Lincolnshire LEP team will do their best to respond to enquiries promptly. However, should you send your enquiry to any point of contact at the Greater Lincolnshire LEP other than the above we cannot guarantee that you will receive a response.

Please note that the Greater Lincolnshire LEP receives a large number of emails, letters and phone calls each day and we will try to reply to you as quickly as possible. General enquiries, including emails, are dealt with in the order in which they are received.

Comments received by the Greater Lincolnshire LEP will be logged and reviewed regularly in order to help inform how we can improve.

Specific business enquiries

If your enquiry is in relation to general business support and where you can go to get help in growing your business you may wish to contact the Business Lincolnshire Growth Hub directly in advance of awaiting a response. The Growth Hub is Greater Lincolnshire "One-Stop-Shop" for business information, loans, grants, advice and support. Further information and contact details for the growth hub can be found at www.businesslincolnshire.com.

Media enquiries

Any media enquiries for the Greater Lincolnshire LEP should be directed to:

Jez Ashberry, Shooting Star PR
✉ jez@weareshootingstar.co.uk

☎ 07780735071

Invitations

If you would like to invite the Greater Lincolnshire LEP to attend an event you are holding, or invite one of our directors to speak at an event, please send as much information as possible to us in writing at the following address:

✉ enquiries@greaterlincolnshirelep.co.uk

We will acknowledge your invitation within 5 working days of receipt and let you know when we will be able to respond. Please note that the Greater Lincolnshire LEP receives a large number of invitations to speak at events and, whilst we will always try to accommodate event invitations, this will not always be possible.

If you would like a Greater Lincolnshire LEP director to speak at an event you are running, it is recommended that you contact us with as much advanced notice as possible.

Compliments

If you have a compliment in relation to service received by the Greater Lincolnshire LEP, please include the name of any relevant members of the team in your correspondence so that we can ensure that your feedback reaches them.

Complaints

We aim to provide the best possible service to customers for the benefit of the entire Greater Lincolnshire area. However, if we get it wrong, we want to know about it and will try to put things right as quickly as possible.

❖ Our aim

We take complaints very seriously. While we try to provide a good service, we know that sometimes things go wrong. We have developed a complaints procedure in response to this. We aim to sort out complaints quickly and fairly and we will try to rectify any mistake or misunderstanding straight away. Sometimes it may take longer, but we will tell you how long it will take.

❖ What we learn from complaints

We keep records of all the complaints we receive and monitor them regularly. This helps us to:

- Identify areas of service where we need to make changes and improvements
- Make sure we are dealing with complaints effectively and consistently.

How to make a complaint to the Greater Lincolnshire LEP

❖ Stage one

The people who can best deal with a complaint are those who provide the service. You should speak or write to the member of the team that you have been dealing with and explain the reasons you are unhappy with the Greater Lincolnshire LEP. We can usually sort out mistakes and misunderstandings quickly and informally at this stage.

We will acknowledge your complaint in three working days. We will investigate your complaint and we will respond within 10 working days. If we cannot do this, we will let you know when you can expect a reply.

❖ **Stage two**

If you are not satisfied with the response provided at stage one, you can complain to the Greater Lincolnshire LEP senior management team:

Claire Hughes

✉ claire.hughes@lincolnshire.gov.uk

✉ Claire Hughes
Greater Lincolnshire LEP
Unit 4
Witham Park House
Waterside South
Lincoln
LN5 7JN

In your response please include details of the elements at stage one you are dissatisfied with.

We will investigate your complaint and respond to you within 15 working days. An investigation may take longer than this but if it does we will explain the reasons why and let you know when you can expect a full reply.

In our response to your stage two complaint, we will provide contact details for the director's office in case you wish to progress your complaint to stage 3.

❖ **Stage three**

If are not satisfied with the outcomes from stages one and two you can contact the director's office. They are independent of the service you are complaining about and can carry out a full review of your complaint. It will help the investigation if you explain why you are not satisfied and what you expect from a further review. The director's office will reply within 20 working days. They will let you know if there are any delays.

The response received by the director's office will close the matter; following this the Greater Lincolnshire LEP will not enter further correspondence on the matter.

If you would like help making a complaint, you can contact your local councillor or MP. You can also get help from a specialist advice agency or organisation which represents people, such as a citizen's advice bureau.

Complaint exceptions

The above process covers the general complaints and enquiries procedure for the Greater Lincolnshire LEP. We have separate procedures for a number of areas as follows:

- Complaints in relation to specific funding programmes which you may be involved in will, generally, follow the same process as outlined above. However, there may be some differences to this procedure, including the relevant evaluation panel reviewing your complaint and in these cases, if there are differences to the above procedure, the appropriate process for complaints will be notified in the relevant guidance document for the funding stream to which you are applying.
- Complaints or enquiries in relation to the Greater Lincolnshire LEP's accountable body (Lincolnshire County Council) will need to follow standard council procedures. This will include enquiries such as Freedom of Information Requests. Further detail on Lincolnshire County Council's policies can be found at www.lincolnshire.gov.uk.
- The Greater Lincolnshire LEP Board of Directors, Members and Corporate Governance framework adheres to the Articles of Association of Greater Lincolnshire Local Enterprise Partnership Limited. The Company's Articles of Association are available at www.greaterlincolnshirelep.co.uk/documents.
- We cannot investigate your complaint if it is something you knew about more than 12 months before contacting us for the first time. However, we may make an exception in some circumstances.
- Any enquiry or complaint in relation to the conduct of directors, members or associated governance processes (such as LEP panels or panel members) should be directed to:


Ruth Carver, LEP Director, Greater Lincolnshire Local Enterprise Partnership

✉ ruth.carver@lincolnshire.gov.uk

☎ 01522 550540

✉ Ruth Carver
Greater Lincolnshire LEP
Unit 4
Witham Park House
Waterside South
Lincoln
LN5 7JN

Please note that complaints or enquiries of this nature will be shared with the Greater Lincolnshire LEP's Company Secretary at Wilkin Chapman LLP.

	<p>Paper 2.0 LEP Directors Report</p> <p>Greater Lincolnshire LEP Board</p> <p>30th September 2016</p>
<p><u>Recommendations</u> All items are for information and comment.</p>	
<p><u>Policy & Strategy</u></p> <p><u>Refreshed SEP</u> The refreshed SEP has now been published on our website.</p> <p><u>Monitoring of the local economy from the impact of BREXIT</u> At the last Board meeting, members agreed that the LEP should offer to co-ordinate intelligence gathering locally. We have therefore written to local partners to see whether they would join a virtual intelligence unit and feed in information and intelligence on a monthly basis. We are developing a mechanism to make this light touch and to capture all elements such as geography, sectors, age of businesses etc. The reports will be then made available for partners.</p> <p><u>Water Management Plan Launch</u> The Greater Lincolnshire Water Management Plan was launched at the beginning of September 2016 at the House of Commons. The Plan was well received with good attendance from the Greater Lincolnshire MPs and an address by the DEFRA Secretary of State.</p> <p>The Water Management Board will meet in October to receive updates on individual programmes and agree an action plan.</p> <p><u>Government Announcements</u></p> <p><u>New Ministerial Local Growth Champions appointed by Business and Energy Secretary</u> All Ministers in the Department for Business, Energy and Industrial Strategy will act as Local Growth Champions across the United Kingdom and will be tasked with building relationships with a number of Local Enterprise Partnerships (LEPs). For Greater Lincolnshire, our ministerial Local Growth Champion is Nick Hurd, Minister for Climate Change and Industry, and he will also be the lead Minister for the following LEPs: Leeds City Region, Humber, York and North Yorkshire, Sheffield City Region, D2N2 (Derbyshire and Nottinghamshire), Greater Lincolnshire, London, and Leicester and Leicestershire.</p> <p><u>Ministerial Responsibilities in BEIS</u></p> <ul style="list-style-type: none"> • Rt Hon Greg Clark, MP, Secretary of State for Business, Energy and Industrial Strategy, with overall responsibility for the department. • Nick Hurd, MP, Minister of State for Climate Change and Industry, will lead on industrial policy with particular responsibility for advanced manufacturing, materials and automotive policy, in addition to climate change policy. • Jo Johnson, MP, Minister of State for Universities, Science, Research and Innovation (Joint Minister with Department for Education) with responsibility for research and innovation policy and higher education policy. • Baroness Neville-Rolfe, Minister of State for Energy and Intellectual Property, with responsibility for nuclear and low power energy and the EU Single Market. • Margot James, MP, Minister for Small Businesses, Consumers and Corporate Responsibility, with 	

responsibility for regional and regulatory issues.

- **Jesse Norman, MP**, Minister for Industry and Energy, will support Nick Hurd on Industrial policy, and have responsibility for technology, infrastructure, aerospace and oil and gas.

Industrial Strategy

BEIS are developing an industrial strategy which will aim to recognise and take advantage of the differences and unique strengths that exist across the country. Place will play an important part in this. Liz Shutt has joined the LEP team on a part time basis as a policy director, this is a joint part time post with the University of Lincoln. Liz is drafting an initial Greater Lincolnshire Industrial Strategy from our existing SEP, and once the outline of a national strategy is announced at the Autumn Statement, we will develop a Greater Lincolnshire version.

A new cabinet committee for industrial strategy has also been formed bringing together the 11 Secretaries of State from across Government. This will help to drive forward an industrial strategy that will aim to put the UK in a strong position for the future, promoting a diversity of industrial sectors and ensuring the benefits of growth are shared across the cities and regions. In particular, it will focus on addressing long term productivity, encouraging innovation and focussing on the industries and technologies that will give the UK a competitive edge.

Midlands Engine

Midlands Connect and Midlands Engine supervisory boards are joining together from September 2016, and the Midlands Connect Director Maria Machinoses is also taking over as Midlands Engine Director, as well as continuing her role as Midlands Connect Director.

Activities since we last met include planning the Market Visit to Chicago – Food & Drink – from 18th to 21st September, the Market Visit to Chicago and Toronto - Advanced Manufacturing & Aerospace, and to Detroit & Toronto – Automotive from 18th to 22nd September 2016. There is a further planned market Midlands Engine: Market Visit to 'The Big 5', Dubai in November.

John Latham has joined the LEP Team as additional support around the Midlands Engine.

A Midlands Engine Innovation Roundtable' is being held on 14th October in Birmingham, with Innovate UK's CEO Ruth McKernan. The idea is to bring the Innovation Leads of the Midlands Engine LEP's together, ideally with a handful of businesses well connected with their LEP's, to give Innovate UK a picture of the innovation opportunities across the area and help us in our development of our regional agenda. It is an important time as the Industrial Strategy work develops and the opportunities to gain government support for regional innovation begin to mature.

Ruth Carver and Andrew Stevenson are planning to attend.

Sir John Peace, the Chair of Midlands Engine, is speaking at our Business Live event on 23rd October 2016. There is a planned Midlands Engine Conference on 10 and 11 July 2017, at the ICC, Birmingham.

Local Transport Majors Funding

The LEP and LCC submitted a bid in July for development funding within the nationally competitive Local Transport Majors for the Lincoln Southern Bypass. Announcement will be made at the Autumn Statement.

LEP Business Performance

Actions against the SEP	Green
LEP Business Engagement and Media	Green
Growth Deal Performance	Amber
Growing Places Fund	Green
ESIF	Green (see separate paper on the agenda)
Skills	Green
Business Lincolnshire Growth Hub	Green

This report has different style to previous Directors reports.

Actions against the SEP - Green

LEP Board Lead – Ursula Lidbetter

LEP Exec Lead – Ruth Carver

See separate spreadsheet

LEP Business Engagement and Media - Green

LEP Board Lead – tbc

LEP Exec Lead – Kate Storey

Four "big debates" have been held so far this year, Midlands Engine, Agri-Food and two Devolution debates. They have been successful with 201 attendees to date. A further Agri-Food debate is planned for 25th November at the Grimsby Institute.

Our speaking programme continues with the chair speaking at the Lincoln Growth Conference on 16th September, and the Directors briefing on 25th November at Belton Woods.

LEP Business Live on 21st October is expected to attract over 300 delegates this year.

In terms of media, the media report is attached within the papers for information, however the headlines are 215 items of print, online and broadcast coverage picked up from 25th June to 15th September 2016 , An average of 2.5 mentions or articles per day and Print & online coverage worth £133,511 Advertising Value Equivalence The LEP team are working very hard on a new website, which will be launched during October 2016.

Growth Deal Performance - Amber

LEP Board Lead – Ursula Lidbetter

LEP Exec Lead – Halina Davis

Our £94.2m growth deal programme is being implemented with 18 projects in total, 9 projects are approved and contracted, 5 are at contracting stage, and 4 are at the detailed design phase.

The revised target spend for this financial year is £47.9 million which includes an additional £8 million for Lincoln Transport Hub (DFT retained element). This is a challenging spend target with a number of projects reporting slippages, and the current forecast suggests that we may be underperforming by circa £11 million. The Investment Board is considering recommendations from officers to close this gap at its September 2016 meeting.

Growing Places Fund - Green

LEP Board Lead – Andy Orrey

LEP Exec Lead – Cathy Jones

Financial Summary	£
Original GP Capital Allocation	£9,485,301
Approved Activity from original allocation Golf Road Mablethorpe International Bomber Command Memorial Boston Quadrant Feasibility Fund The Lawn, Lincoln State Aid Charges	£8,120,095
Balance of original allocation available	£1,365,206
Recycled element (repaid loans, LEP opportunity reserve, interest)	£3,172,374
Total of original allocation + recycled funds	£12,657,675
Total approved Activity to date (including recycled funds)	£11,120,095
Available Balance (including recycled funds)	£1,537,580
Full Applications Pending	0

Enquiries Pipeline (est)		£9,500,000	
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Feasibility Funding

LEP Board Lead Andy Orrey **LEP Exec Lead Cathy Jones**

Project Title	Applicant	Grant Awarded 24/3/16	Total Feasibility Costs
Beevor Street, Lincoln (Lincoln Science and Innovation Park)	LSIP Ltd	£50,000	£100,000
A15 (Riseholme Roundabout (A15/A46 Junction) and Junction 4 (A15/M180 Junction)	North Lincolnshire Council	£20,000	£40,000
Grimsby Western Access Route - Strategic Link Road	North East Lincolnshire Council	£25,000	£50,000
Utility Feasibility Options Appraisal Planning	Lincolnshire County Council	£37,500	£75,000
Grantham Enterprise Village	Haywood Estates (UK) LLP	£50,000	£145,000
Holbeach Food Enterprise Zone	South Holland District Council	£34,000	£89,000
Totals		£216,500	£499,000

Skills - Green

LEP Board Lead – Herman Kok **LEP Exec Lead – Clare Hughes**

Following a discussion at the last board meeting about choosing a LEP representative to attend the Area Review meetings, Heather Lee, long standing member of the Employment and Skills Board, and Head of People and Performance at the Lincolnshire Cooperative, has been nominated.

Board members will remember that Government have asked LEPs to provide an economic forecast of the number of jobs and the skills that will be required in the future. This will complement information that is provided by Local Authorities about the statutory requirements and educational needs of young people. Information will also be provided by Government officials about the actual training that is currently delivered by all training institutions locally, including schools. Colleges will provided data about their finances and capital assets. During the course of the review this information will contribute to decisions about the financial stability and the future sustainability of College Further Education sector locally.

The LEPs research team, with the support of the Employment and Skills Board and some of our sector specialists, have collated an evidence report that will be used in the review. Board members will receive regular updates as the review progresses. Any options that are put forward for consideration will be subject stakeholder engagement before they are published as recommendations at the end of the review, expected February 2017.

ESIF - Green

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

Please see a separate board report on this item on this occasion.


Greater Lincolnshire Growth Hub - Green

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

Please see separate board item on this item on this occasion.

SEP priority		Committed schemes	Amount
Priority 1 Most important sectors	Agri-food	The European Programme	£7,977,885
		Bishop Burton College GD	£7,500,000
		Agri-food centre of excellence GD	£2,400,000
		Total for Agri-food	£17,877,885
	Tourism	The European Programme	£309,200
		Total for Tourism	£309,200
	Advanced engineering	The European Programme	£2,456,818
		Total for Advanced Engineering:	£2,456,818
Priority 2 Emerging sectors	Low carbon	The European Programme	£7,751,595
		Total for Low Carbon:	£7,752,595
	Ports/logistics		GD3
Priority 3 Growing GL's business	SME's	The European Programme	£15,488,043
		Total for SME's:	£15,488,043
	Innovation	European Programme	£4,831,329
		Boole Technology Centre GD	£3,400,000
		Total for Innovation:	£4,831,329
	Marketing		
	Skills	European Programme	£11,617,000
		grantham college	£2,300,000
		Total for Skills:	£11,617,000
Priority 4 Homes and communities	Communities	Grantham Southern Relief Road	£16,100,000
		boston quadrant	£4,800,000
		unlocking rural housing	£4,200,000
		Go Skegness	£4,000,000
		Northern Roundabout	£1,900,000
		Scunthorpe Town Centre	£4,000,000
		Lincolnshire Lakes	£2,000,000
		Total for Homes and communities	£37,000,000
Priority 5 Location for Investors		Skegness Countryside Business Park	£4,000,000
		lincoln Transport Hub	£13,000,000
		lincoln tentercroft	£1,100,000
		access to employment zones	£4,200,000
		normanby enterprise park	£1,000,000
		SHIIP	4,000,000
		Holbeach Peppermint	2,400,000
		Total for Location for Investors	29,700,000

Total LEP Investment EU and GD to date £124,576,052

	<p>Paper 3.0 Greater Lincolnshire Strategic Infrastructure Delivery Plan (GL SIDP)</p> <p>Greater Lincolnshire LEP Board</p> <p>30th September 2016</p>
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<p><u>Purpose and Process</u></p> <p>The purpose of this paper is to seek comments on the draft Greater Lincolnshire Strategic Infrastructure Delivery Plan (GL SIDP).</p> <p>The Greater Lincolnshire Leaders Board will receive a presentation on the subject of the GL SIDP at their meeting on 23rd September. The draft GL SIDP itself will be sent to GL Leaders, directors of the GLLEP Board and GL Chief Executives on Monday, 27th September. The GL Joint Committee will consider and ratify the final GL SIDP (including comments received) at their meeting on 21st October.</p> <p><u>Recommendations</u></p> <p>Directors of the GL LEP Board are asked to consider and comment on the draft GL SIDP that will be circulated on 27th October. Views are also welcome on issues raised within this paper.</p> <p><u>Background</u></p> <p>The Greater Lincolnshire Devolution Deal included a commitment to develop a Strategic Infrastructure Delivery Plan by September 2016:</p> <p>35. Greater Lincolnshire will also produce a strategic infrastructure delivery plan by September to identify the infrastructure needed to support the increased funding of new homes, and proposals to fund this through devolved infrastructure funds, through national programmes and through local funding.</p> <p>The SIDP has been developed from the 'bottom-up', beginning with priorities already identified by local authorities within their emerging Local Plans and local Infrastructure Delivery Plans. 'Infrastructure' has been defined broadly, but projects within this first GL SIDP have been limited to those with an individual value of more than £5 million. In practice, this has limited schemes to those relating to roads, rail, flood defence and employment sites – although it is anticipated that projects relating to broadband and community infrastructure will feature within future iterations of the SIDP.</p> <p>Heavily supported by council and LEP officers, Mott McDonald consultancy has collected detailed information on each of the final list of 36 eligible strategic projects. These have been subjected to a multivariate analysis, with a view to scoring and ranking them against criteria relating to Strategic Fit (against the GL SEP), Economic Impact and Deliverability & Risk.</p> <p>Council and GLLEP officers and representatives of utilities companies have been consulted and engaged throughout the process through the multi-agency/cross-Greater Lincolnshire Housing and Infrastructure Group (HIG).</p> <p>In addition to a technical narrative, the GL SIDP highlights the outcome of the multivariate analysis, in terms of a ranking of the 36 strategic projects and their categorisation into those scoring well against all measures, those requiring more work (especially regarding Deliverability & Risk), and those that are further behind or</p>
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for which insufficient information is presently available.

The list broadly concurs with priority projects and programmes identified by GL LEP as part of the Single Local Growth Fund bidding process.

So long as it is regularly updated and enhanced (see below), the GL SIDP will become an important tool to inform GL LEP and GL Combined Authority members when taking a decision about which infrastructure projects should receive support from public funds. It will not and should not dictate such decisions.

Housing

In parallel to the development of a GL SIDP, officers have been working to meet a devolution deal commitment to produce a Housing Plan and Pipeline:

32. Greater Lincolnshire authorities will set an ambitious target for increasing new homes, jointly agreed with the Department for Communities and Local Government, which reflects latest assessments of housing need, and will report annually on progress. Greater Lincolnshire authorities will set out by July how they will meet this target. This will include proposals to deliver the immediate 25,000 homes needed over the period 2016-2021 and 100,000 homes over the longer period of Local Plans.

The GL SIDP and GL Housing Pipeline have been developed together and have been coordinated. Work has started to align them more closely, if possible producing a joined-up prioritised list.

Utilities

GL LEP directors are aware of efforts to better coordinate activity relating to major infrastructure and housing development, with the provision of appropriate services through utilities companies. The first iteration of the GL SIDP acknowledges this undertaking and proposes further work aimed at the coordination of the GL SIDP with utilities' forward plans and programmes.

A study will be jointly commissioned by the GL LEP and the 10 local authorities, to assess the capacity of utilities companies in Greater Lincolnshire and their ability to future-proof their forward programmes and plans. This will provide local planning authorities, politicians, the GL LEP, businesses, developers and utility companies themselves with a robust framework to understand future demand and supply of utilities infrastructure. It is expected to inform decisions from plan-making to site investment while highlighting the challenges that utility companies face in providing certainty. It will also be integrated within a future iteration of the GL SIDP.

One Public Estate

The Greater Lincolnshire One Public Estate (OPE) programme is represented on the Housing & Infrastructure Group. As OPE projects become public, so they are included within the GL SIDP or GL Housing Pipeline, as appropriate.

Monitoring, Evaluation and Review

The GL SIDP is a snapshot of strategic infrastructure projects at a point in time. As work progresses on project management, so scores relating to Delivery & Risk will change – usually positively. On occasion the scope of projects may change and this could impact upon measures relating to Strategic Fit and Economic Impact. Similarly, projects may drop out as they complete, find alternative sources of funding or occasionally fail. New projects will be identified and will need to be included in the list.

The GL SIDP has not yet been considered by government officials. If they have comments to make, it may be appropriate to consider and include these.

If the 10 GL councils and government take a decision to establish a Mayoral Combined Authority, it will also be necessary and appropriate to review the SIDP in the context of the views of the new Greater Lincolnshire Elected Mayor. Officers will work to internalise a project assessment mechanism and to create a regular GL SIDP process of monitoring, evaluation and review. It is anticipated that major reviews will be reported annually to the GL LEP Board and GL Combined Authority.

Enhancement

In this first version of the GL SIDP, focus has been consciously placed upon the prioritisation of strategic infrastructure projects (defined as costing £5 million or more), primarily within the road, rail, flood defence and employment land sectors. Prioritisation has focussed upon the relative impact of the projects in enabling housing and employment growth. These projects have largely been identified from the 'bottom-up', particularly through local planning documents such as Infrastructure Development Plans (IDPs).

The first GL SIDP annual review (September 2017) will be more than a project-by-project status update. As well as incorporating the views of the elected mayor, it will seamlessly integrate the GL SIDP and the GL Housing Pipeline and will add smaller complementary transport and flood defence projects, in addition to projects within different sectors – such as those relating to utilities and community infrastructure.

If the 10 GL councils and government take a decision to establish a Mayoral Combined Authority, it may be necessary to create a new Vision, Objectives and revised Strategic Economic Plan (GL SEP).

Completion of this work will enable partners to enhance the existing GL SIDP from the 'top-down'. In this way the GL SIDP will be enhanced to support the GL LEP's and GL MCA's new ambitious and aspirational strategy for growth, informing Local Plans, as well as being informed by them.

Recommendations

It is recommended that Board members:

- Note the progress to date
- Support the Business Lincolnshire Growth Hub by helping to ensure that all business area ware of the support available.

Progress to date

The Business Lincolnshire Growth Hub was launched in April 2015 following a BIS requirement for all 39 Local Enterprise partnerships to facilitate the development of a Growth Hub to provide a one stop support shop which supports businesses from all sectors an at all growth stages.

The Growth Hub provides a single access point to a targeted package of information, diagnostic, advisory, coaching, mentoring and development programmes. Furthermore, the Hub ensures a 'single conversation' is facilitated with local businesses, raising awareness and uptake of both public and private sector support, by improving coordination, coordination, marketing and signposting. Professor Mary Stuart chairs the Growth Hub Board on behalf of the LEP.

The Growth Hub Business support includes:

- Online information web portal – www.businesslincolnshire.com
- Fully funded business assistance from Business and Skills Advisers
- Access to the national business support Helpline via phone and online webchat
- Signposting to local and national business support programmes, including UKTI, Innovate UK, etc.

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

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

Figures from April 2015 to end August 2016	Number
Growth Hub Adviser Engagements	769
No. of businesses assisted (2 hours)	504
Business Diagnostics	379
Repeat clients	377

Client satisfaction with Growth Hub Service	93%
Intermediary interactions	112
Businesslincolnshire.com unique users	62,588
National Helpline call centre referrals	133
Start-up enquiries to Growth Hub	44
Masterclass event attendees	157
Sponsored event attendees	3355
Twitter followers	3327
New Jobs created (potential)	434

Please see Appendix 1 for information of the client, geographical and industry sector analysis.

In order to continue to provide the existing Growth Hub offer and also to enhance it locally to meet market failure, LCC made an application for £2,475,829 of ESIF funding from the 2014-2020 Operational Programme to deliver the £4,153,047 Sustainable Business Growth Programme. This is a partnership application between LCC, North Lincolnshire Council, E Factor (on behalf of North East Lincolnshire Council) and the University of Lincoln. The funding will provide a strategic and comprehensive business growth programme, tailored to the specific needs of eligible SMEs within the Greater Lincolnshire LEP area and aligned with the GLLEP strategic economic plan. It offers a range of one to one support, including Business Growth, Supply Chain Development, Resource Efficiency and Investment Readiness (including the continuation of the Lincolnshire Investment Network), complemented by a small grant pot which will provide grants from £500 to £10,000 at varying intervention rates, dependent upon the level of grant. Finally there is an enterprise creation element provided by the University of Lincoln to support recent graduates to start up in enterprise.

Over 3 years, the programme will support 920 enterprises and create 252 jobs whilst increasing productivity.

Following a lengthy appraisal process, DCLG have now approved the full application as have the ESIF committee and we are in the process of finalising the Funding Agreement.

A further ESIF application has been made on behalf of the Growth Hub to secure a further £578,349 of funding to deliver a £963,915 programme to provide digital support to businesses. This will include services such as a digital health-check, cyber security audits, as well as providing access to super high tech equipment via the Lincolnshire Technology Hubs. There is also a small grant pot to help businesses bring forwards digital business projects (grants of £1,000 at 50% intervention rate). This application is currently in appraisal.

The funds from both BEIS and ESIF are contributing to a single strategic business support contract which will deliver the Business Support and Grant Activity which will be known collectively as the 'Growth Lincolnshire' offer. This contract has recently been tendered and won by EMB Ltd, the same company that has been delivering the current Growth Advice service since April 2015.

Now that ESIF funding has been approved, marketing of the offer will commence to start building awareness and a pipeline of clients.

Other ESIF Activity

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

Lincolnshire with the status of the application as at 12th September 2016.

ESIF Approval	Product Name	Delivery Agent
Approved - contracted	Explore Enterprise	Princes Trust
Approved - contracted	Starting in Business	NBV Enterprise Solutions Ltd
Approved - awaiting contract	Sustainable Business Growth Programme	LCC/ GLLEP / UoL/ E Factor /NLC
In appraisal	Business Lincolnshire Digital Growth Programme	LCC
Approved - awaiting contract	Innovation Programme for Greater Lincolnshire	University of Lincoln
Final appraisal queries	Agri Food Centre of Excellence Capital build	University of Lincoln
Final appraisal queries	Greater Lincolnshire Agri-food Innovation Platform (GLAFIP)	University of Lincoln
In appraisal	Lincolnshire Open Research & Innovation Centre (LORIC) - capital build	Bishop Grosseteste University
Full application requested	Business Inspiration	Bishop Grosseteste University
Awaiting ESIF Board approval- written procedures	Grants for Growth	SHDC
Approved - contracted	UKTI- International Trade ESIF	EMB Ltd
Approved - contracted	Manufacturing Growth Programme Lincolnshire	Pera Consulting (UK) Ltd
Approved -awaiting contract	Accelerated Growth Lincolnshire	Pera Consulting (UK) Ltd
Final appraisal queries	Collaboration 4 Growth	Lincoln BIG /Lincolnshire Chamber of Commerce
Full application requested	GAIN Enterprise Growth	E Factor Group Ltd
Full application requested	Competiveness Project SME Focused	SMMT Industry Forum Ltd
Final appraisal queries	GREAT: Green, Renewable, Environmental and Associated Technologies	Grimsby Institute

The Princes Trust Exploring Enterprise Programme and NBV's Starting in Business Programme (ESIF funded) are progressing well, to date there have been 177 potential entrepreneurs assisted to be enterprise ready and 52 new businesses have been started.

The 2 programmes link well, Princes Trust look after clients aged between 18-30 years old and NBV service clients over 30 years old.

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

Business Growth Service Data

We have signed a Data Sharing Agreement with the Department for Business, Energy and Industrial Strategy (BEIS) and now have access to the Business Growth Service client data from the MAS and Growth Accelerator Programmes. We will use this data to get in touch with these businesses and update them on the Growth Hub's services.

Partner Engagement

Our partners (business intermediaries; banks, accountants, industry bodies etc) play a pivotal role in introducing the Business Lincolnshire Growth Hub to the next wave of growth companies.

A partnership agreement is in the process of being finalised. It contains the following requirements;

As a partner, you will

- become an advocate of the Business Lincolnshire Growth Hub services
- refer your customers to the support that the Business Lincolnshire Growth Hub is able to provide through your face to face conversations, your newsletters, your website, your social media, etc.
- provide business related content and resources for the www.businesslincolnshire.com website and social media channels
- help to deliver business events and masterclasses, by providing resources, delivering joint activities and through promotion
- undertake joint visits with the Growth hub advisers, where appropriate

Partnership with the Growth Hub also brings:

- Inclusion in the partner area of the Hub's website
- Priority invitations to corporate events, business breakfast meetings and roundtable discussions
- Regular updates on business growth developments, events, products and services that can be promoted to your clients

Neighbouring Growth Hub Alignment

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

We have shared information about the respective programmes progressing through ERDF approval process and have agreed a way forward in terms of sharing and promoting overlapping programmes and assisting the businesses to access the right support for them irrespective of LEP boundaries.

We have begun to map out clear customer journeys on the 3 programmes that do duplicate and it has been agreed that a business can access advisory support from all three growth hubs but if they access a grant or sign up to a programme then the resulting outputs e.g. jobs created, will be allocated to the host growth hub. We have all agreed to have quarterly meetings to ensure consistency, alignment and cross referral.

Next Steps - Business Lincolnshire Growth Strategy

A Growth Hub strategy is currently being produced and will be circulated to the Growth Hub Governance Board (chaired by Prof Mary Stuart) for comment/input and endorsement.

Phase 1 of the Growth Hub (2015/16) sought to provide website support to pre start and start-up businesses and website and face to face support for developing/ growth ambitious businesses.

Phase 2 (2016/19) seeks to differentiate the client offers in accordance with; growth ambition, sectoral focus and business size. There will now be an advanced offer (1 to 1 support and access to a growth grant) for all our growth potential businesses, whilst small and micro business will receive information via the www.businesslincolnshire.com website and via the telephone. The focus is to move towards assisting the small and medium sized businesses to develop and grow. The strategy will also focus on future sustainability options.

Growth Hub Impact /Benchmarking

The national BEIS Growth Hub team have commissioned Middlesex University to undertake a full growth hub impact review. They are schedule to produce their interim report at the end of October and final report end of January.

Conclusion

The Growth Hub is performing well and has achieved good results since April 2015. Satisfaction levels and feedback reported from clients is also good. Impact in terms of the jobs pipeline is extremely encouraging and the Growth Hub is maintaining relationships with all business contacts so that we are continually capturing jobs and GVA impacts as they are realised.

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

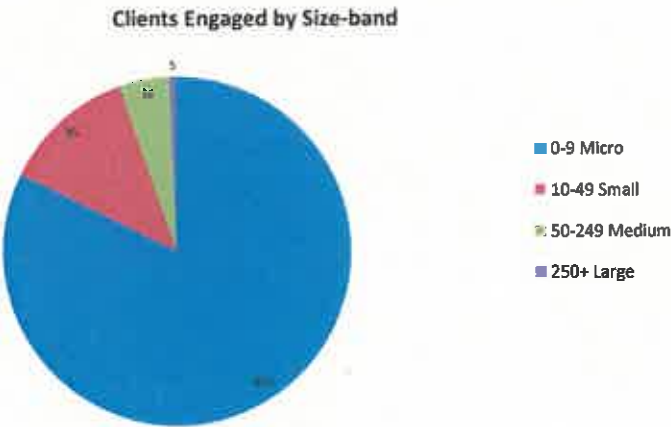
Under the guise of the growth hub, we have been able to work with intermediaries in a more open and transparent way including delivery of joint events, annual aligned programmes and utilisation of shared resources. We are developing an agreement that we can ask partners to sign up to, to add further strength to this approach.

ESIF and BIS funding will support the Growth Hub for the next 2 to 3 years which will able a greater variety of services to be offered, and the Growth Hub is investigating models to offer sustainability of services beyond 2018-19.

**BusinessLincolnshire
Growth Hub**

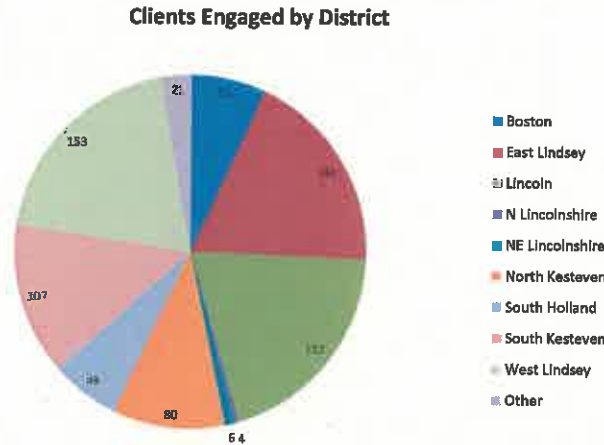
Appendix 1

Client Profile

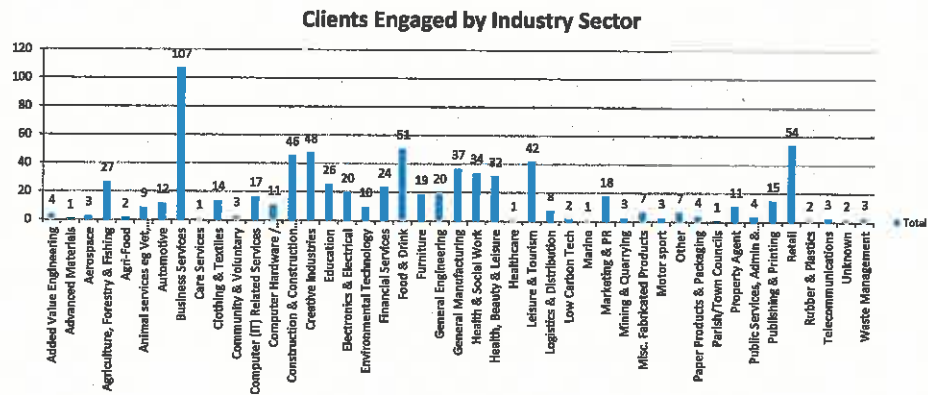


25/08/2015

Client Engaged by District



Client Engaged by Industry Sector



What clients say about the service

- Below are direct quotes from clients describing how they have felt about the support being provided.
 - *We had a great session with Noreen (Business Adviser) in Stamford. Noreen is incredibly positive, encouraging and communicates very clearly and concisely, and has been very responsive both in person and over email. She got to grips very quickly with the nature of our business and although she shared an awful lot of information on the day, we felt enthused and inspired rather than overloaded. The promised report came through when Noreen said it would and reinforced the points from the meeting as well as adding more meat to the bones of our discussion. We have found the information very useful and have lined up a couple of meetings as a result already (PERA & UKTI). We look forward to catching with Noreen again for our follow up appointment. I'm sure we will continue to reap the benefits from this meeting for some time to come.*
 - *Pat-It.co.uk - Many thanks for this action plan I'll have a good read through over the next few days. I really appreciate your time spent with me and the boost you gave me to want to grow my business, very motivational and the feeling that I'm not alone. On a positive note, I have accepted my customers offer of the use of his vacant office. At only £10 p/w I think this will help not only professionally but also taking work away from home life. I look forward to another meeting with you over a coffee at our new office*
 - *Midlands Wills - Thank you for the action plan. I shall start working my way through it! In respect of our meeting, I found it incredibly helpful. I had lost a sense of clarity in purpose and direction. You were able to help me to begin the process of stepping back and reviewing where I'd been, where I was and where I was going. I felt better immediately!*

ESIF programme and Strategic Economic Plan
Pre-Braxit Commitments

SEP priority	Committed schemes	Committed amount	Comments	
Most important sectors	Agri-food			
	Centre of Excellence in Agri-Food Processing	£3,600,000		
	Greater Lincolnshire Agri-Food Innovation Platform (GLAIFP)	£3,769,224		
	Automated Flower Bunching Line	£147,200		
	New Brassica Facility	£129,891		
	Total for Agri Food:	£391,570		
	Tourism			
	Boston Bowl Activity Centre	£142,000	Difficult to fund the tourism sector with ERDF but there are opportunities under EAFRD through small scale Infrastructure and co-operation grants.	
	Doddington to Sustrans 64 Cycle Route	£167,200		
	Total for Tourism:	£309,200		
Advanced engineering				
	Manufacturing Growth Programme	£1,000,000		
	GREAT: Green, Renewable, Environmental and Assisted Technologies	£1,455,818		
	Total for Advanced Engineering:	£2,455,818		
Low carbon				
	Smart Energy Business for Greater Lincolnshire	£5,462,591		
	Go Green Scheme	£2,290,074		
Total for Low Carbon:		£7,752,595		
Emerging sectors	Portals/logistics			
		The Prince's Trust 'Better Off In Business'	£343,959	
		Growing Enterprise	£1,000,000	
		Business Lincolnshire Sustainable Business Growth Programme	£2,475,828	
		Internationalising SME's	£883,800	
		High Growth Programme	£910,000	
		Collaboration 4 Growth	£573,677	
		Business Inspiration	£527,541	
		Competitiveness Project - SME Focus	£500,000	
		Greater Lincolnshire Local Enterprises Growth & Efficiency Programme (GL-LEGE)	£1,919,467	
Growing GL's businesses		East Midlands A2E Fund of Fund Ringfenced	£5,000,000	
		GAIN Enterprise Growth	£1,343,951	
		Total for SME's:	£15,444,143	
		Innovation Programme for Greater Lincolnshire	£2,077,986	
		Lincolnshire Open Research & Innovation Centre (LORIC)	£2,174,994	
		Business Lincolnshire Digital Growth Programme	£579,349	
		Total for Innovation:	£4,831,329	
				Not eligible as stand alone schemes due to perceived displacement issues and needs to be incorporated into specific projects.
	Marketing			
		Skills support to the Greater Lincolnshire Workforce	£3,997,000	
Skills		Moving back into employment: Skills support to the unemployed	£2,280,000	
		Aspiration & Inspiration: NEET Information, Advice and Guidance	£350,000	
		Apprenticeship Growth Programme	£810,000	
		Specialist Skills Advisor Network	£1,400,000	
		Aspirations - Greater Lincolnshire Careers and Industry project	£250,000	
		Industry specialists Teaching and Knowledge Exchange programme	£750,000	
	Total for Skills:		£11,617,000	
Enterprise and Innovation sub-total: £50,432,970				
TOTAL ESIF Allocation:		£100,969,841		

A location for investors	Transport				
	Utilities				
	Water				Greater Lincoldshire put forward a case to support sustainable transport but only Cornwall and the Isles of Scilly have been allowed to support activity under this priority
GL's homes and communities	Housing				
	Environment				
					Guidance has not been clear on what ERDF can support. Development of schemes around sustainable Urban extensions are being pursued but eligibility and timescales need to be considered.
Environment and Resource efficiency sub-total:		£2,994,000			
TOTAL ESIF Allocation:		£9,411,838			

Recommendation:

The LEP Board is asked to consider the Business Rates consultation and whether they would wish to respond welcoming the acknowledgement of the role of LEPs in the proposals, but advising that any additional infrastructure levy should be the subject of a wider consultation with the wider business community.

Background

The purpose of this report is to draw LEP Board Directors attention to the live consultation on the retention of business rates and the particular questions related to the role of LEPs.

The 100% retention of business rates by Local Government is a reform that councils have long campaigned for – and which Central Government is now committed to. Implementing this vitally important change will mean that 100% of all taxes raised locally are retained by Local Government but that other central grants stop.

A consultation was launched on the implementation of this policy in July and the closing date for response is the 26th September 2016. Currently, 50% of business rates are held centrally with the balance distributed locally. The centrally held amount is utilised to finance Central Government grants to Local Authorities. The intention is that Local Government should be funded from local income with the end of central grants. This will result in devolution of responsibilities and open up opportunities for local tax flexibilities.

A 2011 list from the VOA shows that North Kesteven, West Lindsey and East Lindsey are in the bottom quartile for average RV, with East Lindsey 7th lowest LA in England. North East is the medium quartile, and Lincoln and North Lincs in the top quartile in terms of average RV

The full document can be found at <https://www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention>. The consultation illustrates the complexity of the subject. Business organisations, Local Authorities and others are responding to the consultation. This report focuses on those areas of interest to the Greater Lincolnshire LEP.

Under 100% rates retention, the Government intends that Enterprise Zones and other designated areas will continue to operate as now and, therefore, will be guaranteed 100% of business rates growth for 25 years. This means that for the purposes of the scheme, the Government intends that any income above current baselines in Enterprise Zones and designated areas will be disregarded for the purposes of calculating "cost neutrality" when devolving new responsibilities to Local Government and for the purposes of working out tariffs and top-ups. As a consequent, the Humber Enterprise Zone will not be affected by these proposals.

Local Tax Flexibilities

The consultation document considers two areas:

- It considers the range of options for the design of the new power to reduce the business rates tax rate, including how decisions are made and at what level.

- It also seeks views on the design of the new ability for Combined Authority Mayors to raise an infrastructure levy by 2 pence for use on infrastructure
- The new levying powers will only be open to Combined Authority Mayors. The existing Business Rates Supplement powers, which allow authorities to levy a supplement on the national multiplier to fund additional investment aimed at promoting the economic development of local areas, approved by a ballot of ratepayers, will still be available outside of Combined Authority Mayoral areas.

In the case of Combined Authority areas, the consultation proposes that the approval of a majority of the business members of the LEP Board will be required, in order for an Infrastructure Levy to be raised. It suggests that this could be sought in the form of a prospectus from the Mayor, setting out the key parameters of the proposal.

The specific reference to LEPs is outlined in the section on Infrastructure Levy, where the Mayor has to set out his plans for an Infrastructure Levy, which would be agreed by the Combined Authority, before going to the LEP Board. The LEP Board would have a power of veto over the proposals. A number of discussion points, therefore, need to be considered here:

- How do the private sector Board members of the LEP feel about signing off an Infrastructure Levy?
- What changes do you think we would need to make our Board or engagement progresses to feel with are representative of business in this matter?
- How would we propose to consult and manage the decision making process (through a simple vote on the LEP Board, or stakeholders group or a non-binding poll?).
- What policy issues does throw up for LEPs?

Consultation and Timetable

The consultation closes on the 26th September 2016 and it is recommended that the Greater Lincolnshire LEP responds to the consultation. It is envisaged that there will be another consultation on the operation of the business rates system in the Autumn, before primary legislation is encapsulated in a "Local Growth and Jobs Bill" in January 2017.

Priority and Emerging Sector Update Research Paper



Introduction

The following paper looks at how the Greater Lincolnshire Local Enterprise Partnership's (GLEP) six priority and emerging sectors have fared over the last five years since being identified as the main drivers of growth in both the local economy and for UK plc can grow UK plc and add real value to the Government's industrial strategy, now and into the future.

The priority sectors are Agri-food, Manufacturing, the Visitor Economy, and the Low Carbon Economy, whilst the emerging growth sectors were identified as being Ports & Logistics, and Health & Care. Full details of the activities that these sectors cover, how they overlap, and how they come together to form a large part of the local economy, can be found in the appendix.

This paper also considers what has happened in both the Greater Lincolnshire and national economies since 2009 in order to provide the context for updating conditions for and performance of the priority and emerging sub sectors.

Headlines

- **Growth in productivity in some of the priority and emerging sectors but at the expense of employment**
- **Manufacturing (both non-food and food manufacturing) in North East Lincolnshire is an area of concern**
- **Overall gap between national and Greater Lincolnshire levels of productivity appears to have grown based on initial analysis**

Greater Lincolnshire in the Global and National Economic Context

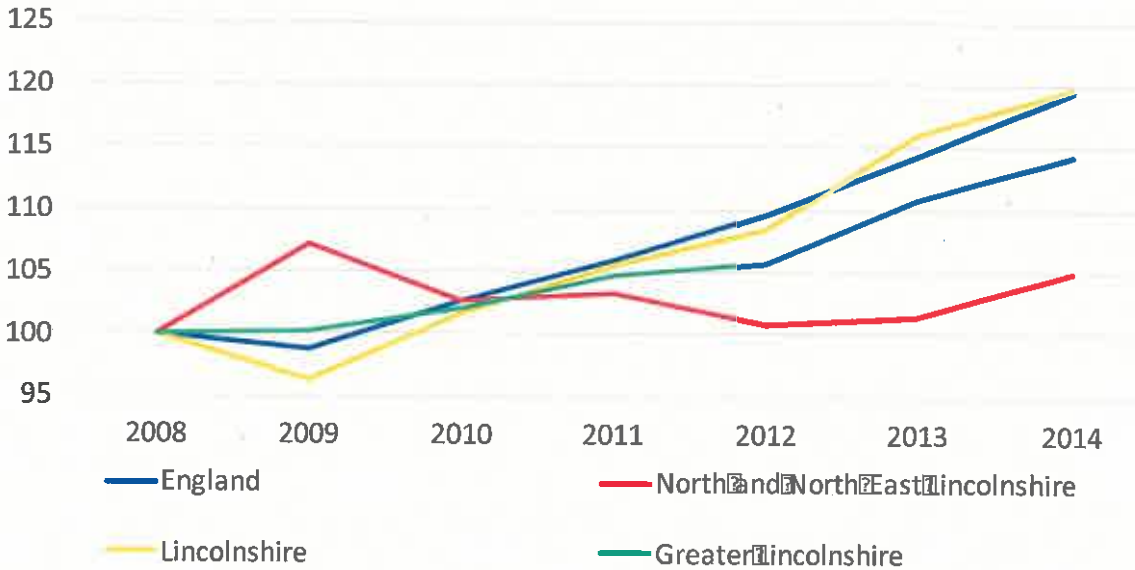
The Greater Lincolnshire LEP was formed in 2010 just as the global and national economies were beginning to show signs of emerging from the economic downturn which had engulfed western economies since the 2008/9 financial crash.

Figure 1 shows the change in Gross Value Added (GVA) for both the UK, the Greater Lincolnshire area, and its constituent county and unitary authority areas. It shows that whilst the Lincolnshire economy suffered a greater hit in 2009 in terms of its GVA, since then growth has been in line with that of the national economy.

North and North East Lincolnshire however bucked the national trend (in terms of GVA) in 2009 but since then has fallen away in terms of its growth. The Greater Lincolnshire economy was worth £20.13bn in 2014 compared with £17.61bn in 2008.

Figure 1 – Change in Gross Value Added (2008 = 100)

Source: Office for National Statistics



A recent release of experimental figures for GVA at local authority district (LAD) and individual unitary authority (UA) level from the Office for National Statistics sheds even more light on this issue. Using this information figure 2 shows the change in GVA at these levels since 2008 indexed at 2008 levels.

Figure 2 – Change in GVA for LADs and UAs, 2008 = 100

Source: Experimental GVA Office for National Statistics

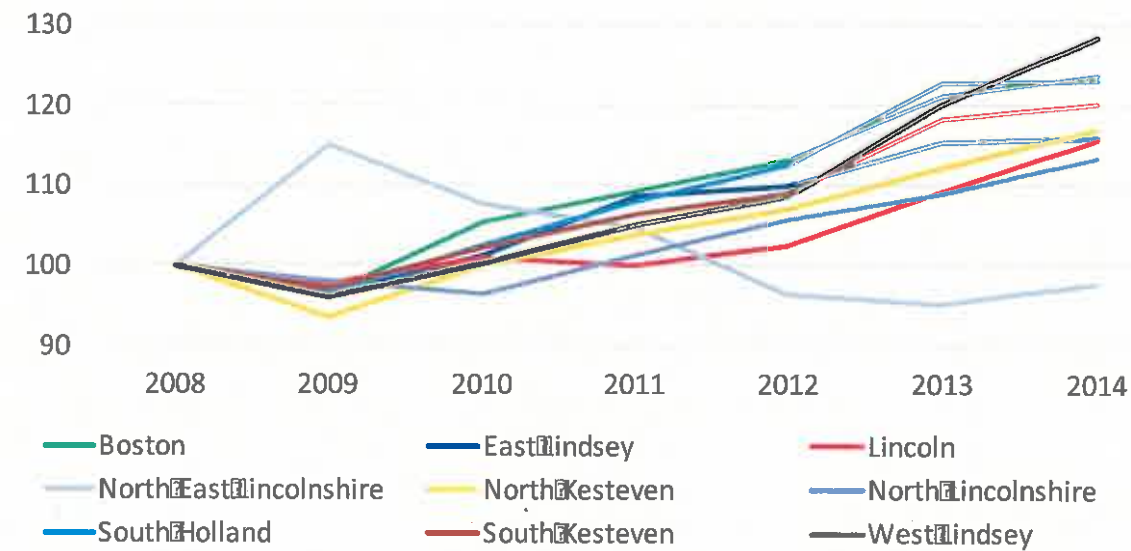


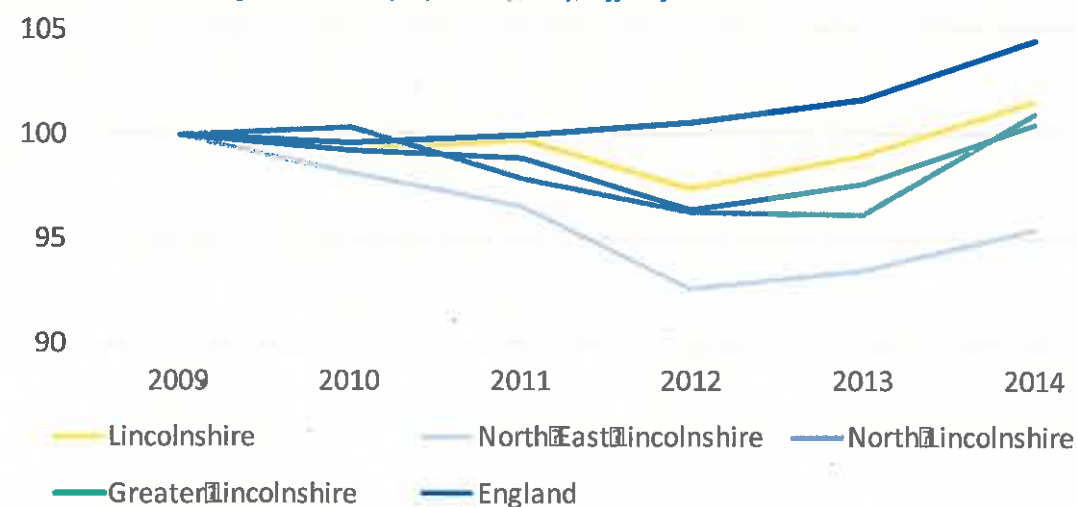
Figure 2 shows that all the areas that make up the Greater Lincolnshire area have performed broadly in line with the national trend, all that is apart from North East Lincolnshire which is yet to recover to its pre-financial crash level. This is something that we will look at in more detail when we consider the GLLEPs priority and emerging sectors later on this paper.

So, generally then the Greater Lincolnshire economy has grown over time in terms of value, but what about employment?

Employment in Greater Lincolnshire in 2014 stood at 434,300. However, this figure is only just above employment levels in 2009 (by just over 2,000 jobs) as shown in figure 3. The notable exception to this is again North East Lincolnshire where employment is still well below its 2009 level.

Figure 3 – Change in total employment

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



The definition of 'employment' used throughout this paper includes employees (anyone aged 16 years or over that an organisation directly pays from its payroll(s), in return for carrying out a full-time or part-time job or being on a training scheme) plus the number of working owners.

Working owners are typically sole traders, sole proprietors or partners who receive drawings or a share of the profits.

Employment therefore includes self-employed workers as long as they are registered for VAT or Pay-As-You-Earn (PAYE) schemes. Self-employed people not registered for these, along with HM Forces, voluntary workers, and Government Supported trainees are excluded.

Figures 4 and 5 show that this drop in employment levels in North East Lincolnshire has been primarily down to changes in the numbers of part time employees.

Figure 4 – Change in full time employment

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

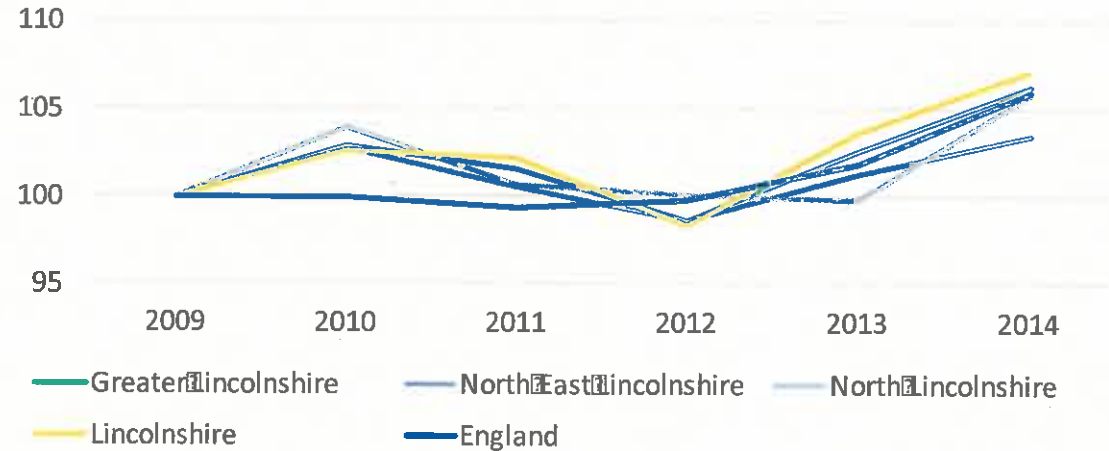
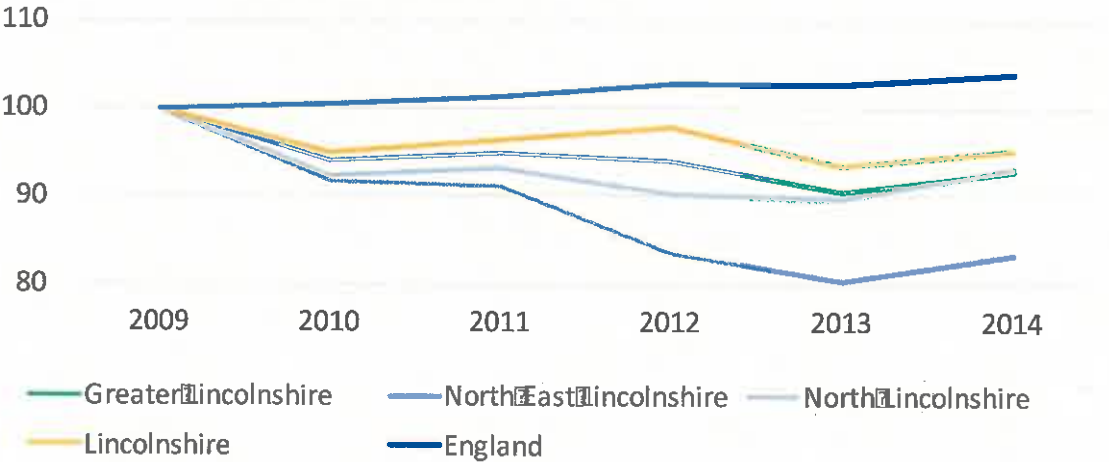


Figure 5 – Change in part time employment

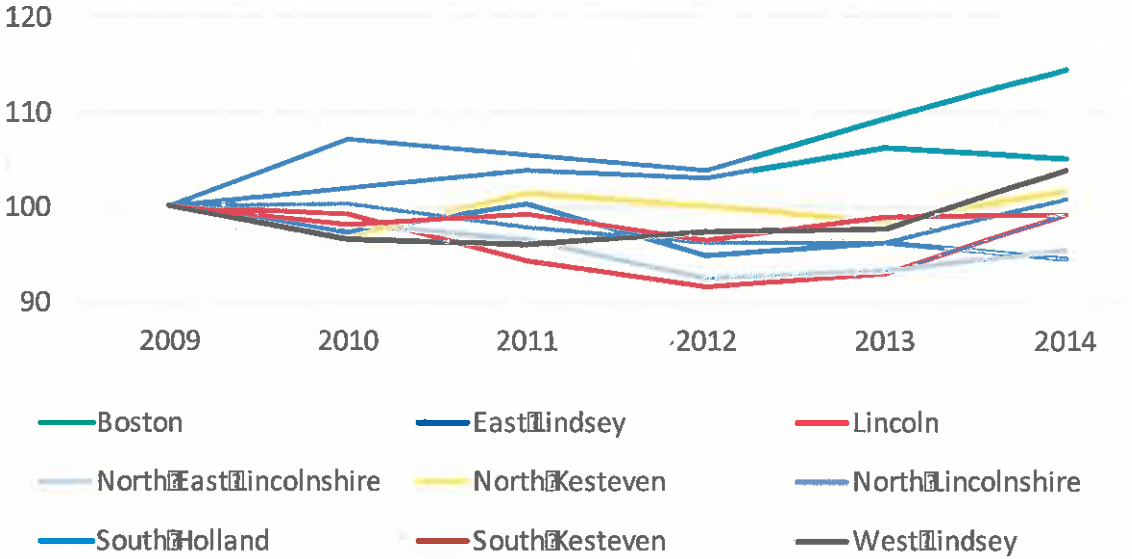
Source: Business Register and Employment Survey, Office for National Statistics



In fact, if we look further into this issue and consider the local authority districts that make up Lincolnshire then we can see that North East Lincolnshire is not alone in terms of struggling to generate employment growth. Figure 6 shows that employment levels are yet to return to 2009 levels in South Kesteven, Lincoln, and East Lindsey.

Figure 6 – Change in total employment for LADs and UAs

Source: Office for National Statistics

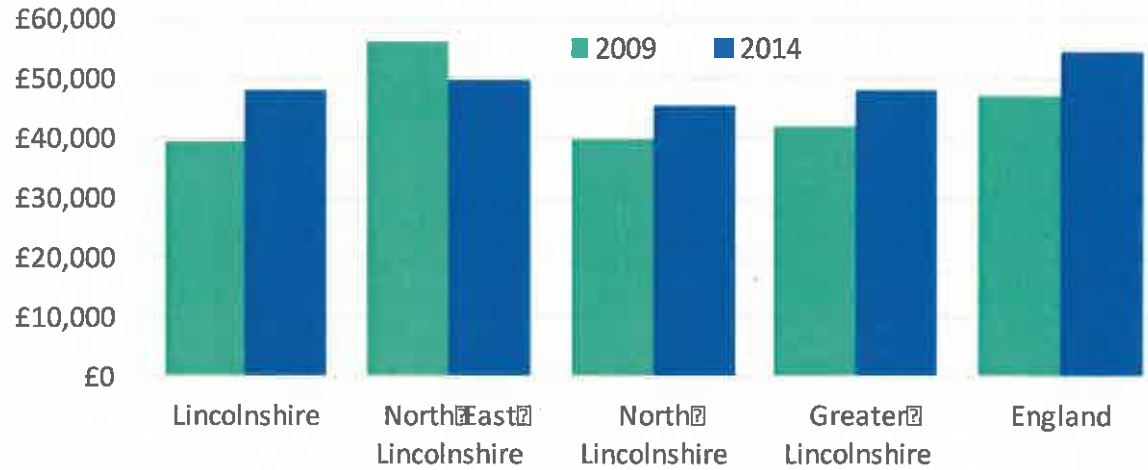


Have these changes in employment and structure impacted on levels of productivity (GVA per worker) at the Greater Lincolnshire level?

In short, yes. Figure 7 shows that despite having levels of productivity above the national average in 2009, North East Lincolnshire’s productivity measure is moving in the opposite direction and is now below the national average.

Figure 7 – Productivity Levels, 2009 and 2014

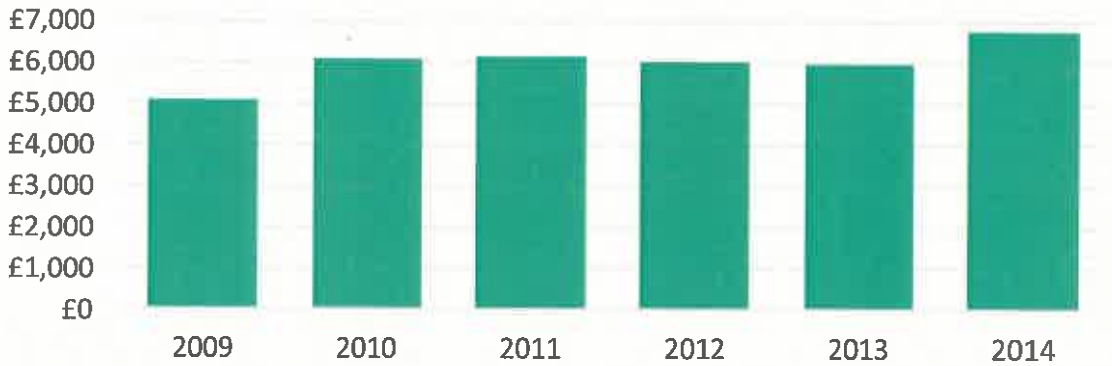
Source: Office for National Statistics



The net result of all this being that the gap in productivity (based on the productivity measure of GVA per worker; productivity can also be measured in terms of GVA per hour worked) between Greater Lincolnshire and the rest of the country appears to have grown since 2009, as shown in figure 8.

Figure 8 – Size of the gap between national and Greater Lincolnshire productivity over time

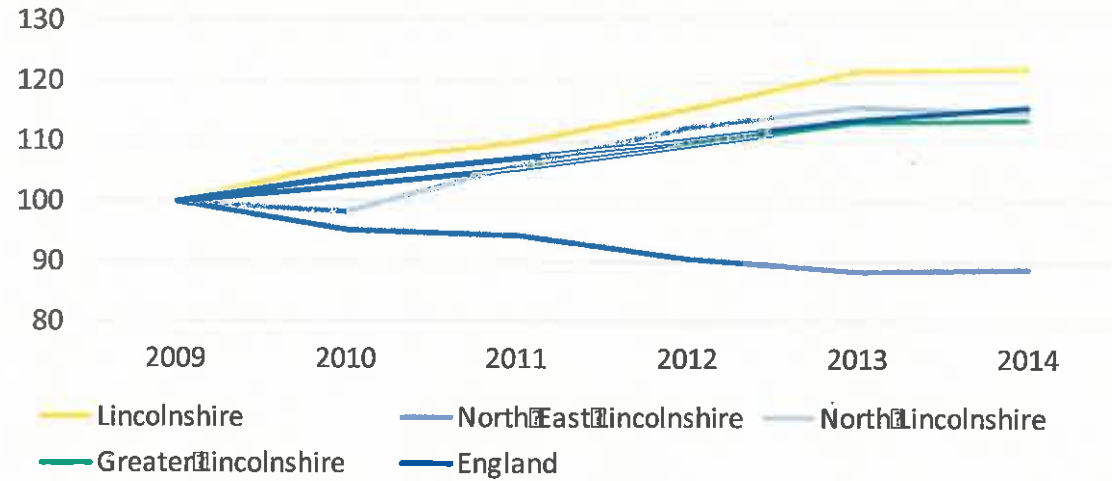
Source: Office for National Statistics



This growth in the gap is despite above national average levels of growth in productivity for Lincolnshire since 2009 as shown in figure 9. *These initial findings around productivity will be revisited in late 2016 as part of the GLLEPs Annual State of the Economy report and will contain more detailed analysis of changes in productivity at LEP level from the Office for National Statistics.*

Figure 9 – Growth in productivity over time, 2009 = 100

Source: Office for National Statistics



Moving away from productivity and turning our attention to business numbers, as at 2015 there were an estimated 44,530 business units in the Greater Lincolnshire area, an increase of approximately seven per cent on 2010 numbers, or just over 3,000 additional units. In terms of enterprises then there are an estimated 36,965 in the Greater Lincolnshire area.

A **local unit** is an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as a workplace.

An **enterprise** can be thought of as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that has a certain degree of autonomy within an enterprise group.

For the purposes of analysis of size of business, legal status and change in numbers we will be referring to business units in this paper.

Figure 10 – Change in business units, 2010 = 100

Source: UK Business Counts, Office for National Statistics

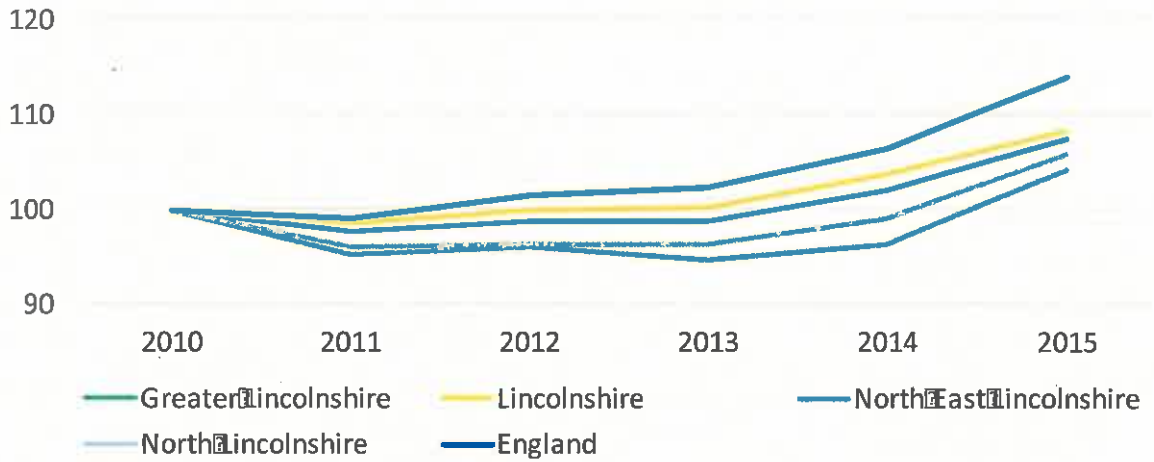
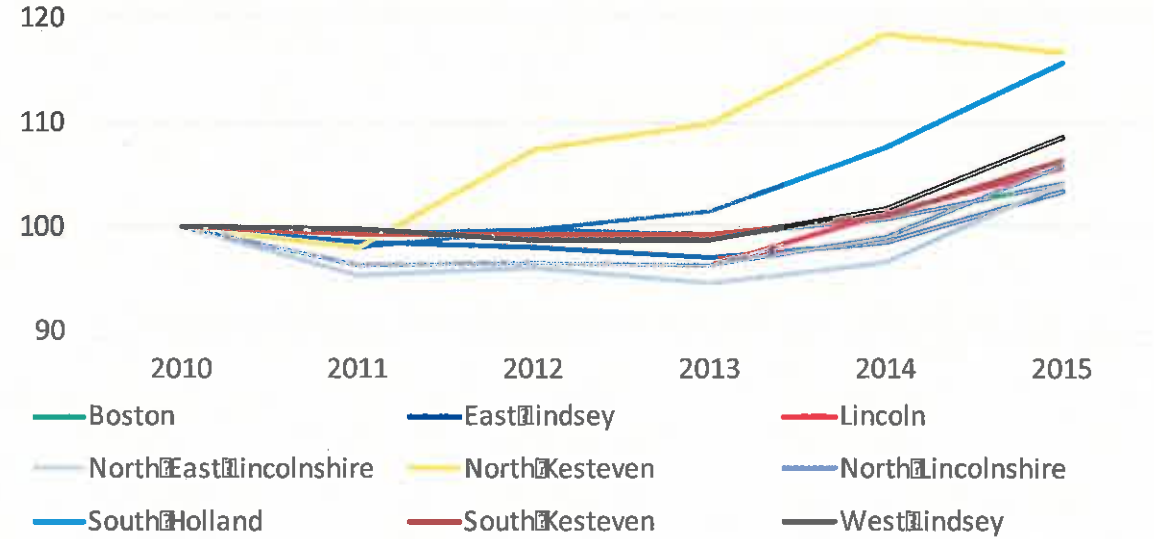


Figure 10 shows that despite this growth in units, Greater Lincolnshire still lags behind in terms of growth of units nationally. In fact, it was only as recently as 2015 that business unit numbers in North and North East Lincolnshire surpassed 2010 numbers. Figure 11 shows that this was also the case for many of the local authority districts that make up Lincolnshire.

Figure 11 – Change in business units at LAD/UA level, 2010 = 100

Source: UK Business Counts, Office for National Statistics



Greater Lincolnshire’s Priority and Emerging Sectors

Through its Strategic Economic Plan, the Greater Lincolnshire LEP has identified and prioritised four core sectors which will make the most significant contribution to growing and rebalancing the UK economy. These priority sectors are Agri-food, Manufacturing, the Visitor Economy, and the Low Carbon Economy.

In addition to these four sectors, the two further sectors of Ports & Logistics, and Health & Care, have been identified as key sectors with the potential for significant growth in the medium to long-term.

For statistical purposes, the sectors are built up from 5 digit SIC (Standard Industrial Classification) codes or sub sectors, and further details of these can be found in the appendix. These 5 digit SIC codes are used as the sub sectors in both the Business Register and Employment Survey (BRES) and the UK Business Counts, two sources of information provided by the Office for National Statistics and which enable us to very accurately define these sectors in terms of their employment and business numbers/type/size.

One of the key elements to understanding any sector is the economic value that it creates within the economy. Unfortunately, statistics on this measure (Gross Value Added, or GVA) are not available at this 5 digit SIC code level and therefore figures for sectoral GVA presented in this paper are best estimates based on broad industrial groups. These broad industrial groups and how they best fit with each of the priority/emerging sectors is set out in table A.

Table A – Closest fit Broad Industrial Groups with GLLEP Sectors

GLLEP Priority / Emerging Sector	Broad Industrial Group used for estimating change in GVA
Agri-food	Agriculture, forestry and fishing; Food products, beverages and tobacco
Manufacturing	Non-food manufacturing
Visitor Economy	Accommodation and Food Service activities; Arts, entertainment and recreation
Ports & Logistics	Transportation and Storage
Health & Care	Human health and social work activities
Renewables	NA – see explanation below

In addition to this, the Agri-food sector presents an additional challenge in that figures for employment in the agricultural sector are the responsibility of the Department for Environment, Food and Rural Affairs (Defra).

The sample size for Defra’s June Agricultural Survey changes each year depending on UK and EU requirements. In years such as 2010 and 2013 when the EU requires very detailed information on the structure of the UK agricultural industry the sample size is increased. This enables Defra to produce good quality estimates for detailed geographies in those years. In

other years the sample size is smaller to reduce the burden on farmers and as a result detailed breakdowns are not produced in those years. As a result, figures for agricultural employment in Lincolnshire, North East Lincolnshire, and North Lincolnshire, are only available for every three years, as opposed for every year for all other sectors via the Business Register and Employment Survey.

With agriculture being a major contributor to Agri-food employment and total employment, and in order to present the most accurate picture of employment in the sector and in Greater Lincolnshire, the 2013 Defra figure for agricultural employment is included in the 2014 employment figures for both the Agri-food sector and total employment. However, agricultural employment has not been included in any trends analysis of employment. The effect of this is minimal as the Defra data shows that total labour in agriculture across Greater Lincolnshire increased only slightly from approximately 14,500 in 2010 to just below 15,000 in 2013.

Finally, the Low Carbon sector presents a unique challenge in that a lot of low carbon and renewable energy activity takes place across many sectors. However, the limitations of national statistics available on employment, economic value, and business numbers means it is practically impossible to determine the extent of this activity.

The Office for National Statistics have been aware of this issue for some time and in response has developed estimates for the low carbon and renewable energy economy based on responses to a national survey¹.

The Low Carbon and Renewable Energy (LCRE) Economy Survey was designed to provide greater detail on the low carbon and renewable energy economy in the UK. The survey was sent for the first time in 2015 (for the reporting year 2014) to a sample of 41,483 UK businesses. It achieved a response rate of 84.5% and of those who responded, 3,366 businesses were operating in the LCRE sectors covered by the survey.

The target population for the survey was high intensity Low Carbon industries, and hence excluded the following industries:

- Information service industries (632)
- Financial and Insurance Activities (64, 65, 66)
- Public Administration and Defence; Compulsory Social Security (84)
- Human Health and Social Care Activities (86, 87, 88)
- Arts, Entertainment and Recreation (90, 91, 92, 93)
- Repair of computers and personal and household goods (95)
- Activities of Households as Employers; Undifferentiated Goods and Services
- Producing Activities of Households for Own Use (97, 98)
- Activities of Extraterritorial Organisations and Bodies (99)

¹ Low carbon and renewable energy economy, final estimates: 2014, Office for National Statistics

Results from the survey can be used to show business activity in 6 low carbon groups. These groups can be subdivided into 17 low carbon sectors.

The low carbon groups are: low carbon electricity, low carbon heat, energy from waste and biomass, energy efficient products, low carbon services, and low emission vehicles (which combines low emission vehicles and infrastructure and fuel cells and energy storage sectors).

The low carbon sectors are: offshore wind, onshore wind, solar photovoltaic, hydropower, other renewable electricity, bioenergy, alternative fuels, renewable heat, renewable combined heat and power, energy efficient lighting, energy efficient products, energy monitoring, saving, or control systems, low carbon financial and advisory services, low emission vehicles and infrastructure, carbon capture and storage, nuclear power, fuel cells and energy storage systems.

Further information regarding these low carbon groups and sectors, and the activity they capture, can be found in appendices E and F (pages 47 and 50 respectively).

This recent development in measuring the sector means that we can now better estimate its size at the local level. As such this paper presents the best view we have of the sector in Greater Lincolnshire to date albeit based on national estimates.

Agri-food

Probably Greater Lincolnshire's most traditional industry, the Agri-food sector covers all aspects of the food chain from crop growing and animal rearing, food processing and production, to packaging activities to wholesale retail. A full list of the sub sectors that make up the Agri-food sector (including details of employment where possible) can be found in appendix B (page 36).

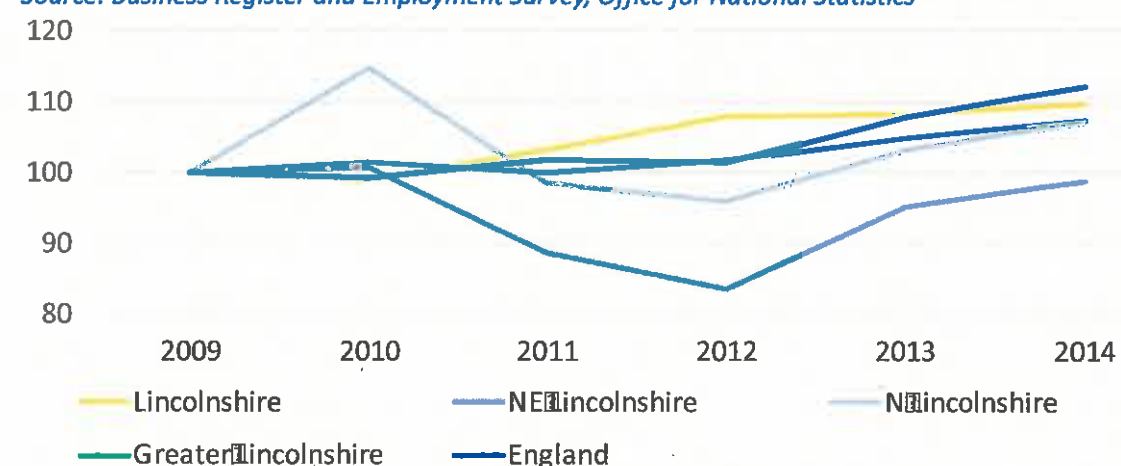
Employment

In total the sector employs 52,200 people (up from 49,200 in 2009), which equates to 12 per cent of the total Greater Lincolnshire workforce. Figure 12 shows how the sector has fared in terms of employment since 2009 across Greater Lincolnshire's constituent areas. North East Lincolnshire in particular has experienced a fall in employment numbers, and despite recovery from 2012 onwards, is yet to return to pre-financial crash levels based on latest 2014 figures.

Closer inspection of the figures for North East Lincolnshire reveals that this fall in employment in the sector has been felt most keenly in the sub sector of prepared meals and dishes.

Figure 12 – Employment change in Agri-food over time, 2009 = 100

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



Please note here that due to the differences in Defra Agricultural Census and ONS data figure 12 excludes employment change in agriculture. However, we can say from the Defra data that total labour in agriculture across Greater Lincolnshire increased slightly from approximately 14,500 in 2010 to just below 15,000 in 2013. These figures are however included in the total sector employment figures.

Table B details the top ten Agri-food sub sectors (based on the size of employment they provide locally), the proportion of employment they provide locally relative to that at the national level (UK=100), and how employment numbers have changed since 2009.

Table B – Top 10 Agri-food sub sectors (based on % of total sector employment and ordered by UK=100 value)

Source: Business Register and Employment Survey, Office for National Statistics, and June 2013 Agricultural Survey, Department for Environment, Food, and Rural Affairs

Sub Sector	Employment (% of total sector employment)	UK =100	% change in employment 2009-14
Processing and preserving of fish, crustaceans and molluscs	3,500 (7)	1,115	6
Processing and preserving of poultry meat	4,000 (8)	497	31
Other processing and preserving of fruit and vegetables	2,900 (5)	330	-32
Manufacture of prepared meals and dishes	3,400 (6)	319	197
Packaging activities		204	42
Wholesale of fruit and vegetables	1,900 (4)	149	15
Defra Agricultural Data (Total Labour)	14,900 (29)*	108	3**
Retail sale of meat and meat products in specialised stores	1,500 (3)	99	-4
Non-specialised wholesale of food, beverages and tobacco	2,000 (4)	60	29
Other food service activities	1,400 (3)	28	99

Employment numbers are rounded to the nearest 100; *Data relates to 2013 **Data relates to 2010-2013
Some figures removed due to the possibility of disclosure

Economic Value

The Agri-food sector is currently worth approximately £2.09bn to the local economy in terms of Gross Value Added (GVA). This equates to just over 10 per cent of the total value generated by the Greater Lincolnshire economy.

Figure 13 – Estimated change in Agri-food Gross Value Added, 2009 = 100

Source: Office for National Statistics and Cambridge Econometrics Local Economy Forecasting Model

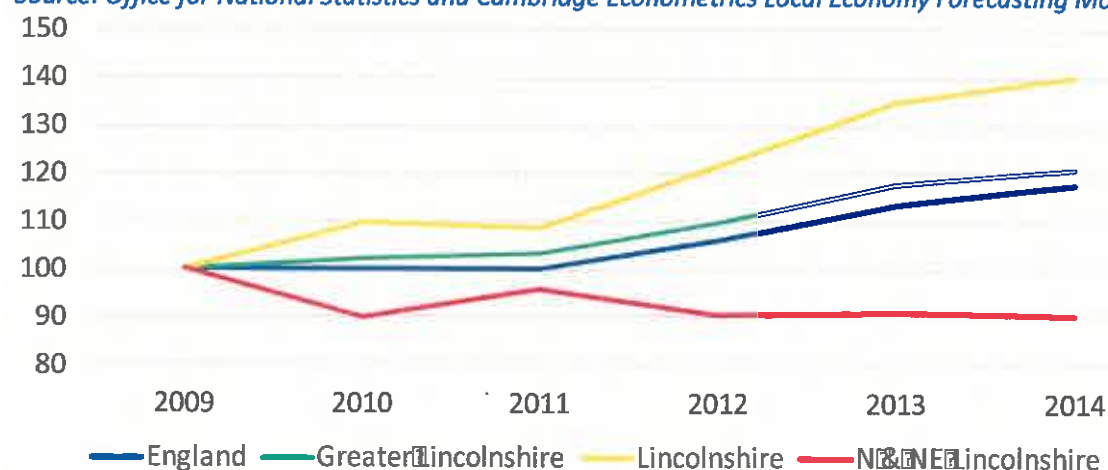


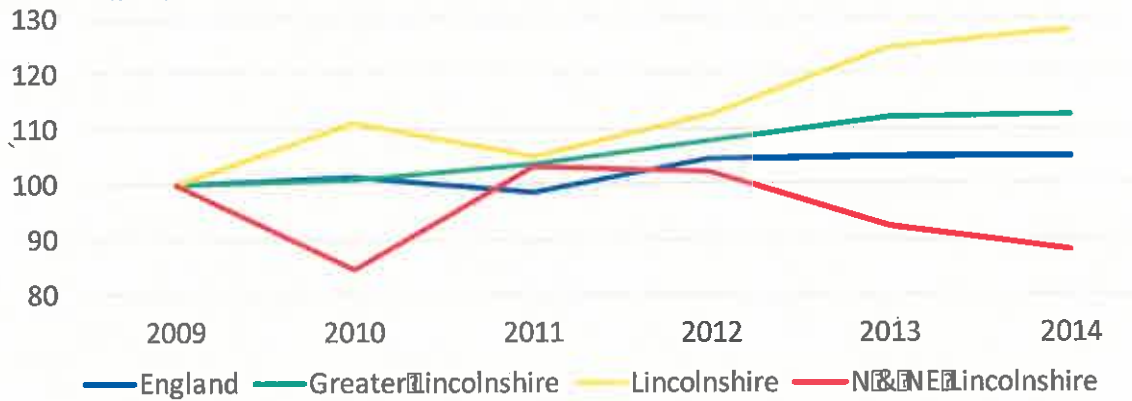
Figure 13 shows that estimated increases in Agri-food GVA in Lincolnshire have been higher than the national average, and so despite relatively poor performance levels in North and North East Lincolnshire, the overall performance (in terms of GVA) of the Agri-food sector in Greater Lincolnshire has been above that at the national level.

Productivity

Using these figures for employment change over time, and estimated change in sectoral GVA, then we can also estimate the changes in the levels of productivity as shown in figure 14. Lincolnshire’s growth in productivity is particularly impressive given that a greater proportion of its Agri-food sector is made up of agriculture, which has been declining in employment terms for many years, and the reduction in land area being farmed (from 519,807 ha in 1995 to 483,527 ha in 2013).

Figure 14 – Change in Agri-food productivity, 2009 = 100

Source: Office for National Statistics and Cambridge Econometrics Local Economy Forecasting Model

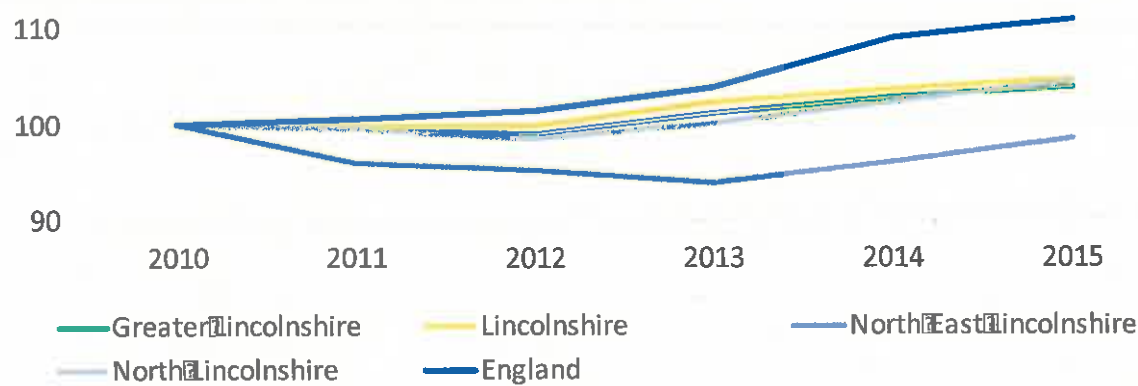


Business Numbers

As of 2015 then there were an estimated 7,160 Agri-food business units, accounting for 16 per cent of business units in 2015, and up from around 6,890 in 2010. Figure 15 shows that all areas of Greater Lincolnshire have performed below the national average in terms of growth in Agri-food business units, with North East Lincolnshire yet to return to pre-financial crisis levels.

Figure 15 – Change in Agri-food business units

Source: UK Business Counts, Office for National Statistics



Looking Ahead

Key sectoral issues for consideration:

- 2016 harvest yields nationally are expected to be down, but the quality is generally being reported as good. Global prices remain steady due to an expected high yield harvest in the US where weather has been particularly favourable².
- Brexit will have little impact on the prices of crops as they will always be driven by levels of global supply and demand. Where Brexit will play a part is in the import (or export) of manufactured or processed food stuffs. So we can expect UK products to look more attractive to overseas buyers, and at the same time, prices of products that can only be grown or produced overseas will push up prices at home as retailers have very little room to move in a competitive market. As such we will see some upwards pressure on the inflation rate.
- Perhaps the key component in determining global supply of crops is the weather. 14 of the 15 hottest years on record have occurred since 2000 and the global temperature has already increased by nearly 1c on average based on pre-industrial levels (in fact, 2015's average global temperature was 1.38c above pre-industrial levels). Many scientists now think that the target of keeping warming below 1.5c (as set out in the Paris Agreement) is unachievable. This is either affecting growing conditions (amongst many other things) now, or will do in the very near future, so the sector also needs to be adapting now.
- Also linked to climate change is the issue of soil erosion. Soil types in the East of England are considered to be the most agriculturally productive in the country. However, many of these soils are prone to wind erosion as they have a high proportion of silt-sized particles. The soils at most risk include those derived from marine alluvium and fen peat that are found extensively around the Wash as well as the drained fen peats from the Cambridgeshire and Lincolnshire Fens³. The Government's official climate change advisory group, the Committee on Climate Change (CCC), have recently reported that the UK has lost 84 per cent of its fertile topsoil since 1850 at a rate of 1cm to 3cm a year, putting the UK in danger of producing less food in the coming decades and raising big questions around food security.
- Many components of the Agri-food industry such as basic processing, harvesting and wholesale will see large proportions of employees being paid below the National

² Farmers Weekly, www.fwi.co.uk

³ Mapping soil erosion risks, Tye, Rawlins and Lawley, Earthwise 25, British Geological Survey, Natural Environment Research Council

Living Wage (NLW). The squeeze on producers through the introduction of the NLW, and relatively lower labour costs elsewhere, such as in Spain, mean that there could be an increase in imported produce should domestic supply become too expensive for retailers. This means that realistically the sector has no room to raise prices without having a negative impact on the sector within the UK. However, unlike some other sectors, there is room in the Agri-food sector to increase productivity (and therefore counter the cost pressures of the NLW) through automation, particularly in relation to harvesting and basic processing⁴.

Finally, a return to 'Brexit', with the two key elements of potential impact being on subsidies and the use of migrant labour:

- One key area of concern for Agri-food businesses post Brexit is the access to migrant workers. However, the UK has had access to workers from Europe since long before we joined the EU through the seasonal agricultural workers' scheme (SAWS). Between 1948 and 2004, SAWS recruited non-EU university students for up to six months at a time and guaranteed their return home, without increasing total immigration. Since 2004, this scheme was restricted to workers from Romania and Bulgaria, and abolished once these nations' workers gained full EU working rights. The scheme was closed at the end of 2013 for the reason that at that time, given unemployment in the UK and the European Union, there should be sufficient workers from within those labour markets to meet the needs of the horticultural industry⁵. Clearly things have changed substantially this then and there is no reason why that once outside of the EU that this scheme could not be brought back into operation to meet the employment demands of the sector.
- The exchange rate between the pound and the euro is the single biggest determinant of the profitability of British farming according to the National Farmers Union⁶. CAP payments are set in euros, so the average exchange rate between the euro and the pound in September will determine how much money UK farmers get from the European Union's Common Agricultural Policy (CAP) - the source of more than half of UK farming's income last year. Since the EU referendum the pound has fallen to 30-year lows against the dollar and has weakened significantly against the euro. This means there could be a 15% increase in farmers' EU subsidies once they're converted into sterling - about an extra £500m.

⁴ Impacts of the National Living Wage, April 2016, GLLEP Research Paper

⁵ Written ministerial statement on the Seasonal Agricultural Workers Scheme and the Food Processing Sectors Based Scheme, <https://www.gov.uk/government/speeches/seasonal-agricultural-workers-scheme-and-the-food-processing-sectors-based-scheme>

⁶ 'Britain's farmers could benefit from weaker pound after Brexit vote', 18 Aug 2016, <http://www.bbc.co.uk/news/business-37094194>

However, an exit from the EU will mean the loss of access to these subsidies. What happens after this point is not clear and it is unlikely to be clear for some time. The Treasury has recently moved to reassure the agricultural sector that it will receive the same level of funding that it would have received under Pillar 1 of CAP until end of the Multiannual Financial Framework in 2020, and at the same time will consider the options for long-term reform beyond that point. The government will also work closely with stakeholders to ensure that funding in the period immediately after exit is used to help the agricultural sector transition effectively to a new domestic policy framework. Certainly in some quarters of the sector, the loss of subsidies altogether would not be mourned as we could see weaker business go under to the benefit of more competitive businesses.

Manufacturing

The Greater Lincolnshire LEPs Manufacturing priority sector encapsulates all elements of manufacturing (metal, machinery, wood, textiles, chemicals etc.), engineering, refining, and publishing, but importantly excludes food manufacturing which falls under the Agri-food priority sector. A full list of the sub sectors that make up the manufacturing sector (including details of employment where possible) can be found in appendix C (page 40).

Employment

In total the Manufacturing sector employs 40,800 people (up from 40,100 in 2009), which equates to nine per cent of the total Greater Lincolnshire workforce.

Figure 16 shows how the sector has fared in terms of employment since 2009 across Greater Lincolnshire's constituent areas compared with the national picture. Again North East Lincolnshire bucks the trend, but in a positive way, with consistent employment growth since 2009.

Figure 16 – Employment change in Manufacturing over time, 2009 = 100

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

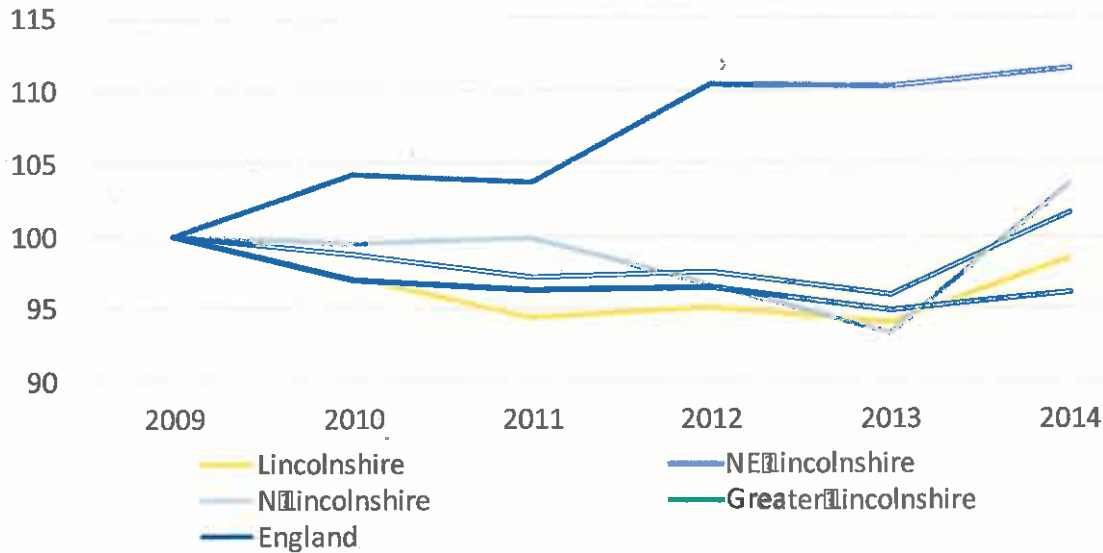


Figure 16 also shows that all other comparative areas have experienced some level of contraction in the manufacturing workforce. On a more positive note is the fact that all areas of Greater Lincolnshire have out-performed the national trend by the time we reach 2014.

Table C details the top ten Manufacturing sub sectors (based on the size of employment they provide locally), the proportion of employment they provide locally relative to that at the national level (UK=100), and how employment numbers have changed since 2009.

Table C – Top 10 Manufacturing sub sectors (based on % of total sector employment and ordered by UK=100 value)

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

Sub Sector	Employment (% of total sector employment)	UK=100	% change in employment 2009-14
Mineral oil refining	1,500 (4)	1,479	13
Basic iron, steel and ferro-alloys		1,048	-18
Engines and turbines, except aircraft, vehicle and cycle engines		509	1,304
Repair of machinery	2,300 (6)	383	-15
Plastic plates, sheets, tubes and profiles	1,000 (3)	205	41
Other furniture	1,400 (4)	185	91
Other builders' carpentry and joinery	1,400 (3)	164	-11
Machining	1,300 (3)	74	-32
Printing	1,300 (3)	67	-2
Air, spacecraft and related machinery	900 (2)	59	466

Employment numbers are rounded to the nearest 100; Some figures removed due to disclosure

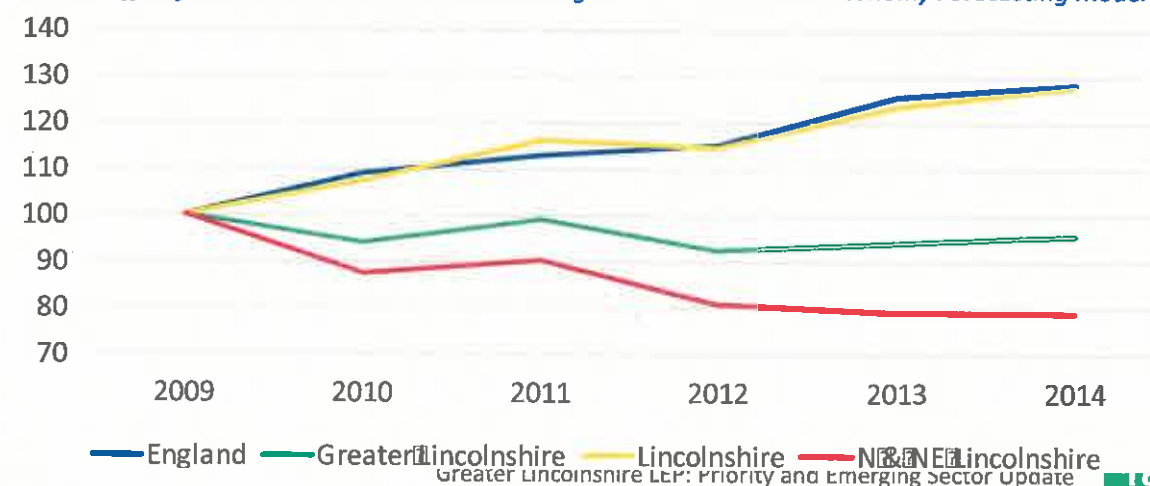
Economic Value

Manufacturing is currently worth approximately £2.71bn to the local economy in terms of Gross Value Added (GVA). This equates to just over 13 per cent of the total value generated by the Greater Lincolnshire economy.

Figure 17 shows that despite growth in manufacturing employment in North East Lincolnshire then it has not necessarily translated into economic growth. Lincolnshire has performed in line with the national average but this has not been enough to prevent an overall contraction in output value since 2009 for the Greater Lincolnshire area.

Figure 17 – Estimated change in Manufacturing Gross Value Added

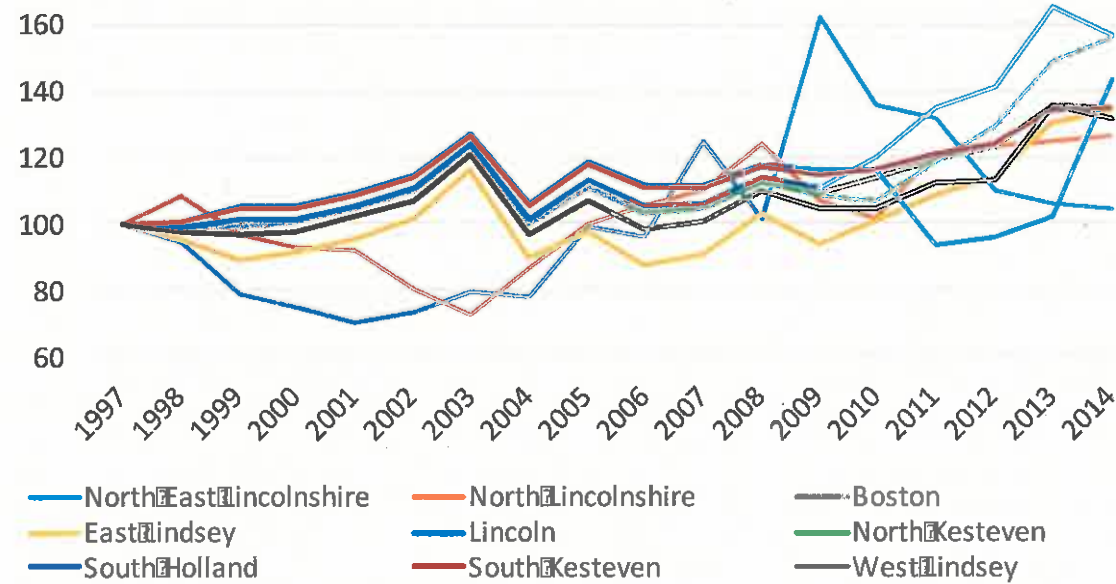
Source: Office for National Statistics and Cambridge Econometrics Local Economy Forecasting Model



Previously mentioned in this paper was the issue of falling levels of GVA in North and North East Lincolnshire. Analysis of the recent release of experimental figures for GVA at local authority district and unitary authority district level by industry reveal that these falls in GVA are primarily down to changes in Manufacturing GVA (figure 18). Please note that due to the nature of these statistics this analysis of manufacturing includes food manufacturing.

Figure 18 – Change in Manufacturing GVA for LADs and UAs, 1997 = 100

Source: Experimental GVA Office for National Statistics

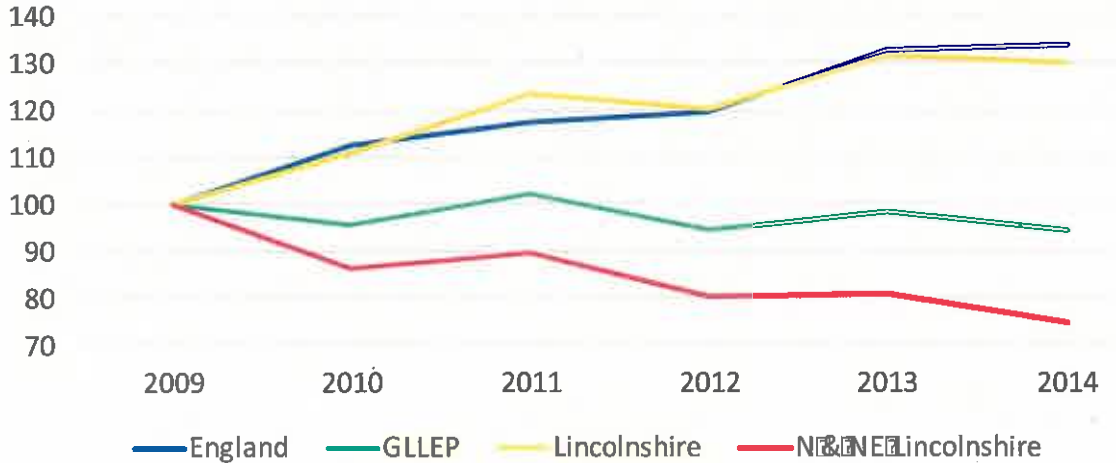


Productivity

Using the figures for employment change over time, and estimated change in sectoral GVA, then we can also estimate the changes in the levels of productivity in the Manufacturing sector as shown in figure 19. It appears that generally productivity rises have been driven by both falls in employment and rises in GVA but the opposite is true for North East Lincolnshire. It is also worth noting that Lincolnshire's productivity levels out between 2013 and 2014 at the same time as employment in the sector increases.

Figure 19 – Change in Manufacturing productivity, 2009 = 100

Source: Office for National Statistics and Cambridge Econometrics Local Economy Forecasting Model



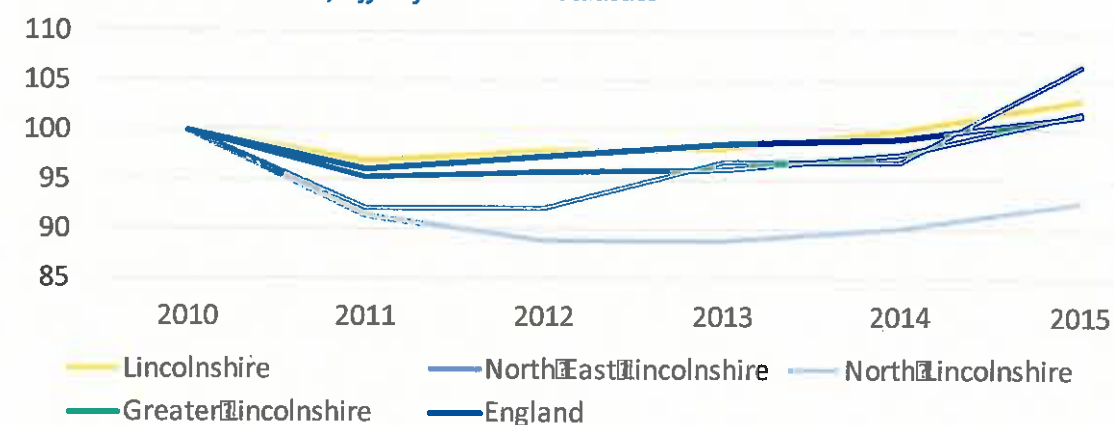
Business Numbers

As of 2015 there were 2,350 Manufacturing business units, accounting for five per cent of the total business units in Greater Lincolnshire, and up marginally from around 2,310 in 2010.

Figure 20 shows how these business unit numbers have changed since 2010. Again, Lincolnshire follows broadly the national trend with an initial fall in numbers but then steady growth with an overall increase in numbers by 2015. Both North and North East Lincolnshire saw quite large falls in 2011 but then the similarity ends with strong growth in business numbers in North East Lincolnshire whilst business numbers in North Lincolnshire are yet to recover to 2010 levels.

Figure 20 – Change in Manufacturing business units

Source: UK Business Counts, Office for National Statistics



Looking ahead

Key sectoral issues for consideration:

- The current weaker state of the pound means that exports are cheaper and are a more attractive option for overseas buyers. The manufacturing sector has the most to gain from this, being Greater Lincolnshire's highest exporting sector⁷ with over a third of manufacturing employers exporting products. However, this is unlikely to be a quick win as these transitions in the market can take years, not months.
- In its August 2016 release of Agent's summary of business conditions, the Bank of England reports that manufacturing is currently the only sector that is expecting a positive effect on turnover from the vote to leave the European Union
- Manufacturing, and in particular, the sub sector of power engineering, has a key role to play, along with the Low Carbon sector, in providing energy security for the UK. More could be done to better understand this sub sector and its role in the Greater Lincolnshire economy.

⁷ Department for Business, Energy and Industrial Strategy (BEIS)

The Visitor Economy

The definition of the Visitor Economy as used by the GLLEP is of that issued by the United Nations World Tourism Organisation (UNWTO) and the Organisation for Economic Co-operation and Development (OECD).

The UNWTO define tourism as comprising “the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited”.

The sector covers a multitude of areas of economic activity from hotels to camping grounds, restaurants to the performing arts, and travel agencies to taxi operation. For full details of the sub sectors that the Visitor Economy covers then please refer to appendix D on page 46.

Employment

In total the Visitor Economy currently employs 39,900 people (a decrease of eight per cent on 2009), which equates to around nine per cent of the total Greater Lincolnshire workforce.

Figure 21 shows how the sector has fared in terms of employment since 2009 across Greater Lincolnshire compared to the national trend. Nationally, employment fell slightly between 2009 and 2010 but has then experienced a steady and fairly constant level of growth. The same cannot be said locally where levels of employment in the sector have been fairly erratic the net effect of which is Greater Lincolnshire employment levels in 2014 being below those of 2009.

Figure 21 – Employment change in the Visitor Economy over time, 2009 = 100
Source: Business Register and Employment Survey, Office for National Statistics

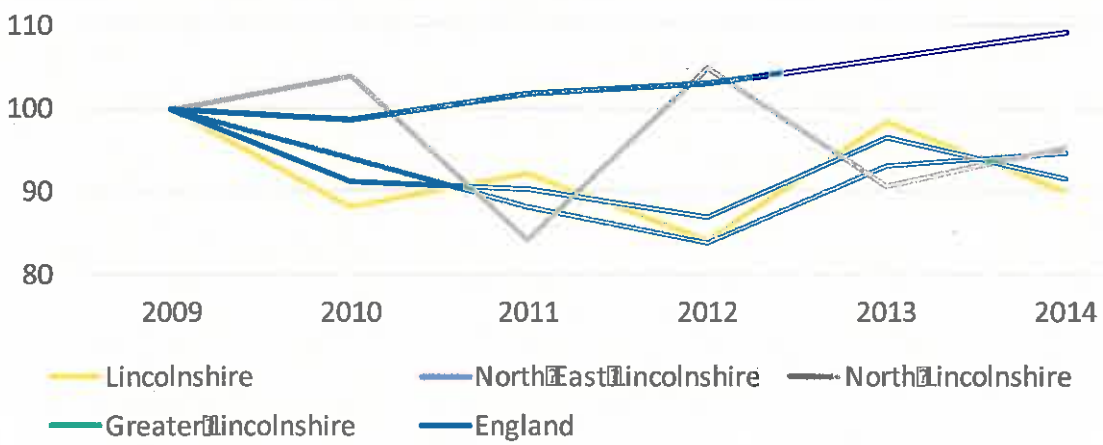


Table D details the top ten Visitor Economy sub sectors (based on the size of employment they provide locally), the proportion of employment they provide locally relative to that at the national level (UK=100), and how employment numbers have changed since 2009.

Table D – Top 10 Visitor Economy sub sectors

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

Sub Sector	Employment (% of total sector employment)	UK= 100	% change in employment 2009-14
Public houses and bars	5,900 (15)	107	-20
Licensed restaurants	5,000 (13)	99	11
Unlicensed restaurants and cafes	4,300 (11)	132	40
Hotels and similar accommodation	3,400 (9)	81	1
Take away food shops and mobile food stands	3,300 (8)	147	16
Camping grounds, recreational vehicle parks and trailer parks	1,600 (4)	421	11
Operation of sports facilities	1,600 (4)	90	-21
Letting and operating of own or leased real estate	1,500 (4)	78	-46
Holiday centres and villages	1,500 (4)	469	6
Other food service activities	1,400 (4)	90	99

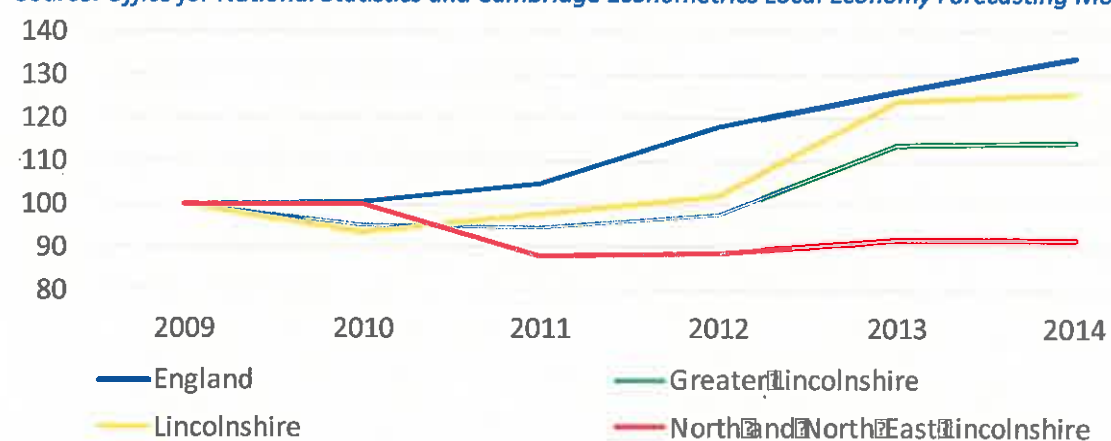
Employment numbers are rounded to the nearest 100

Economic Value

The Visitor Economy is currently worth approximately £940m to the local economy in terms of Gross Value Added (GVA). This equates to nearly five per cent of the total value generated by the Greater Lincolnshire economy. If we take into account indirect economic impacts of the Visitor Economy sector⁸ then it is worth nearer in the region of £1.9bn. Figure 22 shows again that all areas of Greater Lincolnshire have underperformed compared to the national average but that the picture for economic growth is much more positive than that of employment.

Figure 22 – Estimated change in Visitor Economy Gross Value Added

Source: Office for National Statistics and Cambridge Econometrics Local Economy Forecasting Model



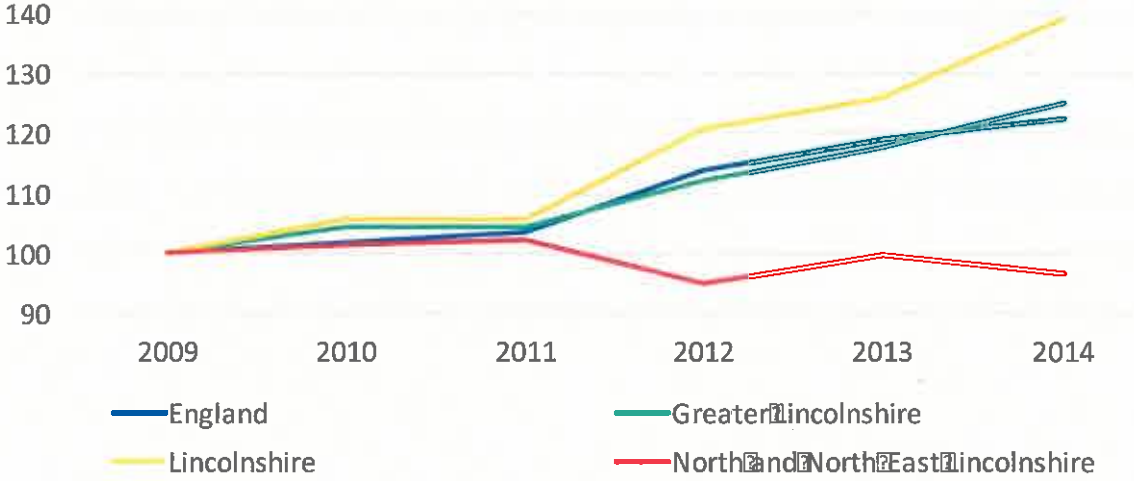
⁸ STEAM data, Global Tourism Solutions

its 2009 value and has more or less remained there. The net effect of this is still positive growth for the Visitor Economy in Greater Lincolnshire but well below national levels.

Productivity

Using the figures for employment change over time, and estimated change in sectoral GVA, then we can also estimate the changes in the levels of productivity as shown in figure 23. It shows that falls in employment generally, coupled with rising levels of GVA (particularly in Lincolnshire) have meant above the national average increases in productivity.

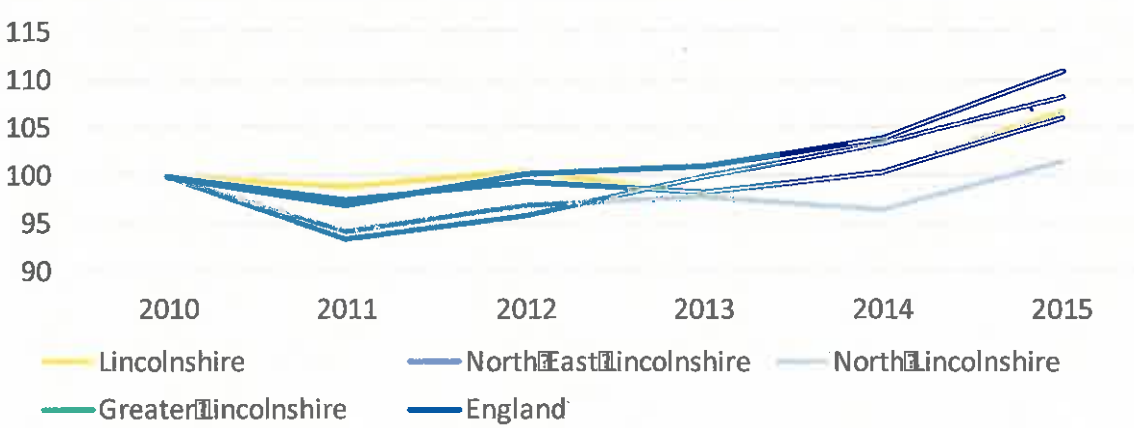
Figure 23 – Change in Visitor Economy productivity, 2009 = 100
Source: Office for National Statistics and Cambridge Econometrics Local Economy Forecasting Model



Business Numbers

As of 2015 then there were 4,790 Visitor Economy business units, accounting for just under 11 per cent of all business units in Greater Lincolnshire, and up from around 4,515 in 2010. Figure 24 shows that all areas have recovered and surpassed pre 2010 levels though this is only just the case for North Lincolnshire.

Figure 24 – Change in Visitor Economy business units
Source: UK Business Counts, Office for National Statistics



Looking Ahead

Key sectoral issues for consideration:

- The current weaker state of the pound means that it is now more expensive to holiday abroad and cheaper for people to visit the UK. These changes in exchange rates may have come too late for many to change holidays that were already planned and booked, but if the pound remains at these levels then this could be something to try and capitalise on later on this year and into the next, encouraging the stay-cation and foreign visitors.
- With the situation on the future use of migrant labour still very unclear it is worth bearing in mind that the last set of Worker Registration Scheme data we had from 2009/10 showed that a significant proportion of migrant labour in the county was employed in hospitality & catering and entertainment & leisure service occupations⁹.
- It is estimated that between one quarter and one third of this sectors overheads go on staffing, and margins tend to be low. Therefore, there is likely to be significant pressure on visitor economy businesses within Greater Lincolnshire due to the introduction of the National Living Wage¹⁰.

⁹ Department for Business, Energy and Industrial Strategy (BEIS)

¹⁰ Impacts of the National Living Wage, April 2016, GLLEP Research Paper

The Low Carbon Economy

The Office for National Statistics Low Carbon and Renewable Energy (LCRE) Economy Survey found that in England, 83,000 businesses (equivalent to 4.4 per cent of all non-financial businesses in England) were active in the LCRE sectors in 2014. An estimated 201,000 full time equivalents (FTEs) were employed, representing 1.3 per cent of all non-financial FTE employees in England. If we apply these national proportions to the Greater Lincolnshire economy, then we can estimate that there are approximately 1,500 businesses operating in the LCRE sector employing around 3,500 FTEs (*please note the use of full time equivalent employees as opposed to employment used for the other priority and emerging sectors*).

Given the pre-dominance of traditional industries such as agriculture and manufacturing (with pre-existing skills and knowledge suited to diversifying into the LCRE sector), Greater Lincolnshire's geography (surrounded by water on three sides making it staging point for tidal and off shore wind energy), topography (i.e. its large stretches of flat land means that wind picking up speed across these areas, particularly inward from the coast, can be harnessed by on-shore wind power), and weather patterns (above average sunshine duration, and below average levels of rain, make solar power an attractive energy source for households and businesses alike), then these figures for employment and business numbers are likely to be fairly conservative.

The outputs from the survey do not include economic value but we can estimate the size of its contribution to the economy by calculating an average Gross Value Added per FTE for Greater Lincolnshire and multiplying this by the estimated number of FTEs in the sector. This provides us with an estimate for the sectors value of around £194m. Again, value added by employees working in this sector is likely to be higher than the average so again these are fairly conservative estimates.

Figure 25 shows how the amounts of employees, turnover, and businesses, are split over the six LCRE groups, and is a reasonable proxy for the splits we could expect at the local level.

Figure 25 – National proportions of employees, turnover and businesses by Low Carbon and Renewable Energy Group

Source: Low Carbon and Renewable Energy Economy Survey 2014, Office for National Statistics

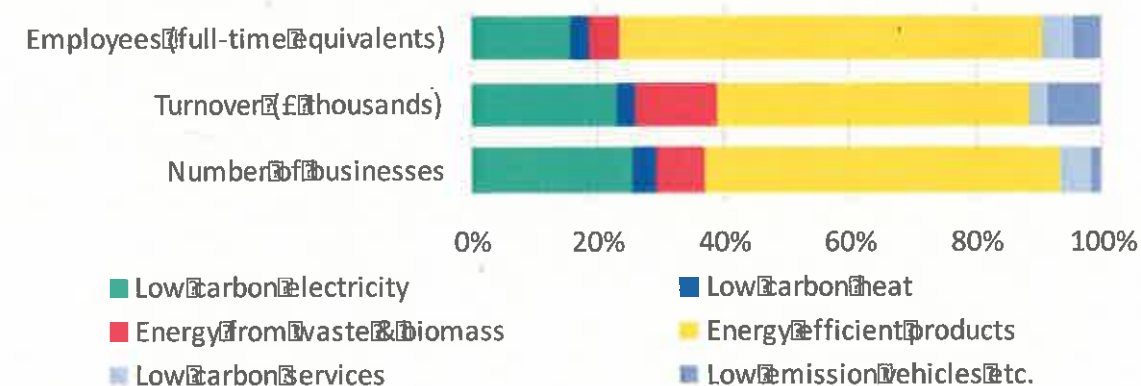
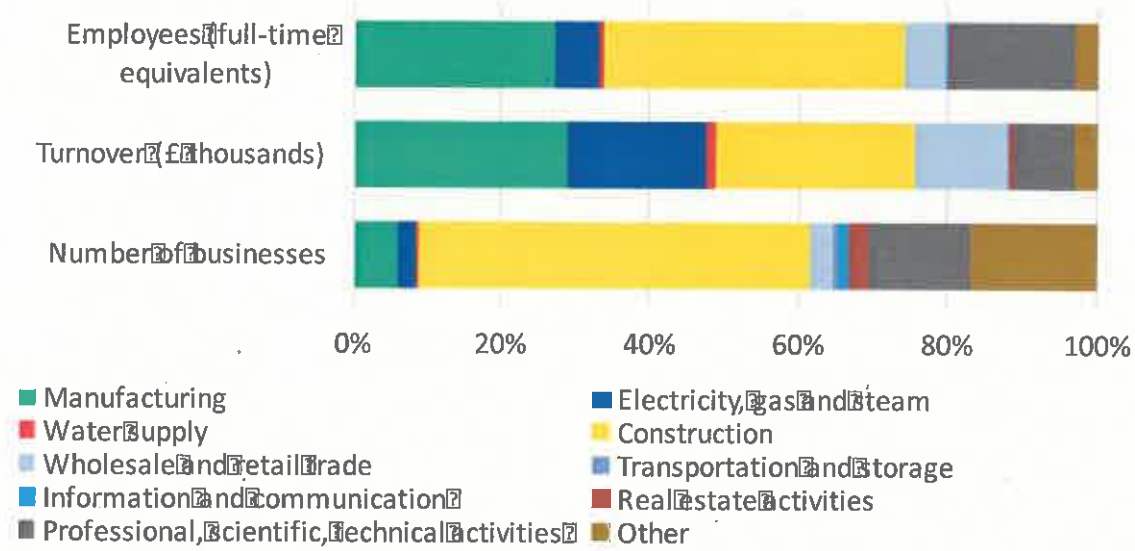


Figure 26 shows how LCRE economy employees, turnover, and businesses, are split over the broad industrial groups, and is again a reasonable proxy for the splits we could expect at the local level.

Figure 26 – Low Carbon and Renewable Energy industrial activity, 2014
Source: Low Carbon and Renewable Energy Economy Survey 2014, Office for National Statistics



Other includes Agriculture, forestry and fishing; Mining and quarrying; Accommodation and food service activities; Administrative and support service activities; Public administration and defence; compulsory social security; Education; and Other activities.

The one off nature of the estimates provided by the LCRE Economy Survey means that we are unable to produce any trend data for employment, business numbers, and value created in the sector but if further surveys are carried out by the Office for National Statistics and the results published then we will be able to update this analysis.

In the meantime, we can look refer to extracts from the Renewable Energy Planning Database¹¹ (REPD) and compare the earliest version of it (October 2014) with latest version (July 2016). This comparison shows that whilst there were 78 projects either awaiting or under construction or in operation in 2014 in Greater Lincolnshire, that figure now stands at 70 in 2016.

National trends on the use of renewable energy sources as a measure of growth within the sector nationally can also give us an indication of the sectors growth. The 2016 Digest of UK Energy Statistics¹² tells us that the percentage of energy coming from renewable and waste sources (such as wind, hydro power and biomass) has risen from 1 per cent of total UK

¹¹ Department for Business, Energy and Industrial Strategy (BEIS)

¹² Department for Business, Energy and Industrial Strategy (BEIS)

energy consumption in 1998 to 9 per cent in 2015. This is against a backdrop of a 17 per cent fall in the amount of energy used by the UK between 1998 and 2015.

This may be explained by:

- the increased use of energy-efficient technologies by households and firms
- government policies designed to reduce energy consumption
- a decline of UK manufacturing, especially in energy-intensive industries

Despite the overall fall in UK energy consumption and the increasing use of renewable and waste sources, the UK's reliance on imported energy has returned to the levels last seen around the mid-to late-1970s. In recent years the UK's reliance on imported energy has been on an upward trend since North Sea production peaked in 1999, and the country is now again a net importer of energy.

In 2014 the UK's import dependency was below the EU average and the UK was the least dependent on foreign sources of energy out of the five EU countries who consumed the largest amounts of energy overall (namely Germany, France, Italy, Spain and the UK)¹³. However, even though the UK's reliance on imported energy is still below its EU neighbours, the UK is now more in line with them than it has been in recent history.

Looking Ahead

Key sectoral issues for consideration:

- 2016 has already seen two local low carbon sector businesses go under (the Freewatt Group and 4eco Ltd) with both citing "continued difficulties in the renewable energy industry".
- The weakened pound means that imports of energy will be pricier, energy prices for business and households will rise. This will place an additional squeeze on business margins, and could affect levels of fuel poverty.
- 14 of the 15 hottest years on record have occurred since 2000 and the global temperature has already increased by nearly 1c based on pre-industrial levels. Many scientists now think that the target of keeping warming below 1.5c (as set out in the Paris Agreement) is unachievable. Unless there is a dramatic shift in policy towards the LCRE economy then what is currently happening, and planned for the future, in the sector is piecemeal and will ultimately have no effect on mitigating the risks, or seizing the opportunities, of climate change, with many of them apparent now as the climate has already warmed¹⁴. So whilst it is welcomed that Low Carbon is now recognised by the GLLEP as a priority sector (rather than the 'emerging' sector it was

¹³ UK Perspectives 2016: Energy and emissions in the UK, Office for National Statistics

¹⁴ UK Climate Change Risk Assessment 2017, Committee on Climate Change

once) it needs to be put at the heart of every GLLEP sector and decision in order to have any real effect.

- In an increasingly unstable world the drive for UK energy security (despite increased energy imports as shown above) takes on an increased importance with a real opportunity for renewables to play the key role in this.

There are currently a number of permits issued for exploratory fracking in Lincolnshire but it is likely not the “bridge” fuel that will enable us to move from fossil fuels to non-polluting renewable sources. A recent report¹⁵, led by a former director of the US Environmental Protection Agency’s (EPA) Office of Civil Enforcement, has found that the strategy of both the US and British governments to rely on shale gas as a relatively clean “bridge” are based on the fact that gas emits only half as much carbon dioxide as coal when it is burned. However, this does not take into account the leakage of methane and other greenhouse gases during the fracking process. When these are added in, studies show, shale gas can create even more pollution than coal.

Though not explicitly outlined within the recent Greater Lincolnshire Devolution Agreement, it does present a real opportunity to lobby for the ability to try new ways in which to deliver power to local communities. One good example of this that could be given further consideration is that of the renewable energy cooperative model pioneered by Germany¹⁶ and Denmark.

¹⁵ Greenhouses Gases from a Growing Petrochemical Industry, Environmental Integrity Project, 29 Feb 2016

¹⁶ www.communitypower.eu

Ports and Logistics

The Greater Lincolnshire LEPs Ports & Logistics emerging sector covers various elements of freight transport (rail, road, air, inland, sea and coastal), passenger transport, operation of warehousing and storage facilities, cargo handling, and various service activities, that together make up all the distribution activity taking place in the local economy.

A full list of the sub sectors that make up this sector (including details of employment where possible) can be found in appendix G on page 51.

Employment

In total the sector employs 17,600 people (up from 17,400 in 2009), which equates to approximately four per cent of the total Greater Lincolnshire workforce.

Figure 27 shows how the sector has fared in terms of employment since 2009. Nationally growth in employment has been small but steady. Locally, employment changes have been more erratic but the end result is one where all local areas have employment that is in line with or above 2009 levels but marginally below the national average.

Figure 27 – Employment change in Ports & Logistics over time, 2009 = 100

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

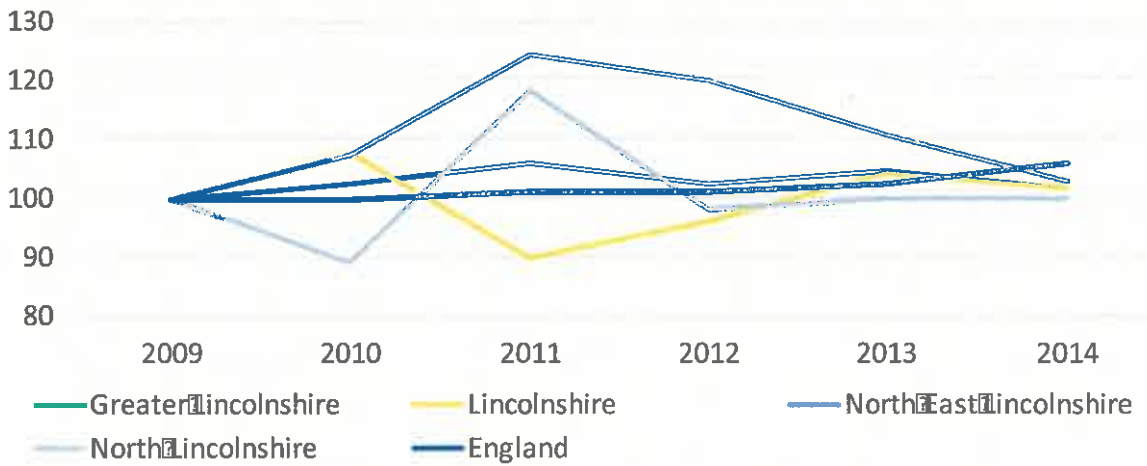


Table E details the top ten Ports & Logistics sub sectors (based on the size of employment they provide locally), the proportion of employment they provide locally relative to that at the national level (UK=100), and how employment numbers have changed since 2009.

Table E – Top 10 Ports & Logistics sub sectors

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

Sub Sector	Employment (% of total sector employment)	UK= 100	% change in employment 2009-2014
Freight transport by road	8,700 (49)	221	1
Operation of warehousing and storage facilities	2,600 (15)	57	-
Service activities incidental to water transportation	1,500 (8)	371	-4
Other transportation support activities	1,400 (8)	105	-6
Other service activities incidental to land transportation	1,200 (7)	87	307
Urban, suburban or metropolitan area land passenger transport	600 (4)	26	-34
Unlicensed carriers	600 (3)	41	-47
Sea and coastal freight water transport	200 (1)	161	808
Renting and leasing of trucks	200 (1)	96	94
Service activities incidental to air transportation	200 (1)	19	8

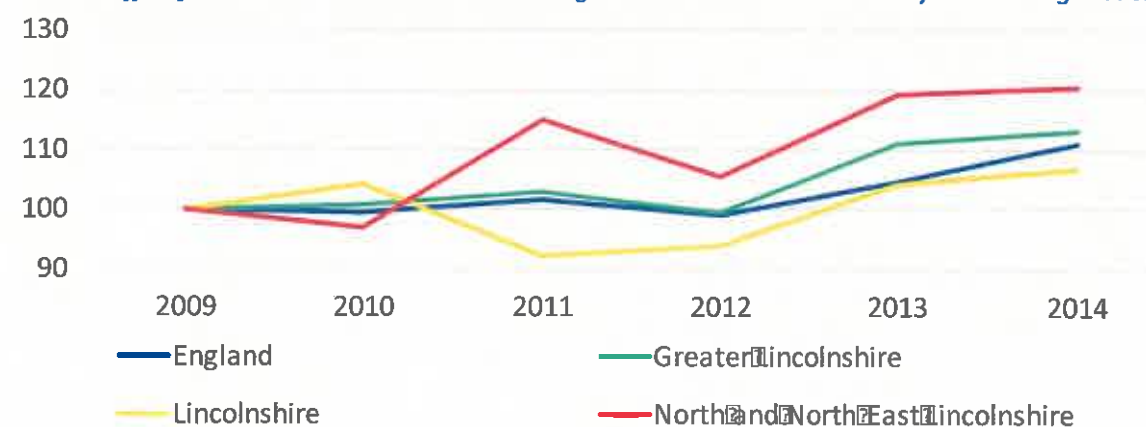
Employment numbers are rounded to the nearest 100

Economic Value

The Ports & Logistics sector is currently worth approximately £1.18bn to the local economy in terms of Gross Value Added (GVA). This equates to nearly six per cent of the total value generated by the Greater Lincolnshire economy. Figure 27 shows that all areas of Greater Lincolnshire have value for the sector in 2014 that are above 2009 levels, with North and North East Lincolnshire in particular outperforming the national average and ensuring that Greater Lincolnshire values in 2014 are above the national average.

Figure 27 – Estimated change in Ports & Logistics Gross Value Added

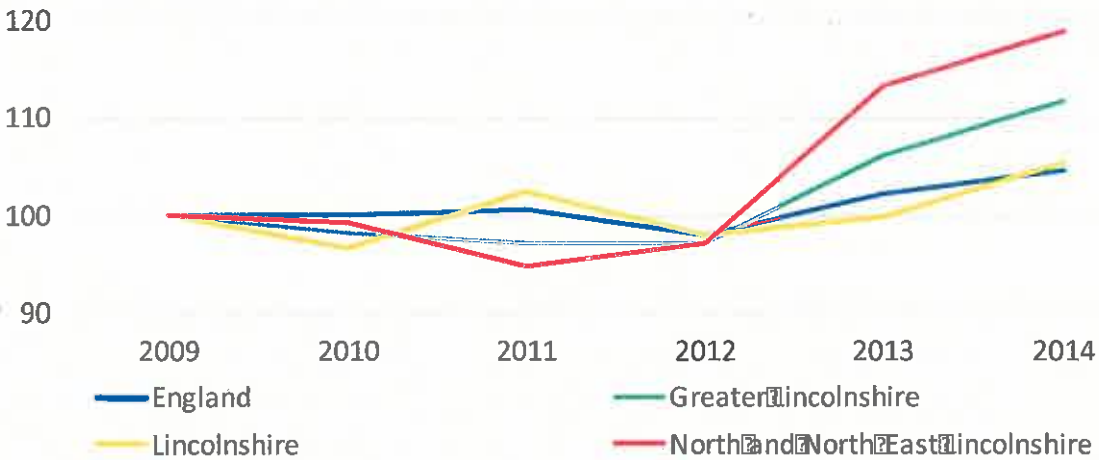
Source: Office for National Statistics and Cambridge Econometrics Local Economy Forecasting Model



Productivity

Using the figures for employment change over time, and estimated change in sectoral GVA, then we can also estimate the changes in the levels of productivity as shown in figure 28. It shows that falling levels of employment in North East Lincolnshire, and increasing levels of GVA in North and North East Lincolnshire have combined to put productivity growth levels above those nationally.

Figure 28 – Change in Ports & Logistics productivity, 2009 = 100
Source: Office for National Statistics and Cambridge Econometrics Local Economy Forecasting Model

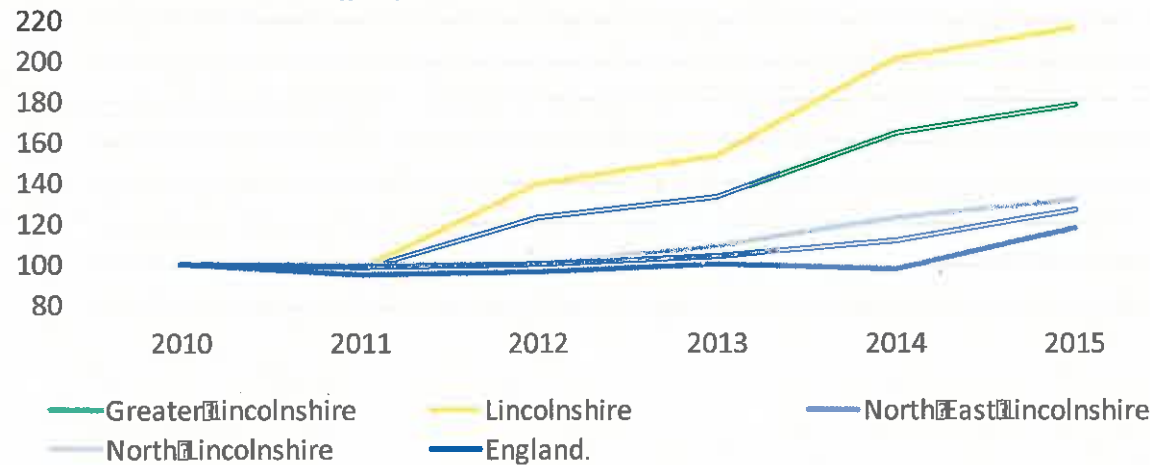


Business Numbers

As of 2015 then there were 2,805 Ports & Logistics business units, accounting for just over six per cent of the total number of business units in Greater Lincolnshire, and up from around 1,565 in 2010.

Figure 29 shows that almost all of the Greater Lincolnshire areas have outperformed the national average for growth in business units in this sector the exception being North East Lincolnshire.

Figure 29 – Change in Ports & Logistics business units
Source: UK Business Counts, Office for National Statistics



The exceptionally high levels of growth in Lincolnshire suggest a change in employment circumstances for a key sub sector. Closer inspection of this reveals a 150 per cent increase in 'Freight transport by road' businesses in Lincolnshire between 2010 and 2015 which could be the result of a drive towards self-employment within this sub sector.

Looking Ahead

Key sectoral issues for consideration:

- Dong Energy pulling out of the ABLE Marine Park development places a huge question mark over what is a flagship development for the area and the sector (and that of the Low Carbon sector).
- The weakened pound currently makes exports cheaper so over time we should see an increased outflow of goods/product. Conversely there is the negative impact of less trade coming into the country (due to the now relatively higher prices of imports) and so there will be loss of product to move in and around the country as well. It is too early to say what the overall net effect on the volume of cargo will be.
- A large and growing global stockpile of crude is set to keep oil prices at their low levels for the foreseeable future. Brent crude has fallen from above \$115 per barrel in June 2014 to about \$45 a barrel now. High stockpiles of refined oil products - petrol and diesel - as well as crude oil mean that unless there is substantial disruption to production or soaring demand, any recovery looks to be a long way off¹⁷. This means that pump prices are expected to remain low and is good news for the sector.
- Anecdotally, officers at a meeting of the Midlands Engine Economic Planning Group have touched on the issue of "overheated" ports in the south east and that trade that usually goes through those ports could instead be moved further north.

¹⁷ Mounting oil stock piles set to keep prices lower, <http://www.bbc.co.uk/news/business-37033621>

Health and Care

The Greater Lincolnshire LEPs Health & Care emerging sector draws its status from the growing need for growth and innovation in the way that as a country we handle the scenario of an ageing population. Nationally, the population aged 65 plus is projected to make up 22 per cent of the total population by 2030 (up from 18 per cent in 2016), whilst those aged 75 plus will make up 11 per cent compared with eight per cent in 2016. In Greater Lincolnshire this situation is more acute with the 65 plus age group projected to make up 27 per cent of the total population by 2030 (compared with 22 per cent in 2016). The 75 plus age group is projected to make up 14 per cent of the total population, up from 10 per cent in 2016.

The sector covers the main areas that would be expected of the Health & Care sector such as hospital activities and residential care, but also includes social work and child day care activities. A full list of the sub sectors that make up this sector (including details of employment where possible) can be found in appendix H (page 52).

Employment

In total the sector employs 58,100 people, 13 per cent of the total Greater Lincolnshire workforce (a change of -1.5 per cent on 2009). Figure 30 shows how the sector has fared in terms of employment since 2009. Nationally the sector has experienced steady and fairly constant employment growth over the period 2009 to 2014 but locally there has been an overall decline in numbers.

Figure 30 – Employment change in Health & Care over time, 2009 = 100

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

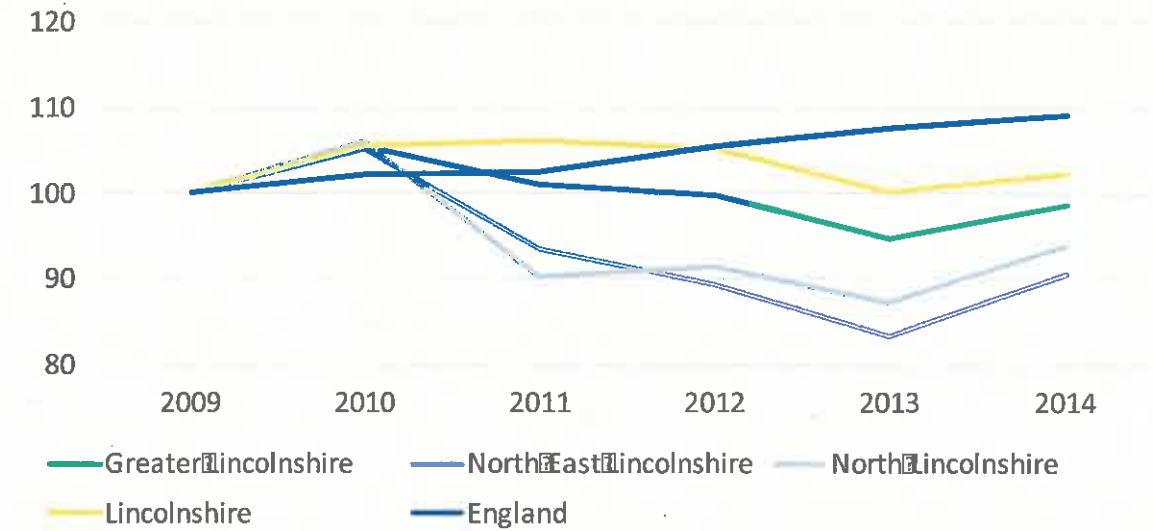


Table F details the top ten Health & Care sub sectors (based on the size of employment they provide locally), the proportion of employment they provide locally relative to that at the national level (UK=100), and how employment numbers have changed since 2009.

Table F – Top 10 Health & Care sub sectors

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

Sub Sector	Employment (% of total sector employment)	UK= 100	% change in employment 2009-2014
Hospital activities	16,200 (28)	79	-9
Other social work activities without accommodation	6,900 (12)	105	-4
Other human health activities	6,800 (12)	125	-2
Social work activities without accommodation for the elderly and disabled	5,500 (10)	127	74
Other residential care activities	4,700 (8)	124	22
Residential care activities for the elderly and disabled	4,600 (8)	122	-3
General medical practice activities	3,900 (7)	99	-16
Residential nursing care activities	3,600 (6)	113	56
Child day-care activities	2,900 (5)	101	18
Dental practice activities	1,100 (2)	69	-7

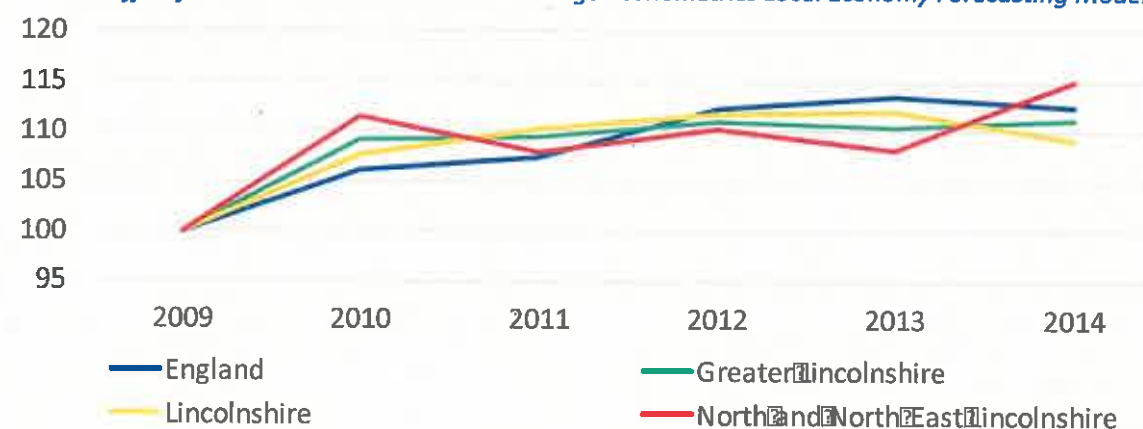
Employment numbers are rounded to the nearest 100

Economic Value

The Health & Care sector is currently worth approximately £1.97bn to the local economy in terms of Gross Value Added (GVA). This equates to nearly ten per cent of the total value generated by the Greater Lincolnshire economy. Figure 31 demonstrates that growth in the value of the Health & Care sector in Lincolnshire has been fairly consistent with the national trend. Growth in North and North East Lincolnshire has been much higher but the sectors size relative to that of Lincolnshire's means that the overall effect on the sector for Greater Lincolnshire pulls its value in 2014 just above the national level.

Figure 31 – Estimated change in Health & Care Gross Value Added

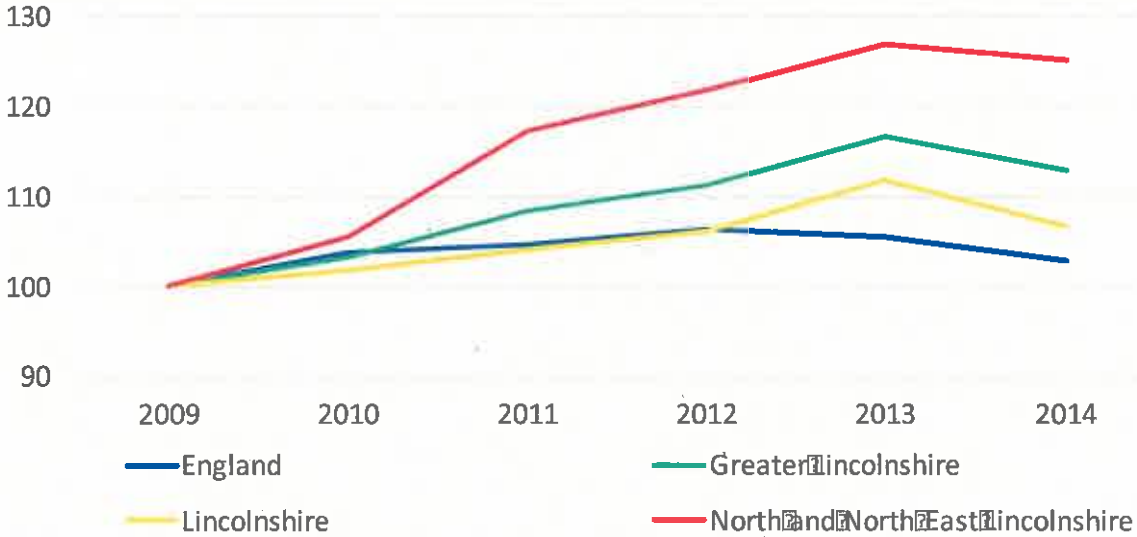
Source: Office for National Statistics and Cambridge Econometrics Local Economy Forecasting Model



Productivity

Using the figures for employment change over time, and estimated change in sectoral GVA, then we can also estimate the changes in the levels of productivity as shown in figure 32. It shows that similar to the Ports & Logistics sector, the fall in levels of employment in North and North East Lincolnshire and increasing levels of GVA have combined to put productivity growth levels above those nationally.

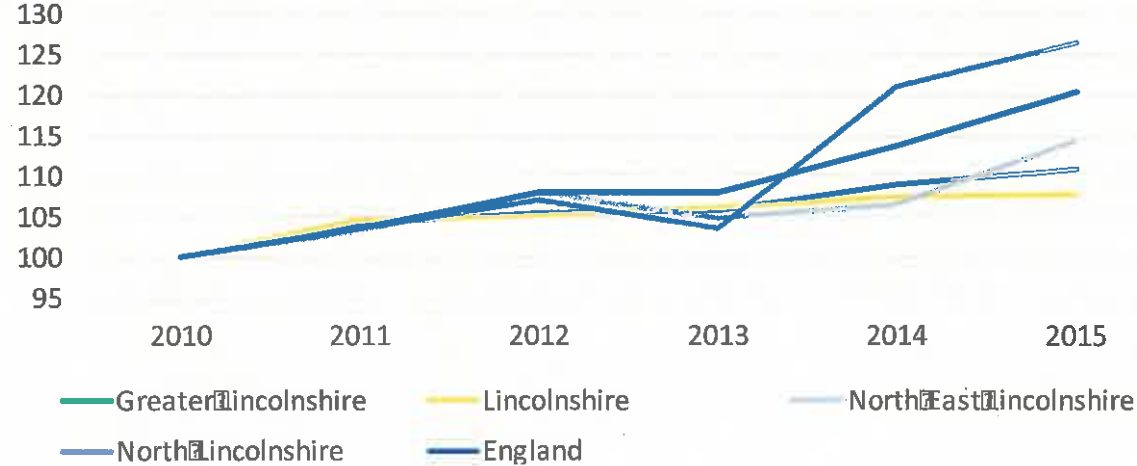
Figure 32 – Change in Health & Care productivity, 2009 = 100
Source: Office for National Statistics and Cambridge Econometrics Local Economy Forecasting Model



Businesses

As of 2015 then there were 2,645 Health & Care sector business units, accounting for six per cent of the total number of business units in Greater Lincolnshire, and up from 2,385 in 2010. Figure 33 shows that all of the Greater Lincolnshire areas have experienced growth in business units in this sector though only North Lincolnshire has out-performed the national trend.

Figure 33 – Change in Health & Care business units
Source: UK Business Counts, Office for National Statistics



Looking Ahead

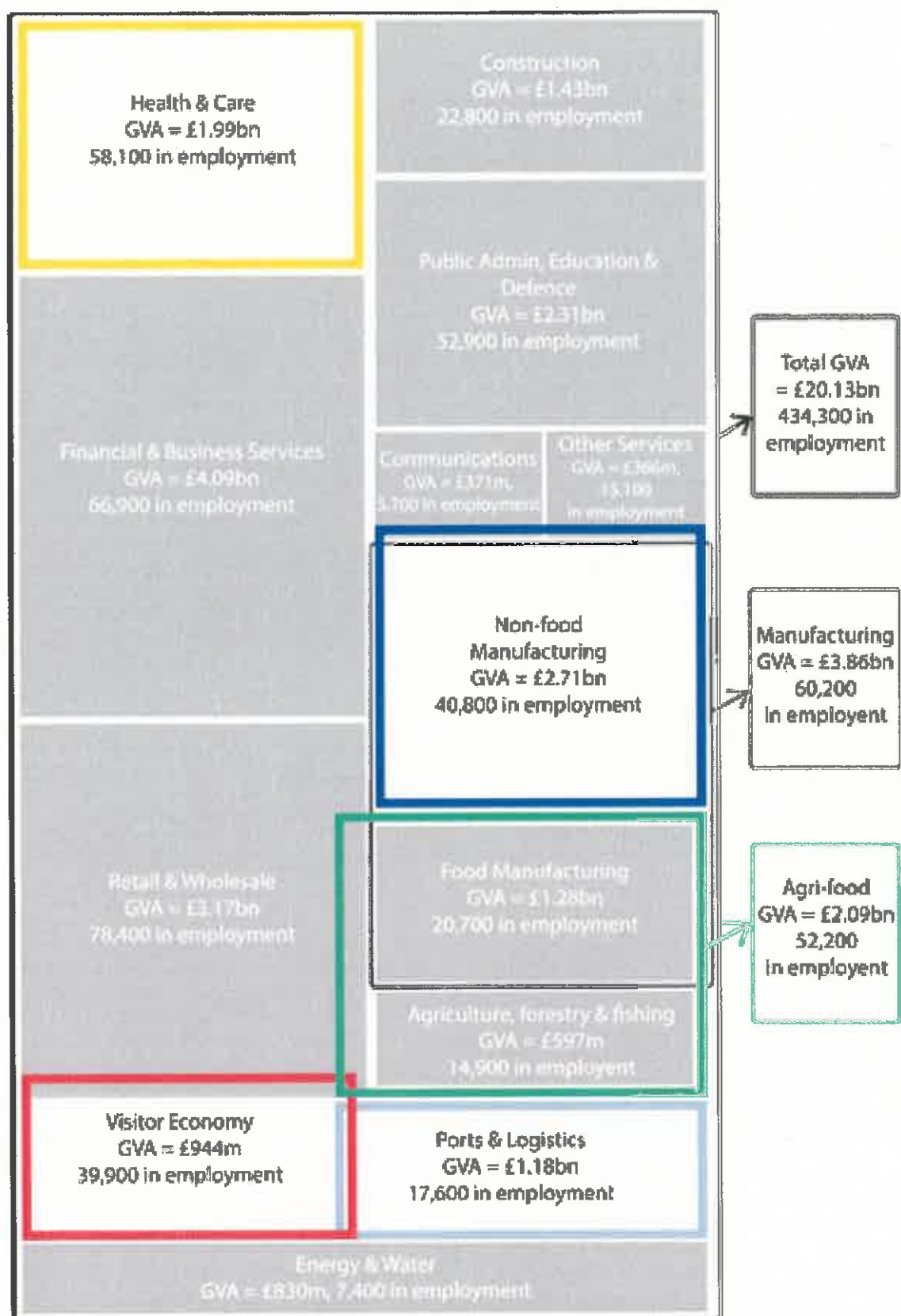
Key sectoral issues for consideration:

- Referring back to the population projection data presented at the beginning of this section then Greater Lincolnshire is already experiencing the issues around an ageing population today that nationally are being planned for to be dealt with in 2030. This is a powerful statement and one that could be used to both highlight issues arising from an ageing population but also enable the future proofing of innovative policy, services, and products, today in a real world scenario. This should be pressed on national government and agencies through plans for the integration of health and social care set out in the recent Greater Lincolnshire Devolution Agreement.
- With the acute ageing population situation in Greater Lincolnshire it is easy to overlook the role this sector plays in the wider economy and productivity levels. A healthy and happy workforce is vital for driving economic growth, as is the provision of childcare for getting people back into the workforce that otherwise would not be able to. The recent devolution agreement does touch on the sectors important cross cutting role (through transport policy influencing healthy activities, and tackling long-term unemployment, ultimately feeding into the national design of the new Work and Health Programme), but it stops short of making the important link between the role of well-being and the performance of the economy.
- As a particular labour intensive and relatively low wage sector, Health & Care has been highlighted as having the potential to be put under pressure from the recent introduction of the National Living Wage (NLW). Over half of the 16,000 people employed in residential care in Greater Lincolnshire would likely be affected by the living wage rise by 2020.

A recent Resolution Foundation report¹⁸ into impacts on the care sector found that smarter procurement and better integration between health and care sectors could help create efficiencies to allow for the wage rise. The report concludes that whilst it is possible to create a more productive care system, it would require substantial government investment or a significant re-organisation of the way public services are organised and commissioned.

¹⁸ Care to pay? Meeting the challenge of paying the National Living Wage in social care. Resolution Foundation, 2015.

Appendix A – Diagram showing GLLEP Priority and Emerging Sectors fit within the local economy



Appendix B – Agri-food sub sectors

SIC Code	Sub Sector	Employment	% of total sector employment	UK=100	% change in employment 2009-14
01000	DEFRA/Scottish Executive Agricultural Data	4,900	29%	108	3%
01610	Support activities for crop production	500	1%	133	-22%
01621	Farm animal boarding and care		0%	20	-57%
01629	Support activities for animal production (other than farm animal boarding and care) etc		0%	22	43%
01630	Post-harvest crop activities			339	-61%
01640	Seed processing for propagation	200	0%	1219	3%
01700	Hunting, trapping and related service activities			51	58%
02100	Silviculture and other forestry activities	200	0%	74	78%
02200	Logging		0%	53	200%
02300	Gathering of wild growing non-wood products		0%	0	-
02400	Support services to forestry	100	0%	59	148%
03110	Marine fishing		0%	52	-34%
03120	Freshwater fishing		0%	74	100%
03210	Marine aquaculture			0	-100%
03220	Freshwater aquaculture		0%	12	-25%
10110	Processing and preserving of meat	1,100	2%	134	135%
10120	Processing and preserving of poultry meat	1,000	8%	497	31%
10130	Production of meat and poultry meat products	1,300	2%	110	-39%
10200	Processing and preserving of fish, crustaceans and mollusc	1,500	7%	1115	6%
10310	Processing and preserving of potatoes	900	2%	261	41%
10320	Manufacture of fruit and vegetable juice		0%	0	-
10390	Other processing and preserving of fruit and vegetables	1,900	5%	330	-32%
10410	Manufacture of oils and fats			37	-71%
10420	Manufacture of margarine and similar edible fats		0%	0	-
10511	Liquid milk and cream production			14	-78%
10512	Butter and cheese production			5	25%
10519	Manufacture of milk products (other than liquid milk and cream, butter, cheese) etc			1	-
10520	Manufacture of ice cream		0%	29	-25%
10611	Grain milling	200	0%	73	-26%
10612	Manufacture of breakfast cereals and cereals-based foods		0%	0	-
10620	Manufacture of starches and starch products		0%	0	-
10710	Manufacture of bread; manufacture of fresh pastry goods and cakes	300	2%	30	32%
10720	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes			63	-39%
10730	Manufacture of macaroni, noodles, couscous and similar farinaceous products		0%	0	-
10810	Manufacture of sugar			2	-
10821	Manufacture of cocoa and chocolate confectionery		0%	5	0%
10822	Manufacture of sugar confectionery			16	-41%
10831	Tea processing		0%	0	-100%
10832	Production of coffee and coffee substitutes			47	80%
10840	Manufacture of condiments and seasonings			120	21%

SIC Code	Sub Sector	Employment	% of total sector employment	UK=100	% Change in employment 2009-14
10850	Manufacture of prepared meals and dishes	1,400	6%	319	197%
10860	Manufacture of homogenised food preparations and dietetic food		0%	0	
10890	Manufacture of other food products nec			80	7%
10910	Manufacture of prepared feeds for farm animals		0%	14	-78%
10920	Manufacture of prepared pet foods	100	1%	150	29%
11010	Distilling, rectifying and blending of spirits			4	100%
11020	Manufacture of wine from grape		0%	0	
11030	Manufacture of cider and other fruit wines		0%	0	
11040	Manufacture of other non-distilled fermented beverages		0%	0	
11050	Manufacture of beer	200	0%	35	101%
11060	Manufacture of malt			96	69%
11070	Manufacture of soft drinks; production of mineral waters and other bottled waters		0%	3	200%
46210	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	900	2%	220	-29%
46220	Wholesale of flowers and plants	1,000	2%	318	-35%
46230	Wholesale of live animals		0%	47	17%
46310	Wholesale of fruit and vegetables	1,900	4%	149	15%
46320	Wholesale of meat and meat products	400	1%	37	31%
46330	Wholesale of dairy products, eggs and edible oils and fats	100	0%	17	-41%
46341	Wholesale of fruit and vegetable juices, mineral waters and soft drinks		0%	3	-11%
46342	Wholesale of wine, beer, spirits and other alcoholic beverages		0%	5	-58%
46360	Wholesale of sugar and chocolate and sugar confectionery			24	61%
46370	Wholesale of coffee, tea, cocoa and spices	100	0%	39	65%
46380	Wholesale of other food, including fish, crustaceans and molluscs	1,200	2%	175	-8%
46390	Non-specialised wholesale of food, beverages and tobacco	1,000	4%	60	29%
47210	Retail sale of fruit and vegetables in specialised stores	500	1%	64	17%
47220	Retail sale of meat and meat products in specialised stores	1,500	3%	99	-4%
47230	Retail sale of fish, crustaceans and molluscs in specialised stores	300	0%	184	18%
47240	Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores	1,100	2%	47	1%
47250	Retail sale of beverages in specialised stores	300	1%	32	-33%
47260	Retail sale of tobacco products in specialised stores	100	0%	22	-39%
47290	Other retail sale of food in specialised stores	500	1%	43	18%
56290	Other food service activities	1,400	3%	28	99%
77310	Renting and leasing of agricultural machinery and equipment		0%	32	67%
82920	Packaging activities	1,900	4%	204	42%

Employment numbers are rounded to the nearest 100; Some figures removed due to the possibility of disclosure

Appendix C – Manufacturing sub sectors

SIC Code	SubSector	Employment	% of total sector employment	UK=100	% change in employment 2009-14
12000	Manufacture of tobacco products	0	0%	0	-
13100	Preparation and spinning of textile fibres	0	0%	0	-100%
13200	Weaving of textiles	0	0%	0	-
13300	Finishing of textiles	0	0%	27	26%
13910	Manufacture of knitted and crocheted fabrics	0	0%	0	-
13921	Manufacture of soft furnishings	100	0%	27	-61%
13922	Manufacture of canvas goods, bags etc	0	0%	15	-80%
13923	Manufacture of household textiles (other than soft furnishings of 13921)	500	1%	347	-13%
13931	Manufacture of woven tufted carpets and rugs	0	0%	0	-
13939	Manufacture of carpets and rugs (other than woven or tufted) nec	0	0%	119	-24%
13940	Manufacture of cordage, rope, twine and netting	0	0%	36	-50%
13950	Manufacture of non-wovens and articles made from non-wovens, except apparel	0	0%	0	-
13960	Manufacture of other technical and industrial textiles	200	0%	223	-
13990	Manufacture of other textiles nec	0	0%	2	-
14110	Manufacture of leather clothes	0	0%	18	-50%
14120	Manufacture of workwear	0	0%	16	-89%
14131	Manufacture of men's outerwear, other than leather clothes and workwear	0	0%	3	-81%
14132	Manufacture of women's outerwear, other than leather clothes and workwear	0	0%	17	48%
14141	Manufacture of men's underwear	0	0%	0	-
14142	Manufacture of women's underwear	0	0%	0	-
14190	Manufacture of other wearing apparel and accessories	0	0%	20	-82%
14200	Manufacture of articles of fur	0	0%	0	-
14310	Manufacture of knitted and crocheted hosiery	0	0%	10	-33%
14390	Manufacture of other knitted and crocheted apparel	0	0%	0	-
15110	Tanning and dressing of leather; dressing and dyeing of fur	0	0%	91	56%
15120	Manufacture of luggage, handbags and the like, saddlery and harness	0	0%	28	15%
15200	Manufacture of footwear	0	0%	7	-70%
16100	Sawmilling and planing of wood	200	0%	154	8%
16210	Manufacture of veneer, sheets and wood-based panels	100	0%	93	-22%
16220	Manufacture of assembled parquet floors	0	0%	0	-100%
16230	Manufacture of other builders' carpentry and joinery	400	3%	164	-11%
16240	Manufacture of wooden containers	200	1%	188	-8%
16290	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	200	0%	131	-2%
17110	Manufacture of pulp	0	0%	1348	-
17120	Manufacture of paper and paperboard	0	0%	108	338%
17211	Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper	200	0%	341	22%
17219	Manufacture of paper and paperboard containers (other than sacks and bags)	300	1%	74	-20%
17220	Manufacture of household and sanitary goods and of toilet requisites	0	0%	281	41%
17230	Manufacture of paper stationery	0	0%	51	680%
17240	Manufacture of wallpaper	0	0%	0	-
17290	Manufacture of other articles of paper and paperboard	400	1%	246	-46%
18110	Printing of newspapers	0	0%	0	-
18121	Manufacture of printed labels	200	0%	341	-43%

SIC Code	Sub Sector	Employment	% of total sector employment	UK=100	% change in employment 2009-14
18129	Printing (other than printing of newspapers and printing on labels and tags) etc	1,300	3%	67	-2%
18130	Pre-press and pre-media services	100	0%	68	20%
18140	Binding and related services			17	30%
18201	Reproduction of sound recording			21	25%
18202	Reproduction of video recording			24	150%
18203	Reproduction of computer media		0%	0	-100%
19100	Manufacture of coke oven products		0%	0	-
19201	Mineral refining	1,500	4%	1479	13%
19209	Other treatment of petroleum products (excluding mineral oil refining petrochemicals manufacture)			343	18500%
20110	Manufacture of industrial gases			32	42%
20120	Manufacture of dyes and pigments			995	37%
20130	Manufacture of other inorganic basic chemicals			45	-4%
20140	Manufacture of other organic basic chemicals			297	4%
20150	Manufacture of fertilisers and nitrogen compounds	500	1%	990	12%
20160	Manufacture of plastics in primary forms	1,400	1%	239	-5%
20170	Manufacture of synthetic rubber in primary forms		0%	0	-
20200	Manufacture of pesticides and other agrochemical products			190	2350%
20301	Manufacture of paints, varnishes and similar coatings, mastics and sealants			84	-12%
20302	Manufacture of printing ink			40	111%
20411	Manufacture of soap and detergents			1	-86%
20412	Manufacture of cleaning and polishing preparations		0%	13	-90%
20420	Manufacture of perfumes and toilet preparations	100	0%	19	-80%
20510	Manufacture of explosives			169	-59%
20520	Manufacture of glues			2	-67%
20530	Manufacture of essential oils			96	-25%
20590	Manufacture of other chemical products etc		0%	9	-75%
20600	Manufacture of man-made fibres		0%	0	-100%
21100	Manufacture of basic pharmaceutical products			26	2000%
21200	Manufacture of pharmaceutical preparations			18	-51%
22110	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres			235	8%
22190	Manufacture of other rubber products	500	2%	209	134%
22210	Manufacture of plastic plates, sheets, tubes and profiles	1,000	3%	205	41%
22220	Manufacture of plastic packing goods	1,800	2%	180	3%
22230	Manufacture of builders' ware of plastic	1,800	2%	98	-18%
22290	Manufacture of other plastic products	1,700	2%	67	-2%
23110	Manufacture of flat glass		0%	0	-
23120	Shaping and processing of flat glass	1,000	0%	35	-58%
23130	Manufacture of hollow glass		0%	0	-
23140	Manufacture of glass fibres		0%	0	-
23190	Manufacture and processing of other glass, including technical glassware		0%	76	-48%
23200	Manufacture of refractory products	1,000	0%	228	66%
23310	Manufacture of ceramic tiles and flags			84	-16%
23320	Manufacture of bricks, tiles and construction products, in baked clay			31	-71%
23410	Manufacture of ceramic household and ornamental articles		0%	0	-
23420	Manufacture of ceramic sanitary fixtures		0%	0	-
23430	Manufacture of ceramic insulators and insulating fittings		0%	0	-
23440	Manufacture of other technical ceramic products		0%	0	-

SIC Code	Sub Sector	Employment	% of total sector employment	UK=100	% change in employment 2009-18
23490	Manufacture of other ceramic products	0	0%	0	-
23510	Manufacture of cement	480		480	20%
23520	Manufacture of lime and plaster	702		702	19%
23610	Manufacture of concrete products for construction purposes	153	1%	153	-60%
23620	Manufacture of plaster products for construction purposes	237		237	-2%
23630	Manufacture of ready-mixed concrete	70	0%	70	-59%
23640	Manufacture of mortars	0	0%	0	-
23650	Manufacture of fibre cement	0	0%	0	-
23690	Manufacture of other articles of concrete, plaster and cement	45	0%	45	-74%
23700	Cutting, shaping and finishing of stone	177	1%	177	-26%
23910	Production of abrasive products	20		20	-93%
23990	Manufacture of other non-metallic mineral products nec	1		1	-98%
24100	Manufacture of basic iron and steel and ferro-alloys	1048		1048	-18%
24200	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	108	0%	108	19%
24310	Cold drawing of bars	0	0%	0	-
24320	Cold rolling of narrow strip	0	0%	0	-
24330	Cold forming and folding	0	0%	0	-
24340	Cold drawing of wire	0	0%	0	-
24410	Precious metals production	0	0%	0	-
24420	Aluminium production	1		1	-67%
24430	Lead, zinc and tin production	0	0%	0	-
24440	Copper production	0	0%	0	-
24450	Other non-ferrous metal production	0	0%	0	-
24460	Processing of nuclear fuel	0	0%	0	-
24510	Casting of iron	113		113	6%
24520	Casting of steel	182		182	-26%
24530	Casting of light metals	10		10	-44%
24540	Casting of other non-ferrous metals	0	0%	0	-
25110	Manufacture of metal structures and parts of structures	88	2%	88	-25%
25120	Manufacture of doors and windows of metal	98	1%	98	71%
25210	Manufacture of central heating radiators and boilers	0	0%	0	-
25290	Manufacture of other tanks, reservoirs and containers of metal	183	0%	183	-26%
25300	Manufacture of steam generators, except central heating hot water boilers	108	0%	108	47%
25400	Manufacture of weapons and ammunition	20		20	308%
25500	Forging, pressing, stamping and roll-forming of metal; powder metallurgy	65	1%	65	-10%
25610	Treatment and coating of metals	54	1%	54	-8%
25620	Machining	74	3%	74	-32%
25710	Manufacture of cutlery	0	0%	0	-
25720	Manufacture of locks and hinges	7	0%	7	-83%
25730	Manufacture of tools	35	0%	35	59%
25910	Manufacture of steel drums and similar containers	0	0%	0	-
25920	Manufacture of light metal packaging	252		252	-
25930	Manufacture of wire products, chain and springs	42	0%	42	24%
25940	Manufacture of fasteners and screw machine products	10		10	-
25990	Manufacture of other fabricated metal products nec	103	1%	103	69%
26110	Manufacture of electronic components	212	1%	212	-24%
26120	Manufacture of loaded electronic boards	55		55	426%
26200	Manufacture of computers and peripheral equipment	5	0%	5	-97%

SIC Code	Sub Sector	Employment	% of total sector employment	UK=100	% change in employment 2009-14
26301	Manufacture of telegraph and telephone apparatus and equipment	100	0%	30	107%
26309	Manufacture of communication equipment (other than telegraph and telephone apparatus and equipment)			226	19%
26400	Manufacture of consumer electronics		0%	12	-59%
26511	Manufacture of electronic instruments and appliances for measuring, testing, and navigation, except industrial process control equipment	100	1%	48	8%
26512	Manufacture of electronic industrial process control equipment		0%	23	64%
26513	Manufacture of non-electronic instruments and appliances for measuring, testing and navigation, except industrial process control equipment		0%	0	-100%
26514	Manufacture of non-electronic industrial process control equipment		0%	0	-
26520	Manufacture of watches and clocks			21	50%
26600	Manufacture of radiation, electromedical and electrotherapeutic equipment			1	-
26701	Manufacture of optical precision instruments		0%	0	-100%
26702	Manufacture of photographic and cinematographic equipment			592	12700%
26800	Manufacture of magnetic and optical media		0%	0	-
27110	Manufacture of electric motors, generators and transformers	300	2%	334	-39%
27120	Manufacture of electricity distribution and control apparatus	200	0%	55	-71%
27200	Manufacture of batteries and accumulators		0%	0	-100%
27310	Manufacture of fibre optic cables			18	50%
27320	Manufacture of other electronic and electric wires and cables			39	24%
27330	Manufacture of wiring devices			14	-53%
27400	Manufacture of electric lighting equipment	100	0%	25	39%
27510	Manufacture of electric domestic appliances			25	-28%
27520	Manufacture of non-electric domestic appliances			17	17%
27900	Manufacture of other electrical equipment	200	0%	100	29%
28110	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines			509	1304%
28120	Manufacture of fluid power equipment	100	0%	76	400%
28131	Manufacture of pumps			1	-33%
28132	Manufacture of compressors			7	0%
28140	Manufacture of other pumps and valves		0%	0	-100%
28150	Manufacture of bearings, gears, gearing and driving elements			195	-1%
28210	Manufacture of ovens, furnaces and furnace burners			37	-54%
28220	Manufacture of lifting and handling equipment	300	1%	79	6%
28230	Manufacture of office machinery and equipment (except computers and peripheral equipment)			626	393%
28240	Manufacture of power-driven hand tools		0%	0	-
28250	Manufacture of non-domestic cooling and ventilation equipment	200	0%	46	-18%
28290	Manufacture of other general-purpose machinery (except computers and peripheral equipment)	300	1%	77	34%
28301	Manufacture of agricultural tractors		0%	0	-
28302	Manufacture of agricultural and forestry machinery (other than agricultural tractors)	300	1%	362	26%
28410	Manufacture of metal forming machinery			7	-53%
28490	Manufacture of other machine tools		0%	21	-56%

SIC Code	Sub Sector	Employment	% of total sector employment	UK=100	% change in employment 2009-14
28910	Manufacture of machinery for metallurgy	0	0%	0	-100%
28921	Manufacture of machinery for mining	0	0%	0	-
28922	Manufacture of earth moving equipment	27		27	48%
28923	Manufacture of equipment for concrete crushing and screening roadworks	14		14	-81%
28930	Manufacture of machinery for food, beverage and tobacco processing	361	1%	361	20%
28940	Manufacture of machinery for textile, apparel and leather production	0	0%	0	-100%
28950	Manufacture of machinery for paper and paperboard production	92	0%	92	-6%
28960	Manufacture of plastics and rubber machinery	41	0%	41	-73%
28990	Manufacture of other special-purpose machinery nec	42	0%	42	-61%
29100	Manufacture of motor vehicles	16	1%	16	-23%
29201	Manufacture of bodies (coachwork) for motor vehicles (except caravans)	80	0%	80	-15%
29202	Manufacture of trailers and semi-trailers	119	0%	119	-57%
29203	Manufacture of caravans	25	0%	25	43%
29310	Manufacture of electrical and electronic equipment for motor vehicles	116		116	117%
29320	Manufacture of other parts and accessories for motor vehicles	42	1%	42	15%
30110	Building of ships and floating structures	6	0%	6	163%
30120	Building of pleasure and sporting boats	23	0%	23	-24%
30200	Manufacture of railway locomotives and rolling stock	26		26	-91%
30300	Manufacture of air and spacecraft and related machinery	59	2%	59	466%
30400	Manufacture of military fighting vehicles	0	0%	0	-
30910	Manufacture of motorcycles	119		119	44%
30920	Manufacture of bicycles and invalid carriages	5		5	-78%
30990	Manufacture of other transport equipment nec	265	0%	265	500%
31010	Manufacture of office and shop furniture	16	0%	16	46%
31020	Manufacture of kitchen furniture	159	1%	159	545%
31030	Manufacture of mattresses	0	0%	0	-100%
31090	Manufacture of other furniture	185	4%	185	91%
32110	Striking tools	0	0%	0	-
32120	Manufacture of jewellery and related articles	26	0%	26	225%
32130	Manufacture of imitation jewellery and related articles	80		80	125%
32200	Manufacture of musical instruments	18	0%	18	33%
32300	Manufacture of sports goods	198		198	35%
32401	Manufacture of professional and arcade games and toys	0	0%	0	-100%
32409	Manufacture of games and toys other than professional and arcade games and toys nec	75	0%	75	50%
32500	Manufacture of medical and dental instruments and supplies	14	0%	14	25%
32910	Manufacture of brooms and brushes	0	0%	0	-
32990	Other manufacturing nec	103	1%	103	170%
33110	Repair of fabricated metal products	138	0%	138	535%
33120	Repair of machinery	383	6%	383	-15%
33130	Repair of electronic and optical equipment	13	0%	13	63%
33140	Repair of electrical equipment	186	1%	186	186%
33150	Repair and maintenance of ships and boats	41	0%	41	222%
33160	Repair and maintenance of aircraft and spacecraft	114	1%	114	455%
33170	Repair and maintenance of other transport equipment	66	0%	66	182%
33190	Repair of other equipment	136	0%	136	553%

SIC Code	Sub Sector	Employment	% of total sector employment	UK=100	% change in employment 2009-14
33200	Installation of industrial machinery and equipment	200	0%	43	231%
58110	Book publishing	100	0%	26	2%
58120	Publishing of directories and mailing lists			11	100%
58130	Publishing of newspapers	300	1%	35	-47%
58141	Publishing of learned journals		0%	0	-
58142	Publishing of consumer, business and professional journals and periodicals	500	1%	77	30%
58190	Other publishing activities		0%	12	-8%
59200	Sound recording and music publishing activities		0%	6	-79%
95120	Repair of communication equipment			26	-
95220	Repair of household appliances and home and garden equipment	100	0%	152	36%
95240	Repair of furniture and home furnishings		0%	47	21%
95290	Repair of other personal and household goods	100	0%	132	638%

Employment numbers are rounded to the nearest 100; Some figures removed due to the possibility of disclosure

Appendix D – Visitor Economy sub sectors

SIC Code	Sub Sector	Employment	% of total sector employment	UK=100	% change in employment 2009-14
55100	Hotels and similar accommodation	11,400	9%	81	1%
55201	Holiday centres and villages	1,500	4%	469	6%
55202	Youth hostels			3	-50%
55209	Other holiday and other short-stay accommodation (not including holiday centres and villages or youth hostels) nec	1,000	0%	83	2%
55300	Camping grounds, recreational vehicle parks and trailer parks	1,600	4%	421	11%
55900	Other accommodation		0%	43	7%
56101	Licensed restaurants	10,000	13%	99	11%
56102	Unlicensed restaurants and cafes	13,300	11%	132	40%
56103	Takeaway food shops and mobile food stands	13,300	8%	147	16%
56210	Event catering activities	1,900	2%	58	-10%
56290	Other food service activities	1,400	4%	90	99%
56301	Licensed clubs	1,200	3%	120	-41%
56302	Public houses and bars	15,900	15%	107	-20%
49100	Passenger rail transport, interurban	1,000	0%	25	573%
49320	Taxi operation	1,000	1%	111	-32%
49390	Other passenger land transport nec	1,400	3%	187	-25%
50100	Sea and coastal passenger water transport			12	-33%
50300	Inland passenger water transport			377	9600%
51101	Scheduled passenger air transport			28	163%
51102	Non-scheduled passenger air transport	1,000	0%	49	1%
79110	Travel agency activities	1,000	1%	46	-26%
79120	Tour operator activities		0%	5	-47%
79901	Activities of tourist guides			37	-
79909	Other reservation service activities (not including activities of tourist guides)		0%	11	-90%
90010	Performing arts	1,000	0%	31	-86%
90020	Support activities for performing arts		0%	17	-45%
90030	Artistic creation	1,000	0%	45	-78%
90040	Operation of arts facilities	1,000	0%	70	-18%
91020	Museum activities	1,000	0%	29	-71%
91030	Operation of historical sites and buildings and similar visitor attractions	1,000	0%	91	-14%
91040	Botanical and zoological gardens and nature reserve activities	1,000	0%	81	-63%
92000	Gambling and betting activities	1,200	3%	102	7%
93110	Operation of sports facilities	1,600	4%	90	-21%
93199	Other sports activities (not including activities of racehorse owners) nec	1,400	1%	83	25%
93210	Activities of amusement parks and theme parks	1,000	1%	116	-10%
93290	Other amusement and recreation activities	1,000	2%	138	-18%
77110	Renting and leasing of cars and light motor vehicles	1,000	2%	137	10%
77210	Renting and leasing of recreational and sports goods	1,000	0%	101	31%
77341	Renting and leasing of passenger water transport equipment		0%	0	-
77351	Renting and leasing of passenger air transport equipment		0%	79	-
82301	Activities of exhibition and fair organizers	1,000	0%	61	-21%
82302	Activities of conference organizers		0%	25	8%
68202	Letting and operating of conference and exhibition centres		0%	13	-78%
68209	Letting and operating of town or leased real estate (other than Housing Association real estate and conference and exhibition services) n.e.c.	1,500	4%	78	-46%
68320	Management of real estate on fee or contract basis	1,000	2%	57	77%

Employment numbers are rounded to the nearest 100; Some figures removed due to the possibility of disclosure

Appendix E – Low Carbon and Renewable Energy sectors and description of activity

Sector	Description
Offshore wind	The production of electricity from Offshore wind renewable sources and the design, production, and installation of infrastructure for this purpose. Including operations and maintenance.
Onshore wind	The production of electricity from Onshore wind renewable sources and the design, production, and installation of infrastructure for this purpose. Including operations and maintenance.
Solar photovoltaic	The production of electricity from Solar renewable sources and the design, production, and installation of infrastructure for this purpose. Including operations and maintenance.
Hydropower	The production of electricity from Hydropower renewable sources and the design, production, and installation of infrastructure for this purpose. Including operations and maintenance.
Other renewable electricity	The production of electricity from wave and/or tidal and/or geothermal renewable sources and the design, production, and installation of infrastructure for this purpose. Including operations and maintenance.
Bioenergy	The production of energy (electricity and heat) from renewable bioenergy sources and the design, production, and installation of infrastructure for this purpose. Including operations and maintenance. Bioenergy is liquid biofuels, solid biomass and biogas e.g. biomethane, vegetable oil, peanut oil and energy crops. This sector includes gasification and anaerobic digestion.
Alternative Fuels	The production of fuels for low carbon and renewable energy use which is not classified as bioenergy. Including hydrogen. Excluding compressed natural gas and LPG.
Renewable heat	The design, production, and installation of infrastructure for generating heat directly through solar, thermal, geothermal or other means. Including operations and maintenance. Including Ground source and Air source heat pumps. Excluding generating electricity which is then used to generate heat. Excluding heat from biomass which is classified under Bioenergy.

Renewable combined heat and power	The design, production, and installation of infrastructure for generating heat directly through solar, thermal, geothermal or other means where the renewable sources both generate direct heat and electricity. Including operations and maintenance. Excluding heat and power from biomass which is classified under Bioenergy.
Energy efficient lighting	The design, manufacture and installation of energy efficient bulbs, tubes, fittings etc. designed for the purpose of using less energy to produce the same or greater amount of light.
Energy efficient products	<p>The design, manufacture and installation of energy efficient products. Examples include:</p> <ul style="list-style-type: none"> -Energy efficient doors and windows -Heating and ventilation, such as condensing boilers, ventilation and heating recovery -Insulation such as loft, external wall, roof insulation - Reducing energy consumption for heat or air conditioning by minimising 'leakage' of heat - Energy efficient building materials or technologies - Sustainable buildings and architecture - Either materials with greater insulation properties or durability properties or those requiring significantly less carbon emission in their manufacture or recycling waste materials in their manufacture <p>Exclude: 'Smart' goods such as TVs and freezers.</p>
Energy monitoring, saving or control systems	<p>The design, manufacture and installation of systems that reduce energy consumption through effective heat or energy management. Include equipment and related systems for doing this. Examples include:</p> <ul style="list-style-type: none"> - Smart heating controls - Condensation control - Control system components - Energy management systems - Energy management software

Low carbon financial and advisory services	Expert advice and education on: reducing carbon consumption, engaging in low carbon industrial activities, carbon credits and funding systems for low carbon activities and services. Include: environmental and/or energy consultants
Low emission vehicles and infrastructure	<p>Design and manufacture of vehicles with specific technology to significantly reduce or remove emissions. Include: hybrid vehicles, electric vehicles, fuel cell vehicles or other technologies.</p> <p>Exclude: small efficiency improvements such as lighter bodywork or aerodynamics. Fuel efficient, conventional vehicles are also excluded.</p>
Carbon capture and storage	Capturing waste CO2 at point of emission and depositing it where it will not enter the atmosphere. Activity of doing this and the design, manufacture and installation of infrastructure for this purpose.
Nuclear power	The production of electricity from nuclear power and the design, production and installation of infrastructure for this purpose. Including operations and maintenance. Decommissioning and waste processing activities are excluded.
Fuel cells and energy storage systems	The design, manufacture and installation of energy storage systems, flywheel energy storage, fuel cells, batteries and any other form of energy storage system.

Appendix F – Low Carbon and Renewable Energy groups and description of activity

Group	Description
Low Carbon Electricity	Offshore wind, Onshore wind, Solar Photovoltaic, Hydropower, Other renewable electricity, Nuclear power, Carbon capture and storage
Low Carbon Heat	Renewable heat, Renewable combined heat and power
Energy from Waste and Biomass	Bioenergy, Alternative fuels
Energy Efficient Products	Energy efficient products, Energy efficient lighting, Energy monitoring, saving or control systems
Low Carbon Services	Low carbon financial and advisory services
Low Emission Vehicles and Infrastructure	Low emission vehicles and infrastructure
Fuel Cells and Energy Storage	Fuel cells and energy storage systems

Appendix G – Ports & Logistics sub sectors

SIC Code	Sub Sector	Employment	% of total sector employment	UK=100	% change in employment 2009-14
49200	Freight rail transport	200	1%	140	1%
49311	Urban, suburban or metropolitan area passenger railway transportation by underground, metro and similar systems		0%	0	-
49319	Urban, suburban or metropolitan area passenger and transport other than railway transportation by underground, metro and similar systems	500	4%	26	-34%
49410	Freight transport by road	2,700	49%	221	1%
49500	Transport via pipeline		0%	0	-
50100	Sea and coastal passenger water transport			8	-33%
50200	Sea and coastal freight water transport	200	1%	161	808%
51210	Freight air transport			41	-45%
52101	Operation of warehousing and storage facilities for water transport activities (division 50)			629	48%
52102	Operation of warehousing and storage facilities for air transport activities (division 51)		0%	0	-
52103	Operation of warehousing and storage facilities for land transport activities (division 59)	600	15%	57	0%
52211	Operation of rail freight terminals		0%	0	-
52212	Operation of rail passenger facilities at railway stations			294	98%
52213	Operation of bus and coach passenger facilities at bus and coach stations			101	-
52219	Other service activities incidental to land transportation, not including operation of rail freight terminals, passenger facilities at railway stations or passenger facilities at bus and coach stations)	200	7%	87	307%
52220	Service activities incidental to water transportation	500	8%	371	-4%
52230	Service activities incidental to air transportation	200	1%	19	8%
52241	Cargo handling for water transport activities (division 50)	100	0%	148	-67%
52242	Cargo handling for air transport activities (division 51)	100	0%	50	-38%
52243	Cargo handling for land transport activities (division 59)		0%	0	-
52290	Other transportation support activities	400	8%	105	-6%
53201	Licensed carriers		0%	28	375%
53202	Unlicensed carriers	600	3%	41	-47%
77120	Renting and leasing of trucks	200	1%	96	94%
77342	Renting and leasing of freight water transport equipment			28	100%
77352	Renting and leasing of freight air transport equipment		0%	0	-

Employment numbers are rounded to the nearest 100; Some figures removed due to the possibility of disclosure

Appendix H – Health & Care sub sectors

SIC Code	Sub Sector	Employment	% of total sector employment	UK=100	% change in employment 2009-14
861010	Hospital Activities	16,200	28%	79	-9%
861020	Medical nursing home Activities	1,000	2%	107	-69%
862100	General medical practice Activities	8,900	7%	99	-16%
862200	Specialist medical practice Activities	800	1%	84	-61%
862300	Dental practice Activities	1,100	2%	69	-7%
869000	Other human health Activities	5,800	12%	125	-2%
871000	Residential nursing care Activities	8,600	6%	113	56%
872000	Residential care Activities for learning disabilities, mental health and substance abuse	800	1%	86	-6%
873000	Residential care Activities for the elderly and disabled	9,600	8%	122	-3%
879000	Other residential care Activities	3,700	8%	124	22%
881000	Social work Activities without accommodation for the elderly and disabled	5,500	10%	127	74%
889100	Child day-care Activities	2,900	5%	101	18%
889900	Other social work Activities without accommodation	5,900	12%	105	-4%

Employment numbers are rounded to the nearest 100

More Information

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