

Paper 5 Immigration Policy

Publication	Public Paper (published)					
Meeting date:	20th March 2020					
Agenda Item:	Strategy					
Item Subject:	Immigration Policy					
Author:	Kate Storey					
For:	Discussion	X	Decision	x	Information	X

Immigration Policy

1. Purpose

This report provides information on the recently released Immigration Policy with a view to establishing a recommended policy and lobbying position for Greater Lincolnshire.

2. Recommendation

The board is asked to:

- Consider and discuss the evidence provided within the paper.
- Establish a consistent policy and lobbying position, including actions, roles and responsibilities in providing a response to HMG.
- Establish the LEPs actions and role in supporting businesses with the policy.
- Steer the focus of the existing commissioned work in relation to sectoral and business engagement on the topic.

3. Background

On 19 February 2020 HM Government published its Policy Statement on the UK's future 'points-based' immigration system, which is due to come into effect in January 2021, and which is based on the findings and recommendations of the Migration Advisory Committee's (MAC) January 2020 report.

Greater Lincolnshire LEP and the Business Lincolnshire Growth Hub have commissioned work providing a deep dive analysis in to the impacts of the policy on our key sectors which will be developed over the coming month.

A summary paper, included as an annex, has been developed in the early stages of this work with the purpose of aiding Greater Lincolnshire LEPs response to the policy and potential lobbying position.

4. Next Steps

We will continue to develop the research in relation to labour market and impacts of the policy on business.

Develop a policy response and ensure this is articulated through to all major stakeholders including MPs.

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5. Conclusion

Greater Lincolnshire is likely to be particularly impacted by the immigration policy, therefore it is important that we work with business to mitigate potential negative impacts .

Paper 6 Freeports

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Greater Lincolnshire LEP Discussion Paper on Freeports

Author Ruth Carver

Published Paper

Executive Summary - As part of the work to boost economic activity the government aims to create up to 10 freeports in locations across the UK. Freeports have different customs rules than the rest of the country, they can also be innovative hubs, boost global trade, attract inward investment and increase productivity. In doing so, the government wants freeports to generate employment opportunities to the benefit of some of our most deprived communities around the UK. To support this work, they are running a formal consultation to understand thoughts on the UK's plans for freeports. They aim to feed views into the policy development process. The consultation closes on Monday 20 April 2020. For more information on getting involved with the Freeports consultation, visit: www.gov.uk/government/consultations/freeports-consultation

Recommendations

R1 -That the Humber and Lincolnshire LEP's submit a joint response to the Freeports Consultation incorporating views from local partners, businesses and operators.

Background - Freeports will become a cornerstone of plans to level up opportunity across the UK, with Ministers promising in a consultation launched in early February to “unleash the potential” of deprived communities by creating up to ten secure customs zones to pull in investment and trial new technologies. Many port operators are hoping the policy could help them win government support for infrastructure improvements and cut through planning restrictions. Trade and customs experts were more sceptical. They said the UK has little need for the typical freeport model used in countries where tariffs are higher or the business environment harder to navigate. But they conceded that a broader package of incentives — including tax reliefs for businesses that invested in the zones — could help regenerate “left behind” regions.

What model of freeports is the being proposed?

The consultation is seeking to explore proposals. Freeports are secure zones, usually located at seaports or airports, where business can be carried out inside a country's land border, but outside its customs regime. Typically, they allow companies to import parts and raw materials and process them with minimal paperwork and without paying duties. Those products are then either exported duty free or if they enter the domestic market are subject to normal customs controls. Government is proposing to build on this basic model by introducing other measures designed to draw in investment and boost local job creation. These could include tax breaks designed to

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increase investment in infrastructure, incentivise research and development and cut the cost of hiring.

Government consultation

Government published a consultation on freeports on 20 February (closing on 20 April) which runs to 68 questions. This is concerned with the policy towards freeports, including their incentives, governance and the process of selecting them, rather than proposing locations. It is envisaged that a bidding process would follow later. The document sets out the potential offer to businesses using a freeport, including on customs, tax and planning. The current Enterprise Zones model is highlighted in several places, including on tax incentives and planning. Government notes that “infrastructure investment will play an important role in Freeports, both in facilitating access between ports, customs zones, nearby industrial clusters and the wider transport network, and in maximising Freeports’ economic impact on the wider area in which they are located. Government is “considering making investment available to enable the delivery of such projects.

The consultation is clearly highly relevant to Greater Lincolnshire, with our substantial ports assets in Immingham, Grimsby, Killingholme, and Boston, as well as areas of potential inland freeports based on manufacturing corridors, so it is proposed that a response be submitted.

Notwithstanding that some organisations may respond separately on the specific issues affecting them, it

LEP and local authority policy officers will develop the text of the response.

R1 -That the Humber and Lincolnshire LEP's submit a joint response to the Freeport's Consultation incorporating views from local partners, businesses and operators by 20th April deadline.

Allocation criteria and process

Government currently proposes that bids should be made by combined authorities (where they exist), or LEPs and upper-tier local authorities elsewhere. Combined authorities/LEPs may be asked to prioritise one application from their geography. Given that priority legislations need to be developed to enact freeports, the timescale for site specific options is some way off. The potential assessment of sites in terms of opportunity, and levelling up would need to be assessed robustly across Humber and Greater Lincolnshire and the LEP is prepared to work with local partners to assess the contribution towards the Local Industrial Strategy.

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Author:	Kate Storey					
For:	Discussion	X	Decision	x	Information	X

Update and discussion - Greater Lincolnshire LIS

1. Purpose

This report provides an update on the Local Industrial Strategy process and next steps and roles.

2. Recommendation

The Board is asked to:

- Consider the roles and responsibilities for the recommended next steps.
- Establish roles to communicate with Government colleagues, MPs and partners. In particular raising the profile of the LIS priorities.

3. Background and recap

On the 27th November 2017 Government published a white paper titled "Industrial Strategy: building a Britain fit for the future." The white paper set out a long term plan to boost the productivity and earning power of people throughout the UK. It set out a vision for boosting productivity in the UK through the lens of five key policy areas, described as "foundations of productivity". These foundations were:

Ideas – raising the total R&D spend in the UK

People – investment in education, retraining and inclusion

Infrastructure – increases to infrastructure investment funds

Business Environment – roll out of sector deals, driving investment in high potential businesses

Places – agree Local Industrial Strategies the build on local strengths and deliver on economic opportunities.

There were also 4 grand challenges which the Government posed as vital to putting the UK at the forefront of the industries of the future. These were AI and Data, ageing society, clean growth, and the future of mobility. Following this, LEPs and MCAs were invited to develop Local Industrial Strategies which were to be thoroughly evidence based, with scrutiny from central government analysts, and present local and Government commitments through a co-production process with central Government. Greg Clark, then Secretary of State for BEIS, officially announced the development of Local Industrial Strategies in December 2018.

4. Progress to date

The development of the Local Industrial Strategy has been an iterative process, beginning with the development of a rigorous evidence base, informed by research commissions, MP Roundtables and stakeholder input. As part of the evidence base process, a Framework was published in early

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2019 and a call for evidence was launched to further inform our overall evidence base and areas of priority. In addition an 'Expert Advisory Panel' in order to provide external checks and balances to the process. This panel was formed of national level policy experts across various disciplines from bodies such as the Joseph Rowntree Foundation, CBI, Transform Lives, University of Lincoln and University College London. The panel was chaired by Loiuise Kempton, Associate Dean at the University of Newcastle and senior researcher for the Centre for Urban and Regional Development Studies (CURDS).

The [evidence base pack](#) was submitted and evaluated by cross-departmental Government analysts in August 2019. Following the successful evaluation of our evidence base, content for the draft LIS was developed through the summer of 2019.

This culminated in an intense period of engagement with local stakeholders and partners and a process of heavy editing with a drafting team was undertaken before submitting a [locally agreed LIS](#) draft to BEIS in December 2019.

4.1 Government changes and policy position

Since we submitted the draft in December 2019, there have been significant changes in Government. These have included a general election and cabinet reshuffle, Brexit and now COVID-19. The large changes in Government have led to some uncertainty on the LIS process as the policy position from the Cabinet has been unclear due to other priorities. This has caused a hiatus in the development process over Christmas and into the new year 2020.

We are currently continuing our engagement with the Strategies team at Cities and Local Growth Unit who are now working closely with us to further develop the strategy and refine our commitments with a view to having a version which is ready to go for Cabinet and Treasury sign-off.

5 Summary of the LIS

A plan to develop greater Lincolnshire into the best place in the UK to undertake agritech and food tech, and defence intelligence and surveillance To do this the LIS capitalises on our businesses, land and people to create a productive and resilient economy

Greater Lincolnshire is a £20.7bn economy, with ambitions to add £3.2bn to GVA by 2030. This Local Industrial Strategy will contribute to delivering this ambition. It identifies the area's distinctive strengths, opportunities and challenges, creating a strong foundation for growth. Success will be achieved through partners working together to boost productivity in all places and all sectors, creating a productive and resilient Greater Lincolnshire economy recognised for its businesses, land and people.

6 Next Steps

We will be working closely with colleagues from central Government through March to understand and further develop our Government asks. We will also be required to start the development of an implementation plan, which outlines how we plan to take forward the local commitments and continue to develop our relationship with Government departments. This will also provide the conduit between the Planning for Growth actions and the strategic LIS priorities.

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The current formal sign off process for Local Industrial Strategies involves sign off from the Cabinet and the Treasury.

Locally we need to keep stakeholders and partners informed. It is also important that MPs endorse our LIS, and as such we propose to seek to engagement with MPs via the key LEP contacts for each MP.

5. Conclusion

The Local Industrial Strategy remains the central strategy for raising the economy and productivity in Greater Lincolnshire. We will continue our conversations with Government around commitments and asks, with a view of achieving a jointly produced strategy by early summer.