



County Offices  
Newland  
Lincoln  
LN1 1YL

13 July 2015

**Economic Scrutiny Committee**

A meeting of the Economic Scrutiny Committee will be held on **Tuesday, 21 July 2015 at 10.00 am in Committee Room Three, County Offices, Newland, Lincoln LN1 1YL** for the transaction of the business set out on the attached Agenda.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Tony McArdle', written over a horizontal line.

Tony McArdle  
Chief Executive

**Membership of the Economic Scrutiny Committee**  
**(11 Members of the Council)**

Councillors A Bridges (Chairman), C Pain (Vice-Chairman), B Adams,  
Mrs J Brockway, G J Ellis, N I Jackson, D McNally, Mrs E J Sneath, W S Webb,  
P Wood and L Wootten



**ECONOMIC SCRUTINY COMMITTEE AGENDA  
TUESDAY, 21 JULY 2015**

<b>Item</b>	<b>Title</b>	<b>Pages</b>
<b>1</b>	<b>Apologies for Absence/Replacement Members</b>	
<b>2</b>	<b>Declarations of Councillors' Interests</b>	
<b>3</b>	<b>Minutes of the Meeting of the Economic Scrutiny Committee held on 9 June 2015</b>	5 - 14
<b>4</b>	<b>Improving Employment and Skills in the Nursing Sector</b> <i>(To receive a report from Clare Hughes, Principal Development Officer, which identifies ways in which Economic Development can contribute to tackling vacancies in the health and care sector)</i>	15 - 18
<b>5</b>	<b>Enterprise Commissioning Strategy</b> <i>(To receive a report from Justin Brown, Enterprise Commissioner, which invites the Committee to consider the Enterprise Commissioning Strategy that will form part of the Council's Business Plan)</i>	19 - 76
<b>6</b>	<b>Influencing Government Funding for Business Support</b> <i>(To receive a report from Samantha Harrison, Enterprise Growth Team Leader, which provides information on the work plan for the Commissioning Strategy – sustaining and growing business and the economy including an update on some of the activities undertaken to date)</i>	77 - 86
<b>7</b>	<b>Recruitment and Induction Business Support - Summary of a Pilot Programme</b> <i>(To receive a report from Clare Hughes, Principal Development Officer, which provides a summary of the LCC funded pilot project, to help businesses recruit new staff, and suggests that the scheme is rolled out in the future)</i>	87 - 92
<b>8</b>	<b>Economic Scrutiny Committee Work Programme 2015</b> <i>(To receive a report by Tracy Johnson, Scrutiny Officer, which provides the Committee with an opportunity to consider its work programme for the forthcoming year)</i>	93 - 98

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**Please note:** for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details set out above.

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## ECONOMIC SCRUTINY COMMITTEE 9 JUNE 2015

### **PRESENT: COUNCILLOR A BRIDGES (CHAIRMAN)**

Councillors C Pain (Vice-Chairman), B Adams, Mrs J Brockway, G J Ellis, D McNally, R A Renshaw, Mrs E J Sneath, W S Webb, P Wood and L Wootten

Councillors: C J Davie and S M Tweedale attended the meeting as observers

Officers in attendance:-

James Baty (Senior Project Officer), Andrea Brown (Democratic Services Officer), Justin Brown (Commissioner for Economic Growth), Andy Gutherson (County Commissioner for Economy and Place), Tracy Johnson (Scrutiny Officer), Cathy Jones (Housing Adviser - GLLEP), Karen Seal (Performance Officer) and Dave Simpson (Technical and Development Finance Manager)

### 1 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Councillor N I Jackson submitted apologies for the meeting.

Councillor R A Renshaw attended as a Replacement Member for Councillor Jackson.

### 2 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of Councillors' interests.

### 3 MINUTES OF THE MEETING OF THE ECONOMIC SCRUTINY COMMITTEE HELD ON 14 APRIL 2015

Minute number 61 (Lincoln Cathedral's Role in the City's Continued Growth) – it was reported that, since the last meeting, the Cathedral's Heritage Lottery Bid had been successful.

RESOLVED

That the minutes of the Economic Scrutiny Committee meeting held on 14 April 2015 be confirmed and signed by the Chairman as a correct record.

### 4 ANNOUNCEMENTS

Councillor C J Davie was invited to update the Committee on recent events within the County.

## 2

### **ECONOMIC SCRUTINY COMMITTEE**

**9 JUNE 2015**

Councillor Davie confirmed that Lincoln Castle had hosted a very successful official reopening and gave credit to Lincolnshire, the team behind the Castle and, in particular, the Tourism Development Team (Mary Powell, Lydia Rusling, Jessica Marshall and Amanda Davey) who had led with fantastic passion and commitment.

It was reported that visitors to the Castle had reached 67k since 1<sup>st</sup> April 2015, bringing in revenue of £507k. The projected forecast in the business plan was £950k. Copies of the Magna Party weekend programme were available for Members. As a result of the Castle success, information had been received that most of the hotels in Lincoln were solidly booked every weekend over the summer which gave encouragement that the project was working as a regenerator of the city. It was stressed that this should be promoted for the county as a whole and not the city alone.

HSBC had announced job losses of 8k in the United Kingdom. It was also reported that there would be branch closures of Natwest within Lincolnshire which were of particular concern as they may prove to be the last branch in many towns. Councillor Davie would be meeting with Anna Soubry MP so would ensure this issue was discussed at length. He went on to confirm that all MP's in Lincolnshire were committed to working together for Lincolnshire and work was ongoing behind the scenes with both banks.

The Lincoln Castle Shuttle had been quiet in the first month but figures had more than doubled in May with numbers continuing to increase and an anticipation that this would continue due to forthcoming major events.

It was noted that a number of properties in historic Lincoln were not being used to the full potential, e.g. The Judges Lodgings. It was agreed that the Uphill area of Lincoln could be made a global attraction, with The Lawn becoming part of that vision. The Cathedral bid would also complete that. Future consideration would also be given to archives in order to assist in making Lincoln a leading world class city.

The Chairman thanked Councillor Davie for the updates.

## 5 GOVERNMENT CONSULTATION ON THE REVIEW OF BUSINESS RATES

The Chairman advised the Committee that due to a conflicting appointment of officers, he had agreed to take Item 6 (Government Consultation on the Review of Business Rates) first.

Consideration was given to a report of the Executive Director for Environment and Economy which provided information about the Government consultation on a review of the operation of business rates and asked if there should be changes to the methodology for calculating business rates and to the amount of business rate income that was devolved to local authorities.

Dave Simpson, Technical and Development Finance Manager, introduced the report and explained the background of Business Rates in order to provide an understanding of the reasoning behind the report.

During discussion, the following points were noted:-

- Forecasts showed that Lincoln's growth was slower than other parts of the county. It was felt that this was likely to be because of the city's stronger dependency on the public sector (the figures covered the period of public sector final reductions);
- Government was clear that growth in the economy was key to the success of the country. Government was then offering areas the option of retaining business rates locally, but the benefits of doing this needed to be balanced against any risks;
- It was suggested that a response be tabled at the Economic Leads meeting to enable a full discussion with District Council colleagues prior to the submission date.

RESOLVED

1. That Lincolnshire County Council write with its comments on the review, following consultation with the District Councils; and
2. That the report be noted.

## 6 EMERGING GOVERNMENT PRIORITIES FOR THE ECONOMY

Justin Brown, Commissioner for Economic Growth, provided a verbal update on the new government's economic priorities. Government had announced their 100 business targets and a number were relevant to Economic Development, as noted below:-

1. Shift in language between growth and productivity. Government was talking about productivity being more important. Unemployment had remained relatively stable and growth supported as people took part-time jobs and limited pay rises;
2. Apprenticeship – the challenge remained of 200k jobs needing to be filled in coming years. There had been criticism in recent years that the focus had been on 25 year olds but apprenticeships were as useful to that age group in the same way they were to school leavers. Should the emphasis be on teenagers (16-19 year olds) then education for all of those apprenticeships should be a main focus;
3. Enterprise Bill – Anna Soubry MP was leading on this area with the Small Business Group. Government was looking to make the processes easier but wanted to be presented with solutions to problems rather than the problem alone;
4. Increases in Childcare and Housing had been announced – this was to improve the process for housing. In respect of Childcare, a lot more smaller providers were required in rural areas and an agreement about a suitable level of charge for that care. The aim was to ensure parents could work without having to stop due to the cost of childcare;

5. EU Referendum – it was thought that the Chamber of Commerce would be the area where this would be championed and described;
6. Cities and Devolution Bill – Government needed to find a slightly different level and areas of responsibility for their own economic development. It was felt that the Midlands Engine (East and West Midlands together) could be strong by looking at the links and where to position.

During discussion, the following points were noted:-

- Agreement to drive the economic agenda collectively was required and there was an ongoing need to reinforce the relationship between national government's activity and that of the local authorities;
- There was a strong agenda relating to apprenticeships and the link between school, colleges and employers but it was acknowledged that a lot of businesses were unable to get the right access at the right time. Academies were not under the control of the Local Authority and therefore it was difficult to guide them in this area. Councillor Davie confirmed that he would be writing to Nick Boles MP, Skills Minister, about this again;
- Negotiations have been held with the Skills Funding Agency (SFA) who had redirected £24m into a programme to increase the number of apprenticeships in Lincolnshire and to assist young people into the workplace whilst support employers. It was hoped that this would tackle the structural difficulties of apprenticeship;
- George Osborne had committed, in writing, that Lincoln was to be part of the Great Northern Powerhouse and so there was a unique opportunity for the county but it was stressed that there was a need to be proactive and take the future vision to Government with a readymade case for success.

RESOLVED

That the update be noted and the suggested priorities considered further.

## 7 OUTCOMES FROM GREATER LINCOLNSHIRE EMPLOYER SURVEY

Consideration was given to a report of the Executive Director for Environment and Economy which provided the findings from the large scale employer survey conducted by BMG Research on behalf of Lincolnshire County Council, Great Lincolnshire Local Enterprise Partnership (GLLEP) and the Lincolnshire and Rutland Employer Skills Board.

James Baty, Senior Project Officer, introduced the report and gave a presentation to the Committee. The following points were highlighted during the presentation:-

1. The survey had been commissioned to act as a baseline survey to measure the impact of LEP activity in the future and had been conducted during April and May 2014;
2. There had been 1515 respondents in the Greater Lincolnshire area with approximately 1100 from Lincolnshire county;



3. The survey covered Great Lincolnshire as a place, markets and trading, performance, growth and innovation, finance and investment, recruitment and skills and environment;
4. 92% of businesses based in Lincolnshire were started in Lincolnshire (agri food and visitor economy), 69% had been trading in the county for over 10 years and 72% of employers viewed Lincolnshire as a place their business could grow;
5. Positive views of businesses on Lincolnshire as a place to do business included stronger communities, a wide range of housing and access to suppliers. Those not so positive included the transport infrastructure, profile of the county in terms of attracting people in to work and the support for business growth;
6. The cost of premises/rents/business rates, in Great Lincolnshire, received an average score of 6.3 on a scale of 1 to 10 (1 being poor and 10 being good);

The presentation concluded by summarising the findings of the report. The survey had indicated that Lincolnshire's strength of community, strong supply chains and resilient traditional industries had made the county a place most businesses felt they could grow in 2015, although the transport infrastructure and the image of the county remained an issue for many businesses. It was thought that future research would help monitor the situation and the impact of the GLLEP growth deal.

The Chairman thanked Mr Baty for his presentation and invited the Committee to ask questions.

During discussion, the following points were noted:-

- Those who lived within Lincolnshire had a favourable view of the area as opposed to those who lived in other counties. However, their view was that they didn't see Lincolnshire as a growth area;
- National recognition had been given to the importance of Immingham for import and export. The Spalding freight head was also mentioned although it had, to date, had little input from the local member. It was explained that private companies were in a position to move this forward without public sector involvement and funding and this was the case with the freight head in Spalding. Justin Brown, Enterprise Commissioner, agreed to provide more detail to Members;
- Renewable energy was an emerging sector as described by the LEP. Businesses such as BGB Engineering in Grantham provide services to low carbon sectors across the world and there were a number of similar companies in the county and they were knowledge based businesses with the knowledge being sold as much as the product itself. It was suggested that a tour of BGB Engineering may be of benefit to members;
- Tidal and flood risk were highlighted during the survey although this was not specified between rivers and sea. Businesses needed the confidence that their business would not be affected by the environment so European Funding was being used to help businesses grow and also avoid flood risk. House builders were also being assisted to mitigate against flood risk.

**6**  
**ECONOMIC SCRUTINY COMMITTEE**  
**9 JUNE 2015**

The information gathered during the survey was used as a driver for what businesses need and how to take the county forward.

RESOLVED

That the report be noted.

**8**     APPOINTMENT OF LOOKED AFTER CHILDREN/CARE LEAVER REPRESENTATIVE

Consideration was given to a report from Richard Wills, Director responsible for Democratic Services, which invited the Committee to appoint a Looked After Children/Care Leaver Representative for the Committee following approval of the Corporate Parenting Strategy.

Tracy Johnson, Scrutiny Officer, introduced the report and requested a volunteer.

The Vice Chairman, Councillor C Pain, proposed Councillor Mrs J Brockway to represent the Committee. This was seconded by Councillor G J Ellis and unanimously agreed by the Committee.

RESOLVED

That Councillor Mrs J Brockway be the Looked After Children/Care Leaver representative for the Economic Scrutiny Committee.

**9**     THEME PERFORMANCE: QUARTER 4 2014/15

Consideration was given to a report from the Executive Director for Environment and Economy which discussed the conditions in the local economy and the performance of Lincolnshire County Council economic regeneration schemes.

Justin Brown, Commissioner for Economic Growth, introduced the report by drawing the Committee's attention to page 39, Customer Satisfaction and explaining that this was largely brought together using the number of complaints and compliments received by the Customer Service Centre. The service provided was not direct but commissioning which meant that the number of complaints and compliments received was extremely small and gave little indication to the performance of the section. It was suggested that the Committee, with officers, could spend some time to ascertain who the "customers" were in order to refine how consideration of customer feedback was done.

RESOLVED

1. That the good progress of the department against its 2014/2015 targets be noted;
2. That the Government's economic priorities be considered;
3. That a customer satisfaction report be presented to Committee on 8 September 2015.

10     IMPACT OF TRANSPORTATION ON MAXIMISING ECONOMIC GROWTH (ITMEG) SCRUTINY REVIEW - SIX MONTHLY UPDATE INCLUDING STRATEGY OUTCOMES

Consideration was given to a report from the Executive Director for Environment and Economy which provided an update on the action plan on the role of transport on economic growth within the County and made further suggestions on the way in which the key issues raised through the report could be progressed.

Andy Gutherson, County Commissioner for Economy and Place, introduced the report and gave a short presentation on the Lincolnshire Local Planning Tool. A Summary of Methodology for the Upper Tier Model was also circulated to the Committee. The Lincolnshire Local Planning Tool was being developed to demonstrate, strategically, the combined impact of planned growth across the county on Lincolnshire's highway network. The tool would be an aid to decision-making and would support the identification of development impacts and locations where further, more detailed, analysis was required. The tool would also feed into detailed traffic models for specific settlements within Lincolnshire.

The tool would inform the plan-making process, demonstrating the combined impact of proposals from four Local Plans and provide robust evidence that infrastructure could support planned growth whilst identifying 'hotspots' of network stress where intervention may be needed.

During discussion, the following points were noted:-

- The tool had only been written for one month and had been produced in recognition of the issues faced in the future. The tool would provide the confidence that there was room for growth but also acknowledged that further detailed work and investigation would be required before a decision could be made. The information presented was up to date and fit for purpose, however.

RESOLVED

That the progress being made against the action plan be noted.

11     PEER GROUP REVIEW: OPEN FOR GROWTH

Consideration was given to a report from the Executive Director for Environment and Economy which provided the findings of the Peer Review undertaken by the Local Government Association (LGA) and Planning Advisory Service (PAS).

Andy Gutherson, County Commissioner for Economy and Place, introduced the report and referred members to the final report entitled *Investment (open for growth) Peer Challenge – Lincolnshire Councils 19-23 January 2015* at Appendix A.

During discussion, the following points were noted:-

- Although the report makes particular reference to the transport and infrastructure of the county as major issues, the reported documented information taken during the interview process. The reported endorsed these views and gave further evidence to present to MPs to encourage joint working to improve the infrastructure;
- It was noted that the Scrutiny Review Group was due to report back to the County Council meeting in September 2015 and one of the recommendations from the review could be that this Committee was widened in membership, like the Flood and Drainage Management Committee, to look at the GLLEP and could also include North Lincolnshire and North East Lincolnshire councils.

**RESOLVED**

1. That the findings of the Peer Review be noted;
2. That the feedback on key issues as impacted on Lincolnshire County Council be considered;
3. That the views of the Committee on the opportunity for Countywide scrutiny of growth be provided;
4. That further updates on the work be received at future meetings.

**12 UNLOCKING RURAL HOUSING - SCHEME JUSTIFICATION**

Consideration was given to a report from the Executive Director for Environment and Economy which provided scheme justification for the Unlocking Rural Housing Fund, which would increase and accelerate delivery of housing and address priorities identified in the Strategic Economic Plan (SEP).

Cathy Jones, Housing Adviser to the GLLEP, introduced the report and advised that the scheme would unlock some 370 affordable housing units and £46.5m investment in local communities, thereby supporting local construction jobs.

There were no questions from the Committee in respect of the report.

**RESOLVED**

1. That the scheme justification be approved;
2. That the implementation of the Unlocking Rural Housing Fund, working with local housing associations and Housing Authorities and using Growth Deal grant funding, be supported.

**13 ECONOMIC SCRUTINY COMMITTEE WORK PROGRAMME 2015**

Consideration was given to a report which provided the Committee with the opportunity to consider its work programme for the coming year.

There were no reported amendments to the Work Programme and it was confirmed that only four reports were listed for the next meeting, scheduled for 21<sup>st</sup> July 2015.

RESOLVED

That the Work Programme, as set out in the report, be approved.

The meeting closed at 1.04 pm

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**Open Report on behalf of Executive Director for Environment and Economy**

Report to:	<b>Economic Scrutiny Committee</b>
Date:	<b>21 July 2015</b>
Subject:	<b>Improving employment and skills in the Nursing Sector</b>

**Summary:**

This report identifies ways that Economic Development can contribute to tackling vacancies in the health and care sector. Helen Smith from Health Education East Midlands will attend to provide specialist advice from a health point of view to the Economic Scrutiny Committee.

**Actions Required:**

The Economic Scrutiny Committee is invited to comment on the five strands of work that are being pursued, and to provide advice to officers so that they can prioritise these.

## **1. Background**

LCC recognises the importance of having strong healthcare provision for its residents. In addition, the Greater Lincolnshire Local Enterprise Partnership (LEP) has identified the Health and Care sector as one of our most important growth sectors, with the potential to boost the economy and provide employment across all skills levels.

The recent forecast by Warwick Institute for Employment Research predicts that by 2022 the sector could need to fill 30,000 jobs in our area. It also predicts that the workforce will need to be more highly skilled than they are at the moment to take on the opportunities that become available in the future.

One of the barriers to growth is the availability of trained or skilled staff and a number of sectors face national (and international) shortages. We have already planned well for 'growing our own' workforce in some sectors, e.g. engineering.

Given the predicted growth of the Health and Care sector, and the recruitment challenges it is already facing, it is important that we consider the future medical workforce.

## **A National Challenge**

Members will be aware that there is currently a shortage of nursing staff. There are 70 nursing vacancies in Boston Hospital alone and the recruitment team at United Lincolnshire Hospital Trust has recently attended at UK recruitment fair in Birmingham to attract medical staff to the county. They also held a Lincolnshire event to attract trained nurses who are no longer working, back into the profession.

The shortage of medical staff is not just a local challenge though, it a national one, and many trusts are trying to recruit from outside their areas too. Some are trying innovative ideas.

Nottingham has over 145 nursing vacancies across their hospitals. As part of their response they have developed a 7-day training course for young nurses to provide extra practical skills, something that new recruits say they need. Some of their newest recruits say this extra training is the reason they chose to come to Nottingham. Bristol Trust has developed their own 'nursing bank' to attract nurses who want to work flexibly, and part time, across their Trust. This has worked well.

There are calls nationally for all Trusts to offer nurses more flexible working arrangements. Flexible and part time arrangements are often one of the reasons that trained nurses choose to work through an Agency, rather than be directly employed by a hospital.

Professions that are listed on the Official Shortage Occupation List (SOL), allowing organisations to recruit from outside of the EU, include: Medical and clinical radiographers, psychiatrists, emergency and specialist doctors and nuclear medicine practitioners. GPs and nurses are not.

## **Current Situation**

The commissioning of nursing training is the responsibility of Health Education England, a national body which has regional outposts and a local committee called the Local Education and Training Committee (LETC).

Economic Development has a small part to play. However, our ability to work across sectors, advocate the private sector, attract funding, and influence government provision all mean that we can add something beneficial to the work that needs to be done to address this skills shortage.

We have been speaking to a range of partners and stakeholder across both the health and care sector to better understand the situation. It seems that there is duplication and dilution of effort from all organisations involved.

It is important for all employers – hospital and care home alike - to articulate what skills and jobs they need for the future and begin to plan for that now. There is anecdotal evidence to suggest that nurses and other skilled staff may start to choose to work in hospitals rather than care homes.



## **Apprenticeships and 'Growing our Own'**

The Government has begun to work with NHS employers to discuss the development of a high level nursing Apprenticeship so that local areas can start to 'grow their own' nurses. There is an advantage to this because the numbers of local training places available for nursing are insufficient to meet demand. Senior councillors wrote to the Secretary of State for Health under the previous government suggesting this is piloted in Lincolnshire, and it may be appropriate to follow this letter up under the new government.

We know that there are Lincolnshire people who apply to study a nursing degree and are not offered a place locally. They are not able to take up the places they are offered as an alternative due to family commitments that mean they cannot become a student in another region.

Outside of nursing and medical practices, other Apprenticeship training routes are available with new frameworks being developed.

### **Tackling Current Vacancies – options that could be pursued from an economic development perspective**

Following a discussion with local contacts within the Armed Forces, there is a possibility of developing a model to match opportunities and resource from within the Armed Forces, to support health and care sector. This could be part of a wider resettlement programme or a specific brokerage model that matches specialisms and gaps.

We can also help through the Employment and Skills Board by bringing training providers together to collaborate with employers on developing new Apprenticeship frameworks to meet the specific needs. There is no reason why this should not be in the NHS and care profession (NB. The Army is the biggest provider of apprenticeships in the country).

### **Planning for the Future**

We are already working to better inform young people about the types of jobs available with the Health and Care sector, through the Employment and Skills Board (ESB) and with Sector Skills Council, Skills for Care. For example the ESB recently commissioned a Careers Event, run by Boston College, to highlight the skills required in the sector. There is provision in the European Social Fund (ESF) programme that we steer to do this.

We have already prepared well for the national shortage of engineers by supporting the new School of Engineering at the University of Lincoln and the new University Technical College. The majority of our support concerned employer engagement, funding management, and liaison with government departments. We could do this with any concept of a medical school that is proposed for Lincolnshire.

## **2. Conclusion**

The majority of workforce development activity for the healthcare sector will be led by NHS. However, Economic Development can play an important role as has been set out above.

## **3. Consultation**

### **a) Policy Proofing Actions Required**

n/a

## **4. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Clare Hughes, who can be contacted on 01522 550545 or [Clare.Hughes@lincolnshire.gov.uk](mailto:Clare.Hughes@lincolnshire.gov.uk) .

### Open Report on behalf of Executive Director for Environment and Economy

Report to:	<b>Economic Scrutiny Committee</b>
Date:	<b>21 July 2015</b>
Subject:	<b>Enterprise Commissioning Strategy</b>

#### Summary:

Lincolnshire County Council's Business Plan will be produced during Autumn 2015.

In order to provide a strong contribution on the economic development aspects of the business plan it is proposed that the Economic Scrutiny Committee considers each of the three commissioning strategies that contribute directly to economic growth. These commissioning strategies are:

- Environment
- Enterprise
- Infrastructure

This report concerns the Enterprise Commissioning Strategy.

#### Actions Required:

Members are invited to review the Enterprise Commissioning Strategy, and in particular to address the following questions:

- (i) Is the Enterprise Commissioning Strategy aligned appropriately to the Strategic Economic Plan?
- (ii) How far does the Enterprise Commissioning Strategy reflect the discussions that have taken place at Economic Scrutiny Committee over the past two years?
- (iii) Is the balance between the commissioning and influencing of actions appropriate to available resources?
- (iv) Added together, how far do the objectives of the Strategy match your levels of ambition?
- (v) How would you like to scrutinise the delivery of this Strategy?

## 1. Background

### The Strategic Economic Plan as an overall strategy

The overall strategy for economic growth in Lincolnshire is the Strategic Economic Plan which is promoted by the Greater Lincolnshire Local Enterprise Partnership (GLLEP). Officers from the County Council were asked to prepare the Strategic Economic Plan for the LEP, and the Economic Scrutiny Committee discussed and shaped the Strategic Economic Plan at their meetings in September 2013 and March 2014.

The Strategic Economic Plan has the objective of creating 13,000 new jobs, helping 22,000 businesses to grow, and building 100,000 new homes over a 20 year period. There are five objectives within the Strategic Economic Plan:

- Driving the competitiveness of key economic sectors (agri-food, manufacturing, and visitor)
- Developing our emerging sectors (low carbon, ports and logistics, and health/care)
- Skills, innovation, technology and promotion
- A place to invest (housing and communities)
- A location for investors (environment/heritage, transport, water management, utilities)

More detail on the Strategic Economic Plan is provided in Appendix A. Members received a copy of the draft Strategic Economic Plan at their meeting on 11<sup>th</sup> March 2014, and it can be found at [www.greaterlincolnshirelep.co.uk](http://www.greaterlincolnshirelep.co.uk).

During those discussions about the Strategic Economic Plan, the Executive Councillor for Economic Development stated that the County Council did not intend to produce its own economic development strategy but instead to align strongly to the Strategic Economic Plan. This means that the main focus of the County Council's development activity will support the achievement of the Strategic Economic Plan. There will occasionally be times when the Council leads or supports a project which does not directly support the Strategic Economic Plan but which meets other priorities of the council, but that will be rare.

The Strategic Economic Plan will be refreshed over summer 2015. This is because some of the specific actions in the Strategy are now being delivered, and because other actions have been refined over the 18 months since the Strategy was published. The aims of the Strategy will not change, but some of the detailed actions will be refined. The Greater Lincolnshire LEP currently engages regularly and directly with around 100 stakeholders, but the refresh of the Strategy does provide an opportunity to engage further with district councils and business representatives.

### Enterprise Commissioning Strategy

Appendix B explains the connection between the three commissioning strategies that have a direct impact on the achievement of the Strategic Economic Plan.

Appendix B shows that parts of the environment and infrastructure commissioning strategies meet the Strategic Economic Plan – particularly planning services and economic infrastructure.

Appendix B also shows that the Enterprise Commissioning Strategy is broken down into four main areas. Our main philosophy is that we will facilitate private sector schemes where possible rather than leading them ourselves.

The four main areas will incorporate the following priority actions:

- **Enhancing the performance of business**

*(Commissioning schemes that offer support to businesses; doing this through influencing government provision or commissioning our own schemes.)*

The schemes that we commission will relate to giving information to businesses, promoting supply chain opportunities, and helping businesses to attract finance.

We will concentrate on specific sectors – agrifood and manufacturing in particular. Tourism is included within here, and will be subject of a review in autumn 2015.

As well as directly commissioning schemes, we recognise that government also delivers business support activity such as Manufacturing Advice Service, Export Promotion, and Growth Accelerator. We will seek to influence government provision so that it meets our needs.

- **Encouraging businesses to invest in Lincolnshire**

*(Offering a supportive service to investors; promoting the benefits of investing in Lincolnshire and advising them how to implement their own growth plans)*

We will maintain strong relationships with those developers and intermediaries who are likely to invest in Lincolnshire. This will be through face to face contact and through the organisation of events; we will increasingly seek private sector contributions towards the cost of these events.

In order to support the Strategic Economic Plan we will focus our effort onto developers who will invest in housing, business sites, and tourism products including hotels.

- **Training people so there is a skilled workforce**

*(Commissioning a range of training schemes; this will include adult skills, family learning, and vocational training programmes plus focusing on involving employers in all elements of provision)*

We will continue to commission training schemes where government funding is not available – for example to improve education/industry links or to run short

courses that do not require qualifications. We will also continue to commission adult learning programmes, increasingly linking provision to economic needs rather than to the interests of trainees.

The majority of training is funded and procured by government. We will seek to influence government so that the training meets the needs of our growing sectors, and so that some current gaps in provision can be tackled (eg grants to train people aged 19+). Our particular emphasis will be on developing the skills and tackling the vacancies that will arise from our analysis that 200,000 jobs will need filling by 2020.

- **Operating the LEP secretariat and bidding for grants**

*(Operating the secretariat for the Greater Lincolnshire LEP; supporting the implementation of the LEP's strategic economic plan, and bidding for/managing external grants in support of that plan)*

The strength of relationship between the Greater Lincolnshire LEP and the County Council has been recognised by government. It reassures them that there is a strong dialogue between the public and private sector and it also reassures them that the LEP and County Council will work together to ensure that effective projects will be delivered. In turn this helps to attract substantial funding to Lincolnshire.

We will continue to operate the LEP secretariat, providing managerial support but enabling the secretariat to retain an appropriate level of operational independence. We will provide high quality funding advice, manage EU funding programmes, and contribute to the LEP's work particularly in those subjects which are directly relevant to LCC – eg transport policy.

The council business plan shows that the outcomes for 2015/2016 are:

NO OF JOBS CREATED AND/OR SAFEGUARDED	Target 2015/16 = 758
NO OF BUSINESSES SUPPORTED	Target 2015/16 = 350
NO OF QUALS ACHIEVED	Target 2015/16 = 902
EXTERNAL FUNDING ATTRACTED TO LINCS	Target 2015/16 = £54.8m

The team will prepare indicators for 2016/2017 in consultation both with the Economic Scrutiny Committee and with those organisations who will be commissioned to deliver the Strategy.

Economic Scrutiny Committee's comments on the Enterprise Commissioning Strategy

Most of the reports that have been discussed by the Economic Scrutiny Committee over the past two years have had the purpose of informing the Council's strategic approach to economic development and the actions that support it. The priority actions that are set out above have been distilled from those discussions.

However, in scrutinising and advising on the Commissioning Strategy, the Economic Scrutiny Committee may want to explore the following themes:

- Is the Enterprise Commissioning Strategy aligned appropriately to the Strategic Economic Plan?

The Council stated that as far as possible it would align its delivery with the Strategic Economic Plan. The actions that are proposed are based on sectors, skills, and business advice which are core elements of the Strategic Economic Plan.

- How far does the Enterprise Commissioning Strategy reflect the discussions that have taken place at Economic Scrutiny Committee over the past two years?

The Economic Scrutiny Committee has received a number of papers from staff and from partner organisations. For example, presentations from Mark Tinsley (PC Tinsley and Son) on the importance of innovation within agri-food, Haydn Beeken (Turbine Efficiency Ltd) on the importance of being aware of the local supply chain, and from officers such as Clare Hughes who identified that employers' skills needs are shifting to a higher level. The actions that are prioritised in the Strategy directly meet those comments.

- Is the balance between the commissioning and influencing of actions appropriate to available resources?

Government and other partners clearly deliver schemes that will meet the aims of the Enterprise Commissioning Strategy. However, those schemes may not necessarily meet our objectives without some form of influencing. The Council's strategic leadership role means that it is entirely appropriate for us to seek to influence, and likely reductions to public sector budgets mean that influencing is likely to be more affordable than delivery in the future.

However, the County Council will require some "levers" with which to influence other organisations. These will include a detailed understanding of local economic conditions, the ability to translate economic development policy to operational activity, knowledgeable staff and elected members, strong connections to the local business community, and the possibility of shaping our own programmes to add value to government provision and vice versa. The Commissioning Strategy currently includes provision for each of these but further budget reductions will erode the Council's ability to influence substantially.

- Added together, how far do the objectives of the Strategy match your levels of ambition?

The Strategy is concerned with supporting the Strategic Economic Plan's objective of 13,000 new jobs, 22,000 businesses grow, and 100,000 new homes. The overall objective was set based on high growth as a result of LEP and others' investment, and therefore relates to a high level of ambition.

- How would you like to scrutinise the delivery of this Strategy?

The Council is developing a strong commissioning and delivery split. The Executive Director for Environment and Economy explained to the Economic Scrutiny Committee that elected members would generally deal with the commissioning team. However, members may also wish to invite delivery teams (both internal and external) to explain their plans and progress against the Strategy.

## 2. Conclusion

The Enterprise Commissioning Strategy is aligned to the Strategic Economic Plan. This means that a detailed strategy is not required, but it is useful to describe the priorities that the Council will commission in support of the Strategic Economic Plan.

The priorities that have been set out in this report have a clear rationale, based on discussions with the Economic Scrutiny Committee.

Before publishing the Enterprise Commissioning Strategy as part of the Council's Business Plan, it is useful for the Committee to explore how well those priorities reflect the Committee's work to date.

## 3. Consultation

### a) Policy Proofing Actions Required

n/a

## 4. Appendices

These are listed below and attached at the back of the report	
Appendix A	GLLEP Strategic Economic Plan – Parts A and B
Appendix B	Strategic Economic Plan Diagram

## 5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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# Greater Lincolnshire

Local Enterprise Partnership



## Strategic Economic Plan Part 1: Our Plan

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# Part 1: Setting the scene



# Foreword

from the Chair of the LEP, Ursula Lidbetter



## A stable and strong economic future for every part of the UK depends on growth.

The Greater Lincolnshire LEP believes that our area has real potential to deliver sustainable growth and we're here to enable us all to achieve that.

We want to help businesses across Greater Lincolnshire create wealth and jobs, contributing to the local economy.

We want to increase the skill levels of people in our communities, giving them opportunities and allowing local businesses to recruit the talented employees they need to develop.

Our housing market also plays an important role in supporting the local economy. We intend to ensure that public and private finance work together to provide a wide range of homes to suit all budgets, in the right places to support business growth and stronger communities.

As a board, we have a vision for the future – a list of priorities.

It has been developed following detailed research into our area's strengths, talking to our businesses and drawing on the expertise of those in economic development, especially in local authorities and the education sector. We've listened to their concerns and ideas and they've been built into this Strategic Economic Plan.

Together we can make Greater Lincolnshire stronger.

*Ursula Lidbetter*

### **Ursula Lidbetter**

Chair, Greater Lincolnshire LEP

*These actions will create 13,000 new jobs, help 22,000 businesses and increase the value of the Greater Lincolnshire economy by £3.2 billion by 2030.*

# Introducing Greater Lincolnshire

Greater Lincolnshire contributes over £16 billion to the national economy.

It has a pivotal role in relation to the food security of the UK, growing more than one-eighth of the nation's food; it has significant competitive advantage in three of its defining and strongest industry sectors and has identified a further three sectors with real opportunities for substantial, and nationally important, future growth.

It is also an attractive option for investors; a range of factors come together to make it a great place to live and work:

its own airport serving the business community, two enterprise zones and central location;

two universities, two new university technical colleges and six colleges of further education;

- low housing costs and low crime rates;
- historic sites, beautiful countryside and miles of sandy beaches;
- pretty market towns as well as vibrant urban centres;

And it has real potential to deliver sustainable growth.

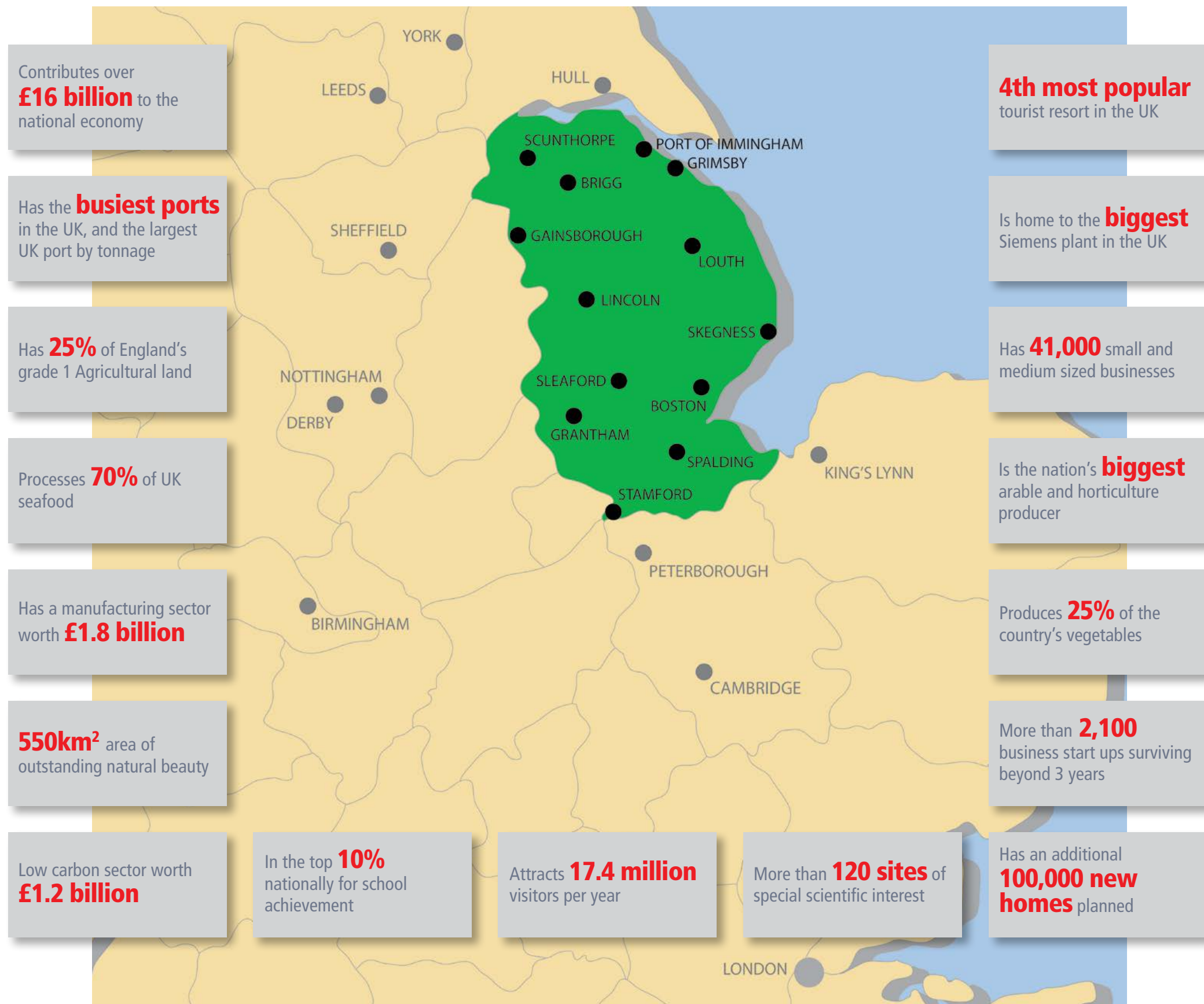
Almost 100,000 new houses are planned that will provide major growth opportunities along nationally important investment corridors.

And the small and medium-sized businesses in the area, over 40,000 of them, have massive supply-chain opportunities.

There are also factors that hold the economic growth of Greater Lincolnshire back. Transport bottlenecks, underdeveloped economic infrastructure and a risk of flooding are problems that need solving. Greater Lincolnshire is also very diverse; it has some of the most, and some of the least, deprived populations within its boundaries and, whilst employment levels are better than the national average overall, there is more to do to ensure that young people are able to take advantage of the work opportunities that are available.

The following pages describe the actions that the Greater Lincolnshire LEP will lead.

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## Our priorities for growth

Greater Lincolnshire’s priorities for growth are outlined below and are formed from the evidence base that we have developed, through commissioning studies, holding almost 100 face-to-face interviews with important businesses in the area, running board workshops and working with major partnerships to shape strategy.

### Greater Lincolnshire plays an important role in the national economy by contributing to:

- food security
- manufacturing output
- the UK visitor economy
- our country’s housing needs.

### Business leaders in our area have told us that their business will grow if they:

- are able to access the right skills and training
- can access new markets through innovation, supply chains, technology and financial improvements
- have confidence that there will be improved infrastructure and security
- can operate in a growing area, with vibrant housing and community provision that is recognised countrywide.

### So we know that the following LEP investment will directly meet what businesses need to grow:

- innovation, technology and skills programmes tailored to need
- sector-specific schemes that give businesses the confidence to invest
- area-based schemes that unblock housing developments, improve transport and increase the vitality of our area.

We have taken these opportunities and turned them into five priorities and drivers for success, to help shape delivery programmes to best effect.

### Our priorities and drivers for success are:

- 1 to drive the growth of the area’s three defining and strongest sectors that offer the most competitive advantage:
  - agri-food
  - manufacturing
  - visitor economy
- 2 to grow specific opportunities identified as future defining features of the area:
  - health and care
  - low carbon
  - ports and logistics
- 3 to drive this growth by putting expansion into new markets, modern telecommunications, infrastructure improvements and the skills of individuals and business owners at the forefront of what we do
- 4 to promote Greater Lincolnshire as a place for sustainable growth through improved transport infrastructure to connect us with national and international markets, enabling wider enjoyment of our world-class heritage sites, culture and strong communities
- 5 to recognise the need for new housing for the existing local population and those moving to the area, and to support balanced housing and economic development through promoting the area’s capacity to deliver high-quality growth.

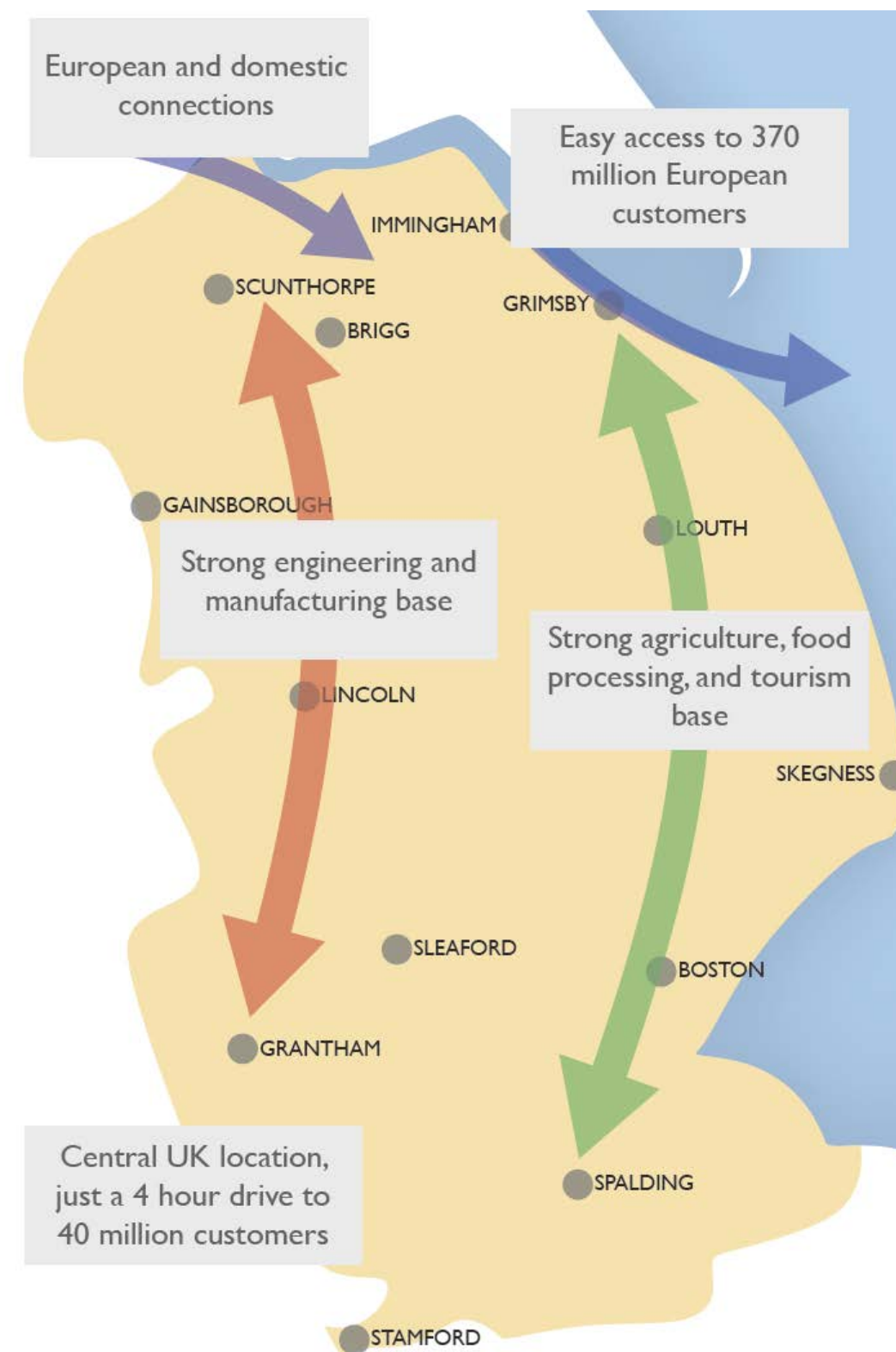
It is important that we recognise the large contribution our small businesses and our foreign-owned businesses will make to the success of this plan.

We also recognise the importance of the range of partners that will come together to deliver these priorities – local authorities, our schools, training providers, FE colleges, universities, Chambers of Commerce, the Federation of Small Business and our communities. There are a great number of very successful partnerships and networks across the area; we have an excellent track record of working together to achieve more.

These priorities underpin the individual sector plans that have been developed.

Each sector action plan will provide the detailed information that all of our partners, organisations and providers need to turn this overarching strategy into delivery projects.

Each sector-based action plan will, in turn, lead to themed plans, for example a Skills plan, an Innovation plan and a Promotion plan.



## Delivering major projects – now – to meet our strategic priorities

The Greater Lincolnshire LEP recognises that our leadership of economic growth must be balanced with the facilitation of projects that give businesses the confidence to invest. Projects of varied scope and scale are being developed but we focus here on those that meet our immediate strategic priorities and can be delivered in 2015/2016 and 2016/2017.

The Greater Lincolnshire LEP will promote a package of deliverable projects benefitting the whole of the LEP area that offer a strong growth deal to the LEP. The projects will demonstrate a significant impact on our priority sectors, our housing numbers, and the infrastructure that we need to support growth.

The board has assessed our programme on the basis of:

- **Deliverability** – does a project have match funding and planning permission in place?
- **Whole area** – will the whole of the LEP area benefit from the overall package of schemes?
- **Growth deal** – does a project offer substantial direct outcomes that support economic growth? Do the outcomes represent good value for money, will the Single Local Growth Fund (SLGF) lever other funding, and is there a clear plan in place to realise the benefits of the project?
- **Priority sectors** – does a project directly support agri-food, tourism, engineering, care, ports, and low carbon? Is there a project that is available to all businesses?
- **Housing** – does a project directly create housing growth?
- **Infrastructure** – does a project provide critical infrastructure for growth?

Specific projects are identified throughout this strategic economic plan. As a result of our assessment, the projects that the Greater Lincolnshire LEP intends to lead are set out below. The projects are deliverable in 2015/2016, meet the priorities of the SLGF, and will have a strong impact locally.

**Grantham southern relief road** – will create 17 hectares of employment land and 1,600 housing units, leveraging £260m of private sector funding.

**Boston quadrant** – will create 4.5 hectares of employment land and 500 housing units, leveraging £78m of private sector funding.

**Boole Technology Centre and Lincoln transport hub** – will create 93 jobs, assist 219 businesses and open up 3.76 hectares of employment land.

**Unlocking rural housing programme** – will create 2,059 housing units.

**Bishop Burton College, West Lindsey** – will develop a new agricultural college creating 35 new jobs and assisting 410 businesses.

**Innovation programme** – will provide advice and support to 400 of Greater Lincolnshire's growing businesses.

**Skegness western relief road** – will create 31 hectares of employment land, leveraging £2.9m of private sector funding.

**Grimsby Freeman Street and West & East Marsh Road** – will assist 166 businesses and create 280 housing units.

**Grantham College** – will create 43 new jobs and assist 300 businesses.

**Lincolnshire Lakes Blue and Green Infrastructure, Scunthorpe** – will open up employment land and create 600 housing units.

**Access to Employment Zones, North East Lincolnshire** – will open up employment land and create 600 housing units.

Together, these projects will:

- open up 57 hectares of employment land
- create 7,799 housing units
- create 171 jobs
- assist 1,495 businesses.

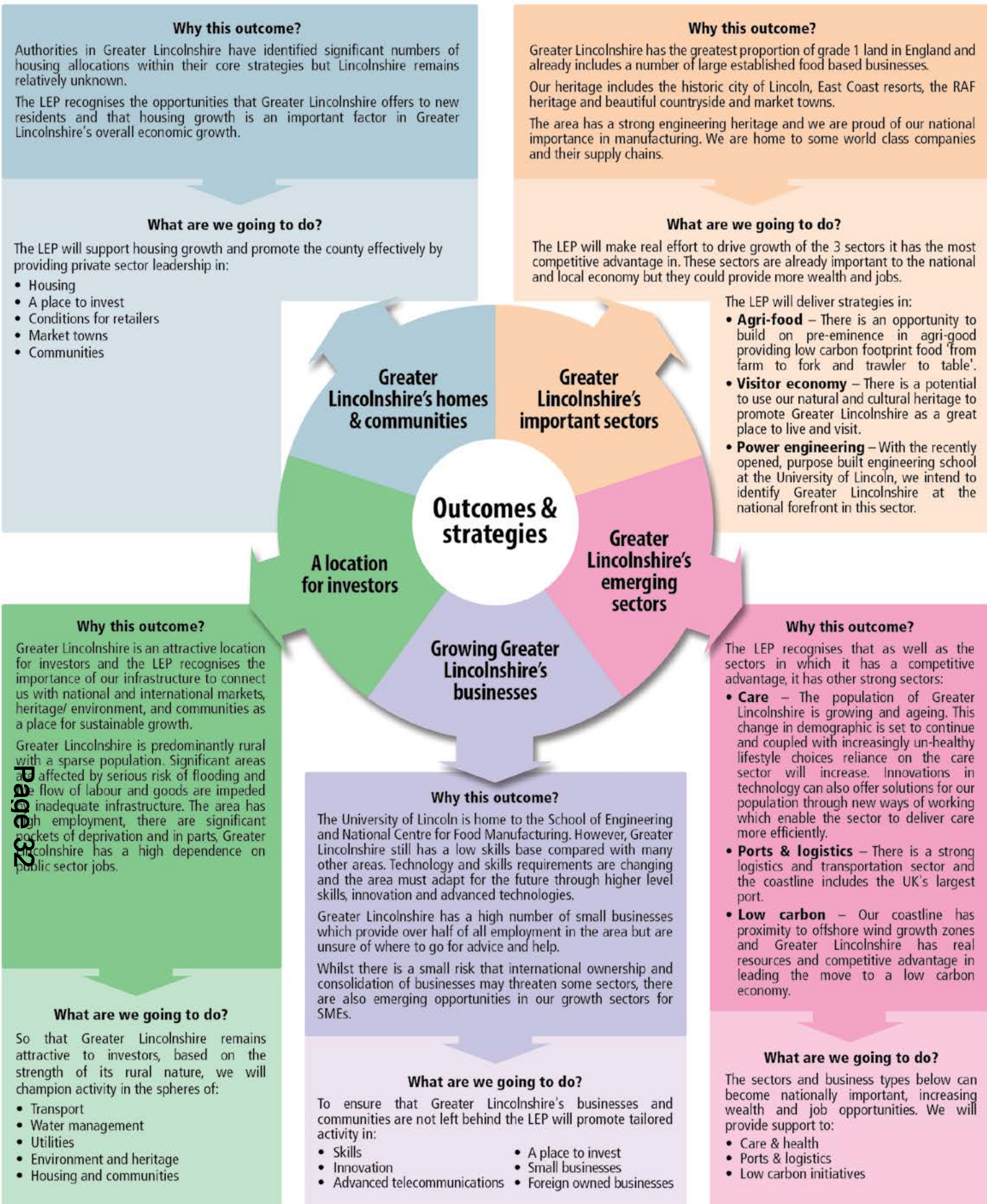
In addition to these projects, the LEP is keen to promote the following projects through future SLGF, EU and local funding:

- **Sleaford regeneration infrastructure**
- **Lincoln east-west growth corridor**
- **Humberstone airport**
- **Sandtoft business park, Scunthorpe**
- **Access to business finance programme**
- **Rural Skills Hub, East Lindsey**
- **Lincoln to Nottingham rail route**
- **Spalding rail freight hub**
- **Boston waterways**
- **Spalding western relief road**
- **Transport pinch-point schemes**
- **Horncastle flood management**
- **Skegness sustainable transport**
- **Cleethorpes regeneration**
- **Grimsby ice house**
- **Berkeley Circle highway improvements**
- **Brigg relief road**

Further project detail can be found in the Project Appendix.







## How government can help us meet our priorities

### Freedoms and flexibilities

We want government to contribute by:

- investing in transport infrastructure to reduce bottlenecks and improve connectivity
- supporting our drive to deliver a skilled workforce that meets the needs of our economy
- protecting the area from flood thereby creating more confidence for investors

Our Strategic Economic Plan sets out ambitious targets to achieve the following by 2030:

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

Our proposals for Single Local Growth Fund investment in 2015/16 and subsequent years will make a major contribution to achieving these targets – but some substantial barriers to realising our long-term growth potential remain:

- despite our world-class port facilities, the road and rail infrastructure in much of the LEP area is under-developed and congested, constraining access to markets and supply chains and preventing the effective operation of our labour markets
- there is a need for long-term investment in flood defences and water management to unlock the potential for economic and housing growth in both coastal and inland areas; and
- youth unemployment and low skills levels in parts of Greater Lincolnshire constrain growth and limit access to opportunity for many young people.

Unlocking these barriers to growth will require a sustained, long-term approach to investment – there are no quick fixes.

LEP partners have begun the next stage of an evolving dialogue on collaboration.

As the LEP evolves, so too must our relationship with government to support more effective local partnership working. Alongside our offer to government, we wish to achieve a series of integrated flexibilities

and freedoms to achieve greater local influence in the key areas of policy and delivery that will complement local collaboration to unlock Greater Lincolnshire's latent growth potential. These include:

- securing a long-term (6+4 year) commitment of Department for Transport (DfT) capital programme allocations to the local transport bodies, supported by local matched funding, to facilitate comprehensive investment programmes in key growth corridors and underpin long-term enhancement of rail services.
- incentivising the achievement of challenging local growth targets by establishing an 'earn-back' model linked to infrastructure investment in the growth corridors. This would allow local authorities to retain 100% of the business-rate growth generated by its strategic employment sites over the next 15 years, over an agreed baseline, for reinvestment in the revolving fund. Our ask of government is a licensed exemption from the effects of business rate resets and levies for these sites over this period.
- securing a longer-term commitment to the allocation of Flood Defence Grant In Aid (FDGiA) for prioritised schemes that would deliver substantial benefits for existing communities and unlock housing/economic growth. In addition, we would pilot and test new approaches to project appraisal which reflect the economic impact of schemes in areas of low population or business density.

In light of the statistics that show that fewer of our 16–24-year-olds are qualified to Level 3 and Level 4 when compared with the UK average, we must prioritise support to our young people so that they continue in further education and progress to higher levels of qualification.

Across our 25–34 age range the challenge is even greater; from national averages we would expect around 40% of this age group to be qualified to at least Level 4, yet only 27% of our 25–34-year-old residents actually are. We must tackle this problem. We want to encourage and provide the best possible opportunities for residents who want to progress to further and higher education and meet growing employer demand.

To help us do this we ask government to provide flexibility around the requirement that those aged 24+ must have a Learner Loan. We would like to explore options for the 25–34 age range to be exempt from this.



### A long-term commitment to infrastructure investment

A long-term commitment to infrastructure investment is critical to our efforts to accelerate economic and housing growth across Greater Lincolnshire. Current mechanisms for the allocation of DfT resources result in a relatively piecemeal approach to highways investment in our main growth corridors, limit the potential to unlock local match funding, and do not create the long-term certainty that private sector investors require. This acts as a significant barrier to growth.

Establishing a new 6+4-year allocation mechanism for DfT funds through the local transport bodies for priority schemes will address these constraints and underpin the establishment of a revolving infrastructure investment fund, supported by local public and private sector match funding, to focus investment in up to six main growth corridors. These include:

- **M180/A180** – Scunthorpe/Grimsby
- **A1** – Newark/Grantham/Stamford
- **A15** – Scunthorpe/Sleaford
- **A16** – Grimsby/Louth
- **A17** – Newark/Boston
- **A46** – Grimsby/Lincoln/Newark

and strategic rail routes including Lincoln-Newark-Nottingham and Doncaster-Cleethorpes.

### Incentivising local growth

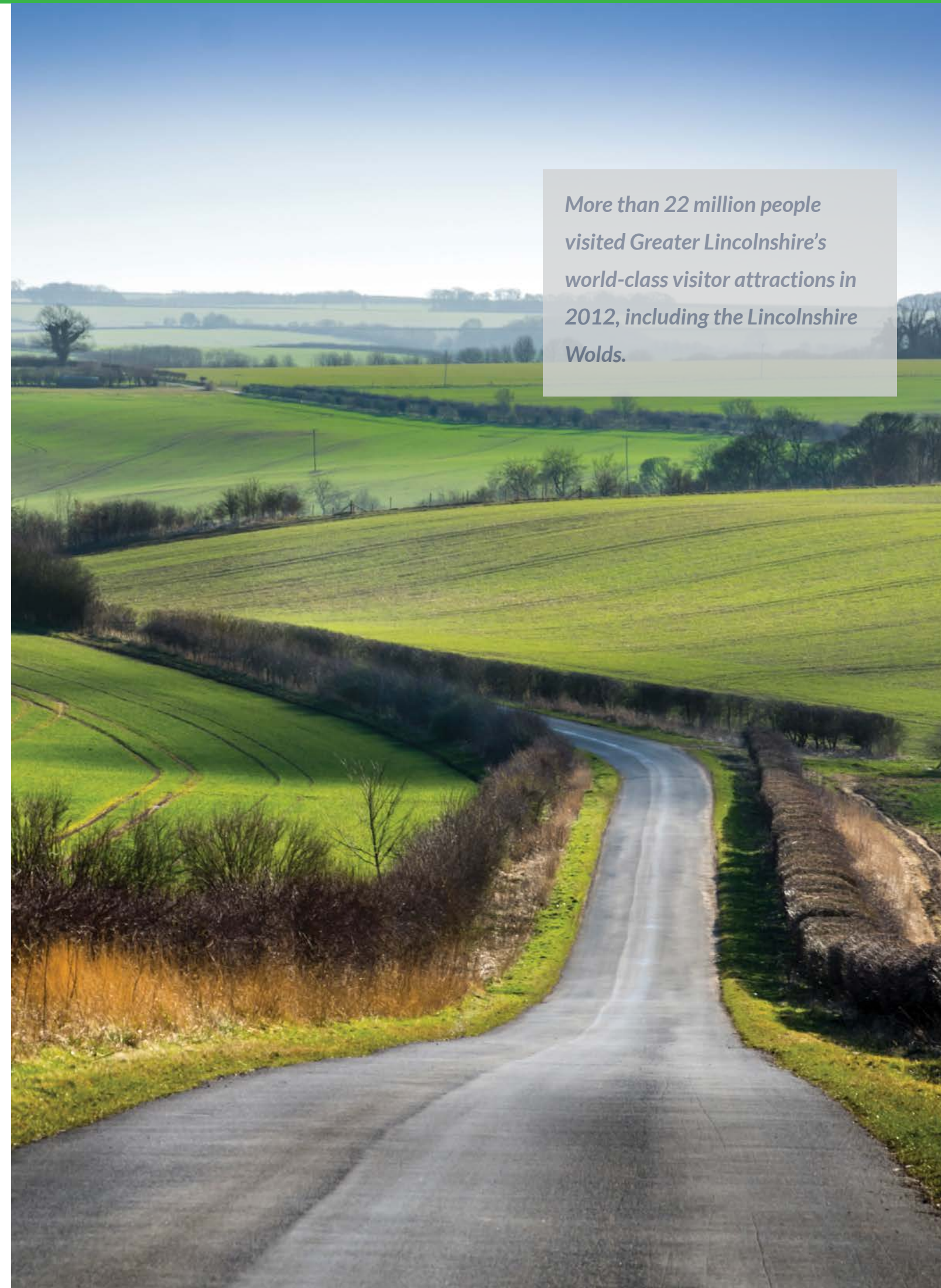
Building a long-term platform for road/rail investment in Greater Lincolnshire's strategic growth corridors will unlock barriers to growth and accelerate the development of key housing and employment sites

across the LEP area. Linked to our first ask in relation to the allocation of DfT funding, we propose to begin negotiations with government on the development of a growth incentive model linked to our collective ability to accelerate growth rates.

In return for a commitment from government to explore the potential for local authorities to retain (and reinvest through the proposed revolving fund) 100% of the uplift in business-rate growth across six to nine strategic employment sites over a 15-year period, we will:

- test the feasibility of establishing a revolving infrastructure investment fund underpinned by local match resources and including business rate returns, and prioritise future investments by the fund
- agree the schedule of strategic employment sites to be included within the earn-back model e.g. Science and Innovation Park, Teal Park, Humberside Airport and Europarc
- explore the potential to adopt simplified planning arrangements, including Local Development Orders, for the strategic sites identified for inclusion
- agree with government a series of baseline and 'stretch' targets in relation to employment, GVA and business-rate growth to monitor the operation and impact of the earn-back model.

*More than 22 million people visited Greater Lincolnshire's world-class visitor attractions in 2012, including the Lincolnshire Wolds.*







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## Part 2: Businesses



# Growing UK plc: driving the competitiveness of our key economic sectors

## Building on our strengths

Our economic strategy has a critical focus on growing our contribution to the economy of UK plc. We will do this by concentrating the activities and investment of the Greater Lincolnshire LEP in those sectors and areas where we can have the greatest impact; we have a strong mandate from the LEP Board to do so. This means building on our strengths – the economic assets with the greatest potential to:

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- drive productivity and output growth
  - capitalise on our knowledge/innovation base
  - develop our export potential
  - create a mix of entry-level, intermediate and highly skilled employment opportunities.

Through the Strategic Economic Plan, the LEP has identified and prioritised three core sectors where we can truly grow UK plc, support the whole range of small, medium and large businesses that make up our economy, and add real value to the government's industrial strategy. These are:

- agri-food:** Greater Lincolnshire has more grade 1 agricultural land than any other LEP in England, producing/processing over 12% of the UK's food supply, including more than 70% of its seafood and 25% of its vegetables; the sector employs more than 68,000 people across the supply chain, with a diverse mix of businesses, including Cranswick plc, Greencore, Moy Park, Walkers and Young's Seafood, alongside a wide range of primary producers.
- manufacturing and engineering:** this sector contributes over £3.3bn (20%) of Greater Lincolnshire's output, employs over 43,000 people and accounts for 42% of our exports; our manufacturing/engineering strengths encompass power engineering, petrochemicals/chemicals, steel manufacture and motorsport engineering, with global businesses including Siemens, Total, Phillips 66, Tata Steel and Pilbeam Racing Designs.
- our visitor economy** is worth over £1.3bn per annum to the Greater Lincolnshire economy, supports over 39,000 jobs and has long-term growth potential; more than 22 million people visited Greater Lincolnshire's world-class visitor attractions in 2012, including Lincoln Castle and Cathedral, the Lincolnshire Wolds and the vibrant coastal resorts of Cleethorpes, Mablethorpe and Skegness – the UK's fourth most popular holiday resort.

## Why focus on these sectors?

Greater Lincolnshire has a diverse base of almost 41,000 VAT/PAYE-registered businesses, with a higher proportion of microbusinesses and small/medium-sized enterprises (SMEs) than England as a whole. Our economic make-up is changing; although the number of employees in employment fell by 3.1% between 2009 and 2012, employment in the agri-food and manufacturing sectors remained stable. Public sector employment fell by 3.0% during the same period, as the Greater Lincolnshire economy rebalances in emerging from the recession.

Greater Lincolnshire's economic output (GVA) was over £16.5bn in 2012, having grown by 3.8% since the onset of the recession in 2008. Although this is a positive sign of the area's economic resilience and emergence from recession, GVA growth lagged behind that of the East Midlands (6%) and England as a whole (6.4%) over this period.

Workplace-based GVA per head in Greater Lincolnshire was just 72.7% of the UK average in 2012 – reflecting our particular mix of sectors, low economic participation rates in some parts of the GLLEP area and low levels of workforce productivity. This has resulted in Greater Lincolnshire's status as a 'Transition Region' for the purposes of the European Union Structural and Investment Funds programme for the 2014–2020 period.

The importance of the contribution made by our agri-food, manufacturing and visitor economy sectors to the UK economy is highlighted in the table opposite. This shows that Greater Lincolnshire's contribution to GVA from agri-food is four times the UK average and over one and a half times the UK average for manufacturing GVA. Both the agri-food and manufacturing sectors are over represented in employment terms compared to the UK average. The visitor economy performs near the UK average in terms of employment and output and, once consideration is given to GVA and employment in the retail sector that supports and is supported by, the visitor economy, its importance is clear.

Sector	Employment		Economic Value (GVA)	
	%	UK=100	%	UK=100
Retail/Wholesale	18	114	13	112
Financial & Business Services	14	60	14	46
Health & Care	14	107	11	120
Public Admin, Education & Defence	13	90	13	99
<b>Agri-food</b>	<b>10</b>	<b>318</b>	<b>11</b>	<b>407</b>
<b>Manufacturing</b>	<b>9</b>	<b>127</b>	<b>13</b>	<b>151</b>
<b>Visitor Economy</b>	<b>8</b>	<b>86</b>	<b>5</b>	<b>96</b>
Ports & Logistics	5	120	5	103
Construction	5	107	9	127
Other Services	2	93	2	84
Energy, Water & Waste	1	118	4	120
Communications	1	38	1<	27

Source: Business & Employment Register Survey 2012, Office for National Statistics; Local Economy Forecasting Model, Cambridge Econometrics 2013

Moving forward, Greater Lincolnshire will continue to punch above its weight in agri-food, manufacturing and the visitor economy. In doing so, we will grow our contribution to UK plc. The following sections summarise our proposals – including priority Single Single Local Growth Fund projects – for each of these sectors.

*Bakkavor, a leading international manufacturer of fresh prepared foods and a revenue of £1.7bn, has 13 facilities in Lincolnshire employing around 5,000 people.*





## Agri-food

### Our strategy

Greater Lincolnshire is already making a substantial contribution to the UK's agri-food sector, delivering more than 10% of UK output and helping to reduce the balance of payments, enhance natural food security, protect the environment and reduce carbon emissions. The area is unique in bringing together each stage of the food supply chain and for the diverse mix of producers and processors collaborating to drive up innovation, quality and productivity across the sector. We have nationally significant agri-food clusters in seafood (winner of BIS's national cluster award in 2010) and fresh produce.

To realise its potential, the sector must address some significant barriers to growth, including access to skilled labour, access to finance, energy costs and managing scarce water resources. In some parts of the LEP area, flood risk management and the protection of valuable production and processing assets remain a significant concern.

#### We will:

- **develop Greater Lincolnshire's role as a centre for world-leading applied agricultural science and technology research in opportunity areas including food engineering, working in partnership with the University of Lincoln and other key stakeholders as well as adjoining LEPs**
- **drive up product and process innovation across the agri-food supply chain, developing the role of key innovation hubs including the National Centre for Food Manufacturing, operated by the University of Lincoln, and the Humber Seafood Institute**
- **invest in the infrastructure required to support long-term growth of the sector, including development of the Ports of Immingham and Boston, and Humberside Airport's Perishables Hub and long-term investment in enhancing the capacity of the A15, A17 and the Spalding Rail Freight Hub and other key routes to market, and developing new, effective approaches to water resource management to improve water quality and storage**

- **increase the supply of high-quality food-grade industrial accommodation to support the growth of the agri-food sector**
- **build the capacity and competitiveness of supply chains across the agri-food sector and stimulate collaboration within and across supply chains to address issues including energy costs, water resource management and workforce skills**
- **develop our skills base to facilitate access to entry-level, intermediate and higher-skilled apprenticeships and employment opportunities across the agri-food sector, through partnership with the University of Lincoln and the network of Further Education Colleges across Greater Lincolnshire.**

### Single Local Growth Fund priorities

#### Our SLGF priorities for 2015/16 for the agri-food sector are:

- **Spalding Rail Freight Hub:** infrastructure investment to facilitate the development of a 60 hectare rail freight interchange at Deeping Fen to support further growth of food processing activity in the southern part of the GLLEP area, promote intermodal shift and reduce carbon emissions
- **further expansion of Europarc,** the agri-food focused business park to the west of Grimsby on the A180 through infrastructure investment to unlock the next phase of development and substantial private sector leverage (developed jointly with the Humber LEP as part of the South Humber Bank programme)



## Manufacturing and engineering

### Our strategy

Greater Lincolnshire has a long and distinguished heritage in manufacturing and engineering, with significant concentrations of activity in metals manufacturing (North Lincolnshire), chemicals/ petrochemicals (North and North East Lincolnshire), power engineering (Lincoln), agricultural engineering (East Lindsey), rubber and plastics (East Lindsey), electrical machinery (Grantham/Stamford) and wood products (Boston).

In 2011, the University of Lincoln, in partnership with Siemens Industrial Turbomachinery Limited, developed the first new Engineering School in the UK in twenty years. Located in the heart of Lincoln at Brayford Pool, the School of Engineering is already achieving a reputation for its research excellence and innovative and proactive approach to engagement with business.

The low carbon economy is creating new opportunities for manufacturing and engineering businesses, initially focused on the offshore wind sector but embracing a much wider range of low carbon goods and services. Our businesses also face some common challenges – encompassing access to finance, new markets, innovation and a skilled workforce.

#### We will:

- **develop world-class, industry-focused research and development activity at the University of Lincoln School of Engineering alongside an extensive programme of business engagement to facilitate technology transfer and commercialisation of research**
- **continue to invest in business infrastructure to support the growth of our manufacturing and engineering sector, including major road improvements in Grantham, Spalding, Lincoln and the A180, developing a wider range of scheduled services from Humberside Airport, alongside enhanced surface access, and further investment in port infrastructure and encourage investment in rail services to improve national connections to support business travel, particularly Lincoln to London connections.**
- **maintain a supply of high-quality, serviced employment sites and premises across Greater Lincolnshire to support the attraction of inward investment and facilitate the expansion of existing businesses; this will include promotion of our existing Enterprise Zones (EZ) in North and North East Lincolnshire and exploring the potential to develop further EZ-based initiatives in other parts of Greater Lincolnshire**

- **develop an integrated package of business advice and support for manufacturing and engineering firms, drawing together exports support services from UK Trade & Investment (UKTI), the Manufacturing Advisory Service, University of Lincoln and other public/private sector providers**
- **encourage employer engagement in apprenticeships and workforce development through a range of measures to de-risk investment in training.**

### Single Local Growth Fund priorities

#### Our SLGF priorities for 2015/16 for the manufacturing/ engineering sector are:

- **schemes to unlock development and housing land in order to help businesses meet supply-chain opportunities and to provide the people to work in the expanding sector. Particular schemes: Berkeley Circle and Sandtoft Business Park, Scunthorpe, Freeman Street/West and East Marsh Road and town centre improvements, Grimsby (developed jointly with Humber LEP)**
- **infrastructure and land assembly to unlock development of key sites within the South Humber Bank complex to support future growth of the renewable energy and chemicals/ petrochemicals sectors (developed jointly with Humber LEP)**
- **rail gauge investment between Immingham and the East Coast Main Line at Doncaster to enhance the rail freight capacity of the South Humber Line (developed jointly with Humber LEP)**





## Visitor economy

### Our strategy

With golden blue-flag beaches and resorts, historic sites, rolling hills, high-quality food, an iconic cathedral, bustling city centre and strong aviation heritage, Greater Lincolnshire has a wealth to offer the tourism sector. We are already investing in our most important assets, a £20m project will see the opening of a purpose-built Magna Carta Vault in Lincoln, doubling the number of visitors to Lincoln Castle and strengthening its role as a major UK centre for short breaks. Butlins has also recently completed a £13m investment programme at its Skegness resort.

In some parts of Greater Lincolnshire, our road and rail infrastructure remains a significant barrier to the growth of the visitor economy particularly the Lincoln to London rail connection. Further investment is required to broaden and deepen the network of attractions across the area to extend the average length of stay and visitor expenditure. In addition, there is a need to integrate the network of private sector-led destination management organisations which have responsibility for visitor marketing and promotion.

### We will:

- **work in partnership with public and private sector partners to extend the network of visitor attractions across Greater Lincolnshire, building on our diverse heritage and landscape assets**
- **simplify and co-ordinate Greater Lincolnshire's online presence and work with the network of destination management organisations to develop a series of niche marketing campaigns based on our product strengths in partnership with Visit England**

*Butlins Holiday Park in Skegness invested £13 million into refurbishing its pool complex which is the biggest single investment on the Lincolnshire coast for over 10 years.*

- **enhance the quality of the visitor experience through supporting the development of the visitor accommodation/hospitality sectors and delivering investment in local visitor infrastructure – including parking, tourist information and other services, as well as extending the cultural programmes that have received significant backing from the Arts Council in the East of the County**
- **develop the customer service and other skills of the visitor economy workforce and work with key employers to develop apprenticeships and other pathways into sustained employment.**

We will take full advantage of future event opportunities. For example, in 2015 we will be hosting the British Cycling National Road Championships, the 800th Magna Carta Anniversary celebrations and the World Seafood Congress.

Nor can Greater Lincolnshire operate in isolation; Hull City of Culture 2017 is an example of how a major event close to our borders will provide additional impetus to our tourism growth.

### Single Local Growth Fund priorities

#### Our SLGF priorities for 2015/16 for the visitor economy sector are:

- Skegness western relief road, opening up land for investment in visitor economy attractions and reducing a transport bottleneck that affects tourism traffic and potentially deters repeat visitors
- implementing a multifaceted resort renaissance programme for Cleethorpes, unlocking sites for major hotel, conference and leisure developments and integrating public-realm improvements with Environment Agency investment in upgrading the town's flood defences
- improving the capacity of the Nottingham to Lincoln rail link and enhancing the East Midlands Trains services, alongside improvements to the frequency of services between Doncaster and Cleethorpes to support the growth of the visitor economy
- creating a major new visitor centre, based on Lincolnshire's historical connection with the Royal Air Force and themed around the cold war, at RAF Scampton, north of Lincoln
- developing a major new heritage and leisure attraction centred on the mixed-use refurbishment of the grade II\* listed Ice Factory at the Port of Grimsby (developed in partnership with Humber LEP)

## Growing UK plc: developing our emerging sectors

### Introduction

Alongside our focus on the three Greater Lincolnshire sectors which will make the most significant contribution to growing and rebalancing the UK economy, the LEP will champion the development of three emerging sectors with acknowledged growth potential in the medium/long-term, or where our partner LEPs will take a lead role.

- **The low carbon economy:** already worth £1.2bn per annum to Greater Lincolnshire and employing over 12,000 people, there are major opportunities for growth in offshore wind (linked to manufacturing/installation of turbines and in operations and maintenance activity) as well as in biomass, biofuels, energy from waste and the development of other low carbon or environmental goods and services; we will collaborate with our partner LEPs (Humber and New Anglia, both Centres of Offshore Renewable Excellence) to support delivery of some of this activity.
- **Ports and logistics:** Greater Lincolnshire's central location ensures that we can serve over 75% of the UK population within four hours' drive time and the Port of Immingham – the largest UK port by tonnage – is a key gateway to Europe and plays a vital role in supporting the UK energy sector through imports of oil, coal and biomass; the Ports of Grimsby (automotive import/export) and Boston (grain) and Humberside Airport (perishables) are also key assets, alongside a diverse logistics sector which employs 18,000 people.
- **Health and care:** our growing and ageing population and dispersed settlement pattern are driving opportunities for economic growth in Greater Lincolnshire's health and care sector, which currently employs 56,000 people and is worth £1.2bn per annum to our economy; opportunities include developing and embedding innovation across the NHS through the new Schools of Life Sciences and Pharmacy at the Lincoln Science and Innovation Park, deploying assistive technology and ensuring our housing stock can meet the 'whole-life' needs of residents.



*Stow-based Freewatt has been responsible for installing nearly 6MW of solar energy at 700 different locations around the county – enough to power 2,000 homes and save a staggering 3 million tonnes of CO<sup>2</sup> per year in the process.*



## Low carbon economy

### Our strategy

We are already at the forefront of the UK's emerging offshore wind sector. In North Lincolnshire, Able UK has now received consent to develop a new port facility and Marine Energy Park (forming part of a larger Enterprise Zone) with the potential to attract large-scale inward investment in the manufacture, storage, assembly and deployment of offshore wind turbines. This will create significant supply-chain opportunities across our manufacturing/engineering sectors.

The Port of Grimsby – cited in the Government's Offshore Wind Industrial Strategy – is developing its role as a UK centre for operations and maintenance (O&M), securing major investment from Centrica, DONG Energy and EON. We will collaborate with the Humber LEP and New Anglia LEP to take forward new opportunities in offshore wind.

The low carbon and environmental goods and services (LCEGS) sector offers much wider opportunities for Greater Lincolnshire – encompassing biofuels, biomass and other bio-energy initiatives and energy from waste. We are also working with businesses across all of our key sectors to develop their competitiveness through energy efficiency, waste management and other process-improvement support.

#### We will:

- continue to invest in the infrastructure to support the growth of the offshore wind sector, with a focus on our key Enterprise Zone sites (Able Marine Energy Park and Port of Grimsby) in partnership with Humber LEP
- raise awareness of supply-chain opportunities in offshore wind manufacturing/installation and O&M and build the capacity and capability of Greater Lincolnshire manufacturing and engineering firms to secure contracts (in partnership with Humber LEP and New Anglia LEP)
- work with our University Technical Colleges, FE Colleges, University, private training providers and manufacturing, engineering and energy sector employers to deliver an increase in low carbon apprenticeships and adult training opportunities

- support research and development and innovation activity across the LCEGS sector and promote technology transfer
- explore opportunities in new energies and technologies whilst preserving the area's attractive environment.

### Single Local Growth Fund priorities

#### Our SLGF priorities for 2015/16 for the low carbon economy are:

- development of the Humber Energy Campus to increase the supply of young people and adults with the low carbon skills and deliver short-course training for employers, including investment in training infrastructure and provision at the employer-led CATCH training facility on the South Humber Bank (to be delivered in partnership with Humber LEP)
- delivery of an integrated supply-chain development programme (with MAS/UKTI – potentially covered through EUSIF)
- Greater Lincolnshire-wide energy-efficiency / waste-management programmes (again potentially EUSIF programme)
- Port of Grimsby Enterprise Zone infrastructure improvements and site assembly (to be delivered in partnership with Humber LEP)



## Ports and logistics

### Our strategy

With our international ports – the Ports of Grimsby and Immingham handled over 60m tonnes in 2012, making them the busiest in the UK – Humberside Airport and excellent road and rail links (including both the A1 and East Coast Main Line), Greater Lincolnshire is a natural hub for the logistics sector. Our ports and logistics sector will continue to underpin growth of agri-food, manufacturing and the low carbon economy, including offshore wind – as well as generating opportunities for wider growth.

#### We will:

- invest in strategic infrastructure projects which increase the capacity and competitiveness of our ports/logistics sector, including rail gauge improvements on the South Humber Line and a new rail freight terminal at Spalding
- support ABP, Humberside Airport and other key partners to attract new international freight services which strengthen export opportunities for Greater Lincolnshire's firms
- develop opportunities for port-centric logistics by attracting a higher proportion of containerised freight with an origin or destination in Greater Lincolnshire and the adjoining area
- support employers to invest in apprenticeships and adult training opportunities to generate entry-level, intermediate and higher-skilled jobs for Greater Lincolnshire residents.

### Single Local Growth Fund priorities

#### Our SLGF priorities for 2015/16 for ports and logistics are:

- Spalding Western Relief Road – delivery of a relief road to reduce congestion based on the high number of HGV movements in the area, thus making the area more attractive for investment by logistics companies who are keen to locate close to the food production cluster but are deterred by congestion
- Port of Grimsby access and employment programme – to further develop job opportunities based on increased transport/logistics activity at the port, thereby contributing to the delivery of the Humber enterprise zone's ambitions (developed jointly with Humber LEP)
- rail gauge investment between Immingham and the East Coast Main Line at Doncaster to enhance the rail freight capacity of the South Humber Line (developed jointly with Humber LEP)
- Humberside Airport surface access improvements (developed jointly with Humber LEP)

*FreshLinc has developed into one of the leading logistics service providers in the UK and Europe, and operates from state-of-the-art facilities in South Lincolnshire.*



# Health and care: innovation for living

## Our strategy

Demographic change and the need to embed innovation and efficiency across the NHS and social care sector are driving the growth of Greater Lincolnshire’s health and care sector. Our population is growing – but also ageing – rapidly and the number of people with long-term health conditions is also set to increase significantly over the next decade. All of these factors create challenges for the delivery of effective health/care services, which are exacerbated by Greater Lincolnshire’s dispersed population; they also create significant opportunities for economic growth.

We will build on key assets, including the University of Lincoln’s Schools of Life Sciences and Pharmacy and our research-focused clinicians to drive the development of innovative new products and practices and embed them across the NHS and wider health and care environment. We will also explore the deployment of assistive technologies to support new, innovative ways of helping people with long-term health conditions manage their illness in a community setting, and invest in our housing stock to ensure it meets the whole-life needs of residents, generating further demand for innovation. This will also drive the provision and take-up of superfast broadband in those locations not currently served

### We will:

- support research and development and innovation across the health and care sector, stimulating collaboration between clinicians, researchers and businesses through Knowledge Transfer Partnerships and related activity, centred on the Lincoln Science and Innovation Park
- develop Greater Lincolnshire’s role as a ‘living laboratory’ to pilot and roll out assistive technologies to support the management of long-term conditions
- work with housing developers and registered providers to develop whole-life housing, personalised support packages and new models of supported living that promote independence, well-being and choice

- develop the skills base of the health and care sectors through enhanced information, advice and guidance, apprenticeships and adult training opportunities, to support long-term workforce recruitment and retention
- create opportunities for the frail, vulnerable and elderly to become a community resource through intergenerational schemes, volunteering schemes and involvement in research and development projects.

### Single Local Growth Fund priorities

#### Our SLGF priorities for 2015/16 for the health and care sector are:

- enabling infrastructure investment to unlock development of the Lincoln Science and Innovation Park, to include relocation of the School of Life Sciences and the provision of new incubator space
- developing apprenticeships and adult training programmes to improve access to employment opportunities in the health and care sector

# Skills, innovation, technology and promotion

## Small and foreign-owned businesses

Skills, innovation, technology and promotion are crucial to the growth of our businesses. Technology and skills requirements are changing. Our business successes, from the world’s leading golf club manufacturer in the north of the area, to an international pyrotechnics company in the east, have gained market share through adapting to the future.

We do not want our important sectors, our businesses, and those seeking jobs within our communities to stand still. We will help them adapt for the future, and we will promote Greater Lincolnshire so that businesses get access to new markets and attract the qualified staff that they need into the area, as well as ensuring that our own residents are retained. We will also foster a local identity that they can associate their products with.

Before we outline the measures we will take to create the right conditions for business growth, there are two important groups of businesses that must be recognised.

### Small businesses

Greater Lincolnshire has a strong and vibrant small-business community. These businesses are the hub of many communities and represent a chance to transform high streets, business parks and the local economy.

- Greater Lincolnshire has approximately 41,000 businesses, of which the vast majority are small and medium-sized enterprises (SMEs).
- 97% of Greater Lincolnshire businesses employ fewer than 50 people.
- Half of all employment in Greater Lincolnshire is provided by businesses employing less than 50 people, compared to 45% nationally.
- Businesses generally survive for longer in the area, particularly in Lincolnshire, which sees 60% of start-ups surviving for three years, compared to the national average of 58%.

Our research shows that the small-business community is often left with less help in comparison with larger businesses, which are more likely to receive support despite having the structures in place to enable them to access the information they need.

For example, our small businesses are often unsure of where to go for advice, they require help to get into new markets including public contracts, are unclear of skills training opportunities and struggle to attract finance. They are often overlooked when it comes to funding opportunities, such as the Regional Growth Fund, which puts spending levels at a much higher rate than a small business would be likely to apply for.

Our priority is to ensure that our SME community flourishes, creating more work opportunities (both employed and self-employed).

### We will do this by:

- creating a Growth Hub that will provide strategic coordination, through the development of a one stop shop to improve the access and reach of local and national business support offers
- creating the right conditions for growth, described in the next sections of this document
- making our businesses the best informed in the country so that they can take strategic decisions based on sound, impartial information
- improving access to finance and the ability to attract growth finance
- offering high-quality information, advice, and support to business start-ups.

### Foreign-owned businesses

Foreign-owned businesses are relatively few in the area but statistics show that they are more likely to invest locally and make a significant difference to the economy. The Greater Lincolnshire LEP and UKTI currently have 70 foreign-owned businesses on its Account Management list.

Our priority is to ensure foreign-owned businesses commit to investing and growing in our area, creating new jobs and opportunities.

### We will do this by:

- nurturing and supporting the foreign-owned businesses in the area so that they commit to investing locally
- ensuring that the owners of those businesses based here are aware of the benefits
- taking a ‘can-do’ approach to supporting their development and tailoring support to meet their needs.



## Skills

When our business community tells us about ‘skills gaps’ they are often describing different challenges: not being able to find the right skills within the local labour market and difficulty in recruiting experienced, higher-level and technically skilled workers from other areas; lack of interest to work in their particular sector and not being able to access the right training for their workforce, to name a few.

### The current picture

Within the Greater Lincolnshire area we have two universities, six colleges of further education, a range of smaller, independent providers and two new university technical colleges.

Our large geographical area can be a barrier to employer-led skills training and development, because of a lack of available training facilities AND because in a large rural area it is difficult to achieve cohort numbers to make training economically viable.

There is also a very large number of training providers – over 400 – operating in the area. Businesses tell us that they are often inundated with ‘cold calls’ that lead to confusion about what training is available and what financial contribution they are expected to make.

We have fantastic GCSE results; the proportion of our school leavers obtaining a Level 2 qualification is amongst the highest in England.

The most recent statistics show that we don’t maintain this competitive advantage (Census 2011).

Fewer of our 16–24-year-olds are qualified to Level 3 and Level 4 when compared with the UK average. Across our 25–34 age range, the challenge is even greater – from national averages we would expect around 40% of this age group to be qualified to at least Level 4, yet only 27% of our 25–34-year-old residents actually are.

The proportion of 16–64-year-olds in Greater Lincolnshire with no qualifications is 6% higher than the England average, and, despite the exemplary school-leaver achievements, this gap is predominantly amongst our 16–34-year-olds.

Participation in vocational learning is increasing but has traditionally been lower than the national average.

In particular, we must support our businesses to plan for succession, because the population of Greater Lincolnshire is growing, and ageing.

Given that our current (Dec 13) youth unemployment accounts for 29% of all job seekers in Greater Lincolnshire, higher than the 25% nationally, we must make it our priority to support our young people and to help them continue in further education and progress to higher levels of qualifications, so that they can take advantage of the opportunities that are currently available and those that arise as we implement our growth plans.

We have a committed resource in the Employment & Skills Board to navigate the complexities of the skills system and have piloted activity that addresses barriers, so we already know that we can make a difference. We want to extend what we are already doing and introduce new goals with programmes to deliver them.

### Our goals include:

- **supporting progression to higher-level qualifications; providing the best possible opportunities for residents who want to progress to further and higher education and meet growing employer demand**
- **seeking ways to ensure that all businesses, including those in rural areas, have access to good quality and relevant training provision, facilitating partnerships to overcome challenges of cost and accessibility**
- **stimulating demand for traineeships, new apprentices and higher-skilled opportunities**
- **supporting our SMEs to plan and deliver effective recruitment and induction strategies to create a better transition for young people from learning to the world of work.**

In developing our programme of growth we must not overlook our existing FE infrastructure. We know that a proportion of our FE estates will require refurbishment within the lifetime of this programme to 2020, and we expect a proportion of any skills capital allocation in 2016/17 to contribute to that aim.

*Larrington Trailers - based in Boston - is a leading innovator in agricultural trailers and has a history of leading the way in new design concepts.*

## Innovation

The University of Lincoln is at the forefront of supporting innovation in the local business community, growing its research capacity and performance and driving transformational change. Effective partnerships enabled the recently built private sector-focused School of Engineering – the first of its kind for 20 years – and continues to deliver a wide range of business knowledge exchange schemes and support, directly meeting the needs of businesses. The National Centre for Food Manufacturing is working with the Technology Strategy Board and local businesses on a range of research projects. These important collaborations are supporting businesses to access finance that they would not have otherwise.

Innovation is vital for growth. It’s not just about pure advances in science and technology. An innovation is the implementation of a new or significantly improved product (good or service), process, or marketing method, or a new organisational method in business practice, workplace organisation or external relations. The minimum requirement for an innovation is that it must be new (or significantly improved) for the organisation.

On average, firms that create a culture of innovation development and delivery have four times the sales growth of non-innovating firms in the same sector. More than a quarter (27%) of UK labour productivity growth is directly attributable to private investment in innovation, with spill-over benefits generating a social return of a further 20-50% (BIS). Innovative firms are those which create internal capacity for innovation for the organisation to learn, develop and use the talents and creativity of its entire workforce to the full.

We want to ensure that our businesses are innovative, ambitious with workers who are more highly skilled, imaginative, productive and more highly paid.

### Our goals include:

- **increasing our support for SMEs to collaborate with larger organisations, HEIs and with each other to take advantage of funding opportunities for skills, innovation and technology that they cannot access alone**
- **retaining more of our graduates through, for example, our successful intern programme**
- **building on the strengths of our innovation, enterprise and incubation centres, through increasing access to innovation support, knowledge, research and technical support**
- **developing sector ‘growth hubs’ which will provide a single access point to a targeted package of diagnostic, advisory, coaching, mentoring and business development programmes.**

The creation of sector-specific growth hubs will boost economic growth and improve co-ordination between local and national tiers. ‘Hubs’ will build on the BIS pathfinder [www.businesslincolnshire.com](http://www.businesslincolnshire.com), which increases marketing and signposting and builds the capacity and effectiveness of both public and private sector providers. This local information portal was built to address the lack of organised and accessible local and national information.

Importantly, hubs will maximise the reach of government support where local EU funds are used to expand the provision of national schemes (e.g. Manufacturing Advisory Service and Export Support). They will be tailored to focus on the support that local businesses require to grow and where the LEP can add most value – particularly innovation support, leadership and management training, investment readiness advice and digital economy exploitation.

Our longer term aim will be to build up to an Innovation Programme that comprises a co-ordinated package of knowledge-intensive business services, support for patenting and licensing, facilitating networks and access to research funding.

*In 2012, Siemens spent £6m on modernising its gas turbine manufacturing plant at its city centre site and opened the new engineering school in collaboration with the University of Lincoln.*



## Technology and superfast broadband

Technology is already transforming our area. Our newly created digital hubs are demonstrating its benefit and impact. Lincolnshire County Council is leading one of the first roll-outs of superfast broadband in the country, and similar programmes are running in North and North East Lincolnshire. This improved infrastructure increases our current business competitiveness and makes us an attractive location for inward investors.

### Our goals include:

- **developing initiatives that will encourage innovation in digital products and services**
- **ensuring that strategic business sectors have the skills necessary to integrate superfast broadband into their core business processes.**

## Underpinning skills activity

Supporting growth across all our goals, we want to:

- change perceptions so we can stimulate demand amongst our young people for careers in our most important sectors and for vocational education, providing them with the knowledge they need to make informed decisions
- increase literacy and numeracy levels
- provide information and guidance so that young people make informed choices about their future
- ensure that the 'employability' skills business owners want are delivered to those that need them
- support business and community integration through ESOL programmes that are tailored to our particular need
- support adult lifelong learning, for example, by ensuring that the digital skills of the local population are improved, enabling better access to online services that will improve their quality of life
- deliver locally tailored activity that will produce better outcomes for the long-term unemployed
- ensure that skills programmes and activities are properly integrated so that they yield greater impact for local businesses and communities.

## Promotion

Most businesses that we visited during this exercise asked the LEP to promote Greater Lincolnshire more widely. This was partly to attract qualified staff to the county, partly to help them to get into new markets, and partly to provide a local identity that they can associate their products with.

At the same time, many people, nationally and internationally, are unaware of the location and nature of Lincolnshire. There is, therefore, a strong role for both the public and private sectors in promotion.

### Our goals include:

- **identifying and making accessible all marketing activity to date and finding practical ways of sharing information to ease co-ordination**
- **engaging more fully with local stakeholders who have identified marketing as an important priority about what they would be prepared to commit in resources, and how this could be taken forward**
- **working on short-term opportunities, notably 2015's high-profile media and events programme to celebrate Lincoln Castle Revealed and the Magna Carta and the 'SO' cultural festival in East Lindsey**
- **developing and implementing a champions scheme.**



### Single Local Growth Fund priorities

#### Our SLGF priorities for 2015/16 for promotion are:

- Our programme of growth requires skills capital investment in 2015/16, and will, in subsequent years, include FE refurbishment costs. Investment in 2015/16 will be at Bishop Burton College (Riseholme) to establish a strong land-based FE facility, in partnership with significant employers in the East Lindsey area on a rural skills hub, and at Grantham College to strengthen the vocational and higher-level skills that it offers to the local business community
- A finance for business programme, to meet companies' major growth aspirations by offering them accessible finance where it is unavailable from traditional sources
- High quality business support schemes, focused on innovation and on investor development, to assist business leaders in growing their markets, becoming more profitable, and creating jobs
- We will be using our ESF allocation to unlock additional skills funding and to develop a range of skills programmes tailored to local need





# Part 3: A place to invest

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# A place to invest

Greater Lincolnshire is an attractive option for investors; a range of factors come together to make it a great place to live and work.

So that Greater Lincolnshire remains attractive to investors, we will champion activity in:

- Housing and communities
- Environment and heritage
- Transport
- Water management
- Utilities

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These activities focus on strengthening Greater Lincolnshire’s status as a place where people want to live, work, invest and visit and have been aligned with the various planning policy documents that are emerging or are already adopted across Greater Lincolnshire. There is a strong planning policy foundation on which to build delivery.

The Greater Lincolnshire LEP’s input will concentrate on actions that will renew and invigorate existing economic infrastructure as well as invest in new infrastructure necessary to support and enable this growth and safeguard the delivery of the strategic objectives outlined above.



## Homes and communities

Housing and the economy in Greater Lincolnshire are inextricably linked. As a sector, it contributes substantially to the local economy – two jobs per house built<sup>1</sup>. The Greater Lincolnshire LEP area is seeking to build 100,000 houses over the collective Local Plan periods. Generating investment in the area is essential to generate housing sales and to maximise build rates for developers. With increased economic development, sites that have planning approvals will see an increased incentive to build, causing increased housing delivery to meet the needs of residents now and in the future.

The housing market reflects how an area and its quality of life is perceived. New housing has the potential to attract and retain the workforce needed to enable the area to grow. The key sector activity will generate employment opportunities so employers need to attract people from the local and national labour markets. A key part of the offer to the applicant, other than the job opportunity, is the housing available to them. An area needs to provide attractive starter homes and family housing to enable people to achieve aspirations about their movement within the market.

Greater Lincolnshire will not attract new people by its housing offer alone. The night-time and retail economy will attract people into the towns and city, increasing spending. This includes retail opportunities across the spectrum from lower-cost food options to high-end supermarkets and boutique smaller local shops. We also need to ensure that we cater for differing interests within the entertainment offer. This sustains and generates an increased market for the service and leisure industry – generating more employment opportunities in the area.

### Market towns and retail opportunities

Lincoln, Boston, Cleethorpes, Gainsborough, Grantham, Grimsby and Scunthorpe offer particular opportunities for growth. The market towns that operate around them, such as Brigg, Horncastle, Louth, Market Rasen, Sleaford, Spalding, Spilsby and Stamford, play a role within the identity of the county, providing attractive townscapes against the rural backdrop.

Shifting retail patterns, ageing townscapes and changing communication mechanisms have created challenges for the vitality of the market towns in Greater Lincolnshire. We will seek to provide opportunities for social enterprises and community groups to maximise their resource for service delivery, therefore enhancing the quality of community life in the area.

1. Chartered Institute of Housing

## Enterprising communities

Greater Lincolnshire will remain a sustainable and vibrant area through investment in the enterprising communities found within it. The learning and skills opportunities will be enhanced by apprenticeships, community-led training, management and leadership opportunities and volunteering into employment.

We also support the creation of community hubs from which library services, training centres, community cafés, micro- and SME business support and networking can operate. There will also be capacity support for small businesses, including private, voluntary and community sectors – potentially leading to community investment projects, ICT innovations, support for Lincolnshire’s heritage, cultural programmes, and social enterprise development.

The growth opportunities presented will include investment in areas of towns that need to be enhanced to attract new town centre housing opportunities. Also, a series of larger sites are coming forward for development that will allow the housing offer to progress to meet the needs of new communities generated by the expected economic growth.

Support for rural affordable housing needs to be considered to enable the expected delivery of 20% affordable housing – negotiated by each Planning Authority.

The diagram below shows our employment land and housing growth ambition across the Greater Lincolnshire area. In order to achieve this level of growth we need to overcome the significant barriers that are currently impeding delivery. Our Local Authority partners share our ambitions to deliver housing. In Greater Lincolnshire, the barrier is not a lack of appetite for growth but issues relating to the specific nature of our area.

These include the predominance of smaller sites, the relatively low volume of housing-market activity, the need for regeneration in areas of poor-quality housing and to widen the range of the housing offer, lack of large developers and developer confidence, plus additional costs arising from the need for flood mitigation and infrastructure, which combine with low land values to create general viability issues.



## Infrastructure and connectivity

To achieve planned, sustainable growth in the cities, towns and rural areas, road and rail links will be reviewed as part of the planning process. Infrastructure schemes will be identified to ensure houses can be delivered whilst minimising the impact on the wider transport network. Where funding cannot be obtained for schemes from a Local Authority alone, we will seek private sector leverage and match funding opportunities through the LEP process.

The whole plan contains many infrastructure projects that will require up-front funding from developers. In order to deliver this growth, we will explore ways by which we can fund the infrastructure then claim the costs back from developers over time.

### Weaknesses to be addressed through identified projects:

- Our low volume of housing market activity putting off national house builders
- The legacy and impact of poor quality affordable housing
- The restricted range of housing offer in some LEP areas
- The remoteness and poor external perception of the area
- The educational and cultural offer can appear weak in various market towns

The opposition to more housing in more affluent villages

Lack of public funding for regeneration and further cuts for example on welfare assistance

The opportunity to enhance community facilities

- Costs of development of affordable housing.

## Single Local Growth Fund priorities

### Our SLGF priorities for 2015/16 for infrastructure and connectivity are:

- **Grantham Southern Relief Road** – a link road that will open up land for housing and business development in one of the most strategically important towns in our area, showing a high quality gateway to visitors and investors alike
- **Boston distributor road** – a development, led by the private sector, to provide homes and employment land in Boston to meet the recognised skills and labour shortages in the area's agri-food sector
- **Lincolnshire Lakes** – an initial contribution to infrastructure that will open up land for housing development close to Scunthorpe, thereby taking advantage of the projected employment growth on the banks of the Humber
- **Sleaford regeneration route** – infrastructure to unlock land in and around Sleaford town centre for commercial and residential purposes. The Single Local Growth Fund will support the funding of critical infrastructure
- **Brigg Relief Road** – a route to unlock land in the market town of Brigg, again seeking to take advantage of projected job growth on the banks of the Humber
- **Rural housing unlocking fund** – a fund to provide investment in a series of defined medium-sized rural housing developments that have stalled due to a lack of finance. The fund will support named schemes, but has been developed as a programme in order to reduce bureaucratic costs to the LEP board and to DCLG/HCA.

*The £22m restoration of Lincoln Castle will vastly improve the visitor offer and will open in time to celebrate Magna Carta's 800th anniversary in 2015.*

## Environment and heritage

Greater Lincolnshire's tourism and heritage sector and the local food and drink industry rely on our unique and special landscape to produce and market their offers.

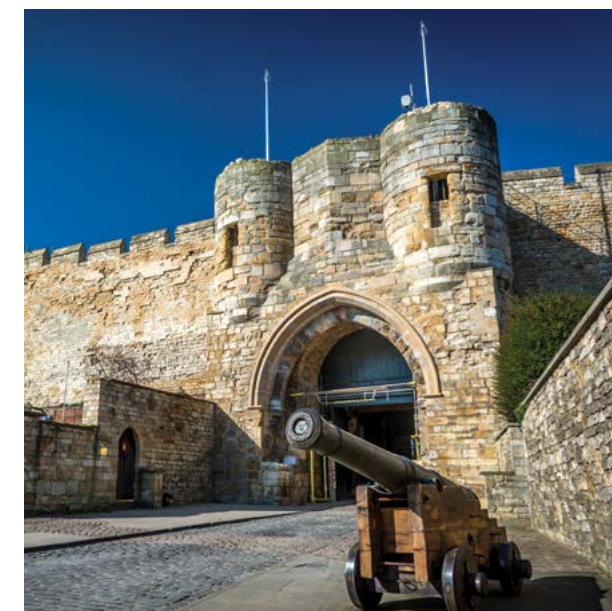
Food and farming, which contribute c.£1 billion to the local economy, is reliant on a good natural environment. The 'business' of protecting the natural environment is a growth sector in its own right across the UK, with an annual turnover of £54 million in 2010.

The importance of the natural environment to the economy is being increasingly recognised. As an example, over 52,000 people visited the seals at Donna Nook during November and December 2012.

It is important that we protect our rural economies and our natural environments, so that people are able to benefit from them, both economically and socially. We have an active Greater Lincolnshire Local Nature Partnership that has contributed to our plans.

### Our goals include:

- becoming a leader in agricultural innovation to ensure sustainable agricultural growth through application of technologies that reduce inputs, water use and soil impact
- establishing environmental tourism as part of wider destination-marketing strategies to diversify our visitor offer
- raising awareness of Greater Lincolnshire's natural environment and adding to the high-quality landscapes that will attract investment and the skills required for growth in all sectors
- supporting the role of skills-based learning and volunteering in the environmental sector as part of programmes to improve readiness to work and social inclusion
- supporting the work of Heritage Lincolnshire and the Lincolnshire Nature Partnership in order to protect and promote the area's natural and built resources.





## Transport

Demand for the movement of people and goods continues to grow across Greater Lincolnshire, putting increased stress on existing transport networks. Over 4 million lorry loads of goods per year add to pinch-points in traffic congestion, and poor access will weaken the future sustainability of the economy.

This is a major factor affecting the agri-food supply chain in terms of real cost and lost opportunity, as food production is extremely time-sensitive. For example, the vining pea crop requires processing within hours of being harvested and, in the summer months, vegetables need to have field heat removed as quickly as possible post-harvest, and products have to be delivered to end users in accordance with strict timetables.

The cost of freight is regularly cited as critical to business productivity.

Our tourism sector will benefit greatly from improved access on the east of the greater Lincolnshire area.

The Local Transport Plans in Greater Lincolnshire put economic growth and regeneration firmly at the heart of transport strategies. These can be summarised as:

Lincolnshire	North Lincolnshire	North East Lincolnshire
inter+intra-regional access to support a growing economy	facilitate economic growth	enable sustainable growth
access to services, jobs and leisure	protect and enhance the natural environment	improve journey times
well-managed and safe environment	improve transport safety and security	support regeneration and employment

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### Single Local Growth Fund priorities

Our SLGF priorities for 2015/16 for transport are:

- **Lincoln transport hub** – a public transport interchange which will provide a substantially improved service to commuters and visitors, increasing Lincoln city centre’s attractiveness for investment, and opening up brownfield land for further development
- **Lincoln east–west link development opportunities** – provision of business sites and premises alongside a new link road that will be used to alleviate congestion and to extend the footprint of Lincoln city centre, thus increasing attractiveness to investors
- **Transport pinch-point scheme** – a programme-based budget to provide funding for small-scale improvements in a group of named transport bottlenecks, relieving congestion and assisting with the movement of goods. The schemes are small in nature and have been grouped in a programme to reduce bureaucratic costs to the LEP and to the DfT
- **Sustainable transport schemes** in North Lincolnshire, North East Lincolnshire, and Lincolnshire in order to improve local transport, promote sustainability, and reduce transport’s negative impact on the environment.

*The 110 bedroom DoubleTree by Hilton Hotel opened in 2013 and brought 70 new jobs to Lincoln – just one result of the millions invested in new hotels by city of Lincoln developers.*

## Water management

Water management is fundamental to Greater Lincolnshire, not only because it provides valuable services that underpin our environment, economy and quality of life, but also because of our geography.

We are developing an integrated approach to water that fully links flood risk, drainage and water-resources management so that we can maximise the services it provides, including drinking water, input for business, crop irrigation, tourism and recreation and improved biodiversity. This will move us from just managing water towards managing water sustainably and will help to **ensure Greater Lincolnshire is fit for the future, and improve our competitiveness.**

- Around 39% (2,761 km<sup>2</sup>) of Greater Lincolnshire lies within the flood plain and the area has been affected by a number of significant coastal and inland floods, most notably in 1953, 2007 and 2013.
- The Greater Lincolnshire area is also one of the driest in the country and is prone to drought. 2011/12 demonstrated the challenges and raised awareness of the need to adapt to this element of our changing climate.

**Greater Lincolnshire is a major area of agricultural production and food manufacturing that contributes significantly to UK food security.** Greater Lincolnshire accounts for 24% of all grade 1 agricultural land in England, the vast majority of which is protected by coastal flood defences. The fertility of the land has generated a thriving agriculture and food sector, which is a major employer in the LEP area. From a local base, the industry has expanded to manufacture food from both locally and internationally grown produce; in the north-east, production based on fishing represents further important diversification.

The UK’s food security relies upon Greater Lincolnshire’s agriculture, horticulture and food manufacturing industries. As such, water management in our area is a national priority and not simply a local one.

**The Ports of Immingham and Grimsby are the largest ports in the UK** by tonnage, and the area as a whole supplies around 1/8 of the total UK food consumption.

A further way in which Greater Lincolnshire will grow is in terms of population. The **100,000 new homes** needed by 2031 to meet this growth will bring economic growth but require a strong utility structure.

### Security from flooding is a key infrastructure requirement for our economy.

The threat of flooding affects **developer confidence and development viability.** This includes not just the areas lying in the coastal flood plain but many communities inland. At Louth and Horncastle in the Lincolnshire Wolds, risk management authorities have combined their efforts to prepare flood resilience measures against significant flood risk that affects the potential of these towns to drive growth and provide development opportunities. The LEP wishes to seize this opportunity to harness the potential of effective flood risk management to boost local growth.

Our objectives objectives as set out in our 2014 ‘Business Case for Water Management’ report are:

- to encourage development through protecting land from development
- to undertake a detailed feasibility study into protection for the whole coastline of the Greater Lincolnshire LEP area
- to promote the schemes that have arisen from our private-sector-led review into water management
- to use water to support economic growth through irrigation, cooling, and other production processes.

### Single Local Growth Fund priorities

Our SLGF priorities for 2015/16 for water management are:

- **Boston barrier** – the LEP urges government to start building the Boston Barrier soon, as this will contribute strongly to the attraction of investment to the town and surrounding area, as well as having flood management benefits. The LEP wishes to see the scheme extended so that it protects further development land in the town and generates water-based tourism.

## Utilities

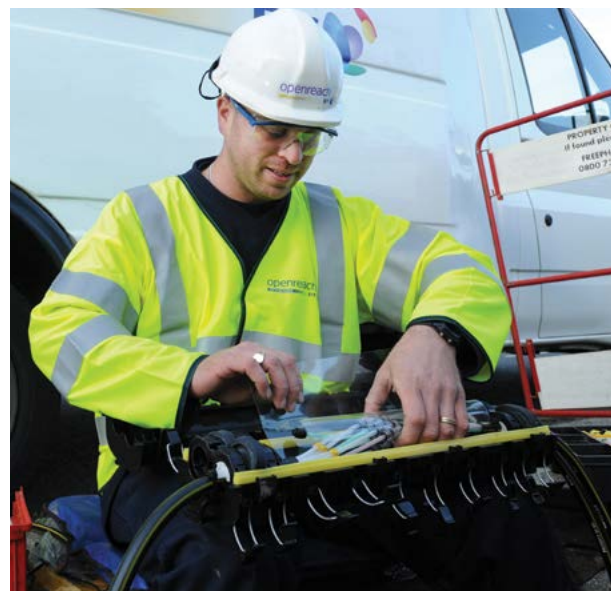
We know that providing a reliable infrastructure will allow us to reach our growth ambitions and potential.

Investments can stall due to the limited availability of utilities and the relative cost of upgrading them, so there is a need for a stronger dialogue between the utility companies and others, particularly at a local level.

The provision of affordable, 'fit for purpose' employment premises is dependent on the provision of sustainable infrastructure services: roads, water, sewerage, energy services and telecommunications. The provision of these services is equally critical to the growth of fully sustainable communities.

Our goals include:

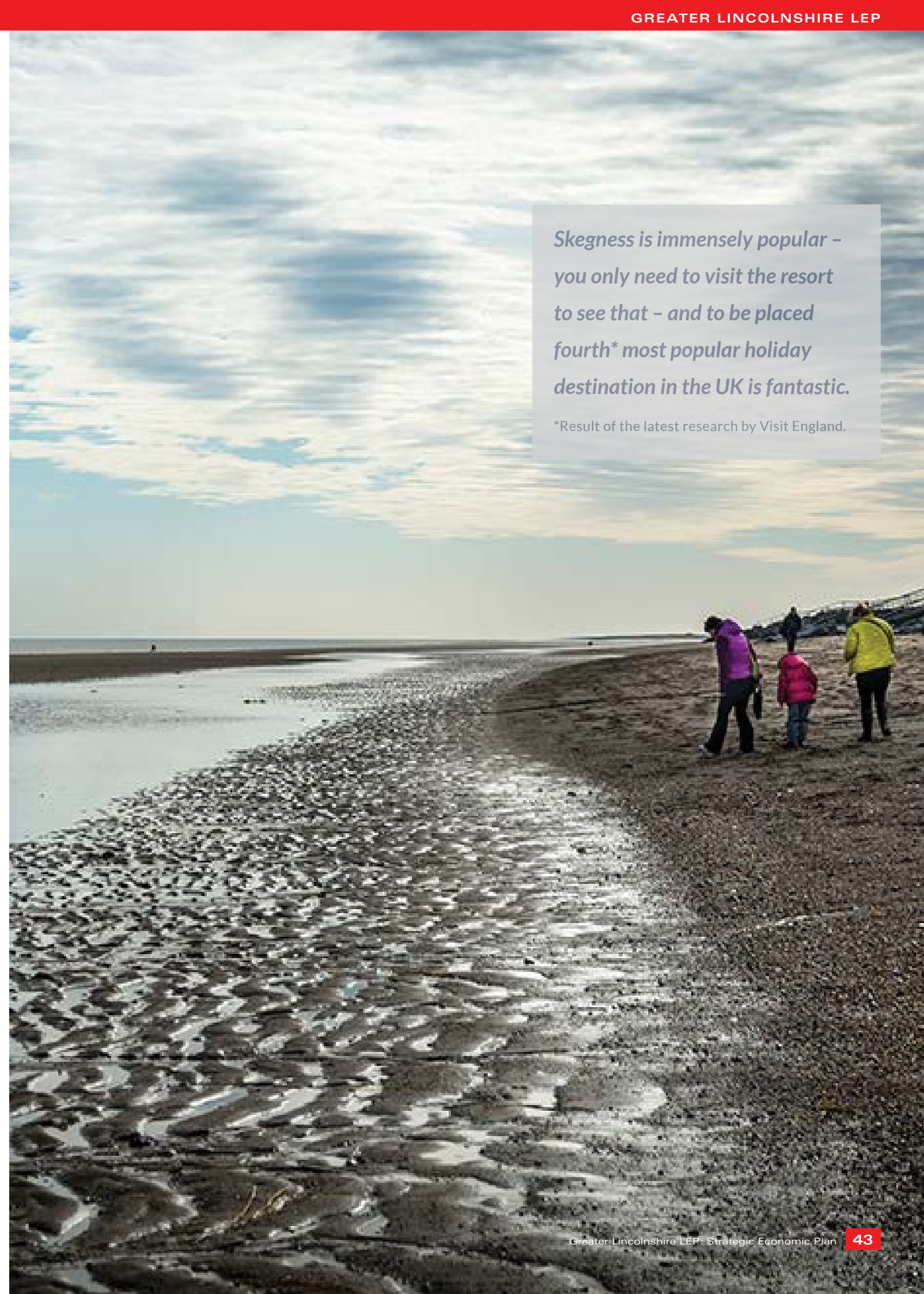
- taking a stronger role in dialogue with utility providers so that a better case can be made for investment in Greater Lincolnshire's utilities
- creating innovative approaches to finding the finance to unlock developments that have stalled as a result of utility costs
- ensuring a reliable utilities infrastructure to support growth
- delivering excellent digital communications and coverage; being a front runner in broadband and building on the current major investments already highlighted.



*Obam Lift Services has grown year on year since its foundation in 2000 and currently turns over £1.6 million with a staff of 14.*

*Skegness is immensely popular – you only need to visit the resort to see that – and to be placed fourth\* most popular holiday destination in the UK is fantastic.*

*\*Result of the latest research by Visit England.*







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# Part 4: Outputs and impact



# Outputs and impact

## Ability to deliver/track record

The Greater Lincolnshire economy has performed better than other areas during the recent recessionary period, with year-on-year growth post-recession stronger than nationally.

In terms of employment, the area has consistently enjoyed a higher employment rate than nationally, particularly during the recession, and has only in recent times come into line with the national average.

Lincolnshire County Council is the accountable body for the Greater Lincolnshire LEP, and under the current 2007–13 EU programme it has delivered almost ¾ of the currently contracted strategic projects, with great success. This includes council investment of £37.7m, which has attracted £110.8m in grants, with advice and support provided to other projects attracting a further £13.7m for our partners.

A range of active and enterprising local partnerships are finding new ways to meet local needs, for example combining funding to deliver schemes at transport pinch-points, and new approaches to skills training.

### The area's success is due to:

- active lobbying, research and partnership building
- knowledge of funding opportunities and the gaps in economic development provision that the local economy requires
- the ability to produce high-quality projects for funding – from project concept through bid writing and delivery
- a capital funding programme supported by levels of revenue that enable schemes to be designed, managed and delivered.

It is important to recognise that the Greater Lincolnshire LEP has already started work on delivering its ambitions and worked closely with business-led partnerships that support economic growth in the area.

### For example the LEP has:

- opened an Invest and Grow fund to provide finance to businesses with growth ideas
- lent weight to the successful case for EU funding to match BDUK broadband schemes
- proactively advised companies on Regional Growth Fund applications, generating more than £25m in government grants to businesses in the area
- supported the successful South Humber Enterprise Zone submission and its implementation

- sponsored a series of studies into economic growth, including studies into sector opportunities and opportunities to collaborate with neighbouring LEPs
- supported the employer-led Lincolnshire & Rutland Employment and Skills Board to produce a series of skills-gaps reports
- actively lobbied government for recognition of innovative approaches to water management and for a direct London – Lincoln rail link
- supported employer-led groups such as the Lincolnshire Forum for Agriculture and Horticulture so that they can find innovative solutions to the problems and opportunities facing their sectors.

Based on this evidence of partnership working, track record of delivery and the stable nature of the local economy, the Greater Lincolnshire LEP is confident in its ability to lead the delivery of its Strategic Economic Plan.

### Collaborative working

The Greater Lincolnshire LEP has always described its boundaries as permeable, so we are actively looking at opportunities for collaboration and joint working with areas outside of the LEP.

We have undertaken studies to identify future joint working opportunities – they include:

- increasing innovation in our food production sector
- strengthening the availability of technological support through strong higher education collaborations
- adapting skills provision through work with sector skills councils.

Using collaboration to drive economic growth is an important focus for the Greater Lincolnshire LEP.

This Strategic Economic Plan sets out the actions that the Greater Lincolnshire LEP will champion. It explains how we will achieve economic growth in support of our vision to 2030.

We have analysed what our actions are likely to achieve, based on the strong past performance that we had. This indicates that we will:

- increase the value of the Greater Lincolnshire economy by £3.2 billion
- assist 22,000 businesses
- create 13,000 jobs.

These assumptions are based on the value of the EU funding programme 2013/2020, and they assume that the EU funding will trigger investment on a 1:3 basis. The 2013/2020 allocation of EU funding to Greater Lincolnshire is 133m euros (roughly £115m). Our calculations are based on an assumption of a total spend of £390m and delivering schemes that meet our aims to:

- put skills, growing new markets, and modern telecommunications at the forefront of growing our businesses and sectors further (these are described as 'Business & Employment' schemes)
- make the most of Lincolnshire's attractiveness to investors through protecting what we have, improving connectivity, and increasing housing (these are described as 'Place' schemes).

Using both national research<sup>2</sup> and analysis of previous EU funding programmes, we anticipate that the following outputs could be achieved.

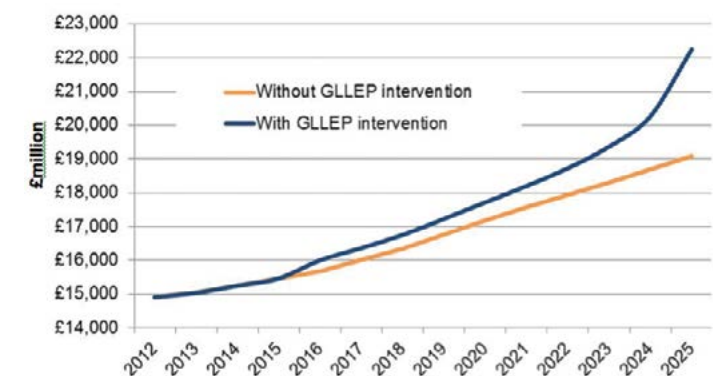
£1million spend =	Project Type		Average
	Business & Employment	Place	
Jobs created (gross)	52	22	37
Businesses assisted	112	22	67
GVA uplift	£11.9m	£5.7m	£8.8m

On the basis of the assumptions about funding available locally, between now and 2021 we can expect to spend around £153m on 'Business & Employment' projects, and around £237m on 'Place' projects. If that is the case, then we could anticipate achievements of the following order:

2. Valuing the Benefits of Regeneration, Department for Communities and Local Government, December 2010

£1million spend =	Project Type		Average
	Business & Employment	Place	
Jobs created (gross)	8,011	5,109	13,119
Businesses assisted	17,140	5,175	22,314
GVA uplift	£1.82bn	£1.35bn	£3.17bn

We have also projected what this might mean in terms of growth in the local economy over and above projected natural trends. The following is suggested:



There is very little in the way of national or local benchmarking data for us to rigorously test these figures against. However, there are various reports looking at the economic impacts of projects and assorted regeneration activities on which we can draw and get a feel for how realistic these figures are. For example, an independent audit of the East Midlands Development Agency found that every £1 it had spent resulted in £9 of economic growth in the region's economy. This is very close to the £1:£8.80 impact we are forecasting.

Specifically in terms of 'Place' projects, the Department for Transport have recently released some figures on projected outputs from 2014 construction activity, with results ranging from £1 spent : £2.3 in benefits in the Yorkshire and Humber region to £1 spent : £7.3 in benefits in the East. Overall, the national average worked out at £1 spent : £4.4 in benefits. Our projection of £1 spent : £5.7 in benefits is therefore higher than the national average but well within the range presented.

Even more recently, we have been made aware of some figures for spending by LEPs to date that suggests that around £1.5bn of spending on projects already underway will deliver in the region of 217,000 jobs. This works out at £1m spend creating 145 jobs, which is considerably higher than the £1m spend creating on average 37 jobs we are forecasting. However, it should be noted that without the detail of these various projects, it is difficult to know whether we are comparing like with like, so we have taken a conservative view based on our experiences locally.



# Achieving value for money

Achieving value for money is critical for the Greater Lincolnshire LEP – and it is even more important due to the current fragile nature of local and national economies.

The Greater Lincolnshire LEP is seeking to achieve value for money through two routes:

- a) at programme-development level
- b) at individual project level.

## Programme-development level

The LEP Board held a workshop on strategic priorities at its meeting in September 2013. As part of that workshop, it analysed the impact that initiatives can have on an area's economy, and in particular the balance between business/revenue schemes and place/capital schemes. Further work on this – linked to the Treasury Green Book – will be done in the coming months in order to ensure that the LEP gets most value out of the funding programmes it has access to.

## Individual project level

Firstly, the Greater Lincolnshire LEP will put a robust system in place to ensure that grants are additional and are not being used where they are not needed. This will contribute to getting best value from the programme.

Secondly, the appraisal process is expected to analyse the value for money of each project against set published criteria.

The GLLEP are also looking to achieve value for money through collaborations and targeted investment.

Projects that meet LEP objectives will agree a Service Level Agreement with the board so that performance can be overseen and managed.

A major focus of the GLLEP's strategy is to consider how added value can be achieved through facilitating joint working and collaboration and through targeting investment towards projects that will foster improvements across sectors and specialisms. The high-level strategy is to look at projects that will facilitate clustering activity, share knowledge across sectors and specialisms, and develop systems and processes that will ensure any investment achieves the maximum value.

Consultation with key partners and industry leads, along with research and analysis, has enabled insights which point to huge potential within our business community, and to opportunities to develop creative and innovative interventions. These opportunities include the potential for the agri-food, logistics and renewable energy sectors in the county to work more closely to share knowledge and resources.



# Conclusions and acknowledgements

Our Strategic Economic Plan sets out our vision for the future. It is ambitious, but deliverable.

We have worked closely with a range of partners to make sure that the plan meets local economic priorities and makes a positive contribution to national economic strategies too.

We are committed to achieving our objectives of:

- creating 13,000 new jobs
- assisting 22,000 businesses
- increasing the value of the Greater Lincolnshire economy by £3.2 billion by 2030

Communicating with the business community is vital. The board and secretariat will prioritise this through:

- Regular meetings
- Continued dialogue with the top 100 businesses
- Distributing a business friendly version of this plan

The Technical Appendix provides supplementary information for Government departments and other organisations looking for further detail.

The board of the Greater Lincolnshire LEP acknowledges the support that was given to the production of this plan by:

- The members of parliament for the Greater Lincolnshire area
- BIS Local (East Midlands) and other government officials
- The Greater Lincolnshire Leaders' Forum
- The Greater Lincolnshire Lead Economic Development Councillors' Forum
- The business community in Greater Lincolnshire who have given us substantial input both directly and through strategic partnerships such as the Employment & Skills Board
- Community, heritage and environmental partners in Greater Lincolnshire







The logo for Greater Lincolnshire is a stylized graphic consisting of four overlapping, angled rectangular shapes in green, dark blue, red, and yellow, arranged to form a shape reminiscent of a stylized 'L' or a flag.

# Greater Lincolnshire

Local Enterprise Partnership

## Strategic Economic Plan Part 2: Technical Appendix

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# Part 1: Introduction

## Introducing Greater Lincolnshire

**Our Strategic Economic Plan sets out Greater Lincolnshire's priorities for growth and describes what will be achieved in 2015/16 and beyond, with the support of Government through the Single Local Growth Fund.**

This Technical Appendix provides supplementary information for Government departments and other organisations that are looking for further detail.

### Introduction to the Greater Lincolnshire Local Enterprise Partnership

The Greater Lincolnshire Local Enterprise Partnership (GLLEP) is led by the private sector and aims to improve infrastructure and conditions for business in the Greater Lincolnshire area.

Greater Lincolnshire covers a large geographical area with a population of over one million and a diverse range of industries, from ports and logistics to farming, tourism and manufacturing. The LEP includes the local authority areas of Lincolnshire, North Lincolnshire and North East Lincolnshire.

As a partnership of leaders from the business community, and the public and third sector, the LEP performs a leadership role. This means acting as advocates for the Greater Lincolnshire area, working with Government to find solutions that will enable delivery of the strategic infrastructure that will drive national, regional and local prosperity and economic growth. The LEP provides a strong voice on behalf of Greater Lincolnshire businesses and communities and works to ensure that Government and the European Union realise the national and international importance of the Greater Lincolnshire area in the allocation of scarce resources.

The Greater Lincolnshire LEP will act as an 'enabling body', leading activity that helps the private sector to thrive and grow. The LEP's role is to identify the very high priority actions which must happen and, collectively, use the talents and resources of the GLLEP members to ensure that these actions take place.



# Creating growth

## Which sectors will contribute greatest growth?

We have identified that our most important sectors based on their contribution to the UK's economy are:

- Agri-food
- Visitor economy
- Manufacturing

Our strategy is to increase growth in these sectors so that they grow and thereby contribute more to the UK economy.

## How will we help them to grow?

We have spoken to businesses, worked with partners, and undertaken research to understand what the greatest barriers are to local economic growth. This information has directly informed our economic strategy.

The actions that we know will drive growth in our area fall into two categories:

- Putting improved skills, growing new markets, and modern telecommunications at the forefront of growing our businesses and sectors
- Making the most of Greater Lincolnshire's attractiveness to investors through protecting what we have, improving connectivity, and increasing housing

## What are we doing?

The high-level actions above underpin our specific sector-based action plans (or implementations plans).

Each action plan will provide the detailed information that all of our partners, organisations and providers need, to turn this overarching strategy into delivery projects.

Each sector-based action plan will, in turn, lead to themed plans, for example a Skills plan, an Innovation plan and a Promotion plan.

# Governance structures

## Greater Lincolnshire Local Enterprise Partnership

The partnership was formed in response to a strong desire by the business community and the public sector to ensure that economic interests of the area were properly represented.

The Greater Lincolnshire LEP encompasses the administrative counties of Lincolnshire, North East Lincolnshire and North Lincolnshire. It is a huge area representing nearly a million people and diverse business interests.

The partnership formed in 2010 and is growing. The Board is business-led but includes public sector partners.

The unitary areas of North Lincolnshire and North East Lincolnshire are also part of the Humber LEP. We have agreed a number of activities that are particular priorities for engagement between North Lincolnshire, North East Lincolnshire, and the Greater Lincolnshire LEP.

These are:

- visitor economy development and promotion
- supply chain and international trade activity in agri-food
- transport infrastructure and connectivity
- flood risk mitigation and lobbying
- influencing the provision of utilities for economic growth
- strengthening of the care sector as a business sector
- collaborative approaches to business support, growth, and advice
- employability skills and labour market information

## Our board is made up of:

**Ursula Lidbetter** (Chair: Business/Social Enterprise)

**David Dexter** (Deputy Chair: Small Businesses)

**Chris Baron** (Tourist sector)

**Neil Corner** (Large engineering manufacturer)

**Herman Kok** (Construction sector/employment & skills)

**Mark Tinsley** (Food & Agriculture)

**Andy Baxendale** (environment)

**Tony Hill** (Public Health/Care Sector)

**Colin Davie** (Lincolnshire County Councillor)

**Doreen Stephenson** (District Councillor)

**Prof. Mary Stuart** (Higher Education)

**Chris Shaw** (Leader, North East Lincolnshire Council)

**Liz Redfern** (Leader, North Lincolnshire Council)

**Richard Wills** (Executive Director, LCC, representing the LEP Secretariat)

**Leendert Den Hollander** (Food Sector)

**Andy Orrey** (Housing Sector)

The Board will maintain a strategic overview of the economy of Greater Lincolnshire and influence public sector plans; and support and encourage businesses and the third sector to contribute actively to the prosperity of the area.

The Greater Lincolnshire LEP was established as an unincorporated partnership, with Lincolnshire County Council as the accountable body. Funds are handled by the Accountable body using the section 31 Local Government Act 2003.

## The role of the Greater Lincolnshire LEP is to:

- Provide strategic leadership and develop a long term vision of Greater Lincolnshire economy, providing strategic insight on the challenges and opportunities facing the area. This will be achieved through the Strategic Economic Plan
- Champion Greater Lincolnshire's economic vision and promote bold solutions
- Share knowledge, practice and intelligence in Greater Lincolnshire
- Secure finance and encourage local and national bodies to match resources to achieve Greater Lincolnshire ambitions

All of our meetings are transparent, and we register and deal with conflicts of interest, and publish our meetings, papers, and decisions. The appointment of private sector board members is through open advertising.

A memorandum of understanding was signed to that effect by Lincolnshire County Council, Lincolnshire Chamber of Commerce, the University of Lincoln and Federation of Small Businesses.

## Current Structure



# The Greater Lincolnshire LEP's vision

We know that Greater Lincolnshire contributes strongly to the UK economy. And by delivering our priorities;

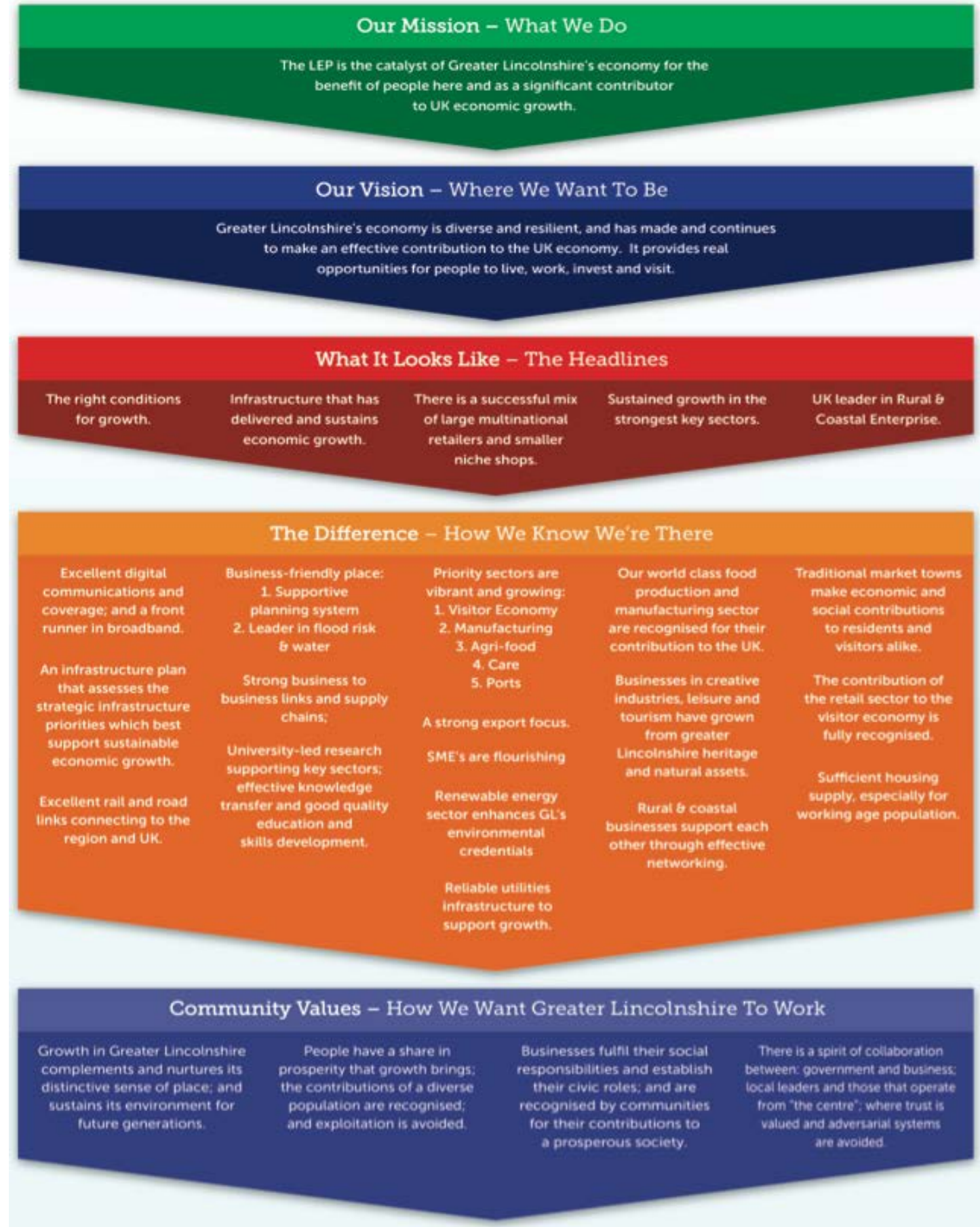
- put improved skills, growing new markets, and modern telecommunications at the forefront of growing our businesses and sectors further
- make the most of Lincolnshire's attractiveness to investors through protecting what we have, improving connectivity, and increasing housing

The Greater Lincolnshire LEP recognises that economic growth must take into account the prosperity of our area. Our vision of how our economy will look in 2030 is set out below and our strategy firmly fits the vision.

The Board developed a long term vision in 2013, see the diagram opposite.

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The area will grow and contribute more to the UK economy.

## Greater Lincolnshire – Economy 2030





# Future governance

## LEP

We recognise that the increased role of a LEP in decision making and funding means it is important that our LEP has the appropriate practices and procedures in place to maintain integrity of decisions.

We have recently undertaken a governance review, and are strengthening two main areas.

### Making and informing decisions:

- Democratic accountability and business rigour – effective prioritisation process
- Ensuring adequate scrutiny and challenge before decisions are made
- Broader LEP membership, and advisory role for other key stakeholders

### Financial regularity/propriety:

- Appointment of board members
- Clarity on decisions to sign off spend
- Clear understanding of the role of the accountable body
- Self scrutiny – arrangements for reviewing the effectiveness of spend

The LEP Board is becoming a company limited by guarantee. It will work closely with local government and other partners to ensure effective communication, strategy, and delivery. Board meetings will be held four to six times per year.

The board will be supported by an audit committee (purpose: to ensure adequate scrutiny of, and clarity on, decisions that have been taken); an appointments committee (purpose: to appoint board directors following an open and transparent process); and an approval committee (purpose: to agree strategic programmes for commissioning activity and to approve projects above a significant threshold). The Lincolnshire & Rutland Employment and Skills Board will have responsibility for approving activity within its remit.

The Greater Lincolnshire LEP is supported by an officer group comprising Department for Business Innovation and Skills, Homes and Community Agency, Lincolnshire County Council, North East Lincolnshire Council, North Lincolnshire Council, University of Lincoln, and a representative of Lincolnshire's district councils.

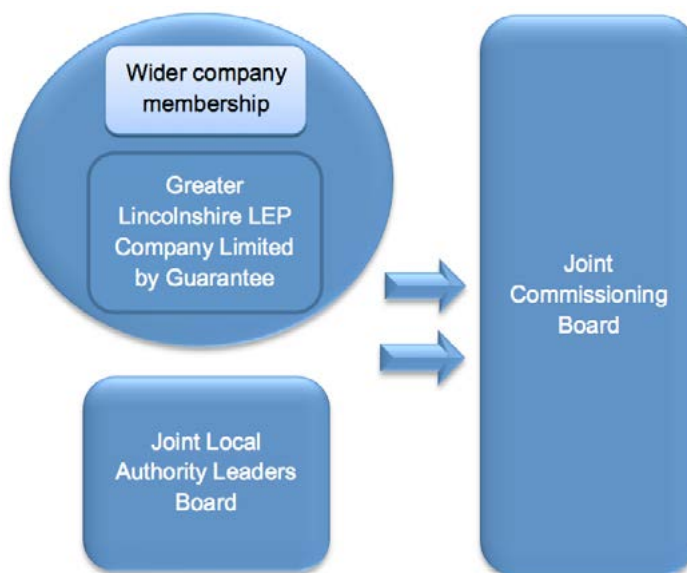
## Local authority leaders' board

Because of the strong relationship between the LEP's leadership of local economic development and that of local government, the LEP will work closely with a local authority leaders' board. The LEP's role of setting, championing, and reviewing a growth strategy has already been described.

The purpose of the local authority leaders' board, which will meet two to three times per year, will be to lead the strategy into delivery. In particular, the local authority leaders' board will seek to align/pool budgets with the strategic economic plan, set a clear delivery agenda, and tackle obstacles to delivery.

The local authority leaders' board will comprise the leader of Lincolnshire County Council, North East Lincolnshire Council, and North Lincolnshire Council.

Because of the main interests and, in particular, because of the purpose of respective budgets of the LEP board and of local authorities, the LEP board will have a particular focus on business and employment elements of the strategic economic plan, and the local authority leaders' board on the place elements of the strategic economic plan. It is, however, recognised that there is a strong overlap between the two.



## Deliverability

We see deliverability in three aspects: policy, commissioning, and delivery.

Where appropriate, a commissioning-based approach to the development of programmes and projects will be adopted, through a series of locally-driven Calls for Expressions of Interest. Programmes/projects developed in this way will be assessed against an appraisal framework to ensure that they are responding to local need, are deliverable (e.g. have matched funding) and represent value for money.

In order to lead the commissioning based approach which is increasingly being adopted by local government in Greater Lincolnshire – the LEP will establish three commissioning boards. These boards will have the purpose of (i) interpreting the strategic economic plan so that activity can be developed in support of its priorities, (ii) shaping the outcomes to be achieved for activities in support of the plan's priorities, and (iii) identifying and championing delivery methods for activities. Three commissioning boards will be established – led by the LEP but having input from the public, private, and third sectors – and these will have the remit of sector and business development; employment, skills, and technology; and place. The commissioning boards will be required to seek advice from the Greater Lincolnshire Lead Economic Development Councillors' Forum and will also draw on advice from partnerships such as:

- Lincolnshire & Rutland Employment and Skills Board
- Lincolnshire Forum for Agriculture and Horticulture
- Visitor economy and Manufacturing partnerships (so that all three priority sectors have strong LEP partnerships)
- Lincolnshire Transport Board (to consider infrastructure)
- Invest and Grow board (business investments)

However, the LEP will also work with other partnerships where a dialogue can add particular value. This includes partnerships like the Greater Lincolnshire Nature Partnership (the environmental economy), and Involving Lincs (the partnership of voluntary sector senior managers).

## Greater Lincolnshire Lead Economic Development Councillors' Forum

The Lead Economic Development Councillors' Forum is chaired by Lincolnshire County Council and has membership from the portfolio holder for economic development of North Lincolnshire, North East Lincolnshire, and the city, borough, and district councils of Lincolnshire. The portfolio holder for economic development is often also the leader of an authority, but where that is not the case then leaders of those councils will be welcome to attend forum meetings.

The LEP commissioning boards will be required to seek advice from the Lead Economic Development Councillors' Forum. The Forum also has the remit of providing advice to the Lincolnshire Local Authority Leaders' Group and to the local authority members that sit of the LEP board.

Meetings of the Lead Economic Development Councillors' Forum will be held in advance of LEP board meetings and other important meetings in order to ensure that they can provide advice in a timely and effective fashion.

## Delivery

Despite putting significant effort into ensuring that we have the right approach to policy and commissioning, we know that it is delivery that matters most.

Local authorities, higher and further education, and the third sector in Greater Lincolnshire all have a strong track record in delivering major schemes. We will look to maintain the skills and capacity required to maintain that level of delivery. One of the ways we will do that is through identifying opportunities for authorities to collaborate and share skills, and we have already started to explore two very practical examples of this:

- the local authorities are undertaking an audit of the skills of their respective economic development teams with a view to sharing skills
- similarly, the local authorities have identified that, by working with the LEP, they could establish a shared approach to working with developers on bringing forward schemes.

The LEP board has considered ways of maintaining delivery capacity. It will seek to establish delivery approaches, led by a single partner who is accountable for ensuring that delivery is achieved. This model, which has been used in major urban development schemes e.g. in Leeds, will shape responsibilities and maintain a focus on delivery.

In summary, then, the Greater Lincolnshire LEP has identified the priorities it will address in order to promote economic growth. This strategic economic plan sets out how it will address those priorities and explains that the LEP has the capacity and resources to deliver:

- the role of thematic groups in developing/commissioning EUSIF programmes under each objective
- project development, appraisal/approval and monitoring arrangements.



# Alignment of funding

The LEP's own funding, the EU structural and investment funds, higher and further education budgets, and local authority resources can all contribute to the delivery of our growth objectives. This table shows how the funding could be aligned.

Many projects will be led by the private sector too, but because of the challenges of state aid regulations these projects will often be slightly removed from the LEP's own delivery activity.

Project	Single Growth Fund	Invest to grow	ERDF	ESF	EAFRD	EU funding opt in	Local authority	HE/FE	Lottery	Other
<b>Business and employment</b>										
Investment finance										
Skills										
Access to new markets										
Innovation										
Information										
Digital services										
Resource efficiency										
Sites and premises										
Major activities to promote business growth										
<b>Place</b>										
Transport										
Flood management										
Better utilities										
Improving conditions for retailers										
Market towns										
Environment and heritage										
Communities										
Housing										
Promotion										

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## Combining delivery in order to be really effective

We recognise that there is a lot of common activity in our objectives (for example, skills, and adapting to future demands, features strongly in all of our important and emerging sectors. We have established sector plans for our three most competitive sectors. However, rather than establish specific initiatives for each of the other sectors, which would lead to considerable duplication, we will tackle the common themes. It should be recognised that most of the activity that is envisaged is already happening, just not at a scale and with sufficient focus to make the transformational shift that is possible.

The common themes are identified in the table below:

	Agri-food	Visitor	Manufacturing	Care	Ports and logistics	Low carbon	Small business	Foreign owned
Investment finance								
Skills, both provision and infrastructure								
Access to new markets								
Innovation								
Information								
Digital services								
Resource efficiency								
Sites and premises								

# A track record that shows we can deliver

## Looking back at what has been achieved over the past years gives us the confidence that we can achieve our objectives.

This strategic economic plan sets out our vision for the future, but it is important to recognise that the Greater Lincolnshire LEP has already started work on delivering its 2-year Ambitions Plan, published in early 2013. Similarly, we have worked closely with business-led partnerships that support economic growth in our area. Most notably:

- Lent weight to the successful case for EU funding to match BDUK broadband schemes
- Opened our Invest and Grow fund to provide finance to businesses with growth ideas
- Proactively advised companies on Regional Growth Fund applications, generating more than £25m in government grants to businesses in our area
- Supported the successful South Humber Enterprise Zone submission and its implementation
- Championed a business-friendly Development Charter
- Actively lobbied government for recognition of innovative approaches to water management and for a direct London-Lincoln rail link
- Supported the employer-led Lincolnshire & Rutland Employment and Skills Board and the Lincolnshire Forum for Agriculture and Horticulture so that they can find innovative solutions to the problems and opportunities facing their sectors

Sponsored a series of studies into economic growth, including studies into sector opportunities and opportunities to collaborate with neighbouring LEPs

There are clearly opportunities to utilise funding to advance economic development to 2020. Under the current programmes, Lincolnshire County Council (accountable body for the LEP) has played a pivotal role and has delivered (or facilitated) the majority of the projects, delivering a high level of programme outputs.

This is in line with the Chief Economic Development Officers Society (CEDOS) report that recognises that shire counties contribute significantly to the nation's economic growth.

As an example, Lincolnshire County Council has delivered 26 and had significant role in bringing forward a further 10 of a total of 42 strategic projects currently contracted under the 2007-13 EU programme. This translates to 515 of the 578 jobs created and 506 of the 510 jobs safeguarded: and to the 506 of the 543 businesses assisted. The council investment of 37.7m has attracted 110.8million in grants and the advice and support provided to other projects has attracted a further 13.7m for our partners.

We also have active partnerships that get together in an enterprising way to meet local needs. This includes:

- Piloting new approaches to training that meet the needs of employers and individuals
- Combining funding to deliver schemes at transport pinchpoints
- The success has been due to several factors that continue to support the work of Greater Lincolnshire LEP:-
- Active lobbying, research and partnership building
- Knowledge of funding opportunities and the gaps in economic development provision that the county's economy requires
- The ability to produce high quality projects for funding – from project concept through bid writing and delivery
- Utilising a capital funding programme supported by levels of revenue that enable schemes to be designed, managed and delivered.

As accountable body the county council have a long history of working with private businesses and public bodies, helping them to understand and utilise these funds to enable strong impacts on economic growth.

As a LEP, we are confident that the big picture experience and success that has just been described can carry forward into our leadership of economic development.

From a macroeconomic perspective, Greater Lincolnshire generally weathers recession well and even during the last recession we continued to deliver effective projects.

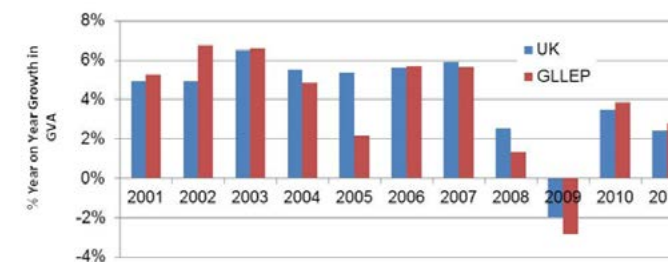
## Weathering the recession:

The Greater Lincolnshire economy is currently worth in the region of £16bn based on the measure of Gross Value Added. However apportioning this economic value across the population (GVA per head) shows that the economy is performing below the national average (at £15,600 per head compared to £21,400 respectively) and the gap has widened over time.

Despite this relatively weaker economic performance, Greater Lincolnshire's economy has performed better than other areas during the recent recessionary period, with year on year growth post-recession stronger than nationally (figure 1).

Figure 1: Year on year growth in Gross Value Added

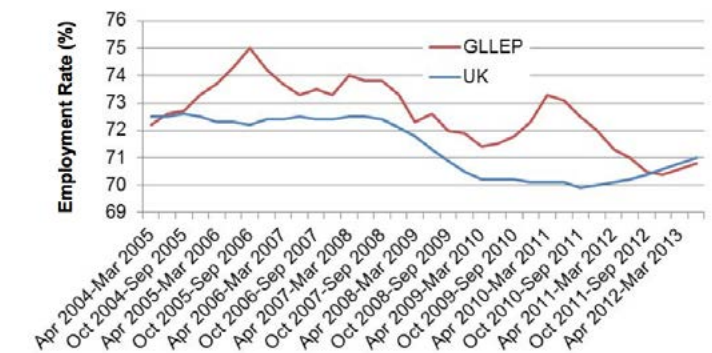
Source: Office for National Statistics



In terms of employment then Greater Lincolnshire has consistently enjoyed a higher employment rate than nationally, particularly during the recession, and has only in recent times come into line with the national average (figure 2).

Figure 2: Employment Rate 16-64 age group

Source: Annual Population Survey, Office for National Statistics



## Part 2:

# Greater Lincolnshire's economy

## Analysis of Greater Lincolnshire's economy

Greater Lincolnshire is a large, varied and thriving sub-region which stretches from the Humber bank in the north to the Wash in the south. It offers a mix of beautiful and diverse countryside, historic buildings, panoramic views, busy market towns and urban areas, but it's also a fast-growing economy where unemployment and crime rates are low and schools performance is well above average.

### A large, predominately rural area – but with a population to match a major city:

Greater Lincolnshire covers an area of more than 7,000km<sup>2</sup> and includes the local authority areas of Lincolnshire, North East Lincolnshire and North Lincolnshire. The area is sparsely populated, with an average of 150 people per km<sup>2</sup> compared with 375 per km<sup>2</sup> across England and Wales. The area has just over 1.04 million residents, comparable in number to the City of Birmingham.

The geography of the area is mixed with the area being characteristically mainly rural, and sparsely populated (121 per km<sup>2</sup>), whilst other parts have a much more urban and densely populated geography.

Greater Lincolnshire is made up of predominantly small market towns and villages with the only city in the region (Lincoln) situated towards the centre of the area. The area has approximately 30 market towns and coastal resorts, and a fairly even distribution of villages across the area. The largest centres of population are the city of Lincoln (approximately 93,000 people), Grimsby (88,000), Scunthorpe (80,000), Grantham (42,000), and Boston (41,000).

### Strengths in agri-food, manufacturing and visitor economy:

Fifty years ago, Grimsby was the largest fishing port in the world and today it still maintains a dominant national role in fish distribution and processing 70% of the UK's fish. With nearly a quarter of the UK's Grade 1 land, Greater Lincolnshire is one of the UK's most important agricultural areas growing 12.5% of the nation's food, and supporting world-class businesses in the packaging, food processing, fertilisers, agricultural machinery, and distribution sectors.

Farming gave rise to a manufacturing and engineering sector which still thrives: Lincoln is home to a division of the world-class gas turbine manufacturers; Siemens, and a new School of Engineering recently opened at the University of Lincoln.

North Lincolnshire is the base for five power stations and two major oil refineries providing over a quarter of the UK's oil refinery production. North-East Lincolnshire has one of the largest concentrations of food manufacturing, research, storage and distribution firms in Europe.

With our coastline, home to the 4th most popular tourist resort in Skegness, a world famous seaside resort in Butlins, numerous Blue Flag beaches, our historic market towns, and world class historical heritage in the shape of Lincoln Cathedral and Castle, it is not surprising that the visitor economy also plays a significant role in the local economy.

### A fast growing population with housing to match:

Greater Lincolnshire has a fast growing population, having increased by 8.2% between 2002 and 2012, compared to the national average of 7.7%. This growth has been driven primarily by migration from other areas of the UK, although birth rates and immigration have also increased.

With a fast growing population that is projected to continue, new housing is required to match. As a result, the areas various core strategies and local development plans set out plans for an additional 100,000 houses to be built by 2032.

Lincolnshire has carried out a great deal of work to plan for housing growth in the sustainable urban extensions to Gainsborough, Sleaford, Lincoln and Grantham and in key settlements in rural and coastal areas. Development to date has been constrained by viability, land availability, developer confidence and place making capacity across all sectors. However, the mainly as yet undeveloped designated areas for growth offer great potential to develop the great places which become exemplar sustainable communities to support 21st Century business growth.

Delivery of the planned housing growth will depend on strong partnerships across all sectors that build on good practice inside and outside the County but also work innovatively to overcome the barriers that are specific to Lincolnshire. Relatively low sales and rental values together with the provision of infrastructure over a geographically dispersed area lead to viability challenges. The relatively small sized housing associations and developers in Lincolnshire offer very positive benefits to local economies but are not always best placed to individually access public and private development finance. There is a strong case for a Lincolnshire wide shared approach to bring together place making professionals, housing organisations and developers to share expertise, further develop partnering and place delivery skill sets and work together to access funding and public land assets to carry forward large scale development.

### Connection to the national transport network, but bottlenecks within the area:

Greater Lincolnshire benefits from its proximity to the national spine of key north-south road and rail links, including the A1 and the East Coast Main Line. Along with the key UK ports of Immingham and Grimsby, connected via the motorway network and M62 corridor,

our UK centric location allows goods to be delivered to 75% of the UK's population within a four hour transit time. The area's scale and rurality, however, cause transport problems that must be tackled.

However there are significant variations across the area in terms of road and rail connectivity with the north and west of the area having better access to motorways, dual carriageways and rail connections than those in the in the south and east. Towns such as Boston, Skegness and Louth, are more remote from large population centres and served mainly by single carriageway roads but they are important settlements particularly in the agri-food and visitor economy sectors. Proximity to Peterborough – with both A1 and East Coast Mainline links – offers an important benefit and advantage to communities in the south. To the north, the Humber Bridge toll acts a constraint to the Greater Lincolnshire economy, particularly in terms of a barrier to realising opportunities on the South Humber bank.

The Greater Lincolnshire area has good international connections, acting as the gateway to Europe, with the nationally and internationally important ports of Immingham and Grimsby, the largest deep sea port in Europe and the busiest port complex in the UK, handling over 50m tonnes of key feedstocks including oil, gas, coal, biomass and other chemical and bulk agricultural products. It also has regular freight ferry services to various destinations across mainland Europe.

By way of air transport, Humberside International Airport in the north of the area serves business passengers and also has a growing cargo facility, with a chilled perishables hub.

In terms of rail connectivity the area has just one mainline railway station at Grantham, with a frequent and direct service to London. There are also a number of other mainline stations within close proximity to Greater Lincolnshire e.g. Newark, Peterborough and Doncaster. Significant volumes of freight utilise the link between the South Humber ports and the East Coast Main Line although further rail gauge improvements are required. The upgrade to the 'Joint Line' will see large amounts of freight pass through the area.

## Business prospects in Greater Lincolnshire

Greater Lincolnshire has a relatively diverse economy, with strong representation of 'traditional' sectors, particularly agriculture, manufacturing, and the visitor economy. Important subsectors include ports and logistics, care, and the renewable and environmental sectors. The area also has a small but significant number of very specialist niche businesses which include world leading engineering and electronics businesses.

### Slow economic growth, but resilient to recession:

The Greater Lincolnshire economy is currently worth in the region of £16bn based on the measure of Gross Value Added. However apportioning this economic value across the population (GVA per head) shows that the economy is performing below the national average (at £15,600 per head compared to £21,400 respectively) and the gap has widened over time.

Despite this relatively weaker economic performance, Greater Lincolnshire's economy has performed better than other areas (particularly the national economy) during the recent recessionary period, with year on year growth post-recession stronger than nationally.

At the same time over 2,500 jobs have been created and safeguarded via direct local authority intervention alone. This is on top of around 45,000 jobs that were created from all sources in the decade prior to the recent recession.

So whilst Greater Lincolnshire is able to weather recession and economic downturns well, with year on year growth post-recession stronger than nationally the challenge now is how we build to take better advantage of the current upturn in the economy.

### Small businesses are an important and stable source of employment:

Greater Lincolnshire has approximately 41,000 businesses, of which the vast majority (97%) are small and medium sized enterprises (SME's, employing fewer than 50 people), in line with the national picture. However it is when we consider the proportion of total employment supported by these small businesses that we see that over half of all employment in Greater Lincolnshire is provided by businesses employing less than 50 people compared to 45% nationally.

Business numbers have been in decline across all local areas since the 2008 credit crunch and ensuing economic downturn, only showing a slight increase in numbers between 2011 and 2012. Relative to the

national picture, declines locally in business unit numbers have been greater particularly in North and North East Lincolnshire.

Businesses generally survive for longer in the area, particularly in the County of Lincolnshire which has 60% of start-ups surviving three years compared to the national average of 58%. The exception to this is in North East Lincolnshire, which whilst enjoying a business birth rate of 15%, only has a three year business start-up survival rate of 29%.

### Our important sectors

The LEP will make real effort to drive growth of the 3 sectors it has the most competitive advantage in. These sectors are already important to the national and local economy but they could provide more wealth and jobs.

#### Agri-food

Greater Lincolnshire has the greatest proportion of grade 1 land in England and already includes a number of large established food based businesses. There is an opportunity to build on pre-eminence in agri-food providing low carbon foot print food 'from farm to fork and trowler to table'.

#### Visitor economy

Our heritage includes the historic city of Lincoln, east coast resorts, the RAF heritage and beautiful countryside and market towns. There is a potential to use our natural and cultural heritage to promote Greater Lincolnshire as a great place to live and visit.

#### Manufacturing

Greater Lincolnshire has a strong engineering heritage and we are proud of our national importance in manufacturing. We are home to some world class companies and their supply chains. With the recently opened, purpose built engineering school at the University of Lincoln, we intend to identify Greater Lincolnshire at the national forefront in this sector.

### Our emerging sectors

The LEP recognises that as well as the sectors in which it has a competitive advantage, it has other strong sectors. The sectors below can be grown to become nationally important; increasing wealth and job opportunities.

#### Care

The population of Greater Lincolnshire is growing and ageing and reliance on the care sector will increase. Innovations in technology will offer solutions for our population through new ways of working which enable the sector to deliver care more efficiently.

### Ports and logistics

There is a strong logistics and transportation sector and the coastline includes the UK's largest port.

### Low carbon

Our coastline has proximity to offshore wind growth zones and Greater Lincolnshire has real resources of competitive advantage in leading the move to a low carbon economy.



# Analysis of our priority sectors

## Agri-food

In Greater Lincolnshire we have an international reputation for Food, Fish and Farming, having one of the largest concentrations of food manufacturing, research, storage and distribution in Europe.

The sector consists of primary production, food processing, wholesale, and retail, as well as activities around agricultural engineering and packaging. It employs over 73,000 workers, providing over three times as many agricultural jobs alone than nationally generating a direct economic value to the economy of £1.5 billion.

Growth in this sector is important not only for Greater Lincolnshire but for the country as a whole. Greater Lincolnshire is responsible for growing 12.5% of the nation's food and processing 70% of its fish, and as a result is a strategically important component of national food security.

## Manufacturing and engineering

The manufacturing sector employs approximately 39,000 workers, 9% of the total jobs in the area (this rises to 16% when including agri-food manufacturing). The sector delivers a direct economic value to the Greater Lincolnshire economy of £1.8 billion per year within a number of key growth areas - primarily engineering; chemicals; metals; and polymers.

Nationally, the number of people employed in this sector has declined over the last 10 years. Whilst following this general trend Greater Lincolnshire has fared better, losing approximately a quarter of its employment compared to a third across Great Britain. It should be noted that the value of the sector has continued to rise over this time and is set to continue.

Greater Lincolnshire evidences a strong engineering heritage and we are proud of our outstanding position as a nationally important centre for manufacturing. We can trace a long tradition of manufacturing excellence underpinned by a highly skilled and loyal workforce and are home to some world class companies. We continue to excel in this sector and have recently pioneered the first purpose built engineering school for 20 years at the University of Lincoln to great acclaim.

## Visitor economy

Across Greater Lincolnshire, the visitor economy is worth more than £1 billion and employs around 39,000 jobs. Our tourism product is built on the distinctive features of the Greater Lincolnshire area i.e. our coastline, our cultural heritage in terms of our attractions e.g. Lincoln Cathedral and Castle, our market towns and attractive Victorian architecture in towns like Stamford.

In terms of coastal resorts Greater Lincolnshire boasts both Skegness and Cleethorpes. Skegness, home of Butlins, is the 4th most popular tourist holiday resort according to Visit England, whilst Cleethorpes, with its tourism product based on its past reputation as an elegant Victorian resort, enjoys a coast light railway, seafront gardens, and Pleasure Island.

In addition to this, Greater Lincolnshire also enjoys over 550km<sup>2</sup> of outstanding natural beauty in the form of the Wolds, has over 600 ancient monuments, and more than 120 sites of special scientific interest.

With all of this it is not surprising then that the number of visitors and the amount of revenue and employment supported by tourism in Lincolnshire increased in 2012, according to the latest figures released by Global Tourism UK. The number of tourists who visited the County of Lincolnshire has increased from 17 million in 2011 to 17.4 million in 2012.

Looking to Northern Lincolnshire total income from visitor spend is in the region of £200m with North East Lincolnshire alone attracting 4 to 5 million visitors a year. This creates approximately £100m of economic value in the local economy with around 65% of this estimated to accrue to North East Lincolnshire.

## Ports and logistics

Our ports and logistics sector has an internal, national and international focus. Our ports include Immingham & Grimsby, a truly international port, home of the Humber Enterprise Zone. Focused on bulk materials and car import/export, these ports represent an essential global gateway on our doorstep where goods can be delivered to 75% of the UK's population within just a four hour transit time.

Staying in the north, also of note is the role of Humberside Airport with airfreight related to the local seafood industry. To the south, two smaller "niche" ports in Boston and Sutton Bridge provide a specific focus on cargo such as timber and grain.

In total the sector employs around 18,000 workers, generating £700 million per year.

Freight transport by road is the largest logistics activity, accounting for almost 8,000 jobs, and with a geographical focus in South Holland and North East Lincolnshire. There is a clear link between logistics and agri-food production in these areas. Storage and warehousing is also a fast growing activity concentrated in North Lincolnshire.

## Care

The care sector employs around 24,000 workers; with a direct economic value to the Greater Lincolnshire economy of £315 million per year; providing services to at least 20,000 people at any one time.

Our competitive advantage in the sector lies in not only the strengths in other sectors we have such as manufacturing, but also the demographic changes that Greater Lincolnshire population has experienced and is set to in the future. Over the last decade the over 75s population has grown by 19% compared to 12% nationally. Looking ahead over the next decade, growth in the population is set to be highest in this same age group at 34%, or nearly 33,000 people, compared to 27% nationally.

Alongside rising demand for health and care services from a growing, ageing, and more demanding population, which is increasingly adopting unhealthy lifestyles, a key challenge facing the sector is to meet increasing demand for services whilst operating with constrained resources.

## Low carbon

Current estimates suggest that around 3,100 people and 150 companies across Greater Lincolnshire, work or are engaged in this sector (often referred to as renewables or environmental technologies) across a wide range of activities, from installers of solar PV panels, to plastics recycling and manufacturers of electric car batteries. However, due to the fact that many activities taking place within this sector are relatively new, or form part of other activities (such as agriculture, engineering, transport, or construction), this reflects a very small proportion of the overall activity that is currently taking place and we expect this to grow rapidly.

To the north, Immingham and Grimsby are fast becoming the centre of excellence for operations and maintenance activities for offshore wind farms in the North Sea with the potential to serve others across the UK. At least 5GW of offshore wind additional capacity is forecast to be installed off the Yorkshire/Lincolnshire coasts. Centrica, EON, Siemens, RES and Dong Energy are already developing operations and maintenance facilities at the Port of Grimsby, whilst there are proposals for a Marine Energy Park at Killingholme which will provide the facilities for the manufacture, storage, assembly, and deployment of offshore wind turbines.

There is also a broad corridor of low carbon energy activity taking place between the ports at Grimsby/Immingham and the coal-fired power stations at Drax and Ferrybridge (in Yorkshire). This is based around the use of biomass which is mixed with coal to reduce carbon

emissions and use of fossil fuels. Both the coal and biomass are imported at Grimsby and Immingham and transported by rail, but there is potential for growers in Lincolnshire to feed into this energy corridor.

And it is not just North and North East Lincolnshire, of all the counties in the region the County of Lincolnshire has the highest potential for low carbon electricity production, based mainly on the potential of onshore wind energy. Furthermore, and particularly in the more rural agricultural areas, there is significant potential for the creation of energy from waste wood, energy crops, straw, poultry waste, and Anaerobic Digestion.

The scale of housing to be brought forward offers opportunities for business development in low carbon construction and in low energy homes technology.

# Already contributing to UK plc

## Agri-food

### Bakkavor

Bakkavor is a leading international manufacturer of fresh prepared foods, making products such as prepared salads, dips, soups, ready meals and pizzas. They employ nearly 19,000 worldwide across 52 operating facilities, and have a revenue of £1.7bn. Their customers include major global grocery retailers and well-known international food service operators, and they specialise in making products for them under their respective private labels.

In the UK they are leaders in 12 out of the 16 chilled market categories in which they operate and they supply all the major UK supermarkets.

In Lincolnshire they have 13 facilities based across five locations – Spalding, Bourne, Sutton Bridge, Holbeach and Boston – employing around 5,000 people. The Lincolnshire area has played a significant role in Bakkavor's development as a fresh prepared foods supplier due to its agricultural base and its ability to provide local high-quality produce to meet their requirements.

### Frontier Agriculture

Frontier is the UK's leading crop inputs and grain marketing business, with an annual turnover in excess of £1.61bn. They specialise in management of the whole arable supply chain, supplying seed, crop protection products and fertiliser to farmers, as well as providing specialist agronomy advice. Their head office is located in Witham St Hughs, Lincoln, and overall, they operate across the UK from 46 sites and employ more than 800 people.

Frontier has a market share of 22% of the grain market and a 25% share of the UK seed market. It employs 120 agronomists, managing 850,000 hectares of land, supported by a national trials programme that covers 140ha.

### Branston Ltd – North Kesteven

Branston Ltd is one of the UK's leading potato suppliers, with an annual turnover in excess of £100 million. It was started in 1968 by a group of local farmers in the Branston area of Lincolnshire and this is where its largest site is still based. It is one of Lincolnshire's most successful food businesses and employs over 600 people nationwide. The company is active in all areas of the potato industry – from seed potatoes to supplying retailers, wholesalers and crisp manufacturers.

Over the years, Branston has diversified into prepared products to complement its fresh potato range. It was the first food producer in the UK to be awarded the Carbon Trust Standard in 2008 in recognition of its work to reduce carbon emissions, and was one of the first to be awarded the Carbon Trust Water Standard in 2013.

## Manufacturing and engineering

### Siemens – Lincoln

Siemens was established in the UK 170 years ago and now employs nearly 13,000 people here. Last year's revenues were £4.4 billion. Siemens' small gas turbine business is based in Lincoln, where it designs, manufactures and services gas turbines for international markets.

Siemens employs over 1,500 people in Lincoln, making it the city's largest engineering employer. In 2013, the service division of the business moved into a new 135,000 sq ft facility at Teal Park, an 87 acre strategic employment business park which was initiated by Lincolnshire County Council. In 2012, Siemens spent £6m on modernising its gas turbine manufacturing plant at its city centre site and opened the new engineering school in collaboration with the University of Lincoln, the first of its kind in the UK for over 20 years.

### Luxus – Louth

Luxus Ltd is one of the largest technical polymer recycling compounders in the EU. Based in Louth, the company has a tradition of sustainable innovation which has driven their business for nearly 50 years, and today Luxus is at the forefront of the fast-growing plastics waste recycling sector. They produce high-performance compounds that positively contribute to reducing both CO2 and landfill globally.

Luxus have recently completed an in-house Research and Development Centre for polymer recycling and compounding to enable them to develop advanced recycled compounds for the automotive industry, the destination of over 40% of the polymer material that Luxus recycle. Luxus's continued commitment has resulted in them winning Global Supplier status with Nissan-Renault, who they now supply in Asia as well as Europe.

### Tong Peal – Spilsby

Tong Engineering Ltd (Tong Peal) are industry leaders in the manufacture of custom-built machinery for use in the processing of harvested vegetables. Based in Spilsby, the business has been operating for over 80 years and exports to more than 20 countries, with an annual turnover of £12.5m. The business has developed and expanded significantly over the past 30 years as Tong Peal consistently innovate their product lines to meet demand for more sophisticated machinery with bigger capacities which minimise damage and wastage.

More recently, they have extended their product line to include a range of washers and polishers for potatoes and other root crops, plus additional vegetable-processing machinery. The business has also diversified into equipment for handling and composting organic material, including waste from the food industry. This is proving to be a new growth area for Tong Peal, which has recently opened a second factory to cope with the increased production and now employs 145 staff in total.

## Ping Europe Limited

Founded in the US in 1959 by Karsten Solheim, Ping remains to this day a family-owned golf brand with an industry-leading, worldwide reputation. Ping Europe has traded successfully in Gainsborough since 1973. They assemble, manufacture and distribute golf clubs and equipment and are recognised as the leaders in custom fitting. The Ping brand is renowned for its innovation, design, quality and service.

Recent investment in a new extension to their existing premises in Gainsborough has provided this blue-chip company with the growth capacity for both their medium- and long-term expansion plans. Ping Europe currently employs around 230 local people, which can increase in peak periods due to the seasonal demands of the industry.

Ping assembles its clubs in only three locations, Phoenix, Tokyo and Gainsborough. Ping Europe has additional facilities in Germany, Sweden, France and Spain and trades throughout Europe, the Middle East and Africa.

### Larrington Trailers – Boston

Larrington Trailers is a Boston-based manufacturer of agricultural trailers. Established in 1972, the company is a leading innovator in agricultural machinery and employs 33 people at its Boston site, where 300 trailers are built every year. Its trailers are sold throughout the UK and Europe.

Larrington Trailers was the first to fit air suspension to agricultural trailers and the first English manufacturer to use a single tipping ram on agricultural trailers. Such innovations have brought several awards to the company. Most recently it received the Institution of Agricultural Engineers award and the 2014 Best New Product or Innovation award at Lamma, the UK's leading agricultural machinery and services show. The award was for the 'Ejector', a new trailer capable of transferring crops directly from a trailer into a lorry.

### Bifrangì – Lincoln

Formed in November 2001, Bifrangì (UK) Ltd is controlled by Bifrangì SPA, an Italian-registered company, and it operates two sites based in Lincoln and Sheffield. A leading player in the forging and machining of crankshafts, the company supplies products to various automotive and power-generating industries and employs 168 multi-skilled people at the Lincoln facility.

Bifrangì is investing £50 million in the purchase of a purpose-built 32,000 tonne Schuler press utilising the latest green technology in Lincoln as part of upgrading its city operations.

The company recently secured £4.8 million of investment from the Regional Growth Fund for the development of a £13.34 million research and development centre and staff training activity. Coupled with other recent investments, this will enable the company to enhance its product range, increase export levels and create new jobs within the city.

## Visitor economy

Examples in Lincolnshire include:

- Butlins Holiday Park in Skegness has invested £13m into refurbishing its pool complex - the biggest single investment on the Lincolnshire coast for over 10 years. The new waterpark opened in 2013 and included new slides, a 'lazy river', wave and whirl pools and a 28m flume tower. Butlins currently employs about 1,200 staff.
- Skegness Water Leisure Park has invested £4m on an additional 189 static caravans, a gym, fishing lake, football pitch, tennis bubble and nature trail. The investment was estimated to secure 53 jobs and create 30 more.
- Haven's Golden Sands site in Mablethorpe has invested around £3.7 million over the past five years. Some of the key developments have included a new live lounge family entertainment venue and a new restaurant.
- Construction starts at the beginning of 2014 of a new 60-bedroom hotel and neighbouring pub and restaurant on Cleethorpes Meridian Point. The investment of around £5.5m is hoped to create around 70 new jobs.
- A planned new outdoor adventure playground at the National Trust's Belton House, near Grantham is expected to be fully completed in 2015.
- 'Pink Pig' farm attraction plans to open a new indoor play area this year, adding to their already popular visitor attraction, which includes a farm shop and restaurant.

In the city of Lincoln, developers have invested millions in new hotels, creating new jobs. Highlights over the last five years have included:

- £6.5m investment into a new Premier Inn in 2013, creating 50 new jobs.
- The 115-bedroom Hilton Double Tree by Hilton brought 70 new jobs in 2011.
- The Holiday Inn Express opened at the end of 2008. The 118-bedroom hotel includes a bar, coffee area and restaurant at a total cost of £8.5m.

In addition, there has been a £1m refurbishment of the Castle Hotel; The Holiday Inn invested £1.2m in 2012 for a new Sports Bar and Starbucks, as well as improvement of all the bedrooms; an extension to The Old Palace in 2013 added a further 16 bedrooms and better conference facilities, leading to the creation of five new jobs; and The White Hart, Lincoln, invested more than £500,000 bringing the rooms up to a more modern standard.

Future investment into the city includes Lincoln Castle Revealed, a £22m ambitious restoration of Lincoln Castle. The restored castle will vastly improve the visitor offer and will open in time to celebrate Magna Carta's 800th anniversary in 2015.

## Ports and logistics

### Grimsby Fish Dock Enterprises

Grimsby Fish Dock Enterprises was originally established as an operator of the fish docks and fish harbour, but in recent years the Port of Grimsby East, as it is now known, has developed to become the hub for operations and maintenance to the offshore wind farms.

Several significant investment projects have taken place to improve the Port infrastructure, which have enhanced the facilities for the operation and maintenance companies working out of the Port. These improvements have reduced the bottlenecks previously experienced in both entering and leaving the Port, enabling more efficient transfer of personnel from the vessels.

Following this investment, the Port has successfully attracted several blue-chip companies to locate in the Port complex, namely: Siemens, Centrica, EoN, Dong Energy and RES. The commitment of these companies to work out of the Port of Grimsby has clearly strengthened the long-term future of Grimsby as the primary location for the offshore renewable industry.

### FreshLinc – Spalding

FreshLinc is a leading logistics service provider throughout the UK and Europe to retailers, food manufacturers, growers and importers, specialising in the total supply chain management of temperature-controlled fresh, chilled and horticultural products. State-of-the-art facilities in South Lincolnshire and a modern fleet allow them to meet their commitment of providing a cost-effective, highly efficient service.

Since conception in 1996, FreshLinc has been able to grow continually, due not only to its geographic location at the heart of the UK producers of food and horticultural products but also to its access to import–export routes and distribution nodes throughout the UK. Growth can also be attributed to the ability to access semi-skilled and skilled labour at competitive levels.

### Clugston Distribution Services – Scunthorpe

Clugston Distribution Services is part of the Clugston Group, a privately owned, limited group of businesses founded over 70 years ago. Their services include the delivery of bulk industrial powders, bulk food powders, steel, building products and general cargoes.

They employ over 100 workers and run over 60 44-tonne large goods vehicles. During 2012, they expanded into the fuel logistics supply chain, focusing on the Humber refineries and terminals, ADR, animal feeds, green technology and the logistics supply chain.

Their customers range from local to international and include Tata Steel, Barrett's Steel, Hanson's and SkyMark – all from Scunthorpe; Bradshaw's Flour Millers of Driffield; Cargills from Manchester; Kerry Foods of Gainsborough; Drax-based Power Minerals; Smith's Flour of Worksop; and Wincanton Logistics based at Buxton.

### Grimbsy and Immingham Ports

Grimsby and Immingham combine to form the UK's largest port by tonnage, handling up to 55 million tonnes of cargo each year.

Although retaining its strong traditional connections to the fishing and food industry, Grimsby's major focus is on the handling of imported trade cars. More than 600,000 vehicles are imported through Grimsby each year, and ABP is about to embark on a £25 million investment in the development of the Grimsby River Terminal in order to handle the largest car carriers in operation.

Although predominantly a bulk port – and the UK's premier energy port, handling oil and petrochemicals, coal, iron ore, and renewable fuels for industry – Immingham is home to DFDS Seaways, with its unique network of services connected to Northern Europe and Scandinavia by more than 30 roll-on/roll-off freight sailings each week to ports from Rotterdam to Gothenburg. These unitised services complement the range of services which are available from the ABP sister-ports of Hull and Goole in order to give UK importers and exporters unparalleled access to the North European, Scandinavian and Baltic markets.

**The Port of Boston** handles cargo ships carrying animal feeds, paper, timber, grain and scrap metal. Regular sailings to Germany, Holland and Scandinavia offer a range of facilities including a full stevedoring service for bulk and side port services.

**Port Sutton Bridge** is a modern 62-acre dry cargo port and warehouse complex on the UK East coast, and has the capability to handle almost any dry cargo, with a particular focus on steel, timber bulk commodity and agricultural products.

### Flixborough and Guinness wharves – River Trent

These two wharves on the River Trent are within two miles of the M180 motorway and within easy reach of the UK's industrial heartland. Tata steel of Scunthorpe is only five miles away. Both wharves operate two berths and are able to accommodate vessels up to a maximum of 100m, with overhead gantry cranes to service these berths and capable of lifts of up to 35 tonnes at Flixborough and 20 tonnes at Guinness.

Flixborough is a dedicated steel terminal and has a rail crew and two locomotives, which move traffic from the main Network Rail link onto their own line. Guinness Wharf has both covered storage and outside storage on hard standing, supplemented by the Group's satellite storage facility at Althorpe.

## Care

### Obam Lift Services

Since its foundation in August 2000, Obam Lift Services has grown and now employs 14 staff and has a turnover of over £1.6 million. Originally fitting stair lifts, Obam now offers a range of wheelchair lifts, hoists and disabled ramps.

This year, the company will expand into a new building behind the current premises in Sturton by Stow, effectively doubling their office and workshop space.

To complement the building project, a new computer system has been commissioned. More staff will be needed as the company expects the new system to allow it to improve service and make it more attractive to new business opportunities. Additional engineering staff will be put through an apprenticeship scheme – an approach that has been particularly successful in the past.

## Low carbon

### Freewatt Limited

Freewatt Limited is the leading solar photovoltaic design and installation company for Lincolnshire and the surrounding counties.

Established in 2008 as the first carbon-neutral company, Freewatt Limited provides innovative quality solutions which have made renewable energy technologies not only environmentally friendly, but attractive as a long-term low-risk investment.

The company has installed solar photovoltaic systems on a range of properties, including domestic, commercial and historic buildings across the country, and are now recognised by English Heritage as the Listed Building specialist. Freewatt are also experienced in solar farm installations, completing an £8.5 million project at their office base in Stow.

Freewatt's continued growth and achievements across this sector has resulted in awards for Lincolnshire's Renewable Energy Company of the Year and Large Business of the Year in 2012.



# Challenges and opportunities

## The Greater Lincolnshire labour market: employment and skills

### High employment levels, but lower than average skills:

Presently, there are approximately 413,000 people in Greater Lincolnshire either employed (full time or part time) or self-employed. The employment rate in the area of 70% is in line with the national average.

The rate of unemployment in Greater Lincolnshire is currently above the national rate (4.2% compared to 3.9% respectively) and has been following this trend for most of the period post 2008. This however, is strongly influenced by rates of unemployment in North and North East Lincolnshire which are substantially above the national rate.

Skills levels are a particular issue in the Greater Lincolnshire area despite being in the 90th percentile for education achievement. Of the 16 plus population:

- 27% have no qualifications compared to 23% nationally
- 58% are qualified to at least level 2 compared to 51% nationally
- 20% are qualified to level 4 or above compared to 27% nationally

This lower skills profile of the area becomes even more accentuated in the local authorities making up the eastern half of the Greater Lincolnshire area.

A number of sectors face significant skills gaps/shortages, in part as a result of an ageing workforce. These include a number of the area's engineering and manufacturing sectors with growth potential.

## Greater Lincolnshire: environment for investors

### Urban and rural differences:

The size and rural nature of Greater Lincolnshire means that access to services, such as supermarkets, health services and education/training courses, can differ greatly across the area. There are still some of the more rural communities that experience a feeling of being 'cut-off' or 'isolated'. This places an increased importance upon the sustainability of the numerous market towns (which act as important hubs for the community), to support, and maintain projected population growth through their provision of services.

However, as our priority sectors have shown, Greater Lincolnshire is not isolated from the rest of the country, with approximately 45,000 (15%) residents commuting out of the area to work. Commuters mainly travel short distances to neighbouring areas such as Kingston upon Hull, and East Riding in the north, Doncaster and Newark to the west, and in the south to Peterborough and Rutland, but some, particularly in the south of the area, commute as far as London. These out-commuters tend to be higher skilled people working in the sectors of Business & Finance and Manufacturing. This loss of skills to the area through out-commuting is a trend that is set to continue.

### Housing and affordability:

The recession and ensuing economic downturn at the end of the last decade has impacted on the rate of new house building across Greater Lincolnshire (though less so in North East Lincolnshire where housing completions have remained steady at around 200 per year).

In the County of Lincolnshire the average number of housing completions throughout the decade has been approximately 3,800 each year. By April 2010 this number had fallen back to around 2,600, well below the annual target of 3,620 of which 400 were to have been affordable homes. In North Lincolnshire, housing completions fell from around 1,100 in 2005/06 to 300 in 2009/10.

There are currently over 34,000 households on waiting lists across the area which presents a sizeable challenge considering that in the last year only around 7,700 affordable homes have been in the area in the last ten years.

To assist in tackling this demand, three areas in the County of Lincolnshire (Lincoln, Gainsborough and Grantham) along with Newark, have been awarded Growth Point status, with each area receiving up to £8 million as part of a national strategy for sustainable development. Similarly, the emerging core strategies and local development plans in the area point towards high levels of housing allocation with over 100,000 houses to be built by 2032.

### Flood risk and lack of utilities as barriers to growth:

The size of Greater Lincolnshire, and subsequently the remoteness of some of the sites that are suitable for development, can mean that the current network of utilities such as electricity and water may have insufficient capacity.

Despite these identified barriers and vulnerabilities, it seems that the majority of housing development, business growth, and the creation of economic opportunities is going to be in the west of the area. There are a number of reasons for this, including the availability of land, the lower risk of flooding and the presence of a higher skilled workforce. One of the challenges is to ensure that the positive effects of development in the west are felt as widely as possible throughout the whole of Greater Lincolnshire.

For development in the east, the emphasis needs to be on ensuring an understanding of local conditions in order to maximise the benefits for the local community. The risk of flooding, and its impact on investor/insurer confidence, and the significant problems associated with transport both have a negative effect on the area's growth.

## Small businesses, skills and innovation

In light of the statistics that show fewer of our 16-24 years old are qualified to Level 3 and Level 4 when compared with the UK average, we must prioritise support to our young people so that they continue in Further Education and progress to higher levels of qualifications.

Across our 25-34 age range the challenge is even greater; from national averages we would expect around 40% of this age group to be qualified to at least Level 4, yet only 27% of our 25-34 year old residents actually are. As well as ensuring that opportunities are available to those that wish to progress to Higher Education, we will support our graduates to remain in the area.

### A few examples of things we are already doing:

**Activity:** We have supported our small businesses to collaborate with larger organisations and Universities

**Impact:** Businesses have accessed Technology Strategy Board (and Employer Ownership of Skills) finance that they would not have otherwise

**Activity:** we have offered incentives and support to our graduates to remain within in the county

**Impact:** we have seen an increase in the number of local graduate interns and they have moved to full time employment

**Activity:** We have provided critically important sector knowledge and stimulated demand for new Apprentice opportunities by working closely with schools and small businesses.

**Impact:** Lincolnshire has seen an increase in the number of 16-18 year old apprentices this year, against a national picture of falling numbers in this age range.

## Our goals for skills, innovation and technology

Based on what employers have told us and using evidence from the impact our current activity, we will drive the following activity

### Across our important sectors we will:

Increase our support for SMEs to collaborate with larger organisations, HEIs and with each other to take advantage of funding opportunities for skills, innovation and technology that they cannot access alone

Develop initiatives that will encourage innovation in digital products and services, and ensure that strategic business sectors have the skills necessary to integrate superfast broadband into their core business processes

Promote more widely the significant advantages of living, and doing business in, Greater Lincolnshire, to attract new skills and inward investment and retain more of our graduates

Build on the strengths of our innovation, enterprise and incubation centres, through increased access to innovation support, knowledge, research and technical support.

Help our colleges and training providers to increase the number and quality of employer engagements, enabling our SMEs to articulate their skills needs better, to stimulate demand for new Apprentices and higher skilled opportunities and to ensure provision meets local need

Support our SMEs to plan and deliver effective recruitment and induction strategies to create a better transition for young people from learning to the world of work

Develop our work with local partners and Sector Skills Councils to change perceptions and stimulate demand amongst our young people for careers in our most important sectors and for vocational education, providing them with the knowledge they need to make informed decisions

Seek ways to ensure that all businesses, including those in rural areas, have access to good quality and relevant training provision, facilitating partnerships to overcome challenges of cost and accessibility.

## Developing a Skills Plan

The Sector Plans that have been developed include detail on the skills needs of each of our important sectors. The information from these will form the basis of a Skills Plan and an Innovation Plan.

### Examples of goals in our important sectors:

#### Agri-food:

We will work with our local centres of excellence to ensure there are the right facilities and progression routes for technical roles that employers struggle to recruit to e.g. food technology, food engineering, and to increase management and supervisory skills of the workforce in the industry.

#### Visitor economy:

We will make it easier for business owners in the retail and hospitality industry to improve the skills and knowledge of the workforce, providing our visitors with an enhanced experience and raising the image of working in this sector.

#### Manufacturing:

We will drive skills, innovation and technology within our SMEs so they can take advantage of the growth in supply chain opportunities offered through our larger businesses locally.

#### Care:

Working with partners we will overcome the current perception that all roles within this sector are low skilled and stimulate demand for management, technical and specialist roles.

#### Port and logistics:

We will increase awareness of the variety of roles in this sector - drivers, plant operatives, logistics planners, distribution managers –and develop the provision and skills so that the local population can take advantage of the anticipated growth.

#### Low carbon:

With the possibility of thousands of new jobs created within and to the north of our area, we need to ensure that our schools and colleges can prepare our young people, and adults, for future opportunities in this new sector.

Our Skills Plan will also include the activity that underpins growth across all of our sectors.

### Our Skills Plan will also include the activity that underpins growth across all of our sectors.

#### We want to:

- increase literacy and numeracy levels
- ensure that the 'employability' skills business owners want are delivered to those that need them
- support business and community integration through ESOL programmes that are tailored to our particular need
- raise awareness of the growth in related sectors as our plan is realised. For example, there will be a large increase in construction roles as new housing is built and we must prepare our future workforce for these opportunities
- have sufficient capacity amongst our training infrastructure to deliver this additional training and support a local desire for greater collaboration and specialisation across skills delivery
- support adult lifelong learning, for example ensuring that the digital skills of the local population are improved enabling better access to online services that will improve their quality of life
- ensure that a greater number of graduates are retained within the area and able to take up the higher skilled jobs that employers currently cannot fill
- deliver locally-tailored activity that will produce better outcomes for the long term unemployed.
- ensure that skills programmes and activities are properly glued together so that they yield greater impact for local businesses and communities.

#### We would like to see:

- the skills offer to employers simplified and they are able to access the training they need when they need it and are planning for future skills needs.
- our young people, parents and teachers have access to excellent information about our local industry and the jobs and careers available within them, so that they can make informed choices
- employers tell us that young people are better prepared for the world of work
- businesses are growing through increased skills levels, innovation and the benefits of new technology.

# Part 3: Plans to improve Greater Lincolnshire's infrastructure

## Local planning summaries

We will strengthen Greater Lincolnshire's status as a place where people want to live, work, invest and visit and have been aligning planning policy documents that are emerging or are already adopted across Greater Lincolnshire. By aligning these activities, there is a much greater consistency and a strong planning policy foundation on which to build delivery.

### Central Lincolnshire

Provision is being proposed for 42,800 new homes and 210 hectare of employment land across Central Lincolnshire in the plan period up to 2031 to meet demographic needs AND provide the level of growth required to increase economic investment. Growth will be focused on Gainsborough, Lincoln and Sleaford as follows:

- Gainsborough's role as a primary attractor will be strengthened with a focus on providing 10,000 new homes and 25 hectares of employment land.
- Lincoln's status will be significantly enhanced with scope to provide 18,800 new dwellings, 140 hectares of employment land as well as major retail, leisure and cultural investment.
- Sleaford will maintain and enhance its role with significant new housing planned in two sustainable urban extensions which will provide 4,500 new homes as well as 20 hectares of employment land.

### East Lindsey District Council

The East Lindsey Local Plan supports economic growth across the District. There is an emphasis on placing development near to services and facilities and utilising where possible Brownfield land first. The Core Strategy supports the high quality communications infrastructure, including the delivery of broadband as part of its strategy for providing employment opportunities in key settlements. It clearly supports town centre first development to maintain the market towns as the focal point for community activity. It sets out how the Council are going to deliver primary and secondary shopping areas and what is acceptable in principle as development in these areas.

#### A good outcome would be:

- A strong and diverse inland economy built on the strengths of its traditional industries but also supporting new economic opportunities;
- Growing employment sites in and alongside towns and large villages;
- A rural economy that is diverse and contributes to sustaining villages or networks of villages;

- A skilled workforce that is able to meet the needs of an expanding economy, in a District that has good access to modern communications.
- Most employment will be located in the larger centres of population to benefit from the economies of scale and reduce the need for excessive travel.
- Smaller settlements will provide hubs for local business where they can provide local employment at an appropriate scale and help support local services.

### South East Lincolnshire

The Core Strategy sets out a long term (until 2031) framework of strategic policies for growth covering; population growth and housing needs, employment needs and a hierarchy of sub-regional centre (Boston and Spalding), Main Service Centres and Service Villages. Boston itself is also covered by policy with regard to promoting, protecting and enhancing its role as a shopping and visitor destination and there are also supporting policies with regard to the historic environment.

Broader strategic considerations are covered by policies on improving the social and physical infrastructure, highway networks and accessibility to services. Environment protection and enhancement is also a key policy approach, in particular with regard to internationally important environmental assets (e.g. the Wash) and supporting habitats and access to such areas for the benefit of the community and visitors.

The Core Strategy also embeds a policy approach to help future decision making in respect of improving design and, specifically, in respect of providing a framework for dealing with flood risk and growth. Concerns about flood risk have been a significant deterrent to investors and developers and the Core Strategy, in partnership with the Environment Agency, provides a positive framework for assessment and flood mitigation.

### South Kesteven District Council

The South Kesteven Core Strategy sets out the growth proposals for the District and was adopted in July 2010.

The majority of new development is focussed on Grantham, to support and strengthen its role as a sub-regional centre and a recognised Growth Point, whilst maintaining and supporting the roles of the three market towns, Stamford, Bourne and The Deepings. Development in rural areas is more limited and directed to those larger villages that act as local service centres for a wider area.

By strengthening the existing urban and rural focal points for jobs and services the strategy makes efficient use of existing infrastructure and community assets and supports a pattern of development that improves accessibility and reduces the need to travel.



Provision for 13,600 new homes before 2026 is planned with over half of these new homes being built in Grantham, primarily on two major sustainable urban extensions. Of the new housing provided up to 35% will be affordable.

With an increasing population and changing economy the Core Strategy seeks to broaden and diversify the employment base of the District by identifying opportunities and sites for specific employment sectors in the towns and by encouraging appropriate employment, tourist related and diversification schemes in the rural area. This includes high quality business park and office developments in Grantham and Stamford which can take advantage of good access to the strategic road network.

To complement the planned growth in housing and employment, growth within and around the town centres, particularly in Grantham, will be focused on improving the town centre offer including new retail opportunities and potential regeneration for mixed use schemes.

### North Lincolnshire

The Core Strategy is a long term spatial planning framework for the development of North Lincolnshire up to 2026.

North Lincolnshires vision is to become the global gateway for the North with potential to create 10,000 jobs on the South Humber bank and 15,700 new homes between 2004 and 2026. Schemes such as Lincolnshire Lakes will be expected to make a significant contribution.

Wind turbines and CO<sup>2</sup> capture and storage (in disused gas wells in the North Sea) are important opportunities.

Extant planning consent for a scheme which would bring circa £100million of investment with the creation of transport depots, warehousing, external storage, business park etc.

£95 million funding has been agreed through the Regional Fund Allocation to upgrade the A160. Work is expected to start on site in 2015.

Railway lines are the key artery to serve the area with improvements planned including the Killingholme Loop.

A South Humber Gateway Board has been created to drive growth.

### Housing

The area has approximately 70,000 dwellings. An additional 12,000 new dwellings are required up to 2026.

### Spatial vision

Scunthorpe will provide the sub-regional focus for development supported by the market towns of Barton-upon-Humber, Brigg, Crowle, Epworth, Kirton-In-Lindsey and Winterton.

Key strategic locations for economic development will be the South Humber Bank, Humberside Airport, Scunthorpe Urban Area and Sandtoft Industrial Estate.

Scunthorpe will be the main location for Housing Growth and Employment Development. This will include a sustainable urban extension to the west of Scunthorpe known as Lincolnshire Lakes. The site was chosen due to clear locational advantages including direct motorway access, sufficient land area, proximity to local services and availability of infrastructure.

Lincolnshire Lakes is a sustainable urban extension which will create a new waterside environment to the west of Scunthorpe that can be seen from the M180 and M181.

### North East Lincolnshire

The Spatial vision sets out how the Borough is expected to change over plan period to 2026 and identifies areas of broad opportunity.

It has four main components:

1. Spatial portrait – context
2. Issues – to be addressed
3. Spatial vision
4. Spatial objectives.

### Spatial portrait

Grimsby is the sub-regional centre and with Cleethorpes forms the main urban area. Immingham is an independent town which also serves North Lincolnshire and with issues in relation to traffic movement and air quality and a need to regenerate the town centre.

### Issues

- Lack of good quality affordable homes.
- Borough is ranked 49th out of 354 LAs on the Indices of Multiple Deprivation 2007.
- LA transferred housing stock to Shoreline Housing Partnership in 2005.
- Council is committed to providing a higher education presence.

### Overall Spatial Vision (Four Spatial Zones)

1. Urban Area (Grimsby & Cleethorpes)
2. Estuary Zone (land adjacent to Estuary including port town of Immingham)
3. Western and Southern Settlement Arc (Healing, Laceby, Humberston, New Waltham and Waltham)
4. Rural area (open countryside including rural settlements).

### Spatial Strategy is under-pinned by five key considerations:

1. Sustainable
2. Renaissance and regeneration
3. Economic prosperity
4. Environment and climate
5. Regional planning context.

The locational strategy defines the focus and quantum of development in the four spatial zones. In summary, most re-development to be concentrated in and on fringes of urban area of Grimsby/Cleethorpes. Development will be steered away from areas of flood risk but support redevelopment of brownfield sites. No housing growth on greenfield sites at risk of flooding.

### Growth projections assume 8000 new dwellings over a 15year period as follows:

- 4,400-5,200 dwellings - urban area fringe of Grimsby/ Cleethorpes.
- 400-640 dwellings – Estuary zone including Immingham plus 80-85% of new employment.
- 2,400-3,200 dwellings – in Western and Southern Settlement Arc (Healing, laceby, Waltham, New Waltham and Humberston)

### NEL major employment sites

Following two strategic locations identified:

1. Humber Employment Zone – 552ha – Includes land east of rail freight line for uses that need to be located close to the estuary, Included within this area is development of the Europarc Phase 4 land. 142Km will be phased to follow the completion of the existing Europarc site. Phase 4 will be on a high quality industrial site with direct access to Immingham Port.
2. Humberston/New Waltham – 6ha – Development and limited expansion of Wilton Road and Hewitts Avenue Business Park.

### Greater Lincolnshire LEP

The Greater Lincolnshire LEP's input will concentrate on actions which will renew and reinvigorate existing economic infrastructure as well invest in new infrastructure necessary to support and enable this growth and safeguard the delivery of the strategic objectives outlined above.

By doing so the Greater Lincolnshire LEP will:

- Intervene where the market is failing to ensure that premises are available to house increased start-ups and growing businesses
- Expand or develop specialist training, skills and technology facilities to meet the needs of our expected growth
- Ensure businesses in rural areas have access to relevant training provision, creating 'hubs' where appropriate

# Transport plan

The 4th Lincolnshire Local Transport Plan (LTP4) prioritises four important schemes which will assist in supporting delivery of both residential and employment growth going forward. These are:

- Lincoln Eastern Bypass
- Grantham Southern Relief Road
- Spalding Western Relief Road
- Lincoln East West Link

In addition, LTP4 also prioritises the proposed Lincoln East-West Link, which will assist in tackling the growing congestion problem in the City Centre particularly that associated with the increasing level crossing closures, as well as opening up land for regeneration.

## Lincoln Eastern Bypass

The proposed Lincoln Eastern Bypass will provide a new route around the eastern side of the city, linking the A158 in the north-east to the A15 at Bracebridge Heath in the south. As well as removing through traffic from the city centre, the scheme is key to unlocking future development on the eastern side of the city, in particular within the two Sustainable Urban Extensions (SUEs) proposed in the emerging Local Plan being prepared by the Central Lincolnshire Joint Planning Unit (a partnership between the three district councils of City of Lincoln, North Kesteven and West Lindsey, and the County Council). Currently, the Local Plan proposes the following levels of development within these two SUEs:

- **North East Quadrant:** 1,400 dwellings and 6 Ha of employment
- **South East Quadrant:** 6,000 dwellings and 19 Ha of employment

Work on the scheme is well advanced, with planning permission having been granted in June 2013 and a Public Inquiry into the Compulsory Purchase and Side Road Orders to be held in February 2014. Subject to these being confirmed, then work on the scheme is expected to start in Autumn 2015, with construction expected to take some 2 years.

A successful bid for funding support from DfT was made as part of the "Best and Final Offer" process with DfT contributing £50m toward the estimate £96m cost (subject to final approval).

## Grantham Southern Relief Road

A key element of the adopted Grantham Transport Strategy is the provision of a southern relief road to the town running from the A52 across to the A1. This would assist in removing through traffic (and in particular HGVs) from the town centre, thereby reducing congestion and the number of rail bridge strikes. In addition, it would open up land to the south of the town for future development in line with proposal set out in the adopted South Kesteven Core Strategy and the emerging Grantham Area Action Plan.

Planning permission has already been granted for a major distribution centre (comprising 1.27 million sq ft of warehousing) adjacent to the A1. The permission requires the applicant to construct the first phase of the relief road between the A1 and the B1174, including the provision of a new grade separated junction with the A1. Planning permission for the second phase of the scheme from the B1174 to the A52 was granted in November 2013. Proposal for the associated Sustainable Urban Extension are in development and would see up to 4,000 dwellings provided, along with a major employment site.

Discussions are ongoing with the County and District Councils, the developers and land owners of both the proposed distribution centre and the Sustainable Urban Extension, the Highways Agency (as highway authority for the A1 Trunk Road) and Network Rail (since the route crosses the East Coast Main Line) regarding detailed design and delivery/funding options. In the meantime, the Lincolnshire Strategic Transport Board has prioritised the scheme for funding using all of its £11.9m capital allocation from central government.

## Spalding Western Relief Road

The main objectives of the proposed Spalding Western Relief Road are:

- to support the future growth of the town and in particular the proposed Holland Park development, and
- to help mitigate the impact of increased level crossing closures brought about as a result of Network Rail's ongoing work to upgrade the GN/GE Joint Line through Lincolnshire to allow additional freight trains to be routed off the East Coast Main Line

The proposed relief road will provide a link from the B1172 Spalding Common around the west of Spalding before linking up to the B1356 Spalding Road, south of Pinchbeck. The scheme is to be constructed in phases, with Phase 1 associated with the proposed Holland Park development. This development was granted outline planning permission in March 2012 for some 2,250 homes. Discussions are ongoing with the developer regarding detailed design and funding of Phase 1 of the road scheme.

## Lincoln East West Link

The proposed Lincoln East West Link will run between the High Street at its junction with Tentercroft Street through to Pelham Bridge/Canwick Road. It will bring a number of benefits including:

- creation of a new east-west link across the City,
- mitigation against the impact of the increase of rail freight traffic across the High Street level crossing by providing an alternative route for traffic,
- opening up Tentercroft Street area for regeneration,
- enabling the pedestrianisation of the High Street between Tentercroft Street and St Mary's Street, and
- freeing up space to allow Network Rail to construct a footbridge over the level crossing.

The scheme was granted planning permission in November 2012 and following publication of the necessary statutory orders in mid-2013, a Public Inquiry is currently planned for March 2014. Subject to a satisfactory outcome, then a start on site is expected in Autumn 2014, with construction taking approximately 2 years.

## Agri-food and manufacturing

As highlighted earlier the agriculture/ food processing and manufacturing industries are extremely important to the Greater Lincolnshire economy. Key to their success is the easy movement of products and produce across and into/out of the area. With much of the area's main road network being of poor standard, the inadequacy of the infrastructure is seen as a key problem, particularly in the food supply chain, with hauliers finding it increasingly challenging to meet the strict "just-in-time" requirements of their clients.

The scale of the problem across Greater Lincolnshire inevitably means that such progress is limited by available funding. Some progress has been made. For example, the A1073 (now A16) Spalding to Eye Improvement opened in October 2011 has provided 22 km of new 7.3m single carriageway road between Spalding (where much of the food processing industry is based) and Peterborough, the A1 and beyond. This has replaced the old narrow, tortuous carriageway (with a poor safety record and severe maintenance problems) with a new modern road thereby improving both journey times and journey reliability for the local agriculture and food processing industries.

Similarly to the south-west of Lincoln, improvements to the A46 Lincoln Western Relief Road has provided access to the new 35.3 hectare Teal Park business park. This has resulted in a new roundabout (replacing the former staggered cross roads, an enlarged roundabout at Doddington Road, a short stretch of dualling on the A46 and a new roundabout access on Whisby Road. Part of the site is now occupied by Siemens engineering manufacturers.

Another key route for the agri-food sector is the A17 which runs roughly east-west through the southern part of Lincolnshire. Apart from short stretches of dual carriageway at Sleaford and Beckingham, this former trunk road is predominantly single carriageway carrying between 14,000 and 20,000 vehicles per day with up to 20% commercial vehicles within these flows. Although some stretches of the road were upgraded to modern single carriageway standards in the 1980s and 1990s, traffic levels have continued to rise since then and congestion is common place at some locations, particularly during the summer months when the road is also heavily used by holiday traffic. With estimates for dualling the A17 across Lincolnshire in excess of £1bn, whole scale upgrading of the route is unlikely to happen in the near future. However, opportunities for smaller scale, more limited improvements at key locations as "Pinch Point" schemes may be possible. These would seek to tackle locations where congestion and/or safety are a major problem, such as at the A17/ A151 junction west of Holbeach.

Likewise, there are calls for the A15 north of Lincoln through to the M180 to be upgraded to dual carriageway standard. Although the road generally follows the route of the old Ermine Street and is therefore relatively straight, the vertical alignment within Lincolnshire is poor with hidden dips and limited overtaking opportunities. In addition, the traffic flow includes a high proportion of slower moving HGVs. Hence, there are delays to other traffic at busier times and safety issues. As with the A17 above, the cost of dualling the full 20 mile stretch is likely to be prohibitive (estimated at in excess of £400m). However, smaller scale "Pinch Point" schemes aimed at tackling the key problem spots may be more achievable.

## Visitor economy

Greater Lincolnshire has a strong tourism industry, both on the coast and at historic and heritage sites spread across the area. The visitor economy is worth over £1 billion annual. Key to the continued growth of this sector is the ease of access to the sites and attractions. If visitors find it difficult to travel to and from these sites and to park once there, then they are unlikely to want to return again in future. Inevitably, the seasonal nature of much of the coastal tourism industry places a strain on the area's transport networks at peak times.

Recent transport initiatives which have benefitted the tourism industry include:

- bypasses at Partney and Burgh Le Marsh as part of the Coastal Access Improvement reducing congestion for holiday traffic heading to the Lincolnshire coast whilst also removing traffic from these villages,
- enhancement to the rail station forecourt at Skegness replacing derelict buildings to improve the street scene for visitors arriving by train, and

- provision of additional carriages by East Midlands Trains on trains arriving in Skegness during the peak holiday season to reduce overcrowding.

There are increasing concerns about the growing levels of congestion in Skegness during the summer months, and the detrimental impact this has on the local tourism industry. This is perhaps most evident along A52 Roman Bank which parallels the coast linking the centre of Skegness (with its amusements, beach, pier and other attractions) with Ingoldmells (with its concentration of caravans, Butlins and Fantasy Island). Proposals for a Skegness Western Relief Road are in development which would see a new route constructed from the A52 south of the town crossing the A158 and up to the A52 near Ingoldmells. As well as providing much needed traffic relief during the holiday season, it would also open up land for employment uses and possibly housing.

Away from the coast, the city of Lincoln is a major tourist attraction, with the main focus being on the uphill area containing the Cathedral and Lincoln castle. To support the longer term development of Lincoln, a "Transport Strategy for the Lincoln Area" was adopted in 2006 and has recently been reviewed. The strategy includes many initiatives which will help to support the visitor economy in the city, including the proposed Lincoln Eastern Bypass. Among the other proposals are:

- improved direct Lincoln - London rail services, and
- park and ride

Currently, direct Lincoln - London rail services are very limited, with the majority of rail journeys requiring a change at Newark. Lincolnshire County Council, supported by other partners, is campaigning for an enhance direct Lincoln - London service to be included within the new franchise for the East Coast Main Line due to start in early 2015. Such improvements would bring significant benefits to the local economy particularly the tourism industry by opening up the opportunity of weekend (or even day) trips to Lincoln from the London area. Such trips are not currently possible or require long changes at Newark Northgate station. With the 2015 Magna Carta Anniversary exhibition at Lincoln Castle expected to provide a major impetus to tourism, such enhancements are considered to be extremely important to the city. The County Council has prepared a Business Case for improved Lincoln - London services which is being used to lobby DfT and prospective franchisees.

Park and Ride is identified as an important element of the overall transport strategy for Lincoln for commuters and visitors alike. To date, work has focused on identifying a preferred site for a longer term scheme, but funding remains an issue. In the meantime, opportunities to provide a short term solution in anticipation of the Magna Carta Anniversary are being considered.

### "Pinch Point" schemes

As well as the major highway schemes outlined above, smaller scale schemes aimed at tackling more localised congestion and safety issues (generally referred to as Pinch Point schemes) also have a role to play in supporting the local economy. Recent examples include the newly completed Newark Road/Brant Road/Rookery Lane scheme and the proposed Canwick Road Improvement scheme in Lincoln. Both of these schemes have been jointly funded through DfT's competitive Pinch Point Fund. There are many such candidate locations across the area and a shortlist will be developed to allow these to be taken forward as funding opportunities arise.

### Sustainable travel

As highlighted in the 4th LTP, the promotion of sustainable travel (including walking, cycling and public transport) has a role to play in stimulating economic growth. Encouraging travel by these modes can help to reduce congestion, whilst also providing access to training and employment for those without access to a car. In addition, provision of cycleways and associated bike hire facilities can encourage tourism, bringing additional income into the area.

Such schemes have long been a focus within the Lincolnshire LTP through the Community Travel Zone and Rural Priorities Initiatives. More recently, a successful bid was made to the DfT's Local Sustainable Transport Fund. Badged as "Access LN6", this initiative has led to a range of measures being introduced in the SW Lincoln/ North Hykeham including:

- improved bus services
- a cycle hire project
- improvements for cyclists and pedestrians
- enhancements at Hykeham rail station
- cycle training
- personalised travel planning

The aim is to roll successful elements of the Access LN6 project to other areas of the county as resources permit.

### Nottingham – Lincoln Rail Service and Line Speed Improvements

Working in partnership with other authorities through the Nottingham – Lincoln Stakeholder Board, the County Council has been looking to secure improvements to this economically important rail route, both in terms of rail services and line speed improvements. Discussions are ongoing with East Midlands Trains regarding opportunities to improve the level of service along the line within the existing

extended franchise. Following a GRIP 3 study carried out by Network Rail, various improvements to signalling, points and crossing have been identified to increase the running speed of trains. The scheme has previously been prioritised within the former Regional Funding Allocations, but currently no new funding source has been identified. In the longer term, the authority would like to see the line electrified to take advantage of the new Inter-City train fleet.

In North/North East Lincolnshire, which is covered by a separate Local Transport Board, agreed transport priorities include:

- works to the A180 at Cleethorpes and Great Coates
- rail gauge enhancements between the South Humber Ports and Doncaster
- access improvements to Humberside Airport.

Opportunities associated with using transport funding to open up strategic sites should be taken up.



# Housing

Greater Lincolnshire is a low property value area with relatively low rent levels and low sales values (£123k average price August 13 compared to £125k average East Midlands and £165k nationally). This has implications for both the open market and affordable housing sectors.

- Greater Lincolnshire is committed to housing growth and sets out priorities in local plans to deliver 100,000 dwellings up to 2031. The housing will be concentrated in the main urban centres of the area but will also allow for considerable growth in selected service villages in rural areas.
- around half the housing growth will be located in Central Lincolnshire with almost one quarter (18,800) of the homes in the Lincoln area alone. This concentration is crucial for supporting Lincoln as a main economic driver in the area.
- businesses have identified that a lack of experienced staff in the county constrains their business growth
- demand for house builders will benefit the local economy via small, rural independent firms, as well as larger companies located in the main towns.
- UK Constructors Group research shows that every £1 spent on housing and construction generates £2.84 of value to the economy as a whole
- there will be benefits to some existing settlements, arising out of the proposed housing growth. In particular, the Lincoln area will physically expand to a size and population comparable with Norwich (current pop. 132,000) and Cambridge (current pop. 125,000) and will benefit from a wider range of retail and transport services which are made more viable in larger population centres. This in turn will increase the attraction of Lincoln as a tourist and shopping destination.
- the delivery of this level of housing growth is challenging, not least in ensuring viable sustainable growth which provides the right balance of homes, affordable homes, employment and supporting infrastructure.
- major business developments (e.g. the offshore wind construction sites in N & NE Lincolnshire or our plans for major sector growth) will require commensurate amounts of housing.

## Economic benefits arising from the construction of housing of all tenures include:

- Growth** – there will be an increase in economic activity arising from physical expansion and population increases with a wider range of retail and transport services which are made more viable
- A balanced /working age population** – the right range of house types and tenures will support the retention of young people to work in the county and attract new business employees.
- Construction** – directly for the construction industry with provision of homes but also the wider economic context of injecting demand into the economy, associated trades and industries
- Developer contributions** – the large quantity of housing to be provided will require substantial infrastructure to support an increased population via new roads, schools, flood defences etc.
- Affordable housing** – it is estimated that approximately 20 – 25% of all new housing in Lincolnshire will be affordable. This will benefit the retention and attraction of a workforce.

# Enhancing Greater Lincolnshire as a recognisable and attractive place

## Our market towns

Our network of market towns provide services and jobs to residents, and is one of the things that makes Greater Lincolnshire the place that it is.

- Greater Lincolnshire has a network of attractive market towns. Each can play a strong role both in attracting visitors and investors, and in providing good quality services to its residents.
- our distinctive market towns are part of what makes Lincolnshire the place that it is.
- changing retail patterns, ageing townscapes, modern communications and infrastructure all mean that it is vital to help our market towns to adapt to the future so that they continue to contribute to the county's identity.
- the private sector is less likely to invest in speculative business units in market towns because of a lack of critical mass in businesses and therefore the longer time in which they receive a return on their investment. Local research shows that there is a particular lack of medium sized and step up level provision.

## Our goals for market town vitality:

- we will support partners in maintaining the vitality of our market towns.
- communities will work together to deliver local solutions to the opportunities in their area.
- community led schemes will enhance the area and assist small business growth.
- facilities that provide opportunities for social enterprises and community groups to deliver services will be supported thereby enhancing the attractiveness of the area.

## Our communities

Greater Lincolnshire has pockets of deprivation both in its city and towns, and in its rural communities. Solutions to tackling deprivation need to be delivered at community level.

Our communities have the opportunity and ambition to deliver services locally, and this will lead to social enterprise and local job opportunity.

We have a well-organised voluntary sector, co-ordinated through the "Involving Lincs" organisation that is focused on delivery.

## Our goals for community development:

The Greater Lincolnshire LEP will help the voluntary and community sector to deliver programmes in the following areas:

## Learning and skills:

- Apprentices – the sector employs between 1.5 and 2% of the workforce and has employment opportunities across a wide array of disciplines – it is an untapped resource regarding apprenticeships.
- Community Led training – delivering programmes of support to those furthest away from the labour market, providing holistic support which is proven to lead to better learning and individual outcomes.
- Management and Leadership – through the innovation and flexibility of the sector there is strong experience of leading complex organisations, the knowledge of which could be transferred to other sectors including Agri – Food and Tourism to develop their leadership skills.
- Volunteering into employment – using the breadth of skills across the sector to develop volunteers and increase their employability through experience, training and development.

## Community hubs:

developing and leading the running of cross sector hubs that provide community services i.e. Library facilities, training centres, community café, Micro and SME business support and networking – (village hall, library future usage)

## Capacity support:

for small businesses including private and VCS – potentially to lead to community investment projects, ICT innovations, support to Greater Lincolnshire's Heritage and social enterprise development

People will have a share in prosperity that growth brings. The contributions of a diverse population will be recognised.

# Part 4: Background information

## Risk matrix

The strategic economic plan is both a strategy document and a mechanism for framing delivery. The Greater Lincolnshire LEP board will take a particular responsibility for ensuring that risks are managed so that delivery can be effective.

Headline risk	Description	Likelihood	Impact	Mitigation measure
<b>Government support</b>	Government may not continue to support LEPs neutering their ability to lead economic growth; specific policies (eg food security, skills, water management) do not create joint benefits that help our economy to grow.	Low	High	All main parties currently support the concept of LEPs; LEP board members are actively involved in national panels on these subjects.
<b>Local support</b>	Partners do not back the strategic economic plan leading to our priorities not being delivered.	Low	Medium	An engagement plan, focused on the business community and partner organisations is in place; governance structures provide an opportunity for all members of the economic development community to contribute to policy and commissioning; alignment of funding amongst partners is being explored.
<b>Partner policies</b>	Partners' policies (e.g. core strategies, local economic development strategies) do not fit with the aims of the strategic economic plan; partners' policies do not gain approval from relevant bodies.	Medium	High	The SEP has been prepared on the basis of LEP board priorities and partners' strategies; a review of the linkages between partner policies and the strategic economic plan will be undertaken; progress of partners' strategies through their approval mechanisms will be monitored.
<b>Funding</b>	Funding will not be available to support the actions in the strategic economic plan, thereby stopping them from being delivered.	Low	High	The EU funding programme is currently in place offering key strategic opportunities for Greater Lincolnshire.
<b>Delivery capacity</b>	Insufficient delivery resources mean that projects are unable to be delivered in support of the strategic economic plan's aims.	Medium	High	Local authorities are doing a review of delivery capacity and how collaboration could improve the resources available; technical assistance to support delivery will be sought from the EU funding programme.

# Our engagement programme

We have used and commissioned reports to help us understand our local economy as follows:

## General conditions:

- Economic Assessments for Lincolnshire, North East Lincolnshire, and North Lincolnshire
- Local Economic Forecasting Model, Cambridge Econometrics
- Various, Office for National Statistics

## Opportunities/Challenges

- Learning from Our Place in the Global Economy, University of Lincoln and Rose Regeneration
- Opportunities for Greater Lincolnshire Supply Chains, University of Lincoln and ADAS
- Opportunities for Innovation within Greater Lincolnshire's Traditional Industries, Rose Regeneration and CM International UK Ltd
- Understanding Lincolnshire's Neighbouring Economies and Areas, Genecon and Nottingham Business School
- Climate Change and Greater Lincolnshire – A review of policy, baselines, current practice and opportunities, Lincolnshire Research Observatory

## Skills

- Skills and the Local Tourism and Visitor Economy in Lincolnshire, Skills Reach

Manufacturing/Engineering Understanding the Lincolnshire Skills Shortage, FMC Global Talent

Skills Needs in the Greater Lincolnshire Agri-food Sector, Improve and Food & Drink Skills Council

In addition to the studies that are detailed above, we have also used the findings of the quarterly economic survey which is carried out in partnership between the University of Lincoln, Lincolnshire Incorporated Chamber of Commerce, and Lincolnshire Research Observatory. The survey goes out to c500 businesses per quarter.

Specific discussion and consultation about the strategic economic plan, its content and vision and how EU funding could be used to deliver against its priorities, has also taken place as follows:

- Local Enterprise Partnership board meetings (two monthly)
- Visitor economy, manufacturing, and agri-food sector group meetings, led by LEP board members (roughly monthly, to consider sector priorities as reflected in this strategy document)

- Lincolnshire & Rutland Employment and Skills Board (quarterly, including specific discussion about ESF opt-ins)
- Lincolnshire Forum for Agriculture and Horticulture (quarterly, including specific discussion about EAFRD connections)
- Face to face interviews with 78 important local businesses (over summer 2013, to be increased to 100 by Christmas 2013)
- Involving Lincs, Lincolnshire's voluntary sector forum (3 specific meetings to discuss priorities and in particular the role that social inclusion can play in economic growth)
- Lincolnshire Nature Partnership (to discuss the opportunities relating to the environmental economy)
- Heritage Trust of Lincolnshire (to identify the importance of the area's heritage to its economic growth)
- Lincolnshire affordable housing group (to identify the synergies in working to deliver both housing and business growth in an integrated way across the designated growth areas and rural and coastal priority settlements)
- Local authority lead economic development councillors' forum (quarterly, to discuss major priorities and the role that EU funding has in delivering these)
- Officer workshops, including education, voluntary, and local government sectors (2 meetings, to discuss major priorities and the distribution of EU funding amongst measures)
- Liaison with neighbouring LEPs, particularly Humber and York/East Yorkshire (phone conference involving LEP chairmen, 3 officers' meeting)

The strategy makes particular reference to a series of local strategies and documents, ranging from those of district councils to those of government bodies. The Greater Lincolnshire LEP remains committed to working with all partners and seeking to deliver in conjunction with their strategies as appropriate.

# List of visited companies and organisations

4ECO Ltd	FreshLinc Ltd	North Lincolnshire Business Club
Adults Supporting Adults	Frontier	Oakridge Hotels
Allen Williams	George Adams & Sons Ltd	Oldrids and Co Ltd
Aviation Heritage Partnership	George Bateman and Son Ltd	Optima Graphic Design Consultants Ltd
Bakkavor	Globe Consultants Ltd	Paragon Print Packaging Ltd
Banks Long and Co	Heritage Lincolnshire	Pennells
Batemans Brewery	Hexadex Ltd	Peter Rhodes
BGB Engineering Ltd	Hodgson Elkington	Ping Europe Ltd
Bifrangji UK Lincoln	Househam Sprayers Ltd	Pocklington's Ltd
Boston Borough Council	Humber Chemical Forum	POP Design
Brandthing Ltd	Humber Seafood Forum	RIBA
Broadgate Builders (Spalding) Ltd	ICE	RICS
Bulldog	Institute of Directors	Ruddocks
Crop Intellect	Intergreen UK Ltd	Sealord Caistor
Crop Intellect Ltd	Involving Lincs	Shelton Sportsturf
Cummins	J and A (International) Ltd	Siemens Industrial Turbomachinery Ltd
David Sleight	Jonathan Hendry Architects	Sleaford Quality Foods Ltd
Davis (Produce) Ltd	Landis Gyr	Staples Disposables Ltd
Denby Transport Ltd	Lark Energy	The Sleep Shop
Design by Distraction	Limagrain	Tongs Engineering Ltd
Dynex Semiconductor Ltd	Lincoln Cathedral	Univeg UK
Eminox	Lincolnshire Co-operative Ltd	Waldeck Consulting Ltd
Empire World Trade Ltd	Lincolnshire Heritage Forum	Warners
Environment Agency	Lincs Nat-West Business Breakfast	Wood Group
Epix Media	Lindum Group Ltd	Worth Farms
F1 Group	Market Rasen Racecourse	
Flood MSS	Morgan Tucker	
Fogarty Holdings Ltd	Mortons of Horncastle Ltd	
Fox Owmbly Ltd	Mouchel	
Freewatt Ltd	National Trust	



### Sectoral activity and its links to national policy

The Greater Lincolnshire LEP recognises the contribution that its plans make to government policy. The following table outlines the LEP's key growth sectors and how they align to national policy and plans:

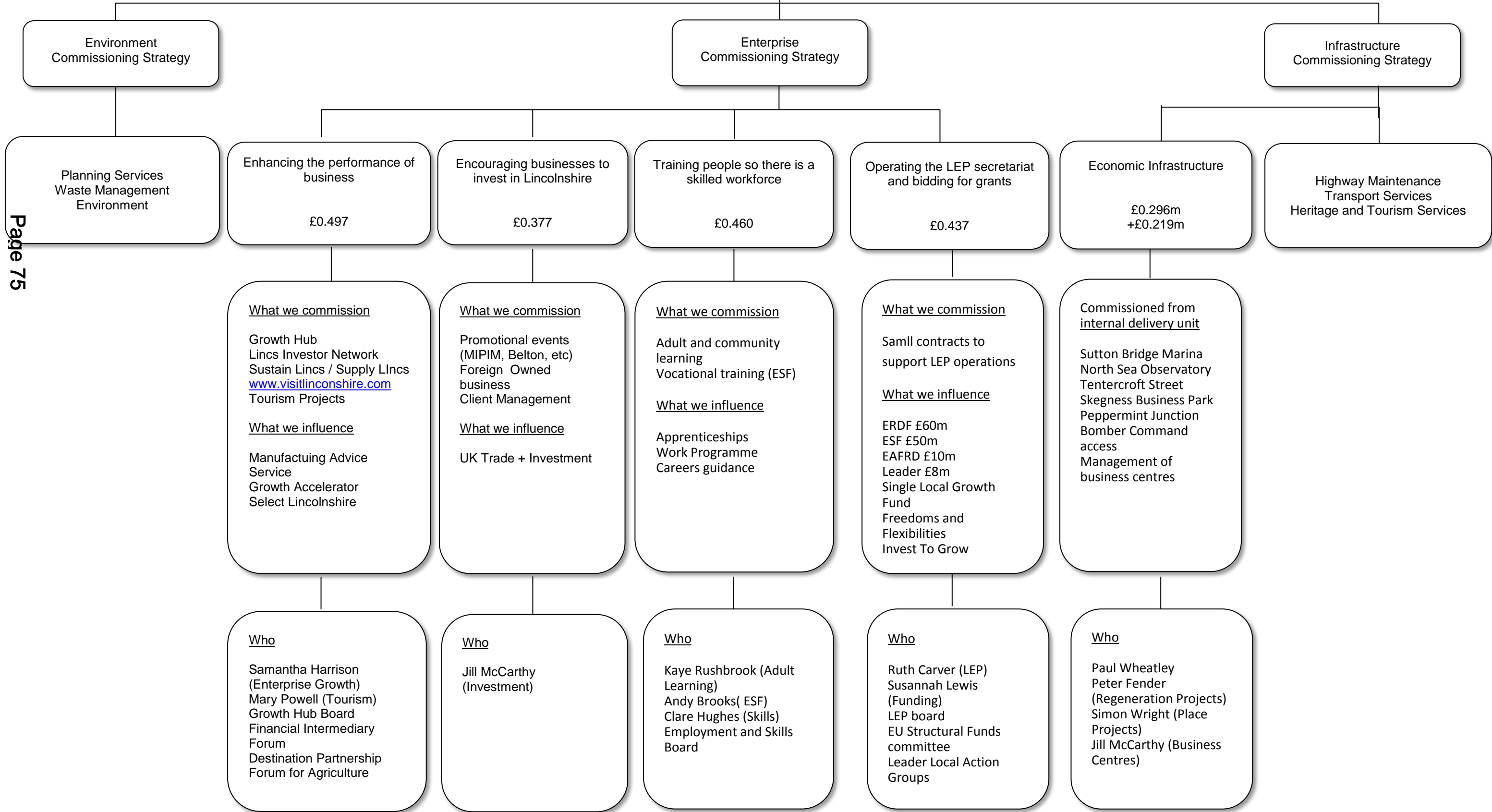
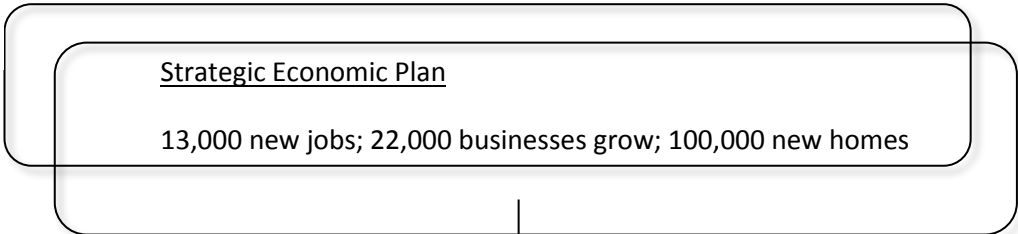
GLLEP AREA	Government Growth Plan	BIS Industrial Strategy	ERDF 2014 – 2020
Agri-food	Encourage investment and exports	Recognition of importance of growing supply chain	<b>ENHANCING THE COMPETITIVENESS OF SMEs</b> Encouraging SMEs to export/target new markets. Strengthening local and national supply chains. Adequate supply of incubation space & support services for the next generation of high growth businesses
Advanced precision engineering – mechanical, electrical	Advanced manufacturing growth	Supporting advanced manufacturing - AMSCI	<b>ENHANCING THE COMPETITIVENESS OF SMEs</b> Encouraging SMEs to export/target new markets Strengthening local and national supply chains
Energy / renewables / off-shore wind	Support for green energy	Enabling sectors	<b>LOW CARBON</b> Enhancing job creation capacity of the low carbon sector Support non-domestic sector to develop low carbon technologies and focus on energy efficiency
Petro-chemicals, polymers	Supporting innovation	High value opportunities / R&D support	<b>INNOVATION</b> Building collaborative research between enterprises Activities to accelerate the development, innovation, adoption, deployment & cost reduction of low carbon technologies & related supply chains / infrastructure
Aerospace bearings / components	Space industry (reform of Outer Space Act)	Supporting manufacturing with a focus on industries such as aerospace	<b>ENHANCING THE COMPETITIVENESS OF SMEs</b> Supporting new start and business growth

#### WIDER CONNECTIVITY

Proposed school of pharmacy potential links to manufacturing supply chain	Supporting Life Sciences and Healthcare	Identifying where UK can have greatest successes	<b>INNOVATION</b> Building collaborative research between enterprises
Knowledge transfer / skill enhancement / UTCs	Apprenticeships, UTC programme expansion, work placements	Identifying where UK can have greatest successes	<b>INVESTING IN EDUCATION, SKILLS &amp; LIFELONG LEARNING</b> Improve the quality of vocational education and training Establishment of work-based learning / apprenticeship schemes
Logistics	Long term forward view of infrastructure	New business practices, enabled through increased use of ICT and improvements in logistics	<b>PROMOTING SUSTAINABLE TRANSPORT</b> Integration & intermodal of transport
Infrastructure (including broadband, access to ports, roads)	£100 million tourism government campaign	Focus on long term growth and changes to planning	<b>ICT</b> Promoting take up by SMEs/communities of emerging technologies & networks for the digital economy <b>PROMOTING SUSTAINABLE TRANSPORT</b> Local transport network connections









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**Open Report on behalf of Executive Director for Environment and Economy**

Report to:	<b>Economic Scrutiny Committee</b>
Date:	<b>21 July 2015</b>
Subject:	<b>Influencing Government Funding for Business Support</b>

**Summary:**

This report provides information on the work plan for the Commissioning Strategy - Sustaining and growing business and the economy, and includes an update on some of the activities undertaken to date.

**Actions Required:**

It is recommended that members:

- i) Comment on the role Lincolnshire County Council should play in the implementation of the Strategy, particularly with reference to our role in influencing nationally funded schemes;
- ii) Note the actions taken to date;
- iii) Consider how we use our influence to stimulate providers to deliver activity that meets the needs of the local business community.

**1. Background**

'Enhancing the performance of business' is one of the commissioning strategies that has been devised under the overarching Enterprise Commissioning Strategy.

The purpose of this Strategy is to describe how the council will help businesses to be the main contributors to economic growth in the county.

This will be delivered through commissioning schemes that offer support to businesses to develop and grow; doing this through influencing government provision or commissioning our own schemes.

These are the national business support programmes which the government fund that we have the opportunity to influence:-

- Growth Accelerator
- Manufacturing Advisory Service
- UKTI – Trade
- UKTI – Investment
- Growth Hub

There are a variety of ways that we can influence the national portfolio:-

- Membership on national steering groups
- Working with the local delivery agents to ascertain client needs that aren't currently being met and provide feedback
- Utilising the new European Structural Investment Funding (ESIF) to enhance the current offers through creating tailored delivery specifications that meet our business community's requirements and monitoring their subsequent delivery
- Bidding for national funding to deliver services that have been designed locally eg Growth Hub

This is how LCC could continue to understand and review national partner activity:-

- Monitoring delivery provision inputs, outputs and outcomes on a quarterly basis
- Sign Memorandum of Understanding to outline responsibilities eg UKTI Trade
- Develop partner Service Level Agreements including data sharing arrangements
- Assessment of impact in terms of targeting, geographical reach, business size and growth ambition
- Membership of their governance board
- Assess whether the programmes directly meet client needs, and undertake a gap analysis
- Evaluate delivery and impact as part of the LRO Quarterly Business Survey or bi annual GLLEP employer survey

**Do the members of the Economic Scrutiny Committee support the direction of travel? Are there any gaps in the list above?**

### **Current business support provision – the need to localise the offer**

Over the last 6 years there have been a number of national business support programmes that have been rolled out across the UK; UKTI Trade and Investment, Growth Accelerator and Manufacturing Advisory Service etc. Whilst this provision has been available to our business community through accessing advisory support it is safe to say that Lincolnshire has not benefited proportionally with its neighbouring counties. This has resulted in our businesses not accessing their fair share of the national provision in terms of budget allocation, physical presence of advisers and delivery of programmes/events. We recognise that the national providers are targeted to deliver significant outputs in terms of jobs created/ increases in GVA and that has influenced them to work in high density areas within



the East Midlands eg Nottingham, Leicestershire and Northamptonshire. Therefore it is imperative that we use of our influence to ensure that the national programmes are tailored towards meeting our business needs and assist them to increase their capability and capacity to make a step change and embrace growth.

**Influencing through the service enhancement**

Consequently in response to documented business growth requirements, local research and intermediary feedback we are in a position to shape and enhance national programmes to meet the needs of the Lincolnshire business community through utilising the European Strategic Investment Funds (ESIF). We have been able to utilise the national business support programme funding allocations for Lincolnshire to satisfy the ESIF match funding requirements and build a tailored programme of business support.

Please see Appendix A for examples of how LCC has influenced government funding for business support.

**2. Conclusion**

It is imperative that we focus the 'Enhancing the performance of business' Commissioning Strategy on ensuring that we fully utilise the national business support assets and that we fully understand their focus, achievement and impact within Lincolnshire. Our role is to make sure that they meet our business community's needs and that they are responsive to the nature of our economy.

Growing our local businesses will in turn impact on economic growth. Members' comments on the role Lincolnshire County Council might play in this Commissioning Strategy are welcomed.

**3. Consultation**

**a) Policy Proofing Actions Required**

n/a

**4. Appendices**

These are listed below and attached at the back of the report	
Appendix A	Examples of how LCC has influenced government funding for business support

**5. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Samantha Harrison, who can be contacted on 01522 550576 or [Samanthal.Harrison@lincolnshire.gov.uk](mailto:Samanthal.Harrison@lincolnshire.gov.uk) .

## **Appendix A – 3 Examples of how we have influenced the national business support programme**

### **Generic Manufacturing Advisory Service(MAS) Current Delivery Model**

The generic MAS delivery model provides strategic and technical support to SME's to develop advanced manufacturing capabilities. Pera are delivery agents for MAS within Lincolnshire, with 2 advisers covering the area. The MAS offer supports to a business to develop through focussing on 1 of the following; low carbon improvements, supply chain initiatives, new product development, cost reduction strategies and operational improvements. Business can also access foundation project grants- up to £1000, 50% matched and Step Change grants – up to £3000/50% of total project costs.

### **MAS Enhancement negotiated by LCC**

Following feedback and evaluation responses the ESIF funds will be used to devise a tailored programme to support the main supply chains across the Greater Lincolnshire areas eg manufacturing, engineering and renewables. There would be a sectorial focus on growth areas, collaboration, opportunity identification and research.

Therefore we have been able to influence and enhance the existing MAS core offer by;

1. *Support for Priority Sectors (including Rural)* –additional Business Growth Managers (BGMs) with sector specific experience to work within priority sectors of manufacturing, agri food and renewables, work will include *Sector landscaping and cluster development* to build understanding of sector opportunities, requirements and challenges.
2. *Supply Chain Initiative* – advisers will engage with major employers to understand their challenges with SMEs entering their supply chain chains. Via a gap analysis, they will develop individual and group Action Plans, which will be implemented via MAS projects.
3. *Manufacturing Innovation* – provision of specialist manufacturing innovation advisors to support innovation projects and masterclasses.

SMEs will receive a grant with which to purchase a suitable Advisor via the existing National Expert Register portal.

### **Growth Accelerator ( GA) Core Service summary – Current Delivery Model**

The Growth Accelerator programme provides businesses with new routes to investment, new ideas and strategy to help them grow. Within the GLLEP area Pera are delivery agents for GA with 2 Growth Managers covering the area.

GA Growth managers match a company's individual needs to expert business coaches. They work together to deliver a bespoke package of support which can include coaching, connectivity, workshops and leadership training.



Businesses have to show a 20% year on year growth potential for 3 years to access the programme. Prospective clients have to have a telephone interview with a Growth manager who assesses their ambition, capacity and opportunity to grow and decides if they are eligible to access the programme. If successful, the business can choose **one** route they wish to follow;

- Business Development
- Access to Finance
- Growth through innovation

There is also a grant of £2000 per senior manager (matched 50/50 by the business) for the business to engage in leadership and management development training.

### **Growth Accelerator Enhancement facilitated by LCC**

Many businesses in the GL LEP area are currently not able to access the GA offer because they are not able to demonstrate the potential to grow by 20% year on year.

Furthermore following feedback and evaluation we recommended expanding the core programme by extending the route businesses wish to follow eg they can access support for more than one growth area eg Business Development, Access to Finance or Growth through innovation.

The ESIF enhancement will;

1. *Building Growth Capability* - providing tailored coaching and masterclasses to businesses with high growth potential but skills, strategy and behavioural barriers resulting in lower levels of confidence.
2. *Support for Priority Sectors (including Rural)* – additional Business Growth Managers (BGMs) with sector specific experience to work within priority sectors eg manufacturing, agri- food and renewables, *Sector landscaping, and cluster development* and *Supply Chain Initiatives* to help SMEs enter major supply chain chains.
3. *Enhanced leadership support* - delivering leadership and management support to a growing SME's wider management team, enabling more strategic growth management.

SMEs will receive a growth grant with which to purchase a suitable consultant via the existing National Expert Register portal.

### **Generic UKTI Provision**

#### **UKTI Core Service Summary- Current Delivery Model -until March 2015**

UKTI contracts with EMB Ltd to deliver the regional international trade development service. There are currently 3.5 FTE general advisers currently operating in the Lincolnshire area. Lincolnshire clients also have access to an East Midlands pool consisting of a Language & Culture Specialist, 2 mid sized Business Advisers that support companies with £40m+ t/o, 4 High Growth Market Specialists, an Export Finance Specialist and a Rail Specialist.

## **Core Service Components**

The UKTI core service has a number of product offerings comprising which Lincolnshire businesses have access to:

**Online- gov.uk: Information, business opportunities, signposting, events, webinars etc**

**First time Exporter:** mentoring and signposting

**Passport to Export:** A programme of one to one advice with supporting workshops to companies that are new to export – including e-exporting, export insight visits, events.

**Export Growth Service:** International Trade Advisers - Overseas market introduction service (OMIS) reports, e-exporting, export communication review, export market research scheme, event and missions

**Medium Sized Business Programme:** account management, tailored portfolio of services

## **Enhanced Provision required through the ESIF funding dedicated to Lincolnshire businesses facilitated by LCC**

GLLEP business survey research and other sources have identified the following issues in Greater Lincolnshire:

- Lack of understanding of the export development support on offer
- Uncertainty about 'exportability', particularly in the service sector.
- A requirement for greater 'hand holding' for companies new to export, particularly in sourcing distributors, logistics, managing language & cultural issues and building confidence – to an extent companies are looking for 'part time export manager expertise' to help them build capacity
- A particular desire for specific sector knowledge

To meet these needs the new ESIF call has concentrated on both export development, helping companies take their first steps; and export expansion, helping companies increase the overall percentage of their business that is export related by selling more, developing new product lines or expanding their export activity into new markets. This would be achieved by layering additional support on top of the current UKTI trade development Offer outlined above.

The support below will complement the core UKTI offer;

### **Development - Increasing awareness, understanding, interest and capability**

- Export Taster Programme – a targeted programme of events will be provided to encourage SMEs who want to grow their customer base, but may never have considered exporting as an option, to think about expanding into international market places through a series of 'export taster' workshops.
- Direct Engagement – a rolling telemarketing campaign will target SMEs in Greater Lincolnshire making appointments for them to discuss their export capacity with a UKTI Trade Adviser.
- Export Readiness -Those businesses that are identified from the export taster programme and the direct engagement activity but are not yet ready to benefit from the services of an International Trade Adviser will be connected with a

Trade Development Officer who will work with them on a remote basis via telephone and email to help them to become 'export ready'

### **Expansion – Co-investment in support of consultancy and other services and specific sector support.**

- The GLLEP Export Co-Investment Fund – This fund will provide co-investment support at a 50% intervention rate (£1000-£5000). The following list provides examples of the types of activities to be supported via the grants programme.
  - language and cultural workshops;
  - consultancy support for early stage exporters - i.e. part time export manager expertise
  - legal advice around international commercial agreements;
  - assistance with international marketing and branding, including website development and marketing materials;
  - attendance at overseas conferences;
  - advice relating to international commerce and e-commerce protocols;
  - specialist support with IP protection and prototyping for overseas markets;
  - assistance in identifying and recruiting new staff to help enter international markets; and,
  - market research projects for new overseas market entry
- Sector Specialist Advisers – GLLEP has identified Food and Manufacturing as priority sectors and potentially want to support local SMEs with International Trade Advisers with specialist sector expertise and knowledge who would be connected to sector related growth hubs.

### **UKTI Trade Current Offer**

The current offer consists of a Partnership manager (from PA Consulting Ltd) and access to the national trade enquiries. The Partnership Manager covers 3 LEP areas including GL LEP. The Partnership Manager also provides an Investor Development service on 73 FDI businesses in Lincolnshire.

Therefore there is a real need to enhance the capacity of the service to meet client requirement. An ESIF call will be developed to enhance the support.

### **UKTI Inward Investment Enhanced Provision**

The key drivers for FDI support are;

- Access to markets
- Access to labour talent
- Access to R&D

Enhanced UKTI Inward Investment support need to provide a range of strategic and operational support;

Requirements include:

- Provision of an Investor Development Programme



- To provide aftercare/investor development support to foreign owned companies through an account management approach with the aim of retaining and increasing workforce and/or investment.
- Account managers and aftercare provision
- Strategic alignment of LAs, HEIs, Business Parks/Enterprise Centres around strategic showcase sectors for the purposes of high value inward investment
- Identification of supply chain gaps and articulation of that and translation into business opportunities for potential future FDI investors
- Supply chain development and diversification, including opportunities for local businesses to Joint Venture/collaborate with FDIs (including FDIs with propensity to export from UK)
- Developing focused sector propositions and comprehensive channel marketing and business development strategy for targeted prospects, posts and markets in conjunction with strategic partners, innovation centres, HEIs, business and technology parks
- Ensuring effective engagement in UKTI virtual teams related to UKTI managed key accounts for aftercare and developing additional investments, working with Business Lincolnshire Growth hub and partners
- Maintain strategic relationship with UKTI Investment Organisations relevant to showcase sectors and LEP potential
- Support updating and profiling of assets and capabilities for UKTI sector team awareness and to feed into propositions
- Liaise with UKTI and Investment organisations on inward investment missions and post events, supporting market visits where appropriate
- Oversee and manage enquiry management system (UKTI pipeline system) and analyse and track useful information to support proposition development and market intelligence arising from UKTI's CUBE
- Identify and target prospects with the support of UKTI
- Support marketing and positioning of support
- Develop the GL LEP ambassador envoy group

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### Open Report on behalf of Executive Director for Environment and Economy

Report to:	<b>Economic Scrutiny Committee</b>
Date:	<b>21 July 2015</b>
Subject:	<b>Recruitment and Induction Business Support - Summary of a pilot programme</b>

#### Summary:

LCC funded a pilot project to help businesses recruit new staff.

It was very clear from the pilot that businesses needed support to tackle the various problems associated with recruitment.

This report provides a summary of the pilot project and suggests that the scheme is rolled out in the future, using external funding to do so.

#### Actions Required:

The Economic Scrutiny Committee members are asked to:

- (i) consider the findings of the pilot project
- (ii) task officers with developing a countywide recruitment project

## 1. Background

We know from the businesses we speak to that recruitment can be difficult.

When we asked 1500 businesses last year about their workforce, almost 95% of those with over 25 employees had recruited in the previous 12 months (i.e. between May 2013 and April 2014). Around 10% found roles (both new posts and replacements posts) difficult to fill. These tended to be skilled or technical roles and about a third of them were in the manufacturing or renewables/low carbon sectors.

Employers also tell us that a proportion of new recruits, particularly young people, are not 'ready for work' or lack the right attitude to work.

We wanted to find out more about the kinds of recruitment processes employers have in place and if they could be improved. We also wanted to find out if employers are good at telling new recruits exactly what is expected of them.



As a result, the Recruitment and Induction Business Support project was developed. Its aim was to support 25 SMEs, with less than 50 employees to improve their recruitment and induction processes.

It is worth noting that there are no other business support projects, local or national, aimed at supporting recruitment. It is not generally considered a market failure as there are plenty of agencies offering services that businesses can buy.

### **The Pilot**

The pilot was developed to do three things:

- Help businesses tackle their vacancies and develop better processes for the future;
- Assist employers in developing good induction processes because they have an important role in helping new recruits understand the job they are required to do;
- Help us understand the recruitment challenges that businesses face;

A small grant incentive was offered (maximum £750). Eligibility criteria were not rigid so that we could test what needs to exist.

A local HR and skills expert was recruited to deliver the project and it operated from October 2014 to April 2015.

The project provided 15 hours of 1-1 support and advice to 25 businesses across all districts of Lincolnshire, 23 with fewer than 50 employees and 2 with 100 employees.

Businesses were eligible to participate if they were actively recruiting, had struggled to recruit within the previous 3 months or had high staff turnover that was adversely impacting their business activity.

The pilot was advertised through colleagues at local Councils and the Chamber of Commerce.

### **Findings of the Pilot**

The pilot provided support to very small businesses, and to businesses who have not taken part in business support programmes in the past.

Providing support and unlocking barriers had a direct impact on recruitment; smaller, fledgling businesses employed staff that they wouldn't have otherwise.

The small grant was not critical however it was taken up for reasons that had not previously been considered. It was taken up by only six of the businesses involved, and not always in full.

Activities supported were:

- Team training day for all 3 members of staff of a small business to establish a team working culture, incorporating a newly recruited member of staff;
- IT software/support for a business dealing with highly technical documents, to enable employees to access documents when working remotely (i.e. dial-in facility);
- Part-purchase of a computerised till/system, so that processes in the business could be standardised and removed a barrier to employing new staff;
- A short training course for small business owner to enable her to deliver technical training element required by all new recruits, unlocking a barrier to employment;
- Contribution to costs of a temporary member of staff to produce induction booklets and/or recruitment processes.

The challenges that businesses were facing when the pilot was undertaken were varied, and are categorised below:-

### **Sourcing apprentices**

Employers found the process of recruiting an Apprentice difficult. Challenges included not being clear how to go about it, accessing the right type of training and finding a local provider. One business wanted to train their Apprentice in retail but was told that they would need to do Customer Service instead. The business used a national provider instead of a local one. There was also a challenge around one provider telling the business they would have to wait a few months until they were ready to deliver the training.

### **Recruiting & Appointing**

Recruiting someone for the first time *using your own money* feels very high risk and even for those who have done it before, employment law is bewildering. Family businesses or those just starting out, lack the confidence to take this first step, particularly if they end up with the wrong person.

New and existing small employers found the practicalities of recruiting someone a challenge e.g. writing Terms and Conditions, working from home, paying them. It is easier for someone to 'employ' a friend rather than go through a recruitment process.

### **Sourcing skills**

Some businesses struggled to recruit semi-skilled and skilled staff, for example an engineering business that was looking for a specialist welder and toolmaker to fulfil a new contract. This was not something they could train for within the time needed. A legal documentation business could not recruit locally to a technical post. There

were a number of examples of small training providers not being able to recruit the right skills into their business.

### **Next Steps**

We have previously discussed at Committee how we tackle some of these challenges:

- Through the Employment and Skills Board, we are working with Boston College to utilise some of their ESF and Skills Funding Agency money to write website content about good recruitment practice for [www.businesslincolnshire.com](http://www.businesslincolnshire.com) and to develop better information about the recruitment support available locally from Job Centres, Universities, Colleges and organisations such as ACAS.
- We are using funds provided to the Employment and Skills Board by the National Apprenticeship Service to develop a local apprenticeship awareness campaign via social media that employers, potential Apprentices and training providers will interact with.
- Through the Employment and Skills Board, work with Colleges and Providers to develop their responses to employer need.

However the pilot project has shown how 1-1 support has directly impacted on recruitment, so we would like to work with funders to develop a Lincolnshire-wide recruitment business support project to increase employment, and consider how this might contribute to supporting young unemployed people into jobs.

## **2. Conclusion**

This pilot project was very successful and it clearly demonstrated that there is a market failure in support for businesses to recruit. As the commissioner of skills activity LCC can develop a project to tackle this market failure using ESF and other monies.

## **3. Consultation**

### **a) Policy Proofing Actions Required**

n/a

## **4. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.



This report was written by Clare Hughes, who can be contacted on 01522 550545 or [Clare.Hughes@Lincolnshire.gov.uk](mailto:Clare.Hughes@Lincolnshire.gov.uk).

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**Open Report on behalf of Richard Wills, the Director responsible for Democratic Services**

Report to:	<b>Economic Scrutiny Committee</b>
Date:	<b>21 July 2015</b>
Subject:	<b>Economic Scrutiny Committee Work Programme 2015</b>

**Summary:**

This item enables the Economic Scrutiny Committee to consider its own work programme for the coming year.

**Actions Required:**

To comment and agree on the content of the work programme, as set out in Appendix A to this report.

## **1. Background**

### Current Work Programme

At every meeting of the Committee, Members are invited to consider their future Work Programme and to agree on items to be included in the Work Programme. The current work programme for the Committee is attached at Appendix A to this report.

### Forward Plan

Also attached at Appendix B for the Committee's consideration is a list of the intended decisions of the Executive or Executive Councillor for Economic Development, Environment, Planning, Tourism, which fall within the remit of the Economic Scrutiny Committee.

### Scrutiny Activity Definitions

Set out below are the definitions used to describe the types of scrutiny, relating to the items:

Budget Scrutiny - The Committee is scrutinising the previous year's budget, the current year's budget or proposals for the future year's budget.



Pre-Decision Scrutiny - The Committee is scrutinising a proposal, prior to a decision on the proposal by the Executive, the Executive Councillor or a senior officer.

Performance Scrutiny - The Committee is scrutinising periodic performance, issue specific performance or external inspection reports.

Policy Development - The Committee is involved in the development of policy, usually at an early stage, where a range of options are being considered.

Consultation - The Committee is responding to (or making arrangements to respond to) a consultation, either formally or informally. This includes pre-consultation engagement.

Status Report - The Committee is considering a topic for the first time where a specific issue has been raised or members wish to gain a greater understanding.

Update Report - The Committee is scrutinising an item following earlier consideration.

Scrutiny Review Activity - This includes discussion on possible scrutiny review items; finalising the scoping for the review; monitoring or interim reports; approval of the final report; and the response to the report.

## **2. Conclusion**

That consideration is given to the content of this report.

## **3. Consultation**

### **a) Policy Proofing Actions Required**

No policy proofing is required for this report.

## **4. Appendices**

These are listed below and attached at the back of the report	
Appendix A	Economic Scrutiny Committee Work Programme
Appendix B	Economy Services Forward Plan

## **5. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Tracy Johnson, who can be contacted on 01522 552164 or [tracy.johnson@lincolnshire.gov.uk](mailto:tracy.johnson@lincolnshire.gov.uk) .

**ECONOMIC SCRUTINY COMMITTEE**

Chairman: Councillor Tony Bridges

Vice Chairman: Councillor Chris Pain

<b>21 July 2015</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Improving employment and skills in the Nursing Sector	Clare Hughes Principal Development Officer	Policy Development
Enterprise Commissioning Strategy – Scope and Initial Discussions	Justin Brown Enterprise Commissioner	Policy Development
Influencing Government Funding for Business Support	Samantha Harrison Enterprise Growth Team Leader	Policy Development
Recruitment and Induction Pilot – Final Report	Clare Hughes	Policy Development

<b>8 September 2015</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Economic Infrastructure Commissioning Strategy – LCC Involvement in Sites and Premises	Paul Rusted Infrastructure Commissioner	Policy Development
Lincolnshire Nature Partnership	Fran Smith Lincolnshire Nature Partnership	Status Report
Impact of Transportation on Maximising Economic Growth Scrutiny Review – Specific Actions	Andy Gutherson County Commissioner for Economy and Place	Scrutiny Review Activity
Midlands Engine / Northern Powerhouse	Justin Brown	Status Report
Theme Performance: Quarter 1	Justin Brown	Performance Scrutiny
Customer Satisfaction	Justin Brown	Status Report
Growth Hub for Business - Progress and Next Steps	Samantha Harrison	Status Report

<b>20 October 2015</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Environment Commissioning Strategy – Planning Aspects	Andy Gutherson	Policy Development
Tourism Review – Scope and Initial Discussions	Mary Powell Tourism and Visitor Economy Team Leader	Policy Development

LEP / Single Local Growth Fund - Six Monthly Performance Report	Halina Davies Growth Plan Project Manager Greater Lincolnshire Local Enterprise Partnership	Performance Scrutiny
Strategic Economic Plan - Refresh	Ruth Carver Investments and Operations Manager	Policy Development
EU Funding Update	Susannah Lewis Funding Team Leader	Policy Development
Coastal Vision	David Hickman Environmental Services Team Leader	Status Report
Coastal Town Team	Nicola Radford Principal Development Officer (CAZ)  Paul Learoyd Lincs Wildlife Trust	Status Report
Place Marketing – Involving the Private Sector	Jill McCarthy Business Investment Manager	Status Report

**8 December 2015**

<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Enterprise Commissioning Strategy – Sign Off	Justin Brown	Policy Development
Tourism Review – Findings and Recommendations	Mary Powell	Policy Development
Lincoln Castle Revealed – Update	Mary Powell	Performance Scrutiny
Theme Performance: Quarter 2	Justin Brown	Performance Scrutiny
LEP 25 Year Water Strategy	Ruth Carver	Policy Development

**Items to be Scheduled**

Grantham Southern Economic Corridor	Paul Wheatley Group Manager – Economic Development	Status Report
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**For more information about the work of the Economic Scrutiny Committee please contact Tracy Johnson, Scrutiny Officer, on 01522 552164 or by e-mail at [tracy.johnson@lincolnshire.gov.uk](mailto:tracy.johnson@lincolnshire.gov.uk)**



**FORWARD PLAN OF DECISIONS RELATING TO ECONOMY SERVICES FROM 3 AUGUST 2015**

DEC REF	MATTERS FOR DECISION	REPORT STATUS	DECISION MAKER AND DATE OF DECISION	PEOPLE/GROUPS CONSULTED PRIOR TO DECISION	DOCUMENTS TO BE CONSIDERED	OFFICER(S) FROM WHOM FURTHER INFORMATION CAN BE OBTAINED AND REPRESENTATIONS MADE (All officers are based at county Offices, Newland, Lincoln LN1 1YL unless otherwise stated)	DIVISIONS AFFECTED

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