



County Offices
Newland
Lincoln
LN1 1YL

15 February 2016

Economic Scrutiny Committee

A meeting of the Economic Scrutiny Committee will be held on **Tuesday, 23 February 2016 at 10.00 am in Committee Room One, 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, 23 FEBRUARY 2016**

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1	Apologies for Absence/Replacement Members	
2	Declarations of Councillors' Interests	
3	Minutes of the Meeting of the Economic Scrutiny Committee held on 12 January 2016	5 - 14
4	Announcements by the Executive Councillor for Economic Development, Environment, Planning and Tourism	
5	Agreement of Strategic Economic Plan for Greater Lincolnshire <i>(To receive a report by Jon Burgess, LEP Officer, which presents the draft Strategic Economic Plan (SEP) for Greater Lincolnshire and proposed that Lincolnshire County Council adopt the SEP rather than create its own economic development strategy, as done previously)</i>	15 - 82
6	Tourism Review <i>(To receive a report from Mary Powell, Commissioning Manager (Tourism), which sets out the findings of the review in to the Council's approach to tourism development)</i>	83 - 94
7	International Trade Prospects for Lincolnshire Businesses <i>(To receive a report from Justin Brown, Commissioner for Economic Growth, which explores the importance of international trade to growing the county's economy. It suggests that Lincolnshire County Council should establish connections with international partner areas and the signposting of potential exporters to sources of advice)</i>	95 - 124
8	Impact of Transportation on Maximising Economic Growth (ITMEG) <i>(To receive a report from Andy Gutherson, County Commissioner for Economy and Place, which provides an update on progress on the recommendations of the ITMEG report)</i>	125 - 128
9	GLLEP Water Management Plan and Coastal Vision <i>(To receive a report from David Hickman, Environment Commissioner, which provides the details of the Water Management Plan and an update on progress towards the coastal vision)</i>	129 - 168
10	Theme Performance Quarter 3 <i>(To receive a report from Justin Brown, Commissioner for Economic Growth, which provides an update on performance against the Council's four economic development indicators and includes the proposed indicators for 2016/17)</i>	169 - 188

11 Economic Scrutiny Committee Work Programme 2016

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(To receive a report from Tracy Johnson, Senior Scrutiny Officer, which provides the Committee with an opportunity to consider its work programme for the coming year)

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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.

All papers for council meetings are available on:

www.lincolnshire.gov.uk/committeerecords



ECONOMIC SCRUTINY COMMITTEE 12 JANUARY 2016

PRESENT: COUNCILLOR A BRIDGES (CHAIRMAN)

Councillors 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

Councillors: C J Davie, S L W Palmer, Mrs A E Reynolds and S M Tweedale attended the meeting as observers

Officers in attendance:-

Andrea Brown (Democratic Services Officer), Justin Brown (Commissioner for Economic Growth), Michelle Grady (Head of Finance (Communities)), Tracy Johnson (Senior Scrutiny Officer), Mary Powell (Commissioning Manager (Tourism)), Nicola Radford (Senior Commissioning Officer (Regeneration Programmes)) and Lydia Rusling (Senior Commissioning Officer (Investment))

Guests in attendance:-

Mablethorpe Area Partnership CIC Representatives – Adrian Benjamin, Karen Froggatt and John Handley

56 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

There were no apologies for absence received. All members of the Committee were present.

57 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of Councillors' interests at this stage of the proceedings.

The Chairman asked the Committee to note that, in relation to Item 9 – Coastal Town Team (including Mablethorpe), the guests in attendance for the item were known to him (John Handley and Adrian Benjamin). Councillor Bridges also knew the officer presenting the report, Nicola Radford.

58 MINUTES OF THE MEETING OF THE ECONOMIC SCRUTINY COMMITTEE HELD ON 8 DECEMBER 2015

RESOLVED

That the minutes of the Economic Scrutiny Committee meeting held on 8 December 2015 be confirmed and signed by the Chairman as a correct record.

59 ANNOUNCEMENTS BY THE EXECUTIVE COUNCILLOR FOR ECONOMIC DEVELOPMENT, ENVIRONMENT, PLANNING AND TOURISM

Councillor C J Davie, Executive Councillor for Economic Development, Environment, Planning and Tourism, was invited to update the Committee on recent events within the County.

1. The national economy had been described by the Chancellor as "mission critical" with global trading being suggested as key to rebuilding the economy. LCC's approach to the global challenge was to establish and develop strong relationships with regions which would present opportunities for international trade. Streets & Co., a local accountancy firm, were hosting a business breakfast with Chinese companies which Councillor Davie would attend. Progress on the potential to trade with the USA would be provided at the next meeting;
2. Further to the last meeting, it was reported that the request to agree to participate in a pan-county financial instrument had been granted. It was also reported that the LEADER funding programme had been open for one month and had already received 25 applications;
3. Following the announcement of the Comprehensive Spending Review (CSR), the team were working closely with colleagues to consider the impact. It was reported that a small amount of funding had been received for additional apprenticeships, business growth would have continued funding for a further two years as well as support for the Local Enterprise Partnership (LEP);
4. On 10 March 2016, Gainsborough Golf Club would host a manufacturing conference, similar to that held in 2015. It was hoped that this event would be as successful.

The Chairman thanks Councillor Davie for the update.

60 BUDGET PROPOSALS FOR 2016/17

Consideration was given to a report from the Executive Director of Environment and Economy which provided details of potential implications for Economy within the Budget Proposals for 2016/17, considered by the Executive on 5 January 2016.

Michelle Grady, Head of Finance (Communities) introduced the report and the overview of the budget as a whole and Justin Brown, Commissioner for Economic Growth, provided detail of the impact on Economy. It was confirmed that the budget position considered at the Financial Challenges Workshop for the Committee, held in December 2015, had remained the same, i.e. a reduction from £1.8m to £1.3m.

Despite the reduction in budget, successful applications for grants would give the potential to increase that budget to somewhere in the region of £5m. Work was ongoing with managers to implement appropriate plans and targets across each of the budget lines.

During discussion, the following points were noted:-

- Members felt that the budget could not be reduced any further without being unable to successfully deliver services at the current standard. 75% of the overall Council budget was for statutory services with the remaining 25% being apportioned across remaining, discretionary services, of which this was one;
- It was disappointing that the settlement received was wholly inadequate for rural communities and that urban areas appeared to be the focus;
- The reduction in budget could mean the Council were unable to influence the economy resulting in the inability to shape the county;
- Paragraph 1.6 of the report noted that 630 adults were anticipated to be assisted to achieve qualifications. It was clarified that this specific number was the amount of adults trained by teams within Economic Development. These were generally disadvantaged people being helped to gain qualifications so that they were able to move on to further education/training. The Committee was advised that a report on Vocational Training was scheduled to be considered at the meeting in April 2016 and would provide further explanation of training available;
- Partnership working would be key to delivering what was required and a message would be sent to Government that Lincolnshire had a defined strategy working alongside the LEP Board and District Leaders in making a difference in each community;
- Employers and District Councils were reporting great difficulty in accessing schools to discuss future employment of their pupils as there continued to be encouragement, by schools, for young people to continue into further education rather than employment. It was suggested that it would be beneficial to revisit the "Narrowing the Gap" report, a previous workstream undertaken by the Children and Young People Scrutiny Committee, to consider the recommendations and ascertain the progress made. This report focussed on providing young people with the options available to them at an earlier stage;
- Although the budget available was not as much as hoped, it was enough to engage businesses in the creation of apprenticeships;
- Poor connectivity for areas of deprivation and the opportunities that increased transport would provide for young people in those areas was acknowledged;
- Government was being lobbied to increase the settlement figure to rural authorities but, should this prove unsuccessful, there was little which could be done to improve the position as it currently stood;
- Round 3 growth funding would open in coming months and the team would bid for that funding;
- Comments to be submitted to the Executive on behalf of the Committee were to emphasise the need for additional funding, should the resettlement figure be adjusted in favour of rural areas, to be increased in this area.

RESOLVED

1. That the report and comments be noted; and

**ECONOMIC SCRUTINY COMMITTEE
12 JANUARY 2016**

2. That the following comment be submitted to the Executive on behalf of the Committee:-

"The Committee requested that an increase in the budget for Economy should seriously be considered by the Executive, depending on the final settlement. The Committee felt that if there was to be a reduction in the budget it would seriously affect the economy of the County and the essential work programme required in the future"

61 AGREEMENT OF EU FUNDING BIDS FOR SCHEMES THAT MEET THE COUNCIL'S PRIORITIES

Consideration was given to a report from the Executive Director of Environment and Economy which invited consideration of the agreement of EU funding bids for schemes meeting the Council's priorities. The report was due to be considered by the Executive Councillor for Economic Development, Environment, Planning and Tourism on 2 February 2016.

Justin Brown, Commissioner for Economic Growth, introduced the item which presented the report to be considered by the Executive Councillor on 2 February 2016. It was confirmed that there was an intention to make five bids to extend the Council's resources.

At this stage of the proceedings, Councillor W S Webb declared an interest as a member of the Anglian North Regional Flood Committee.

During discussion, the following points were noted:-

- It was acknowledged that the Environment Agency was under huge pressure to assist with the alleviation of existing flood problems across areas of the country and, as a result, it was suggested that some work would have to be reprioritised. Further to discussions with the Environment Agency, their priority was, as thought, to address the extreme flooding experienced during the Christmas period. However, their advice was to continue to bid for this funding to ensure that these requests remained within the relevant processes rather than withdrawing the bids and starting again at a later date. This approach was endorsed by the Committee;
- In relation to the bid for the "Sustain Business" project, it was queried about the need for match funding. It was reported that a European grant would pay for 60% of the match funding and the Council would need to find 40% which would be made up of £300,000 from a government grant, £150,000-£160,000 out of the Council's staffing budget with the rest being charged to private businesses for the service;
- A possible bid in the region of £2m may be submitted in relation to the ABLE marine energy park on the Humber;
- It was anticipated that the bid for Broadband would be successful. The final part of the project was complex as different areas required different solutions although it was confirmed that one of those solutions may be rolling out suitable cabinets in rural areas;

- The Committee agreed that the bids were key to assist with regeneration and looked forward to receiving the outcome of each bid.

RESOLVED

That the recommendations in the Executive Councillor report be supported and the comments be passed on to the Executive Councillor for his consideration.

62 LINCOLN CASTLE REVEALED - UPDATE

Consideration was given to a report of the Executive Director for Environment and Economy which provided details of the impact of Lincoln Castle in 2015.

Mary Powell, Commissioning Manager (Tourism), introduced the report and guided the Committee through the "*Lincoln Castle Revealed: Marketing & Engagement Report November 2015*" by way of a presentation.

The Chairman took the opportunity to thank Mary Powell (Commissioning Manager (Tourism)), Lydia Rusling (Senior Commissioning Officer (Investment)) and the wider team for the success at the Castle and continuing with the momentum.

During discussion, the following points were noted:-

- Confirmation was received that there were a number of strong anniversaries for Lincolnshire between 2017 and 2020 which were to be built upon in respect of tourism to the County. Concern for the team had been for 2016 and the lack of something to build on following the success of the Magna Carta 800. However, an application had been made for the touring Poppies from the Tower of London for 2016 which had been successful and had already provoked a strong response from previous visitors confirming their return;
- A target of 110k of paying visitors to Lincoln Castle had been exceeded and, between April and December 2015, the confirmed number of paying visitors was 249,647;
- Businesses, particularly hotels and accommodation, restaurants and bars, etc., had reported it had been their most successful year so far. Additionally, Lincoln Cathedral had been delighted with the success of joint ticketing to both attractions. Virgin East Coast trains from London to Lincoln had been doubled for 2016 due to the success in 2015. It was agreed, therefore, that the project had been a great success for the whole city;
- Concern remained that visitors from neighbouring counties were unable to reach Lincoln by train on a Sunday, a day when it was felt most families would spend time together. In response, it was reported that Network Rail were also looking to increase services in 2016 as a result of the Poppies coming to Lincoln Castle;
- The lack of capacity within hotels in Lincoln was mentioned as an issue for large numbers of visitors. The Committee was advised that an application had been submitted for the extension of the Hilton Doubletree and also for an additional two hotels;

- It had been intended that the Castle Shuttle would run from Easter to October 2015 half term but was terminated three weeks early as part of the traffic strategy for the city. Due to the amount of roadworks in the city during 2015, it was agreed that the Castle Shuttle would be implemented to alleviate any additional traffic pressure. However, the existing infrastructure had coped much better than expected;
- Lincoln BIG were giving consideration to a bus service with parking included although this was in the early stages of consideration;
- Upcoming anniversaries were not all Lincoln centric and it was felt that Lincolnshire as a whole could be promoted for tourism over the next few years therefore the team would give focus on how to link them;
- Review of ticketing over the last year was ongoing with availability of certain ticket packages being reconsidered and amended or withdrawn in favour of the more popular offers;
- A suggestion was made to commence monitoring of the actual number of visitors to the grounds of Lincoln Castle as well as paying visitors to the Victorian Prison, Magna Carta Vault or Castle Walls.

RESOLVED

That the report and comments be noted.

63 PLACE MARKETING - INVOLVING THE PRIVATE SECTOR

Consideration was given to a report from the Executive Director for Environment and Economy which provided information on the potentially effective tool of place marketing which could assist in reaching the ambitious targets for growth within Greater Lincolnshire.

Lydia Rusling, Senior Commissioning Officer (Investment), introduced the report and invited the Committee to ask any questions.

During discussion, the following points were noted:-

- The Committee agreed that the concept was good and would be achievable as suggested within the report;
- It was advised that the RAF were open to discussion about their personnel and roles after leaving the RAF but this was limited to generic roles, for example HGV Drivers. With more specialised roles, such as engineering, they were less engaged as a lot of the work within the MOD was now contracted out so a lot of personnel left the RAF but were reemployed with these contractors, hence keeping the skills and knowledge within the camps;
- Members requested that the action plan alluded to on page 45 of the report be circulated for their information;
- Given the importance of place marketing it was agreed that an update be brought to the Committee three times yearly;

RESOLVED

1. That the report and comments be noted; and
2. That a thrice-yearly update on Place Marketing be added to the Committee's Work Programme.

64 COASTAL TOWN TEAM (INCLUDING MABLETHORPE)

Consideration was given to a report of the Executive Director for Environment and Economy which provided details of economic planning taking place in Mablethorpe.

Justin Brown, Commissioner for Economic Growth, gave the Committee an explanation of the boxes shown at Appendix A to the report to assist the Committee with their consideration of this item. The boxes showed the overlap of responsibility between the County Council, District Council and Local Partners and the Committee was reminded that only support which was in the remit of the County Council could be considered.

The Chairman welcomed John Handley, Adrian Benjamin and Karen Froggatt, all members of the Mablethorpe CIC, to the meeting and invited presentation of the report.

Nicola Radford, Senior Commissioning Officer (Regeneration Programmes) introduced the report and gave the Committee an overview which had been requested by Councillor D McNally. It was advised that as one of the country's most deprived communities, Mablethorpe needed support in order to be in a position to bid toward additional resources. The Government's "Coastal Town Team" approach aimed to help communities to achieve this.

Karen Froggatt, Operations Manager for Mablethorpe Area Partnership CIC (MAPCIC), was invited to address the Committee with progress to-date. The post of Operations Manager had been funded by East Lindsey District Council from 2009 until March 2016 and was to set up a local partnership board to look at how to improve vitality in Mablethorpe and Sutton-on-Sea.

In February 2014 Mablethorpe Area Partnership CIC was set up with a board of nine volunteer directors and 35 business paid members and had since developed good relations with businesses in the area. There had been considerable private investment recently with the Dunes Entertainment Complex and Theatre being revived. There was also a full size bowling alley and refurbished arcades to attract visitors. MAPCIC had been granted £10k, some of which had been used on professional support as they wanted to ensure that a comprehensive and up-to-date plan was developed although this was not yet complete. Consultation with businesses and residents had highlighted key themes for focus:-

1. Unemployment;
2. Low skills;
3. Poor transport;
4. Flood risk;

5. Poor health; and
6. Low income

A SWOT analysis had then been undertaken with the findings presented to a number of key stakeholders. MAPCIC were looking at the infrastructure and how to improve the public realm and other themes included within the framework included tourism and retail, employment, low skills, enterprise, business growth and community and social enterprises.

East Lindsey District Council was in the process of submitting a coastal destination bid and the fear of the CIC was that Mablethorpe may be overlooked in favour of Skegness. Lincolnshire County Council was asked to support partnership working in order to regenerate Mablethorpe.

The Chairman thanked the representatives of Mablethorpe CIC and invited comments from the Committee. During discussion, the following points were noted:-

- Despite the unemployment figures and rise in deprivation, a considerable number of people who had moved to Mablethorpe were not unemployed and had moved there to enjoy retirement;
- It was suggested that lengthening the seasonal opening times for Caravan parks in the area would increase the economy by way of seasonal employment for local people, restaurants, shops, visitor attractions and the sites themselves;
- It was acknowledged that Mablethorpe had a rundown appearance and did not attract new visitors hence one of the options to revitalise shop fronts, etc.;
- Although Skegness had a direct bus route from Lincoln, Mablethorpe did not which made it difficult for people to visit for days out;
- Market Towns in Lincolnshire were faced with the same issues and in, for example, Grantham, a business improvement district was being considered which would decide what the town required, in conjunction with its District Council. This scheme would require buy-in from local businesses, via increased business rates, to enable any improvements to be made to the town;
- A unique selling point was also encouraged as this would give focus for improvements and marketing strategies;
- Coastal development was ongoing in Lincolnshire but to be included within this, any project needed to be led by the community with achieved outcomes justifying the funding committed;
- The Coastal Economic Plan would bring all those projects together but it was acknowledged that not every proposal would be successful therefore identification of three or four strategic projects was encouraged;
- It was requested that the outcomes agreed at the meeting of Mablethorpe Area Partnership CIC on 19 January 2016 be shared with the Senior Commissioning Officer (Regeneration Programmes). As explained at the start of the item, anything which would fall in to the overlap of responsibility for the County Council would be discussed with the team but it was expected that the ageing population and tourism would be the two areas of interest;

The Chairman thanked representatives of Mablethorpe Area Partnership CIC for their attendance and presentation at the Committee.

RESOLVED

That the report and comments be noted.

65 ECONOMIC SCRUTINY COMMITTEE WORK PROGRAMME 2016

Consideration was given to a report of the Director Responsible for Democratic Services which provided the Committee with an opportunity to consider its work programme for the coming year.

Tracy Johnson, Senior Scrutiny Officer, introduced the report and advised that there were no amendments to the work programme since it was published and that, following discussion at the meeting, the following addition would be made:-

Place Marketing – Update Report (thrice yearly)

It was also requested, and agreed, to include Pharmaceutical education in the report on "University of Lincoln's Plan for a Medical School", scheduled for consideration by the Committee on Tuesday 12 April 2016.

RESOLVED

That the Economic Scrutiny Committee Work Programme 2016, with the amendments noted above, be approved.

The meeting closed at 1.07 pm

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Open Report on behalf of the Executive Director for Environment & Economy

Report to:	Economic Scrutiny Committee
Date:	23 February 2016
Subject:	Agreement of Strategic Economic Plan for Greater Lincolnshire

Summary:

The Greater Lincolnshire Local Enterprise Partnership (GL LEP) is going through the process of refreshing the Strategic Economic Plan (SEP). This plan focuses on sector development and on improving economic opportunities across the area.

Lincolnshire County Council has previously adopted the SEP rather than create its own economic development strategy, and it is proposed that this should be done again.

Actions Required:

It is recommended that members

1. Discuss the content of the draft revised Strategic Economic Plan;
2. Reaffirm their support of the Strategic Economic Plan, using it as the backcloth for economic development rather than creating a strategy in the council's own right.

1. Background

In particular the updated content has focussed on:

- Evidencing our achievements to date in attracting new investment to deliver growth in Greater Lincolnshire;
- Updating our priorities for investment under each theme;
- Integrating the headline asks within the Greater Lincolnshire Devolution Prospectus (published Sept 2015).

In order to extend the shelf-life of the refreshed SEP, the number and detail of individual projects has been reduced in favour of focussing on fewer 'big ticket'

items that will provide the greatest impact in terms of delivering economic growth. This is intended to demonstrate that the LEP has a clear view on our key priorities for future investment and thematic objectives. Officers are continuing to develop a separate master list of potential investment opportunities across Greater Lincolnshire that will be managed on an ongoing basis. This list will be used for a range of purposes (ranging from Midlands Engine/devolution asks, requests from the Treasury, future bidding opportunities etc).

It is likely that a further refresh will be necessary once Greater Lincolnshire has concluded its devolution discussions. The aim is to agree the revised wording and produce a new version in advance of the Spring Budget 2016.

LEP Board Members will be asked to discuss and approve the refreshed Strategic Economic Plan for Greater Lincolnshire.

Board Members have previously agreed the basis for refreshing the content of our Strategic Economic Plan (SEP) for Greater Lincolnshire, since it was first published in March 2014. Over the past few months, a number of sessions have been held with lead partners to discuss delivery of the SEP priorities and review our strategic framework for future investment and intervention.

We have also sought to ensure that the updated SEP is consistent with the emerging national policy landscape within Government (devolution, Midlands Engine), alongside the recommendations of the Open for Growth Peer Review and our published sector plans.

As part of this process, local authority colleagues have also hosted a number of business consultation events in their respective areas to raise further awareness of the SEP and to consider what future support and actions the LEP could undertake to help increase local growth and productivity.

2. Conclusion

The SEP is an important document, setting a clear agenda for economic development in the coming years. It is vital that LCC plays a strong role in its shaping and subsequent delivery.

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 - Paper 5.0 Approval of refreshed SEP
Appendix B - Paper 5.1 Refreshed SEP – DRAFT

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 Justin Brown, who can be contacted on 01522 550513 or justin.brown@lincolnshire.gov.uk.

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1. Background

Board Members have previously agreed the basis for refreshing the content of our Strategic Economic Plan (SEP) for Greater Lincolnshire, since it was first published in March 2014. Over the past few months, a number of sessions have been held with lead partners to discuss delivery of the SEP priorities and review our strategic framework for future investment and intervention. We have also sought to ensure that the updated SEP is consistent with the emerging national policy landscape within Government (devolution, Midlands Engine), alongside the recommendations of the Open for Growth Peer Review and our published sector plans. As part of this process, local authority colleagues have also hosted a number of business consultation events in their respective areas to raise further awareness of the SEP and to consider what future support and actions the LEP could undertake to help increase local growth and productivity.

2. Summary

In particular the updated content has focussed on:

- Evidencing our achievements to date in attracting new investment to deliver growth in Greater Lincolnshire;
- Updating our priorities for investment under each theme;
- Integrating the headline asks within the Greater Lincolnshire Devolution Prospectus (published Sept 2015).

In order to extend the shelf-life of the refreshed SEP, the number and detail of individual projects has been reduced in favour of focussing on fewer 'big ticket' items that will provide the greatest impact in terms of delivering economic growth. This is intended to demonstrate that the LEP has a clear view on our key priorities for future investment and thematic objectives. Officers are continuing to develop a separate masterlist of potential investment opportunities across Greater Lincolnshire that will be managed on an ongoing basis. This list will be used for a range of purposes (ranging from Midlands Engine/devolution asks, requests from the Treasury, future bidding opportunities etc.

3. Next Steps

It is likely that a further refresh will be necessary once Greater Lincolnshire has concluded its devolution discussions. The aim is agree the revised wording and produce a pdf version in advance of the Spring Budget 2016.

Recommendations

LEP Board Members are asked to discuss and approve the refreshed Strategic Economic Plan for Greater Lincolnshire.

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The following partners endorse and support delivery of the economic growth ambitions for Greater Lincolnshire outlined in this Strategic Economic Plan.

Cllr Peter Bedford
Leader, Boston Borough Council

Cllr Lady Liz Redfern
Leader, North Lincolnshire Council

Cllr Ric Metcalf
Leader, City of Lincoln Council

Cllr Bob Adams
Leader, South Kesteven District Council

Cllr Craig Leyland
Leader, East Lindsey District Council

Cllr Lord Gary Porter
Leader, South Holland District Council

Cllr Martin Hill OBE
Leader, Lincolnshire County Council

Cllr Jeff Summers
Leader, West Lindsey District Council

Cllr Ray Oxby
Leader, North East Lincolnshire Council

Cllr Marion Brighton MBE
Leader, North Kesteven District Council

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Priorities for growth
Delivering major projects to meet our strategic priorities
Meeting the UK's Ambitions for Growth

2: Productivity: Growing UK plc

Driving the competitiveness of our key economic sectors

Agri-food
Manufacturing and engineering
Low carbon and renewables
Visitor economy

Developing our emerging sectors

Ports and logistics
Health and care

Skills & Employment, innovation and promotion

Skills & Employment
Innovation
Promotion

3: A Place to Invest

Homes and communities
Infrastructure
Transport
Water management

4: Outputs and impact

Governance
Ability to Deliver
Outputs and impact
Monitoring and Evaluation

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 increase productivity and create new wealth and jobs.

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

We recognise that 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. 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 across local authorities and the education and skills sectors. We've listened to their concerns and ideas and built these into our Strategic Economic Plan.

We estimate that the targeted actions and intervention of the LEP will directly accelerate the creation of 13,000 new jobs, help 22,000 businesses and increase the value of the Greater Lincolnshire economy by £3.2 billion by 2030.

Ursula Lidbetter
Chair, Greater Lincolnshire LEP

Greater Lincolnshire is key to the successful delivery of the Midlands Engine, Humber Energy Estuary and Northern Powerhouse. We are net contributor to UK GDP and a major gateway to European markets. We have clear high-growth potential in key industry sectors and have the space and political will to deliver this

SECTION 1: SETTING THE SCENE

Introducing Greater Lincolnshire

Greater Lincolnshire has a population of 1,060,000. It consists of the Unitary authorities of North Lincolnshire, North East Lincolnshire (both bordering the south bank of the Humber Estuary) together with the County of Lincolnshire and its constituent seven districts.

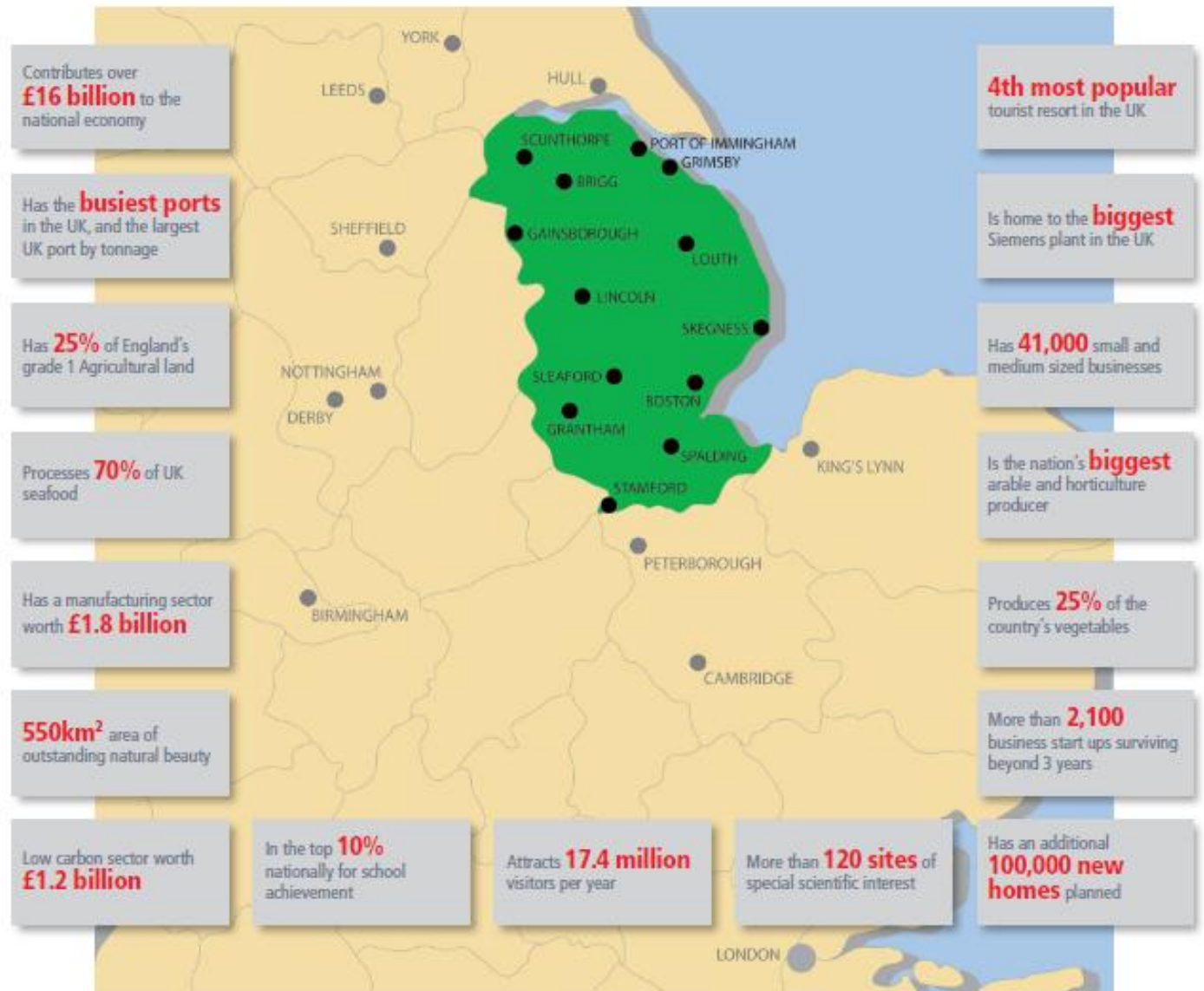
The area makes a distinctive contribution to national GVA and is an attractive option for investment and development. We offer a range of important social and economic factors which make Greater Lincolnshire a great place to live and work, including:

- A central UK location, serving over 75% of the UK population within a four hour drive time
- A diverse base of almost 44,000 VAT/PAYE-registered businesses, offering massive supply chain opportunities across a range of sectors;
- our own international airport serving the business community;
- the largest UK port by tonnage;
- part of the largest Enterprise Zone in the UK;
- two Universities, two new University Technical Colleges and 6 Colleges of Further Education;
- low housing costs and low crime rates;
- historic sites, beautiful countryside and miles of sandy beaches;
- vibrant market towns and urban centres.

And it has real potential to deliver sustainable growth. Almost 100,000 new houses are planned over the next 15 years, which will provide major growth opportunities along nationally important investment corridors.

The following pages describe the actions that the Greater Lincolnshire LEP will lead and support, in order to deliver our ambitions for the local and national economy.

Check/Update figures – i.e. now 18bn GVA
Add box on largest Enterprise Zone in UK



Priorities for Growth

Our priorities for growth are formed from the evidence base that we have developed through economic analysis, commissioning studies and face to face interviews with local business leaders in the area.

We recognise that Greater Lincolnshire makes an important net contribution to the national economy, directly enhancing:

- National Food Security
- Access to key European markets
- Domestic renewable energy output
- Manufacturing Output
- UK Visitor Economy
- The Country's housing needs

Business leaders in our area have told us that their business will continue to 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 locate and operate in an area with excellent schools, housing choice and a cultural/leisure offer that is recognised countrywide.

So we know that the following investment will directly meet what businesses need:

- 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 defining and strongest sectors which offer the most competitive advantage :
 - agri-food
 - advanced manufacturing and engineering
 - the low carbon economy, with a particular focus on renewable energy
 - visitor economy
2. to grow specific opportunities identified as future defining features of the area:
 - health and care sector,
 - 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 potential movers to the area, and support balanced housing and economic development through promoting the area's capacity to deliver high quality growth.

It is also important that we recognise the large contribution our small businesses and our foreign owned businesses will have in the success of this plan.

Greater Lincolnshire has a strong and vibrant small business community. These businesses are the hub of many communities and represent a major opportunity to transform High Streets, business parks and the local economy. Our research shows that the small business community is often left with less help in comparison with larger businesses that are more likely to receive support despite having the structures in place to be more able to access the information they need.

For example, our small businesses are often unsure of where to go for advice, 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 the right conditions for growth, described within 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, and
- improving access to finance and the ability to attract growth finance.

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 UK Trade & Investment (UKTI) currently have over 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 support 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 tailor support to meet their needs

Lead Delivery Partners

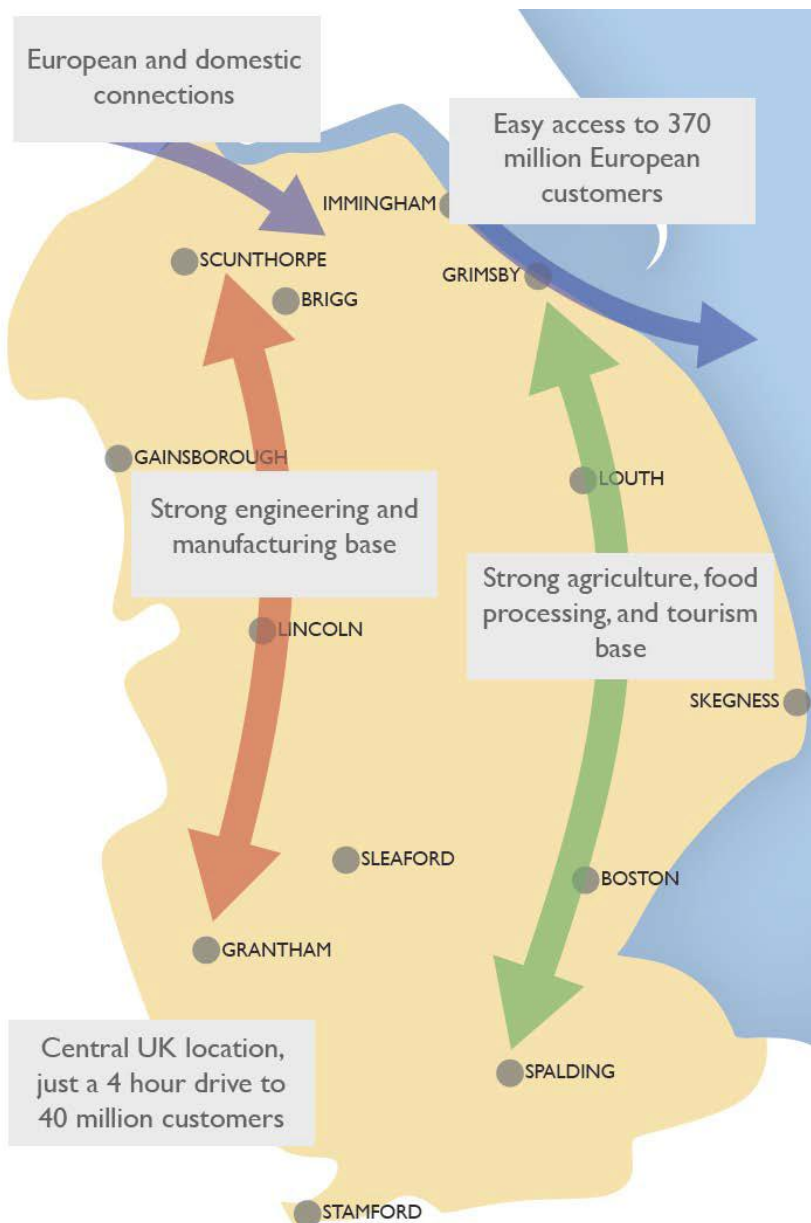
We also recognise the importance of the range of partners that will come together to deliver these priorities – Local Authorities, our schools, training providers, Further and Higher Education Colleges, Universities, Chambers of Commerce and Federation of Small Business operating alongside our flourishing business communities. There are a great number of very successful partnerships and networks across the area and we have an excellent track record of working together to achieve more.

In taking forward the ambitions outlined in our Strategic Economic Plan, the LEP Board has consulted with over 100 leading businesses in our area to develop and embed a number of more detailed sector plans

- Agri Food
- Manufacturing
- Visitor Economy
- Health and Care
- Transport
- Water Management
- Skills

Each sector plan clearly sets out the activity and interventions that our partners, organisations and providers will be tasked to deliver in order accelerate growth and increase business productivity. The LEP has also established a new private sector led Food Board, Water Management Board and Innovation Council to further shape our future investment priorities and delivery of major projects.

In 2016/17 the LEP will also finalise sector plans for low carbon and ports and logistics.



Update to show Food Enterprise Zone triangle – Europarc, Hemswell, Holbeach

Deprivation

Deprivation is not automatically addressed through economic growth. It is important that when planning for growth we consider all sectors of the community and how the projects/activities we support will contribute not only to the economic success and productivity of an area, but also how they will impact on the wellbeing, sustainability and development of our most deprived neighbourhoods.

In the latest Indices of Multiple Deprivation (IMD), released at the end of September 2015, CLG produced LEP level summaries on where they rank the LEPs in terms of their average deprivation scores. Greater Lincolnshire ranks 13th of the 39 LEPs overall in terms of average deprivation levels (rank 1 being the most deprived). However when we look at the indices in more depth, Greater Lincolnshire is the 11th most deprived in terms of education, and top 15 in terms of income, employment and health. This endorses the focus of our Strategic Economic Plan (SEP) and Growth Deal to date, and shows the importance of understanding and measuring how schemes supported will have a bearing upon society as a whole.

Existing Growth Deal projects in Greater Lincolnshire will greatly improve key infrastructure, enhancing sustainable travel opportunities; creating more effective and regular bus services; introducing new cycle and pedestrian routes and addressing public realm issues such as safety, dereliction and access.

The Social Value Act released in January 2013 highlighted the benefits of introducing direct measures to project development and delivery, be it at procurement stage or beyond. By considering carefully how our scarce resources are allocated and utilised we create 'social value'. GL LEP endorses commissioning and procuring for social value, and will work with partners to understand how its scheme delivery might provide specific local employment opportunities.

As we look to refresh the SEP going forward, we will include metrics that demonstrate how our projects are contributing to growth whilst helping to reduce levels of deprivation. These can then be linked to project outputs and outcomes at contracting stage, and will be evaluated upon scheme completion as per the GLLEP Monitoring and Evaluation framework.

Delivering major projects to meet our strategic priorities

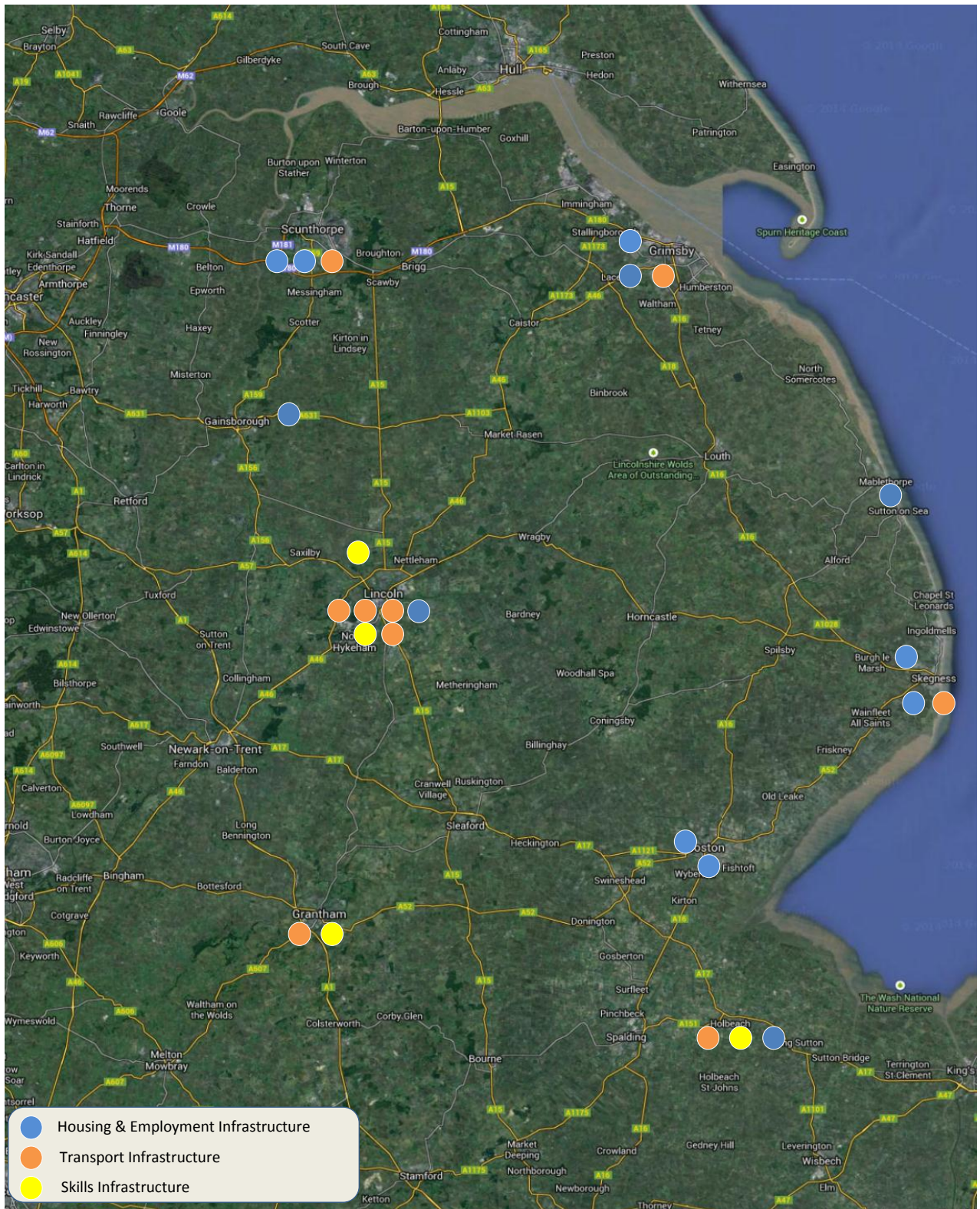
The Greater Lincolnshire LEP recognises that our strategic leadership must be balanced with direct support towards the facilitation of projects that give businesses increased confidence to invest. Projects of various scope and scale are being developed but we focus here on the projects that have already been supported to meet our strategic priorities. The LEP will continue to promote a package of deliverable projects that offer a strong growth deal to Greater Lincolnshire and national economic growth. The projects will demonstrate a significant impact on our priority sectors, housing numbers, and the infrastructure that is needed to increase business growth and productivity.

The board will continue to assess our future programme on the basis of

- **Deliverability** – does a project have match funding, planning permission and necessary delivery structures in place?
- **Impact** – will the whole of the LEP area benefit?
- **Productivity** – does a project offer direct outcomes that support economic growth? Do the outcomes represent good value for money? Will the investment 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, visitor economy, engineering, care, ports, or low carbon. Is there a project that is available to all businesses
- **Housing** – does a project directly create housing growth
- **Infrastructure** – does it provide critical infrastructure for growth
- **Social Value** – does the project deliver wider social, economic and environmental benefits? Will it help to reduce deprivation?

Provided below is a list of schemes which the Greater Lincolnshire LEP has already helped to facilitate since the launch of our Strategic Economic Plan:

1. Lincolnshire Lakes Blue and Green Infrastructure, Scunthorpe
2. Scunthorpe Town Centre
3. Berkeley Circle Highway Improvement, Scunthorpe
4. South Humber Industrial Infrastructure Programme (SHIIP): Phase 1
5. Access to Employment Zones, Grimsby
6. Bishop Burton College
7. Lincoln Central Transport Hub
8. Lincoln East West Tentercroft Street
9. Boole Technology Centre
10. Lincoln Eastern By-Pass
11. Unlocking Rural Housing Programme: Phase 1
12. Skegness Countryside Business Park
13. Go Skegness (sustainable transport)
14. Boston Quadrant, Phase 1
15. Grantham Southern Relief Road
16. Grantham College
17. Peppermint Interchange, Holbeach
18. Agri Food Centre of Excellence
19. Food Enterprise Zones (Europarc, Hemswell, Holbeach)
20. International Bomber Command Centre
21. Golf Road Development, Mablethorpe
22. Nottingham to Lincoln train enhancements
23. Greater Lincolnshire Growth Hub



— published image to be as per NLC map

In total, these projects will be contracted to directly deliver:

TOTAL NEW INVESTMENT

£430m

9,250

JOBS CREATED OR
SAFEGUARDED

900,000m²

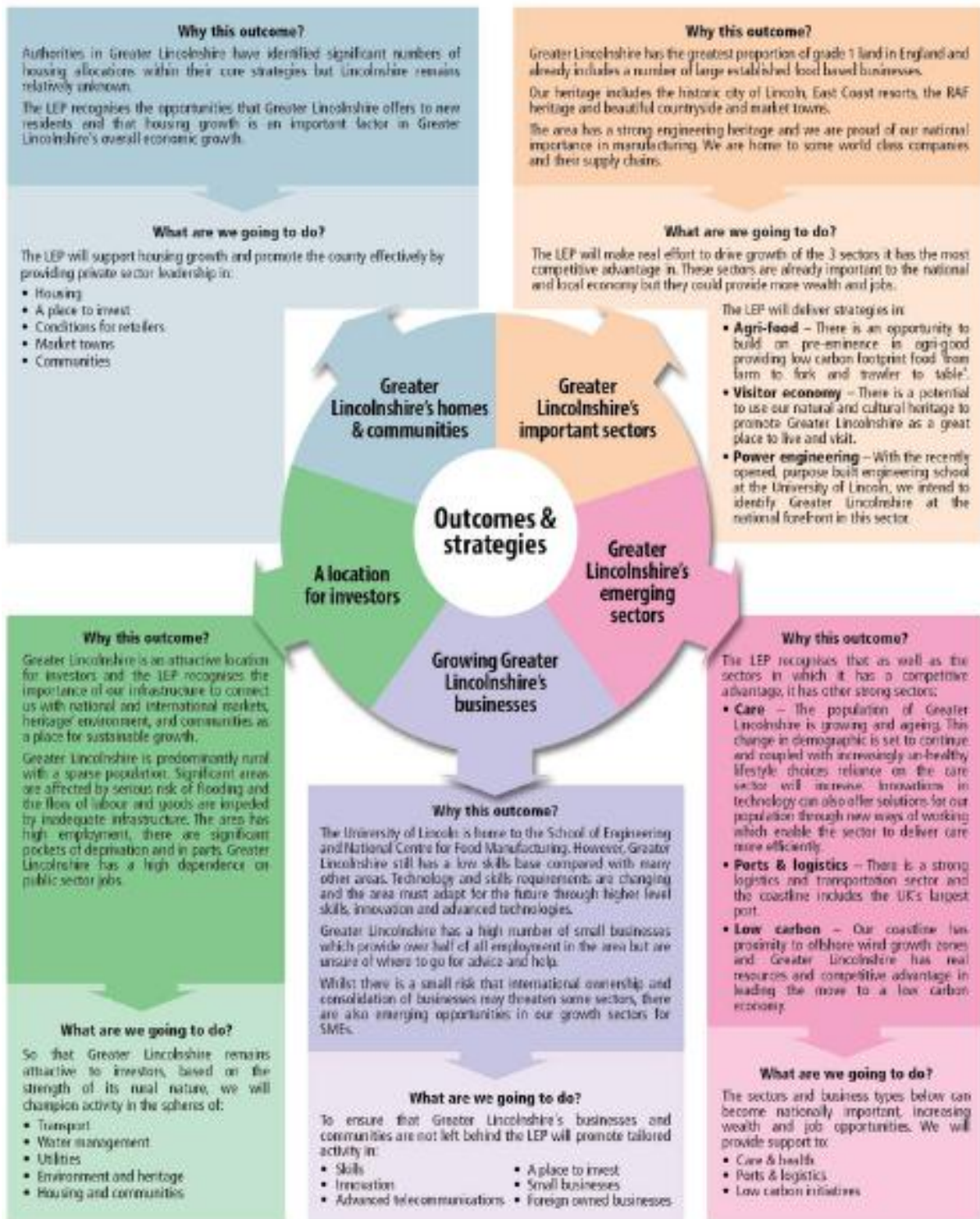
NEW COMMERCIAL
FLOORSPACE

6,500

NEW HOMES
BUILT

4,500

NEW LEARNERS SUPPORTED



Meeting the Government's Ambitions for Growth

Greater Lincolnshire already contributes over £18 billion to the national economy each year. As an economic geography, our area makes a positive net contribution to UK Gross Domestic Product, earning more money per capita for HM Treasury than is spent on the delivery of local services.

Some of the most significant energy, food manufacturing and chemical industries in England are located here. We have the largest UK port by tonnage and the area's ports and logistics companies serve the whole of the UK and beyond. Tourist visitors to the area generate almost £2bn a year in local expenditure. 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

Working with our lead partners across Greater Lincolnshire, we have identified a range of specific additional powers that will enable us to accelerate delivery of our ambitions and achieve growth more quickly than anywhere else in the UK. We believe that, in discussion with government, we can deliver a strong, viable and transformational plan for Greater Lincolnshire based around the following key areas:

- Accelerated growth
- Transport
- Skills
- Housing
- Water
- Health
- Public Protection
- Leadership

We believe that local control of these powers (and the associated funding) will deliver a real step change in our skills base, place us at the forefront of new technologies, improve health and wellbeing outcomes and deliver radical public service reform for the benefit of our citizens. We also recognise that bringing the risks of commissioning and delivery to the local place enables them to be best managed, building on our robust structures of governance that are in place to enable this to take place

In particular, we will work with Government to progress:

- a pilot scheme for statutory agencies to be accountable to deliver our ambitions for growth and to fast track delivery;
- alignment with the local Growth Plan of business support budgets;
- devolution of the governance of these funds to provide strategic leadership and integration of EU funded "opt ins";
- an appropriate share of Single Local Growth Fund monies, and from devolved transportation capital, to create a Greater Lincolnshire Investment Fund;
- devolution of the management of our EU programme including granting of Intermediate Body status;
- a strategic land use plan that aligns our economic ambitions with funding streams and streamlined processes for major projects.

As well as developing new flexibilities around the retained element of local business rates, we wish to explore with Government how the use of capital receipts and borrowing powers can be enhanced to

allow us accelerate the critical infrastructure investment that is required to deliver wider economic growth. We will also work to encourage Government to review the funding allocation formula for Greater Lincolnshire to ensure it matches the actual needs of our population. As part of this process we are keen to devolve powers to acquire nationally held local public sector land for the overall benefit of the region – delivering improved and effective strategic planning for enterprise, housing, infrastructure and growth.

We anticipate that the range of powers and funding sought may take us into territory for which the governance arrangements would be no less than a Combined Authority. We will enter into discussions with the Government over the precise governance arrangements that would be most appropriate in order to fully secure the scale of devolution that we seek. We will therefore offer a governance arrangement that will provide transparent democratic accountability and an effective interface for ministers whilst continuing to ensure that specialists such as clinical commissioners maintain a strong voice. We will also integrate democratic leadership of local authorities working with elected bodies including the PCCs bringing these elected leaders together with the NHS leadership and the Chair of the LEP.

As part of our negotiations with Government, we are also committed to delivering accelerated growth and better Public Protection through the transfer of the commissioning of Prison Services to local political control; alongside the additional transfer of the administration of HM Courts and Tribunal Service and the Ministry of Justice estate to local authorities in the area.

Midlands Engine for Growth

Along with the other 11 Midlands LEPs the Greater Lincolnshire LEP is actively engaged in developing a robust business case and evidence base to secure further strategic investment through the Midlands Engine for Growth. Our negotiations highlight the positive net contribution which Greater Lincolnshire already makes towards national GVA output. Our ongoing discussions with HM Treasury will also focus on the national economic importance of improving connectivity to Greater Lincolnshire ports and food production corridors as a key driver for delivering accelerated growth and productivity across the Midlands region.

We also recognise the importance of maintaining permeable boundaries with our neighbouring LEP areas to bring forward mutually beneficially investments in infrastructure and sector support across our key industries. Local authorities in our area have, therefore, been actively encouraged and supported to develop strategic alliances with other LEP and authority areas so that we can deliver coherent growth and maximise the economic potential of the wider sub-region.

SECTION 2: PRODUCTIVITY

Driving the productivity 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

- 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 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 around 75,000 people across the supply chain with a diverse mix of businesses including Cranswick Plc, Greencore, Moy Park, 2 Sisters Walkers and Young's Seafood alongside a wide range of primary producers
- **manufacturing and engineering**; this sector contributes over £3.5bn (21%) of Greater Lincolnshire's output, employs around 41,000 people; our manufacturing/engineering strengths encompass power engineering, petrochemicals/chemicals, steel manufacture and motorsport engineering with global businesses including Siemens, Total, Phillips 66, Tata Steel, Novartis, Cristal and Pilbeam Racing Designs.
- our **visitor economy** is worth over £1.9bn per annum to the Greater Lincolnshire economy, supports over 39,000 jobs and has long-term growth potential; more than 31 million people visited Greater Lincolnshire's world class visitor attractions in 2014 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.
- The low **carbon economy**; already worth £1.2bn per annum to Greater Lincolnshire and employing over 12,000 people, and with the potential for up to £60bn of private investment over the next fifteen years, 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.

Why focus on these sectors?

Between 2009-2014, public sector employment fell by 13% as the Greater Lincolnshire economy rebalanced from the recession. Despite this, the number of employees rose marginally during the same period. Our economic make-up is therefore changing. Employment in the agri-food and manufacturing sectors has remained stable, over a period where nationally the manufacturing sector saw a decrease in employment.

Greater Lincolnshire's economic output (GVA) was over £18.3bn in 2013, having grown by 7.3% 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 (11.1%) and England as a whole (11.4%) over this period.

Workplace-based GVA per head in Greater Lincolnshire was just 76% of the UK average in 2013 – reflecting our particular mix of sectors and low economic participation rates in some parts of the GLLEP area. This, along with levels of multiple deprivation, 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.

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
Agri-food	10	318	11	407
Manufacturing	9	127	13	151
Visitor Economy	8	86	5	96
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*

Agri-food

The Greater Lincolnshire agri-food sector will double its contribution to the economy by 2030 through an ambitious programme of investment in productive capacity, skills and knowledge to drive an increase in high value added sales to UK and export markets

Our strategy

Greater Lincolnshire has the UK's largest and most progressive agri-food sector, based on clusters of dynamic businesses and well developed supply chains. Our local industries are therefore a national leader in this growing sector. The impact of the sector on the economy is however, much wider than farming, fishing and food processing, with sectors as diverse as logistics, packaging materials, professional and businesses services all dependent on the food chain for much of their livelihood. Our aim is to make Greater Lincolnshire the growing heart of the UK's food sector.

The food chain is estimated to generate a GVA of over £2.5bn and employs 56,000 people in the GLLEP area. If food retail and catering are included the figures rise to £3.4bn of GVA and over 100,000 jobs.

Despite these strengths the sector faces challenges including a relatively poorly developed local research infrastructure, poor road connections to priority national markets, particularly in the south of the LEP area; long term challenges on water supply, an over-reliance on migrant workers and relatively low levels of investment in technology compared to some competitors. Levels of export activity are comparatively low, and exports will need to play a much stronger part in growing the sector in future. Globally, other areas which until recently did not see the agri-food sector as a priority have been increasing their investment in the sector strongly.

Since the launch of the Strategic Economic Plan, we have established and embedded a clear plan for the Greater Lincolnshire food sector to sustain its market leading position. The delivery of our agri-food sector plan is supported by an industry led Food Board which has been established to develop more detailed economic data on the industry and engage larger employers in the industry. This will facilitate the development of new programmes to secure investment, support skills development and collaborate with locally based partners and other LEP areas on future projects.

The LEP has also secured investment to deliver the following projects:

- **Agri Food Centre of Excellence** - a new facility at the University of Lincoln's Holbeach campus to help Food Manufacturing businesses access specialist research, innovation and higher level skills;
- **Bishop Burton College** - a new land-based campus to increase skills levels in the agri-food sector, support small businesses, and strengthen the link between local food and visitor economy;

The Greater Lincolnshire LEP has also secured funding to support the development of three sites at Europarc, Holbeach and Hemswell Cliff which have strong links to the agri-food sector. This will enable local partners to develop a strong business case for each area to become a nationally recognised **Food Enterprise Zone**. As well as attracting new investment, the Food Enterprise Zones will encourage closer ties between food and farming businesses and unleash the entrepreneurial spirit of the countryside and local food producers. They will make it simpler and easier for food and farming businesses to grow, and attract new companies operating within those areas. Local communities will benefit from new jobs and the opportunity to develop local produce, boosting their economies. In recognising the strategic importance of the new Food Enterprise Zones across Greater Lincolnshire, the LEP will work with local

partners to secure the infrastructure investment that is required to boost the domestic food production and farming sector in all three areas.

In terms of future interventions, we will also support the industry to:

- Increase productivity and process innovation across the agri-food sector by ensuring that companies in the Greater Lincolnshire food chain have access to high quality food grade industrial space and the necessary facilities and support to increase collaboration and competitiveness;
- Design and implement a new sector skills plan to develop our skills base and align future skills investment with the role of our key innovation hubs and sector support that will secure additional applied science, technology and research opportunities for GLLEP agri-food companies;
- Develop and implement a 25 year plan for water management to support agri-food production, linking this to a GLLEP Centre of Excellence in Water Management that will develop new approaches to water resource management (including water quality and storage);
- Build an economic case for investment in the strategic transport infrastructure required to support long term growth of the agri-food sector growth, with a particular focus on enhancing road freight capacity along the A15 and A17 corridors and other key routes to markets;
- Promote export activity by making high quality business support available to food sector businesses and fostering collaboration across the sector to enter new markets
- Promote inward investment through the Food Enterprise Zones and building on the Ports of Grimsby, Immingham and Boston and Humberside Airport's Perishables Hub.

Future Intervention priorities

Our priorities for future investment in the agri-food sector include:

- **Food Enterprise Zones:** Providing key infrastructure and connectivity to allocated sites in line with the adoption of new Local Development Orders at Europarc, Hemswell and Holbeach alongside a package of marketing/promotional activity
- **Delivery of Innovation Hubs** – linking specialist sector support provision for the agri food sector through established and emerging hubs (e.g. National Centre for Food Manufacturing, Agri-Food Centre of Excellence, Bishop Burton College, Humber Seafood Institute, Food Refrigeration and Process Engineering Research Centre). Includes opportunities to link with knowledge base in other LEP areas including Yorkshire, Norfolk and Cambridgeshire.
- **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 may be deterred by congestion

Manufacturing and Engineering

We will increase manufacturing employment, output and investment, grow existing businesses, attract inward investment and focus on where the impacts will be greatest

Our strategy

Greater Lincolnshire has a long and distinguished heritage in manufacturing and engineering with significant concentrations of activity in metals manufacturing; chemicals; power engineering; agricultural engineering; rubber and plastics; electrical machinery and wood products. Our manufacturing and engineering sectors are pivotal to our long-term plans for economic growth, employing almost 40,000 people and generating over £1.8bn of economic output.

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 a pro-active approach to business engagement.

The Humber University Technical College, which opened in Scunthorpe September 2015, will provide top-class education and training (both academic and technical), specialising in the subjects of Engineering & Renewables energies.

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. These are explored in the ‘low carbon’ section.

The Humber petrochemicals/chemicals sector is of European scale and the second largest in the UK, supported by the Humber Ports. Two oil refineries, Phillips66 and Total Lindsey, provide 27% of the UK’s refinery capacity and are located on the South Humber Bank. Other global firms located in the area include Novartis (specialist pharmaceutical production); BASF and BOC (production of basic chemicals); Air Products (industrial gases) and Cristal (pigments, paints and coatings). These businesses tend to operate in niche markets and as a result, have not been impacted as seriously by the global economic recession than other businesses in the sector. However, all are headquartered outside Greater Lincolnshire and will continue to be subject to globalisation pressures and competition from producers in China and the Middle East.

Key constraints or barriers to growth to the manufacturing/engineering sector include skills; an ageing workforce; an under-representation of women in the workforce; and a depleting number of young people with STEM subjects coming through the education system with interest in the industry.

Since the launch of our Strategic Economic Plan, we have launched a Manufacturing Action Plan that sets out our priorities for investment and how we will deliver them.

We also recognise the importance of helping local businesses and communities recover from major economic shocks within our key sectors. We will work with HM Government to maximise the support for workers affected by the Tata Steel redundancies and seek further investment to maintain the Scunthorpe site as a strategic employment location.

The LEP has also secured investment to deliver the following projects:

- **Boole Technology Centre** - a new Innovation Centre providing specialist laboratory, workshop and office space for high growth SMEs in advanced engineering and manufacturing
- **Grantham College** - a new build facility to deliver business, computing and technology curriculum and enterprise skills to support growth of the local engineering sector

To support the continued growth of our manufacturing and engineering sectors, 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 along the A180;
- Further investment in port infrastructure and encourage investment in rail services to improve national connections to support business travel, particularly connections between London , Lincoln and Northern Lincolnshire and further development of services from Humberside International Airport
- maintain a supply of high quality, serviced employment sites and premises across Greater Lincolnshire, including the Humber Enterprise Zone, to support the attraction of inward investment and facilitate the expansion of existing businesses;
- develop an integrated package of business advice and support for manufacturing and engineering firms, drawing together exports support services from UKTI, the Manufacturing Advisory Service, University of Lincoln and other public/private sector providers;
- encouraging employer engagement in Apprenticeships and workforce development through a range of measures to de-risk investment in training.

Future Intervention priorities

Our priorities for future investment in the manufacturing/engineering sector include:

- infrastructure and land assembly to unlock development of key sites along the South Humber Bank complex to support future growth of the renewable energy and chemicals/petrochemicals sectors
- rail gauge investment between Immingham and the East Coast Main Line at Doncaster to enhance the rail freight capacity of the South Humber Line
- Expand the network of incubator/managed workspace facilities across Greater Lincolnshire to create the right environment for the growth of innovative businesses
- Work in partnership with the University of Lincoln and Lincolnshire Co-operative to deliver the **Lincoln Science and Innovation Park**;
- Delivering enhanced business support, through the Growth Hubs, to drive up export activity

Low Carbon

Working with partners across all sectors, the Humber Energy Estuary is becoming the renewable energy and offshore wind capital of Europe

Our strategy

The Humber Estuary is fundamentally connected with at least 25% of the UK’s energy production. This includes serving major fossil fuel-based power plants within and adjoining the area from the Port of Immingham, which plays a key role in supplying coal and biomass to the industry. The major refineries at Immingham operated by Total and Phillips 66 refine over 25% of the UK’s petroleum. There are also gas-fired power stations at Immingham and Stallingborough.

The south bank of the Humber is at the centre of an emerging £60bn offshore wind market, with the potential to create wholly new supply chains. We are also the centre of new offshore gas production in the southern North Sea.

The area stands on the brink of an unprecedented level of investment in offshore wind capacity. Over the period to 2030, up to 20GW of additional capacity will be installed in the southern North Sea across the major Round 3 development sites at Dogger Bank, Hornsea and East Anglia. This is equivalent to 40% of forecast UK offshore wind capacity and will generate investment of up to £60bn by 2030. The Government has confirmed strike prices for offshore wind projects over the period to 2018/19, which emphasises continuing investor/developer confidence in the long-term growth of the sector.

Over £2bn of offshore wind projects have recently been completed or are currently under construction within proximity of the Humber, including the DONG Energy’s Westermost Rough and Eon’s Humber Gateway schemes. DONG Energy has recently announced that it will commence construction of the Race Bank scheme off the Lincolnshire Coast that will provide power for almost 400,000 homes. Three of the major Round 3 projects (estimated installed capacity of 20GW) are cited within proximity of the Humber Estuary, with the closest, Hornsea, having been completely acquired by DONG Energy earlier in 2015.

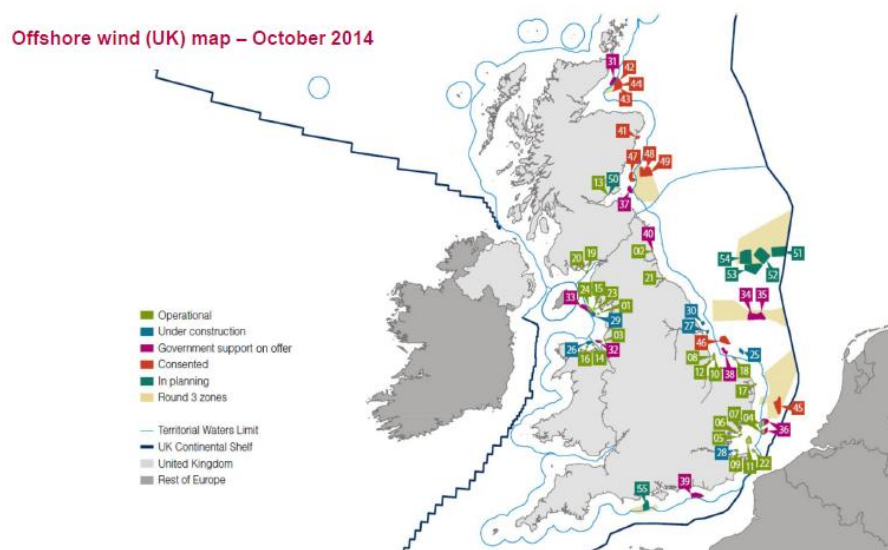


Figure 1: UK offshore wind projects October 2014

The area is capable of supporting all aspects of the offshore wind development lifecycle, with specific capability in manufacture; assembly; construction/ installation and operations and maintenance (O&M). **ABLE Humber Port** is the UK's fastest growing port and logistics centre and Europe's largest new port development. It provides an exciting proposal for the burgeoning marine renewable energy sector and a variety of port centric logistics functions. UK Government has identified AHP as a strategic location in the National Renewable Infrastructure Plan and HMG UK Treasury has since confirmed AMEP as the UK's largest Enterprise Zone eligible for 100% enhanced capital allowances.

It consists of:

- **Able Marine Energy Park (AMEP)** offers 1,389m of new heavy duty deep water quays and 366.7 hectares (906 acres) of developable land. It is designed specifically for the marine renewables sector providing a multi-user facility for the manufacture, storage, assembly and deployment of next generation offshore wind turbines (OWTs) and their associated supply chain(s). The facility will be fully fit for purpose, future proofed, and particularly suited for the deployment of new generation jack-up installation vessels.
- **ABLE Logistics Park (ALP)** offers a 497.5ha (1,229.5 acres) site with full planning permission in place for the creation of extensive warehousing (1,700,000m²), external storage and transportation depots. The development will complement AMEP's tenants activities, potentially enabling a just in time approach minimising inventories, sustaining and maximising efficiencies and workflow concepts. ALP will also offer a purpose built Business Park providing office facilities for engineers, consultants, OEMs, supply chain companies, developers and associated businesses.

The **Port of Grimsby East** is the closest major port to the current Round 1 and 2 windfarms and to the major Round 3 sites at Hornsea and Dogger Bank. It has played a key role in the construction and installation of these major projects and has become the preferred location for long-term Operations and Maintenance activity. International businesses including DONG Energy, Centrica, Eon, Siemens, MHI Vestas, Windcat, Turbine Transfers and many others are already operating from the port supporting around 400 direct jobs. Further companies are expected to invest in O&M facilities to serve new offshore windfarms over the next decade, with a strong pipeline of enquiries.

These developments will act as a catalyst to grow the offshore wind supply chain across the Humber, generating significant demand for a wide range of skills including specialist engineering, fabrication and construction. It has been estimated that at least 7,000 jobs could be created across Greater Lincolnshire, including 3,000 long-term O&M posts.

Proposed developments will significantly increase demand for skilled engineers to support both construction and O&M and require employers to upskill their existing workforce to meet evolving industry training standards. However, research¹ for the Humber LEP has reinforced national evidence of a significant shortage of engineers with the appropriate training and experience for either onshore and offshore roles. The proposed National College for Wind Energy, being developed by RenewableUK and Humber LEP, will form part of the response to this challenge alongside other key facilities including the Centre for Assessment Technical Competency Humber (CATCH).

We will also 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 also offers much wider opportunities for Greater Lincolnshire – encompassing biofuels, biomass and other bio-energy

1 Humber Sub-Regional Renewable Energy Sector Skills and Training Study, Parsons Brinckerhoff for East Riding of Yorkshire Council, January 2012

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.

In order to become a leading national and international centre for energy, we will

- Provide the best possible operating conditions and infrastructure to enable the current engineering and manufacturing base to perform well and increase the area's investment appeal for new companies to the area
- 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, Able Logistics Park, the SHIP sites and the Port of Grimsby) in partnership with Humber LEP
- raise awareness of supply chain opportunities in offshore wind manufacturing/installation and operations and maintenance 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)
- supporting research and innovation activity in offshore wind and other renewable energy technologies to support industry efforts to drive down construction and operating costs and to develop innovation capacity within the supply chain
- 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/employment opportunities
- support research and development and innovation activity across the LCEGs sector and promote technology transfer
- Lobby government to invest in carbon capture technology to support coal and renewable sources of electricity generation
- Explore opportunities in new energies and technologies whilst preserving the areas attractive environment.

In 2016/17 the LEP will agree and adopt a sector plan for the low carbon and renewable energy sector

Future Intervention priorities

Our priorities for the low carbon, renewables and off shore economy include:

- 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, including 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 UKTI – potentially covered through EUSIF)
- Greater Lincolnshire-wide energy efficiency/waste management programmes (again potentially EUSIF programme)
- Enterprise Zone infrastructure improvements and site assembly (to be delivered in partnership with Humber LEP)

Visitor Economy

Together, we will aim to double the real value of tourism to our economy by 2020.

Our strategy

The Visitor Economy is worth over £1.9bn per annum to the Greater Lincolnshire economy, supporting over 39,000 and has long-term growth potential. Our golden blue-flag beaches and coastal resorts, historic cultural sites, rolling hills, high quality food, iconic cathedral, bustling city centres and strong aviation heritage all combine to attract more than 31 million visitors each year².

Partners have already invested in some of our most important assets; a £20 million project to open a purpose built Magna Carta Vault in Lincoln will double 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 addition, the LEP has also secured and investment to help deliver the following projects:

- **Skegness Countryside Business Park** - a new serviced employment park to accommodate businesses serving the visitor industry and a four leg roundabout to reduce congestion in the town centre.
- **International Bomber Command Centre** - a new visitor centre and educational facility to build on area's significant aviation heritage.

Since the launch of the Strategic Economic Plan, we have established a Destination Management Plan, which will address our priorities for the development of the visitor product and new routes to market, skills and training needs, destination branding and marketing, stakeholder communication and monitoring sector performance. Supporting the visitor economy is not just about promotion but must cover a whole range of activities aimed at strengthening the quality of the visitor experience and the performance of businesses. In some parts of Greater Lincolnshire, we recognise that our road and rail infrastructure remains a significant barrier to the growth of the visitor economy. Further investment is also 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 have further opportunities where we can capitalise on our unique proposition, for example:

- We have an intrinsic part of the Mayflower Pilgrims story across Lincolnshire, Nottingham and Yorkshire. We already have an established regional group that is part of the national Mayflower 400 campaign
- We successfully won 'Britain's top food spot' above Cornwall in 2012 and continue to use our authentic local produce to increase the value of tourists visits as well as attracting new visitors looking for genuine food experiences.
- Our extensive and rich Aviation Heritage connects the whole region with a network of trails and distinctive visitor experiences, including the home of the Battle of Britain Memorial Flight, the Red Arrows Display Team, International Bomber Command Centre and the world's oldest military air academy at RAF Cranwell.
- Greater Lincolnshire has over 550km² of outstanding natural beauty in the form of the Wolds (a designated Area of Outstanding Natural Beauty), has over 600 ancient monuments and more than

² Scarborough Tourism Economic Activity Monitor, STEAM 2014

120 sites of special scientific interest. Confirming the broad range of landscapes available is the fact that Greater Lincolnshire includes no less than ten National Character Areas (NCAs)

- A new forum for coastal development has been brought together to ensure that there is a joined-up approach to growth in the county's seaside towns and villages. We recognise our seaside towns have enormous potential, and the county council is already making a positive impact in the area with projects like the new visitor centre at Gibraltar Point and the Coastal Observatory.

With the right support from the public sector, the private sector will continue to grow. Significant growth can be generated from extending the season and converting day visitors to overnight stays. In addition, the growth of Greater Lincolnshire's visitor economy will not displace activity in other parts of the UK; it will grow it in absolute terms. In addition, this will also ensure that our coastal towns and villages grow their economies and reduce unemployment and deprivation.

There is also a potential to improve the perception of skills (and access to skills development/business support) in the visitor economy sector, which provides a good introduction to employment and great potential business opportunities for entrepreneurs. It is also important to bear in mind that while there are specific and bespoke skills required within this sector, the general skills set is transferrable and can impact in other sectors such as Care and Retail for example. Highlighting the visitor economy as part of the skills element incorporates our need to deliver apprenticeships differently, so that the main training section occurs during the close season and the main on the job training occurs during the peak season. Our major visitor economy businesses have proposed this and are willing to pilot it in greater Lincolnshire. It is about a skills ladder which includes entry level skills, customer care skills which are transferrable to other situations, and a high number of career/managerial skills.

The Natural Environment

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. The 'business' of protecting the natural environment is a growth sector in its own right across the UK. Yet the scale and scope of this contribution to Greater Lincolnshire has not been fully recognised – many natural attractions are free, do not count visitor numbers and these figures are not included in the statistics. For example:

- Over 60,000 visitors to the seals at Donna Nook in November and December extend the season offering the opportunity to create value in quieter months
- The Lincolnshire Wolds Walking Festival brings 4,600 visitors to a different part of the County and is valued at over £500,000. It has proved such a successful concept it is now being trialled in the south of the county
- Saltfleetby-Theddlethorpe Dunes National Nature Reserve supports over 26 FTE jobs and £845,000 in GVA, primarily through its 290,000 visitors per annum

We have an active Greater Lincolnshire Local Nature Partnership that has contributed to our plans, and commissioned independent research into the economic value of the natural environment in Greater Lincolnshire. The research will enable better decision making both at the policy level and for the individual small businesses that make up the majority of the sector thereby increasing visitor revenues. In the longer term it should also lead to better protection and management of the natural environment creating an improved sense of place and contributing to the wider economy.

In order to support the growth of our visitor economy, we will continue to

- 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 coordinate Greater Lincolnshire’s online presence and work with the network of Destination Management Organisations to develop a series of marketing campaigns based on our product strengths.
- 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.
- 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.
- support and encourage appropriate strategic investment and development in visitor infrastructure and related areas such as transport and the natural environment
- take full advantage of future event opportunities, such as the 400th anniversary of the Pilgrim Fathers landings in 2020 and Hull City of Culture 2017.
- support the work of Heritage Lincolnshire and the Greater Lincolnshire Nature Partnership in order to protect and promote the area’s natural and built resources

Future Intervention priorities

Our priorities for future investment for the visitor economy sector include:

- Support the implementation of at least 5 further sustainable developments of a national scale i.e. sporting events, festivals, new thematic activities and products
- Commission a new hotel and accommodation demand study to identify future needs and support investment & marketing strategy to drive investment
- Introduce a comprehensive programme of ‘welcome’ training for all front-line staff
- Unlocking sites for major hotel, conference and leisure developments and integrating public realm improvements with Environment Agency investment in upgrading the area's flood defences

Developing our emerging sectors

Introduction

Alongside our focus on the local sectors which will make the most significant contribution to growing and rebalancing the UK economy, the LEP will champion the development of our emerging sectors with growth potential in the medium/long-term:

- **ports and logistics;** Greater Lincolnshire's central location ensures that we can serve over 75% of the UK population within a four hour drive time. 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.

Ports and Logistics

We will develop our unique estuary land assets to create new logistics, manufacturing and trade opportunities to become the gateway to the Northern Powerhouse and Midlands Engine

Our strategy

Greater Lincolnshire is a natural hub for the UK's logistics sector. The Ports of Grimsby and Immingham handled over 59m tonnes in 2014 making them the busiest in the UK. Alongside Humberside Airport and excellent road and rail links (including both the A1 and East Coast Main Line), our ports and logistics sector will continue to underpin growth of our key sectors – as well as generating opportunities for wider economic growth.

The Port of Immingham specialises in bulk liquids, bulk raw materials, unitised Roll on Roll off (RoRo) and Lift on Lift on (LoLo) traffics, cars, forest products and general cargoes. The Immingham Oil Terminal imports crude oil for the local refineries; the Immingham Gas Jetty imports Liquid Petroleum Gas; and the Immingham Bulk Terminal imports coal for the UK's coal-fired power stations. ABP recently invested over £130m in a new Renewables Fuel Terminal at Immingham that is focused on the import of biomass for Drax and other power stations that are investing in renewable energy generation.

The Ports account for over 25% of UK rail freight, connecting to the major energy and manufacturing providers in the North of England. Rail gauge improvements are planned to increase local freight capacity and improve connectivity with the East Coast Main Line. Continued lobbying, via the Transport for the North/Midlands Connect programmes, is essential to secure continued investment in rail freight facilities and capacity.

Coal import activity is likely to decline further over the period of the economic strategy, with all UK coal-fired power stations to cease operation by 2025. However, there are opportunities for further expansion of biomass imports – dependent on future Government energy policies – and for container freight activity.

The Port of Immingham provides daily services to Belgium, Holland, Germany and Scandinavia with further expansion of services and routes underway. A significant proportion of container freight with an origin or destination in the North of England continues to utilise the South Coast ports and there is a significant opportunity to develop new services to create new opportunities for investment and employment.

There is scope to increase added value through the expansion of container freight services and facilities at the Port of Immingham, with a particular focus on the development of Ro/Ro activity. Unit load business continues to expand at Immingham, with strong growth experienced at the Immingham Container Terminal and DFDS. Significant investment in equipment upgrades for container handling will take place early 2016.

The Port of Grimsby also imports over 0.5m cars each year. This employs over 500 people in this activity alone. Additionally the Port of Boston plays a significant role in the agri-business, moving grain and wood products from the extensive farm land of Lincolnshire. The port also leads the way in agri-technology with a number of specialist firms operating out of the area. Trent Wharf supports the iron

ore shipment to Tata Steel Scunthorpe as well as other industry based in Flixborough, Gunness and Amcotts.

The South Humber Gateway area remains the largest developable port site in the UK with over 4 square miles of land (this includes the land for the new Able developments) offering a deep water port environment. The Able Business and Logistics Park (1230ha) has been granted planning permission and will provide 5340 direct jobs with over £400m worth of investment. Additionally, the Able Marine Energy Park (367ha) is a major development for the off shore wind industry building a new quay which will generate in excess of 4100 direct jobs. It is bringing £450m of investment to the area.

Since the launch of the Strategic Economic Plan, we have supported the delivery of the following project:

- **South Humber Industrial Infrastructure Programme (SHIIP): Phase 1** - strategic intervention to unlock a major programme of investment on the South Humber Estuary by removing environmental constraints and improving access between the Ports of Grimsby and Immingham.

The South Humber Industrial Investment Programme is a major programme of strategic investment that will enable large scale economic growth in the LEPs' priority sectors including ports and logistics, renewables and the inter-related supply chain, and chemical processing. Each of the proposed sites has a distinctive sectoral focus and will play a key role in delivering the LEP's Strategic Economic Plan. The facilitation of large scale economic growth through SHIIP, will be achieved through utilising public and private sector resources to overcome current deficiencies and constraints in the commercial property market, namely the provision of suitable sites and premises and ecological and infrastructure restrictions. Funding for up-front infrastructure will largely be provided through Council borrowing, augmented by existing Local Growth Fund (LGF) grants and underpinned by business rate retention through Enterprise Zone status. Over 190 hectares of land will benefit from EZ status.

Humberside International Airport provides critical infrastructure to support new gas investment in the southern North Sea (mostly off the Humber in the Rough and York gas fields). It also supports the emerging off-shore wind sector both in terms of non-fixed wing aviation support and also in providing direct links to the major German and Scandinavian developers. The airport is home to the largest helicopter facility in England (second largest in the UK). A new £5m BAE Systems National training academy was built at Humberside Airport, providing up to 60 apprentice opportunities every year resulting in over 150 new jobs over three years. Whilst Humberside airport is seeing growth, particularly around new helicopter flights and a new hotel development, the airport requires some significant infrastructure improvements within the next 5 years to sustain this growth.

In developing the sector plan for our ports and logistics sector and continuing support for this key growth sector, we will:

- invest in strategic infrastructure projects which increase the capacity and competitiveness of our ports/logistics sector, including rail gauge improvements between 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 ro/ro and port-centric logistics by attracting a higher proportion of containerised freight with an origin or destination in Greater Lincolnshire and the adjoining area
- bring forward sites including the Able Logistics Park and SHIIP programme to support growth of the ports/logistics sector
- support employers to invest in Apprenticeships and adult training opportunities to generate entry level, intermediate and higher skilled jobs for Greater Lincolnshire residents.

- Work closely with business and promote the ports as a well-connected asset, 200 miles from Rotterdam, London and Edinburgh;
- The LEP will also consult with the relevant ports authorities in its area to determine the priorities for investment that the GLLEP can add most value to in a lobbying position.

Future Intervention priorities

Our future investment priorities for the ports and logistics sector include:

- Port access and employment programmes –to develop further job opportunities based on increased transport/logistics activity at our ports
- 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 access improvements (developed jointly with Humber LEP)

Health and Care

Our Health and Care Sector will be a vibrant sector which offers great career opportunities and provides the right environment for local research, innovation, technology and service provision that leads to economic growth

Our strategy: Innovation for Living

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. However, they also create significant opportunities for economic growth.

Since the launch of the Strategic Economic Plan, the LEP have approved a dedicated sector plan which sets out our commitment to championing a world-class health and care sector in greater Lincolnshire, which is strong and vibrant, and based on innovative and collaborative partnerships. 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 & 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 which are not currently served by it.

The LEP is seeking to join up local health and social care budgets, which is reflected in our Health and Care sector strategy. The sector plan also identifies the creation of a Greater Lincolnshire medical school as an important priority. The University of Lincoln and Lincolnshire County Council (public health) are working together on the opening of a post-graduate medical facility in October 2016, and our Further Education sector is working on vocational skills within the sector. This will require a specific dialogue with the Department of Health.

In order to deliver a new approach to health and social care, that will improve the quality of care, integrate services, reduce the burden on the taxpayer, and help to grow a new invigorated sector, we will:

- Foster an increased understanding of the Greater Lincolnshire's 'silver economy', and developing innovative and appropriate products and services for the future.
- 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 sector 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.
- Develop Greater Lincolnshire's role as a 'living laboratory' to pilot and roll out assistive technologies to support the management of long-term conditions.

- Develop the role of social enterprise, Community Benefit Societies and other new models of health and social care delivery, building on the success of the Care Plus Group and other innovative organisations across Greater Lincolnshire.

In order to accelerate the growth of Health and Social Care as a priority sector across Greater Lincolnshire, we are working with Government to develop

- devolution of the range of commissioning resources that support the health and wellbeing of Greater Lincolnshire people;
- greater coordination of Local NHS and Social Care Commissioners with a devolved place-based health & social care budget with a minimum four year settlement;
- integrated commissioning of all community services;
- joint commissioning of DCMS sports, physical activity, culture and arts programmes to align with local health and wellbeing strategies

Future Intervention priorities

Our future priorities for the health and care sector include:

- Changing the landscape of education and skills development across the health and care sector to establish a Career College, Post-Graduate Medical School and Graduate Medical School
- Enabling infrastructure investment to unlock development of the Lincoln Science and Innovation Park as a research hub, to include relocation of the School of Life Sciences, the provision of new incubator space and 'Living Lab' facilities
- Developing Apprenticeships and a wide range of adult training programmes to improve access to employment opportunities in the health and care sector
- Supporting the availability and development of leadership and management/supervisory and entrepreneurial skills offers
- Providing support to an emerging Personal Assistant Scheme and general retirement/extra care/respite care models and provision
- Developing the role of the not for profit sector in delivering health and social care services

Skills and Employment, Innovation and Promotion

Introduction

Innovation, skills, 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, and 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, attract the qualified staff into the area that they need as well as ensuring that our own residents are retained, and to provide a local identity that they can associate their products with.

We recognise that innovation is not just about advances in science and technology. It is the implementation of a new or significantly improved product, service, process, or workplace practice. Businesses owners that create internal capacity within their organisation to learn develop and use the talents and creativity of its entire workforce to the full will be far more likely to innovate.

Skills and Employment

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; difficulty in recruiting and retaining 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.

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. However, 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 are also very large numbers 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. Yet, the most recent statistics show that we don’t maintain this competitive advantage. Fewer of our 16-24 years old 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. Forecasting models have predicted that our businesses will need to fill around 200,000 jobs by 2022, and that there will be greater demand for more highly skilled workers in sectors that are traditionally seen as low skilled.

Given that our current (Dec 13) youth unemployment accounts for 29 per cent of all job seekers in Greater Lincolnshire, higher than 25 per cent nationally, we must have a 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 that will increase as we implement our growth plans.

Future Intervention

Our overall priorities for future education and skills investment in Greater Lincolnshire are based on the premise that in order to grow business owners need:

- a pool of suitable people from which to recruit, now and in the future
- access to training for new and existing staff and
- support to help them plan and articulate their current and future skills need, particularly our smaller SMEs

We know that there will be large numbers of job vacancies in the future and that demand for higher level, technical and managerial skills will continue to grow. In order for businesses to fill these roles we must support everyone in our communities, both in and out of work, and within our schools and Colleges, to raise their skills levels and understand the career opportunities available. We also need to encourage businesses to invest in intermediate and high level skills to support career progression and create new entry level employment opportunities.

We will seek local solutions to these challenges and develop sector specific responses, which recognise the importance of:

- Identifying the needs of employers and translating into clear skills pathways for our sectors
- Improving the perception of various sectors
- Enhancing skills and training information for businesses and for individuals
- Developing collaborative and coherent partnerships

As part of our strategic vision, the LEP has already established the **Greater Lincolnshire Growth Hub** at www.businesslincolnshire.com. This online portal will help local businesses access local, regional and national business information on advice and grant schemes, support programmes, events and networks contained in one place. Developed and managed in partnership with local business owners and private sector representatives, the site includes information on accessing finance, supply chain development, resource efficiency, business growth and information on employing and training staff.

In addition, we have a committed resource in the Greater Lincolnshire Employment and Skills Board (GLESB) 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. The GLESB will continue to commission activity that:

- Creates a network of specialist skills advisors, helping businesses, particularly SME's, to articulate their skills needs and supporting colleges and providers to develop training that better meets employer's needs. Advisors will provide us with intelligence on persistent gaps and that will be fed back into the system.
- Expands the work we have already begun through the 'Aspirations' publication, creating and inspiring interest in our most important sectors; promote vocational qualifications and support employers and schools to make greater links
- Develops a local resource that makes it easier for everyone to access information about industry, skills, workforce training and employer's skills needs.

In developing our programme of growth we must not overlook our existing Further Education 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.

Working with Government, we will undertake an Area Based review of post-16 education and training institutions from September 2016. This will to ensure that we have the right capacity to meet the needs of students and employers in our area that is provided by institutions which are financially stable and able to deliver high quality provision. The review will help to inform and develop a skills investment programme and local curriculum for Greater Lincolnshire that is tailored to meet the needs of our strategic priorities for growth.

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
- 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 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 glued together so that they yield greater impact for local businesses and communities

In order to accelerate delivery of our skills development priorities, we will also work with Government to enable Greater Lincolnshire to control:

- powers to reshape and re-structure local Further Education (FE) provision, in line with the Rural Productivity Plan;
- funding streams of Post 16 Education Funding Agency and Skills Funding Agency (SFA) budgets;
- responsibility for career information, advice and guidance (CIAG) for adults and young people;
- an increased role in the coordination of the delivery of professional and technical skills across the region to ensure that is responsive to local economic priorities.

Innovation

Despite the presence of the University of Lincoln's pioneering School of Engineering, developed in partnership with Siemens, business expenditure on research and development and levels of product/process innovation remain relatively low across Greater Lincolnshire. Driving our manufacturing sector 'up the value chain' through innovation therefore remains a major, long-term challenge.

Just 8% of businesses are engaged in R&D (the lowest of all 39 LEP areas) and 17% of businesses have undertaken product or service innovation³. Engaging Greater Lincolnshire's manufacturing businesses with appropriate sources of R&D/innovation expertise and technology transfer opportunities is vital if competitiveness and growth are to be sustained.

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 have 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 business. The National Centre for Food Manufacturing is working with the Technology Strategy Board and local business on a range of research projects. In Grimsby, the Food Refrigeration and Process Engineering Research Centre supports the growth of the area's agri-food sector. 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), or process, or marketing method, or 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. 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.

Since the launch of the SEP we have established a new Innovation Council, chaired by the University of Lincoln, which will

- Develop strategic guidance as a framework for innovation activity
- Become the authoritative voice for innovation, representing GL interests locally, nationally and internationally
- Identify innovation priorities, consistent with the general objectives of the SEP but challenging assumptions to ensure the SEP fully addresses the innovation needs of GL

3 Benchmarking local innovation – the innovation geography of the UK, Roper, Love and Bonner, Enterprise Research Centre, 2015

- Set out short term actions and identify long term vision for innovation in Greater Lincolnshire
- Embrace open innovation thinking, looking to establish collaborative relationships across LEP boundaries
- Promote awareness raising and actions that support a culture of innovation

Our future 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
- Build up to an Innovation Programme that comprises a co-ordinated package of: Knowledge-intensive business services, support for patenting and licencing, facilitating networks and access to research funding;

Promotion

Most businesses that we have consulted have 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 a strong role for both the public and private sectors in promotion

As part of this process, we have formed a **Framework for Investment and Growth in Greater Lincolnshire** to outline how place marketing in Greater Lincolnshire can successfully support and achieve our aspirations for growth. This strategy will set out how we will broadcast Greater Lincolnshire to a wider audience and boost investment by:

- attracting and retaining businesses
- supporting businesses to create jobs
- appealing to new and highly skilled residents and students
- and enticing visitors and employees to Greater Lincolnshire

We recognise that attracting new investment is not exclusively about marketing individual places. Instead, we will work on understanding and providing the specific information which businesses, visitors and employees need to inform their location and investment decisions. We will also work with our local business community to create a powerful and authentic image of how businesses are operating successfully in Greater Lincolnshire, and promote these strong messages to visitors, investors and the media.

We will draw on our expertise, research and feedback from a variety of businesses to explore what investor audiences are likely to want and how we can attract them through providing specific information on:

1. Investment opportunities
2. Business Intelligence
3. Quality of life
4. Account management/Business support

Our Goals Include:

- Attracting, developing and retaining relationships with investors through providing a single point of contact.
- Supporting foreign owned companies and large indigenous companies with the aim of retaining and increasing the workforce and/or investment.
- Bringing together networks of companies to cooperatively market Greater Lincolnshire.
- Concentrating promotion on specific sectors so skilled individuals have confidence that there is career progression within the area.
- Utilising thematic projects to collaborate across district and county boundaries ensuring the industry is joined up and aligned with the government's ambitions to grow the visitor economy outside of London.

SECTION 3: PLACE

A Place to Invest

So that Greater Lincolnshire remains attractive for developers, we will promote and champion further investment in:

- Housing and Communities
- Environment and Heritage
- Transport
- Water Management
- Utilities

These activities focus on strengthening Greater Lincolnshire's status as a place where people want to live, work, invest and visit. They have been aligned with the various planning policy documents that are emerging or already adopted across Greater Lincolnshire. This provides a strong local 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 alongside investment in the new infrastructure that is necessary to enable this growth and safeguard the delivery of our strategic objectives.

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 built⁴. Greater Lincolnshire is committed to facilitating housing growth, with Local Plans committed to the delivery of 100,000 new dwellings to 2031. The housing will be concentrated in the main urban centres of the County but will also allow for considerable growth in rural areas.

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 market available to them. An area needs to have attractive starter homes and family housing available 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 being offered will attract people into the towns and city, increasing the spending. This includes retail opportunities across the spectrum from lower cost food options to high end supermarkets and boutique smaller localised shops. Also, we 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.

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

Since the launch of the Strategic Economic Plan, the LEP has already supported the delivery of the following housing schemes and initiatives

- **Lincolnshire Lakes Blue and Green Infrastructure, Scunthorpe** - first phase works on the Lincolnshire Lakes scheme creating a lake, sustainable drainage system and green infrastructure to unlock new housing development
- **Unlocking Rural Housing Programme:** a LEP wide programme to enable new housing and tackle the twin challenges of delivering housing in areas of low land values and flood risk
- **Boston Quadrant, Phase 1a** mixed use development that will enable housing and employment land to be developed and deliver a new distributor road to reduce congestion in the town centre
- **Peppermint Interchange, Holbeach** - road infrastructure and highway improvements to unlock new employment land and housing development
- **Golf Road Development, Mablethorpe** - mixed use scheme on a total site of 37 acres. LEP funding secured to meet the high upfront costs of site preparation, access and infrastructure works to accommodate redevelopment of the site

⁴ Chartered Institute of Housing

In order to support continued housing delivery and business growth, we will:

- Plan and deliver infrastructure and housing in the right places to support business growth
- Support an area based focus to align regeneration and growth in our key towns e.g. Lincoln, Gainsborough, Grimsby, Scunthorpe, Grantham.
- Look at the tenure and quality of new housing to suit the aspirations and needs of existing and new employees in new and growing businesses
- Identify opportunities for funding packages of private and public sector funding, working with housing companies where they emerge
- Support skills development, innovation and growth in companies in the housing sector
- Support a capacity building programme across public, private and third sectors to deliver exemplar large housing/place developments

To further accelerate our strategic priorities for housing growth, we recognise the need to work with Government in order to deliver

- enhanced powers to allow local councils to use short hold assured tenancies, remove borrowing caps and allow councils and Registered Providers (RPs) to use prudential borrowing., and to allow financing through a council's general fund.
- to increase and improve the quality and affordability of housing supply through
 - the One Public Estate approach for land, including control over nationally held public assets;
 - freedom to develop local housing rules on right to buy and housing stock financing and management;
 - the pooling and devolution of central government and HCA resources into a Housing Investment Fund;
 - devolved power for both Registered Providers and Local Authorities to set rents and retain right to buy receipts;
 - a unique deal that specifically tackles the underlying causes of in- work poverty including linking the payment of Housing Benefit to the delivery of certain minimum housing standards in the private rented sector.

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.

The shifting retail patterns, ageing townscapes and changing communication mechanisms have provided 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.

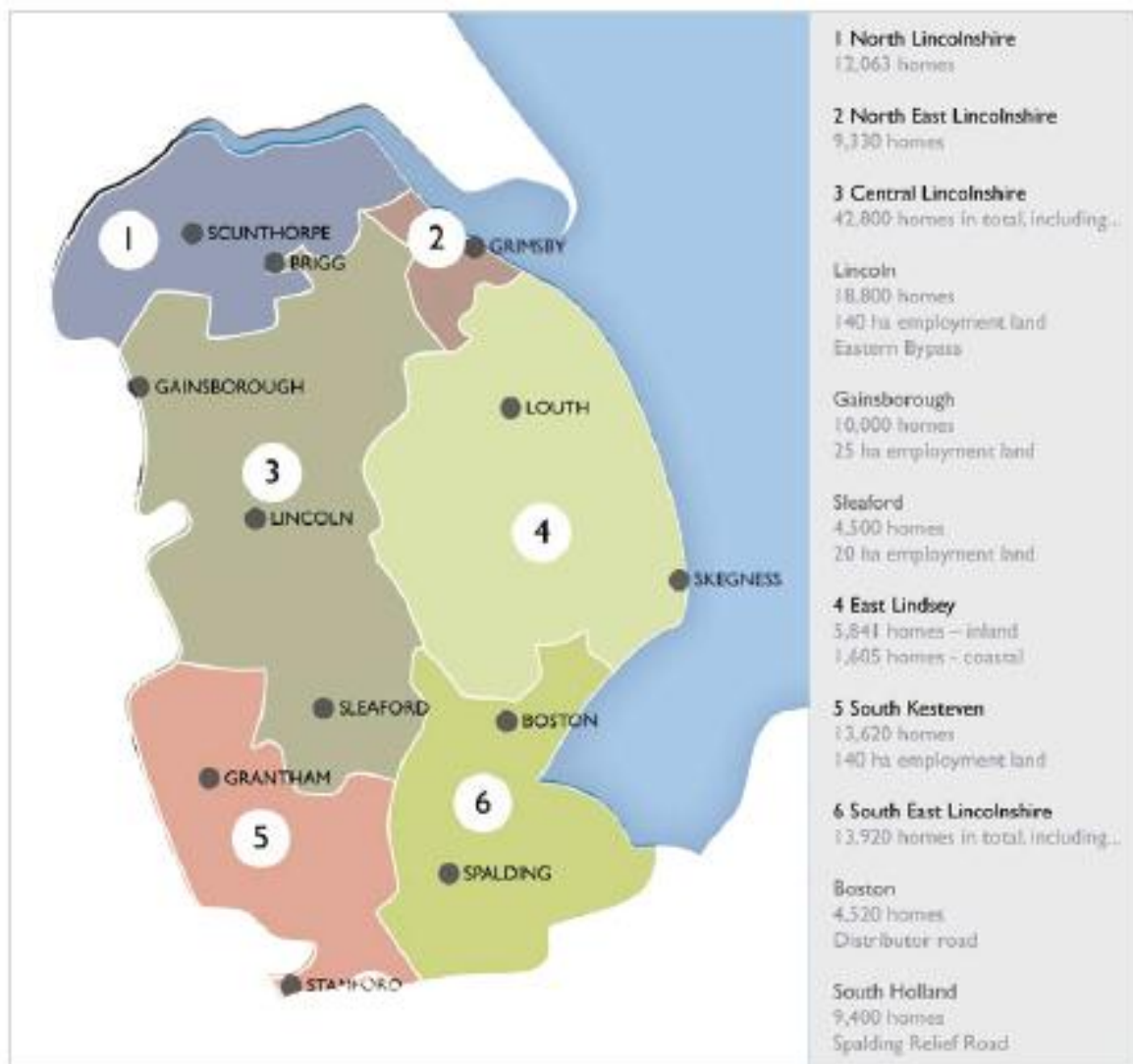
Enterprising communities

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 will also support the creation of community hubs where library services, training centres, community cafés, micro and SME business support and networking can operate from. There will also be capacity support for small businesses including private and voluntary and community Sector – potentially to lead to community investment projects, ICT innovations, support to Lincolnshire's Heritage and social enterprise development.

The growth opportunities presented will include investment in areas that need to be enhanced to provide an attractive offer for new town centre housing opportunities. Where larger sites come forward for development this will allow the housing offer to progress to meet the needs of communities generated by the expected economic growth. Support for rural housing also needs to be considered, to enable the expected delivery of affordable housing.

The diagram below shows employment land and housing growth ambition across the Greater Lincolnshire area. In order to achieve this level of growth we need to overcome significant barriers which 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 which relate to the specific nature of our area.



Need final check on housing numbers and employment land allocations

These include the predominance of smaller sites, 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.

Transport

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 processes.

Our 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.

Demand for the movement of people and goods will continue 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, 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 visitor economy will also benefit greatly from improved access on the east of the greater Lincolnshire area.

We also recognise the pre-eminent role of councils in developing transport strategies through their Local Transport Plans. 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
<ul style="list-style-type: none"> • Inter + intra-regional access to a support a growing economy • Access to services, jobs and leisure • Well managed and safe environment 	<ul style="list-style-type: none"> • Facilitate economic growth • Protect and enhance the natural environment • Improve transport safety & security 	<ul style="list-style-type: none"> • Enable sustainable growth • Improve journey times • Better access to markets • Support regeneration and employment

The GLLEP has already supported successful bids for transport investment through various funds, including:

- **Grantham Southern Relief Road** - a new relief road, bridge and connections that will enable major housing and employment land to be developed and reduce traffic congestion in the town centre
- **Lincoln Eastern By-Pass** - to minimise traffic congestion, support Lincoln's growth as a principal urban centre, and enhance the inter-city environment. A planning application for a single carriageway was granted in June 2013. The bypass will serve as a step towards the completion of an eventual ring road around Lincoln
- **Lincoln Central Transport Hub** a new bus station, pedestrian footbridge and car park, integrated with the train station and connecting to the Science and Innovation Park, improving transport linkages to attract new investment
- **Berkeley Circle Highway Improvement, Scunthorpe** junction improvement to reduce congestion and enable the development of planned housing, commercial and leisure investments.

- **Access to Employment Zones, Grimsby** junction improvements on the A16 and A46 routes to and from Grimsby, enabling the development of new housing and employment sites
- **Go Skegness** sustainable transport projects including junction and pinch point enhancements, new pedestrians and cyclist facilities, a seasonal park and ride site; and real time passenger information
- **Tentercroft East-West Growth Corridor, Lincoln** mixed use development to enhance public transport and pedestrian flows to enable the development of new housing and employment sites.
- **Nottingham to Lincoln train enhancements** A proposal has been drawn up by lead partners to enhance service and capacity between Nottingham and Lincoln for a three year period

In identifying our local priorities to enhance transport provision and infrastructure, we will identify economic priorities and assist local authorities to develop complementary transport strategies. Similarly, the GLLEP will identify its priorities to help shape the plans of Highways England, Network Rail, Train Operating Companies and other transport operators. By identifying priorities the opportunity will exist to ensure that the Government control of funding can be influenced.

Road

The LEP Board have agreed a roads investment strategy which identifies key transport corridors within Greater Lincolnshire that are most likely to contribute to growth in existing centres and along which new growth could be prioritised as:

- South Humber Corridor: M180/A180 from A1 to Grimsby/Cleethorpes
- East Midlands Coastal Way: A46 Newark to Lincoln and A158 Lincoln to Skegness
- Mid-Southern Lincolnshire Corridor: A17 Newark to Kings Lynn
- Ermine Street North Corridor: A15 Lincoln to M180 to Humber Bridge
- Lincoln Corridor: A46 to and around Lincoln
- A52 Grantham to Boston
- East Coast Link: A16 Peterborough to Grimsby:

We will also prioritise investment towards

- **Transport pinchpoint schemes** which provide funding for small scale improvements in a group of recognised transport bottlenecks, relieving congestion and assisting with the movement of goods.
- **Sustainable transport schemes** in order to improve local transport, promote sustainability, and reduce transport's negative impact on the environment.

We further recognise that economic growth will be delivered faster and more effectively through:

- an amendment to the Highways England programme to produce faster east-west links as set out in the Midlands Engine commitments;
- a commitment from the Department for Transport to allocate funding within its second Roads Investment Strategy for 2020;
- recognition of the major road corridors within Greater Lincolnshire that fulfil a national role in moving people and goods:
- rationalisation of the appraisal process for transport projects;
- powers to adopt bus service franchise powers and apply a discounted fuel duty scheme to support transport in rural areas;
- phased implementation of the outcomes of the GLLEP's rail strategy, which supports the Midlands Engine commitment to improving rail services.

The LEP Team have also been actively supporting the **Midlands Connect** consortium to champion the economic case for strategic transport investment towards a Greater Lincolnshire growth corridor

that will transform transport connectivity between the east and west of the region and help rebalance the UK economy as a whole.

Rail

The LEP have commissioned a rail study to address network and service improvements that are needed for both passengers and freight movements to deliver accelerated growth. The Rail Strategy makes strong arguments for investment in the Greater Lincolnshire rail infrastructure – and will be by LEP partners:

- as a lobbying tool for investment in the revised East Midlands Train Franchise renewal;
- to influence the development of the Long Term Rail Strategy for the North of England;
- to lobby for enhancements to connectivity where the Greater Lincolnshire rail services terminate in a Transport for the North city;
- to lobby Midlands Connect for service enhancements;
- to continue to work with Virgin Trains to ensure the enhanced offer of the direct rail service Lincoln to London is delivered;
- as a catalyst to discuss the rail offer in more rural areas suffering rural transport deprivation;
- to collectively lobby for additional investment in Greater Lincolnshire Rail infrastructure.

Flood Risk & Water Management

Water management is fundamental to Greater Lincolnshire. This is not only because it provides valuable services that underpin our environment, economy and quality of life, but also because of our geography. Around 39% (2,761 km²) of Greater Lincolnshire lies within the floodplain and the area has been affected by a number of significant coastal and inland floods, most notably in 1953, 2007 and 2013. Conversely, Greater Lincolnshire is also one of the driest areas 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.

The Greater Lincolnshire Local Enterprise Partnership therefore considers the effective management of flood risk and water resources to be a critical factor in enabling economic growth in our area. The strength of existing and longstanding partnership working in flood risk management in Greater Lincolnshire provides an opportunity to develop this further and to drive links with organisations responsible for water supply and management. Our aim is for Greater Lincolnshire to be seen as a national exemplar for water management; both flood risk management and water supply, so that this plan acts as an incentive for investors in our priority sectors. This will enable effective water management to be a positive contributor to economic growth.

In achieving this aim, the LEP believes that close collaboration with the neighbouring LEP areas (Humber, New Anglia, Greater Peterborough and Greater Cambridgeshire) is essential as these areas share many important economic challenges and opportunities. Water does not respect administrative boundaries and for effective flood risk management or water provision, the Greater Lincolnshire LEP will work with neighbouring areas.

We are also conscious that more investment in water management is needed, but that the historic models of funding on their own cannot meet future needs, not least because of constraints on public funding. It is, therefore, essential to develop new partnership based funding models which unite public, private and community level investments.

We are developing an integrated approach to water that 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, recreation and improved biodiversity. This will move us from just managing water toward managing water sustainably and help ensure Greater Lincolnshire is fit for the future, improve our competitiveness.

Greater Lincolnshire is a major area of agricultural production and food manufacturing that contributes significantly to UK food security. Greater Lincolnshire accounts for 25% 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 not simply a local priority.

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. Our coast, which is a major part of our visitor economy, is particularly vulnerable to the impacts of climate change and sea level rise. We are committed to working with partners to secure flood risk management through the sustainable development of our coastal economy whilst protecting our communities. These impacts are also felt 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 affecting the potential of these towns to drive growth and provide development opportunities. The LEP will seize this opportunity to harness the potential of effective flood risk management to boost and local growth.

The importance of water management in Greater Lincolnshire and our established expertise in managing flood risk provides an opportunity to explore innovative approaches across the whole range of water management activities. No other part of the country is taking this comprehensive approach or has identified water management as such an essential factor in bringing about economic growth.

The LEP Board has identified a detailed programme of intervention that will enable, promote and delivers sustainable growth across Greater Lincolnshire, under three main themes:

Theme 1: Education, research and training

Theme 2: Water provision for growth (with Water Resources East Anglia)

Theme 3: Flood risk reduction

In order to accelerate the delivery and impact of our strategic priorities for water management, we will also negotiate with Government to implement:

- delegation of decision-making powers over flood risk management priorities from national to the local level;
- tax incentives for agri-food businesses and the steel industry to develop water resources or water efficiency measures on their sites;
- freedom to extend the arrangements for tax relief for businesses contributing to flood relief schemes;
- devolution of the EA powers around flood risk operations and use of the capital funding within the Medium Term Programme (MTP).

Future Intervention priorities

- Integrated water management of the Black Sluice catchment
- Wrangle Wash Banks flood scheme
- Haven Banks (Boston) flood scheme
- Sustainable Management of the open coast
- Fossbank – Lincoln flood scheme
- Cleethorpes flood scheme
- Killingholme Marshes Drainage Improvements
- A1077 Highway Improvement & Flood Alleviation Scheme South Ferriby
- East Halton (North Killingholme) Flood Defence Scheme
- Boston Barrier
- Flood risk mitigation solutions for the Lincolnshire Lakes and the Western Growth Corridor

Infrastructure

We know that providing a reliable and sustainable utilities infrastructure will allow us to realise our strategic ambitions and growth potential. The provision of these services is equally critical to the growth of fully sustainable communities. However, infrastructure funding and delivery is a key risk in plan-making and project delivery. The size of our LEP area, and the subsequent remoteness of some sites that are suitable for development, can mean that the current provision of roads, water, sewerage, energy services and telecommunications may be insufficient to accommodate the level of growth required. Experience has shown us that many local investments can become stalled due to the limited availability of utilities and the relative cost of upgrading the necessary infrastructure.

We also recognise that infrastructure delivery requires strong leadership. The LEP Board will therefore work to ensure greater clarity on future infrastructure requirements and delivery through an integrated **Infrastructure Investment Plan for Greater Lincolnshire**, which will embrace all types of infrastructure: transport, power, water and flood defence. This will be informed by our sector and place priorities for economic growth. There may be additional drivers that will ultimately shape investment, such as social need and environmental imperatives. Hence it will be important to work with local councils, other parts of the public sector and utility providers in order to promote Greater Lincolnshire's case for investment. This coordinated approach (aligned to the agreed priorities within the SEP) will ensure a 'single conversation' approach to effective delivery programmes.

Good progress is already being made. The GLLEP works closely with upper tier councils in determining transport and highways priorities. The overall objective of the Infrastructure Investment Plan is to provide a robust and up to date picture on planning for infrastructure in Greater Lincolnshire. It will thereby allow more productive discussions with local plan-making authorities. The intention is to clearly understand opportunities and constraints affecting Greater Lincolnshire in relevant areas to promote collective working on delivery solutions. The overall aim is to support the delivery of growth by setting out key priorities and our strategy to address the infrastructure funding gap.

Cross boundary working also needs to be explored further given that infrastructure rarely stop within local authority or LEP administrative boundaries. Businesses need to be assured that connectivity and access to supply chains, airports, key sites, and potential employees are being looked at as part of the mix when priorities are determined.

In order to ensure we can deliver a reliable and sustainable utilities infrastructure to support growth, we will seek to:

- Improve connectivity between markets by delivering new/improved road, rail, port and airport links.
- Support the delivery of high quality employment sites and modern, flexible commercial properties in key locations
- Take a stronger role in dialogue with utility providers so that the case for investment in Greater Lincolnshire's utilities is better promoted and understood
- Deliver excellent digital communications and mobile phone coverage
- Support the development of initiatives that will encourage innovation in digital products and services, and ensuring that strategic business sectors have the skills necessary to fully utilise enhanced digital connectivity and broadband infrastructure

SECTION 4: OUTPUTS AND IMPACT

Governance (re-draw diagram in published doc)

We are committed to the following key principles of a well governed Local Enterprise Partnership, in ensuring that

- Systems are in place for effective financial management
- A lean, senior board gets things done
- Board decisions are well informed and progressed
- Public sector delivery is aligned with the SEP
- The private and public sector works together on setting and delivering strategy

LEP BOARD

- articulate and lead a transformational economic growth strategy for the area;
- ensure support and alignment of strategic objectives across lead delivery partners and organisational boundaries;
- influence and lobby Government for new investment and delivery mechanisms to accelerate economic growth;
- actively champion and promote local investment opportunities on a national and international scale

Public Sector Policy Alignment

- Lead Economic Development Councillors
- Leaders Board
- Joint Strategy Unit
- Housing Infrastructure Group
- Delivery Infrastructure & Growth Group
- District Leaders and LEP Chair

Coordinate strategic leadership, direction and guidance on priorities for spatial planning, infrastructure, housing, transportation, economic growth and skills. Support the integration and alignment of investment priorities and resources across the GL LEP area and organisational boundaries.

Local authorities, Environment Agency, Homes and Communities Agency, BIS Local, University of Lincoln

Approval & Monitoring

- Finance & Audit Committee
- Appointments Committee
- Investment Board
- ESIF Committee

Make and inform investment decisions through project assessment, prioritisation and scrutiny.

Ensure financial regularity and propriety through regular monitoring and reporting of progress and performance on approved expenditure / supported activity

LEP Board, Accountable Body, Managing Agents (DCLG, DWP, DEFRA) BIS

Private Sector Engagement

- Employment & Skills Board
- Business Lincolnshire Growth Hub
- Water Management Board
- Food Board
- Forum for Agriculture and Horticulture
- Manufacturing Task and Finish Group
- Strategic Tourism Group

Project a unified industry voice for key sector support needs across Greater Lincolnshire. Facilitate the development and implementation of sector plans and activity to increase growth and productivity. Identify opportunities for local companies to support and promote investment in skills and infrastructure.

Private Sector, Skills, Education and Support Providers, Environment Agency

Ability to Deliver

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 has delivered almost ¾ of the strategic projects currently contracted, with great success. This includes council investment of 37.7m that has attracted 110.8million 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 need, for example combining funding to deliver schemes at transport pinch points, and new approaches to skills training.

The areas 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;
- Utilising 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:

- Secured over £82.3m of direct new investment into Greater Lincolnshire through our Growth Deal with Government
- Opened a £9million 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 Greater Lincolnshire 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 the ability to lead the delivery of its Strategic Economic Plan.

The Greater Lincolnshire LEP has always described its boundaries as permeable, and 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.

Outputs and Impact

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 have been 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 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 and 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 research⁵ and analysis of previous funding EU programmes, we anticipate that the following outputs could be achieved.

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

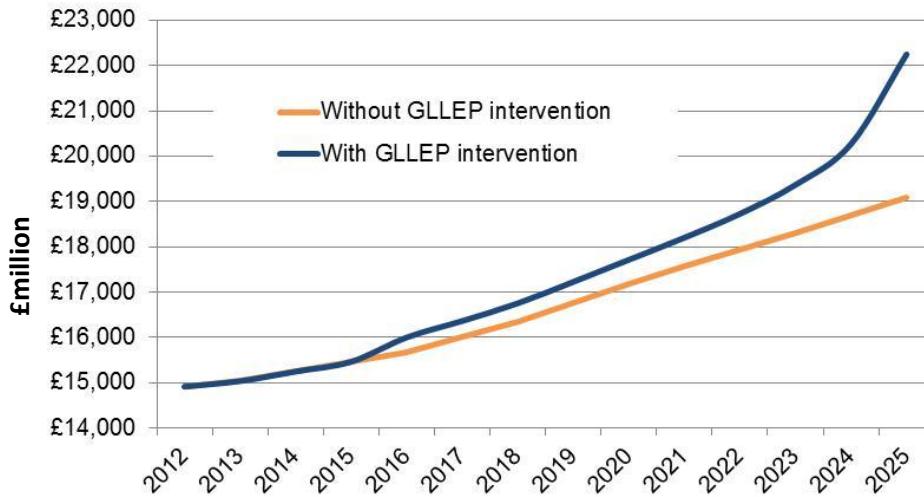
On the basis of the assumptions about funding available locally, between now and 2021 we can expect to spend around £153m on 'Business & Employment' projects, and around £237m on 'Place' projects. If that is the case, then we could anticipate achievements of the following order:

£390m spend =	Project Type		Total
	Business & Employment	Place	
Jobs created (Gross)	8,011	5,109	13,119

⁵ Valuing the Benefits of Regeneration, Department for Communities and Local Government, December 2010

Business 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 available 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 for 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 then 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 at achieving value for money through collaborations and targeted investment:

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 of the Agri-food, logistics and renewable energy sectors in the county to work more closely to share knowledge and resources.

Monitoring and Evaluation

The Greater Lincolnshire LEP (GLLEP) Monitoring and Evaluation Framework sets out how we will monitor delivery of the projects agreed with government and the levels and forms of evaluation that they will undergo. The purpose of this framework is twofold. Firstly, it sets out what the GLLEP, through its Accountable Body of Lincolnshire County Council, expects from project leads / managers / sponsors by way of monitoring data and information in the delivery of schemes. Secondly, it details how this data and information will be used, to both report progress to various stakeholders, and as part of the evaluation process.

The framework document sits alongside additional documents which detail the joint commitments between GLLEP and the Government, including:

- A funding agreement between the Government and the accountable body acting for and on behalf of the GLLEP;
- An Assurance Framework that establishes how GLLEP will ensure value for money across the range of interventions;
- An Implementation Plan that sets out how the GLLEP and the Government will make the Growth Deal operational through clearly identified activities, responsibilities and milestones;
- A Strategic Communications Plan that sets out how the LEP and Government will work together on communications activity

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Open Report on behalf of the Executive Director for Environment & Economy

Report to:	Economic Scrutiny Committee
Date:	23 February 2016
Subject:	Tourism Review

Summary:

This report sets out the findings of the review into the council's approach to tourism development.

It was carried out by Councillors B Adams, A Bridges, and Mrs J Brockway and was done in the context of reducing budgets and of consolidating the outcomes of 2015, Lincoln Castle Revealed's opening, and the good publicity that was received as a result of that work.

The report has identified recommendations for the Council to undertake itself – especially PR work, for the Council to undertake in partnership – especially strengthening the role of the www.visitlincolnshire.com website, and in support of the private sector – especially addressing the demand for hotel accommodation.

Actions Required:

It is recommended that the Economic Scrutiny Committee supports the following recommendations from the Tourism Review Group:

Recommendation 1:-

Lincolnshire County Council (LCC) should maintain a focus on PR, building on the successes of the Lincoln Castle Revealed scheme.

Recommendation 2:-

LCC should develop spectacular tourism schemes, based around significant anniversaries in Lincolnshire's heritage.

Recommendation 3:-

LCC's economic development unit should prepare information which demonstrates the economic value of tourism.

Recommendation 4:-

LCC should reduce the input it gives to www.visitlincolnshire.com, enabling Lincolnshire Chamber of Commerce to deliver its responsibilities for the website. LCC should broker strong relationships between Lincolnshire Chamber of Commerce and district councils, using South Kesteven District Council's (SKDC) offer of assistance as a pilot for this approach.

Recommendation 5:-

LCC should focus its attendance at tourism trade fairs on the PR/press aspects, but be prepared to join Lincolnshire partners' presence at those fairs as necessary.

Recommendation 6:-

LCC's economic development team should actively support tourism businesses with their growth plans.

Recommendation 7:-

LCC should work with the Greater Lincolnshire Local Enterprise Partnership (GLLEP) and other partners to assess the detailed demand for hotel accommodation in Lincolnshire, and then implement a promotional strategy.

1. Background

An action arising from the Fundamental Budget Review was the need to conduct a tourism review.

This review was conducted by three members of the economic scrutiny committee -Councillors B Adams, A Bridges, and Mrs J Brockway with input from Justin Brown (Enterprise Commissioner) and Mary Powell (Commissioning Manager for Tourism). The review group met on three occasions in December 2015 and January 2016.

The purpose of the review was to seek best value from the Council's Tourism Development budget which sits within the Economic Development structure. The review concentrated on LCC's tourism development, not on tourism services that the Council operates (eg heritage sites) or on the wider approach to tourism in Lincolnshire.

In 2015/2016, the Council's tourism budget was £150,000 which includes staffing as well as operational costs. This figure will reduce in the 2016/2017 budget. Current tourism activity includes: advice on tourism projects and attraction of funding to projects; PR contracts to raise the county's profile in the press; intensive support for the www.visitlincolnshire.com website; and co-ordination of partnership groupings.

Current tourism services

The main tourism activity that the Council has undertaken in recent years is Lincoln Castle Revealed. In addition to managing the physical build at the Castle, the tourism team has managed a series of promotional activities which have raised the profile of Lincoln and Lincolnshire greatly.

A summary of the outcomes of the promotional activity is attached as Appendix A to this report.

Learning from the success of Lincoln Castle Revealed

The management of the promotional activity provides useful background information for the review. Experience from this work has shown that:

- Having a spectacular tourism product of national scale will generate national press interest, but the national press are only interested in nationally scaled products. Building a relationship with the national press takes a substantial amount of time investment, but when the press want to visit an area then they expect a very quick and dedicated response.
- Significant investments in tourism can stimulate partnership activity which in turn has a benefit to the area.
- The "attract and disperse" model works well, but partners, businesses and the public are often unaware of that model.
- Many tourism businesses do not respond quickly to the opportunities that investment in tourism can offer.

The tourism review group used this analysis as the basis of its review, and it discussed its emerging outcomes with Mark Hibbert, a PR consultant who has promoted tourism in Lincolnshire for some years. Mark's advice was that national press will run stories that are new, quirky, different, and off the beaten track.

Findings of the review

The review made three significant findings - what LCC should do, where LCC should work with partners, and how LCC should help businesses to help themselves.

What LCC should do:

LCC, through the contract it has commissioned from Mark Hibbert, has established a strong relationship with the national tourism press. This relationship is the product of a long term investment, and it would be a substantial risk to cease investment in that relationship. The PR relationship is relatively low cost, and it has been shown to achieve a great deal.

Lincolnshire has a strong heritage based on its rural areas, engineering history, and contribution to the development of the world. Most areas could argue the same point, but by interpreting our heritage in spectacular and fun ways we will be able to "stand out from the crowd" and to attract mass and niche markets. As the

operator of heritage sites, LCC has a strong role to play in this. Anniversaries, such as Charter of the Forest, RAF, and Mayflower provide a hook for this work.

A successful tourist economy relies on investment by others - in skills and infrastructure for example. However, with increased pressures on public funding then it will be important to make a strong case for investment in tourism activity. This will need to be based on detailed economic facts such as those held by the Economic Regeneration department.

Recommendation 1:-

LCC should maintain a focus on PR, building on the successes of the Lincoln Castle Revealed scheme.

Recommendation 2:-

LCC should develop spectacular tourism schemes, based around significant anniversaries in Lincolnshire's heritage.

Recommendation 3:-

LCC's economic development unit should prepare information which demonstrates the economic value of tourism.

Where LCC should work with partners:

The Council took the decision three years ago to transfer operation of the www.visitlincolnshire.com website to Lincolnshire Chamber of Commerce. The Council has had a substantial amount of input to the transition phase, but that phase is now completed. At the same time, district councils are contributing significantly to the website and they will often have good news stories and current local knowledge which will make www.visitlincolnshire.com an attractive website to visitors. SKDC have offered to pilot some work in this area.

Attendance at trade fairs such as Best of Britain and Ireland or World Travel Market can be successful. However, other attendees at these fairs can offer the type of specific and practical visits that are best promoted at local level. Attending the press centre at trade fairs like these will provide Lincolnshire with the necessary connections to promote the county better. It is proposed to focus on US connections at World Travel Market through an officer visit at the event.

Recommendation 4:-

LCC should reduce the input it gives to www.visitlincolnshire.com, enabling Lincolnshire Chamber of Commerce to deliver its responsibilities for the website. LCC should broker strong relationships between Lincolnshire Chamber of Commerce and district councils, using SKDC's offer of assistance as a pilot for this approach.

Recommendation 5:-

LCC should focus its attendance at tourism trade fairs on the PR/press aspects, but be prepared to join Lincolnshire partners' presence at those fairs as necessary.

How LCC helps businesses to help themselves:

Business leaders in all sectors can be split into two types - necessity entrepreneurs and opportunity entrepreneurs. A necessity entrepreneur will lead their business either because that is their way of gaining employment or because they simply want to run that business. Opportunity entrepreneurs will want to grow their business, taking risks and making investments in order to take advantage of the opportunities that are presented to them. Generally speaking, the tourism sector has more necessity entrepreneurs than opportunity entrepreneurs. The experience from Lincoln Castle Revealed is that more businesses could have taken advantage of the opportunities than actually did. Those businesses who do want to invest in tourism products should, however, be actively supported.

The review also explored levels of competition within the accommodation sector. There is an emerging picture that demand for accommodation is outstripping supply, and this is perversely leading to a lack of investment by existing operators. In order to increase competition and of course to increase supply, there is a need to attract further investment in visitor accommodation.

Recommendation 6:-

LCC's economic development team should actively support tourism businesses with their growth plans.

Recommendation 7:-

LCC should work with the GLLEP and other partners to assess the detailed demand for hotel accommodation in Lincolnshire, and then implement a promotional strategy.

National perspective

It is important that the Council's tourism activity is aligned with that of the national tourism strategy. David Cameron recently announced a five-point plan for tourism which is set out below:

- A better co-ordinated sector: the sector is too fragmented - we want to see local attractions and tourism organisations collaborating to grow the sector for everyone not competing.
- Skills and jobs: Driving and retaining talent in the sector to encourage growth.
- Common sense regulation: Reforming regulation sensibly to drive competition and improve the tourism offer for visitors.
- Transport: Forging innovative links between the transport and tourism sectors to help visitors travel outside of the capital.

- An improved welcome: Delivering a world class welcome at the Border.

Clearly, the plan's focus on better co-ordination and on transport are directly relevant to the outcomes of the council's tourism review. Therefore the recommendations of the review are consistent with government strategy.

2. Conclusion

In summary, the review of tourism has been a useful exercise which has identified 7 meaningful priorities for LCC to implement.

The review group has shown an interest in supporting the activity regularly, and it is proposed that the group meets twice per year. It will also be beneficial for officers to receive support from these members at events and other tourism initiatives.

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	Lincolnshire - STEAM 2014 - Summary

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 Justin Brown, who can be contacted on 01522 550513 or justin.brown@lincolnshire.gov.uk.



Lincolnshire's Visitor Economy

This is a summary of the annual tourism economic impact research undertaken for Lincolnshire County Council by Global Tourism Solutions (UK) Ltd.

The county received
18.58 million
Tourism Visits during 2014

Visitors **staying across Lincolnshire** as part of a holiday or short break, accounted for **3.3 million visits** and **12.8 million nights** in local accommodation

28 million Visitor Days and Nights generated by visitors to Lincolnshire in 2014

A total of **£1.266 billion** was generated within the local economy through visitor and tourism business expenditure

15.28 million tourism visits made by Day Visitors



Visitor Numbers +0.8% between 2013 and 2014



Day Visits generated £531 million for the local economy in 2014

Visitors to the county play a vital role in supporting nearly **19 thousand full time equivalent jobs**



In total, **staying visitors** generate a **total economic impact of £736 million** for the businesses and communities of Lincolnshire



Visitors **staying in Lincolnshire** spend a total of **£146 million** on local accommodation, staying 3.9 nights on average



Economic Impact +5.9% between 2013 and 2014

Total Visitor Days and Nights +2.2% between 2013 and 2014, accounting for an **additional 616,000 days and nights**

2014

Total
Visitor
Numbers
18.58m

% Change
2013>2014
+0.8%

Net Change
2013>2014
**+153,000
Visits**

Visitor Types

Staying Visitors encompass all tourists staying overnight for at least one night in one of the following types of accommodation:

- **Serviced Accommodation** - including Hotels, Guest Houses, B&Bs, Inns
- **Non-Serviced Accommodation** – including Self-Catering properties such as Houses, Cottages, Chalets and Flats, as well as Camping and Caravanning, Hostels and University / College accommodation
- **Staying with Friends and Relatives (SFR)** – unpaid overnight accommodation with local residents

Day Visitors visiting the area on a non-routine and non-regular leisure day trip from a home or holiday base

Visitor Numbers

In 2014, there were an estimated 18.58m tourism visits to Lincolnshire, 0.8% higher than in 2013.

Key Figures: Visitor Numbers

Visitor Numbers		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
2014 (Millions)	M	0.905	1.296	1.107	3.308	15.276	18.584
2013 (Millions)	M	0.905	1.283	1.100	3.288	15.143	18.431
Change 13/14 (%)	%	+0.0	+1.0	+0.7	+0.6	+0.9	+0.8
Share of Total (%)	%	4.9	7.0	6.0	17.8	82.2	100.0

Day visitors to Lincolnshire accounted for 82.2% of all visits, totalling 15.276m. Day visits increased by 0.9% from 2013 levels, with a mix of very positive performance in the run up to and including Easter (+14.7% March and April, combined), followed by a fall of -0.8% between May and August.

The staying visitor market saw a marginally lower level of growth with +0.6% change in visits compared to 2013. The largest group of visits in the staying visitor market used *non-serviced accommodation*, covering the wide range of accommodation including camping and caravanning, self-catering holiday homes and hostel style accommodation. The 1.3m visits using non-serviced accommodation accounted for 7% of all visits to the county, and showed a growth of 1% between 2013 and 2014. *Stays with friends and relatives*, with a total of 1.1m during 2014 were the second largest staying visitor group at 6% of all visits, up 0.7% on 2013. The *serviced accommodation* sector generated 0.9m visits during 2014, accounting for 4.9% of the total number of visits to the county and remaining largely static compared to 2013.

**Total
Visitor
Days**
28.07m

**% Change
2013>2014**
+2.2%

**Net Change
2013>2014**
**+616k
Visitor Days**

Visitor Days

Lincolnshire’s 18.58m tourism visits during 2014 generated a total of 28.1m visitor days / nights spent within the county, an increase of +2.2% between 2013 and 2014. Visitor days to Lincolnshire grew at a faster rate than the number of visits to the county, which, encouragingly, indicates an increase in the visitors’ average length of stay, which was up 3.3% among staying visitors.

Key Figures: Visitor Days

Visitor Days		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
2014 (Millions)	M	1.684	8.480	2.627	12.791	15.276	28.067
2013 (Millions)	M	1.624	8.075	2.609	12.309	15.143	27.452
Change 13/14 (%)	%	+3.7	+5.0	+0.7	+3.9	+0.9	+2.2
Share of Total (%)	%	6.0	30.2	9.4	45.6	54.4	100.0

Staying visitors accounted for 45.6% of all visitor days and a total of 2.6 million days / nights spent in the county during 2014. There were nearly half a million additional staying visitor days spent in the county during 2014, an increase of 3.9%. Within the staying visitor market, visits using paid accommodation (of which there are nearly 1,500 establishments countywide) accounted for the largest portion, with nearly 8.5 million days / nights spent in non-serviced accommodation (up 5%) and 1.7 million days spent in serviced accommodation (up 3.7%).

Day visitor days increased by 0.9% between 2013 and 2014. Day visits have been growing by an average of 1.5% a year since 2009, a growth of more than 1 million day visitor days during the period 2009 to 2014.

Overall, visitor days have been growing by an average of 1.4% between 2009 and 2014 and the total number of visitor days has grown by more than 1.8 million from 26.2 million in 2009 to 28.1 million in 2014.

Average Length of Stay for Different Visitor Types – 2014



Visitor Expenditure and Total Economic Impact

Tourism visits were estimated to have generated £1.266 billion for the local economy in 2014, a change of +5.9% compared to 2013. This figure comprises *direct expenditure* of visitors on goods and services (£945 million) and the subsequent indirect / induced economic effects arising within the local economy (£321 million).

Distribution of Economic Effects

2014	Direct Visitor Expenditure						Indirect and Induced	Total Economic Impact
	Accommodation	Food & Drink	Recreation	Shopping	Transport	Total Direct		
Totals	£146m	£258m	£101m	£312m	£127m	£945m	£321m	£1.266bn

Note: m = million, bn = billion

Key Figures: Economic Impact

Economic Impact		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
2014 (£ Billions)	£Bn	0.182	0.434	0.120	0.736	0.53	1.266
2013 (£ Billions)	£Bn	0.171	0.397	0.116	0.684	0.512	1.196
Change 13/14 (%)	%	+6.6	+9.1	+3.5	+7.5	+3.7	+5.9
Share of Total (%)	%	14.3	34.2	9.5	58.1	41.9	100.0

The largest growth in economic impact has arisen from the growth in staying visits, accounting for £52m of the £70m growth between 2013 and 2014. The staying visitor market accounted for 58.1% of the total economic impact of £1.515 billion. Day visitors contributed a further growth of £19 million in economic benefit for the county.

The *non-serviced accommodation* sector accounted for the largest share of the overall growth in economic impact at £36 million (52%).

Average Economic Impact Generated by Each Type of Visitor – 2014

Economic Impact	Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
Economic Impact per Day	£ 107.88	£ 51.14	£ 45.85	£ 57.52	£ 34.73	£ 45.12
Economic Impact per Visit	£ 200.84	£ 334.65	£ 108.75	£ 222.43	£ 34.73	£ 68.14

Total
Economic
Impact
£1.266bn

% Change
2013>2014
+5.9%

Net Change
2013>2014
+£70m

**Total
Employment
Supported**
**18,907
FTEs**

**% Change
2013>2014**
+1.2%

**Net Change
2013>2014**
**+219
FTEs**

Employment Supported by Tourism

Tourism visits to Lincolnshire in 2014 were estimated to have supported 18,907 Full-Time Equivalents (FTEs). 80.6% of these FTEs (15,251) are assumed to have been generated directly, through the expenditure of visitors (Direct Employment), with the remaining 19.3% being indirect and induced (3,656), that is supported through the supply chain and further rounds of expenditure within the economy including employee spend.

Distribution of Employment

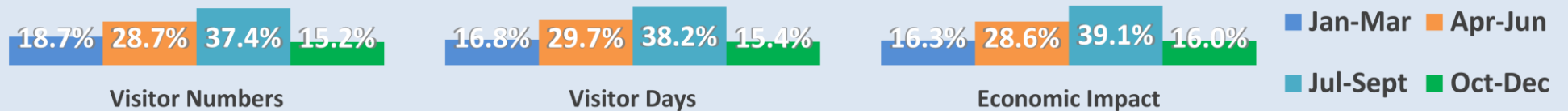
2014	Direct Employment						Indirect and Induced	Total Employment
	Accommodation	Food & Drink	Recreation	Shopping	Transport	Total Direct		
Totals	4,635	3,790	1,807	4,183	835	15,251	3,656	18,907

Key Figures: Employment Supported

Employment Supported		Direct Employment					Total Direct	Indirect and Induced	Total
		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors			
2014 (FTEs)	FTE	4,502	4,357	1,196	10,055	5,196	15,251	3,656	18,907
2013 (FTEs)	FTE	4,471	4,195	1,204	9,870	5,219	15,089	3,599	18,688
Change 13/14 (%)	%	+0.7	+3.9	-0.6	+1.9	-0.4	+1.1	+1.6	+1.2
Share of Total (%)	%	23.8	23.0	6.3	53.2	27.5	80.7	19.3	100.0

The largest portion of the direct employment supported is associated with the *serviced accommodation* sector, accounting for 4,502 FTEs, up +0.7% compared to 2013. Overall growth in employment associated with staying visits higher at +1.9%, with the largest growth of these FTEs being associated with the *non-serviced accommodation* sector, up 3.9%.

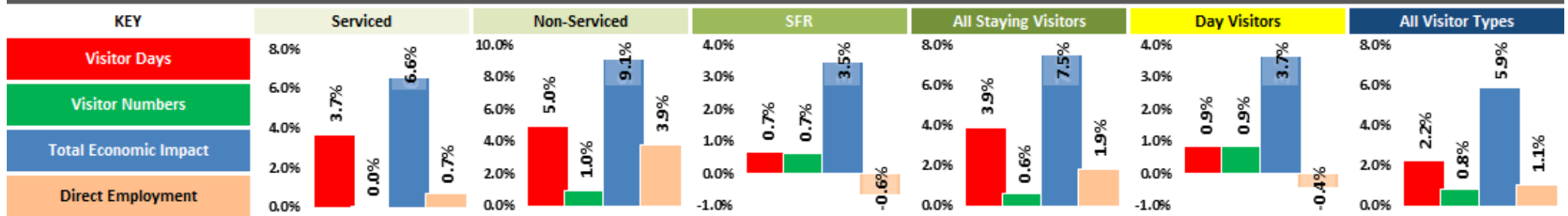
Distribution of Key Impacts by Quarter – 2014



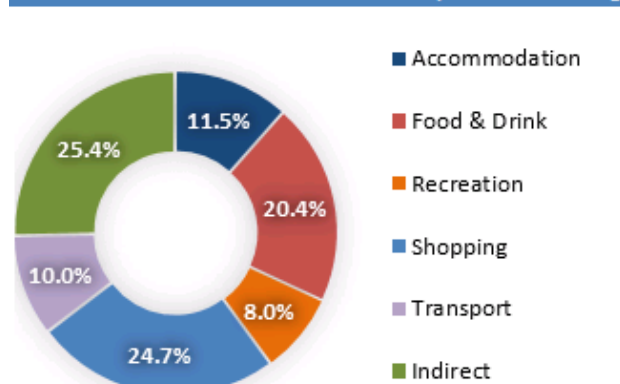
KEY PERFORMANCE INDICATORS BY TYPE OF VISITOR - COMPARING 2014 & 2013 - IN HISTORIC PRICES

KEY	KEY PERFORMANCE INDICATORS BY TYPE OF VISITOR - COMPARING 2014 & 2013 - IN HISTORIC PRICES																				
	Staying in Paid Accommodation									Staying with Friends and Relatives (SFR)			All Staying Visitors			Day Visitors			All Visitor Types		
	Serviced			Non-Serviced																	
	2014	2013	+/- %	2014	2013	+/- %	2014	2013	+/- %	2014	2013	+/- %	2014	2013	+/- %	2014	2013	+/- %			
Visitor Days	M	1,684	1,624	3.7%	8,480	8,075	5.0%	2,627	2,609	0.7%	12,79	12,31	3.9%	15,28	15,14	0.9%	28,07	27,45	2.2%		
Visitor Numbers	M	0,905	0,905	0.0%	1,296	1,283	1.0%	1,107	1,100	0.7%	3,308	3,288	0.6%	15,28	15,14	0.9%	18,58	18,43	0.8%		
Direct Expenditure	£Bn																0,945	0,892	5.9%		
Economic Impact	£Bn	0,182	0,171	6.6%	0,434	0,397	9.1%	0,120	0,116	3.5%	0,736	0,684	7.5%	0,531	0,512	3.7%	1,266	1,196	5.9%		
Direct Employment	FTEs	4,502	4,471	0.7%	4,357	4,195	3.9%	1,196	1,204	-0.6%	10,055	9,870	1.9%	5,196	5,219	-0.4%	15,251	15,089	1.1%		
Total Employment	FTEs																18,907	18,688	1.2%		

PERCENTAGE CHANGE BY VISITOR TYPE AND PERFORMANCE MEASURE - COMPARING 2014 & 2013 - IN HISTORIC PRICES

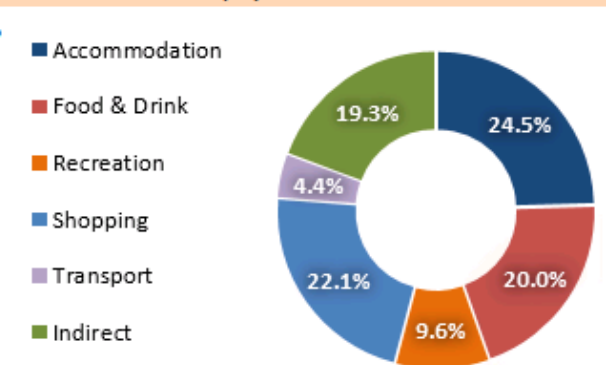


Sectoral Distribution of Economic Impact - £Bn including VAT in Historic Prices



Sectors	2014	2013	+/- %
Accommodation	0.146	0.133	10.1%
Food & Drink	0.258	0.245	5.3%
Recreation	0.101	0.096	5.2%
Shopping	0.312	0.297	5.1%
Transport	0.127	0.121	5.1%
TOTAL DIRECT	0.945	0.892	5.9%
Indirect	0.321	0.304	5.8%
TOTAL	1.266	1.196	5.9%

Sectoral Distribution of Employment - FTEs



Open Report on behalf of the Executive Director for Environment & Economy

Report to:	Economic Scrutiny Committee
Date:	23 February 2016
Subject:	International Trade Prospects for Lincolnshire Businesses

Summary:

This report explores the importance of international trade to growing the county's economy.

It shows that the number of businesses that currently trade internationally is lower than in recent years. However, it also shows that businesses who trade internationally tend to be more successful.

The report identifies that direct advice for exporters is provided by the government and the Chamber of Commerce. However, there are two major roles that Lincolnshire County Council (LCC) should play in international trade: establishment of connections with international partner areas, and signposting of potential exporters to sources of advice.

Actions Required:

It is recommended that members:

1. Support the way in which LCC is promoting Chinese international trade opportunities to local business.
2. Endorse the Executive Councillor for Economic Development, Environment, Planning and Tourism's initiative to establish an economic partnership agreement with Pinellos County, Florida.
3. Task officers with promoting international trade further on the www.businesslincolnshire.com website.

1. Background

International trade is an important part of growing a strong economy.

Lincolnshire County Council and the Greater Lincolnshire Local Enterprise Partnership (GLLEP) have recently published a study of current international trade (attached as Appendix A). The study showed that:

- **Currently only 13 per cent of Greater Lincolnshire businesses export, with a further 3 per cent planning on doing so in the future.** (Previous countywide survey results show averages of around 20 per cent of businesses were involved in international trade in the decade prior to the 2008 global economic downturn.)
- **Businesses that export are generally larger (in employee terms), more well established, more active in the labour market, and more innovative.**
- **The Euro Zone is the top export market for Greater Lincolnshire businesses.**

Whilst these are the headline figures in the report, further analysis of the report shows that manufacturing is the sector which has the most international trade. Manufacturing is one of the priority sectors in the Strategic Economic Plan, and manufacturing businesses tend to be larger employers.

The report also shows that there have been substantial shifts in the nature of international trade. There have been large reductions in the numbers of businesses exporting to many markets, but a slight increase in exports to the Eurozone.

Analysis of the report poses two primary challenges:

- How to increase the number of Lincolnshire businesses who trade internationally
- How to support diversification away from the Eurozone

In terms of increasing the number of businesses who trade internationally, LCC must choose to target any resources in a way which adds value to, rather than duplicates, provision.

International trade services: commissioned by government

Government's international trade services are delivered by UK Trade and Industry who in turn subcontract the delivery to East Midlands Business Ltd.

UK Trade and Investment (UKTI) provides expert international trade advice and practical support to UK-based companies who want to grow their business overseas, providing tailored support packages for companies who are:

- first time exporters (FTEs)
- small and medium-sized enterprises (SMEs)
- medium-sized businesses (MSBs)

This is augmented with local events and seminars that highlight particular markets, sectors and the skills and knowledge required for successful international trade.

The core contract funds 2 sector specialists in Healthcare and Transport Equipment Manufacturing and a China Market Specialist which is also part funded by the China Britain Business Council (CBBC). UKTI also offer language and culture support, advice on digital trading and can connect businesses with credit requirements with UK Export Finance.

The work that UKTI have commissioned from East Midlands Business will be augmented using European funding.

The GLLEP and LCC have had the opportunity to influence this augmented activity, which will now include additional marketing activity and export taster sessions that will target businesses that could export but don't, encouraging them to explore their export potential and evaluate bottom line benefits that international trade could deliver which include increased innovation and new product development, increased resilience, increased staff retention and increased profitability.

The project will also fund specialist trade advisers and support in Food & Drink, Advanced Manufacturing and Environmental Technologies which match GLLEP's priorities. SMEs in the Agri Food Sector will be supported by the Food & Drink Specialist, who will ensure appropriate links to UKTI's national Agri Food initiatives.

In addition, the project offers up to £250,000 of co-investment funding for internationalisation activity ring-fenced for businesses based in the Greater Lincolnshire LEP area. A research role will also be included as part of the project delivery team and will use a specialist tool like xsortal to work with beneficiary companies on market selection and identification of opportunities.

Furthermore, working with a variety of partner organisations in the GLLEP area such as banks, the university, local authorities, the East Midlands International Trade Association and business representative bodies such as the Chamber of Commerce, Institute of Directors (IoD), Confederation of British Industry (CBI) and Federation of Small Businesses (FSB), EMB will deliver a range of additional event activity that increases international trade knowledge and expertise and unlocks export barriers.

It is clear, therefore, that the government is providing a substantial amount of support to promote international trade, and is committed to do so because of David Cameron's stated aim to double the value of exporting during this parliament.

International trade services: Lincolnshire Chamber of Commerce

In addition to the government's international trade activity, Lincolnshire Chamber has a strong emphasis on international trade. The attached magazine article (Appendix B) describes the exporting services provided by Lincolnshire Chamber of Commerce and their members.

Some councillors will remember that Simon Beardsley, Chief Executive of Lincolnshire Chamber of Commerce, attended a meeting of Economic Scrutiny Committee in 2012 to explain the Chamber's role.

Lincolnshire County Council's role: economic partnerships

Although advice and support to businesses wishing to trade internationally is widely available, there are two roles that LCC could undertake. These are:

1. to establish and promote connections with partner areas
2. to provide advice about the international trade services that are available

Because of their civic role and reputation, councils are able to establish strong links with partner areas. This has been the case with twinning links and friendship agreements for some years.

As has already been identified, a significant percentage of Lincolnshire's international trade is with Eurozone countries. This is understandable due to the proximity of Eurozone markets and the similar cultures, but there are risks associated with the economic situation of the Eurozone countries and of the anticipated British referendum on membership of the EU. Therefore the Council should not seek to duplicate business opportunities that already exist (ie Eurozone) but instead should seek to diversify international trade opportunities.

Members will be aware that Lincolnshire County Council has signed a friendship agreement with Hunan province in China. Initial contact between Hunan and Lincolnshire was made as a result of the investments of Hunan's CSR Times Electric in Dynex Semiconductors. It is hoped that the friendship agreement will demonstrate the Council's commitment to supporting the local growth of Dynex whilst also providing international trade opportunities to partners.

The friendship agreement was signed in autumn 2015, and the Council is now working to actively promote opportunities in Hunan to the business community. In light of the range of international trade services that are already in place, the Council has chosen to align with other services rather than create our own. These include:

- Working with Streets and Co to support a Chinese business opportunities event (8th February)
- Becoming a member of the China Britain Trade Council in order to provide Lincolnshire businesses with access to CBBC's representative facilities in Hunan
- Commissioning a focused report from the China Britain Business Council (CBBC) which sets out specific business opportunities between the two areas
- Proactively promoting the UKTI export vouchers as a way of assisting Lincolnshire businesses to make visits to the Chinese, and Hunan in particular, market.

A group of representatives from Hunan will be visiting Lincolnshire businesses in March 2016.

The export report also demonstrates a substantial reduction in the area's international trade with North America. As North America is one of the world's largest economies, and as it is relatively accessible due to a lack of language barriers, it will be beneficial for LCC to follow a similar approach to the one it has done with Hunan.

The Florida economy has strong tourism and agri-food sectors, and it is also undertaking significant modelling on flood resilience. It is therefore recommended that a relationship is developed with an area in Florida; initial contact has been made with Pinellos County who have expressed an interest in signing an economic partnership agreement.

In the same way as there are likely to be changes in the Eurozone, the Trans-Atlantic Trade and Investment Partnership (between the EU and USA) may affect trade with North America. The partnership has been created in order to facilitate trade and investment; the EU, European member states, and the US government are working together to agree some common principles.

Tactically, the creation of an economic partnership with a North American region will enable Lincolnshire businesses to benefit from international trade opportunities.

Lincolnshire County Council's role: providing information

LCC runs the www.businesslincolnshire.com website. This website, which was instigated by a Task and Finish Group of the Economic Scrutiny Committee, provides information to businesses.

The website had had 49,608 unique visitors by the end of January 2016, and its content about business planning, marketing, and financial management for example is very strong.

It is fair to say that the exporting section has general information about exporting, and some emphasis on Chinese trade, but further information about sources of advice for exporting and about North American links should be made available.

2. Conclusion

International trade will clearly help the county's economy to grow. This report has outlined ways in which LCC can provide support to the efforts of UKTI and Lincolnshire Chamber of Commerce to support international trade growth.

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	Exporting Research Report – Exporting 2015
Appendix B	China Investment for ES
Appendix C	China Map
Appendix D	Chamber Business Matters article 2015

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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Exporting Research Report



Introduction

In a global economy, international trade is an important driver of both economic and business growth. In fact analysis of the Department for Business, Innovation and Skills' (BIS) Small Business Survey (SBS) found that exporting was the most significant factor in stimulating business growth¹.

Increasing exports is also seen by government as a major factor in closing the UK productivity gap with other major developed economies, and rebalancing the economy. It has a target to increase the value of UK exports to £1 trillion by 2020, and increase the number of exporting businesses by an additional 100,000.

Encouraging Small and Medium sized Enterprises (SMEs) to export, and target new markets, is also a major objective of the Greater Lincolnshire Local Enterprise Partnership (GLEP). In order to provide a detailed picture of exporting activity both current and potential in Greater Lincolnshire, the following paper brings together information on international trade from various local sources including:

- The GLEP Employer Survey 2014
- Countywide employer surveys covering the period from 1999 to 2009
- The Lincolnshire Quarterly Economic Survey (QES) from 2009 onwards
- Research commissioned during 2012 looking into local supply chains
- Research commissioned during 2013 looking at Lincolnshire's neighbouring economies

Headlines

- **Currently only 13 per cent of Greater Lincolnshire businesses export, with a further 3 per cent planning on doing so in the future.** Previous countywide survey results show averages of around 20 per cent of businesses were involved in international trade in the decade prior to the 2008 economic downturn.
- **Business that export are generally larger (in employee terms), more well established, more active in the labour market, and more innovative.**
- **The Euro Zone is the top export market for Greater Lincolnshire businesses.**

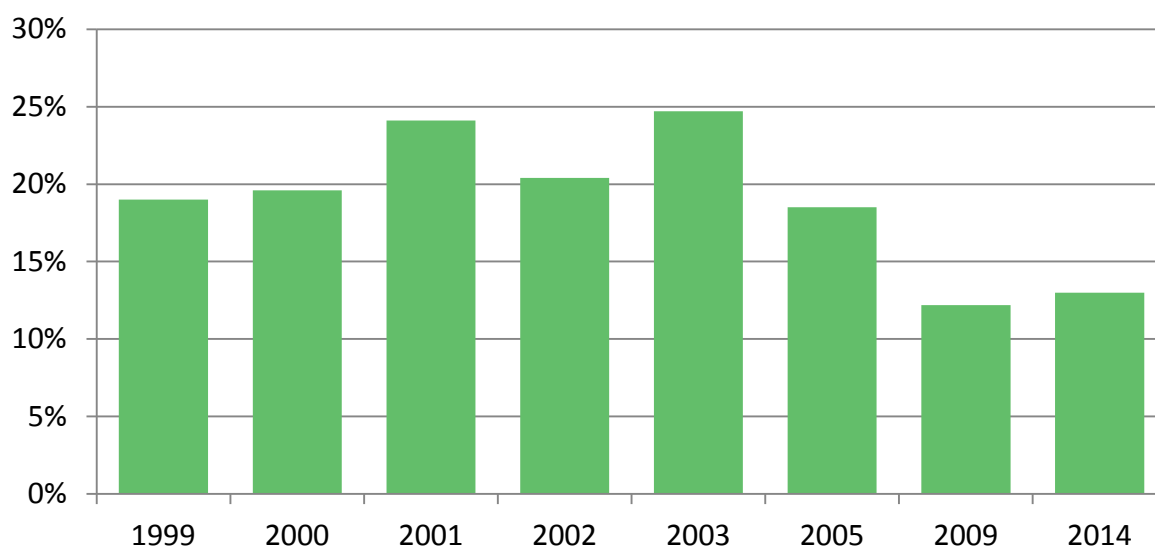
Levels and location of exporting activity

The GLLEP Employer Survey 2014 indicates that 13 per cent of Greater Lincolnshire employers are involved in exporting activity. This equates to around 5,500 businesses at that timeⁱⁱ.

Referring to figure 1, similar surveys undertaken prior to this had shown higher proportions of businesses exporting (please note that these results relate to Lincolnshire, as opposed to the Greater Lincolnshire area), hovering around the 20 per cent mark. The 2009 survey shows a large drop in the proportion of exporting businesses with the latest 2014 survey showing a slight increase.

Figure 1 – Percentage of businesses engaged in exporting activity

Source: Employer Surveys 1999-2014, Lincolnshire Research Observatory



The reasons for this apparent decline are unclear. Certainly the drop in 2009 could in part be attributed to the 2008 credit crunch and the recession that followed in 2009. The global nature of the economic crisis would certainly have impacted on exports and may have led firms to move away from what was a potentially volatile activity and instead concentrate more on home markets.

When looking at the exporting activity data over a period of time, the trend indicates that the percentage of exporting businesses could return to around the 20 per cent mark once the economy fully recovers.

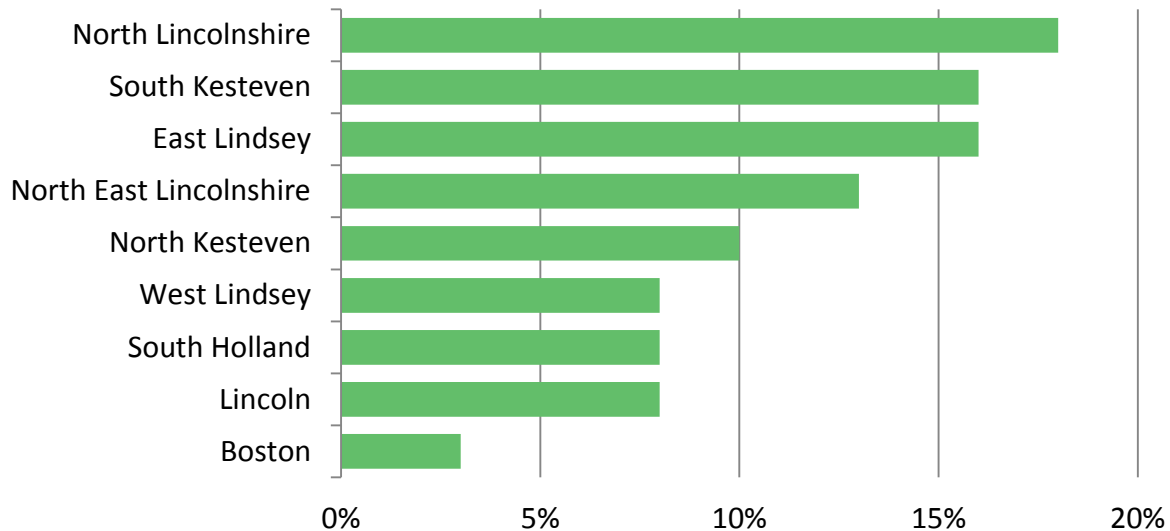
Encouragingly, of the 87 per cent of businesses who don't currently export, 3 per cent report that they are planning to start exporting.

In terms of the concentration of exporting activity then figure 2 shows that North Lincolnshire has the highest proportion of exporting businesses. This is not surprising given

its access to the ports of Immingham and Grimsby, and the presence of the M180 (the only motorway in the Greater Lincolnshire area) linking to the A1(M) and the M62.

Figure 2 – Location of businesses engaged in exporting activity

Source: GLLEP Employer Survey 2014



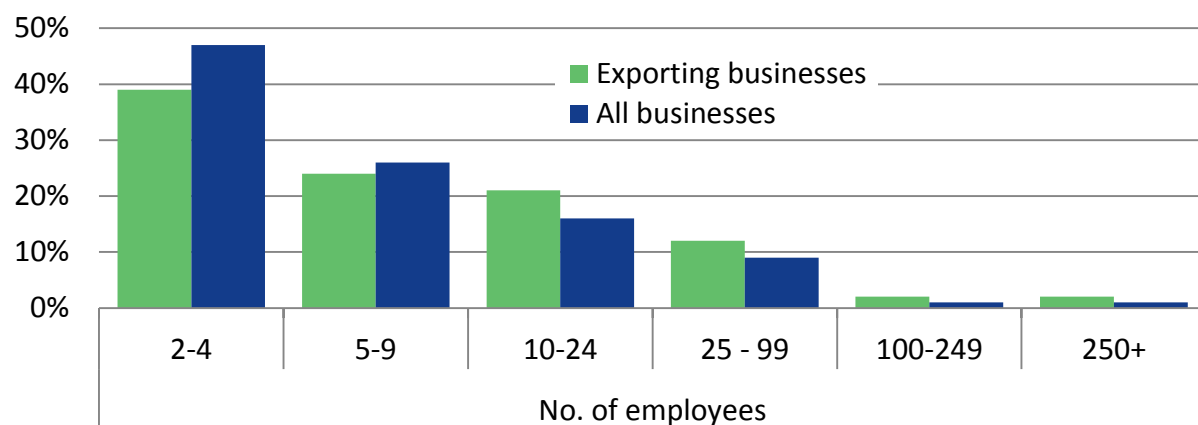
South Kesteven in joint second in terms of exporting activity is not surprising given its proximity to the A1 and the subsequent ability of businesses to move products around the country to exporting destinations more easily. The presence of East Lindsey in joint second, which lacks the connectivity of the two areas above it, can in part be explained by the strong presence of farming businesses in the area and resulting crop exports. This would suggest though a level of exporting underperformance in Boston and South Holland.

Profile of exporting businesses

Referring to figure 3, larger businesses (in terms of employee numbers) are much more likely to be engaged in exporting activity than small and micro employers (2-4 and 5-9 employees).

Figure 3 – Size profile of exporting businesses

Source: GLLEP Employer Survey 2014



In terms of exporters and their sectoral profile (figure 4) then businesses in the manufacturing sector (42 per cent) are much more likely to be exporting products, followed by the sectors of energy & water (small numbers), transport and communications (with many logistics businesses involved in the export of goods), and agriculture and fishing.

Figure 4 – Sector profile of exporting businesses

Source: GLLEP Employer Survey 2014

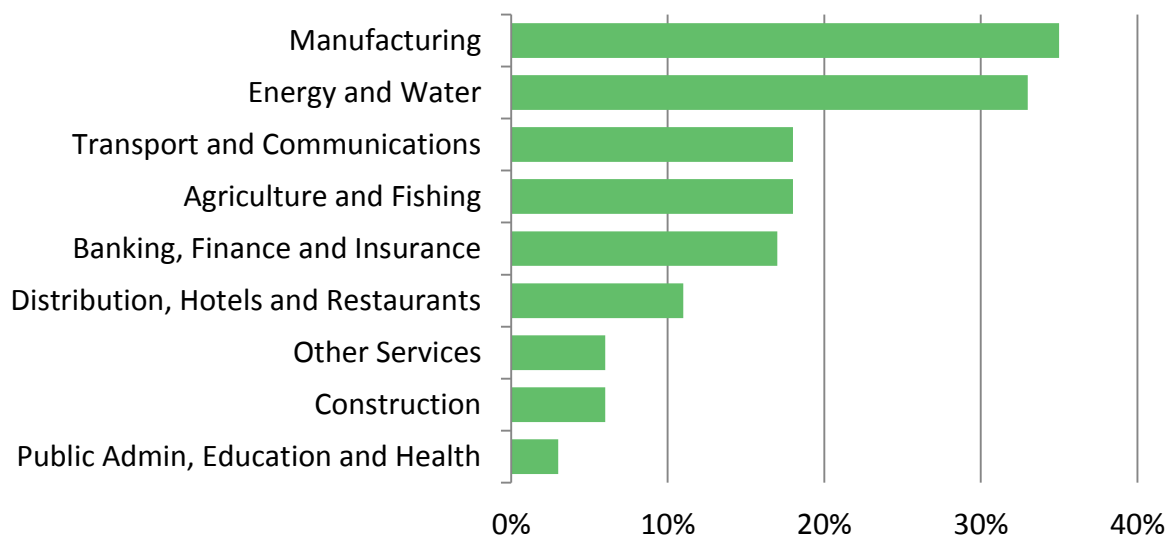
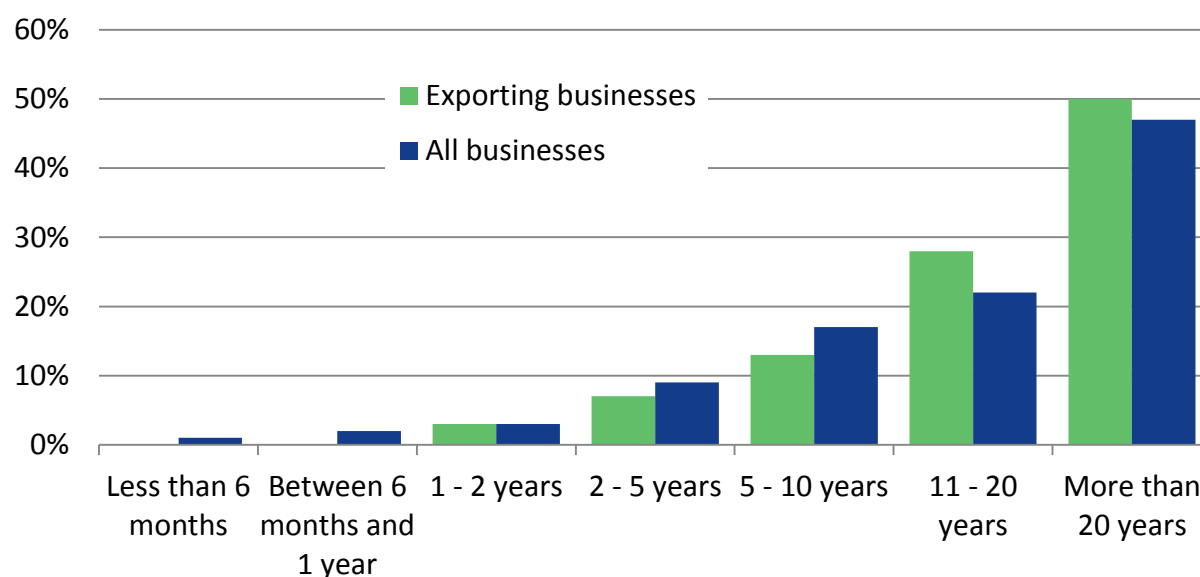


Figure 5 shows that the length of time the business has been operating also plays a role in its ability to export products and/or services. This is not surprising given that most businesses will need to establish themselves in the domestic market before considering expansion into new markets.

Figure 5 – Age of exporting businesses

Source: GLLEP Employer Survey 2014

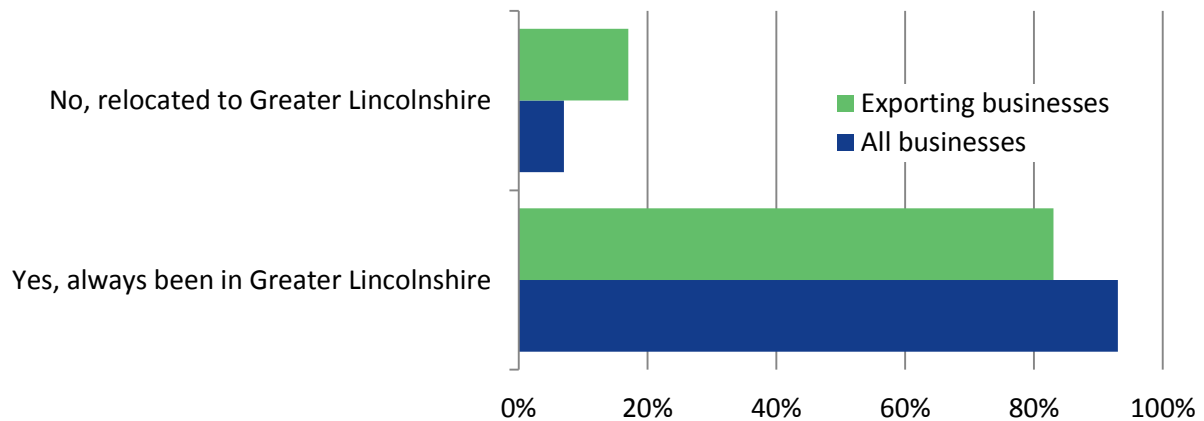


Origins of exporting business

Referring to figure 6, we can see that whilst a great many of exporting businesses have always been based in the Greater Lincolnshire area, of those businesses that have moved here then a greater proportion are exporters.

Figure 6 – Origins of exporting businesses

Source: GLLEP Employer Survey 2014



It is not clear whether these relocations were a means to being closer to European market gateways (such as the ports of Grimsby and Immingham) or main national arterial routes (A1) but these could be factors.

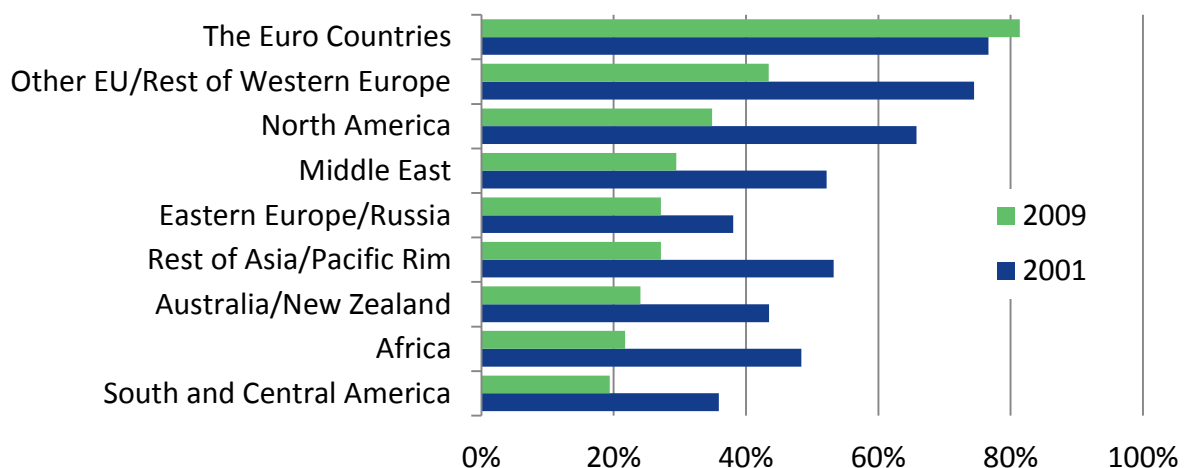
Export markets

The following section draws on data from employer surveys conducted in 2001 and 2009 and refers to Lincolnshire businesses only.

Figure 7 shows us that by far the biggest export market in both 2001 and 2009 was the Euro Zone (i.e. the 17 nations which are part of the single currency).

Figure 7 – Export markets, 2001 and 2009

Source: Lincolnshire Employer Surveys, 2001 and 2009



In terms of significance this market is followed closely by the rest of the EU trading block and Western Europe though significantly less so when referring to the 2009 results. This pattern is repeated across all other export markets.

Further local research carried out during early 2013 with around 60 large Lincolnshire businesses considered, amongst other things, the proportion of their supply to customers in overseas markets.

Around eight per cent said three quarters of their custom was with overseas markets, a quarter said that between 25 and 50 per cent of their business was with overseas markets, and over a third (36 per cent) said up to 25 per cent of their business was with overseas markets.

Businesses were also asked about their most important trade areas in terms of sustaining and growing their business over the next 10-15 years. In response businesses ranked overseas markets second behind the local area (and ahead of other national and regional markets), indicating that, at least for these larger companies, growing export markets is seen as significant in terms of future growth.

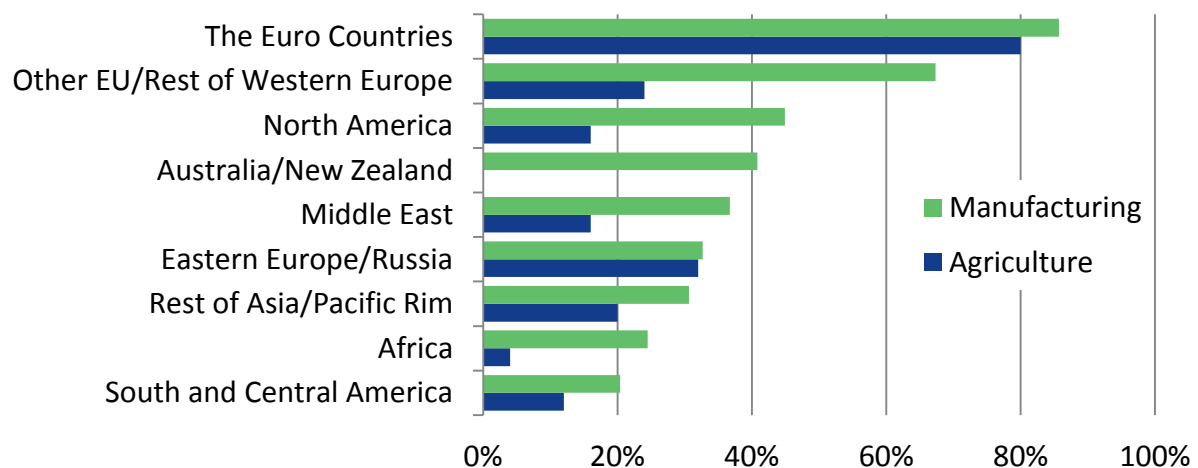
Europe, the BRIC economies (Brazil, Russia, India, and China), and America, were all cited as significant in terms of exporting growth potential.

Sector specific markets

Referring back to figure 4, if we take the largest two sectors (in both employment and economic value) of the top four (where we can also be sure that there exporting activity is in relation to products and/or services) then in figure 8 we can see that Lincolnshire manufacturers export to a wide variety of overseas markets, whereas the agriculture sector is concerned mainly with the European market and Russia.

Figure 8 – Export markets for the manufacturing and agricultural sectors

Source: Lincolnshire Employer Survey 2009



Value of exports

Please note that the following section and its data refer to Lincolnshire businesses only.

Table 1 shows the estimated value of exported goods for Lincolnshire, using regional export value data which has been extrapolated to county level using sector employment data.

It should be emphasised that this analysis provides an estimated value of exports only, as the trend in exports locally may not follow the same trends in employment. Many sectors have also seen a downward trend in employment over the last three years due to the economic downturn, but export activity will have been assisted by favourable exchange rates during that period.

Lincolnshire has a relatively small number of employees in the machinery manufacturing sector. This is the fourth largest comparator sector by number of employees, but across both comparator regions and England as a whole, comprises the largest area of exporting activity. Lincolnshire has significant numbers of employees in the other manufacturing and chemicals sectors which are key exporting sectors.

Table 1: Value and proportion of exported goods by type, 2010

Source: *Opportunities for Greater Lincolnshire's Supply Chains, Rose Regeneration and University of Lincoln, Lincolnshire Research Observatory.*

	Value of exports (£000s)	% of total export value		
		Lincolnshire	East Midlands	England
Food and Live Animals	13,582	40%	5%	3%
Manufactured Goods	10,387	31%	10%	12%
Miscellaneous Manufacturing	5,206	15%	12%	14%
Machinery	3,371	10%	62%	39%
Mineral Fuels	119	0%	0%	7%
Crude Materials	250	1%	3%	3%
Chemicals	1,001	3%	7%	21%
Beverages and tobacco	139	0%	1%	1%

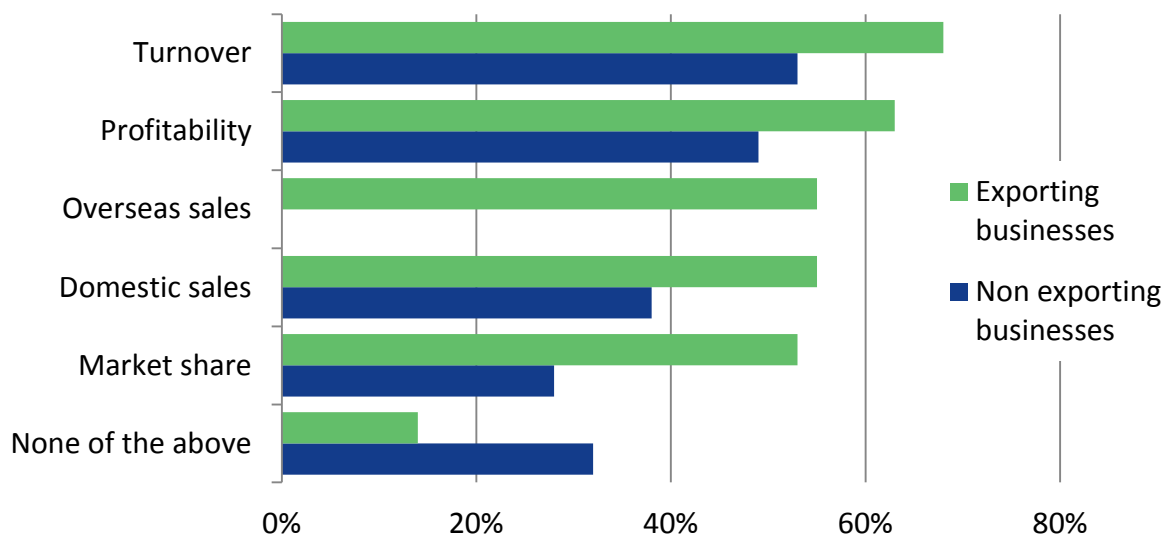
When compared against the region and nationally, Lincolnshire's significance as an agri-food employer comes out strongly, with the majority of the county's export value being provided by food and live animal exports.

Performance of exporting businesses

It would appear that the ability to export products and/or services plays a positive role in levels of business performance. Figure 9 shows that exporting businesses have been more likely than non-exporting businesses to have experienced increases in a raft of measures (including domestic sales).

Figure 9: Over the past 12 months, has your company experienced increases in any of the following...?

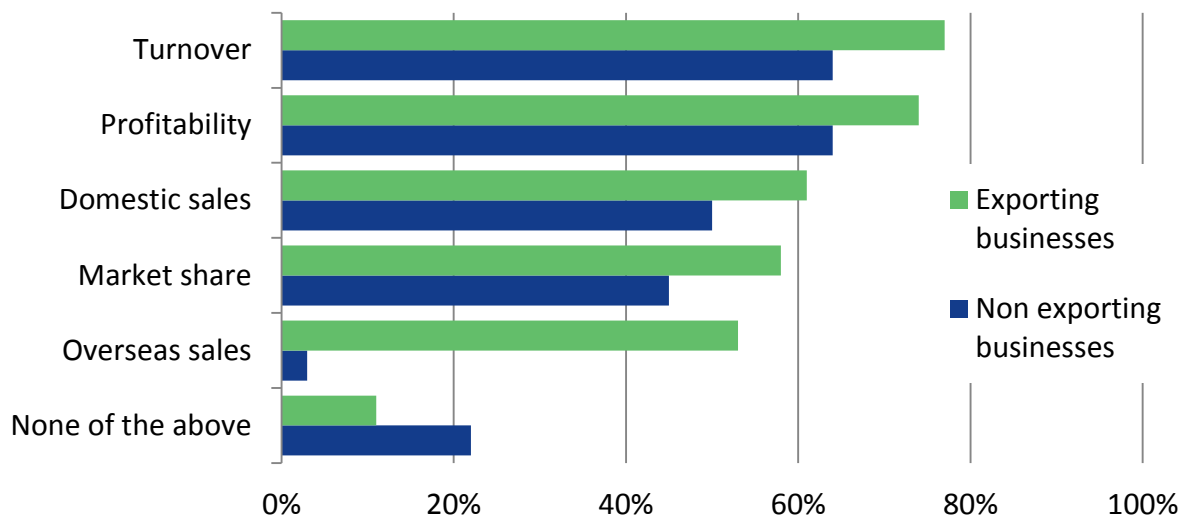
Source: GLLP Employer Survey 2014



These good business performance levels translate into business confidence, as shown in figure 10, with exporting businesses more likely to expect increases in all factors when compared to non-exporting businesses.

Figure 10: Over the next 12 months, do you expect your company to experience an increase in any of the following...?

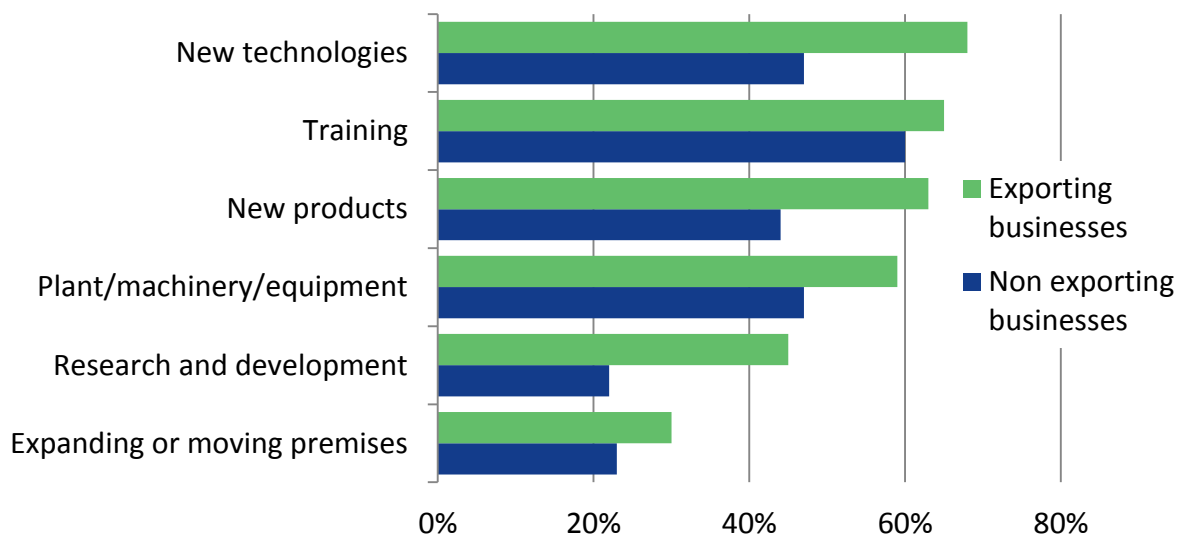
Source: GLLP Employer Survey 2014



Business confidence in turn plays a part in any decision regarding future investment plans. As a result of encouraging performance and buoyed confidence then exporting businesses are more likely than non-exporting businesses to be planning on investment in a range of factors that would support business growth (figure 11).

Figure 11: Over the next 2 years, do you expect to invest in any of the following?

Source: GLLEP Employer Survey 2014



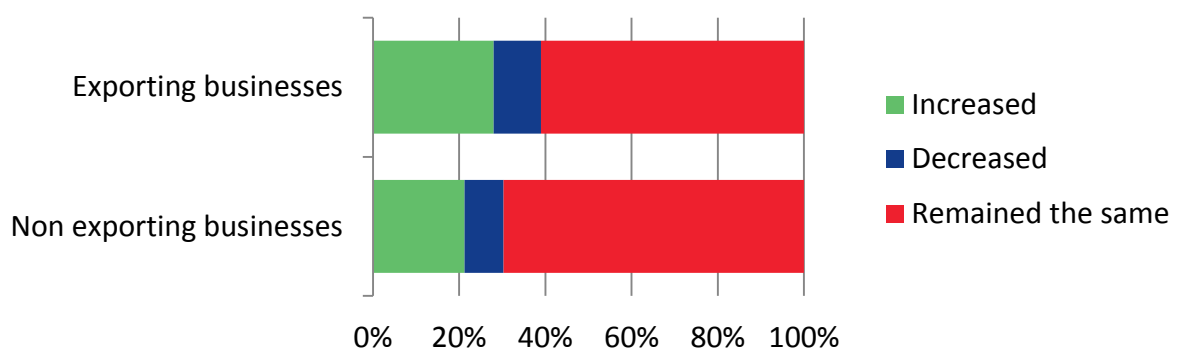
Also of note here is that exporting businesses are more likely to be considering expanding or moving premises. When questioned on this, and whilst the numbers were small, a greater percentage of exporting businesses than non-exporters were considering moving out of the area.

Staffing levels and challenges

Improved business performance, confidence, and investment also tends to translate into increased employment. Figure 12 shows that exporting businesses are both more likely to have and hired and fired staff over the last year,

Figure 12: Changes in staff in the last 12 months

Source: GLLEP Employer Survey 2014



On the face of it we could argue that non-exporting businesses provide a more stable environment with a focus on the domestic market that is perhaps less exposed to global market forces. However, whilst the churn of staff in exporting businesses is higher we have already previously shown that they are more likely to reap the rewards of growth from exposure to overseas markets.

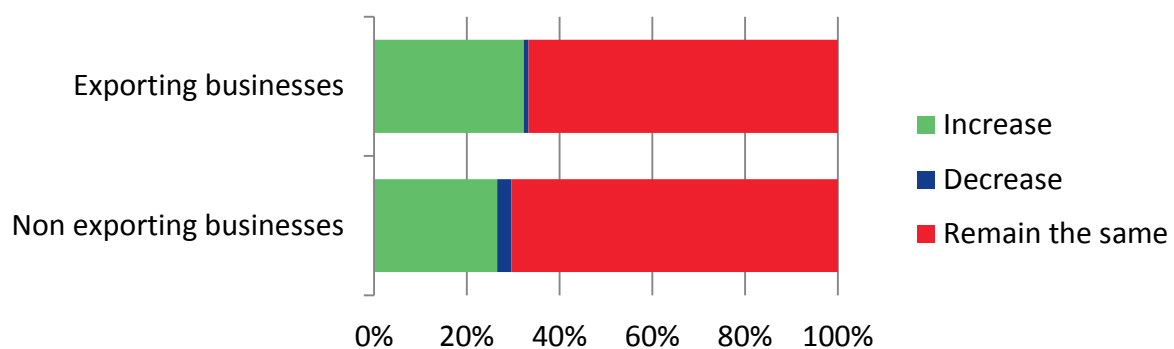
Recruitment for exporting businesses tends to be in higher skilled positions, and perhaps unsurprisingly they are also more likely to have hard-to-fill vacancies. Of those that had recruited in the last year 23 per cent of exporting businesses said that some posts had been hard-to-fill compared to only 12 per cent of non-exporting businesses.

Exporting businesses were more likely to cite reasons of 'lack of applicants with required qualifications and skills' (49 per cent compared to 34 per cent) and 'lack of applicants with required working experience/job specific skills' (54 per cent compared to 35 per cent) for vacancies being hard to fill.

In recruiting over the last year, exporting businesses were more likely to have employed under 19's and women returning to work. Nationally, the government has highlighted the disparities in male and female skilled employment levels as a factor that could unlock productivity growth. As such, our local exporting businesses could play an even greater role in achieving this locally. With this in mind it is also worth noting that exporting businesses are more likely to be recruiting in the future (figure 13).

Figure 13: Anticipated changes in staff over the next 12 months

Source: GLLEP Employer Survey 2014



Finally on the matter of recruitment, it is interesting to note that exporting businesses tend to be more pro-active in terms of plugging their own skills gaps, probably in recognition that these gaps are holding back growth. 55 per cent of exporting businesses have their own training plan and budget, and 58 per cent have funded on-site training compared to 50 per cent and 46 per cent of non-exporting businesses respectively.

Levels of innovation

Exposure to overseas markets and the competitiveness they bring could also be a driver for innovation. Figures 14 and 15 show that, not only are exporting businesses more likely to innovate, they are also more likely to introduce a product or service that is completely new (i.e. has not been introduced by anybody before).

Figure 14: Have you introduced new or significantly improved products or services in the past twelve months?

Source: GLLEP Employer Survey 2014

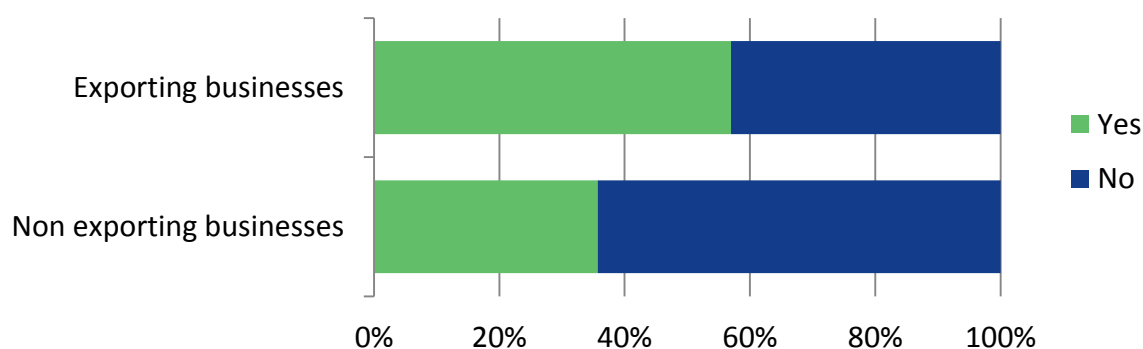
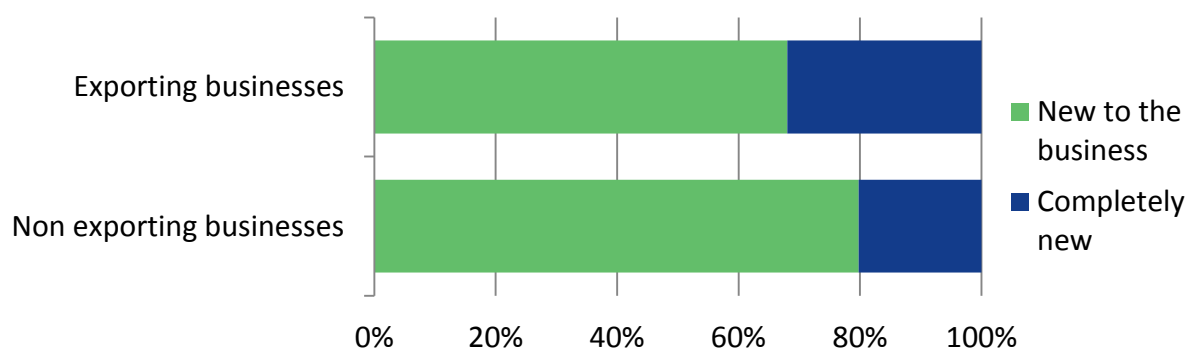


Figure 15: Are these new or significantly improved products, new to your business, or completely new (i.e. not introduced by anybody before you?)

Source: GLLEP Employer Survey 2014



Non exporters

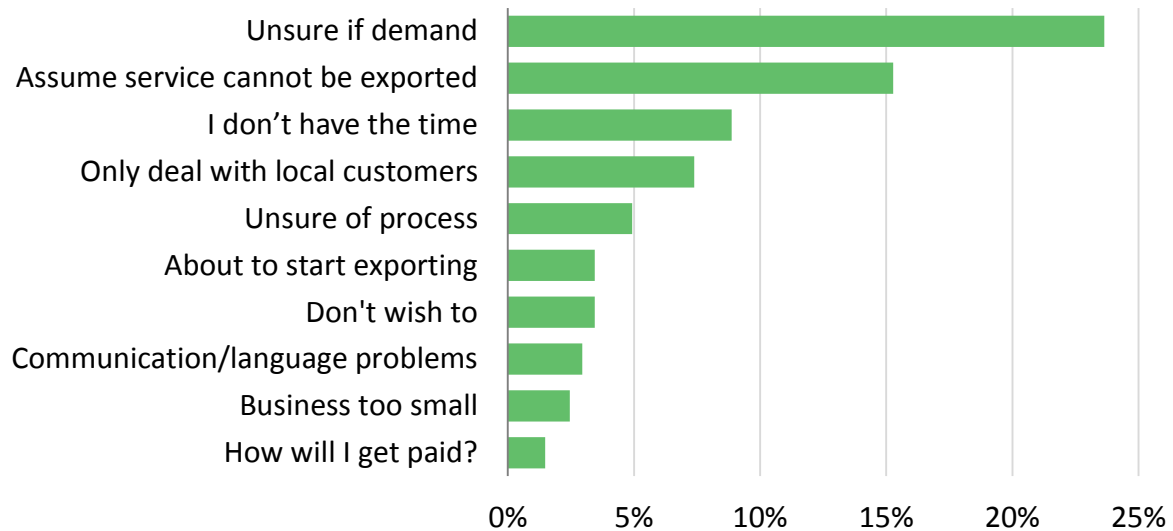
Between 2009 and 2014, business activity and performance has been monitored by the Lincolnshire Quarterly Economic Survey (in partnership with the Lincolnshire Chamber of Commerce, and joined more recently by the University of Lincoln) which gains around 250 business responses on a quarterly basis.

Whilst not as statistically robust as the previous countywide employer surveys (which gathered responses from around 1,000 employers based on a representative sample of Lincolnshire businesses) the Quarterly Economic Survey (QES) still provides us with an up to date view of business activity.

In February 2013 an additional question was added to the Lincolnshire Quarterly Economic Survey on behalf of UKTI in order to get a snapshot of the reasons why businesses were not exporting. Referring to figure 16, of those businesses who did not currently export, just under a quarter responded that they were unsure if there would be demand for their product. Nine per cent said they did not have the time, hinting at the complexity and difficulty of the exporting process, and five per cent said they were unsure of the process.

Figure 16 - Reasons for businesses not exporting

Source: Quarterly Economic Survey Additional Questions Feb 2013



Interestingly 15 per cent of businesses responded to the question saying that they have assumed they cannot export because they are not manufacturing or producing goods. This suggests that there is potential for some service sector businesses to enter overseas markets with the right help.

More Information

This paper was written by Lincolnshire County Council Economy and Environment Research Team for the Greater Lincolnshire Local Enterprise Partnership (GLLEP).

The GLLEP evidence base on the Lincolnshire Research Observatory is the key source of analysis and intelligence for the GLLEP.

www.research-lincs.org.uk/lep-home.aspx

References

ⁱ Understanding Growth in Small Businesses, BIS Research Paper Number 216, March 2015. *Please note that the other most significant factors most strongly associated with growth (in decreasing order of significance) were having a formal business plan; seeking external finance; process innovation; strength in implementing the business plan; providing formal training; strength in accessing external finance; strength in entering new markets; and use of a business mentor. The capabilities and willingness of businesses to undertake any of these activities therefore affect growth.*

ⁱⁱ UK Business Counts (local units), 2014, Office for National Statistics



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International Trade Opportunities for Lincolnshire

February 2016

Lincolnshire's plan for international trade opportunities, particularly with China is detailed in the following report and will focus on the following work streams:

1. Setting the scene: International trade opportunities for Lincolnshire
2. Lincolnshire's relationship with the Hunan Province in the People's Republic of China
3. Partnership between Lincolnshire County Council and the China-Britain Business Council (CBBC)
4. Detailed research on the opportunities for businesses in Hunan
5. Membership of the China-Britain Business Council and stronger links with UKTI
6. Hunan delegation proposed for March 2016
7. First collaborative event with Streets Accountants and Lincoln College in celebration of the Chinese New Year
8. Nanchang delegation to Lincoln at the end of February
9. Joint Economic and Trade Commission dialogue in Birmingham at the end of February: opportunities for civic participation for Lincolnshire businesses to attend the conference
10. Finally, following discussions with CBBC we have identified linkages between culture/our engineering heritage and business opportunities.

1. Setting the scene: International trade opportunities for Lincolnshire

Exporting: Recommendations Paper from the Lincolnshire Research Observatory firstly, and positively, shows from their initial research there is willingness amongst exporting businesses to grow and receive support. Nearly half of all exporting businesses when questioned said that receiving support in relation to new export markets would be significantly beneficial in helping the business to grow. So it perhaps goes without saying that support needs to be targeted most at those businesses that are likely to want or need to grow.

However, currently only 13 per cent of Greater Lincolnshire businesses export, with a further 3 per cent planning on doing so in the future. Results from previous countywide employer surveys show that an average of 20 per cent of businesses were involved in international trade prior to the 2008 economic downturn. This suggests we need to aim for a target of 20 per cent plus of local businesses involved in international trade.

The government, in the HM Treasury paper focused on boosting UK productivity ('Fixing the foundations: creating a more prosperous nation'), has stated that it will build stronger trading links with emerging markets, especially China, India and Brazil. Historically the UK has under-exported to emerging markets compared with major competitors. Exports to emerging markets are increasing faster than the average in the last decade. But even now, exports to China, the world's second largest economy, are only just over one-third of those to Germany.

2. Lincolnshire's relationship with the Hunan Province in the People's Republic of China

A Memorandum of Understanding/Friendship Agreement was signed by Lincolnshire County Council and the Hunan Province in the People's Republic of China in September last year. Organised with the China and Emerging Economies Centre at Northampton Business School, the visiting Chinese delegation was impressed with our cultural heritage but were particularly attracted to Lincolnshire's variety of businesses and range of skills in the manufacturing sector.

3. Partnership between Lincolnshire County Council and the China-Britain Business Council (CBBC)

We are keen to forge and develop a stronger relationship with Hunan and develop future collaboration between the two regions. A new partnership between Lincolnshire County Council and the China-Britain Business Council (CBBC) will assist us with vital research on the opportunities for Lincolnshire businesses in Hunan.

With support from the China-Britain Business Council we want to take a closer look at some of the synergies between the regions especially for our priority sector of manufacturing.

The Lincolnshire County Council commission of CBBC support will incorporate the following plan with a series of activities to stimulate increased trade between Lincolnshire-based businesses and China in general but Hunan in particular.

4. Detailed research on the opportunities for businesses in Hunan

Market Research on Hunan Province and wider support for the Lincolnshire/Hunan link

More detailed research on the business opportunities for businesses in Hunan. CBBC has an office in the provincial capital of Changsha with many provincial connections. They also have strong links with other cities across the province including Zhuzhou and Xiangyang so are well placed to conduct a mapping exercise of the province, with a closer look at some of the synergies between the regions.

One of China's priority initiatives for the next Five Year Plan is Made in China 2025 – looking to boost excellence in China's manufacturing sector over the next decade. Consideration will be given to Hunan's plans in this regard as part of the research, as well as the 'One Belt One Road' strategic plan.

This research will be presented in a professional report which can easily be presented to stimulate debate with stakeholders and be useful, interesting and easy to understand for businesses, encouraging engagement for both CBBC and Lincolnshire County Council. It will incorporate:

- Provincial Overview
- Analysis of sector priorities for the next Five Year Plan
- Focus on core sectors will prioritise advanced engineering, and subsequently highlight sub-sectors under this, for example and including health/education/skills/ecommerce/agri-tech
- Identification of key business opportunities
- Existing linkages, for example the relationship between Hunan and Dynex

5. Membership of the China-Britain Business Council and stronger links with UKTI

We will enhance our collaboration further through the County Council becoming a Member of CBBC. This will incorporate supporting the development of:

- A programme of business activities for Lincolnshire businesses – topics to cover will include a general introduction to doing business in China, a session on intellectual property protection, something on ecommerce as examples.
- Ensure that we are aware of other webinars that CBBC run where Lincolnshire businesses could dial in.
- Appointed Miranda (CBBC Changsha manager) as a relationship manager for LCC enabling a “direct line” into Hunan. Miranda will visit Lincolnshire to facilitate a better understanding of the county. On such a visit CBBC will organise an event or clinics to meet with businesses.
- Utilise CBBC outbound initiative to place specific business or investment opportunities on CBBC Chinese language website.

Wider support for Lincolnshire businesses and Lincolnshire County Council

- Work with Lincolnshire County Council the Business Lincolnshire Growth Hub to promote the website www.cbcc.org to encourage relevant companies to register for the latest reports (the most recent one being the China Handbook, a comprehensive guide to practical aspects of doing business in China).
- Support Lincolnshire County Council in building a database of Lincolnshire businesses interested in investment opportunities in China. (Following the Hunan visit in September we have started this list of Lincolnshire contacts and through the work with Streets Accountants we have already built this to a database of over 50 contacts).
- Promoting links between CBBC and Business Lincolnshire websites.
- Supporting Lincolnshire County Council in strengthening relationship with UKTI.
- Identifying opportunities regionally and nationally to work collaboratively, e.g. JETCO and Midlands Engine themed dinner and helping to ensure Lincolnshire is well represented or has a strong presence.
- Supporting the Street's organised event in February 2016.

Timescales to bear in mind Chinese New Year, therefore the China-Britain Business Council is aiming for a final report to be presented to LCC in April 2016.

6. Hunan delegation proposed for March 2016

It is through this new collaboration with the China-Britain Business Council that we will once again be welcoming delegates from Hunan in March. The delegation will be in London to attend the annual CBBC conference and participate in a Sino-UK regional leadership forum. Despite their tight timetable they want to visit Lincoln. We will of course keep Lincolnshire's business community up-to-date with this opportunity as well as future developments through the Business Lincolnshire website.

7. First collaborative event with Streets Accountants and Lincoln College

We have already established that several Lincolnshire based businesses are already working in China. We are keen to promote, develop and nurture this, and help them and others develop further ties with this giant economic region. Our first collaborative event to exploit this opportunity is taking place on Monday 8th February with Streets Accountants and Lincoln College in celebration of the Chinese New Year.

CLlr Davie will open the event and presentations will highlight opportunities for Lincolnshire businesses and organisations with China, providing insight into Chinese culture, trading relationships and established commercial and education links in Lincolnshire. This will continue the work of developing trade and cultural links following the Chinese delegation from Hunan in September last year.

8. Nanchang delegation to Lincoln at the end of February

Although our relationship with China has focussed on the Hunan province, through our work with CBBC we have also enabled a Nanchang delegation to Lincoln at the end of February. Lincoln City Council has previously forged strong links with Nanchang, which their current chief executive Angela Andrews would like to build upon and grow with more focus on economic development and engagement business to business based.

9. Joint Economic and Trade Commission dialogue in Birmingham at the end of February: opportunities for civic participation for Lincolnshire businesses to attend the conference

Over 60 Chinese delegates from various regions across China are visiting Birmingham as part of the Joint Economic and Trade Commission dialogue in Birmingham at the end of February. Coordinated by the China Investment Promotion Agency – CIPA, CBBC is looking at the potential for them to visit different cities/regions of the UK before the main JETCO event on 26th February. CBBC is also working with UKTI towards a welcome reception for the business and civic delegates in Birmingham on the night before. We have been invited to submit suggestions for invitees for this welcome event.

Although the main bilateral discussion will be held privately between MOFCOM minister Gao Hucheng from China and BIS Secretary of State Sajid Javid on Friday 26th afternoon, there will be a morning business/city-region event which CBBC is organising. Essentially there will be:

- Plenary session showcasing the four Chinese cities, along with 2-3 UK company case studies (CBBC is considering Dynex in Lincoln as one of these case studies) who can demonstrate the value of a) partnering with China and b) the support from municipal authorities in facilitating trade/investment.
- Networking lunch – CBBC is looking at sponsor opportunities for city/regions to have a display area in the networking room.
- Two breakout sessions – one for business matching, the other as a city to city forum with case studies from a couple of sister cities talking about what works well and possible challenges to further success.
- Closing session with Ministers making the final addresses before heading into the private bilateral.

In summary, Lincoln City is now working with the CBBC to host the Nanchang delegation in Lincoln at the end of February. There are opportunities for civic participation in the activities in Birmingham and the opportunity for Lincolnshire businesses to attend the conference on 26th February.

10. Culture and our engineering heritage

Finally, following discussions with CBBC we have identified linkages between culture and business opportunities. Lincolnshire has an extensive history in engineering and this will add weight to our 'Lincolnshire story'.

As an area Greater Lincolnshire has always been at the forefront of thought an innovation. Some of the world's greatest inventors, explorers, and innovators have hailed from Lincolnshire. In the present day Lincolnshire continues to be at the forefront of a diverse range of industries supporting world-class business in agri-tech, engineering, food processing, renewables and manufacturing. It has a rich heritage in the manufacturing and engineering sectors which still thrive and continues to play a leading role on an international platform.

We want to create an environment where businesses will see the benefit of bringing their manufacturing efforts to the area and continue to develop innovative ideas to put Greater Lincolnshire on the map as a global manufacturing hub.

Conclusion

Councillors are asked to consider supporting this plan and in particular:

- Encouraging export growth amongst Greater Lincolnshire's businesses from 13 per cent to 20 per cent.
- Developing a stronger relationship with Hunan and focussing on future collaboration between the two regions.
- Support the new partnership with CBBC and the commissioned activity.
- Agreement to support CBBC with hosting two Chinese delegations to Lincolnshire.
- Back the two CBBC events for the advantage of Lincolnshire businesses.

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Members of the PAB Translation Team: Terry Murphy (front), (l-r) Ruta Rubina, Monika Przybyszewska, Iwona Lebidowicz, Lelde Plesa, Hylton Barnes, Ana Maria Silvago, Erika Singh, Anita Krajewska, Anzela Turkina

INTERNATIONAL TRADE & EXPORTING

Words: Glynis Fox, freelance journalist and PR Photographs: Mick Fox

Any company which is serious about growing its business by breaking into export markets cannot rely on good luck to send its sales soaring – getting the basics right is what makes the difference between failure and success.

Learning about the culture and customs of the countries you are targeting and discovering how your potential customers prefer to do business can really pay dividends.

Taking the time to learn a little of the lingo and checking out the significance of colours, symbols and special dates in another country's calendar can also be smart moves and save you from being left with a red face!

Getting things right from the outset will boost your confidence at an exciting, but potentially nerve-wracking time. It will also send a strong signal to your potential client that you are

keen to form a good working relationship with them.

In areas where you have little knowledge or experience, investing in professional help is a savvy move. There's plenty on offer too.

You can source interpretation and translation services, tap into Lincolnshire Chamber's export documentation service and go along to International Trade events hosted by organisations such as UK Trade & Investment (UKTI), East Midlands International Trade Associations (EMITA) and Enterprise Europe Network (EEN).

The PAB Translation Centre in Boston works with clients locally, nationally and internationally simplifying business communications.

The Chamber members' services include the translation of technical documentation,

including manuals, contracts, medical documentation as well as terms and conditions. Translators work on marketing materials to provide clients with a service tailored to their specific language needs.

PAB also offers website translation, modifying existing websites or creating dedicated pages to make them accessible, usable and culturally suitable for target audiences.

Interpreters are provided for business meetings, conferences and trade shows, and PAB also offers business language lessons, cultural awareness courses and support with multi-lingual staff recruitment and induction.

Managing Director Iwona Lebidowicz said: "When working in the global commercial environment, knowledge of the impact of cultural differences is one of the keys to international business success."

A DIFFERENT VIEW – SOURCING GOODS FROM CHINA

In the early 1990s, as a director of a business based in the south of England, Neil Barrett regularly visited China to source satellite television components – and eventually he worked with a company to make exactly what he needed.

Ten years later, he moved back to his home county of Lincolnshire, and decided to plough his experience into Supplybase Solutions. Today he is helping all manner of firms wanting someone to take the headache out of buying products from China and the Far East.

Neil sources and supplies anything from grinding tools to shower curtains and mouldings for a toy company. His service includes tracking down and vetting potential suppliers, placing orders, arranging the shipment of goods into the UK and offering local warehousing.

"I have found that, when people want to reduce their costs, they move away from their normal purchasing arrangements, particularly if times are tight or they are pushed for time," said Neil.

"I have an office in Ningbo, not far from Shanghai, which is staffed by someone locally who understands the culture of that country. They are able to keep their finger on the pulse when it comes to keeping supplies flowing.

"Businesses which are just starting to look at sourcing from China need to be aware that it is very easy to flick onto a variety of websites and then find themselves dealing with a business which they know nothing about.

"Buyers should be aware of the fact that you always have to pay 60 per cent of the cost of an order upfront and the remaining 40 per cent when it is shipped."

Neil said that, while a British business may find that a Chinese manufacturer is eager to clinch their business, things are not always what they seem.

"Chinese business people are unlikely to say "No" to an opportunity to supply a British firm. They like the UK and they are interested in building relationships, but there is plenty of mileage for orders to be misunderstood.

"Should the incorrect goods be supplied, they are unlikely to want them returned. This can mean you are left with a pile of stock and the subsequent headache of trying to sort something out commercially with them," he said.

For more information visit supplybasesolutions.co.uk



Neil Barrett

Irrespective of whether a firm is involved in finance, technology, manufacturing or consumer electronics, Iwona said that global cultural differences will directly impact on a business and its managers or sales people.

"For instance, when translating websites, our staff have to take into account a number of cultural differences, such as measures or currency formats," said Iwona.

"Numeric formats are not universal and can, in fact, have the opposite meaning depending on the country and language. Local address and telephone formats will be adapted so that the end-user can easily input his or her address or telephone number in the format which is used in his or her country."

The Gregorian calendar is the most widely used, but in certain cultural settings, the Chinese or Islamic calendar may need to be used instead. Only three countries have not officially adopted the metric system, and one is the United States.

Getting the fine details wrong can mean the difference between clinching or losing a lucrative deal.

"It is crucial for today's business personnel to understand the impact of cross cultural differences on business, trade and internal company organisation, to avoid misunderstandings, offence and a breakdown in communication," said Iwona.

When getting marketing materials together for an overseas trade visit, businesses ignore the importance of localisation at their peril.

"The choice of colours or graphics for a background can send out very different messages to the end-user. For example, a red colour in China/Asia means celebration, luck or marriage, whilst in the US and Europe, the same colour is seen as a symbol for stop or danger," said Iwona.

"Graphics and icons can also mean different things, or even nothing, in different countries.

Global marketing: did you know?

- Colour increases brand recognition by up to 80%, so it's important to get it right when sharing your company's brand and message overseas. In the UK, white reflects purity and virtue, however in China the colour is associated with death and mourning.
 - 56 per cent of consumers rate the ability to read content in their own language above price. However, it's one thing to translate your marketing content – it's another thing to ensure that your message transcends the cultural differences of your domestic and foreign market.
 - Not only will you have to consider differences in legal requirements, product labelling or electrical voltage for example. You may also need to make changes to the taste, manner of use or economic suitability of the product – adaptations come in many different forms.
- Have you ever noticed some products we have at home taste different abroad? The popular hazelnut spread, Nutella, has a distinctively sweeter flavour in the UK than the version sold in Italy.

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Open Report on behalf of the Executive Director for Environment & Economy

Report to:	Economic Scrutiny Committee
Date:	23 February 2016
Subject:	Impact of Transportation on Maximising Economic Growth (ITMEG)

Summary:

This report provides members with an update on progress with the recommendations of the ITMEG report. Several important steps have been taken since the last progress report to the Economic Scrutiny Committee.

Actions Required:

It is recommended that

- (i) members support the steps that are being taken to actively address the findings of the ITMEG report, and
- (ii) officers are tasked with bringing a report on the Greater Lincolnshire rail strategy (prepared by Greater Lincolnshire Local Enterprise Partnership (GLLEP)) to a future meeting.

1. Background

The ITMEG report recognised that transport plays a vital role in bringing businesses and people closer together, connecting people to jobs and products to market, underpinning supply chains and logistics networks, and is fundamental to domestic and international trade. Transport is an enabler that can provide the right conditions for development and private sector investment.

The ITMEG report described the important role that the Greater Lincolnshire LEP can have in bringing the report's findings to the attention of policy makers. It also described the importance of economic corridors such as the A17, A46/A15 and the importance of rail infrastructure. Further discussion has recognised that small-scale tactical improvements to the routes, as part of a long term programme, may be achievable if the economic case for them is made effectively.

Members will also be aware that the Midlands Engine focuses on five activities, one of which is transport and infrastructure. The creation of the Midlands Engine

provides extra opportunities to promote the importance of investment in transport infrastructure with government.

Latest activity: LEP

In addition to the ITMEG study, the Greater Lincolnshire Local Enterprise Partnership is adopting a transport strategy that identifies the key transport corridors across the area. This includes the A15 as a route and the A46 around Lincoln which provides for connection of the A15 into the wider network to Newark and the A1 or to the A17 and access to the food production areas of southern Lincolnshire and Norfolk beyond. This transport strategy will provide the catalyst for a revised approach to reviewing the need for A15 improvements. Once this strategy has been adopted, it will be actively promoted as part of the LEP's work.

Latest activity: A15

Recently it has been agreed that Lincolnshire County Council (LCC), North Lincolnshire Council, and West Lindsey District Council will commission a study into the economic benefits of improving the A15. The study will recognise the important context of making improvements from Newark into Lincolnshire as well as the A15 itself. From an ITMEG perspective, the study will have the following objectives:

- To improve connectivity between Northern Lincolnshire, Lincoln, the East Midlands and the A1, A14, A47 and M11
- To increase connectivity to key allocated employment sites
- To open up access to key housing sites
- To open up access to potential sites for future housing/employment growth
- To release additional land for additional housing/ employment growth
- To enable residents of the wider area to take advantage of the employment/economic opportunities offered at the South Humber Gateway and ports
- To enable visitors to the area and residents of the wider area to access the visitor economy opportunities offered by historic Lincoln, the Wolds and the coastal areas

Latest activity: A17

LCC recently held a productive meeting with counterparts from Norfolk County Council. The meeting covered a range of subjects including the routes between the Midlands and Felixstowe ports – A17, A52, and then A47. A successful campaign for improvements to the A47 has been run by a public and private sector partnership. This campaign was based on a description of economic benefits along the route of the A47, and technical elements of the report were produced by the Norfolk equivalent of LCC's strategic transport alliance. The production of a similar study to the A15 report is currently being explored.

Both the A15 and the potential A17 reports are being led from an LCC perspective by economic development officers.

Latest activity: rail

The Greater Lincolnshire LEP board recently discussed its rail strategy. This strategy is focused on achieving economic benefits from rail, both passenger and freight. Officers from LCC have had substantial input to the production of the strategy. Once the strategy has been signed off by the LEP board it would be useful for the Economic Scrutiny Committee to be aware of the strategy.

Lincolnshire County Council represents East Midlands' local authorities on the Rail North Steering group – this is also a useful forum for LCC to influence services.

Latest activity: Midlands Engine

Government has asked the Midlands Engine partners to identify a pipeline of capital projects which can be considered by HM Treasury as part of their budget planning. The Midlands Connect partnership will promote transformational transport improvements (corridors and hubs) to unlock the untapped economic potential of the region and help re-balance the UK economy as a whole. The Lincolnshire ask from this activity is:

- Combining A46 and A15, as a route from the Midlands to the Humber ports
- A17 improvements, with Newark and Grantham as the entry points to the Midland and east coast ports. There are several designed improvements to the A17, which meet priorities in the agri-food strategy.

2. Conclusion

The recommendations in the ITMEG review hinged firmly on the need to raise the profile of the economic benefits of transportation schemes in Lincolnshire. In recent weeks there has been significant progress in responding to those recommendations. Further progress reports will be brought to the Economic Scrutiny Committee.

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 Andy Gutherson, who can be contacted on 01522 554827 or andy.gutherson@lincolnshire.gov.uk.

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Open Report on behalf of the Executive Director for Environment & Economy

Report to:	Economic Scrutiny Committee
Date:	23 February 2016
Subject:	GLLEP Water Management Plan & Coastal Vision

Summary:

The Greater Lincolnshire Local Enterprise Partnership (GLLEP) has approved a Water Management Plan and is supporting the development of a coastal vision for Lincolnshire. This report provides the Committee with details of the Water Management Plan and an update on progress towards the coastal vision.

Actions Required:

The Economic Scrutiny Committee is invited to consider and comment on the report and appended documents.

1. Background

The Greater Lincolnshire Local Enterprise Partnership (GLLEP) has prioritised agri-food and the visitor economy as the key sectors for economic growth in Greater Lincolnshire. Effective flood risk and water resource management is considered fundamental in realising these opportunities.

The Water Management Board has overseen the development of a co-ordinated plan for action to capitalise upon existing strengths in Greater Lincolnshire and to maximise access to new funding in the interests of promoting economic growth.

The resulting Water Management Plan (**Appendix A**) was approved by the GLLEP Board on 28th January.

In addition, the Water Management Board has supported the development of a Coastal Vision as a framework overview of initiatives and strategies in the coastal parts of Lincolnshire. Intended primarily to support partners and stakeholders in establishing a long-term approach to coastal management that facilitates growth, the Coastal Vision will also support greater co-ordination of new and emerging initiatives.

The GLLEP Water Management Plan

Flood and drainage risk management is well understood and catered for by the present partnership in the Joint Lincolnshire Flood Risk and Drainage Management Strategy and its equivalents in North Lincolnshire and North East Lincolnshire. There is currently no equivalent approach to managing issues of water supply and resources, beyond the strategic and operational responsibilities of the Water and Sewerage Companies.

A GLLEP Water Management Plan has therefore been developed in discussion with partners and a wide range of stakeholders. The purpose of the Water Management Plan is to align the well-developed flood risk agenda with a broader approach that considers water supply and management, and to support the GLLEP's objectives in promoting business sustainability and opportunities for further expansion. In particular it will act as a channel opening up access to a wider range of funding streams, through the GLLEP, to enable strategic scale flood risk and water management schemes.

The scope and broad content of the Water Management Plan has been developed through discussion with partners, elected member scrutiny, the GLLEP's Water Management Board and stakeholder workshops held in June and September 2015. The Joint Lincolnshire Flood Risk and Drainage Management Strategy Group has been engaged throughout this process, as have representatives of the North Lincolnshire and North East Lincolnshire flood risk partnerships.

The Water Management Plan takes the form of an explanatory section, followed by a table providing outline details of a programme of projects for the immediate, medium and long term. These are focused on initiatives that demonstrably facilitate economic growth, and provide a means of co-ordinating such activity across a number of important contributory strategies and plans.

A Coastal Vision

Many of the issues that are relevant to the Water Management Plan, particularly the ability to make a compelling case for funding water and coastal management, are most prevalent in Greater Lincolnshire's coastal areas.

The scale and scope of flood risk and water supply, along with the attendant risks and opportunities for the visitor economy, agri-food industry and associated supply chains, are wholly interdependent in the coastal context.

For this reason, on behalf of the Water Management Board officers from partner authorities have drafted a Coastal Vision (**Appendix B**), with the aim of succinctly expressing an overarching common approach to coastal issues, with a focus on achieving sustainable economic growth for the GLLEP's area.

The intention of the Coastal Vision is to draw together key themes that have emerged from a wide range of existing initiatives and prior public consultation as coherent, mutually supporting objectives for the coast. This includes providing a strategic framework within which, for example, the conclusions of the Saltfleet to

Gibraltar Point Review of Coastal Management and the Humber Estuary Strategy can be taken forward along with any new approaches to funding that might be implemented.

In effect, as an overarching framework, the Coastal Vision would act as a touchstone to support future initiatives in the coastal zone in activities including spatial planning, bidding for funding, flood risk management and economic development, among others.

2. Conclusion

The Water Management Plan is designed to establish a pipeline of projects that can be developed for successive rounds of funding opportunities. Approved by the GLLEP Board on 28th January, the Plan is now ready for implementation, with outline bids already in progress for priority stretches of coastal and fluvial defences.

As a result of comments received on the present draft of the Coastal Vision, the document will be focused more tightly on the Lincolnshire coast, with links to the Humber Estuary Strategy and Humber Strategic Economic Plan as an equivalent covering the Humber. It is intended that a final draft will be presented to the GLLEP Water Management Board in March, with subsequent approval by the GLLEP Board.

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 – Water Management Plan for Greater Lincolnshire
Appendix B – Current draft (version 3.1) of Coastal Vision for Lincolnshire

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 David Hickman, who can be contacted on 01522 554809 or david.hickman@lincolnshire.gov.uk

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GLLEP Water Management Board

11th January 2016

Water Management Plan and Coastal Vision

1 Introduction

The Greater Lincolnshire Local Enterprise Partnership (GLLEP) has prioritised agri-food and the visitor economy as the key sectors for economic growth in Greater Lincolnshire. Effective flood risk and water resource management is considered fundamental in realising these opportunities.

The Water Management Board has overseen the development of a co-ordinated plan for action to capitalise upon existing strengths in Greater Lincolnshire and to maximise access to new funding in the interests of promoting economic growth.

The resulting Water Management Plan (**Annex A**) is presented to the Water Management Board for approval, and to consider whether it wishes to recommend the Water Management Plan to the GLLEP Board for adoption.

In addition, the Water Management Board has supported the development of a Coastal Vision as a framework overview of initiatives and strategies in the coastal parts of Greater Lincolnshire. Intended primarily to support partners and stakeholders in establishing a long-term approach to coastal management that facilitates growth, the Coastal Vision will also support greater co-ordination of new and emerging initiatives in coastal Greater Lincolnshire.

The Water Management Board is asked to comment on the draft Coastal Vision, with the objective of securing the GLLEP Board's approval in March 2016.

2 The GLLEP Water Management Plan

Flood and drainage risk management is well understood and catered for by the present partnership in the Joint Lincolnshire Flood Risk and Drainage Management Strategy and its equivalents in North Lincolnshire and North East Lincolnshire. There is currently no equivalent approach to managing issues of water supply and resources, beyond the strategic and operational responsibilities of the Water and Sewerage Companies.

A GLLEP Water Management Plan has therefore been developed in discussion with partners and a wide range of stakeholders. The purpose of the Water Management Plan is to align the well-developed flood risk agenda with a broader approach that considers water supply and management, and to support the GLLEP's objectives in promoting business sustainability and opportunities for further expansion. In particular it will act as a channel opening up access to a wider range of funding

streams, through the GLLEP, to enable strategic scale flood risk and water management schemes.

The scope and broad content of the Water Management Plan has been developed through discussion with partners, the GLLEP's Water Management Board and stakeholder workshops held in June and September 2015. The Joint Lincolnshire Flood Risk and Drainage Management Strategy Group has been engaged throughout this process, as have representatives of the North Lincolnshire and North East Lincolnshire flood risk partnerships.

The Water Management Plan takes the form of an explanatory section, followed by a table providing outline details of a programme of projects for the immediate, medium and long term. These are focused on initiatives that demonstrably facilitate economic growth, and provide a means of co-ordinating such activity across a number of important contributory strategies and plans.

Above all, the Water Management Plan is designed to establish a pipeline of projects that can be developed for successive rounds of funding opportunities.

3 A Coastal Vision

Many of the issues that are relevant to the Water Management Plan, particularly the ability to make a compelling case for funding water and coastal management, are most prevalent in Greater Lincolnshire's coastal areas.

The scale and scope of flood risk and water supply, along with the attendant risks and opportunities for the visitor economy, agri-food industry and associated supply chains, are wholly interdependent in the coastal context.

For this reason, on behalf of the Water Management Board officers from partner authorities have drafted a Coastal Vision, with the aim of succinctly expressing an overarching common approach to coastal issues, with a focus on achieving sustainable economic growth for the GLLEP's area.

The intention of the Coastal Vision is to draw together key themes that have emerged from a wide range of existing initiatives and prior public consultation as coherent, mutually supporting objectives for the coast. This includes providing a strategic framework within which, for example, the conclusions of the Saltfleet to Gibraltar Point Review of Coastal Management and the Humber Estuary Strategy can be taken forward along with any new approaches to funding that might be implemented.

In effect, as an overarching framework, the Coastal Vision would act as a touchstone to support future initiatives in the coastal zone in activities including spatial planning, bidding for funding, flood risk management and economic development, among others.

The draft coastal vision has been written in consultation with partners and stakeholders during 2015. The Water Management Board is asked to consider the current draft (attached as **Annex B**), and to provide comments which will be incorporated into a third and final draft. The final draft will be presented to the Board at its next meeting, with a request for the Board to consider recommendation to the GLLEP Board for approval.

4 Recommendations

The Water Management Board are asked to

- 1 Consider the final draft Water Management Plan and determine if it wishes to recommend adoption of the Plan by the GLLEP Board.
- 2 Consider and comment on the current (third) draft of the Coastal Vision in order to shape the final draft of the document for March 2016.

Greater Lincolnshire Local Enterprise Partnership Water for Growth: Water Management Plan 2015 - 2040

1 Introduction

The Greater Lincolnshire Local Enterprise Partnership (GLLEP) considers the effective management of flood risk and water resources to be a critical factor in enabling economic growth in its area. The strength of existing longstanding partnership working in flood risk management in Greater Lincolnshire provides an opportunity to develop this further and to drive links with organisations responsible for water supply and management.

Our aim is for Greater Lincolnshire to be seen as a national exemplar for water management, both flood reduction and water supply, so that this plan acts as an incentive for investors in the GLLEP's priority sectors. This will enable effective water management to be a positive contributor to economic growth.

In achieving this aim, the GLLEP believes that close collaboration with the neighbouring Humber LEP, Greater Cambridgeshire and Greater Peterborough LEP and New Anglia LEP is essential, these areas sharing many important economic challenges and opportunities.

Because of this, the GLLEP has established a Water Management Board, through which it has commissioned this Water Management Plan.

2 Purpose of the Water Management Plan

The Water Management Plan

- Sets out the GLLEP's aims and objectives for water management as a driver for economic growth
- Identifies key current, emerging and future projects that will secure these aims and objectives
- Sets out the need of the water supply challenges for Greater Lincolnshire and the potential construction of major new reservoirs and/or water distribution infrastructure
- Establishes a 'pipeline' of potential bids for funding from a range of sources
- Draws on key actions set out in the three Lead Local Flood Authorities' Local Flood Risk Management Strategies where these directly contribute to economic growth
- Promotes integration between flood risk and water resource management in terms of key projects that facilitate economic growth

- Defines specific opportunities to promote co-operative ventures with neighbouring LEPs

GLLEP recognises that in addition to local, small to medium scale projects, many of which are detailed in this pipeline of projects set out later in this plan, some of the interventions which may need to be developed over the next 25 years will require large scale, long term strategic projects. This could include:

- Meeting the long term water needs of the GLLEP area (and neighbouring LEP areas as appropriate) through the construction of major new reservoirs and/or water distribution infrastructure. These projects will take many years to plan and finance and, in line with the emerging Water Resources East Anglia (WREA) programme, GLLEP is keen to explore the potential for shared water resource infrastructure which simultaneously meets the needs of domestic, industrial and agri-food users
- Projects to defend the coastline in conjunction with neighbouring LEPs and local authorities in the Humber or Wash areas to provide long term security to the large areas of coastal land, many thousands of businesses and homes in these locations.

These projects, which are likely to cost £millions to develop, are clearly of a much larger scale and will require national support and strategic commitment from multiple partners and stakeholders. GLLEP welcomes the government's creation, in late 2015, of the National Infrastructure Commission to support the development of large scale infrastructure to support growth.

GLLEP will open up a dialogue with the National Infrastructure Commission on how these major water projects could be supported and will, where appropriate, establish task and finish groups to work with stakeholders to develop larger strategic water projects.

3 Business Case: Water Management and Economic Growth

Greater Lincolnshire faces significant challenges from the risk of flooding and future availability of water. The Humber, East Anglia, Peterborough and large parts of Cambridgeshire share these challenges to a considerable degree.

Flood Risk

Greater Lincolnshire is subject to flood risk from the sea, main rivers, surface water and ground water. The extent and nature of this risk varies across the area, and is described in more detail in the Local Flood Risk Management Strategy for Lincolnshire, North Lincolnshire and North East Lincolnshire. The risk of coastal and river flooding affects up to 45% of the land area of Greater Lincolnshire, while

surface water flooding, although of more localised and limited impact, occurs more frequently and is more difficult to predict.

The key impacts on economic growth from flood risk are:

- Risk to existing economic activity
- Perceived risk impacting on the confidence to invest in the area
- Costs of recovery from flooding event
- Costs of mitigating flood risk
- Insurance costs

Water Resources

Greater Lincolnshire is within one of the driest regions of the country, and current models of climate change predict increasing scarcity of water over the 21st century. Current models also predict that whilst winter rainfall will increase, by possibly 15-20%, summer rainfall levels will fall by a similar amount. The historic reliance on summer abstraction from surface and groundwater will therefore be less sustainable in the future. Furthermore, climate models predict that we will see more frequent and longer periods of drought or flooding. In the case of drought, the increased frequency of multi-year periods of below average rainfall, is particularly difficult to respond to and will necessitate more investment in water storage for both domestic and commercial use.

Water and Sewerage Companies are addressing the impacts of this on their own operations through Water Resource Management Plans. A good example of this is provided by Anglian Water Services, whose Water Resource Management Plan can be found online through the following link.

<http://www.anglianwater.co.uk/environment/our-commitment/our-plans/water-resource-management.aspx> (especially pages 140-171 of main document)

The supply of water is clearly important for the agri-food industry, with its reliance on a plentiful and reliable supply of clean water for growing and processing foodstuffs. It also plays a major part in supporting the growth of the visitor economy, and in sustaining well-planned and appropriate housing growth.

The Role of Water Management in Growing the GLLEP Economy

The Greater Lincolnshire LEP has developed an ambitious plan to increase the value of the local economy by £3.2bn by 2023. The plan helped determine the share the Greater Lincolnshire LEP – along with the 38 other LEPs in England, received from the £2bn Single Local Growth Fund, known as the Growth Deal. To date, the LEP has been successful in securing £146m from central Government.

The Strategic Economic Plan (SEP) – also called the Growth Plan – is a business investment programme across Lincolnshire, North Lincolnshire and North East

Lincolnshire which aims to help create 13,000 new jobs, support the building of 100,000 new homes and help 22,000 businesses grow and was the basis for the Growth Deal submission and future submissions.

The Greater Lincolnshire SEP can be found on the GLLEP's website, at <http://www.greaterlincolnshirelep.co.uk/what-we-do/our-strategy-for-growth>.

The SEP focuses on growth in 3 priority sectors, all of which require a secure supply of water and protection from flooding to facilitate their growth. These sectors 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 pla, Greencore, Moy Park, Walkers and Young's Seafood, alongside a wide range of primary producers. The GLLEP Agri-food Sector Plan is targeting doubling the sector's economic contribution by 2030 with a focus on high value manufacturing, increasing the production of intensive crops and livestock (eg, poultry) and investment in new areas such as aquaculture. All of these areas of growth will require additional water provision and improved water management.
- **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.
- **Visitor economy** – the 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 31million people visited Greater Lincolnshire's world-class visitor attractions in 2014, 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.

Around 45% (2,843km²) of Greater Lincolnshire lies within the floodplain (constituting 17% of England's total floodplain area) and the area has been affected by a number of significant coastal and inland floods, most notably in 1953, 2007, 2012 and 2013.

The Greater Lincolnshire area is also one of the driest in the country and is prone to drought. The two dry winters experienced in 2010/11 and 2011/12 demonstrated the challenges and raised awareness of the need to adapt to this element of our changing climate. The second of these two dry winters was followed, from April

2012, by an exceptional summer which led to problems for our key sectors from flooding and illustrates the need to prepare for more weather extremes.

Greater Lincolnshire also contains the Ports of Immingham and Grimsby, the largest ports in the UK by tonnage as well as smaller ports in South Lincolnshire at Boston and Sutton Bridge.

A further way in which Greater Lincolnshire will grow is in terms of population. The 100,000 new homes need by 2031 to meet this growth will bring economic growth but require a strong utility structure, not least in terms of water supply and flood protection.

Security from flooding is a key infrastructure requirement for our economy. The threat of flooding affects developer confidence and development viability. Our coast, which is major part of our visitor economy, is particularly vulnerable to the impacts of climate change and sea level rise. We are committed to working with partners to secure sustainable flood risk management through the sustainable development of our coastal economy whilst protecting our communities.

These impacts are also felt 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.

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

Through developing an integrated approach to water that fully links flood risk, drainage and water-resources management, 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 that Greater Lincolnshire is fit for the future, improve our competitiveness and facilitate economic growth.

4 Developing the Water Management Plan

The GLLEP has developed the Water Management Plan in partnership with a wide range of stakeholders and partner organisations, shaping and refining it through workshops in June and September 2015. Stakeholders identified a number of key spheres of action which they considered fundamental in creating a more integrated, forward-looking approach to water management. In brief, these consisted of

- Increased water provision (eg additional storage capacity)

- Water use efficiency by both industry and households
- Flood risk management
- Linking flood risk management and water provision

With a focus on achieving these objectives through

- Awareness raising and education
- Increasing collaboration and focusing on new potential partnerships
- Focusing on innovation in technology, organisational arrangements, funding and planning
- New approaches to funding with a particular focus on facilitating collaborative larger scale schemes
- More joined up approaches to planning

The action plan (Annex) is being developed to identify and progress projects that will help address these areas of activity.

5 Delivery of the Water Management Plan

The importance of water management in Greater Lincolnshire, and its established expertise in managing flood risk – a key part of the solution - provides an opportunity to explore innovative approaches across the whole range of water management activities. No other part of the country is taking this comprehensive approach or has identified water management as so essential a factor in bringing about economic growth.

There are a number of existing mechanisms for progressing this approach, with flood risk management already well addressed through strong partnership arrangements across Greater Lincolnshire. In addition, in its Growth Deal, the GLLEP has already agreed a number of key principles on working with Government and its neighbouring LEPs to progress this agenda.

Known as 'freedoms and flexibilities', these principles establish how Government and the LEPs will seek to explore the best ways of securing economic growth locally. Key freedoms and flexibilities in the Greater Lincolnshire Growth Deal are:

"...the LEP and local partners will lead the development of a local consortium of partners (including the lead local flood authorities in the area, the Environment Agency and the Regional Flood and Coastal Committee, and neighbouring LEPs), who will further develop a pipeline of projects to add value to outcomes for the area through new local governance arrangements that reflect national accountability requirements."

and

"Defra will support the continuing development of a strong strategic partnership approach between the LEP, the Lincolnshire Flood Risk and Drainage Management Partnership, and the risk management authorities in the Greater Lincolnshire LEP"

area, in which the LEP will play a prominent role. The partnership will enable the LEP and local risk management authorities to determine local priorities and make decisions on the use of national and locally raised funding allocated to their area so as to give greater certainty and flexibility. Defra will welcome any evidence the LEP can provide on a) the value agricultural land and the impacts that flood management investment could have on the national economy and b) innovative ways of securing local funding, and will discuss with the LEP[s] any steps that might be taken by Government in the light of the evidence. (* ie Humber and Greater Lincolnshire)."*

Establishing a clear programme of emerging and proposed schemes as a focus for delivering enhanced water management will support these ambitions by providing partners and stakeholders with a clear focus for action and a means of co-ordinating efforts across the area. In order to promote wider co-operation across boundaries the GLLEP is also contributing to the wider Water Resource East Anglia (WREA) project, a potential route for integrating appropriate initiatives into the regulatory programmes of the industry.

As well as forming part of the WREA project's Leadership Group, the GLLEP additionally has the opportunity to shape the project's work to examine planning policy approaches that offer the best support to the delivery of identified water resources for the East of England and support sustainable growth

6 Governance, Monitoring and Reviewing the Water Management Plan

The Water Management Plan forms a discrete section within the GLLEP's Growth Strategy, providing an action plan for achieving key elements of the Strategic Economic Plan for Greater Lincolnshire, and for channelling funding available for appropriate schemes and activities through the SEP.

Governance will therefore be provided, on behalf of the GLLEP Board, by the Water Management Board, working with key established bodies such as established flood risk and drainage management partnerships and the Regional Flood and Coastal Committee. In discharging this role, the Water Management Board will be responsible for monitoring progress in delivering the Water Management Plan as a whole, although individual projects and programmes will be the responsibility of particular lead agencies, who will manage progress on these in detail.

Because the Plan covers a 25 year period it can be expected that circumstances will change and opportunities arise that will necessitate regular review of the Plan overall, while the schedule of projects and programmes will require updating on a more frequent basis. The Water Management Board will ensure that these reviews take place, and will identify the appropriate partner resources to lead and manage the process.

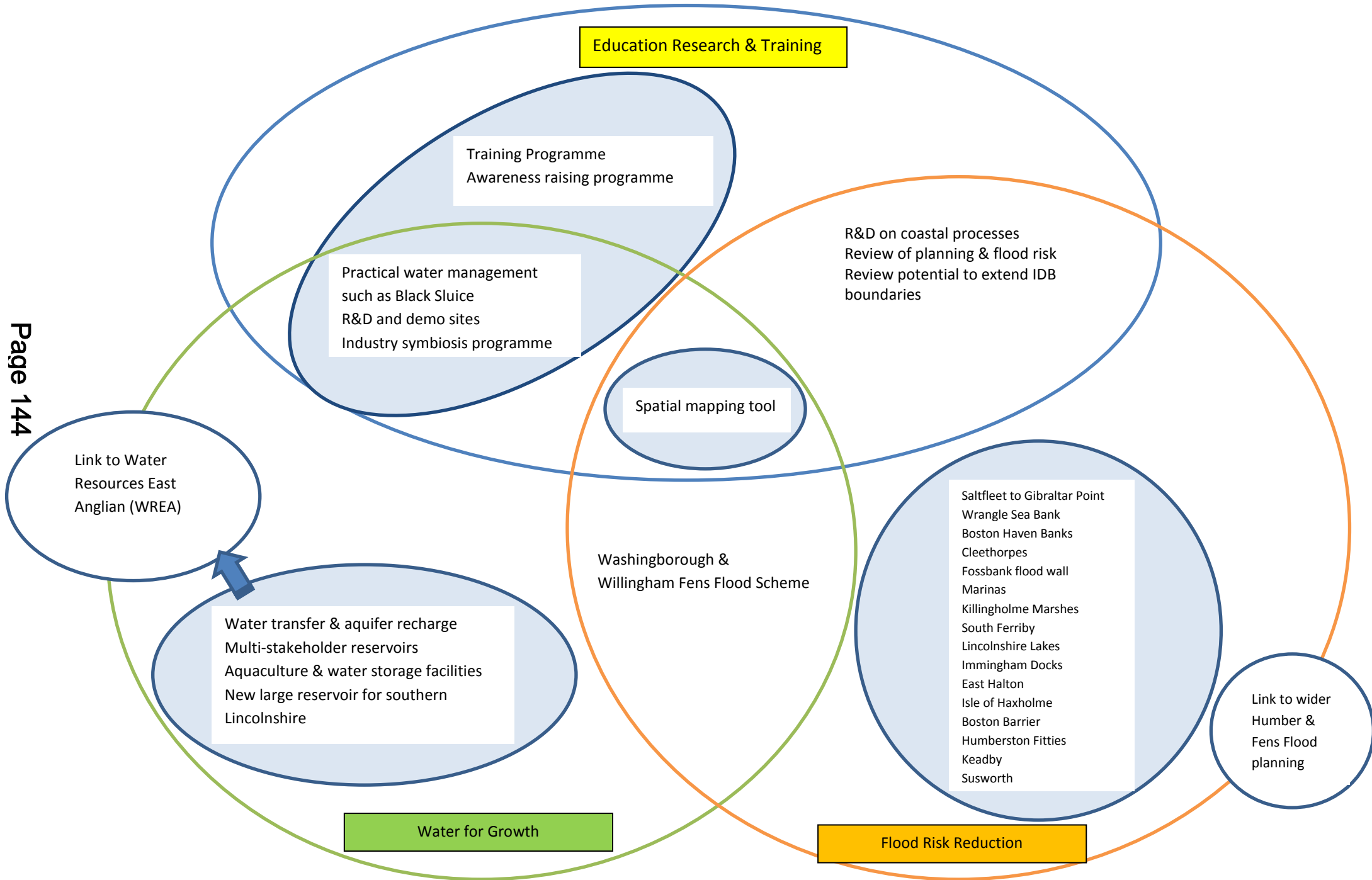
Annex: Water Management Plan – schedule of projects and programmes

The most important part of this Water Management Plan is the attached programme of proposed actions that will support economic growth through improving management of water. Stakeholders will play an important role in developing this programme by putting forward ideas for other schemes to accomplish the GLLEP's ambitions to drive a joined up agenda for water management across Greater Lincolnshire, and in partnership with neighbouring LEPs.

As the starting point for a programme intended to deliver improvements over a twenty five year period, the Water Management Plan's project schedule will be regularly reviewed and updated, with new schemes coming in and completed schemes coming out as the Plan unfolds. Revision and updating of the schedule will be managed overall by the GLLEP's Water Management Board, drawing on the expertise and resources of partner organisations and stakeholders.

Potential Water Management Schemes

Three Themes: Theme 1 – Education, Research & Training; Theme 2 – Water Provision for Growth (linked to Water Resources East Anglia); Theme 3 – Flood Risk Reduction



Theme 1 – Education, Research and Training				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>The Ark</u></p> <p>The establishment of a Centre of Excellence for Water Management incorporating a training/awareness facility for responders, business and residential community members to collectively develop relevant skills to mitigate risk from flooding and to support recovery.</p>	<p>MEDIUM 1-5 YEARS</p>	<p>Benefits arise from protection and improved recovery:</p> <ul style="list-style-type: none"> • Quick deployment of property level protection can reduce damages (75%) of insurance claims in 2007 were for contents not buildings) • Better prepared business could reduce the average claim from £112,000 and enable faster recovery. • The reduction in costs to communities and business and SROI over 5 years is anticipated to be: £15m. 	<p>£6.2m project £1.2m secured from HFRS</p> <p>Other possible funding sources:</p> <ul style="list-style-type: none"> • ERDF – PAS (Promoting climate change adaptation, risk prevention and management) • DEFRA – Climate change funds • Local levy • Loans 	<p>Initially lead by Humberside Fire and Rescue (HFRS) with development of an Executive Committee for the project to include several partners: LEP members, Lincolnshire FRS, Police, Local authorities, Voluntary sector, business representatives Responding agencies. Appointment of a Strategic Partner.</p>

Theme 1 – Education, Research and Training				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Awareness Raising Programme</u></p> <p>To support and complement other aspects of the Water Management Plan. Makes links with the national curriculum.</p> <p>Looks at water supply awareness, along with potential flood incidents and to support and improve water efficiency for business/commercial and domestic purposes.</p> <p>Need further specification</p>	Medium Term		ERDF	<p>Potential commission project by the LEP.</p> <p>Some elements on farming could be led by the Uni and potentially funded through the innovation call.</p>
<p><u>Brownfield Land – streamlined planning for flood protection</u></p> <p>Initial focus was streamlining the planning process through the use of Local Development Orders to bring forward housing within the coastal zone of East Lindsey.</p> <p>The principle of bringing brownfield land back into beneficial use is supported by the govt.</p> <p>This approach could be extended to Greater Lincs with a view to understanding that brownfield resource and consideration of use for that land – housing, commercial, industrial, environmental, flood risk management (surface water).</p>	Medium Term			TBC

Theme 1 – Education, Research and Training				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Black Sluice – R&D</u></p> <p>Future integrated water management of the Black Sluice catchment.</p> <ul style="list-style-type: none"> • This catchment provides a good, timely opportunity to test the principle of integrating flood risk and water resources. • The project could be a separate study (including a business case) that: <ul style="list-style-type: none"> - Addresses the water resource demands (now and future) of the catchment and how the current IDB pumping regime could be managed to meet this demand. - Considers water level management through Boston. - Looks to integrate ecological benefits with flood risk through the slowing the flows principles. - Identifies innovative funding and governance mechanisms. • This project would pave the way for future EU/LGF bids to deliver the capital infrastructure needed. It would also provide a template for taking a similar approach in other catchments (Lower Witham/Glens). 	<p>Short - Medium Term – political priority and WREA case study</p>	<p>Security of water supply will encourage investment in the agri-food sector. Water level management could support economic regeneration within Boston and support tourism. Done well integration of ecological benefit create natural environment tourism</p>	<p>Thinking differently. About EU funding – potential Interreg . Pilot WR Flood.</p> <p>IDB never but Fen Flood Risk – Water Level management.</p> <p>Defra Limited EA FDGiA</p>	<p>Partnership approach facilitated by the GLLEP/WMB/Lincs Floods and Drainage Strategy Group</p>

Theme 2 – Water provision for growth				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Combined Spatial Mapping Tool</u></p> <p>To produce a detailed holistic spatial model of water use, to include both flooding and water supply and provision pressures. Existing data to be combined at a usable scale to aid in decision making process and to be supplemented by additional new modelling work where hotspots are identified so informed decisions can be made to aid in identifying growth areas. Lead Local Flood Authority and Environment Agency involvement likely as could bring benefits around flood risk planning/management.</p>		Peer Review – DIGG – Infrastructure Group to take forward		Housing and Infrastructure Group
<p><u>Practical Demonstration Sites</u></p> <p>Development of practical demonstration sites for research on water around farming, industry and housing sites in a GLLEP network. To build on, and develop existing plans around agriculture to cover research across all sectors which can then provide exemplars of best practice. Agricultural element quite well progressed, industry and housing likely to be longer term.</p>	Short Term		EU bid for innovation	University of Lincoln
<p><u>Industry Applied Research and Symbiosis Programme</u></p> <p>Industry to provide and demonstrate examples of best practice with opportunities to develop a symbiosis programme around water. To look at the movement and recycling of water to make best use of the resource.</p>	Medium			

Theme 2 – Water provision for growth				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Water Storage and Fish Farming</u></p> <p>To supply water and farm fish within 1 to 3 years through provision of reservoirs and lagoons. Aquaculture industry to be supported by Environment Agency, Natural England, NFU and Anglian Water. Likely need for permitting and abstraction licences and further detail required from this industry sector as plans emerge so most appropriate support around growth can be provided.</p>				
<p><u>Cluster Farms</u></p> <p>Support bids under the Countryside Stewardship – Natural England.</p> <p>Manage own water resource on a local level.</p>	Short		Countryside Stewardship Facilitation Fund Defra	Natural England LEP role to identify and communicate the opportunity
<p><u>New Reservoir for Greater Lincolnshire</u></p> <p>Linkages to be made with the Water Resources East Anglia (WREA) project for long term potential projects which may also bring benefits around biodiversity, green infrastructure and tourism</p>	Long term			Anglian Water
<p><u>Water Transfer and Aquifer Recharge</u></p> <p>To map out opportunities to link excess and deficits around water, incorporate SuDs features.</p>				Parties involved to include Internal Drainage Boards, Environment Agency, Anglian Water, Lead Local Flood Authorities and NFU.
<p><u>Multi Stakeholder Reservoirs</u></p> <p>To provide winter storage and provide water for agriculture and environmental (and possibly domestic) needs (the South Forty Foot and South Lincolnshire Fens Partnership areas with potential). Linkages to be made with the Water Resources East Anglian (WREA) project.</p>	Medium – Long (potential output of Black Sluice project)	Security of water supply will encourage investment in the agri-food sector. Done well integration of ecological benefit create natural environment tourism		Parties involved to include FWAG, Internal Drainage Boards, Environment Agency, Natural England, Wildlife Trusts, Anglian Water and NFU.

Theme 2 – Water provision for growth				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Internal Drainage Board Boundaries</u></p> <p>Generic proposals for the expansion to cover 100% of Greater Lincolnshire with levy rates to all land owners raising £4/5 million per year. This can then be used to fund strategic projects, but this would require Defra approval. Timescale approximately 3 years.</p>	Medium			Devolution

Theme 3 – Flood Risk Reduction				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Wrangle Wash Banks Flood Scheme</u></p> <p>Deliver additional protection through the planned sea bank improvements (than that currently funded).</p> <ul style="list-style-type: none"> • Following the December 2013 Tidal Surge, this area was shown to be vulnerable to erosion and overtopping with the consequence that residential properties, farm land and businesses are at an increased risk from overtopping and potential breach. • Additional funding would allow increased bank raising increasing climate resilience, addressing sea level rise for the next 50 years. 	Short Term	Increased bank raising = increased investor confidence in area	Total cost = £1.5m EA FDGiA = £1m ERDF – PA5 (Promoting climate change adaption, risk prevention and management) = £0.5m match	Witham 4 th IDB lead EA LCC
<p><u>Haven Banks (Boston) Flood Scheme</u></p> <p>Deliver additional protection through the planned Haven Bank improvements (than that currently funded)</p> <ul style="list-style-type: none"> • Following the December 2013 storm tidal surge, the Haven Banks came very close to overtopping, as a result the Haven Banks were surveyed and areas of low spots identified where banks raising is needed to achieve the required standard of protection. The consequence of these defences being overtopped leading to a breach would severely impact on the town and surrounding agricultural land. • Additional funding would allow increased bank raising, increasing climate resilience, addressing sea level rise over the next 30-60 years. 	Short Term	Increased bank raising = increased investor confidence in area	Total cost =£3m EA FDGiA =£2m ERDF – PA5 (Promoting climate change adaption, risk prevention and management) = £1m EU	LCC EA

Theme 3 – Flood Risk Reduction				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Sustainable Management of the open coast from Saltfleet to Gibraltar Point Flood Scheme</u></p> <p>R&D to identify, agree and plan delivery for the sustainable management of tidal flood risk following the current Lincshore Extension programme. This could involve:</p> <ul style="list-style-type: none"> • Trialling of alternative options for future coastal management options to inform the current review of flood risk management strategy and selection of preferred options, preparing the way for future implementation. <ul style="list-style-type: none"> - - Exploring innovative funding - Exploring innovative governance arrangements - Agreeing an approach and implementing from 2021 - Preparing an Action Plan 	Short to Medium Term	R&D – Investor confidence. Longer term solutions – development of the coast – linked to the Coastal Vision work	<p>Interreg – re learning about sustainable delivery and management of tidal flood risk</p> <p>FDGiA/ERDF for trialling of options</p>	LCC/EA
<p><u>Boston Marina</u></p> <p>Development of an inland waterways marina including the construction of new marina basin, and associated facilities including commercial, retail and improved visitor access highly desirable to achieve wider waterway objectives improving connections and use, with inherent economic benefits</p>	Medium to Long		RDPE	BBC
<p><u>Gainsborough Marina</u></p> <p>Part of Riverside gateway brownfield development and regeneration site for residential and mixed use development and to create a marina with circa 200 berths. The marina would provide potential opportunities for flood alleviation and is highly desirable to achieve wider waterway objectives improving connections and use, with inherent economic benefits</p>	Medium to Long		RDPE	<p>WLDC</p> <p>HCA</p> <p>LCC</p>

Theme 3 – Flood Risk Reduction				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Replacement of the Fossbank floodwall, Lincoln</u></p> <p>Provide a replacement purpose built watertight defence (adjacent to the Science and Innovation Park) to resolve the seepage, washout and structural risks associated with the current defence.</p>	Medium	<p>Directly it will improve protection for 23 commercial properties.</p> <p>If tied in with flood risk mitigation for the Science and Innovation Park it will help improve investor confidence.</p>	EA FDGiA Growth Deal (potential for Science and Innovation Park)	EA GLLEP/LCC/University of Lincoln (Science and Innovation Park)
<p><u>Cleethorpes Flood Scheme</u></p> <p>Improve the flood defences on the North Prom in Cleethorpes to protect businesses and residential properties that are currently not being protected.</p>	<p>Long Term (2019/20)</p> <p>The area will be resurveyed by the end of the current 6 year investment programme. At this point more information will come forward about the scale of the flood risk and the scheme that will be needed.</p>	<p>The project will help attract the businesses needed to regenerate this part of the town and will contribute to growing the visitor economy in the GLLEP area</p>	<p>£300,000 Total Scheme Cost</p> <p>FDGiA may become an option in the future along with Private Sector funding.</p> <p>LGF could accelerate project</p>	North East Lincolnshire Council

Theme 3				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Washingborough and Willingham Fens Flood Scheme</u></p> <p>Delivery of multiple benefits by making space for water in Lower Witham downstream of Lincoln, involving land purchase and realignment of Witham Banks.</p> <p>The EA Witham Opportunities Study identified a number of projects that could potentially deliver flood risk benefit alongside wider benefits – a multi-functional approach. Further work demonstrated that the flood risk benefits to existing properties were minimal and therefore limited FDGiA would be available – insufficient for the EA to progress. However, other partners may wish to progress.</p> <p>Potential benefits could include: surface water attenuation for the significant growth around Lincoln (including eastern bypass), green infrastructure provision for the increased population, improved green tourism offer (supplementing Whisby Nature Park to the west and the Fens Waterway Link to the east and south), and water storage.</p>	Long Term	<p>Multiple Benefits</p> <p>Pilot ?? implement</p>		Partners to be determined
<p><u>Killingholme Marshes Drainage Improvements</u></p> <p>Construction of a pumping station and drainage solutions to facilitate further development of the South Humber Gateway (SHG). The SHG is strategically important to the region and the UK economy overall. It forms the largest area of any Enterprise Zone in the UK. It will prevent future flooding of industrial land and property, ensuring established businesses can remain and future developments to secure future inward investments can go ahead on the SHG.</p> <p>North East Lindsey Drainage Board is responsible for providing the public service in land drainage and flood protection within the specified area.</p> <p>Funding – Project Total £5,450,000</p>	Short Term	Investor confidence.	ERDF Grant approval, contribution of £2,316.293 from Able Humber Ports Ltd	North Lincolnshire Council – also submitted to the Humber LEP ESIF Call

Theme 3 – Flood Risk Reduction				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>A1077 Highway Improvement & Flood Alleviation Scheme South Ferriby</u></p> <ul style="list-style-type: none"> • Construction of the diverted carriageway onto a suitable embankment, to be designed by NLC/EA. • Erosion is putting pressure on the need to deliver flood protection works on the frontage from South Ferriby Cliff to South Ferriby Sluice. • Flood risk reduction to the village of South Ferriby will be provided by the delivery of the proposed flood embankment towards Ferriby Cliff, around the River Ancholme sluice. 	Long Term	Flood protection for businesses and residential properties. Investor confidence. Serving dock and road.	Possible ESIF bid to be submitted depending on timescale and DfT Challenge fund	North Lincolnshire Council
<p><u>East Halton (North Killingholme) Flood Defence Scheme</u></p> <ul style="list-style-type: none"> • 2km of tidal defences improved. • 4 major existing employment sites will be safeguarded. • Nationally significant assets and infrastructure will be safeguarded. • The physical works to strengthen and improve the existing tidal defences and raise defences in line with sea level predictions to last 100 years. <p>Total Project Cost - £13,000,000</p>	Short Term	Investment confidence.	Funding Bid - £7,800,000 Public Match Funding - £4,100,000 Private Match Funding - £1,100,000	North Lincolnshire Council – also submitted to Humber LEP ESIF Call

Theme 3 – Flood Risk Reduction				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Lincolnshire Lakes Blue & Green Infrastructure Offer</u></p> <p>This scheme will deliver the first of five lakes to kick start the transformational Lincolnshire Lakes Project. The lake will serve a multifunctional purpose, delivering a stunning waterside setting for housing, recreational opportunities and the surface water management.</p>	Short to Medium Term	The lake will be used for flood water storage to ensure safe housing development can take place	Growth Deal - £2m Private Match Funding - £3,724,401	North Lincolnshire Council
<p><u>Immingham Docks (phase 1) – replacement of the lock gates and improvements to the immediate lock frontages</u></p>	Short Term (2016)	The Port of Immingham makes a crucial contribution to economic growth throughout the Humber and North East Lincolnshire. It is vital that the port is protected from flooding as it has vital supply chains in the borough and the Humber. The scheme would also benefit residential properties in the town	£2.5m FDGiA £m Private Sector contribution £4.5m Total Scheme Cost	North East Lincolnshire Council

Theme 3 – Flood Risk Reduction				
Name	Timescale	Growth Benefit	Potential Funding	Leadership
<p><u>Immingham Docks – 2nd Phase</u></p> <p>The Port of Immingham makes a crucial contribution to economic growth throughout the Humber and North East Lincolnshire. It is vital that the port is protected from flooding as it has vital supply chains in the borough and the Humber.</p> <p>Total Scheme Cost - £9.5m</p>	Medium Term	The Port of Immingham makes a crucial contribution to economic growth throughout the Humber and North East Lincolnshire. It is vital that the port is protected from flooding as it has vital supply chains in the borough and the Humber. The scheme would also benefit residential properties in the town.	£3.45 ERDF Other funding sources identified FDGiA and LGF and Private Sector contributions	North East Lincolnshire Council Ask of ERDF
<p><u>Humberston Fitties</u></p> <p>A section of defence from the 1960s was found to have been damaged by high tides in September and October 2015 and as a result it is now failing. Other sections of defence from this time are now coming to the end of their operational life and need replacing.</p> <p>The scheme has only recently been identified and as such more work is required to further develop the proposal.</p>	Medium to Long Term	Humberston Fitties is a chalet park. It is an important part of the visitor economy in Cleethorpes. Doing nothing would likely see the defences breach in 203 years which would severely damage the chalets impacting on the local economy	£10m Total Scheme Cost Funding sources identified include ERDF, FDGiA and LGF and Private Sector contributions. These need to be investigated further as the scheme develops.	North East Lincolnshire Council

Theme 3 - Flood Risk Reduction				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Lower Kingsway</u></p> <p>Part of a wider regeneration programme for Cleethorpes that includes: Public realm works, improved visitor economy to the north of the resort through improved business opportunities and growth in employment.</p> <p>Flood protection – Protects the land and buildings against erosion. Can prevent coastal flooding in some areas.</p> <p>Total Scheme Cost - £3m</p>	Long Term	Investment confidence	Other funding sources identified FDGiA and LGF and Private Sector contributions. Currently sits outside the 6 year Investment Programme (Defra)	North East Lincolnshire Council
<p><u>Terminal Groyne</u></p> <p>Deteriorating condition of Terminal groyne could exacerbate damage to sea wall which could lead to a breach and resultant loss of promenade, businesses and flooding to the coastal flood plain behind.</p> <p>Replacement of the timber Terminal groyne will help maintain sand levels which in turn greatly increases the standard of protection provided by the sea walls.</p> <p>This project links with the wider regeneration of the North Prom area of Cleethorpes.</p>	Long Term	Investment Confidence, Coastal Protection	£464,000 FDGiA £15,000 Local Levy £271,000 IDB Precept	
<p><u>Boston Barrier</u></p> <p>When the barrier is built and the banks immediately downstream are raised, Boston will be protected from a tidal surge with a 0.3% annual probability (or 1 in 300 chance of happening in any one year). Unfortunately, we cannot protect against the most extreme tidal surges, but the barrier will protect Boston in most cases and give the town one of the best standards of protection against tidal flooding in the country.</p>	Short to Medium 2019		FDGiA	EA

Theme 3 – Flood Risk Reduction				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Western Growth Corridor</u></p> <p>The WGC is a strategically important Sustainable Urban Extension necessary to facilitate the growth of Lincoln. This development will require significant investment to manage the risk of flooding.</p>			ERDF - £28m	EA
<p><u>Keadby Terminal Assisted Outfall (Keadby Pumping Station)</u></p> <p>Review and refurbish or replace current life-expired terminal pumping station in line with recommendations of Isle of Axholme Strategy. Options are currently being assessed to identify best solution that will:</p> <ul style="list-style-type: none"> • Reduce pumping costs • Reduce carbon footprint • Reduce management needs by improving automation • Improve resilience and reduce maintenance needs <p>Potential cost Capital Maintenance - £5m - £7m</p> <p>Major Capital – up to £40m</p>	<p>Short – Medium Capital maintenance 2015-2018 Major capital 2018-2021</p>	<p>Flood protection for businesses and residential properties. Investor confidence.</p>	<p>FDGiA available. Other funding still to be identified as part of business case and delivery strategy.</p>	<p>EA Potential Partners IDBs NLC</p>
<p><u>Tidal River Trent, Susworth Defences Improvements</u></p> <p>Review and refurbishment of embankment defences alongside Tidal River Trent (East bank) with comparison against recent modelling and Tidal Trent Strategy. Objective is to maintain existing standard of defence and secure asset condition for the future.</p> <p>Potential cost up to £10.5m</p>	<p>Medium Implementation phased 2021-24</p>	<p>Flood protection for businesses and residential properties. Investor confidence.</p>	<p>FDGiA available. Other funding still to be identified as part of business case and delivery strategy.</p>	<p>EA Potential Partners NLC WLDC Lincolnshire CC</p>

Theme 3 – Flood Risk Reduction				
Name	Timescale	Growth Benefits	Potential Funding	Leadership
<p><u>Isle of Axholme Asset Improvements, including Pumping Station Refurbishment Programme</u></p> <p>Sequential programme of works, amalgamated from individual projects proposed by EA and IDBs, to review assets and pumping stations in line with recommendations of Isle of Axholme Strategy. Optimum solutions will:</p> <ul style="list-style-type: none"> • Reduce pumping costs • Reduce carbon footprint • Identify appropriate management by sharing resources • Improve resilience and reduce maintenance needs <p>Potential cost Up to £15m phased 2015-21 Up to £200m phased over next 10-15 years</p>	<p>Medium implementation phased 2015-21</p> <p>Long implementation phased 2021-35</p>	<p>Flood protection for businesses and residential properties. Investor confidence.</p>	<p>FDGiA available. Other funding still to be identified as part of business case and delivery strategy.</p>	<p>EA & IDBs Potential Partners NLC WLDC Lincolnshire CC</p>

Greater Lincolnshire Coastal Vision

Draft (version 3.1: January 2016)

The Greater Lincolnshire Local Enterprise Partnership: a Vision for Greater Lincolnshire's Coast by 2030

Greater Lincolnshire's key strengths in agri-food and tourism are concentrated in its coastal areas. So are many of greatest opportunities for realizing and developing those strengths as well as important challenges such as flood risk management, future water supply, environmental protection, economic growth, housing and infrastructure.

This Coastal Vision sets out how Greater Lincolnshire can build on its existing strengths, its plans and ambitions for the coast, to join with its emerging aspirations for the economy to become a force for growth.

A number of important strategies and plans set out significant aspirations for the future of Coastal Greater Lincolnshire, often based on extensive public and stakeholder consultations. The Coastal vision seeks to draw these together into a coherent whole, while focusing on the GLLEP's ambitions for the coast's contribution to Greater Lincolnshire's economic growth.

Strategic context

Greater Lincolnshire overall provides

- £12bn GVA to the UK economy (in 2013)
- £1bn visitor economy with over 17m visitors (in 2012)
- The fourth most popular tourism destination in the UK
- £1.5bn manufacturing economy
- 25% of the UK's grade 1 agricultural land
- 25% of all UK-grown vegetables
- 20% of the UK's RAF bases
- The second-fastest growing of all the shire counties with net inward migration twice the national average.

Greater Lincolnshire is ambitious to

- Increase economic output by £2.5bn over the next ten years
- Establish the UK's largest Enterprise Zone on the Humber Estuary
- Create or safeguard 9,000 jobs
- Create 1m square metres of commercial floor space

Much of this happens – or will happen – at the coast.

The Greater Lincolnshire Coast

The Greater Lincolnshire Coast' means North Lincolnshire, North East Lincolnshire, lowland East Lindsey (as illustrated below), Boston Borough and South Holland District.



Greater Lincolnshire's coastal zone contributes significantly to the economic strengths that the LEP is ambitious to develop.

On the Humber, there are major opportunities for investment. These include

- The UK's largest port complex
- Significant existing investment in manufacturing and the renewables sector
- Transport and infrastructure connections

South of the Humber these benefits currently include

- £400m of the £1bn visitor economy
- The three nature reserves at Donna Nook, Saltfleetby-Theddlethorpe Dunes and Gibraltar Point between them attracted 522,000 visitors in 2012, with over 90,000 visiting the RSPB reserves at Freiston Shore and Frampton Marsh in 2011.
- Easy access to the Lincolnshire Wolds Area of Outstanding Natural Beauty
- More than 50 miles of coastline also offer traditional seaside resorts such as Skegness, Mablethorpe and Sutton-on-Sea
- Butlins at Skegness is the fourth most popular tourist destination in the UK
- Coastal Lincolnshire is responsible for growing one eighth of the nation's food and processing 70% of its fish
- 5% of all UK food processing jobs, including plants belonging to many of the largest companies in the UK food sector
- Training in the agri-food industry is provided at the University of Lincoln's Holbeach campus through the National Centre for Food Manufacturing
- Prime location for business investment from food manufacturers
- Agri-food generates GVA of over £2.5bn and employs 56,000 people

This activity is located in a broad coastal plain almost entirely at or below sea-level, amounting to nearly 40% of Greater Lincolnshire's land area. The coastal surge of December 2013 demonstrated the potential vulnerability of this area, which is currently protected from the sea by 125km of raised sea defences, supplemented by over 1,000km km of river defences. The coastal plain and the lowland fens are maintained as productive agricultural land with the aid of 4,800km of drainage channels and watercourses managed by Internal Drainage Boards.

In financial terms, the existing IDB assets represent over £150m of investment, while the Environment Agency has invested in the region of £250m over the past twenty years in sea defences alone. At present (2015), average annual coastal investment by the Environment Agency stands at about £10m, including £7m for the annual beach replenishment scheme from Mablethorpe to Skegness, known as Lincshore. This excludes large-scale capital projects to provide assets such as at Grimsby and Boston.

Without this investment the capacity of the coast to support existing communities and economic activity would be fundamentally compromised. Existing national funding mechanisms for flood risk management prioritise protection to people and property. This means that in practice it is difficult to secure national funding for defending the substantial sections of coast without existing major settlements or infrastructure. Flood risk presents an obstacle to planning for significant

growth in coastal areas, while it also affects prospects for business investment in the area.

Securing sustainable funding to manage flood risk and secure our water resources will therefore be a key challenge for the Humber and for Greater Lincolnshire over the coming years. The Humber LEP and the Greater Lincolnshire LEP have co-operated in putting forward to Government the benefits that greater flexibility in funding flood risk and water management from the Humber to the Wash, and these have helped to shape the present coastal vision.

A Coastal Vision for Greater Lincolnshire

Over recent decades many initiatives and plans have been developed to support different aspects of coastal life. While these have not always been fully co-ordinated or clearly prioritized, recent initiatives seek to establish a more strategic approach to capitalize on previous successes and make the most of new and emerging investment opportunities.

The development of the Greater Lincolnshire Growth Strategy provides an important opportunity to realise these ambitions, linking coastal initiatives within a wider framework of co-ordination as a driving force behind Lincolnshire's economic potential.

The purpose of this Coastal Vision for Greater Lincolnshire is to provide this framework, articulating a common sense of direction for the county's coastal areas while supporting initiatives with common objectives to capitalize on the outcomes of previous and existing work. It is also intended to provide a supportive context to help new and future initiatives reap greater rewards by co-ordinating funding bids and aligning programmes of work.

Greater Lincolnshire has a track record of innovative approaches to the economic, social and environmental challenges experienced by its coastal communities. To a greater or lesser extent these three broad themes run throughout the range of initiatives, plans and strategies affecting the coastal areas. It is therefore proposed that the Coastal Vision should be structured around them and can be expressed as follows:

Greater Lincolnshire's ambitions for the coast are

- ***To sustain and grow coastal businesses and the economy***
- ***To sustain and develop coastal prosperity through infrastructure***
- ***To protect and sustain the coastal environment***

Delivering the Coastal Vision

As a framework document, the Coastal Vision does not seek to establish new objectives or a new strategy. Rather it seeks to support co-ordination and mutual co-operation between of key existing initiatives and plans. Each of the outcomes will therefore be realized through successful delivery of a range of existing and emerging initiatives, by promoting ongoing co-operation across initiatives and by providing a broader strategic context for new and future ideas.

1 Sustaining and growing business and the economy

Greater Lincolnshire has successfully attracted funding into its coastal communities to explore and develop approaches to tackling social issues and encouraging business investment and growth. Ranging from projects funded from LEADER and RDPE funding, to the development of innovative strategic networks such as the Coastal Action Zone and the Coastal Communities Alliance, this work has realized considerable funding and delivered numerous community initiatives.

There are significant opportunities to derive enhanced benefit from improving linkages with this approach, including liaison with the newly established coastal team and co-ordination with the developing strategic direction established through the GLLEP's Growth Strategy

The GLLEP has identified a number of key areas where Lincolnshire offers the greatest opportunities for economic growth. These are agri-food, the visitor economy, and housing. The GLLEP has identified water management as a fundamental factor in addressing these sectors.

In the coastal parts of Lincolnshire the interdependence between coastal and water management, agri-food, the visitor economy and sustainable housing growth is particularly marked. This is equally true of the agricultural, rural areas as it is for the major urban centres of Boston and Spalding, and east coast communities such as Skegness and Mablethorpe, although the balance between these elements will vary considerably according to local circumstance.

Key plans and initiatives to achieve this outcome:

- GLLEP Growth Strategy 2015-2030
- Greater Lincolnshire LEP Strategic Economic Plan
- Greater Lincolnshire LEP Spatial Plan
- Humber LEP Strategic Economic Plan
- Humber LEP Spatial Plan
- Lincolnshire's RDPE Strategy
- GLLEP Water Management Plan 2016
- Waterways Vision – Fens Waterways Link
- North Lincolnshire, North East Lincolnshire, East Lindsey & South East Lincolnshire Local Plans

2 Sustaining and developing prosperity through infrastructure

Coastal Lincolnshire represents a challenge for strategic and local spatial planning, with a combination of socio-economic and environmental factors that have traditionally been considered issues rather than opportunities. In particular the prevalence of low-lying land at risk from coastal inundation requires a delicately balanced approach to provide opportunities for community resilience and business growth that take a proportionate view of the potential for coastal flooding.

In recognition of the benefits of a co-ordinated approach, emerging Local Plans have incorporated key elements of the 2010 Coastal Study as part of their evidence base, and work continues to explore ways of managing the balance between development and flood resilience in the planning context.

Maintaining the extensive water management infrastructure in the coastal area is a key challenge, and heavily dependent on achieving the long term objectives for coastal management that are set out in the Shoreline Management Plans for the Lincolnshire coast.

Key plans and initiatives to achieve this outcome:

- Shoreline Management Plans 2010-2115
 - Flamborough Head to Gibraltar Point (2012)
 - The Wash (2012))
- Lincolnshire Coastal Study (2010)
- Humber Estuary Flood Risk Management Strategy (2017/2018)
- Greater Lincolnshire LEP Strategic Economic Plan
- Greater Lincolnshire LEP Spatial Plan
- Humber LEP Strategic Economic Plan
- Humber LEP Spatial Plan
- Humber Business Case (2014)
- Saltfleet to Gibraltar Point Review 2018
- Joint Lincolnshire Flood and Drainage Management Strategy 2010-2025
- North Lincolnshire Local Flood Risk Management Strategy (2014)
- North East Lincolnshire Local Flood Risk Management Strategy (2014)
- East Lindsey Local Plan 2015-2018
- South Holland Local Plan 2001-2021
- South East Lincolnshire Local Plan 2011-2036 (in preparation)
- Lincolnshire multi-agency flood plan (LRF - 2011)
- Humber multi-agency flood plan (LRF – 2011)

3 Protecting and sustaining the environment

The Shoreline Management Plans covering the Lincolnshire coast set out a broad strategic ambition of maintaining coastal defences at their present standard and in their present location up to the year 2115, allowing for local flexibility in practical delivery. A fundamental issue here is reliable, sustainable funding. Present funding schemes focus on protecting property. This is a challenge when much of Lincolnshire's most productive agricultural land is maintained by a combination of sea defence and inland drainage, and is also, by definition, sparsely populated.

On the east coast key assets such as beaches are artificially maintained, providing simultaneously a high standard of defence and critical economic assets for the visitor economies all along the coast. The necessity of maintaining community resilience to potential coastal flooding was highlighted anew by the coastal surge of December 2013, but there remains the challenge of balancing this practical readiness with longer term pragmatism in sustaining and developing the businesses and communities that make a major contribution to the regional and UK economy.

The GLLEP has recognized the importance of this relationship between growing the county's key economic strengths, continued provision of effective flood risk management and creating opportunities for growth by enhanced water management in the round in future. The Coastal Vision seeks to assist in supporting this holistic view of water management in Lincolnshire.

The Greater Lincolnshire coast is the site of nationally important nature reserves at Donna Nook and Gibraltar Point, which draw in hundreds of thousands of visitors every year, along with major reserves on the Wash coast at Freiston and Frampton. UK and European designations cover the Humber and the Washⁱ, while key visitor attractions have been developed through combined sea defence and habitat creation schemes such as at Freiston Shore.

Longstanding initiatives to promote the attractiveness of the coastal environment for visitors through the Coastal Country Park and the Coastal grazing Marshes are being co-ordinated in the newly emerging Wild Coast initiative. The aim of the Wild Coast is to encourage co-ordination across work to develop opportunities for growth in the fields of historic and built environment and the natural environment, with their attendant potential for encouraging local business and increasing visitor numbers and the quality of their experience.

This is an integral part of the broader objectives of partners in enhancing the economic and social potential of coastal Lincolnshire, and the Wild Coast will form a significant part of the final coastal vision.

Coastal Country Park (Lincolnshire)

Wild Coast Strategy 2017
GLNP Nature Strategy (2012)
Lincolnshire County Council Natural Environment Strategy (2012)
Humber LNP Strategy

Scope and Timescales

The Lincolnshire Coastal Vision will be delivered through the collective implementation of the range of initiatives indicated above. It is not within the remit of any single organization, or group of organisations, to achieve the broad aspirations outlined, but it is achievable with a degree of co-ordination between these programmes.

It is envisaged that the Vision should cover a medium term period, up to about 2035, although some core aspects, such as the policy intentions for coastal management in the Shoreline Management Plans are intended to provide a broad indication of the preferred approach up to 2115.

Key milestones are indicated below:

Shoreline Management Plans	2010-2115
Joint Lincolnshire Flood Risk Management Strategy	2012-2025
GLLEP Growth Strategy	2015-2030
GLLEP Water Management Plan completed	December 2015
Completion of Coastal Vision for Lincolnshire	March 2016
Humber Estuary Strategy	2017/18-2030
Development of Local Plans	In progress
Wild Coast Strategy completed	2017
Saltfleet to Gibraltar Point Review completed	2018/19

ⁱ Humber: UK designations – SSSI; EU designations: SPA, SAC, Ramsar; The Wash: SSSI; EU designations: SPA, SAC

Open Report on behalf of the Executive Director for Environment & Economy

Report to:	Economic Scrutiny Committee
Date:	23 February 2016
Subject:	Theme Performance Quarter 3

Summary:

This report provides members with an update on performance against the Council's four economic development indicators.

Performance against three of the indicators has exceeded targets, and the actions taken between Quarter 2 and Quarter 3 to improve performance on the external funding target have been successful.

The latest quarterly economic assessment for Lincolnshire is also attached, which continues to show a mixed picture when it comes to the confidence of local business. In broad terms, confidence is strong for domestic markets but less so for international trade.

The report also discusses the proposed indicators for 2016/2017.

Actions Required:

The Economic Scrutiny Committee is invited to consider and comment on the performance against the Council's four economic development indicators.

1. Background

Performance against indicators: There are four economic development indicators in the Council Business Plan which are attached at Appendix A. The intended outcome for the Council is jobs created. The indicators are:

- Jobs created and safeguarded
- Businesses supported by the Council
- Qualifications achieved by adults
- Amount of external funding attracted to Lincolnshire

A detailed description of progress is set out below:

Jobs created and safeguarded

714 achieved against a target of 380.

The majority of the jobs created were done in Quarters 1 and 2, when the achievements done by the work of UK Trade and Industry were recorded. These were primarily support for major manufacturing businesses. 24 jobs were created in small and medium sized enterprises during Quarter 3 as a result of the enterprise support services that the Council commissions. A similar figure can be expected to be achieved in Quarter 4.

Businesses supported by the council

634 achieved against a target of 350.

The enterprise support services that the Council commissions – especially the Business Growth Hub and the Lincolnshire Investment Network - continue to operate successfully. 109 additional businesses were supported during Quarter 3 and a similar amount can be expected to be supported during Quarter 4. The Business Growth Hub adviser service is particularly popular, and there is currently a waiting list of businesses wishing to receive the service. It is hoped that the ERDF bid which has been made to extend the Council's enterprise growth services will be able to provide extra capacity and thus to reduce waiting times.

Qualifications achieved

934 achieved against a target of 805.

A further round of qualifications was awarded during Quarter 3. These were primarily qualifications for literacy and numeracy, which are used to help trainees to enter further education/training. Employers regularly state, however, that they require improved literacy and numeracy skills from potential employees so the qualifications are useful in that context too. It is unlikely that the volume of qualifications achieved will increase greatly during Quarter 4.

External funding attracted

£33.4m achieved against a target of £54.8m.

Members will remember that performance at Quarter 2 was £0. This was because of delays with government officials processing of our bids, rather than because of the strength of the bids. £33.4m has now been contractually approved.

Bids for £4.9m are outstanding, and a further £14.8m of contracts are being negotiated. It is anticipated that contract negotiations will conclude in the next month, and the bids will be considered in detail at an EU funding meeting on 17th March 2016. All of this funding is expected to be approved, but it is possible that it

will not be within 2015/2016 given the delays that the Council has previously encountered.

Further bids to provide advice to businesses on ICT and to defend against the risk of flooding were submitted on 1st February 2016.

Broader economic performance: the outcomes of the latest Quarterly Economic Survey are attached as Appendix B to this report.

They show a continuation of the trend from recent surveys – cautious optimism over domestic performance, concern about exporting, and anticipation of recruitment in coming months.

The amount of bank lending is continuing to reduce, and this has been discussed by members of the Lincolnshire Financial Intermediary Forum. The reductions can be interpreted in three ways, which may appear contradictory but are more likely to be indicative of a mixed and complicated situation. These are: borrowing for investment has reduced, businesses are using other sources of finance than banking, and businesses are finding it difficult to attract bank finance. Whatever the reasons for the reduction, the relationship between banks and the local economic development community has strengthened over recent months. For example, Santander have offered to jointly sponsor an agri-food dinner with LCC and this is being arranged for shortly before Easter.

The concerns about exporting appear to be particularly relevant because of the high number of exporters doing their business with the Eurozone countries. The economic difficulties in the Eurozone should be noted, and a balanced approach to working with both Eurozone and non-Eurozone countries should be promoted by LCC.

Relative confidence in domestic markets is notable. LCC chose to focus its enterprise growth activity on supply chain development and investment finance, both of which are directly relevant to domestic market activity.

Anticipated recruitment by local business is welcome, but businesses often report that it is difficult to find staff who are appropriately skilled. LCC's own investment in vocational learning, coupled with the Council and LEP's role of shaping government funded provision, will help to address this challenge.

Performance indicators for 2016/2017: the Council Business Plan for 2016/2017 is now being prepared and scrutinised. The economic development indicators are proposed to remain the same. However, external circumstances relating to the reduction in public finances mean that the number of outputs to be achieved on two measures in 2016/2017 is forecast to be lower than in previous years:

Jobs directly created by county council economic development schemes: 70.

Business assisted: 654

Adults assisted to achieve qualifications: 630

External funding attracted: £15m

The reduction in the "Jobs created" target can be explained because the current year's figure includes activity that LCC directly delivers, and it also includes activity that UK Trade and Industry (the government's investment arm, who deal with businesses who employ 250+) are doing as a result of contacts that we have made.

The UKTI figure has been taken out of the 2016/2017 performance indicator for two reasons – firstly because UKTI are moving towards a regional rather than local model which means that LCC will not directly be generating the contacts in the same way, and secondly because as UKTI's own administrative budgets reduce then they will struggle to provide us with the evidence that we will need to report to the Committee.

The "External funding" figure includes two main sources of income: EU and Single Local Growth Fund monies. The amount of EU funding that we expect to attract remains broadly the same as in previous years. However, (i) there is less Single Local Growth Fund in the national budget, and (ii) the government has changed the way it distributes the funding from a competitive basis (which we have generally fared well with) to a more formula based distribution of the funding (which will give us less funding on the simple basis that there are fewer people living in greater Lincolnshire than in, say, the South East).

2. Conclusion

Activity continues to be strong against the Council's performance indicators. An analysis of the findings of the Quarterly Economic Survey shows that the activity commissioned by the Council continues to be directly relevant to local economic need.

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	Economic Performance Indicators Q3 2015
Appendix B	Lincolnshire Economic Briefing January 2016
Appendix C	Customer Satisfaction Data

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 Justin Brown, who can be contacted on 01522 550513 or justin.brown@lincolnshire.gov.uk.



Businesses Are Supported to Grow

Jobs created as a result of the Council's support

Jobs created and safeguarded

Number of jobs created and safeguarded as a result of the Council's support.



Achieved

714

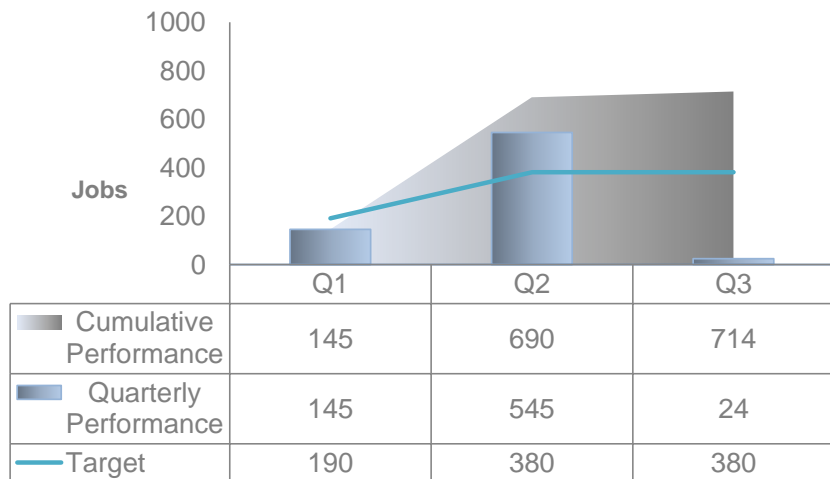
Jobs
Quarter 3 December
2015



380

Jobs
Target for December
2015

Jobs created and safeguarded

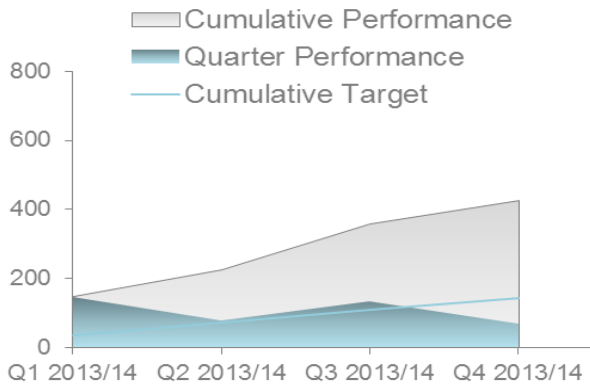


About the latest performance

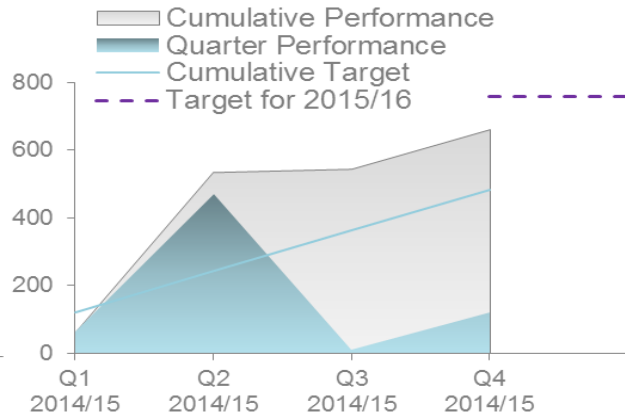
The majority of the jobs created were done in quarters 1 and 2, when the achievements done by the work of UK Trade and Industry were recorded. These were primarily support for major manufacturing businesses. 24 jobs were created in small and medium sized enterprises during quarter 3 as a result of the enterprise support services that the council commissions. A similar figure can be expected to be achieved in quarter 4.

Further details

**Jobs Created and Safeguarded
2013/14**

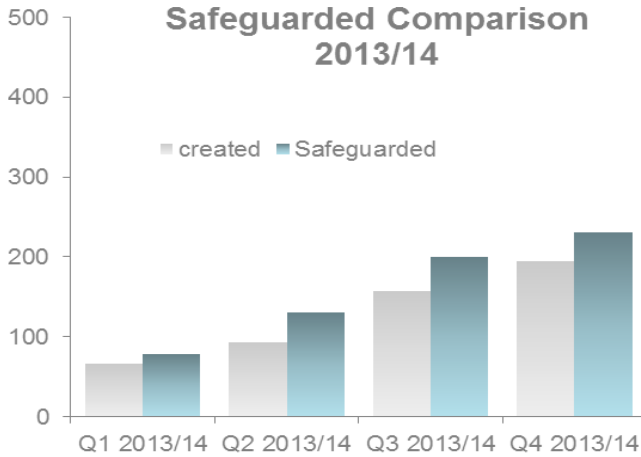


**Jobs Created and Safeguarded
2014/15**

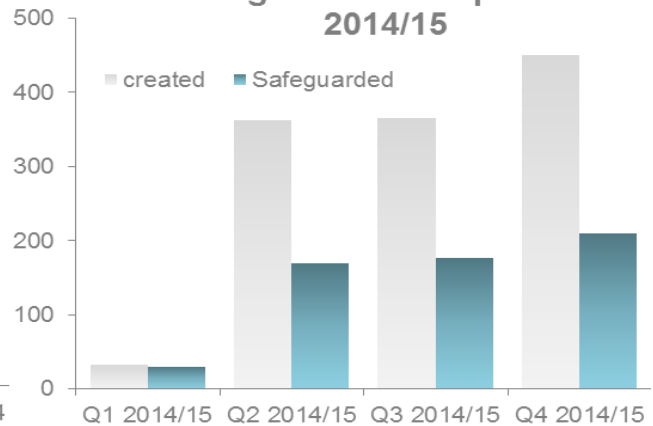


Measure Name	Jobs created and safeguarded								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Quarter Performance	146	78	134	68	63	470	9	119	
Cumulative Performance	146	224	358	426	63	533	542	661	
Cumulative Target	36	72	108	142	121	242	363	482	758

**Jobs Created and Jobs Safeguarded Comparison
2013/14**



**Jobs Created and Jobs Safeguarded Comparison
2014/15**



Measure Name	Jobs created and safeguarded								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Created (cumulative)	67	93	158	195	33	363	365	451	
Safeguarded (Cumulative)	79	131	200	231	30	170	177	210	

About the target

The council commissions a series of programmes which help business leaders to grow their business. This includes the building of business sites and premises for selling or renting to businesses which are growing. We do this in order to create jobs in the county, and the jobs are counted in this target.

About the target range

About benchmarking

This measure is local to Lincolnshire and therefore is not benchmarked against any other area.



Businesses Are Supported to Grow

Jobs created as a result of the Council's support

Businesses supported by the Council



Achieved

634

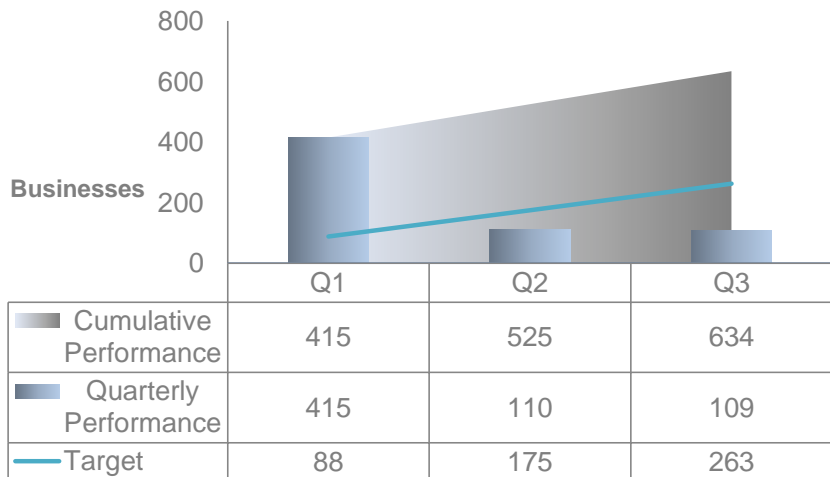
Businesses
Quarter 3 December
2015



263

Businesses
Target for December
2015

Businesses supported by the Council

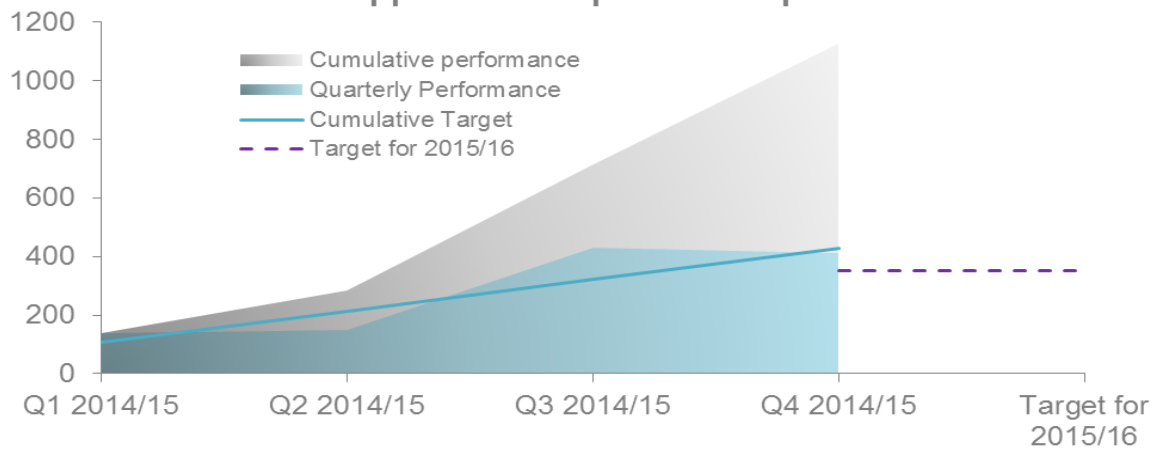


About the latest performance

The enterprise support services that the council commissions –especially the Business Growth Hub and the Lincolnshire Investment Network- continue to operate successfully. 109 additional businesses were supported during quarter 3 and a similar amount can be expected to be supported during quarter 4. The Business Growth Hub adviser service is particularly popular, and there is currently a waiting list of businesses wishing to receive the service. It is hoped that the ERDF bid which has been made to extend the council's enterprise growth services will be able to provide extra capacity and thus to reduce waiting times.

Further details

Businesses supported to improve their performance



Measure Name	Businesses supported by the Council								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Quarterly Performance					137	149	429	412	
Cumulative performance				894	137	286	715	1127	
Cumulative Target				407	107	215	322	429	350

About the target

About the target range

About benchmarking

This measure is local to Lincolnshire and therefore is not benchmarked against any other area.



Businesses Are Supported to Grow

Jobs created as a result of the Council's support

Qualifications achieved by adults

Number of qualifications achieved (Skills programmes, vocational training programmes, adult and community learning) through programme support by the council.



Achieved

934

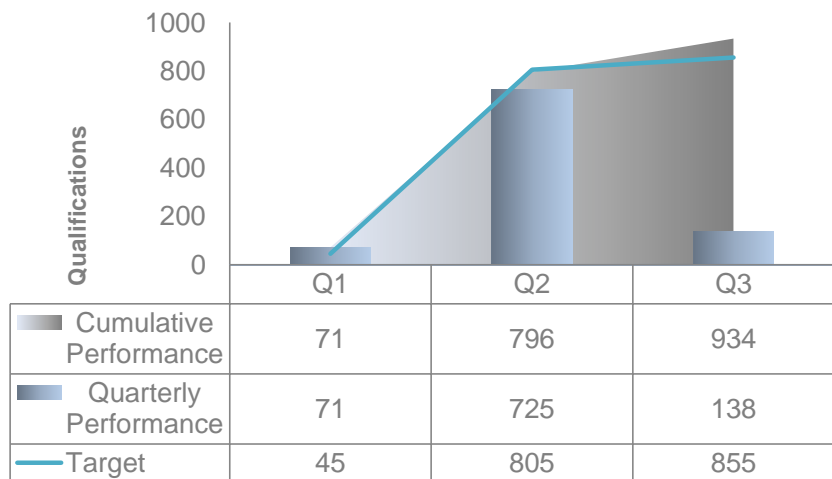
Qualifications
Quarter 3 December
2015



855

Qualifications
Target for December
2015

Qualifications achieved by adults



About the latest performance

A further round of qualifications was awarded during quarter 3. These were primarily qualifications for literacy and numeracy, which are used to help trainees to enter further education/training. Employers regularly state, however, that they require improved literacy and numeracy skills from potential employees so the qualifications are useful in that context too. It is unlikely that the volume of qualifications achieved will increase greatly during quarter 4.

Further details

This is a new measure for 2015-16 therefore historical data is not available

About the target

The council commissions a series of training schemes which help individuals to gain skills. These training schemes are focused on the skills that employers need. Employers can understand an individual's skills level by the qualification that they hold, hence the reason that we count the number of qualifications achieved.

About the target range

About benchmarking

This measure is local to Lincolnshire and therefore is not benchmarked against any other area.



Businesses Are Supported to Grow

Jobs created as a result of the Council's support

Amount of external funding attracted to Lincolnshire

Amount of external funding attracted to Lincolnshire (including Greater Lincolnshire Local Enterprise Partnership and European Union funding programmes) by the council.

X Not achieved

33,400,000

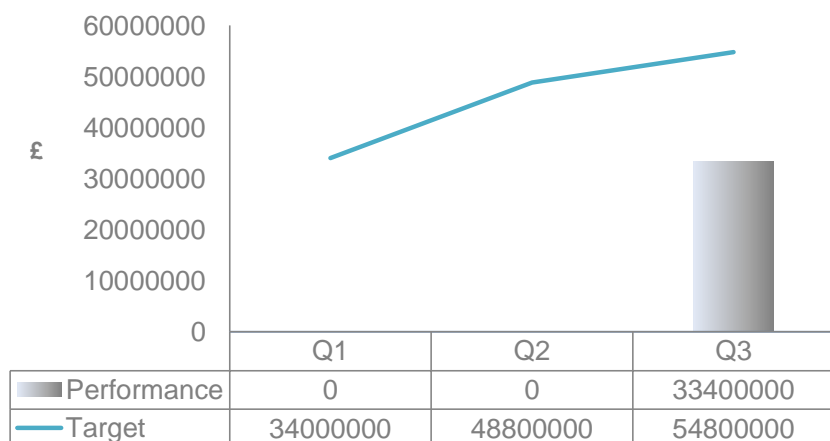
£
Quarter 3 December
2015



54,800,000

£
Target for December
2015

Amount of external funding attracted to Lincolnshire



About the latest performance

Members will remember that performance at quarter 2 was £0. This was because of delays to government officials' processing of our bids, rather than because of the strength of the bids. £33.4m has now been contractually approved.

Bids for £4.9m are outstanding, and a further £14.8m of contracts are being negotiated. It is anticipated that contract negotiations will conclude in the next month, and the bids will be considered in detail at an EU funding meeting on 17th March 2016. All of this funding is expected to be approved, but it is possible that it will not be within 2015/2016 given the delays that the council has previously encountered. Further bids, to provide advice to businesses on ICT and to defend against the risk of flooding were submitted on 1st February 2016.

Further details

This is a new measure for 2015-16 therefore historical data is not available

About the target

The annual target of £54.8 million is made up of the following:
European Union Growth Programme £6 million;
European Union Leader Programme £6.5 million;
Single Local Growth Fund £27.5 million;
Growth Deal II £14.8 million.

About the target range

About benchmarking

This measure is local to Lincolnshire and therefore is not benchmarked against any other area.

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Lincolnshire Economic Briefing

www.research-lincs.org.uk

Headlines

National

Economic growth slows slightly to 0.5 per cent (Q3 2015)

Manufacturing output remains low but services output remains strong and stable

Inflation rises to 0.1 per cent in November

Local

Employment rate currently 74.8 per cent, above the national rate (72.9 per cent)

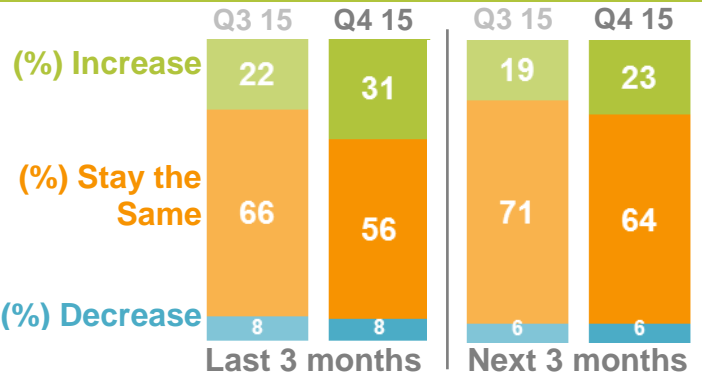
Overall unemployment rises slightly, whilst long term unemployment rate is below the national average

Quarterly Economic Survey Snapshot – Q4



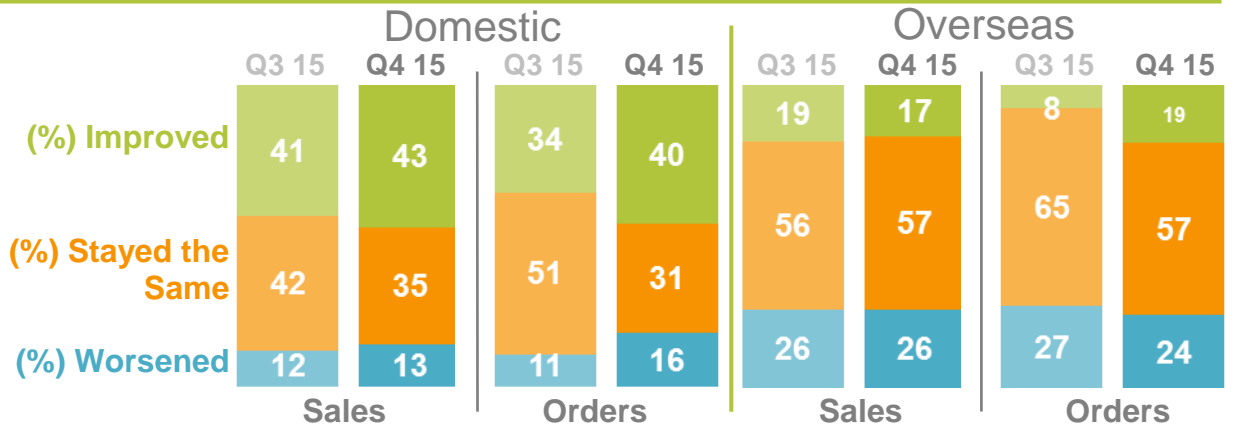
Domestic demand remains strong
 Domestic sales and orders at all-time high for second consecutive quarter
 High levels of confidence for the coming 12 months

Workforce



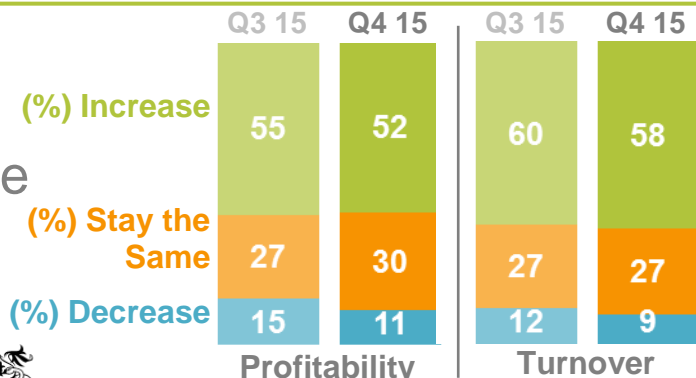
Sales and Markets

Last 3 Months



Performance

Next 12 Months



Net balance of sales and orders for exporting businesses remains negative
 Manufacturing sector continues to struggle compared to service sector





Businesses optimistic for the year ahead

Businesses appear confident about the new year despite challenges in Europe according to the latest findings from the Lincolnshire Quarterly Economic Survey.

Domestically, businesses continue to report increases in both sales, and bookings and orders.

There have been increases in businesses expanding their workforce in the past quarter, as well as an increasing number reporting improvements in cash flow, which could be driven in part by the seasonal effect on the service sector recruiting before the busy Christmas period.

Whilst domestic demand remains the driver behind UK business confidence, businesses who export are still facing a challenge. The net balance of exporting businesses have experienced a decrease in sales and orders in the past quarter.

In particular the service sector has seen a relatively steep decline in overseas sales. However, the manufacturing sector reports a cautiously improving picture overseas with the net balance of exporting businesses reporting improving overseas sales, bookings and orders, a reverse on the previous quarter. Despite this the manufacturing sector is still struggling in

comparison to the service sector.

The export markets remain under pressure despite improving exchange rates (£1=1.39 Euro). Slow growth in the Eurozone remains a factor in the poor exporting figures reported. Growth in the Eurozone slowed to 0.3 per cent in the three months to September, which remains below the UK growth rate of 0.5 per cent which also slowed from 0.7 per cent in the previous quarter. There is still a fair degree of uncertainty in the Eurozone for local businesses, particularly with speculation looming around the EU referendum for the UK being held as soon as next year.

Despite this, businesses remain bullish about the forthcoming year with high levels of confidence that turnover and profitability will increase over the next 12 months. Businesses appear to be preparing for this by revising their investment plans upwards for the coming three months.

Export markets remain the main challenge for many businesses. This is recognised by the government, as exporting is seen as integral to the plan to raise productivity. The recently launched Exporting Is Great programme seeks to provide support to businesses, whilst the trade agreement between Lincolnshire and Hunan in China and improving domestic demand is a cause for optimism in the coming year.

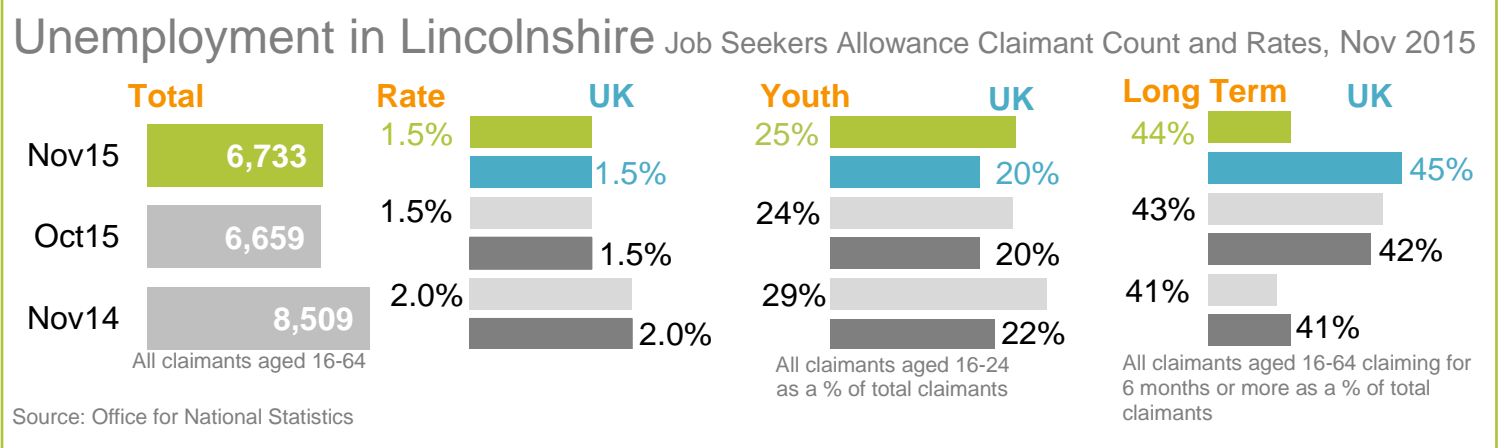
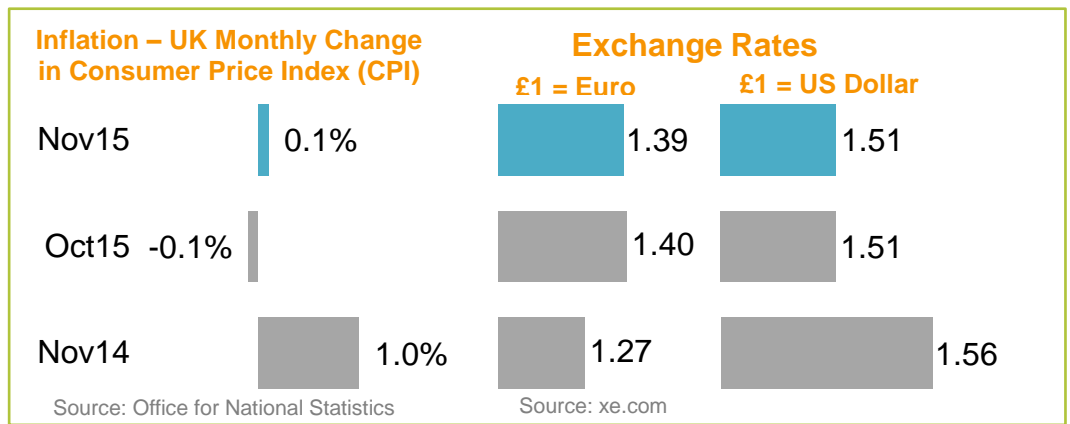
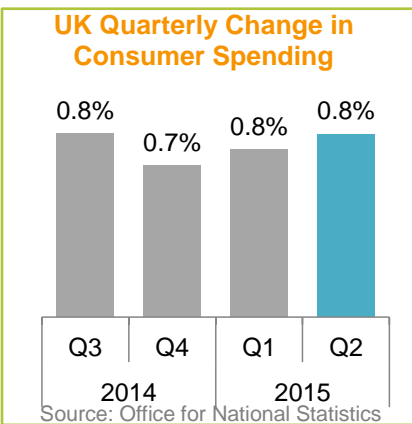
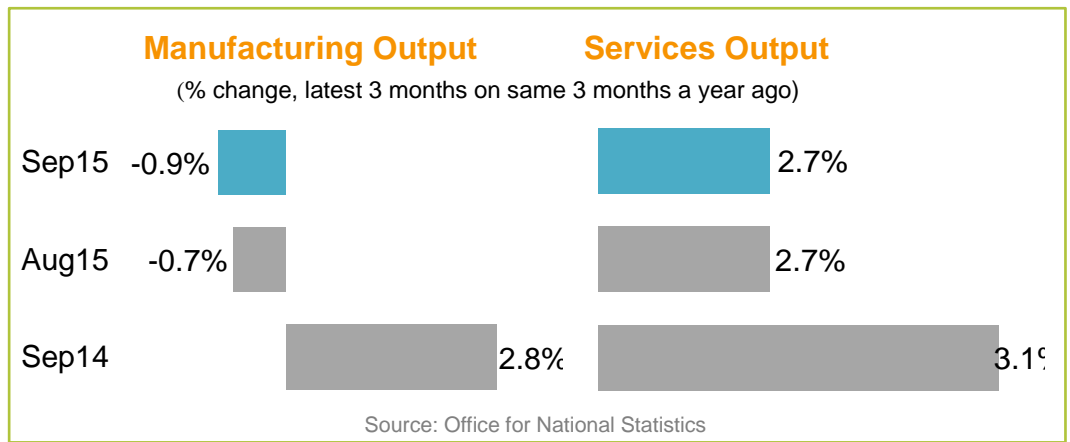
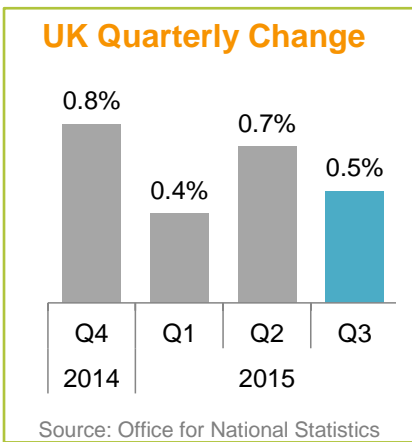
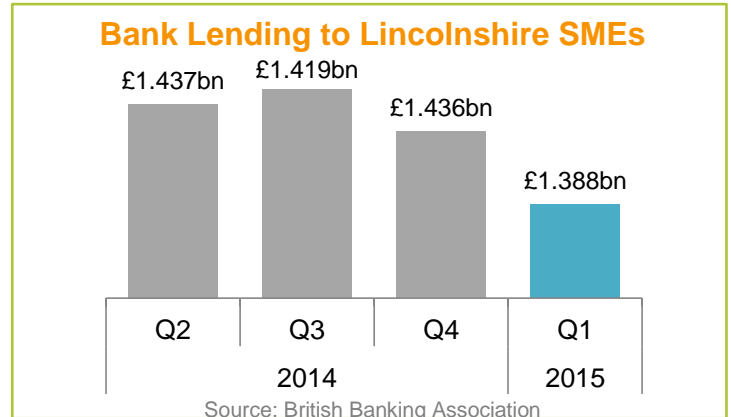
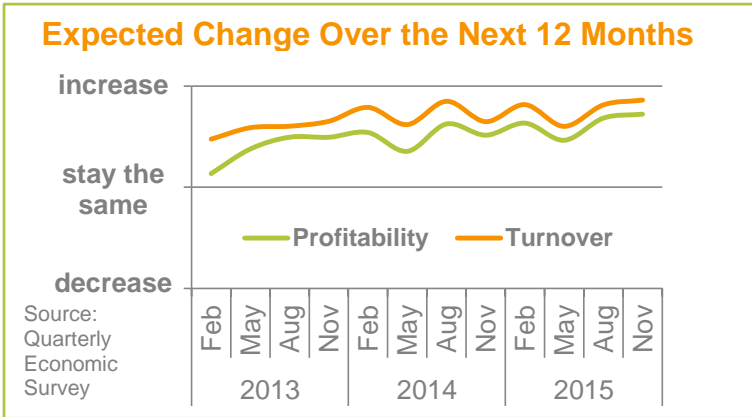
Previous Quarter (Q3) Comparison with National Results

The net balance of companies that say:

	Manufacturing		Services	
	Lincolnshire	UK	Lincolnshire	UK
Their UK sales increased	↓	—	↑	↑
Their UK orders increased	↑	—	↓	—
Their export sales increased	↓	↓	↓	↓
Their export orders increased	↓	↓	↓	↓
They expect turnover to improve*	↓	↓	↓	↓
They expect their workforce to increase**	↓	↓	↑	↓

*in the next 12 months **in the next three months

National and Local Economic Indicators





LEADER Funding Open

Outline applications are now being accepted from the four LEADER programmes in Lincolnshire.

The Coastal Action Zone, Kestevens, Lindsey Action Zone and Wash Fens LEADER groups can support business and community projects in rural areas.

The Rural Development Programme for England (RDPE) provides money through LEADER for projects to improve agriculture, the environment and rural life. It is managed by the Department for Environment, Food and Rural Affairs (Defra).

Applications for funds must contribute to one or more of six national priorities to support rural development; farming, forestry, business, tourism, rural services and heritage restoration.

Cllr Colin Davie, the Executive Councillor for Economic Development & Tourism said:

“Local jobs and prosperity depend upon investment, which has always been a real priority for this council. One important way of investing for the future in rural areas is through the LEADER programme and I am absolutely delighted to announce that our Local Action Groups are now ready to accept Outline Applications.”

“This programme will mainly assist private sector projects and rural services which will support our ambitions for growth and productivity in our rural areas.”

The programme is planned to run for 5 years, or until all funding has been allocated. All project funded expenditure will need to be completed by 30th October 2020.

To find out if you are eligible to apply, or to access the applicant handbook go to:
<http://www.lincolnshire.gov.uk/funding>
 Or email: LincsLEADER@lincolnshire.gov.uk

Business Lincolnshire - The local website linking you to schemes and services to help you start or grow your business: www.businesslincolnshire.com
www.gov.uk

Greater Lincolnshire Employment and Skills Board - Giving employers opportunities to lead and influence local training provision to have access to skills needed to grow their business.
 tel: 01522 550545
 email: clare.hughes@lincolnshire.gov.uk

Greater Lincolnshire Local Enterprise Partnership - Supporting business in the region; aiming to improve infrastructure and conditions for doing business from the Humber to the Wash.
www.greaterlincolnshirelep.co.uk
 email: GLLEPsecretariat@lincolnshire.gov.uk

Jobcentre Plus - Providing services that support people of working age from welfare into work, helping employers fill their vacancies
www.gov.uk/jobs-jobsearch www.gov.uk/advertise-job

Select Lincolnshire - Raising the profile of Lincolnshire, promoting and attracting investment into the county, signposting to local produce within the County and promoting food and drink across the UK. www.selectlincolnshire.com tel: 01522 550618
 email: select@lincolnshire.gov.uk

Lincolnshire Chamber of Commerce
 A membership organisation providing business - support advice and benefits. www.lincs-chamber.co.uk tel: 01522 523333 email: enquiries@lincs-chamber.co.uk

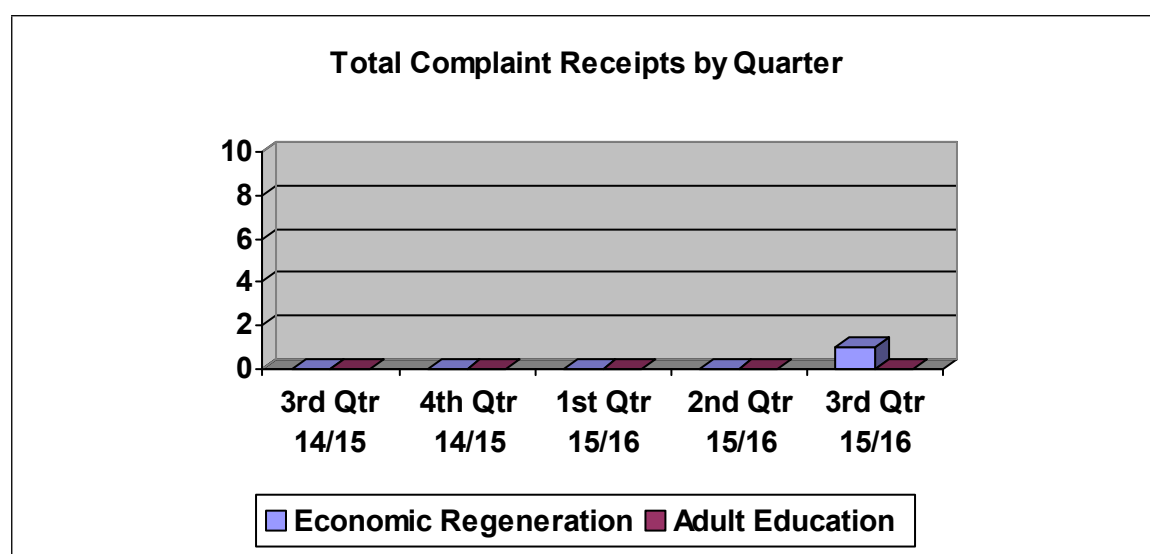
Trading Standards business advice
 Giving support and encouragement to businesses by giving advice and information to help them get it right first time. www.lincolnshire.gov.uk tel: 01522 782341
 email: TradingStandards@lincolnshire.gov.uk

Federation of Small Businesses
 A non-profit making membership group promoting the interests of the self-employed and owners of small businesses www.fsb.org.uk email: david.thorpe@fsb.org.uk tel: 01522 790806 (Direct)
 m: 07917 628927 tel: 01522 688070 (Lincoln Office)

All information contained in this briefing is the most up-to-date available at time of publication (4th Jan 2015). This briefing has been produced by the Economy and Environment Research Team at Lincolnshire County Council, and published on the Lincolnshire Research Observatory (LRO) website. Visit the Economy theme page on the website for more information www.research-lincs.org.uk/Economy

Customer Satisfaction Information – Scrutiny Committees

Economic Scrutiny Committee		
Date Range for Report	1 st October – 31 st December (1 st July – 30 th September)	
Total number of complaints received across all LCC service area.	152 (149)* individual school complaints not included	
Total number of complaints relating to <u>Economic Scrutiny Committee</u>	1 (0)	
Total number of compliments relating to <u>Economic Scrutiny Committee</u>	1 (0)	
Total Service Area Complaints	Economic Regeneration	1 (0)
	Adult Education	0 (0)
Service Area Economic Regeneration Complaint Reasons	Conduct/attitude/rudeness of staff	1 (0)
	Disability	0 (0)
	Disagree with Policy	0 (0)
	Disagree with Procedure	0 (0)
Service Area Compliments	Adult Education	0 (0)
	Economic Regeneration	1 (0)
How many LCC Corporate complaints have not been resolved within service standard	10 (8)	
Number of complaints referred to Ombudsman	7 (12)	



Summary

LCC Overview of Complaints

The total number of LCC complaints received for this Quarter (Q3) shows a 2% increase on the previous Quarter (Q2). When comparing this Quarter with Q3 2014/15, there is a 20% increase, when 127 complaints were received.

Economic Regeneration Complaints

Economic Regeneration received 1 complaint this Quarter. This was regarding communication with Enterprise Growth and Learning team in Sleaford.

Adult Education Complaints

Adult Education received no complaints this Quarter.

Compliments

Economic Regeneration received 1 compliment this Quarter. This was appreciation for the ERDF funded programme team working on the SME Business Growth and Innovation project.

Adult Education received no compliments this Quarter.

Ombudsman Complaints

In Quarter 3 of 2015/16, 7 LCC complaints were registered with the Ombudsman. Economic Regeneration and Adult Education received no complaints which have been considered by the Ombudsman.

Open Report on behalf of Richard Wills, the Director responsible for Democratic Services

Report to:	Economic Scrutiny Committee
Date:	23 February 2016
Subject:	Economic Scrutiny Committee Work Programme 2016

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.

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

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 .

ECONOMIC SCRUTINY COMMITTEE

Chairman: Councillor Tony Bridges

Vice Chairman: Councillor Chris Pain

23 February 2016		
Item	Contributor	Purpose
Agreement of Strategic Economic Plan for Greater Lincolnshire	Justin Brown Enterprise Commissioner	Status Report
Tourism Review	Mary Powell Commissioning Manager (Tourism)	Status Report
International trade prospects for Lincolnshire businesses	Justin Brown Enterprise Commissioner	Status Report
Impact of Transportation on Maximising Economic Growth (ITMEG) – Third Monitoring Update	Andy Gutherson County Commissioner for Economy and Place	Scrutiny Review Activity
Greater Lincolnshire Local Enterprise Partnership (GLLEP) Coastal Vision and Water Management Plan – Update	David Hickman Environment Commissioner	Update Report
Theme Performance: Quarter 3	Justin Brown Enterprise Commissioner	Performance Scrutiny

12 April 2016		
Item	Contributor	Purpose
Role of Apprenticeships in Growing the Local Economy	Clare Hughes Principal Commissioning Officer (LEP)	Update Report
University of Lincoln's Plan for a Medical School	Professor Sara Owen University of Lincoln Tony Hill Executive Director of Public Health	Status Report

24 May 2016		
Item	Contributor	Purpose
Theme Performance: Quarter 4	Justin Brown Enterprise Commissioner	Performance Scrutiny
Place Marketing – Update	Lydia Rusling Senior Commissioning Officer (Investment)	Update Report

12 July 2016		
Item	Contributor	Purpose

13 September 2016		
Item	Contributor	Purpose
Theme Performance: Quarter 1	Justin Brown Enterprise Commissioner	Performance Scrutiny

18 October 2016		
Item	Contributor	Purpose
Place Marketing – Update	Lydia Rusling Senior Commissioning Officer (Investment)	Update Report

29 November 2016		
Item	Contributor	Purpose
Theme Performance: Quarter 2	Justin Brown Enterprise Commissioner	Performance Scrutiny

Items to be scheduled

- Grantham Southern Economic Corridor
- The Economic Value of Nature Tourism in Greater Lincolnshire
- Midlands Engine / Northern Powerhouse

For more information about the work of the Economic Scrutiny Committee please contact Tracy Johnson, Senior Scrutiny Officer, on 01522 552164 or by e-mail at tracy.johnson@lincolnshire.gov.uk