



Board of the Greater Lincolnshire LEP

Friday, 6th November 2020 at 9.30am

Via MS Teams

Paper 0 - Greater Lincolnshire LEP Board Agenda

Time	Item	Lead	Status
9.30	1 Welcome, Apologies, Declarations of Interest 1.0 FOR APPROVAL - LEP Board Minutes -30/09/2020 1.1 FOR INFO:- Decision Log 1.2 FOR INFO: Review of Actions	Chair	Website
9.40	2 FOR INFO: Chairs Report, including Covid Report	Chair	Verbal
Governance			
9.50	2.1 FOR INFO: CX Report, Covid Report, Quarterly Performance Report, Annual Delivery Plan	CX	To follow
10.00	3 FOR APPROVAL Terms of Reference and Policy Review	CX	To follow
10.05	4 FOR APPROVAL Collaboration Board across the Humber 4.1 Letter from Minister for Local Growth	CX	Website
Strategy			
10.15	5 Impact of Brexit on Greater Lincolnshire Economy 5.1 Impact of Brexit on the Labour Market	James Baty	Website
10.45	6 Humber Industrial Strategy paper and plan	Simon Green	Website
11.00	7 Greater Lincolnshire Recovery Strategy Sign Off	James Baty	Website
11.05	8 Innovation Council Update	Prof Mary Stuart	Website
Coffee Break			
Delivery			
11.20	9 Energy Council & Local Energy Plans	Duncan Botting, Chair of the LEP's Energy Council	Website
11.45	10 Digital Infrastructure	Steve Brookes	Website
12.15	11 Town Deals Update	CX	Website and detail of the schemes to follow
12.20	12 FOR INFO: Forward Plan	CX	Website

Access and Circulation of papers is public unless otherwise stated as confidential, and in line with the [Confidential](#) Reporting Policy.

Attendees: Pat Doody - Chair (Non-Executive Director), Cllr Philip Jackson - Vice Chair (NELC), Sarah Louise Fairburn - Vice Chair (L J Fairburn & Sons Ltd), Cllr Craig Leyland (ELDC), Cllr Colin Davie (LCC), Cllr Oliver Hemsley (RCC), Cllr Ric Metcalfe (CoL), Cllr Richard Hannigan (NLC), Alric Blake (AllTech), Dean Fathers (Health), Gary Headland (Lincoln College, IOD and Lincs Chamber), Zoe King (Epix Media), Yvonne Adam (Youngs Seafood), Suraya Marshall (RAF Cranwell), Mandy Watson (Ambitions Personnel), Alison Ballard (BAE Systems), Chris Baron (Non-Executive Director), Prof Mary Stuart (UoL).

Tentative: Clive Tritton (NLC)

Apologies: Debbie Barnes (CX LCC), Cllr Rob Waltham (NLC), Stephen Fidler (DfT), Nick Worboys (Longhurst)

Observers: Pete Holmes (BEIS), Simon Green (NLC), Andrew Crookham (Accountable Body and S151 Officer)

Officers: Ruth Carver, James Baty Sue Groves (Note Taker),

For Agenda items: Andrew Brooks LCC, Duncan Botting Chair of the LEP's Energy Council,
Steve Brookes LCC



Greater Lincolnshire LEP Board

30th September 2020

Via MS Teams

Draft Minutes

Present: Board Directors:

Pat Doody (Chair, Chair of ESAP), Cllr Colin Davie (LCC), Cllr Oliver Hemsley (Rutland CC), Cllr Ric Metcalfe (CoLC), Dean Fathers (Health & Diversity Champion), Gary Headland (Lincs Chamber & IoD), Alison Ballard (BAE Systems), Zoe King (Epix Media & Digital Lead & SME Champion), Suraya Marshall (RAF Cranwell), Nick Worboys (Longhurst)

Observers:

Pete Holmes (BEIS CLG), Jo Dexter (BEIS CLG), Clive Tritton (NELC), Simon Green (NLC), Andy Gutherson (LCC)

Apologies:

Stephen Fidler (DfT & GLE P Senior Sponsor), Chris Baron (Butlins, Skegness & VE Committee Chair), Sarah Louise Fairburn (L J Fairburn & Sons Ltd, Private Sector Vice Chair & Food Board Chair), Cllr Rob Waltham (NLC), Cllr Craig Leyland (ELDC), Debbie Barnes (CX LCC); Alric Blake (Alltech); Cllr Philip Jackson (NELC & Public Sector Vice Chair), Yvonne Adam (Youngs Seafood), Mary Stuart (UoL), Andrew Crookham (S151 Officer & Accountable Body)

LEP Executive:

Ruth Carver (CX GLLEP), James Baty (GLLEP), Sue Groves (GLLEP)

For agenda item 3: Alex Gardiner (Metro Dynamics), Daniel Timms (MD), James Gilmour (MD), Cathy Jones (LEP)

For agenda item 4: Samantha Harrison, Karen Seal LCC

Apologies and Declarations of Interest - Apologies were noted as above.

Full declarations of interest for each individual Board Director can be found at:

<https://www.greaterlincolnshirelep.co.uk/about/boards/> The LEP Board were reminded that declarations of interest are required as part of LEP governance and must be updated at least annually, and if anything changes to the LEP office at the earliest convenience.

Minutes & Matters Arising (Paper 1)

The minutes from the Board meeting held on 24th July 2020 were accepted as a true record, the minutes from the August Board would also be published.

Matters Arising :

- Letter from MPs regarding investment in Broadband and changes to the rules letter sent to Secretary of State and Minister for Culture, Media and Sport. Response has not yet been received, CJ ask to follow up with the Digital Minister.
- Top 100 Businesses list, this is ongoing and meetings are being organised with businesses. Comments received were that some businesses still need to feel they are included. Businesses are engaging with the Growth Hub which is part of the LEP.
- Defence Sector Board - responses from the private sector for nominations received and an initial meeting is in the process of being arranged.
- Update on the future of FE - announcements made by the Government regarding White Paper mostly positive, but concerns raised regarding funding for Level 3 programmes.
- Apprenticeships - a series of webinars have been held and also meetings for the new Kickstart programme are being organised.
- Economic Dashboard to be shared with LEP Board Directors and partners - this is being progressed.
-

Actions:

- ❖ Response not received from Secretary of State regarding Digital infrastructure in Greater Lincolnshire, CJ to follow up.

- ❖ For one-to-one meetings with MPs, invite Board Director for the area.
- ❖ Economic Dashboard to take forward - JBa
- ❖ Progress on Top 100.

LEP Chair's Report (Item 2 - Verbal)

- Interviews for LEP Director and Chair of ESAP held with 5 candidates and will be discussed at the Appointments Committee on 5th October.
- Health & Care Enterprise Board - proposals for Vice Chair to be discussed at Appointments Committee

Humber Update - Ruth Carver

- A number of constructive meetings have been held so far, with more arranged. Verbal Update given. Questions were asked about the collective leaning into Greater Lincolnshire.
- AG asked whether more resources were needed for support for engagement and joined up working - LEP Strategy.

Investment Board Minutes (Paper 1.1 - Ruth Carver)

Items discussed at the Investment Board held on 5th August were:

- Growth Deal Update where the Board endorsed the approach proposed to manage the completion of the Single Local Growth Fund.
- Getting Building Fund announcement - applications have now gone for due diligence and will be discussed at the next meeting to be held on the 19th October.
- Agreed that the Greater Lincolnshire continues to apply fees for programme management, project appraisals, financial and legal costs for all LEP projects/programmes included in future funding allocations from government.
- Approved a flat percentage approach of 1% for charges effective from August 2020.
- Will review the programme management fees annually, with the Accountable Body reporting quarterly on expenditure levels.
- Deed of Variation to the existing loan agreement for the International Bomber Command Centre agreed to enable an extension to the loan repayment over a three period to be put in place.

Actions:

Workshops held recently were very useful, with a need for more to be arranged as a follow up
- Halina Davies

Chief Executive's Report (Paper 2.1 - Ruth Carver)

- With the furlough scheme ending, this could have an impact on the LEP work and from the 1st November, it is expected that will have a severe impact and a number of redundancies. The LEP is leading a redundancy support group and is monitoring numbers.
- OH commented that companies with more than 20 redundancies have to be announced, but is concerned about the number of SMEs and how to take this forward.
- CSR Headlines: Slides circulated on CSR asks for Greater Lincolnshire - Board Directors asked to familiarise, and discuss with local MPs
- Mid Year Review - All actions from previous annual review completed or ongoing with discussion on progress on governance, strategy and delivery and the following actions:
 - Equality and Diversity Action Plan to be developed by March 2021
 - Continue to make progress on diversity and equality targets
 - Publish Annual report for 20/21
 - Hold an AGM
 - Potential to review job outputs in light of Covid-19
- Peer Review to be held next year and the focus will be on the strategic review of Covid-19 response, with a focus on prioritisation and direction.
- The GLLEP Strategy Away Day will discuss the next steps and to decide the top 10 opportunities, c.

- Tourism Commission - CD said that an initial meeting had been held which was positive and that there were opportunities for Greater Lincolnshire for a Sector deal. Still engaged with DCMS regarding Tourism Zones. Consultation closed on 30th September and will be looking at 10 key priorities.

Greater Lincolnshire Covid Intelligence (Paper 3.1 - James Baty)

- Information previously circulated.
- JB raised additional points around the furlough scheme, redundancy figures, claimant count and the latest results from the Chamber of Commerce Quarterly Economic Survey.

Freeports (Paper 3.4 - Ruth Carver)

Greater Lincolnshire LEP is working with the Humber LEP on a proposal and will update the Board in November, and all directors recognised that this is a significant opportunity for Greater Lincolnshire and the Humber..

Economic Recovery Plan (Paper 3.2 - James Baty)

Alex Gardiner from Metro Dynamics gave a presentation on the latest draft economic recovery plan story board.

- The recovery plan is the bridge between the short term economic recovery plan and the Local Industrial Strategy, it contains priorities for local recovery over a 3-5 timespan.
- Directors were invited to discuss the contents of the story board and provide feedback relating to the areas of opportunity and intervention within.

Actions:

- ❖ Any comments or feedback to be sent to Ruth Carver or James Baty

Team Lincolnshire Business Plan (Paper 4 - Nick Worboys & Karen Seal)

- NW introduced this item as she is a Team Lincolnshire Ambassador. There are currently 150 members across all sectors. NW stated that she attended MIPIM last year and said that it was an invaluable platform and that Team Lincolnshire members had been kept up to date with Covid related matters by monthly formal Webinars and weekly informal TLC meetings, also by social media.
- KS gave a presentation to show what Team Lincolnshire has achieved over the last year and their ongoing work to develop objectives for future years and how they will deliver them, ie, engage with North and North East Lincolnshire to open up dialogue with investors, colleagues and key stakeholders; engage with Rutland to understand the investment drivers and the geography of the area; capturing the full Greater Lincolnshire complement of assets in order to deliver strong propositions to new inward investors, including Off-Shore wind O&M, ambitions for manufacturing off-shore, decarbonisation and carbon capture schemes, home to the largest agri-food robotics research team in Europe and the UK's first "robotic farm" development; increase the profile of Team Lincolnshire and membership within the new LEP geography boundaries.
- The Board were asked to consider approving reallocating £15,000 for funding MIPIM to Team Lincolnshire activities - this was approved.

Centre for Better Ageing Board Nomination (Paper 5 - Ruth Carver)

A paper was discussed on the better ageing board. They will be working together to research and secure the best outcomes and opportunities for people in and approaching later life across Lincolnshire, focusing on the areas we know will make a transformational difference to people's later lives, including employment, homes, communities, and health.

Ageing Better, LCC and ELDC share the following vision and goals:

- To add to the evidence base and share learning about what works in order to positively influence how those currently in their 50s and 60s can enjoy a good later life.
- To actively encourage people to plan for their later life, including planning that ensures financial security, good physical and mental health, that could make a transformational difference to their

lives

- To share learning and evidence of what works across all agencies in Lincolnshire, and engage with them to ensure they play their part in delivering services that enable people to effectively plan for later life.
- For more people in Lincolnshire to enjoy later life in terms of better health, financial security, social connections and wellbeing
- For Lincolnshire to be recognised locally, regionally, nationally and internationally for its work in ageing and to become an age-friendly county
- For the partners and others in Lincolnshire to apply evidence-based practices, and to develop and test innovative approaches to address inequalities in later life

They will also ensure that the partnership and its agreed outcomes recognise and take account of recovery from the Covid19 pandemic, and the associated challenges and opportunities in rural and coastal areas.

A steering group of senior leaders from Lincolnshire, including LCC and ELDC, including a representative HWB will sit around the partnership manager to provide strategic guidance and help navigate joint work across the various councils, their departments and partners.

They are looking for a nomination from the Greater Lincolnshire LEP Board to provide strategic input and steer, with particular reference to employment, worklessness, economy and business engagement. The frequency will be at least bi-monthly meetings (monthly initially). The partnership will provide regular updates to Greater Lincolnshire LEP as required and at least once a year.

Comments:

- ❖ Asked if someone from ESAP could be appointed to the Board.

Any Other Business

None

LEP Board Decision Log for the year to date

Date	Decision Making Body	Decision Made
27/09/19	LEP Board	<ul style="list-style-type: none"> • Appointments Committee approved Paul Scott join the Business Lincolnshire Board • Appointments Committee approved Mike Gallimore, Nick Broom and Robert Willey join the Manufacturing Board • The process of recruiting the new LEP Chair agreed • The Job Description for the Chair was approved • The composition of the chair's Appointment Panel and to seek nominations by email for the Appointments Committee to decide was agreed • The Vice Chair Job Description was approved • Agreed that the Terms of Reference for the Board will be reviewed annually and that all other Boards would be reviewed every two years, the Terms of Reference and Policy planner to be updated • The LEP Board approved the skills analysis, subject to further changes by the Employment & Skills Board during October • Apprentice Levy Scheme - Board Directors approved the allocation of £30,000 • The Strategic Partnership Agreement with Cambridge & Peterborough Combined Authority was approved by the Board
29/11/19	LEP Board	<ul style="list-style-type: none"> • Pat Doody private sector deputy chair was appointed as the Interim LEP Chair. • Cllr Philip Jackson was appointed as public sector deputy chair • The Chairs Appointment Panel was agreed as follows: Prof Mary Stuart, Dean Fathers, Pat Doody, Cllr Colin Davie and Gary Headland, the panel will be supported by the LEP Executive. • Gary Headland to join the Appointment Committee. Existing members are the Chair, the two deputy chairs, and Dean Fathers, Diversity Champion. • Members of the LEP's Energy Council, an energy advisory council for the LEP were agreed as follows: Duncan Botting, MD of Global Smart Transformations, Emma Bridge, Chief Executive Community Energy England, Justin Brown, Assistant Director for Growth, Lincolnshire County Council, Jacqui Bunce, Programme Director Lincolnshire STP NHS, Arnie Craven, External Affairs Director, Cadent Gas, Marie Harley, CEO Blue Castle, John Henry-Looney, Sustainable Direction, Juergen Schaper, FCC Environment, Lea James, Siemens Smart Infrastructure team, Cllr Barry Dobson, Executive Councillor Economic Growth LCC and SKDC, Simon Green, Deputy CX, North

		Lincolnshire Council, Martin Haworth, Director Singleton Birch and Mark Hutchison, Distribution Director, Western Power
31/01/2020	LEP Board	<ul style="list-style-type: none"> • Agreed to accept the offer from SUFC regarding legal costs. • Health & Care Enterprise Committee and Food Committee to hold a joint meeting to explore common areas
30/03/2020	LEP Board	Meeting cancelled
29/04/2020	LEP Board	<ul style="list-style-type: none"> • Decision on the GLGF was deferred pending a wider discussion on repurposing LEP funds • Sarah Louise Fairburn was appointed as Private Sector Deputy Chair • Dean Fathers was appointed to the Investment Board • A monthly zoom call with our 10 local MP's is being established during Covid - action from the first call is collective lobbying on increased broadband speeds - action for a collective letter and PR? • Annual Budget for core funding was agreed by the Board • Draft delivery plan agreed subject to final sign off by the Board by email, and further guidance from CLG • Draft Lincolnshire Recovery Plan to come back to the June Board for a business view • Refresh LIS to be considered at the June Board
06/05/2020	Board Brief	<ul style="list-style-type: none"> • Agreed that Board members briefings would be held every 2 weeks • Next Board meeting to be held on 10th June • Sarah Louise Fairburn confirmed as Deputy Chair (private sector) • Dean Fathers appointed to the Investment Committee
10/06/2020	LEP Board	<ul style="list-style-type: none"> • Circulate Annual Delivery Plan to be signed off by Board Directors by 10th July 2020. • Agreed that Clare prepare a letter for Government incorporating views of the Board, employers and the ESB • LEP will work with DWP and SHDC on redeployment and retaining • Amended LIS to be published locally subject to further business engagement and buy in from the business community.
24/07/2020	LEP Board	<ul style="list-style-type: none"> • Report on progress on board membership noted • Chairs/vice chairs of Strategic Advisory Boards to be invited to attend future Board meetings - Forward Plan • Impact of Covid-19 - LEP Board approved the paper and agreed the new actions • Re-purposing funds for Recovery Post Covid-19 - Option C was favoured reallocation of £2.4m, with a contingency amount of funding for flexibility purposes of up £500,000 for future use. The £700,000 allocation of additional resources to the LEP for the activity above was approved, with business cases being developed for Digitisation, responding to redundancies, supply chain and transforming skills being bought back to a subsequent board to discuss and agree. Budget would be incorporated into the budget process, and reporting on progress would be undertaken through

		<p>the normal quarterly reporting mechanisms.</p> <ul style="list-style-type: none"> • Finance & Audit Report - 19/20 Financial Statement was approved by the Board and agreed for publication and 19/20 Audit Report was approved by the Board
26/08/2020	LEP Board	<ul style="list-style-type: none"> • None taken
30/09/2020	LEP Board	<ul style="list-style-type: none"> • Seek vice chair nominations for all boards • In the New year 2021 Officers to arrange an additional workshop on the Local Assurance Framework • GL CSR asks - Board Directors to discuss with their link or local MP • Equality and Diversity Action Plan to be developed • Reallocation of funds for Team Lincolnshire from MIPIM to Team Lincolnshire Business Plan - £15,000. • ESAP member to join the Centre for Better Ageing board.

GREATER LINCOLNSHIRE LEP BOARD ACTION LOG

Date	Item	Action	Actioned by	Status
29/03/19	Minutes	<ul style="list-style-type: none"> Project workshop to be held with Board Directors on lessons learned and impact. 	Halina Davies	completed
27/09/19	Minutes	<ul style="list-style-type: none"> Growth Hub to provide an update on sectoral coverage within the next annual review 	Samantha Harrison	
13/05/2020	Board Briefing	<ul style="list-style-type: none"> Board to lobby Government of the horticultural sector and campaign for Defra to see if there is anything additional they can do Discussion paper on Freeports to be prepared for Board meeting To lobby Government on speedier Broadband To write to government on extending Job Retention Scheme for the Visitor Economy Sector 	Martin Collison Done Cathy Jones Ruth Carver	Completed - response letter received Completed Completed Completed
27/05/2020	Board Briefing	100 top companies to be split into 5 groups of 20. A series of 5 calls with two or three Board members supporting each of the calls to the top 100 companies, but will include those below the top 100. JB to organise, either by sector or geography. A set of the same questions to be used for each group so that comparisons can be made.	James Baty	ongoing
10/06/2020	Board Meeting	<ul style="list-style-type: none"> Circulate draft Transition Board Terms of Reference to be signed off by Board Directors 		Collaboration Board

		<ul style="list-style-type: none"> • Top 100 businesses list, the need to reach out to larger businesses for information, will be circulated next week and to ask for volunteers to host/support these meetings which will be in sector groups, ie, Visitor Economy, Food, Ports and Logistics. • Impact analysis to be circulated to the Board 		<p>Underway</p> <p>Completed</p>
24/07/2020	Board Meeting	<ul style="list-style-type: none"> • Complete Defence Sector Board • DF to update the Board on the diversity and equality at the November meeting. • North Lincolnshire, North East Lincolnshire, Rutland to supply key stakeholders • Nominations for the Collaboration Board with Humber and GL LEP to be sent to CX • RC to email PH regarding the non recycled allocation on the Growing Places Fund • Seek outline business cases for the four remaining areas of Programme for November Board of digitisation, responding to redundancies, supply chain and transforming skills. • Do a summary of the emerging priorities in the Local Investment Plans and share with Board • Make contact with Newark Town Board to understand synergies • JB to contact NW to see if there are any specific gaps in intelligence regarding the housing sector that could be utilised and potentially filled • JB to develop an economic dashboard to share regularly with the LEP Board, and wider partners and publish. • Scunthorpe Steelworks - Board members to contact SG if they would like to attend • Forward Plan to be updated to include invited Board Chairs 	<p>Ruth Carver Dean Fathers</p> <p>Cathy Jones</p> <p>All</p> <p>RC</p> <p>Halina Davies</p> <p>Cathy Jones</p> <p>Cathy Jones James Baty</p> <p>James Baty</p> <p>Sue Groves</p> <p>Ruth Carver</p>	<p>Ongoing</p> <p>Complete</p> <p>Complete</p> <p>Complete</p> <p>Complete</p> <p>Live and ongoing</p> <p>Completed</p> <p>Ongoing</p> <p>Completed</p> <p>Completed</p>

26/08/2020	Board Meeting	<ul style="list-style-type: none"> • Two national reports, Capability & Capacity and an Evaluation Report to be circulated to Board Directors • Organise a virtual meeting with British Steel and other identified businesses • Humber Transition Board - Draft a letter to the minister, Simon Clark, from Greater Lincolnshire LEP for members to discuss at the next meeting on the 30th September • Discuss Tourism Sector Deal at next MPs meeting 	<p>Ruth Carver</p> <p>Ruth Carver/Sue Groves Ruth Carver</p> <p>Ruth Carver/Pat Doody</p>		<p>Completed</p> <p>Completed</p> <p>Completed</p>
30/09/2020	Board Meeting	<ul style="list-style-type: none"> • Response not received from Secretary of State regarding Digital infrastructure in Greater Lincolnshire • For one-to-one meetings with MPs, invite Board Director for the area. • Economic Dashboard to take forward • Progress on Top 100. • Workshops held recently were very useful, with a need for more to be arranged as a follow up • Economic Recovery Plan - Comments and feedback to be sent to Ruth Carver and James Baty 	<p>Cathy Jones</p> <p>Sue Groves</p> <p>James Baty Ruth Carver Halina Davies</p> <p>All</p>		<p>Completed</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>On the agenda</p>

Paper 4 – Humber LEP and GLLEP – LEP Collaboration Board

Publication	Public Paper (published)					
Meeting date:	30TH September 2020					
Agenda Item:	4					
Item Subject:	Humber LEP & GLLEP - LEP Collaboration Board					
Authors:	Kishor Tailor Humber LEP CX, and Ruth Carver, Greater Lincolnshire LEP CX					
For:	Discussion		Decision	X	Information	

1 Recommendations

- 1.1 That the Board of the Greater Lincolnshire LEP agree to form a Collaboration Board with the current Humber LEP Board.
- 1.2 That the Board of the Greater Lincolnshire LEP debate and agree the proposed objectives below and delegate to the Chair and Chief Executive to agree a final set of objectives with the Humber LEP.
- 1.3 That the Board of the Greater Lincolnshire LEP agree to the following nominations on the Collaboration Board. Private Sector, Pat Doody Chair, Yvonne Adams, an additional member to be agreed at a later stage subject to current recruitment, Public Sector Cllr Rob Waltham and Cllr Phillip Jackson.

2 Background

- 2.1 In recognition that the reformed LEP geography between the Humber and Greater Lincolnshire will become effective on 1st April 2021, there is a need to ensure that cross boundary economic issues are effectively planned and delivered for the benefit of businesses and communities that form the Humber community. Recent correspondence from Minister Luke Hall, Minister for Regional Growth and Local Authorities emphasised the importance of LEP to LEP collaboration across the area.
- 2.2 **The two LEP's are therefore proposing the formation of a LEP Collaboration Board to plan and facilitate collaboration and cooperation between the Humber LEP (Hull and East Riding LEP post April 21) and Greater Lincolnshire LEP on strategic economic policy and delivery issues across the Humber area.**
- 2.3 This paper contributes to the Governance and Strategy area of the Annual Delivery Plan, and specifically meets the objective of 1.5.1 in the Greater Lincolnshire Annual Delivery Plan.

3 DRAFT Objectives

- 3.1 The draft objectives for the Collaboration Board have been developed in partnership with the Humber LEP's Chair and Chief Executive.
 1. To develop a smooth transitional plan to ensure that services across the Humber continue to be managed and delivered in a seamless manner - regardless of the lead LEP providing the service delivery

Paper 4 – Humber LEP and GLLEP – LEP Collaboration Board

2. With the 4 Local Authorities deliver the actions within the refreshed Humber Local Industrial Strategy
3. To provide private sector input into economic priorities for the Humber estuary, areas such as investment, skills and infrastructure
4. To lead on the development of a Humber Freeport bid, if appropriate
5. To agree areas for future sector collaborations eg food and drink, ports, petro-chemicals etc

4 DRAFT Membership

- 4.1 The Board will be made of 10 members drawn from the two LEPs. Each LEP will nominate 3 private sectors and 2 public sector members.

5 Chairing of the Meetings

- 5.1 Each meeting shall be chaired alternately by a LEP chair, or in the absence of the Chair, by a nominated private sector member.

6 Executive support

- 6.1 Executive support will be shared and provided by the two LEP CEO's or their nominees, the Agendas will be agreed by the Chairs and shared with the members one week in advance. Actions will be shared with the relevant LEP Board

7 Governance

- 7.1 The LEP Collaboration Board is not a decision making board, it is an advisory board to the two LEP's. The actions agreed would need to be endorsed by the relevant LEP board, and if additional resources are required proposals submitted to the main LEP Board.
- 7.2 The Collaboration Board would be quorate with 6 board members, with at least three from each LEP, with a minimum of at least one member from the public sector and one from the private sector.

8 Frequency

- 8.1 Will meet monthly as and when required during the initial phase of transition, and quarterly thereon in.

9 Review of the Objectives

- 9.1 The objectives shall be reviewed as and when required by the Collaboration, with any changes agreed by both LEP's and their LEP Boards.



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Our Ref:9427719
Your ref:SRP/KP

21 October 2020

Dear Stephen,

Thank you for your letter dated 28 September and for your kind comments on my appointment as Minister for Regional Growth and Local Government.

I know that there has been a long debate with strongly held views across local partners about future Humber economic geographic arrangements, following the Government's decision in the July 2018 LEP Review that "LEP overlap areas" cannot continue.

You will know that my predecessor, Simon Clarke MP, met Humber leaders and MPs in March with the aim of unblocking the protracted geography discussion, and to discuss future devolution opportunities. While my predecessor made clear that a pan-Humber LEP and devolution arrangement would in the Government's view be the optimum economic outcome, he was equally clear that the Government would not compel any local authority to join a particular geography. After a constructive discussion, the conclusion shared by the Government, MPs, and the four local authorities was the best way forward was to work towards establishing separate Mayoral Combined Authorities for Hull and the East Riding of Yorkshire, and for Greater Lincolnshire. This agreement had the obvious consequence that the LEP overlapping geography should be resolved by reforming the existing Humber LEP to cover Hull and the East Riding of Yorkshire only, with the two south bank authorities retaining membership solely of the Greater Lincolnshire LEP.

I recognise this is not the outcome that you and the majority of the Humber LEP Board had hoped for. I am also aware that this will be a difficult period for staff working in the LEP given the uncertainty during the transition to the new geographic arrangements. However, I do believe it is now time to draw a line under the issue and to move forward, with everyone working towards a positive and ambitious future for the Hull and East Riding and Greater Lincolnshire economies under the new arrangements.

You will be aware that the Humber local authority leaders propose to move to the new LEP geographic arrangements from 1 April 2021. As you have set out in your letter, you consider that the current Humber LEP structure should continue in its current form until a Hull and East Riding of Yorkshire Mayoral Combined Authority is established. I understand your reasoning; however, as my predecessor said in his letter of 3 August to Humber leaders, to which you were copied, a positive transition as quickly as possible to the new geographic arrangements will help avoid prolonged uncertainty. I would also note that by the time the new arrangements start next year, it will be almost three years since we announced that LEP

overlaps should end. The Humber and Greater Lincolnshire LEPs are both non-compliant, and we cannot support this beyond the minimum further transition period. I therefore agree with the Humber leaders' view that moving to the new geographic arrangements with effect from 1 April 2021 is the right approach, and my officials stand ready to support the transition process.

It is important to remember that our 2018 review of LEPs not only required elimination of overlaps: it also said that the Government expects neighbouring LEPs to have in place clear and effective arrangements for joint work on economic strategy and development. I know that thought has been given to this already, and it will be important that we have good collaboration between the two LEPs from the moment the Hull and East Riding LEP starts operating.

I am copying this letter to the four Humber local authority leaders and the Chair of the Greater Lincolnshire LEP.

Yours ever,

A handwritten signature in blue ink, appearing to read 'L Hall', is positioned above the printed name.

LUKE HALL MP

Paper 5 – Impact of Brexit on the Greater Lincolnshire Economy

Publication	Public Paper (published)					
Meeting date:	6 November 2020					
Agenda Item:	5					
Item Subject:	Impact of Brexit on the Greater Lincolnshire Economy					
Author:	James Baty					
For:	Discussion	x	Decision		Information	x

1 Introduction

1.1 As the transition period for the UK to exit the EU draws ever closer, and with no agreement reached between the UK and the EU, this paper explores the current levels of preparedness amongst businesses and what Greater Lincolnshire LEP and partners are doing to ensure businesses are supported in the right way to the 1st January 2021 and beyond.

2 Background

2.1 At the time of writing, the Government's position on EU Transition negotiations is unclear. On the 16th October, the Prime Minister announced that the UK had to "get ready" for the prospect of no deal Brexit. Addressing the House of Commons on the 19th October, Michael Gove noted that as things currently stand, the UK-EU Joint Committee established under the withdrawal agreement had not been able to conclude a Canada-style free trade agreement and it was looking increasingly unlikely that this would be agreed before the end of the transition period on 31st December this year.

2.2 In October, the business secretary Alok Sharma wrote to 600,000 businesses reminding them to familiarise themselves with the actions they need to take ahead of January 1st. The Government to date has released a new campaign through media channels to encourage people to use resources via their .GOV site to understand the impacts on them personally or their business.

2.3 On September 3rd, a Special Development Order was made with the intention of guaranteeing "an orderly transition to the new system of controls to secure the border of Great Britain from 1 January 2021". This SDO grants the temporary planning permission and conditions for the use of land for lorry stationing and processing. In total 29 council areas received the SDO under the Town and Country Planning (Border Facilities and Infrastructure) (EU Exit) (England) Special Development Order 2020.

3 Business Sentiment and Preparedness

3.1 Recent polling by YouGov found that two thirds of Britons are unclear about how the UK's relationship with the EU will change when the EU Exit transition period ends.

3.2 Quarter 3 2020 surveys by the Chamber of Commerce and MakeUK revealed that future trading environment for many businesses is extremely unclear at present due

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to a combination of Covid-19 and UK-EU negotiations. Covid-19 continues to dominate business interest with little input on Brexit; however engagement with local businesses via the Greater Lincolnshire Growth Hub (and colleagues in the East Midlands Growth Hub Cluster) has indicated that EU Exit related enquiries are very few in volume.

- 3.3 The cluster is anticipating significant increases in enquiries in January 2021. Intelligence gathered in other engagement events has revealed that EU Exit is increasingly becoming a background concern for businesses who, in the most general terms, fall into the following cohorts of business sentiment towards EU Exit:
- Businesses who feel that EU exit won't impact them because they do not export.
 - Businesses who know that they need to prepare for EU exit but don't have the capacity or cash to do so due to covid19.
 - Businesses who prepared last year, who feel that the previous preparation will stand them in good stead.
 - The current situation is reflected in the volumes of web-traffic to specific areas of the Business Lincolnshire Growth Hub site. During the month of October the EU Exit specific part of the Business Lincolnshire site had 524 page views, whilst the Covid-19 section had 1,786 page views.

4 Business Engagement

- 4.1 The Government has recently released the Check Change Go campaign with an online diagnostic tool to enable businesses and individuals to understand what things they need to prepare for in advance of December 31st: <https://www.gov.uk/transition> . This campaign has been coupled with intensive media advertisements and is the default location to steer businesses to understand what they need to prepare for.
- 4.2 Locally, the Business Lincolnshire Growth Hub maintains their [EU Transition page](#) with resources, access to support via online advice and 1:1 support. The site also has an EU Exit action plan where businesses can receive a tailored report with suggestions on how to prepare for the end of the transition period.
- 4.3 The Growth Hub has also been running virtual events through the year, with another 8 due between now and early 2021. These webinars cover specific topics such as understanding the new UK Global Tariff and trading under preference, understanding international trade documentation, supply chain management and navigating customs formalities and HMRC compliance. In addition the Growth Hub has provided dedicated one to one time with an international trade specialist who helps businesses optimally prepare for the end of the transition period.
- 4.4 The Greater Lincolnshire Growth Hub leads the East Midlands Cluster (including D2N2 and Leicestershire LEP) which as a cluster has been rolling out additional cluster-wide support through the Business Resilience Programme, delivered across the region:

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- The Export Dept - delivering a business resilience programme focussed on import and export trade
- Actif - delivering a dedicated business resilience programme focussed on EU Transition
- The previously mentioned webinar and 1:1 support

4.5 The Lincolnshire Chamber of Commerce has also been working with the Growth Hub to provide a complimentary series of dedicated support webinars through their Countdown to Change series as well as clear signposting to the .Gov transition page.

5 Monitoring and impact analysis

5.1 The LEP and the Growth Hub still have a duty to report the latest intelligence, reaction to Government policy and economic shocks to the BEIS Growth Hub and Local Economic Contingencies Team on a weekly basis. This information is packaged into a weekly briefing for the Cabinet Office.

5.2 As part of the wider business intelligence role the LEP plays, impacts of Brexit will continue to be monitored as will sentiment and business vulnerability analysis.

5.3 Officers will continue to work with Midlands Engine, business representative and trade bodies amongst others to ensure that the LEP is plugged into the emerging intelligence.

6 LEP Study into labour market implications of EU Exit

6.1 **At the end of 2019**, the LEP commissioned a report looking into the labour market impacts of Brexit. This report has recently been completed following a pause during covid19. The report is circulated with this paper and outlines the scale of the anticipated labour market challenge across our sectors.

6.2 The report, titled Labour Market Implications of Brexit outlines the impact that the UK's new immigration system will have across our key sectors. The report indicates that:

- At least 40% of the workforce in Greater Lincolnshire is paid below the £25,600 salary threshold (there is a lower threshold of £20,480 provided the job is in a Government-defined shortage occupation or the applicant has a relevant STEM PHD).
- Where industries are still reliant on migrant labour, the introduction of this system may require businesses to fundamentally alter their business model to survive and prosper.
- Whilst the pace of automation has accelerated owing to the covid-19 pandemic, many labour-saving automation solutions are still years away. Many roles that are filled by EU nationals are in jobs that have historically been hard to fill by domestic workers therefore there will likely be a painful adjustment in some sectors in the near term.

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- The challenge is not limited to the food and care sectors; the manufacturing and energy sector in Greater Lincolnshire is estimated to have over 6,000 EU workers (11% of the workforce) and the Ports and Logistics sector estimated to have just under 3,000 EU workers (11.6% of the workforce). Meanwhile the Visitor Economy sector is estimated to employ around 10,750 EU workers in the sector, 9% of the workforce.

6.3 The report makes some recommendations for the LEP to consider:

- Promote awareness throughout the businesses community about the coming changes and potential implications, targeting comms at exposed sectors.
- Advocate for targeted policy change to address the acute and time sensitive issues facing our sectors.
- Prepare for the long term reality, by supporting businesses to make the decisions required to update their models and practice.

7 Recommendations

7.1 It is recommended:

- **That the LEP Board debate the approach currently being undertaken by the LEP and the Growth Hub**
- **That the LEP Board discuss sector based intelligence on preparedness.**
- **That the LEP Board discuss the report - Brexit and the impact on the Labour market, and agree the three actions set out in the report.**

A map of Greater Lincolnshire, England, overlaid with a dense network of white lines representing a network or infrastructure. The map is filled with a teal color. The text is overlaid on the left side of the map.

Greater Lincolnshire Local Enterprise Partnership

Labour Market
Implications of
Brexit

September 2020

Metro — Dynamics

Key messages

The introduction of the new immigration system will require many businesses in Greater Lincolnshire to fundamentally alter their business models in order to survive. Businesses which prepare earlier will be in a better position in a post-Covid, post-Brexit economy.

The UK's new immigration system

The UK exited the EU on 31 January 2020. Beginning 1 January 2021 the free movement of EU nationals will end and the UK's new 'points-based immigration system' will come into effect. The new system will reduce overall migration into the UK and give priority to migrants with the highest skills. To simplify, in order to be granted a visa to work in the UK from 1 January 2021 migrants (from the EU and the rest of the world) will need a job offer which pays at least £25,600.

The new system will disrupt the UK's labour market immediately and over the next three to five years while businesses adjust. This is particularly the case in economies which are reliant on ready access to a flexible pool of low-wage labour where salaries fall below the £25,600 threshold, and where EU nationals are known to fill these jobs. This applies to Greater Lincolnshire. **As a relatively low-wage economy where at least 40% of the workforce is paid below the £25,600 salary threshold and where many industries are reliant on migrant labour, the introduction of the new immigration system will require many businesses in Greater Lincolnshire to fundamentally alter their business models in order to survive.**

Vacancies which would typically be filled by EU nationals will no longer be. It is unclear whether businesses will be able to rely on domestic workers to fill vacancies as they arise, since domestic workers have in the past been reluctant to fill these positions. The kind of innovative labour-saving automations which might eventually lead to technological solutions are still years away. Greater Lincolnshire's businesses face challenges now and over the next few years during a painful adjustment.

Impacts on Greater Lincolnshire

This report assesses the impacts of the new immigration system on six of Greater Lincolnshire's priority sectors: Agrifood, Health and Care, Visitor Economy, Manufacturing, Energy, and Ports & Logistics. We find that across all of these sectors businesses will face challenges, but the most pressing and immediate concerns are in agrifood businesses, where more than 3,000 seasonal workers from the EU are a fundamental part of how the industry operates in Greater Lincolnshire. Over time, this seasonal, mobile workforce has developed into a productive and valuable asset for the sector. Beginning in spring 2021 businesses will face shortages of workers who know how to grow, pick, process, pack and distribute agricultural produce, threatening the viability of many businesses.

Brexit and Covid-19

The new immigration system will cause significant upheaval in Greater Lincolnshire's economy at a time when a muted recovery from the worst economic effects of Covid-19 is just getting underway. Businesses need to be planning and preparing for this now. Yet when it comes to business' preparation for Brexit, Covid-19 has made a hard task much harder.

Since lockdown began businesses have rightly been prioritising their immediate survival over Brexit preparations. Firms focused on survival are poorly placed to prepare for Brexit – indeed, anecdotal reports from the Federation of Small Businesses (FSB) note that most businesses across Greater Lincolnshire have not even begun to prepare. Though future labour shortages may be a distant concern relative to the extraordinary challenges posed to businesses by Covid-19, they are nevertheless very substantial. Weathering Covid-19 does not mean businesses can handle Brexit. Businesses which prepare earlier will be in a better position in a post-Covid, post-Brexit economy.

What the LEP can do to support businesses

Greater Lincolnshire LEP ability to support businesses through the coming labour market disruptions is somewhat limited. However, there are three main actions the LEP can take:

1. **Promote awareness** among the business base, focusing on the sectors and businesses identified in this report as being the most at risk of disruption
2. **Advocate for targeted policy change** that will help avoid 'cliff-edge' scenarios in industries, particularly in agrifood and health and care
3. **Prepare for the longer-term reality** by assisting businesses to make the decisions required to update their business models and practice, with a focus on fostering innovation and investment in technology which will, ultimately, improve the competitiveness of Greater Lincolnshire's businesses.

Preparing for Brexit was always going to be a huge task. With less than three months remaining in the transition period there is still much to do.

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Background to the analysis

The UK's new immigration system

The UK exited the EU on 31 January 2020.

Beginning on 1 January 2021, the UK's new 'points-based immigration system' (the 'new system') will end free movement for EU nationals entering the UK to work. This will cause disruptions for UK industries and businesses, particularly those which have historically made greater use of EU nationals in the workforce. The new system is designed to reduce overall levels of immigration and, for the immigration that continues, to prioritise highly-skilled workers who can fill high-paid and/or shortage occupations.

The new system makes few allowances for immigration to fill relatively low-wage jobs. In fact, a deliberate consequence of the new system is that there will be fewer migrant workers available to fill lower-wage job roles.

In light of this new system, Greater Lincolnshire Local Enterprise Partnership (GLLEP) commissioned Metro Dynamics to prepare a report on the potential labour market implications of Brexit for Greater Lincolnshire, and in particular for the priority sectors that underpin GLLEP's Local Industrial Strategy (LIS). The industries included in this analysis are **Agrifood, Health and Care, Visitor Economy, Manufacturing, Ports & Logistics, and Energy**.*

Because Greater Lincolnshire is a relatively low-wage economy, this report focuses on the implications of the new system for the low-wage end of the labour markets which underpin Greater Lincolnshire's priority sectors.

** Although a priority sector of the LIS, Defence is excluded due to its relatively low exposure to labour market impacts from Brexit. And despite not being a defined priority sector of the LIS, Manufacturing is nevertheless an important part of Greater Lincolnshire's economy with relatively high exposure to labour market disruptions from Brexit, and has therefore been included in this analysis.*

About the report

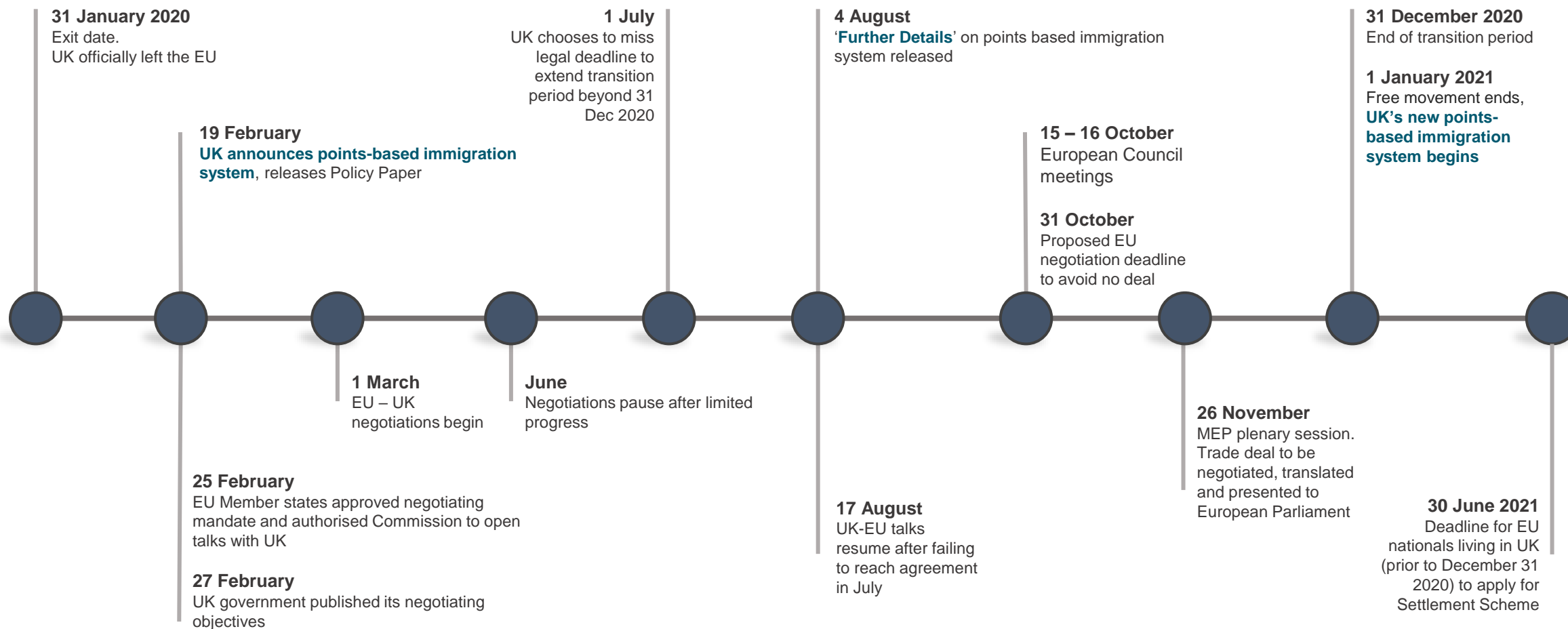
This report is based on primary analysis conducted by Metro Dynamics and is supplemented by analysis developed courtesy of materials and interviewees GLLEP provided to us. Analysis for this report began in February 2020, paused from March to July due to Covid-19, and resumed in late July 2020 once Covid-19's initial effects on Greater Lincolnshire were better understood.

Official statistics do not yet capture the effect Covid-19 has had on labour markets, so this analysis is based on data that predates Covid-19's impact. Despite this, we believe that the analysis and implications included in this report remain relevant to Greater Lincolnshire. As an appendix to this report, we have developed an online, dynamic evidence base that underpins the analysis included here.

This report summarises what we know about how the new system will affect Greater Lincolnshire's businesses and their ability to access the labour they require to fill job roles in key industries. It also sets out implications and recommendations for the GLLEP Board to consider in how they may best support businesses to prepare for and overcome the disruptions the new system will cause.

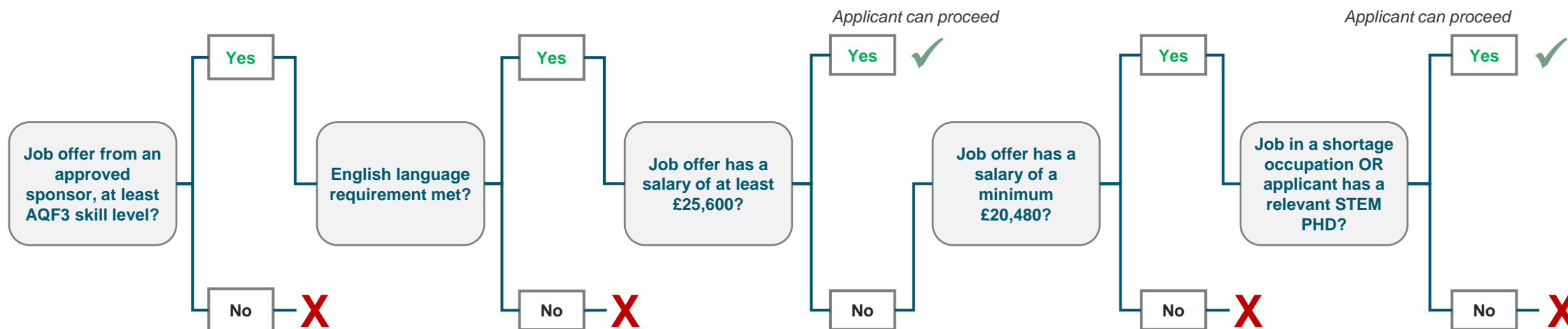
Brexit Timelines for 2020

The diagram below provides an update on key events and timings in the UK's departure from the EU. At the time of writing (early September 2020) it remains unclear whether the UK will exit the EU with a trade agreement in place, or whether the UK will exit via a 'no deal' scenario. Because the structure and operation of the UK's new immigration system has already been determined as part of domestic UK policy, it will not be impacted by the eventual outcome of the UK and EU's trade negotiations.



How the UK's new points-based immigration system will work

Beginning on 1 January 2021, the UK's new 'points-based' immigration system will end free movement for EU nationals entering the UK to work.¹ The UK will have one immigration system for all people regardless of their home country. To gain a UK work visa applicants must meet a range of conditions, for which they earn 'points'. The most important of these conditions are having a job offer from an approved sponsor for a job with at least an AQF3 skill level, proficiency in English, and that the **job is paid at least £25,600**.² For EU nationals the system is more restrictive than what exists currently; for migrants from other countries the new system is more liberal. The diagram below presents a simplified version of the criteria workers must meet in order to be granted a visa.



What does this mean in practice?

In the Government's Policy Statement on the 'points-based immigration system' (published [February 2020](#), with further details provided in [August 2020](#)) the explicit aims of the new system are to "reduce overall levels of migration and give top priority to those with the highest skills." The Policy Paper states, also, that the Government "will not introduce a general low-skilled or temporary work route. We need to shift the focus of our economy away from a reliance on cheap labour from Europe and instead concentrate on investment in technology and automation. Employers will need to adjust."

The new system will disrupt the UK's labour market, at least in the short to medium term while businesses adjust. This is particularly the case in industries which are reliant on ready access to a flexible pool of low-wage labour where salaries may fall below the £25,600 threshold, and where EU nationals are known to fill these jobs. This applies to Greater Lincolnshire.

As a relatively low-wage economy, the introduction of the £25,600 annual salary threshold is an issue of real relevance to Greater Lincolnshire.

¹ EU nationals who are living in the UK prior to 1 January 2021, and apply for Settled Status by 30 June 2021, will not be affected by the system. More than 3.2 million applications have been made to the EU Settlement Scheme. The system applies to all new arrivals from 1 January 2021.

² This is a simplification: applicants must have a job offer which pays at least the 'going rate' for their industry or £25,600, whichever is higher, and there are some exceptions such as for occupations on the Shortage Occupation List – but under no circumstances can a migrant be paid less than £20,480.

Source: UK Government Home Office; The Migration Observatory, University of Oxford

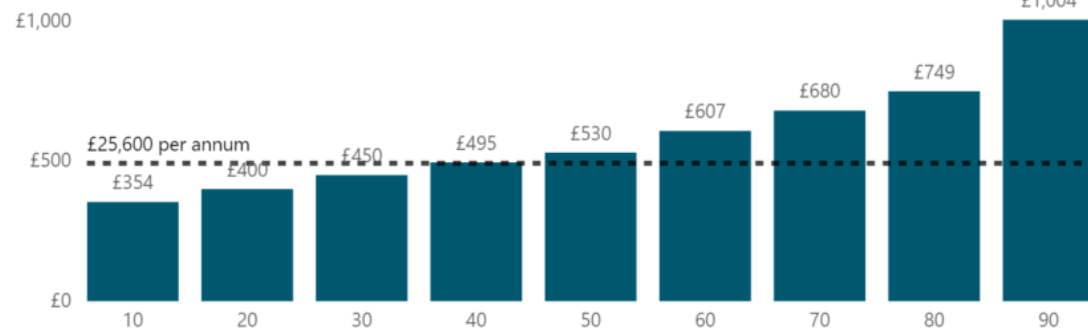
What does the new immigration system mean for Greater Lincolnshire?

	Greater Lincolnshire	GL's Priority Sectors
Total employment	454,500	310,960
EU workers	35,739 (7.9%)	25,466 (8.2%) ¹
Workers paid below £25,600	182,000 (40%)	124,500 (40%)

Greater Lincolnshire is a **relatively low wage economy**, ranking 35th out of 37 LEP areas in terms of gross weekly pay for full-time workers, and 10.5% behind the average pay across LEP areas. We conservatively estimate that a minimum of 40% of the workforce currently earns less than the £25,600 salary threshold. Greater Lincolnshire's economic growth is dependent, at least in part, on access to relatively low-wage labour.

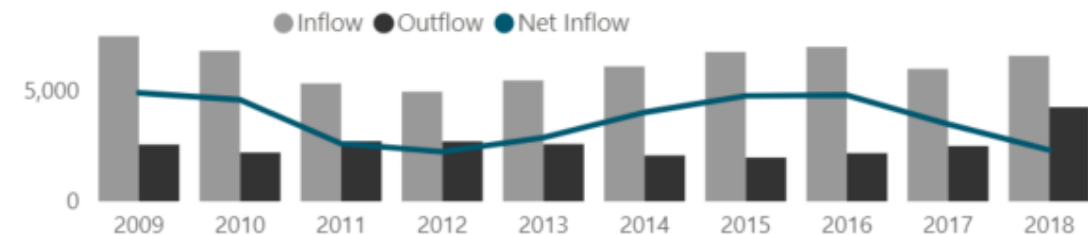
Much of this low-wage labour currently comes from the EU. There are at least 35,000 EU workers in Greater Lincolnshire, 8% of the total workforce. Migration into Greater Lincolnshire from the EU has continued after the 2016 Brexit referendum. As a proportion of total immigration Greater Lincolnshire (91%) attracts more workers from the EU than the East Midlands (73%) or the UK (68%). Data is hard to come by, but most estimates suggests EU workers (particularly from Eastern Europe) mostly fill low-wage jobs.

Gross weekly salaries of workers, by decile, in Greater Lincolnshire²



GLLEP's 'Pre-Covid Employment and Skills Analysis 2020' notes that many **businesses find it difficult to fill vacancies in lower-wage, labour-intensive occupations** like care workers and lorry drivers – occupations where EU workers are thought to make up greater proportions of the workforce. By limiting access to workers who are willing and able to do these jobs the new immigration system will make it more difficult for businesses to fill these vacancies in future.

Net long-term migration inflows into Greater Lincolnshire



Some of these vacancies will be filled by domestic workers (particularly as Covid-19 is expected to increase the number of workers looking for new jobs), although the lesson from the agrifood industry's attempts to hire domestic workers to pick fruit and vegetables during Covid-19 is not promising: domestic workers were found to be 20% less productive than their EU counterparts, and few are expected to return for next year's harvest.

Labour-saving innovations which might eventually lead to a technological solution to the problem (as the Government intends) are likely years away from commercialisation. Greater Lincolnshire's businesses will face serious labour shortages in low-wage job roles long before technology solves the problem. **Businesses should be preparing now for a difficult transition away from a reliance on low-wage labour, which will reduce their productivity and ability to compete in international markets.**

¹ This is a minimum estimate, since conventional labour market data does not capture things like seasonal work, where the majority of workers are EU migrants.

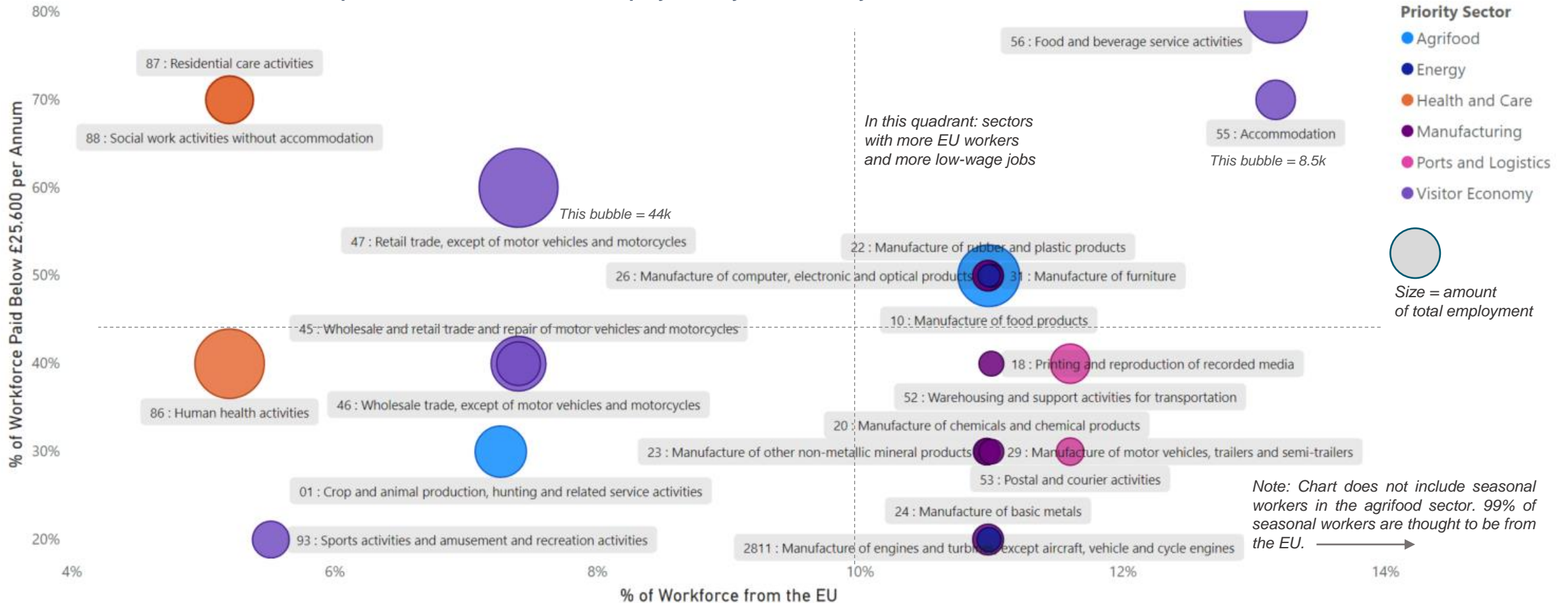
² This chart shows weekly gross earnings for Greater Lincolnshire. Wage data is for the East Midlands. 10% of workers are in each decile, while the columns represent the average wage for workers in that decile. The 50th percentile number is the wage of the median worker – in the chart above, that is £530 per week. The dotted line represents the £25,600 salary threshold for skilled migrants (which equates to £492 per week). Workers in deciles below this line are paid less than the salary threshold.

Employment below the £25.6k salary threshold

To understand the impact the new immigration system will have across Greater Lincolnshire’s priority sectors it helps to know which sectors have the highest concentration of EU workers and the higher proportion of jobs which are paid below the £25,600 salary threshold. Sectors with lower salaries and higher concentrations of EU workers are at greater risk of disruption.

For SIC 2 priority sectors, this chart shows the % of workforce from the EU (x-axis), the % of workforce paid below the salary threshold (£25.6k, y-axis) and the total amount of employment in Greater Lincolnshire (size of bubble). The top 15 sub-sectors by total EU employment are shown here, however all sectors in Greater Lincolnshire’s priority sectors are shown in Appendix A. Sectors in the top-right quadrant are particularly exposed to labour market disruptions resulting from the introduction of the new immigration system. This chart provides an overview of the impact across sectors. Over the following pages we explore the implications for each priority sector.

% of EU workers, % of workers paid below £25.6k, and total employment by SIC 2 Priority Sector, 2018

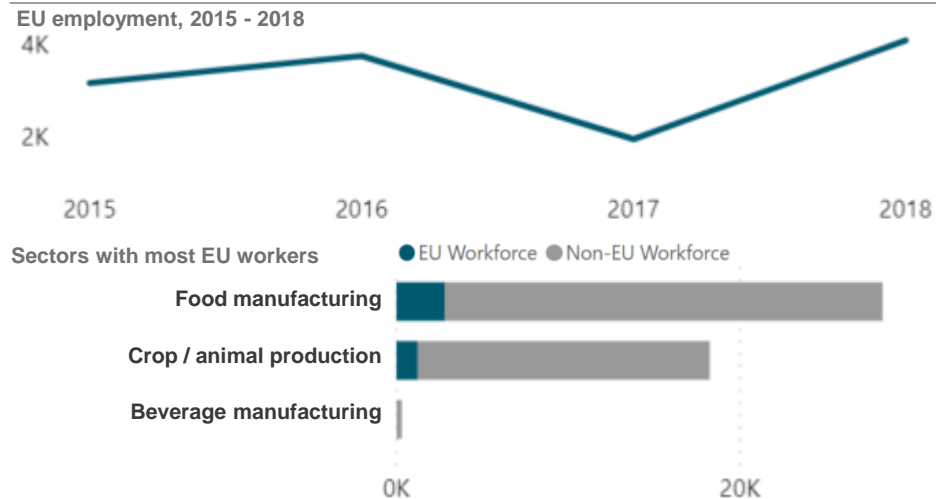


Source: Metro Dynamics analysis of ONS ASHE Table 14; ONS BRES; ONS migration tables; DEFRA agrifood seasonal worker estimates

The Agrifood sector, having been through a period of extraordinary turbulence caused by Covid-19, must prepare for major labour market challenges ahead

Key points

Total employment in GLLEP:	43,150+¹
Highest proportion of employment in:	South Holland
EU workers in sector:	4,092 (9.5%)
Workers paid below salary threshold (£25.6k):	17,250 (40%)
Estimate of EU workers below salary threshold:	1,637
Seasonal workers in GLLEP:	3,000+



Impacts

- The agrifood industry is labour intensive and is heavily reliant upon both full-time and seasonal EU labour. The numbers to the left are conservative estimates of the number of workers in the sector across Greater Lincolnshire: GLLEP’s Local Industrial Strategy estimates in excess of 70,000 workers.
- Conventional employment figures understate the number of EU workers in the Agrifood sector and the pivotal role they play as flexible, seasonal workers. DEFRA estimates there were approximately 64,000 seasonal workers in the agrifood industry in 2016, of which we estimate at least 3,000 work in Greater Lincolnshire. 99% of these workers are from the EU. The most substantial impacts will be felt by businesses which rely on this seasonal workforce (see next page for more).
- Impacts are likely to be particularly acute in the Boston local authority.² Evidence in Appendix A shows that migration into Boston is far higher than across Greater Lincolnshire as a whole – 781 migrants in 2018 per 100,000 residents compared to 143 per 100,000 residents across Greater Lincolnshire. In addition, one in five seasonal workers are likely based in Boston.

Implications

- A restriction on free movement will result in labour shortages, which could reduce (or at least radically disrupt) production while businesses adapt. There are immediate challenges to overcome in the 2021 harvest season for food producers, and in the lead up to Christmas for food processors.
- In the longer-term it could incentivise agrifood businesses to invest in technology to raise productivity, which is a priority for the sector in the LIS. Greater Lincolnshire is leading on this process through the Lincoln Institute for AgriFood Technology (LIAT), now the World’s largest agrifood robotics centre and the National Centre for Food Manufacturing (NCFM). However, the current reality is that most technology (for example, to pick and pack soft fruits) is years from commercialisation.

¹Charts and figures do not include an estimated 3,000+ seasonal workers which are not captured in conventional labour market statistics. 99% of these workers are thought to be EU nationals.

² With the data available we cannot say for certain that these migrants work in the agrifood sector, but it seems likely that many of them are taking jobs as seasonal workers in the Boston area.

The most substantial and acute labour market impacts will be felt in Agrifood businesses which rely on seasonal workers

The issue facing agrifood businesses

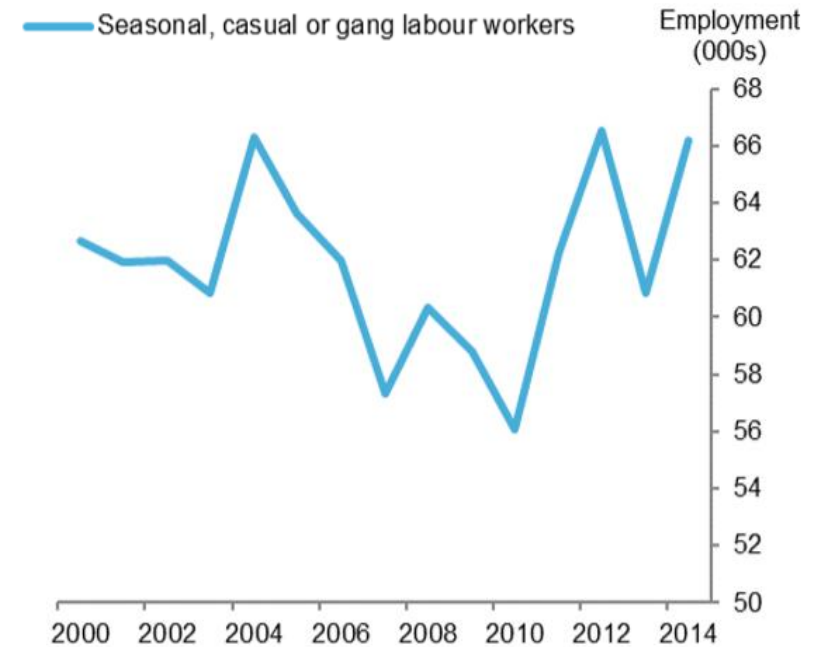
For agrifood businesses the most time-sensitive issue is the new immigration system’s impact on their access to seasonal labour, 99% of which comes from the EU – more than 3,000 workers in Greater Lincolnshire alone. From Spring 2021, without a change in policy (none are expected) agrifood businesses will not be able to hire the seasonal workforce that is essential to their business model.

Margins in the sector are thin, and international competition is strong. The UK imports much more food than it exports. In a tough environment, seasonal labour helps agrifood businesses compete because the seasonal workforce can be easily ramped up or down according to need - for example to respond to the sudden change in demand caused by Covid-19.

The average seasonal worker is employed for five months of the year, although many workers are thought to extend their working year by following peaks in activity (such as by harvesting vegetables in summer and moving into food logistics in the lead up to Christmas). Migrant seasonal workers tend to return for multiple seasons, meaning that over time Greater Lincolnshire’s agrifood industry has built up a workforce of skilled, experienced, flexible and mobile migrant workers, which is about to be lost.

Under a current pilot programme for ‘Seasonal Workers in Agriculture’ up to 10,000 seasonal workers are able to be employed in the UK. Given DEFRA’s estimates of 64,000+ seasonal workers, this pilot programme does not provide agrifood businesses with access to enough seasonal labour. The pilot is due to come to an end in 2020 and it is not yet clear what, if anything, will replace it.

DEFRA estimates of seasonal agrifood workers, UK



Innovation is a long term solution, but cannot help businesses with their immediate problems

The Greater Lincolnshire Food Board outlined the extent of the problem in a July 2020 submission to the EFRA Select Committee Inquiry into Food Chain Labour Supply. In charting out a path forward for the sector, the submission notes that:

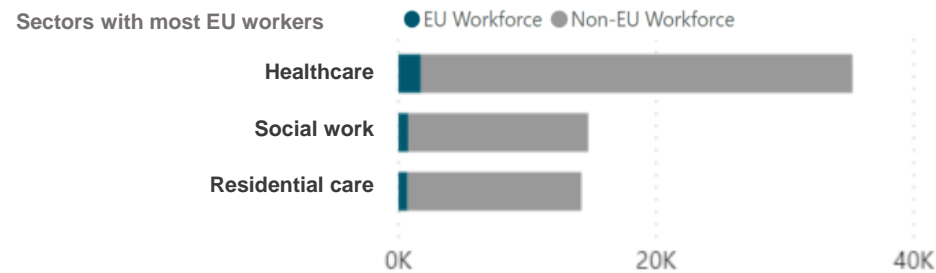
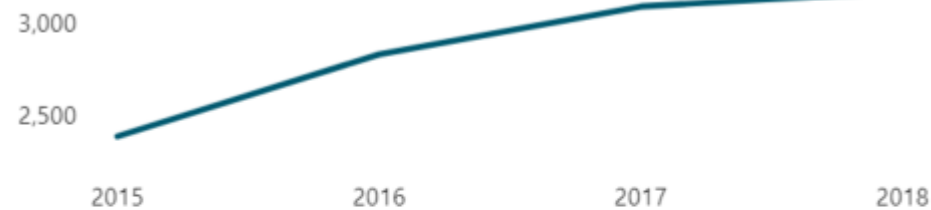
- *“Technology and innovation can help address the labour supply challenge through automation, but substantial further progress is needed and many solutions cannot be delivered by 2021. This is not because of a lack of initiative from UK industry, technology companies or researchers, but simply that more work is needed to develop, test and deploy the technology. Nowhere in the world yet has technology which works reliably and cost effectively for many food industry jobs.*
- ***If the UK fails to meet labour demand the industry will decline, capacity and profits will be lost and the UK will import more food. The UK has the potential to substantially grow its agrifood economy post Brexit and post Covid but, to do this, a sustainable labour supply at all levels of the industry is needed.”***

Although Health and Care has a smaller proportion of EU workers overall than the other priority sectors, those workers are concentrated in key Care Sector job roles

Key points

Total employment in GLLEP:	61,000
Highest proportion of employment in:	Lincoln
EU workers in sector:	3,172 (5.2%)
Workers paid below salary threshold (£25.6k):	36,600 (60%)
Estimate of EU workers below salary threshold:	1,903

EU employment, 2015 - 2018



Impacts

- The EU workforce makes a significant contribution to the health and care sector, particularly for the social care sector in rural areas. Anecdotal evidence provided by the Federation of Small Business (FSB) in Greater Lincolnshire note that aged care homes in rural settings are particularly likely to be staffed by low-wage migrants (typically women) from Eastern Europe.
- Many EU nationals also work in essential support roles, such as cleaners and caterers, which are not captured in the data.
- We estimate that up to 80% of workers in 'Residential care activities' are paid below the salary threshold, with a similar proportion in Social Work activities. At least 1,500 workers across these two sectors are EU nationals.
- Many occupations in the health sector (excluding social care and aged care, where low-wage jobs are most common) are listed on the Shortage Occupation List, meaning in theory it should be easier for them to be filled by migrant workers. In addition, in July 2020 the Government confirmed it will introduce a new fast track "Health and Care Visa" to address skills shortages. However, the Visa will not apply to care workers, meaning it is unlikely to do much to address labour market issues in Greater Lincolnshire.

Implications

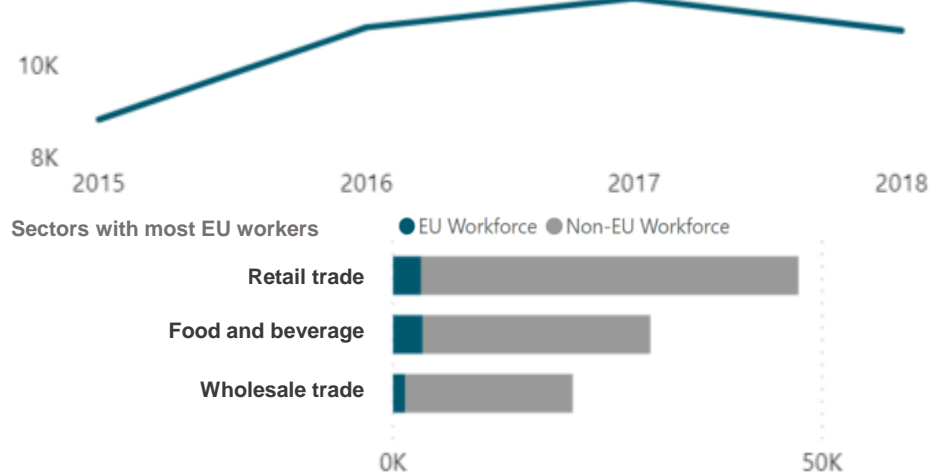
- There are substantial existing shortages across most health and care occupations, placing extra pressure on health services. The new immigration system will exacerbate these shortages in low-wage occupations at a time when Greater Lincolnshire's population is growing older and Covid-19 has highlighted the many difficulties faced in caring for residents of aged care facilities.
- As highlighted in the LIS, a top priority for the sector is to address workforce challenges around skills and retention through promoting alternative career pathways and enhancing the capability of the sector's workforce, particularly in emerging digital skills needs to support the sector's development. The new immigration system will make this priority both more important and more difficult to deliver.

EU workers plug gaps in key Visitor Economy occupations, such as waiters and cleaners: occupations which fall below the salary threshold

Key points

Total employment in GLLEP:	121,225
Highest proportion of employment in:	East Lindsey
EU workers in sector:	10,750 (8.9%)
Workers paid below salary threshold (£25.6k):	72,750 (60%)
Estimate of EU workers below salary threshold:	6,466

EU employment, 2015 - 2018



Impacts

- Nearly one in four people across Greater Lincolnshire are employed in the visitor economy, which includes major sources of employment like retail trade and dining. We estimate that more than 10,000 workers in the sector are currently from the EU, a number which does not include seasonal or casual workers (such as backpackers) who are employed in pubs and cafes.
- The visitor economy is a low wage sector, where workers will often be paid the national minimum wage or Real Living Wage.
- EU migrants working in hospitality roles plug a domestic skills and labour shortage. Workers are essential to filling existing labour shortages in the UK across different skills levels. Some occupations are very reliant on EU workers: nationally 75% of waiting staff, 37% of housekeeping staff and 25% of all chefs are from the EU.

Implications

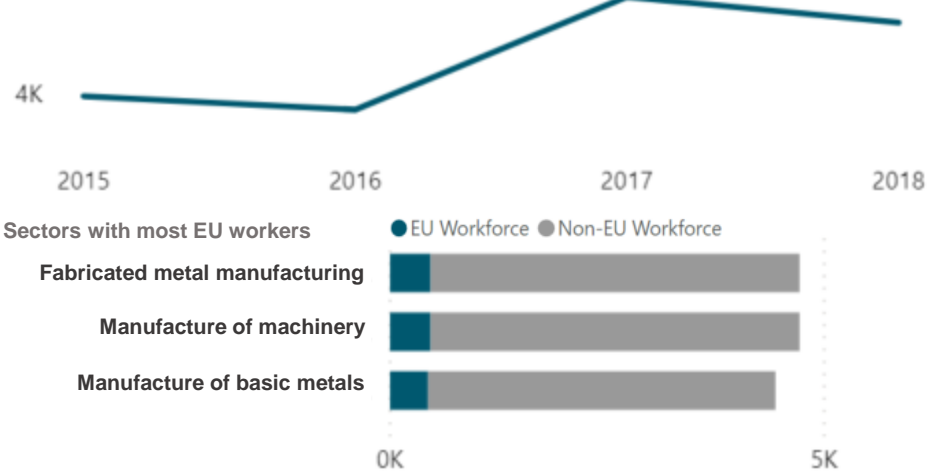
- Despite the large number of job roles in the sector currently filled by EU nationals, it is likely that the new immigration system causes less disruption in this sector than others, because employers should have access to a larger pool of domestic labour with the skills and willingness to work in the sector than in, for example, seasonal fruit picking in agrifood.
- Businesses should still expect to draw from a reduced pool of talent for jobs and face shortages in particular occupations where vacancies are not easily filled with domestic workers.

Manufacturing and Energy businesses may be better placed than others to find technological solutions to labour market shortages, if they have the capital to invest

Key points

Total employment in GLLEP:	61,155
Highest proportion of employment in:	North Lincolnshire
EU workers in sector:	6,084 (11%)
Workers paid below salary threshold (£25.6k):	24,500 (40%)
Estimate of EU workers below salary threshold:	2,433

EU employment, 2015 - 2018



Impacts

- Manufacturing and Energy businesses* are reliant on EU workers. Although wages tend to be higher than in other industries, we still estimate that at least 40% of workers are paid below the salary threshold, particularly in elementary occupations like the fabrication of sheet metal and the disposal of non-hazardous waste. Further, EU nationals tend to be over-represented in these lower-wage occupations.
- Underlying the need for EU workers in manufacturing and energy is a long-standing skills gap. Locally, a lack of technical skills (particularly in lower-wage job roles) in the labour market may restrict the ability of GLLEP businesses to innovate and improve competitiveness.
- A lack of skills is a major issue for recruiting people to fill important job roles in the industry, especially in sub-sectors such as offshore wind farm maintenance.

Implications

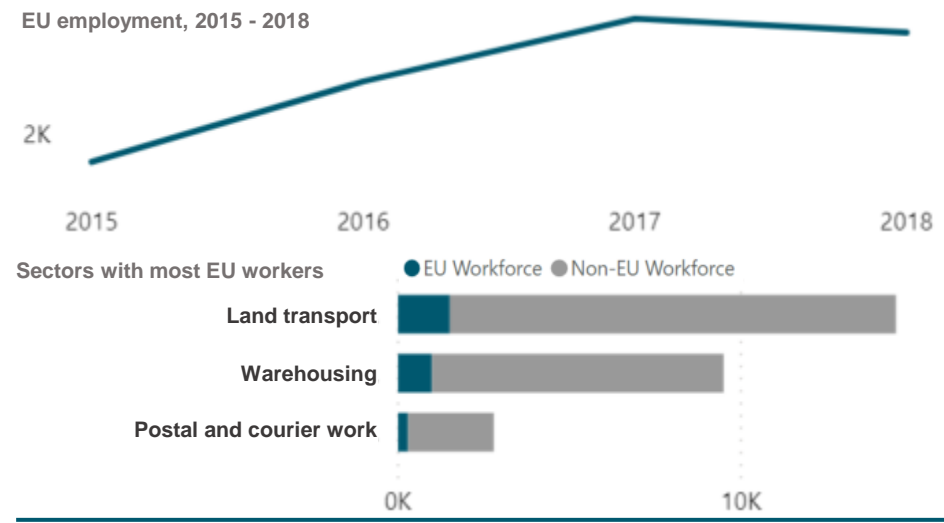
- Manufacturing and energy businesses are likely to find that existing skills shortages in low-wage occupations throughout the sector are exacerbated, as there is not a ready supply of domestic workers with the requisite skills to plug the gaps.
- Covid-19 has demonstrated the ability to many of the UK’s manufacturing and energy firms to adapt and innovate quickly, if needs be. A similar spirit may be required to adjust to a future with fewer low-wage workers. Businesses in these sectors are perhaps more likely than businesses in other sectors to be able to find technological solutions to labour shortages, since activity can often be automated. However, these investments usually come at substantial cost, and due to Covid-19 many businesses may lack the capital required to make these investments in the short term.
- Though it is not the focus of this report, Brexit also presents labour market challenges among highly skilled workers. It may be difficult to fill shortages of highly-skilled workers if EU skilled workers are less willing to move to the UK or if multinational companies are no longer able to move highly-skilled engineers at short notice across the EU.

* The Manufacturing and Energy sectors have similar workforces and face similar challenges, so have been addressed together here

Brexit will require Ports and Logistics businesses to fundamentally alter their operations. Reduced access to EU labour will make the adjustment more difficult

Key points

Total employment in GLLEP:	24,430
Highest proportion of employment in:	North Lincolnshire
EU workers in sector:	2,850 (11.6%)
Workers paid below salary threshold (£25.6k):	9,750 (40%)
Estimate of EU workers below salary threshold:	1,134



Impacts

- The Ports and Logistics sector will need to overcome a range of challenges caused by Brexit, not least finding ways to accommodate new customs arrangements and border checks. The Institute for Government estimates that between 50 – 75% of annual lorry movements through the Ports of Immingham and Grimsby are to / from the EU.
- Many jobs in the sector fall below the salary threshold. EU workers make up 11.6% of the workforce in Greater Lincolnshire (2,850 workers), and fill key job roles, particularly as lorry drivers, couriers and warehouse workers.
- Greater Lincolnshire's 'Pre-Covid Employment and Skills Analysis 2020' identifies more than 2,500 vacancies for 'large goods vehicle drivers' and almost 1,000 vacancies for 'van drivers'. Vacancies in these occupations will become harder to fill as a result of the new immigration system.

Implications

- The sector has evolved rapidly in the past few months to respond to supply chain upheavals caused by Covid-19. As one example, an increase in online shopping as a proportion of the total value of revenue spending from 19% in February to 32.8% in May has resulted in more delivery driver activity. Growth in the sector risks being curtailed if the new immigration system prevents businesses from hiring workers to fill key job roles.
- In the medium term, technological solutions may help overcome any acute labour market shortages which arise in the sector, as innovation and automation help reduce the need for manual labour. For this to become a reality businesses in the area must be able to access the skills and digital infrastructure required to make it happen.

Supporting Greater Lincolnshire’s businesses to meet the labour market challenges of Brexit

The reality is that there is only so much GLLEP can do to support businesses overcome the challenges which lie ahead. The UK Government is committed to the new points-based Immigration system, regardless of any potential adverse consequences it entails in the short to medium term. GLLEP should aim to do three main things:

1

Promote awareness

Promote awareness throughout the business community about the coming changes and the potential implications, targeting communications at the sectors and businesses identified in this report as being most at risk of substantial disruption.

Businesses are undoubtedly fatigued by Covid-19 and there may be a perception that Brexit presents less of a challenge than Covid-19 has done so far. However, the challenges are different, and a business surviving Covid-19 is no guarantee that it will survive Brexit too, particularly since most businesses enter 2021 in a weakened and radically altered position.

To adapt and overcome to the disruptions Brexit will cause businesses must be preparing now.

2

Advocate for targeted policy change

Advocate for targeted policy change which addresses the most acute and time-sensitive issues facing Greater Lincolnshire’s priority sectors:

- an extension and expansion (or replacement) of the Seasonal Workers Pilot
- the inclusion of aged care / social care workers in the Health and Care Workers Visa
- Review of the Shortage Occupation List to include more occupations which are of most relevance to Greater Lincolnshire’s priority sectors

3

Prepare for the longer-term reality

Assist businesses in making the decisions required to update business models and practice.

- Businesses will not be able to rely on EU workers to fill low-wage jobs. Jobs need to be either made more attractive to UK nationals (through, for example, better wages and working conditions), or eventually made redundant through investment in technology. GL needs to encourage businesses to innovate wherever possible, alongside changing job roles.
- Employer led skills provision, ensuring the local training courses equip residents with the skills necessary to apply and fill local vacancies.
- Build an innovation ecosystem which allows business, universities, and applied research institutions to better co-develop innovation to transform business practice.

Appendix A

Web-based evidence base is [available here](#)

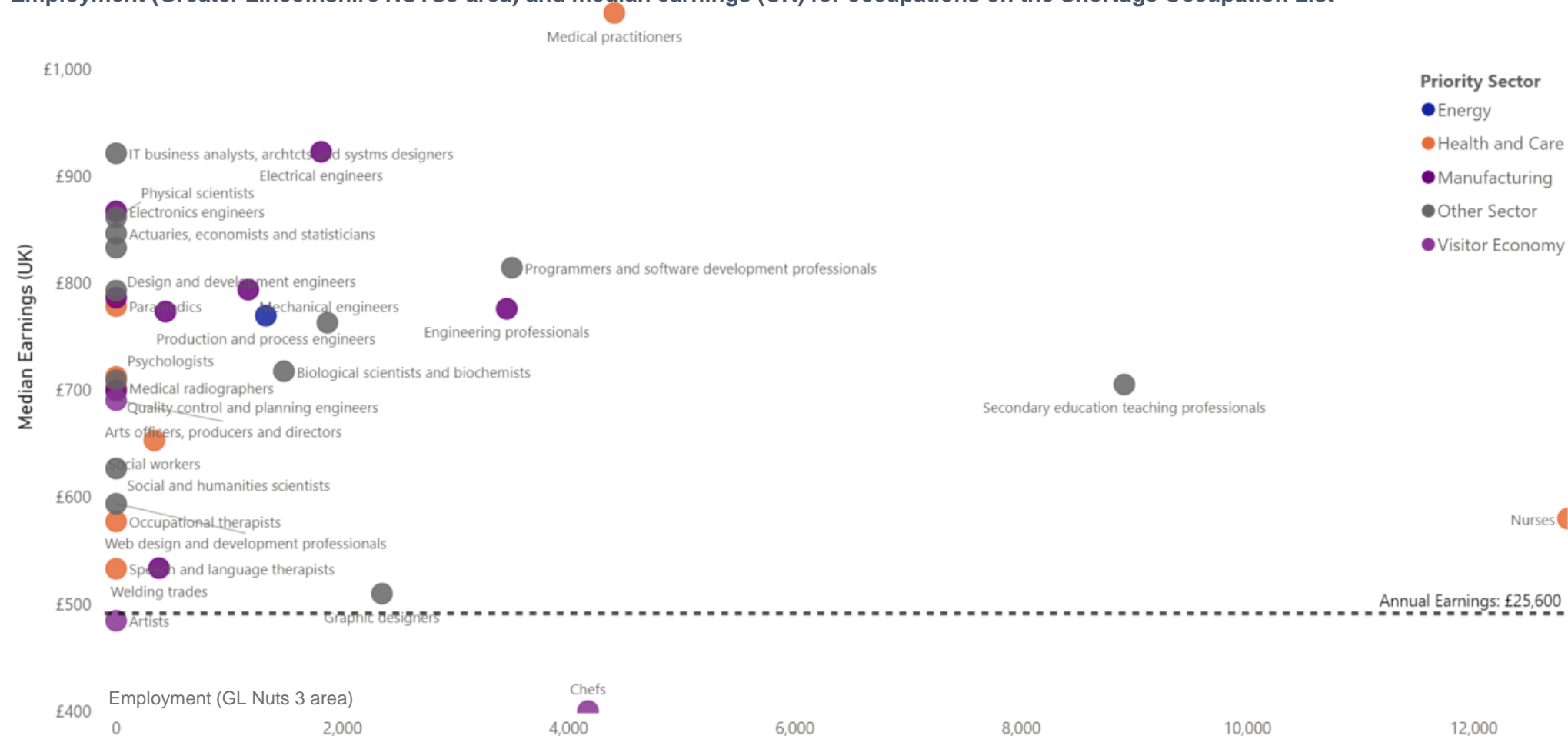
Appendix B

Additional Information & Methodology

Employment and wages for occupations on the Shortage Occupation List

There are some exceptions to the £25,600 salary threshold for migrant workers to be granted a visa, including for occupations which are listed on the Government’s Shortage Occupation List. For these occupations a migrant can still apply for a visa so long as the minimum salary for the occupation exceeds £20,480, and the migrant meets certain other conditions. The chart below shows the occupations included on the Shortage Occupation List. We have charted total employment in that occupation by NUTS 3 (North and North East Lincolnshire, Lincolnshire, and Leicestershire and Rutland – the best definition available) on the x-axis and median earnings (UK) on the y-axis to estimate the distribution of these occupations across Greater Lincolnshire. We use median UK earnings for professions here, so this chart does not account for the variance in salaries across occupations and regions. For example, a salary for a graduate nurse in greater Lincolnshire is likely to be below the median earnings for all nurses across the UK (far right in the chart below), but this chart does highlight that many occupations on the Shortage Occupation List are already paid salaries greater than the salary threshold for migrants.

Employment (Greater Lincolnshire NUTS3 area) and median earnings (UK) for occupations on the Shortage Occupation List



Source: Metro Dynamics analysis of ONS and Home Office data; ONS ASHE Table 14; ONS BRES

Methodology

Shortage Occupations

The UK Government publishes the Shortage Occupation List as an [appendix](#) to information on 'Visas and immigration operational guidance – Immigration rules.'

For the analysis, occupational data were sourced from the ONS:

- 4-digit occupations coding by NUTS 3 region, 2018
- Earnings and Hours Worked, Occupation by 4-digit SOC – ASHE Table 14 (UK)

Cross referencing the UK shortage occupations list and summing the employment in these occupations by NUTS 3 region, we looked up the median weekly wage in these occupations and created the shortage occupations table. We then matched them to their relevant priority sector. Both datasets are the product of estimates.

Workers Below the Earnings Threshold

Limited data is available which tells you about the earnings distributions of workers in regions across sectors. To develop the analysis in this report we used data from:

- Earnings and Hours Worked, Occupation by 4-digit SOC – ASHE Table 14 (East Midlands, weekly gross earnings)
- ONS Business Register and Employment Survey (local authorities within Greater Lincolnshire)
- ONS estimates of EU employment at a broad sector level (national)

Weekly gross earnings across the East Midlands are provided by SIC 2 sector and are broken down into percentiles of workers, with workers in the 10th percentile earning the least and the 90th percentile earning the most in that SIC 2 sector. The median salary for the sector will be the 50th percentile. We compared this earnings distribution to the £25,600 salary threshold to form a crude estimate of the proportion of jobs currently paid below this level. If weekly income in the 40th percentile fell below the £25,600 (£492 per week) threshold, for example, then we conservatively estimate that a minimum of 40% of the workforce would be paid below the threshold.

We cross-referenced these numbers with employment statistics from BRES for Greater Lincolnshire to determine total employment and to estimate the number of workers in each earnings decile.

To estimate the number of EU workers who may be paid below this threshold we assume that EU workers are evenly distributed across earnings for a sector (that is to say, there are as many EU workers in the 1st decile of workers as there are in the 9th decile). This is a conservative approach as it is likely that in reality EU workers tend to be paid lower wages in a sector, since many are occupying lower-wage job roles.

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Paper 6 – Humber Transition and Humber Industrial Strategy

Publication	Public Paper (published)					
Meeting date:	6th November 2020					
Agenda Item:	6					
Item Subject:	Humber Transition and Humber Industrial Strategy					
Author:	Ruth Carver					
For:	Discussion		Decision	X	Information	

1 Recommendations

- 1.1 The Board of Greater Lincolnshire LEP approve the draft Humber Local Industrial Strategy, and endorse the submission of the strategy to the Minister through the Humber Leadership Board.
- 1.2 That the Board note the current position in terms of transition arrangements.

2 Background

2.1 Humber Industrial strategy:

The Board will recall at a previous meeting, the Chair gave verbal feedback concerning the formation of the Humber Leadership Board by the 4 Local Authorities across the Humber geography. LEP Chairs are invited to the Board as observers. 4 areas of collaboration were agreed, namely Decarbonisation, Freeports, Flood protection, and marketing the Humber.

The Humber Local Industrial strategy attached has therefore been reshaped to reflect these four priorities, with two LEP's LIS reflecting this. The version attached to this report is therefore a draft local industrial strategy for the Humber, and once the draft has been considered and endorsed by both LEP's. The Humber leadership board will submit the LIS to Government.

3 Transition

Preliminary meetings have now been held with BEIS, the two Accountable Bodies (Hull City Council and Lincolnshire County Council), and North and North East Lincolnshire. Phase one of the transition was to undertake a mapping exercise of existing projects, programmes and contracts. Both LEP's have now completed this exercise and have shared the mapping exercise. From this this, a programme can be developed to reach the agree transition date of March 2021.

There will be deeper dives into areas such as the Growth Hub especially eligible programmes and schemes and clients, Inward Investment activities and clients, and skills and employment programmes.

A transition group has been established of officers, and monthly meetings established starting in November 2020. Additionally an internal working group has been established by the Accountable Body, incorporating HR, Legal and finance advice.

Paper 6 – Humber Transition and Humber Industrial Strategy

Transition will be added as a standing item to the LEP Board and the Finance and Audit Committee.

Attachment - Letter from Luke Hall, Minister

Humber Estuary Plan

Draft for Humber Leadership Board,
1 October 2020



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Introduction

The Humber Estuary is home to one of the UK's most significant industrial clusters, spanning both banks. Known as the Energy Estuary, it has long been a primary location for energy generation and energy-intensive industries such as oil refining, chemicals and steel. It has recently become the main centre for developing the UK's world-leading offshore wind sector and is now a focus of plans for industrial decarbonisation.

With over 40,000 shipping movements each year, the Humber ports are the UK's largest by tonnage for both import of raw materials and components and export of UK manufactured products. They support a diverse range of manufacturing activity, which accounts for a quarter of the wider Humber region's £19.37bn Gross Value Added (GVA) – far higher than the national and regional averages.

As the eastern gateway to the Northern Powerhouse and the Midlands Engine, part of the land bridge between continental Europe and Ireland, the Humber ports are a vital part of the UK's strategic transport infrastructure – making efficient access by road, rail and inland waterway essential. Humberside Airport meanwhile provides fast access to Europe with several daily flights to Amsterdam and its onward connections across the world, while Manchester Airport's international links are also in relatively easy reach.

The Humber Bridge links the two banks of the Estuary. Since tolls were halved in 2012, the Humber economy has started to become more integrated. There were 9.8 million trips across the Bridge in 2017/18, 52% more than in 2012. 92% of these were cars, with analysis showing a large increase in commuting across the river.

Recent flagship investments – such as from Siemens Gamesa and Ørsted in the offshore wind sector; Ineos and Croda in chemicals; RB and Smith & Nephew in healthcare; and Wren Kitchens in assembly – together with a strong SME base, including a fast-growing tech cluster, have enabled the Humber to make strides in improving economic performance over the last decade.

However, the Humber still has a legacy of pockets of deprivation and there are some communities, particularly in urban areas and on the coast, which have not shared in the proceeds of national economic growth.

The region also faces a growing threat from climate change: the second highest flood risk in the country, combined with the largest cluster of energy-intensive industries, emitting more carbon dioxide than anywhere else in the UK. These essential industries produce products that society and the economy depend on, and account for around a quarter of the value of the Humber's economy and a disproportionate number of its higher-paid, higher-skilled jobs – but they will need to adapt.



About this plan

This plan marks the start of the next phase of working together to grow the Humber Estuary economy, building on the progress the region has made over the last ten years.

The strategically important assets and sectors that set the Humber Estuary apart – our ports, energy, chemicals and process industries, and the unique natural resource of the Estuary – are what bind us together. Industries on the Humber make products like steel, pharmaceuticals, paint, plastics and petrol that society depends on, while the energy generated here and off our coast keeps Britain's lights on and homes warm. The success of the Humber Estuary economy is vital for the communities that live around it and is integral to the UK's prosperity.

Like the Estuary itself, the industries that surround it continually evolve. Recent years have brought major investments in offshore wind manufacturing, operations and maintenance, drawing on the region's maritime and light engineering heritage; healthcare technology and pharmaceuticals, building on their long history in Hull; and energy generation, including energy from waste. New manufacturers have been attracted to the region by its connectivity, skills and availability of land, while new and existing SME suppliers have grown and diversified.

In the last decade we have also seen some difficult times, with steel under threat from global competition but now on a sounder footing, and other plants closed or mothballed due to policy changes, economic conditions or restructuring of international businesses. In 2020, as the world was gripped by the coronavirus pandemic, the Humber ports and industries continued to play their vital role, but they are not immune from the wider downturn in the economy.

Looking ahead, the Humber Estuary economy faces three significant challenges:

- ▶ the need to transition from being the highest carbon emitting industrial cluster in the UK to net zero emissions, whilst protecting employment and ensuring the sustainability of industries;
- ▶ as an outward facing region, adjusting to the UK's future relationship with the EU; and
- ▶ living with a growing flood risk from rising sea levels.

In each of these lies opportunity to attract new investment and strengthen the existing Estuary economy – opportunities where the Humber is at its strongest when it works together, public and private sectors on both banks of the Estuary.

This plan sets out a framework for the next phase of collaboration across the Humber Estuary economy, based on the following shared strategic opportunities:

1. **Accelerating clean growth:** becoming a global leader in the transition to net zero carbon emissions; driving further growth from clean energy generation and securing the long-term competitiveness of energy-intensive industries.
2. **Developing the Humber's ports and manufacturing clusters:** handling more of the UK's future international trade and capturing more value-added activity from the Humber's ports, particularly in engineering and assembly sectors.
3. **Managing the Humber Estuary asset:** alleviating the risk of flooding to communities and industries around the Humber Estuary, facilitating new developments and jointly managing the Estuary's unique natural resources.
4. **Attracting and delivering new investment:** utilising the powers and resources of the partners to respond to major opportunities, and market the Humber proposition for external investment.

This plan is owned by the Humber Leadership Board, a statutory joint committee of the four Humber local authorities with the two Local Enterprise Partnerships (LEPs), and will be delivered in partnership with organisations across the region.

Proposals being developed for devolution in Hull & East Riding and Greater Lincolnshire offer the potential to accelerate the progress being made in the Humber economy, by placing more of the powers and resources required to support growth in the hands of local leaders. In preparation for this, the longstanding "overlap" of Local Enterprise Partnerships (LEPs) in Northern Lincolnshire will end on 31 March 2021, with North & North East Lincolnshire retaining full membership of the Greater Lincolnshire LEP and the Humber LEP being reformed into a Hull & East Yorkshire LEP.

Continuing strong collaboration between public and private sectors across the Humber Estuary – through local authorities, future mayoral combined authorities and LEPs – will be vital for realising the potential of its shared opportunities.

This plan provides the framework for that collaboration and the first set of actions to take it forward, which will be complemented by wider actions on innovation, business, infrastructure and skills that will be set out in the two LEPs' economic strategies in due course.

It is closely aligned with the Northern Powerhouse's prime and enabling capabilities as set out in the Independent Economic Review¹, and supports the Government's aim of levelling up through a green recovery. It paves the way for further strengthening the Humber's specialisms, increasing the strategic contribution it makes to the UK economy, and building on its successes of recent years.

The plan is built on robust evidence and local and national stakeholder engagement, drawing in particular on the work led by the Humber LEP to develop a draft local industrial strategy with Government before the 2019 general election, and work by partners to understand the impact of coronavirus on the Humber economy during 2020. Both included extensive business and stakeholder engagement. The supporting evidence base is available online.²

¹ <http://www.sqw.co.uk/insights-and-publications/northern-powerhouse-independent-economic-review/>

² [Link to be added](#)



Accelerating clean growth in the Energy Estuary

Our priorities

The Humber Energy Estuary is at the heart of the UK's energy supply, and one of its main industrial clusters. The Humber is central to the government's vision of achieving net zero carbon emissions by 2050, and is ideally placed to develop, test and roll out renewable energy innovations, building on its strong foundations in clean growth.

Our shared priorities for clean growth are:

1. To be a net zero carbon industrial cluster by 2040, and significantly lower carbon by 2030, whilst protecting strategically important industries and maximising benefits for local communities and businesses.
2. To support the long-term sustainability of existing industries through decarbonisation, diversification and reinvestment.
3. To leverage the development of low-carbon infrastructure to attract new investment and develop local supply chains, skills and innovation.
4. To continue to develop the region as a trailblazer for clean energy generation, growing the Humber energy cluster and establishing the region as a global leader in smart offshore wind operations and maintenance by 2030.

Decarbonisation

Decarbonisation is the most significant challenge and the greatest opportunity for the Humber.

The UK is the first major economy in the world to pass laws to end its contribution to global warming by 2050.

Decarbonisation matters more to the Humber than most places in the UK:

- ▶ The Humber is especially vulnerable to climate change, with an economy dependent on water and the second highest flood risk in the country;
- ▶ The Humber's industrial cluster emits more CO₂ than any other UK cluster (30% more than the next largest)³. Total emissions from industry and linked power production (such as for steam) stand at

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/803086/industrial-clusters-mission-infographic-2019.pdf

14.8MtCO₂ per year⁴, or 15.9 tonnes of CO₂ for each Humber resident – more than double the national average;

- ▶ Energy intensive industries, which are also directly and indirectly large emitters of CO₂, account for 23% of the value of the Humber economy and around one in ten jobs. If not carefully managed, decarbonisation could be a serious economic shock;
- ▶ Decarbonisation is a major economic opportunity. Nationally, low carbon sectors are growing significantly faster than the wider economy, and the Humber has already become a magnet for the renewable energy sector. World-leading businesses are developing plans for investment in low carbon infrastructure in the region.

We will need to be ambitious in reducing the Humber's net CO₂ emissions to enable the UK to meet its climate change obligations. The Humber could make a greater direct contribution to reducing UK emissions than any other place, but there is no single solution or organisation that can achieve this alone. Realising this opportunity will require sustained action over the coming years, and collaboration amongst many organisations.

The Humber's contribution towards the UK's decarbonisation goals is multi-faceted:

- ▶ it is a leading location for the transition to clean energy, with a substantial concentration of renewable energy generation assets and businesses;
- ▶ it has a large and dynamic industrial cluster that can anchor the deployment of low carbon infrastructure, in support of the government's Industrial Clusters Mission; and
- ▶ it has rich natural capital which can be enhanced to support increased carbon sequestration.

By acting across these areas, the Humber aims to become a global exemplar industrial region that transitions to net zero CO₂ emissions, delivering maximum economic and social benefits to its residents, whilst pioneering a model that could be replicated nationally and internationally.

The Humber will need to go further and faster than other places to make the change whilst safeguarding its industrial base and communities. This will require cross-sectoral collaboration and innovative models for financing and delivering the changes required, but it will also create new opportunities for jobs and local businesses, and support wider cross-economy decarbonisation.

However, although acting on decarbonisation will reduce the Humber's contribution to climate change, it will not eliminate the impact. The Humber remains vulnerable to rising sea levels, and considerable investment will be required to implement the Humber 2100+ flood risk strategy that is currently being developed, building on the £150m invested as a result of the current Humber Strategy.⁵ Communities and businesses around the Humber will need to become more resilient to climate change, supported by projects such as Living with Water and Ark.

⁴ HIDR Baseline Local Emissions Assessment (Element Energy, 2020); UK local authority and regional carbon dioxide emissions national statistics (2017); Humber Local Energy Strategy (Siemens, 2019)

⁵ <https://consult.environment-agency.gov.uk/humber/strategyreview/>



Energy intensive and continuous process industries

The Humber is home to a well-established cluster of energy intensive and continuous process industries⁶ that are strategically important to the UK and the wider economy.

The cluster accounts for almost a quarter of the Humber's GVA, with the highest concentration of direct employment in the Northern Powerhouse and further employment in supply chains. It has the potential for further growth, but also faces challenges from global competition and the need to decarbonise.

Key assets include:

- ▶ Two of the UK's six oil refineries, Phillips 66's Humber Refinery and Prax's Lindsey Oil Refinery, accounting for around 25% of UK capacity, and biofuel producers like Greenergy.
- ▶ British Steel's Scunthorpe steelworks, bought by Jingye Group in March 2020, one of two integrated steelworks in the UK.
- ▶ Two major chemicals clusters, Saltend Chemicals Park and the South Humber Bank, making the Humber one of the UK's four main chemicals-producing regions.⁷ Businesses include Air Products, BOC, Ineos, Nippon Gohsei, PX Group, Tronox and Solenis.
- ▶ Lime and glass manufacturing plants, with companies like Singleton Birch and Guardian Industries.
- ▶ One of the UK's largest concentrations of food manufacturing and cold storage, with businesses including Youngs, Hilton Seafoods and Morrisons.
- ▶ Leading healthcare technology and pharmaceuticals businesses like Smith & Nephew, RB and Indivior.

Global competitiveness is vital for the many large businesses in these sectors that supply European and North American markets from the Humber. The Humber produces both high quality commodity products, which face competition from low-cost overseas producers, and speciality products. Some businesses have regularly reinvested large sums to maximise efficiency; for example, Phillips 66 has invested £1.5bn in capital and maintenance since 2005. Recent sales – of British Steel to Jingye Group, BP Chemicals to Ineos and Total Lindsey Oil Refinery to Prax – offer the potential for further re-investment.

With large multinational businesses prevalent in some sectors, the Humber needs to compete for investment and expansion projects against other sites around the world, and risks being negatively impacted by global strategic business decisions. Attracting new R&D investment and diversifying into new products has helped some businesses to strengthen their positions in the Humber.

However, a few plants face an investment gap – highlighting an underlying vulnerability in the Humber's industrial base. The investment required to reduce or eliminate emissions will also be significant and needs to be made in a way that does not undermine the competitiveness of these sectors in the Humber or

⁶ Energy intensive industries are industries where energy usage makes up a significant part of production costs. Continuous processing describes manufacturing where materials are undergoing chemical reactions or treatment continuously 24 hours a day.

⁷ <https://www.parliament.uk/documents/commons-committees/Exiting-the-European-Union/17-19/Sectoral%20Analyses/7-Sectoral-Analyses-Chemicals-Report.pdf>

offshore the UK's carbon emissions. Achieving this balance would position the Humber as a global exemplar in transitioning to clean growth and support the area's potential for attracting new low carbon manufacturing.

Leading the transition to net zero

“The Humber is the backbone for our green transition and an example to the many other industrial centres across the UK that they can go green: a crucial message for our economic recovery from coronavirus.”

Kwasi Kwarteng MP, Minister for Energy and Clean Growth⁸

The Humber cluster is at the forefront of plans to decarbonise industry in the UK, because of its scale and opportunities to deliver rapid results. Its carbon emissions are the highest of any UK industrial cluster, and it consumes an estimated 8,000GWh of energy per year – 6% of England's industrial and commercial energy usage – at a cost of around £330million⁹. The area's high availability of renewable energy and close proximity to large available storage sites – including Endurance, the UK's most geologically understood – means there is potential to deliver substantial reductions in carbon emissions by 2030, and reach net zero by 2040.

The Humber's priority is to develop a proactive, managed approach to decarbonisation that protects the long-term competitiveness of existing strategically important industries whilst generating new value from the UK's transition to a net zero carbon economy. To achieve this, partners around the Humber are working on the development of a Cluster Plan.

Humber Cluster Plan

The Humber Cluster Plan will provide an evidence-based framework for identifying, understanding, prioritising and delivering the measures that will enable the Humber industrial cluster to significantly reduce emissions by 2030 and achieve net zero by 2040, while maximising strategic opportunities to drive the green recovery.

The Plan will enable a phased approach to be taken to decarbonisation – prioritising the implementation of near-term deliverable investments and mapping out how CCS and hydrogen infrastructure can be scaled up over time. It will consider how this can support cross-economy decarbonisation and local skills and supply chains.

Phase 1 of the Plan was led by the Humber LEP and CATCH. In Phase 2, eight leading industrial partners (British Steel, Centrica, Drax, Equinor, National Grid Ventures, Phillips 66, SSE and VPI Immingham) will join the consortium. Extensive industry engagement will ensure wider stakeholders across the region are also involved.

The development of the Plan is part-funded by UKRI through the Industrial Strategy Challenge Fund. The Phase 2 project totals £2.6m and is expected to run from January 2021 to March 2023, with a decision on the bid due in autumn 2020.

⁸ <https://www.yorkshirepost.co.uk/news/opinion/columnists/how-hull-and-humber-will-power-green-energy-revolution-kwasi-kwarteng-2932751>

⁹ <https://www.humberlep.org/study-of-the-humber-energy-intensive-industries-cluster/>



Two interlinked opportunities will be at the heart of the Humber Cluster Plan: fuel-switching and carbon capture and storage.

- ▶ **Fuel-switching:** Switching the power used by industrial processes from fossil fuels to clean energy sources with zero or net zero emissions – primarily electricity, blue or green hydrogen and biomass. The type of energy used will vary depending on the process.
- ▶ **Carbon Capture and Storage (CCS):** CCS prevents remaining emissions from entering the atmosphere by locking them underground, without ceasing (or displacing overseas) key industrial processes that the UK depends on. Phase 1 of the Humber Cluster Plan project found that 56% of the Humber's industrial combustion emissions are from internal fuels – unavoidable by-products of industrial processes – making industrial CCS an essential part of the region's approach.¹⁰ CCS could also enable large-scale generation of blue hydrogen, supporting fuel-switching in industry and other sectors.

The Humber is attracting interest from world-leading energy, infrastructure and industrial businesses to deliver projects that respond to these opportunities. Announced projects in development include:

- ▶ Gigastack, a consortium of ITM Power, Ørsted, Phillips 66 and Element Energy working to demonstrate how renewable hydrogen derived from offshore wind can be used in industry
- ▶ Hydrogen 2 Humber Saltend, led by Equinor, a plan to develop one of the world's first at-scale facilities to produce hydrogen from natural gas in combination with CCS
- ▶ Zero Carbon Humber, a partnership of Drax, Equinor and National Grid Ventures exploring the development of BECCS, through creating the world's first carbon negative power station, and hydrogen production
- ▶ Humber Zero, a CCS and hydrogen production plan backed by VPI Immingham, Uniper and Phillips 66

The Government's commitment to providing funding for industrial energy transformation, hydrogen production, clean steel production and carbon capture and storage will support the delivery of projects such as these, subject to the future policy environment.

Opportunities for expansion and diversification

The Humber's capabilities, including existing feedstocks, energy availability, skills and land for expansion at established industrial locations, underpin its potential to attract complementary new investment. For example, Ineos has announced plans to build a £150m Vinyl Acetate Monomer plant at its Saltend Chemicals Park site, bringing an important raw material back to the UK, and in 2020 bought the BP Chemicals business on the same site. Phillips 66 could anchor the development of an electric vehicle value chain, while proposed developments like the Yorkshire Energy Park would combine on-site power generation with new industrial users.

Industrial symbiosis, using the waste from one process as the raw material for another, is an opportunity to strengthen the Humber's industrial cluster whilst contributing to the development of a circular economy that

¹⁰ HIDR Baseline Local Emissions Assessment (Element Energy, 2020)

supports clean growth. New income streams, such as from selling heat that is currently wasted, could support some plants to become more sustainable. Industry research found that potential symbiosis for industry in the Humber include¹¹:

- ▶ hydrogen production
- ▶ upstream and downstream chemical intermediate manufacture
- ▶ use of waste such as dusts, tars, oils, effluent, sludges, ash and used filter media
- ▶ capture and sharing of excess heat, steam and chilled water

The transition to alternative fuels also brings potential for new manufacturing in the Humber cluster. Some, such as hydrogen and ammonia, are already used in some local industrial processes, meaning that there is existing expertise in safely transporting and storing them. Large-scale production of hydrogen is likely to be a core part of the Humber Cluster Plan, replacing fossil fuels in some high-energy, high-temperature processes. This capacity could also support the decarbonisation of other sectors, such as maritime and heavy goods transport, and neighbouring regions as the transport and storage infrastructure is developed.

The development CO₂ and hydrogen transport and storage infrastructure could become important assets for attracting new industrial investment to the region – with land available for growth alongside existing industrial locations on both banks of the Humber.

The processing of waste also continues to be an opportunity for the Humber. For example, Altalto, a collaboration of Velocys, British Airways and Shell, plans to develop Europe's first commercial scale waste to sustainable transport fuels plant near Immingham. Phillips 66 Humber Refinery has meanwhile developed projects to enable the processing of waste oils, converting these to high demand products, and the refinery continues to invest to expand this capability.

Strengthening local skills and innovation

The Humber Energy Intensive Industries Cluster Study underlined the importance of strengthening the Humber's skills base to support the sectors to expand, while seeking to grow R&D activity in order to capture maximum value.¹²

Many businesses in the cluster are active in supporting the development of the Humber workforce, including through apprenticeships and involvement in local careers initiatives. Technical skills development is supported by the industry-led CATCH facility, the University of Hull, Institutes of Technology and colleges and training providers, which respond to business needs. However, some firms report difficulties in recruiting skilled managers and executives to the region, and awareness of career opportunities in the sector still needs to be improved.

¹¹ <https://www.humberlep.org/study-of-the-humber-energy-intensive-industries-cluster/>

¹² <https://www.humberlep.org/wp-content/uploads/2019/06/Humber-Energy-Intensive-Industries.pdf>



Case study: CATCH

The CATCH facility was set up via a partnership established in 1999 to support the multi-billion pound Humber Chemical sector, in a collaboration between businesses and the public sector. CATCH offers world leading facilities and works in partnership with multiple training providers including local further education colleges and private organisations who are recognised as leaders in their field – finding the solutions for businesses.

CATCH's membership is made up of partners from the process, energy and engineering sectors, their associated supply chains, and local authorities, including all four Humber local authorities. CATCH works collaboratively with the local authorities to attract inward and internal investment.

CATCH's latest expansion was completed in 2017, with new training facilities supported by a £1.75m investment through the Humber LEP's Growth Deal with Government.

The Humber has competed globally to secure substantial reinvestment in R&D from existing businesses, with recent successes including RB's new £105m Centre for Scientific Excellence and Smith & Nephew's medical devices R&D centre. By expanding the amount of R&D undertaken in these sectors, local partners in the Humber aim to increase the number of higher paid knowledge-intensive jobs, as well as position the region for future manufacturing activity through new product lines and processes.

Clean energy generation

Energy is an essential foundation for economic growth. The UK is transitioning to clean sources of energy and the pace of change is set to accelerate. Over just a few years, the Humber has transformed into one of the world's leading hubs for clean energy. The Humber Energy Estuary has a vital role to play as the offshore wind sector scales up to deliver the Sector Deal and Government's commitment to the further expansion of offshore wind, and the opportunity to create more sustainable new jobs and business opportunities throughout the energy system.

The Humber Energy Estuary makes an important and diverse contribution to the UK's clean energy mix, including:

- ▶ manufacturing of blades, assembly and installation from Siemens Gamesa's facility at Greenport Hull; and operations and maintenance from the Port of Grimsby, with Ørsted, RWE, Centrica and E.ON amongst others. The Humber also has over 20 operational onshore wind farms;
- ▶ the Ports of Immingham and Hull import biomass for Drax power station near Selby, with Immingham capable of unloading 2,300 tonnes of biomass an hour. Drax is the UK's largest decarbonisation project, having converted four of its six units from coal to biomass;
- ▶ a third of the UK's gas is landed and processed at Easington by Gassco, Centrica and Perenco. The Humber is home to several gas-fired power plants including VPI Immingham, one of the largest Combined Heat and Power plants in Europe with the opportunity for blue hydrogen creation;
- ▶ Greenergy's Immingham plant fulfils a significant part of the UK's biodiesel requirement from waste and rapeseed oil;
- ▶ innovative energy from waste plants like Energy Works in Hull, and more facilities planned such as for the manufacture of aviation fuel; and
- ▶ underground storage sites for gases, both onshore and offshore; and growing interest in battery storage.

Offshore wind cluster

As a result of the Sector Deal, low-cost offshore wind could contribute up to 30GW or a third of UK electricity by 2030 – an investment of over £40bn in infrastructure over the next decade. This includes a commitment to increase UK content to 60% by 2030, and a £250m investment in the UK supply chain. The industry has predicted that the sector could support 27,000 jobs by 2030, up from 7,200 directly employed today, and has committed to increased diversity. The Government's manifesto commitment is to take this further, to 40GW by 2030.

Offshore wind manufacturing, installation, operations and maintenance all now have firm foundations in the Humber, creating sustainable skilled jobs and attracting a wider supply chain. The Humber has more companies in the offshore renewables sector than anywhere else in the Northern Powerhouse and Scotland¹³. The Humber is centrally located for the largest offshore wind farms under construction and

¹³ ORE Catapult and Technopolis analysis (2017) in Offshore Renewable Energy Science and Innovation Audit



planned, and has the land, ports, and is continually developing the skills required to support the sector, meaning prospects are also strong. Building on earlier investments, the Humber has the ambition to deliver at least 10GW of deployed capacity by 2030 – one third of the UK total. The industry-led Humber Offshore Wind Cluster Prospectus, to be launched later in 2020, will set out the next steps for the cluster's growth.

The UK's offshore wind Operations & Maintenance (O&M) sector is worth around £600m/year today and forecast to exceed £2bn by 2030. The UK has the potential to leverage its competitive advantage in offshore renewable O&M to develop UK solutions for a global market, and the Humber is positioned to be at the front of that drive.

The Humber ports are ideally situated for further installation activity, with the whole of the southern North Sea in easy reach. The location supports the Humber's position as a leading part of the UK's offer for attracting further manufacturing activity throughout the supply chain, having already secured one of the most significant manufacturing investments to date – Siemens Gamesa's blade factory in Hull, a £315m investment creating over 1,000 new jobs.

Case Study: Green Port Hull / Siemens Gamesa

Public-private investment of over £315m accelerated the employment of over 1,000 people, with over 95% living within a 30-mile radius of Hull. Around 10% of recruits were women, higher than in similar manufacturing and engineering environments where the proportion of female employees is typically below 5%.



Siemens Gamesa officially opened the wind turbine blade manufacturing plant in November 2016, ahead of programme and enabling the production of 75m wind turbines to support the growing offshore wind industry.

Through the Green Port Growth Programme, over 800 local businesses were provided with assistance to enter the renewables supply chain. Contracts exceeding £249m were awarded to businesses in the area as a result of the programme. The experience of the programme is now being used to help businesses access opportunities in other sectors as well, through the Supply Chain Network supported by the Humber LEP's Business Growth Hub.

Building on the Humber's leading capability in offshore wind operations and maintenance (O&M) is an immediate opportunity for securing high-value and sustainable growth. The Humber's O&M cluster is centred on the Port of Grimsby and includes Ørsted's expanding East Coast Hub employing over 360 people, RWE's bases for Triton Knoll and Humber Gateway, and a significant number of associated suppliers. It is supported by expertise in the wider Humber area, including Aura and the Offshore Renewable Energy Catapult, and helicopter operations from Humberside Airport. Local business networks such as Team Humber Marine Alliance and Grimsby Renewables Partnership continue to support SMEs to access opportunities in the sector, helping to build a local supply chain.

In the medium term, the Humber's role in blade manufacture and installation means that it is well-placed for repowering existing Round 1 and 2 turbines as well as Round 3 and 4 in the future, creating an opportunity to develop new industry in the Humber in the recycling and remanufacturing of old turbine equipment. This will require innovation in material separation as well as the development of new products from the materials. The Humber could be at the heart of an offshore turbine circular economy industry which by

2030 will see the need to decommission around 750MW of wind capacity and recycle more than 600 turbines each year – a huge economic opportunity.¹⁴

Offshore Renewable Energy (ORE) Catapult: Smart O&M Centre

The ORE Catapult has an ambitious plan to enable the UK to become internationally recognised as a centre for operating offshore renewable plant, and for UK innovators and solution providers to develop products and services that will build and maintain a UK based supply chain, boosting productivity of UK businesses, creating high value Intellectual Property (IP) and an exportable commodity.

In order to drive the levels of industry and supply chain engagement required to achieve its vision of a centre for global excellence, the ORE Catapult has decided to establish a major new presence at the Port of Grimsby, the UK's largest O&M hub.

This Smart O&M innovation centre will sit at the centre of a national ORE Catapult network based in other key O&M clusters, as well as strategic international relationships, to ensure that corridors of trade and knowledge exchange are optimised between clusters, resulting in national coverage with international influence.

The centre will ensure that the Humber becomes a globally significant cluster for the conception, research, development and commercialisation of the technologies and processes that will define 21st century O&M.

Innovation and skills

Key to the future expansion of the Humber's offshore wind cluster and seizing the opportunities in the medium and long term will be developing and implementing the new technologies and skills required.

As turbines are located further out to sea, planned maintenance is increasingly likely to be carried out remotely – requiring expertise in robotics, sensors, communications and virtual and augmented reality amongst others. Wind farms in German and Taiwanese waters are already being supported from Grimsby; in future, technologies developed in the area could be used to monitor and maintain wind farms around the world. This could create new high-tech business and employment opportunities, building on the Humber's existing tech cluster, and could lead to new export markets for products and services.

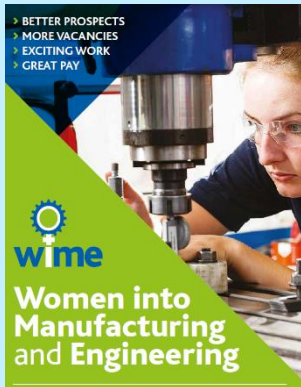
Aura, a partnership of the Universities of Hull, Sheffield and Durham; the Offshore Renewable Energy Catapult; and industry, aims to create a world-leading, multi-disciplinary offshore wind and low carbon energy innovation hub. The new Aura Innovation Centre at Humber Bridgehead will be a focal point for this work and will work with SMEs at any stage of the innovation process. The £5.5m Aura Centre for Doctoral Training will meanwhile create opportunities for over 70 post-graduate PhD students focusing on offshore wind and the environment. A £7.6m research partnership is already under way.

Investment in training facilities at the Humber's colleges, two university technical colleges and CATCH, home to specialist training providers including Maersk, as well as Siemens Gamesa's decision to relocate and expand its training centre in Hull, is supporting workforce development and local residents to access the new jobs being created. Providers are working in collaboration through the virtual Humber Energy Skills Campus to respond to the industry's requirements, including encouraging greater diversity in the industry through programmes such as Women into Manufacturing and Engineering.

¹⁴ <https://www.energylivenews.com/2018/10/01/investing-e1bn-in-port-facilities-could-cut-offshore-wind-costs-by-5/>



Case study: Women into Manufacturing and Engineering (WiME)



WiME is a business led programme designed to inspire girls and women to consider careers in manufacturing and engineering. The WiME Humber events have seen over 1,600 girls, parents, teachers and careers advisers attend. Airco, Siemens Gamesa and Swift Group started as the initial WiME Partners and partner numbers has now grown to 45 companies. The companies involved range from software, renewables, energy, chemicals, construction to ports & logistics and advanced manufacturing.

WiME has supported people into employment at companies including Airco, ABP, BP, Humber Bridge, Ideal Boilers, Ineos, Siemens Gamesa, Spencer Group and Swift Group.

Diverse and secure energy supply

The Humber also makes vital contributions to other parts of the energy mix, supporting energy security and resilience, with the potential for further expansion:

- ▶ Nearby Drax, which imports some of its biomass through dedicated facilities at the Ports of Hull and Immingham, could become the world's first negative emissions power station using BECCS.
- ▶ The Humber's several gas-fired power stations provide a secure energy supply to industry and help to balance peaks in demand as well as the intermittency of some weather-dependent renewable generation. Several are already exploring decarbonisation through switching to hydrogen fuel or employing post-combustion capture, and new low-carbon thermal power generation could also be added. For example, SSE Thermal is developing an option for Keadby Three, a low-carbon combined cycle gas turbine (CCGT) plant alongside its existing power stations near Scunthorpe.

Investment is also being attracted in energy from waste facilities, including projects led by Spencer Group, Altalto, EPUKi, North Beck Energy and Solar 21.

As outlined earlier, the Humber is well placed to support the development of a hydrogen economy, with expected industry demand enabling existing production to be expanded with the help of carbon capture technology and deployment of electrolysis for green hydrogen using clean renewable power, creating a zero-carbon energy system. Increased availability of hydrogen would support industry, transport and domestic heat to transition to a clean fuel source. Similarly, the Humber also has potential to support the further use of ammonia as an energy vector.

Complementing this, the Humber has significant energy storage potential underground and under the North Sea, with depleted gas reservoirs, natural aquifers and salt caverns. Providing grid-scale battery storage close to offshore generation and mainland connection provides the opportunity to reduce short-term transmission losses.

The Humber also plays a vital part in the global battery supply chain, with the Phillips 66 Humber Refinery being the UK and Europe's only producer of petroleum graphite coke. This product is exported around the world at an industrial scale for the manufacture of electric vehicle batteries and consumer electronics.

The Humber's existing energy generation capabilities and variety of users, and the substantial interest in clean energy amongst local businesses, institutions and residents, makes it an ideal location for piloting new technologies and business models – whether on a large scale for industry, or a smaller scale for individual community use. The Humber Local Energy Strategy set out the first steps towards this, recognising the Humber's attractiveness for both on-site industrial power generation and community-level infrastructure that can lead to lower costs for businesses and consumers.

Clean growth: next steps

Our next steps towards achieving our priorities for clean growth are:

1. To work in partnership with industry to develop an ambitious and deliverable Humber Cluster Plan by March 2023 and support the delivery of associated investments. This will include outlining the skills and supply chain opportunities for industrial decarbonisation, and establishing what arrangements will be required to deliver the plan.
2. To develop a shared proposition for further inward investment from energy and clean growth sectors, and consider how this will be marketed.

Hull & East Yorkshire LEP and Greater Lincolnshire LEP will work with local authorities and other partners to support this by:

1. Supporting the successful development of the Humber Cluster Plan (the Hull & East Yorkshire LEP will take over from the Humber LEP as the lead partner in the project).
2. Ensuring business and innovation support (including via Growth Hubs), careers advice (via Careers Hubs) and education and training provision is responsive to these opportunities.
3. Exploring opportunities for cross-economy decarbonisation and local energy developments (including through their Energy Hubs) that are complementary to the Humber Cluster Plan and associated low carbon infrastructure.

We are seeking support from Government:

1. To part-fund work on the Humber Cluster Plan, as set out in the bid submitted to the Industrial Strategy Challenge Fund; engage in its development; and explore what further interventions may be required to expedite its delivery.
2. To progress the pipeline of projects that will be required to deliver the Humber Cluster Plan by 2040, and consider how opportunities for local residents and businesses can be maximised.
3. To support the development and marketing of the Humber proposition for inward investment in clean growth, via the Department for International Trade.



Developing the Humber Ports and Manufacturing Clusters

Our priorities

The Humber ports are vital to the UK economy. As well as supporting the energy sector and energy-intensive industries, they support a wide range of manufacturers in the Humber and across the UK, importing materials and components and exporting their products. Locally this includes a diverse mix of engineering and assembly sectors, such as in caravans and modular buildings, that will soon be joined by new rail sector manufacturing.

Our aim is to build on existing growth in the Humber ports and related manufacturing sectors to develop more value-added activity – creating new, skilled manufacturing jobs in the region – and support the wider Northern Powerhouse and Midlands Engine to trade internationally.

Our shared priorities for the Humber ports and related manufacturing are:

1. To increase the amount of value-added activity associated with the Humber ports, including through establishing a Humber Freeport to support the expansion of manufacturing in the region.
2. To establish the Humber as a clean maritime cluster, building on the region's contribution to decarbonising energy and industry.
3. To improve port connectivity and infrastructure, including rail and road access and enabling investment on port-related sites.
4. To enhance the Humber's competitiveness for logistics activity and support a greater share of UK trade, including through innovation in smart logistics and encouraging the implementation of efficient border arrangements following EU exit.
5. To support the productivity and competitiveness of port-related manufacturers, including by offering business, innovation and skills support that meets their needs.

The Humber ports

The Humber ports have long been at the heart of the region's economy. In the next stage of their transformation, they will enable the Humber's further development as a world-leader in clean growth, support it to become a globally competitive hub for sustainable shipping and logistics, and help the region to expand value-added manufacturing including through a Freeport. Intensifying and diversifying the Humber ports' economic role will strengthen the region's already pivotal contribution to the Northern Powerhouse, Midlands Engine and wider UK economy.

The Government's Maritime 2050 strategy recognises that the UK economy is highly dependent on the maritime sector, with 95% of goods exports and imports moved by sea, including nearly half of the

country's food supplies and a quarter of its energy supply.¹⁵ The UK's continued success as a global trading nation is dependent on its ability to import and export goods efficiently, and the Humber plays a vital role in supporting this.

The Humber ports are the UK's largest by tonnage, and the fifth largest in Europe. Together, Goole, Grimsby, Hull, Immingham and Killingholme handle over 40,000 shipping movements each year and 79 million tonnes of cargo¹⁶. The Humber has the UK's most inland port at Goole, and four ports on the River Trent (Flixborough Wharf, Grove Port, Gunness and Keadby), placing 75% of UK manufacturing and 40 million UK consumers within a 4-hour drive¹⁷.

The Humber ports are strategically important to both the Northern Powerhouse and the Midlands Engine, forming their largest eastern gateway to international markets. The Humber ports and connected industries are also important to the regional economy, with the ports and logistics sector employing 25,000 people in the Humber in 2017 – an increase of nearly 50% since 2009 – contributing over £1bn to the Humber economy. Around 3,750 businesses operate in the ports and logistics sector, which has grown by 12% since 2010. Despite this growth, there are still productivity challenges. Sector productivity levels in the Humber (£74k GVA per FTE) are behind the wider Yorkshire and Humber region (£82k per FTE) and England (£111k GVA per FTE). As global trade volumes continue to increase, the sector in the Humber will need to respond to its productivity challenges in order to remain competitive and continue to support the wider regional economy.

With vessel sizes increasing, there is growing demand on ports to efficiently unload, handle and transfer cargo to ensure that shipping is as efficient as possible. Technological developments are facilitating this change and increasing efficiency, with digital systems being adopted by ports like Rotterdam to manage the transfer of cargo and enable customers to track their goods. The move towards autonomous vehicles and driverless technologies could also improve efficiency but is expected to have an impact on jobs and future skills requirements.

Driving new value-added activity through a Humber Freeport

Efficient transport through the Humber ports supports manufacturing and other sectors in the UK and abroad, but the Humber's ambition is to add more value to the goods transported through its ports – creating new manufacturing jobs and supply chain opportunities in the local area. This builds on existing strengths and growth in port-related manufacturing sectors, described in more detail below.

To support this growth, the Humber will need to do more than offer the land and skills that are required in close proximity to the ports: it will need to be positioned to be globally competitive, recognising that overseas ports are also competing for new value-added investment to serve the European market. As part of this, businesses, local authorities and LEPs around the Humber are developing plans for a Humber Freeport that could support the area to attract new value-added manufacturing growth on non-operational port land. A proposal that includes both sides of the Humber Estuary will be finalised and submitted to Government after the competition opens later in 2020.

¹⁵ <https://www.gov.uk/government/publications/maritime-2050-navigating-the-future>

¹⁶ ABP Data; (End Q3 2018)

¹⁷ <https://www.pwc.co.uk/who-we-are/regional-sites/yorkshire-north-east/insights/green-light-for-renewable-energy-in-the-humber-.html>



EU exit

As one of the UK's major importing and exporting hubs, the Humber has a key role to play in maximising new shipping and trade opportunities that emerge following EU exit. With the EU export market accounting for 44% of all UK exports in 2017, the UK's future trading relationship with the EU will be an important factor in the continuing success of the Humber's manufacturers, as well as the ports and services that support them.

ABP has invested £50 million to double container handling capacity on the Humber since the EU referendum, so that the Humber ports can play a crucial role in trade resilience if there are heightened pressures on the channel ports.

The appropriate development of expected new border infrastructure at ports on both sides of the Humber will be essential for ensuring trade can continue efficiently with the minimum disruption.

Port connectivity

The Department for Transport's Connectivity Study (2018) highlighted the importance of ports to global success and that their continuing performance relies on efficient and effective national, regional and local infrastructure.¹⁸ Recent and ongoing infrastructure investment is supporting the Humber's vital role as an international gateway that is part of the land bridge between Ireland and continental Europe. Road access to the Port of Immingham was improved with Highways England's £97m upgrade of the A160 in 2017, while in Hull the £355m A63 Castle Street scheme began in March 2020 – following earlier work to deliver a new bridge at Princes Quay and improvements to Roger Millward Way. The Humber is also investing in local road infrastructure near ports to relieve congestion and open up new land for development.

Rail freight can reduce CO₂ emissions by up to 76% compared to road, as well as reduce congestion – with each freight train transporting the equivalent of 76 lorries.¹⁹ Investment has taken place to enable larger containers to be transported by rail from the Port of Immingham, with the South Humber Gauge Enhancement scheme completed in 2019 supported by the Humber LEP's Growth Deal with Government. A similar scheme will also be required in the future to provide larger gauge clearance to the Port of Hull.

The Humber is connected to a network of inland waterways such as the Aire and Calder Navigation, connecting the Humber with central Leeds, which The Canal and Rivers Trust has identified as a priority waterway for development as a freight route – offering the potential for materials for large construction projects in the city centre to be brought in by low emission barge instead of road. Reinvigorating the use of inland waterways, such as for heavy cargoes that are less time-sensitive or large equipment and building components that are disruptive to transport by road, is a further opportunity for the Humber to support the decarbonisation of transport.

The Humber continues to work in partnership with Transport for the North and other city regions to develop the case for improving east/west connectivity from the Humber ports through to Liverpool. This would speed up Northern businesses' access to international markets and help the Northern Powerhouse to further grow its manufacturing and logistics clusters. Increased use of rail freight and inland waterways

¹⁸ <https://www.gov.uk/government/publications/transport-connectivity-to-ports-review-of-the-current-status-and-future-infrastructure-recommendations>

¹⁹ <http://www.rfg.org.uk/rail-freight/why-use-rail-freight/>

would also help to relieve pressure on the M62 and contribute to lowering carbon emissions across the North.

A key enabler of lower carbon freight transportation will be supporting intermodal transfer, such as from seagoing vessels to coastal shipping, barge or train. The strategic location of the Humber ports with multiple modes of transport in close proximity makes the area well suited to establishing new intermodal freight handling facilities.

Clean maritime and decarbonisation

Through the Clean Maritime Plan, the Environment Route Map of Maritime 2050, the Government has set out its ambition for the UK to lead the way in transitioning to a future of zero emission shipping. The Humber can support the UK in this ambition by accelerating its transformation into a clean maritime cluster, building on its roles in renewable energy and decarbonising industry.

Key opportunities for the Humber include:

- ▶ The Humber is well placed to scale up supply of alternative fuels, such as hydrogen and ammonia, to the volumes required to support refuelling of ships, as well as trains and road vehicles. The Humber's established chemicals cluster is adjacent to its largest ports, and proposals for hydrogen production and distribution are being developed.
- ▶ The greater use of rail freight and inland waterways can help reduce emissions from road transport, reduce congestion and improve air quality to the benefit of local communities. This can be supported by the development of new intermodal freight handling facilities.
- ▶ The availability of electricity in the Humber, increasingly from clean sources, is a necessary enabler for installing the portside electricity infrastructure required to power – and in future potentially charge – vessels while in port, reducing emissions.
- ▶ The Humber's extensive port estate can host renewable energy generation as part of becoming greener. For example, ABP has installed solar panels on large warehouses across its port estate. The Port of Immingham installation alone totals 4.5MW, with electricity generated on site used to power port equipment such as cranes, conveyors and lock gates, and a small excess exported to the national grid.

Logistics

Rebalancing port trade flows

The Humber ports are the closest east coast ports to four of the five large-scale warehousing clusters in the North and the Midlands by journey times.²⁰ However, every year countless unnecessary road miles are driven by HGVs transporting goods to and from the North and the Midlands to ports in the South when closer Northern ports like the Humber could be a viable alternative.

Using Northern ports more appropriately could increase productivity in the logistics sector by reducing journey times, support the North to develop more value-added activity near its ports and help to cut the sector's emissions. Research by the University of Hull's Logistics Institute, supported by ABP, shows that

²⁰ <https://www.abports.co.uk/media/dbgh5u4c/mds-transmodal-report-the-proximity-of-the-gb-warehousing-stock-to-different-ports.pdf>



across several key routes the Humber delivers on average a 15.3% better CO₂e performance compared to southern port routes – with fewer road miles also enabling greater journey time predictability.²¹

Some progress is being made. Since 2017, the number of shipping services connecting Hull and Immingham to ports on the Continent has increased by over 30% with new services from Amsterdam and Ghent plus the introduction of deep-sea feeder services into the Port of Hull.²²

The Humber's strategic location means that it is also well-positioned to benefit from changes in global freight transportation, including the increasing use of rail to transport containers overland to Europe from China along the Silk Road, bringing UK-bound containers directly into the north via either the northern European ports or the Baltic; and the opening up of alternative northern shipping routes

However, these opportunities for growth could also lead to increased congestion on the local road network, which is why transport investment – including in rail freight – remains essential.

Smarter logistics

Large-scale infrastructure improvements are important but can be costly and time-consuming to deliver. Optimising existing infrastructure and introducing new smart technology ensures that maximum value can be extracted from new and existing assets.

Steps towards smarter logistics have already been taken, such as through the LHOFT project led by the University of Hull's Logistics Institute. In Hull, a new smart city platform is being established that will support the monitoring and optimisation of the city's road and other infrastructure.

Case study: Liverpool - Humber Optimisation of Freight Transport (LHOFT)

This unique project brings together the combined strength of a major cargo owner (Unilever), two key port operators at each end of the M62 corridor (ABP on the Humber and Peel Ports on the Mersey) to collaborate with experts from the rail industry in a study (led by the University of Hull's Logistics Institute) to develop an end-to-end journey model that promotes the diversion of trade from long distance North-South road routes to ports on the East and West of the country. These freight journeys could be further optimised using rail and offers the potential for a huge reduction in the number of freight miles on the UK road system. Technology to be developed by the University will enable multiple cargo owners to pool volumes to de-risk new sea and rail services through northern ports.

Delivery of associated projects such as the A63 Castle Street Improvement Scheme will unblock highway constraints between the Port of Hull and the National Strategic Road Network, supporting the long-term competitiveness of the Port of Hull and the East Hull and Paull Enterprise Zone sites that are needed to support the offshore wind industry and associated renewable energy manufacturing.

However, the Humber needs to do more to drive innovation in logistics. Overall, the Humber's logistics sector has been far less likely than the area's other strength sectors to undertake innovation projects.²³ The Humber's logistics sector is also skewed towards smaller independent operators, with only a limited local presence from the multinational third party logistics operators that have greater resources available to

²¹ <https://www.abports.co.uk/media/mmbffs2t/university-of-hull-logistics-institute-a-comparative-analysis-of-short-sea-import-and-export-routes-to-and-from-the-uk.pdf>

²² <https://www.abports.co.uk/news-and-media/latest-news/2019/new-research-says-it-s-time-for-logistics-industry-to-think-humber/>

²³ Hull University Business School analysis

develop and deploy innovations and more influence over their customers and suppliers. The Humber will therefore need to ensure its logistics sector can access support to strengthen its competitiveness and is positioned to capture local value from increased throughput through the Humber ports.

The Humber's ambition is to become a testbed for trialling new ideas and technology that optimise the use of port infrastructure and related road and rail connectivity – enabling the region to become one of the smartest and most efficient port clusters in the world. This will also support the Humber's ambition to reduce its carbon emissions by maximising transportation efficiency, and contribute to the region's work to strengthen wider maritime skills.



Port-related manufacturing

The Humber ports enable a growing amount of manufacturing, processing, assembly and customisation activity to take place in the surrounding area, taking imported raw materials and components and adding value to them. In addition to energy-intensive and continuous process industries such as petrochemicals and steel, covered earlier, specialisms also include caravans and modular buildings, furniture and food processing.

The Humber's competitive advantage comes from the Humber ports providing easy access for importing materials and exporting finished products, large employment sites for the manufacture and storage of large products, and a good supply of relevant skills with high-quality training provision. The Humber Enterprise Zone has supported the expansion of this activity, with the manufacture of wind turbines at Greenport Hull and the planned assembly of London Underground trains by Siemens Mobility in Goole, and has the space to accommodate further growth.

Engineering and assembly

The engineering and assembly sector contributed £1.5bn to the Humber economy in 2017, accounting for 8.2% of total GVA. There are 1,165 businesses operating in the sector, employing over 25,000 people – the third highest concentration in the Northern Powerhouse, and 50% more than in 2010. This growth has been supported by the strengthening of some specialisms, such as kitchen manufacture, as well as diversification into new products such as wind turbine blades.

Some sub-sectors are supported by embedded local supply chains, while the growing tech cluster in Hull is supporting digitalisation in the sector. However, there can be wide variation in the ability of businesses and availability of skills required to invest in the latest technology and process improvements to increase productivity and competitiveness, particularly as some sub-sectors contain many micro businesses.

The Humber's established business and skills base in these sectors, together with the availability of land in close proximity to the ports, mean that this is an area that could achieve further growth – potentially accelerated by the development of a Humber Freeport. In addition to offshore wind manufacturing, outlined earlier, two key growth opportunities are the rail sector and modular building.

Rail sector

Siemens Mobility's decision to invest in an industry-leading £200m rail manufacturing base at the Goole 36 Enterprise Zone site is a major opportunity to step up the development of this growth sector in the Humber region, building on a long tradition for the sector in Yorkshire. Siemens Mobility plans to create up to 700 operational jobs and a further 250 during the construction period, with an additional 1,700 potential UK supply chain roles. The first phase of the manufacturing facilities is expected to open in 2023. It is anticipated the development will be fully operational in 2025. This will add to existing expertise in track manufacturing, loading and shunting equipment, operational communications and rail engineering, from companies including British Steel, Trainload, AD Comms and Spencer Group.

Supporting this, industrial partners and academic bodies including Siemens Mobility, the Universities of Birmingham and Hull representing the wider UK Rail Research and Innovation Network, and East Riding of Yorkshire Council are working to establish the Goole site as a hub for rail sector innovation and supply chain development. RaisE (Rail Innovation and Accelerator Solution Hub for Enterprise) will be a world-class centre for innovation, research and development – accelerating the adoption of technology within the rail industry, and providing a high-tech and well-equipped facility for start-ups and SMEs linked to rail

supply chains. Construction will begin later in 2020, supported by investment from the European Regional Development Fund and the Getting Building Fund through the Humber LEP.

Modular building and modern methods of construction

The Humber's cluster of caravan and modular building businesses, which currently caters mainly to the leisure and commercial development markets, has the potential to diversify into the residential market – supporting the Humber to deliver its housing targets, and creating an opportunity to win business elsewhere as part of wider moves to modern methods of construction.

Some small-scale projects have already taken place: Premier Modular worked with the Goodwin Development Trust to develop five houses on Hull's Thornton Estate, the city's first Code-5 sustainable social housing; while Integra manufactured modular apartments for a pilot project in Bristol.

The sector is continually improving the energy and resource efficiency of its products, meaning that it is aligned to the Humber's ambition to reduce carbon emissions to net zero.

Delivering Low Carbon Homes through Energy Saving Retrofit

The Humber is also addressing carbon reduction through development of retrofitting programmes that will ensure homes are able to support the carbon neutrality goals of the Humber Estuary Plan. In Hull, external solid wall programmes are helping to reduce fuel poverty, increase thermal efficiency and improve quality of life.

Over 800 homes so far have been provided with a range of energy saving works including full central heating systems, boiler replacements, roof improvements and external wall insulation that will save over 36,000 tonnes of carbon.

Council, social and privately owned homes ranged from traditional single skin brick construction, Victorian terraces to those that have previously been earmarked for demolition because of structural defects. Projects also addressed structural stability of previously unmortgageable homes and defective houses to allow mortgages to be raised on the properties.



Ports and manufacturing: next steps

Our next steps towards achieving our priorities for ports and manufacturing are:

1. Working in partnership to develop a cross-estuary multi-site Freeport model that works for the Humber, and submitting a bid for Freeport status after the Government's competition opens later in 2020.

Hull & East Yorkshire LEP and Greater Lincolnshire LEP will work with local authorities and other partners to support this by:

1. Advocating and seeking funding for infrastructure improvements that will support the competitiveness of the Humber ports and manufacturing clusters.
2. Working in partnership with industry and academic partners to maximise the opportunity presented by the development of the Siemens Mobility rail manufacturing facility, seeking to establish the Humber as a key location for rail sector innovation and supply chain growth.
3. Ensuring business support (including via Growth Hubs), careers advice (via Careers Hubs) and training provision is responsive to these opportunities.

We are seeking support from Government:

1. To ensure Freeport policy and available delivery models meet the needs and opportunities of the Humber.
2. To provide commitment to improving trans-Pennine freight links, particularly by rail and water, that will support the decarbonisation of the logistics sector.
3. To support the development and marketing of the Humber proposition for inward investment in port-related manufacturing and the more efficient use of northern port assets, via the Department for International Trade.

Managing the Humber Estuary asset

Our priorities

The Humber Estuary is a unifying natural and economic asset on which a significant part of the Humber's economy depends, as well as being a contributor to wider UK prosperity. Its diverse natural resources are internationally recognised for their importance, but rising sea levels mean that flooding from the Humber Estuary presents a growing risk for the communities and industries that surround it.

As a shared resource, the Humber Estuary must be managed responsibly and collectively by the many different stakeholders involved.

Our shared priorities for managing the Humber Estuary asset are:

1. Alleviating the risk of flooding to communities and industries around the Humber Estuary, with a focus on developing and delivering the Humber 2100+ Strategy.
2. Jointly managing and investing in the Humber Estuary's unique natural resources.
3. Facilitating new economic development in a timely and sensitive manner, working with agencies and stakeholders to manage the trade-offs involved in a transparent way.

Flood risk and living with water

The Humber has the second highest flood risk in the country, behind only the Thames Estuary. Between 1993 and 2015 sea levels increased by up to 2mm per year, having a significant impact on the Humber region due to its topography. There are currently 90,000 hectares (ha) of land around the Humber Estuary at risk of being flooded, and around 400,000 people, mostly around Hull and Grimsby. The impact of the 2007 floods in Yorkshire and the Humber had a total economic burden of £2.7bn, or 4 per cent of the region's GVA, and it took the region's economy 14 months to recover. The 2013 Tidal Surge in the Humber was also extremely disruptive to the area's economy, with damage to 115 businesses and 149 residential properties recorded in Hull, for instance.

As well as the direct disruption to businesses and residents, flood events can deter reinvestment and new investors coming to an area. Recognising this, a range of partners in the Humber are contributing to improved flood defences that are ensuring the region remains open for business. By 2021 over £150m will have been invested in flood defence improvements as a result of the current Humber Strategy, better protecting 70,000 properties. Investment has come from a range of sources, including Government grants, European Regional Development Fund and businesses.

The Environment Agency is working in partnership with 12 local authorities and the Humber LEP to develop a new Humber Flood Risk Management Strategy, which will redefine the strategic approach to managing tidal risk for the next 100 years. It is currently due to be submitted for approval by the end of 2021. The



Humber Strategy will consider the needs of the environment as part of the delivery of flood management and will use opportunities to use natural flood management to increase the region's resilience.

The Living with Water Partnership has brought together Hull City Council, East Riding of Yorkshire Council, the Environment Agency and Yorkshire Water to ensure a strategic joined up approach to effective flood management is taken. Part of this is encouraging behavioural change for businesses and residents of the area. The success of this work led to the partnership winning the 2019 BQF award for Public/Private Sector collaboration.

Living with Water Partnership: Flood Protection

The Living with Water partnership comprises the Environment Agency, Hull City Council, the East Riding of Yorkshire Council and Yorkshire Water with a vision of becoming a sustainable city, protected from climate change with a thriving 21st Century economy predicated on the relationship with water in the city and surrounding areas.

Whilst waterside living is seen as an attraction, the risk of flooding is something that needs addressing through good design. The flood risk that the city faces means that significant work over the past decades has gone into understanding the risk and providing the necessary infrastructure. Considerable investment has and is going into flood alleviation on the River Hull, Humber and surface water and sewer flooding.

Living with Water has successfully drawn the public and private sector interests in water together to deliver long-term investment into flood infrastructure within Hull and the East Riding. Since its formation, the partnership has delivered £200m of investment into flood infrastructure including the construction of new flood defences along the River Hull and Humber, a new pumping station at Kingswood, construction of 3 large flood storage areas on the city's boundaries and the creation of 6 smaller storage areas within the city. All these measures led to Hull being awarded the status of a Global Water Resilient City in 2018.

A group of local businesses has meanwhile funded the development of a concept for a lagoon in the Humber. The ambitious project would also create a new road link and development land.

The University of Hull conducts nationally significant flood management research and is progressing the development of a Flood Resilience Centre of Excellence to develop and disseminate this research. It has also recently established the Flood Resilience Innovation Centre following a successful bid for £1.9m from the European Regional Development Fund. The centre will enable Humber-based small and medium sized enterprises to develop innovative solutions to mitigate flood risk, improve response to flood events and increase resilience. Project Ark, set out below, would take this ambition further.

The expertise of local authorities, the University of Hull and Yorkshire Water allied to the responses to past flooding events mean the Humber is in a strong position to develop the next phase of water management approaches for the UK, which can inform future development.

Case study: Ark – National Flood Resilience Centre

Humberside Fire and Rescue Service and the University of Hull have come together to create Ark: the National Flood Resilience Centre. Ark will make the UK a world leader in flood rescue, research and resilience by creating a unique, purpose-built facility for training, research and innovation.

Combining simulated full-scale urban and rural environments that can be inundated, Ark will provide flood emergency responders with safe and realistic training in swift and still water. Ark will also act as a hub for new undergraduate and postgraduate Engineering programmes at the University of Hull and provide unique experimental facilities to support research and innovation, with capabilities that cannot be replicated at any existing research establishment.



Natural capital

The Humber is recognised as being rich in natural capital. Most of the Estuary is designated as a Ramsar site and as a Special Area of Conservation for its extensive intertidal habitats such as mudflats, sands, coastal lagoons and sand dunes, and its populations of grey seals and lampreys. It is also a Special Protection Area for its breeding, migratory and overwintering bird populations, the third largest Site of Special Scientific Interest in England, and home to three National Nature Reserves.

The Humber's natural capital makes an important economic contribution through employment in agriculture and food processing; attracting tourists to areas such as Flamborough Head and Spurn Point; helping to retain the Humber's deep-water channels essential to shipping; saltmarsh acting as a natural buffer to tidal flooding; and the rivers and aquifers providing water for farming and other industries. It is also a key part of the area being attractive to live and work in and supports the health of residents and workers with green space, fresh air and access to wild places offering great opportunities for exercise and recreation.

The Humber's natural capital will play a vital role in helping the area achieve net zero carbon emissions and increase resilience to the impacts of climate change. The Estuary's ecosystems, distinctive saltmarsh, reedbeds, mudflats and coastal marine sediments capture CO₂ and provide effective flood management.

A systemic, large-scale intervention in the land use management across the Humber could yield significant natural carbon sequestration, while enhancing flood resilience and establishing a self-sustaining environment.

Initial estimates are that existing natural habitats (25% of land cover) around the Humber sequester around 0.6MtCO₂e/yr. Changes to land management use, such as increasing wetland area within the flood risk zone, which has the added benefit of additional flood storage capacity, and restoring peatland, could increase this by 2MtCO₂e/yr – approximately 21% of the current carbon footprint of the Humber area.

Because the Humber's natural capital matters, it needs to be managed and invested in like any other form of capital. In particular, the Humber Estuary and its related landscape need to be managed as one, supporting the area's industrial ambitions and protecting and improving this important finite resource.

The Humber aims to develop an ambitious joint approach to managing and investing in the natural capital of the Humber Estuary, building on the strong local partnerships that are already in place and a track record of delivering successful natural capital projects.

Case Study: Cress Marsh Mitigation Site, South Humber Industrial Investment Programme

The South Humber Industrial Investment Programme (SHIIP) is the largest economic regeneration initiative ever delivered by North East Lincolnshire Council and its regeneration partner ENGIE. The £42m programme, funded by the Council and both the Humber and Greater Lincolnshire LEAs, is tackling a long-term market failure in the provision of high-quality employment sites and premises on the South Humber Bank.

SHIIP is providing enabling infrastructure to unlock delivery of the Stallingborough Interchange Enterprise Zone (EZ) site and supporting a first phase of advanced industrial units on the site; bringing forward a new £8.4m link road connecting the Ports of Grimsby and Immingham and improving access to adjoining EZ sites; and delivering a comprehensive programme of ecological mitigation to de-risk future development of the area.

Working with ecological organisations like the RSPB and Natural England, the Council developed a unique and innovative mitigation strategy. Creating wetland mitigation sites in advance will allow industrial developers to meet their environmental planning conditions without costly up-front investment. The first of these sites, Cress Marsh, was completed in December 2018.

Responding to development proposals

The Single Conversation approach, established by the Humber LEP as part of the Hull & Humber City Deal in 2013, has been a trailblazer in simplifying liaison between organisations on major developments – making the area more responsive to time-sensitive proposals. It brings together senior representatives of the four Humber local authorities and a range of statutory agencies and utilities companies involved in planning and development to address major projects and developments across the region, with the purpose of working collaboratively to overcome challenges and barriers to delivery and ensuring that these projects can contribute to the economic development of the Humber area.

A 2020 review of the group’s work found that a diverse range of projects and developments have been addressed across the region, covering transport infrastructure, flood defences and new commercial and industrial developments. Notable examples include the time-sensitive Tetney pipeline replacement and the development of Greenport Hull. Feedback from both developers/investors and participants highlighted the strength of a unique initiative that helps the Humber stand out.

Continuing the Single Conversation approach will enable the Humber to remain responsive to inward investor interest and capable of delivering on time-sensitive development and infrastructure projects. Complementing the proactive approach being taken to managing and improving the Humber Estuary’s natural capital, this will also ensure trade-offs can be dealt with in a transparent way.



Managing the Humber Estuary asset: next steps

Our next steps towards achieving our priorities for managing the Humber Estuary asset are:

1. Designing an integrated Local Natural Capital Plan for the Humber Estuary, which will incorporate the value of natural capital in support of other carbon sequestration activities; and identify the best places to invest in improving the area's unique environment to support productivity, growth, and wellbeing. The Humber will engage with Defra and – building on the existing collaboration – the Environment Agency and Natural England to develop a joint plan through an inclusive process involving wider partners.
2. Continuing the proven Single Conversation approach established by the Humber LEP to support the area to be responsive to major development proposals that may affect the Humber Estuary environment.

Hull & East Yorkshire LEP and Greater Lincolnshire LEP will work with local authorities and other partners to support this by:

1. Recognising the economic and environmental importance of the Humber Estuary in their economic strategies.
2. Advocating and seeking funding for improvements to flood defences and natural capital that will support communities around the Humber Estuary.

We are seeking support from Government:

1. To continue to support the development of the new Humber 2100+ Flood Risk Management Strategy as planned (ahead of approval during 2022 and launch in 2023), and committing to recognising the strategic national importance of the Humber's economic and environmental assets when considering the investment required to deliver it.

Attracting and delivering new investment

Our priorities

The opportunities outlined in this plan have the potential to attract new inward investment to the Humber, creating jobs and supply chain opportunities for communities around the Estuary. Developing and marketing the Humber's shared proposition, and responding proactively to opportunities, will ensure the region maximises this potential.

Our shared priorities for attracting and delivering new investment are:

1. To develop and market the shared proposition for investment in the Humber allied to this plan.
2. To respond proactively to investment opportunities, collaborating across boundaries where relevant.

The Humber offer

The Humber is recognised across the UK and around the world for its ports, energy and industrial clusters. It also benefits from its association with the Yorkshire and Lincolnshire brands, known for quality of life, and the distinctive identities of its city and towns.

The shared opportunities outlined in this plan in clean growth, ports and port-related manufacturing give the Humber a compelling offer for new trade and investment, supported by local supply chains, skills, connectivity and development land. New low carbon infrastructure, such as hydrogen and CO₂ pipelines, and the potential development of a Humber Freeport will bolster the region's competitiveness.

The complementary offers of the places around the Humber for these opportunities mean that the Humber's strongest proposition is a joint one, covering the assets and capabilities on both sides of the Humber Estuary and a varied portfolio of sites and premises. From city centre office accommodation to innovation centres, port-side industrial land to pre-built manufacturing premises on the edge of towns, the Humber has a diverse offer that can suit many requirements.

Working together to develop and market this proposition, and responding proactively to investment opportunities, will help ensure the Humber maximises its potential. In doing this, the Humber can draw on the experience and capabilities of its four local authorities and two LEAs to deliver on major opportunities; the support of businesses and Marketing Humber to communicate them; and the role of the Department for International Trade to market the UK around the world.



Attracting and delivering new investment: next steps

Our next steps towards achieving our priorities for attracting and delivering new investment are:

1. To develop investment propositions for the areas outlined in this plan.
2. To work with partners to develop and deliver a marketing strategy for the investment propositions.

Hull & East Yorkshire LEP and Greater Lincolnshire LEP will work with local authorities and other partners to support this by:

1. Agreeing and incorporating shared Humber messages into their marketing and communications.
2. Continuing to respond proactively to investment opportunities, collaborating across boundaries where relevant.

We are seeking support from Government:

1. To support the development and marketing of the Humber proposition for inward investment via the Department for International Trade.

Wider priorities for growth and productivity

This plan has set out how the agreed shared priorities for collaboration across the Humber Estuary will be taken forward by the Humber Leadership Board, supported by LEPs, local authorities and any future combined authorities.

Wider action on the five foundations of productivity set out in the UK Industrial Strategy – Ideas (innovation), People, Infrastructure, Business Environment and Places – will be crucial for supporting these shared priorities, and ensuring that their delivery has the maximum benefits for local communities. This includes support to carry out research and commercialise new ideas; providing training facilities and programmes that meet the needs of the area and supporting people into work; investing in infrastructure that enables development and supports people to access employment; and ensuring local businesses and new investors can access the advice and support they need to grow in this region. Providing this will ensure places across the Humber region benefit from the opportunities outlined here and in local strategies.

As, at the time of writing, the economic impact of the Covid-19 pandemic continues to be felt, action to support businesses and residents through the effects and aftereffects of the recession it has caused will also be essential. The priorities set out in this plan, as well as wider action on the foundations of productivity, will aid the region's economic recovery.

The Hull & East Yorkshire and Greater Lincolnshire LEPs will set out revised long-term economic strategies for their areas in due course, complementing shorter-term local recovery planning. These will reflect the shared Humber Estuary priorities outlined in this plan, as well as opportunities and issues distinctive to their areas and actions they will lead on the foundations of productivity.



Paper 7 – Medium Term Recovery Plan

Publication	Public Paper (published)					
Meeting date:	6 November 2020					
Agenda Item:	7					
Item Subject:	Medium Term Covid Recovery Plan					
Author:	James Baty					
For:	Discussion	x	Decision	x	Information	x

1. Introduction

1.1. This paper provides an update to the Medium Term Recovery Plan, as previously presented to Board on 30th September. The plan has now been amended following feedback by Board members and local stakeholders and converted from storyboard to report.

2. Background and Update

2.1. The Medium Term Recovery Plan is designed to complement and act as the ‘bridge’ between the long term strategy set out in the Local Industrial Strategy and the short term recovery plan, which laid out 0 -6 month COVID recovery actions

2.2. The plan has been developed with Greater Lincolnshire policy leads, local authorities and partners through August and September 2020 and will develop further as additional inputs are received.

2.3. Following feedback from directors board and local partners over the past month the plan has been amended to reflect those issues raised and new factors relating to the most recent changes in Government policy and the health situation.

2.4. The plan is formed of sections which structurally link in to the Local Industrial Strategy foundations and strategic opportunities.

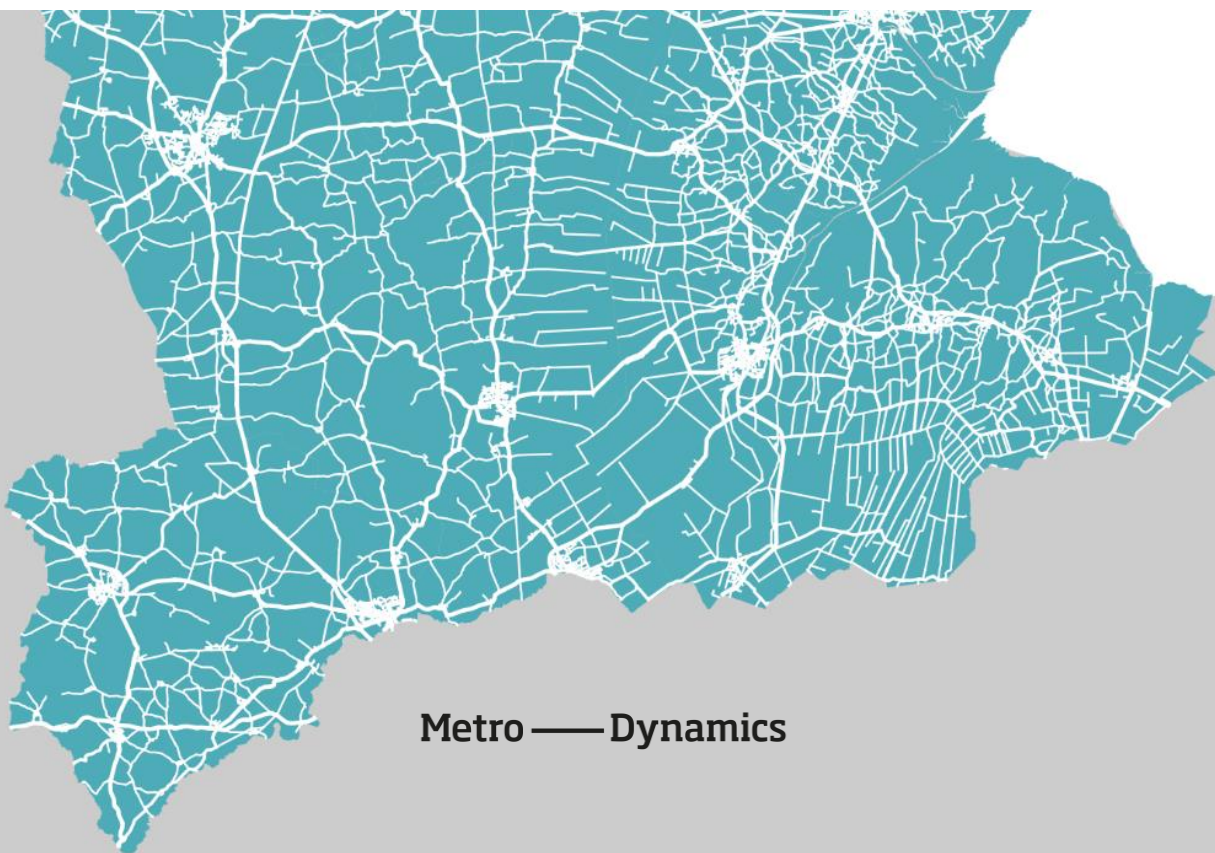
3. Recommendations and conclusions

3.1. Board members are invited to discuss and feedback on the contents of the plan and are asked to delegate final sign off to the plan to the LEP Chair and Chief Executive.



Protecting, Progressing, Prospering: A Covid-19 recovery strategy for Greater Lincolnshire

Draft, 30/10/20



Metro — Dynamics

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DRAFT

1 Foreword

The damage caused by the Covid-19 pandemic has been felt by everyone. Everyone has a story to tell of a job lost, a loved one departed, a holiday cancelled. From the personal to the global, the impact can be seen everywhere. And while many are understandably frustrated and wish to be done with the pandemic, climbing case rates tell us this economic shock is far from over.

In Greater Lincolnshire, the economic effect has been profound. Almost a third of workers have been put on furlough and claimant rates have nearly doubled. Investment plans have been put on hold. Meanwhile, firms are still facing uncertainty as the transition period with the European Union comes to an end.

Businesses are already adapting to new ways of operating, transitioning to online platforms and investing in digital solutions to keep staff and customers connected. We have experienced several years' worth of adoption of technology over the past 6 months. This will change our commuting patterns, business behaviour and pose a challenge to our high streets. The business landscape will not return to its previous form.

How can we navigate this uncharted terrain? What principles should guide us?

We have called this strategy *Protecting, Progressing, Prospering*. We will **protect** our businesses and communities. We will do everything in our power to ensure our businesses get the support they need, protecting jobs and livelihoods while the disruption continues. We will **progress** with our plans for good growth in Greater Lincolnshire, while acknowledging that Covid-19 changes many parameters and requires new approaches. And though the road is difficult, we will **prosper**, coming out of this tumultuous period with stronger foundations and better outcomes for residents.

A passive approach will not work. **We need to respond quickly and flexibly** to the many challenges this period will throw our way. As national policy evolves quickly, we will adapt, ensuring support has maximum local impact. We must also avoid the temptation to become short-sighted, focusing only on the problems in front of us, and less on our longer-term goals. This is particularly important for our area, which took **far longer than other places to recover from the 2008 recession**. We need to learn from this and respond to Greater Lincolnshire's specific requirements, going beyond business as usual to ensure that our economy thrives.

Instead, we will embrace this moment to radically transform our economy, recognising that consumer behaviours and market incentives have changed into the long-term. That means using this reset to pivot towards much more environmentally friendly modes of transport and providing the right digital infrastructure to allow remote working, reducing the need to travel. It means allowing innovation to thrive in Greater Lincolnshire, and **upgrading business – such as from manufacturing to advanced manufacturing**. It means recognising that an understanding of wealth which doesn't encompass health is meaningless, and honouring those whose job it is to care for others. And it means a **commitment to collaboration** with partners wherever necessary to achieve goals.

While we do this, the world is not standing still. There are megatrends, some of which have been accelerated, which shape a changing context. Chief among these are **climate change** and the accompanying drive towards decarbonisation across the public and private sector, **automation** with a harsher commercial environment forcing businesses to adapt to survive, and **flexible working** where both the time and location of work has become much less fixed, resulting in new moving and working patterns.

We also want to embed the UN's Sustainable Development Goals into our approach, and include icons throughout the document, where our action will help us achieve them.

Over the past few years we have developed a detailed evidence base to better understand our economy. The region is diverse – energy, visitor economy, and agrifood are just three examples of our strengths across the largest LEP area in the country. **We must and will support all parts of our region to thrive.** This document sets out our plan to get there.

DRAFT

Immediate challenges:



Rising unemployment, which could become mass unemployment



Slow labour market recovery from previous recession



High levels of corporate debt weighing on business investment



Rapid digitisation excluding some from the labour market



Very localised effects, requiring different treatment

How we will work together to respond:



Local partnership

Confirming the LIS and LEP geography, and working with businesses and local authority colleagues on local actions



Rapid introduction of national policy

Including Kickstart, Job Support Scheme, and sector-based policies



An agreement with government to respond to local need

Funding to unlock strategic opportunities and pilots for national schemes (e.g. free ports)



Data sharing between authorities

To allow for real-time monitoring of the economic situation, enabling adaptability

Roadmap to Recovery [to be developed fully]

PROTECTING

Protecting our businesses and people from pandemic impacts

- Short-term Recovery Plan
- National recovery programmes
- Plus local responses

Progressing our plans which are already underway and quickly implementing funding and opportunities.

For example:

- Institute of Technology
- Getting Building Funding
- Towns Fund investments
- Strategic Infrastructure Delivery Plan
- ORE Catapult and Velocys bids
- Humber Free Port

PROGRESSING

Prospering with new programmes and ideas to transform and grow the Greater Lincolnshire economy.

For example:

- Industrial Decarbonisation cluster
- Defence clustering
- Centre for Food Logistics
- EV connectivity
- Energy Testbed
- Tourism zone
- Internationalisation strategy
- Widespread adoption and utilisation of 5G

PROSPERING

Five Year Outputs

We will reduce CO2 emissions by 50% on 2005 levels while protecting jobs in the

We will have an established Tourism Zone, halving the shortfall between visitor numbers for peak and non-peak

Health solutions developed in Greater Lincolnshire will be being rolled out in rural and ageing communities



With the creation of the UK's first Food Valley, the most advanced food and farm technology will be found in Greater

We will be home to the UK's biggest freeport, by volume and value of trade

We will have established a distinct Defence cluster, visible on the ground and in national statistics

We will reverse the 12% decline in manufacturing productivity, catching up with the UK average



A quarter of firms will be undertaking R&D activities

The number of claimants will be back down below 3% in all districts by supporting quality jobs with career progression.

All businesses will be operating in a connected environment supported by a package of business services

We will have moved 10% of car users into more environmentally friendly modes of

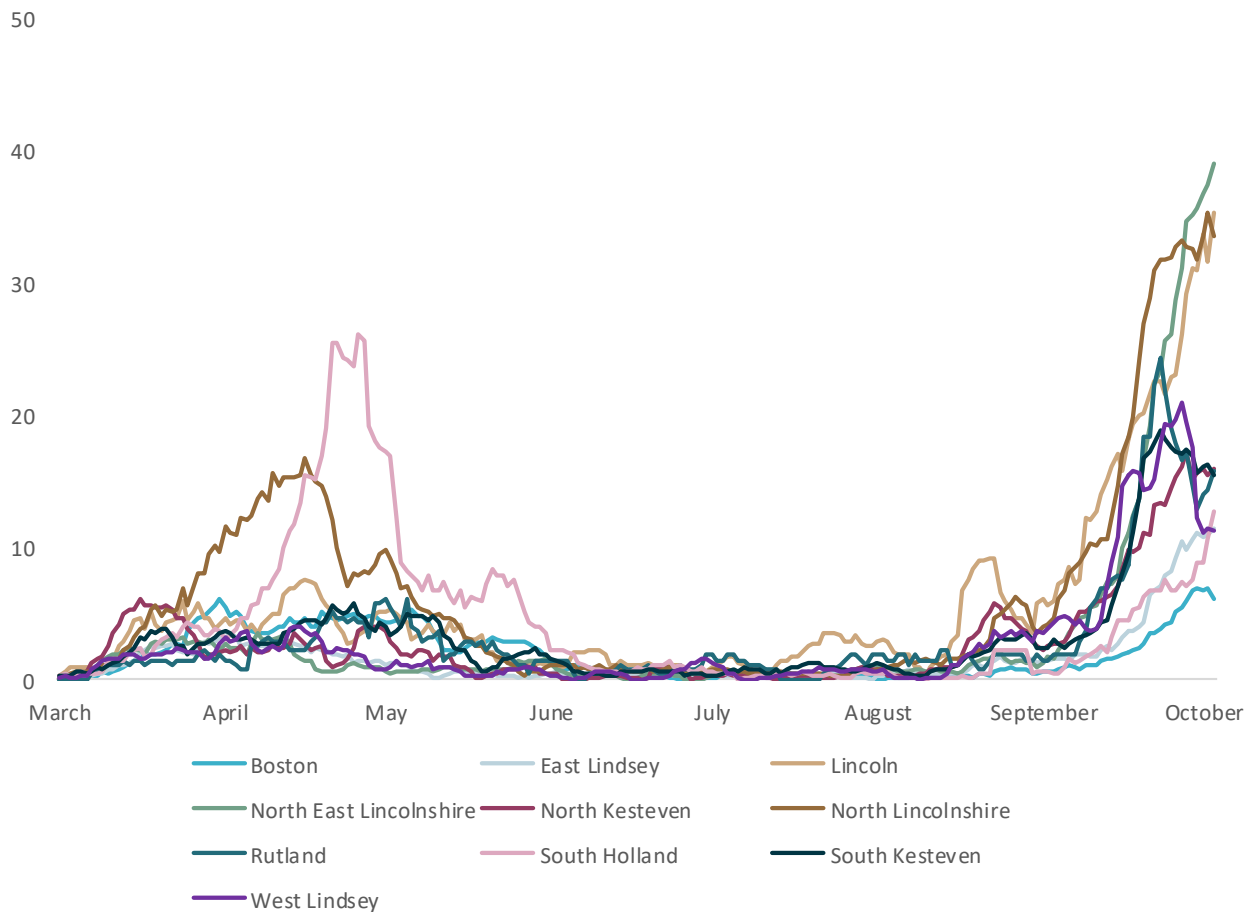
We will bring vacancy rates down to below 10% in every town through adopting

2 Understanding the impact of Covid-19

The damage to the economy and to health from Covid-19 has been felt across Greater Lincolnshire. At the time of writing, after a subdued summer cases are rising again.

There have been cases everywhere, though data shows that in the first wave of the epidemic, North Lincolnshire and South Holland had particularly large outbreaks (relative to population). We know, however, that official case number in the first wave seriously underestimated the true spread of the epidemic. Now, as move into a second wave, we see that cases have been climbing everywhere, with especially fast increases in North Lincolnshire, North East Lincolnshire, and Lincoln. However, at the time of creating this strategy, cases per 100,000 remain well below some of the levels seen in some of the larger cities in the Midlands and the North.

Figure 1. Cases per 100,000, weekly rolling average in districts

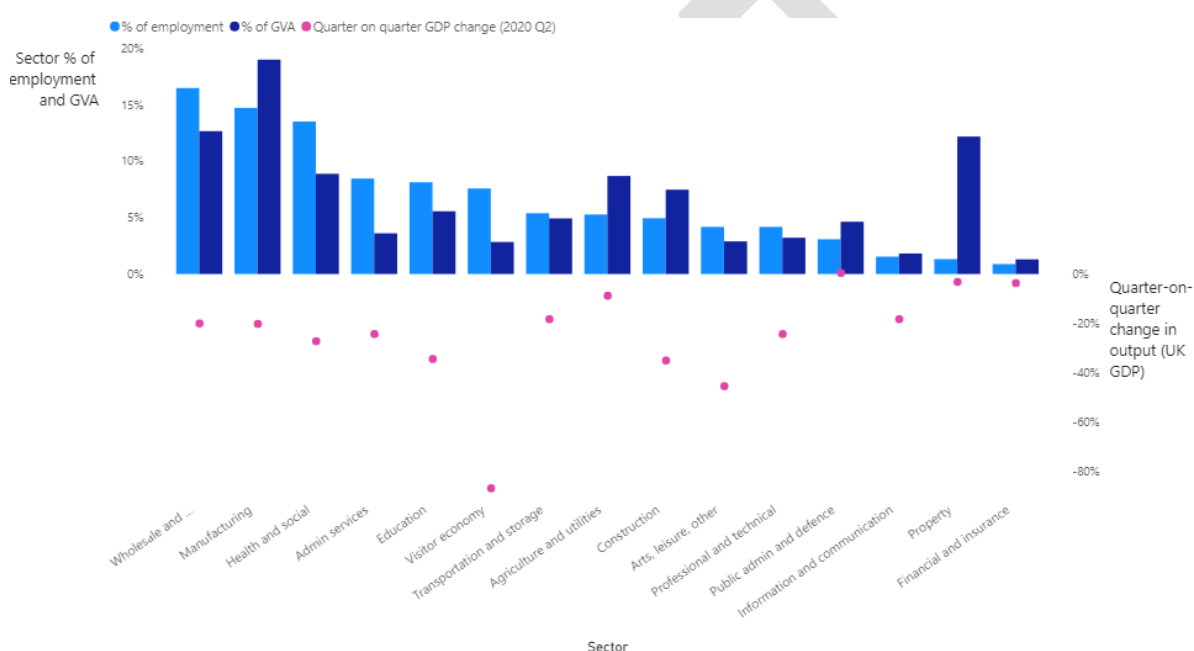


Source: Metro Dynamics analysis of the UK Government's Coronavirus Dashboard

While figures for deaths are not accelerating as quickly as they were during the first wave, due to factors such as age profile and improved treatments, it seems likely that these will increase, following the rise in cases.

The economic impact has been similarly marked. The chart below shows that in the second quarter of the year, output (nationwide) was down by 20% or more in the six largest sectors by employment in Greater Lincolnshire. The impact on the visitor economy (accommodation and food) which constitutes 7.6% of GLLEP’s employment has been particularly profound, with a drop of 86.7%. Some of our key sectors, such as agrifood, aren’t easily captured by the statistical categorisation, meaning uncertainty remains as to impacts.

Figure 2. Economic impact on sectors by GDP, and their size in Greater Lincolnshire.

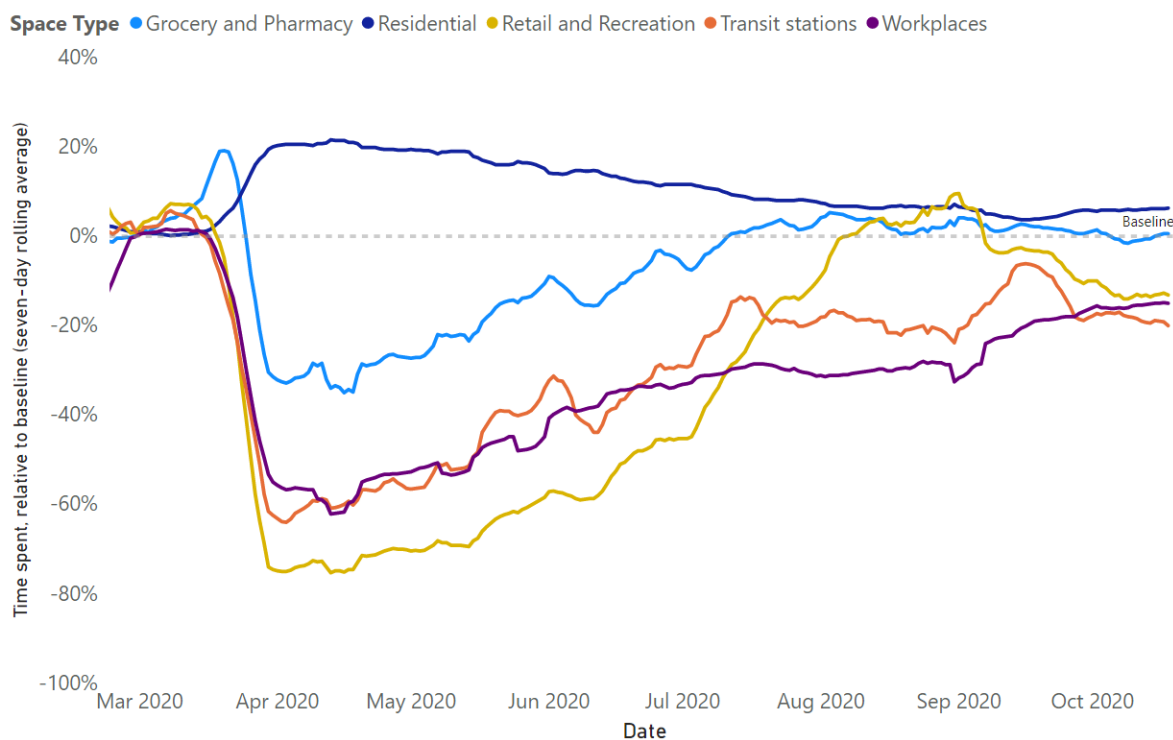


Source: Metro Dynamics analysis of ONS Regional GVA and quarterly GDP data

Government support through the furlough scheme, CBILS loans, self-employment support and other measures have prevented this from being converted into an equivalent loss of businesses, though many jobs have been lost, with the claimant count spiking in every district.

It remains to be seen what the long-term impact of the pandemic will be, but within some sectors, an increased preference for working, learning and engaging in commerce remotely on digital platforms seems likely. Analysis of Google community mobility data shows that use of workspaces in Lincolnshire has recovered from a post-lockdown low of 62% below baseline to a 15% reduction, but seems to be levelling off. While use of essential retail is now back where it was, non-essential retail and recreation has dropped off following the end of Eat Out to Help Out and possible consumer anxiety due to the resurgence in cases.

Figure 3. Rolling weekly averages of use of different classes of space compared to baseline (first six weeks of the year)



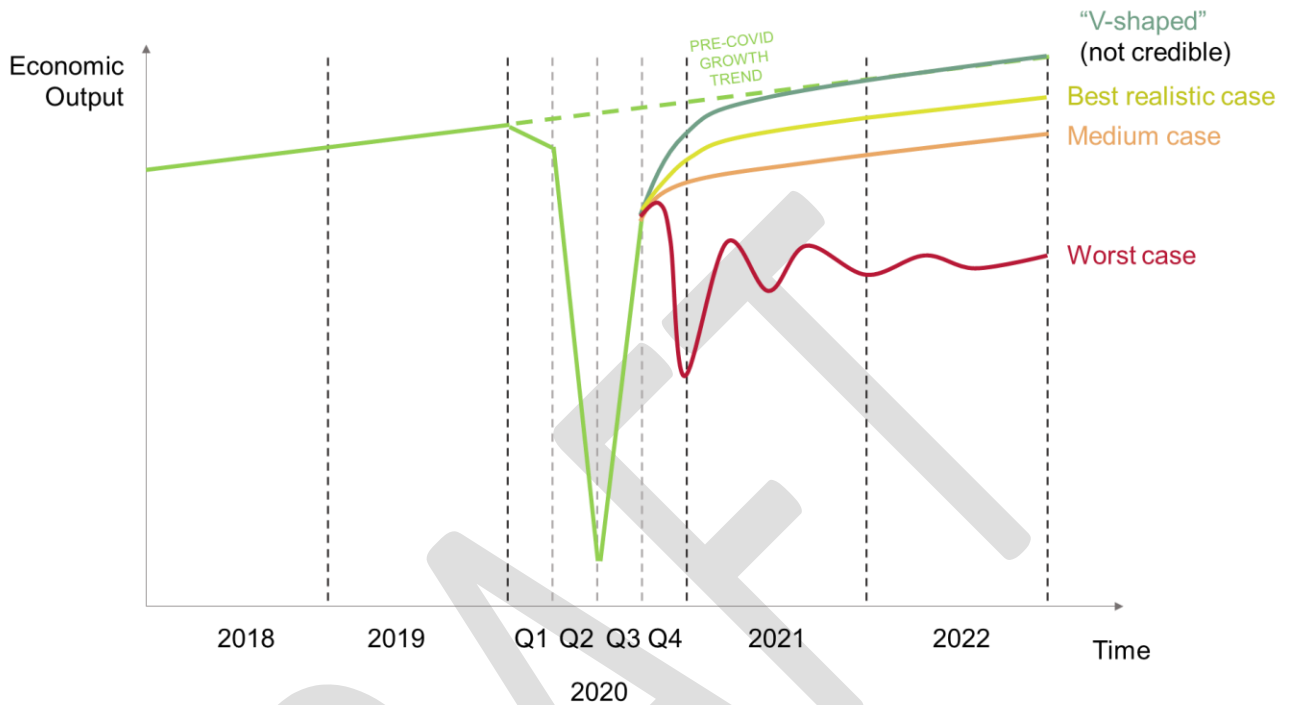
Source: Metro Dynamics analysis of Google Community Mobility Data

So where do we go from here? In the face of uncertainty it helps to think about possible **scenarios**. The three scenarios we think are most likely are:

1. **Best realistic case: a quick return to old growth rates.** In this scenario, the recovery continues to level off, but the economy quickly regains its rhythm, with growth *rates* (if not overall *levels*) returning to pre-crisis normal. Virus rates in Lincolnshire are kept under control through generally high adherence to social distancing norms, meaning further economic curbs are not necessary and consumer confidence returns. Pre-pandemic output levels are regained by the end of 2022.
2. **Medium case: a cautious road back to growth.** In this scenario, the recovery peters out rather more quickly, as new restrictions “put the brakes on”, with the return of consumer and business confidence stunted. However, the majority of economic activity currently happening is able to continue in a Covid-secure manner, allowing growth rates to return, but starting from a lower base.
3. **Worst case: Oscillations, scarring, and long-term damage.** In this scenario, a strong resurgence of the virus, combined with less public willingness to follow guidelines, leads to strict curbs on economic life, with several sectors shut down again. While this does not return the economy to levels seen in Q2 of the year (as a better understanding of the virus allows more activity to continue), the fall in GDP is large by historic terms. Continued reopening and closing during the wait for a vaccine leads to an oscillating growth pattern, which becomes more muted over time. However, the damage of economic “scarring” to the

supply side means long term output is significantly below pre-crisis levels, with growth stagnant, and damage from lockdown measures potentially unevenly distributed across, and within, regions.

Figure 4. Illustrative scenario diagram



These scenarios show the broad overall picture – but the crisis so far has been very sectoral, and place-specific – this is likely to continue with recovery coming more quickly in some areas than others.

We also include a “V-shaped” scenario, where the economy returns to its pre-covid growth trend in 2021. However, we do not deem this to be credible, and it is important to acknowledge this. Although at first glance the economy has rebounded quickly in the third quarter of 2020, when you examine the *monthly* data it becomes clear that economic growth is already stalling. While GDP has grown every month from May onwards, the rate of growth has been slowing, meaning that *overall* GDP is levelling out while it is still almost 10% lower than at the start of the year. Therefore, it is best to assume the economic impacts will linger for some time to come.

3 Drivers of recovery



Our Ambition is to increase the international competitiveness of the Greater Lincolnshire Agrifood sector by championing automation and resource efficiency, to become the UK's Food Valley and contribute to the reducing the UK's reliance on food imports

Agrifood faces substantial challenges and opportunities. Both Covid-19 and Brexit will have a large impact on the labour market, reducing the ability of firms to recruit internationally. Recruitment efforts with British workers have been mixed, with reduced productivity. The new settlement for fishing will affect our seafood sector, creating opportunities to expand. Related labour market pressures are driving interest in automation across the food chain.

Covid-19 shifted the focus of production within the sector from food services (ie restaurant) to supermarket production, which has impacted the product mix, while long supply chains have suffered. The seafood sector has seen significant increases in retail and sales demand but decreases in supply and production. Meanwhile, the end of the CAP and future trade deals may expose businesses to increased competition and open up new export markets for food.

In response, we have secured funding for the Holbeach Food Enterprise Zone Phase 2. We have supported Saga Robotics, who are based at the University of Lincoln's Riseholme Campus, and have raised 9.5 million euro from venture capitalists to expand its development team and growth programme. And we have offered to develop a sectoral plan for Horticulture in partnership with Government.

Our Priorities for Years 1-5

- ❖ Accelerate delivery of **digital service innovation** for the Holbeach, Hemswell and Europarc Food Enterprise Zones and the National Centre for Food Manufacturing, and Grimsby Food Refrigeration & Process Engineering Research Centre (FRPERC).
- ❖ We will **invest in sustainable food production** building on work by the Lincoln Institute for Agrifood Technology, and accelerate uptake of automated agri-food processes with businesses who are willing to invest,
- ❖ **Drive innovation** through support for startups, research, automation and school leavers entering the sector. Implement an **Agri-grants Programme**, create a soft landing for inward investors, support more tech startups focused on agrifood tech and secure the delivery of a **5G rural pilot for the food sector**
- ❖ Tackle challenges to transporting food, such as the **A16, A17, A1 and A15 south**

Our ambition is that Greater Lincolnshire will pioneer industrial decarbonisation, creating a template for other areas. We will be a test bed for technologies in clean energy generation, storage and distribution.

Greater Lincolnshire has significant ambitions in the energy sector, aligning to the Humber Estuary Plan; the acceleration of clean growth and the potential to be a global leader in the transition to net zero carbon emissions presents a significant opportunity. In more rural parts of Greater Lincolnshire there remains huge potential to provide an innovation test bed for clean energy and whole system technologies.

The energy sector has held fairly stable through 2020. Longer-term, changes in working patterns may impact the requirements for energy at different times of day – with potentially fewer peaks and more dispersed demand as working hours become less routine. Meanwhile Brexit poses a threat to some of the more energy intensive sectors on the Humber Bank, especially the chemicals sector, by increasing the cost of imports which input into the supply chain. Moving to a UK-based regulation system is a potential threat to small businesses, with warnings from the Chemical Industries Association of a £1bn cost to duplicate the regime.

Greater Lincolnshire has already secured £4.4m funding for the Killingholme Pumping Station as part of the Getting Building Fund. This will allow further development and investment on the South Humber Bank (the UK’s biggest enterprise zone by area) and attract more UK manufacturing for the offshore wind sector by protecting industrial land from flooding.

Key focus: Industrial Decarbonisation on the Humber

A collaboration between Humber LEP and CATCH, an industry body, has put in a major government bid for a decarbonisation cluster on the Humber bank. The Humber is a



major centre of **manufacturing, advanced manufacturing, and oil refining**, and a result has higher CO₂ emissions than any other UK cluster, with 12.4 MtCO₂ a year emitted (South Wales is the next highest-emitting cluster, with 8.2MtCO₂).

Humber Zero is an ambitious plan to tackle this, pioneering an approach to industrial decarbonisation that can show the rest of the UK how it’s done. This will create the world’s first net zero carbon industrial cluster by 2040, capturing and storing around 10% of UK carbon dioxide emissions per year.

Our Priorities for Years 1-5

- ❖ Support the bid to government for **decarbonisation of the Humber Estuary** industrial cluster starting with implementation of the decarbonisation route map for the Humber. This will bring forward proposals for Carbon Capture, Usage and Storage and hydrogen fuel switching for industry, as well as energy storage proposals.
- ❖ **Redevelop the Theddlethorpe gas terminal**, move to carbon neutral energy production, guaranteeing long-term employment and clean energy.
- ❖ Establishing an umbrella task force to build a coherent strategy and enabling framework to deliver **Local Areas Energy Plans (LAEP)**, which will deliver energy solutions for both places, and other growth sectors that are constrained.
- ❖ Work with Anglian Water, the Environment Agency, and others to develop an integrated water supply and flood risk management approach and support the Greater Lincolnshire **energy testbed** proposal.
- ❖ Support the bid to Government for funds to support accelerated low carbon energy innovation for **Offshore Renewable Energy (ORE) Catapult and Velocys**, and work towards becoming the UK's largest manufacturer of offshore wind components.

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Our ambition is that Greater Lincolnshire will maximise the strategic advantages of its ports by leading their transformation into one of the most smart, clean and efficient port clusters in the world, leveraging greater value from the ports by handling increasing volumes of trade, and attracting more value-added manufacturing activity.

The ports of Greater Lincolnshire are vital to the UK economy. As well as supporting the energy sector and energy-intensive industries on the Humber estuary, they are vital for a wide range of manufacturers across the UK, importing materials and components and exporting their products.

Covid-19 has led to questions around international trade, with evidence that a reduction in cross-border trade may be likely, as well as a realignment of supply chains as resilience is prioritised over efficiency. During lockdown, there was a brief fall in the number of heavy good vehicles around Immingham port – though this has now mostly recovered. An increase in online shopping as a proportion of the total value of revenue spending from 19% in February to 32.8%¹ in May across Great Britain has resulted in more delivery driver activity. The uplift in delivery to the home is a significant acceleration of a longer-term trend, with an increase in van miles and the demand for warehousing. Industry reports suggest this shift is likely to be permanent.

Meanwhile, Brexit will have clear impacts on volumes of trade and product mix. The final impact will become clear as the terms of a trade deal are agreed (or not agreed) with the EU, and as other trade deals come forward.

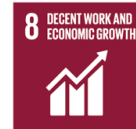
Greater Lincolnshire has already begun developing plans for freeport status on the Humber, which will have the potential to become the largest of the UK freeports, and a powerful driver of economic growth across the region. Infrastructure remains critical, with demand on the largest food logistics cluster in the UK in Southern Lincolnshire increasing and emphasising the role our key infrastructure routes for this cluster play.

¹ ONS retail data

Our Priorities for Years 1-5

- Deliver **freeport status for the Humber and northern Lincolnshire**, bringing in Humberside airport as well. This will spur growth in local manufacturing firms by expanding the trade in intermediate goods.
- Develop a proposal for a **Centre for Food Logistics** based around the Boston port, providing training in logistics, and allowing agrifood firms to import inputs close to home reducing costs.
- Ensure that the key infrastructure that supports our logistics cluster, including the A16, A17 and A1 is fit for purpose. Support and Contribute to the Productivity Plan for the **Trans-Midlands Trading Corridor** (A46 and Humber Ports), led by Midlands Engine, and utilise and encourage 5G technology uptake to streamline

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Our Ambition is to develop the visitor economy sector by levelling up and supporting some of the more deprived coastal parts of the region by providing higher-quality and more reliable employment for workers in the sector

The lockdown and curbs on travel has produced in effect three successive winters, damaging a highly seasonal economy, although domestic tourism has supported many of Greater Lincolnshire's seaside resorts, with a late staycation bonus for the area. The visitor economy sector has been heavily reliant on the temporary national furlough scheme. Meanwhile, the long-term viability of the sector's businesses has been impacted by restrictions on functions such as weddings and business events, likely to be one of the longest lasting curbs on activity during the duration of the crisis. The visitor economy is especially vulnerable to future restrictions.

Greater Lincolnshire has already taken certain actions on the visitor economy. These include putting together proposals to designate Greater Lincolnshire as a Tourism Zone, the launching of an autumn local and regional marketing campaign, and an extensive redevelopment of www.visitlincolnshire.com with the goal to Inspire and Inform.

Our Priorities for Years 1-5

- ❖ Achieve **Tourism Zone status** by preparing and championing a proposal through the LEP, and deliver the **Tourism Action Plan**, the key theme of which is 'Outdoors Lincolnshire', particularly walking and cycling, to extend the tourism season. Through this, we will work to present Greater Lincolnshire as a premium destination offering the perfect blend of city, coast, and country. We will capitalise on new opportunities by refreshing our marketing offer around sustainability and attracting private investment, as well as bringing forward necessary transport infrastructure.
- ❖ **Modernisation of the visitor economy sector** through improvements in skills of business owners to boost productivity – such as by including workspace to target longer stays. We will also improve the digital offer and use that to create packages that make booking easier for visitors, including promoting the use of the TXGB booking system developed by Visit England to build domestic tourism.
- ❖ Support **sustainable tourism** as an overarching theme, fitting with the Connected Coast vision, Green Masterplan work and plans at Doddington Hall, Grimsthorpe Castle, RSPB Frampton Marsh, the Grimsby Fishing Heritage Centre, Normanby Hall Country Park and the Alkborough Flats.

Our Ambition is to create a cluster of innovation focused Defence companies, and ensure that Greater Lincolnshire is a highly attractive, first-choice destination for Defence-related industries, service leavers and their families

The defence sector is less likely to be as directly affected by Covid or Brexit as some other sectors. However, the sector will be impacted by indirect consequences of the pandemic. As government looks to rebalance public finances after the pandemic, it is possible that defence spending will be deprioritised, or diverted to health and care. The prospects for firms in the defence aerospace supply chain which also supply the civil sector have worsened, with aviation being one of the most deeply hit sectors.

At the same time, growing international tensions may point to a need for greater military investment and overseas involvement worldwide in the medium-term future, highlighting the importance of Defence as a Strategic Sector. Across the wider East Midlands, there is the potential for closer partnership working, in building a defence network with nearby clusters.

Greater Lincolnshire has already established relationships with MoD contacts on every site in Lincolnshire, and through the FDI key account management (KAM) programme, worked with the Department for International Trade (DIT) to support foreign owned defence companies with specific labour force, business space, or other needs. We have created Britain's first Air & Defence College (A&DC) in Lincoln working with the Royal Air Force and defence industry companies and secured funding for an R&D institute at the Lincoln Science and Innovation Park. This is aligned to local defence speciality and latent skills among military personnel and the nearby ISTAR HQ, and confirmed the long term base for the Red Arrows will be in Greater Lincolnshire.

Our Priorities for Years 1-5

- ❖ Establish a **strategic board for defence**, comprising specialist public and private sector representatives, to drive this sector forward in Greater Lincolnshire. Through the next phase of the Lincoln Science and Innovation Park (LSIP), we will work to develop a detailed understanding of the needs of the defence sector, which is sometimes lost in other sectoral data
- ❖ Support **defence businesses** with room to grow outside of the military compounds, deepening their engagement with Greater Lincolnshire, and raising the profile of the often low-key defence sector. We will aim to **retain skilled former defence industry workers** within Lincolnshire, converting their skills into productive output, and we will work to redevelop and repurpose former defence assets and estates.
- ❖ Pursue opportunities for **relocation of Ministry of Defence staff** from Whitehall to Lincolnshire



Our ambition is that Greater Lincolnshire will develop new efficient and innovative models of care for a dispersed and ageing economy, building a cluster of local businesses to support active ageing.

Health and Care has been brought to the fore of national debate due to Covid-19, with politicians endorsing the vital importance of carers and a groundswell of public support witnessed over the pandemic. However, the pandemic has created a backlog of operations and consultations, leading to poorer health outcomes for other conditions. There is also the very real risk of a big increase in cases combining with normal winter pressures to potentially overwhelm local health services.

Inadequacies in the social care system have been especially exposed, with the use of agencies and underfunding being scrutinised. The government has reiterated its commitment to finding a more sustainable solution for social care, though a date for a white paper is still unclear. And across Health and Care, Covid and Brexit add to an already significant strain on labour supply, with international workers returning home before lockdown, and Brexit wage thresholds threatening the supply of workers, many of whom are low paid. If Brexit has a negative impact on pharmaceutical supply chains, that could potentially pose a threat to the delivery of care.

Greater Lincolnshire has already taken actions to assist the Health and Care sector. We have secured £1.3m of funding for the Centre for Innovation in Rural Health as part of the University of Lincoln's medical school which will incorporate state of the art laboratories and allow for knowledge transfer with business.

Within this sector, joint working with and across other sectors is essential. We have begun an investigation into joint promotional activity to engage people into health & care, from other sectors. Promoted joint working with the National Centre for Rural Health & Care, Lincoln International Institute for Rural Health, and National Centre for Organisation Resilience

Our Priorities for Years 1-5

- ❖ Invest in the **Centre for Innovation in Rural Health**, working with practitioners across Greater Lincolnshire to convert research into better health outcomes for all residents. We will pioneer new and innovative models of rural health delivery in partnership with the Centre for Ageing Better
- ❖ **Build the resilience of the sector** in light of changing migration rules, starting with a review of early years and nursing home capacity and resilience. And we will utilise Midlands Engine funding for mental health work with local companies in places, through an accessible website



Our ambition is to build on existing strengths within parts of Greater Lincolnshire to establish a powerful driver of economic growth for the region

The advanced manufacturing and chemicals sector specialisms are concentrated within a few areas, especially North and North East Lincolnshire. There are concentrations of activity such as the steelworks in Scunthorpe and the power generation cluster in Lincoln. The sector is included here for its potential for driving recovery across the region. Productivity across the manufacturing sector has declined 12% since 2012, and reversing this decline will substantially boost Greater Lincolnshire's economic output.

Covid-19 has brought into clarity the precariousness of modern supply chains, built to minimise cost at the expense of durability. The reliance upon "just in time" supply chains has been highlighted by the closure of international borders. Social distancing has forced changes on the factory floor, and adjustment to an uncertain economic future is required. Meanwhile Brexit will potentially place substantial barriers to accessing European markets. In response, we have developed a Manufacturing Sector Recovery Plan. We have also created a new Greater Lincolnshire Manufacturing Network in partnership with the University of Lincoln to support our advanced manufacturing businesses.

Our Priorities for Years 1-5

- ❖ Deliver a **Transformational Manufacturing Programme**, focusing on horizontal innovation, a holistic review of strategic plans, servitisation support and guidance on retraining, upskilling and onboarding workers alongside 12 months of coaching assistance.
- ❖ Pilot **Greater Lincolnshire Manufacturing Network**, a knowledge-intensive business hub hosted by the University of Lincoln School of Engineering, supporting the growth and development of SME businesses. We will also support manufacturing business to get back on track through recovery funding with capital grants.
- ❖ Speak up for the chemical industry to get what it needs from a Brexit deal, concerning talent, customs, and regulations.
- ❖ Provide training and jobs through the **National Centre for Process and Manufacturing** and accelerate adoption of Industry 4.0 digitalisation technologies, supporting the UK-wide implementation of a National Supply Chain Programme, as well as looking at the benefits of on-shoring supply chains.

4 Foundations of Productivity



Our Ambition is to broaden and deepen the base of innovating firms in Greater Lincolnshire, aligning innovation with the priority sectors, and trebling the level of innovation investment in the region

The productive aspect of Ideas has been substantially affected by the pandemic. COVID-19 has put strain on the higher education sector, a key innovation partner, with domestic and international student intakes in flux. The ongoing and severe economic downturn risks reducing private R&D spend, with firms having to focus on paying off debt ahead of investing for the future. However, COVID-19 has furthered Government interest in funding innovation, where we have historically lagged, but recently been catching up.

Greater Lincolnshire has already taken action in this field. We have secured funding for the South Lincolnshire Food Enterprise Zone Phase 2, a hub of agri-food innovation. And we have secured funding for Lincoln Science and Innovation Park Phase 2, with innovation floorspace and a defence focused R&D institute

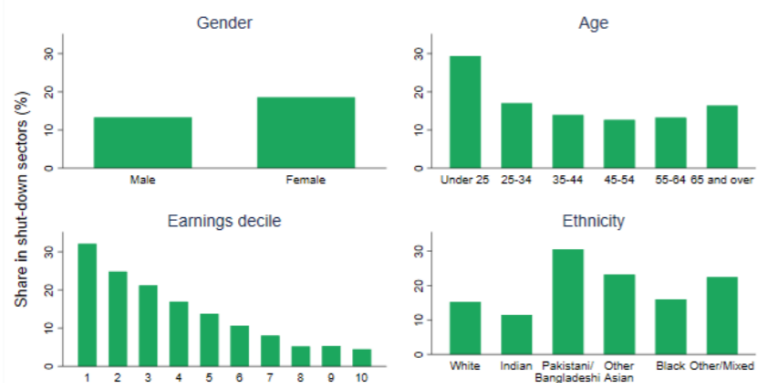
Our Priorities for Years 1-5

- ❖ Support digital uptake in business, delivering a **Made Smarter Digitalisation Pilot for Business**, starting with a pilot focused on manufacturing and food businesses. We will establish a partnership with Innovate UK to support businesses to invest in new technology.
- ❖ Secure funding for the **ORE Catapult** to establish an Offshore Wind Operations and Maintenance Centre of Excellence in Grimsby, to provide next generation testing for offshore wind components. And we will boost advanced manufacturing, helping firms move up the value chain and invest in automation and digitisation through capital grant and loan schemes.
- ❖ Capitalise on our higher education presence, supporting for firms to commercialise their own R&D or adopt existing innovations from elsewhere, **building an innovation ecosystem** which allows business, universities, and applied research institutions to better co-develop innovation and transform business practice. And we will work to maintain graduates within Lincolnshire, establishing a Graduate Internship Scheme.

Our Ambition is to enable all residents to reach their potential in the local labour market and participate in a flourishing and inclusive economy

Nowhere is the impact of Covid-19 more deeply felt than for our people. Firstly, there is the obvious impact on health, where for some “long Covid” will dent their ability to work and exercise. We are already seeing big upticks in the unemployment rate. Some of these jobs will come back as economic activity picks up, others (for example in the creative sector) will take time to return, and still others may never come back, as challenges accelerate innovation. Furthermore, the delivery of training has been interrupted as venues have closed and companies have cut back on spending.

We also know that Covid-19 has exacerbated inequalities. Research by the IFS has shown that women, the young, the poor, and those in certain ethnic groups are overrepresented in sectors which have been shut down during the lockdown. People who were distant from the labour market before the pandemic are now even further away from finding a job.



Source: IFS publication: Covid-19: the impacts of the pandemic on inequality

A move to digital by default for many services, including training provision, has impacted those without digital skills, without equipment and without Broadband contracts, and so are unable to participate.

However, the long-term trend towards home-working, rapidly accelerated by the pandemic, may benefit Greater Lincolnshire. Workers whose companies have gone fully remote or who now only need to be in London or major towns and cities in the Midlands a couple of days a week can comfortably base themselves in Lincolnshire.

There is a clear need to offer retraining to help people return to the labour market, and we have already secured funding to extend the Greater Lincolnshire Skills Capital Programme and have extended ESF training and support schemes to 2023. We are shortly to launch a programme of bespoke online Jobs and Careers fairs and have been working with schools to get careers advice to students while they’ve been at home.

Our Priorities for Years 1-5

- ❖ Swift and effective implementation of government employment and skills schemes, starting with **Kickstart** to support young people into work
- ❖ Launch of our year-long flagship programme of Online Jobs and Careers Fairs
- ❖ Fast paced development of a new Apprenticeship Action Plan designed to increase apprenticeship opportunities for people of all ages, including the launch of a **Levy Transfer Scheme**
- ❖ Launch and deliver the **Institute of Technology** with a hub and spoke model, supporting technical and digital training at levels 4 and 5.
- ❖ Accelerate our work to understand, promote and grow digital skills at all levels to enable residents to participate fully in society and take advantages of new ways of working
- ❖ Seek funding for a game-changing HR and Workforce Planning Scheme that will increase good quality employment opportunities, whilst rapidly increasing the productivity of SMEs.

In addition to focusing on these priorities we will work with the brand new, national Skills and Productivity Board (SPB) and DfE through the SAP Programme, to ensure that the needs and challenges of our local SMEs and residents are reflected in new and emerging skills policies and programmes. We recognise that a one-size fits all approach does not provide the whole of the solution that our different places need in order to prosper, and so we are keen to work on the roll-out of the National Skills Fund, and would like to talk to Government about piloting an approach to Individual Learning Accounts to ensure that local provision matches local labour market demand.

HR and Workforce Planning Scheme

Around 45% of employment in Greater Lincolnshire is in businesses with fewer than 50 employees, far higher than the national average. SMEs, particularly small SMEs, lack HR and training departments. They struggle to make sense of the number of schemes and initiatives, aren't able to plan as effectively as larger organisations and are asking for support. There is intent from our SME base to offer placements, or recruit new people, but they need some advice. With government and partners, we will seek funding for a game-changing HR and Workforce Planning Scheme that will increase good quality employment opportunities, whilst rapidly increasing the productivity of SMEs. Initial focus would be on some of our more exposed sectors where there are may be future skills shortages, including: Agrifood, Health and Care, Visitor Economy, Manufacturing (including advanced manufacturing), and Ports & Logistics.

If unemployment rises to 10% across Greater Lincolnshire, which is within the scope of many forecasters' projections, roughly 32,250 more people will be jobless than before

the crisis. The UK's new points-based immigration system could create substantial labour market disruptions in Greater Lincolnshire – where at least 40% of the workforce currently earns less than the new £25,600 salary threshold, and 10% below the minimum £20,480, which applies where candidates have a job in a “shortage occupation” as defined by the Migration Advisory Committee. A daunting challenge requires an ambitious response.

Where the scheme fits

The HR and Workforce Planning Scheme is an integral element of the employment and skills support offers. We want to ensure that our support takes a multi-pronged approach to the challenge focusing on three cohorts: young adults (16-19), adults, and the support to help employers help the workforce. Jobs ultimately need to be created by businesses, who need support at this time – particularly SMEs. Two of our previous programmes, our Skills Adviser Pilot and our Recruitment Adviser Pilot have shown that there is a need for support for our SMEs in the area of workforce development, recruitment and employment, that would increase the number of and quality of available jobs and careers. We want to build on these pilots.

Cohort	Young adults (16-19)	Adults	Employers	Trainingask tied to government announcements and strategic priorities
Objective	Avoid young adults becoming NEET, and dropping out of the labour market for the long-term	Smoothing the transition into new sectors by one-to-one support for rematching of displaced skills	Support for leaders to re-think their workforce strategy for the new normal	
First step	Tracking school leavers and targeting Kickstart programme towards local sustainable jobs	Pilot programme focusing on the agrifood sector	Specific support around making the Winter Economic Plan work for employers	
Informing LEP policy on barriers to employment – childcare, transport, etc.				



Our ambition is to create a supportive business environment for entrepreneurs, micros and SMEs to grow and become more productive and resilient

The full and final impact of Covid-19 on the business environment has yet to be seen but some key points should be noted. While supply chains have been fairly resilient, there has been some disruption – the manufacturing sector estimated fall in output of a fifth in the second quarter and sector has used furlough extensively.

Elsewhere, impacts are mixed. The economic shock has prompted entrepreneurship, with Companies House noting high rates of company formation². There has been high demand for shorter-term digitisation/marketing and product development projects but less for productivity and capacity building projects. Many businesses have only survived by taking on extensive debt, which is likely to hang on recovery, and may add to future vulnerability.

In response, we have led the East Midlands Cluster Covid Business Support response and recovery plans and the Business Lincolnshire Growth Hub has operated the Government's Tourism and General Business Kickstarter Grants. We have used ERDF Digital grant funding to support homeworking implementation. And we have developed new pilot programmes to support companies through to evolve through the shock, including the Transformation Manufacturing, Supply Chain Development, Business Resilience and Peer Network Programmes.

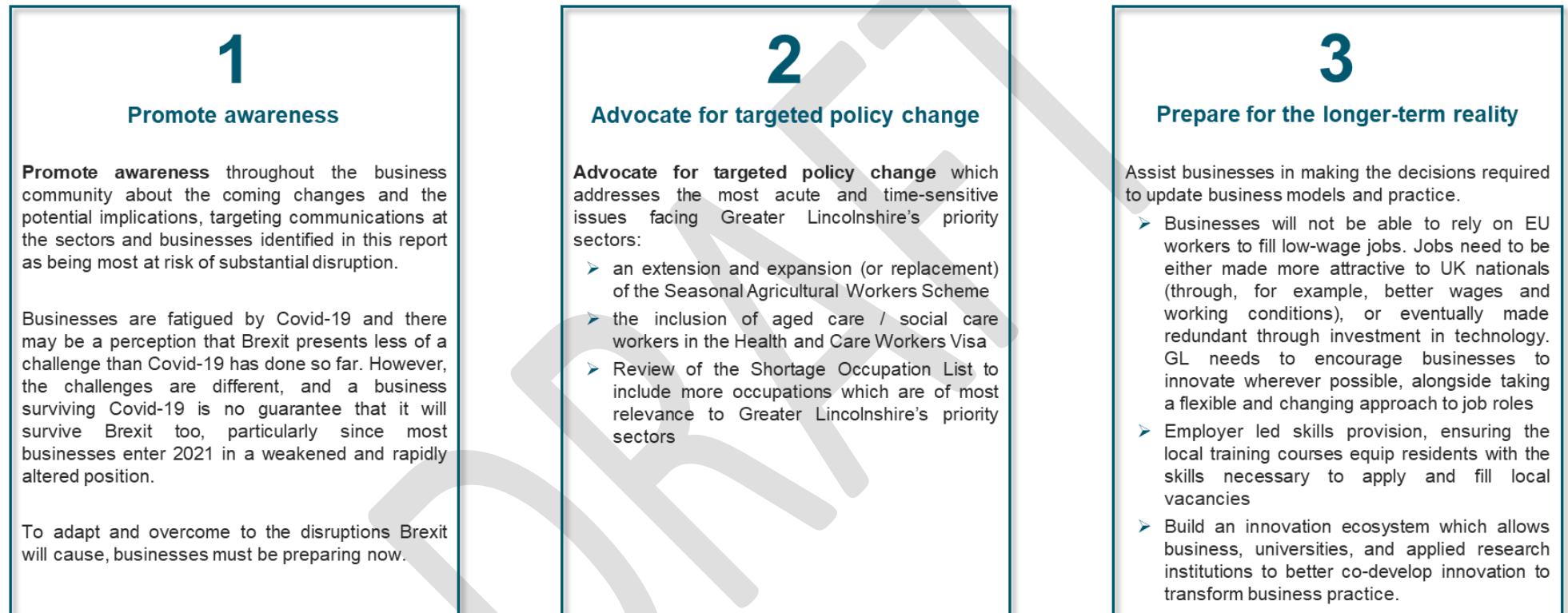
Our Priorities for Years 1-5

- ❖ Support the digital transition and Industry 4.0 through Greater Lincolnshire **Fibre to Premises Programme** for Industrial estates
- ❖ Facilitate support such as bid-writing, signposting to useful resources and organisations such as the British Business Bank, and growth hub funding
- ❖ Draw in inward investment through a **local internationalisation strategy**, taking advantage of opportunities provided by Brexit.
- ❖ Work with the University of Lincoln to deliver the **Productivity Hubs programme** - creation of series of hubs in Greater Lincolnshire with and accompanying Accelerator programme and seed funding competition
- ❖ Grow the Team Lincolnshire ambassador network to provide business to business support and open up opportunities for collaboration and innovation

² <https://www.ft.com/content/cbb844f2-b852-4b83-bc7d-f87476cfafca>, though note some of this is due to fraudulent activity

Supporting Greater Lincolnshire's businesses to meet the labour market challenges of Brexit

Finally, we need to acknowledge that while Brexit presents opportunities, businesses need support to adjust. Our strategy to help has three elements:



The window for actions 1 and 2 is limited, although it is likely policy concerning our relationship with the European Union will keep developing after January 1st. The third part will require an ongoing, close relationship with business to help with the adjustment.



Our ambition is to develop the infrastructure needed to support business growth, connect people, and be prepared for future growth and challenges

The lockdown, implemented in response to Covid-19, significantly changed the way we move around. Use of motor vehicles fell by 65%, buses by almost 90% and rail use by 95%. At the same time cycling became much more popular, with usage peaking at 2.5 times the baseline values at the end of May³, and green infrastructure playing a big part in supporting mental and physical health.

Since then, motor vehicle usage has returned to close to baseline levels, and cycling has declined, although remains above average. Use of public transport modes, however, remains below half of its pre-Covid level, and on the current trajectory will take a very long time to return. Government has had to heavily subsidise these modes of transport.

Internet use has also increased during lockdown, with users spending a quarter of their waking day online (Ofcom). Digital infrastructure has generally been able to cope with this, although workers in remote areas have found it particularly hard to keep working.

As part of our response to this situation, Greater Lincolnshire has already secured £4.4m funding for the Killingholme Pumping Station as part of the Getting Building Fund. This will allow further development and investment on the South Humber Bank (the UK's biggest enterprise zone by area) by protecting industrial land from flooding.

Our Priorities for Years 1-5

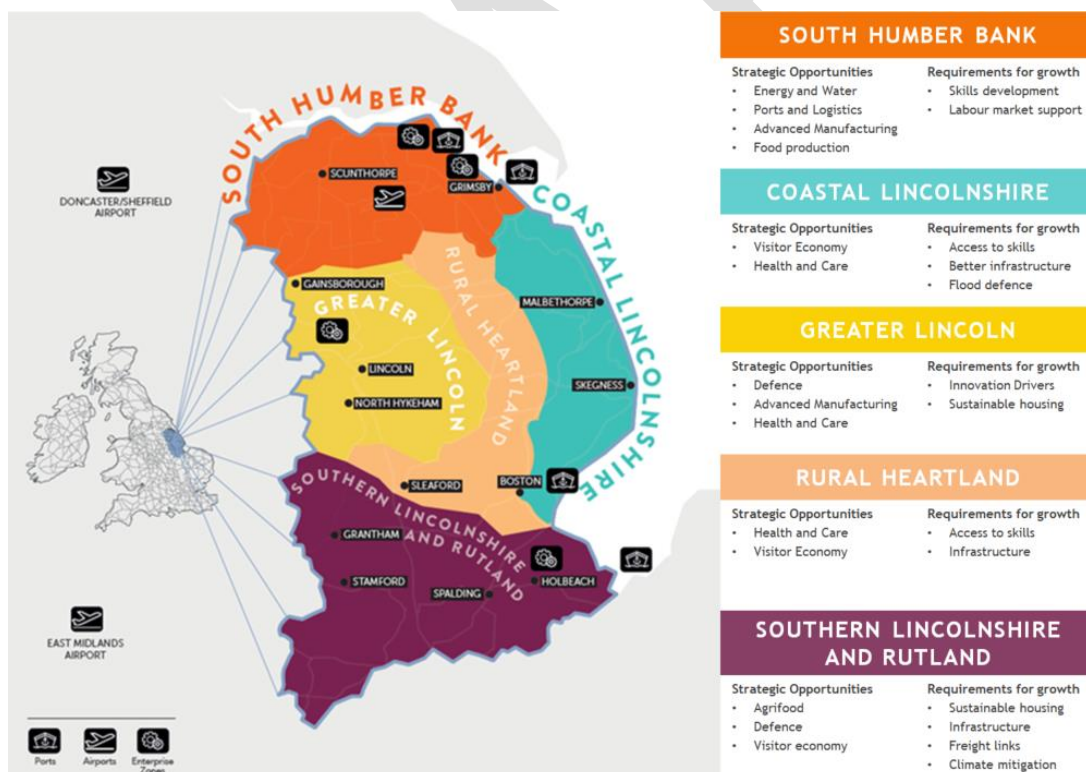
- ❖ Deliver the **Greater Lincolnshire Strategic Infrastructure Delivery Plan**, with the priorities being North Hykeham Relief Road, the A46/A15 enhancements, and improvements to the A16 and A17, and A1 upgrades to Motorway standard. We will deliver cycling and rail upgrades, alongside a targeted marketing programme to ensure Lincolnshire is recognised as the Netherlands of UK cycling.
- ❖ Support transport connectivity through designing EV connectivity into new developments. And we will deliver full coverage of 4G mobile to ensure no 'not spots' remain and encourage rollout of 5G across all of Greater Lincolnshire. And we will work with Anglian Water, the Environment Agency and other partners to try to guarantee flood resilience into the long-term.

³ Analysis of DfT statistics

Our ambition is to capitalise on the dispersed economy to create a leading polycentric, productive economy.

Right across Greater Lincolnshire, towns and high streets are at the heart of our place strategy. We know retail and hospitality have been especially hard hit, and that many of our high streets came into this crisis in an already weakened position.

The following pages set out the five spatial corridors of Greater Lincolnshire and the emerging Towns Investment Plan priorities. We possess an attractive quality of place offering, with low population density, plenty of rural space and built up areas. Each spatial corridor has different opportunities and challenges which must be supported and nurtured. The larger urban areas provide diverse heritage, industry and living, which can and should be supported through the recovery plan and local industrial strategy. Taken together, this will ensure quality of place and future vitality across coastal, market, and industrial towns in Greater Lincolnshire.



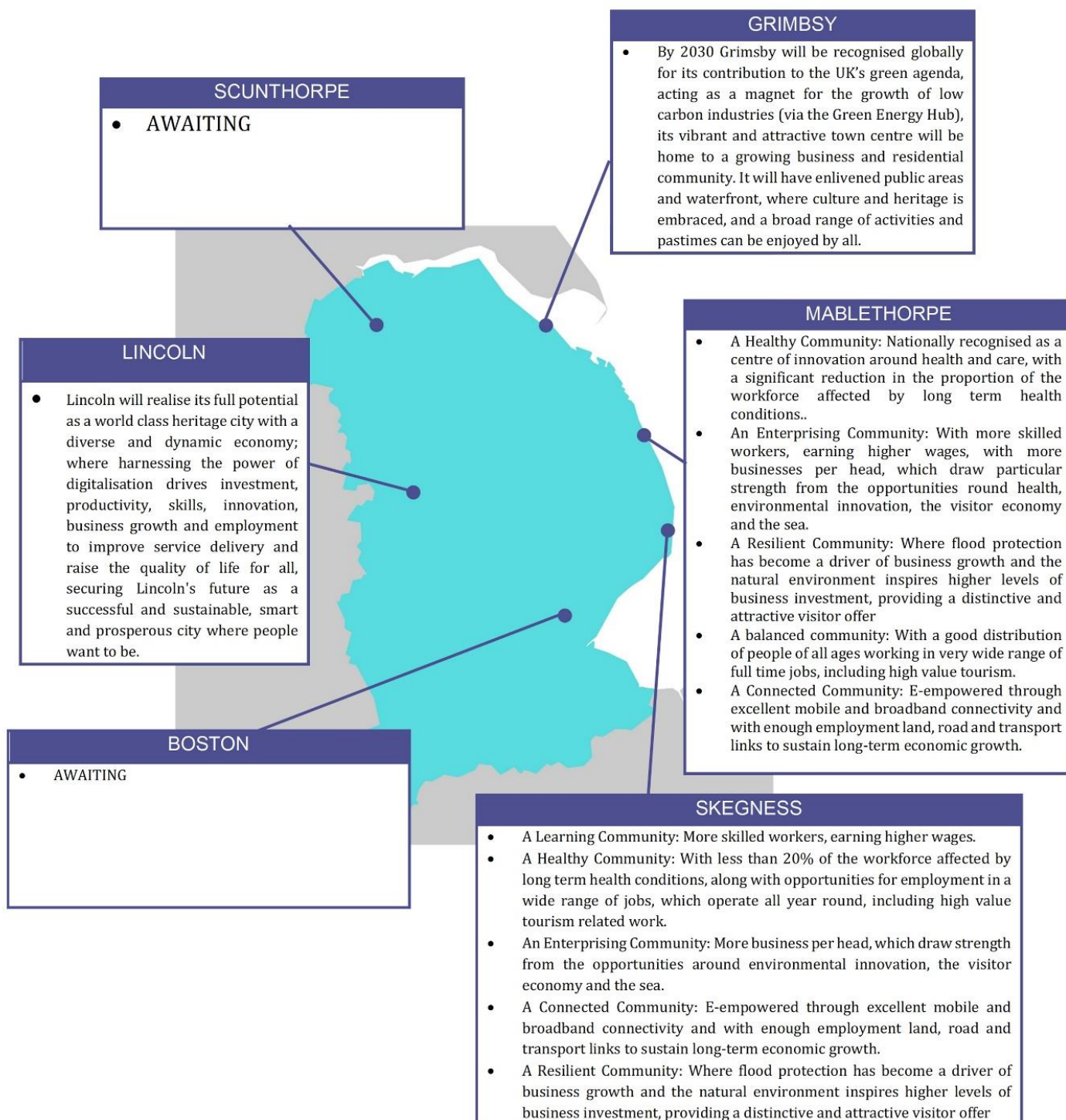
Our priorities for years 1-5

We will deliver the Future High Street and Towns Fund bids for Greater Lincolnshire Towns, and align these with place-based investment strategies. We will develop local co-working spaces across the area, starting with a review of available high street spaces for

creative new uses such as co-working space, encouraging young entrepreneurs to open up businesses, and working with central government on towns investment plans.

Town Investment plans

The Government's £3.6 billion Towns Fund is intended to contribute towards the drive for Levelling Up in the UK. It builds on the approach pioneered in Grimsby for the Grimsby Town Deal. We have six towns with Town Investment Plans:



The South Humber Bank

The South Humber Bank has an array of economic strengths with significant opportunities in decarbonisation and advanced manufacturing. There are significant opportunities within the area with the decarbonisation of strategically important industries like steel, oil refining and chemicals, building on the clusters of energy production that are already in place to grow investment and jobs in the low carbon sector. North Lincolnshire offers the UK's largest developable land bank, including nearly 600ha of Enterprise Zone adjacent to a deep-water estuary. Our priorities include:

- Securing a **Humber Freeport** which includes the South Bank Ports of Grimsby, Immingham and Able which will attract FDI and local business growth through incentives and investment opportunities, while continuing to promote and secure investment in our Enterprise Zones, in particular the Stallingborough Interchange site
- Build on progress made on **local town centres**, encouraging investment through the Stronger Towns Fund and focus on the regeneration of the towns with industrial heritage. Deliver a partnership-based approach to increased unemployment and economic inactivity with a particular focus on more deprived communities and individuals who may be more adversely affected by Covid
- Promoting the Humber Energy Estuary – supporting the growth of the offshore wind industrial cluster, and the development of the decarbonisation cluster, and supporting the area to become the UK's center for low carbon energy generation, with pilot projects that test new technologies such as hydrogen fuel.
- Delivery of **Lincolnshire Lakes**. This will create 6,077 homes, by investing £1.2bn to building six new villages over eight square miles to the west of Scunthorpe. These will be high quality, sustainable riverside villages, supporting health and employment.
- Lobby for improved **east-west rail connectivity** from Cleethorpes via Scunthorpe to Sheffield and the North West

Coastal Lincolnshire

Reliance on retail and hospitality means that Coastal Lincolnshire is one of the most economically at-risk parts of the country due to Covid-19. The Skegness, Mablethorpe and Boston town deal investment plans showcase new ways of living, working and supporting vulnerable communities in relatively isolated settlements, while the Cleethorpes regeneration project has secured over £7m of investment. Our priorities include:

- Mitigating damage to the visitor economy sector in the medium term, and capitalising on greater demand for domestic tourism and recent investment projects by refreshing marketing offer, the Tourism Action Plan and the development of a Greater Lincolnshire wide Designated Marketing Organisation
- Encouraging coastal investment through the towns fund - enhanced local trading with the Connected Coast town deal investment plan central to economic plans, while utilising the towns fund to aid in the regeneration of designated towns
- Facilitating start-up enterprises locally, convening businesses and encouraging enhanced local trading, while investing in skills to address the challenges of inequality
- Unlocking key development sites and implement local development orders

Rural Heartland

The advancement of digital technologies as a workplace tool provides our rural heartland with significant opportunities to attract business, and maintain increased spending within local economies. However, connectivity remains a major challenge, a focus sharpened by the Covid-19 crisis, although rural areas have remained relatively unaffected in health terms. Town centres such as Sleaford and Boston will need to refresh and diversify their vision through the towns fund, and their SME-heavy business base needs to be supported. Our priorities include:

- Delivering cycling and walking route upgrades, along with a targeting marketing programme to ensure Greater Lincolnshire is recognised as a UK centre for cycling.
- Repurposing of existing business spaces and the prospect of local hubs within settlements from villages to larger market towns
- Support fibre broadband uptake; especially with the difficulties around FTTP (Fibre to the Premises) in rural areas, and achieving full coverage of 4G mobile to ensure no 'not spots' remain
- Supporting the growth of micro-businesses and encouraging inward investment, facilitating start-up enterprise locally and identifying the scope for local trading

Greater Lincoln

The city of Lincoln has shown strong recent growth and development enhancing its status as a cultural and technology centre for the local area. Recent developments such as the Lincoln Science and Innovation Park, Medical School and Cathedral Connect have significantly strengthened the city's work, living, educational and cultural offer. There is a drive to ensure Lincoln is at the heart of digital technology for local area; building on its strong defence assets, whilst levelling up the City and key towns such as Gainsborough.

However, the City of Lincoln has been particularly impacted during Covid-19, with reliance on its University, visitor economy and the high street; and as the health centre for the area. Outside of Lincoln, there is a need to support town centres such as Gainsborough. Our priorities include:

- Encourage investment through the Stronger Towns Fund (Lincoln) and focus on the regeneration of Gainsborough.
- Fulfilling infrastructure priorities, including the North Hykeham relief road, A46/A15 upgrades, and rail enhancements from Newark to Lincoln
- Anchoring a defence cluster around the Lincoln Science and Innovation park , and carrying out the redevelopment of RAF Scampton.

Southern Lincolnshire and Rutland

Although dominated by food production, logistics and agri-tech businesses to the East, Southern Lincolnshire also has a diverse small business base and high quality of life, making the area well position to benefit from changing working practices and proximity to London. The nationally important food corridor across Southern Lincolnshire has played a major role in keeping the UK fed throughout the pandemic, though the rapid shift in demand from food service to food retail has placed a significant strain on the local business base, with horticulture also taking a hit. Our priorities include:

- Building on the successful development the **Food Enterprise Zone**, developing a 'Food Valley UK' concept and making the area an attractive landing spot for vertical growing and glasshouse expansion, securing inward investment and contributing to reducing national reliance on food imports, while ensuring that there is a labour pool that can deal with changing consumer demands of the food industry, particularly post-Brexit
- Improving road and rail connectivity to remove car dependency and support the efficiency and environmentally sustainability of the logistics industry, and delivering the Spalding Western Relief Road, Improving digital infrastructure and power utilities access
- Building on Rutland's strengths in the visitor economy sector, and delivering of the St Georges Barracks Garden Village in Rutland

5 Funding

[To be completed, example only at this stage]

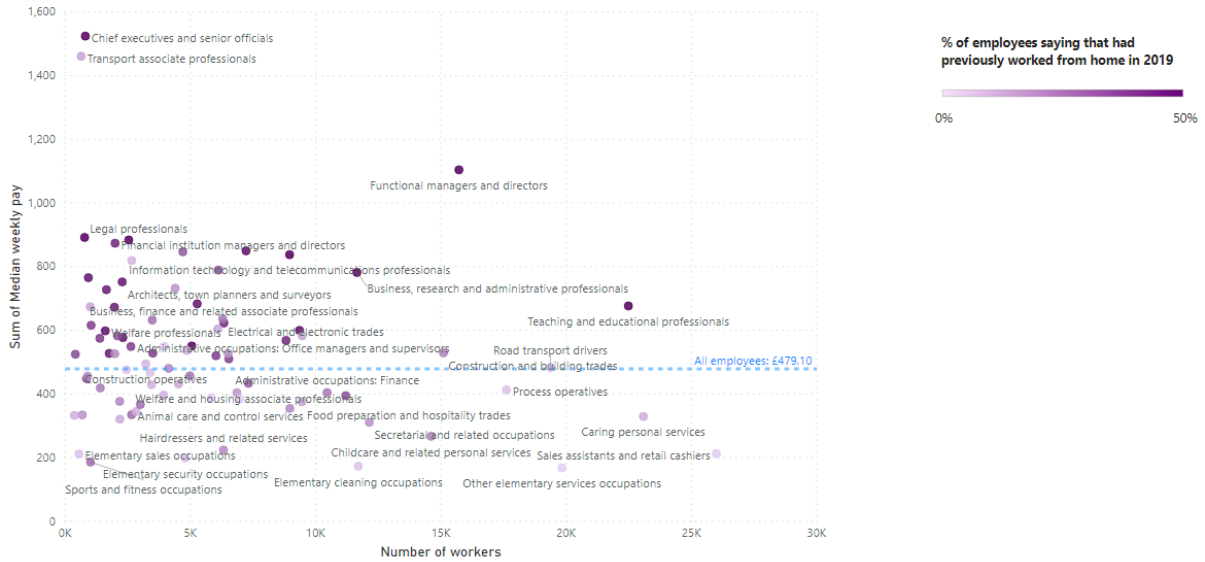
	Programme	Funding (£m)	FTEs Created	Into work or training
Protecting	Kickstart			
	New HR & Workforce Planning scheme			
	Levy transfer scheme			
	LAEP taskforce			
	Early years and nursing home capacity and resilience review			
Progressing	Institute of Technology			
	Strategic Infrastructure delivery plan			
	ORE Catapult and Velocys bids			
	Defence Board & local sector review			
	Made Smarter Digitalisation Pilot			
	SAP programme			
	Fibre to Premises Programme			
	Town Investment Plans			
	Digital service innovation for FEZ etc			
Prospering	Industrial decarbonisation cluster			
	Theddlethorpe gas terminal			
	Modernisation of the visitor economy sector			
	Agri-grants Programme			
	Tourism Zone			
	Team Lincolnshire ambassador network			
	Freeport bid			
	Centre for Innovation in Rural Health			
	Centre for Food Logistics			
Graduate Internship Scheme				

	Programme	Funding (£m)	FTEs Created	Into work or training
	Internationalisation strategy			
	Productivity Hubs			
	EV connectivity			
	Energy Testbed			
	Total:			

DRAFT

Appendix 1: Additional Covid exhibits

Figure 5. Occupations in GLLEP, by number, wage, and ability to work from home



Sources: ONS dataset Coronavirus and homeworking in the UK labour market: 2019, ONS Annual Survey of Hours and Earnings table 14.1a, ONS Social Survey (ad hoc request)

Figure 6. Sectors by GVA, employment, and UK proportion of workforce sick/self-isolating with Covid-19, 6th-19th April 2020

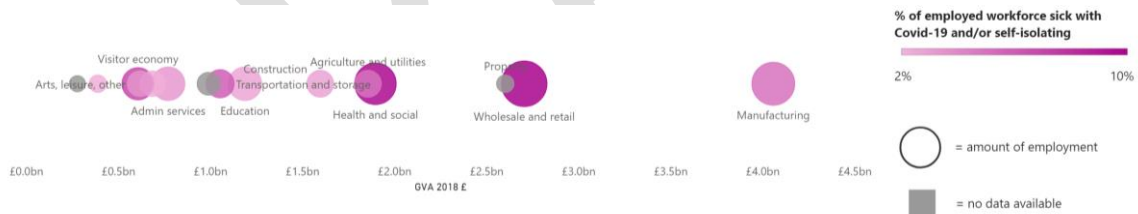


Figure 7. Proportion of 16-64 population who are claiming, by district

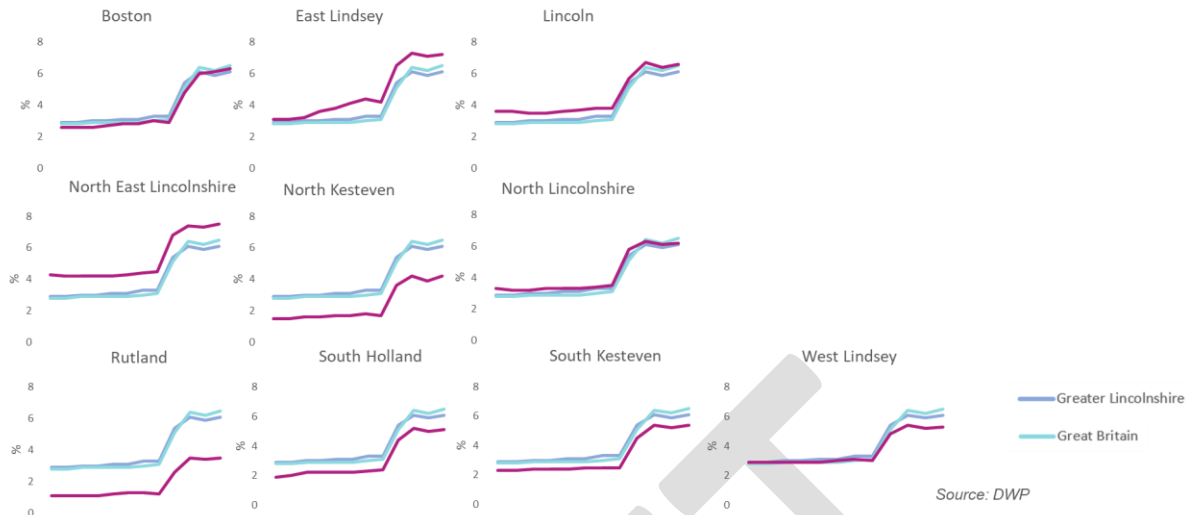
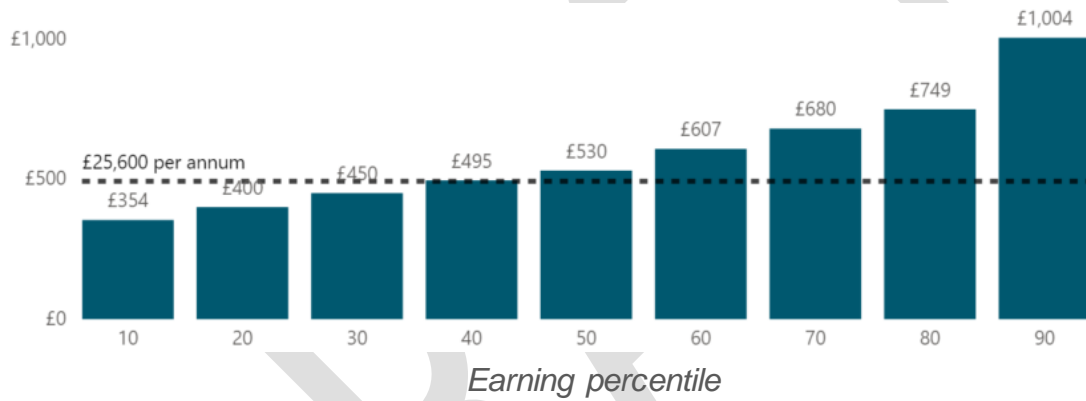


Figure 8. Gross weekly salaries of workers in Greater Lincolnshire



Source: Metro Dynamics analysis of ONS ASHE Table 14. Wage data is for the East Midlands. 10% of workers are in each decile, while the columns represent the average wage for workers in that decile. The 50th percentile number is the wage of the median worker – in the chart above, that is £530 per week. The dotted line represents the £25,600 salary threshold for skilled migrants (which equates to £492 per week). Workers in deciles below this line are paid less than the salary threshold.



Metro — Dynamics

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Paper 8 – Innovation Council Update

Publication	Public Paper (published)				
Meeting date:	6 th November 2020				
Agenda Item:	8				
Item Subject:	Innovation Council Update				
Author:	Vicky Addison				
For:	Discussion		Decision		Information X

1 Background

- 1.1 This year we have adapted our agenda to support our businesses through the pandemic whilst retaining focus on the Greater Lincolnshire LEP priority sectors.
- 1.2 It is critical for our local economy to find the right balance between supporting struggling businesses, building resilience and providing those businesses who have the potential to drive the economic recovery the necessary support to do so. Whilst many sectors in our place will be battling to survive, there will be opportunities opening up to other businesses in a post-covid19 landscape. We also want to support a thriving labour market with opportunities for residents and higher skilled jobs and wages.

2 Recent Meetings

- 2.1 During the May and June meetings we took the opportunity to review the LIS innovation-related commitments for Greater Lincolnshire’s economic recovery in light of the current pandemic; Innovation is covered in 2 parts of the local industrial strategy:
 - 1) In the priority sector chapters to increase innovation and increased diffusion of existing technology
 - 2) In the ‘Ideas’ chapter to broaden and deepen the base of innovating firms in our region
- 2.2 At these meeting both Alex from Metro Dynamics and James Baty, Policy and Research Manager provided useful insight and data for the group to consider and discuss where the focus should be in terms of prioritising innovation activity within Greater Lincolnshire during recovery from Covid-19.
- 2.3 The Council reflected on the role of innovation in Greater Lincolnshire’s recovery and growth and considered short, medium and long term actions that we can undertake locally as a partnership, and that we can develop to lever in national and private sector resource.
- 2.4 We concentrated on whether the landscape had changed, through the lens of 6 priority sectors: Food, Health and Care, Defence Energy, Visitor Economy and Ports/Logistics and where the focus should be.
- 2.5 This included increasing innovation in the sector clusters (in particular Food and Defence) and better diffusion of existing technology (in Health & care). Also in increasing innovation in Energy and Logistics; including the green agenda and the significant opportunities decarbonisation of our economy presents. There was also the question around the role of innovation in our visitor economy sector and how this can help lead post covid-19 recovery for a sector which has been deeply impacted.
- 2.6 October’s meeting was led by Dr Craig Marsh, PVC for International Partnerships and Director of the Lincoln International Business School. The discussion topic was leadership in a post Covid-19 world and centred around three leadership challenges; How to balance execution while incubating new opportunities / trend spotting, How to find system solutions and how to make sure leadership is not about you, the leader? The group discussed a range

Paper 8 – Innovation Council Update

of issues focused around why leadership really matters in order to facilitate and enable innovation within business.

- 2.7 The group heard from two Greater Lincolnshire Businesses that have role modelled transformative leadership within their businesses to instigate change. Raising questions around a is there a potential mismatch between our leaders and followers and do we understand who our people are in Greater Lincolnshire
- 2.8 The meeting concluded that more work was needed around how this works in different organisations and what are the particular gaps that need to be filled through the various support packages Greater Lincolnshire has to offer.
- 2.9 The discussions and meetings held have contributed to both the Local Industrial Strategy and the recovery plan feeding through to the LEPs future planning.

3 Members

- 3.1 This year we have welcomed 4 new members to the board:

Dean Fathers	Board member GLLEP and Chair Health and Care Enterprise Committee Visiting Professor of Resilience at the University of Lincoln and Chair LIBSCOR and LIIRH Chair, GreenKite Associates NED Diagnostic Healthcare, NeedleSmart and PHSO Board Advisor PDMS, OxeHealth and Illingworth Research Governor Portland College
Harry Norman	Managing Director, OAL
Mick Lochran	Principal North Lindsey College and Deputy CEO to DN Colleges Group
Stephen Savage	Solicitor- non-practicing. Partner in JAND Property LLP. Angel Investor. Vice Chair Humber LEP (South Bank Rep.) and Chair of Employment and Skills Board

A complete list of members is attached in Appendix A

4 Productivity Programme

- 4.1 The Innovation Council also provides oversight of the Productivity Programme for Greater Lincolnshire, reviewing activity and progress through updates at each meeting.
- 4.2 The programme is progressing well and beginning to build a strong case study portfolio of publicity material of the support to we have provided to businesses. Covid-19 has had an impact on the programme but delivery has quickly been adapted to online delivery and is responding to the current needs of businesses.
- 4.3 In the first 12 months of delivery the programme has gained momentum, completing 106 12hr Business support interventions, 9 Productivity grants, 2 Productivity Vouchers, 14 placements on Growing Graduate Enterprise and completed 11 Internships.
- 4.4 A strong pipeline of support including, 28, 12 hour businesses support interventions, 14 Internships, 7 Productivity Grants and four 6 Productivity Vouchers currently being developed to application stage and 14 placements on GGE.

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4.5 Case studies of some of the business supported through the Productivity Programme can be found here <https://youtu.be/SBJd6QvooWA>

5 Future Meetings

5.1 The board will continue to meet quarterly and will focus our discussions around supporting Greater Lincolnshire businesses with COVID recovery, future proofing and planning for the future. These meetings will focus on the priorities outlined within the Local Economic Plan and Local Industrial Strategy.

Appendix A

Name	Job Title
Mary Stuart	Vice Chancellor Lincoln University / Chair of Innovation Council
David Marlow	CEO, Third Life Economics
Dean Fathers	Board member GLLEP and Chair Health and Care Enterprise Committee Visiting Professor of Resilience at the University of Lincoln and Chair LIBSCOR and LIIRH Chair, GreenKite Associates NED Diagnostic Healthcare, NeedleSmart and PHSO Board Advisor PDMS, OxeHealth and Illingworth Research Governor Portland College
Eric Hilton	CEO, Nutraceuticals Limited
Harry Norman	Managing Director, OAL
Pete Holmes	Assistant Director - Area Lead for Greater Lincolnshire, Cities and Local Growth Unit, Gov UK
Julian Bowrey	Regional Manager East & South East Midland, Innovate UK
Kate Pym	Managing Director, Pym's Consultancy Ltd / Commercial Director, Transdermal Alert
Martin Collison	Director Collison & Associates Limited / AgriFood Advisor to the Greater Lincolnshire LEP
Mick Lochran	Principal North Lindsey College and Deputy CEO to DN Colleges Group
Stephen Savage	Solicitor- non practicing. Partner in JAND Property LLP. Angel Investor. Vice Chair Humber LEP (South Bank Rep.) and Chair of Employment and Skills Board
Tony Burnell	CEO, Metis Aerospace Ltd. Chair of the Aerospace, Defence and Security (ADS) Trade Associations Drone Platform and Counter Drone Group and a member of their Security Sector Board
Alex Wright	MCo-founder and Managing Director, Knapton Wright (Creative Marketing Agency)
Angela Maxwell	Director, Acuwomen
Daniel Ionescu	Managing Director, Stonebow Media, The Lincolnite & Lincolnshire Reporter
Vicky Addison	Head of Business Incubation, Innovation & Growth, University of Lincoln
Andrew Stevenson	Director, Research & Enterprise University of Lincoln

Paper 9 – Local Area Energy Plans

Publication	Public Paper (published)					
Meeting date:	6 th November 2020					
Agenda Item:	9					
Item Subject:	Local Area Energy Plans					
Author:	Andrew Brooks					
For:	Discussion		Decision		Information	

1 Executive Summary

- 1.1 Our social and economic well-being depends on a secure, affordable and reliable energy supply. This energy supply needs to be capable of meeting our needs for power, heating and transport within homes and businesses across Greater Lincolnshire. Our energy demands vary depending on the time of day and season of the year. This means the way we supply energy needs to be flexible in order to meet these variations, and the diverse nature of our area provides challenges in matching that demand and supply.
- 1.2 The supply of power and heat to homes and businesses has been viewed strategically at a national level, up to now. However, we increasingly need to play a role in shaping our own future energy needs. Understanding this use of power, heat and transport energy in the local area, is the first step to developing a system that considers and attempts to integrate both this demand and supply perspective for Lincolnshire.
- 1.3 By preparing a Local Area Energy Plan (LAEP), we can develop an understanding of our energy needs, and identify direct economic opportunities to improve them. However current guidance on LAEPs (in the way of toolkits) needs to be treated, with following caveats:
- Local distinctiveness will need to be carefully thought through, in what are ostensibly a set of checklists, that have been developed with a urban/metropolitan baseline
 - Rurality and sparsity may not give credence to viable business case options if not handled carefully, when competitive funding regimes are a mechanism for energy delivery, or full BCR business models need to be justified
 - The Greater Lincolnshire Local Enterprise Partnership area covers many different needs from an energy perspective; agricultural, industrial, tourism, healthcare, transport, food-processing, logistics, horticultural, ports, rural, urban, commercial, residential and all aspects of our local economy.
 - The Greater Lincolnshire Local Enterprise Partnership area boasts multiple different place based energy resources; offshore wind, anaerobic digestion, energy from waste, hydrogen (blue, grey, brown and green), solar, tidal, etc,
 - The two last bullets together provide a flavour of the local, placed based nature of needs and resources, they do not match and therefore need careful consideration as to how they are connected and served to ensure maximum sustainability, affordability and local service provision is provided.
- 1.4 This paper aims to set out the understanding needed to underpin this approach, whilst also recognising that the process may not yield the engagement and investment needed, without articulating the right geographic level of business cases from our unique place based perspective.
- 1.5 Important questions that hang around development of an LAEP, include:

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- What geographic level of scale would be most appropriate for an LAEP/s to show the right level of business case justification for energy?
- What categories of focus would and LAEP/s need to focus on, to show local impact?
- Who would lead, and who would be part of the enabling framework collating the information?
- How would we resource delivering this activity in the future?
- What skills, competencies, knowledge and experience is needed for LAEP compilation, design, execution, maintenance and decommissioning for future needs?

2 Introduction

- 2.1 Local Area Energy Planning is a critical enabler of decarbonisation by helping transform local energy systems in support of UK Net Zero carbon commitments. The concept of whole system Local Area Energy Planning was developed by Energy Systems Catapult in response to the challenge of decarbonising heat and transport - delivering cost-effective strategies that build the confidence needed to unlock investment in low carbon energy systems.
- 2.2 Local Area Energy Planning (LAEP) is a process which has the potential to inform, shape and enable key aspects of the transition to a net zero carbon energy system. Meeting the challenge of energy system decarbonisation needs local leadership, engagement and initiative-taking.
- 2.3 This is because of both:
- The nature and challenges of the systemic changes required (and how they vary between places)
 - The sheer volume and distribution of people and organisations who will need to be involved in making them
- 2.4 If done well, LAEP can provide sound foundations for effective and sustained local action to cut carbon emissions taken by well-informed local leaders and initiative-takers. The resulting plan can potentially underpin specific proposals to upgrade local energy networks to enable decarbonisation in line with local objectives. Done well and consistently across many localities, LAEP can inform sharper, more effective and better targeted national policies. The report has been reviewed and the consensus amongst experts is that it is a useful checklist, it is not a manual of how to design, implement or maintain a Local Area Energy Plan. The relationship between data and the digital needs of the region is closely aligned with the ability to populate a well considered LAEP. The two are reliant on each other.

The four key elements for Local Area Energy Planning

- 2.5 The resulting report, Local Area Energy Planning: The method, outlines the four key elements that constitute LAEP and which in combination can ensure these positive outcomes are achieved:
- The use of robust technical evidence produced using analytical techniques which consider the whole energy system and make consistent use of available data, and whose strengths and weaknesses are well understood.
 - A comprehensive assessment of wider non-technical factors which need to be understood and addressed to secure change.
 - A well designed and involving social process which engages appropriate stakeholders effectively, uses the technical evidence appropriately, and manages vested interests

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effectively, thus ensuring the resulting plan can be seen as an informed and legitimate representation of local intent in relation to energy system decarbonisation.

- A credible and sustained approach to governance and delivery

2.6 You can find the full draft report here <https://es.catapult.org.uk/wp-content/uploads/2020/08/LAEP-method-final-review-30-July-2020.pdf>. From the formulation of the LAEP a number of key areas can be highlighted, such as:

Target areas

Potential areas of initial focus could be around:

- Employment land, buildings and equipment/facilities
- Transport - e-mobility and logistics
- Local electricity production
- Heating/cooling
- Land use planning
- Circular Economy - waste from energy, carbon sequestration, etc.
- Procurement of products and services
- Working with citizens and stakeholders to improve their local Energy IQ knowledge

Working with partners to:

- Work to attract investment to grow low carbon, renewable sectors, as well as provide sustainable net zero options for all business growth
- Support businesses that also contribute towards protecting our environmental assets, for example sustainable construction and the built environment, use of brown-field sites, transport and waste management
- Support the development of high value markets for sustainable agriculture, food production, and ecotourism products and services
- Ensure all businesses can easily find advice and any incentive support to reduce their impact on the environment
- Promote Lincolnshire as a 'living lab' developing a concept of 'environmental growth', using economic prosperity to enhance the environment

Working with the Economy:

- To become a market leader in innovative business and low carbon technologies; increase productivity and raise quality across the economy
- Ensure other sectors are not constrained by the energy challenge
- Drive productivity, growth and profitability through innovative deployment of energy solutions for the locality.

In the context of locally-led LEPs there are the following benefits:

- In control of placed based destiny locally, rather than outsourcing to regional utilities that have other priorities.
- End users can better understand the amount of energy they use (and their mix of requirements for power, heat and transport).
- The area as a whole can understand the size of energy demand, and how it's divided between homes and businesses and the future requirements and solutions appropriate to place.
- It's easier to understand how much of this aggregate demand is met by existing local generation, and what might be needed in the future.

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- Future energy requirements (e.g. new housing or business development) can be considered and compared with the size of existing demand, and net zero ambitions
- Affordability and reliability of energy supply can be examined
- Investable propositions can be formulated, to support robust business cases in the future
- All these details can then be collated in a single information source shared by everyone

2.7 Wider context to local energy plans

Underpinning this type of activity will also need to take into account the wider implications of energy delivery, that of:

- A whole-system view - looking at the combined energy requirements of power, heat and transport, rather than viewing them as separate items
- A stable, managed energy transition - taking the whole-system view means changing the way we produce and use energy in everyday lives. This change needs to be managed efficiently to ensure that the impacts are positive, and still achieve net zero
- A smarter model of local energy provision - traditionally we've met our needs by supplying large quantities of energy from large generation plants that feed a large and complex supply network. Being smarter means considering when and how we use energy throughout the day and across different seasons, and how we deploy options that allow this increased amount to be used flexibly to support growth and investment
- A holistic approach to infrastructure deployment - The connection between digital, roads, healthcare, etc when constructing infrastructure needs an enabling framework to ensure coherency and consistency.

2.8 Important considerations

It is proposed that:

- The LEP takes leadership in the development of its own place based future
- There should not be any subcontracting of the compilation of a LAEP out to regional based utilities that have to represent others in their contract package area, as this will compromise the decisions that are in the best interest of the GL LEP area

2.9 For instance both NPg and WPD both serve communities and large conurbations outside of the GLLEP region and therefore will focus on balancing their network resources to best serve the business needs of each - which may not be in the best interests of GLLEP.

Rather, these stakeholders (NPg and WPD) are key stakeholders along with many others in the GL LEP area that will need to feed into and be recipients of the GLLEP version of its own LAEP. Relinquishing this responsibility will lead to the LEP being accountable but not responsible for the outcomes others deliver on their behalf.

2.10 What would be required?

The table in the attached appendix A, indicates some of the work expected to be able to support the idea of a LAEP, and in itself is quite a body of work to undertake.

It is important to understand there are a number of short-comings to the document, as it's still labelled draft with a lack of any definitions or glossary at the present. Issues this raises include:

- No definition of what “Local” is, or the place based nature that it may be (e.g. urban/rural)
- No concept of emergence and enablement to allow for “the opportunistic non-planned events or man-made/ natural disaster “ to be designed in

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- Adaptation - not highlighted as an essential re-planning requirement/priorities for local energy infrastructure to be resilient for place based, rather than national or regional requirements

2.11 How would this be resourced?

In terms of the next stage of need required by the LEP, proposals for increasing this critical support include:

- Developing a full time policy lead position to deal with the expansion of scope and geographical clusters
- Creating an annual financial technical advisory support allocation, to be deployed where appropriate
- Bolstering the LEP Energy Council with resource to allocate task & finish groups, where these groups activity will develop actual viable business cases for LEP main board consideration and approval around future investment propositions, and project pipeline proposals

2.12 The value of £225K, over a 5 year period, of which the breakdown would be:

- £125K input into staffing costs
- £75K technical advice retainer
- £25K marketing & promotion budget

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Appendix A

Stage	Development step	Description	Signpost
INITIALISING	Outline the challenges	Give initial thoughts about a defined local area, its characteristics and energy challenges	Initial Challenges
	Initial approach	Take initial discussions to wider organisations for input, via enabling framework process	Initial Approach Stakeholder Checklist
MOBILISATION	Develop local Enablers & strategic owners	Seek local representatives to represent cross-section of views and interests. Consider initial mix of skills and experience in terms of data analysis and project development	Engagement
	Consider how to manage the initial study work	Reflect on how to manage initial study work. If appropriate, create a local steering group from the representatives identified in previous step and via discussions	Developing Community Actors
	Determine study area boundary	Review proposed study area and agree initial boundary for data collection	Data Boundary Area
	Aspirations and ambitions	Review national and devolved governments' views of low carbon future. Consider local response to these and how this relates to local challenges and opportunities. Determine initial aspirations and ambitions for the LEP	Aspirations and Ambitions

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DATA GATHERING	Local authority context	Review present planning policy position relevant to LEP. Include Local Development Plan, LHEES, Locality Planning, Local Outcome Improvement Plans, Local Place Plans, Carbon Management Plans and Sustainable Energy Action Plans (where applicable)	Local Authority Context
	Energy and transport work to date	Review relevant reports/studies and pilot schemes relating to local action around energy and transport	Previous Studies
	Tier 1 data gathering - baseline energy, transport and natural resources data	Use existing publicly available data from UK Government sources. Supporting infrastructure data via relevant utility companies	Tier 1 Data Gathering Tier 1 Data Sources Tier 1 Data Collection Tier 1 Data Summary
	Tier 2 data gathering - baseline energy data	Obtain actual billing data for RSL, local authority, NHS and other non-domestic premises (where available). Obtain access to EST-held databases for domestic properties	Tier 2 Data Gathering Tier 2 Data Gathering Template
	Tier 3 data gathering - baseline energy data	Use energy billing information and efficiency information from local surveys, reports and studies (as available). Do the same in the case of travel surveys and transport related work	Tier 3 Data Collection
	Assess future development Impacts	Use local development plan, other regeneration/economic growth plans and relevant planning application details to determine scale of future changes in study area for duration of LEP	Baseline and Future Projections
	Create initial baseline and future projection	Breakdown of energy and transport profile based on data obtained	Tier 2 & 3 Data Summary Data Analysis

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OPTIONS APPRAISAL	High level options review	Review opportunities for action within areas of energy efficiency, low carbon generation, heat supply and transport. Look at case studies from other areas with emerging technologies (as relevant)	High Level Options Review
	Review against original ambitions and aspirations	Review with local steering group and wider community the range of high level options. Determine those most relevant to local ambition and the challenges/opportunities identified in previous steps	Engagement
	Concept design work	Develop concept design for each option identified in the previous step (as relevant). Determine sufficient detail to provide order of magnitude assessment of the costs, benefits and associated impacts of opportunities	Opportunity Template Concept Design Support Tool
	Initial net benefit analysis	Develop initial benefit assessment for each option (financial, environmental, social)	Technology Review & Opportunity Template
	Review initial options output	Review initial options appraisal work and confirm prioritised options or seek further work	Opportunity Template
	Refine options appraisal details	Refinement of initial work and/or extension of options	Concept Design Support Tool
	Finalise opportunities identified		Technology Review & Opportunity Template

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		Finalise details of opportunities, and prioritise for inclusion in LAEP	
PLAN DEVELOPMENT	Draft Local Energy Plan	Develop initial draft of LEP based on outputs of earlier tasks	Presenting the LAEP
	Review draft plan	Review draft LAEP with local area to confirm details align with aspirations/ambitions	Engagement
	Final plan	Complete finalised LAEP and collate all relevant supporting documentation and analysis. Feed back to local area	Presenting the LAEP
TAKING THE PLAN FORWARD	Access to the plan	Decide how to store the LAEP and relevant data and information securely. Ensure copies of the LAEP are available digitally	Taking the Plan Forward
	Making actions happen	Identify bodies tasked with specific actions, through the enabling framework model. Use wider delivery organisations to support delivery of specific actions	
	Keeping the LEP relevant	Consider how and when elements of the LAEP need to be updated	

Paper 10 – Broadband Status Report – October 2020

Publication	Public Paper (published)					
Meeting date:	6 th November 2020					
Agenda Item:						
Item Subject:	Broadband Status Report					
Author:	Steve Brookes (Lincolnshire Broadband Programme Manager)					
For:	Discussion		Decision		Information	

1 Summary:

- 1.1 The following report outlines the current status of broadband coverage across Greater Lincolnshire and Rutland at 14th October 2020. It further highlights ongoing and known planned activities that will improve existing levels of coverage in North Lincolnshire, North East Lincolnshire, Lincolnshire and Rutland.
- 1.2 It should be stressed that the broadband environment is currently subject to huge investment from both Government and commercial sources and this is driving a dynamic, rapidly changing industry.
- 1.3 Demand for greater broadband coverage and for faster speeds has been exacerbated by the current Covid-19 pandemic, with more businesses and individuals choosing to work from home. At this stage, it is difficult to gauge whether this will become the 'new normal' or whether things will ultimately return to the pre-Covid position. Either way, the existing impact of the pandemic is likely to be felt for an extended period.
- 1.4 Team Lincolnshire's business plan, as approved by the LEP Board in its October meeting, includes a focus on attracting those businesses who are seeking to move out of expensive city locations. Whilst the availability of superfast broadband is only one factor in their decisions, it is a critical factor and without a high quality digital network these investors will not be able to be attracted to the LEP area

2 Current Broadband Status:

Authority	Superfast Broadband ¹	Fibre To The Premises	Virgin Media ²
North Lincolnshire	95.6%	9.86%	41.9%
North East Lincolnshire	98%	1.15%	92%
Lincolnshire	94%	6.5%	26.6%
Rutland	95.5%	14.1%	0.2%
East Midlands	97.7%	12.2%	62.3%
England	97.3%	16.2%	54.6%

- 2.1 From the numbers above, we can clearly see that there are differences in levels of coverage across the 4 authorities. On the surface, Superfast broadband coverage looks reasonable, but in all authorities, it is the more rural areas that are still without adequate coverage.
- 2.2 Not all authorities experience the same concerns about poor superfast connections, so in North East Lincolnshire for example there is less of a perception of problems associated with poor connectivity than in other parts of the LEP area. However, the pace of change in broadband and digitisation means that it is important to keep all areas under review.

¹ Defined as download speeds >30Mb/s

² Whilst not defined as fibre to the premises, the Virgin network delivers >100Mb/s download speeds

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- 2.3 It can also be demonstrated that those businesses who are digitally active often have more than one connection, so whilst the headline figure for coverage in a particular area might be high a more detailed analysis would show that certain parts of the population -often domestic dwellings- have lower coverage.
- 2.4 Separately, businesses and individuals in many locations that have access to superfast broadband still complain about their broadband speed -this may be because of the equipment that they are using or the package that they subscribe to.
- 2.5 The coverage levels by Virgin Media are significant because whilst their network isn't recognised as delivering full fibre to the premises (FTTP), it nevertheless routinely offers well in excess of 100Mb/s, that level being defined as Ultrafast Broadband, but again, this is entirely urban in location.

3 Ongoing Activities:

- 3.1 Not surprisingly, after the main thrust of the initial BDUK contracts that delivered the big numbers in terms of Superfast upgrades, we have seen a much smaller level of activity in all authorities.
- 3.2 In Lincolnshire, a third BDUK contract has commenced which will deliver Ultrafast Broadband to circa 8000 premises. This will effectively increase Superfast coverage in the county by around 2.5% and is focussed entirely on rural/very rural areas. The technology being used is a fixed wireless broadband technology which, since signing Contract 3, has moved on to a higher level of performance potentially utilising a 5G based technology. LCC along with other Local Bodies are attempting to persuade BDUK to allow the use of this technology which will drive coverage and broadband speeds higher in the areas being worked upon and should allow progression to other areas. There is little doubt that this technology will be needed to meet the aspirations laid out in Matt Warman's letter. It is our view that we should be allowed to use this now and not wait for the start of the 'Outside-In' programme. It is considered that the reality of the Outside-In programme is that it will go some way to filling the gap of premises in the semi-commercially viable areas but will still not cover the remaining 5% in the more rural areas. This is where the fixed wireless could be a winner
- 3.3 North Lincolnshire has a tender ongoing for a small additional contract to try to extend Superfast coverage. Similar to Lincolnshire, but on a smaller scale, they will struggle to hit their more rural areas without alternative technologies.
- 3.4 North East Lincolnshire is likely to benefit from an extension of Kcom's full fibre network that they have recently announced. The ongoing work on fixed wireless in both Lincolnshire and North East Lincolnshire could well pick up many of the remaining rural premises in the authority
- 3.5 Rutland tends to be reasonably well served and they have a number of ongoing BDUK funded community schemes ongoing that will extend their full fibre coverage.

4 Future Plans:

- 4.1 As described earlier, we are working with BDUK to kick off the 'Outside-In' programme as described in Matt Warman's letter. At this stage BDUK are attempting to identify what they describe as 'Lots' which are groups of premises that form a logical cluster which will go out to tender during 2021. It is intended that potential suppliers can then tender for these Lots. The scheme will require significant Local Body involvement in agreeing the Lots and

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assisting in the physical delivery of the programme. We expect this to run for two to three years at least.

- 4.2 In tandem, we are aware that Openreach has embarked upon what they describe as a 'Retro fit' across the UK where they will re-visit recent housing developments that were not upgraded to FTTP at the time of completion, with a view to now providing FTTP to these premises. This will be ongoing over the next year or so and we will get details of areas being worked upon. For example, in Lincolnshire we know that they are upgrading circa 4000 premises in a number of locations with a completion date of before year end with more to follow next year. Logically, we would expect this to benefit urban, sub-urban and semi-rural areas. Nevertheless, it is a purely commercial activity that does not require any public funding.
- 4.3 Matt Warman's letter suggests they are seeking further funding and should he succeed, we anticipate that this will be utilised to further incentivise the commercial environment to extend their FTTP footprints. We will need to watch that space at this point in time.
- 4.4 There is a growing interest from private investors in providing Gigabit connectivity in our respective authority areas. All local authorities are engaged in preliminary discussions with a number of private organisations in potential deployments, but at this point discussions are subject to Non-Disclosure Agreements and progress updates are being treated accordingly. It is hoped that some announcements might be made towards the end of this year. Gigabit technology will be particularly relevant to urban areas, but it may be necessary to combine Gigabit with other technologies to increase coverage in all parts of the LEP area. Assuming that investors are constrained by the amount of budget that is available to them, then there needs to be a case made for why they should invest in the LEP area, this may involve campaigning for public funding with local determination of priorities as well as demonstrating the ability for those investors to achieve a significant and quick return. The LEP's strategic relationship with the business community would contribute to making the case.

5 Next Steps

- 5.1 This paper describes several issues:
 - Supply of superfast broadband is reasonably good, but the most extreme rural areas continue to have problems with access
 - Technology may help to address the problem of access for the most rural areas, but use of government funding will require agreement from BDUK
 - Perception of broadband speeds, and the actual availability of superfast broadband, is at times incompatible
 - Broadband is a fast moving marketplace, and the supply of broadband is highly driven by the market
- 5.2 Assuming that the issues summarised above are correct, then the LEP board may wish to task the Chief Executive with
 - Supporting Lincolnshire, North East Lincolnshire, North Lincolnshire, and Rutland Councils in persuading BDUK to agree to adapt its funding so that new technological solutions for extreme rural areas can be introduced.
 - Encouraging the growth hub to seek additional funding to help businesses maximise their use of digital applications, and encouraging training providers to implement additional digital skills programmes. This will address a constraint in the LEP area's growth and will

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drive up demand for superfast broadband which in turn will encourage the private sector to invest in supply.

- Producing a case, in partnership with Team Lincolnshire, to persuade those investors who are interested in Gigabit technology that greater Lincolnshire and Rutland is the right place for them to invest.

Paper 11 – Towns Fund

Publication	Public Paper (published)					
Meeting date:	6 November 2020					
Agenda Item:	11					
Item Subject:	Towns Fund					
Author:	Cathy Jones					
For:	Discussion	x	Decision		Information	x

1. Introduction

1.1. This paper provides an update about the 6 proposed Town Deals in Greater Lincolnshire and the associated Town Investment Plans. A previous briefing (Paper 7 to the 24 July board meeting) gave an overview of the Towns Fund and the towns eligible within Greater Lincolnshire together with a summary of their ambitions.

2. Background

2.1. The [Towns Fund prospectus](#) was published in late 2019. Eligible councils in Greater Lincolnshire were allocated £140k-170k technical funding per town to prepare their bids. [Further guidance](#) was published in June to enable towns to finalise their Town Investment Plans and work with MHCLG to agree their Town Deals. The eligible towns in Greater Lincolnshire are:

- Boston
- Grimsby (existing Town Deal)
- Lincoln
- Mablethorpe,
- Scunthorpe
- Skegness

The prospectus also indicated that towns that have not been awarded a deal (notably Gainsborough and Sleaford in Lincolnshire) will be able to apply in the future. There has been no progress on this yet and we continue to lobby on this e.g. through our recovery plan and CSR submission.

2.2. Town Deal Boards have been established, and have been working towards agreeing their investment priorities and project proposals. Boards were asked to set out a locally-owned Town Investment Plan (TIP) including proposals to drive long term economic and productivity growth through investment in connectivity, land use, economic assets including cultural assets, skills and enterprise infrastructure. Plan must also consider:

- how Covid-19 has impacted on them and what is needed in their Investment Plans in response.
- how their plans can contribute to clean growth.

2.3. Towns can bid for up to a maximum of £25m. Government has provided technical support to towns via a commercial support package led by Arup.

3. Progress

3.1. All 6 GL towns confirmed their intention to submit their investment plans by the end of October.

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- 3.2. At the time of writing this paper boards were still in the process of finalising their TIPs, including final project selection and prioritisation. As the deadline for submitting TIPs falls between the deadline for issuing GLLEP board papers and the meeting itself, up to date information will be circulated in time for the GLLEP board meeting on 6 November.
- 3.3. Greater Lincolnshire LEP has identified board members to sit on each board. In addition we have allocated members of our team to be the single point of contact for individual towns and to provide advice or technical support as appropriate. A full breakdown of board membership, GLLEP board representation and link officers was provided in the update to July's board meeting.
4. **Matters for consideration: match funding**
 - 4.1. Towns are likely to be looking for other partners to provide match funding for their projects. Government has set out broad guidance on this.
 - 4.2. Other sources of government funding, including LGF and GBF are acceptable for match or co-funding, although private sector match is preferable. The only restriction which has been placed on Towns is that they cannot use Future High Street funding as match.
 - 4.3. Greater Lincolnshire LEP has not yet received any formal match funding requests and we do not currently have any unallocated funding. The board will no doubt wish to give some thought to how we might respond to any requests. It is recommended that they should be considered within our existing project pipeline process, as part of the next call for projects. Should there be any projects in the TIPs (to be finalized) which the Board agrees are of particular strategic importance these can be identified and noted at the meeting.
5. **Recommendations and conclusions**
 - 5.1. Board members are invited to note the contents of this report and to confirm that requests for match funding will be considered within our existing project pipeline process, as part of the next call for projects.

GL LEP Board Forward Plan 2020/21
Current as 15th September 2020

Date	Venue	Standing Items	Others
30 th September 2020 at 3.00pm	Via Teams	Actions Mid Year Review feedback	Covid Intelligence and Recovery Plan - James Baty Team Lincolnshire Progress Report - Nic Worboys
6 th November 2020 at 10.00am	Via Teams	Actions Chair and CX report Towns Deal Progress Report Quarterly performance, finance, adp and programmes Policy Review Impact of Brexit on the GL economy Collaboration with the Humber	Innovation Council Progress Report - Prof Mary Stuart LGR/Devolution - Debbie Barnes Energy Council and Local Energy Plans - Duncan Botting and Andrew Brooks Digital Infrastructure - Stephen Brookes
9 th December 2020 at 3.00pm	Via Teams	Equality and Diversity - Dean Fathers Update on Northern Lincolnshire Amalgamation	Manufacturing Board Progress Report - Darren Joint Visitor Economy Board /Commission Progress Report - Chris Baron
January 2021 - Strategy Session	TBC		
26 th February 2021 at 10.00am	TBC	Actions Chair and CX report Quarterly performance, finance, adp and programmes Collaboration with the Humber Update on Northern Lincolnshire Amalgamation	Health and Care Enterprise Progress report Food Board Progress Report

24 th March 2021 at 3.00pm	Via Teams	Approval of	Business Lincolnshire Progress Report Tourism Commission Cllr Davies
21 st April 2021 at 3.00pm	Via Teams	Annual Performance Review	
28 th May 2021 at 10.00am	TBC	Actions Chair and CX report Quarterly performance, finance, adp and programmes Collaboration with the Humber	

GL LEP Investment Board Forward Plan

Date and Board	Venue	Standing Items	Others
Investment Board - Chair Pat Doody - Officer Halina Davies			
Date 19 th October 2020 at 9.30am	Via Teams		

Other Boards Forward Plan

Date and Board	Venue	Standing Items	Others
Employment and Skills Advisory Panel Board - Vice Chair Simon Telfer - Officer Clare Hughes			
Date 2 nd October 2020 at 9.30am	Via Teams		
Date 8 th December 2020 at 9.30am	TBC		
Date			
Energy Council - Chair Duncan Botting - Officer Andrew Brooks			
Date 24 th September 2020 at 10.00am	Via Zoom		
Date			
Date			
Finance & Audit Committee - Chair Andy Orrey - Officer Kate Storey			
Date: 22 nd October 2020 at 2.00pm	Via MS Teams		
Health and Care Enterprise Board - Chair Dean Fathers - Officer Andrew Brooks			
Date 23 rd October 2020 at 9.30am	Via Zoom		
Date			
Date			

Food Board - Chair Sarah Louise Fairburn - Officer Martin Collison			
Date 19 th November 2020 at 4.00pm	Via Teams	National Food Strategy UK Food Valley	
Date 11 th February 2021 at 4.00pm	TBC		
Date 13 th May 2021 at 4.00pm	TBC		
Visitor Economy Board - Chair Chris Baron - Officer Mary Powell			
Date 24 th September 2020 at 9.30am (catch up)	Via Teams		
Date 13 th October 2020 at 2.00pm	TBC	Tourism Action Plan	
Date 15 th December 2020 at 2.00pm	TBC	Tourism Commission	
Manufacturing Board - Chair Darren Joint - Officer Samantha Harrison and Karen Seal			
Date 7 th October			
Business Lincolnshire Growth Hub Board - Chair Professor Mary Stuart - Officer Samantha Harrison			
Date			
ESIF Committee			