



LEP DIRECTORS BOARD

30TH NOVEMBER 2018

EAST LINDSEY DISTRICT COUNCIL, TEDDER
HALL, MANBY PARK, LOUTH, LINCS, LN11
8UP

Draft Minutes

Present: Board Directors: Ursula Lidbetter (Chair) (Lincs Co-op), David Dexter (Vice Chair FSB), Cllr Craig Leyland (ELDC), Cllr Colin Davie (LCC), Cllr Peter Wheatley (NELC), Cllr Richard Hannigan (NLC), Chris Baron (Butlins), Pat Doody (Nat West); Dean Fathers (Health), Pete Moore (Section 151 Officer LCC)

Apologies: Prof Mary Stuart (UoL), Cllr Ric Metcalfe (CoL), Herman Kok (Lindums), Cllr Rob Waltham (NLC), Steve Middlebrough (Siemens)

LEP Executive: Ruth Carver, Sue Groves (Note Taker)

Observers: Pete Holmes (BEIS), Lesley Potts (NLC), Chris Duffill (NELC)

For Agenda Items: James Baty LEP, Samantha Harrison Growth Hub, Andy Brooks LCC

Apologies and Declarations of Interest -

Apologies were noted from Prof. Mary Stuart (UoL), Cllr Ric Metcalfe (CoL), Herman Kok (Lindums), Cllr Rob Waltham (NLC), Steve Middlebrough (Siemens).

It was noted that Keith Ireland CX at LCC has left LCC and LCC will nominate a director over the forthcoming weeks. Pete Moore LCC agreed to action. Steve Middlebrough, Siemens had tendered his resignation from the Board, but will continue to attend meetings when he can until a replacement can be found from the Manufacturing sector.

Dean Fathers declared an interest for the future as he takes up a role at the University of Lincoln as a Chair of Corporate Resilience from 1st December. Full declarations of interest can be [found here](#).

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 and Matters Arising

The minutes of the 21st September 2018 (Paper 1) were accepted as a true record and can be published on the website:

Actions from previous minutes:

Training for Board Director regarding the new National Assurance Framework and Local Assurance Framework to be carried out once the NAF is published by Government - expect the training to take place in May 2019.

East Lindsey District Council - Priorities for Growth (Paper 2 and Presentation)

Cllr Craig Leyland

Cllr Leyland welcomed all the East Lindsey District Council Offices.

Cllr Leyland stated that economic development is key to the growth of ELDC:

- Already a strong manufacturing base
- Food Sector which employs 5 times the national average in the food sector, which is a resilient sector.
- A new £650m visitor centre has opened recently.
- ELDC promotes tourism for the Coast and the Wolds on their website as visitor economy is a very important element, but there are challenges in that operators need to change/modernise.
- High quality Natural Environment, which is part of the Greater Lincolnshire Plan, is for

people who want to walk/cycle etc.

- Health and Social Care - there is an increased demand as people move to the area for a lifestyle change, which in turn creates challenges, ie, difficulty in delivering services to outlying villages/hamlets.

ELDC has published and regularly updates an Economic Action Plan under the Invest section of their website which sets out their commitment to work towards the ambitions of the Greater Lincolnshire LEP in respect of economic development and to work with both the County Council and the Environment Agency, along with private sector organisations, that wish to invest in the District. Current feasibility work which is being progressed is on:

- Skegness Foreshore Masterplan and Design Code
- Fairfield Industrial Estate Extension, Louth
- Danelaw Multi-User Path

Regarding Business Support, the Council currently has three grant funding programmes that are available to support local business growth, along with a programme of discounted business rates for businesses that wish to expand or invest.

Future Challenges and Priorities:

- Flood defence infrastructure and investment
- Skills provision - a significant challenge in terms of providing local learners, employers and employees with the skills they need to develop training, career and business opportunities throughout the District - Employment is important for the area.
- High Street rejuvenation - already developing a programme of smaller scale interventions to support local high streets and market towns. However, a recent announcement of a Future High Street Fund to be developed in 2019, ELDC would be keen to work with the LEP and other countywide partners to support the launch of a National High Streets Task Force.
- Future Prosperity Funding.

Update from the Chair

The Board was informed that the Judicial Review being sought by Scunthorpe United Football Club had been unsuccessful. There is 30 days for SUFC to appeal, and some costs will be awarded of circa £40,000.

The Chair updated the Board on progress with the implementation of the Strengthening LEP's Report. Progress is good in all areas, such as board recruitment, diversity targets, scrutiny, independent secretariat etc. Geography and the removal of overlaps however are not resolved, although good and positive dialogue is taking place. The board were asked to consider their position on the geography, and a discussion took place. The Government's policy position is understood to be:

- Remove overlaps where they currently exist;
- Collaboration important and needs to be strengthened across the country regardless of overlaps. When assessing LEPs in future annual performance reviews, we will be taking account of how effectively and openly neighbouring LEPs work together;
- Where appropriate, and there is wide agreement across all partners, propose wider changes such as mergers;
- **Additional capacity funding will only be released where LEPs have both proposed changes to their geographies that meet the conditions set out and where we are content with your implementation plans;**
- **LEPs with unresolved geography may not be able to benefit from future UK Shared Prosperity Funding;**

PH stated that there may be an impact of future funding if this is not resolved. Following the recent Task & Finish Group for the LEP Review, the following recommendations were made and agreed by

the LEP Board:

- Our preferred position should remain the Greater Lincolnshire geography
- A spilt geography option should be explored with the Humber LEP as a solution to remove the overlap, ensuring the integrity of Greater Lincolnshire and the Humber remains intact. This option would involve North East Lincolnshire as a full member of the Humber LEP and an associate of Greater Lincolnshire, and North Lincolnshire a full member of the Greater Lincolnshire LEP and an associate of the Humber.
- A merger option was unlikely to be deliverable given the lack of support from a number of local authority partners at this stage.
- A Lincolnshire option was not supported due to the scale, and reduced focus.
- That strong and where necessary formal collaboration be developed between the Greater Lincolnshire LEP and its neighbouring LEP's, on energy and manufacturing with the Humber LEP, coastal and rural with the Humber and Yorkshire LEP's, Northern Lincolnshire and Sheffield City region on infrastructure, ports and logistics and advanced manufacturing, and with agri-food and agri-tech and housing growth and infrastructure with GCGP LEP. All collaboration agreements and MOUs will be developed with the authorities involved.

Action: Chair and LEP Director to continue to work with local partners and the Humber LEP to find a resolution, and particularly explore the collaborative option.

LEP Directors' Report (Paper 3)

It was agreed that

- Phil Ball of Metsawood, Boston and Melanie Weatherley of Walnut Care join the Employment & Skills Board
- The MP's Engagement Plan be approved subject to a public and private sector link member, and the production of a communications and engagement plan.
- The Policy for the Appointment of LEP Directors and Board members be approved.
- The policy on Confidential Reporting be approved.

Growth Deal Programme Review - Six Month Review (Paper 4.1)

Board directors were asked to consider the Growth Deal programme review and note the risks to programme delivery identified. This was to inform the Board on the ongoing pressures of spend targets, detailed project updates, LGF reporting and re-profiling and changes in procedures to highlight risks earlier in project assessment.

The £123.7m Greater Lincolnshire Growth Deal Programme now includes 17 individual contracted projects and two sub-programmes containing 13 projects. Schemes are at varying stages of development/delivery and several are now completed with subsequent outputs and outcomes being closing monitored.

Forecasts provided by grant recipients earlier in the year had indicated that GLLEP would substantially exceed its government target of £8.7m, thus enabling significant repayment of offset/advances released in previous years under agreed freedoms and flexibilities. Unfortunately, due to unforeseen delays in progression, some of the larger contracted schemes and slower than envisaged and development of uncontracted schemes.

Action: It was agreed that the LEP team would write to projects that have a red flag against performance asking for a detailed response to be considered at the February board, For uncontracted projects this could mean a withdrawal of a conditional offer, and for contracted project this could mean the project is not fulfilling the contract. A report of actions taken would be brought to the investment board for information in February 2019.

LEP Core Funding (Paper 4.2)

The Finance & Audit Committee met on the 7th November to review the six month finances position. It was agreed that the core funding is on track. Four grants have been approved through the Greater

Lincolnshire Growth Fund, Tong Engineering at Spilsby, SDG Access Ltd at Navenby and Wolds Manufacturing Services at Louth, Orderwise at Saxilby.

From the Growing Places Fund, R W Stokes & Sons Ltd have recently approached the LEP to seek a repayment figure on the £600k loan awarded for the Lawns investment. It is expected that this will be paid back with interest next month, which will be recommended to be recycled at the next Investment Board.

Brexit Action Plan (Paper 5) - James Baty LEP

A recent survey by the CBI found that 57% of their businesses were examining Brexit scenarios for their sectors, whilst over half of businesses had increased their engagement with Government. Planning for businesses is very difficult due to the lack of information available, or the varying possible outcomes of the Brexit settlement. As the negotiation period is nearing the end, it is still unclear as to exactly how Brexit will impact businesses. In early 2018, GLLEP commissioned a study into Brexit, carried out by Metro Dynamics, and the potential impacts across the main sectors within the LEP. This study found that on the whole, businesses engaged in the predominant sectors within Greater Lincolnshire would be disproportionately impacted by Brexit (compared to other areas) in varying ways, and a number of recommendations were made:

- Support local businesses to become "Brexit ready" by ensuring local businesses have adequate support to address new administrative challenges and costs resulting from Brexit, as well as using the Local Industrial Strategy to support local firms to make the transition to a post-Brexit marketplace successfully.
- Develop local skills to mitigate against the impact of Brexit on EU labour in key sectors.
- Ensure Greater Lincolnshire is "open for business" by strengthening the local strategies for place marketing and inward investment, and continuing to support the growth of the visitor economy to ensure place promotion is strong.
- Strengthen key sectors by encouraging innovation, collaborating with other regions elsewhere to strengthen and promote key sectors, continuing to implement and develop priority sector plans, and carrying out a comprehensive review of the areas infrastructure.

What role can the LEP play?

As a voice for the local area, Greater Lincolnshire LEP can assist in three predominant areas in addressing the challenges and opportunities Brexit can bring:

- Supporting businesses to be Brexit ready - Shape the support and advice offered to businesses at an operational level via the Growth Hub; providing linkages into expert services such as legal advice and legislation experts.
- Align the LEP's strategies to ensure they account for Brexit - Amend/adjust or create new strategies to align with the future challenge and opportunities incorporate, but not exclusive to, Brexit.
- Monitoring and Evaluation - Continue to monitor and evaluate the business community, feedback and adapt accordingly.

Officers have been tasked with providing feedback following business visits.

Supporting business to be Brexit ready

It will be important to ensure local businesses in Greater Lincolnshire have adequate support to address new administrative challenges and costs resulting from Brexit, particularly for companies highly exposed to trade and EU workforce. In the Brexit research commissioned by GLLEP, there were a number of policy recommendations around Brexit readiness of business, these were:

- Provide advice or signposting to advice on:
 - Administrative costs of implementing trade barriers, such as compliance with new standards and regulations/other legal requirements.
 - Administrative cost and cash flow to deal with EU VAT advance payment.
 - Legal advice and support administrative costs relating to recruitment of EU citizens and

reviewing the legal status of current workers.

- Support businesses in developing training programmes for current and new employees and develop links to educational institutions.
- Use the opportunity to engage with local businesses and Government via the development of the Local Industrial Strategy.
- Help businesses understand the global opportunities for new markets and products.

Aligning the LEP's Strategies to ensure they account for Brexit

The LEP has already started the development of a Local Industrial Strategy, which Government have indicated will be used to "inform Local Enterprise Partnerships" approach to any future local growth funding deployed through them Local Industrial Strategies will help areas in England decide on their approach to maximising the long-term impact of the UK Shared Prosperity Fund".

It is also an opportunity to re-visit or develop sector plans and consider the development of additional plans or strategies.

Based on the recommendations from the LEP commissioned Brexit report, it is recommended that there is a particular focus on the following sector or themes with some important questions which might need to be addressed:

- Skills/workforce - it is expected that Brexit will likely have an impact on the shape of the labour market in Greater Lincolnshire, with supply of certain aspects of the workforce expected to decline.
- Inward investment - As the labour market continues to tighten and if migration continues to slow, then there is a strong case for further focusing and strengthening pace marketing an inward investment in order to reach out to the people you need to attract and retain as well as the investment need to drive productivity. Further, there is a balance to strike between working to keep foreign businesses in the area, and attracting new business in, whilst making sure the LEP is "open for business".
- Priority sectors - GLLEP has detailed sector plans for agri-food and manufacturing. These identify a series of actions around the areas of innovation and research, exports, inward investment, infrastructure, logistics, supply chains and skills to take forward to support the sectors. Brexit offers a key opportunity to refocus these existing sector plans and develop new sector plans for ports and logistics and the visitor economy.

Other areas of focus, which are important to our future economy, such as innovation, digital and physical infrastructure and will all be considered within Local Industrial Strategy and Strategic Economic Plans.

The LEP team wish to commission a wide-scale business survey to replicate the 2014 benchmarking survey in the late summer/early autumn. Board member asked whether the information gathered by the Chamber of Commerce/Federation of Small Businesses would give this information, but was informed that the previous 2014 survey was much more in-depth and gave more information.

Action:

- The Board agreed to the contents of the BREXIT Action plan and agreed to receive a proposal for a detailed business survey in the new financial year.

Impact of the Lincolnshire Growth Hub and Bi-annual Report (Paper 6) - Samantha Harrison

SLH gave an update on the activity and impact on the LEP's business support arm, the Business Lincolnshire Growth Hub. The business support offers have been enhanced to include support for businesses who seek rapid growth and future European funding is being secured to ensure the programmes continue for a further 3 years. The Business Lincolnshire website has been refreshed in

response to business feedback and now contains a business directory, business opportunity page, toolkits, industry spotlights alongside the existing advice and grant finder, events calendar and weekly e-bulletins.

Over the next 12 months, the Growth Hub will focus on supporting businesses to Scale Up, internationalise, utilise modern technology, enhance their leadership and management capability, undertake research and development, embrace skills development and access apprenticeships. Renewed emphasis will be placed on enhancing communication channels awareness, raising and increasing the newsletter sign-up, and social media reach.

The Business Lincolnshire Growth Hub offer includes:

- One to one general advice, fully funded, easy access to impartial business growth adviser who will undertake a Business Review and Action Plan.
- One to one specialist advice - fully funded specialist support around accessing finance, resource efficiency, supply chain development, digital, innovation, exporting as well as sectoral support such as for manufacturing and agri-food.
- Scale up account manager and tailored Scale Up programmes for rapid growth businesses.
- Access to ERDF funded Business Support Programmes and implementation grants (EDF funded projects are being delivered locally under the Business Lincolnshire Growth Hub branding, including specific support for start-up businesses, Innovation, Exporting, Capital Grants and manufacturing support. Referrals to other sources of help will also be made where they fit the needs of the business.
- Business workshops, briefings and conferences.
- Refreshed Online information portal.
- Access to National Business Support Helpline via phone or online webchat.
- Facilitated access to the national programmes, including: Department for International Trade, Intellectual Property Office, Innovate UK, Enterprise Europe Network, etc.
- Access to outreach "spokes", eg, enterprise, innovation and incubation spaces across the county, which provides services such as virtual office, hot desk facilities, meeting rooms, networking events, etc.

These services have been provided due to a successful bid to BEIS for £246,000 of revenue funding for 2018/19 through the LEP and through accessing £1,715,203 ERDF funding.

Board member asked the impact was being measured - SLH responded by stating that GVA is being tracked.

Greater Lincolnshire Energy Strategy (Paper 7)

Greater Lincolnshire has been provided with £40k of funding from BEIS to develop an energy strategy. The financial allocation has been used to develop and matching energy mapping exercise with the Local Energy East project, and also provide an allocation for a consultant (Metro Dynamics Ltd) to deliver an energy strategy. This also includes narrative and information, which will also be used as part of the Local Industrial Strategy document.

The emerging vision in Greater Lincolnshire is to create a sustainable supply of energy, which meets Greater Lincolnshire LEP's ambitions for growth and business sector development. The vision is underpinned by four key objectives:

- Delivering secure, low-cost, low-carbon energy across Greater Lincolnshire
- Commercial and residential development in capacity constrained areas
- A sustainable transport system
- A strengthened local energy industry within Greater Lincolnshire

The Greater Lincolnshire Energy Strategy document had been previously circulated and AB asked for any feedback to be sent to him, so that a Prospectus and Action Plan can be produced.

Comments from Board members:

- There needs to be a local solution for energy
- Future planning applications should include energy needs as there has been a lack of investment for decades
- Needs to local partners to be sought
- Smart Grid Policy - University of Lincoln in the process of producing this
- There is a need to know what the current energy usage and to be able to forecast future needs
- More information on battery storage needed
- Suggestion to create a forum to share information and funding opportunities

It was agreed that the Energy Strategy was approved subject to input from partners. An action plan would be produced in quarter one to support the Energy strategy, and more information would be included in the strategy to highlight local engagement and the relationships between local partners and stakeholders.

AOB

None

The meeting was closed.

DRAFT