

MIDLANDS ENGINE LEP PROFILES

Greater Lincolnshire LEP

October 2019



Introduction

This document profiles the Greater Lincolnshire Local Enterprise Partnership (LEP) area, providing insight and data across key areas of the economy, namely through the five foundations of productivity outlined in the government’s industrial strategy: Ideas, People, Infrastructure, Business Environment and Places. Benchmarking is provided in the context of the Midlands Engine, allowing comparison between the Black Country and other LEP areas within the pan-region.

Greater Lincolnshire

Greater Lincolnshire is in the east of the Midlands Engine. It is the largest Midlands Engine LEP area in terms of hectares, covering 718,201 hectares. The area stretches from the Humber in the North to the Wash National Nature Reserve in the South, the medieval City of Lincoln in the West and coastal resorts in the East.

The area has a population of just over one million, making it the fifth biggest LEP in the Midlands Engine in terms of population. Greater Lincolnshire has a polycentric urban structure with a small number of large towns, approximately thirty market towns and coastal resorts, and a fairly even distribution of villages across the area. The largest urban areas are Lincoln, Grimsby, Scunthorpe, Grantham, and Boston. Greater Lincolnshire has a vision to use future technologies to leverage its nationally important assets around food, energy and global connectivity alongside its abundant natural capital to realise its potential, raise the earning power of residents and shape an innovative and thriving business environment.

The LEP has identified six priority sectors: Manufacturing, Agri-food, Visitor economy, Low Carbon, Health & Care, and Ports and Logistics.



Contents

This LEP profile collates insight within the five foundations of productivity: Ideas, People, Infrastructure, Business Environment and Places. A section is provided for each of these which can be navigated by the contents table below. A summary of key statistics is presented first, before the full foundation sections begin. Data relating to the Greater Lincolnshire is highlighted in blue in each graph.

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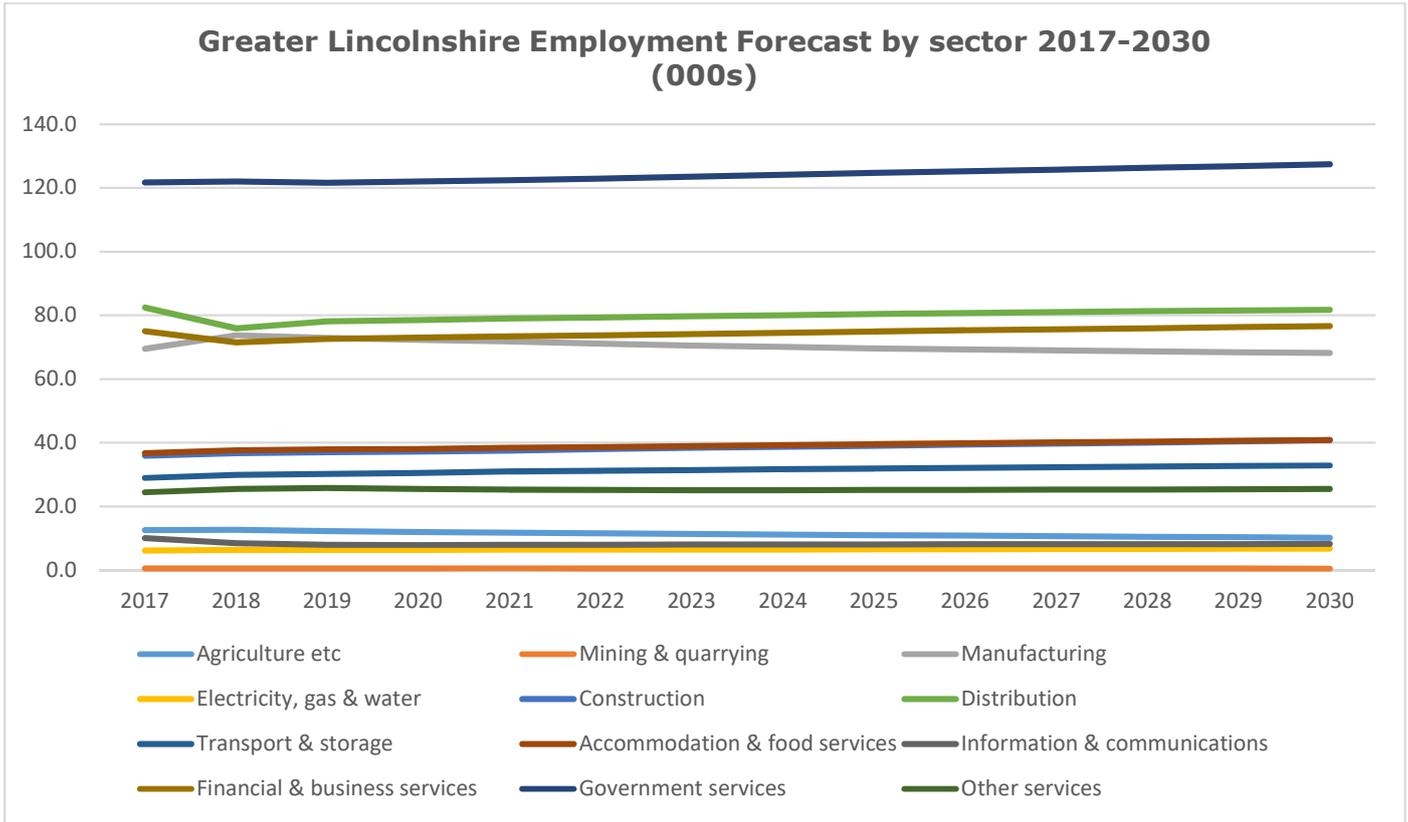
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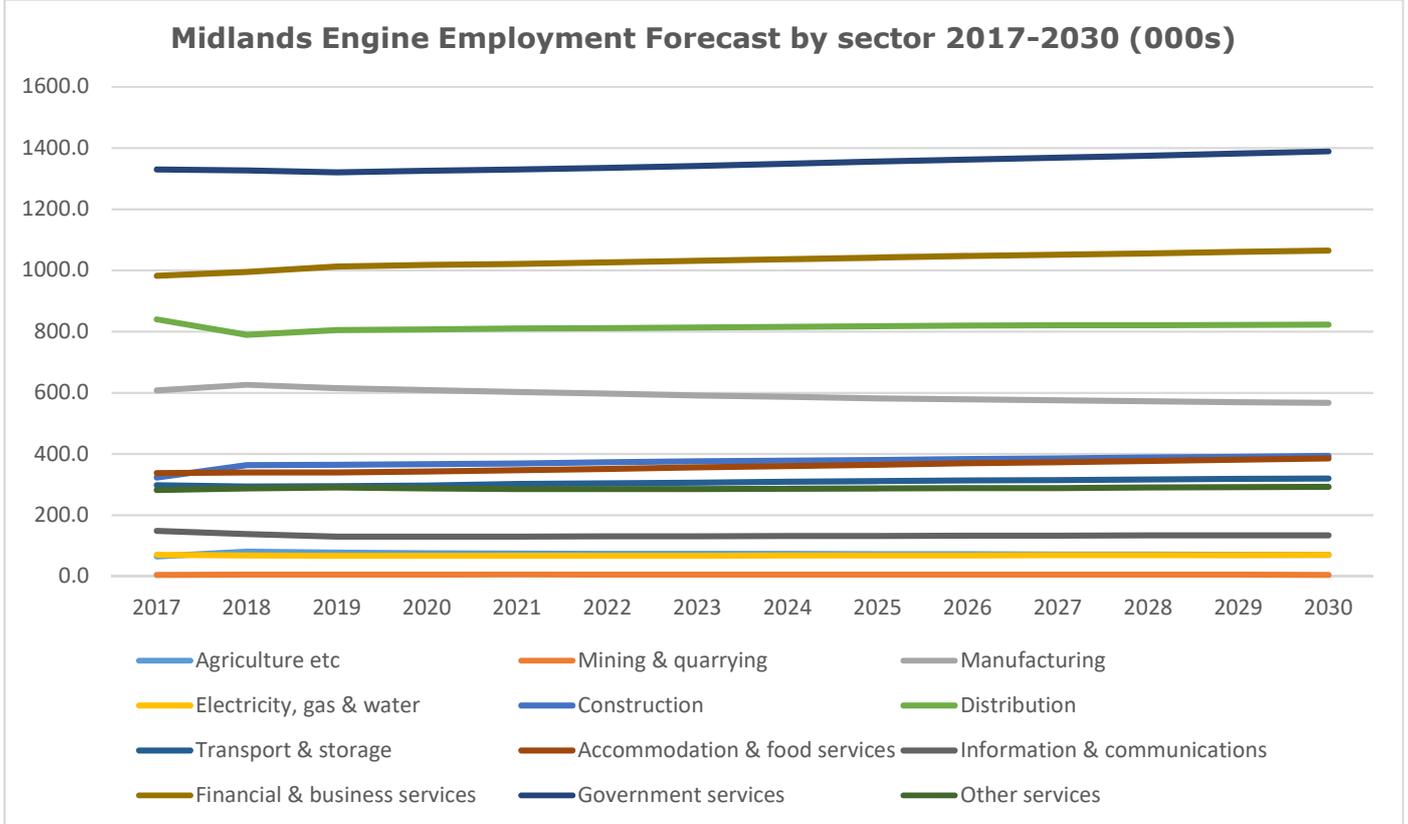
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Greater Lincolnshire Key Statistics

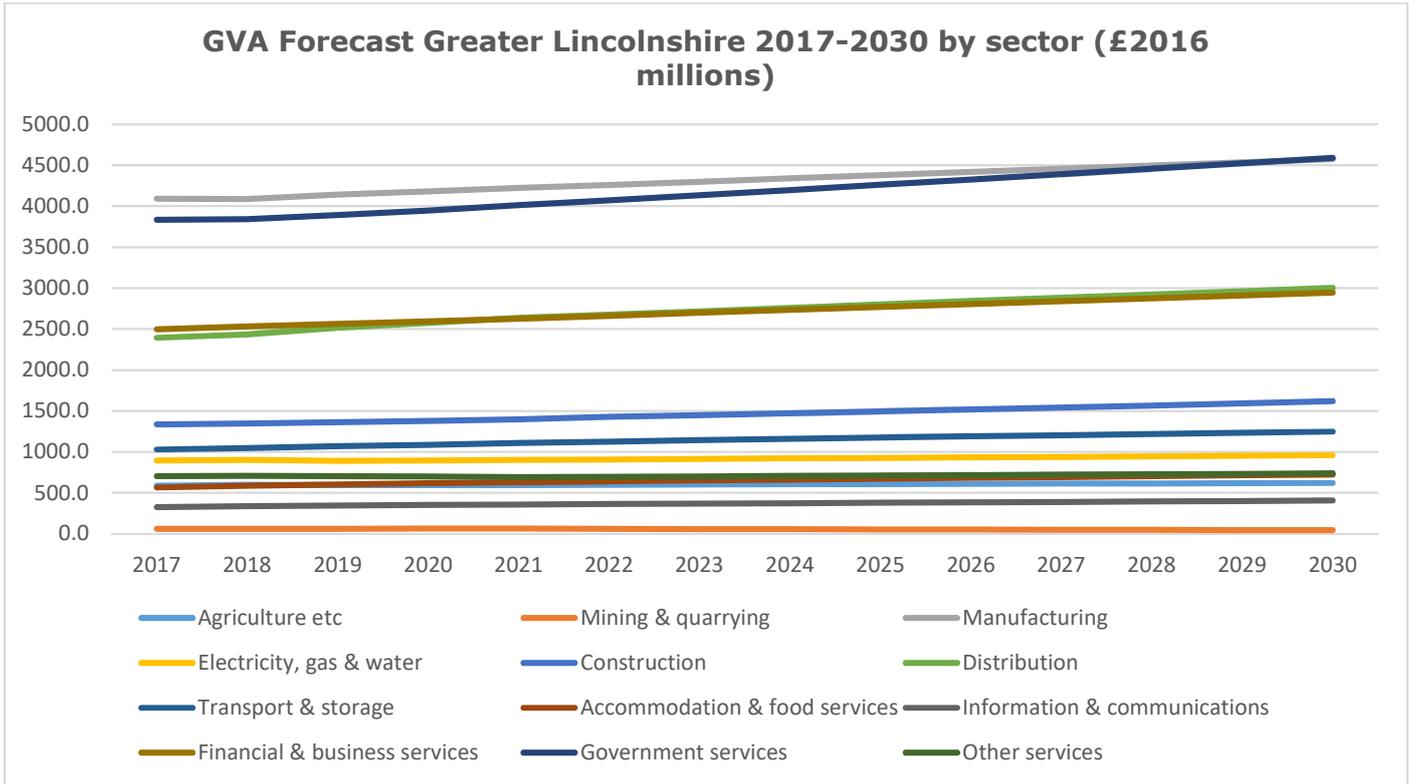




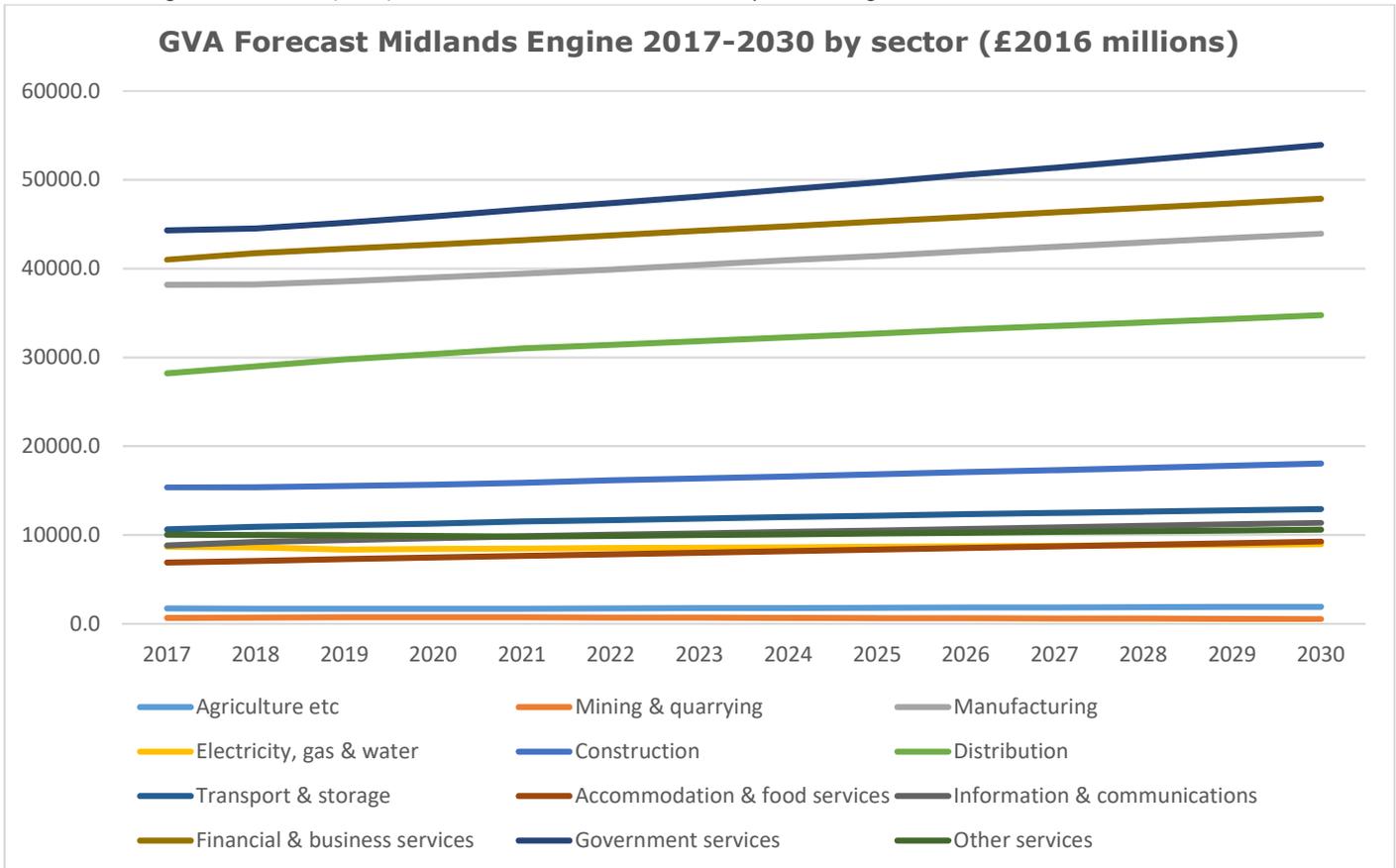
Source: Cambridge Econometrics (2019)



Source: Cambridge Econometrics (2019)



Source: Cambridge Econometrics (2019). Notes: Total GVA includes ownership of dwellings.



Source: Cambridge Econometrics (2019). Notes: Total GVA includes ownership of dwellings.



IDEAS



2 UNIVERSITIES



**4,914,179€
SECURED
THROUGH
HORIZON
2020**



**£36,176,658
SECURED
THROUGH
RESEARCH
COUNCILS/
INNOVATE UK**



**£64/FTE
BUSINESS
ENTERPRISE
SPENDING ON
R&D**

The UK’s Industrial Strategy stresses the importance of the UK being a global leader in science and research. Key policies include:

- a target to raise total R&D investment to 2.4% of GDP by 2027
- increasing the R&D tax credit rate to 12%
- the creation of the £725 million Industrial Strategy Challenge Fund.

Figures 1-4 indicate that Greater Lincolnshire is strong in terms of innovative sales, and performs fairly well in terms of the value of research funding it secures given the area has only one university and a large rural population. Nonetheless, they show that business investment in research and development per full-time employee is low compared to the scale of investment in other Midlands Engine LEPs. This is likely to hinder innovation in the area. Recently launched initiatives including the opening of a new Medical School at the University of Lincoln and the establishment of a new University Technology and Innovation Centre in Grantham offer opportunities to increase the volume of high quality research conducted within the area as well as to bring academics, business and local people together more easily to innovate and continue professional development

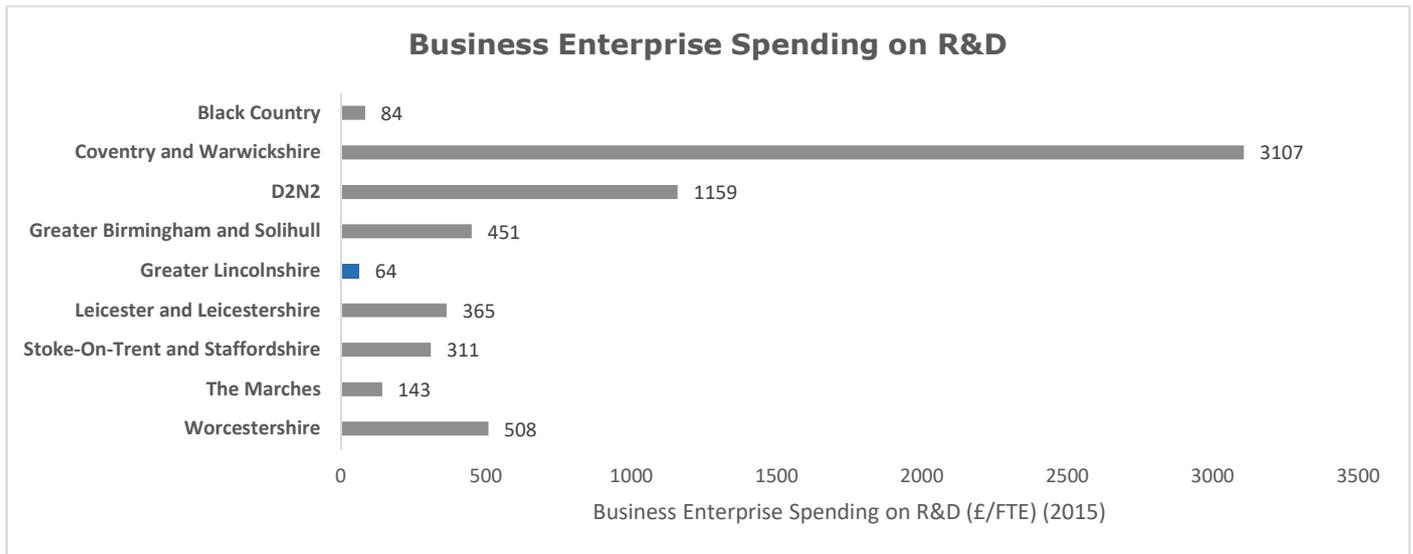


Figure 1 Source: BERD data analysis, Smart Specialisation Hub

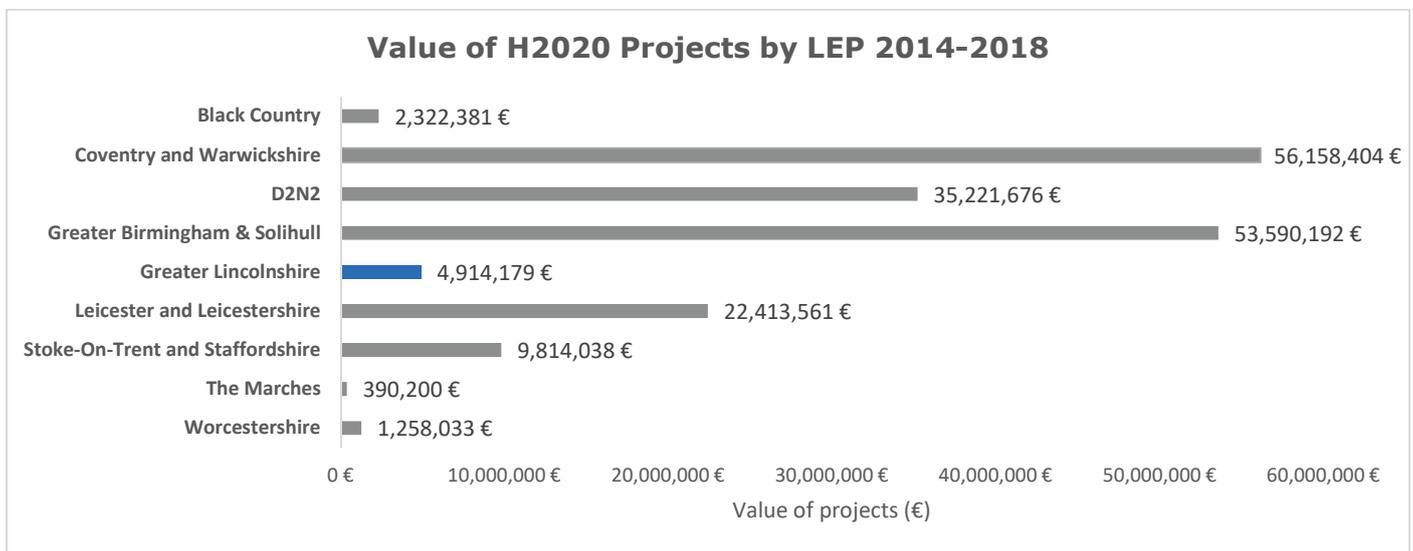


Figure 2 Source: EU Open Data Portal (2018)

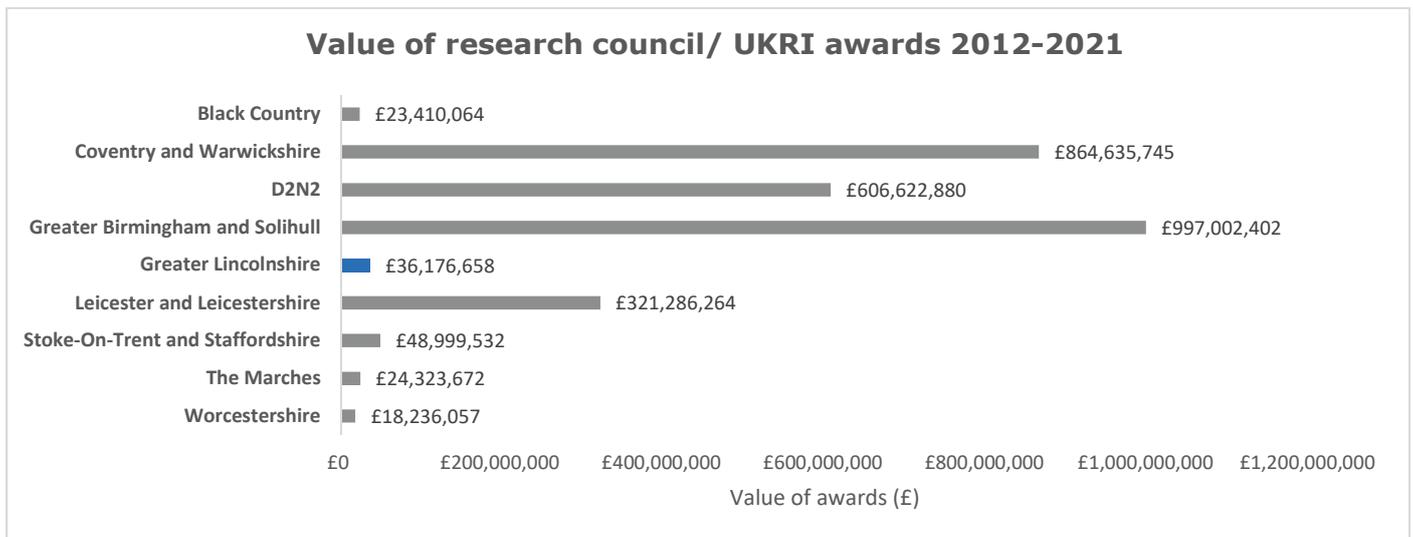


Figure 3 Source: UKRI (2019)



Innovation Benchmarks: 2014-16

■ Highest ■ Lowest □ Greater Lincolnshire

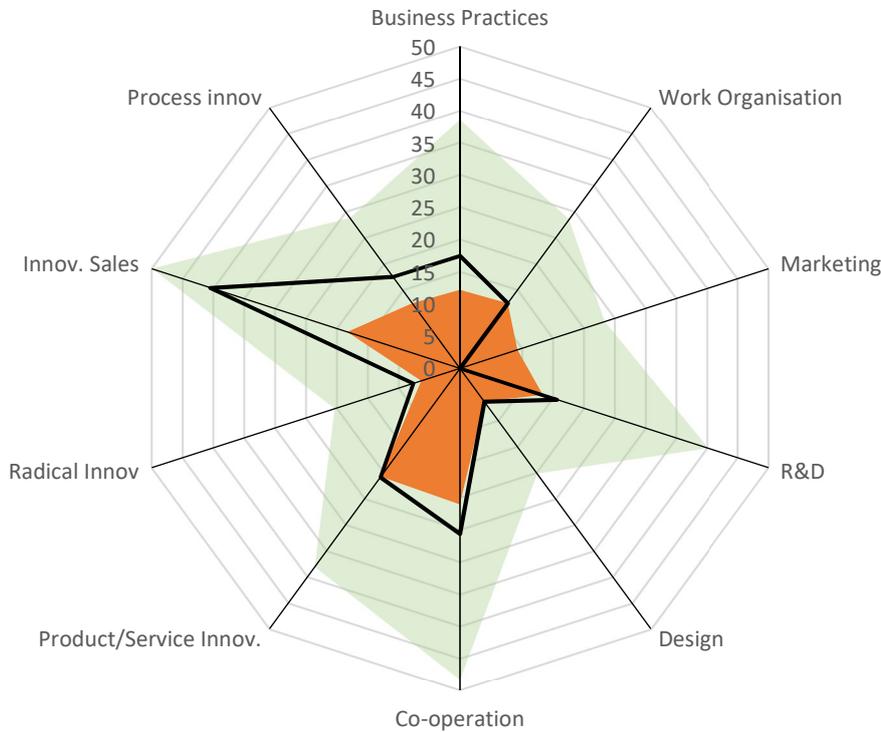


Figure 4 Source: Roper and Bonner (2019)

Charts are derived from the UK Innovation Survey. Details of derivation of data can be found in the [ERC Innovation Benchmarks Report](#). Charts relate to a series of 10 metrics which provide an indication of the proportion of firms in each area engaged in each type of innovation.

Assets

Figure 2 indicates that between 2014 and 2018 the Greater Lincolnshire LEP was awarded €4,914,179 in Horizon 2020 funding. Whilst this is not the most significant value of award funding, it is nonetheless considerable, particularly for a LEP which has not traditionally had a large research intensive university. The University of Lincoln is rapidly expanding its research intensity and aligning with the local need/sectors, whilst this does not bear out in the historic data, the [Greater Lincolnshire LEP evidence base](#) notes that huge steps have been made in the past 3 or 4 years. Figure 3 displays a similar story in that the Greater Lincolnshire LEP may not receive the most UKRI awards funding but the value is still significant nonetheless; with £36,176,658 being awarded to research institutes and businesses in Greater Lincolnshire LEP area in 2012. These funding awards show that the EU and other funders recognise the quality of research taking place within the Greater Lincolnshire area, therefore indicating that the area has the potential to successfully apply to other funders. Figure 4 shows that Greater Lincolnshire has particular strengths in innovative sales. It is ranked 14th of 39 LEP areas (and fifth within the Midlands Engine LEP areas¹) for the average proportion of firms’ sales derived from innovative products or services (i.e. new or significantly improved) and introduced during the previous three years. The area also performs fairly well in terms of proportion of firms who reported introducing new or

¹ Based on Midlands Engine 11 LEP geography.

significantly improved processes during the 2014 to 2016 period (ranked 20th of 38 LEP areas and 6th within the Midlands Engine²).

Barriers and Challenges

However, Greater Lincolnshire lags significantly behind the UK (with 0.2% of local GVA investment in R&D) and, unless addressed, will fall further behind and provide a significant regional drag on the UK's ambition to drive R&D investment (to at least 2.4% of GDP by 2027) and the levelling-up of the national economy. Figure 1 shows that at £64 per full-time equivalent employee, the Greater Lincolnshire LEP area has the lowest Business Enterprise Spending on Research and Development of all the Midlands Engine LEP areas. This suggests that firms are engaging in few research and development projects, which is likely to slow innovation and product development within the local economy. The absence of a Russell-group research-intensive university in the LEP area is likely to contribute to the comparatively low value of research funding secured. Figure 4 indicates that Greater Lincolnshire has a low proportion of firms reporting the implementation of new forms of work organisation (ranked 39th of 39 LEP areas), the percentage of firms undertaking R&D (ranked 35th of 39 LEP areas), a low proportion of firms undertaking design investment for innovation (ranked 36th of 36 LEP areas) and a low proportion of firms undertaking product or service innovation (ranked 38th).

Opportunities

Opportunities for academics, business and local people to come together, innovate and continue professional development will be created with the opening of a [new University Technology and Innovation Centre in Grantham](#). The centre will deliver higher and degree level apprenticeships, diplomas and short courses. It will focus on addressing the skills needed within the LEP's key priority sectors of manufacturing, agri-food, visitor economy, low carbon and health and care, enabling the provision of courses to meet the needs of local employers. As a civic university, the University of Lincoln aims to support skills and innovation which can drive economic growth across the region.

A new Medical School recently opened at the University of Lincoln as part of a collaboration with the University of Nottingham to offer medical education in Lincolnshire. Lincoln Medical Centre will aim to deliver medical training to 80 students each year, including nursing, physiotherapy and midwifery students. The school is designed to inspire young people from local schools, provide them with increased opportunities to train as doctors, and encourage them to remain in the area once they have qualified. As an active research centre, the establishment of Medical school increases the potential for high quality research and successful research funding bids within the area.

The [National Centre for Food Manufacturing](#) (NCFM) and [Lincoln Institute for AgriFood Technology](#) (LIAT) are both part of the University of Lincoln. In the last 4 years, LIAT and NCFM have developed over £25m of new applied research projects with industry focused on automation, digitalisation and resource efficiency and secured £10m in capital investment. LIAT now has the largest agrifood robotics team in Europe as a result of investment by industry and the public sector.

Case Study: University Campus North Lincolnshire Technical, Business Skills and Innovation Hub

The Hub will stimulate, support and sustain economic growth as a proactive local and regional approach towards 'Closing the Skills Gap'. It will facilitate knowledge exchange through the collaboration of businesses, university, college and public sector to increase higher level technical, associate professional and innovation skills, thereby driving increased productivity. A range of short courses, Higher Level and Degree Apprenticeships and post-graduate provision will be offered. The HCF CATCH relationship will provide added value via signposting employees to undertake practical skills, development at intermediate level HE and short management training. The use of Distributed Control System simulator at the process plant will enhance the learner experience.

The project is led by DN Colleges Group in North Lincolnshire in partnership with the University of Lincoln and North Lincolnshire Council, offering seamless progression from Level 3-8, short credit rated programmes, executive education and a vibrant space to stimulate and foster innovation.

The scheme is supported by the Humber Marine alliance which represents 190 innovative companies offering wide ranging supply chain capabilities in the marine and offshore energy sectors.

Envisaged benefits include:

- Sequential/staged engagement; confidence building for those working in SMEs.
- Professional development portfolio for those in Associate Professional and Assistant Technician roles will extend opportunities for non-prescribed higher education and Level 3 qualifications.
- Proactive engagement of businesses in developing bespoke higher level technical and professional provision.

Estimated potential outputs:

- 1883 new learners supported
- 2,350 sqm of commercial space either refurbished or constructed
- 50 businesses assisted to improve performance
- 116 new curriculum/training courses

Going Forward

Greater Lincolnshire LEP's Priorities:

- Continue and grow the success of the Greater Lincolnshire Innovation Programme, focused around the McKinsey 'eight essentials of innovation'. This programme will address local failure and ensure a pipeline of high impact activities to link the industrial base through to national support (particularly Innovate UK).
- Create an innovation community with a local hub & spoke model. This will utilise and draw together existing business networks, innovation centres, groups and sectors within the GLLEP region. It will recognise the acute challenge Greater Lincolnshire has in the spread of innovation activity and create a mechanism to encourage local clustering and peer support.
- Develop new programmes to support innovation leadership, recognising that higher level skills are often the quickest way to inject innovation into the industrial base. We will develop a suite of initiatives that respond to the challenges that particularly our SMEs face.
- Continue to develop (with HMG and in partnership with D2N2) the 'Made Smarter' pilot that will drive industrial digitalisation across GLLEP and beyond.
- Develop a strategic approach to maximising value from the Defence & Security Sector in Greater Lincolnshire, drawing together stakeholders across local authorities, higher & further

education and industry, to explore how we develop economic and social impact from this hidden sector.



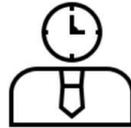
 **PEOPLE**



28.0%
**RESIDENTS STAY
FOR STUDY &
EMPLOYMENT**



£25,720
**AVERAGE
EARNINGS**



**433,000
JOBS**



74.5%
EMPLOYMENT



5.3%
UNEMPLOYMENT



33.2%
**NVQ4 AND
ABOVE (16-64)**

Within the UK’s Industrial Strategy, the People Foundation aims to generate good jobs and greater earning power for all. It focuses on improving skills levels, particularly in science, technology, engineering and maths; narrowing disparities between communities in skills and education and removing barriers faced by workers from underrepresented groups in the labour market.

Figures 5-9 illustrate the qualification level of residents of Greater Lincolnshire LEP area; the number of apprenticeship starts, the Gross Value Added rate, graduate retention rates and employment and unemployment rates in the area. They emphasise how the population of Greater Lincolnshire. The area also performs well compared to LEPs of a similar size in terms of the employment rate and the number of apprenticeship starts but struggles with graduate retention. This may be the result of how the area has the lowest average earnings of all the Midlands Engine LEP areas. Several recent initiatives have sought to address the skills gap and improve digital skills among local workers.

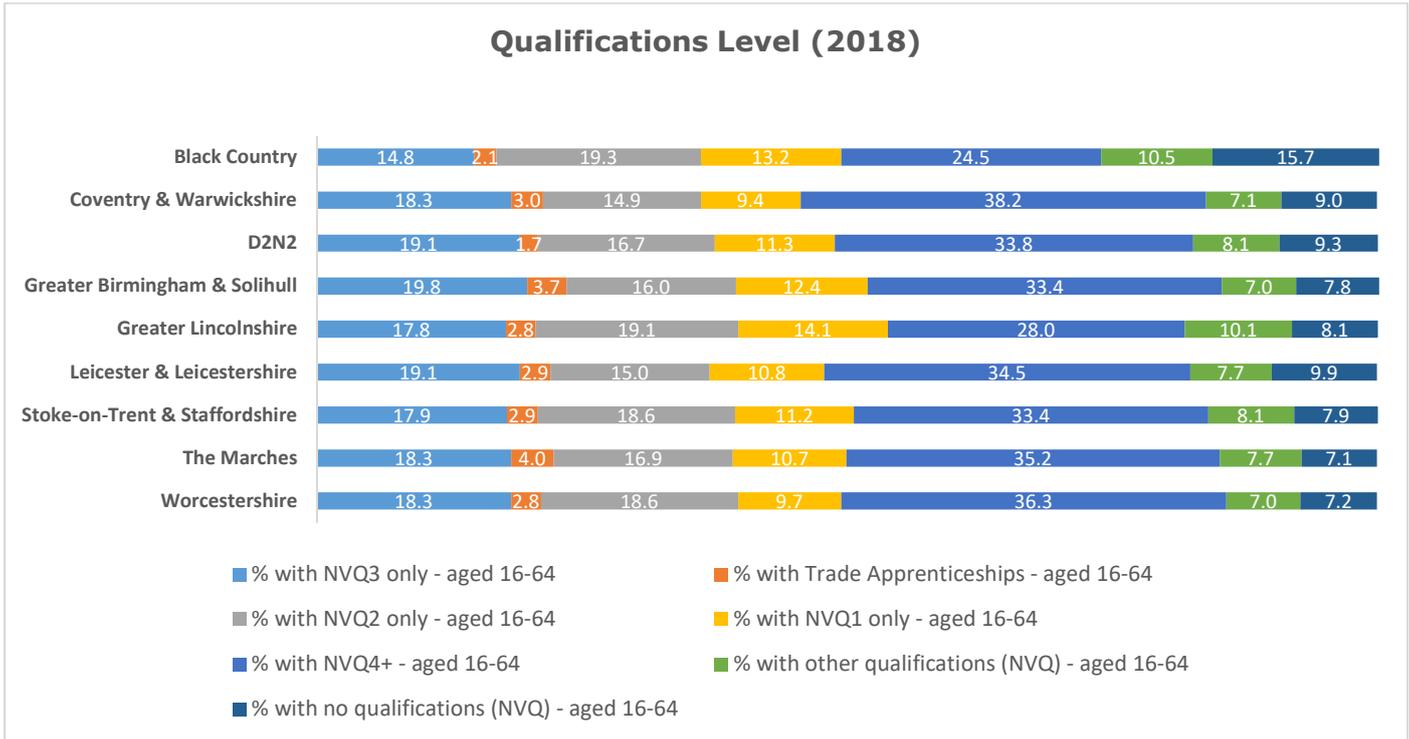


Figure 5 Source: ONS, Annual Population Survey (2019)

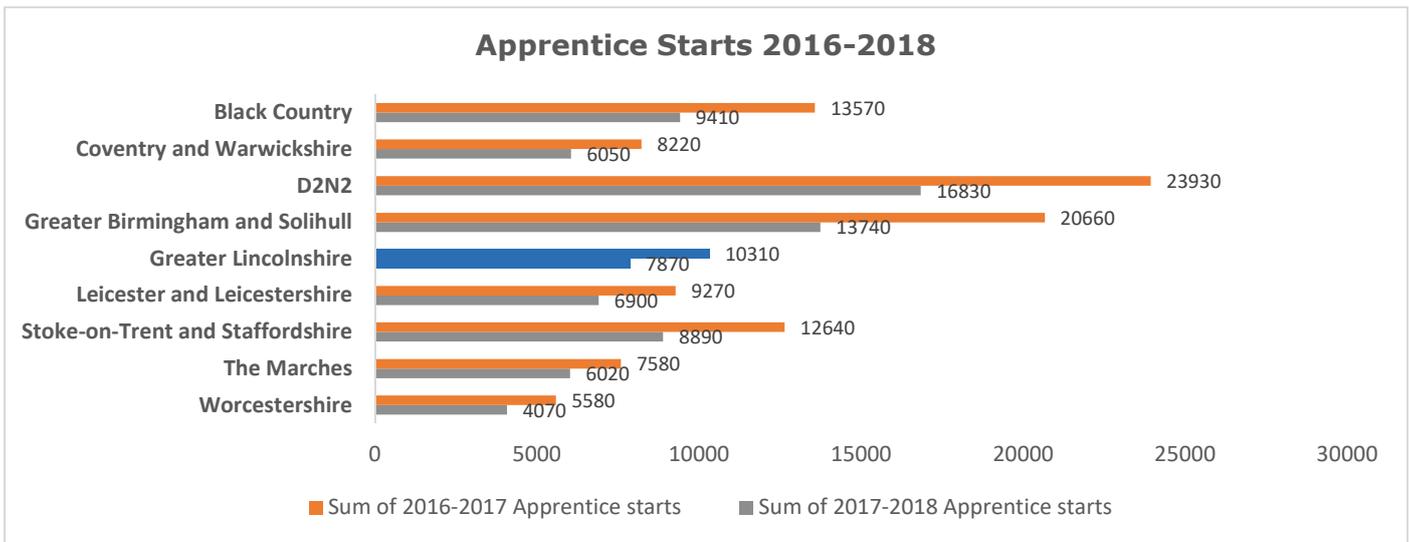


Figure 6 Source: Department for Education (2018)

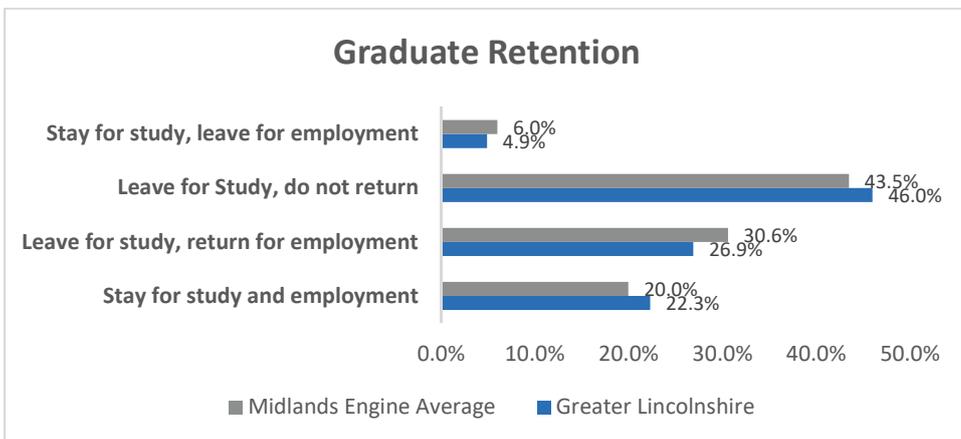


Figure 7 Source: Higher Education Statistics Agency Destinations of Leavers from Higher Education (2018)

Employment and Unemployment Rates

LEP	Employment Rate of Working Age Population (%)	Unemployment Rate of Working Age Population (%)
Black Country	68.7	6.1
Coventry and Warwickshire	77.0	3.3
D2N2	73.6	4.6
Greater Birmingham and Solihull	71.0	6.0
Greater Lincolnshire	74.5	5.3
Leicester and Leicestershire	73.4	5.0
Stoke-on-Trent and Staffordshire	76.4	4.0
The Marches	79.4	3.1
Worcestershire	79.4	3.3
Midlands Engine (LEP)	73.9	4.8

Figure 8 Source: ONS, Annual Population Survey (2019)

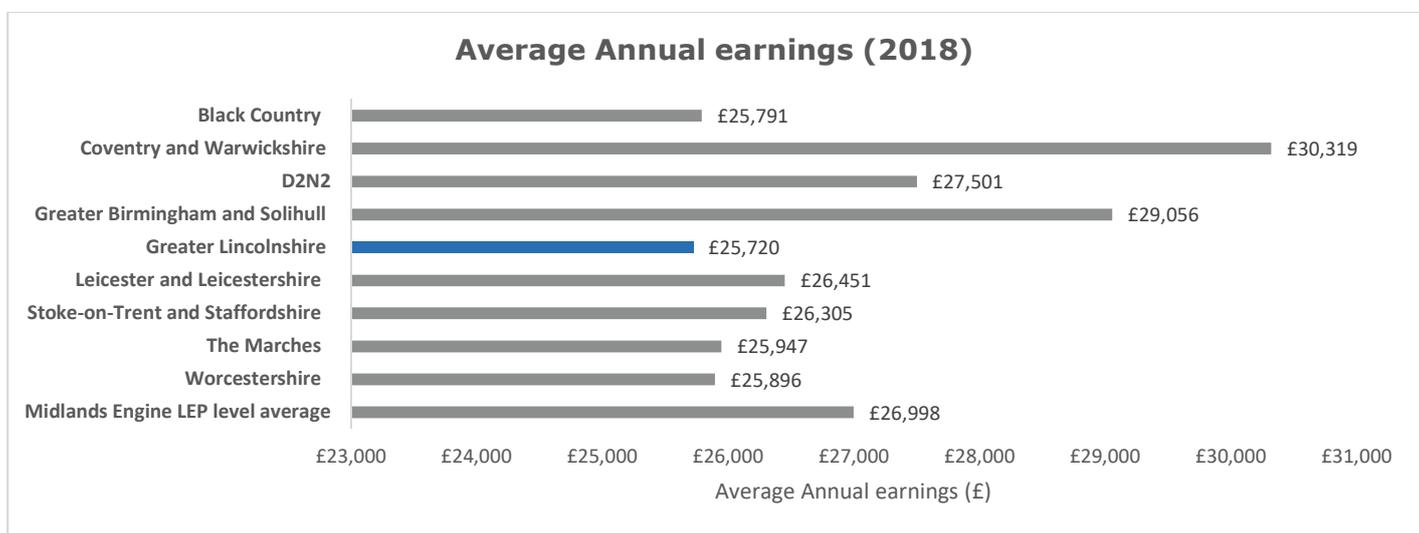


Figure 9 Source: Annual Survey of Hours and Earnings – Workplace Analysis (2018). N.B. data is provisional.

Assets

As indicated in Figure 5, although Greater Lincolnshire has a low proportion of residents with high levels of qualifications compared to in most other Midlands Engine LEPs, the population is more qualified at certain levels than that in certain LEP areas in the Midlands Engine. Greater Lincolnshire has the highest proportion of residents with a NVQ level one or level two qualifications of all the Midlands Engine LEP areas. According to Figure 6, the area also performs well compared to LEPs of a similar size in terms of the number of apprenticeship starts in 2017-2018. 7,870 people began apprenticeships in 2017-2018. This is fifth highest number in all the Midlands Engine LEP areas.

As shown in Figure 8, the employment rate in Greater Lincolnshire (74.5%) is slightly above the Midlands Engine average (73.9%). The area also performs better than the Midlands Engine average in terms of its unemployment rate with a rate of 5.3% compared to 4.8%.

An important assets in terms of raising skills levels is New College Stamford’ recently opened a £1 million [Digital Skills Centre](#). Boasting first-class facilities and offering a wide range of technology, the centre works with over a 150 employers in order to tailor skills and educational programmes to address skills shortages within the different industries.

Barriers and Challenges

Figure 7 shows graduate retention within the Greater Lincolnshire LEP. It helps to better understand whether the LEP is a place graduates are interested in remaining within or moving to. Graduates are important to the local economy as they are highly educated making excellent assets for the workforce. However, from Figure 7 it is clear that Greater Lincolnshire struggles somewhat with graduate retention, with 46% of graduates leaving for study and not returning. This is above the Midlands Engine average of 43.5%. The challenges with graduate retention could be due to the low average annual earnings in the area (see Figure 9) especially compared to the Midlands Engine average, with the Greater Lincolnshire average annual earnings being £25,720 and the Midlands Engine average annual earnings being £26,998. The Greater Lincolnshire LEP has the lowest average annual earnings of any LEP within the Midlands Engine. The low average annual earnings may deter graduates from returning for employment, if they perceive that, there are greater financial incentives available elsewhere.

Greater Lincolnshire also has a low proportion of residents with high levels of qualification compared to the other Midlands Engine LEP. The area has the second lowest proportion of residents with NVQ 4+ qualifications and the lowest proportion of resident with NVQ4+ qualifications.

Opportunities

There are opportunities to respond to trends such as AI, automation and digitisation by further improving the digital skills among the local workforce through the establishment of the [Risual Microsoft Academy](#). The Academy has been launched as a direct response to skills shortages identified by Greater Lincolnshire employers and will offer secure and lucrative careers for apprentices of all ages.

Greater Lincolnshire was also successful in a bid of £370,000 to the [Coastal Communities Fund](#), which aims to support training in jobs, which operate all year round, providing income to employees all year round rather than being subject to the seasonal nature of for example retail jobs. Greater Lincolnshire was also one of 12 areas in the country to have a successful Institute of Technology bid, bringing together University of Lincoln, Colleges and Businesses in a collaborative bid.

The Greater Lincolnshire LEP was also one of seven LEPs invited to shape the [Skills Advisory Panel Programme](#). This involved developing a set of roles and responsibilities for local Employment and Skills Boards (or Skills Advisory Panels) and bringing together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to better understand and address key local challenges. In turn the knowledge, developed provides opportunities for local higher education facilities to tailor training to address skills gaps existing within the local labour market.

Case Study: Digital Skills Centre, Stamford

This project involved the refurbishment and upgrade of the College's computer learning facilities in order to significantly enhance the delivery of digital skills training and education. The project supports the further development of new areas of provision including cyber security, mobile technologies, green IT and cloud computing, all of which have been identified by UKCES as drivers for high level skills needs within the digital sector, as well as implementing a suite of new and internationally recognised commercial computing certifications (CISCO and Microsoft).

Digital skills underpin all of the priorities identified in the Greater Lincolnshire Local Enterprise Partnership (GLLEP) Strategic Economic Plan 2014-2030, not least because of increasing automation and the endemic use of digital data within all sectors of business.

The refurbishment included:

- Realignment of the curriculum and training offer to meet projected business and employment needs, including recognised industry certifications
- A complete redesign of the space, including improved access for learners and clients with learning difficulties and disabilities, to meet current and future learning needs
- Creation of an open, innovative and inspiring learning environment modelled on real world industry practice and flexible working patterns
- Technical and equipment upgrades which reflect contemporary and emerging technologies and which enable the College to respond more effectively to the trends that are shaping change within all employment sectors, including increased virtualisation and digitalisation
- Investment in flexible and distance learning technology such as 'Microsoft Classroom of the Future' to expand access to education, training, reskilling and upskilling in rural areas.

Estimated potential outcomes:

- Develop NCS' computing provision in response to changing needs locally, regionally and nationally, delivering at least 10 additional qualifications by 2021/22
- Enable curriculum innovation to support business needs in emerging technologies, automated production, agri-tech and renewables, working with at least 150 new employers by 2021/22
- Increase by at least 100% the number of learners accessing high quality education and training in key sectors, including apprenticeships and HNC/Ds, by 2021/22
- Support South Kesteven District Council's plans for the creation of a digital skills hub in Stamford by March 2019.

Going Forward

Greater Lincolnshire LEP's Priorities:

- Continue to develop links between businesses and schools through the Enterprise Adviser Network (EAN) and our 'Give an Hour' campaign.
- Successfully roll out the new Institute of Technology across the LEP area.
- Engage with the new National Retraining Scheme for adults when it is rolled out across England in 2020.
- Ensure that EU funds for skills and training are supporting residents across the whole LEP area
- Work with Government to maximise the effectiveness of the Apprenticeship Levy and T Levels
- Use our existing networks to understand and communicate employers real skills needs.
- Support young people to develop the digital skills they need.
- Ensure that adults are not digitally excluded by working with Government to develop Digital Partnerships in our market towns.
- Raise awareness of DWPs Fuller working lives agenda.
- Find ways to support SMEs recruitment and workforce development.





INFRASTRUCTURE



**488,620
DWELLINGS**



**UNDER 90
MINUTES FROM
EAST MIDLANDS
INTERNATIONAL
AIRPORT**



**7.23
HOUSE PRICE
TO INCOME
RATIO**



**54%
SUPERFAST
BROADBAND**

The Industrial Strategy recognises that having modern and accessible infrastructure throughout the UK is essential to future growth and prosperity. It stresses the importance of large scale, long-term investment in transport, housing and digital networks for long-term productivity, through increasing the earning power of Britain’s people, communities and businesses.

The strategy aims to improve access to full-fibre broadband, develop new 5G networks, improve the usage of 5G technologies, create a new high-speed rail network better connecting residents to jobs, regenerate stations and airports, upgrade the road network and improve individual’s lives through better quality housing and the promotion of clean, affordable energy.

Figures 10-12 indicate how Greater Lincolnshire benefits from good overall broadband coverage and how total dwelling stock increased between 2007 and 2017. Nonetheless, congestion, and poor connectivity are key challenges. A number of projects have sought to address congestion, the shortage of housing and improve connectivity across the area.

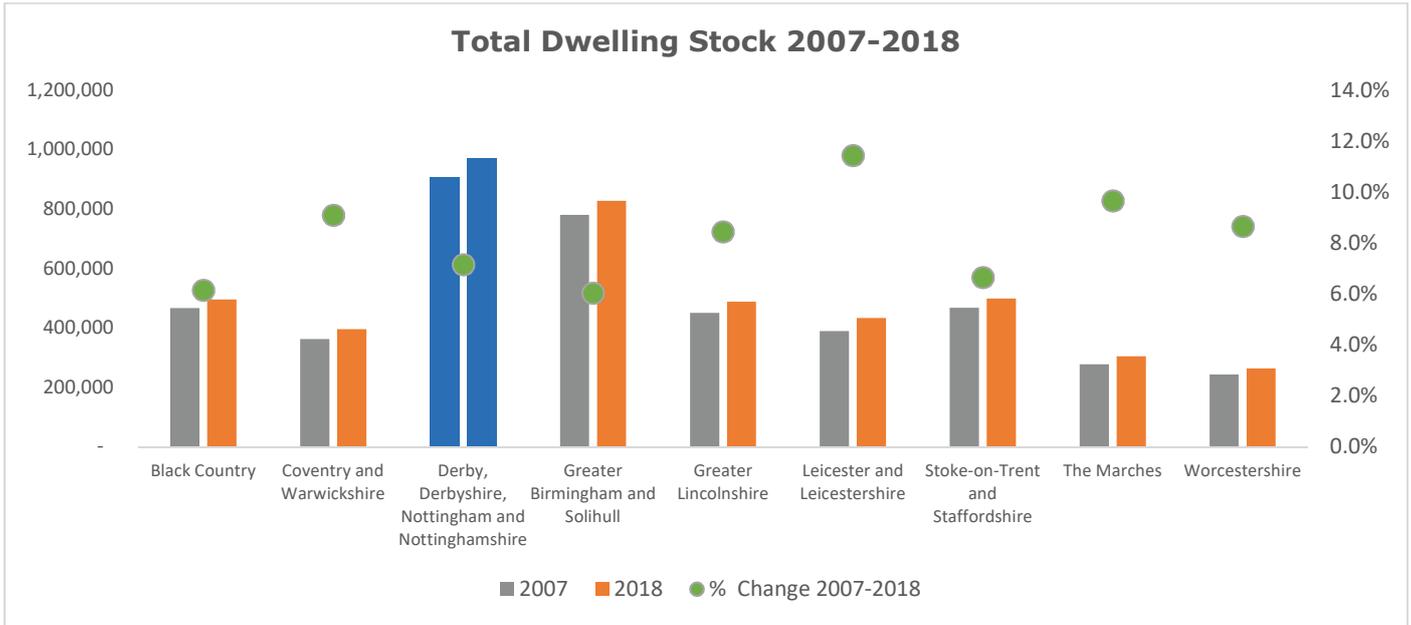


Figure 10 Source: Ministry of Housing, Communities & Local Government, Live Table 125 (2018)

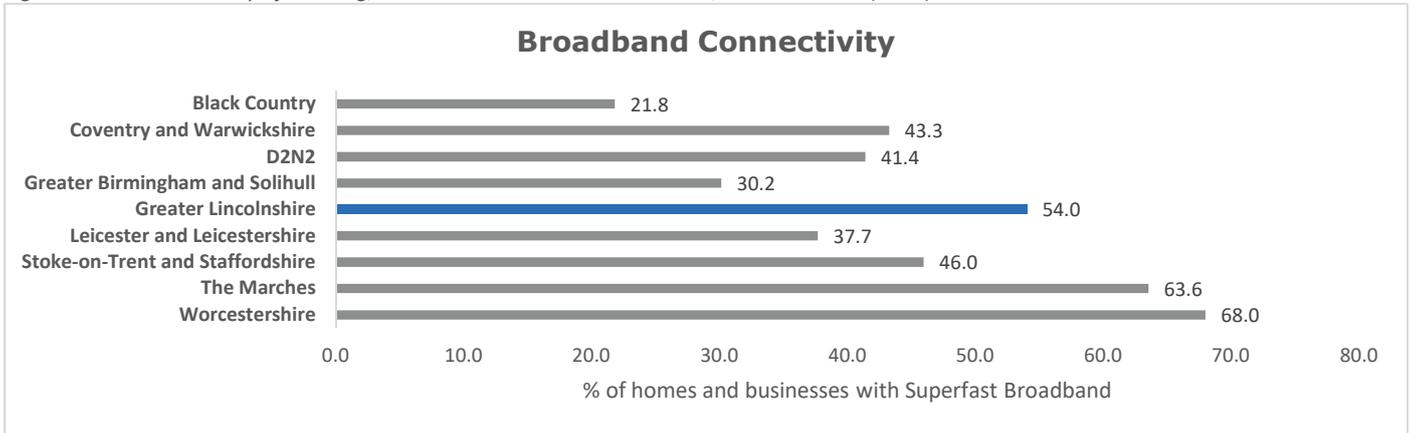


Figure 11 Source: OFCOM, Connected Nations (2018)

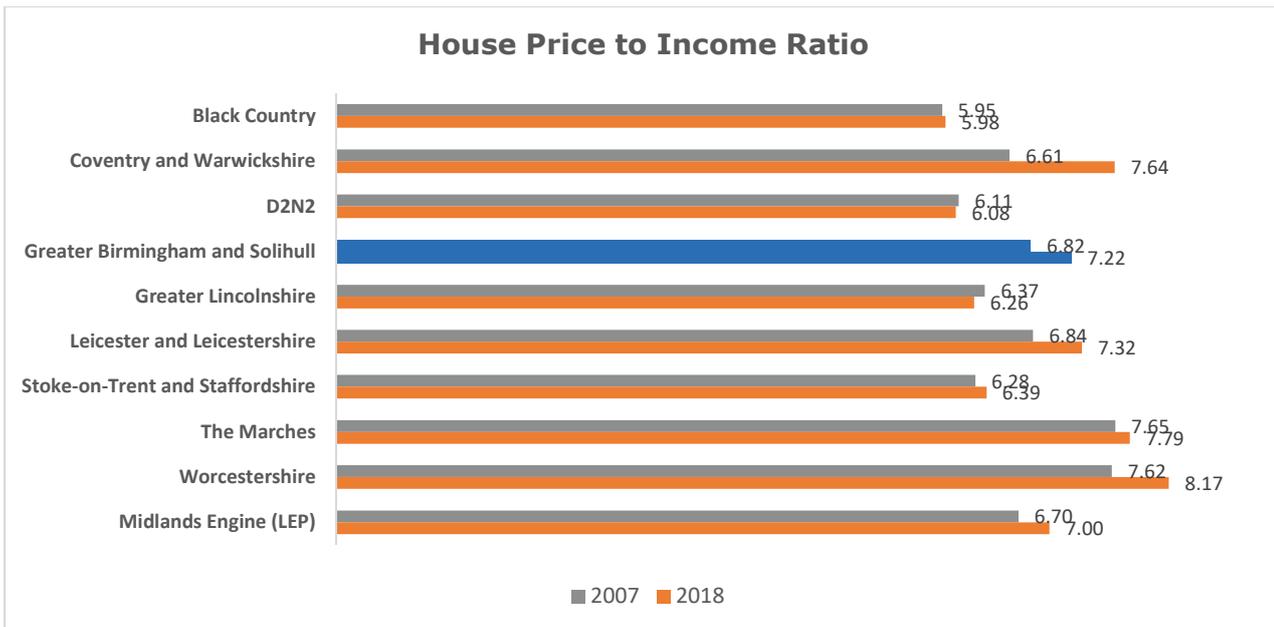


Figure 12 Source: ONS (2018)

Assets

An asset, which stands out for Greater Lincolnshire, is the extent of Superfast Broadband Connectivity. Greater Lincolnshire has the third highest connectivity in the Midlands Engine at 54% after the Marches (63.6%) and Worcestershire (68.0%) as shown in Figure 11. This is an important contributor to productivity as faster broadband can increase the efficiency of the work place. Alongside this, there has been a considerable recent increase in dwelling numbers as shown in Figure 10. Dwelling stock increased by 8.4% between 2007 and 2018 – the fifth highest increase among Midlands Engine LEPs during the period. At 6.26% the House Price to Income Ratio is also one of the lowest among Midlands Engine LEP areas. Furthermore, there have been major improvements to local road infrastructure across the Greater Lincolnshire LEP area. The Greater Lincolnshire LEP has supported successful transport funding bid such as:

- The creation of a new relief road, bridge and connections in Grantham South, designed to facilitate a major sustainable urban comprising of a mix of employment land and up to 4,000 new homes.
- The Lincoln Eastern Bypass designed to reduce traffic congestion in the centre of Lincoln.
- The Lincoln Central Transport Hub which better integrates the train station to the nearby Science and Innovation Park
- The Berkeley Circle Highway Improvement in Scunthorpe, which is designed to reduce congestion and support the development of housing, commercial and leisure developments.

Such infrastructure improvements are likely to improve the attractiveness of the area to both businesses and homeowners, as more efficient infrastructure creates a more productive work place, as well as a higher quality of life.

Barriers and Challenges

[Greater Lincolnshire LEP](#) expects that demand for movement of people and good will continue to grow across Greater Lincolnshire over future years, putting increasing stress on existing transport networks. Traffic can be a major issue in some areas due to poor infrastructure and the congestion will lead to a weakening of the future sustainability of the economy. Analysis has also shown that improvements to the rail network across the Greater Lincolnshire LEP could bring significant benefits in supporting business, visitor and labour markets. Long-distance connectivity from Greater Lincolnshire is generally poorer than in other parts of the country, with the exception of Grantham.

Opportunities

An important opportunity to improve infrastructure and provide improve housing, employment, and leisure facilities in Greater Lincolnshire is the [Boston Quadrant project](#). The 27-hectare development has received Growth Deal Funding as well as a loan from the Growing Places Fund. Once completed the project, will comprise over 500 new homes, and commercial businesses such as restaurants. Greater Lincolnshire LEP estimates that once complete the scheme will lead to the direct creation of 113 new full-time jobs within the local economy and also lever in an additional £18.3 million of private-sector investment. Opportunities also exist to enhance connectivity through the Midlands Connect A46 programme.

Case Study: Lincoln Transport Hub

This transformational project completed in January 2018 had been an aspiration for the City of Lincoln Council as well as major businesses and organisations in the city for some twenty plus years and included the creation of an integrated transport hub, comprising of a brand new fit-for-purpose bus station adjacent to the improved train station, improved public realm, as well as a new 1,000 space multi-storey car park.

The Transport Hub was delivered with funding from the Department for Transport, Greater Lincolnshire Local Enterprise Partnership and the City of Lincoln Council. It received funding of £13,000,000 from the Local Growth Fund and £16,0000 match funding. The project met number of objectives including:

- Lincoln Integrated Transport Strategy – assisting the sustainable economic growth of Lincolnshire through transport improvements, minimizing congestion through the promotion of walking, cycling and public transport as well as providing additional parking provision
- Greater Lincolnshire Local Enterprise Partnership priorities - delivering a public transport interchange which will provide a substantially improved service to commuters and visitors, increasing Lincoln city centre’s attractiveness for investment, and opening up brownfield land for further development.
- City of Lincoln Council Masterplan – Improving connectivity within the city, achieving a good mix of uses including office, retail and residential. Removing and updating an outdated and unattractive bus station which was beyond its economic lifespan and delivering high quality public realm and vastly improved accessibility by all modes of transport such as by foot, bicycle and public transport.
- City of Lincoln Local Plan – Ensuring people have good access to facilities, encouraging developments that support public transport
- City of Lincoln Parking Strategy – improving parking supply, securing better use of existing and potential parking provision and delivering a scheme which encourages and promotes modal shift.

Going Forward

The Local Authorities, plus Greater Lincolnshire LEP are producing a non-statutory spatial strategy with a 30 year vision, covering all aspects of infrastructure which will sit alongside the Local Industrial Strategy and the Strategic Economic Plan. Other key priorities include to:

- Continue to develop the relationship with Midlands Connect
- Trial new mobility methods in a rural area.
- Develop a strategic approach to development and land use planning to align with the Greater Lincolnshire Water Management Plan



Lincoln Transport Hub, Lincoln



BUSINESS ENVIRONMENT



**37,795
BUSINESSES**



**3,910
BUSINESS BIRTHS**



**-13.4%
BUSINESS BIRTHS**



**8.8% OF JOBS IN
BUSINESS
ADMINISTRATION
& SUPPORT
SERVICES**



**4.2% OF JOBS
IN PROFESSIONAL,
SCIENTIFIC &
TECHNICAL
SECTOR**

The Business Environment Foundation of the Industrial Strategy aims to support the UK to be the best place to start and grow a business. The key challenge identified in the strategy is how to ensure all businesses adopt best practice from the UK's most productive businesses. It aims to address how, on average, managers in the UK are less proficient than managers are in other competitor countries. Overall, the strategy aims to drive productivity in all businesses regardless of size through increasing collaboration, improving skills levels and improving access to good and well-paid employment. Key policies include:

- The launch and rollout of partnerships between government and industry to increase sector productivity through Sector Deals in the life sciences, construction, artificial intelligence and automotive sectors.
- Over £20 billion in investment in innovative and high potential businesses including the establishment of the £2.5 billion Investment Fund.
- The commissioning of a review into what actions may be most effective in raising productivity among SMEs.

Greater Lincolnshire contributes to the Midlands Engine in terms of the manufacturing, agri-food, visitor economy, low carbon, health and care, ports and logistics. It plays a particularly important role as the port gateway to the Midlands Engine. The area also performs fairly well compared to other similar sized LEPs in terms of the proportion of start-ups generating £1 million + after three years of operation in the UK. However, entrepreneurship is not as vibrant in Greater Lincolnshire as elsewhere in the Midlands Engine. The number of business births is low. The expected withdrawal of the United Kingdom from the

European Union also raises particular risks for Greater Lincolnshire given the large size of its agricultural sector.

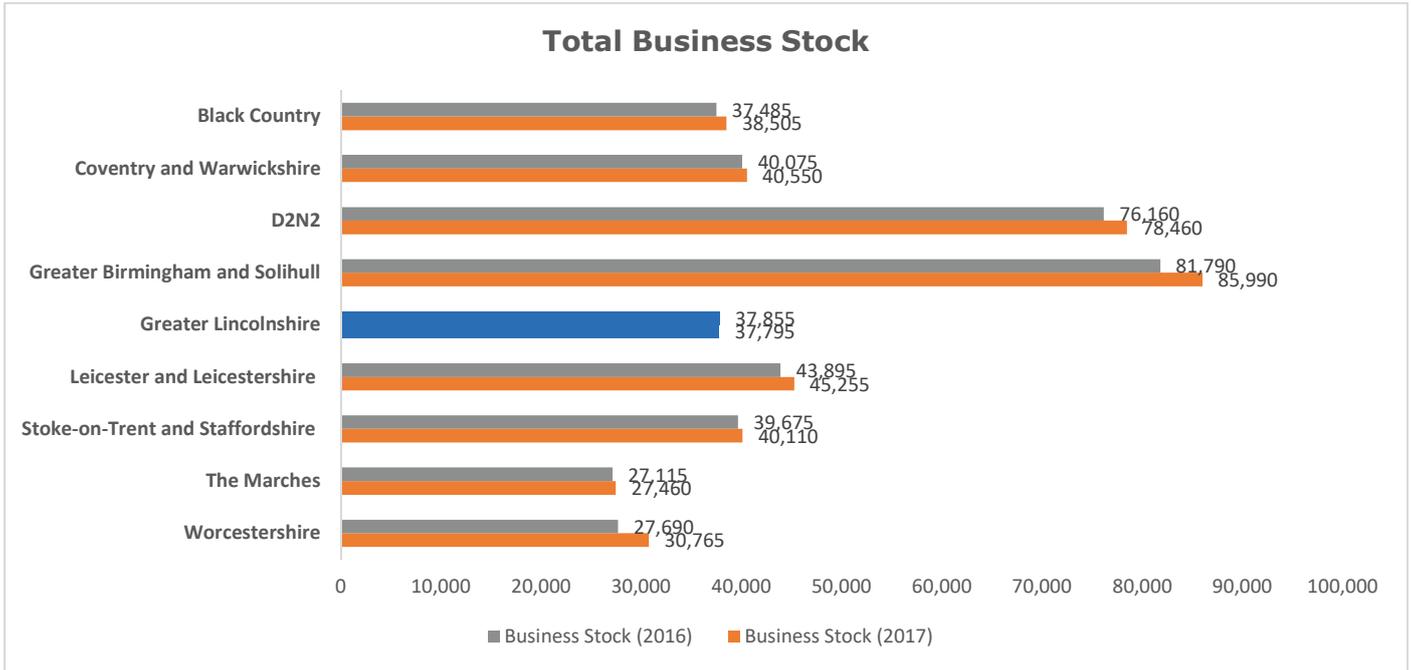


Figure 13 Source: ONS Business Demography (2018)

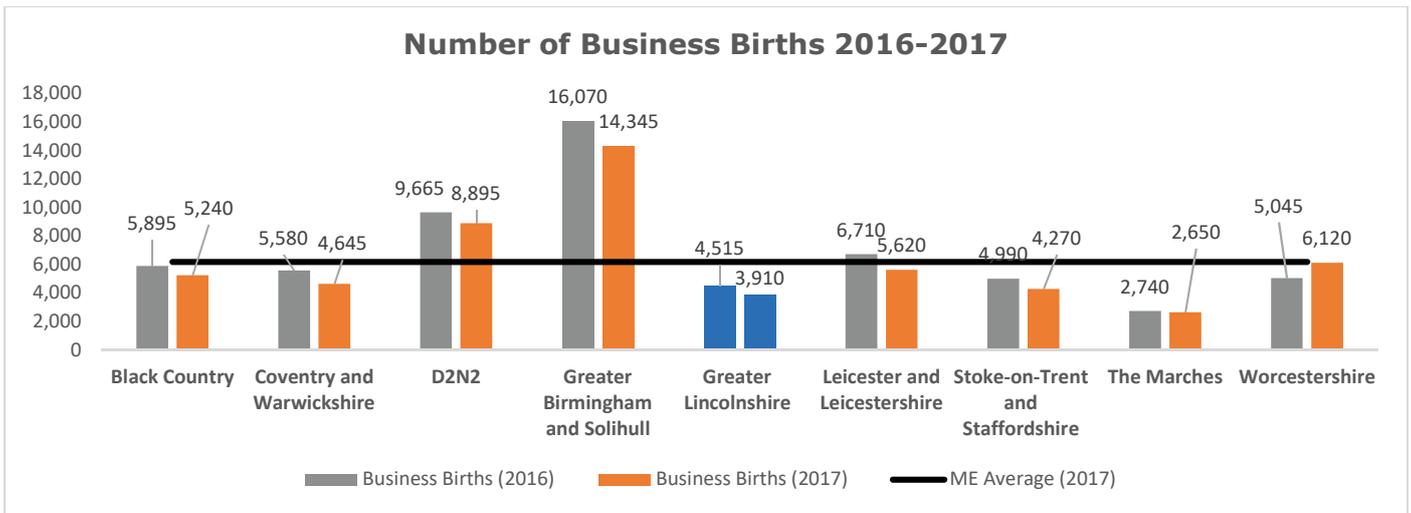


Figure 14 Source: ONS Business Demography (2018)

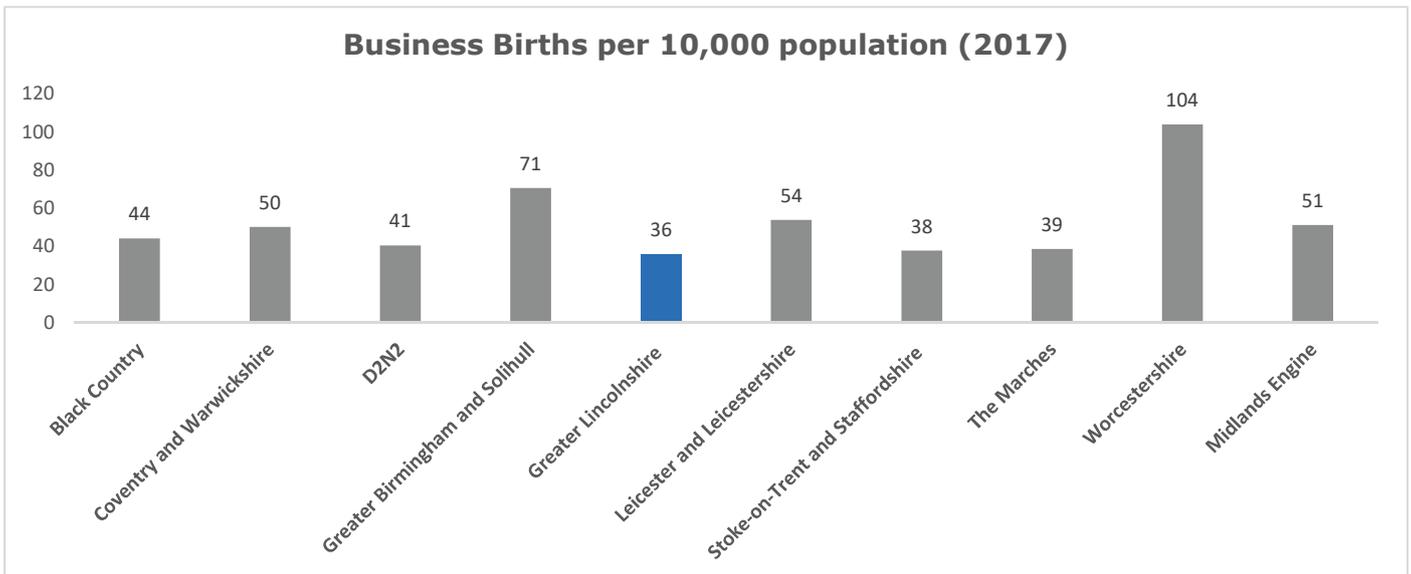


Figure 15 Source: ONS Business Demography (2018)

Proportion of Start-ups Generating £1m+ Revenues after 3 Years in the UK (2017)

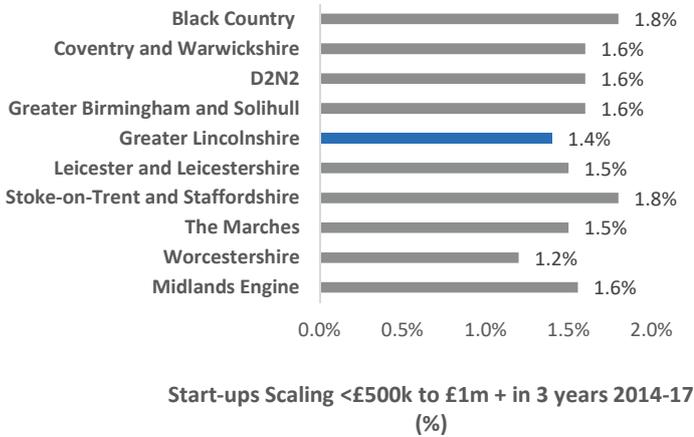


Figure 16 Source: Enterprise Research Centre UK Local Growth Dashboard, 2018

Firms (born<2013) turnover £1-2m in 2014 and reaching £3m+ in 2017 in the UK

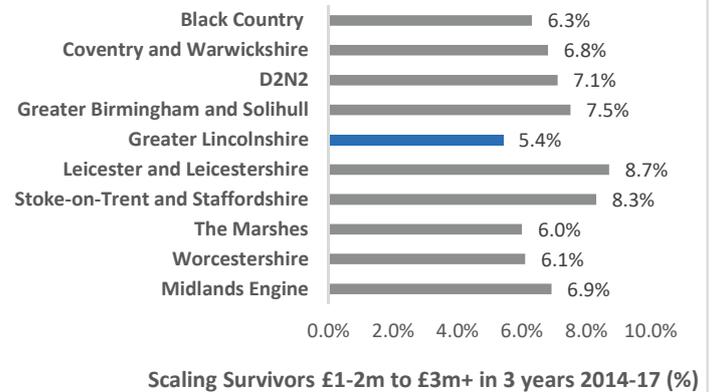


Figure 17 Source: Enterprise Research Centre UK Local Growth Dashboard, 2018

Jobs by Broad Sector (%)

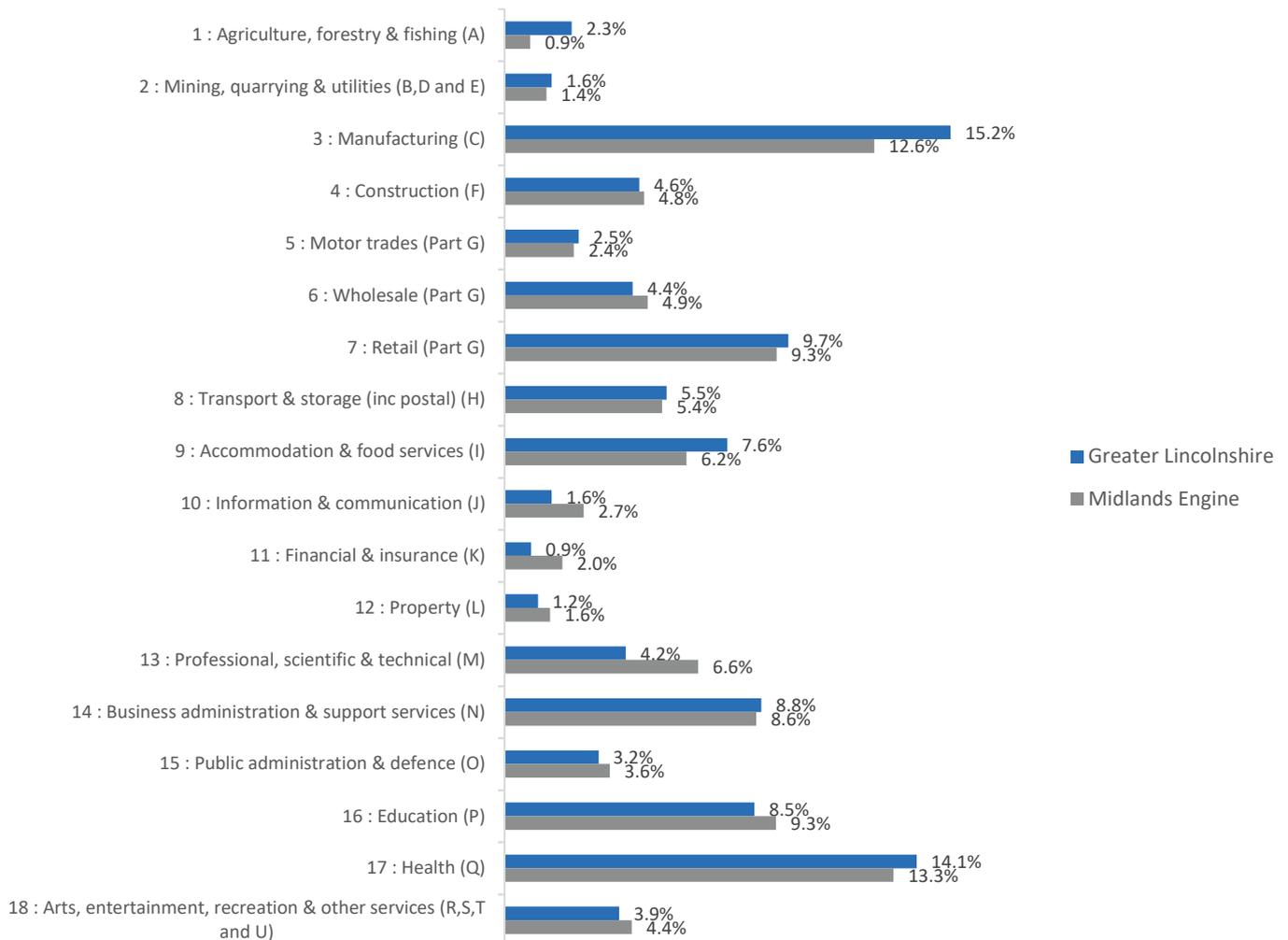


Figure 18 Source: Business Register and Employment Survey (2019)

Assets

Greater Lincolnshire LEP has identified six sectors, which have a competitive advantage and can offer real growth: manufacturing, agri-food, visitor economy, low carbon, health and care, ports and logistics. The strength of these sectors is indicated in Figure 18 where the proportion of jobs in the manufacturing sector, the agriculture, forestry and fishing sector, the health sector, and the transport and storage sector are all above the Midlands Engine average.

Great Lincolnshire is [strategically important in national food security](#), growing 25% of national vegetable production and processing 70% of its fish. The area benefits from three complementary growing Good Enterprise Zones:

- Europarc III focusing on supporting growth of the existing seafood and value-added food processing cluster on the Humber
- Central Lincolnshire at Hemswell Cliff, supporting the growth of the arable food sector
- Holbeach close to the National Centre for Food Manufacturing, focusing on the high value food chain, and part of the Peppermint Park project.

Manufacturing and engineering strengths in the area range power engineering, to metrochemicals/chemicals, to steel manufacture to motorsport engineering. Between 2012 and 2017, tourism in Greater Lincolnshire [increased by nearly a third](#). In terms of developing the low carbon sector, Greater Lincolnshire enjoys a [strategic location](#) with the Humber Estuary fundamentally connected to at least 25% of the UK's energy production and the South Bank of the Humber lying at the centre of an emerging offshore windmarket. The growing and ageing population of Greater Lincolnshire as well as the dispersed nature of towns and villages in the area is driving growth in the health and social care sector. Nationally, Greater Lincolnshire's ports account for [over 25% of the UK rail freight](#). They act as an important gateway to the Midlands Engine as well as the Northern Powerhouse.

As shown in Figure 16, Greater Lincolnshire performs fairly well compared to other similar sized LEPs in terms of the proportion of start-ups generating £1 million + after three years of operation in the UK. 1.4% of start-ups achieved this size of revenue compared to 1.2% in Worcestershire. The area has a genuinely dominant SME base – compared to other areas; only 36% of employment is in large businesses in Great Lincolnshire. This creates a broad and relatively diverse business base not reliant on one business.

Barriers and Challenges

Entrepreneurship does not appear as vibrant with Greater Lincolnshire LEP as elsewhere in the Midlands Engine. Figure 15 shows the number of business births per 10,000 of population. In 2017, there were 36 new businesses for every 10,000 of the population in Greater Lincolnshire. This is the lowest of all LEPs within the Midlands Engine. Greater Lincolnshire also had the second lowest number of business births in the Midlands Engine in both 2016 and 2017 according to Figure 14. Figure 13 shows that Greater Lincolnshire was the only Midlands Engine LEP where total business stock fell between 2016 and 2017 – albeit marginally. Figure 17 shows that the area may be particularly struggling to attract and support large companies. Greater Lincolnshire is the Midlands Engine LEP area with the lowest proportion of firms born prior to 2013 with a turnover of £1million to £2million that reached a turnover in excess of £3million in 2017.

The expected withdrawal of the United Kingdom from the European Union raises particular risks for Greater Lincolnshire given the large size of its agricultural sector. [Research by City-REDI](#) into the economic impacts of Brexit on the UK's regions, cities and sectors showed that agriculture and fishery workers are most exposed to trade risks associated with Brexit.

Opportunities

The construction of Skegness Countryside Business Park is expected to provide infrastructure to support business growth in the area. As part of the £8 million project a new four-arm roundabout off the A52, Wainfleet Road, Skegness as well as new roads and utility connections into the business park will be constructed. The site will stretch over 76 acres and has full planning permission for a range of uses including 84-bed hotel, office and manufacturing premises, a petrol station and public house. It will also include the construction of 1,500m² workspace units to be operated by Lincolnshire County Council on flexible leasehold basis to local businesses. The LEP hopes that the business park will provide the conditions for local businesses to expand as well as acting as a catalyst for other businesses to move to the area.

Given its strategic location, Greater Lincolnshire appears well-placed to take advantage of the predicted expansion of private sector investment in the low carbon economy over the next fifteen years. However, it is notable that The Race Bank extension project off the coast of Norfolk which would have doubled the size of Grimsby's largest off-shore wind farm was rejected in August 2019 due to conservation concerns.

Case Study: Bishop Burton College Lincolnshire Showground Riseholm Campus

This project saw the development of the following at the Riseholme Campus of Bishop Burton College, located at the Lincolnshire Showground site, 2 miles north of Lincoln city. It was funded through £7,500,000 from the Local Growth Fund and £4,008,612 of match funding. It includes:

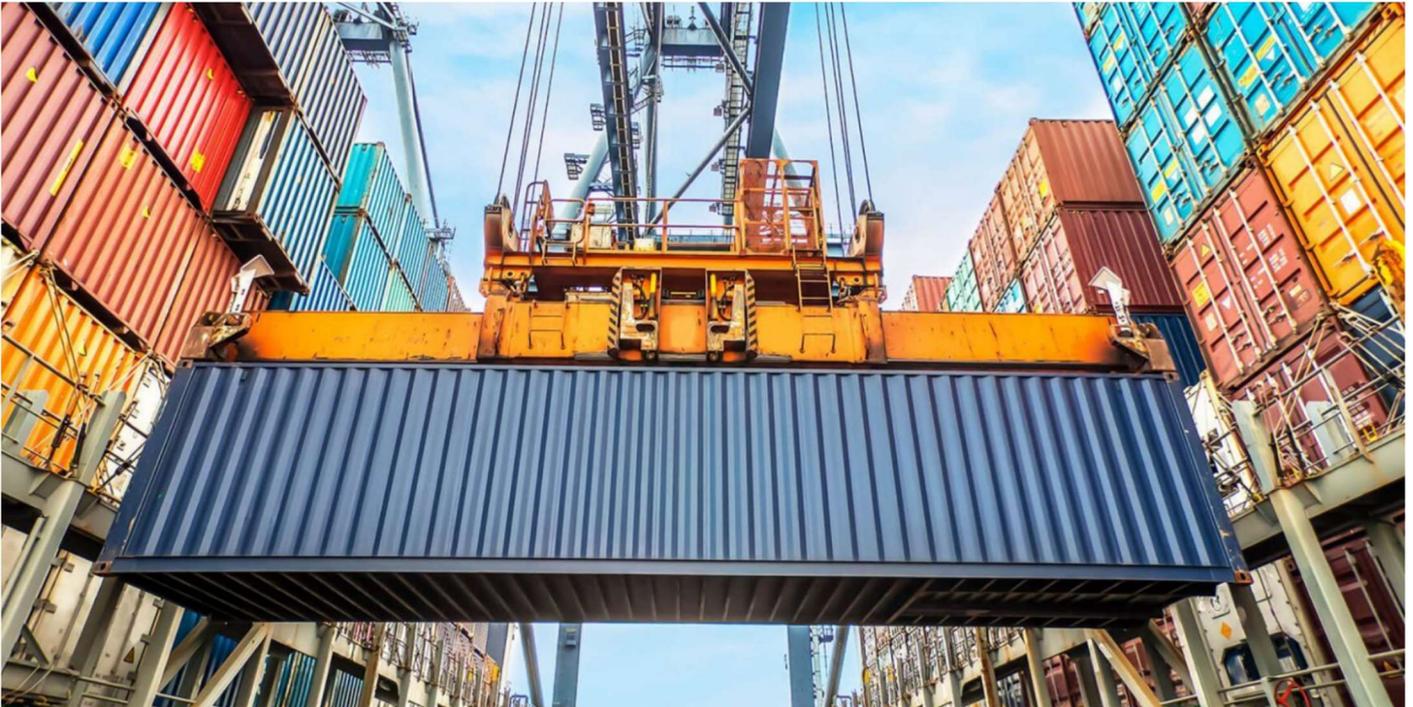
- A Food and Agri-food Science Centre, providing a platform for the development of technology, skills and knowledge that will enable farming practices to be more sustainable and minimise the impact on the environment;
- A Health and Nutrition Centre, featuring state-of-the-art food processing facilities, including a sensory analysis unit and a food micro-biology laboratory;
- A Sport and Health Science Centre, enabling the whole student body, and the local community, to engage in sports and fitness activities. It also provides the essential link between the development of health and fitness and the new programmes in Agriculture, Food Science and Human Nutrition;
- The campus provides Lincolnshire with an opportunity to build on the county's prominence in Agri-Food by upskilling the workforce and promoting technology transfer, strengthening Greater Lincolnshire's credentials as a centre of excellence in food production, and a leader in agricultural innovation.
- Centres for education, training and innovation in engineering needed to be revitalized. With rising demand, the output of education to first degree level was at capacity. The Riseholme campus is ideally placed, both geographically and in available resources, in order to address the shortfall.

Estimated potential outputs:

- Learners supported 507
- New jobs created 11
- Jobs safeguarded 49
- Businesses supported 114

Going Forward

- Digitisation of businesses through Growth Hub programmes e.g. Digital Business Support programme
- Supply chain & circular economy support to improve business' competitiveness
- Defence sector programme to strengthen supply chains
- Investor development programme targeted at businesses in strategic opportunity areas
- £7m Made Smarter proposal with D2N2 to support manufacturing
- Focus on supporting business growth through globalisation opportunities
- Enhanced programme to support rapid growth Scale Up businesses



 **PLACE**



58.3%
URBAN
POPULATION



13/38
LEP AREAS IMD
AVERAGE RANK



2.8 MILLION
VISITOR TRIPS



9.0 MILLION
VISITOR
NIGHTS

The Place Foundation within the Industrial Strategy aims to create prosperous communities across the UK, as competitive cities, towns and rural areas are crucial to shaping the UK’s economic future. It acknowledges that whilst the UK has world-leading businesses across the UK, greater disparities in regional productivity exist than in other European countries, shaping people’s pay, work opportunities and life chances.

Key policies introduced to support delivery of the Place Foundation include:

- The requirement for Local Enterprise Partnerships and Mayoral Combined Authorities to agree Local Industrial Strategies, which build on local strengths to deliver on economic opportunities.
- Establishing the Transforming Cities fund providing £1.7 billion to support intra-city transport projects driving productivity by improving connections within city-regions.
- The piloting of a £42 million Teacher Development Premium to test the benefits of a £1000 budget supporting the professional development of teachers working in areas that are struggling.

RURAL POPULATION

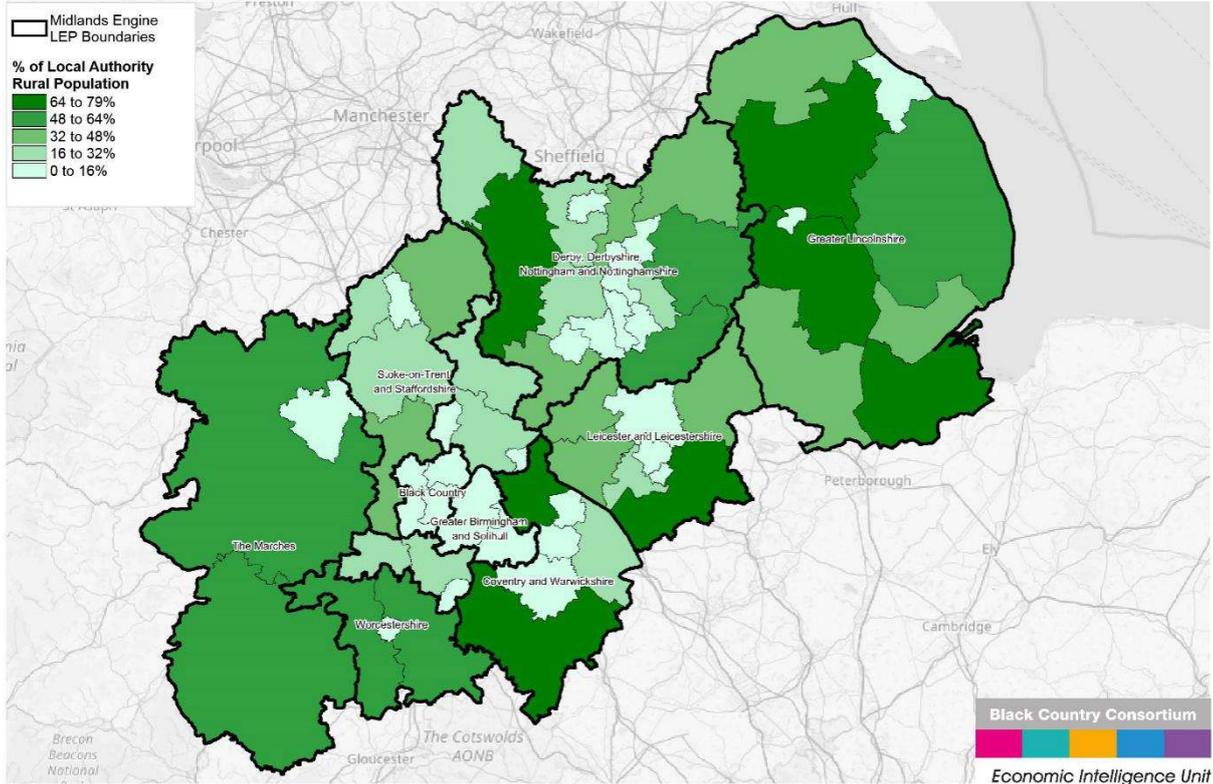


Figure 19
Source:
Huggins et al (2019)

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INDICES OF MULTIPLE DEPRIVATION

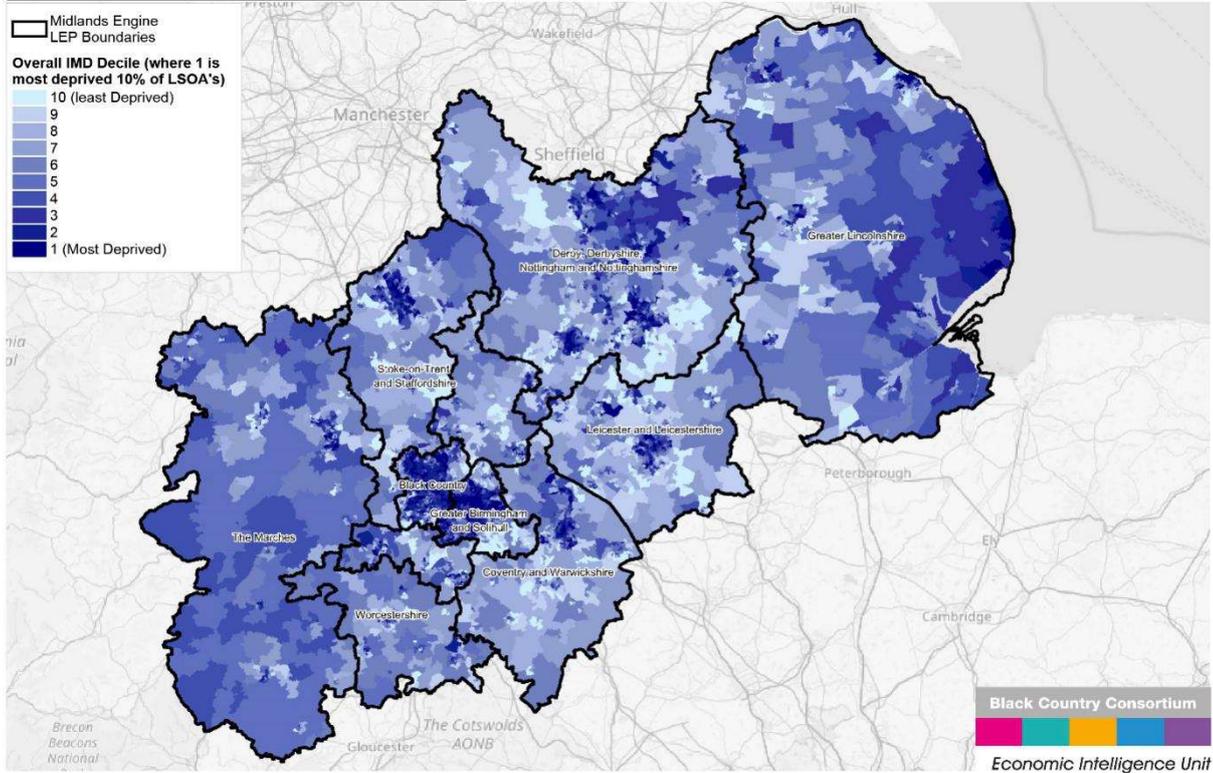


Figure 20
Source:
Gov.uk (2011)

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UK COMPETITIVENESS INDEX

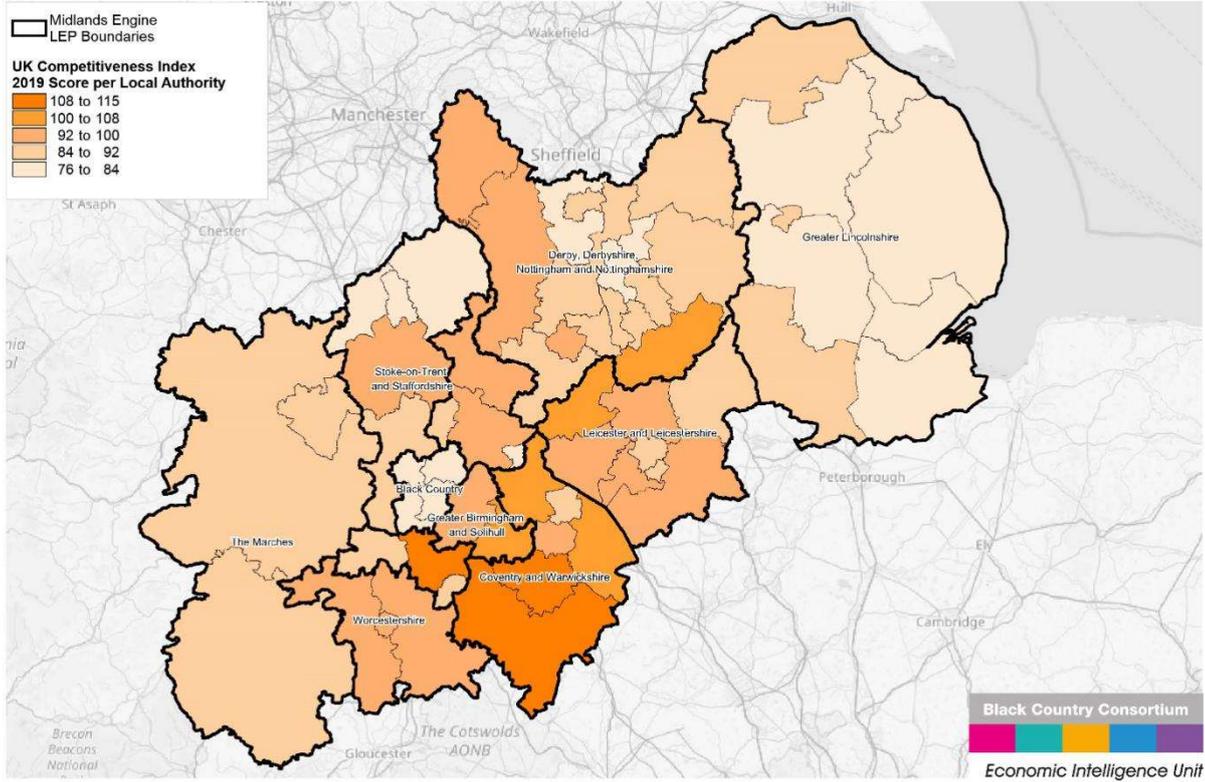


Figure 21
Consumer Data Research Centre (2017)

The UKCI benchmarks the competitiveness of the UK’s localities based on an integrated measure of competitiveness focusing on both the development and sustainability of businesses and the economic welfare of individuals.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - PHYSICAL ENVIRONMENT

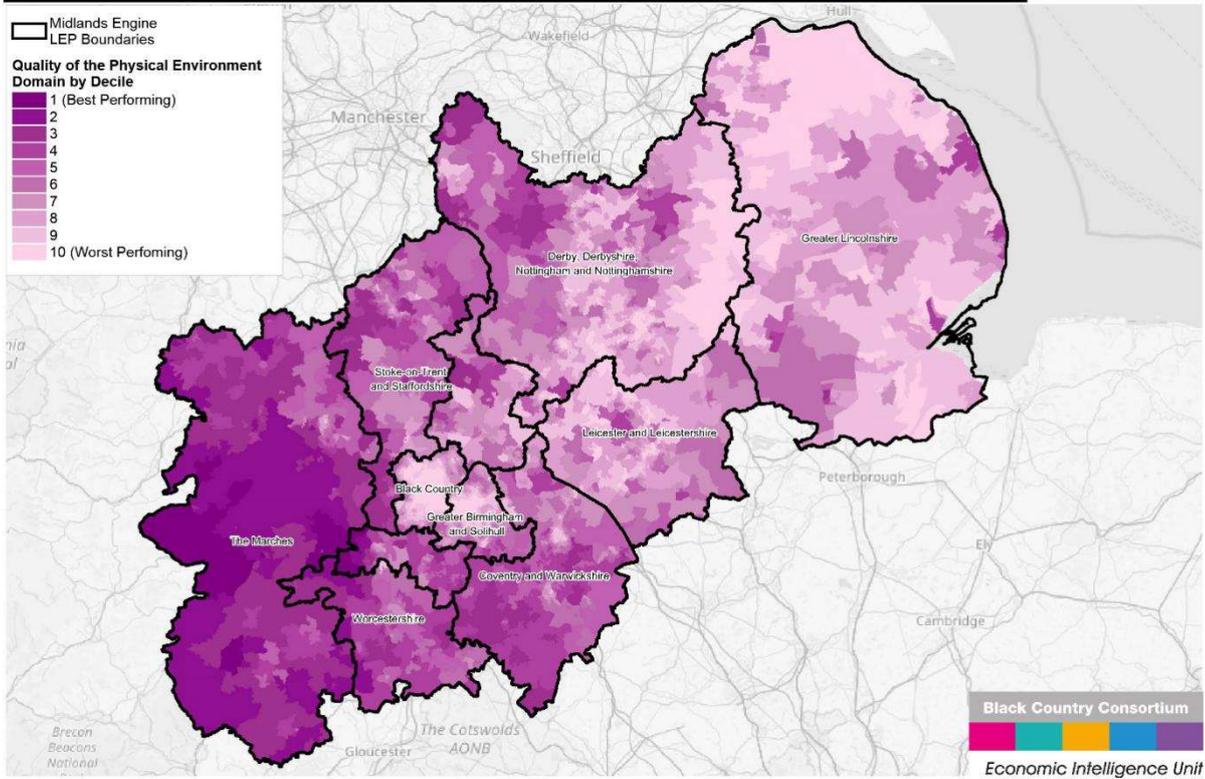


Figure 22
Source: Gov.uk (2015)

The Index of ‘Access to Health Assets and Hazards’) measures how ‘healthy’ neighbourhoods are. The domain of physical environment relates to the presence of green space and three air pollutants.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - RETAIL ENVIRONMENT

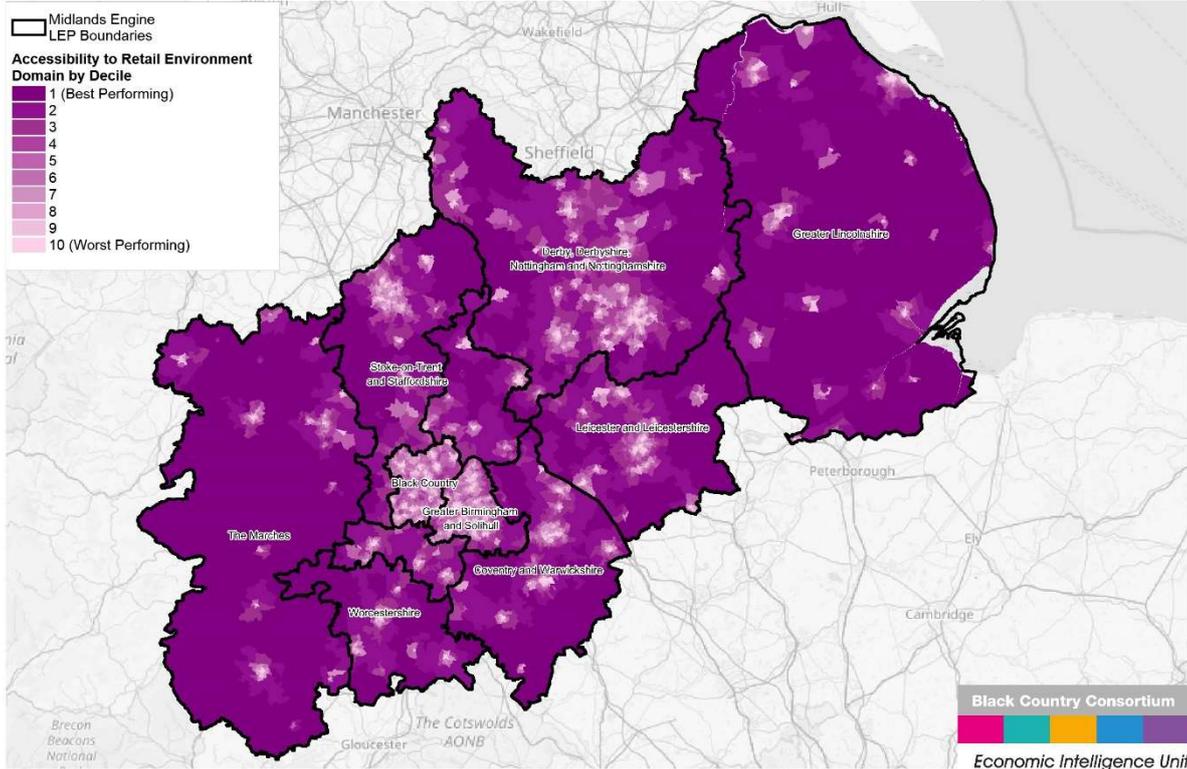


Figure 23
Source: Gov.uk (2015)

The domain of accessibility for Retail Environment relates to specifically access to fast food outlets, pubs, off-licences, tobacconists and gambling outlets. A healthy area perspective better / more access would equate to worse score.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - HEALTH SERVICES

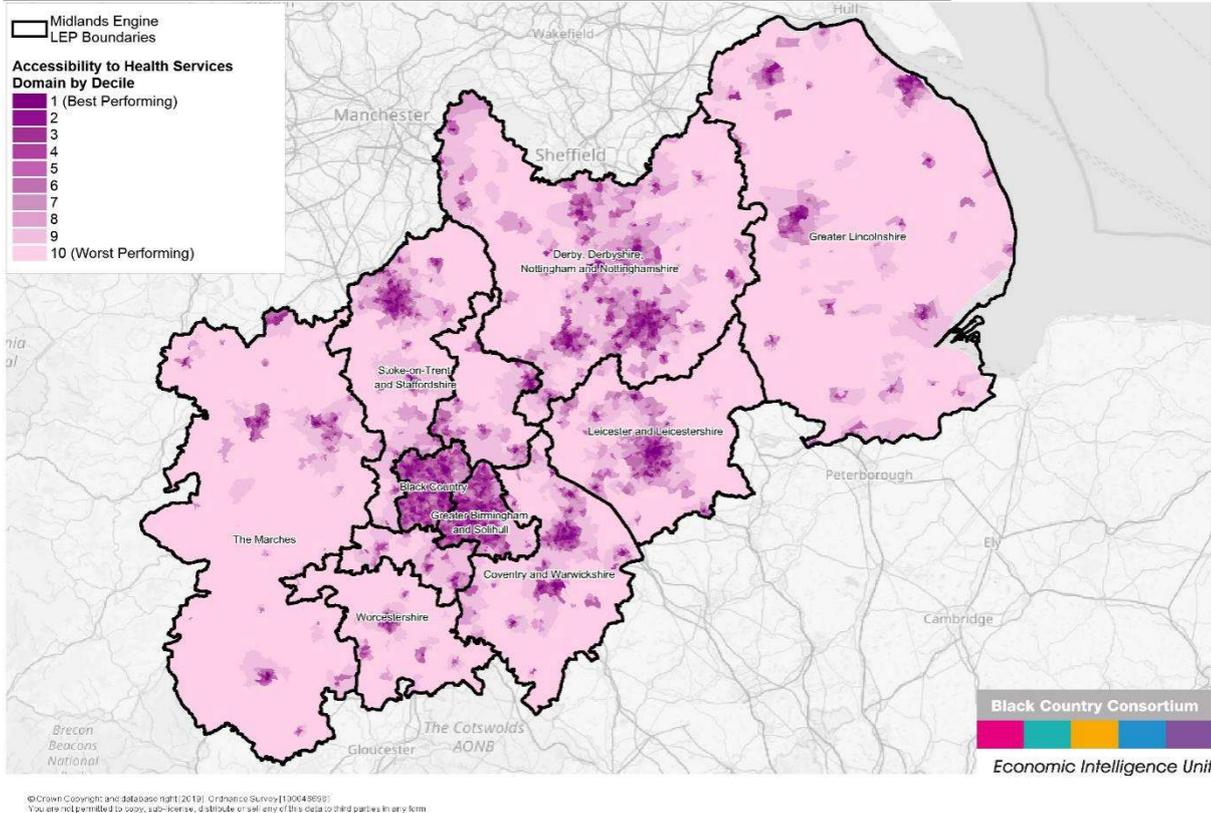


Figure 24
Source: Gov.uk (2015)

The domain of Health services relates to access to GPs, hospitals, pharmacies, dentists and leisure services.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS

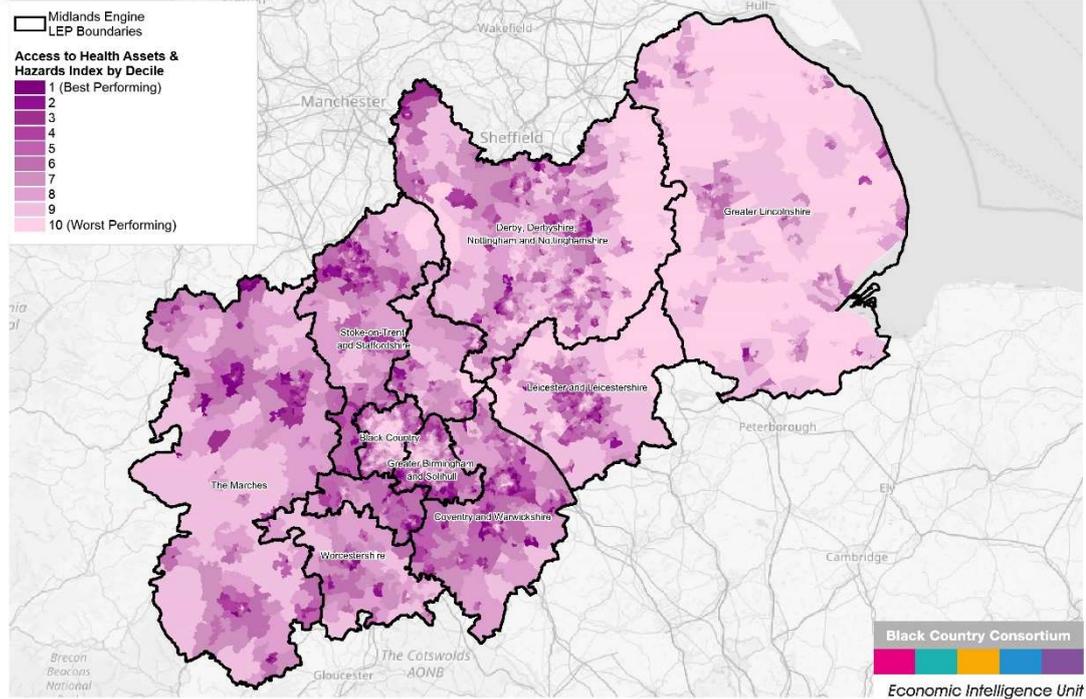


Figure 25
Source: Gov.uk (2015)

This graph shows the overall multi-dimensional index score for each area in the Access to Health Assets and Hazards Index, combining the indicators under the three different domains of accessibility shown above: retail environment, health services and physical environment.

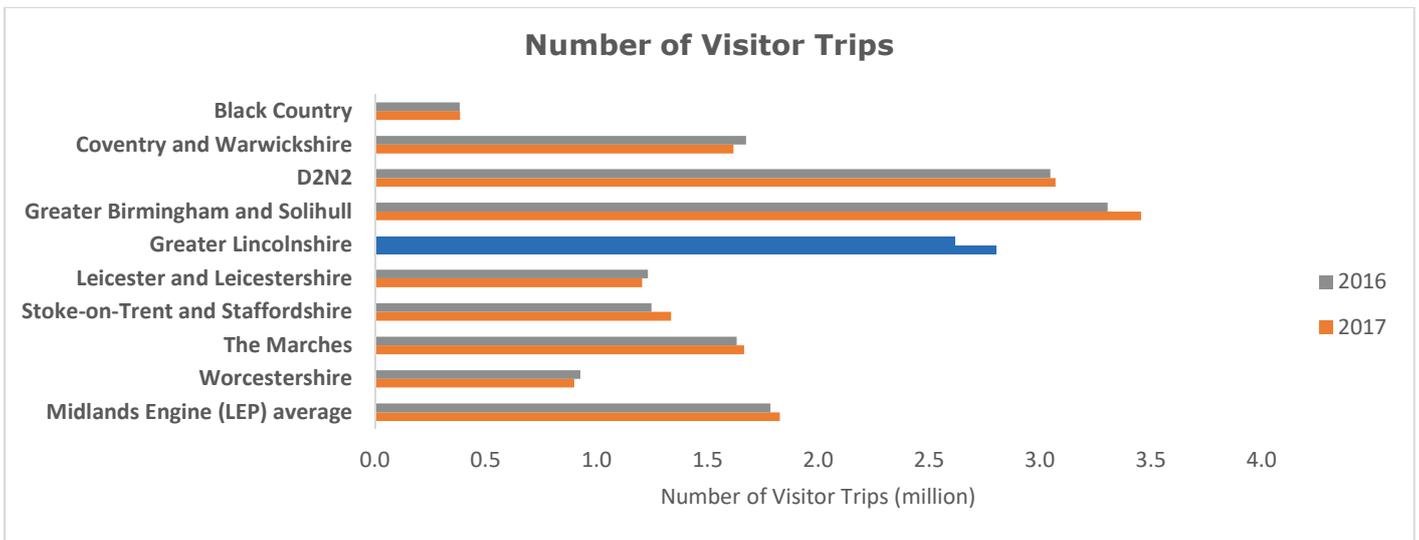


Figure 26 Source: Visit Britain: Great Britain Tourism Survey (2018)

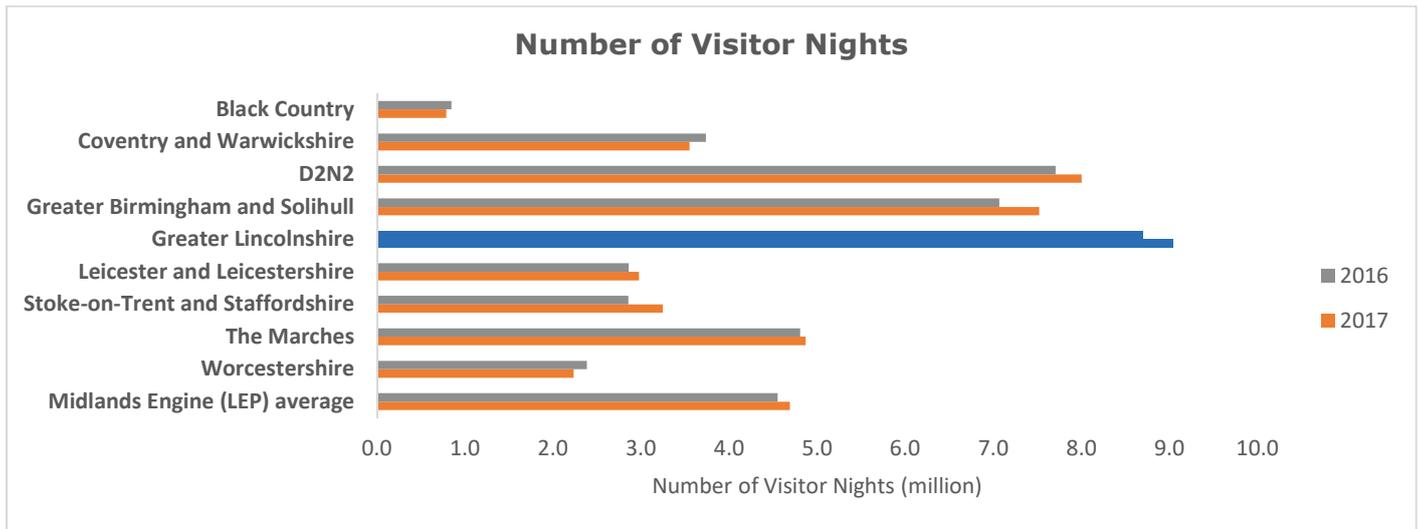


Figure 27 Source: Visit Britain: Great Britain Tourism Survey (2018)

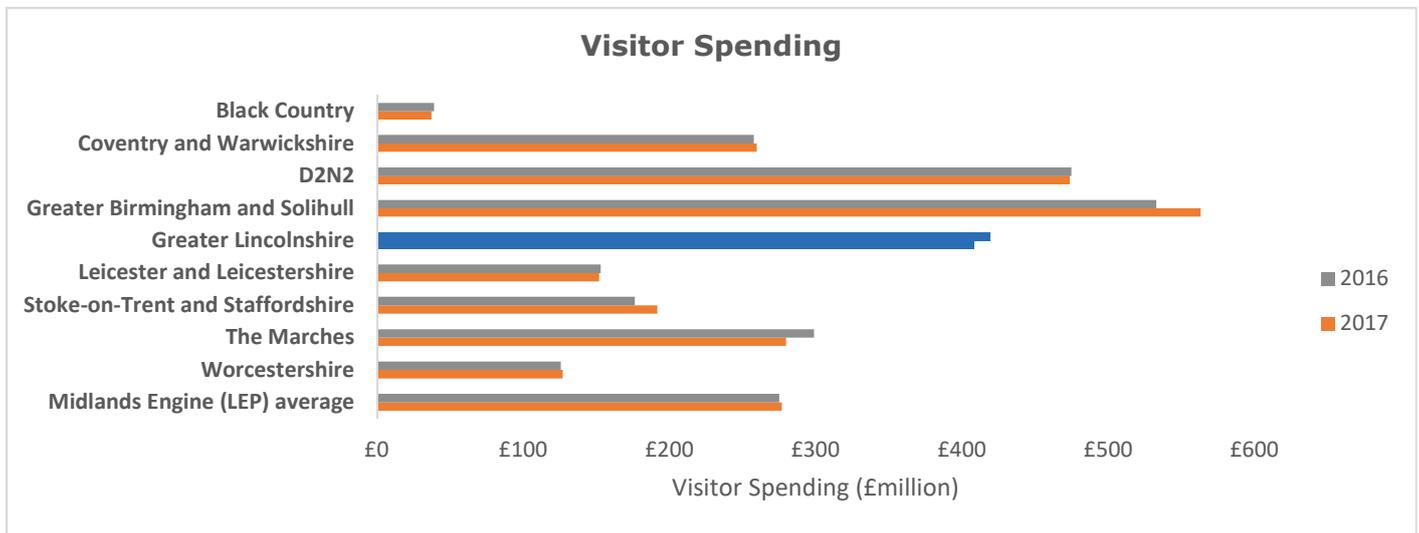


Figure 28 Source: Visit Britain: Great Britain Tourism Survey (2018)

Number of dwellings started and completed 2018-2019

	Dwellings started				Dwellings completed			
	Private Enterprise	Housing Associations	Local Authority	All	Private Enterprise	Housing Associations	Local Authority	All
Black Country	1,600	180	260	2,040	1,770	170	250	2,190
Coventry and Warwickshire	2,710	1,010	0	3,720	3,250	910	0	4,160
D2N2	4,920	620	30	5,570	5,040	710	70	5,810
Greater Birmingham and Solihull	4,000	790	90	4,880	3,410	910	20	4,340
Greater Lincolnshire	3,070	340	10	3,420	2,740	510	40	3,290
Leicester and Leicestershire	2,540	560	0	3,140	2,770	700	0	3,440
Stoke-on-Trent and Staffordshire	2,850	440	10	3,300	3,060	650	10	3,710
The Marches	2,470	330	40	2,840	2,190	610	100	2,900
Worcestershire	1,850	630	0	2,470	1,680	640	0	2,320

Figure 29 Source: Gov.uk (2019)

Assets

Greater Lincolnshire LEP area is a popular tourist destination within the Midlands Engine. Greater Lincolnshire sees the highest number of visitor nights of all Midlands Engine LEPs. According to Figure 28, visitors spent 9 million nights in Greater Lincolnshire compared to the Midlands Engine average in the same year of 5 million nights. Figure 29 shows the value of visitor spending in each LEP in 2017; Greater Lincolnshire saw £400million in visitor spending. This is the third highest level of visitor spending in the Midlands Engine. The thriving tourism industry in Greater Lincolnshire is vital to the local economy due to the high value of visitor spending. Tourists spent around £3 million in 2017 in the LEP area, according to Figure 27. This is above the Midlands Engine average of around £1.8 million in the same year.

Additionally, according to Figure 29, the Greater Lincolnshire LEP has 3,420 dwellings under development. It is also one of the few LEP areas where the local authority is constructing housing, with the local authority building 40 new dwellings in 2017-18.

Figure 25 indicates that the Greater Lincolnshire LEP area benefits from excellent retail connectivity. Figure 18 shows that 10.2% of the workforce in the area are employed within the retail industry. Good access to necessities such as retail e.g. supermarkets can boost quality of life within the LEP as there is less of a struggle when obtaining essentials.

Greater Lincolnshire benefits from a large number of sites of special interest in terms of its wildlife and geology. These sites include:

- Allington Meadows Site of Special Scientific Interest
- Ancaster Valley Site of Special Scientific Interest
- Atkinsons Warren Local Nature Reserve
- Axholme Line-Haxey Local Nature Reserve
- Bardney Limewoods Site of Special Scientific Interest
- Baston and Thurlby Fens Site of Special Scientific Interest
- Baston Fen Special Area of Conservation
- Belshaw Site of Special Scientific Interest
- Benniworth Haven Cuttings Site of Special Scientific Interest
- Bradley and Dixon Woods Local Nature Reserve
- Bratoft Meadows Site of Special Scientific Interest

- Broughton Alder Wood Site of Special Scientific Interest
- Broughton Far Wood Site of Special Scientific Interest
- Brumby Wood Local Nature Reserve
- Calceby Marsh Site of Special Scientific Interest

Barriers and Challenges

Figures 24 indicate that the Greater Lincolnshire LEP has poor access to health services compared to many other LEPs within the Midlands Engine, with health services within being concentrated in key urban centres within Greater Lincolnshire. Greater Lincolnshire is unique within the Midlands in that it is the only part of the Midlands Engine which has a coastline. The impacts of having a mix of coastal and rural activity, with vast areas disconnected from major infrastructure, barriers to accessing learning and labour markets has driven an economic base in some areas which is more reliant on seasonal, lower paid and lower productivity jobs. There are clear spatial disparities in Greater Lincolnshire across the majority of socio-economic indicators. If left without intervention, the disparity between these areas and the more prosperous, better connected parts of Greater Lincolnshire will increase, with larger inequalities and a major blocker to inclusive growth.

The Greater Lincolnshire area also performs poorly under the UK Competitiveness Index (Figure 22), low levels of competition can stifle innovation, as well as productivity. Little competition within an area can lead to a slow-down of productivity as firms have little incentive to compete and therefore, remain relatively stagnant. This can create further inefficiency at a later date, investing in increased support for new business births could potentially start to combat this issue in the future.

Other challenges identified by the Greater Lincolnshire LEP include: the low volume of housing market activity putting off national house builders, the legacy and impact of poor quality affordable housing, the restricted range of housing available in some areas, the remoteness and poor external perception of the area, the apparently weak educational and cultural offer in various market towns, the opposition to the creation of more housing in more affluent villages.

Opportunities

Greater Lincolnshire's natural capital provides opportunities and risks to Greater Lincolnshire – the low lying land provides fertile soil to the South of Greater Lincolnshire where food producers have clustered. The use of water as a utility and its management is a critical asset for businesses in Lincolnshire.

The first [Town Deal](#) was awarded to Grimsby in 2018 and six towns in Greater Lincolnshire including Skegness and Boston were included in the [Stronger Towns Fund](#) announcement. According to government projections, the £67 million Stage 1 Town Deal will lead to the creation of over 8,800 new jobs and nearly 10,000 new homes in Greater Grimsby. The Stronger Towns Fund is designed to support improvements in transport and broadband connectivity that are required to create more jobs in the area. Strong identity in Greater Lincolnshire is likely to be an important factor supporting growth going forward. Some of the urban centres, particularly Lincoln, are showing good potential for growth.

Bishop Burton College Lincolnshire Showground Riseholm Campus

This project saw the development of the following at the Riseholme Campus of Bishop Burton College, located at the Lincolnshire Showground site, 2 miles north of Lincoln city. It was funded through £7,500,000 from the Local Growth Fund and £4,008,612 of match funding. It includes:

- A Food and Agri-food Science Centre, providing a platform for the development of technology, skills and knowledge that will enable farming practices to be more sustainable and minimise the impact on the environment;

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Case Study: Greater Grimsby Town Deal

Once the centre of the Humber fishing industry, today Greater Grimsby lies firmly at the heart of the Energy Estuary. It presents significant opportunities for economic growth and job creation alongside challenges arising from industrial change, including low productivity and wage levels and high levels of unemployment, particularly for 18-21 year olds. North East Lincolnshire lies in the bottom 10% of English local authorities for attainment at both KS2 and KS4.

Greater Grimsby is already home to high-growth, clean energy industries, notably offshore wind, with Orsted’s East Coast Hub providing the largest operations and maintenance centre serving the southern North Sea. The ports of Grimsby and Immingham offer global sea freight connectivity for exporters. Local partners want to accelerate export-led growth in port-related logistics and manufacturing, chemicals/petrochemicals and food processing. The South Humber Industrial Investment Programme (SHIIP) is delivering a pipeline of investment-ready Enterprise Zone sites and premises to unlock these opportunities.

Improving Greater Grimsby’s quality of place – and in particular the place offer of Grimsby Town Centre - is an essential part of the Council’s strategy to attract and retain mobile businesses, people and investment. Through the Industrial Strategy, Greater Grimsby pioneered the Town Deal initiative that is now being rolled out through the Towns Fund. The initial projects are focused on reconnecting the town centre with its under-utilised waterfront through a new multi-activity Youth Zone, to be delivered in partnership with national charity OnSide; and development of a new University Campus with the University of Lincoln and Grimsby Institute

Going Forward

Greater Lincolnshire LEP's Priorities:

- Work with HMG to capitalise on the Stronger Towns Fund to help develop towns as hubs – further this by considering connected rural villages to provide access to health, advice and cultural services with Local Authorities, Colleges, Public Health and voluntary sector stakeholders.
- Improve transport connectivity priorities by developing the planning for growth non-statutory spatial strategy with local partners to develop a cohesive and enhances cultural offer and better connectivity for society.
- Build on the success of the Grimsby UK Creative Industries Sector deal and privately led Digital Hub by working with local authorities, Arts Council, Lincolnshire Economic Action Partnership and Investors in Lincoln to developing a new creative hub through the Cultural Development fund, catalysing a LEP wide network for creative industries.
- Further the work of Water Resources East to consider a hybrid, collaborative approach to combine built and natural capital to provide flood protection and ensure future water supply.



Lincoln Cathedral, Lincoln

Local Authorities in Greater Lincolnshire LEP area:

Boston
East Lindsey
Lincoln
North East Lincolnshire
North Kesteven
North Lincolnshire
South Holland
South Kesteven
West Lindsey

Prepared on behalf of the Midlands Engine by:



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