



## East Midlands 2007-13 European Regional Development Fund (ERDF) Programme

### Sustainable Economic Enterprise Activity in Disadvantaged Communities Priority Axis 2 Targeted Districts

#### Plan for Investing ERDF in Lincolnshire's Priority Axis 2 areas

#### Priority Axis 2 District Allocations for the Second Half of the Programme

Priority Axis 2 is concerned with increasing sustainable economic and enterprise activity in disadvantaged communities. This funding is targeted towards creating economic opportunities by building local capacity; resources and support; reviving local infrastructure and environments and stimulating and supporting enterprise and new market opportunities.

Indicative funding allocations have been agreed for the second half of the programme 2011-2013 where for Lincolnshire the disadvantaged communities are Lincoln City and East Lindsey. Boston has been allocated transition funding as this is no longer one of the 12 most disadvantaged districts in the East Midlands.

Lincolnshire signed up to a Combined Local Investment Plan so that Lincoln, East Lindsey and Boston could work collectively to ensure that activity and investment is strategically developed. Boston therefore requested transition funding to the end of the programme so that the targeted resources can continue to support and develop economic and enterprise activities to meet the needs of the communities and make them sustainable in the future.

Funding allocations agreed by the Programme Monitoring Committee are as follows:

Eligible District	Second Half of Programme ERDF amount
Lincoln City	£2,418,355
East Lindsey	£3,966,102
Boston	£1,000,000
<b>Total</b>	<b>£7,384,457*</b>

*\* Lincolnshire's allocation for the first half of the programme was £8.777m ERDF, however we submitted projects requesting £10.247m ERDF. To date projects requesting £6.294 ERDF have been approved and projects requesting £3.953 ERDF are still under appraisal. If all of these projects are approved then £1.470 ERDF will need to be taken off our second half allocation leaving £5.914 ERDF to allocate.*

Lincolnshire will continue to have an open bidding round which means Expressions of Interest can be submitted at any point to the Lead Body (Lincolnshire County Council – Susannah Lewis/Linsay Hill Pritchard) and will be considered subject to funding availability.

There may be cases where open bidding is not appropriate due to the identified key strategic priorities within the plan. A tendering approach would therefore be used to ensure that schemes come forward that continue to make the Investment Plan fit for purpose. If Limited bidding and Non competitive selection are used as a 'route to market' then a robust rationale will be provided to the Secretariat for approval.

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The main aims and objectives of the 2007-2010 Lincolnshire Combined Investment Plan remain the same. This paper provides supplementary information to highlight the priorities for investment in 2011-2013 for the three Districts. This paper should be read in conjunction with the full 2007-2010 Lincolnshire Combined Investment Plan.

The ERDF Programme operates on calendar years. It is expected that all expenditure, outputs and a final evaluation will be completed by 30 June 2015.

## **Priorities for Investment 2011 to December 2013**

The priorities for Investment for the three Districts will remain broadly the same around Enterprise, Access to Resources and Support and Reviving Local Infrastructure and environments. Annex 1 reviews the projects that have been approved and contracted as well as those currently under appraisal.

The Combined Investment Plan has worked well as the three Districts have worked together to complement activity through an understanding of each others priorities and approved schemes that cross borders which has avoided duplication and provided a greater understanding of the issues that each District faces.

Following government changes since the development of the initial Investment Plan, the second half of the programme will need to take into account the shift in priorities and vehicles to deliver them.

Lincolnshire's Local Enterprise Partnership (LEP) has been established and board members agreed. Key priorities for Greater Lincolnshire's Local Enterprise Partnership are initially focused around:

### **Sustainable Rural Communities**

- Rural business support (including Management & Leadership School)
- Infrastructure for business

### **Greater Lincolnshire Resource Strategy**

- Safety, Security and Resilience
- Potential from Renewables
- Agri-Food (includes Agronomy)
- Developing the visitor economy
- Support to businesses to generate private sector growth

### **Sub-Regional Economic Driver**

- Managing housing growth
- Growing Lincoln City Centre's economy
- Presenting Lincoln's Heritage

It will be important to align these strategic priorities to the needs of the local areas and ensure that the Priority Axis 2 funding supports activity that will drive the **prosperity through growth** agenda.

Business support activity will also need to be reviewed, particularly once the regional Business Link programme is withdrawn in November 2011. The local and strategic partnership, in line with the LEPs economic development agenda, will need to review where the gaps are and assess how PA2 funding can be used as an opportunity to help in particular the disadvantaged communities.

Key strategic priorities for each of the areas have been identified and up-dated as follows:

## **East Lindsey**

The five key strategic objectives from the Corporate Strategy 2010/11 and 2013/14 are:

1. Enabling people to get actively involved in their community
2. Improving Equality of opportunity and life chances
3. Contributing to environmental sustainability and adapting to climate change
4. Developing and nurturing the character and viability of our towns, villages and rural areas
5. Helping to develop the right environment for a growing economy – building on current strengths and creating new business sectors

The Coastal Business Excellence Hub remains one of East Lindsey's priorities which aim to create a central point of co-ordination and collaboration for employers to assist their business growth and development. Under the first phase of Priority Axis 2 a comprehensive development brief has been approved to ensure that any new facility or provision is fit for purpose in terms of raising the quality of local businesses and increasing sustainable employment opportunities within key economic growth sectors. The recommendations from this study in April 2011 will inform the next phase of this project.

Cadwell Park is the only nationally recognised sporting venue in Lincolnshire where there is the opportunity to help develop Motor Sport Business Enterprise. Development of specialist enterprise units in the motorsport industry will promote inward investment opportunities and support the emergence and creation of new business sectors in the area.

The Fabulous Foreshore Masterplan (August 2010) highlights two main issues

- i. to improve the Foreshore's performance as a generator of wealth through businesses, investors and developers and
- ii. Put in place conditions that will enable the market to function efficiently in realising the Foreshore's full potential for the local economy and communities. Enhancing public realm and town centre improvements remain key areas that need improving to encourage private sector investment to the area and reviving the local environments to improve economic prospects.

The Lincolnshire Coastal Cultural Strategy builds on using local events as a catalyst for the regeneration of local communities. The Arts Council has provided funding for individual events in the area but enterprise support could help to promote initiatives for business and social enterprises to deliver services that will improve the economic, social and environmental capacity of the local area.

## **Lincoln City**

The Lincoln City Centre Masterplan highlights the key engines of economic change and growth. It will inform future developments in the City Centre through a series of key priorities and sectors to develop linkages and promote connections between the City Centre and the wider catchment area. Investment will need to be focused, not only on major developments in the city, but also on community engagement and targeted support for the most deprived wards to create a sustainable future for the city.

Further developments around Lindongate aim to maintain the economic vitality of the city centre and ensure that the area remains attractive to potential investors. Physical regeneration is needed to make the best use and investment of empty/under-utilised buildings, revitalisation of the market area and key areas in the city centre (Freeschool Lane, Stonebow, Uphill Lincoln).

There is still a need for modern office space of any scale which provides 'grow on' space for businesses. Businesses in Lincoln City have cited this shortage as one of the main barriers to growth. The University is providing high quality state of the art business accommodation but when businesses are ready for grow on space this is not currently available in the City to the same standard. A first stage feasibility study has also identified office space and mixed use development opportunities around Tentercroft Street and the Coalyard site which will encourage the financial services sector to develop and grow. There are also opportunities around St Marks linked up with the University.

Lincoln University is one of the prime 'engines of economic change and growth' for the city, particularly around the Engineering School which aims to be the centre for power engineering. This has attracted high profile specialists in this industry to the area and will help to promote growth not only in Lincoln but countywide too. The Teal Park project is seen as a development which will bring together the retention of specialist skills in the engineering and electronics sector and act as a catalyst to encourage spin off activity in a growing sector. The site will provide high quality modern office accommodation and will work closely with the University to influence young people that engineering is a growth sector with employment opportunities readily available in the area.

The development of this capital infrastructure in the city of Innovative Business Centres, expansion of employment land and encouraging growth sector businesses will start to create a more entrepreneurial culture. However, this must be complemented by addressing the needs of the disadvantaged communities by providing targeted support /enterprise coaching and encouraging employers to recognise the benefit of developing and retaining the skills of the workforce.

The development of a regeneration programme for the Uphill area of the City is vitally important to strengthen its economic prosperity and provide a climate that encourages investment that will realise the status and potential of the City as a Principle Urban area. Co-ordinating development in particular through: the Historic Lincoln Partnership, set up to provide a coordinated approach to the regeneration and care of the buildings and public spaces of uphill Lincoln; Lincoln University, who have made a significant contribution to both the academic standing and economy of Lincoln and the City Centre Masterplan which looks at the wider regeneration opportunities of Lincoln City; will be required to link the needs of the community and economy to make the City a dynamic regional centre.

## **Boston**

Lincolnshire signed up to a Combined Local Investment Plan so that Lincoln, East Lindsey and Boston could work collectively to ensure that activity and investment is strategically developed. To date we have successfully secured funding for Boston Market Place which will regenerate and revitalise Boston Town Centre, improve business survival rates and encourage investment.

Boston has also agreed to fund combined projects which will have an impact across all three areas including Prohelp – professional firms providing expertise to social enterprises, Regional Top-up for Transformational ICT – increased funding for Lincolnshire's targeted communities to encourage SMEs to exploit advanced ICT to transform their business process, Regional top- up for GBI – to support investment projects to improve economic performance and An Online Revolution – to stimulate supply & demand measures to reduce the digital exclusion of disadvantaged areas.

These projects will make a real difference to Boston which suffers from a low skills, low wage equilibrium. Deprivation levels can be masked as there is relatively low unemployment in the area but with a high number employed in low skilled occupations. Programmes such as UpSkill Me helped to raise aspirations and create a more enterprising culture but this is also coming to an end which will have a direct impact on the area.

This will create more of a need for activity such as enterprise coaching to encourage business start-ups and continue to create an enterprising culture amongst businesses. Already through the top-up schemes it has been identified that the disadvantaged communities often need local engagement and activity tailored to their local needs which is where having a joined up and combined investment plan has proved to be a good approach to allocating the funding.

The Fens Waterways has always been of high strategic importance to the area and the Boston Waterways Development Plan has highlighted the key opportunities around infrastructure to act as a catalyst for the waterways to thrive and grow. This includes the creation of a marina and development land on the Haven to attract public and private investment in these key brownfield sites adjacent to the waterside.

Funding has become increasingly difficult to attract and it is hoped that with projects that have been funded to date and are coming forward that transitional funding for Boston will help to stimulate an economic climate that is sustainable in the future.

## Process for selection of projects/recommendations for appraisal

The role and responsibilities of the local and strategic partners will remain as stated in the original Combined Investment Plan.

Meetings will be held with the local partnership (and strategic as needed) to encourage projects to come forward aligned with local plan priorities and decisions made by the Programme Monitoring Committee. The Lead Body representatives will attend Priority Axis 2 Sub-Group meetings to ensure that the partners are kept up-dated with the latest information on the programme.

Expressions of Interest will be submitted to the Lead Body who will do initial eligibility checks and scoring assessments, moderated with CLG's ERDF Team, and they will be presented to the local partnership at ERDF Concentration meetings or via written procedures.

Project approvals will be taken by consensus by the local partnership and the local strategy group will approve projects in excess of £250k by electronic written procedures to ensure that projects are in line with strategic priorities.

The Lead Body, on behalf of the partnership, will notify all successful and unsuccessful applicants that a full application and business plan is submitted against a deadline. The Lead Body will provide technical assistance to the project as necessary to ensure that the bid meets regional criteria.

Full applications will be checked for consistency to the Expression of Interest by the Lead Body and then sent to the ERDF Team for full appraisal. Subject to satisfactory appraisal and approval, funding agreements will be issued to applicants by the ERDF Team.

Organisation	Strategy Representative	Local Partnership Representative
Lincolnshire County Council	Jenny Gammon	Susannah Lewis/Linsay Hill Pritchard (Lead body)
Lincoln City	Mike Roberts	Michelle Smith
East Lindsey District Council	Jon Burgess	James Makinson-Sanders
Boston Borough Council	Phil Drury	Ian Martin/Peter Jullien
	<b>Liaison Representative</b>	
Greater Lincolnshire Local Enterprise Partnership	Justin Brown	
East Midlands Development Agency	Michelle Targett	

## Annex 1 – Plan for Investing ERDF in Lincolnshire's Priority Axis 2 areas

Project Title	Project Description	Indicative Actions	Total Project Costs	ERDF Requested	Intervention
<b>Applications that are under contract with EMDA</b>					
Boston Market Place	This project aims to deliver a Market Place that Boston can be proud of. The scheme will deliver a high quality comprehensive and co-ordinated redesign of the Market Place in Boston to return it to its rightful position as the centrepiece of the town.	2d-1	£2,000,000	£1,100,000	55%
Building on the Past, Lincoln Castle	A Heritage Skills Centre provided as part of Lincoln Castle's regeneration containing both classroom and workshop space. Run by a County Council/Cathedral partnership, it will be a halfway house between building site and classroom. Nationally, heritage s	2c-1	£2,100,000	£920,000	43.80%
Paving the way to Lindongate	The project will provide infrastructure enhancements to stimulate investor confidence in the Lindongate / St Marks scheme, creating development opportunities and unlocking private sector investment of over £100,000,000. Activities include public realm wor	2d-1	£820,000	£410,000	50%
Lincolnshire ProHelp	Established in 1989 by Business in the Community, ProHelp is a national network of over 1,000 professional firms who are committed to making a difference in the community, giving their time and expertise pro bono to social enterprises e.g. local community	2a-1,2,3,4	£53,823	£38,049	62.72%
Sky Centre	To construct a multi-function business incubator on the campus of BG to facilitate the development of micro-businesses. The project will deliver 15 business units plus conferencing and other support facilities in a building designed to meet the highest p	2a-4	£1,775,076	£1,100,547	60.84%
Coastal Business Excellence Hub	The Business Excellence Hub is an ambitious proposal that seeks to create a central point of co-ordination and collaboration for employers to assist their business growth and development. It will bring together all the agencies and support opportunities	2a-4	£35,000	£21,952	62.72%
Transformational ICT	The Transformational ICT programme will include the delivery of a bespoke and intensive themed workshop programme across Lincoln PA districts which will provide 79 SMEs with the skills, knowledge and specialist support necessary to increase productivity,	2a-2	£92,848	£58,235	62.00%
Skegness Interchange: Redevelopment and Revival	Skegness Interchange redevelopment aims to transform a decaying station to become a favourable focus point within the community. The structures at the station which are no longer salvageable will be removed, with the space cleared to open up a direct acce	2c1, 2d1	£716,201	£449,201	62.72%
An Online Revolution	The project will help the three PA2 districts in Lincolnshire to benefit from digital technology rather than be bypassed by it. It will deliver pilot schemes in not spots with the objective of raising usage of digital services and encouraging providers	2c1	£1,270,682	£787,821	62%
Routes not Barriers	Lincolnshire's 746 miles of river corridors are often seen as barriers rather than corridors of economic activity and connectivity. Building on the Lincolnshire Waterways Partnership's £16m investment in the network since 2003, this project contains a se	2c1	£1,736,700	£938,088	54%
Kesteven Mews	This project will create 6000Sqft of new office space on brownfield land in central Lincoln. The space is expected to be attractive to businesses particularly form the legal quarter. Businesses attracted to the space are expected to create employment op	2a4, 2d1	£758,100	470,022	62%
<b>Sub-Total</b>			<b>£11,358,430</b>	<b>£6,293,915</b>	
<b>Applications under EMDA Appraisal</b>					
116 High Street	Heritage Lincolnshire will deliver the regeneration of a historic building within a disadvantaged area of Boston and work in partnership with the Lincolnshire Community Foundation to establish a new centre for community health services and local enterpris		£1,635,262	£416,480	22.91
Alford Industrial Estate	To construct a development of 6 new business units on the Beechings way estate at Alford. The units will be targetted at SME's in the local area looking to expand from small start up units, or form home offices. This project will seek to retain skilled	2a4	£900,000	£536,064	62%
Teal Park	To create a new business park to address the shortage of strategic, high quality, ready serviced employment land within Greater Lincoln which is proving to be a barrier to the attraction and stimulation of new business which would bring a range of jobs fo	2a4, 2c1, 2d1	£5,550,216	3,000,000	54%
<b>Sub-total</b>			<b>£8,085,478</b>	<b>£3,952,544</b>	
<b>Total</b>			<b>£19,443,908</b>	<b>£10,246,459</b>	



## PA2 Districts Output Allocations for 2011-13

*From the Operational Programme*

### TOTAL Outputs expected from Priority Axis 2

Outputs	Target	LAD/unitary authority	Share of PA2 allocation (%)
No of businesses assisted to improve performance	3,700	Ashfield	6.5
Public and private investment leveraged (€)	129,000,000	Bassetlaw	6.3
Sq metres of new or upgraded floorspace (internal premises)	19,000	Bolsover	5
No of people assisted to start a business	2,700	Chesterfield	5.6
Brownfield land reclaimed or redeveloped (ha)	17	Corby	5
TOTAL Results expected from Priority Axis 2		Derby	13.7
		East Lindsey	8.2
		Leicester	17.3
Results	Target		
No of jobs created	6,200	Lincoln	5
No of businesses improving performance	3,300	Mansfield	5.7
GVA resulting from businesses improving performance (€)	118,000,000	Nottingham	16.7
		Oadby and Wigston	5
No of new businesses created and new businesses attracted to the region	1,600	<b>Total</b>	<b>100</b>

### Lincolnshire Output Allocations 2011-2013

#### East Lindsey

	Total	2007-10	2011-13
<b>Outputs</b>	<b>Target</b>		
No of businesses assisted to improve performance	301	172	129
Public and private investment leveraged (€)	10,482,180	5,989,817	4,492,363
Sq metres of new or upgraded floorspace (internal premises)	1,544	882	662
No of people assisted to start a business	219	125	94
Brownfield land reclaimed or redeveloped (ha)	1.381	0.789	0.592
<b>Results</b>			
No of jobs created	504	288	216
No of businesses improving performance	268	153	115
GVA resulting from businesses improving performance (€)	9,588,351	5,479,058	4,109,293
No of new businesses created and new businesses attracted to the region	130	74	56

#### Lincoln

	Total	2007-10	2011-13
<b>Outputs</b>	<b>Target</b>		
No of businesses assisted to improve performance	187	107	80
Public and private investment leveraged (€)	6,506,398	3,717,942	2,788,456
Sq metres of new or upgraded floorspace (internal premises)	958	548	411
No of people assisted to start a business	136	78	58
Brownfield land reclaimed or redeveloped (ha)	0.857	0.490	0.367

<b>Results</b>			
No of jobs created	313	179	134
No of businesses improving performance	190	109	81
GVA resulting from businesses improving performance (€)	19,608,182	11,204,676	8,403,507
No of new businesses created and new businesses attracted to the region	40	23	17

<b>Lincolnshire Combined (with Boston's first half targets)</b>	<b>Total</b>	<b>2007-10</b>	<b>2011-13</b>
<b>Outputs</b>	<b>Target</b>		
No of businesses assisted to improve performance	580	331	209
Public and private investment leveraged (€)	20,212,809	11,550,177	7,280,819
Sq metres of new or upgraded floorspace (internal premises)	2,977	1,701	1,072
No of people assisted to start a business	423	242	152
Brownfield land reclaimed or redeveloped (ha)	2.664	1.522	0.959
<b>Results</b>			
No of jobs created	971	555	350
No of businesses improving performance	541	309	196
GVA resulting from businesses improving performance (€)	32,145,830	18,369,046	12,512,800
No of new businesses created and new businesses attracted to the region	210	120	73