

LLEP BOARD

3pm, Tuesday 6 August 2019

G.01, City Hall
115 Charles Street
Leicester
LE1 1FZ



AGENDA

TIME		ITEM	REPORT	DECISION / INFORMATION	LEAD
15:00	1.	Welcome and Apologies			Chair
	2.	Declarations of Interest			All
15:05	3.	Minutes and Actions – LLEP Board: 2 April 2019 22 May 2019	Paper A (i) Paper A (ii)	Decision	Chair
15:15	4.	LLEP Governance	Paper B	Decision	Mandip Rai
15:30	5.	Draft Finance Strategy	Paper C	Decision	Alison Greenhill
15:45	6.	Draft Local Industrial Strategy	Paper D	Decision	Mike Durban
16.30	7.	Any Other Business			All

Paper A (i)

NB: In line with our Local Assurance Framework (LAF) these minutes are published as a draft record until formal ratification at the subsequent Board meeting.



LLEP BOARD

Minutes of the Meeting

2 April 2019

Attendance and Apologies:

Members		Representing	
Kevin Harris	KH	Private Sector	LLEP Chair
Prof Robert Allison	RA	Universities	
Emma Anderson	EA	Private Sector	
Chas Bishop	CB	Private Sector	
John Doherty	JD	FE Sector	Sub for Verity Hancock
Dr Nik Kotecha OBE	NK	Private Sector	
Jaspal Minhas	JM	Private Sector	
Cllr Danny Myers	DM	Leicester City Council	Sub for Peter Soulsby
Andy Reed OBE	AR	Private Sector	
Cllr Terry Richardson	TR	Leicestershire District Councils	
Blake Pain	BP	Leicestershire County Council	Sub for Nick Rushton
Karen Smart	KS	Private Sector	
In Attendance			
Mike Dalzell	MDa	Leicester City Council	
Mike Durban	MDu	LLEP	
Iain Gillespie	IG	Universities	
Alison Greenhill	AG	Leicester City Council – S151 Officer	
Kevan Liles	KL	Voluntary Sector	
Helen Mitchell	HM	BEIS (Cities and Local Growth Unit)	
Geoff Parker	GP	Leicestershire District Councils	
Tom Purnell	TP	Leicestershire County Council	
Mandip Rai	MR	LLEP Director	
Apologies			
Cllr Mike Hall		Leicestershire District Councils	
Verity Hancock		Further Education	
Anil Majithia		Voluntary Sector	
Neil McGhee		Private Sector	
Nick Rushton		Leicestershire County Council	
Sir Peter Soulsby		Leicester City Council	

Minute**Action**

<u>Minute</u>	<u>Action</u>
1. Welcome and Apologies 1.1 KH welcomed those present. 1.2 Apologies for absence were noted as above.	
2. Declarations of Interest 2.1 There were no Declarations of Interest.	
3. Minutes and Actions – 5 February 2019 3.1 The Minutes of the meeting held on 5 February 2019 were agreed as a correct record. 3.2 CB raised the issue of the LLEP's position concerning the electrification of Midland Mainline rail service. 3.3 It was confirmed that the position was to support electrification and that this remained a strategic objective to be included in the developing Local Industrial Strategy. 3.4 To update members in terms of the EZ agreement, it was noted that a recent meeting with the Chair of the LLEP, the City Mayor, and Leader of Charnwood Borough Council had resulted in significant progress and a legal MoU to be developed over the next few weeks. 3.5 In respect of the MIRA EZ, it was noted that Hinckley and Bosworth Borough Council were in discussion with the Coventry and Warwickshire LEP. 3.6 The update was noted.	
4. Appointment of Deputy Chair 4.1 The Chair referred to the requirement to appoint a Deputy Chair and advised that AR had expressed his interest in the position. 4.2 It was AGREED that Andy Reed be appointed as Deputy Chair of the LLEP	
5. LEP Review 5.1 MR advised that following receipt of information concerning the appointment of Directors the Limited Company would be registered in the next few days. 5.2 The next meeting of the Board on 22 May 2019 would therefore be held as the incorporated model. 5.3 It was reported that the issues concerning the independent secretariat and location of the LLEP were subject of a Service Level Agreement with the accountable body.	
6. Results of Written Procedures 6.1 The Democratic Support Officer submitted a report following the introduction of written procedures to determine an item between meetings. 6.2 The item concerned use of the local Growth Fund and underspends as recommended by the	

<u>Minute</u>		<u>Action</u>
6.3	<p>Programme Board.</p> <p>The report and decisions were noted.</p>	
7.	Programme Board Update	
7.1	<p>NK referred to the report submitted and commented on the following items:</p> <ul style="list-style-type: none"> • LGF data return Q3 • Written procedures to determine the underspend on the LGF • Progress with the Haywood's Estates issue, with an extension being granted and a new agent being appointed. 	
7.2	The update was noted.	
8.	Annual Performance Review	
8.1	The Chair referred to the paper circulated and welcomed the LLEP's overall assessment as Governance being 'good', Strategy 'requiring improvement', and Delivery being 'exceptional'. In comparison to other LEPs it was noted that the result was positive.	
8.2	It was confirmed that an action plan would be established to ensure that the LLEP could achieve an assessment of 'exceptional' in all three areas.	
8.3	HM commented on the results of the review and advised that the issues concerning the pace of the LIS, wider engagement and the EZ business rates were recognised, and progress since the assessment was significant.	
8.4	The update was noted.	
9.	Local Assurance Framework (LAF)	
9.1	MR submitted a report, which advised of amendments to the LAF necessary in accordance with the Articles of Association of the new Limited Company. The revised LAF was to be published on the LLEP's website.	
9.2	The principal changes to the LAF, including the increase in thresholds of delegation to the Programme Board were included in the report, it being noted that the final version would always be a 'live' document with minor amendments being approved by the LLEP Chief Executive Officer, in consultation with the Chair.	
9.3	AGREED: That the revised Local Assurance Framework be endorsed.	
10.	Draft Annual Report	
10.1	MR submitted a report, which advised of the LLEP's performance in the previous year with a view to publish the Annual Report in June. It was noted that the date and details of an AGM would be determined in due course, as arrangements were affected by the LLEP's incorporation as a Limited Company.	
10.2	It was noted that comments could be forwarded to MR separately.	
10.3	The position and update was noted.	

<u>Minute</u>	<u>Action</u>
<p>11. Delivery Plan 2019/20</p> <p>11.1 MR submitted a report, which presented the LLEP Delivery Plan 2019/20.</p> <p>11.2 In response to a question from DM, it was confirmed that where procurement occurred, the aspects of minimal wage and social value had been included in the process.</p> <p>11.3 It was AGREED to approve the Delivery Plan</p>	
<p>12. Skills Advisory Panels</p> <p>12.1 JD was invited to comment on the report submitted, which sought agreement for the transition of the LLEP People Board to the Skills Advisory Panel (SAP) in response to and in alignment with Department for Education guidance.</p> <p>12.2 In reply to a question from HM, it was confirmed that the revised approach would allow for a wider input of skills representatives from employers.</p> <p>12.3 It was AGREED to:</p> <ol style="list-style-type: none"> 1. approve the transition of the LLEP People Board to become the LLEP Skills Advisory Panel (SAP) 2. endorse the Skills Advisory Panel Terms of Reference 	
<p>13. Local Industrial Strategy (LIS)</p> <p>13.1 The Chair referred to the report submitted and on meetings held, continuing to ensure that the ambitions of the LIS were backed by evidence. He supported Board members to become more involved in the process.</p> <p>13.2 MR commented on recent meetings concerning the LIS and to recent contact with Cites and Local Growth Unit (CLGU) where the video and emerging evidence and emerging priorities had been warmly received.</p> <p>13.3 It was noted that the emerging priorities would be discussed at the Special Board meeting to be held on 22 May 2019.</p> <p>13.4 MD gave a presentation to inform members of the initial findings of the appointed consultants, and the proposed way forward.</p> <p>13.5 It was considered necessary to ensure that the consultants were aware of the requirement to link the objectives and ambitions to the themes within the grand challenges, including the areas where Leicester and Leicestershire were already considered to be leaders.</p> <p>13.6 The presentation and update was noted.</p>	
<p>14. CLoG Update</p> <p>14.1 HM provided an update on the following:</p> <p>14.2</p> <ul style="list-style-type: none"> • Smart Cities and Transforming Cities. • UKSPF consultation. • Strong Towns Fund 	

<u>Minute</u>		<u>Action</u>
	<ul style="list-style-type: none"> • Lep review <p>The updates were noted.</p>	
15.	<p>Any Other Business</p> <p>15.1 <u>Business Board</u></p> <p>15.2 The Chair referred to the need to reconstitute the Business Board to ensure greater business engagement and wider representation.</p> <p>15.3 The position was noted and updates would be submitted in due course.</p>	

DRAFT

Paper A (ii)

NB: In line with our Local Assurance Framework (LAF) these minutes are published as a draft record until formal ratification at the subsequent Board meeting.



LLEP BOARD

Minutes of the Special Meeting (Leicester and Leicestershire Industrial Strategy)

22 May 2019

Attendance and Apologies:

Members		Representing	
Kevin Harris	KH	Private Sector	LLEP Chair
Prof Robert Allison	RA	Universities	
Emma Anderson	EA	Private Sector	
Chas Bishop	CB	Private Sector	
Dr Nik Kotecha OBE	NK	Private Sector	
Verity Hancock	VH	Further Education	
Anil Majithia	AM	Voluntary Sector	
Neil McGhee	NM	Private Sector	
Andy Reed OBE	AR	Private Sector	
Cllr Terry Richardson	TR	Leicestershire District Councils	
Nick Rushton	NR	Leicestershire County Council	
Karen Smart	KS	Private Sector	(via telephone link)
Sir Peter Soulsby	PS	Leicester City Council	
In Attendance			
Ann Carruthers	AC	Leicestershire County Council	
Edd de Coverly	ED	Leicestershire District Councils	
Mike Durban	MD	LLEP	
Alison Greenhill	AG	Leicester City Council – S151 Officer	
Scott Knowles	SK	Chamber of Commerce	
Kevan Liles	KL	Voluntary Sector	
Helen Mitchell	HM	BEIS (Cities and Local Growth Unit)	
Mandip Rai	MR	LLEP Director	
John Sinnott	JS	Leicestershire County Council	
Andrew Smith	AS	Leicester City Council	
Ben Smith	BS	Department for Transport	
Apologies			
Jaspal Minhas		Private Sector	

1.	Welcome and Apologies	
1.1	KH welcomed those present.	
1.2	Apologies for absence were noted as above.	
2.	Declarations of Interest	
2.1	There were no Declarations of Interest.	
3.	Leicester and Leicestershire Local Industrial Strategy (LIS)	
3.1	MR introduced the item and referred to the requirement to convene the Special Board meeting to progress the Leicester and Leicestershire Local Industrial Strategy (LIS) and to confirm a way forward. It was clarified that the LIS would be a document co-developed and co-signed with Government.	
3.2	HM endorsed MR's opening remarks and reminded Board that the Government's approach was to ensure commitment to the locality and the 'place' strategy through a connected relationship, making the LIS ambitions separate and enhanced from the previous Strategic Economic Plan. It was confirmed that the purpose of the LIS should not be considered as a bidding document and should demonstrate the strengths and capabilities of the area to improve productivity.	
3.3	The West Midlands LIS was referred to and it was reported that this document provided an example for the LLEP to work towards. It was accepted that the West Midlands LIS had been prepared on the basis of the combined authority and the associated variance of content was accepted and recognised.	
3.4	MD gave a PowerPoint presentation, covering the principal details of the development of the LIS to date.	
3.5	<p>The presentation referred to the following key points:</p> <ul style="list-style-type: none"> • The development approach and sequence of: <ul style="list-style-type: none"> ○ Information Sources Review ○ Evidence Base Group ○ Call for Evidence ○ Economic Review • Progress Update • Summary of the outcomes of the Joint Workshop held on 1st May 2019 • Economic Review: <ul style="list-style-type: none"> ○ Productivity ○ Ideas ○ People ○ Business Environment ○ Infrastructure ○ Place 	

<u>Minute</u>	<u>Action</u>
	<ul style="list-style-type: none"> • Strategic Objectives • SWOT Analyses of the separate aspects of the Economic Review, together with the Grand Challenges. • Next Steps and Timetable
3.6	<p>In discussing the content of the presentation and update, the following observations were debated and noted:</p> <ul style="list-style-type: none"> • A concern relating to the robustness of the evidence base existed, as presented by the appointed consultants previously (Oxford Economics). The ability to justify future policy from the evidence was questioned, together with the omission of the evidence reflecting the rural economy. Concern was also expressed that the specialisms of the universities and expertise in space innovations had been excluded. It was considered that the consultants had not utilised qualitative data, in favour of a national dataset model, however the principal points made in the presentation could be agreed subject to further discussion in the meeting. • The need to demonstrate and describe the efforts undertaken to improve the position regarding student retention should be included. It was reported that the promotion of the area as a positive lifestyle choice could be enhanced. The possibility of addressing the skills gap with input from the FE and HE sectors should be emphasised, with this seen as a unique opportunity for Leicester and Leicestershire. • The opportunity that the LIS offered to change the current ethos and attitudes and strongly promote the strengths of the area was recognised. • The need to concentrate the LIS to focus on a single distinguishing theme, or a small number of defined themes was expressed and accepted. The innovations in sports science, research and development, and space technology were highlighted. • The unique reputation of the area in terms of diversity and the successful multi-cultural economy should be greater emphasised in the LIS. The requirement to vigorously endorse the other unique aspects of the area were referred to, and platitudinal statements that could be promoted by any other LEP should be avoided. • The need to refer to the large number of SMEs and to improve their engagement was reported. The influence of the Chamber of Commerce in this process was noted.
3.7	<p>In concluding the debate on the key observations above, it was suggested that the LIS could be focussed on 'health', to include the health of the planet, workforce, and the environment.</p>
3.8	<p>This idea was debated and supported, it being noted that the theme could encompass sports science, space innovation, sustainable transport policy, automotive research and development, and other wider factors previously cited.</p>
4.0	Next Steps
4.1	<p>KH proposed and it was AGREED that the next Board meeting scheduled to be held on 4 June 2019 be cancelled and that a Sub-Group of members would meet on that date instead and be tasked to focus on the progress of the LIS.</p>

Paper B

PAPER B

LLEP Board

6 August 2019



Decision

LLEP GOVERNANCE

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the board's agreement to:
- i. the transition of the Business Board to the Business Gateway (Growth Hub) Board and its terms of reference
 - ii. disband the Place Board
 - iii. changes to the Local Assurance Framework (LAF) including the revised terms of reference for the LLEP Programme Board and Executive
 - iv. process for extending the membership of the LLEP company

2. RECOMMENDATIONS

- 2.1 The LLEP Board is recommended to approve:
- i. the transition of the Business Board to become the LLEP Business Gateway Board and its terms of reference
 - ii. to disband the Place Board
 - iii. changes to the Local Assurance framework (LAF) including the revised terms of reference for the LLEP Programme Board and Executive
 - iv. the process for extending the membership of the LLEP company as set out in Section 3.5 of the report

3. BACKGROUND INFORMATION

3.1 LLEP Theme Boards

- 3.1.1 The LLEP People, Business and Place boards were established in 2014 and were aligned to the themes in the Strategic Economic Plan (SEP). The roles and responsibilities of the groups have changed since the submission of the SEP in 2014 and this report makes recommendations as to their future role. The key changes that have impacted on their roles have been the full commitment of ESF and ERDF resources and the formation of the ESIF Committee and the LLEP Programme Board.

PAPER B

People Board

- 3.1.2 In December 2018 the government published guidance on the establishment of Skills Advisory Panels (SAPs). SAPs were first announced within the Industrial Strategy White Paper as playing a key role in helping LEPs fulfil their local leadership role in the skills system by helping them to understand current and future skills needs.

In April, the LLEP Board agreed for the People Board to become the SAP and approved its terms of reference and membership (Appendix 1). The first meeting of the SAP is taking place on 6 June. The SAP will continue to lead the LLEP's skills policy and input into the development of the Local Industrial Strategy (LIS).

- 3.1.3 Business Board

The current Business Board comprises representatives from business organisations, local authorities and universities. Its role has been to develop strategy and policy relating to business support including innovation, access to finance, inward investment and international trade. The group was responsible for the allocation of ERDF funding across the four priority axis (Innovation, ICT, SME Competitiveness and Low Carbon. The ESIF Committee now has overall responsibility for ERDF funds.

The LLEP Business Gateway (BG) is the growth hub for Leicester and Leicestershire. The government's growth hub policy provides the BG with a greater role in developing business support strategy and influencing key national and regional programmes delivered by national partners such as the Department for International Trade (DIT) and Innovate UK, The BG receives core funding from government and has also has secured ERDF resources for programme delivery.

The BG does not have a formal governance structure like most other growth hubs across the country. It is therefore proposed to establish a LLEP Business Gateway Board which will be responsible for leading the development of business support strategy and preparing and delivering the BG business plan. It is recommended that the current Business Board is replaced by a Business Gateway Board however many of the members would remain unchanged. Draft terms of reference are attached as Appendix 1.

- 3.1.4 Place Board

The Place Board evolved from the Housing, Planning and Infrastructure Group (HPIG) which was established in 2009 and comprises the senior officers of all the local authorities. The board had previously been responsible for developing housing, infrastructure and planning policy and strategy and managing key funding programmes such as the New Growth Point funding and Growing Places Fund. The LLEP Programme Board, formed in 2015, now has responsibility for managing all the LLEP's funding programmes with decision making through the Local Assurance Framework.

Since the formation of the governance associated with the Strategic Growth Plan (SGP) i.e. Strategic Planning Group (SPG) and Members Advisory Group (MAG), the role of the Place Board has diminished significantly, hence the group has not met

PAPER B

since October last year and only met twice in 2018. The agenda for the meetings have tended to be general LLEP updates without any substantive items for discussion or decision. In addition, the representation largely mirrors that of the SPG.

The LLEP is represented on the SPG and MAG and the LLEP board has endorsed the SGP which is aligned to the emerging LIS. The housing and infrastructure priorities in the SPG to support growth will feature in the appropriate sections of the LIS, particularly in the infrastructure and place foundations.

For the reasons outlined above, it is recommended that the Place board is disbanded and that the SPG is the appropriate group for input into developing the LIS.

3.2 Local Assurance Framework (LAF)

- 3.2.1 The board is recommended to approve changes to the Local Assurance Framework to reflect the revised membership of the company, and the revised terms of reference for the Programme Board and Executive attached as Appendix 2 and 3 respectively.
- 3.2.2 Prior to the formation of the company board members could send a proxy along to vote at meetings, however, following formation, the Articles of Association state that; No director shall be entitled to appoint an alternate director or any other person to act on their behalf at meetings of the directors.
- 3.2.3 Nevertheless, the Articles of Association do allow decisions to be made by email, as long as they are unanimous decisions
 - i. A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
 - ii. Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
 - iii. A decision made in writing in accordance with article 11.2 may not be taken if the Eligible Directors would not have formed a quorum at such a meeting.
- 3.2.4 Quorum for a meeting is eight Eligible Directors. If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
 - i. to appoint further directors; or
 - ii. to call a General Meeting so as to enable the Members to appoint further directors
- 3.2.5 The board is asked to approve the updated written procedure between meetings in the Local Assurance Framework to enable unanimous directors' decisions by email.

PAPER B

3.3 Membership of LLEP

- 3.3.1 Membership of the Leicester and Leicestershire Enterprise Partnership Ltd consists of three groups, private sector members, public sector members and education sector members. Members and directors have two completely distinct roles within a company, and being a member of the company does not entitle them to become a director and or attend directors' meetings. The board is now asked to consider instructing the LLEP Chief Executive to seek legal opinion to revise the Articles of Association to reflect a more diverse representation at a membership level.
- 3.3.2 The current public sector membership is limited to one person from Leicester City Council, Leicestershire County Council and two from the District Councils and one from the VCS, the board is asked to consider expanding the District Council membership to cover all the districts within Leicester and Leicestershire.
- 3.3.3 At present the education sector membership is represented by one person from a university and one from an FE body. The board is now asked to consider expanding this to cover a representative from all three higher education institutions within the LLEP area, and one each from the further education bodies, who are in receipt of Department for Education funding.
- 3.3.4 The definition of private sector membership consists of persons who undertake business, professional or other commercial activities within the LEP Area with a view to making a profit; this does not reflect Business organisations who represent a majority view of businesses within the area.
- 3.3.5 The board is recommended to amend this class of membership to cover only Business Representative Organisations (BROs) such as, but not limited to; Federation of Small Businesses (FSB), East Midlands Chamber of Commerce, CBI, Institute of Directors (IOD), Leicester Business Voice (LBV) or any other key organisations or partnership groups within the LLEP area such as the Leicestershire Rural Partnership (LRP).
- 3.3.6 Membership of the company is open to persons who possess the characteristics (as appropriate) set out in the Articles of Association and
- i. apply to the Company in the form required by the directors;
 - ii. are approved by the directors; and
 - iii. sign a written consent to become a Member agreeing to be bound by these Articles.
- 3.3.7 The board is asked to approve the application for membership attached as Appendix 4.

Summary of appendices:

1. Business Gateway Terms of Reference.
2. LLEP Executive Terms of Reference.

PAPER B

3. LLEP Programme Board Terms of Reference.
4. Application for membership of LLEP Ltd.

For further information please contact:

Mandip Rai

LLEP Chief Executive

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Appendix 1

LLEP Business Gateway Board Terms of Reference

Purpose

The role of LLEP Business Gateway Board is to provide direction and scrutiny of the Business Gateway which is the Growth Hub for Leicester and Leicestershire.

1. Objectives

- (i) To provide strategic direction and scrutiny of LLEP Business Gateway in relation to BEIS Core Funding and any other contractual obligations.
- (ii) Overseeing the development, delivery and review of the business support priorities in the SEP and emerging LIS and LLEP Delivery plan for 2019/2020.
- (iii) Ensure delivery of the growth hub in accordance with the Schedule of Work in Schedule 3 to BEIS.
- (iv) Prioritise business growth initiatives and make recommendations to the LLEP Board regarding the allocation of programme resources;
- (v) Ensure that business support service provision is effectively aligned to the LLEP programmes including the Innovation, Skills, and Enterprise Zones;
- (vi) Inform evolution of business growth related activities, taking account of global trends, capability and capacity in the LLEP area;
- (vii) Consider any other business growth related matters which are specifically referred to the board by the LLEP Board and Executive;
- (viii) Assessing impact and performance through the Monitoring and Evaluation Framework for Growth Hubs and oversee risk management;
- (ix) Provide direction on the operation of the growth hub and its future sustainability;
- (x) Approve and present reports to the main LEP Board.

2. Membership

2.1 The Business Growth Board shall consist as a minimum of the following members:

Category	Organisation
LEP	LLEP Board
Business representative organisation	East Midlands Chamber
Business representative organisation	Federation of Small Business
Business representative organisation	CBI
Business representative organisation	IOD
University /HE	University of Leicester
University/HE	DMU
University/HE	Loughborough University
Local Authority	Leicester City Council
Local Authority	District Council
Local Authority	Leicestershire County Council
Finance	BBB/Private /commercial bank
Finance	BBB/Private /commercial bank
Private Sector	To be nominated
Private Sector	To be nominated
Rural	Leicestershire Rural Partnership

- 2.2 All members will serve for a period of up to three years and will be committed to at least one-year membership of the Business Gateway Board.
- 2.3 Membership will be reviewed annually by the LLEP Board to ensure that it reflects the requirements for the development and delivery of the Business Gateway services in the LLEP area.
- 2.4 The Chair of the Board will be a member of the LLEP Board nominated by the Board for a term of office of up to three years and for the minimum of one year.
- 2.5 Deputies may occasionally attend Growth hub Board meetings if members are unable to attend. This will be subject to agreement of the Chair.
- 2.6 The Chair will present quarterly reports to the LLEP Board on its proceedings and on all matters relating to its duties and responsibilities.

Role of Business Gateway Board Members

- (i) Provide expertise to enable the board to build a sound knowledge of business needs across a range of different sectors and industries.
- (ii) Understand and work with other board members to make decisions about strategic priorities
- (iii) Examine and challenge business analysis and evidence to develop a range of delivery options of strategic significance.
- (iv) Monitor and evaluate performance of the Business Gateway programme and to improve delivery and drive the scale of outcomes
- (v) Support the development of the board and the wider partnership
- (vi) Act as an ambassador and champion for Leicester and Leicestershire as a place to do business

In carrying out these expectations, Board members will:

- (i) Provide advice and guidance on priorities for business support provision
- (ii) Make recommendations to the LLEP Board regarding the allocation of resources and the approval of funding proposals
- (iii) Inform the evolution of business support related activities, taking account of global trends, capability and capacity in the LLEP area
- (iv) Oversee and ensure the commissioning of business support activities are consistent with the agreed objectives of the SEP and emerging LIS
- (v) Ensure that business support service provision is effectively aligned to the programmes including the Innovation, Skills, Enterprise Zones and Inward Investment;
- (vi) Evaluate and review the programme to improve impact;
- (vii) Consider any other business support related matters which are specifically referred to the Board by the, the LLEP Board and Executive or any other relevant body.

3.0 Format and Timings of Meetings

- 3.1. The Growth Hub Board will meet 4 times a year.
- 3.2. The secretariat to the Business Gateway Board will be provided by the LLEP Business Gateway Team.

3.3. The meetings and papers of the Business Gateway Board will be in the same format as the LEP Board meetings and papers.

3.4. In accordance with standard practice:

- (i) Meeting agendas and papers will be sent 5 clear working days before the meeting takes place;
- (ii) Minutes of the previous meeting will be circulated prior to the next meeting and agreed as a true and accurate record at the meeting.
- (iii) Any declarations of interest made at the meeting will be included in the minutes of the meeting.
- (iv) Minutes are available to board members on request.

4.0 Reporting Responsibilities

4.1 The Board shall make whatever recommendations to the Board it deems appropriate on any area within its remit where decisions need to be made.

LLEP Programme Board Terms of Reference (ToR)

Purpose

The role of the Programme Board is to oversee the delivery of LLEP funded projects and programmes and ensure a clear contribution towards realising the objectives as set by the LLEP board.

1. Objectives

- (i) Direct and manage the approved LLEP programme of activity as delegated by the Board;
- (ii) Oversee the performance management of the projects/programmes for which the LLEP has responsibility;
- (iii) Ensure the integrity of the Programme Development process set out in the Local Assurance Framework (LAF)
- (iv) Monitor the risk register maintained by LLEP secretariat and undertake risk 'deep dives' as appropriate
- (v) Monitor programme and project costs and ensuring that these are kept in line with the original estimates and approvals, and ensuring that all projects are delivered in line with agreed outputs and milestones;
- (vi) Approve funding variations within a programme of agreed projects, up to any value, which does not affect the lifetime funding to a project.
- (vii) Where slippage occurs for particular projects or a programme then the Programme Board will advise on how best to mitigate; If it is felt that a project has slipped to such an extent that it might be best to use the resources to deliver a different project then a recommendation to that effect will be made to the Board;
- (viii) Set delegated tolerance levels for each Programme within which the LLEP Secretariat must operate
- (ix) For external bids, the Programme Board will act as a critical friend and review the project pipeline and business cases, form an indicative programme and make recommendations to the LLEP Board for approval
- (x) The Programme Board may decide to increase the funding allocation to a project by up to a maximum value of £500,000. The decision will be taken based on an assessment of a Project Change Request (PCR) / supplementary business case, submitted by the project sponsor, comparing the VFM of the revised project against the original approved project business case and similar projects within the pipeline. Above these thresholds Programme Board will make a recommendation, with decisions taken by the LLEP Board.
- (xi) The LLEP Board has delegated authority to the Programme Board to take decisions on its behalf relating to funding decisions for new and existing projects within the LLEP Programme of activity up to a value of £500,000. Above these thresholds Programme Board will make a recommendation, with decisions taken by the LLEP Board
- (xii) Report to board regularly on programme performance and as and when required by the Board
- (xiii) Undertaking such tasks as directed by the Board.

2.0 Membership

2.1 The membership of the Programme Board will include:

- (i) An Individual Board Director, who shall be the Chair;
- (ii) Two Individual Directors of the Board; who shall be the Vice-Chairs;
- (iii) A Chief Officer of Leicester City Council;
- (iv) A Chief Officer of Leicestershire County Council;
- (v) One district council Chief Executive who has been appointed to represent the interests of the seven district councils in Leicestershire;
- (vi) The Principal or Vice-Principal of the further education and sixth form colleges appointed to represent the interests of the sector;
- (vii) The Vice-Chancellor or Pro-Vice Chancellor of the university who has been appointed to represent the interests of the sector;
- (viii) The Representative appointed by Voluntary Action Leicestershire to represent the interests of the sector.

The Programme Board is supported by officers from the LLEP and the Accountable Body (Leicester City Council) and Cities and Local Growth Unit (CLGU)

3.0 Format and Timings of Meetings

- 3.1. The Programme Board will meet on a quarterly basis running, where appropriate, the month prior to the LLEP Board meeting
- 3.2. Key decisions of the Programme Board, especially regarding funding, will be communicated to the Projects within 7 working days of the decision, the Project Sponsors have the right to appeal a decision and this will be heard in the first instance through written procedure by the Programme Board.
- 3.3. Any continuing disagreements will be resolved by the LLEP Board in line with the terms of the LAF.
- 3.4. The meetings and papers of the Committee will be in the same format as and subject to the same conditions as the LEP Board meetings and papers.
- 3.5 In accordance with the national guidance:
 - (i) Meeting agendas and papers will be published 5 clear working days before the meeting takes place;
 - (ii) Minutes of Board meetings will be published within 10 clear working days of the meeting taking place. This may be in draft if clearance is required before the minutes are finalised. However, the final minutes of Board meetings will be published within 10 clear working days of being approved

- (iii) Any declaration of interest made at the meeting will be included in the minutes of the Board meeting. A new declaration of interest will be updated on the relevant member's register of interest.

- 3.6 The quorum for a Programme Board meeting shall be two Board Members and three members.

- 3.7 Where a meeting of the Programme Board is not quorate no business shall be transacted other than information items for consideration and a vote as to the date the meeting will be reconvened.

- 3.8 The agenda for the Programme Board will be developed in consultation with the Programme Board Chair and the Accountable Body.

- 3.9 Where appropriate, and as required, decision can be taken by written procedure which will follow the written procedure process established for the LLEP Board and set out within LAF.

Appendix 3

LLEP Executive Terms of Reference

Purpose

The LLEP Executive is accountable to the Board and is responsible for overseeing LLEP operations on behalf of the Board including the delivery of the partnership's Strategic plans.

1. Objectives

- (i) Strategically direct and support the LLEP Chief Executive and team activity; including ongoing development of the LLEP's strategies;
- (ii) Manage Gateway 0 of the Programme Development Process; assessing the strategic fit of projects for progression to Business Case;
- (iii) Providing assurance for all operational resources;
- (iv) Advising the Board and setting the agenda for Board meetings;
- (v) Reviewing financial and budgetary information prior to consideration by the LLEP Board;
- (vi) Monitoring the risk register maintained by LLEP secretariat and undertake risk 'deep dives' as appropriate;
- (vii) Undertaking such tasks as directed by the Board.

2. Membership

2.1 The Membership of the Executive will include:

- (i) The LLEP Chief Executive Officer, who shall be the Chair;
- (ii) A Chief Officer of Leicester City Council;
- (iii) A Chief Officer of Leicestershire County Council;
- (iv) One district council Chief Executive who has been appointed to represent the interests of the seven district councils in Leicestershire;
- (v) The Vice-Principal of one of the further education colleges in Leicestershire;
- (vi) The Deputy or Pro Vice-Chancellor of one of the universities in Leicestershire;
- (vii) The senior officer representative appointed by the Voluntary and Community Sector (VCS)
- (viii) A business representative nominated by the Business Representative Organisation members of the LLEP

The Executive is supported by officers from the LLEP and the Accountable Body (Leicester City Council) and Cities and Local Growth Unit (CLGU)

3.0 Format and Timings of Meetings

3.1. The meetings and papers of the Committee will be in the same format as the LEP Board meetings and papers.

3.2. In accordance with standard practice:

- (i) Meeting agendas and papers will be sent 5 clear working days before the meeting takes place;
- (ii) Minutes of the previous meeting will be circulated prior to the next meeting and agreed as a true and accurate record at the meeting.
- (iii) Any declarations of interest made at the meeting will be included in the minutes of the meeting.
- (iv) Minutes are available to board members on request.

4.0 Reporting Responsibilities

4.1 The Executive shall make whatever recommendations to the Board it deems appropriate on any area within its remit where decisions need to be made.

Appendix 4



creating economic prosperity

If representing an organisation, please state	
---	--

Do you have consent to represent the organisation?	Choose an item.
--	-----------------

Do you live within the Leicester and Leicestershire area	Choose an item.
--	-----------------

Do you work within the Leicester and Leicestershire area	Choose an item.
--	-----------------

Please confirm that you have read the Articles of Association and the Local Assurance Framework.	Choose an item.
--	-----------------

Office use only

Date received	
Date added to members register	



Title	Choose an item.
Full Forename	
Surname	
Other names	
Country/State of residence	
Nationality	
Address	
Occupation	
Date of Birth	
Email address	
Signature	
Date	



Appendix C

PAPER C

LLEP Board

6 August 2019

Decision Paper



Draft Finance Strategy 2019-21

1. PURPOSE OF REPORT

1.1 The purpose of this report is to approve the LLEP two-year Finance Strategy and note the reserves and risks associated with finance.

2. RECOMMENDATION

2.1 The LLEP Board is recommended to:

- i. Approve the finance strategy
- ii. Note the earmarked elements of the LLEP reserve
- iii. Note the risks associated to the finance strategy

3. BACKGROUND INFORMATION

3.1 The LLEP produced its first finance strategy in 2016 for the period 2016-18. Drafting of a new strategy from 2018-19 was paused in the light of national developments. This current strategy covers the two year period from 2019-2021, and has been prepared in conjunction with the Accountable Body.

3.2 The finance strategy is intended to set out a summary of the operational, project and programme funds administered by the LLEP over the next two year period.

3.3 This document will be published on the website to sit alongside suite of documents to ensure transparency of the LLEPs operations.

4. FINANCE STRATEGY SUMMARY

4.1 The strategy covers a two year period and is broken down into four main areas - operational, project funds (which are projects delivered by the LLEP), programme funds and potential financial risks that may impact on the LLEP.

4.2 Both the Core funding and the Growth Hub funding from BEIS has not been guaranteed beyond 2019/20, so figures shown are based on reasonable assumptions going forward.

- 4.3 Although the reserves appear considerable, approximately £1.4m can be specifically accounted for, leaving circa £0.4m as a non-earmarked working balance.
- 4.4 Funding for the Careers and Enterprise project runs until August 2020, profile of spend has been forecasted based on completion of the project at this time.
- 4.5 Both Local Growth Funding and the majority of the ESIF funding completes in 2021, which is when the UK Shared Prosperity Fund is anticipated to go live.

Summary of appendices

Appendix 1 – Finance Strategy 2019-2021

For further information please contact

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Finance Strategy 2019-2021

August 2019

DRAFT



Contents

Introduction	3
Purpose of the document.....	3
Role of the Accountable Body	3
Structure of the plan.....	4
Operational Budget	4
Project funds (direct delivery by the LLEP)	6
Careers and Enterprise Company	7
LLEP Business Gateway Growth Hub	8
Enterprise Zones.....	9
European Structural and Investment Funds (ESIF) Technical Assistance.....	10
Programme Funds	11
Local Growth Fund.....	11
Growing Places Fund.....	12
Business Rates Pool	13
Enterprise Zone.....	13
Risks.....	14

Introduction

Purpose of the document

The purpose of this document is to set out our finance strategy for the next 2 years, to allow our stakeholders and the public to understand our current and planned operation. Furthermore, this Finance Plan will allow for careful management of the available resources and provide a baseline for financial scrutiny by our partners and wider stakeholders.

This document is part of a suite of documents focused on our how we operate and our governance structures, which includes the Local Assurance Framework (LAF) which establishes the ways in which our partnership is governed, how decisions are taken and the principles upon which we develop, appraise and manage our programme of economic development activity.

This suite of documents is available on our website: <https://www.llep.org.uk>, as part of our continued effort to exemplify good governance and transparency. These documents, read in conjunction, enable everyone to understand the activity, opportunities, challenges and risks we are managing as part of our operations and how we plan to use the resources available to achieve the aims of our governing economic strategy; driving growth and creating economic prosperity for Leicester and Leicestershire.

As this document illustrates the LLEP operates a wide investment programme including funds from European, National, and Local sources. This plan is based on current activity and known sources of funding, and provides the most accurate forecast possible based on information available. However, we are in a period of change with the review of the role of LEPs, Brexit and the replacement to European funding sources and the emergence of pan-regional vehicles like the Midlands Engine. We must be vigilant for opportunities and flexible in our approach so that we may best facilitate the development and growth of the economy. In being so, our finance strategy will need to be reactive to emerging opportunities. This strategy is not a fixed document but one to be updated and kept alive so that we can ensure that our financial strategy enables us to deliver against our plans for making Leicester and Leicestershire a key contributor to the prosperity and earning power of the Midland and UK economies.

Role of the Accountable Body

Funding is devolved to the LLEP from Government and the member councils and is received and managed by the Leicester City Council as Accountable Body to the LLEP. As part of this process Leicester City Council gives assurance on the financial transparency, administrative functions and accountability of the LLEP, through the role of the S151 Officer (the Director of Finance).

The Accountable Body duties are set out in the Local Assurance Framework, together with rules and guidance issued by central government, CIPFA and other regulatory bodies from time to time.

The Section 151 Officer and her appointed Head of Finance, work closely with the LLEP on all operational and investment decisions.

The audit of the use of LLEP funds will be part of the internal and external audit programmes of the Accountable Body, and will be at least equivalent to those in place for Leicester City Council's own spending. Specific audits relating to particular funding streams or activities may also be undertaken at the request of the Board or the Government.

This Finance Plan has been developed jointly with the Accountable Body for the LLEP – Leicester City Council.

Structure of the plan

This Finance Plan is split into three main areas:

1. Operational Budget
2. Project Funds i.e. projects directly delivered by the LLEP
3. Programme Funds

The Operational Budget details the revenue available for the delivery of the core operations of the LLEP including its staffing, communications, strategy, programme management and support services costs.

Project funds are also revenue budgets but these are captured separately to show the individual costs of specific, defined project activity. These are based on external funding streams. Should these funding streams cease then the activity also ceases. Projects include the Business Gateway, Enterprise Zone and the Enterprise Advisor Network (EAN).

That notwithstanding, the LLEP operates a model which maximises its operational budgets to best effect utilising staff to draw down additional match funding e.g. ESIF Technical Assistance, to enhance and expand the service offer, that contributes to delivering the core objective of the LLEP: creating economic prosperity across Leicester and Leicestershire. In these circumstances there are no separately defined budgets for this overarching programme of activity.

Finally, Programme Funds are funds that the LLEP administer and manage, but the delivery is performed by another organisation e.g. a Business, a University or a Local Authority. These programme funds are reported by programme to their agreed financial completion date. Programmes include Local Growth Fund (LGF), Growing Places Fund (GPF), Business Rates Pool (BRP) and Enterprise Zones (EZ).

Operational Budget

A 2-year budget plan has been developed, based on the best available information. As with any forecasts these are subject to change and will be updated appropriately.

It is desirable that the LLEP should retain a minimum working balance/reserve of circa £1m, as described on page 6.

	2019/20 (£)	2020/21 (£)
Income		
Grants (core funding and capacity building)	700,000	500,000
Local Authority Contributions (Business Rates Pool)	250,000	250,000
National & Local Project Income	945,000	854,000
Fees, Interest & Other Income	505,000	498,000
Total Income	2,400,000	2,102,000
Expenditure		
Staffing	946,000	964,000
Running Costs	479,000	303,000
Accountable Body Costs	135,000	135,000
Project Delivery Costs	812,500	630,100
Total Expenditure	2,372,500	2,032,100
Net Surplus / (Deficit)	27,500	69,900
Actual / Estimated reserves at start of year	1,758,000	1,785,500
Estimated reserves at end of year	1,785,500	1,855,400

Core funding is issued by the Government to all LEP's to cover overheads and running costs. The additional capacity building funds expected to be awarded in 19/20 are to recognise the associated costs of LLEP incorporation and the production of the local industrial strategy. In addition to the core funding LEP's are required to produce locally matched funding, currently this is expected to be sourced through the Business Rates Pool.

Fees, Interest & Other Income cover the agreed 2.5% management fee to cover the cost of running programmes such as LGF and Business Rates Pool, these figures also includes interest generated through the capital receipts held by the Accountable Body and interest received through the repayment of the GPF loan scheme.

The staffing costs cover a core team of 17 members, including on-costs and ancillary expenses.

Running costs in year 19/20 cover the additional one-off costs associated with the LEP review implementation, skills advisory panels and production of a local industrial strategy.

Service level agreements are being prepared for support services provided by the accountable body, which will include a review of charges. The £135k shown above is therefore a provisional sum at the time of writing.

There is a small budget for communication and marketing, in addition to producing an evaluation of the LGF programme.

Reserves

The level of reserves are considered adequate by the Accountable Body, and sufficiently cover the working balance requirement.

These reserves are based on the estimated costs of winding up the partnership and other liabilities, should it be required. These liabilities include a sum for staffing costs and potential liability for additional pension costs.

A further £200k is to be set aside should any taxation liabilities that may arise due to the LLEP's incorporation. A minimum balance of circa £1m is recommended for these.

A further £315k is ring-fenced for income in advance received in 2018/19 that to be spent in future years. This includes provision for contract compliance monitoring on previously allocated funds, which are liable for clawback if not properly tracked

Overall therefore, of the £1.758m LLEP reserve at April 2019, approximately £1.4m can be specifically accounted for, leaving circa £0.4m as a non-earmarked working balance.

Breakdown of LLEP reserves	
Staff Redundancy	800,000
Pension Liabilities	100,000
Tax Liabilities	200,000
Income in advance	315,000
	1,415,000

Project funds (direct delivery by the LLEP)

In addition to the core service the LLEP receives project funding to manage specific projects. These funding streams will come with strict criteria, as to what and how the funding can be spent. In some instances these require us to recruit additional staff, other than the core team.

It is envisaged that all the projects are self-sustaining, and do not draw on LLEP reserves, however, this can vary from year to year.

The table below shows the income and expenditure budget for each project. The totals tie back to the lines in the Operational Budget summary table earlier.

	2019/20 (£)	2020/21 (£)
Project Income		
Careers and Enterprise Company	265,000	118,400
Business Gateway Growth Hub	410,000	466,000
Enterprise Zones	100,000	100,000
European Structural and Investment Funds (ESIF) Technical Assistance	170,000	170,000
Total Income	945,000	854,000
Project Expenditure		
Careers and Enterprise Company	312,800	122,500
Business Gateway Growth Hub	377,800	384,000
Enterprise Zones	121,900	123,600
European Structural and Investment Funds (ESIF) Technical Assistance	0	0
Total Expenditure	812,500	630,100

Careers and Enterprise Company

The purpose of the local Enterprise Advisor Network (EAN) is to create powerful, lasting connections between local businesses, schools and colleges in the area. Enterprise Advisors are volunteers who work directly with the leadership of individual schools and colleges, helping these institutions to develop effective employer engagement plans. The network of Enterprise Advisors (EA) is supported by a team of Enterprise Coordinators who effectively bring the network of schools, colleges and EA's together recruiting, matching and facilitating the effective relationship between the partners to simplify and stimulate more employer engagement with education.

The programme is part-funded by the Careers and Enterprise Company (CEC), an employer led organisation set up by Government to inspire and prepare young people for the fast-changing world of work. The CEC has provided the LLEP with a Funding Agreement up to August 2020 (since the project works to academic years), funding approximately half the costs of the project. The remaining funding is sourced locally through bids to the Business Rates Pool and other sponsorships.

The next table provides an indicative project spend profile over the next 2 years:

	2019/20 (£)	2020/21 (£)
Income		
National Grants (CEC)	152,000	54,400
Local Contributions (BRP)	100,000	50,000
Sponsorship	13,000	14,000
Total Income	265,000	118,400
Expenditure		
Staffing	242,900	101,600
Marketing & Advertising	5,000	4,000
Running Costs	64,900	16,900
Total Expenditure	312,800	122,500

No future funds are committed beyond August 2020, and the profile accounts for the project ending without successfully securing additional sources of funding. The project may of course receive further funding, and hence continue.

The figures are based on the existing team structure of a Careers Hub Coordinator and four Enterprise Coordinators providing 100% coverage of all eligible schools and colleges across Leicester and Leicestershire. The high running costs relative to income shown in 2019/20 reflect income received in 2018/19 to be defrayed in 2019/20.

The development of the project will be carefully monitored by the LLEP Management Team to ensure that if the bids are not successful the project is scaled to ensure the appropriate delivery structure based on the funding available.

LLEP Business Gateway Growth Hub

The LLEP Business Gateway is the Growth Hub for Leicester and Leicestershire. Growth Hubs are Government initiatives which were set up to simplify access to business support, to inspire enterprise and drive economic growth. There are 38 Growth hubs covering the whole of the UK.

The Growth Hub is a single point of access across Leicester and Leicestershire, to which businesses and support providers can turn when they have a business need that they do not know how to meet. It is the single point of access for all national and local schemes working with a broad network of providers from the public and private sector, to encourage the take-up of business support and help maximise the growth potential of our businesses.

The Business Gateway offers information, advice and guidance through a variety of platforms including website, telephone and intensive one to one support via a small team of specialist advisors. In addition, the Growth Hub runs a varied and engaging programme of events including workshops and masterclasses on specific business topics ranging from access to finance, recruitment, innovation and marketing.

The table below provides an indicative project spend profile over the next 2 years:

	2019/20 (£)	2020/21 (£)
Income		
National Grants (BEIS & ERDF)	360,000	416,000
Local Contributions (BRP)	50,000	50,000
Total Income	410,000	466,000
Expenditure		
Staffing	182,600	186,000
Marketing & Advertising	39,000	38,000
Running Costs	156,000	160,000
Total Expenditure	377,800	384,000

Growth Hubs receive an allocation of funding from the Department for Business, Energy & Industrial Strategy (BEIS), supplemented by European Regional Development Fund (ERDF) Funding.

Since 2015 the Business Gateway has been in receipt of ERDF funding. Due to delays with the managing authority, income that was expected in previous financial years have not materialised, although it is anticipated that all outstanding claims would be paid in 2019/20. As part of a collaborative partnership with Leicester City Council and others, the Growth Hub has submitted an ERDF bid, which is currently at the appraisal stage. This will change the scope of the service, enhancing it to meet current business demand and drive productivity and business to scale up. The success of the ERDF bid has been assumed within the profile above; the expenditure and income profiles may change, if unsuccessful. The development of the project will be carefully monitored by the LLEP Management Team to ensure that, should the bid not be successful, the project is scaled to ensure the appropriate delivery structure based on the funding available.

Enterprise Zones

Enterprise Zones are a 25-year designation for a specific site in which 100% of rates uplift above a baseline is kept by the local area to fund future economic growth. Zones are exempt from the normal Government rules that allow retention of business rates growth only until the next "reset" date. Given that rates growth retention is guaranteed for a period of 25 years, this provides a financing tool to support prudential borrowing to accelerate the development of the sites as well as supporting other economic priorities. Businesses within the zones can also benefit from up to five years of rates relief and simplified planning.

There are two EZs in the LLEP area, namely MIRA Technology Park Enterprise Zone and the newer Loughborough and Leicester Science and Innovation Enterprise Zone. Up to and including 2018/19, the investment supported by Business Rates uplift generated / expected to be generated from the EZ's totalled over £1m.

We will identify the labour market needs of businesses in the key sectors for the Loughborough and Leicester EZ to highlight the current and future skills requirements and work with local providers to ensure the local provision addresses any gaps. Working closely with our public sector partners we

will facilitate investment to drive forward development and undertake activities to support the marketing and inward investment programmes.

In addition, we will work with partners to strengthen the capture of performance data to monitor the impact of our interventions, and highlight opportunities for further activities to facilitate continued development.

The table below provides an indicative project spend profile on EZ development over the next 2 years; it does not include any infrastructure investment that may be agreed:

	2019/20 (£)	2020/21 (£)
Income		
LLEP reserves / business rates uplift	100,000	100,000
Total Income	100,000	100,000
Expenditure		
Staffing	90,700	92,500
Marketing & Advertising	10,000	400
Running Costs	21,200	30,700
Total Expenditure	121,900	123,600

The identified revenue income is an annual £100,000 from the business rates uplift which is expected to be made available to the LLEP to manage the programme with the sites and government. The availability of this funding is dependent on the Business Rates Agreement with the Billing Authorities being concluded. This funding is underwritten from LLEP reserves.

Over their life, the EZs could generate £300m of additional business rates and support the delivery of over 25,000 jobs. The agreement for the Loughborough and Leicester Zone will provide for the proportion of the uplifts to be retained by the authorities as their own "no worse off" share, the proportion available for investment in to the zone, and (initially) the proportion available to repay any LLEP investment into the Zone.

European Structural and Investment Funds (ESIF) Technical Assistance

European Structural and Investment Funds (ESIF) are the European Union's main source of funding for supporting growth and jobs across EU member states. ESIF is composed of three main programmes that combined provide around £6 billion of support over the 2014 to 2020 period.

Like all LEPs, we have been provided with a notional allocation of around £112 million of European Regional Development Fund (ERDF), European Social Fund (ESF) and European Agricultural Fund for Rural Development (EAFRD).

Through our ERDF and ESF Technical Assistance projects, we will continue to develop and promote call specifications and encourage and support the submission of applications to the ESIF programme. The LLEP will also work with ERDF and ESF project providers to coordinate the delivery of local European funded activity through the organisation of quarterly provider forums.

The table below provides an indicative project income profile over the next 2 years. Note that no direct expenditure is shown, as staffing and other costs are part of the LLEP operating budget:

	2019/20 (£)	2020/21 (£)
Income		
ERDF	70,000	70,000
ESF	100,000	100,000
Total Income	170,000	170,000

Programme Funds

Local Growth Fund

	Grant	Leverage
LGF	£126m	£190m

The LLEP, through its Accountable Body, signed a Growth Deal with the Government in 2014. This ultimately secured £100.3m through the Local Growth Fund (LGF) in relation to Growth Deals 1 and 2. A further Growth Deal was signed with government for £25.87m in December 2017, increasing the total to £126m

The investment of £126m investment into Leicester and Leicestershire area will bring forward at least £190m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £316m for the LLEP

This funding, matched by a range of other resources, is supporting economic growth in the area through the provision of infrastructure such as transport, employment and education/training facilities

The allocation for 2019/20 is £12.9m and for 2020/21 (the final year) is £17.9m. These are fully committed to projects, although the profile of schemes is subject to change, managed through our Programme Board and in accordance with the LLEP's Local Assurance Framework (LAF). The major schemes still to incur LGF spend include the M1/J23 and A512 highways improvements, the A50 transport corridor, River Soar flood risk management, DOCK 2 workspaces and the National Space Academy.

Project Name	Total Allocation	Total Claims to Date	Allocation Balance	Forecasted Spend 2019/2020	Forecasted Spend 2020/2021
A50/A6 - Leicester North West Major Transport Investment Corridor	£16,200,000	£10,214,118	£5,985,882	£2,200,000	£3,785,882
Skills Training Centre (MTI)	£9,500,000	£9,500,000	£0	£0	£0
Leicester Waterside Regeneration Area Programme	£20,000,000	£20,000,001	-£1	£0	£0
Leicester College - Skills and Innovation Village	£3,270,000	£3,270,000	£0	£0	£0
Great Central Railway – Bridging the Gap	£1,000,000	£1,000,000	£0	£0	£0
Local Sustainable Transport Fund (LSTF) Hinckley	£3,640,000	£3,640,000	£0	£0	£0
North City Centre Access Investment Programme	£8,960,000	£8,960,000	£0	£0	£0
Superfast Leicestershire	£3,100,000	£3,100,000	£0	£0	£0
River Soar Corridor Improvements	£7,500,000	£5,021,652	£2,478,348	£702,202	£1,776,146
A511 Growth Corridor	£4,640,000	£4,640,000	£0	£0	£0
Lubbesthorpe Strategic Employment Site (SES) access improvements	£3,250,000	£3,250,000	£0	£0	£0
Connecting Leicester Wave 2 (Market Area)	£7,200,000	£7,200,000	£0	£0	£0
Melton Mowbray Livestock Market: Phase 1	£3,500,000	£3,500,000	£0	£0	£0
Developing Commercial Workspace - Pioneer Park	£2,614,000	£386,052	£2,227,948	£900,000	£1,327,948
Coalville Workspace Project	£2,367,494	£2,367,494	£0	£0	£0
Market Harborough Line Speed Improvement	£3,000,000	£3,000,000	£0	£0	£0
National Space Centre: Vision 2025	£1,149,712	£39,587	£1,110,125	£420,000	£690,125
Space Park/Pioneer Park Infrastructure	£5,000,000	£5,000,000	£0	£0	£0
Space Park Leicester (phase 1)	£8,175,160	£1,148,543	£7,026,617	£3,710,000	£3,316,617
M1 Junction 23 and A512 Improvements	£12,000,000	£0	£12,000,000	£5,000,000	£7,000,000
	£126,066,366	£95,237,448	£30,828,918	£12,932,202	£17,896,717

As per the terms of our LAF, the LLEP retains a 2.5% management fee on project spend to operate the programme.

Growing Places Fund

The Growing Places Fund (GPF) is a loan scheme put in place specifically to assist stalled transport and infrastructure projects that will boost the local economy, or for development proposals which can be accelerated with an injection of GPF loan capital for infrastructure.

The LLEP was granted £12.6m from Government to operate the GPF loan scheme. These monies were allocated to eight projects over four rounds with a focus on accelerating the building of homes, office and commercial development space. These projects have helped to facilitate the delivery of 1,650 jobs, created 11,000m² of commercial floor space and 371 homes.

All but one of these loans have been repaid, with the final loan repayment due as the associated site is built out. Of the original £12.6m budget, three projects received grant funding totalling £300k for feasibility and development, meaning that the total GPF available to support loans now stands at £12.3m. A further loan was made in early 2019 to support development of a manufacturing facility.

Therefore through successfully managing the repayments, we are able to offer loans of up to £10.8m in 2019. Some potential expressions of interest have been received, or are expected.

The fund now operates on a rolling basis to be more responsive to demand. The GPF programme is a useful tool to enable the LLEP to continue to promote economic development and provides flexibility such as for underwriting other investments which are subject to strict funding conditions that would put the project at risk.

At present there is currently a healthy pipeline of projects interested in utilising the GPF funds.

Business Rates Pool

	Grant	Leverage
Round 1	2,000,000	4,645,100
Round 2	3,326,300	18,320,000

In 2015 the nine local authorities in Leicester and Leicestershire and the fire authority agreed to form a business rates pool which would allow the local area to retain the proportion of growth in business rates across the LLEP area, that would otherwise be payable to the Government. This would create funding, to be administered by the LLEP, to support the delivery of priority projects and functions to deliver against the priorities of the prevailing economic strategy, driving productivity and growth of the Leicester and Leicestershire economy.

Up to and including 2016/17 funding (formally approved in February 2019), the LLEP has supported circa 50 projects with an investment of £5.3m, addressing the demand for development/feasibility, capital and revenue projects. This will deliver a wide variety of outputs and leverage over £23m of investment from other sources, both local and national.

In 2017/18 the balance received was just over £6m, and the 2018/19 and 2019/20 sums are each expected to be around £7m. The future of the pool beyond 2019/20 is dependent on a government review of local authority funding, hence is currently unclear.

The LLEP administers this fund on behalf of the members of the Pool. As per the terms of our LAF, the LLEP retains a 2.5% management fee to operate the programme.

The use and function of the unallocated and future years' business rates pool monies are under discussion by the pool members at the time of publishing this strategy. The LLEP operational budget assumes that the Pool will continue to fund the £250k annual local authority contributions to LLEP operating costs.

Enterprise Zone

As noted above, over their life, the EZs could generate £300m of additional business rates and support the delivery of over 25,000 jobs. The business rates provide a financing tool to support

prudential borrowing to accelerate the development of the sites, as well as supporting other economic priorities.

Issues and Risks

The following is an overview of current key strategic financial issues and risks, these risks form part of a wider LLEP owned risk assessment, which is managed by the LLEP secretariat.

LLEP operating costs and funding 2020/21 onwards – As part of the government review into the role of LEPs there is consideration of longer-term funding for LEPs. If Government funding were not to continue beyond the currently confirmed figures, our income and reserves would be sufficiently impacted by 2021 to require consideration of the future of the LLEP for 2021/22 and beyond. Any costs arising from downsizing or reorganising the LLEP team (principally staff severance costs) are mitigated by maintaining a core reserve as previously described.

Taxation - All LLEP funding is received by the Accountable Body and defrayed by it; as such expenditure is by a local authority and hence subject to full VAT recovery under Section 33 of the VAT Act 1994. We need to be mindful that the position of HMRC is such that VAT may however no longer be recoverable, as the LLEP became a legal entity from April 2019 (albeit as a dormant company, with no financial transactions flowing directly through it). Other taxation risks may also come to light following incorporation. This risk is mitigated by maintaining a reserve of £200k.

Income projections not achieved on projects - e.g. ERDF Gateway is not successful / failure to maximise the draw-down of the available Careers and Enterprise Company funding. This will have the impact of being met by reserves. This will be mitigated by a quarterly reconciliation of income achieved versus targets and ongoing discussions with project managers. Any necessary actions will be put in place, working within the principle that wherever possible projects should not be a drain on LLEP reserves. This will be reported through the quarterly finance updates provided to the Executive.

BREXIT - there are potential implications for the LLEP in areas such as staffing, future funding opportunities and for partners drawing down capital funds, as well as legislation such as data protection, procurement and state aid. An economic downturn might postpone or delay infrastructure investment in projects, impacting the LLEP's ability to drive growth and draw down management fees and other income. Legislative changes in areas such as procurement and state aid will create instability and uncertainty, whilst the impact of such changes are measured.

Climate Change - there is a potential risk that that future funding is tied into climate change mitigation / reduction. The LLEP will need to ensure that all programme funding requests can adapt and show mitigating considerations in the project pipeline, failure to do so could lead to the LLEP and its area losing out on national funding.

s278 Agreement for improvements to the A5 - In 2013, the City Council (acting as accountable body to the LLEP) entered into an agreement to facilitate improvement works to the A5 in connection with the MIRA EZ. The City Council underwrote payments to the Government of up to £1.81m in respect of commuted lump sums which Hinckley and Bosworth Borough Council will be

required to pay if MIRA does not. The primary obligation upon the LLEP is to retain sufficient funds that could offset any crystallisation of the City Council's obligations to HBBC.

Funding development of the MIRA EZ – since 2014, a total sum of £1.1m has been spent by the City Council on behalf of the LLEP to fund market research and key projects to support the development of the MIRA EZ. The majority of this has been repaid from associated rates growth; however, £430k remained outstanding at the time of writing.

LGF profile – The LGF profile is consistently monitored via the Accountable Body and quarterly meetings of the Programme Board. There is a risk to the current profile in the final year of the programme (2020/21), however discussions have begun with Leicester City Council and Leicestershire County Council to manage the cash flow requirements as the remaining major delivery partners.

Closed programmes and the risk of clawback – There is the potential for clawback on closed programmes, with Regional Growth Fund (RGF) closing early in 2018/19 and the ERDF programme for the Business Gateway. This is an unknown risk at this point, however early indications of any perceived irregularities will be flagged early by the respective managers to the Management Team and subsequently with the Accountable Body. The liabilities set out here would initially fall to the City Council as Accountable Body, which would seek to back them off to the LLEP. The LLEP plans to have sufficient funds becoming available to meet any such liabilities, for example GPF. However, no clawback is currently expected.

Future funding there are potentially several opportunities in the terms of future funding, such as UK Shared Prosperity Fund, which is designed to ensure that local areas receive flexible funding based on local needs following the UK's departure from the EU; and Stronger town funds which aim to create new jobs, help train local people and boost growth within towns.

Political instability due to the current national political climate there is inevitably a degree of instability around LEPs and long-term future funding.

** End **

Paper D

LEICESTER & LEICESTERSHIRE LOCAL INDUSTRIAL STRATEGY

Draft for LLEP Board 06.08.19

Contents

Foreword	2
Executive Summary	3
Introduction.....	4
A Healthy Climate for Growth	5
Healthy Growth	5
Healthy People	6
Healthy Business.....	7
Leicester and Leicestershire in 2019	8
The Five Foundations of Productivity	11
Ideas	11
Strengths	11
Challenges.....	16
Our Approach	17
People.....	20
Strengths	20
Challenges.....	23
Our Approach	25
Infrastructure.....	27
Strengths	27
Challenges.....	30
Our Approach	31
Business Environment	33
Strengths	33
Challenges.....	35
Our Approach	36
Places.....	38
Strengths	38
Challenges.....	42
Our Approach	43
Implementation	46
Cross-Border Collaboration	46
Governance	48
Performance Framework.....	48
Key Documents.....	48

Foreword

To be completed.

Draft

Executive Summary

To be completed.

Draft

Introduction

Leicester and Leicestershire is at the heart of England and the Midlands Engine

Located in the heart of England, Leicester and Leicestershire has a rich industrial heritage and many place and sector strengths that provide the foundations for future economic growth.

Over the past decade, the area's economy has grown steadily and is worth £24.5bn in GVA per annum.¹ Productivity is also above the regional average and is forecast to continue to grow in the period up to 2030.² There are over 42,000 businesses³ and 538,000 jobs,⁴ while the area has strengths and opportunities in a wide range of traditional and emerging sectors such as manufacturing, automotive, logistics, life sciences, space, sport, textiles, tourism and food and drink.

Leicester is famous for its vibrant, multi-cultural population, while the city is surrounded by beautiful rural areas and distinctive and independent market towns that are important economic centres in their own right. The area's central location has made it the destination of choice for distribution companies and it is internationally connected through East Midlands Airport. It is home to three outstanding universities spinning out innovative new companies and producing thousands of talented graduates every year. It has two Enterprise Zones covering four separate sites as well as the UK's first designated Life Sciences Opportunities Zone at Charnwood Campus in Loughborough. It is an area of unparalleled sporting excellence and success, boasting the world's number one ranked university for sports related subjects for the past three years.⁵ It is also attracting new investment from international businesses such as IBM as well as increased numbers of visitors through popular attractions such as the National Space Centre and the King Richard III Visitor Centre.

Yet at the same time Leicester and Leicestershire also faces a range of economic challenges if it is to continue to prosper. Its previous economic growth masks a growing productivity gap to the rest of the UK due to lower value-added activities in traditional sectors such as manufacturing. Like many other parts of the UK, its population is ageing, and many new and existing jobs will need to be filled to maintain its economic growth despite a shrinking working age population. It continues to have a low skills and a low pay economy, where earnings are below the national average, and needs to build more homes for its growing population. It has poor east-west connectivity that is hampering the moment of goods and people and the need to improve linkages to key employment sites. Most importantly of all, it must transition to a low carbon and circular economy and restore lost biodiversity to mitigate the impacts of climate change.

This Local Industrial Strategy sets out how Leicester and Leicestershire will address these challenges and build on its firm foundations to create a more healthy, sustainable and inclusive economy. It highlights the actions and investment that are already taking place as well as future areas of focus against which investment decisions can be made to boost productivity and earning power. It also has the backing of Government and sets out how local stakeholders will work in partnership to make Leicester and Leicestershire the healthy heart of the Midlands Engine.

¹ Oxford Economics, *Local Industrial Strategy Economic Review: Leicester and Leicestershire Enterprise Partnership* (2019), p. 27.

² Oxford Economics, *Local Industrial Strategy Economic Review*, p. 18.

³ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 42.

⁴ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 32.

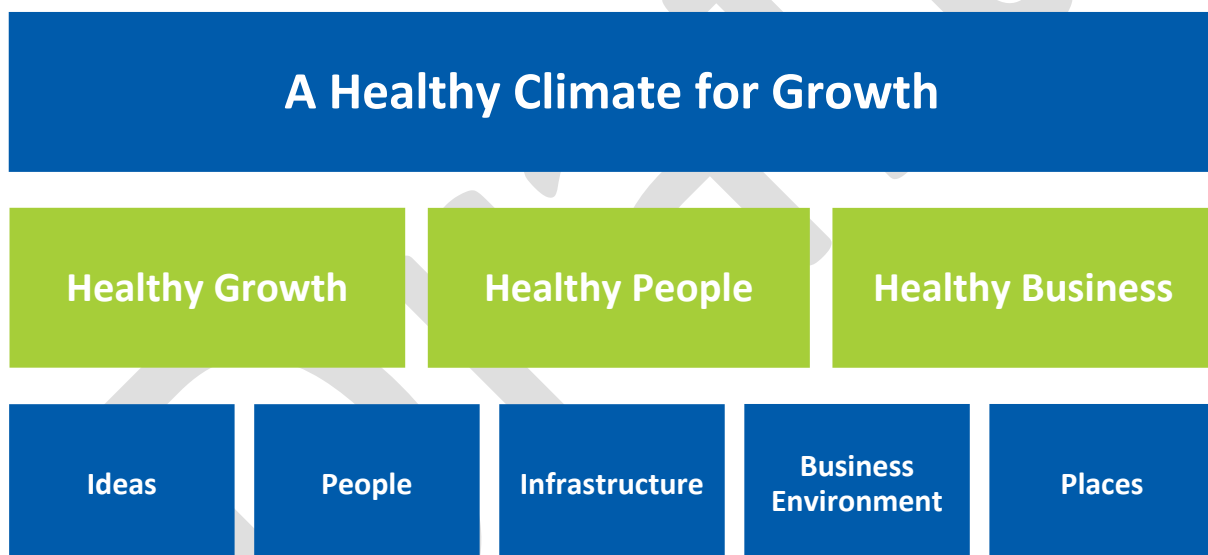
⁵ <https://www.topuniversities.com/university-rankings/university-subject-rankings/2019/sports-related-subjects>

A Healthy Climate for Growth

Leicester and Leicestershire's vision is to create a healthy climate for growth that will allow its people and businesses to continue to flourish in a way that is both sustainable and inclusive.

To achieve this, Leicester and Leicestershire will build on its existing industrial strengths and assets, while also minimising the impact on its natural resources and environment, to deliver clean and sustainable growth and achieve carbon neutrality by 2050. It will maximise the potential of its people to create a healthy and efficient workforce that is better paid, equipped with the skills needed by employers and able to meet the rapidly changing needs of a modern economy. It will also create and sustain businesses that are more productive, resource efficient and able to compete and trade both nationally and internationally.

To deliver this vision, the Leicester and Leicestershire Local Industrial Strategy is based around three themes: healthy growth, healthy people and healthy business. These complement and support the four Grand Challenges and five Foundations of Productivity set out in the Industrial Strategy and will help to place the UK at the forefront of the industries of the future while also improving people's lives and the country's productivity.



Healthy Growth

The world is facing three interconnected global emergencies: climate change, resource exploitation and biodiversity loss. Only by transitioning to a low carbon economy, creating a circular economy and recovering lost biodiversity can irreversible change be avoided, and our natural environment and resources be protected for future generations.

The Industrial Strategy has highlighted how the move to cleaner economic growth through the adoption of low carbon technologies and the efficient use of resources is one of the greatest industrial opportunities of our time, transforming existing industries and creating new ones as the UK moves to a more resource efficient economy.⁶ The development of artificial intelligence and the use of big data is also changing the global economy and the way that businesses use detailed information to undertake complex tasks, creating new jobs and opportunities.

⁶ HM Government, *Industrial Strategy: Building a Britain Fit for the Future* (2017), pp. 42-7.

Leicester and Leicestershire is ready to meet these challenges. The local authorities have recently declared a climate emergency and are leading the way in moving towards carbon neutrality. Leicestershire County Council has committed itself to achieving net zero carbon by 2030 for its own operational emissions and to work with partners and the government to achieve net zero carbon for Leicestershire by 2050 or before. Leicester City Council has also committed to setting a target for achieving net zero carbon for the city as part of reviewing the Sustainability Action Plan in response to the need to take action by 2030. The area is also developing new strengths in sectors such as low carbon, space and life sciences that are creating new knowledge-based jobs and business opportunities.

Due to open in late 2020, Space Park Leicester will become a world-leading hub for space and space-enabled industry and a globally leading centre for the translation of space research and Earth Observation data into commercial applications and services for businesses, researchers and academia. The Space Park has recently received a major boost with the announcement of £14m of funding for its new Manufacturing, Engineering and Earth Observation Research Centre (METEOR), the largest single funding award ever made to the University of Leicester.⁷ Once open, METEOR will revolutionise how satellites are conceived, designed, operated and produced, as well as how the data that is derived from them is interpreted and used to solve real world problems.

The Loughborough University Science and Enterprise Park (LUSEP) is also one of the UK's largest science parks and part of the Loughborough and Leicester Science and Innovation Enterprise Zone.⁸ LUSEP is already home to over 75 innovative businesses employing over 2,200 people with clusters in advanced manufacturing, energy and low carbon and is providing opportunities for businesses of all sizes to collaborate with each other with seamless access to Loughborough University's world-class research base and skilled workforce.

To deliver healthy growth and support the AI and Data and Low Carbon Grand Challenges, Leicester and Leicestershire will create more high value jobs in sectors such as low carbon, space and life sciences. It will deliver Space Park Leicester to create a new centre of excellence for Earth Observation and satellite technology and create a low carbon and circular economy business cluster at LUSEP. It will create new sustainable and affordable housing for its population and will develop and encourage more sustainable forms of transport to mitigate the impacts of climate change. It will increase targeted foreign direct investment in the low carbon sector and support the development of renewable energy from local sources. It will also support businesses to become more energy efficient and move towards carbon neutrality.

Healthy People

Like the rest of the UK, Leicester and Leicestershire has an ageing population. In the period up to 2030, the number of over 65s is expected to increase by 55,000, representing 70 per cent of the forecast growth in population.⁹ People in Leicester and Leicestershire are also living longer. Average life expectancy is the highest across the Midlands Engine and is above the England average.¹⁰

Leicester and Leicestershire's ageing population will create new demands for technologies, products and services. However, it will also place greater demands on the working age population through increased health and social care costs and the need to fill existing jobs that have become vacant through people retiring from the workforce. To address the Ageing Society Grand Challenge and

⁷ <https://le.ac.uk/news/2019/july/10-ukrpif-announcement-meteor-funding>

⁸ <https://lusep.co.uk/>

⁹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 69.

¹⁰ Oxford Economics, *Local Industrial Strategy Economic Review*, pp. 103-4.

develop a more healthy and productive population, Leicester and Leicestershire will harness its industrial strengths to support people to lead fuller, active and more independent lives that will reduce the financial burden on the health system.

De Montfort University is already leading the way. Along with two local healthcare providers and Age UK, it has established the Leicester Academy for the Study of Ageing to research the challenges that come with ageing and using a multi-disciplinary approach develop solutions.¹¹ It is also working with healthcare and industry professionals to improve patient care by adopting the latest digital technology. The university's Digital Health and Care Unit can, in collaboration with primary care teams, use digital technology on up to 1,000 patients, including phone apps, web-based analysis, wearable devices and biometric sensors.

The designation of Charnwood Campus in Loughborough as the UK's first Life Sciences Opportunities Zone, as well as the establishment of the new Defence and National Rehabilitation Centre at Stanford Hall, also offers Leicester and Leicestershire the opportunity to develop a new bio-medical and pharma cluster that will develop new products and services for its ageing society as well as creating new knowledge-based jobs for the local economy. To capitalise on this opportunity, Loughborough University is currently leading the development of a second stage application to the Strength in Places Fund in partnership with Nottingham Trent University and the Universities of Leicester and Nottingham to develop a new Growing Rehabilitation Industries Project that will bring together the academic, business and clinical base.¹²

To develop a healthy population and respond to the Ageing Society Grand Challenge, Leicester and Leicestershire will build on and enhance its existing strengths to improve the quality of life and wellbeing of its population. Building on assets such as Charnwood Campus and the Defence and National Rehabilitation Centre, it will attract and grow businesses within the life sciences and medical technologies sectors to create new high value jobs. It will develop an improved public transport network that will reduce pollution and improve air quality and promote cycling and walking. It will also create new green spaces and improve public realm to enable people to lead more active and outdoors lifestyles.

Healthy Business

Since 2014, the number of businesses in Leicester and Leicestershire has increased by over 20 per cent and start-up and survival rates are improving.¹³ The area's central location has made it a hub for logistics and distribution companies, while it has retained a strong manufacturing base with higher rates of employment than the rest of the UK.¹⁴ However, many of Leicester and Leicestershire's smaller businesses are inefficient and in traditional lower value-added sectors, recording below average levels of productivity.¹⁵ A key challenge for this Local Industrial Strategy will therefore be to raise productivity across all levels of the local economy, creating healthy, efficient and competitive businesses.

The Industrial Strategy has highlighted that the UK is on the verge of a profound change in the way that people, goods and services are moved.¹⁶ The electrification and automation of road vehicles

¹¹ Oxford Economics, *Local Industrial Strategy Economic Review*, pp. 126-7.

¹² <https://www.medilinkem.com/wp-content/uploads/2019/06/16.50-GRIP-Growing-Rehabilitation-Industries-Project.-Medilink-2019final.pdf>

¹³ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 42.

¹⁴ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 34.

¹⁵ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 20.

¹⁶ HM Government, *Industrial Strategy*, pp. 48-51.

presents the opportunity to significantly cut carbon emissions and to reduce congestion by enabling the more efficient use of road space. With its existing automotive strengths, Leicester and Leicestershire is well placed to respond to the Future of Mobility Grand Challenge and to improve the health of its businesses through the adoption of new technology.

Led by HORIBA MIRA, the Trusted Intelligent Connected Autonomous Vehicle (CAV) consortium, known as TIC-IT, is part of a national strategy to establish the UK as a global-leading centre of excellence for the development, testing and commercialisation of CAVs.¹⁷ In 2017, funding was provided through Innovate UK to create a purpose built realistic, safe environment for testing CAVs on HORIBA MIRA's Leicestershire proving ground, enabling a wide range of CAV driving scenarios to be tested.

Bruntingthorpe Proving Ground is also one of the largest privately-owned vehicle test tracks in the UK. It has recently been awarded £4m of government funding to design and operate a new CAV test facility to create a purpose built realistic, safe environment for testing CAVs in a range of different scenarios.¹⁸

To improve transport links and improve local growth, Leicester City Council has been successful in bidding for £7.8m of Trench 1 funding from the Transforming Cities Fund.¹⁹ This will help to link local travel to work areas, increase access to employment and improve transport infrastructure for local businesses.

To build a healthy business base and support the Future of Mobility Grand Challenge, Leicester and Leicestershire will improve road, rail and air connections to enable goods, people and services to be moved more efficiently. It will develop new facilities for electric vehicles and support the development of facilities for CAVs. It will develop its Growth Hub to create an ecosystem that supports businesses to start-up and then scale-up and will facilitate increased collaboration between universities and businesses to commercialise new ideas and support the adoption of new technologies and processes to improve productivity and competitiveness. It will ensure an improved supply of employment land and commercial premises to enable businesses to grow, increase inward investment and support businesses to increase their exports by capitalising on its international connections. It will also improve digital connectivity across both rural and urban areas.

Leicester and Leicestershire in 2019

Over the past decade Leicester and Leicestershire's economy has grown steadily and is currently worth £24.5bn per annum, equivalent to around a quarter of the East Midlands total.²⁰ Productivity per worker is also above the regional average at nearly £44,600²¹ and its forecast to grow at 1.3 per cent in the period up to 2030.²²

The area has an extremely diverse and resilient business base that has weathered previous economic shocks. There are currently over 42,000 businesses, representing 23 per cent of the East Midlands

¹⁷ <https://www.miratechnologypark.com/news/grant-funding-secured-for-creation-of-world-class-connected-autonomous-vehicle-testing-facilities>

¹⁸ <https://www.bruntingthorpe.com/proving-ground/news-media/bruntingthorpe-proving-ground-to-commence-8-4-million-investment-to-create-new-cav-testing-facility>

¹⁹ <https://www.gov.uk/government/publications/apply-for-the-transforming-cities-fund/transforming-cities-shortlisted-cities>

²⁰ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 27.

²¹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 16.

²² Oxford Economics, *Local Industrial Strategy Economic Review*, p. 18.

total, while it has strengths and specialisms in a range of different traditional and emerging sectors such as advanced manufacturing, logistics, life sciences, space, textiles, tourism and food and drink.²³ It also has a track record of entrepreneurship and improving business birth and survival rates. In 2018, there were 40 firms for every 1,000 residents, 2.8 per cent higher than the East Midlands average.²⁴

Leicester and Leicestershire currently has over 538,000 jobs,²⁵ with large concentrations of employment in sectors such as retail and wholesale, manufacturing and health and social work.²⁶ In the preceding 10 year period, the area has experienced relatively strong employment growth, exceeding the East Midlands equivalent, while over 27,500 new workforce jobs are forecast to be created in the period up to 2030.²⁷ Unemployment in Leicester and Leicestershire is also relatively low at 1.4 per cent and is below both the regional and UK averages.²⁸

Leicester and Leicestershire has three outstanding universities – De Montfort University, Loughborough University and the University of Leicester – each of which have their own research specialisms and are national and global drivers of innovation. Combined, they enrol over 60,000 students and produce over 19,000 talented graduates per annum,²⁹ while also spinning out successful new companies.

The city and county are centrally located with excellent strategic road, road and air links. Leicester and Leicestershire sits at the centre of a logistics ‘golden triangle’ formed by the M1, M6 and M42 motorways and is directly connected to London, Derby, Nottingham and Sheffield via the Midland Mainline. It is also set to benefit from the development of High Speed 2 with the construction of an East Midlands station at Toton in Nottinghamshire. East Midlands Airport is located within the north west of the county and is the UK’s number one pure freight airport, flying over 4 million passengers to more than 80 business and leisure destinations each year.³⁰

Leicester and Leicestershire is renowned for its sporting success and is home to many successful professional teams and Olympic athletes. At the 2016 Olympic and Paralympic Games, Loughborough athletes gained an astonishing 34 medals, including 15 Golds. SportPark Loughborough is also the preferred location for many of the country's top sports governing bodies and national sports organisations,³¹ while Loughborough is the world’s premier university for sport and home to Europe’s most extensive sports development programme.

Leicester and Leicestershire has an extremely diverse and fast-growing population of over 1 million people,³² with a young and dynamic multi-cultural central city surrounded by independent market towns and large rural areas. The city has a strong retail, leisure and cultural offer, while county is famous for food production and its iconic brands. The area’s market towns collectively contribute over £1bn to the local economy and are important centres for food and drink production and tourism.³³

²³ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 42.

²⁴ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 44.

²⁵ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 32.

²⁶ Oxford Economics, *Local Industrial Strategy Economic Review*, pp. 34-5.

²⁷ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 32.

²⁸ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 100.

²⁹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 83.

³⁰ <https://www.eastmidlandsairport.com/about-us/east-midlands-airport-and-mag/>

³¹ <http://www.sportpark.org.uk/>

³² Oxford Economics, *Local Industrial Strategy Economic Review*, p. 63.

³³ ERS Research and Consultancy, *Leicestershire Market Towns Research* (2016), p. 5.

Leicester and Leicestershire has a history of effective collaborative working. The nine local authorities and the Local Enterprise Partnership having recently agreed a Strategic Growth Plan setting out a spatial strategy for the future of the area in the period up to 2050.³⁴ This sets out the housing and essential infrastructure needed to support future economic growth while protecting the environment and built heritage.

The area is also developing new ways of working across existing boundaries through initiatives such as the Loughborough Area of Innovation.³⁵ This is nurturing inclusive economic growth on a trans-disciplinary and cross-sector basis that is transcending existing political and geographical boundaries and enhancing the delivery of Local Industrial Strategy.

Leicester and Leicestershire also has a strong track record of working in partnership with Government. In 2014, it agreed a multi-million-pound City Deal that has created new jobs and apprenticeships and has secured over £125m of Growth Deal funding.³⁶ It has two Enterprise Zones covering four separate sites, including the UK's only automotive focused Enterprise Zone, with specialisms in advanced manufacturing, life sciences and space. It also unique in having the UK's first designated Life Sciences Opportunities Zone³⁷ and was recently awarded two new Manufacturing Zones in Leicester and Melton Mowbray that will reduce planning restrictions and provide certainty for business investment.³⁸

³⁴ <https://www.llstrategicgrowthplan.org.uk/>

³⁵ <https://www.lboro.ac.uk/enterprise/lai/>

³⁶ <https://www.gov.uk/government/publications/city-deal-leicester-and-leicestershire>

³⁷ Department for Communities and Local Government, *Midlands Engine Strategy* (2017), p. 22.

³⁸ <https://www.gov.uk/government/news/james-brookshire-announces-locations-of-uks-first-manufacturing-zones-in-the-east-midlands>

The Five Foundations of Productivity

Ideas

Strengths

A history of excellence in research and development

From the invention of the jet engine to the invention of genetic fingerprinting, Leicester and Leicestershire's universities and businesses are at the cutting edge of innovation.

The area already makes a significant contribution to UK R&D through the work of its universities, businesses and innovation networks, with strengths in sectors such as automotive, aerospace, space, life sciences and agri-tech. This is epitomised by research collaborations such as the Rolls-Royce University Technology Centre at Loughborough University, which has established a long-standing strategic partnership between academia and industry to investigate Combustion System Aerothermal Processes.³⁹

In 2016, combined R&D expenditure across the Leicestershire, Rutland & Northamptonshire NUTS2 region equalled £573m,⁴⁰ with businesses forming the dominant share of this expenditure.⁴¹ The area also performs broadly in line with the rest of the UK for patent applications, ranking 17th and 18th out of 37 NUTS2 regions for the rates of non-high tech and high-tech patents respectively.⁴²

Knowledge intensive services are forming an increasing share of the local workforce. In 2018, they collectively supported 238,600 jobs across Leicester and Leicestershire,⁴³ while employment in knowledge intensive services has increased at the rate of two per cent per annum since the year 2000.⁴⁴ This trend is set to continue. Forecasts indicate that knowledge-intensive services will continue to grow as a share of workforce employment, increasing by 22,100 jobs in the period up to 2030 and accounting for a high share of overall employment growth.⁴⁵

Leicester and Leicestershire also supports 34,100 jobs across scientific and technical occupations, around seven per cent of the total workforce.⁴⁶ These occupations have become increasingly important to the local economy and represent around one-in-eight additional jobs generated across the area since the year 2000.⁴⁷

Three outstanding universities driving innovation

Leicester and Leicestershire is home to three outstanding universities who are driving innovation.

³⁹ <https://www.lboro.ac.uk/departments/aae/research/utc/>

⁴⁰ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 54.

⁴¹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 55.

⁴² Oxford Economics, *Local Industrial Strategy Economic Review*, p. 56.

⁴³ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 58.

⁴⁴ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 58.

⁴⁵ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 58.

⁴⁶ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 59.

⁴⁷ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 59.

The University of Leicester is a leading UK university committed to international excellence through the creation of world changing research and high quality, inspirational teaching. Leicester is consistently one of the most socially inclusive of the UK's leading universities with a long-standing commitment to providing fairer and equal access to higher education.⁴⁸ The university has five Research Institutes with specialisms in space and earth observation, structural and chemical biology and precision medicine.⁴⁹ It is also a member of Midlands Innovation, a world-class research and innovation partnership with the aim of driving cutting-edge research, innovation and skills development across the Midlands economy.⁵⁰

Space Park Leicester Case Study⁵¹

Based near to the National Space Centre, Space Park Leicester is a partnership between the University of Leicester, Leicester City Council and the Leicester and Leicestershire Enterprise Partnership.

Once complete, the Space Park will provide a significant global hub for businesses, researchers, academia and innovation. It will enable collaboration between the University of Leicester and the private sector, creating high-quality, knowledge-based jobs, building the skills base and contributing to economic growth and the resilience of the economy.

The first phase of the project will deliver a 4,800m² facility for Earth Observation, business hosting and teaching, and will open in summer 2020. Additional phases will include:

- An industry-academic collaboratory environment on next-generation space engineering and AI data labs.
- A Low-Cost Access to Space Manufacturing Facility for satellite constellations.

The Space Park will become home to the Leicester Institute for Space and Earth Observation, one of the University of Leicester's flagship research institutes, along with first-class teaching and laboratory facilities. It will also be the base for a wide range of commercial partners, both large and small, which will provide exceptional business partnering and collaborative opportunities.

From developing satellite technologies to enabling the detailed analysis of space-enabled data, Space Park Leicester will help transform and launch sectors such as internal communications, resource management, environmental monitoring and disaster relief.

De Montfort University is committed to research that impacts society and makes a real difference to people's lives through improvements to health and wellbeing, infrastructure, creativity, economic growth, business and civil society – challenges affecting everyone. With internationally acknowledged research groups spanning cybersecurity, transport, clean energy, water, advanced manufacturing and creative industries, it seeks to challenge conventional disciplinary boundaries by bringing together diverse teams that can have a greater impact. The university focuses on building partnerships with national businesses and regional SMEs to drive growth, supporting the Industrial Strategy by boosting productivity with innovative solutions and commercialisation of research. It is also playing an

⁴⁸ <https://le.ac.uk/about>

⁴⁹ <https://le.ac.uk/research/areas/institutes>

⁵⁰ <https://le.ac.uk/about/midlands-innovation>

⁵¹ <https://le.ac.uk/spacepark>

important role in enhancing prosperity across Leicestershire, contributing £500m to the economy and accounting for 3.3 per cent of local GVA.⁵²

Cyber Security Case Study

De Montfort University has been recognised for conducting world-leading cyber security research, having been named the East Midlands' first 'Academic Centre of Excellence in Cyber Security Research' (ACE-CSR). The ACE-CSR scheme is one of a number of initiatives in the Government's National Cyber Security Strategy: 'Protecting and Promoting the UK in a Digital World', which outlines how it is working with academia and industry to make the UK more resilient to cyber-attacks.

The National Cyber Security Centre (NCSC) and the Engineering and Physical Sciences Research Council (EPSRC) have recognised DMU as an ACE-CSR, thanks to its pioneering research in incident response and cyber threat intelligence, industrial control systems and sociotechnical security working closely with partners including Airbus, Rolls Royce, Deloitte and BT.

Loughborough University is renowned for the quality, breadth and relevance of its research. A high proportion of this is collaborative, enhancing business productivity and competitiveness, shaping public policy, and improving the quality of people's lives. With expertise spanning advanced manufacturing and engineering, data and digital technologies (including med-tech, life and health sciences), logistics and textiles technology, the university addresses major challenges and provides realistic solutions. Its outward facing ethos allows it to act as a catalyst for largescale collaboration and positive change, building momentum and strengthening the area's readiness to implement the Industrial Strategy.

SportPark Loughborough University Case Study⁵³

SportPark Loughborough University is a £15m development that opened in January 2010. It is a new concept in sports working that allows organisations to work side-by-side in a high-quality environment that encourages partnership working, sharing of best practice, collaboration and innovation.

Based in purpose-built accommodation in a parkland setting at the western entrance of the university, sports bodies are also able to access expertise and knowledge from across the Loughborough campus including the University's Business School, its Sports Development Centre, the School of Sport, Exercise and Health Sciences and SportPark's close neighbours the Sports Technology Institute.

SportPark is already home to many of the country's top sports governing bodies and national sports organisations, including the Amateur Swimming Association, British Swimming, England Cricket Board, England Squash, English Federation of Disability Sport, Great Britain Wheelchair Basketball, Institute of Sport and Recreation Management, The Institute of Swimming, Leicester-Shire and Rutland Sport, Volleyball England and the Youth Sport Trust.

⁵² Hatch Regeneris, *De Montfort University Socio-Economic Impact* (2019), p. ii.

⁵³ <http://www.sportpark.org.uk/>

Two Enterprise Zones with specialisms in automotive, advanced engineering, life sciences and space

Leicester and Leicestershire is uniquely placed in having two designed Enterprise Zones spread across four separate sites, each with their own distinct industrial specialisms. It is also home to the UK's first Life Sciences Opportunities Zone at Charnwood Campus in Loughborough. Each of these sites offers the potential to develop clusters around centres of excellence in key industries such as life sciences, space, advanced engineering and automotive.

MIRA Technology Park Case Study⁵⁴

MIRA Technology Park is a global provider of pioneering engineering, research and test services to the automotive, defence, aerospace and rail sectors. It is a world class centre of excellence in transport technology set in an outstanding 842 acre campus environment.

Located at the geographical centre of the UK's automotive sector, the 2m sq. ft. Technology Park provides bespoke property solutions for customers by designing and delivering buildings to meet their R&D needs, alongside an existing range of flexible office, laboratory and workshop space.

HORIBA MIRA works in close collaboration with vehicle manufacturers and suppliers around the world, providing comprehensive support ranging from individual product tests to turnkey engineering design, development and build programmes.

MIRA Technology Park offers global transport technology businesses a world class location to establish their European R&D operations with:

- Immediate access to essential product development resources – test facilities, engineering knowhow and workshop/office space.
- A location in the heartland of the UK's automotive sector, with national and international connectivity and access by air, rail and road.
- Over £300m of test facilities, 100km of specialised proving ground and 480 technical staff.
- Clustering with over 30 OEMs and Tier 1 suppliers.
- The MIRA Technology Institute delivering specialist skills for the global automotive industry.

Loughborough University Science and Enterprise Park Case Study⁵⁵

Situated just one mile from junction 23 of the M1, Loughborough University Science and Enterprise Park (LUSEP) is one of the most accessible science parks in the UK and at 106 hectares is also one of the largest.

Set in high-quality parkland, the first phase of LUSEP is already home to a thriving science and research community leading the way in energy and low carbon technologies, advanced engineering, and sports technology. It brings together over 75 high-tech companies from dynamic start-ups to R&D facilities of global brands, together with national sports governing bodies, a world-class research-intensive university and a vast pool of graduate talent.

The scale of potential development across this site means that there are considerable possibilities for the creation of new clusters for knowledge-based businesses and associated high value manufacturing. The site's proximity to Loughborough University provides unique opportunities for

⁵⁴ Leicester and Leicestershire Enterprise Partnership, *Leicestershire Enterprise Zones* (2019), pp. 8-9.

⁵⁵ LLEP, *Leicestershire Enterprise Zones*, pp. 12-3.

organisations to benefit from a campus partner package of R&D, specialist research facilities, graduate recruitment, and business, conference and leisure services not available elsewhere.

LUSEP is an outstanding business base offering a wide variety of accommodation and facilities to suit businesses' evolving needs, ranging from small offices to large development plots, immediately available for design and build.

Charnwood Campus Case Study⁵⁶

Based in Loughborough, Charnwood Campus is a unique 70 acre site and the UK's first Life Sciences Opportunity Zone. This £200m pharmaceutical Research and Development facility comprises high quality, modern laboratories and production plants that were designed with a fully integrated drug discovery and development capability.

Significant investment has been made to regenerate and re-purpose the site to meet the growing demand for life science facilities within the UK. Retaining the high-quality laboratories whilst removing the older buildings has created an idyllic campus environment for companies to locate in as well as opportunities for businesses to expand and grow on site.

Charnwood Campus is a privately-owned site that has the opportunity to accommodate large international corporates looking to expand through to local business looking to start-up and grow. The bespoke laboratory, manufacturing and office space is ideal for adaption, repurposing or diversifying to suit requirements.

Charnwood Campus can provide younger and smaller businesses flexibility in terms of accommodation and leases, very good grow-on space using significant onsite brown field development spaces, and room for companies looking to expand. It is ideally suited for companies engaged in manufacturing as well as R&D, with excellent access to major road, rail and air networks and being situated just over an hour away from London.

Innovative global businesses

Leicester and Leicestershire is home to a number of international R&D intensive businesses.

Part of the wider 3M group, 3M Healthcare's division is located in Loughborough. This includes 3M's Technical Centre of Excellence for R&D into inhalation drug delivery systems, and 3M's largest manufacturing site in the UK (producing conventional and inhalation drug delivery systems).⁵⁷

IBM is the world's largest IT and consulting services company, and a global business and technology leader. It conducts research and development in areas such as data analytics, cloud computing and IT infrastructure. The first of its kind in the UK, the IBM Client Innovation Centre in Leicester provides high value application development and maintenance, and systems management services.⁵⁸

PepsiCo is one of the world's leading food and beverage companies with brands including Walkers Crisps (manufactured in Leicester), Pepsi and Quaker Oats. PepsiCo's R&D Centre in Leicester houses

⁵⁶ LLEP, *Leicestershire Enterprise Zones*, pp. 10-1.

⁵⁷ Midlands Engine, *Midlands Engine Science and Innovation Audit* (2016), p. 29.

⁵⁸ Midlands Engine, *Science and Innovation Audit*, p. 29.

the company's core technical staff across R&D, engineering and technical services, and aims to drive the development of healthier foods for the European market.⁵⁹

Leicester and Leicestershire also has over 200 food and drink manufacturing businesses, including Samworth Brothers and Mars Group.⁶⁰ The sector is investing heavily in research and development, advanced manufacturing and skills training to create innovative new products for the global market and is at the forefront of addressing the challenge of developing healthy and sustainable food supplies to feed the growing world population.

In 2019, Melton Mowbray was one of two locations within Leicester and Leicestershire to be awarded new Manufacturing Zone status by government.⁶¹ The Melton Mowbray Manufacturing Zone consists of three locations on the edge of the town, together with a centrally located site, which have been identified as suitable locations for a distinctive food and drink focused manufacturing zone. This new designation offers the potential to grow employment and create new businesses within an area of existing food and drink manufacturing strength by providing an attractive portfolio of land allied with bespoke streamlined pathways through planning and other regulatory processes.

Bruntingthorpe Proving Ground Case Study⁶²

Bruntingthorpe Proving Ground is the largest privately-owned vehicle test track facility in the UK. Set in 670 acres of Leicestershire's countryside on a former military air base, the 6.5km centre-point circuit features an 3.2km straight, allowing vehicles to be pushed to their very limit while its karting track, off-road circuit and Rough-Terrain Centre offer the chance to test and train in a range of environments.

In 2018, Bruntingthorpe was awarded £4m of Government funding to design and operate a new Connected and Autonomous Vehicles (CAV) test facility.⁶³ This includes new controlled highway test facilities and builds on the existing environment at to provide a comprehensive, flexible set of highway intersections. The 6km of extensions will create a purpose built realistic, safe environment for testing CAVs in a range of scenarios; a critical activity to ensure consumer confidence in the technologies.

Challenges

Increasing R&D expenditure

Within the Industrial Strategy, the government committed the UK to reaching 2.4 per cent of GDP investment in R&D by 2027 and 3 per cent of GDP in the longer term.⁶⁴ However, in 2016, R&D spend across the across the Leicestershire, Rutland & Northamptonshire NUTS2 region accounted for only 1.3 per cent of GVA, over 1 per cent below this target.⁶⁵ In the period from 2010, levels of overall R&D expenditure in Leicestershire, Rutland and Northamptonshire have remained relatively constant in

⁵⁹ Midlands Engine, *Science and Innovation Audit*, p. 29.

⁶⁰ Pera Consulting, *Leicester and Leicestershire Food and Drink Sector Growth Plan (2015)*, p. 5.

⁶¹ <https://www.gov.uk/government/news/james-brokenshire-announces-locations-of-uks-first-manufacturing-zones-in-the-east-midlands>

⁶² <https://www.bruntingthorpe.com/proving-ground>

⁶³ <https://www.bruntingthorpe.com/proving-ground/news-media/bruntingthorpe-proving-ground-to-commence-8-4-million-investment-to-create-new-cav-testing-facility>

⁶⁴ HM Government, *Industrial Strategy: Building a Britain Fit for the Future (2017)*, p. 66.

⁶⁵ Oxford Economics, *Local Industrial Strategy Economic Review*, pp. 54-5.

real terms, rising by only 0.6 per cent. This compares unfavourably to the rest of the UK, which experienced total R&D growth of 15.1 per cent over the same period.⁶⁶ Leicester and Leicestershire therefore faces a significant challenge in raising its levels of investment in R&D to help meet this national target.

Improving the commercialisation of ideas

Leicester and Leicestershire's universities are already successful in commercialising their cutting-edge research and developing spin-out businesses. Examples include the University of Leicester's MIP Diagnostics Ltd,⁶⁷ Loughborough University's Sports Dynamics Ltd⁶⁸ and De Montfort University's Game Changer Biotech.⁶⁹ However, the Industrial Strategy has highlighted that more must be done to transform new ideas into commercial products and services. In particular, innovative new businesses must be supported and nurtured to develop beyond small, start-up companies to become the next generation of global businesses.

Improving knowledge transfer

The Midlands Engine Science and Innovation Audit has highlighted that effective relationships and joint-working are key to modern innovation models, where knowledge, ideas and ingenuity are shared across sectors, institutions, firms and people.⁷⁰ Although there are many good examples of knowledge transfer already taking place across Leicester and Leicestershire and the wider Midlands Engine, through Knowledge Transfer Partnerships, the UK's Catapult Centres and university-industry collaboration, the Audit identified that more must be done to enhance networking activity across the region. There is a need to strengthen both formal and informal networks within and across the region, showcase and champion science and innovation capabilities nationally and internationally, and continue to be outward facing and leverage these links so that they help to improve innovation and productivity.⁷¹

Our Approach

To achieve the aspirations set out in this Local Industrial Strategy, Leicester and Leicestershire will:

Develop Space Park Leicester as the centre of excellence for Earth Observation and satellite technology

By 2030, the global space market is expected to increase by 80 per cent to £400bn.⁷² Since 2000, the UK space market has also trebled in size, with an ambition to grow from 6.5 per cent of the global space economy to 10 per cent by 2030. This is equivalent to £40bn and will provide an additional 100,000 jobs.

To develop Space Park Leicester as global centre for space excellence, Leicester and Leicestershire will deliver the second and third phases of the project to create an industry-academic collaborative environment and a new Low-Cost Access to Space Manufacturing Facility for satellite constellations.

⁶⁶ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 55.

⁶⁷ <https://le.ac.uk/enterprise/expertise/spin-outs>

⁶⁸ <https://www.lboro.ac.uk/research/sti/working-with-us/spin-out-companies/>

⁶⁹ <https://www.dmu.ac.uk/research/research-support/intellectual-property/university-spin-out-companies.aspx>

⁷⁰ Midlands Engine, *Science and Innovation Audit*, p. 56.

⁷¹ Midlands Engine, *Science and Innovation Audit*, p. 63.

⁷² <https://le.ac.uk/spacepark/opportunity>

It will also work with government to further develop the Space Park Manufacturing Zone pilot and attract new space businesses onto the site. This will support the UK's national launch ambitions and will also create substantial economic benefits for the area.

Develop Leicester and Leicestershire's autonomous and electric vehicle R&D assets

Leicester and Leicestershire already possesses automotive strengths and assets such as the MIRA Technology Park and Bruntingthorpe Proving Ground that are leading the development of new CAV technology. Its close proximity to the West Midlands also presents further opportunities to work with the West Midlands Combined Authority and the region's Local Enterprise Partnerships on the Future of Mobility Grand Challenge.

Building on its existing automotive research strengths, Leicester and Leicestershire will continue to develop its autonomous and electric vehicle R&D assets, contributing the Future of Mobility Grand Challenge. This will include supporting existing and new testing facilities as well as developing the infrastructure needed to facilitate the transition from petrol and diesel to electric vehicles. It will also work with government to continue to support the development of the MIRA Technology Park Enterprise Zone as a centre of excellence for transport technology.

Develop SportPark Loughborough as a national centre of excellence in sports and science technology

Loughborough University is recognised as number one university in the world for sports related subjects and this has helped develop substantial sports-related employment at the Science and Enterprise Park.

To develop an influential sports science, technology and business cluster at Loughborough University, Leicester and Leicestershire will support the further expansion of SportPark Loughborough as a centre for sports organisations, building on Loughborough University's international reputation and status as a world-leading sports university.

Create a Shared Diagnostics and NHS Data Centre

Leicester and Leicestershire's extremely diverse population and large NHS trust make it an ideal location to conduct clinical trials. The establishment of Charnwood Campus and the new Defence National Rehabilitation Centre also offer the opportunity to facilitate greater collaboration between the public and private sectors to create new research partnerships and develop new products and services.

To improve the sharing of information and improve collaboration between the public and private sectors, Leicester and Leicestershire will develop a shared diagnostics and NHS Data Centre. The Centre will work with business and build on our three universities' research strengths and the University of Leicester's reputation as an AI powerhouse, while providing a direct line-of-sight between innovation and adoption into the NHS. This is a critical element of infrastructure to break down barriers between NHS demand and supply and uptake of innovation and is the defining step in opening up future inward investment in the site.

Develop a life sciences cluster at the Life Sciences Opportunities Zone

The designation of Charnwood Campus as the UK's first Life Sciences Opportunities Zone has presented Leicester and Leicestershire with a unique opportunity to develop a new thriving life sciences cluster and to increase R&D expenditure within the area. Significant investment has already

been made to regenerate and re-purpose the site for multiple tenants to meet the growing demand for life science facilities within the UK.⁷³ This has included retaining existing high-quality laboratories while removing the older buildings to create a campus environment for companies to locate and grow on site.

To create a thriving life sciences cluster at Charnwood Campus, Leicester and Leicestershire will work with government continue to develop the Life Sciences Opportunities Zone. This will include regenerating and repurposing the site for new businesses and creating an open innovation ecosystem where linkages between university research and business exploitation and growth, as well as between innovation and uptake, are intensified and accelerated. It will also create a new business support hub to reduce the barriers to intellectual property exploitation and access to finance through brokerage support and enable improved connectivity to health innovation policy teams and the NHS.

Embed innovation in food and drink production and agri-tech

The food and drink sector is evolving, with increasing automation at all stages from farm to plate. There is also a need to maintain stability in future food supplies, ensure that these are affordable, mitigate the impacts of the sector on the climate and maintain biodiversity, while at the same time feeding a growing UK and global population.

To support the development of the food and drink sector, Leicester and Leicestershire will support the creation and commercialisation of innovative new food and drink products and the adoption of new technology within the sector to improve productivity and reduce its impacts on the natural environment. It will stimulate greater networking and mentoring to share knowledge, expertise and best practice and improve advice and support for businesses wishing to export. It will improve the supply of technically trained staff and promote the sector to improve perceptions and attract young people into new and existing food and drink jobs.

Leicester and Leicestershire will also work with government to further develop the Melton Mowbray food and drink Manufacturing Zone pilot and maximise its potential by attracting new and investment and businesses onto these sites.

Commercialise new ideas through collaboration between universities and business

Universities are drivers of innovation. They play a critical role in improving productivity by developing new ideas, technologies and processes and then turning them into new commercial products and services. They are also a valuable source of support for businesses to improve their performance.

To increase the commercialisation of ideas, Leicester and Leicestershire will support its universities to spin out new companies and employ skilled graduates in local companies. It will also improve collaboration between higher education and industry to embed new thinking, technologies and skills within its businesses.

Support all businesses to adopt new technologies and processes

Too many of Leicester and Leicestershire's businesses are underperforming. Only three of its sectors are currently performing above the national average, which is dragging down overall productivity growth.⁷⁴

⁷³ Leicester and Leicestershire Enterprise Partnership, *Charnwood Campus: A Life Sciences Opportunities Zone* (2016), p. 15.

⁷⁴ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 20.

To improve its productivity and reduce the gap to the UK average, Leicester and Leicestershire will support all of its businesses to adopt new technologies and processes to improve their efficiency and competitiveness, particularly within traditional lower-value added sectors where there is existing underperformance.

People

Strengths

A diverse and growing population

Leicester and Leicestershire has an extremely diverse population of over one million people, representing 22 per cent of the East Midlands population.⁷⁵ The city is famous for its cultural diversity and vibrant, mixed communities. Since 2000, the area has experienced a period rapid population growth that is above both the East Midlands and UK averages.⁷⁶ This has been highest in Leicester, which has seen an increase of 72,000 residents since 2000, although all local authority areas have experienced an increase in population over the same period.⁷⁷

Much of this expansion has been fuelled by migration. Between 2000 and 2017, net migration to Leicester and Leicester stood at 95,000 residents, representing 58 percent of overall population growth over this period.⁷⁸

Due to its increasing population, Leicester and Leicestershire has benefitted from a relatively large working age population, which has fuelled its previous economic growth. In 2018, working aged residents formed 63.2 per cent of the overall population, the highest rate among the ten Midlands Engine Local Enterprise Partnerships, and 0.6 per cent above the UK equivalent.⁷⁹

Strong and sustained employment growth

Over the past decade, Leicester and Leicestershire has experienced a prolonged period of relatively high employment growth. In 2018, the total number of workplace jobs was 538,100, an increase of 8.8 per cent over this period, which was above the East Midlands average.⁸⁰ This trend is expected to continue into the future. Between 2018 and 2030 the area is forecast to create a further 27,600 additional jobs, an increase of 5.1 per cent on current levels.⁸¹

Unemployment across Leicester and Leicestershire is also relatively low. In 2018, it was just 1.4 per cent, a figure significantly below both the east midlands and UK averages.⁸²

Historically, Leicester and Leicestershire has a large concentration of employment in manufacturing. In 2018, the sector was the second highest source of employment across the area, supporting 69,000

⁷⁵ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 63.

⁷⁶ Oxford Economics, *Local Industrial Strategy Economic Review*, pp. 63-4.

⁷⁷ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 64.

⁷⁸ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 65.

⁷⁹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 67.

⁸⁰ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 32.

⁸¹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 32.

⁸² Oxford Economics, *Local Industrial Strategy Economic Review*, p. 100.

jobs or 12.8 per cent of the total.⁸³ This is some 5 per cent higher than the rest of the UK.⁸⁴ Other sectors where Leicester and Leicestershire has a larger proportion of employment than the rest of the UK include professional, scientific and technical services, education and transport and storage.⁸⁵

Within the preceding ten years, employment growth has taken place across a range of sectors as the area's manufacturing base has contracted. Professional, scientific and technical services experienced the largest increase in employment (14,000 jobs), followed by health and social work (10,500) and accommodation and food services (7,900).⁸⁶

Leicester and Leicestershire's occupational structure is also broadly in line with the rest of the UK. However, a greater proportion of its residents tend to occupy higher-skilled positions than are available within the local economy, implying that many are commuting elsewhere for higher quality jobs.⁸⁷

A strong Further Education sector

Leicester and Leicestershire has a strong Further Education sector, with five FE colleges providing a wide variety of different courses. In 2016/17 there were 32,650 learners participating in some form of education or training across learning institutions, 61 per cent of whom were aged 19 or over, a share slightly above the England average.⁸⁸

More students in Leicester and Leicestershire also go on to progress in education. In 2017/18, 65 per cent of students at the end of Key Stage 5 left to another education destination, a share 4 percentage points higher than in England.⁸⁹ The number of young people not in education, employment and training (NEET) across Leicester and Leicestershire is also lower than the in the rest of England,⁹⁰ although the number of NEETs is higher in the city than the rest of the county.

MIRA Technology Institute Case Study⁹¹

MIRA Technology Institute (MTI) is a 24,500 sq. ft. bespoke global centre for skills on the grounds of the MIRA Technology Park, funded through a £9.5m grant from the Local Growth Fund with contributions from its partners, and backed by the Department for Business, Energy and Industrial Strategy.

MTI is a unique partnership led by North Warwickshire and South Leicestershire College, along with HORIBA MIRA, Coventry University, Loughborough University and the University of Leicester.

This collaboration means that MTI is able to provide businesses and individuals with a bespoke curriculum aimed at satisfying an ever-increasing need for specialist skills in the UK automotive sector, focussing particularly on disruptive technologies, such as electrification and driverless cars.

⁸³ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 34.

⁸⁴ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 34.

⁸⁵ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 34.

⁸⁶ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 37.

⁸⁷ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 8.

⁸⁸ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 85.

⁸⁹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 87.

⁹⁰ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 87.

⁹¹ <https://miratechnologyinstitute.co.uk/about-mti/>

MTI will deliver specialist skills and qualifications to industry leaders, engineers, technicians and other professionals working, or aspiring to work, in the automotive sector, helping them to develop essential skills that are key to fuelling their career ambitions and their employer's business success.

With an ambition to constantly create learning opportunities in the cutting-edge technologies required to develop innovative and inspiring products, MTI's aim is to improve transport in all of its forms for future generations.

Preparing young people for the world of work

In 2016, the Leicester and Leicestershire Enterprise Partnership was selected by the Careers and Enterprise Company to deliver the flagship Enterprise Adviser Network (EAN) within Leicester and Leicestershire. The purpose of the EAN is to create powerful, lasting connections between local businesses and the schools and colleges in the area. The network simplifies and coordinates engagement between schools, colleges and employers and stimulates more employer engagement where it is required.

The Leicester and Leicestershire EAN has been recognised as a national exemplar and continues to innovate and grow. It is regarded as a high performing Network and over 70 per cent of schools and colleges in the area are currently signed up. The programme is now scaling up so all mainstream schools in Leicester and Leicestershire will have the opportunity to join.

Building on the success of the EAN, in 2018 Leicester and Leicestershire also successfully applied to the Careers and Enterprise Company to become one of 20 Careers Hub pilots. Careers Hubs are an extension of the support already provided through the EAN and the schools included within the Hub work towards achievement of all eight Gatsby Benchmarks for good careers guidance.

Careers Hub Case Study⁹²

A Careers Hub is a group of between 20 and 40 schools and colleges located in the same geographic area that work with universities, other education and training providers, employers and career professionals to ensure the Gatsby Benchmarks are delivered in each school and college and that careers outcomes are improved for all young people.

The Leicester and Leicestershire Careers Hub consists of 20 schools from across the area, with nine city schools and eleven county schools and at least one school from each of the seven Leicestershire boroughs and districts.

Each school or college will have a dedicated Careers Leader, who are either part of or have a direct link to their Senior Leadership Team. They will work with other senior leaders, Enterprise Coordinators and their Enterprise Adviser to develop a vision for the institutions careers provision that includes high aspirations for all learners and make sure that they meet the Gatsby Benchmarks by the end of 2020.

The Leicester and Leicestershire Careers Hub will tie in to existing networks either in specific localities to share the learning from the Hub with other careers networks.

⁹² <https://www.careersandenterprise.co.uk/our-existing-careers-hubs>

To improve the linkages between public and private sector employers, local authorities, colleges and universities, Leicester and Leicestershire is developing a new Skills Advisory Panel. This will examine what is required to help the local area to adapt to labour market changes and grasp future opportunities, and will help colleges, universities and other providers deliver the skills required by employers, both now and in the future.

Challenges

Slowing population growth and a declining working age population

Although Leicester and Leicestershire has benefitted from a period of sustained population growth, going forwards this rate of increase is forecast to slow to 0.6 per cent in the period up to 2030.⁹³ This will primarily impact on urban areas such as Leicester, where population growth has previously been highest.

Like many other areas, Leicester and Leicestershire will also be required to respond to the needs of an increasingly ageing population. In 2018, over 65s made up 17.5 per cent of the total population, around 184,000 people. In the period up to 2030, this age group is forecast to increase by a further 55,000, an increase of 30 per cent, and will account for the majority of future population growth.⁹⁴

Combined, Leicester and Leicestershire's declining population growth and increasingly ageing society will impact negatively on the working age population. By 2030, although this is forecast to increase slightly to a total of 677,000 residents, as a percentage this cohort will decline from over 63 per cent to less than 60 per cent, a rate which is more in line with the UK average.⁹⁵ This will present challenges in filling new jobs that will be created within the area as well as vacancies that will be created with people retiring from the workforce.

High levels of economic inactivity

Despite its relatively low unemployment, Leicester and Leicestershire has relatively high levels of economic inactivity. In 2018, the area had an economic inactivity rate of 23.3 per cent, higher than both the East Midlands and UK averages.⁹⁶ This is partly explained by the high numbers of students within the area, particularly in the city, as the proportion of people who are economically inactive due long-term illness and early retirement are both below the UK average.⁹⁷

Improving access to the labour market therefore represents a significant opportunity, both in terms of boosting overall productivity through the better use of the human capital of the area's residents, but also in ensuring that growth is inclusive and benefits all residents.

A high level of replacement demand

Due to its ageing population, between 2017 and 2023 it is forecast that 146,150 existing jobs will become vacant across Leicester and Leicestershire due to people leaving the workforce.⁹⁸ This replacement demand will be highest in sectors such as manufacturing, human health and social work

⁹³ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 64.

⁹⁴ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 69.

⁹⁵ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 69.

⁹⁶ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 97.

⁹⁷ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 98.

⁹⁸ York Consulting, *Skills for the Future 2018-2023* (2018), p. 6.

and retail where there are a large numbers of older workers,⁹⁹ and presents a significant challenge in finding sufficient numbers of people to fill these existing posts.

Improving educational attainment and skills levels

While Leicester and Leicestershire has many well-qualified residents, its overall educational attainment lags behind the rest of the UK. In 2017, 33.2 per cent of the working age population were qualified to Level 4 or above, compared with 38.3 per cent nationally. The proportions of the working age population qualified to Level 2 (70.9 per cent) and Level 3 (54.1 per cent) were also below the national figures of 57.1 per cent and 74.6 per cent respectively.¹⁰⁰

By 2030, it is forecast that 42 per cent of jobs within Leicester and Leicestershire will require Level 4+ qualifications.¹⁰¹ Demand for Level 2 and Level 3 jobs are also both forecast to grow by around 5 per cent, while other or no qualifications are forecast to contract as a share of the LLEP total.¹⁰² A key challenge will therefore be to improve educational attainment and increase the number of higher level qualifications and skills in order to meet the growing number of higher skilled occupations within the area.

Addressing skills gaps

Although the number of reported skills gaps in Leicester and Leicestershire has been falling in recent years, in 2017, 60 per cent of businesses still reported skill gaps within their existing workforce.¹⁰³ The three most frequently identified skills needs by employers were communications, management and supervisory, and technical, practical or job specific skills.

Previous consultation with employers has also identified that management and supervisory, digital and communication skills are all expected to become more important to them in future years.¹⁰⁴ In particular, social media, basic digital literacy and data manipulation and presentation have all been highlighted as being increasingly important digital skills for businesses.¹⁰⁵

A mismatch between skills supply and demand

Within Leicester and Leicestershire there is a mismatch between skills supply and demand, with more people studying for qualifications and skills in areas where there a likely to be fewer job openings. More needs be done to inform and encourage people to obtain qualifications in sectors where there are likely to higher levels of forecast employment growth and replacement demand to fill the increasing number of job vacancies within the area.

Increasing apprenticeship take-up

Despite the government's intention to increase the number of apprenticeships, the number of businesses employing an apprentice within Leicester and Leicestershire on course leading to a qualification has remained relatively unchanged since 2014 at 15 per cent.¹⁰⁶ The vast majority of

⁹⁹ York Consulting, *Skills for the Future*, p. 7.

¹⁰⁰ York Consulting, *Skills for the Future*, p. 4.

¹⁰¹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 76.

¹⁰² Oxford Economics, *Local Industrial Strategy Economic Review*, p. 76.

¹⁰³ BMG Research, *Leicester and Leicestershire Business Survey 2017* (2017), p. 102.

¹⁰⁴ York Consulting, *Skills for the Future*, p. 91.

¹⁰⁵ York Consulting, *Skills for the Future*, p. 92.

¹⁰⁶ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 89.

businesses offering apprenticeships are large enterprises of more than 200 employees, with smaller businesses offering fewer opportunities.¹⁰⁷

Leicester and Leicestershire also lags behind the rest of England in apprenticeship uptake. In 2016/17, the area supported just over 9 apprenticeships per 1,000 residents, well below the England equivalent of 16.3 per 1,000 residents.¹⁰⁸ Apprentices within Leicester and Leicestershire are typically younger in age than the rest of England and are more likely to be studying for Intermediate rather than Advanced or Higher level apprenticeships,¹⁰⁹ meaning that more must be done to encourage older people to consider apprenticeships as a route to improve their skills and career opportunities.

A low wage economy

Despite its previous high employment growth and relatively low levels of unemployment, Leicester and Leicestershire suffers from low levels of pay. In 2018, workplace earnings were over £60 below the English average, while resident earning were over £50 lower.¹¹⁰ This creates a challenge in both boosting the economic prosperity of residents and attracting and retaining graduates and new workers within the local workforce.

Improving graduate retention and talent attraction

Although combined the three Leicester and Leicestershire universities produced over 19,000 graduates in 2018, many of these students leave the area at the end of their studies. This is partly due to the large number of international students who choose to study within Leicester and Leicestershire, reflecting the strong international reputation of the area's universities.¹¹¹ However, improving graduate retention rates and encouraging more graduates studying outside of the area to return or relocate will help to further boost the supply of skills, meet future workplace needs and encourage more businesses to locate within Leicester and Leicestershire due to its pool of available talent.

Our Approach

To achieve the aspirations set out in this Local Industrial Strategy, Leicester and Leicestershire will:

Support the development of an integrated Further Education and Higher Education employer led skills system to upskill the workforce

Leicester and Leicestershire is developing an increasingly skills hungry economy. A key challenge for this Local Industrial Strategy will therefore be to move those who are employed or economically inactive into employment and raise the skill levels of those already in low value employment so that they are able to secure jobs within new higher value sectors and progress within their careers.

To achieve this, Leicester and Leicestershire will develop an integrated Further Education and Higher Education system that is led by employers. It will develop new state-of-the-art facilities to provide the best possible learning environment for its residents and improve the linkages between schools, colleges and universities so that courses provide the skills and training needed by industry. It will encourage more businesses to offer apprenticeship places for local residents, increase the number of people taking up these opportunities and ensure that they are offered at all levels.

¹⁰⁷ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 90.

¹⁰⁸ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 85.

¹⁰⁹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 85.

¹¹⁰ Leicester and Leicestershire Enterprise Partnership, *LLEP Area Annual Economic Profile 2019 (2019)*, pp. 6-7.

¹¹¹ Oxford Economics, *Local Industrial Strategy Economic Review*, pp. 84-5.

Leicester and Leicestershire will also develop a new Skills Advisory Panel to identify and prepare for future labour market changes and opportunities and will work with the government to develop and deliver new T Level qualifications to support people to progress in their careers.

Develop an integrated Further Education and Higher Education employer led skills infrastructure for the low carbon, health, life sciences and logistics sectors

To address the future skills needs within the low carbon, health, life sciences and logistics sectors, Leicester and Leicestershire will develop integrated and employer led Further Education and Higher Education skills infrastructure to provide new and expanded skills and training within these sectors that are aligned to local business needs.

It will also work with the government to explore the potential to develop further Institutes of Technology within these sectors to deliver quality higher level technical training in science, technology, engineering and maths (STEM) subjects so that industry is able to access the technical skills that they need to improve their productivity and growth.

Apply health, sport and life science assets to promote healthy living and a more productive workforce

To improve the health and wellbeing of its residents and create a more productive workforce, Leicester and Leicestershire will harness its existing health, sport and life science assets.

Enhance the Leicester and Leicestershire Enterprise Adviser Network and Careers Hub to inspire young people and prepare them for the world of work

Leicester and Leicestershire has already developed a successful Enterprise Advisor Network and has one of the best performing Careers Hubs in England.

To improve careers education, Leicester and Leicestershire will continue to develop and expand its Enterprise Advisor Network and Careers Hub so that all schools and colleges have the opportunity to participate in these programmes. It will also improve the provision of labour market information so that both young people and adults are fully informed of the careers options open to them and the potential routes, skills and qualifications needed to secure sustainable employment.

Improve graduate retention and attract new talent

To improve its skills base and increase the amount of higher level skills within the local economy, Leicester and Leicestershire will improve the retention rates of those graduating from its three universities and attract new talent into the area. It will support graduates to start-up and grow their own businesses and will help to place more graduates into local businesses to address existing skills gaps and improve productivity.

Improve leadership and management skills in entrepreneurs and SMEs

Leadership and management skills are frequently highlighted by employers as one of the areas where they struggle to find suitable staff. In 2017, 26 per cent of Leicester and Leicestershire businesses reported gaps in management and supervisory skills within their existing workforce.¹¹² However, at the same time, only 12 per cent had plans to train or upskill their staff.¹¹³

¹¹² BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 102.

To address this issue, Leicester and Leicestershire will work with employers and training providers to improve leadership and management skills among local businesses, particularly among SMEs.

Infrastructure

Strengths

Centrally located with excellent national and international connectivity

Leicester and Leicestershire sits at the centre of a logistics golden triangle formed by the M1, M6 and M42 motorways, with 95 per cent of the UK population being accessible by HGV within a four hour drive time.¹¹⁴ This provides the area with a unique logistical advantage and has made it the destination of choice for distribution companies due to the development of facilities such as Magna Park, the UK's first and Europe's largest dedicated distribution location.¹¹⁵

The Midland Mainline runs through Leicestershire with major stations at Leicester, Market Harborough and Loughborough providing direct north-south rail links to London, Derby, Nottingham and Sheffield. The line is currently undergoing a £54m programme of improvements at Market Harborough with joint contributions from three Local Enterprise Partnerships to allow faster journey times between London and Sheffield.¹¹⁶

The area is also set to benefit from the development of High Speed 2, with Phase 2b of the line running through the north-west Leicestershire to a new East Midlands Hub station at Toton in Nottinghamshire. As well as increasing rail capacity on existing lines and enhancing rail connectivity in the north of the county, High Speed 2 has the potential to bring wider economic benefits to the area through local firms winning contracts during the construction of phase of the project.

Leicester and Leicestershire also benefits from having its own international airport. Located in the north-west of the county in between the cities of Leicester, Derby and Nottingham, East Midlands Airport currently handles more than four million passengers per annum and serves more than 80 leisure and business destinations. It is also the UK's number one provider of pure freight, handling around 300,000 tones and being the base for major freight operators such as DHL, TNT, UPS as well as a hub for Royal Mail.¹¹⁷

SEGRO Logistics Park East Midlands Gateway Case Study¹¹⁸

The SEGRO Logistics Park East Midlands Gateway (SLPEMG) is 700 acre development with planning consent for up to six million sq. ft. of logistics accommodation.

¹¹³ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 104.

¹¹⁴ Leicester and Leicestershire Enterprise Partnership, *Logistics and Distribution Sector Growth Plan (2015)* p. 16.

¹¹⁵ <https://lutterworth.magnapark.co.uk/>

¹¹⁶ <https://www.llep.org.uk/projects-and-programmes/growth-deal/market-harborough-line-speed-station-improvement/>

¹¹⁷ <https://www.eastmidlandsairport.com/about-us/east-midlands-airport-and-mag/>

¹¹⁸ <https://slp-emg.com/>

The development incorporates a 50 acre Strategic Rail Freight Interchange (SRFI) which will include a rail freight terminal, capable of handling up to sixteen 775m freight trains per day, container storage and HGV parking.

SLPEMG is centrally located in the Midlands, adjacent to East Midlands Airport, with direct access to Junction 24 of the M1. Nottingham is 13 miles to the north east, Leicester 20 miles to the south and Derby is 14 miles to the north west.

Well developed transport plans

Through Midlands Connect, the transport arm of the Midlands Engine, Leicester and Leicestershire has well developed transport plans that align with the rest of the region. Published in 2017, the Midlands Connect Strategy outlines a 25-year rolling programme of strategic road and rail improvements to enhance connectivity across both the East and West Midlands. Early priorities include improving rail services between Leicester, Birmingham and Coventry as well as upgrading the A46 to Syston in Leicestershire. This comprehensive long-term approach has provided much-needed certainty to businesses, communities and investors, whilst also improving quality of life, improving skills and enhancing access to new opportunities.

The A5 Improvement Corridor Case Study¹¹⁹

The A5 provides a long-distance strategic route running from the south-east to the north-west. The route acts as an alternative to the M6 motorway between Junction 12 and the M1, but suffers from increasing congestion and lack of capacity to serve as a relief route when there are problems on the M6. It is also expected to experience increased traffic growth in the future from advanced manufacturing and logistics developments such as the MIRA Enterprise Zone and Technology Park, phase three of DIRFT near Daventry and Magna Park in Lutterworth.

Improvement of the A5 corridor is essential to reduce congestion in the area, to deliver already planned housing growth and to support delivery of major industrial sites which already have Local Plan allocations and/or planning permission. Managing the delivery of consented/allocated sites in and around Hinckley will be achieved through Local Plans.

There are long-standing proposals, promoted by the A5 Partnership, to improve the A5 from Dodwells to Longshoot, widening to dual-carriageway a short section of the A5 near Hinckley, which carries the traffic of both the A5 and the A47. The A5 Partnership proposals also call for improvements to upgrade the A5 between the A38 and the M1 to 'expressway' standard. This is supported by the Midlands Connect Strategy and will provide much needed relief to local roads, and provide an efficient alternative route to the M6, between J12 and the M1.

Transforming Cities Fund Case Study

Transforming Cities Fund text. Check with City Council.

Local energy generation

¹¹⁹ Strategic Growth Plan Partnership, *Leicester and Leicestershire 2050: Our Vision for Growth* (2018), p. 24.

National research has shown that future energy provision will be very different in the coming decades due to decreasing dependency on fossil fuels, increased use of renewable energy and concerns about energy security and affordability. To address this, the government has tasked all Local Enterprise Partnerships with developing energy strategies to provide a clear analysis of the energy opportunities and challenges for their local areas. These identify what low carbon priorities and types of energy projects are needed setting out a vision of a low carbon future up to 2050 with a clear strategic 'roadmap' and action plan for achieving that vision.

The Leicester and Leicestershire Energy Infrastructure Strategy was published in 2018 and sets out eight actions under three strategic themes to reduce carbon emissions and energy costs, increase energy productivity and generate local economic growth and employment. The area is ideally located to reap the benefits of the transition to a low-carbon economy. Some of the projects outlined in the strategy, such as installing public charging points for electric cars or pursuing a low-carbon public transport network, can be pursued in the short-term. Others, such as building thousands of new energy-efficient homes, are more long-term ambitions. By improving its energy infrastructure, Leicester and Leicestershire will be able to bolster its logistics sector, while at the same time cutting energy usage and transport emissions, and provide low-energy homes of the future for its residents.

Energy Infrastructure Case Study¹²⁰

Improving the energy efficiency of our homes and businesses, and supporting clean growth:

1. Planning policy to improve our homes
2. Exemplar low carbon development on local authority owned land
3. One-stop shop for energy efficiency retrofit

Accelerating the shift to low carbon transport:

4. Supporting electric cars and vans
5. Strategic plan for HGV refuelling and rapid charging hubs

Delivering clean, smart, flexible power:

6. Providing low cost and low lead time connections for new demand customers
7. Flexibility based connection offers for new electricity demand loads
8. Strategic plan for renewable electricity generation deployment

Digital connectivity

Digital connectivity is an increasingly important form of infrastructure that is essential for modern business growth. Across Leicester and Leicestershire, broadband speeds are generally better than the UK local authority area average, with median download speeds in Leicester being within the top 10 per cent of local authorities nationally.¹²¹ However, there are also wide discrepancies across different local authority areas.

Superfast Leicestershire Case Study¹²²

¹²⁰ Element Energy, *Energy Infrastructure Strategy for Leicester and Leicestershire* (2018).

¹²¹ Oxford Economics, *Local Industrial Strategy Economic Review*, pp. 121.

¹²² <https://www.superfastleicestershire.org.uk/>

Superfast Leicestershire is a project to bring superfast broadband to as many premises in Leicestershire as possible. It is expected that more than 72,000 additional premises will be able to receive high speed broadband with a minimum speed of at least 24Mbps, while all premises will have access to at least 2Mbps.

The project is being led by Leicestershire County Council will support from the other local authorities and government. The Leicester and Leicestershire Enterprise Partnership has also allocated £2m from its Local Growth Fund, while BT is contributing £11.4m towards the overall cost of the Superfast Leicestershire deployment.

Challenges

Car dependency and increasing congestion impact on productivity

Across Leicester and Leicestershire, the car remains the most popular form of transport, with two thirds of journeys to work being undertaken by car or van.¹²³ As a mainly rural area, travelling by car is an important and necessary form of transport for many, and the level of private car ownership is high. However, this results in congestion at peak times, particularly in and around Leicester and other urban centres, which is impacting negatively on productivity. Reducing traffic congestion, improving access to parking and improving access to businesses by car for employees, customers and suppliers have all been highlighted by businesses as bringing significant benefits.¹²⁴

Improving east-west connectivity

Although Leicester and Leicestershire has relatively good north to south road and rail connectivity, it lacks the same degree of east to west connectivity, particularly to cities within the West Midlands, allowing the rapid and easy movement of goods and people. Average speeds on rail connections between Leicester and Birmingham are below 50 miles per hour, while there is currently no direct train service between Leicester and Coventry.¹²⁵ This forces many travellers to make slow journeys by car on already congested routes.

Improving public transport linkages between the city, market towns and key employment sites

Improving public transport links text. Check with City and County Councils for details.

Improving digital connectivity

More needs to be done to improve digital connectivity across Leicester and Leicestershire to boost productivity and growth, particularly in those areas that currently experience poor coverage. Although digital infrastructure cannot drive business growth alone, a lack of sufficient capacity and reliability within the network can act as a constraint to business productivity and growth.

Across Leicestershire, 96 per cent of properties currently have access to superfast broadband. However, in rural areas, this rate drops slightly to 93 per cent of properties, compared with 97 percent

¹²³ Oxford Economics, *Local Industrial Strategy Economic Review*, pp. 112-3.

¹²⁴ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 109.

¹²⁵ Midlands Connect, *Midlands Rail Hub: The Case for Transformational Investment in the Region's Rail Network* (2019), p. 6.

of properties in urban areas.¹²⁶ In rural areas, only 84 per cent of non-residential properties have access to superfast broadband, compared with 93 per cent in urban areas. In comparison, 94 per cent of residential properties in rural areas have access to superfast broadband, compared with 98 per cent in urban areas.¹²⁷

Delivering clean, smart and flexible power

A high proportion of the electricity substations in Leicester and Leicestershire have little aggregate demand headroom. If a customer wishes to connect a new load to the network that requires network upgrades, the partition of cost between the customer and the Distribution Network Operator (DNO), in our area Western Power Distribution (WPD), depends on the load requirements and whether the customer is existing or new. When the load growth is related to existing connections, the costs of any investment required will be socialised across the network users through the network charges in electricity bills. When a new customer requests a connection, they must pay the upfront cost of the connection and any network reinforcements required (such as a new substations). These reinforcements can be prohibitively expensive for an individual customer and hence, while the DNO does not refuse to connect new customers, the cost of connections can and does act as a barrier to development and growth. This is a major constraint to housing and economic growth in Hinckley; Coalville; Loughborough; Central, West and South Leicester. DNOs do not invest ahead of need, which is a significant factor contributing to long lead times for connections. To help address this challenge, we see a specific role for the LLEP as a facilitator between new customers and the network operator. In certain situations, the LLEP could potential share the risk and cost of upgrading the network.

Another complimentary approach is 'Flexibility Based Connection' which offers are a way of maximising existing capacity by changing consumer behaviour on the demand side; they are an example of demand side response (DSR), where peak electricity demand is offset temporally. WPD is interested in using demand flexibility within the Leicester and Leicestershire and the LLEP could have a key role in supporting a trail project bringing a consortium of demand customers, flexibility providers and WPD together.

Increasing investment in sustainable transport infrastructure

Increasing investment in sustainable transport infrastructure text. Check with City and County Councils.

Our Approach

To achieve the aspirations set out in this Local Industrial Strategy, Leicester and Leicestershire will:

Deliver the strategically important road and rail projects included in the Midlands Connect Strategy

The Midlands Connect Strategy has outlined a rolling programme of road and rail improvements to enhance connectivity across the East and West Midlands and wider UK. These have been incorporated into the Leicester and Leicestershire Strategic Growth Plan and have the potential to reduce congestion, improve journey times, support future housing growth and improve quality of life.

To improve regional and national connectivity, Leicester and Leicestershire will support the delivery of key transport projects outlined in the Midlands Connect Strategy and Strategic Growth Plan. These

¹²⁶ Leicestershire County Council, *Rural Evidence Base* (2018), p. 53.

¹²⁷ Leicestershire County Council, *Rural Evidence Base*, p. 53.

will include the development of Leicester to Birmingham and Leicester to Coventry rail services as well as the proposed A46 and A5 Expressways.

Deliver public transport provision to improve connectivity between the city and towns

To improve connectivity between its urban centres, Leicester and Leicestershire will improve public transport provision between its central city and surrounding market towns and rural areas, as well as the linkages between its market towns. This will include delivering the projects outlined within the City Council's Transforming Cities Fund bid to

Check with the City and County Councils about the wording of this section and planned public transport improvements.

Deliver a network of transport infrastructure to promote cycling and walking

To improve the health of its population and reduce the number of people travelling by car, Leicester and Leicestershire will develop a network of sustainable transport infrastructure to promote walking and cycling.

Check with the City and County Councils about the wording of this section and planned improvements.

Deliver facilities for electric vehicles, hydrogen, bio-fuels for cars buses and HGVs

To reduce carbon emissions and assist the transformation to a low carbon economy, Leicester and Leicestershire to deliver new facilities for electric and hydrogen vehicles. This will include the provision of new electric charging points across the area.

Implement the recommendations of the Energy Infrastructure Strategy for Leicester and Leicestershire

The Leicester and Leicestershire Energy Infrastructure Strategy has set out a range of recommended actions that that will enable the area to progress towards achieving the necessary decarbonisation within the energy, heat and transport sectors necessary to meet long-term energy and climate targets. The projects proposed in the strategy are cross-sectoral, covering homes, businesses, transport, power generation and energy networks.

To reduced carbon emissions and energy costs, increased energy productivity and create local economic growth and employment, Leicester and Leicestershire will implement the recommendations of the Energy Infrastructure Strategy. This will include developing and delivering projects that improving the energy efficiency of our homes and businesses and support clean growth; accelerate the shift to low carbon transport; and deliver clean, smart and flexible power.

Improve digital connectivity across urban and rural areas

In order to remain competitive, grow its economy and improve its productivity, Leicester and Leicestershire needs to develop access to state-of-the-art digital infrastructure. It will therefore improve digital connectivity across both its urban and rural areas.

Leicester and Leicestershire will prioritise further investment in digital infrastructure, addressing areas of poor coverage and emphasising ultrafast speed, while securing maximum commercial coverage and take up. This will include the deployment of ultrafast technologies, such as fibre and 5G, and

accelerating the awareness, take up and digital connectivity by business. It will also target areas where there is existing poor coverage, developing innovative technical solutions to ensure equality of access across all urban and rural areas.

Improve transport connectivity to key employment sites

To improve transport connectivity to key employment sites, Leicester and Leicestershire will work with businesses and local authorities to develop a variety of effective and sustainable linkages to key employment sites. This will include enhancing accessibility by car as well as public transport, cycling and walking.

Business Environment

Strengths

A diverse and growing business base

Leicester and Leicestershire has an extremely diverse and resilient economy which has proved resistant to previous economic shocks. In 2018, the area's GVA was £24.5bn and rising, comprising almost a quarter of the East Midlands economy,¹²⁸ while per capita GVA across Leicester and Leicestershire was £23,300 per resident, higher than the East Midlands average.¹²⁹

Leicester and Leicestershire also has a growing business base. In 2018, there were 42,065 registered businesses operating across the area, representing 23.5 per cent of all businesses within the East Midlands.¹³⁰ This was a 20.8 per cent increase on the number of firms in 2014.¹³¹ There were also 40 firms for every 1,000 residents, a ratio 2.8 per cent higher than the East Midlands average.¹³² The majority of these businesses are located in Leicester, while two in every five businesses are located in the county.¹³³

Like many other parts of the UK, Leicester and Leicestershire has a high proportion of small and medium sized enterprises, with 88.7 per cent being micro-businesses of less than ten employees.¹³⁴ This percentage is higher in rural areas, where micro-businesses comprise over 90 per cent of firms.¹³⁵

Between 2014 and 2018, there has been a noticeable improvement in business start-up and survival rates. In 2017, 5,600 new businesses opened across Leicester and Leicestershire.¹³⁶

Between 2008 and 2018, professional, scientific and technical activities was the strongest performing sector across Leicester and Leicestershire, growing by 4.7 per cent each year on average, or 60 percent in total, and increasing by £631m over this period.¹³⁷ The sector is forecast to continue to be the fastest

¹²⁸ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 27.

¹²⁹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 27.

¹³⁰ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 42.

¹³¹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 42.

¹³² Oxford Economics, *Local Industrial Strategy Economic Review*, p. 44.

¹³³ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 44.

¹³⁴ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 45.

¹³⁵ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 46.

¹³⁶ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 48.

¹³⁷ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 30.

growing into the future, increasing by 2.8 per cent each year up to 2030. Other strong performing sectors include information and communications and human health and social work, both of which are forecast to continue to grow at over two per cent each year in the period up to 2030.¹³⁸

Global connections and exports

Leicester and Leicester's diverse population means that its businesses have many global connections and opportunities to develop new markets. Around 17 per cent of all Leicester and Leicestershire businesses export products and services, while this proportion increases to 27 per cent of businesses with between 50 and 199 employees and 67 per cent of those with over 200 employees.¹³⁹

The propensity to export is much higher in the area's large manufacturing sector, with 52 per cent of manufacturing businesses involved exporting. The most common export destination for Leicester and Leicestershire companies is the European Union, with 81 per cent of business exporting to the EU, followed by North America, Asia (excluding India) and Australia.¹⁴⁰

An established Growth Hub providing expert support to local businesses

To support businesses to start-up and grow, Leicester and Leicestershire has an established Growth Hub providing expert support and advice, diagnostic services, networking opportunities and signposting for all local businesses regardless of their size or sector.¹⁴¹ Its advisors and their delivery partners are experienced in assessing and diagnosing business need and have a wealth of knowledge of the funding, local and national support programmes available to businesses.

The Business Gateway acts as a signposting and referral service across a wide range of topics, including business start-up, training and mentoring; growth and expansion plans; recruitment and investing; access to finance; premises and commercial property; recruitment and workforce training; and regulation and compliance. It also engages with private sector providers of business support through an easy to use Business Support Directory to enable local companies to find out about the wide range of different support that is available to them.

A strong track record of inward investment

Leicester and Leicestershire has a strong track record of inward investment due to its well-connected central location, large labour pool, cost-effectiveness and development potential. Recent successes include the opening of IBM's Client Innovation Centre, the location of Hastings Insurance Group within the city and the creation of a new headquarters for Mattioli Woods.

IBM Case Study¹⁴²

IBM is a globally integrated enterprise operating in over 170 countries. Today, the company has around 20,000 employees in the UK, bringing innovative solutions to a diverse client base to help solve some of their toughest business challenges.

In 2015, IBM announced it was setting up a new base in the city. The Leicester Client Innovation Centre is IBM's first in the UK and enables the hi-tech giant to extend its technology services to UK-

¹³⁸ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 30.

¹³⁹ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 30.

¹⁴⁰ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 31.

¹⁴¹ <http://www.llep bizgateway.co.uk/about/>

¹⁴² <https://www.investinleicester.co.uk/case-studies/ibm/>

based clients. The Centre provides a range of IT services, including software development and support services to clients across all industry sectors. It employs graduates and experienced professionals who have technical backgrounds or who show an aptitude for IT and want to pursue a career in the industry.

Challenges

Low value added sectors

Although productivity within Leicester and Leicestershire has improved steadily over the past decade, the area has a greater concentration of activity in the less productive sub-sectors than across the UK. This is particularly true of manufacturing, where the size of the sector is impacting significantly on overall productivity levels. In 2017, the manufacturing sector generated output of £59,800 per person in 2017, 11 per cent below the UK level of £67,200.¹⁴³

At a sub-sectoral level, the extent of this under-performance becomes clear. The majority of manufacturing sub-sectors within Leicester and Leicestershire are less productive than the UK, with traditionally large employers such as textiles and furniture manufacturing being around 30 per cent lower.¹⁴⁴ While no single factor can explain why the LLEP's productivity levels are lower than the mix of industries present would suggest, anecdotally a lack of investment in capital, training and innovation have all been identified as holding back local productivity growth.¹⁴⁵

A Lack of high-quality office space in the city centre and commercial space across Leicester and Leicestershire

Leicester city centre has proved to be an attractive proposition for office occupiers. This exemplified by wealth management company Mattioli Woods, who have expanded following a move back into the city centre from an out-of-town location. However, across Leicester and Leicestershire, the supply of new office space has not kept pace with demand and the availability of good quality space has fallen by over 50 per cent in the last five years. Grade A office space within the city centre now stands at less than 30,000 sq. ft. against typical annual take-up across the centre and out of town markets at three-times that figure. Commercial agents are also warning of an acute shortage of space, with virtually no offer available for new inward investment enquiries that are typically in the 20,000 to 50,000 sq. ft. range.

The regeneration of Leicester's Waterside and Pioneer Park is beginning to bring forward new space, with 100,000 sq. ft. currently under construction or under contract at Waterside and a developer appointed for a further 46,000 sq. ft. at Pioneer Park. In addition to this, evidence indicates that the stock of city centre office space should be facilitated to grow at a rate of 50,000 sq. ft. per year for the foreseeable future.

Weak investment finance infrastructure

Ensuring that finance markets work well and that SMEs have access to finance is vital to the success of local growth. However, nationally the demand for external finance from SMEs continues on a long-term decline, with just 36 per cent of smaller businesses now using external finance compared to 44

¹⁴³ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 21.

¹⁴⁴ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 22.

¹⁴⁵ Oxford Economics, *Local Industrial Strategy Economic Review*, pp. 22-3.

per cent in 2012.¹⁴⁶ There is also increasing evidence that this decline is driven by attitudes towards finances rather than other constraints.

Within the East Midlands, the region receives a lower share of SME lending versus their share of the SME population.¹⁴⁷ It also ranks only 11th out of 12 within the UK for share of equity deals, investment and high growth firms.¹⁴⁸

Low adoption of digital technologies by smaller businesses

Across Leicester and Leicestershire, use of internet in the workplace is now almost universal. Around 80 per cent of businesses have their own website, while 59 per cent have their own social media profile. Nearly a quarter also promote or sell their goods or services through a third party website.¹⁴⁹ However, while the majority of businesses with their own website use it to promote or showcase their goods or services and provide contact details, only a quarter are able to sell goods or services directly to their customers.¹⁵⁰

The range of digital technology utilised by Leicester and Leicestershire businesses also increases by size, with smaller businesses being less inclined to adopt and exploit its benefits.¹⁵¹ Although many have firm plans to introduce or extend their use of digital technologies, with this number being higher among medium and large enterprises,¹⁵² around half do not feel fully prepared for challenges posed by increased digitisation and automation.¹⁵³

A lack of employment land and suitable premises exacerbated by permitted development and viability issues

Employment land and suitable premises text.

Our Approach

To achieve the aspirations set out in this Local Industrial Strategy, Leicester and Leicestershire will:

Create a low carbon and circular economy business cluster at Loughborough University Science and Enterprise Park

To develop a low carbon and circular business economy cluster, Leicester and Leicestershire will support the further development and expansion of the Loughborough University Science and Enterprise Park, building on its sectoral strengths in low energy and zero carbon technologies, processes and systems and the circular economy. This includes the hosting of Cenex, the UK's Centre of Excellence for Low Carbon and Fuel Cell Technologies and of CREST, the largest and leading UK sustainable energy research centre.

Check with Loughborough University about the wording of this section and its development plans for LUSEP.

¹⁴⁶ British Business Bank, *Small Business Finance Market 2018/19* (2019), p. 3.

¹⁴⁷ British Business Bank, *Small Business Finance Market 2018/19*, p. 38.

¹⁴⁸ British Business Bank, *Small Business Finance Market 2018/19*, p. 40.

¹⁴⁹ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 57.

¹⁵⁰ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 60.

¹⁵¹ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 58.

¹⁵² BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 61.

¹⁵³ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 64.

Increase targeted foreign direct investment in the low carbon and life sciences sectors

To increase investment within the low carbon and life sciences sectors, Leicester and Leicestershire will increase the amount of foreign direct investment to increase the number of businesses and jobs within the area. It will also work with the Department for International Trade and the Midlands Engine to promote Leicester and Leicestershire as a place to invest in.

Check with Inward Investment about the wording of this section and the mechanisms for increasing FDI.

Support businesses to move towards carbon neutrality

To support businesses to move towards carbon neutrality, Leicester and Leicestershire will enable businesses to adopt new low carbon technologies that will reduce their emissions and improve their resource efficiency. It will raise awareness of existing legislation and regulatory issues and will highlight the economic benefits and opportunities of adopting low carbon business models and practices. It will improve networking to facilitate the building of local supply chains and partnerships to educate businesses about low carbon solutions. It will also develop an integrated approach between suppliers of low carbon products and customers who use local resource and energy efficiency support.

Create an ecosystem that supports businesses to start-up and then scale-up

There is significant evidence that a small number of high-growth firms are vital to driving job growth and overall economic growth and productivity in the longer term. However, while Leicester and Leicestershire is very good at creating start-ups and has many exciting and innovative companies, it has proved less successful in then growing and scaling-up these businesses.

To support the take up of business support and drive productivity amongst the local SME base, Leicester and Leicestershire will, through its Growth Hub, continue to develop a network of business support providers to allow for improved coordination and collaboration to address market failure and gaps in provision. It will also develop a smoother, more effective customer journey through its business support ecosystem.

The future service delivered through the Business Gateway will be directed towards high growth scale-up businesses and will create a highly targeted and bespoke local programme of support to identify, nurture and develop high growth business. It will also work with partners such as the British Business bank to help address the awareness of finance options and the investment readiness needs of SMEs that have the potential for high growth or the need to attract equity or loan investment.

Improve the supply of employment land and commercial premises for businesses

To enable businesses to start-up and grow, Leicester and Leicestershire will improve the supply of employment land and commercial premises.

Maximise our trade and export potential by utilising our international links

Although around 17 per cent of all Leicester and Leicestershire businesses currently export, this proportion has not increased significantly since 2014.¹⁵⁴ However, the area's international

¹⁵⁴ BMG Research, *Leicester and Leicestershire Business Survey 2017*, p. 30.

connections, strong manufacturing base and excellent transport links all provide the potential to significantly increase the amount of good and services that local companies export to overseas markets.

To maximise its trade and export potential, Leicester and Leicestershire will capitalise on its international linkages and support and encourage more of its businesses to export and develop new markets.

Develop a freeport centred on East Midlands Airport

Within its Vision for Growth, the Midlands Engine partnership proposed investigating the potential for a Midlands pilot of an International Free Trade Zone close to an existing freight hub that could operate at a regional level.¹⁵⁵ The creation of an International Free Trade Zone would provide the opportunity for goods to be landed, stored, manufactured and then re-exported under customs regulations that would offer a competitive advantage to manufacturing businesses locating within the Zone. With its links to the East and West Midlands, freight capacity and links to local manufacturing supply chains, East Midlands Airport would provide an ideal location to explore the potential for developing an International Free Trade Zone.

To support manufacturing businesses and create new markets, Leicester and Leicestershire will work with government and the Midlands Engine partnership explore the potential to create an International Free Trade Zone centred on East Midlands Airport.

Places

Strengths

Leicester and Leicestershire is an extremely diverse area with a thriving central city ringed by distinctive and independent market towns and beautiful and productive rural areas.

A strong central city

Leicester is famous for its young and dynamic multi-cultural population, with thriving south Asian, Somali and eastern European communities that are fluent in over 100 different languages. The city has a strong retail, leisure and cultural offer and has recently achieved international prominence through Leicester City Football Club's historic Premier League title success in 2016 and the miraculous discovery of the remains of King Richard III in a council car park. It is also home to the UK's largest dedicated comedy festival, with the Leicester Comedy Festival 2019 seeing over 870 individual events take place in 72 venues across the city over 19 days.¹⁵⁶

Within recent years the city centre has been transformed through the Connecting Leicester initiative. This has created new public spaces at Jubilee Square and Cathedral Gardens, while the construction of the King Richard III Visitor Centre and Market Food Hall have created many more reasons for people to shop, live, work and invest in the city. The new Haymarket Bus Station and bus lanes has improved public transport provision, while the construction of new cycle lanes has created new healthy transport options into the city centre.

¹⁵⁵ Midlands Engine, *The Midlands Engine Vision for Growth: Our Response to the Government's Midlands Engine Strategy* (2017), p. 29.

¹⁵⁶ <https://comedy-festival.co.uk/about-us/history/>

The city is also a creative hub. The development of Leicester Print Workshop and new workspace for designer makers at Makers Yard, together with the continued success of LCB Depot, Phoenix and Curve, provide a strong platform for further growth in the St Georges Cultural Quarter.

Independent and distinctive market towns

Surrounding Leicester is a ring of distinctive and independent market towns including Loughborough, Melton Mowbray, Market Harborough, Hinckley, Ashby-de-la-Zouch and Coalville. Each of these market towns is an important economic centre in its own right and is a focal point for their local communities. Combined, they also contribute over £1bn to the local economy.¹⁵⁷

Melton Mowbray Case Study

Melton Mowbray is one of Leicestershire's iconic market towns and has identified as a Key Centre for Regeneration and Growth in the recently agreed Strategic Growth Plan for Leicester and Leicestershire. The plan recognises that Melton has untapped potential in fulfilling its role as a rural hub, and in providing the focus for social and economic activity for the surrounding communities. It highlights that investment in the economic and cultural infrastructure of the town would do much to restore confidence and support its potential as a centre for tourism and leisure in one of the most attractive parts of the county.

Through the recent adoption of the Melton Local Plan, the area is positioned for significant growth with over 6,000 new homes planned by 2036 resulting in urban expansion by 40 per cent. The government has already recognised the area's need for investment and potential for growth with £50m already secured through the Local Majors Fund to support the Distributor Road, and a further £15m bid to the Housing Infrastructure Fund is also pending. Construction on the road will start in 2020, unlocking significant housing and industrial growth potential.

Through the Melton Local Plan, significant employment land is being made available to develop and attract businesses and jobs to the area. Working with the University of Nottingham and local land owners, funding has been secured through Midlands Engine to support Melton's Manufacturing Zone designation, one of only four in the East Midlands. Master planning for these sites is underway as Melton seeks to deliver on and enhance its reputation as the Rural Capital of Food. Through a strong partnership with local businesses and other stakeholders, proposals are developing to support the establishment of a Food Enterprise and Innovation Centre, alongside a Health and Leisure park. By building on Melton's rich food heritage and encouraging development of and investment in new technologies and agri-tech, Melton can ensure a prosperous and sustainable town centre and local jobs to support its growing community.

Extensive rural areas and rich natural capital

In between Leicester and its surrounding market towns and villages are varied and beautiful rural areas that are rich in natural capital. Leicestershire is a predominantly rural county, with the majority of Melton and Harborough districts in the east being classified as rural, as well as large parts of Hinckley and Bosworth borough and North West Leicestershire district to the west.¹⁵⁸ The majority of the area's tourism attractions are located within the county, including Ashby Castle, Foxton Locks and Bosworth battlefield. It is also famous for its food production and is home to iconic food brands such

¹⁵⁷ ERS Research and Consultancy, *Leicestershire Market Towns Research* (2016), p. 5.

¹⁵⁸ Leicestershire County Council, *Rural Evidence Base*, p. 7.

as Melton Mowbray pork pies and Stilton cheese. In 2016, there were almost 2,000 agricultural holdings employing over 7,000 people.¹⁵⁹

Leicester and Leicestershire has beautiful urban and rural landscapes and a rich natural capital. Its strategic water assets include rivers, canals and reservoirs such as the River Soar, Grand Union Canal, River Mease, River Wreake, River Welland and Charnwood Reservoirs. Farming supports 80 per cent of Leicestershire's land use, with most of this land under intensive arable use. Its larger woodland assets are mainly held in the National Forest, Charnwood and Forestry Commission estate at Leighfield Forest.

National Forest Case Study¹⁶⁰

The National Forest was established 25 years ago to link the two ancient forests of Charnwood and Needwood and spans the counties of Leicestershire, Derbyshire and Staffordshire. Since the early 1990s, 8.9 million trees have been planted across 200 square miles to create a new mixed habitat forest.

The Forest has restored a rich wildlife habitat to an area previously dominated by coal mining and heavy industry, providing a more sustainable and positive future for the next generation. It has also boosted the local economy by creating jobs in the woodland and tourism industries and has great potential as a healthy outdoor activity destination, with over 10 million people living just 90 minutes away.¹⁶¹

Coordinated strategic growth plans

Leicester and Leicestershire has clear and well-developed plans in place to support future growth. In 2018, the nine local authorities and Local Enterprise Partnership agreed a Strategic Growth Plan setting out their aspirations for the development of new housing and infrastructure in the period up to 2050. This identified that around 187,000 new dwellings will be needed between 2011 and 2050 to house the area's growing population, with 96,580 required by 2031 and a further 90,516 by 2050.¹⁶² In addition, it was also estimated that between 367 and 423 hectares of employment land will be required by 2031 to meet future demand.¹⁶³

Leicestershire International Gateway Case Study¹⁶⁴

The Leicestershire International Gateway is focused around the northern parts of the A42 and the M1, where there are major employment opportunities, notably East Midlands Airport, the SEGRO Logistics Park East Midlands Gateway and the proposed High Speed 2 station at Toton.

The Leicestershire local authorities have already made provision for strategic new housing developments in Ashby, Coalville and Loughborough, which need to be completed as a matter of priority to provide the opportunity for people to live close to their places of work. At the same time, some parts of the area are in need of regeneration and the physical fabric needs to be improved.

¹⁵⁹ Leicestershire County Council, *Rural Evidence Base*, p. 33.

¹⁶⁰ <https://www.nationalforest.org/>

¹⁶¹ The National Forest Company, *The National Forest Tourism Growth Plan* (2018), p. 4.

¹⁶² Strategic Growth Plan, *Leicester and Leicestershire 2050*, p. 5.

¹⁶³ Strategic Growth Plan, *Leicester and Leicestershire 2050*, p. 5.

¹⁶⁴ Strategic Growth Plan, *Leicester and Leicestershire 2050*, p. 24.

Within Local Plans it is intend to explore the theme of ‘forest towns’ suggested in the National Forest Strategy as a way of enhancing the physical fabric of the towns and villages in this area and making the most of our environmental assets. This would also support investment in tourism and leisure facilities and the health and wellbeing agenda.

Overall, it is estimated that the area has the potential to accommodate about 11,000 new homes. Improvements to the A42, the M1, railway lines and services, as set out in the Midlands Connect Strategy, will also support this opportunity.

The sporting capital of England

Leicester and Leicestershire is one of the premier locations for sport and physical activity in England and can justifiably lay claim to being the current sporting capital of England in relation to professional club representation. Leicester is the only English city outside of London to host a Premier League football club, Premiership rugby club and first class cricket county cricket club. The area is also home to elite clubs in basketball (Leicester Riders), speedway (Leicester Lions), netball (Loughborough Lightning), hockey and badminton.¹⁶⁵ Leicestershire regularly hosts major motor racing events at Donington Park and Mallory Park, horse racing at Leicester Racecourse and other sporting events such as the Rally of the Midlands, all of which contribute to improve the image of the area and generate economic activity.

Impact of sport on the economy text. Further information to be provided by LeicesterShire and Rutland Sport.

Strong cultural, leisure, retail and tourism assets

Leicester and Leicestershire has strong cultural, leisure, retail and tourism offer, with over 22 million people being just two hours away.¹⁶⁶

The city and county have a wide range of unique visitor attractions. These include Twycross Zoo, one of only four zoos in the world that is to home all four great apes; the National Space Centre, the UK’s only visitor attraction dedicated to space; the Great Central Railway, the UK’s only double track main line heritage railway; and Bosworth Battlefield, site of one of pivotal moments in English history.

Leicester and Leicestershire also has a growing cultural and offer, with the Curve theatre at the heart of Leicester’s cultural quarter, alongside assets such as New Walk Museum and De Montfort Hall. As well as hosting motor racing, Donington Park also hosts the annual Download music festival which attracts up to 100,000 visitors and is in the top 20 music festivals globally.

National Space Centre Case Study¹⁶⁷

The National Space Centre is the UK’s only visitor attraction dedicated to space and is an important education service provider, inspiring young people in science, technology and engineering.

¹⁶⁵ Innovas Consulting Solutions, *Leicester and Leicestershire Sport and Physical Activity Sector Growth Plan* (2016), p. 13.

¹⁶⁶ Leicester and Leicestershire Enterprise Partnership, *Tourism and Hospitality Sector Growth Plan* (2015), p. 18.

¹⁶⁷ <https://spacecentre.co.uk/>

Since its launch in 2001, the National Space Centre has welcomed four million visitors and grown its reach both nationally and internationally via a burgeoning reputation for exciting exhibitions, wonderful story-telling and a breadth of education programmes.¹⁶⁸ It has also launched the award-winning National Space Academy and NSC Creative production company, welcomed astronauts, made films for royalty and sent experiments to the International Space Station.

In its *Vision 2025*, the Space Centre has set out an ambitious vision to add new facilities, create new exhibition content and boost visitor numbers. The Extended Reality Laboratory (XR Lab) and Astronaut Training Centre (ATC) are two interlinked projects that will exploit existing creative and teaching expertise to deliver exciting new experiences for both family and school audiences. They come with an outreach programme that will engage socio-economically disadvantaged young people in Leicester in the creation of content for both on-site and off-site use. The Space Centre's new proposed extension will also create a new highly flexible space that can be used for temporary exhibitions or national or international conferences.

Challenges

Future proofing market town centres

To mitigate against retail decline and create long term sustainability, including the improvement of public realm to ensure high quality community environments, there is a need to future proof the centres of Leicester and Leicestershire's market towns. Some of the key challenges faced by Leicester and Leicestershire's market towns include developing their visitor economies by improving their cultural offer, events and attractions; shrinking their existing retail stock and converting it into housing to increase the sustainability of their high streets; and supporting traditional independent retailers to adapt to on-line selling to increase their reach and customer base.

Pockets of deprivation

Although many Leicester and Leicestershire residents enjoy a good quality of life and unemployment is relatively low, the area still suffers from isolated pockets of deprivation and there are significant differences across different local authority areas. Around 24 per cent of Lower Layer Super Output Areas (LSOAs) in Leicester are among the 10 percent most deprived nationally, while this figure falls to just 3.4 per cent in Harborough and 2 per cent in Charnwood.¹⁶⁹ However, while many rural areas appear to lack the deprivation of urban areas, poorer access to public services due to greater distances and irregular public transport can place barriers to services in more remote areas. More expensive house prices in sought after rural areas also puts housing out of reach for many.¹⁷⁰

Limited housing supply and decreasing affordability

Like many other parts of the UK, Leicester and Leicestershire's growing population has impacted on the availability and affordability of its housing, with demand outpacing supply. In 2018, the average house price was £206,000, a figure below the national average but higher than the East Midlands average of £190,000.¹⁷¹ House prices have also grown significantly over the past decade and are, on average, £47,000 higher than a decade ago, an increase of 29 per cent.¹⁷²

¹⁶⁸ National Space Centre, *Vision 2025* (2016), p. 4.

¹⁶⁹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 107.

¹⁷⁰ Leicestershire County Council, *Rural Evidence Base*, pp. 25-7.

¹⁷¹ Oxford Economics, *Local Industrial Strategy Economic Review*, p. 118.

Lack of awareness of area as desirable destination

Although Leicester and Leicestershire has a good quality of life, the area is often overlooked as a visitor destination and more needs to be done to promote the area to domestic and overseas visitors.

Protecting natural capital

Biodiversity is a key indicator for the quality of natural capital and Leicestershire has suffered losses in diversity with less than third of the statutory protected sites in the county in favourable condition. More work is required to improve soil quality preventing soil erosion, reduce pollution in soils and water, improve water and ecological quality, particularly in priority catchments like the River Mease, River Soar and Wreake. Green infrastructure assets are also sparse in the north-east, east and south-eastern areas of Leicestershire.

There is also a need to better understand the current agricultural economy to assess how much of local production is retained within the economy.

Our Approach

To achieve the aspirations set out in this Local Industrial Strategy, Leicester and Leicestershire will:

Enhance Leicester city centre and create a great place to live, work, study and visit

The LE-One City Centre Management Partnership is a grouping of businesses, agencies and organisations operating within the Leicester that works together to develop and implement a shared vision for driving growth and confidence within city centre. It has already produced a strategic framework for growth to make Leicester a great place for people to live, work, study and visit where businesses can prosper.¹⁷³

To enhance its city centre, Leicester and Leicestershire will create a distinctive identity, building a sense of ownership and pride. It will create a safe, clean and healthy environment and develop an integrated transport system that meets the needs of all of its stakeholders. It will create a vibrant cultural sector at the heart of the city centre offering and ensure that it is the first-choice retail and leisure destination for those that live in and around Leicester. It will also create a renowned retail, leisure and night time offer, attracting people to visit and stay in the city.

Support the regeneration and development of market towns to create attractive and productive places that people want to live, work and invest in

To support the development and regeneration of its market towns, Leicester and Leicestershire will transform their high streets to mitigate retail decline, create long-term sustainability and ensure that they remain attractive investment propositions. It will encourage inward investment to maximise the use of vacant units and upper storeys, diversify land use and attract high quality housing into town centres to replace over supply of retail units, supporting the aspirations of the Strategic Growth Plan and creating affordable new housing for rural residents. It will support businesses in town centres and rural areas, help them to grow and become more productive, and develop high quality incubator space

¹⁷² Oxford Economics, *Local Industrial Strategy Economic Review*, p. 118.

¹⁷³ LE-One City Centre Management Partnership, *Securing Long-Term Success for Leicester City Centre: Providing a Strategic Framework for Growth* (2017).

adjacent to town centres. It will improve the public realm to ensure the provision of high-quality community and cultural environments for both residents and visitors to enjoy. It will support local road and rail improvements, especially sustainable forms of transport, and ensure that rural transport provision effectively links people to jobs. It will also improve rural broadband, wifi and 5G connectivity, focussing on specific rural blackspots.

Leicester and Leicestershire will work with the government to ensure the successful delivery of the Stronger Towns Fund and boost economic growth and prosperity within its left behind towns. It will also support the development and delivery of Coalville's Future High Streets Fund bid to regenerate its town centre and make it fit for the future.

Protect and enhance natural capital and encourage sustainable economic development

To develop a comprehensive evidence base for its natural capital assets and ecosystems, Leicester and Leicestershire will prepare a Natural Capital Plan to establish a baseline position and assess their contribution to local growth and productivity with appropriate metrics to allow for future monitoring and evaluation. This will identify potential environmental risks that could impact on future growth and productivity as well as opportunities to improve its natural capital assets and green infrastructure.

To preserve its natural and historic environment for future generations, Leicester and Leicestershire will protect and enhance its existing natural capital assets and will encourage sustainable economic development that minimises the impact of future growth on the natural environment. This will include minimising the loss of existing habitats and the impacts of development and encouraging innovative land use. It will reduce pollution by supporting clean growth practices and circular economy models and protect key species. To tackle the impacts of climate change it will reduce the amount of carbon going into the atmosphere by creating more circular economies that reduce resource exploitation and strengthen the capability of natural capital to recover into a better condition. It will work with partners such as the Environment Agency, Natural England, the local Growth Hub and business representative organisations to ensure that businesses of all sizes have access to practical advice on minimising their environmental impact and complying with legislation.

Deliver planned and sustainable housing growth

Leicester and Leicestershire's population is growing and more homes will need to be built to provide affordable places for everyone to live. Yet at the same time its natural environment and built heritage also need to be protected to ensure that they are preserved for future generations. To ensure that new developments are planned with strong social, economic and environmental foundations and that communities are placed at the heart of planning, the Strategic Growth Plan has adopted a Garden City concept which will be incorporated into Local Plans.¹⁷⁴

To provide planned and sustainable housing growth to support the needs of its expanding population, Leicester and Leicestershire will support the implementation of the Strategic Growth Plan to deliver the 187,096 new dwellings that it is estimated will be needed by 2050. This will include the A46 Priority Growth Corridor, Leicestershire International Gateway, A5 Improvement Corridor, regeneration and growth of Melton Mowbray, as well as areas of managed growth in Local Plans. In addition, it will also support the delivery of 367-423ha of new employment land outlined within the Strategic Growth Plan to provide space for the creation of new jobs and businesses.

Develop the sports and physical activity economy

¹⁷⁴ Strategic Growth Plan, *Leicester and Leicestershire 2050*, p. 20.

To develop the sports and physical activity sector, Leicester and Leicestershire will provide businesses with access to support to increase their competitiveness both domestically and in international markets; support them to maximise innovation in new products, services and processes to increase productivity; and maximise the impact of increased participation and healthier lifestyles on the sector business base and productivity. It will develop the skills base to meet the current and future needs of the sector and attraction and retain young people. It will also promote Leicester and Leicestershire as a premier location to attract sport and physical activity business investment and tourism; attract and develop sporting events of national and international standing; and develop infrastructure to support the growth of the sector and meet future demand.

Support the development of the cultural, leisure and tourism offer

To support the development of its tourism, leisure and cultural offer, Leicester and Leicestershire will expand the range and quality of its visitor attractions, accommodation, facilities and experiences. It will also improve the range and quality of rural tourism accommodation, smaller scale visitor sites and support rural diversification. It will improve access to and connectivity between attractions and ensure that infrastructure is integrated, accessible and efficient to support visitors' needs. To address the challenges of recruitment and retention, it will improve skills within the sector and improve its image as a potential career choice for young people.

Implementation

Cross-Border Collaboration

Leicester and Leicestershire's central location provide it with many exciting opportunities work with areas in both the Midlands and the wider UK on issues of common economic interest that will help to implement the objectives of the Industrial Strategy. This will include developing cross-border physical assets to create new employment opportunities as well as developing collaborative approaches to improve growth and productivity in key sectors.

Such cross-border collaboration already exists through initiatives such as the Midlands Engine as well as the new Loughborough Area of Innovation (LAI).¹⁷⁵ Developed by Loughborough University, the LAI offers a successful model for nurturing inclusive economic growth on a trans-disciplinary and cross-sector basis that will transcend existing political and geographical boundaries and enhance the delivery of Local Industrial Strategy.

Loughborough Area of Innovation Case Study¹⁷⁶

The wider Loughborough area, extending between and linking the three cities of Leicester, Nottingham and Derby, is especially rich in knowledge-based employment and innovation. It has a high proportion of residents engaged in science, engineering and ICT, and a dynamic entrepreneurial ethos.

The Loughborough Area of Innovation (LAI) is a multi-partner initiative, led by Loughborough University a Top 10 UK institution with an exceptionally strong presence in STEM disciplines.

The LAI is mobilising a wide range of private and public sector partners to work across political boundaries as an exemplar response to the Industrial Strategy. It is drawing together existing activities and projects – such as new £6.5m UKRI funded programme in Maths Education helping to address skills priorities – to make the biggest possible impact on productivity, skills, growth and employment.

To the north Leicester and Leicestershire will collaborate with Derbyshire and Nottinghamshire over the development of East Midlands Airport and High Speed 2 to ensure that the development of these key infrastructure assets benefit the local area. This will be supported by the creation of a new East Midlands Development Corporation, which will focus on developing an area straddling the north Leicestershire and south Nottinghamshire borders. The establishment of the new National Defence Rehabilitation Centre, as well as existing assets such as Charnwood Campus and BioCity Nottingham, also offers the opportunity for Leicestershire and Nottinghamshire to work jointly to develop an East Midlands life sciences cluster.

East Midlands Development Corporation Case Study

In October 2018, the government announced plans for £2m to be made available for the Midlands Engine to establish a Development Corporation type model for an area of economic growth within the East Midlands. The Development Corporation will drive forward growth and infrastructure plans

¹⁷⁵ Loughborough University, *Loughborough Area of Innovation* (2018).

¹⁷⁶ <https://www.lboro.ac.uk/enterprise/lai/>

to realise transformational investment across local authority boundaries and will focus on the regeneration of three key sites within Leicestershire and Nottinghamshire:

- Toton and Chetwynd – This will include the creation of a new High Speed 2 and Network Rail station and surrounding 200 hectares of mixed green field and previously developed land. The area has the potential to create up to 10,000 new jobs supported by a mix of complementary uses including residential, transport interchange, public realm, community facilities and supporting services.
- Ratcliffe Power Station – The existing power station is due to be decommissioned in 2026 and the site offers the potential for advanced industrial redevelopment linked to the circular economy, energy exchange and decarbonisation.
- East Midlands Airport – The airport is a key national asset and it will play an increasingly important role in Britain’s future ability to trade globally. It is committed to growing capacity and capability for both cargo and passenger numbers.

To the east, Leicester and Leicestershire will work with Lincolnshire to develop its food and drink sector. Lincolnshire’s extensive rural areas and large agricultural economy offer the potential to collaborate on the development of agri-tech, food manufacturing, research, storage and distribution, improving the UK’s food security.

To the south and west, Leicester and Leicestershire will collaborate with the West Midlands Combined Authority, Oxford-Cambridge Arc and their constituent Local Enterprise Partnerships to maximise the economic benefits of assets such as the MIRA Technology Park and Enterprise Zone and Manufacturing Technology Centre.

Manufacturing Technology Centre Case Study¹⁷⁷

The Manufacturing Technology Centre (MTC) is part of the High Value Manufacturing Catapult and was established in 2010 as an independent Research and Technology Organisation with the objective of bridging the gap between academia and industry.

Located in Coventry, the MTC develops and proves innovative manufacturing processes and technologies in an agile, low risk environment, delivering bespoke manufacturing system solutions. It operates some of the most advanced manufacturing equipment in the world and employs a team of highly skilled engineers, many of whom are leading experts in their field. This creates a high-quality environment for the development and demonstration of new processes and technologies on an industrial scale.

The MTC’s areas of expertise are directly relevant to both large and small companies and are applicable across a wide range of industry sectors. Its members include global manufacturing companies from multiple sector, while its research partners include the University of Birmingham, University of Nottingham and Loughborough University.

Nationally, the construction of Space Park Leicester also offers the opportunity for Leicester and Leicestershire to work in partnership with other areas such as Harwell and Glasgow to develop the UK space offer.

¹⁷⁷ <http://www.the-mtc.org/>

Governance

This Local Industrial Strategy has been developed by the Leicester and Leicestershire Enterprise Partnership Board, with input from the local private, public and voluntary sectors, who will lead its implementation through the Local Enterprise Partnership's existing governance and delivery structures as set out within its Local Assurance Framework. The approach and priorities set out within the Local Industrial Strategy will be embedded with the Local Enterprise Partnership's Delivery Plan and will be taken forward through its future work programmes and funding streams.

To implement the Local Industrial Strategy, the Local Enterprise Partnership will work closely with the Leicester and Leicestershire local authorities and other key local stakeholders to ensure alignment with the Strategic Growth Plan, Strategic Transport Plan and other existing and emerging plans and policies. At a regional level, the Local Enterprise Partnership will also work collaboratively with the Midlands Engine and Midlands Connect to help deliver the refreshed Midlands Engine Strategy and Midlands Connect Strategy within Leicester and Leicestershire. Nationally, the Local Enterprise Partnership will engage with central government departments through the Cities and Local Growth Unit to ensure alignment with the Industrial Strategy and the effective translation of national policy into local action.

Performance Framework

Performance Framework section to set out how the progress and impact of the Local Industrial Strategy will be monitored over its lifetime.

Key Documents

This Local Industrial Strategy has been developed using a robust evidence base formed of an independent economic review, call for evidence and a supporting suite of national, regional and local research and strategies. Led by the Leicester and Leicestershire Enterprise Partnership, it builds on the Leicester and Leicestershire Local Industrial Strategy Prospectus that was developed in 2018 in consultation with the local private, public and voluntary sectors.

Key documents used in the preparation of the Local Industrial Strategy include:

- BMG Research, *Leicester and Leicestershire Business Survey 2017* (2017)
- Element Energy, *Energy Infrastructure Strategy for Leicester and Leicestershire* (2018)
- ERS Research and Consultancy, *Leicestershire Market Towns Research* (2016)
- GL Hearn, *Housing and Economic Needs Development Assessment* (2017)
- Leicestershire County Council, *Rural Evidence Base 2018* (2018)
- Midlands Connect, *Midlands Connect Strategy* (2017)
- Midlands Engine, *The Midlands Engine Science and Innovation Audit* (2016)
- Oxford Economics, *Local Industrial Strategy Economic Review: Leicester and Leicestershire* (2019)
- Strategic Growth Plan Partnership, *Leicester and Leicestershire 2050: Our Vision for Growth* (2018)
- York Consulting, *Skills for the Future 2018-2030* (2018)

