

LLEP BOARD OF DIRECTORS

3.00pm, 21 SEPTEMBER 2021

MS Teams Call

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 Meeting 24 June 2021	Paper A	Decision	Chair
15.10	4.	Draft Economic Growth Strategy	Paper B	Decision	Mandip Rai
15.30	5.	LEP Review Update	Paper C	Discussion	Chair Mandip Rai
15.45	6.	LLEP Finance Report <ul style="list-style-type: none"> • Operational Budget 2020/21 Outturn • Operational Budget 2021/22 Monitoring 	Paper D1 Paper D2	Information	Mandip Rai Colin Sharpe
16.00	7.	Sub-Group Updates	Verbal	Information	All
16.15	8.	AOB			

LLEP BOARD OF DIRECTORS
Minutes of the Meeting – 24 June 2021
(Microsoft Teams)

Attendance and Apologies:

Directors			
Kevin Harris	KH	Private Sector	Chair
Peter Bedford	PB	Leicestershire County Council	
Chas Bishop	CB	Private Sector	
Lorraine Boorman	LB	Private Sector	
Verity Hancock	VH	Further Education	
Anne-Marie Hunt	AH	Private Sector	
Clare James	CJ	Private Sector	
Anil Majithia	AM	Voluntary and Community Sector	
Neil McGhee	NM	Private Sector	
Jaspal Singh Minhas	JSM	Private Sector	
Cllr Danny Myers	DM	Leicester City Council	
Dr Nik Kotecha OBE	NK	Private Sector	
Ajmer Kaur Mahal	AKM	Private Sector	
Cllr Jonathan Morgan	JM	Leicestershire District Councils	
Cllr Terry Richardson	TR	Leicestershire District Councils	
In Attendance			
Fiona Baker	FB	LLEP	
Sharif Chowdhury	SC	LLEP	
Jo Dexter	JD	BEIS / CLGU	
Jacqui Moody	JMo	BEIS / CLGU	
Colin Sharpe	CS	Leicester City Council	
Andrew L Smith	ALS	Leicester City Council	
Not present			
Prof Robert Allison	RA	Higher Education	
Emma Anderson	EA	Private Sector	
Sonia Baigent	SB	Private Sector	
Andy Reed OBE	AR	Private Sector	
Alison Greenhill	AG	Leicester City Council	
Mandip Rai	MR	LLEP	

<u>Minute</u>		<u>Action</u>
1.	<u>Welcome and Apologies</u>	
1.1	KH welcomed Peter Bedford to the LLEP Board for the first time. The Board expressed thanks to Councillor Nick Rushton for his hard work and support to the LLEP Board over the years.	
1.2	Apologies were received from EA, AG, MR and AR.	
2.	<u>Declarations of Interest</u>	
2.1	There were no declarations of interest.	
3.	<u>Minutes and Actions LLEP Board of Directors Meeting Held on 22 April 2021</u>	
3.1	All action points from the meeting have been completed except for 3.8 relating to governance, which will be followed up with MR.	
3.2	The Minutes of the Meeting held on 22 April 2021 were agreed as a true and accurate record.	
4.	<u>Investment Panel Recommendations</u>	
4.1	KH welcomed Board members to raise any points from the Investment Panel papers which commended five recommendations to the Board.	
4.2	Board members from the Investment Panel confirmed there is some outstanding work for the projects but agree with the Investment Panel recommendations brought to the Board.	
4.3	<p>AGREED to the five recommendations to:</p> <ul style="list-style-type: none"> i. note the key outcomes of the meeting of the Investment Panel on 3 June 2021; ii. note the updated position on the AB with respect to subsidy control advice for MIRA Technology Park in Section 4; iii. approve the allocation of £6.25m EZ business rates for the MIRA Technology Park Enterprise Zone Phase One Infrastructure project, subject to satisfactory review of the rates projections by the AB; iv. approve the investment of £300k repurposed Growing Places Funding in skills interventions relating to digital poverty, as endorsed by the Skills Advisory Panel; and v. note the update on the progress and activity concerning the Local Growth Fund and Getting Building Fund programmes and Quarter 4 2020/21 performance. 	
5.	<u>Draft Economic Growth Strategy</u>	
5.1	FB updated that the draft Economic Growth Strategy has incorporated all feedback received following the final Board Round Table meeting on 10 th June, subject to Board endorsement, the next stage will be to a public consultation to go forward on the 28 th of June to last for a period of five weeks with a series of 5 questions.	

Minute		Action
5.2	The consultation will conclude on the 31st of July, providing sufficient time for final amendments before the next Board meeting on the 19th of August.	
5.3	PB noted the County Council timeframes, the Scrutiny Commission will review the strategy on the second week of July, before proceeding to the County Council's cabinet in the third week of July. A formal response from the County Council will be provided in line with the LLEP deadlines. Further comments may be provided from the Scrutiny Commission in due course.	
5.4	AGREED with the recommendation to: <ul style="list-style-type: none"> i. approve the Final Draft Economic Growth Strategy (Appendix 1) for stakeholder consultation as detailed in the timeline below. 	
6.	<u>LEP Review</u>	
6.1	KH updated the LEP review is progressing after a period of stagnation. The LEP chairs and LEP network are in communication with government about the review by various channels to gauge the position of LEPs moving forward.	
6.2	Further efforts have been made to understand the role of LEPs in the levelling up agenda, no further guidance is expected from government until late August or early September.	
6.3	The government have acknowledged the role LEPs have played throughout the pandemic supporting businesses, economic growth and development and impact of events such as the Freeport.	
6.4	Board members highlighted the importance on decision-making by government to prevent further uncertainty within LEPs throughout the country. KH added that MPs are being lobbied amid concerns of impacts for LEP teams and for future funding and support.	
6.5	Board members discussed the LEP's key role in the Freeport business cases and maintaining their position as an integral part of the development, working with the key stakeholders involved including lead authorities and landowners.	
6.6	CJ highlighted that the LEPs and businesses may be best placed to deliver the sixty thousand jobs with the close connection with universities and innovation. It was emphasised the need for the right representation on the working groups involved.	
6.7	NK declared an interest in Manchester Airport Group which owns East Midlands Airport.	
7.	<u>Sub-Group Updates</u>	
7.1	NK updated the group on the Innovation Board, presenting updates on updates and the Innovation Week which commenced on the week commencing 21 st June 2021.	
7.2	NK outlined the Innovation Board background, the establishment in March 2021 and the seventeen representatives from public and private sectors as well as academia including many sectors including life sciences, textiles, manufacturing, logistics, services, banking, and education. The group comprises of a range of structures and types including key bodies, banks, start-up companies, SMEs, and large corporates.	

<u>Minute</u>		<u>Action</u>
7.3	Innovation plays a large part of the Government's agenda from town deals to Freeport's; Innovation is also important for funding, with £2.5 to £3 billion spent just in Life sciences alone in the UK.	
7.4	The Innovation Board has the mission statement "To create a long-term innovation strategy for Leicestershire, which builds collaborations, growth and opportunities and safeguards the future prosperity and productivity of our businesses, workforce, and communities".	
7.5	NK outlined ambitions for Innovation in Leicestershire including becoming a national hub for business innovation, promoting the long-term growth benefits of investing and looking for new funding streams.	
7.6	NK highlighted the works by the LLEP team and Gary Dimmock to deliver on Innovation Week which has taken over the last 2-3 months of planning nineteen events. The events have seen turnouts from forty to eight people. Notable events include the Showcase event where Dr Luke Evans MP and Fiona Murray presented passionately about strategies for innovation.	
7.7	Board members echoed the success and effort of the Innovation Week and the number of areas and diversity of sectors covered.	
7.8	VH provided an update on the Skills Advisory Panel. Significant positive feedback has been received for the Local Skills Report which has been used by college bidders and tenders in Leicester and Leicestershire, to put forward their strategic plans for next year.	
7.9	Two IoT applications have been submitted since the last Board meeting. Both are strong applications with excellent private sector partnerships with five-year projections of student numbers. Aside from the bids themselves, another positive aspect is that new relationships have been forged between universities, colleges and businesses which will remain regardless of the outcome.	
7.10	Priority areas include higher level qualifications including space engineering, manufacturing, digital and green technologies.	
8.	<u>AOB</u>	
8.1	KH noted the AGM on Tuesday the 29 th of June 2021. Board Directors have been sent briefing documents in advance of the meeting. The AGM video recording has brought out the immense amount of work carried out by the LLEP and the impact the team are making in a challenging and pressured year. The Annual Report has extensive information with the knock-on effects in the region, placing the LLEP in a good position going forward.	
8.2	KH reinforced there are ongoing pressures with the LLEP teams which is being alleviated with the support of partners including the City Council at the senior level. KH acknowledged the support offered by LLEP Directors and others to aid the team during this period.	
8.3	AGREED to reappoint AH to the Midlands Engine Investment Fund 'RAB Board'.	
8.4	The Board expressed thanks to Bob Allison for his involvement for the LLEP, and congratulations for the CBE awarded in the Queen's Birthday Honours list.	

Minute**Action**

8.5	LB updated on the visit to the new Gresham building on behalf of the LLEP, who were awarded a plaque for contributing towards the development and appreciated that the project couldn't be completed without the LLEP's support. Another example of the LLEP's impact in the community.	
	The meeting closed at 15.53	



LLEP BOARD OF DIRECTORS

21 SEPTEMBER 2021

Decision Paper

ECONOMIC GROWTH STRATEGY

1. PURPOSE OF REPORT

1.1 The purpose of this report is to:

- i. inform the Board of the responses received during the consultation period for the Economic Growth Strategy, and steps taken to address relevant points of feedback.
- ii. present the final version of the Economic Growth Strategy to the LLEP Board; and
- iii. seek board approval of the final version of the Economic Growth Strategy.

2. RECOMMENDATION

2.1 The Board is recommended to:

- i. approve the version of the Economic Growth Strategy (Appendix 2) for publication.

3. BACKGROUND INFORMATION

3.1 At its meeting on 24 June, the Board approved the draft Economic Growth Strategy for wider consultation. The consultation period commenced from 1 July 2021 to 30 July 2021, with partners asked a series of questions to gather their thoughts on the Strategy.

3.2 A total of 52 responses were received during the consultation period, including detailed responses from Leicester City Council, Leicestershire County Council and our three universities. Responses were consolidated thematically and shared with Cambridge Econometrics to implement the feedback received.

3.3 The key themes emerging from the feedback included the need for greater reference to health and wellbeing, more focus on the sustainability / low carbon agenda and greater

strategic emphasis on tourism and the visitor economy. Further detail on the responses received and action taken to address is outlined in Appendix 1.

3.4 The final Economic Growth Strategy for the Board's approval is attached as Appendix 2.

Summary of appendices

1. Summary of LLEP Economic Growth Strategy Consultation responses
2. Final LLEP Economic Growth Strategy

For further information please contact

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Summary of LLEP Economic Growth Strategy Consultation Responses

Introduction

Following consultation on the LLEP Economic Growth Strategy, several changes have been made to reflect the feedback received from local partners. Please note that this paper is a summary and does not cover all amendments made – rather, it focuses on the most significant changes.

Summary of responses

Over the past 18 months health and wellbeing has very much come to the fore. This has been addressed in further detail within the Strategy given its identification as a key factor to enhanced productivity in future. In order to strengthen this message, some of the narrative in the foreword has been amended to reflect the importance of creating an environment that encourages people to pursue a healthy lifestyle. Furthermore, an additional objective has been included under within the 'Inclusive' strand under Priority 3 'Improve access to work, labour market inclusion and wellbeing at work' which focuses on wellbeing at work and the importance of tackling health inequalities, economic exclusion and poverty. Greater reference has also been made to the critical natural capital and green infrastructure required to enable business to thrive, and the importance of the impacts of growth and the economy on the wellbeing of people.

The Strategy is an opportunity to highlight the mutual benefits of working collaboratively and across political borders e.g. our role with Mira and Warwickshire, Magna Park and Northampton, EMEG and Derbyshire and Nottinghamshire. Therefore, amendments have been made to several objectives listed to greater emphasise the benefits of collaboration with neighbouring areas. This includes the work already being conducted in collaboration with D2N2 around the East Midlands Airport Freeport, and the Midlands Engine partnership (East Midlands Development Corporation).

The Strategy has also been developed to include a greater strategic focus on tourism and the visitor economy through greater reference to the Tourism Growth Plan drawn together by the Tourism Advisory Board. It highlights the adverse impact that the pandemic has had on the sector and also explores the recovery and growth opportunities within the sector. There is now a greater focus on tourism, place marketing and destination management and the

potential they have to be truly sustainable, integrating with a high-quality landscape, a strong cultural offer and improvements in wider wellbeing and placemaking. These industries can link both urban and rural areas, support small and medium sized enterprises, promote inward investment and grow opportunities for both entry level and high skilled employment. This is now reflected through the further development of the link between the tourism industry and low carbon sector under the 'Sustainable' priority, whilst the inclusion of a case study under the 'Productive' priority details some of the world class tourist locations within the Leicester and Leicestershire region and how they can be utilised to attract and grow international business.

The description of the sectors under 'Priority 1. Entrepreneurial, resilient and high growth businesses' has been amended to be more focused whilst also differentiating between sectors. The following groups have been identified:

- Beacon sectors (Space and Earth Observation, Life Sciences, Automotive, Sport Science and Cyber) aligned with our MIT REAP strategy.
- Growth sectors (ICT, Food and Drink, Logistics and Professional and Financial Services) and
- Key sectors of interest (Agriculture, Textiles, creative and Cultural, Construction, Tourism and the Visitor Economy and the Voluntary and non-profit sectors).

Whilst the Strategy is a vision for all and does not focus exclusively on these sectors, these groupings are beneficial to understand the performance of local sectors of significance.

The draft Strategy now makes greater reference to the Strategic Growth Plan to 2050, highlighting its role in supporting and defining inward investment opportunities for both the City and County. Further emphasis has also been placed on the value and importance of transport connectivity. Our location is a major strength, and within the priority on sustainable transport, the importance of faster and more effective connectivity has been emphasised as well. This includes both road and rail (and decarbonisation) as well as other modes such as light rail, bus, cycling and walking. This is displayed in the further development of 'Priority 2: Sustainable transport and connectivity' under the 'Sustainability' theme, which discusses the improvement of east-west rail connectivity, HS2 and connectivity to the proposed HS2 East Midlands Hub station. The section also now notes major infrastructure improvements referenced in the Strategic Growth Plan such as improvements to the M1, a new A46 link road and improvements to the city centre to improve it as a travel hub including rail and bus station enhancements together with connecting links.

Given the scale and significance of the climate emergency greater significance has been placed on the green agenda, particularly the requirement for an increase in 'green' job opportunities. Objectives have been incorporated within the 'Inclusive' strand under 'Priority 4: Improve job quality, in-work progression and pay' which focus on access to 'green jobs' and how they can be a means of in-work progression as well as providing high-skilled employment opportunities.

Key Considerations

Some partners have expressed a need for clarity on the approach to delivering the commitments set out in the Strategy. The Strategy has been designed as a vision for the Leicester and Leicestershire area for the next decade with the purpose of highlighting key ambitions that will ensure a vibrant and prosperous economy. Once there is agreement on the vision, further work will then commence with partners to develop action plans and strategies which will provide further specificity regarding the ambitions and objectives listed. These will also include details on partners' responsibilities and funding streams.

Whilst the Strategy may not explicitly reflect government policy, it does reference this implicitly and through the inclusion of local unique selling points (USPs). National policy items such as the devolution White Paper, UK Shared Prosperity Fund and the Levelling Up agenda have been considered throughout the drafting process, but the lack of detail around these policies has made it a further challenge to align with government thinking regarding these policy issues. The Strategy takes the key aspirations and themes of central government policy and recasts them into locally specific USPs, challenges and priorities. Given that government policy can change fairly often and any change could render a highly specific Strategy out-of-date, the methodology followed here ensures that the Strategy (and accompanying Evidence Review) can be retrofit into any government policy framework whilst still acknowledging key local ambitions and priorities. Whilst the Strategy avoids being explicitly rural or explicitly urban. Leicester and Leicestershire has a diversity of communities - many rural areas, districts and towns are distinct and unique. The decision has been taken to lay out the main common challenges facing businesses and residents across Leicester and Leicestershire, highlighting some particular rural or urban challenges where they are distinct or add to the local USP/context.

Suggestions have been made to further incorporate sustainability into the Strategy by following a more radical and ambitious approach to some of the objectives outlined. Several changes have been made to push the sustainability ambitions included harder, but more radical changes would result in a Strategy that is fully sustainable/green and whilst this is a laudable aspiration that reflects the end-goal we aim to achieve, it would entail some hard

thinking and difficult decisions e.g. regarding road infrastructure and sector priorities. Further development of sustainability ambitions would be better placed in a future refresh of the Strategy when there is further detail available regarding partner action plans and strategies. This will ensure greater alignment with partners and a consistent approach to creating a sustainable economy and environment.

Leicester & Leicestershire

Economic Growth Strategy 2021-2030

Final Draft

Version 2.6

03 September 2021

Foreword

Using our local capabilities, innovations and skills – we will build a productive, innovative, inclusive and sustainable economy at the cutting edge of science and technology that supports the health of people and the planet

Leicester and Leicestershire has undergone a transformation over the past decade – into an innovative, technology-led and knowledge economy. These new and evolving strengths, alongside existing strengths and advantages will help us to overcome the impacts of Covid-19 and challenges of the EU transition. It is important to also acknowledge the need to deliver economic participation and prosperity for all residents, to improve people’s health and ensure a carbon-neutral future.

From the post-covid recovery, to the future impact of new technologies and international trading arrangements - the future is uncertain. Important national policy decisions that will impact local economies are also being formulated, and we will know their priorities, objectives and potential resources later in 2021 and 2022.

This strategy sets out the broad ambitions for Leicester and Leicestershire that will inform future funding bids and resource prioritisation

Despite the current economic and policy uncertainties, we are best identifying and being informed about our main challenges and opportunities. This strategy sets out ambitions, objectives and priorities for the next ten years – intended to be used as a commissioning document for seeking funding, allocating funding and making decisions of what to prioritise over the coming years.

The Leicester & Leicestershire Economic Growth Strategy is based on an analysis of the current state of the economy, previous and current research, strategies and action plans, and stakeholder aspirations and concerns. Prior to the formulation and writing of this strategy, a separate document, the *Leicester & Leicestershire Economic Growth Strategy Evidence Review 2021* was published with sets out the insights and evidence from existing strategies and studies, stakeholder workshops and research especially commissioned by Leicester and Leicestershire Local Enterprise Partnership to give an up-to-date analysis and outlook for the economy. It also incorporates the recommendations and priorities of *The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth* (2018) – the strategic growth plan for the region endorsed by the 9 local authority partners and Leicester and Leicestershire Local Enterprise Partnership.

The next steps are to develop delivery plans and secure resources

The strategy presented here is not an action plan or delivery document - these will come later in 2021 and 2022. Building on our track record, we can deliver. Leicester and Leicestershire has a fantastic track record in delivery, in transforming the region into a knowledge- and technology- led economy. We have successfully delivered a range of transformative local and national policy initiatives, such as our Enterprise Zone sites. We are poised to further capitalise on initiatives such as the East Midlands Freeport. Working together, we can deliver 2021-2030 Economic Growth Strategy.

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Our Mission

Welcome to Leicester and Leicestershire – a leading and fast-growing centre of science, technology and knowledge-industries in the UK

This new Economic Growth Strategy for 2021-2030 seeks to deliver recovery and growth, building on the successful transformation of the local economy over the past 10 years

Leicester and Leicestershire's Economic Growth Strategy for 2021-2030 seeks to deliver a successful recovery from the Covid-19 pandemic and further capitalise on the phenomenal transformation of the local economy over the past 10 years. Pre-Covid, Leicester and Leicestershire generated £24.5 billion in GVA, with 42,000 businesses and 538,000 jobs, and testament to its resilience and growth potential, we expect this to increase to £30.2 billion and 568,000 jobs by 2030.

Building on the global R&D and entrepreneurial expertise of Leicester and Leicestershire's three Universities, and excellence in science and engineering, the region is now home to several UK and world-leading centres of new technology and innovation in space and earth observation, sports science, life sciences, IT and cyber technologies, and automotive engineering. Leicester and Leicestershire is also the UK's central logistics hub, having gained significant jobs and investment due to the area's strategic location. Agriculture and Food & drink production remains a key sector in Leicester and Leicestershire, producing £1.8 billion in GVA and accounting for 43,900 jobs. There is the opportunity to further build a sustainable visitor economy, that currently supports 58,000 jobs in Leicester and Leicestershire.

With the opportunity to create up to 9,900 new skilled jobs in Leicester and Leicestershire from the East Midlands Freeport

Another significant new opportunity is the East Midlands Freeport, which benefits from the existing Maritime-operated rail facility at East Midlands Gateway, and existing and proposed railheads at Ratcliffe and East Midlands Intermodal Park. The Freeport, at full build out across three sites, is expected to generate 61,700 on jobs – 32,800 on-site jobs, and another 28,900 through supply chains. Within Leicester and Leicestershire, the site is based around the East Midlands Airport and Gateway Industrial Cluster (EMAGIC) in North West Leicestershire - and is expected to contribute £600 million in GVA annually, and 9,900 jobs (with £390 million and 5,300 jobs on-site).

The Freeport will bring significant investment to develop and drive innovation, alternative energy sources and green technology supporting SME's and large regional employers, including Rolls-Royce, Toyota, and Alstom (formerly Bombardier). The East Midlands Freeport bid was submitted in February 2021 by a consortium led by the Local Enterprise Partnerships representing Leicester, Leicestershire, Derby, Derbyshire, Nottingham and Nottinghamshire. It included private sector businesses and local authorities, with support from universities, business groups, local MPs and the proposed East Midlands Development Corporation.

A successful, accessible location for business with world-class science and enterprise parks, and vibrant urban and rural areas

Alongside a reputation for a high quality of life and mixture of a dynamic city and vibrant rural towns and areas, Leicester and Leicestershire provides some of the best sites in the UK for science, technology, professional services and logistics businesses in the most central, accessible location in the UK.

Leicester and Leicestershire has transformed into a leading technology and knowledge-based economy over the past 10 years

The region's universities (De Montfort University, University of Leicester and Loughborough University) and businesses have demonstrated that they are world-class at Sports science, Space, Advanced engineering, and Automotive sectors, The Life sciences, Health, ICT, Professional services and Logistics. The region's three world class universities are integrated with the local economy and local business base, all leveraging international research expertise into local economic development and delivering their own entrepreneurship and innovation initiatives. Leicester and Leicestershire's further education Colleges are business-focused and are helping to improve SME participation in apprenticeships.

With the potential to reach critical mass in terms of the techno-entrepreneurial economy – particularly on its world-class business and technology sites

This progress has culminated in the delivery of a range of modern science, technology and business sites – with HE, R&D and enterprise support built-in – including the Loughborough University Science and Enterprise Park, MIRA Technology Park, Charnwood Campus Life Sciences Opportunity Zone, Magna Park, SEGRO Logistics Park, Leicester International Gateway and SpacePark Leicester. Alongside this, the region also hosts leading commercial R&D activity and expertise in firms such as 3M Group, the AI Institute, PepsiCo and IBM. These world-class business and technology sites are supported by East Midlands Airport's global connectivity. The recently announced East Midlands Freeport will also provide a significant boost to Leicester and Leicestershire.

Covid-19 has accelerated and exacerbated existing trends

Leicester & Leicestershire suffered from higher case-loads of Covid-19, and the impacts on tourism and hospitality sectors has been significant, and cannot be underestimated. However, the diversity of the local economy has provided some resilience, and there have been fewer job losses compared to the national average. And for some sectors in Leicester and Leicestershire, such as logistics, life sciences, and online retail, demand and growth has been buoyant over the past year.

As elsewhere, the Covid-19 pandemic has impacted workers on low pay and facing job insecurity the most. 117,000 jobs are classified as 'vulnerable' due to Covid-19, of which 58,000 are in Hospitality, Tourism and retail and 30,000 are in Manufacturing. The Tourism sector experienced a 64% fall in economic output in 2020 compared to 2019. There has been a contraction in job vacancies and hiring, with young people particularly affected by a reduction in entry level positions and places on apprenticeships.

Prior to Covid-19, deprivation and disadvantage challenges were long-standing. Leicester and Leicestershire ranked 23 out of 38 LEPs for deprivation. Leicester City has significant concentrations of deprivation and NEET rates (5% vs. England=3%). 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. Rural areas experience poorer access to public services due to greater distances and irregular public transport. More expensive house prices in sought after rural areas also puts housing out of reach for many. Covid-19 has led to further inequalities and concentrations of disadvantage, and has increased the future risk of unemployment and job insecurity facing lower-skilled residents and workers.

Covid-19 has also impacted business continuity, resilience, supply chains, and market demand. The capacity and capability of many SMEs has been significantly stretched in terms of their resilience and financial health. The pace of acceleration in the digital transformation of businesses and public services, and skills has meant that changes occurred in months that would otherwise have taken

years. Rural areas have also been significantly impacted, with disruptions to both harvesting and the demand for agricultural produce, as well as supply chain disruptions in the Food & drink sector. Access to the countryside has also played a significant role during the Covid-19 lockdowns and curtailment of international travel and tourism.

Impacts of Covid-19 on the Leicester & Leicestershire Economy



Covid-19 caseloads
70% higher than national average in February 2021



Covid-19 has amplified existing inequalities in our communities, and the impacts have been uneven both spatially and according to income group, age, ethnicity and gender.

Employers have been **less likely** to have made **redundancies**



117,000 or 24.3% of jobs classed as 'vulnerable' due to Covid-19



By 2030, as a legacy of the pandemic, the Leicester and Leicestershire economy could expect to have in the region of 1,600 fewer jobs, output £800 million lower, and a workforce £1,300 per annum less productive.

Leicester and Leicestershire – a thriving location for business and talent

Using our local capabilities, innovations and skills – we will build a productive, innovative, inclusive and sustainable economy at the cutting edge of science and technology that supports the health of people and the planet

The Leicester & Leicestershire Economic Growth Strategy is based on an analysis of the current state of the economy, previous and current research, strategies and action plans, and stakeholder aspirations and concerns. Prior to the formulation and writing of this strategy, a separate document, the *Leicester & Leicestershire Economic Growth Strategy Evidence Review 2021* was published with sets out the insights and evidence from existing strategies and studies, stakeholder workshops and research especially commissioned by Leicester and Leicestershire Local Enterprise Partnership to give an up-to-date analysis and outlook for the economy. It also incorporates the recommendations and priorities of *The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth* (2018) – the strategic growth plan for the region endorsed by the 9 local authority partners and Leicester and Leicestershire Local Enterprise Partnership.

Our Strategy: 4 pillars

PILLAR	OPPORTUNITIES AND CHALLENGES IN THE REGION	PRIORITIES
<p>PRODUCTIVE</p> <p>Grow GVA and productivity, continue to develop a leading science and technology-led economy</p>	<p>OPPORTUNITIES:</p> <ul style="list-style-type: none"> ▪ Prime location for international business, 18% of businesses export ▪ Significant growth in science and technology and knowledge economy ▪ World class business and technology sites <p>CHALLENGES:</p> <ul style="list-style-type: none"> ▲ High demand for office and industrial land and premises, with insufficient supply and reliance on public sector intervention ▲ 42% of jobs will require graduate skills by 2030, but low graduate retention 	<ol style="list-style-type: none"> 1. Entrepreneurial, resilient and high growth businesses 2. Attract and grow international businesses, investment and visitors 3. Employment and skills for growth 4. World class business locations
<p>INNOVATIVE</p> <p>Global innovation leadership, increase innovation activities across the whole business base</p>	<p>OPPORTUNITIES:</p> <ul style="list-style-type: none"> ▪ University and technology-based R&D and entrepreneurship ▪ Corporate R&D: 3M, IBM, PepsiCo ▪ MIT REAP Programme <p>CHALLENGES:</p> <ul style="list-style-type: none"> ▲ R&D expenditure remains below national average and low by international standards ▲ Workforce skills ▲ Innovation required to meet the climate change and sustainability agenda facing local industries and society 	<ol style="list-style-type: none"> 1. Global innovation leadership 2. Increase and broaden innovation activity amongst businesses 3. Successfully pioneer and apply emerging and new technologies 4. Innovation for sustainability
<p>INCLUSIVE</p> <p>Create a resilient, adaptive workforce where all residents have access to skills and career progression and are paid the living wage</p>	<p>OPPORTUNITIES:</p> <ul style="list-style-type: none"> ▪ Diversity and international links of population and communities ▪ Progress in youth, employment and careers services ▪ Low pay and job quality <p>CHALLENGES:</p> <ul style="list-style-type: none"> ▲ Concentrations of deprivation ▲ Low education and skills attainment ▲ Social, economic and health inequalities 	<ol style="list-style-type: none"> 1. Informed choices and routes to job and skills progression 2. Improve skills and qualifications attainment and employability of the workforce 3. Improve access to work, labour market inclusion and wellbeing at work 4. Improve jobs quality, in-work progression and pay
<p>SUSTAINABLE</p> <p>A leader in low carbon solutions, with sustainability principles built into everything we do</p>	<p>OPPORTUNITIES:</p> <ul style="list-style-type: none"> ▪ Multi-stakeholder commitment to zero carbon, addressing biodiversity loss and resource scarcity ▪ Business and technology actions and innovations (e.g. low carbon vehicles, pollution monitoring, earth observation) <p>CHALLENGES:</p> <ul style="list-style-type: none"> ▲ Radical, urgent and far-reaching consequences for economy, operations and structure ▲ Adapting to new economic models and frameworks 	<ol style="list-style-type: none"> 1. Sustainable places, city and town centres 2. Sustainable transport and connectivity 3. Sustainable energy 4. Sustainable business

Diversity is our strength

Leicester and Leicestershire benefits from a thriving, multicultural city at its heart ringed by distinctive and independent towns and beautiful and productive rural areas

Leicester and Leicestershire has one of the most central locations in the country, enjoying road, rail and air links with the rest of the UK and the world. The region's strengths lie in its diverse nature and global connections and this offers a wide range of opportunities for businesses, residents and potential investors.

Leicester is renowned 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. Leicestershire is renowned for its ring of distinctive and independent towns including Loughborough, Melton Mowbray, Market Harborough, Hinckley, Ashby-de-la-Zouch and Coalville. Each of these towns is an important economic centre in its own right and a focal point for their local communities. In between Leicester and its surrounding towns and villages are varied and beautiful rural areas that are rich in natural capital. Leicestershire is predominantly a 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.

Our aspiration would be to ensure that the diversity of Leicester and Leicestershire is more strongly reflected in the types of jobs and industries which our residents participate in, as well as broadening the diversity of entrepreneurship, and business leadership in terms of gender, ethnicity and age.

Building a healthy, sustainable economy

Transforming the economy by grasping the opportunities from environmental sustainability and health

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 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. Businesses in Leicester and Leicestershire have been showing the way – as demonstrated by East Midlands Airport which was the first of any UK airport to make a commitment to achieve carbon neutral ground operations by 2012, but they need further support, particularly SMEs and microbusinesses.

People's health

The Covid-19 pandemic has illustrated the significant role that health plays in our economy and society, and the need to incorporate health into strategic thinking. Whilst, as noted, Leicester (on its own) has a younger population than average, like the rest of the UK, in Leicester and Leicestershire the elderly population continues to grow. In the period up to 2030, the number of people over 65 is expected to increase by 55,000, representing 70 per cent of the forecast growth in population. This will create new demands from technology, products and services and will alter patterns of working and participation in the economy. De Montfort University, in collaboration with two local healthcare providers and Age UK - has established the Leicester Academy for the Study of Ageing to research the challenges that come with ageing, using multi-disciplinary approaches to develop solutions.

Building sustainability principles into everything we do

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 made zero carbon commitments, including the council's activities, organisation and estate becoming carbon neutral by 2030 or sooner – publishing a Climate Emergency Strategy and an Accompanying Action Plan in 2020.

Leicester and Leicestershire are also developing new strengths in sectors such as low carbon, space and life sciences that are creating new knowledge-based jobs and business opportunities. This is emphasised in the fourth pillar of this Strategy: Sustainable with the ambition of becoming a leader in low carbon solutions, with sustainability principles built into everything we do.

Delivering healthy and sustainable growth

To deliver healthy, sustainable 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.

Leicester and Leicestershire – your partner in growth

A successful track record of working in partnership to win government funding to deliver transformative projects

Partnership is the major strength of Leicester and Leicestershire, with local authorities, businesses, universities and the Local Enterprise Partnership working together to deliver a more successful, inclusive and sustainable economy.

Leicester and Leicestershire has delivered a number of nationally important projects over the past decade, using its 2014 City Deal and Growth Deal funding. The region achieved Enterprise Zone status for two Enterprise Zones - covering four separate sites, including the UK's only automotive focused Enterprise Zone, the UK's first designated Life Sciences Opportunities Zone, and two new Manufacturing Zones in Leicester and Melton Mowbray.

Funding was also secured from the Satellite Applications Catapult support for the Manufacturing, Engineering, Technology and Earth Observation Centre (METEOR) at Space Park Leicester. Related to this, the Department for International Trade has relaunched the Leicester Space Park HPO (High Potential Opportunity) as part of the UK Space Sector COVID Support Plan (SSCSP) as well as the recent award of an HPO in Rehabilitation to capitalise on the region's strengths in life sciences and health research.'

More recently, the East Midlands Airport and Gateway Industrial Cluster (EMAGIC) sites in North West Leicestershire were selected for Freeport Status. The East Midlands Freeport consortium will now work with the government to develop the proposals into an Outline Business Case providing further information on how the Freeport will be delivered. If awarded, this will provide a significant boost to manufacturing and logistics industries in the region.

The economic strategy aligns with *The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth* which sets out housing and development aspirations

Leicester and Leicestershire has clear and well-developed plans in place to support sustainable future growth – articulated and agreed in *The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth*. In 2018, the nine local authorities (Leicester City Council, and Leicester County Council and the 7 district authorities of Blaby, Charnwood, Harborough, Hinckley and Bosworth, Melton, North West Leicestershire, and Oadby and Wigston) and Leicester and Leicestershire Local Enterprise Partnership agreed *The 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. In addition, it was also estimated that between 367 and 423 hectares of employment land will be required by 2031 to meet future demand. This Economic Growth Strategy (2021-2030) adopts and aligns with the principles and priorities outlined in *The Strategic Growth Plan* (2018), including priorities to create the conditions for investment and growth – balancing the need for new housing and jobs with protection of our environment and built heritage and focusing more development on strategic locations – which will allow better planned communities in terms of housing, employment, transport and services. Another significant aspect of *The Strategic Growth Plan* is the timing and coordination of improvements to transport to enable the development and success of our world class business locations.

Ensuring everyone can benefit from economic success

Significant progress has been made in the provision of youth, employment and careers services, with the Enterprise Adviser Network, Careers Hub and Youth Employment Hub. In addition, projects like the Leicester Employment Hub, Construction Skills Hub and area ESF programmes support both young people and adults, along with the DWP and National Careers Service offers. Loughborough College, in partnership with Loughborough University and Charnwood Borough Council, has led a project to open a new Careers and Enterprise Hub in Loughborough town centre, which supports all ages. While Leicester and Leicestershire hosts world-leading universities and has many well-qualified residents, its overall educational attainment lags behind the rest of the UK, and this is reflected in lower pay. By 2030, it is forecast that 42 per cent of jobs within Leicester and Leicestershire will require Level 4+ qualifications. Demand for Level 2 and Level 3 jobs are also both forecast to grow by around 5 per cent. 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 increasing demand for higher-skilled workers within the area. Increasing graduate retention is part of the solution.

Collaborating to succeed

Part of the Midlands Engine, working with neighbouring cities and localities

Leicester and Leicestershire's central location provides it with many exciting opportunities to 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 Building Back Better. This will include developing cross-border physical assets to create new employment opportunities as well as developing collaborative approaches with neighbouring areas such as Coventry and Warwickshire, and Derbyshire and Nottinghamshire to improve growth and productivity in key sectors.

To the north Leicester and Leicestershire has collaborated with Derbyshire and Nottinghamshire over the development of the East Midlands Airport Freeport Proposals, and continues to collaborate

over East Midlands Airport and High Speed 2 to ensure that the delivery 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.

Such cross-border collaboration already exists through initiatives such as the Midlands Engine as well as the new Loughborough Area of Innovation (LAI) - a multi-partner initiative, linking Loughborough, Leicester, Nottingham and Derby – led by Loughborough University. This new Economic Growth Strategy aligns with Midlands Engine priorities including support for the East Midlands Development Corporation developments at The East Midlands Hub HS2 Station, East Midlands Airport and Ratcliffe-on-Soar Power Station; and helping to drive forward the Ten Point Plan for Green Growth in the Midlands Engine.

Further, Leicester and Leicestershire is integral to several Midlands Connect (the Subnational Transport Body for the East and West Midlands) priorities over the next 10 years. These include support for the A46 Corridor, A5 Improvement Corridor, and A511 Growth Corridor - with the potential to accommodate thousands of new homes and jobs. The Midlands Connect £3.5 billion plan to revolutionise the Midlands rail network would also bring significant benefits to Leicester and Leicestershire, providing electrification and HS2 compatible services. The HS2 railway line will pass through Leicestershire to the north of the County, creating extra capacity for high-speed railway journeys and freeing up space for 2.5 million tonnes of freight each day, with access to the network from the nearby station of Toton in Nottinghamshire.

Next steps

Developing delivery plans and securing resources

This strategy sets out the broad ambitions for Leicester and Leicestershire that will inform future funding bids and resource prioritisation. The ambitions, objectives and priorities for the next ten years are intended to be used as a commissioning document for seeking funding, allocating funding and making decisions on what to prioritise over the coming years. Working with partners, we will develop delivery plans and secure resources for the individual pillars and priorities within the Strategy.

PRODUCTIVE

Increase GVA and productivity, continue to develop a leading science and technology-led economy

Priorities

1. Entrepreneurial, resilient and high growth businesses

Continuing to build an entrepreneurial region, further improving rates of enterprise start-up and scale-up, and helping businesses recover after the pandemic. Reflecting the strong role of SMEs in the Leicester and Leicestershire economy, we will continue to promote high rates of entrepreneurship and start-up and help businesses realise their ambitions with high growth business support and advice. We will also seek to improve the performance of existing businesses via productivity improvements, digital transformation, HR and skills and diversification. We will continue to support the key growth sectors of Life sciences, Space and earth observation, Sports and sport science, Advanced engineering, ICT, Food and drink, Logistics and professional and financial services – as well as the locally important sectors of Agriculture, Textiles, Creative and cultural, Construction, Tourism and the visitor economy, and the voluntary and non-profit sectors. We will provide ongoing support to businesses recovering from Covid-19 and adapting to the new trading relationships with the EU, including support to strengthen local supply chains. We will ensure that the diversity of Leicester and Leicestershire is more strongly reflected in entrepreneurship and business leadership in terms of gender, ethnicity and age.

2. Attract and grow international businesses, investment and visitors

Support the contribution that international trade and investment makes to economic growth, productivity and the creation of high-skill and high value jobs; and renew our efforts to develop the visitor economy. Leicester and Leicestershire is a prime location for international businesses – with 18 per cent of all businesses exporting overseas in 2020, and multinational firms such as 3M, IBM and PepsiCo operating here. We will continue to secure inward investment, and retain and grow our existing international businesses. We will develop and implement the Freeport strategy and provide support for SMEs to export. The Tourism and visitor economy is also a significant and growing sector, that needs support to recover from the Covid-19 pandemic – and we will continue to support the ambitions of the Leicester and Leicestershire Tourism Growth Plan. Increasingly, international businesses will desire locations that are at the forefront of providing climate and biodiversity action, health and wellbeing and sustainable communities.

3. Employment and skills for growth

Build relationships and joint initiatives to meet the employment and skills needs of employers and the future economy. Knowledge intensive jobs will grow over the next decade. By 2030, it is forecast that 42 per cent of jobs within Leicester and Leicestershire will require Level 4+ qualifications. 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. In previous years, skills shortages could be met by attracting overseas workers. In future employers will be much more reliant on in local workers and skills. We will meet this challenge by matching the skills supply to the needs of employers and increasing graduate employment and retention. FE Colleges, Universities and employers will work together to increase the take-up of apprenticeships and vocational learning. There will be a need to encourage life-long learning, and to improve skills attainment across the broad range of diverse sectors in the Leicester and Leicestershire economy.

Another key aim is to help employers improve their HR and skills development capabilities and practices.

4. World class business locations

Continue to develop and provide the business sites and locations needed to become a world-class location for science, technology and professional services. Leicester and Leicestershire has transformed its business locations and premises since 2010, with world-class sites such as Loughborough University Science and Enterprise Park, MIRA Technology Park, Charnwood Campus Life Sciences Opportunity Zone, Magna Park, SEGRO Logistics Park and Leicester International Gateway – as well as city centre developments such as SpacePark Leicester, the former Stibbe site and the Dock I and Dock II developments. Over the past 10 years, brand new Grade A office, technology and manufacturing premises have been built to accommodate 5,000 high-technology jobs. Within the principles of the Strategy for Growth, which sets out the region’s strategic land use and planning policies, we aim to provide enough Grade A space for 10,000 more jobs. Much progress has been made in providing world-class business locations, with follow-on investment and development now required to accommodate further jobs and continue to build the region’s international reputation.

PRODUCTIVE - Priority 1: Entrepreneurial, resilient and high growth businesses

Continue to build an entrepreneurial region, further improving rates of enterprise start-up and scale-up and helping businesses recover after the pandemic

The Leicester and Leicestershire economy is dominated by small businesses - with 89.8 per cent of businesses micro-sized (employing less than 0-9 people). Building on Business Gateway Growth Hub support and expanding on successful initiatives such as the MIT Regional Entrepreneurship Acceleration Program (REAP), we can continue the substantial progress made in the last 10 years, as evidenced by the growth in number of businesses (+ 20% between 2014 and 2019), and improvements in start-up and survival rates that are higher than the national average. Businesses will continue to be supported through the uncertain recovery period and the EU transition. The Leicester and Leicestershire MIT REAP Ideas Taskforce has provided a detailed analysis of the opportunities and challenges facing the region, resulting in the "Bootstraps and Beacons" strategy which combines an approach that seeks to upscale productivity and enhance existing innovation infrastructure.

We will continue to support the following sectors:

- Beacon sectors: Space and Earth Observation, Life Sciences, Automotive, Sport Science and Cyber) aligned with our MIT REAP strategy.
- Growth sectors: ICT, Food and Drink, Logistics and Professional and Financial Services) and
- Key sectors of interest: Agriculture, Textiles, Creative and cultural, Construction, Tourism and the Visitor Economy and the Voluntary and non-profit sectors.

We will provide ongoing support to business recovering from Covid-19, adapting to the new trading relationships with the EU, and reflecting the specific needs and issues affecting rural businesses and the agricultural economy. We will ensure that the diversity of Leicester and Leicestershire is more strongly reflected in entrepreneurship and business leadership in terms of gender, ethnicity and age. We will also seek to improve the performance of existing businesses via productivity improvements, digital transformation, HR and skills and diversification. Businesses will also need support to address climate change, resource exploitation and biodiversity loss, and business support and advice will need to adapt and change to enable this.

PRODUCTIVE – Priority 1: Entrepreneurial, resilient and high growth businesses		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. High rates of entrepreneurship and start up	By drawing together and enhancing existing provision, develop and coordinate a cohesive framework for local start-up support, to meet increased demand for support via the Business Gateway Growth Hub.	Within the existing Business Gateway Growth Hub, create a local framework for start-up support to support self-employment, entrepreneurship and non-profit organisations - including support for key groups such as those newly unemployed, graduates, young people, women and rural residents.
2. Helping businesses realise their growth ambitions	The Business Gateway Growth Hub will broker support to businesses with high growth ambitions. Develop formal partnerships and resources to deliver the MIT REAP framework.	High growth business support and peer networks, with MIT REAP.
3. Support growth in key sectors and knowledge-based businesses	Continue to support life sciences, space and earth observation, sports and sport science, advanced engineering, ICT, food and drink, logistics and professional and financial services.	Provide for the next stages of growth and networking space and premises; integrate growth sector needs into skills pathways and careers guidance. Provide scale-up support to businesses.
4. Resilient and adaptable businesses	Provision of ongoing advice and support to business through the Business Gateway Growth Hub. Sector recovery and supply chain plans and effective targeting of support for industries affected by Brexit and Covid-19. Encouraging companies to engage across sectors to strengthen local supply chains. Support productivity improvements, digital transformation, HR and skills and diversification. Develop support for transition to a sustainable economy.	Diagnostic and peer support networks and services for ongoing business resilience and engagement across the diverse range of sectors within the Leicester and Leicestershire economy. Suite of business support and advisory products and resources for business transformation and resilience, and the transition to a sustainable economy.

CASE STUDY: INCREASING AND BROADENING BUSINESS INNOVATION ACTIVITY

MIT REAP Programme

The MIT Regional Entrepreneurship Acceleration Program (REAP) is a powerful global initiative that engages with communities to supercharge innovation and entrepreneurship ecosystems and transform economies. Members of the Ideas Taskforce, who led the implementation of the MIT REAP initiative in Leicester and Leicestershire, include representatives from Natwest, the British Business Bank, PPL PRS Ltd, RSM, Loughborough, Leicester and De Montfort Universities, Innovate UK and local SME's, DPI Ltd and Aristec Ltd.

The MIT REAP exercise acknowledged the excellence of Leicestershire's three universities and the affiliated Space Park in Leicester, SportPark at Loughborough University, and De Montfort University's excellence in AI and cybersecurity as significant opportunities. The Life Sciences Opportunities Zone at Charnwood Campus, Loughborough, and Horiba Mira at Hinckley institute were also highlighted. However, this exercise also exposed the additional challenges presented by Leicestershire's low-skilled workforce and low wage economy, together with a high concentration of micro businesses and mature manufacturing SMEs, which limits the capacity for knowledge-intensive growth.

The final strategy "Bootstraps and Beacons" combines an approach that seeks to upscale productivity and enhance the existing infrastructure 'pulling the manufacturing base by its bootstraps' through the introduction of Industry 4.0 capabilities and while driving a culture of innovation, supported by Leicester and Leicestershire's distinctive beacons in space, life sciences, sport, health, AI and cybersecurity. It proposed a mixed mode strategy tackling skills and mentoring, investment, value creation, market capture, networking, knowledge exchange, commercialisation, and with advanced services and spaces to drive innovation. Bootstrap support would extend the reach and depth of existing business provision to focus support around better use of assets, skills, and spaces, which allow the market to work more effectively.

PRODUCTIVE - Priority 2: Attract and grow international businesses, investment and visitors

Support the contribution that international trade and investment makes to economic growth, productivity and the creation of high-skill and high value jobs; and renew our efforts to develop the visitor economy

Leicester and Leicestershire is a prime location for international businesses – with 18 per cent of all businesses exporting overseas in 2020, and 83 per cent of exporters selling to markets in the EU. Advanced manufacturing specialisms in Food and beverages, Machinery, Transport, and Computer, electronic and optical products are key exporters. Professional, scientific and technical industries are also major exporters. Over the next 10 years, businesses must adapt to the new challenges and opportunities posed by Covid-19 and Brexit, as illustrated by the value of goods exported from the UK declining by 16 per cent throughout 2020 – the largest drop since comparable records began.

Cultural, leisure and tourism industries generated £1.88bn for the local economy in 2019, but have been highly disrupted by the pandemic and social distancing measures. Tourism, hospitality and retail accounted for 58,000 (50 per cent of all) Covid-vulnerable jobs in Leicester and Leicestershire. The Tourism sector experienced a 64% fall in economic output in 2020 compared to 2019. We will continue to support The Leicester and Leicestershire Tourism Growth Plan and Tourism Advisory Board which sets out actions for the sector's recovery and strengthening and differentiating it in the long-term. This includes developing the potential of the region's tourism assets to deliver more visitors, spend, profitable businesses, jobs and economic impact. As part of our efforts to improve productivity, our ambition is to realise the full economic potential of the business tourism sector to help fill our hotels and meeting venues, address seasonality and better utilise our attractions for the corporate market. Our area, located in the centre of the country with great road, rail and air connectivity, is ideally suited for meetings, incentives, conferences and events (MICE). With over 140 unique, quality-assured and award-winning event venues available, we have considerable local potential. Our aim is to champion business tourism and ensure the sector remains a vitally important part of our local visitor economy. We need to work towards a step change in promoting the offer to increase the number of companies planning and booking meetings and conferences in the area.

There is also a recognised strategic need to improve the beneficial local tourism impact from East Midlands Airport, as visitors travelling by air spend an average of £728 per person in the UK, and if they use a regional airport are more likely to stay in that region. East Midlands Airport has ambitious growth targets to double passenger numbers to 10m over the next 25 years, which has huge potential to maximise economic value from inbound tourism.

Increasingly, international businesses will desire locations that are at the forefront of providing climate and biodiversity action, health and wellbeing and sustainable communities, which presents opportunities for further developing and marketing Leicester and Leicestershire as a location for investment, businesses and talent.

PRODUCTIVE – Priority 2: Attract and grow international businesses, investment and visitors		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Secure inward investment	Refresh the approach to international branding, marketing and attracting inward investment – identifying key sectors and investment opportunities.	Implement new inward investment and place marketing approach. Incorporate changing location factors such as climate action, biodiversity, health and wellbeing.
2. Grow existing international businesses	Encourage and support international business expansion, including in the Freeport site.	Account management and support plans for major international businesses.
3. Increase trade and exporting	Develop and implement the Freeport strategy and SME support for exporting, identifying key sectors and opportunities.	Support businesses to export and take advantage of the Freeport.
4. Develop visitor economy offer	Support the delivery of the Tourism Growth Plan, Business Tourism Service and the activities of the Tourism Advisory Board.	Continue to build the visitor offer outlined in the Tourism Growth Plan by supporting the Business Tourism Service, ambitious capital projects for the visitor economy, improving productivity of SMEs and building a cohesive destination brand.

CASE STUDY: ATTRACT AND GROW INTERNATIONAL BUSINESS

The IBM Leicester Client Innovation Centre

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 Leicester. 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-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.

CASE STUDY: ATTRACT AND GROW INTERNATIONAL BUSINESS

The Access Group Global HQ

In November 2020, a new Global HQ for The Access Group was completed on the Loughborough University Science and Enterprise Park (LUSEP) – the largest single-occupier office deal in Leicestershire since the millennium began. The Access Group, a leading provider of business management software to mid-sized organisations, has more than 35,000 customers across commercial and not-for-profit sectors. Founded in 1991, Access employs more than 3,000 staff with a significant number based in the Midlands. Links to Loughborough University go back several years since the firm opened its technical development and support centre at LUSEP in 2016.

CASE STUDY: ATTRACT AND GROW INTERNATIONAL BUSINESS

Visit Leicester and Leicestershire

Centrally located in the heart of England with easy access by road, rail and air, Leicester and Leicestershire combine great value for money with a range of multi-award-winning venues able to accommodate from 5 to 2,500 delegates. The area prides itself on offering conference facilities fit for a king in the city where the remains of King Richard III were discovered as well as an out of this world delegate experience at the National Space Centre (voted NVA Best Unique Venue of 2018). The area also boasts three world class universities with multi-award-winning academic conference centres in Leicester and Loughborough (in the 2019 M&IT awards Imago Venues won Best Academic Venue). Leicester offers delegates a vibrant urban centre with over 2,000 years of history. Direct trains from London provide easy access to 23 business orientated hotels in just over an hour. Other unique locations include the former airfield at Bruntingthorpe, offering flexible indoor and outdoor event space complete with vast hangar spaces and test tracks. With over 140 meeting and event spaces, accommodation providers and incentive tourism options, the region's asset mix offers rich pickings for event planners all within 45 minutes of two international airports.

PRODUCTIVE - Priority 3: Employment and skills for growth

Continue to build relationships and joint initiatives to meet the employment and skills needs of employers and the future economy

Knowledge intensive services are forming an increasing share of the local workforce – comprising 238,600 jobs in 2018, and increasing by 2 per cent per year since 2000. Scientific and technical occupations support 34,100 jobs - around seven per cent of the total workforce, and representing one-in-eight additional jobs generated across the area since the year 2000.

Local skills needs will also be driven by the shortfall in overseas workers, caused by Covid-19 and the fall in EU workers coming to, and remaining in the locality and the wider UK. Sectors that are particularly vulnerable include Distribution, Hotels and restaurants, Textiles, Food and drink, Banking, Finance and insurance, Public administration, Education and Health and social care, and Agriculture. There will be a need to encourage life-long learning, and to improve skills attainment across the broad range of diverse sectors in the Leicester and Leicestershire economy. We also aspire to ensure that the diversity of Leicester and Leicestershire is more strongly reflected in the types of jobs and industries which our residents participate in, as well as broadening the diversity of entrepreneurship, and business leadership in terms of gender, ethnicity and age.

The transition to a sustainable economy that addresses climate change, resource exploitation and biodiversity loss is also inevitable and Leicester and Leicestershire will need the skills in its workforce to enable this, such as trained installers and maintenance staff for low carbon and energy efficient technologies.

PRODUCTIVE – Priority 3: Employment and skills for growth		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Match skills supply to the demands of employers and the economy	Secure a Wave 2 Institute of Technology (IoT) to provide higher technical qualifications and digital skills linked to the needs of the economy. Set out skills pathways for sustainable economy.	Continue to produce current and accurate labour market intelligence to inform the development of curricula in FE, HE and other provision. Develop skills training and development capacity for sustainable economy.
2. Increase graduate employment and retention	Continue to support graduate careers and retention initiatives of the three universities. Match individuals to opportunities via the Employment Hub.	Incorporate graduate skills into enterprise support, innovation, and growth initiatives.
3. Increase take-up of apprenticeships	An Apprenticeship Action Plan to address the decline in apprenticeships due to Covid-19. Match individuals to opportunities via the Employment Hub.	Advice, support and peer networks to promote apprenticeship take up.
4. Help employers improve their HR and skills development capabilities and practices	Progress the MIT REAP recommendations for advanced manufacturing technology skills development for SME staff.	FE and HE collaboration to provide training for the manufacturing workforce to enable adoption of new technologies.

CASE STUDY: SKILLS FOR GROWTH

MIRA Technology Institute

MIRA Technology Institute (MTI) is a 24,500 sq. ft. bespoke global centre for skills on the grounds of the MIRA Technology Park. It is a unique partnership led by North Warwickshire and South Leicestershire College, HORIBA MIRA, Coventry University, Loughborough University and the University of Leicester – providing businesses and individuals with a bespoke curriculum aimed at satisfying an ever-increasing need for specialist skills in the UK automotive sector, focusing particularly on disruptive technologies, such as electrification and driverless cars.

MTI delivers 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.

CASE STUDY: SKILLS FOR GROWTH

De Montfort University

De Montfort University has developed a wide range of skills-based partnerships working with stakeholders in Leicester and Leicestershire, placing high importance on the value of research, knowledge exchange and graduate careers to support regional growth.

In 2020, students helped drive forward recruitment in the logistics industry by devising marketing campaigns in partnership with Leicestershire-based Pall-Ex. The freight network challenged students to help tackle the industry's nationwide skills shortage, with a live brief to develop a fully integrated marketing communications recruitment campaign to appeal to Generation Z. The partnership will continue into 2021 as Pall-Ex challenges students to develop ongoing marketing campaigns.

As the Covid-19 pandemic gathered pace in March 2020 and Leicester went into lockdown, DMU launched a completely new digital support scheme for SMEs, connecting students' tech skills with local businesses needing immediate help to go online. In total, 23 small businesses were matched virtually with students, who helped them create digital marketing plans, develop their websites and set up digital booking systems. Sarah Ludden-Roughley, Director of Inicio Private Tuition, commented: "Our volunteer student was professional, talented and understanding of how tough things must be for a business affected by the Covid-19 restrictions. We used her skills to promote our online offering, as this was a brand-new version of our business model and, as a result, we had no advertising ready for it."

Flexible forms of business support build on DMU's fully funded graduate internship programme, running since 2013. To date, DMU has committed a total of £1.6M to fully fund 200 graduate internships a year in the LLEP region. This has supplied local businesses with a flow of graduate skills to carry out work ranging from database development to new brand design. Many successful outcomes have resulted from this standing internship offer - for example, local companies including Eazi-Business and Insight Consultancy both went on to recruit their interns due to the value they brought to the company, and both now occupy senior roles.

CASE STUDY: SKILLS FOR GROWTH

Topps Tiles partners with Leicester College

Leicester College has been supporting Topps Tiles with skills training including apprenticeships and professional development of existing employees within the Topps Tiles HQ in Leicester. This has included the delivery of a range of business/management apprenticeships for employees in distinct business functions, including business support, customer service, Information Technology, and Senior Management.

Topps Tiles approached Leicester College to discuss the potential for the College to support them in overcoming the current skills gap concerns, through the development and delivery of a contextualised Wall and Floor Tiling Apprenticeship programme with the College delivering the training with industry input from Topps Tiles and BAL. As part of this Topps Tiles will support with the apprenticeship training for local Leicestershire SME traders that recruit a Wall and Floor Tiling apprentice to the individual business. Leicester College will lead on the dedicated recruitment and attraction support for the traders and apprenticeship training delivery.

From this close working partnership between the College and Topps Tiles, the College has been identified by Topps Tiles as their preferred provider for work-based skills training. This includes identifying potential new opportunities and skills gaps where the College is able to support Topps Tiles, it's suppliers and members (SME traders).

PRODUCTIVE - Priority 4: World class business locations

Provide the business sites and locations needed to become a world-class location for science, technology and professional services

Leicester and Leicestershire has transformed its provision of world class business locations and premises since 2010, with site such as Loughborough University Science and Enterprise Park, MIRA Technology Park, Charnwood Campus Life Sciences Opportunity Zone, SEGRO Logistics Park, Magna Park, Leicester International Gateway and SpacePark Leicester. Over the past 10 years, brand new Grade A office, technology and manufacturing premises have been built to accommodate 5,000 high-technology jobs. Although major progress has been made – this has mostly been with public assistance, and there remains a significant appetite for employment land and premises across all sizes, use classes and tenures.

There is a need to continue to extend existing sites, provide new sites and renew existing ones, and to ensure that infrastructural capacity and capability supports sustainable growth and development, in line with *The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth*. This includes office provision in Leicester City Centre – which has excellent rail and road connectivity, a sizeable graduate population and significant improvements to urban realm, culture and leisure. As mentioned, Leicester and Leicestershire has significant relied on public intervention to deliver office and industrial property provision and this market failure is likely to persist, warranting a continued strong public sector role.

PRODUCTIVE – Priority 4: World class business locations		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Provide more employment sites and premises for growth	Maintaining confidence and momentum of development of strategic sites, the Freeport, Leicester City Centre and town centres.	Preparing for the next phases of extensions to existing sites, including move-on space for start-ups and SMEs, and larger-scale office, technology, manufacturing and logistics sites and premises.
2. Renew existing employment sites and premises where there is demand	Ensuring that strategic assets and buildings are retained for employment use where this is viable.	Reinventing and renewing town centres, the city centre and place-shaping, and understanding and delivering how employment sites and premises play a role in this.
3. Ensure infrastructure capacity and capability supports growth	Supporting the improvement of efficient and affordable public transport services and maintaining momentum in delivering strategically important road and rail projects that enable site development and access to jobs.	Supporting strategic infrastructure projects as identified in the Leicester and Leicestershire Strategic Growth Plan.

CASE STUDY: WORLD CLASS BUSINESS LOCATIONS

Loughborough University Science and Enterprise Park

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.

Surrounded by 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 organisations to benefit from a campus partner package of R&D, specialist research facilities, graduate recruitment, and business, conference and leisure services.

The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth

The Strategic Growth Plan (2018) has been prepared by the ten partner organisations in Leicester & Leicestershire (Leicester City Council; Leicester County Council; the 7 district authorities of Blaby, Charnwood, Harborough, Hinckley and Bosworth, Melton, North West Leicestershire, and Oadby and Wigston; and Leicester and Leicestershire Local Enterprise Partnership) to provide a long-term vision that will address the challenges and opportunities facing the region. It is a non-statutory plan but it sets out the agreed strategy for the period to 2050. The strategy will be delivered through Local Plans. This Economic Growth Strategy (2021-2030) adopts and aligns with the principles and priorities outlined in the Strategic Growth Plan (2018), as highlighted below.

Five building blocks

- I. Working with Leicester and Leicestershire’s existing, and distinctive settlement pattern
- II. Understanding national policies, bringing benefits to the area but controlling excessive development pressures
- III. Understand the local economy and how it is supported by the Government’s Midlands Engine Strategy (2017)
- IV. Understand the road and rail improvements highlighted in the Midlands Engine Strategy (2017)
- V. Protect environmental, historic and other assets

Four priorities:

1. Creating conditions for investment and growth – balancing the need for new housing and jobs with protection of our environment and built heritage
2. Achieving a step change in the way that growth is delivered – focusing more development on strategic locations – which will allow better planned communities in terms of housing, employment, transport and services
3. Securing essential infrastructure that is needed to make this happen – taking advantage of proposals to improve national and regional networks. This includes the provision of local public services as well as transport.
4. Maintaining the essential qualities of Leicester and Leicestershire and delivering high quality development – delivering 21st century garden towns, villages and suburbs

A Spatial strategy that...

- > Acknowledges scale of growth already in the pipeline as the result of local plans and planning permissions
- > Builds upon known road and rail infrastructure opportunities or commitments
- > Acknowledges that Leicester plays a role as the ‘central city’ supporting the market towns and rural areas, providing more jobs, leisure, arts, culture and entertainment facilities with strategy regeneration of the Waterside
- > Provides sites for housing and new jobs that make full use of existing services and infrastructure within Leicester City, increase capacity on the radial roads and improve public transport, cycling and walking
- > Prioritises the ‘expressway’ proposal for the A46 that is critical to many elements of this strategy, with the potential to accommodate 38,000 new homes and additional new jobs
- > Supports Leicestershire International Gateway
- > Prioritises the A5 Improvement Corridor to reduce congestion and deliver planned housing growth and industrial sites
- > Designates Melton Mowbray as a key centre for regeneration and growth
- > Designates the Managed Growth Areas of: Coalville, Hinckley, Loughborough, Lutterworth, and Market Harborough –applying the principles of sustainable growth and town centre regeneration
- > Limits growth in villages and rural areas to provide for local needs

More details at: <https://www.llstrategicgrowthplan.org.uk/>

INNOVATIVE

Global innovation leadership and increasing innovation activities across the whole business base

Priorities

1. Global innovation leadership

Supporting our outstanding R&D strengths and innovation achievements. All three universities in Leicester and Leicestershire are leaders in life sciences and health research and development. Loughborough University is world leading in sports science and technologies. Leicester is a world-leading hub for space and space-enabled industry driven by the University of Leicester. Research excellence in Leicestershire's higher education institutions includes 43 industry centres of excellence: 16 at Loughborough University; 16 at the University of Leicester; and 11 at De Montfort University. All universities are successful in commercialising their cutting-edge research and developing spin-out businesses. The corporate R&D facilities of 3M, IBM and PepsiCo are located here. We will further build on this by growing and expanding existing innovation and R&D strengths, and developing new ones. We will increase investment and activity in R&D and innovation and lever existing innovation and R&D capabilities from our leading corporations.

2. Increase and broaden innovation activity amongst businesses

Increase innovation activity amongst the wider SME and business base. Although the rate of innovation is low amongst the business base, there is significant interest in innovation and knowledge exchange amongst SMEs, and the MIT Regional Entrepreneurship Accelerator Programme has set out a tailored strategy to supercharge innovation and entrepreneurship in the region. Its main recommendations are to boost collaborative networks, improve innovation adoption and the skills needed for this, and to improve the rate of innovation amongst 'bootstrap' businesses – which form the majority of SMEs in Leicester and Leicestershire.

3. Successfully pioneer and apply emerging and new technologies

Helping businesses to successfully pioneer and apply emerging and new technologies to become more competitive and resilient. Many of those businesses who had, or applied the digital systems and online platforms to their businesses during the Covid-19 pandemic survived and were successful. All three universities in the region have specialisms in ICT, artificial intelligence, high performance computing, cyber security and digital technology – and are actively helping local businesses. Industry 4.0 will provide our advanced manufacturers with a competitive edge in future years. Business performance and success depends on technology and innovation adoption and transformation.

4. Innovation for sustainability

Innovation will need to be harnessed to help businesses survive and thrive as the economy transitions to sustainability and market regulations and customer expectations change. Certain sectors, such as Food & drink can, and already have been affected – such as by the transition to more plant-based diets. The supply chain and sustainability of textiles has already been questioned, and the switch away from fossil fuels will be a major challenge for the logistics sector.

INNOVATIVE - Priority 1: Global innovation leadership

Support our outstanding R&D strengths and innovation achievements

All three universities in Leicester and Leicestershire are leaders in life sciences and health research and development. Loughborough University is world leading in sports science and technologies. Leicester is a world-leading hub for space and space-enabled industry driven by the University of Leicester. Research excellence in Leicestershire’s higher education institutions includes 43 industry centres of excellence: 16 at Loughborough University; 16 at the University of Leicester; and 11 at De Montfort University.

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, Loughborough University’s Sports Dynamics Ltd and De Montfort University’s Game Changer Biotech. Leicestershire’s university spin-outs generated £12.75m of turnover in 2017/18. Leicestershire is home to the largest automotive testing facility in the UK at MIRA Technology Park, which leads on the development of autonomous vehicles and commands a vast advanced manufacturing supply chain to the UK and the world. Corporate R&D facilities include the 3M Group, AI Institute, PepsiCo and IBM.

INNOVATIVE – Priority 1: Global innovation leadership		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Grow and expand existing innovation and R&D strengths	Establish and resource the LLEP Innovation Board to drive forward accelerated innovation priorities.	Support expansion and growth of existing R&D strengths.
2. Develop new innovation and R&D strengths	Ensure the R&D sector has sufficient skills, capabilities and support to successfully retain and attract new R&D programmes.	Facilitate commercialisation and knowledge exchange with new R&D strengths.
3. Increase investment and activity in R&D and innovation	Support current R&D funding bids, innovation and knowledge transfer initiatives. Increase public and private investment in R&D and innovation.	Increase business R&D expenditure and number of businesses that are innovation active. Increase public and private investment in R&D and innovation.
4. Lever existing innovation and R&D capabilities including corporates	Retain and expand existing corporate and business R&D functions, and attract new ones.	Lever existing corporate R&D capabilities into new sources of open innovation and local value creation.

CASE STUDY: GLOBAL INNOVATION LEADERSHIP

SpacePark Leicester

By 2030, the global space market is expected to increase by 80 per cent to £400bn. 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. Based near the National Space Centre, Space Park Leicester is 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. SpacePark Leicester provides a significant global hub for businesses, researchers, academia and innovation. It enables 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 has delivered a 4,800 m2 facility for Earth Observation, business hosting and teaching. Additional phases will include an industry-academic collaborative environment on next-generation space engineering and AI data labs; and a Low-Cost Access to Space Manufacturing Facility for satellite constellations.

INNOVATIVE - Priority 2: Increase and broaden innovation activity amongst businesses

Increase innovation activity amongst the wider SME and business base

25.6 per cent of Leicester and Leicestershire firms that innovate are involved in active collaborations, ranking 36th out of 38 LEPs – there remains progress to be made in this. The latest economic data suggests that R&D expenditure was equivalent to 1.5 per cent of GVA for Leicestershire, Rutland and Northamptonshire – which continues to fall behind the UK average (1.7 per cent), and government target of 3 per cent in the longer-term.

43 per cent of establishments that have invested in digital technologies expect to need new skills as a result; 11 per cent expect to need to recruit them (rising to 20 per cent during Covid restrictions) while 37 per cent expect to need to develop them within their existing workforce (31 per cent during Covid restrictions). There is significant interest in knowledge exchange - there were 28,000 attendees at HE events in 2017/18 and there has been 10,000 attendees each year at Leicester Business Festival and Innovation Week.

The MIT Regional Entrepreneurship Acceleration Program (REAP) is a powerful global initiative that engages with communities to supercharge innovation and entrepreneurship ecosystems and transform economies. The Leicester and Leicestershire Ideas Taskforce has taken this forward, with a detailed analysis of the opportunities and challenges facing the region, and its “Bootstraps and Beacons” which combines an approach that seeks to upscale productivity and enhance existing innovation infrastructure.

INNOVATIVE – Priority 2: Increase and broaden business innovation activity		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Collaborative networks	Drive up opportunities for collaboration, knowledge exchange, pooling of resources, and applied problem solving. Provide mentoring and peer network support.	Develop new venues for knowledge exchange to encourage cross-fertilisation of skills from high R&D to low R&D businesses and sectors.
2. Innovation adoption	Improve the culture of innovation, and awareness of the business performance benefits.	Sector-focused accelerator programmes to improve connections and technology transfer between technology leaders and SMEs.
3. Innovation for bootstrap businesses	Develop support to accelerate incremental innovation undertaken in the majority of SMEs.	Develop skills and capabilities for innovation; provide risk/investment finance for innovation.

CASE STUDY: INCREASING AND BROADENING BUSINESS INNOVATION ACTIVITY

Cyber Security at De Montfort University

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.

INNOVATIVE - Priority 3: Successfully pioneer and apply emerging and new technologies

Businesses can successfully pioneer and apply emerging and new technologies to become more competitive and resilient

There were two types of business during the pandemic – those with the digital systems that meant their business and workforce were already online and could be rapidly digitally enabled – and those with very little digital presence and capability. There has been a big difference in the performance of these two types of business.

In 2020, 25 per cent of Leicester and Leicestershire businesses provided the facility for customers to order and pay for goods or services on their website. 20 per cent of businesses with an internet presence increased the facility for customers to do this during 2020. 45 per cent of Leicester and Leicestershire businesses have invested in digital technologies over the past 2 years, with an increase in 2020.

All three Universities in Leicester and Leicestershire have successful research specialisms in ICT, AI, high performance computing and digital technology, and support small businesses. The University of Leicester has a high-performance computing research lab and offers support from the Leicester Innovation Hub and Space Park Leicester to businesses and spin-outs. It's Schools of Mathematical and Computing Sciences conducts research in, and offers courses in knowledge discovery, AI/Machine learning, advanced software modelling and simulation such as digital twins, visualisation, face recognition, algorithms complexity and engineering, interaction design, evolution, validation and verification. De Montfort University's Innovation Centre is central to Leicester's digital tech scene and it has research expertise, and runs courses in computer science, artificial intelligence, software engineering, cyber security and digital forensics. Loughborough University's Department of Computer Science has research specialisms in Vision, AI, Autonomous and Human Centred Systems; Networks and Systems (NetSys); and Theoretical Computer Science (TCS) – and works in collaboration with organisations including BAE Systems, Toyota, Apical, Jennic, Arqiva, Sure, Sensinode and Rolls-Royce.

INNOVATIVE – Priority 3: Successfully pioneer and apply emerging and new technologies		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Help SMEs with digital transformation	Provide support to enable digital transformation in SMEs across a range of sectors.	Events, support materials and peer networks to demonstrate leading practice in digital business.
2. Help SMEs adopt and use emerging technologies	Development of business and university networks to support and advise on technology adoption.	Skills support for workforce to enable adoption of new technologies.
3. Lead the implementation of Industry 4.0	Audit current Industry 4.0 implementation and develop a peer network.	Provide support to manufacturing and engineering firms to implement Industry 4.0.

CASE STUDY: SUCCESSFULLY POINEER AND APPLY EMERGING AND NEW TECHNOLOGIES

MIRA Technology Park

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; over £300m of test facilities; 100km of specialised proving ground and 480 technical staff; and clustering with over 30 OEMs and Tier 1 suppliers. The MIRA Technology Institute also delivers specialist skills for the global automotive industry.

INNOVATIVE - Priority 4: Innovate for sustainability

Innovation plays a major role in responding to the climate crisis and transitioning to a sustainable economy. Businesses will need to innovate if they are to thrive in a future economy where customers prefer sustainable businesses and products, new regulations make current standard technologies and business practices unviable, and climate change introduces new risks and resource scarcity. Certain sectors, such as Food & drink can, and already have been affected – such as by the transition to more plant-based diets.

For example, Logistics and Distribution are facing significant challenges from climate change, legislation and changing consumer preferences. Ending sales of new petrol, diesel and hybrid cars and vans from 2030, as part of the UK Government’s Climate Change commitments, presents challenges for the UK Logistics and Distribution sector. Not only will suitable vehicles need to be provided, that use alternative, sustainable fuels, but the energy and charging infrastructure will need to be ready to support the switch to electric vehicles. As electric vehicles made up only 1 per cent of all vans sold in the UK in 2019 – this is an ambitious timescale for transition.

Traditional sectors such as fashion and textiles, and construction also face distinct challenges relating to climate change and sustainability. The fashion industry consumes large amounts of energy and has a well-documented record on pollution and waste. As consumers worldwide buy more clothes, the growing market for cheap items and new styles is taking a toll on the environment. Some industry players are taking steps, for example by developing new fabrics, cutting destruction of unsold goods, and ensuring products can be repaired or recycled. Some brands have committed to radical transparency in the supply chain, while several e-commerce platforms have enabled searches for sustainable brands. The coming years will be the toughest the engineering and construction industry has faced in a generation. In addition to its wider challenges of the shift to a net zero agenda, the sector often characterised as conservative and staid now has an opportunity to adapt and thrive. It can do so by adopting new operational models, overhauling building practices, and reimagining the public and private places we all inhabit.

INNOVATIVE – Priority 3: Innovate for sustainability		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Sustainable innovation leadership	Develop understanding of local innovation pioneers and adopters for sustainable economy and business.	Develop sustainable innovation leaders platform and advisory network.
2. Explore opportunities from low carbon and sustainable new technologies	R&D on initiatives to create early adopters and leaders amongst organisations and businesses in the region.	A sustainable innovation fund that forges new collaborations, disruptive and complementary innovations between existing R&D and technology strengths, and the region’s businesses.
3. Industry and community transitions	Explore and assess new funding mechanisms and incentives to stimulate R&D and innovation in helping the region’s industries and communities to transition to the low carbon, sustainable economy.	Deliver new funding mechanisms and incentives to stimulate R&D and innovation in helping the region’s industries and communities to transition to the low carbon, sustainable economy.

CASE STUDY: INNOVATE FOR SUSTAINABILITY

Cenex: the UK's first Centre of Excellence for Low Carbon and Fuel Cell technologies

Based in Loughborough, Cenex was established as the UK's first Centre of Excellence for Low Carbon and Fuel Cell technologies in 2005.

Cenex focuses on low emission transport & associated energy infrastructure and operates as an independent, not-for-profit research technology organisation (RTO) and consultancy, specialising in project delivery, innovation support and market development.

Recently, Cenex launched the first of a series of documents explaining the latest low emission road transport technologies alongside a four-week online course. The three "Insight" documents cover battery electric and hydrogen fuel cell vehicles and their required infrastructure, including how each works, the suitable applications for each technology, and the benefits and limitations.

INCLUSIVE

Create a resilient, adaptive workforce where all residents have access to skills and career progression and are paid the living wage

Priorities

1. Informed choices and routes to job and skills progression

Deliver services to prevent increases in youth unemployment, provide employer-led skills development, progression pathways and increase apprenticeships. Significant progress has been made in the provision of youth, employment and careers services, with the Enterprise Adviser Network, Careers Hub and Youth Employment Hub. In addition, projects like the Leicester Employment Hub, Construction Skills Hub and area ESF programmes support both young people and adults, along with the DWP and National Careers Service offers. We can make further progress on ensuring successful youth transitions from school into work, providing routes and pathways to job and skills progression, building on the improvements made to careers guidance so far. An important aim is to improve the quality, number and take-up of apprenticeships – particularly after the decline in participation over recent years, as well as taking advantage of new government initiatives such as the Skills Accelerator.

2. Improve skills and qualifications attainment and employability of the workforce

Reduce the flow of low skilled, poorly qualified individuals into adulthood, and address low qualifications and skills attainment in adults. While Leicester and Leicestershire has many well-qualified residents, its overall educational attainment lags behind the rest of the UK, and this is reflected in lower pay. We will seek to help school pupils catch up with learning missed during the pandemic and continue to improve education attainment standards. We will continue to develop strategies and joint working between employers, FE, HE and training providers for in-work training and skills. Support for adult education and skills is also an objective, particularly for those made redundant or changing careers. Employability skills, including core and soft skills will also be emphasised, as well as help to overcome barriers to participation in education, training and work - particularly as this can help to reduce long-term unemployment and youth disengagement.

3. Improve access to work, labour market inclusion and wellbeing at work

Improve access to work, labour market inclusion and wellbeing at work for all communities and residents. Covid-19 has compounded and deepened the pockets of deprivation in Leicester and Leicestershire. Prior to the pandemic, around 24 per cent of neighbourhoods (LSOAs) in Leicester were among the 10 per cent most deprived nationally. 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. Low incomes continue to be a concern in Leicester and Leicestershire. This priority aims to address the foundations of labour market exclusion, working conditions, and health. It seeks to help individuals to participate in education, training and the labour market, and to access and maintain employment. Wellbeing at work is also of increasing importance for those most at risk of health inequalities, economic exclusion and poverty

4. Improve job quality, in-work progression and pay

Improve the quality of jobs, in work progression and pay, and access to opportunity. In 2019/20, 24.2% of jobs were low-paid in Leicester and Leicestershire compared to the UK average of 20.1%. The quality and nature of jobs in the local economy, the scope for in-work progression and pay, and ensuring inclusive and fair access to labour market opportunities are also important aspects of the levelling-up agenda. We need to ensure good access to education and skills attainment, quality jobs, pay and prosperity – particularly amongst deprived or excluded individuals, households and communities. We also need to examine how communities and residents can access new areas of jobs growth – such as in the green economy.

INCLUSIVE - Priority 1: Informed choices and routes to job and skills progression

Deliver services to prevent increases in youth unemployment, provide employer-led skills development, progression pathways and increase apprenticeships

With a younger workforce than the national average in Leicester and Leicestershire, significant progress has been made in the provision of youth and careers services – including the Enterprise Advisor Network, Career Hub, Employment Hub, Construction Skills Hub and Youth Employment Hub, and established capacity and expertise in the non-profit and voluntary sectors. These needs will continue, with particular short-term pressures to ensure that support is in place for the young people at higher risk of unemployment and income loss during the pandemic. Longer-term, there are opportunities from government policy changes with the introduction of T-Levels, the Adult Skills White Paper and Local Skills Improvement Plans. Addressing the significant fall (reflected nationally) in apprenticeship starts and participation is also a key objective.

INCLUSIVE – Priority 1: Informed choices and routes to job and skills progression		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Successful youth transitions from school into work	Prevent young people becoming 'not in education, employment and training' (NEET), with support services and national programme delivery.	Sector representatives, FE and HE institutions work jointly to deliver an integrated FE and HE employer-led skills and guidance system.
2. Provide routes and pathways to job and skills progression	Identify pathways into employment and youth engagement in emerging, highly productive and buoyant sectors. Take advantage of government initiatives such as Skills Accelerator.	Integrated FE, HE, training provider and employer-led skills infrastructure for the low carbon, health, life sciences and logistics sectors.
3. Maintain and improve careers guidance	Continuity in the provision of Careers Hub and Youth Employment Hub services.	Continue to enhance careers and guidance services, including provision of labour market intelligence.
4. Improve quality, number and take-up of apprenticeships	Apprenticeship Strategy with businesses and delivery partners.	Increase apprenticeship numbers and take-up, supporting SMEs with this.

CASE STUDY: YOUNG PEOPLE HAVE INFORMED CHOICES AND ROUTES TO JOB AND SKILLS PROGRESSION

Careers Hub

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. The Careers Hub provides careers information and advice in each school and college, aiming to improve careers outcomes for all young people. Each school or college has a dedicated Careers Leader, who are either part of or have a direct link to their Senior Leadership Team. They work with other senior leaders, Enterprise Coordinators and their Enterprise Adviser to develop a vision for the institution's careers provision that includes high aspirations for all learners, making sure that they meet the Gatsby Benchmarks (The eight Gatsby Benchmarks are the foundation of the Careers Strategy, a statutory requirement for secondary schools and colleges) by the end of 2020.

CASE STUDY: YOUNG PEOPLE HAVE INFORMED CHOICES AND ROUTES TO JOB AND SKILLS PROGRESSION

Leicester College Construction Skills Certification

Leicester College has launched a new four-week Construction Skills Certification Scheme (CSCS) Construction Card Course level 1 that will enable students to qualify for a CSCS Green Card, required by contractors and major house builders to work on-site. By completing this course, students (both with or without previous experience in the construction sector) will also have the opportunity to qualify for a Traffic Marshal (Banksman) certificate of competence. Contractors and major house builders require their workers to hold a valid CSCS card and a Banksman license award would further increase employment opportunities. This course is delivered in partnership with Lendlease Construction, RMF (Construction Training Academy Ltd) and Jobcentre Plus. All students who successfully complete the course will receive a guaranteed interview with RMF.

INCLUSIVE - Priority 2: Improve skills and qualifications attainment and employability of the workforce

Reduce the flow of low skilled, poorly qualified individuals into adulthood, and address low qualifications and skills attainment in adults

While Leicester and Leicestershire has many well-qualified residents, its overall educational attainment lags behind the rest of the UK, and this is reflected in lower pay - in 2018, workplace earnings per week were over £60 below the English average, while resident earnings were over £50 lower.

By 2030, it is forecast that 42 per cent of jobs within Leicester and Leicestershire will require Level 4+ qualifications. 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. 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 jobs within the area.

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. The three most frequently identified skills needs by employers were communications, management and supervisory, and technical, practical or job specific skills. Core and soft skills were also emphasised.

INCLUSIVE – Priority 2: Improve skills and qualifications attainment and employability of the workforce		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Formal education and training	Help school pupils catch up with learning missed during the pandemic. Explore systemic causes of educational underperformance, including early years and aspirations.	Continue to improve educational attainment standards, and reduce the share of school leavers with no qualifications. Formulate long term strategies and solutions from early years to the end of school education.
2. In-work and work-related training and skills	Continue to develop strategies and joint working between employers, FE, HE and training providers.	Raise the levels of technical and work-related skills across the workforce.
3. Adult education and skills	Support for adult education and skills, particularly those made redundant or changing careers.	Reduce the number of residents with no qualifications.
4. Employability, core and soft skills	Provide employability counselling and development, and core and soft skills training as part of adult and youth unemployment and NEET initiatives, and as part of redundancy response.	Integrate employability, core and soft skills into apprenticeships and other training programmes.

CASE STUDY: IMPROVE SKILLS AND QUALIFICATIONS ATTAINMENT

Loughborough College Careers and Enterprise Hub

Loughborough College, in partnership with Loughborough University and Charnwood Borough Council, led a project to open a new Careers and Enterprise Hub in Loughborough town centre in 2021 – as part of the Loughborough Town Deal. The project aims to provide local people with access to learning, training and support services in the post-Covid economy and help fill the skills gap identified in the LLEP Economic Growth Strategy including communication skills, problem solving and resilience which are cited as the main issues for local people. At the local level the hub will provide a physical portal for those most economically at risk into skills and enterprise. The Hub will also be a delivery location for the government's Kickstart Scheme which will enable employers to offer six-month job placements for 16-24-year-olds at risk of long-term unemployment. Residents with business ideas will also be able to access specialist expertise and facilities at Loughborough University by initially accessing services at the Hub.

INCLUSIVE - Priority 3: Improve access to work, labour market inclusion and wellbeing at work

Increase access to education, training and work opportunities for all communities and residents

Within Leicester and Leicestershire, the labour market impact of Covid-19 has largely been a 'Leicester story'; 4 in 10 of those out of work in the county reside in the city, which has accounted for half of all new unemployment claims in Leicester and Leicestershire. These increases have largely been within deprived parts of the city already afflicted with high levels of worklessness and deprivation. Although the rate of redundancies is lower in Leicester and Leicestershire than nationally, the risks to workers remain.

Covid-19 has compounded and deepened the pockets of deprivation in Leicester and Leicestershire. Prior to the pandemic, around 24 per cent of neighbourhoods in Leicester are among the 10 percent most deprived nationally. 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. Low pay continues to be a concern in Leicester and Leicestershire.

The Covid-19 pandemic has laid bare the digital divide in society, with some residents and communities unable to afford devices, lacking the skills to use them, or in the case of some rural areas, cannot access high speed broadband or 4G or 5G mobile phone services. Employer surveys and consultations have identified that digital skills are expected to become more important - in particular, social media, basic digital literacy and data manipulation and presentation skills.

23.0% of the adult (16+) population of Leicester and Leicestershire are from Black, Asian or Minority Ethnic groups compared to 12.7% of the UK adult population. The region needs to better use the talents and diversity of its communities and workforce – and the make-up of entrepreneurs, business leaders and skilled workers needs to better reflect the ethnic and gender balance of the resident population.

Overall, Leicester and Leicestershire would benefit from a new, independent commission to examine inequalities and deprivation in the region and to develop a series of independent, objective insights and recommendations.

INCLUSIVE – Priority 3: Improve access to work, labour market inclusion and wellbeing at work		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Inequalities and deprivation commission	Plan and canvas the appetite for an independent commission on inequalities and deprivation for Leicester and Leicestershire.	Develop insights and recommendations from an independent commission on inequalities and deprivation, with partners responding with an action plan.
2. Redundancy response	Set up the Covid-19 Redundancy And Recruitment Service, involving LLEP, Futures, Leicester Employment Hub, the non-profit and voluntary sector and the Department of Work and Pensions.	Operate the Redundancy and Recruitment Service and deliver effective careers, employment and retraining advice to redundant workers through DWP, NCS and other partners.
3. Reduce digital poverty	Deliver Leicester and Leicestershire Digital Skills partnership to address digital skills deficiencies in the workplace and wider society.	Identify and deliver further initiatives to reduce digital poverty.
4. Wellbeing at work	Embed wellbeing at work initiatives for those most at risk of health inequalities, economic exclusion and poverty.	Develop broader strategic partnership and initiative for wellbeing at work for all employers and employees.

CASE STUDY: INCREASE ACCESS TO EDUCATION, TRAINING AND WORK OPPORTUNITIES FOR ALL COMMUNITIES AND RESIDENTS

Barratt Developments and SMB Group’s Construction Partnership and Social Mobility Pledge

The SMB Group, a successful merge of two Leicestershire colleges, Stephenson Colleges and Brooksby Melton Colleges, covers a wider range of vocational provision and has some very strong employer links.

One of their thriving partnerships is their work with Barratt Developments, a huge Bardon-based construction company. SMB engaged with Barratt Developments to support them with challenges related to building a pipeline of joinery and bricklaying skills, starting with a pilot programme two years ago.

In addition, Barratt Developments has created a new action plan to address social mobility as a barrier to career opportunities in the housebuilding sector. Barratt Developments approached SMB for a venue to launch this new Social Mobility Pledge. The Social Mobility Pledge was launched by former Secretary of State for Education Rt Hon Justine Greening – co-founder of the initiative.

The SMB Group offers a range of different apprenticeships and full-time study programmes, offering different routes into the Construction industry and therefore working towards meeting the needs of local skills gaps.

CASE STUDY: INCREASE ACCESS TO EDUCATION, TRAINING AND WORK OPPORTUNITIES FOR ALL COMMUNITIES AND RESIDENTS

Reaching People: The University of Leicester and Leicester College supporting leaders and managers in the voluntary sector

The focus of the training support identified with Reaching People was specifically targeted on developing team leaders and managers within the voluntary sector and supporting their professional development. This was enabled by the University of Leicester utilising a significant amount of their apprenticeship levy through the levy transfer facility, enabling identified local Leicestershire SME charities to benefit 100% training cost of apprenticeship training provided by the University for their identified apprentices. Leicester College worked with local voluntary sector employers promoting the potential support to Reaching People and its delivery partners.

To date three Leicestershire based, voluntary sector employers have taken up and benefitted from the apprenticeship training support. Going forwards the University have committed to using their levy to fund more opportunities for local Leicestershire SME voluntary/charitable organisations, and we expect the numbers of key local support service organisations to continue to grow, that benefit from the apprenticeship training opportunities.

INCLUSIVE - Priority 4: Improve job quality, in-work progression and pay

Improve the quality of jobs, in work progression and pay, and access to opportunity

In 2019/20, 24.2% of jobs were low-paid in Leicester and Leicestershire compared to the UK average of 20.1%. Leicester has a particularly acute low-pay problem, with almost 3 in 10 jobs in the city paying below the Living Wage, whilst the Centre for Cities ranks Leicester as having the 9th lowest median pay out of 63 cities. 81,800 households were in relative poverty in Leicester and Leicestershire pre-Covid; half of these were in Leicester, with the city's 33% relative poverty rate the 7th highest out of 181 urban authorities nationally.

Leicester and Leicestershire's poorest communities have been more acutely impacted by the Covid-19 pandemic and evidence shows that the lowest income neighbourhoods have experienced the biggest increase in unemployment. Conversely, more affluent areas, particularly within suburban and rural/market towns have generally experienced low levels of unemployment and furlough, high rates of homeworking, higher levels of retail and leisure footfall and consumer spending, and lower levels of virus transmission and deaths.

The quality and nature of jobs in the local economy, the scope for in-work progression and pay, and ensuring inclusive and fair access to labour market opportunities are also important aspects of the levelling-up agenda. We need to ensure good access to education and skills attainment, quality jobs, pay and prosperity – particularly amongst deprived or excluded individuals, households and communities. We also need to examine how communities and residents can access new areas of jobs growth – such as in the green economy.

INCLUSIVE – Priority 4: Improve job quality, in-work progression and pay		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Real living wage	Develop a strategy and drive collaboration across partners to support the Real Living Wage for employers and employees.	Provide advice and support to employers to implement the Real Living Wage.
2. Access to green jobs	Examine role of green jobs as a means of providing quality jobs and in-work progression as part of work to analyse skills pathways for green jobs.	Reskilling programme for transition to green jobs, targeted at those most at risk of long-term unemployment.
3. Inclusive and fair labour market	Embed open and inclusive recruitment and HR practices within the region's employers, using enterprise support services and initiatives as necessary.	Ambition for jobs and skills structure to reflect the diversity of local residents and communities.

SUSTAINABLE

A leader in low carbon solutions, with sustainability principles built into everything we do

Priorities

1. Sustainable places, city and town centres

Create adaptable and resilient town and city centres, rural areas and urban communities, delivering sustainable sites for housing and jobs in strategic locations that can be serviced by sustainable transport, and protect the environment and built heritage. City and town centres have been impacted significantly by the pandemic, with local retail (excluding food) and leisure footfall up to 80% lower during the past year, whilst the shift to online shopping has accelerated. The demand for new homes continues to increase. Development and redevelopment must be delivered sustainably, going forward – as prioritised in *The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth*. Homes must be affordable and green, and sites for new employment space and premises must be low carbon developments.

2. Sustainable transport and connectivity

Build and promote sustainable modes of transport, decarbonize road transport and improve broadband connectivity whilst also supporting healthier growth. 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 require rail improvements, and increased modal shift from private to public and sustainable transport. Road improvements to the A46 and A5 are vital to housing and employment growth, but at the same time decarbonising road transport and improving internet connectivity, particularly for rural areas, are also required to meet sustainable development goals.

3. Sustainable energy

Increase renewable energy generation and implement smart energy networks. Renewable energy could generate 6,700 gigawatt hours per year – enough to meet total electricity demand in the region today, and in 2050. To achieve this, 125 megawatts of renewable energy generation needs to be installed every year up to 2050. Another barrier to energy efficiency is that power networks are stressed, and more efficient energy infrastructure and networks need to be installed, including ‘smart streets’ networks.

4. Sustainable business

Support business decarbonization and sustainable business practices. To achieve carbon saving targets and increase the environmental sustainability of the local economy – businesses will need to decarbonise, reduce resource use and waste, and adapt to new business models and conditions. This will involve support for resource and energy efficiency measures amongst businesses, improved resource and waste management, and help for businesses adapt to greener supply chains and the circular economy model. Businesses will require advice and support for the low carbon transition, including low carbon skills pathways and provision.

SUSTAINABLE - Priority 1: Sustainable places, city and town centres

Create adaptable and resilient town and city centres, deliver sustainable sites for housing and jobs in strategic locations that can be serviced by sustainable transport, and protect the environment and built heritage

City and Town Centres have been impacted significantly by the pandemic, with retail (excluding food) and leisure footfall up to 80 per cent lower during the past year, whilst the shift to online shopping has accelerated. This strategy proposes an approach that is flexible and adaptable to the different dynamics and opportunities facing the city centre and each town centre. For example, the residential housing market in Leicester City Centre is different to the market towns, as is the commercial property market.

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. Analysis from the 2018 Energy Infrastructure Strategy suggests that insulation improvements to the domestic housing stock alone would save close to 500 ktCO₂ annually, bringing fuel bill savings of £100m for domestic consumers and £50m for businesses each year.

By prioritising sustainable sites and developments, this will help to deliver and progress *The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth* priorities 1) Creating conditions for investment and growth – balancing the need for new housing and jobs with protection of our environment and built heritage; and 2) Achieving a step change in the way that growth is delivered – focusing more development on strategic locations – which will allow better planned communities in terms of housing, employment, transport and services. The local plans prepared by the seven districts and the Waste Local Plan prepared by Leicestershire County Council are also important policies within which this economic strategy will be realised.

The natural capital assets of Leicestershire have an annual value of £388.45 million, with agricultural habitats generating £180.91 million annually. There is a risk that future development does not consider natural capital and green infrastructure. Threats such as air pollution are continuing unabated. There is a need to restore and regenerate urban environments.

SUSTAINABLE – Priority 1: Sustainable places, city and town centres		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Sustainable development and renewal of city and town centres	Support the economic viability and vitality of town centres and the city centre during recovery from the Covid-19 pandemic. Continue the development of a range of Business Improvement District, City and Town Centre Recovery Plans, utilising funding opportunities such as the Towns Fund and Levelling Up Fund.	Support and enable the sustainable transition and adaptation of town and city centres into new uses including residential and business use. Continue to make the case for east-west rail improvements and rail electrification. Increased emphasis on sustainable travel options for new housing sites.
2. Sustainable and affordable housing supply	Demonstrate exemplar low carbon developments, particularly on publicly owned land and continue with retrofit energy efficiency measures. Develop low carbon and sustainable housing strategy and action plan.	Introduce mechanisms and incentives which result in step-changes to carbon savings and sustainability – including building systemic solutions such as low carbon heating networks and systems. Adapt housing standards to result in higher carbon savings and energy efficiency.
3. Enhance biodiversity and preserve natural capital	Develop a Natural Capital Investment Plan, and deliver the roadmap the recent Natural Capital Review Report set out for Leicestershire.	Deliver the Natural Capital Investment Plan to achieve a net gain in biodiversity in development and minimise the loss of existing habitats.
4. Sustainable sites and buildings for economic growth	Demonstrate exemplar low carbon developments, particularly on publicly owned land and continue with retrofit energy efficiency measures. Develop low carbon and sustainable employment land strategy and action plan.	Introduce mechanisms and incentives which result in step-changes to carbon savings and sustainability – including building systemic solutions such as low carbon heating networks and systems. Adapt building standards to result in higher carbon savings and energy efficiency.

CASE STUDY: SUSTAINABLE PLACES, CITY AND TOWN CENTRES

Transforming Cities Fund

Leicester is one of twelve areas to be chosen to bid for the DfT’s £1.2 billion Transforming Cities Fund, aimed at improving local productivity through sustainable transport projects.

The City Council is working with partners, including the County Council, bus and rail operators, to develop a major works programme to deliver the ‘Connected Leicester Hub and Spoke Plan’. The vision is to transform central Leicestershire into Britain’s most sustainable and prosperous place to live and work, by delivering an ambitious programme of public and sustainable transport schemes that will support city, regional and national economic growth.

The strategy would address transport barriers to growth by delivering sustainable transport provision across the City Centre and also connecting to the North West /South West sectors of the city where major employment hubs are located, and large-scale housing/employment urban extensions are underway or planned.

The programme will focus on providing high quality public transport, cycling and walking corridors on key radial routes into the city; fully integrated and connected city centre transport hubs; new and enhanced electric park and ride services; and making journeys easier and quicker through use of coordinated smart ticketing and quality travel information.

The council has secured £8.4m initially to deliver cycling and walking corridor improvements linking to the city centre and electrification of the Birstall Park & Ride service.

CASE STUDY: SUSTAINABLE PLACES, CITY AND TOWN CENTRES

Enhance biodiversity and preserve natural capital: The National Forest

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 its inception, over 9 million trees have been planted across 200 square miles and forest cover has increased from 6 per cent to 21 per cent, creating a new mixed habitat forest.

This landscape once scarred by clay and coal extraction is being restored to patchworks of woodland which support: new low carbon and circular economies; an increase in social capital through community interaction; new habitats for wildlife; and green infrastructure to sequester carbon, reduce flooding and improve water and air quality.

The National Forest provides a more sustainable and positive future for the next generation and 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 within 90 minutes travel distance.

SUSTAINABLE - Priority 2: Sustainable transport and connectivity

Build and promote sustainable modes of transport, decarbonize road transport and improve broadband connectivity whilst also supporting healthier growth

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. It is critical to support local road and rail improvements, especially sustainable forms of transport, and ensure that rural transport provision effectively links people to jobs. HS2 and the East Midlands Hub Station also provide opportunities to decarbonise transport. To address rural isolation and connectivity, there is a need to improve rural broadband, Wi-Fi and 5G connectivity, focussing on specific rural blackspots.

The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth notes major infrastructure improvements will be needed to unlock land for development and accommodate new growth focussed on major transport corridors, which include:

- Investment in city transport infrastructure to support improved accessibility to and within the city – principally the hub and spoke plan for bus corridors and park and ride and cycling/walking corridor improvements
- Improvements to the city centre to improve it as a travel hub including rail and bus station enhancements together with connecting links
- A new A46 link road to the south and east of Leicester, connecting the M1 to the south-west and A46 to the north-east of Leicester, to create a new priority growth corridor to unlock substantial housing growth
- Upgraded A5 and A42
- Improvements to the M1
- Improved railway lines and services from Leicester to Coventry and Birmingham, as well as improvements to the Midlands Mainline and a link to HS2 at Toton
- Potential new rail services, including possible re-opening of the Leicester to Burton railway line;
- Investment in a new outer distributor road for Melton Mowbray, as part of a wider Melton Mowbray Transport Strategy that enables the delivery of substantial numbers of new homes; and identification of, and improvements to, the Major Road Network, including works to reduce congestion, improve safety and address environmental issues along the A511/A50 corridor, which supports the delivery of new homes.

It is further noted, in *Leicester and Leicestershire Strategy Transport Priorities 2020-2050* that delivery of the growth strategy will require alignment of local, regional and national infrastructure plans and strategies and substantial funding from Government, LLEP, Midlands Connect and the private sector.

Transport sustainability will need to be built into all of our economic ambitions and plans. For example, we need to be particularly mindful of the associated carbon impact of tourism sector growth from increased visitor numbers. The Tourism Growth Plan promotes support for the low-carbon agenda by encouraging local attractions to develop green travel plans. Improving the legibility of transport options and routes will help support our growth ambitions (48% of overseas visitors surveyed by Visit Britain in 2013 were nervous about driving in the UK and saw this as a

barrier to travel beyond London). The logistics sector, which is a local success story, will need to incorporate alternatives to fossil fuels and adopt new innovations and methods of working.

SUSTAINABLE – Priority 2: Sustainable transport and connectivity		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Improve rail infrastructure and services	Accelerate the pipeline of local rail infrastructure projects, in order to generate commitment and investment.	Improve East-West Rail speeds, rail electrification and connectivity and the sustainable transformation that Leicester Railway Station improvements will bring. Support greater use of rail freight transport.
2. Improve public and modal shift to sustainable forms of transport	Continue to deliver and improve public transport services, and sustainable modes of transport.	Promote sustainable modes of transport including walking and cycling. Build on HS2 connectivity to make public transport improvements. Embed sustainable transport into relevant economic priorities such as the visitor economy.
3. Decarbonise road transport	Identify opportunities to add further green credentials to current transport plans.	Expand zero and ultra-low emissions vehicles and charging, including HGV refuelling. Support zero emissions connectivity and wider uptake of such vehicles by the public sector, private sector.
4. Connected places, households and businesses to reduce carbon emissions	Improve digital connectivity through broadband, Wi-Fi and 5G connectivity, particularly in rural blackspots.	Develop a plan for SME adoption of 5G technologies and 5G test beds. Improve network connectivity, particularly in rural blackspots.

CASE STUDY: SUSTAINABLE TRANSPORT AND CONNECTIVITY

Superfast Leicestershire

The Superfast Leicestershire programme is bringing superfast broadband to as many premises in Leicestershire as possible. As of 2019, more than 75,000 homes and business have received high speed broadband with a minimum speed of at least 24Mbps, while all premises now have access to at least 2Mbps.

The programme is being led by Leicestershire County Council in partnership with BT with support from the other local authorities, government, European Regional Development Fund and Leicester and Leicestershire Enterprise Partnership from the Local Growth Fund.

Since 2013, superfast coverage in Leicestershire has increased from 81 per cent to 96 per cent, with plans in place to further extend coverage over coming years.

SUSTAINABLE - Priority 3: Sustainable energy

Increase renewable energy generation and implement smart energy networks

Progress has been made in the development of an Energy Infrastructure Strategy for Leicester and Leicestershire in 2018 – which suggested that the majority of the technical potential for renewable electricity in the region remains unexploited. Renewable energy could generate 6,700 GWh/yr – enough to meet total electricity demand in the region today, and in 2050. This potential is dominated by wind (6,000 GWh/yr remaining potential) with the remainder from solar PV, biomass, energy-from-waste and other sources. If deployed to its full potential, this would require 125 MW of renewable energy generation to be installed annually in the Leicester and Leicestershire region between now and 2050.

Another barrier to low carbon energy is that power networks in the region are stressed, and there is little headroom in electricity generation, or for more efficient, flexible power grids. A central objective set out in the Clean Growth Strategy is to enable a smarter, more flexible system by expanding interconnection, electricity storage and demand side response (DSR). Energy storage is an opportunity, particularly the need to rapidly scale up electric battery production in the UK.

There are also opportunities from developing heating systems and networks for homes and businesses. The use of ground and water source heat pumps, and industrial sources of waste heat represents an opportunity to reduce carbon emissions and improve environmental sustainability. Finally – we must consider how we implement sustainable energy systems and technologies on the strategic development sites, such as the remaining EZ sites and the new Freeport sites and those detailed in *The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth*.

SUSTAINABLE – Priority 3: Sustainable energy		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Increase renewable energy generation, use and storage	Identify strategic sites and initiatives for renewable energy generation, storage and battery production.	Increase local renewable energy generation in wind, biomass, biogas, hydro and solar PV. Explore opportunities for energy storage facilities and battery manufacture.
2. More efficient energy infrastructure and networks	Develop initiatives to monitor energy generated by local renewable sources. Deliver ‘smart streets’ demonstration sites showcasing the latest approaches to energy efficiency, smart controls, batteries and other innovations.	Create a smarter, flexible electricity grid. Integrate smart streets into new housing and employment site developments.
3. Low carbon energy and heating systems for homes and businesses	Feasibility studies for heating and energy networks for homes and businesses.	Delivery of heating and energy networks and systems for new housing and employment sites and premises.

CASE STUDY: SUSTAINABLE ENERGY

Energy Infrastructure Strategy for Leicester and Leicestershire (2018)

This strategy suggested that the majority of the technical potential for renewable electricity in the region remains unexploited. Renewable energy could generate 6,700 GWh/yr – enough to meet total electricity demand in the region today, and in 2050. This potential is dominated by wind (6,000 GWh/yr remaining potential) with the remainder from solar PV, biomass, energy-from-waste and other sources. If deployed to its full potential, this would require 125 MW of renewable energy generation to be installed annually in the Leicester and Leicestershire region between now and 2050.

Natural gas is consumed mostly to meet heating and hot water demand in homes, businesses and industry, and oil is consumed mainly in the transport sector. In order to decarbonise these sectors, further energy efficiency and a transition to alternative, low carbon fuels for heating and transport are necessary. For heating, this could include electricity (in heat pumps or modern electric heating), bioenergy (solid biomass or renewable gas), waste heat and/or low carbon hydrogen; for transport, this could be achieved by deploying electric vehicles (EVs) and/or hydrogen-based fuel cell electric vehicles (FCEVs).

The strategy highlighted opportunities for addressing carbon reductions further including: home improvements and insulation; exemplar low carbon development on publicly owned land; a one-stop shop for energy efficiency retrofit; accelerating the shift to low carbon transport; supporting electric cars and vans; a strategic plan for HGV refuelling and rapid charging hubs; delivering clean, smart, flexible power; providing a more efficient, flexible and smart electricity grid; and increasing renewable energy generation capacity.

SUSTAINABLE - Priority 4: Sustainable business

Support business decarbonization and sustainable business practices

Business activities will need to change in order to address 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 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. Businesses in Leicester and Leicestershire have been showing the way – as demonstrated by East Midlands Airport which was the first of any UK airport to make a commitment to achieve carbon neutral ground operations by 2012, but they need further support, particularly SMEs and microbusinesses.

Businesses must become environmentally sustainable to survive and thrive in the future, and this will impact on all aspects of business activity – including products and services, location and premises, supply chains, material inputs, waste management, energy, transport and logistics, waste, and skills.

There are business opportunities from developments such as renewable energy. Current strengths in Leicester and Leicestershire Low Carbon Environmental Goods and Services (LCEGS) sub-sectors include Wind, Building Technologies, Alternative Fuels, and Photovoltaics. Yet significant skills gaps are present in the region in Production Engineers, Power Distribution Engineers, and Technicians.

SUSTAINABLE – Priority 4: Sustainable business		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Resource and energy efficiency	Engage with local and regional low and zero carbon programmes to ensure matches with local business and clusters.	Provide advice and support for business resource and energy efficiency.
2. Circular economy and supply chains	Map out zero carbon and circular economy business opportunities within the local economy. Create a new waste strategy to increase and improve recycling.	Enterprise support and advice to develop low carbon and sustainable supply chains.
3. Low carbon and sustainability transition planning and support	Business focus group and peer network to transfer best practice in reducing emissions and environmental impact. Develop support and advisory tools as part of Business Gateway Growth Hub.	Guidance and training to support business decarbonisation and sustainability. Implement suite of support and advisory tools as part of Business Gateway Growth Hub.
4. Low carbon skills pathways and provision	Set out the investment requirements for our local zero carbon development needs and work with partners to match the associated training and skills routes and business opportunities.	Develop capacity among local providers for the delivery of training in low carbon technologies.

CASE STUDY: SUSTAINABLE BUSINESS

The Green BELLE project: providing grants for low carbon, energy efficient improvements to business premises

The Green BELLE (Business Energy in Leicester and Leicestershire) project can provide grants of up to £10,000 to small and medium-sized businesses (SMEs) to help cover the costs of low carbon, energy-efficient improvements to their premises. The project is run by Leicester City Council's sustainability service with support from Leicestershire County Council. So far, the scheme has provided up to nearly £785,000 worth of business grants to 142 local businesses. The aim of the project is to support up to a total of 293 businesses by June 2023. This will provide energy savings of up to 2,493 tonnes of CO₂e per year, equivalent to the amount of energy used in 399 "typical" homes.

Green BELLE grants can be used as support for a wide range of low-carbon and energy-efficient measures, such as installing efficient heating systems, low-energy lighting, insulation, or solar PV panels. Grants can be awarded to cover up to half of the total costs, with the remaining amount required from the business as match-funding. Businesses have also benefited from significant reductions in their energy bills as a result of improvements made through the Green BELLE scheme



LLEP BOARD OF DIRECTORS

21 SEPTEMBER 2021

Discussion Paper

LOCAL ENTERPRISE PARTNERSHIP (LEP) REVIEW

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the Board with an update on the government led review of LEPs.

2. RECOMMENDATION

- 2.1 The Board is recommended to note and discuss the report.

3. BACKGROUND INFORMATION

- 3.1 The Board of Directors were provided with a briefing paper on the LEP Review on 13 August which confirmed that the timing of the review will now align with the launch of the Levelling Up White Paper and Spending Review in the Autumn. The government has announced that the Spending Review will be on 27 October 2021, but the date for the publication of the White Paper has not been confirmed. Engagement between the LEP Network and government officials has continued over the past month, including the preparation of engagement materials to enable all LEPs to update their local MPs. Letters to all LLEP area MPs were sent ahead of a meeting that the Chair and Chief Executive have with them on 17th September.
- 3.2 The LEP Review Campaign Plan, attached as Appendix 1, sets out the timetable and key actions that the LEP Network and individual LEPs will be taking in the lead up to the Spending Review. In addition, the LEP Network, in consultation with the LEPs have agreed a core script for the campaign (Appendix 2) which will be used in our communications with key stakeholders and partners over the coming weeks.

Summary of appendices

1. LEP Review Campaign Plan
2. LEP Core Script

For further information please contact

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LEP Review - closing the deal

LEP Network

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Build on the last two years' work...

- Multiple inputs into policy influencing groups: Select Committees, APPGs, SR, Budget, CRC, BAC, etc.
- Pivoting to engage with No10 and Levelling-Up Unit as dynamics shifted.
- Close ties with BROs – CBI, FSB, BCC, IoD
- Better engagement with LGA, DCN, CCN etc.
- Recognised as a much more impactful, cohesive community



And traction...



Jenrick's reorganisation inconsistency raises political suspicions
NICK GOLDING, EDITOR

POLITICS FINANCE SERVICES IDEA EXCHANGE INVESTMENT OPINION PODCAST EVENTS JOBS

DEVOLUTION AND ECONOMIC GROWTH

Revealed: Government thinking on future role of leps

14 JUNE 2021 | BY JESSICA HILL

Government plans for the future role of local enterprise partnerships (LEPs) have emerged as part of a large-scale Whitehall review, which the country's most senior representative of leps claims will lead to their "evolution" rather than their demise, as some had predicted.

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LEP Network: Don't muck around with boundaries

By Dan Peters | 02 June 2021

The chair of the organisation representing local enterprise partnerships (LEPs) has warned the Government 'not to muck around' with the areas they represent.

An ongoing government review of England's 38 LEPs is expected to consider the most effective size and number of institutions.

Chair of the LEP Network, Mark Bretton, who has been involved in talks with the Government's cities and local growth unit, said officials had so far not disclosed their intentions on geographical reform.



councils could be cut out of LEP role

By Dan Peters | 05 August 2021

Councils may be stripped of their role in the governance of local enterprise partnerships (LEP) by an ongoing all-options-on-the-table government-led review.



POLITICS FINANCE SERVICES IDEA EXCHANGE INVESTMENT OPINION PODCAST EVENTS JOBS

FINANCE

Here's why councils can't make 10-20-year plans, Mr Jenrick

07 JULY 2021 | BY NICK GOLDING

The communities secretary's call for long-term planning suggests he fails to understand the lack of stability which results from his own government's policies, writes LGC editor Nick Golding.

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LEP Network: Councils should have greater role in review

By Dan Peters | 24 June 2021

Councils should have a greater role in the Government's ongoing review of local enterprise partnerships (LEPs), a key figure has said.

The review of England's 38 LEPs is expected to consider the most effective size and number of the institutions.



Jenrick's reorganisation inconsistency raises political suspicions
NICK GOLDING, EDITOR



The Challenge remains...

- Hearts & minds battle with Ministers (esp. HMT).
- Secure future function amid new policy shift to ‘Levelling-Up’ agenda – our role in Plan for Growth, Ten Point Plan, Net Zero
- Ramp up influence with Ministers and MPs.
- Key window of opportunity 6th-23rd September when MPs fully return and minds more focussed.



Focus on future value



Securing **investment** making it happen.
Ellesmere Port.

Net Zero needs strong local support esp for SMEs
and local business – UK BIC Coventry.



And future function, leveraging 10 years of credentials



Lithium production in Cornwall as part of **EV battery** supply chain.



LEPs investing in **low carbon innovation** –
GBSLEP Low Carbon Grant Fund

Under agreed priorities

- **Strategic function:** (post pandemic recovery, place-based economic expertise and driving Net Zero)
- **Local sectors & industries:** identifying interventions to make them more competitive, exploiting place-based opportunities.
- 75 • **Tailored business support:** joined-up, expert tailored business advice and support for local businesses.
- **Existing Projects:** Remainder of LGF, c£500bn in GBF + EZs, Freeports, Town Deals, ESIF/ESF etc.



Campaign to include...

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- **Core Script messages:** to support letters & meetings with Ministers & MPs.
- **Exploit Events:** SR21, conference hot topics, HMT Net Zero Strategy, DMO Consultation, LUWP etc, to generate topical connection with future value.
- **News:** Launch with 'future value' story from every LEP on a key aspect linked to LU, Net Zero, Innovation, Business Support – e.g. support with **#FutureValue w/c 6 September**.
- **Virtual Roundtable:** target MPs in sub regional groupings etc **w/c 13th September**.
- **Op-Ed or Interview:** from Mark B to MJ/LGC and/or BRO publications, local media.
- **Advocacy:** Generate support from 3rd parties and utilise BAC here.
- **Business:** LEP Board business leaders in their capacity as heads of business to write to MPs/Ministers AND solicit collateral support from other local businesses/leaders.
- **Digital strand:** to support all of the above.



Key Timeline

- **27 AUG:** Key script and outline letter messages copy ready.
- **30 AUG (w/c):** Ongoing event timetable for news initiatives.
- **3 SEP:** NR and messaging for launch out to LEP Comms Leads.
- **W/C 6 SEP:** Core Op-Ed/Article also to LEP Comms Leads.
- **W/C 6 SEP:** Business push by LEP Board/local business contacts.
- **W/C 13 SEP:** Virtual roundtables.



LEP Network
'Future Value'
Core Script**BACKDROP**

LEPs are part of the wider Levelling-Up debate, more specifically, the outcome of the Levelling Up White Paper. Landing any future local business function through that lens and establishing a future value that can help deliver both the Levelling-Up agenda and Plan for Growth is vital. The **campaign aims** to:

- Land an evolved role and clear future value for LEPs in the minds of ministers.
- Ensure that local businesses continue to have clear representation and support in their area to drive the recovery and Levelling-Up ambitions.
- Show we cannot afford to jeopardise support to local SMEs, or destabilise the local partnerships between private sector, public sector, academia and third sector which the LEP provides.
- Secure a clear Cabinet sponsor and champion
- Move towards a proper funding settlement that gives LEPs certainty in attracting and retaining the best business talent.

It creates a regular drumbeat of news and communications from LEPs to Ministers, MPs and media platforms primarily from 6 September – 23 September but also in run up to LU White Paper and CSR.

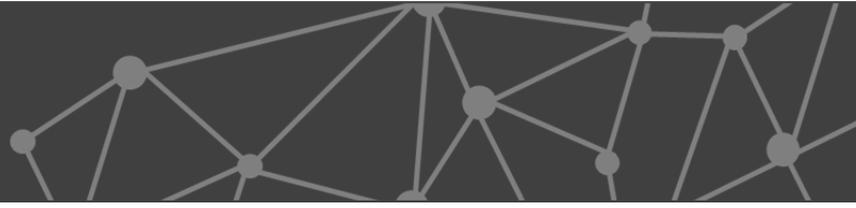
Looking to avoid a history lesson of past achievements, more focus on how current examples and projects demonstrate future value in relation to both the [Plan for Growth](#) and PM's [Levelling-Up speech](#). The main theme is one of LEP Future Value, with **#LEPFutureValue**, as a linking thread.

Approach is anchored in the Prime Minister's [Levelling-Up speech](#) on the 15 July, our messaging reflects:

- How **evolved LEPs will play a key role** in ensuring that “we have begun to raise living standards, spread opportunity, improved our public services and restored people’s sense of pride in their community”.
- **The leadership and impact within the private, education and public sectors** that adds significant value to the shape of the Levelling-Up ambition.
- The impact an **enhanced and expanded LEP led business support** system can have.
- LEPs as the most efficient and cost-effective mechanism for **levering private sector funding** into local and regional economic and skills development.
- **Ideas for the future** as well as **best case examples** in the core Levelling-Up areas below that play to LEP key strengths.
- Ensure Levelling Up is positioned as a UK **holistic issue for all regions**, not a north/south divide.

TOP LINES

- Unique **partnership** of over 2,000 business, 180 Local Government and 250 FE/HE leaders.
- **Catalysts** for local change, identifying and exploiting local business opportunities for the **Plan for Growth**.
- Exceptional **convening and brokering capability** with local partners coming together at pace in pursuit of a common goal unlocking crucial developments that other organisations and partnerships have been unable to deliver on their own.
- Focused on delivering the **five future values**. That’s what Levelling -Up is all about.
 - **Net zero**: enabling business to invest in Net Zero technologies and practices.
 - **Innovation**: collaborating with universities on innovation, R&D and productivity.
 - **Business support**: delivering tailored business support across the country.
 - **Private investment**: stimulating local investment to transform local economies.
 - **Skills**: ensuring local skills reflect the needs of local economies.
- We can’t afford to jeopardise that support to local SMEs, or destabilise the local partnerships between private sector, public sector, academia and third sector which the LEP provides.



DETAILED POINTS

We need to demonstrate LEPs' unique **future value** of the local business function and how this plays into the new policy shift and work of Levelling-Up Unit. This focuses on the following policy areas and each LEP will have examples in each of these areas and which the Levelling -Up unit can potentially include in the White Paper:

Net Zero

- Leading the private sectors local green revolution, enabling businesses to **invest in Net Zero technologies** and practices. By scaling up innovation and pooling business know-how we are accelerating local areas to net zero goals.
- We support local businesses in their **journey to net zero** in sectors from retail and tourism to housing and manufacture – BEIS roundtables clearly demonstrate that.
- Enable **faster decarbonising** of electricity, transport, and housing, directing historic levels of innovation and investment in the ground-breaking technologies that embed change, and accelerate the UK to a green economy that is creating real jobs for local people.
- Targeting **public and private funding to help SMEs** overcome barriers to investment and focusing on how areas can decarbonise intensive industry.
- Using our **unique partnership with schools** to inspire the next generation to develop the skills they will need to take up the low carbon jobs of the future.
- We are **future catalyst for local action** on the ground: whether North East on its way to becoming the UK's first cluster for low carbon heat innovation, geothermal technology and lithium extraction in the South West to help meet demand for the UK's battery manufacturing for EV, or hydrogen developments in the Humber etc...

Innovation

- **Adopting and diffusing** new technology among businesses.
- LEPs' **integrated working** with Universities, Catalysts, Catapults, Enterprise Zones and Freeports provides the environment and incentive for the **private sector to invest in** innovation.
- Driving more **R&D** that already sees over **300 collaborations with universities** and FE colleges to push and commercialise new technologies of the future, many tied to Net Zero.
- Local **sector expertise** can rapidly support firms and sectors in **future industries** and speed up commercial production, often with seed funding that then generates further investment.
- We are **future catalysts for local action** on the ground: the Health Technology Innovation Hub will create a regional centre of excellence, accelerating development and deployment of health technologies across the South West, Herts LEP Cell and Gene Therapy Integration Laboratory at CGTC, exclusively dedicated to the provision of cell and gene therapy manufacturing etc....

Business Support

- Enabling businesses to **improve leadership and management** through both direct funding and by working across national and local business support organisations to bring benefit across their memberships.
- Supported circa 4 million businesses through **LEP Growth Hub** network in last 12 months alone, much of this is **finance direction** and assistance, especially in the rapidly changing COVID environment.
- Deliver a future programme of **joined-up, expert tailored business advice** and support for local businesses, ensuring they play their full part in the Plan for Growth. Pushing peer to peer networks as a successful model that can boost access to finance.

- **Consistent, quality, core offer** across the country with the **ability to tailor bespoke local programmes** which meet the needs of local business.
- We are **proven future catalysts for local action** on the ground:

Private investment

- Ability to **leverage private sector funding** that underpins local investment and supports local authorities, demonstrated by the latest figures which show a 132% increase on original capital and revenue investments.
- **Stimulating clusters** that deliver more skilled jobs to bolster the green economy, and more R&D and innovation that already sees over 300 collaborations with universities and FE colleges.
- LEPs ignite projects by providing **seed funding** which leverages further private sector funding where no investment may have been forthcoming.
- We are **future catalysts for local action** on the ground: the Stevenage Bioscience Catalyst in Hertfordshire, Cornwall the award winning Ceramic Valley in Stoke on Trent which exploits the latest hi-tech ceramic technology, Cornwall data and space sector etc....
- Private sector businesses regularly tell us that it is only through the LEPs' leadership and our **unique ability to work across the public and private sectors and across political boundaries** that they really support the local skills and education systems and economic development.

Skills

- Business led LEPs have been bringing employers and skills providers together for over 10 years and, as such, should be recognised as **employer representative bodies** in the Skills Bill currently before Parliament.
- Through our **Skills Advisory Panels**, LEPs are driving evidence-based change in the skills system, enabling businesses and skills providers work together to tailor courses towards local need as never before. Ensuring skills provision aligns with local employer needs.
- Our partnership with the **Careers and Enterprise Company** has delivered an impressive **Employer Advisor Network**, and brought business leaders alongside Universities, FE colleges and apprenticeship scheme providers to **shape local courses**, ensuring the right skills for the right jobs.
- Work to **join-up and simplify local skills pathways** across schools, FE, HE, DWP and employers, sharing best practice across the LEP Network, working together to shape courses so that they are focused on helping people of all ages secure the jobs they need.
- LEPs have invested significantly in **innovative skills capital funding projects** that are targeted on local need not national formulae, including for example the skills campus in Nottingham which has received over £30m from D2N2 LEP and the investment in 5 colleges across the Heart of the South West to deliver the skills needed to build Hinkley Point C.
- We are and can be in future **at the forefront of local action** on the ground:

MTD/AUG 2021



LLEP BOARD OF DIRECTORS

21 SEPTEMBER 2021

Information Paper

OPERATIONAL BUDGET 2020/21 - OUTTURN

1. PURPOSE OF REPORT

1.1 To inform the Board of the year-end finance position of the LLEP's operating budget for 2020/21.

2. RECOMMENDATION

2.1 The Board is recommended to note the outturn figures for the financial year 2020/21 and the surplus transferred to reserves.

3. BACKGROUND INFORMATION

3.1 The budget set and approved by the Board forecasted a draw on reserves of £211k. The final year-end position for 2020/21 was a surplus of £73k.

3.2 The position is shown in the table below, followed by an explanation of the key variances

	2020/21 Budget	2020/21 Actuals	Budget Variance
Income			
Grants	575,000	640,000	(65,000)
Contributions	250,000	250,000	-
National and Local Programme Income	1,226,000	1,422,000	(196,000)
Fees, Interest and Other Income	512,000	511,000	1,000
Total Income	2,563,000	2,823,000	(260,000)

	2020/21 Budget	2020/21 Actuals	Budget Variance
Expenditure			
Staffing	1,036,000	929,000	(107,000)
Running Costs	368,000	332,000	(36,000)
Accountable Body Costs	185,000	182,000	(3,000)
Programme Delivery	1,185,000	1,307,000	122,000
Total Expenditure	2,774,000	2,750,000	(24,000)
Net Surplus / (Deficit)	(211,000)	73,000	(284,000)

3.3 Reserves at the start of the year stood at £2,029,000. These increased to £2,102,000 as a result of the in-year surplus.

3.4 Income

3.4.1 Overall, income received was £260k higher than was budgeted at the start of the year; this was partly due to Government funding to tackle some of the impacts of COVID-19.

3.4.2 An additional £65k was awarded to the LLEP for capacity funding to manage the Getting Building Fund (GBF) programme.

3.4.3 The Business Gateway Growth Hub was awarded additional funds, not covered at the time of formulating the budget to establish a Peer Networking Programme and provide support through an EU transition programme. In addition, backdated ERDF monies of £153k were received.

3.4.4 The Enterprise Adviser Network was successful in its application for additional funds of £14k to target potential NEETS with their Unbox your Future programme. In addition, £25k match funding was received from the University of Leicester to recruit a new pathways coordinator.

3.4.5 Some income streams did not perform as expected; the budgeted contribution of £100k for the Enterprise Zones was not received, largely due to delays in securing legal contracts; and an ESF technical assistance project change request had not been approved during the financial year, resulting in a reprofiling of income from 2020/21 into 2021/22.

3.5 Expenditure

3.5.1 A £107k underspend on staffing arose from staff posts being reviewed and recruitment being placed on hold or time delays between staff departing and starting post.

3.5.2 The LLEP underspent against its running cost budget by £36k, in part due to moving the LGF evaluation into 21/22 to enable the full impact of the programme to be assessed. The development of an Economic Analysis and Recovery plan cost less than budget.

3.5.3 Additional costs arose during the year on Programme Delivery, linked to the additional Programme income highlighted above. Additional expenditure was incurred to cover a Peer Networking Programme, which is a national initiative designed to bring small and medium enterprise (SME) business leaders together in facilitated sessions to share experience and expertise.

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LLEP BOARD OF DIRECTORS

21 SEPTEMBER 2021

Information / Discussion Paper

OPERATIONAL BUDGET 2021/22 - MONITORING

1. PURPOSE OF REPORT

1.1 To inform the Board of the operational financial position of the LLEP, drawing on the numbers at the end of the first quarter of 2021/22.

2. RECOMMENDATION

2.1 The Board is recommended to:

- i. note the forecast position for the year; and
- ii. note the issues and risk associated with the current forecast.

3. BACKGROUND INFORMATION

3.1 The 2021/22 operational budget was formally approved by the Board in April 2021. The budget was set showing expenditure exceeding income by £390,000, with the intention of this shortfall being drawn from reserves. The Board noted the difficulties in preparing budgets and financial plans in an uncertain environment.

3.2 The current forecast in this report does not take any specific account of potential outcomes from the national LEP review, nor of any local changes. Continuance of current operating and financing arrangements is assumed.

3.3 The budget and forecast position using the numbers to the end of June is shown in the table overleaf, followed by narrative to explain the key variances from budget.

3.4 The forecast position is a deficit of £299k at the year end, an improvement of £91k against the budget. On-going monitoring since the end of June does not indicate a significantly different picture to that which is presented below, with the exception of the uncertainty around core funding as discussed in the report.

- 3.5 As set out in the 2020/21 outturn report elsewhere on the agenda, the opening reserve was £2.102m. The current forecast deficit would reduce this to £1.803m.

	Budget (£)	Forecast as at end of June 2021	Adverse/ (Positive) Variance
Income			
Grants (Core Funding and Capacity Building)	(575,000)	(575,000)	0
Local Authority Contributions (Business Rates Pool)	(250,000)	(250,000)	0
Fees, Interest & Other Income	(364,500)	(270,000)	94,500
National & Local Project Income	(1,499,500)	(1,484,800)	14,700
Total Income	(2,689,000)	(2,579,800)	109,200
Expenditure			
Staffing Costs	1,093,900	936,000	(157,900)
Running Costs	345,100	288,000	(57,100)
AB and Leicester City Council support services	170,000	170,000	0
Project Delivery Costs	1,470,200	1,484,900	14,700
Total Expenditure	3,079,200	2,878,900	(200,300)
Net Deficit / (Surplus)	390,200	299,100	(91,100)

4. CORE OPERATING INCOME & EXPENDITURE

The core operating activities of the LLEP exclude project income and expenditure. The key forecast variances are as follows:

4.1 Core funding

The Cities and Local Growth Unit (CLGU) informed LEPs on 27 July that the usual £500k annual core funding is being approached differently this year, a rather late and concerning announcement. The £250k for the first half year was conditional on the submission of an outline operating budget, and the funding has since been received. LEPs were advised that a further application would be required for the second half year.

The LLEP has more recently been informed that the national LEP review process will be used to collect further financial data on LEP performance, to support CLGU officials' understanding of LEP finances, and to help inform a decision on whether the remaining funding will be released to LEPs later this year.

A comprehensive data collection exercise by Government is now underway, with LEPs required to provide data covering recruitment and staffing, finances and outcomes, core funding impact data, and other income. The submission deadline is 24 September.

The income forecast assumes that the second half year £250k will be received; if it is not, the forecast deficit would increase accordingly, which the rigour and focus of the data collection seems to suggest could be a realistic possibility in all or in part.

4.2 Fees, Interest and Other Income

At the time of the budget approval it was anticipated that £65k income would be received towards the management of the Getting Building Fund, as was the case in 2020/21. However, this has since been confirmed not to be the case. The bi-annual business survey is anticipated to now fall into 2022/23; this will result in a further £30k shortfall in other income forecast.

4.3 Staffing Costs

The core funding budget was forecasted on 17.6 FTE staff who are directly engaged on delivering the core themes within the Delivery Plan for 2021/22. A number of these posts are being held vacant, in part due to the impending national review of LEPs, resulting in a saving of £158k. Recruitment to two senior posts by way of secondments is now getting underway. The CLGU advised all LEPs in the letter of 27 July of their expectation that any recruitment will be confined to that which is necessary to maintain the existing head count, where there is evidence that this is business critical.

4.4 Running Costs

The forecast underspend against running costs is due to the LGF evaluation costs being lower than anticipated and a reprofiling of work linked to the Skills Advisory Panel.

5. PROJECT DELIVERY

5.1 Business Gateway Growth Hub

The LLEP Business Gateway is the Growth Hub for Leicester and Leicestershire. Growth Hubs are Government initiatives to simplify access to business support, to inspire enterprise and drive economic growth.

	Budget (£)	Forecast as at end of June 2021	Adverse/ (Positive) Variance
National Grants	(983,800)	(964,100)	19,700
Contributions	(50,000)	(50,000)	0
Total Income	(1,033,800)	(1,014,100)	19,700
Staffing	322,200	298,300	(23,900)

Running Costs	716,900	721,100	4,200
Total Expenditure	1,039,100	1,019,400	(19,700)
Total Growth Hub	5,300	5,300	0

Growth Hubs receive an annual allocation of funding from the Department for Business, Energy & Industrial Strategy (BEIS), supplemented by European Regional Development Fund (ERDF) Funding. The budgeted grant income includes an allocation of £255k for the Peer Networks programme; indications are that the cost of the programme will be lower and therefore £20k less income will be drawn down this year.

The Growth Hub currently supports 7 FTE members of staff. An underspend on staffing has arisen through part-year vacancies; the cost of staff covering these posts are included within the core running costs.

5.2 Enterprise Zones (EZ)

There are two EZs in the LLEP area, MIRA Technology Park EZ and Loughborough and Leicester Science and Innovation EZ. Working closely with our partners, the LLEP facilitates investment to drive forward development and undertake activities to support the marketing and inward investment programmes of the EZs.

	Budget (£)	Forecast as at end of June 2021	Adverse/ (Positive) Variance
Contributions	(100,000)	(50,000)	50,000
Total Income	(100,000)	(50,000)	50,000
Staffing	54,700	57,200	2,500
Running Costs	20,900	20,400	(500)
Total Expenditure	75,600	77,600	2,000
Total EZ	(24,400)	27,600	52,000

The £100k income budget is from the business rates uplift for the LLEP to manage the programme. This is made up of £25k for each of the four Enterprise Zone sites and is made available to the LLEP from the Billing Authorities, as per the Enterprise Zone Business Rates Retention Agreements signed in November 2020 (Charnwood Borough Council) and March 2021 (Hinckley and Bosworth Borough Council and Leicester City Council). There is a risk to the full amount being received since this is subject to businesses moving on site; this income is therefore not being forecast in full. This year's budget is largely forecast to be spent on staffing and the development of implementation plans for the EZ sites.

5.3 Enterprise Advisor Network

The Enterprise Advisor Network (EAN) encompassing the Careers Hub 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. Funding from the CEC runs to an academic rather than financial year. Match funding is currently provided by LLEP core resources.

	Budget (£)	Forecast as at end of June 2021	Adverse/ (Positive) Variance
National Grants	(188,700)	(243,700)	(55,000)
Total Income	(188,700)	(243,700)	(55,000)
Staffing	294,400	329,400	35,000
Running Costs	61,100	58,500	(2,600)
Total Expenditure	355,500	387,900	32,400
Total EAN	166,800	144,200	(22,600)

The EAN has been awarded £5k seed funding in 2021/22 to develop a plan for an Effective Transitions Fund programme, plus £194k to support delivery of this work to 2024. This will enable the strengthening of the LLEP sector-wide approach to transition planning and support for children with Special Education Needs and Disabilities (SEND). In addition, a further grant of £50k is anticipated to enable the Careers Hub to continue to support local needs.

The increase in staffing costs reflects forecast expenditure against the additional income being received.

5.4 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, provided around £6 billion of support nationally over the 2014 to 2020 period. Although the ERDF programme has now closed, the anticipated income is from a claim submitted in Q4 2020.

The ESF programme has recently been extended until December 2021. Forecasted income below includes funds that should have been received in 2020/21, in addition to that which relates to 2021/22.

	Budget (£)	Forecast as at end of June 2021	Adverse/ (Positive) Variance
ERDF Grant	(20,000)	(20,000)	0
ESF Grant	(157,000)	(157,000)	0
Total Income	(177,000)	(177,000)	0

Note that no direct expenditure is shown, as staffing and other costs are subsumed within the LLEP operating budget.

6. RISK AND ISSUES

6.1 Key risks and issues associated with the delivery of the 2021/22 forecast outlined above are as follows

- **LLEP Core funding.** In previous years the LLEP has received £500k core funding. As noted above, unusually, the LLEP has received a £250k grant for the first half of this year, with an application process for the remaining £250k. A decision on funding will be informed by financial and performance information currently being collected. This exposes the LLEP to the risk that it will not receive all or part of the funds for the second half of the year.
- **Enterprise Zone income.** As referenced at section 5.2, income being received from the three local authorities (Hinckley and Bosworth, Charnwood, Leicester) from business rates growth is subject to businesses moving on site. £50k income has been forecast against the £100k budget, but the risk remains that none of this may be received.
- **ESIF income.** Despite submitting a project change request in January 2020, a formal agreement has only recently been signed; there is the potential that claims are delayed with a consequential impact on the budget. This income is worth £157k to the LLEP. In addition, the final ERDF claim was submitted in January 2021, and as of yet there has been no response from MHCLG to close the programme or pay the claim. This should be a matter of the year in which the funds are received, however there is a risk that the funds will not be approved/paid.
- **Income projections** not achieved on projects - e.g. failure to maximise the draw-down of the available Careers and Enterprise Company and Growth Hub funding. This will have the impact of having to be covered by reserves.

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