

## POLICY, FINANCE AND ADMINISTRATION COMMITTEE

11th MARCH 2014

### REPORT OF THE STRATEGIC DIRECTOR (CM)

#### LEICESTER AND LEICESTERSHIRE ENTERPRISE PARTNERSHIP:

#### KEY STRATEGIC PLANS

##### 1.0 PURPOSE OF REPORT

- 1.1 To provide to committee an overview of the Leicester and Leicestershire Enterprise Partnership's (LLEP) key strategic plans and the links to Council's local growth plan.

##### 2.0 RECOMMENDATIONS

- 2.1 **To endorse in principle Leicester and Leicestershire Enterprise Partnership's Strategic Economic Plan (SEP), delegating to the Chief Executive in consultation with the Chair of this committee and nominated group spokespersons for this committee authority to approve the final submission.**
- 2.2 **To support the submission of the City Deal (whilst there are still final minor negotiations underway with Cabinet Office), delegating the final approvals to the Chief Executive in consultation with the Chair of this committee and nominated group spokespersons for this committee.**
- 2.3 **To receive an outline of the European Structural and Investment Funds (ESIF) Strategy.**

##### 3.0 KEY ISSUES

- 3.1 The Government's response to Lord Heseltine's review of local economic development confirmed their commitment to negotiating a Growth Deal with every Local Enterprise Partnership (LEP), building on the success of City Deals. Through Growth Deals, Local Enterprise Partnerships can seek freedoms, flexibilities and influence over resources from Government; and a share of the new national Local Growth Fund (LGF) to target their identified growth priorities.
- 3.2 The Local Growth Fund has been set at over £2bn for the year 2015/16 with a commitment to at least maintain this level to 2020/21. In return for these flexibilities, the Government will expect evidence of real commitment from Local Enterprise Partnerships to the growth agenda, including the development of ambitious, multi-year Strategic Economic Plans (SEPs). They also expect the local authority members of LEPs to take up the challenge of putting economic development at the heart of all they do and work collaboratively across the LEP area. Melton approved its local economic growth plan for submission as part of this key document at this committee's meeting on 30<sup>th</sup> October 2013.

##### **Strategic Economic Plan (SEP)**

- 3.3 The Leicester and Leicestershire Local Enterprise Partnership (LLEP) is required by central government to submit a Strategic Economic Plan (SEP) by 31<sup>st</sup> March 2014. The draft SEP seeks to negotiate a Growth Deal with Government of £252m of LGF over the period 2015 to 2020 with a request for just over £51m in 2015/16 across three themes of Place, Business and People.

- 3.4 The LLEP submitted its draft SEP to Government on 19<sup>th</sup> December 2013. The plan sets out the long- term economic vision for Leicester and Leicestershire and outlines the investment priorities over the period 2014 to 2020.
- 3.5 The priorities outlined in the draft SEP are to:
- Enhance Leicestershire's role as a major economic centre, with an innovative and industrious city at its core
  - Unlock the Leicester Strategic Regeneration Area as a major place of transformation creating a thriving, dynamic leading UK City for work, living and cultural activity
  - Attract over £2.5 bn private sector investment by 2020
  - Generate 45,000 additional private sector jobs by 2020 (over and above OBR employment estimates)
  - Unleash the innovative potential of our Universities and deliver the Loughborough Science & Enterprise Parks
  - Further develop the MIRA Enterprise Zone
  - Develop the logistics and distribution sector to create agglomeration effects as far as East Midlands Airport and the Strategic Rail Freight Interchange development by Roxhill
  - Reduce levels of unemployment by 50%
  - Support 15,000 businesses to accelerate growth and stimulate over 1,000 start ups
  - Develop a skilled workforce to meet current and future economic needs
  - Increase the proportion of the working age population qualified to NVQ4 so that it is in line with national figure
  - Increase our GVA from £19bn to £23bn by 2020
- 3.6 The Cities Minister, Greg Clark, has provided formal feedback to LEPs on their draft SEPs and has met with LLEP on 6<sup>th</sup> February 2014. Each Council has been invited to consider and support the draft Strategic Economic Plan. The LLEP Board in March will approve the final SEP and it will be submitted as a Final Plan on 31 March 2014, with the Award decision likely to be in July 2014 and funding available April 2015. The current version of the Strategic Economic Plan is available on the LLEP website <http://www.llep.org.uk/SEP> and will continue to be updated during the negotiations with Cabinet Office.
- 3.7 Due to the timetabling and ongoing negotiations with Government, it is proposed to delegate authority to the Chief Executive in consultation with the Chair of this Committee and nominated group spokespersons to approve the final submission.

### **City Deal**

- 3.8 Leicester and Leicestershire is a diverse and dynamic part of the Midlands and its success is integral to driving economic growth in the United Kingdom. The area is home to just under 1 million residents and over 32,000 businesses, many of which are in the manufacturing and logistics sectors. Leicester and Leicestershire also benefits from its location at the heart of the UK road network and close proximity to both the second largest freight handling airport in the UK and London (by rail). The area provides employment for 435,000 people and generates an estimated gross value added of £19.4 billion.

Despite these strengths Leicester and Leicestershire faces a series of challenges: more than 25,000 jobs were lost between 2008 and 2011 (nearly twice the national average); youth unemployment is high within the city of Leicester and parts of the county; and whilst 70% of small and medium enterprises have plans for growth many find accessing the right type of business support is complex. Local businesses also note the difficulties in filling their vacancies.

3.9 As part of the area's wider Growth Strategy the City Deal seeks to tackle these key barriers. Over its lifetime the LLEP predicts the City Deal will deliver:

- A new employment scheme targeted at 16-24 year olds that will reduce youth unemployment by 50% by 2018, deliver 3,000 new apprenticeships and 1,000 traineeships and work placements.
- An innovative new employment and training scheme for young offenders.
- Improved co-ordination of business support services and a range of innovative business support programmes. These will support further growth in Leicester and Leicestershire's small and medium enterprises and contribute to job growth.
- A new pan-Midlands supply chain initiative that will support the growth of manufacturing and engineering small and medium enterprises.
- New infrastructure that will support the expansion of Loughborough University Science and Enterprise Park (providing 8 hectares of new employment land) and unlock a new Advanced Technology Innovation Centre. This new centre will create 755 new jobs and safeguard a further 400.
- £30 million of local and national public sector investment.
- £103 million of private sector investment.

3.10 To assist in achieving these objectives, Government will provide £16m of additional funding to complement local partners financial contributions and commitments.

3.11 As part of the City Deal negotiations, local authority partners have also committed to the following:

- Leicester City Council plans to consult on its draft preliminary Community Infrastructure Levy schedule in February 2014 with an Examination at the end of 2014.
- Charnwood Borough Council, Melton Borough Council and North West Leicestershire District Council have active Local Plan processes running and will consider Community Infrastructure Levy activities as part of these processes.
- Harborough District, Oadby and Wigston, Hinckley and Bosworth and Blaby will consider the Community Infrastructure Levy in light of their local market conditions, revised regulations and infrastructure requirements.
- All local authorities in Leicester and Leicestershire will work together to upload all relevant information onto the e-Pims database. Leicester City Council and Leicestershire County Council will upload their information by April 2014 and all district councils within Leicestershire will upload their information by December 2014.
- All local authorities in Leicester and Leicestershire will meet with the Government Property Unit to discuss local best practice on asset management and their future plans in this policy area.

3.12 The successful conclusion of the City Deal with Government demonstrates the capacity of local private and public partners to work collaboratively towards the regeneration of the Leicester and Leicestershire economy. This partnership approach has also been evident in the development of the LLEP's European Union Structural Investment Funds Strategy and the Strategic Economic Plan and further reports will be brought to Council on these plans.



## 10.0 **CLIMATE CHANGE**

10.1 There are no specific climate change implications at this stage.

## 11.0 **CONSULTATION**

11.1 All Districts the County and City Council have been involved in the creation of this document which has been lead by the LLEP.

## 12.0 **WARDS AFFECTED**

12.1 All wards are affected.

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Date:                     19<sup>th</sup> February 2014

Appendices :            N/A

Background Papers:   Available on line as described in the report and in the members room.

Reference :              X : Committees\?