

Economic Development Strategy 2015-2020

(Refreshed 2017- 2020)

Our Vision

"To work in partnership to promote and support sustainable economic growth, making sure Melton is an exciting and inspiring place to do business."



400

local businesses directly engaged with MBC annually

100

Employers encouraged to up-skill and talent manage staff



10

Annual business support events/workshops



8

Existing and new partnerships developed and strengthened

Economic Development Strategy

To work in partnership to promote and support sustainable economic growth, making sure Melton is an exciting and inspiring place to do business

Promoting Innovation, Enterprise & Growth in Key Sectors:

To develop a strong competitive economy by encouraging emerging technologies and innovation

In the next 5 years we will:

- Engage with 400 businesses annually to promote innovation and enterprise opportunities.
- Produce a package of measures aimed at growing innovative businesses.
- Provide a strong network of business support services, particularly targeting those that are self-employed in the Borough.
- Develop and strengthen 8 existing and new partnerships to advance knowledge transfer, innovation and emerging technologies.
- Promote small, flexible and affordable premises and support to assist enterprises to start and grow in the Borough.

By 2020 we will have succeeded in:

- The number of key priority sector businesses in the Borough has increased.
- The proportion of knowledge-based and innovative businesses in the Borough has increased.
- The number of businesses failing in the first 3 years has decreased.
- Partnerships with our partners will have improved to ensure innovation and enterprise opportunities are promoted maximised.
- The number of businesses reporting an increase in business confidence has improved.

Enhancing Aspirations, Skills and Economic Activity in the Borough:

To develop a workforce that meets the needs of the local marketplace and raise ambition

- Support the wider economy by encouraging apprenticeships, lifelong learning, social enterprise and volunteering.
- Improve links between businesses and education providers to ensure that young people leave education with skills that the future economy needs, particularly those of innovation and enterprise.
- Work with employers to tackle the low wage economy and up-skill their workforce and develop ambition.
- Work with our partners to enhance career advice to young people to raise aspirations and ambition of enterprise and creativity.
- Work with our partners to enhance free money and debt advice and increase skills in money management.

- Increased number of social enterprises, people in apprenticeships and work experience and volunteering opportunities.
- The proportion of young people supported to pursue a career in enterprise has increased.
- The proportion of 16-19 year olds not in education, employment or training (NEETS) has decreased.
- Local employers are reporting less skill shortages and are actively up-skilling their workforce and considering talent management.
- The percentage of working age population with NVQ level 4 or higher qualifications has improved.

Improving the Vitality of the Town and surrounding Villages:

To create better places for local employment, shopping and entertainment

- Develop a Town Centre Masterplan.
- Deliver the regeneration actions and objectives for Melton Mowbray and the surrounding villages.
- Improve the night-time economy.
- Support the Melton Mowbray Business Improvement District in delivering all of the Business Plan objectives.
- Support the development of the Superfast Leicestershire Broadband Project to ensure more local businesses are benefiting.
- Support the rural economy by working with rural businesses, including those operating from home, to understand their diverse business needs and to aid business growth.
- Encourage sustainable transport and logistical solutions for local communities and businesses.

- The Town Centre Masterplan will ensure a first class shopping experience with a unique cultural draw and visitor concept.
- A broader and safer offer of the night-time economy increases evening footfall and improves the vitality of the Town Centre.
- The objectives of the Melton Mowbray Business Improvement District have been achieved.
- An increased number of businesses reporting improvements in their broadband services.
- Engagement with businesses operating from home has improved.
- Rural economies are becoming stronger with more new and diverse rural businesses being established, with aspirations to grow.
- Businesses report less transport issues.

Maximising Inward Investment Opportunities:

To work with other agencies to maximise resources and promote a competitive economy

- Build on our identity as the 'Rural Capital of Food and Drink'.
- Maximise opportunities to attract inward investment and new funding.
- Deliver at least 10 business support events and workshops.
- Continue to develop excellent relationships with businesses, with particular focus on high growth and innovative companies.
- Continue to develop excellent relationships with developers and land owners to increase the supply of 'fit for purpose' employment land and premises.
- Attract new funding to the economy to stimulate growth and accelerate development.

- Continuing to establish and sustain nationally recognised events related to the food and drink sector.
- Engagement with high growth and innovative companies has improved, resulting in increased investment opportunities within the Borough.
- Receiving increased numbers of direct inward investment enquiries relating to the Borough.
- Increasing the amount of funding allocated to the local economy, by submitting more funding applications to accelerate development.
- New employment land and premises has been identified, with increased numbers of businesses starting up in the Borough.

Contents

1. Introduction: Melton Today: A Portrait	Page
1.1 Projections in Future Growth	Page
2. Policy Context	Page
3. Melton Local Plan	Page
4. Food Enterprise Zone & Local Development Order	Page
5. East Leicestershire LEADER Programme	Page
6. Melton Borough Economy Profile	Page
6.1 Economic Performance	Page
6.2 Industrial Structure	Page
6.2 Business Enterprise	Page
6.3 Labour Market	Page
6.4 Skills and Qualifications	Page
7. Identifying Future Growth Sectors and Trends	Page
8. Economic Development Strategic Priorities	Page
8.1 Promoting Innovation, Enterprise and Growth	Page
8.2 Enhancing Aspirations, Skills and Economic Activity	Page
8.3 Improving the Vitality of the Town and Surrounding Villages	Page
8.4 Maximising Inward Investment Opportunities	Page
9. Monitoring and Evaluation	Page
10. Contact Details	Page

1. Introduction:

Melton Today: A Portrait

Melton Borough is an attractive rural area covering 48,138ha in the north-east part of Leicestershire and at the heart of the East Midlands. The Borough has a total population of approximately 50,376 (Census 2011) which has risen from 47,866 (2001 Census). However, more recent data compiled from the ONS Annual Population Survey estimated the total population in 2015 to be 50,900. The working age population is made up of 31,200 (61.3%) of the total population. On average the population of those under 15 is lower (17%) than the England average of 19%, whilst the population of those that are over 64 is higher (20%) than the England average of 16% (ONS, 2017).

The main activities of the Borough are centred on the market town of Melton Mowbray. There are some 70 attractive villages within the surrounding rural area, including the larger settlements of Asfordby, Bottesford, Long Clawson and Waltham on the Wolds.

Whilst house prices in Melton Borough were slightly below the Housing Market Area (HMA) average, as were land values, and longer-term price growth has been relatively modest (a £92,000 increase between 2000-2015); relative to incomes, house prices are notably above average (with lower quartile prices 8.9% times incomes in 2015). Whilst rental costs are close to the HMA and national average, they are again above wider benchmarks relative to incomes. Rents have grown strongly since 2011 (HEDNA, January 2017).

Melton Borough benefits from a vibrant economy. Employment has traditionally been provided through farming and food production, however over the last 50 years jobs in manufacturing and services have grown significantly as a proportion of overall jobs. Melton Mowbray is England's 'Rural Capital of Food' and it's town centre is the main destination for shopping and leisure within the Borough, with a rich, diverse and distinctive retail and other uses offer, enhanced by a weekly Livestock Market and twice-weekly Farmers Market.

The Borough's employment base is primarily in food and drink related manufacturing, which is significantly higher than the national average. Whilst this food and drink specialism provides bespoke opportunities and a degree of local resilience, there is a need to monitor closely how this sector will perform in the future.

Contributions made from the rural area cannot be underplayed and is expected to grow in the future. There is a diversity of mostly smaller rural enterprises in and around the Borough's villages, including farm diversification, from small scale up to regional tourism enterprises. There are also an increasing number of business start-ups and a growing trend for home working within the rural area, which is matched with an attractive working environment.

The Borough currently has very low levels of unemployment, but also high levels of low paid/low skilled employment, especially within Melton Mowbray. Of the working age population in Melton Borough, the proportion qualified below NVQ level 2 and 3 is very high and the proportion qualified to NVQ level 4 and above is also very high

(Local Futures Profile, 2017). This gap in skills reflects the relatively low skilled jobs that are available in the town and represents a significant challenge for the economy, particularly in providing a labour force to service industry.

This has led to Melton having the lowest average income in the sub-region and will be a key focus going forward working with employers and education organisations.

Growth in a range of economic sectors is essential for the Borough's economic future. A more resilient and higher performing economy will need to provide a greater diversity of jobs in a broader range of industries. Achieving the right balance of economic growth and opportunities between Melton Mowbray and the rural communities is also crucial to achieving a stronger, more competitive economy.

This Economic Development Strategy provides a framework for partners from all sectors – public, private, voluntary and community – to respond to the economic challenges facing Melton Borough. This strategy has been developed from a robust evidence base and takes account of the current key economic issues faced by the Borough. It outlines local actions to tackle local issues, set within a wider strategic framework, the successful delivery of which will support the sustainable growth and development of our local economy, in line with the Melton Local Plan (MLP) and Melton Borough Council's Corporate Plan.

In addition to the Economic Development Strategy, an Economic Growth Plan was formulated and approved by members in October 2013. The Economic Growth Plan highlights direct local economic development activities and investment priorities. This plan is due for a refresh in 2017 and will align to the Leicester and Leicestershire Enterprise Partnership's Strategic Economic Plan (SEP) and Sector Growth Plans (SGP).

KEY EVIDENCE:

- 2001 Census
- 2011 Census
- Office of National Statistics, Annual Population Survey (2015)
- Office of National Statistics (2017)
- Leicester and Leicestershire Housing and Economic Development Needs Assessment: Executive Summary (January 2017)
- Local Futures Profile (2017)

1.1 Projections in Future Growth

Demographic characteristics have a fundamental influence on the social and economic development of an area. Population change has an impact on levels of economic growth through the size of the resident workforce and on the demand for services such as health, education and housing.

In order to fully comprehend the linkages between population change, economic development and housing, the Leicester and Leicestershire Enterprise Partnership and all local authorities within the area commissioned a Housing and Economic Development Needs Assessment (HEDNA). This report assessed future housing needs, the scale of future economic growth and the quantity of land and floorspace required for B-class economic development uses (office, industrial and warehouse/distribution space) between 2011 and 2031/36.

Sub-National Population Projections (2014) projected population growth of 191,600 persons (19.5%) across Leicester and Leicestershire between 2011-2036, which represents population growth of 0.7% per annum. During the same period, employment growth of 99,200 is expected, representing growth of 0.7% per annum, matching that expected nationally and exceeding regional performance. This significantly exceeds the historical growth rate of 0.4% per annum between 1993 - 2010 (HEDNA, 2017).

Official National Statistics assumed in their 2014-based Population Projections that international migration to the UK would drop from 300,000 in 2013/14 to 185,000 in 2020/21 and remain at this level thereafter. Net international migration is therefore assumed to fall by 45% by 2020/21 on its current level. Leicester and Leicestershire has a high level of self-containment of migration flows, with 84% of people moving to the area moving from elsewhere within it and 91% of those moving from a location within the area relocating to another part of it; together with strong migration flows between Leicester and adjoining authorities (HEDNA, 2017).

In terms of demographic growth within Melton Borough, future projection is relatively modest, with 10.4% population growth expected compared to 20.5% across the Housing Market Area (HMA). The trend-based demographic projections thus see very modest potential growth in workforce (less than 5%) which would rely on improvements in economic participation, particularly amongst older age groups. Above-trend net in-migration is therefore necessary to support economic growth (HEDNA, 2017).

The proportion of the working age population who were overseas nationals registered for National Insurance in Melton was 0.43% in 2012; by comparison the Leicestershire figure was 1.18% and the East Midlands 1.02%. The proportion of residents who had moved into Melton from other parts of the UK was 4.15%, which was average by national standards and the proportion of residents who had moved out of Melton at the last Census was 4.05%, however the net level of migration in Melton in 2012 of 0.4% was relatively high by national and sub-regional standards (0.03%) indicating more people are moving into the Borough than are moving out.

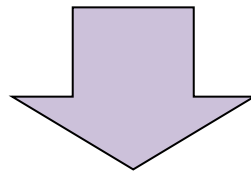
The Planned Growth Scenario for Melton Borough sees 2.1% per annum growth in GVA, which matches the regional average, although it is below that expected at an HMA and national level. With strong productivity improvements, influenced by the strong manufacturing sector in the Borough, employment growth is expected to be relatively modest at 2,400 jobs during 2011-2036. The Borough's economy is however relatively small (with total employment of 23,400 in 2013), and thus investment or disinvestment decisions by individual businesses could have a greater influence on the overall scale of growth; and there may be a rationale case to plan for stronger economic and housing growth together with infrastructure investment (HEDNA, 2017).

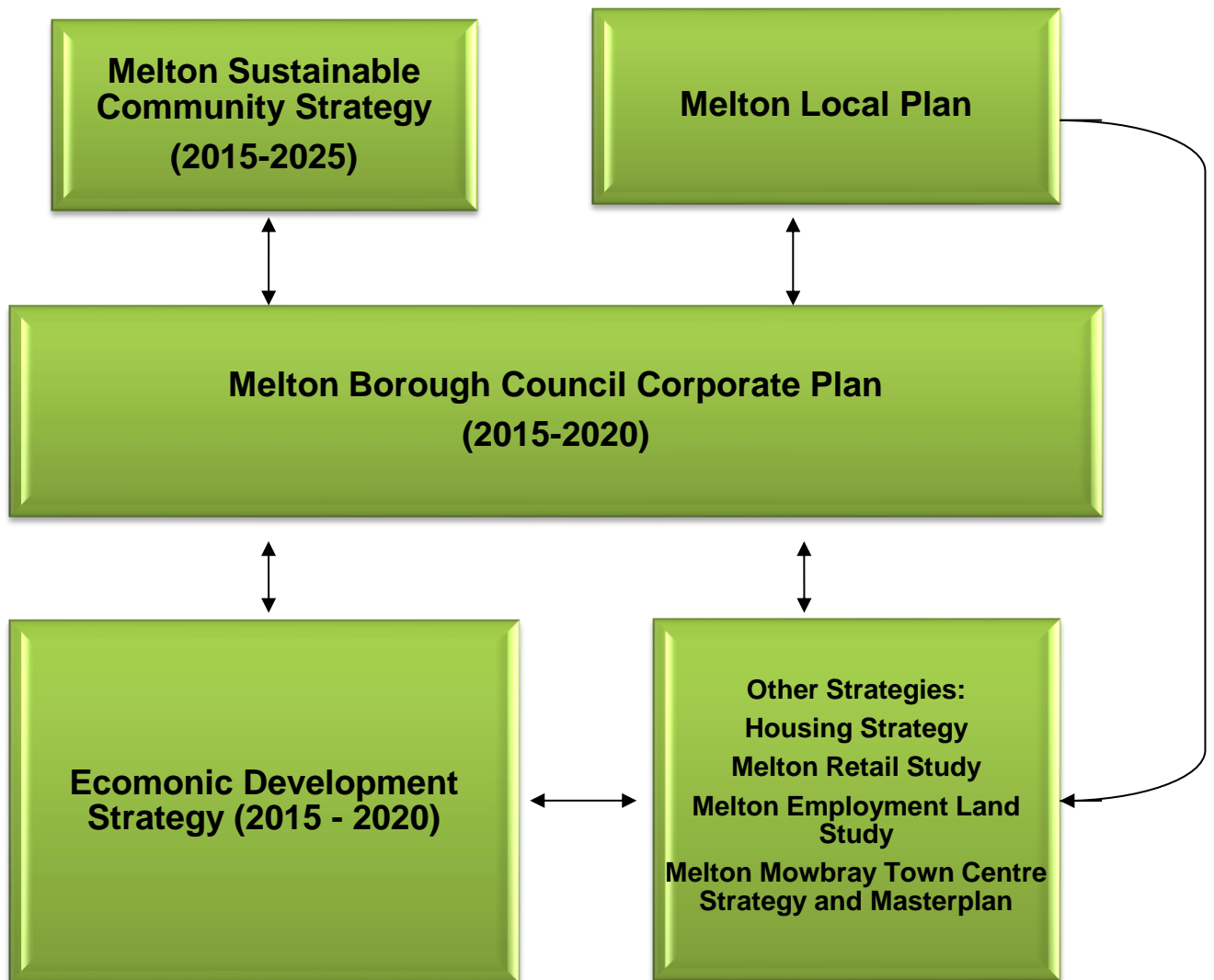
Taking account of the changes in the age structure of the population, and age and sex-specific trends in household formation, the CLG Household Projections anticipated household growth of 20.7% between 2011-2036 within Leicester and Leicestershire. The interaction between economic growth and housing need is complex, and will be influenced by improvements to productivity; the proportion of people who hold down more than one job, changes in economic participation, including through reductions in unemployment and trends towards increased women and older people in the workforce; together with changes to commuting flows. These factors have to be taken into consideration when implementing a wider strategic approach to ensure the Borough sustains economic growth and a thriving local economy.

KEY EVIDENCE:

- HEDNA 2017
- Sub-National Population Projections, 2014
- Official National Statistics 2014
- CLG 2014-based Household Projection Stage 1 Household Formation Rates

2. Policy Context





3. Melton Local Plan

Melton Borough’s economy sits within its wider Leicestershire context and the Melton Local Plan’s strategy is aligned with the aspirations contained within the Leicester and Leicestershire Enterprise Partnership Economic Growth Plan (2012-2020). It is also aligned with the Council’s Corporate Policies set out in the Corporate Plan (2015-2020) and this Economic Development Strategy (2015-2020), with the aim of delivering sustainable priorities spatially, so to enhance the prosperity of the Borough’s residents.

The Melton Local Plan sets out the planning policies for our Borough and guides decisions on planning applications for development and sets out the strategic direction of the Borough on social, economic and environmental matters. The Local

Plan period is 25 years, from 01 April 2011 to 31 March 2036, but at least five of these years will have elapsed by the time the plan is adopted.

The key roles of the plan are to set out the amount of new homes needed for the plan period, make provision for employment development and identify the infrastructure which might be needed to support it. The plan also identifies areas of land which should be protected. It sets out **who** will work together to deliver the plan and **what, where, how** and **when** development will be delivered in the Borough. Melton Borough Council has liaised with relevant bodies that prepare strategies affecting the Borough's future, including health, transport, housing, employment, infrastructure providers and the environment. This is to ensure plans and policies are aligned and strategies support each other.

The Pre Submission Draft Melton Local Plan has been published and is ready to submit to the Government for independence examination. Its publication follows consultation on the Melton Local Plan Emerging Options document, which ended in April 2016. The Pre Submission Draft sets out the development strategy, policies and proposals, including site allocations, which will guide land use and development in the Borough up to 2036.

The Local Plan seeks to sustain existing viable employment sites and make new land available for investors to create new jobs in the Borough, and for existing businesses to expand. Research including consultation with local businesses and property agents led to recommendations in the Council's Employment Land Study (2015) that the majority of additional employment allocations should be in and around Melton Mowbray, but that the role of the rural economy also needs to be recognised.

The Local Plan therefore provides for an allocation of 20ha of employment land as part of the Melton South Sustainable Neighbourhood and identifies 10ha of additional land (achieved by re-modelling and intensifying use) within the Asfordby Business Park, both targeted towards the manufacturing and industrial sectors and intended to be Melton's prime locations for economic growth.

The demand for land for additional office space in Melton Mowbray is perceived to be relatively low, in part due to premises available in rural areas and high quality office accommodation provided at PERA Business Park on Nottingham Road. The majority of new office development is expected to be delivered with Melton Mowbray Town Centre and/or as part of an extension to PERA. Some additional growth may be appropriate as part of the 'local centres' associated with the strategic developments to North and South of Melton Mowbray, which may also provide some small business start-up space.

Whilst Melton Mowbray will be the focus for economic growth, the contribution of a diversity of rural enterprises to the Borough's economy now and in the future can not be underplayed. Outside the town, these operate in and around villages across the

Borough. Rural enterprises can operate differently to those in the town and often have strong local connections in terms of proximity and their local workforce, but also enjoy the attractive rural environment.

Once the Local Plan is adopted it will be the main factor used to decide planning applications for individual proposals, alongside Neighbourhood Plans, where applicable. It is anticipated that the Local Plan will be adopted by the Council by 2018. However, due to the complex nature of the work, the programme is kept under regular review.

4. Food Enterprise Zone and Local Development Order

Melton Mowbray is England's '**Rural Capital of Food**' and whilst Melton's food and drink specialism provides bespoke opportunities and a degree of local resilience, farm businesses are under pressure to respond to pricing volatility and to adapt to environmental challenges which adversely impact productivity and farm income.

In February 2015, Melton Borough Council in association with the Leicester and Leicestershire Enterprise Partnership (LLEP) were successful in being selected as a pathfinder for a Food Enterprise Zone (FEZ). It is a flagship Government initiative for economic growth to boost food and farming businesses through benefits like business support, productivity optimisation and simplified planning. With only 17

FEZ's in England, and being the only one in Leicestershire, the project has a huge potential for bringing benefits to furthering the 'Rural Capital of Food' brand, local tourism and the food and rural economy.

The FEZ has attracted a lot of interest from farmers, producers and retailers. Through the consultation activities that have been carried out, it is evident that the main element that makes the FEZ so appealing is its focus on business support and productivity opportunities. It is therefore considered to be a great opportunity to boost the food and farming industry that plays an essential part in the borough's rural economy. It is a project that aims to incentivise the creation of start-ups and allow existing businesses to grow, contributing to the creation of jobs and economic development.

A key focus of the FEZ is to improve integration within the food chain, linking the farmers at the beginning of the food chain, the manufacturers who add value to the food, the distribution partners who deliver it, the businesses and establishments who sell it, and the customers who buy the high quality food products. There is also a significant export opportunity for the 'Made in Britain' brand as well as the historic Melton Mowbray 'covenant' and branding as the 'Rural Capital of Food'. The objective is to make the 'Rural Capital of Food' live up to its name and create a complete destination for food tourism enthusiasts, whilst celebrating the Borough's food heritage.

The FEZ will improve integration within the food supply chain and allow farms and businesses to diversify and add value to their products. It will incorporate three main areas of activity:

- **Simplified planning:** a borough-wide Local Development Order (LDO) that will grant planning permission to specific types of development. The LDO will seek to streamline the planning process by removing the need for developers to make a planning application to the local authority for certain types of development in specific circumstances. It will create certainty and save time and money for those involved in the planning process.
- **Business support:** providing new and existing businesses with a business hub of information, facilitation and advisory of all the resources and benefits that the FEZ can provide e.g. planning facilities, training opportunities and funding.
- **Productivity, innovation and up-skilling:** this will address the demand for skilled personnel in food manufacturing and business management by offering opportunities to optimise the businesses. Training, courses and consultancy will be available from renowned universities and colleges in different areas within the food and drink industry.

The 'Food and Farming' Local Development Order (LDO) element was completed in June 2016. It was designed to allow a specific range of development to be fast

tracked over a 2 year period, following which it will be reviewed for both its effectiveness and any physical or environmental impacts arising. It is a keystone on which the project was founded and attracted support and funding from DEFRA. It is understood that our approach to the LDO is unique and represents an innovative approach to the opportunity, reflective of the dispersed and diverse nature of the food and farming sector of the economy within the Borough.

Examples of proposals for the re-use and adaptation, or in certain defined circumstances, the replacement of buildings or new buildings/extensions, are provided below:

- Uses and small scale developments to allow farm diversification
- Farm shops
- New development to allow existing businesses to grow
- Uses directly related to agriculture and where the enterprise forms part of the food and farming supply chain

Economic diversity and agricultural diversification will therefore be encouraged specifically, subject to it being demonstrated that the enterprise clearly enhances the food and farming supply chain and proposals involve the re-use of existing redundant buildings, or are entirely contained within an existing enclosed area with no significant adverse impact on the locality.

Developments undertaken under the terms of the LDO will be subject to standard conditions in areas such as highways, contaminated land, noise, design, proximity to neighbouring uses and others. The LDO may be extended, after a formal review to five years, to enable new and existing food and farm based businesses to innovate, grow and adapt to changing market opportunities, delivering enterprise and additional jobs for the local and sub-regional economy. The FEZ and LDO combined will inspire development that contributes to a growing rural economy by seeing an increase in productivity and sector output. The initiative also recognises that investment in high-level skills training is needed to support the sub-regional and UK agri-food sector response to food security and food sustainability issues.

5. East Leicestershire LEADER Programme

LEADER is a European funding programme designed to support rural development by providing grants to small businesses and communities. The programme duration was originally for a five year period (2015-2020), however due to the Referendum result in June 2016 and our forecast exit from the European Union, Local Action Groups (LAG's) will only be able to commit funds up to the end of March 2019.

The East Leicestershire LEADER area incorporates a large rural area to the East of the city of Leicester. The whole of Melton and Harborough districts are within the eligible area as well as parts of Charnwood and Blaby districts. This includes the market towns of Melton Mowbray, Market Harborough and Lutterworth. There is

almost €2 million (approximately £1.5 million) available in total for the East Leicestershire area.



Businesses and communities can be supported by obtaining grants of between £2500 and £35,000 and in most cases grants can provide up to 40% of the total project cost.

Our Mission Statement

Working with communities and businesses to nurture a growing and prosperous rural economy which will provide access to, and support the development of local jobs, local services and local products, whilst retaining and enhancing our local heritage and environment

Our Priorities

All projects must support one or more of the LEADER priorities:

- 1. Increasing Farm Productivity**
- 2. Supporting Micro and Small Businesses and Farm Diversification**
- 3. Boosting Rural Tourism**
- 4. Providing Rural Services**
- 5. Supporting Cultural and Heritage Activities**
- 6. Increasing Forestry Productivity**

Performance Report (May 2017)

The East Leicestershire LEADER Programme has received a total of:

- 45 Outline applications
- 37 were eligible
- 18 full applications received
- 13 full applications successful

Application Summary (to date May 2017)

Applications by Priority	Eligible Outline Applications Number	Full Applications Number	Approved Projects Number
1 – Farm productivity	2	2	2
2 – Micro & small businesses and farm diversification	28	12	7
3 – Rural tourism	5	3	3
4 – Rural services	1	0	0
5 – Culture and heritage activity	1	1	1
6 – Forestry productivity	0	0	0
Total	37	18	13

Successful Projects (to date May 2017): By District

District	Grant Value	Percentage	Total Project Value	Percentage
Blaby	£0.00	0%	£0.00	0%
Charnwood	£43,810.70	15%	£109,526.76	9%
Harborough	£113,297.84	39%	£350,658.86	28%
Melton	£134,106.98	46%	£770,360.28	63%
Total	£291,214.92	100%	£1,230,545.90	100%

Call Timetable (Opens 12th June 2017 – Closes 24 July 2017)

Local priorities addressed	LEADER priorities addresses	Who can apply	Criteria	Grant limits
A thriving short stay destination for people interested in: fine food and drink, culture and heritage, field and outdoor pursuits	<ul style="list-style-type: none"> • Support for rural tourism • Support for culture & heritage activity 	<ul style="list-style-type: none"> • Small & micro businesses with projects to increase visitors to the area • Community 	<p>Projects that develop high quality products and services that extend the tourism season between Oct/Mar and encourage visitors to stay. Priority given to projects that:</p> <ul style="list-style-type: none"> • Provide high quality 	<p>£7,500 - £35,000</p> <p>In most cases up to 40% of eligible project costs</p> <p>Up to 80% for</p>

Local priorities addressed	LEADER priorities addresses	Who can apply	Criteria	Grant limits
		<p>groups that want to invest in small scale infrastructure projects to support and develop tourism</p> <ul style="list-style-type: none"> • Farms diversifying into tourism sector 	<p>accommodation</p> <ul style="list-style-type: none"> • Upgrade and expand existing touring caravan and camping sites. • Create new or expand existing attractions. • Develop access infrastructure to the natural environment such as paths or cycle ways. • Support events and festivals. <p>Projects that promote enhance or maintain cultural heritage assets and events. Priority given to projects that:</p> <ul style="list-style-type: none"> • Promote growth in tourism economy • Create a sense of local identity through raised awareness of their importance • Help protect cultural heritage features against damage and degradation. 	<p>income (for not profit) generating projects.</p> <p>Up to 100% for non-income generating projects</p>
A growing food and drink sector producing and promoting high quality local foods	• Support for small & micro businesses and farm diversification	• New or existing rural micro or small businesses (under 50 FTEs) within the food & drink sector	<p>Projects that support growth in the food and drink sector. Priority given to projects that:</p> <ul style="list-style-type: none"> • Strengthen local food and drink supply chains – field to plate. • Enhance the offer of local food through farm shops, retailers, restaurants and events. • Development, marketing and processing support for food and drink businesses. • Support local food and drink networks or clusters. 	<p>£7,500 - £35,000</p> <p>In most cases up to 40% of eligible project costs</p>
Networked home based businesses & micro enterprises with confidence to grow	Support for small & micro businesses and farm diversification	New or existing rural micro or small businesses (under 50 FTEs)	<p>Projects could include:</p> <ul style="list-style-type: none"> Improving buildings. Purchase or hire of equipment. developing craft or handicraft activities. Setting up IT business. Leisure, recreation and sport activities. 	<p>£7,500 - £35,000</p> <p>In most cases up to 40% of eligible project costs</p>

6. Melton Borough Economic Profile

The following data provides a comprehensive summary of the wider economy within Leicester and Leicestershire and locally within Melton Borough to assess its competitiveness at a sub-regional, regional and national level. Strong economic foundations are critical to the future of an area, creating quality employment opportunities for local people. Information and data has been taken from the Leicester and Leicestershire Enterprise Partnership Annual Economic Profiles (using data from national data sources) and Leicestershire County Council's Unemployment Bulletin. Place Profiles of Melton Borough have also been referenced in order to take

account of key economic characteristics that need to be 'joined-up' in the context of the Economic Development Strategy (2015-2020).

6.1 Economic Performance

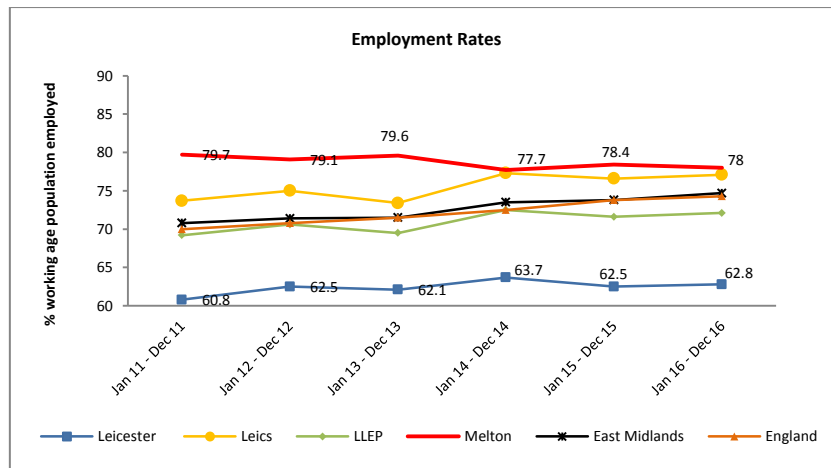
Economic performance measures the productivity, scale and growth of the economy. Economic growth is assessed by an area's change in total employment, giving an indication of the growth or decline of the local economy. Productivity measures the relative performance of the economy in an area, by combining Gross Value Added (GVA) per job with workplace earnings.

Leicester and Leicestershire is a diverse and dynamic local economy and its success is integral to driving economic growth in the United Kingdom. The area is home to just under 1 million residents and has over 32,000 businesses. In total Leicester and Leicestershire provides employment for 435,000 people and generates an estimated GVA of £19.4 billion. GVA growth is particularly driven by growth in the professional, scientific and technical sector, together with a strong contribution from the manufacturing sector (HEDNA, 2017).

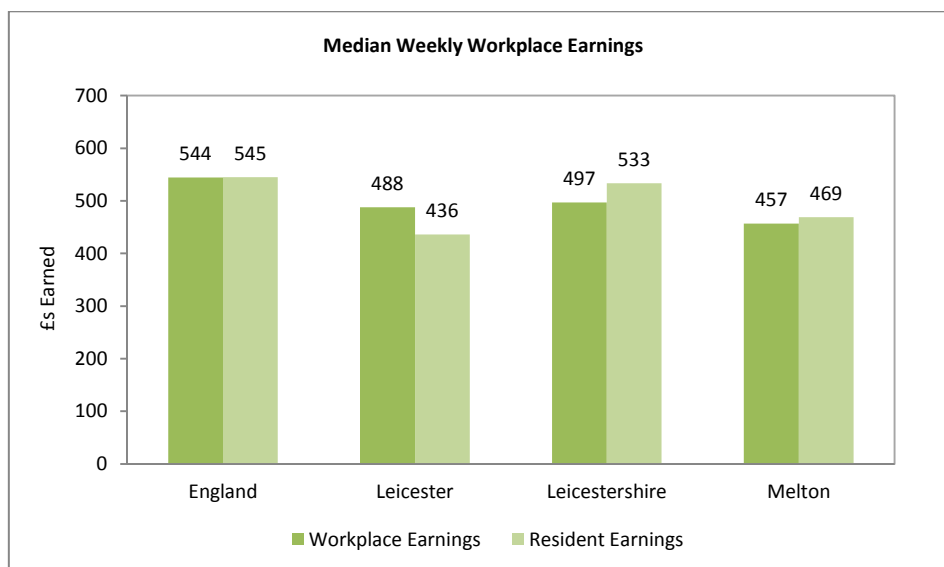
There is a particular concentration of manufacturing employment (64,000 jobs), which accounts for 16% of GVA and 13% of total employment. Logistics and distribution is also strongly represented with employment of 54,000 in wholesale, transport and storage activities. The health (51,000 jobs) and education (49,000) sectors, which includes employment in three universities, are also large sectors, each accounting for 10% of jobs (HEDNA, 2017). In the baseline scenario the economy is expected to grow by 2.3% per annum (GVA) which is consistent with growth achieved over the previous economic cycle of 1993-2010 (HEDNA, 2017).

Using the ONS Annual Population Survey (2015) the estimated total population in Melton Borough was 50,900. The working age population make up 61.3% (31,200) of the total population.

- In 2015 Melton Borough's employment rate was 21,800. This is 7.4% of all employment in Leicestershire. Over the period 2011-2015 there was employment growth of 1,500 (7.3%). Over the period 2013-2015 there was positive growth of 1,900 (9.3%).



- In 2015 the gross value added (GVA) per job in Melton is very low, with the area ranking in the bottom 20% of districts nationally. GVA per job in Melton is £39,755, compared with £48,272 in Leicestershire and £53,975 nationally.
- Melton Borough has a very small employment base, and workplace earnings of those in work are comparatively low by sub-regional and national standards. The England mean average workplace earnings in 2016 was £544.20. This is greater than Leicester (£487.60) and Leicestershire (£496.60).



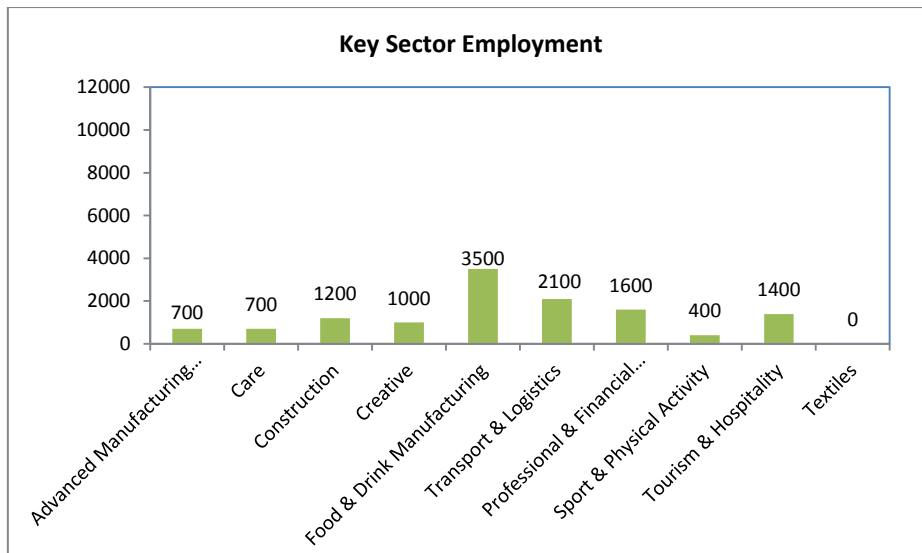
- Melton Borough's workplace earnings in 2016 averaged £457, which equates to £87.20 below the England average. Over the period 2011-2016 England saw growth in gross weekly average pay of £40.20. In Leicester the figure was £23.20 and Leicestershire £26.70. In Melton Borough there was growth of £25.10.

6.2 Industrial Structure

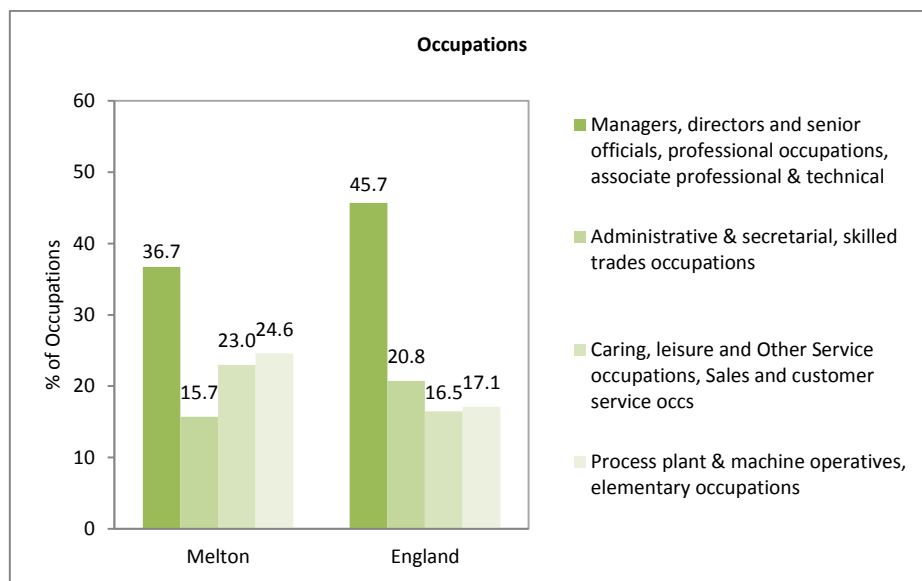
Throughout the global economy, the critical structural trend is the growth of the knowledge economy. The key OECD classification for knowledge industries - *aerospace, electrical machinery manufacture, printing and publishing, and chemical and energy*, and knowledge based services - *telecommunications, computing, R&D, finance and business services, and recreational and cultural services*.

Melton Borough has a broad range of industries as presented in the bar chart overleaf. However the industrial structure associated with knowledge based production remains weak.

- Knowledge intensive sectors in Melton accounted for 12.55% of total employment in 2014. By comparison, the Leicestershire figure was 19.33%, the East Midlands figure was 19.71%, and the national figure was 22.02%.
- Employment in knowledge-driven production is around the national median, with the district ranking in the middle 20% of districts. It has 1.86% of employment in this sector. This compares with 3.08% in Leicestershire and 2.43% nationally.
- Employment in knowledge-driven services is well below the national median, with the district ranking in the bottom 20% of districts. It has 10.7% of employment in this sector. This compares with 16.25% in Leicestershire and 19.6% nationally.
- Between 2007 and 2014, employment in knowledge-driven sectors in Melton changed by 8.04%. This places Melton in the top 40% of districts nationally. By comparison the sector changed nationally by 1.88%.
- Between the years 2011-2015 there was a rise in employment in food and drink manufacturing of 1,200 (48.3%) and by 2015 15.9% of the working age population were employed in the sector.
- Other sectors that grew with reference to employment numbers during 2013-2015 included the creative industries that saw growth of 65.8% and construction (40%).
- Melton has a very small public sector, with 20.08% of employment in this sector. This compares with 26.65% in Leicestershire and 27.2% nationally.



Employment in the knowledge-based economy is characterised by the increasing demand for more highly skilled workers. The knowledge intensive and high technology parts of the OECD economies tend to be the most dynamic in terms of output and employment growth.



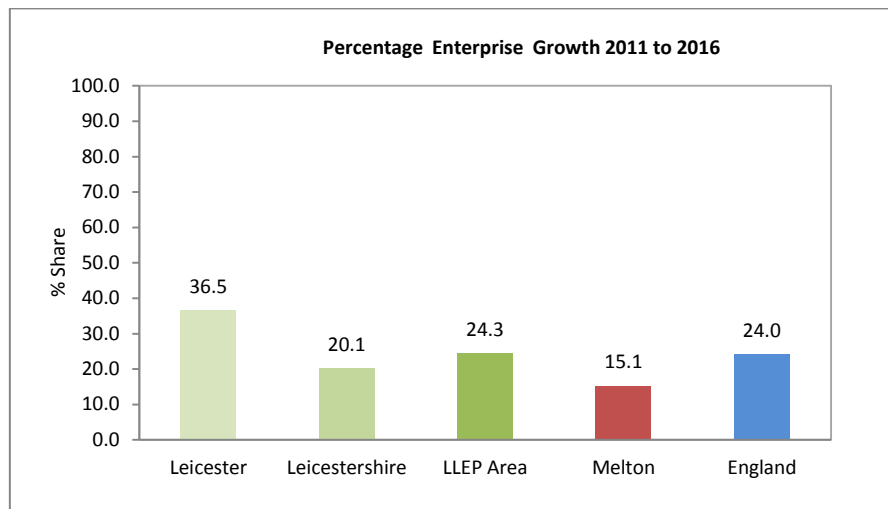
- In Melton Borough 36.7% of occupations were classed as managers, directors and senior officials, professional and technical occupations. This is 9% below the national average of 45.7%.

Changes in technology are making educated and skilled labour more valuable and unskilled labour less so. Government and sub-regional policies have placed more stress on upgrading human capital through promoting access to a range of skills, especially the capacity to learn and providing enabling conditions for organisational change at the firm level to maximise the benefits of technology for productivity.

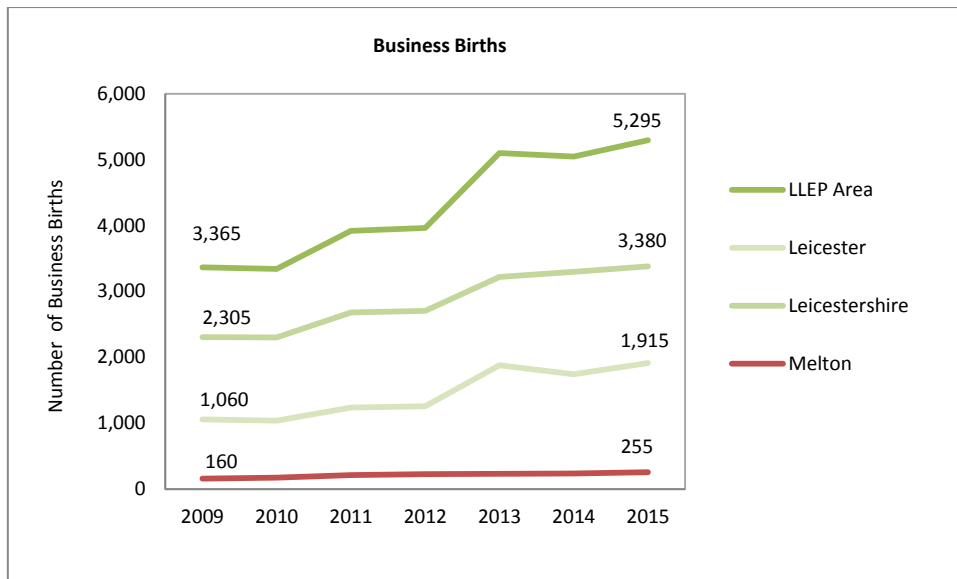
6.3 Business Enterprises (including birth and death rates)

A dynamic local enterprise culture is vital for the long-term competitiveness and overall success of any local economy. Melton Borough's profile takes into account the rate of enterprise growth, business birth rates and 3 year business survival rates.

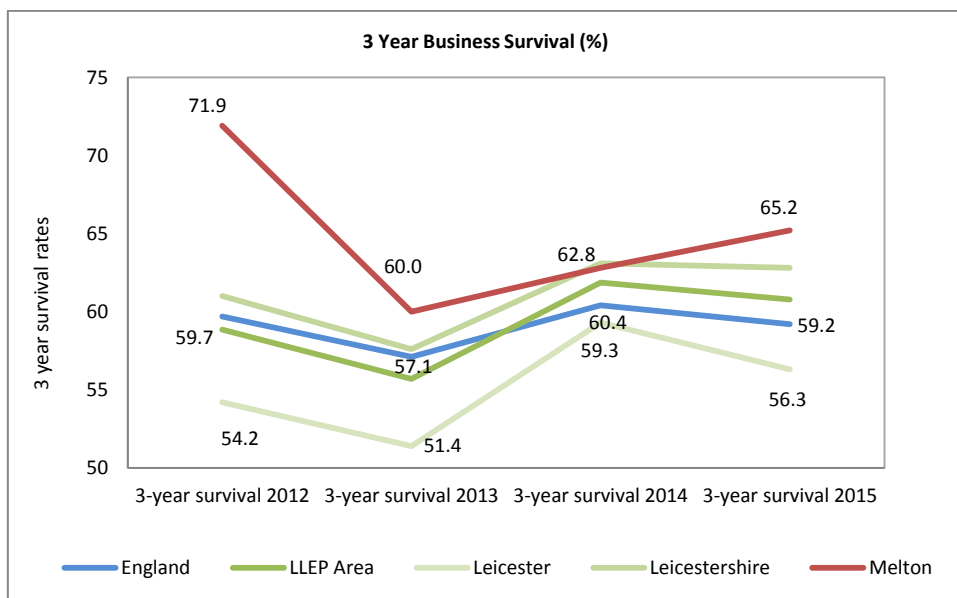
- Over the period 2011-2016 the number of enterprises in the LLEP area grew by 7,665 (24.3%). A large proportion of this growth was over the period 2013-2016 (6,315). In Melton Borough there was growth of 325 (15.1%) and corresponding with the LLEP area, a large proportion of the growth was between 2013-2016 (250 or 11.2%).



- From 2013-2016 only the tourism and hospitality sector has experienced negative growth in the number of enterprises.
- In 2016 the sector with the greatest number of enterprises was the professional and financial services sector. The sectors with the smallest number of enterprises were food and drink manufacturing and textiles.
- In 2015 there were 39,195 private sector enterprises in the LLEP area. Of these 72.1% (28,245) were in the County and the rest (27.9%) were in the City. Melton Borough had a total of 2,475 businesses, which equates to 8.8% of all businesses in Leicestershire.
- In 2014 there were 5,295 enterprise births in the LLEP area (3,380 were in the County and 1,915 in the City).
- Over the period 2011-2015 enterprise births in the LLEP area grew by 1,375 (35.1%). In England there was growth of 48.1%. In Leicester there was growth of 54.4% and in the County 26.1%.
- In Melton Borough there were 255 enterprise births in 2015. Over the period 2011-2015 the number of enterprise births grew by 40 or 18.6%.



- At a County level 3 year survival rates in 2015 were greater (62.8%) than average (England 59.2%). At a City level, Leicester's 3 year business survival rate (56.3%) was below average.
- Over the period 2012-2015, 3 year business survival rates grew in all but three of the geographical areas identified (England, Hinckley & Bosworth and Melton Borough).



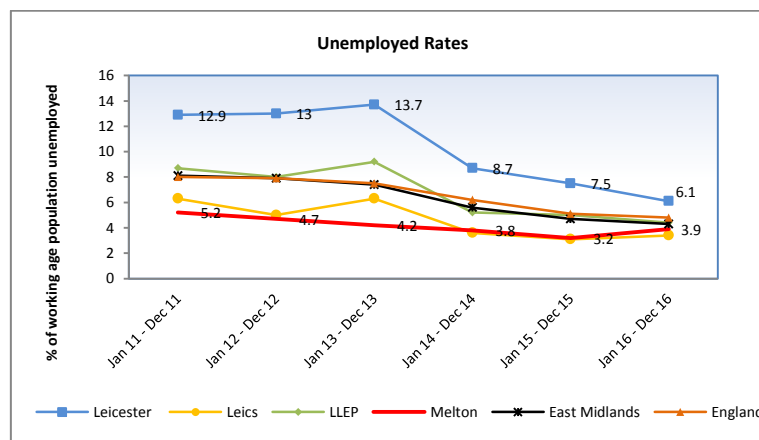
- Over the period 2013-2015 there has been negative growth in all but four of the areas identified (Charnwood, Harborough, Melton and North-West Leicestershire).
- In Melton Borough business survival rates fell from 71.9% in 2012 to 65.2% in 2015, a reduction of 6.7%.

6.4 Labour Market

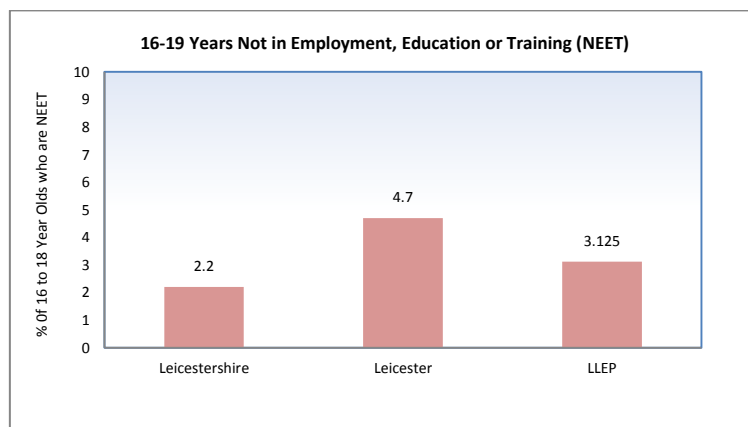
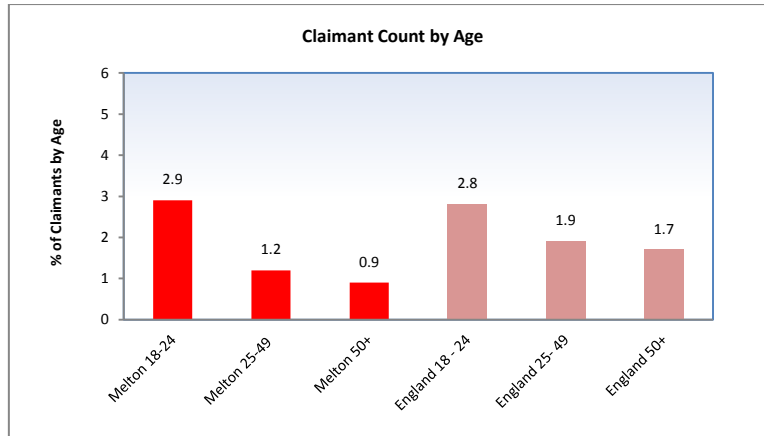
A labour market in an economy functions with demand and supply of labour. In this market, labour demand is the firm's demand for labour and supply is the worker's supply of labour. Estimates by the Office of National Statistics in 2016 put the size of the UK labour force at 33.4m workers out of an estimated population of 63.7m.

To assess to current state of the labour market, the employment rate is used as an overall measure. It also incorporates a range of other measures, such as unemployment and youth unemployment to provide a fuller analysis of labour market conditions.

- The overall number of Job Seekers Allowance (JSA) claimants for the LLEP area fell in April 2017, with 90 fewer people claiming JSA compared to March 2017. There were a total of 4,600 claimants in the LLEP area in April 2017. In Leicester City there were 2,700 people of working age claiming JSA while in Leicestershire the figure was 1,900.
- In the LLEP area as a whole, 0.7 percent of the working population were claiming JSA in April 2017. The claimant rate was 1.2 percent in Leicester City and 0.5 percent in the County. This is compared to 1.0 percent in the East Midlands, and 1.2 percent in England and the UK as a whole.



- Across Leicestershire, all the local authorities experienced a drop in the number of people claiming JSA, with exception of Charnwood, North West Leicestershire and Blaby, which saw small increases. Hinckley and Bosworth experienced the largest decrease (75), followed by Oadby and Wigston (20). Charnwood experienced the overall highest number of claimants (545).



The earnings of those participating in the labour market are also integral to how the area is functioning in terms of its economic profile.

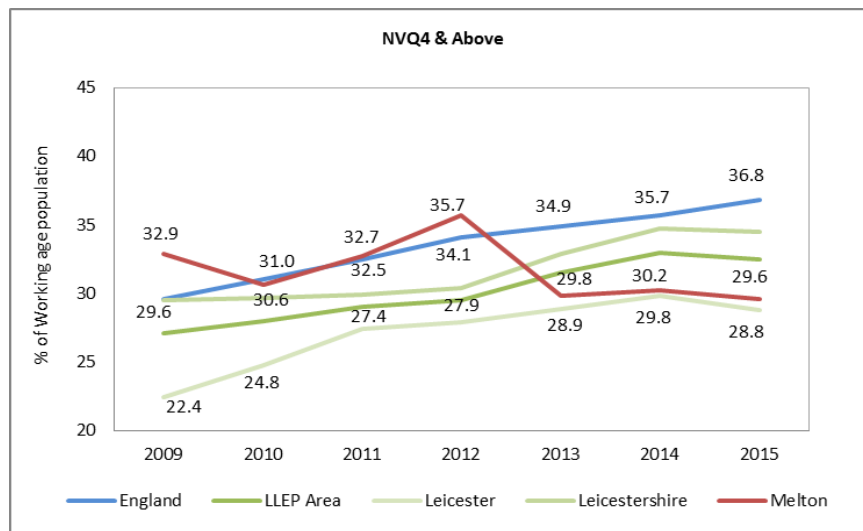
- In terms of resident earnings, the England mean average in 2016 was £544.70. This is greater than Leicester (£436.10) and Leicestershire (£533.20).
- In Melton Borough the median average resident earnings in 2015 was £468.70. Resident earnings in during 2011-2016 grew by £9.70 and between 2013-2016 earnings grew by £41.60.

Whilst there has been an increase in earnings in recent years, the rate of growth is reflected in the proportion of our labour market working in those sectors associated with low pay including: hotels and restaurants; wholesale and retail; admin and support service industries, or in elementary occupations, sales and customer services. However a wide range of factors shape the context for low-skilled workers, including the level of economic development, pace of technical change, levels of migration and the skills of migrants (Joseph Rowntree, Future of UK Labour Market 2014).

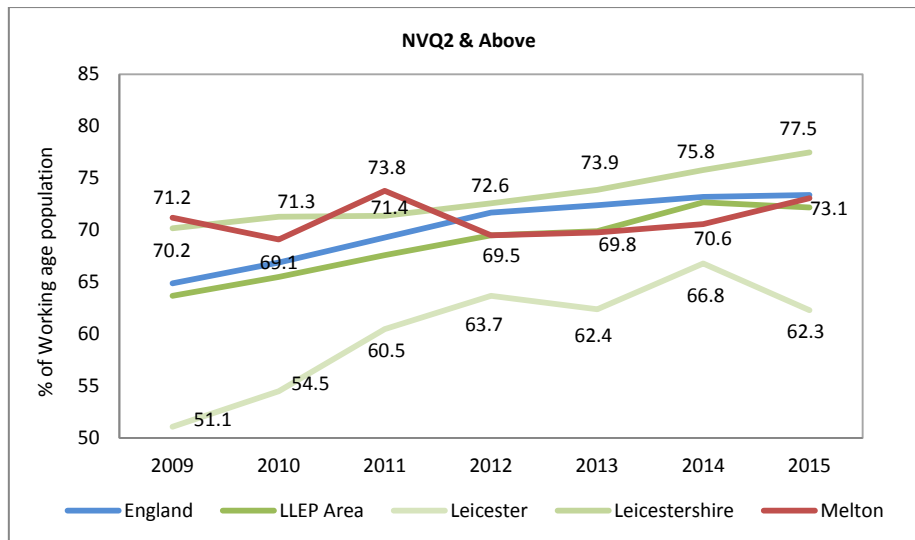
6.5 Skills and Qualifications

Human capital is a prerequisite of a successful knowledge economy. The resident workforce should ideally be characterised by a good blend of academic and vocational skills.

- In Melton Borough 29.6% of the working age population had an NVQ4 and above in 2015. In England the figure was 36.8% and in Leicester and Leicestershire it was 34.5%.
- Over the period 2011-2015 the number of those educated to NVQ4 and above fell by 13.1% in Melton. In England there was growth of 14.8%. Over the period 2013 to 2015 Melton saw negative growth of 2.1%.



- In Melton Borough 73.1% of the working age population had an NVQ2 or above in 2015. In England the figure was 73.4%. In Leicester the figure was 62.3% and Leicestershire 77.5%.
- Over the period 2011-2015 the number of those educated to NVQ2 and above fell by 5%. Growth over the period 2011-2015 in Melton Borough was positive (3.6%). In terms of attainment over the period 2011-2015 Melton was the only area experiencing negative growth.



When people are likely to experience in-work poverty is also indicated in the take up of in-work benefits such as Employment Support Allowance (ESA). So while the obvious response is to increase skills and qualifications levels without a corresponding increase in demand for skills by employers it may simply result in people working in jobs they are over-qualified for. It is important to recognise that how companies choose to compete in markets will influence their approach to progressing low-skilled staff.

Within Melton Borough our aspiration for 'up-skilling' is linked to economic development, innovation and business support programmes, and our focus for the future is to help companies compete on quality as well as cost, where progression structures help low-paid staff 'move-up' within the organisation.

KEY EVIDENCE:

- HEDNA 2017
- Office of National Statistics, Annual Population Survey (2015)
- Joseph Rowntree, Future of UK Labour Market (2014).

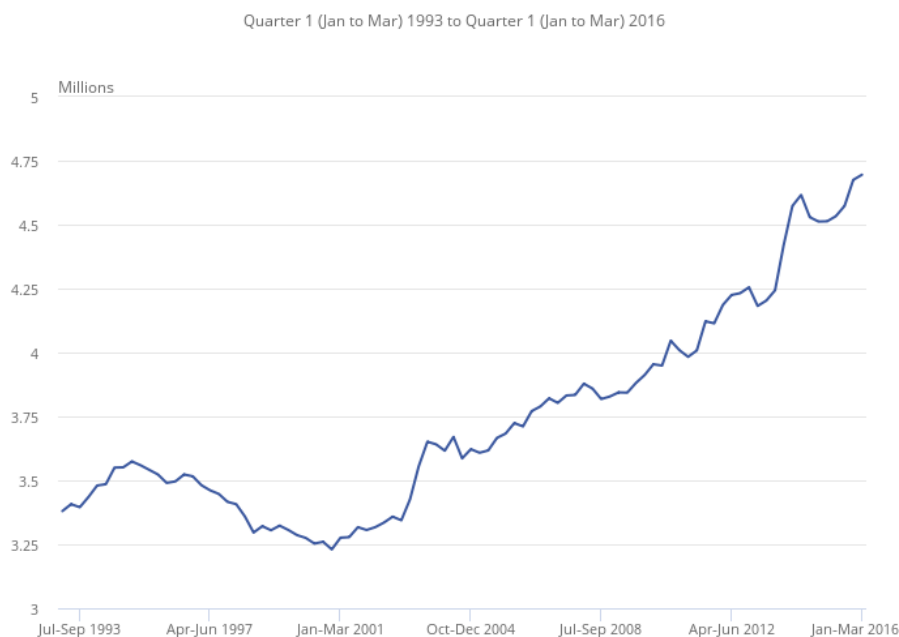
7. Identifying Future Growth Sectors and Trends

Growth in Self Employment

The level of self-employment in the UK increased from 3.8 million in 2008 to 4.6 million in 2015. While this strong performance is among the defining characteristics of the UK's economic recovery, the recent rise in self-employment is the extension of a trend started in the early 2000s (ONS, 2016).

Full-time and part-time workers each account for around half of the rise in the absolute number of self-employed workers, but the growth rate of the part-time mode has been much stronger. Part time self-employment grew by 88% between 2001 and 2015, compared to 25% for the full-time mode (ONS). As groups, both the part-time and full-time self-employed have aged considerably over the last ten years and in excess of that indicated by simple demographics. The fraction employed in finance and business services has risen considerably, they are relatively concentrated in the South East and London, and changes in their usual hours worked have broadly followed trends for employees.

Figure 1: Number of self-employed workers



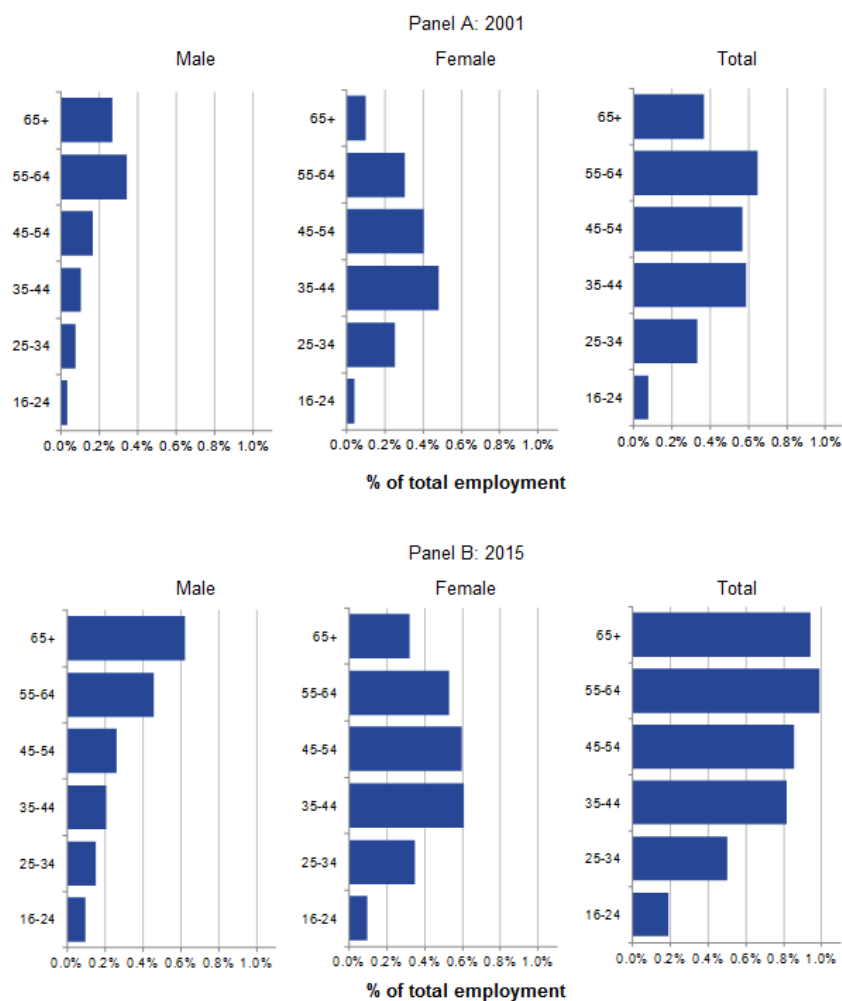
Source: Office for National Statistics, Labour Force Survey

Analysis also suggests that those moving from employee positions to self-employment tend to have somewhat higher pre-transition hourly earnings than workers moving to new employee positions: trends which are more consistent with workers making a positive choice, rather than being forced to be self-employed.

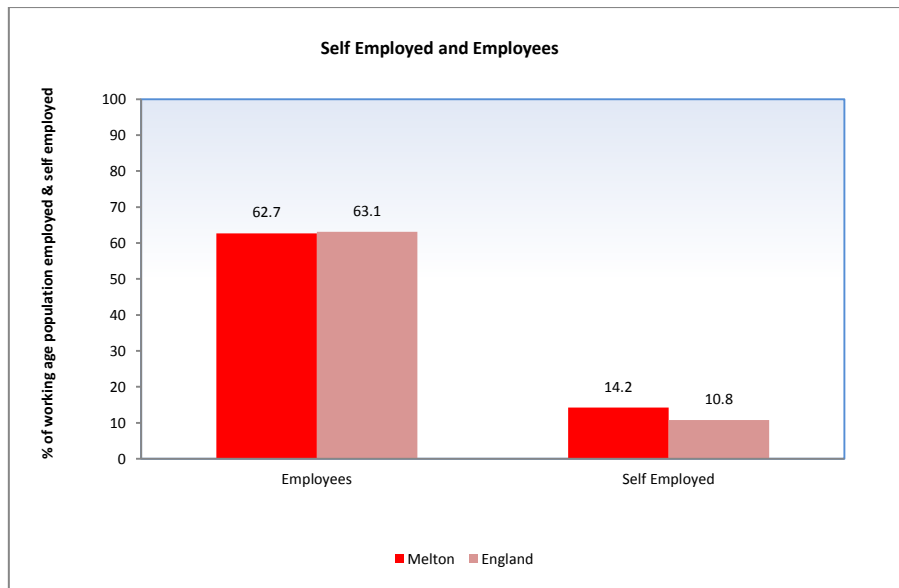
Among younger and mid-aged self-employed women, in particular those working part-time, the growth in the incidence of self-employment has not been accompanied by growth in the number of people who would prefer to work full-time, nor a clear uptick in the number of workers seeking an alternative job. Among younger part-time self-employed men, however, the picture is less certain. Larger portions of these workers display a greater degree of dissatisfaction with their part-time status and appear to have come directly from unemployment – possibly indicating a choice made under economic hardship. It is among these workers that evidence of under-employment is strongest.

Share of total employment by sex and age group accounted for by part-time self-employment males, females and total (ONS)

Percentage, 2001 and 2015



The rising trend in self-employment is also evident across Melton Borough. The growth in self-employment lies as much in the structural changes to the local economy as in the short-term cyclical fluctuations of the past few years. The number of people working for themselves reached 4,800 in December 2016.



Comparing the rate of self-employment, the East Midlands reached 9.8% in December 2016, England was 10.6% and Melton Borough was 14.2%. One reason for this is that the economy has continued to shift towards service industries, where small businesses and their owners are better able to thrive. Another major factor is the increasing sophistication of technologies and the reducing dependency on bricks and mortar has sent the costs of business in to free-fall. Not only has this been beneficial for those hoping to start conventional businesses, it has also made it viable to run a part time business in just a few hours a week. The number of people running ‘5-9’ ventures on top of their day jobs continues to grow nationally, aided in parts by sites like e-commerce website Etsy and other ‘sharing economy’ platforms.

Tourism & Accommodation

Small businesses across the UK have reaped the benefits of the country’s fast-growing “staycation” economy, with businesses in the accommodation and food sectors witnessing positive increases in turnover. Seaside towns, country retreats and UK city breaks are proving very popular as holiday or short-break destinations, otherwise known as “staycations”.

Tourism day-visit expenditure by UK residents rose from £47 billion in 2009 to £57 billion in 2012, a 17% increase. Day-trip spending accounted for 44% of all tourism expenditure in the UK last year. Expenditure by UK residents on visits within the UK that include at least one overnight stay rose from £21 billion in 2008 to £25 billion in 2012 - an increase of 18%. At the same time, UK resident expenditure on visits abroad fell significantly from £36.8 billion in 2008 to £31.7 billion in 2009, a 14% decrease (ONS).

On a local level, Melton Promotions Board was formulated in 2004. The aim of which is to deliver the actions and strategies highlighted in the Tourism Blueprint, which sets out the key actions of the partnership in terms of tourism, marketing and development priorities.

Melton Borough has an international reputation for local food products, such as Stilton Cheese and Melton Mowbray Pork Pies, contributing to Melton's identity as the 'Rural Capital of Food'. Melton also hosts nationally recognised events such as the East Midlands Food and Drink Festival and the British Pie Awards. In order to compare the impact of the tourism sector within Melton Borough, the Scarborough Tourism Economic Activity Monitor (STEAM) provides a measurement of tourism from the supply side (not the demand side). It is designed to provide an indicative base for monitoring trends.

The STEAM Report 2014-15 revealed that in 2015 there were an estimated 1,696,000 tourism visits to the Melton area (an increase of 5.8% from 2013/14). Overall, 11% of all visitors (176,000) stayed in the area for one or more nights. The overwhelming majority of visitors to the area (1.43m) were Day Visitors, who represented 89% of all visitors to the area.

Over the past 3 years, total visitor numbers to the area have been on the increase (plus 5.8% since 2012), especially in relation to non-serviced accommodation (self-catering). There is a continuing rise in non-serviced accommodation when comparing 2014-2015, yet this sector remains critically small within the Melton area, at 1% of the total visitor numbers. Given the rising demand, thought should be given to increasing this accommodation sector within the area.

In terms of the economic impact of tourism to the local economy, STEAM (2014-2015) calculated this to be worth £85.37m (up 6% on 2014). The sector with the largest impact on the overall economic impact is the day visitor sector, which represents 62%, or £53.37m.

Direct Visitor Expenditure (2015)						Indirect & Induced	Total Economic Impact
Accommodation	Food & Drink	Recreation	Shopping	Transport	Total Direct		
£7.786m	£17.52m	£7.309m	£23.33m	£8.435m	£64.38m	£20.99m	£85.37m

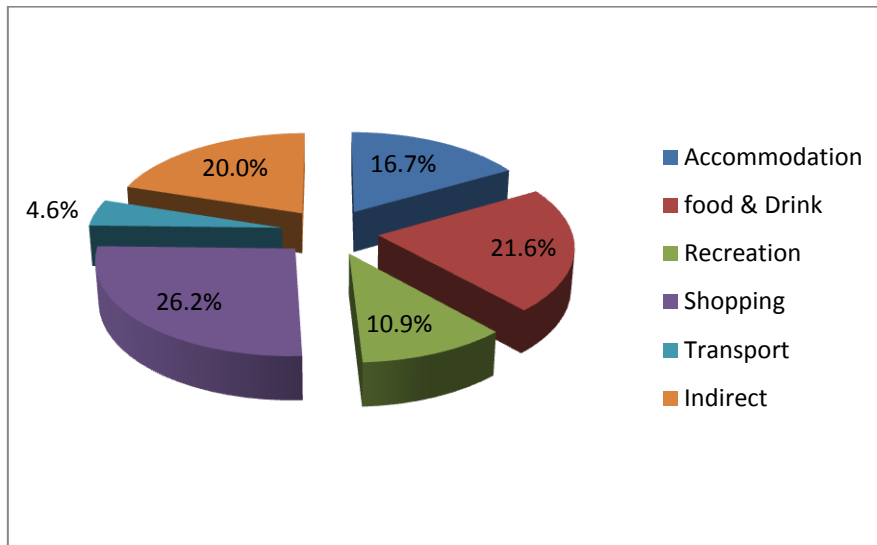
Source: STEAM Report 2014-15

In terms of the average economic impact by each type of visitor to the area, day visitors accounted for £35.11 per day, for those staying in non-serviced accommodation this rose to £54.80 per day/£359.68 per stay; and this again rose for individuals staying in serviced accommodation to an average of £116.63 per day/£224.95 per visit.

Whilst day visitors remain in the majority, the increased spend by staying visitors make them a priority in terms of generating revenue within the Borough, especially when taking into account the small non-serviced sector increased its economic impact by almost 63% within a year.

The expenditure and activity of visitors to the Melton area in 2015 supported a total of 1,165 Full-Time Equivalent jobs (FTE's). Since 2009 FTE's increased by 15.3%, especially during the second and third quarters, pointing to a surge in season jobs within the area and an increase of 2.9% from the previous year.

Sectoral Distribution of Employment – FTE's



Source: STEAM Report 2014-15

Focus for the future includes encouraging more Staying Visitors through campaigns and initiatives as this sector will improve the economy with higher expenditure and more FTE's in target sectors. Partnership working will also strengthen to increase awareness of our local offer regionally and nationally through targeted campaigns. The visitor experience is central to all of this and consequently, we need to ensure that we provide a clean, attractive, safe destination with clear information for tourists and quality accommodation, attractions and experiences.

Town Centre

Melton Mowbray is the primary urban settlement within the district and is its main service, administration and employment centre. In 2015, Melton Mowbray had 447 businesses and is classed as a Large Town and a Typology 2 Town. The diversity and vitality of the town centre includes a retail offer and mix, a culture and leisure offer, events and markets.

Benchmarking data is collected on a quarterly and annual basis within the town centre, with the aim of providing consistent data to monitor the town centre's year on year performance. The benchmarking and data collection comprises 12 key performance indicators with four key areas including Town Centre Diversity and Vitality, Customer and Business Perception, People and Footfall and Economic Characteristics. It is worth noting that the national average refers to all those towns taking part in the benchmarking and not the UK national average.

Independent businesses continue to represent a high proportion of Melton's Town Centre businesses at 65%, in comparison with other large towns at 62% and nationally 45%, which is indicative of the town centre's USP and business start-up trend. The commercial offering within the town centre is also indicative of other large

market towns, with 48% of businesses within the A1 category and 10% within the A3 category, reflective of the town's increasing restaurant and café culture.

A higher percentage of B2 businesses are represented in the town at 10% compared to the East Midlands figure of 5%, which is reflective of the Snow Hill Industrial Estate's inclusion in the town centre boundary and its growth in 2015.

The market is increasingly recognised as a valuable asset to the town and attracts tourists, visitors and locals. The number of market traders has remained consistent over the last year with a total of 116 traders, which represents 78% and higher than the national large town average of 66%. In 2017 there is planned regeneration of the town's market, including new location and new stalls/gazebos, which it is hoped will attract new market traders and rejuvenate the town's market.

Town centre business turnover have again shown an increase in 2015, with 50% of businesses surveyed experiencing an increase in turnover, compared to 44% in 2014. Whilst staff numbers have remained static during 2015, 25% of businesses expected their staff numbers to increase moderately over the next year, with 52% of businesses also planning to expand their business in the next year. However, increased business costs (41%) and rental values (30%) continue to remain key barriers for growth in the town centre.

A Springboard Footfall Counter was installed in the Market Place in January 2015. The reports provide an invaluable detailed analysis of our High Street, with regards to footfall and trends. Footfall figures have significantly increased in 2015, with an average number of 719 recorded on a Tuesday/market day, compared to 596 in 2014 and the national large town figure of 380. At the close of 2015, December's monthly report shows a consistency of footfall throughout 2015, with monthly footfall of 422,064. The busiest footfall day was consistently a Saturday, with a peak hour of 11.00am and average footfall of 3,351. Visitor numbers on a Saturday averaged 22,703.

Footfall Counts

	Melton Mowbray 2011	Melton Mowbray 2012	Melton Mowbray 2013	Melton Mowbray 2014	Melton Mowbray 2015
Busy (Tuesday)	670	342	279	596	719
Quiet (Thursday)	156	170	156	258	232

Source: Town Centre Benchmarking Report (2015)

Car park occupancy on a Tuesday reflects the continued successful draw of the town's markets in driving footfall and occupancy to the town centre, with occupancy higher than the national average, and with a significant increase to 91% occupancy in 2015, compared to 85% occupancy in 2014. Non-market days in 2015 recorded occupancy of 61%.

Vacancy rates have remained static throughout 2015 at 7%, compared to the national large town average of 12% and East Midlands comparator figure of 8%. Springboard figures in January 2016 showed a national vacant unit average of 9.6%

and East Midlands average of 8.7%, which has shown little movement in the last year.

Number of Vacant Units

	Melton Mowbray 2011	Melton Mowbray 2012	Melton Mowbray 2013	Melton Mowbray 2014	Melton Mowbray 2015
Occupied	95%	92.3%	93.1%	93%	93%
Vacant	5%	7.7%	6.9%	7%	7%

Source: Town Centre Benchmarking Report (2015)

The strategic vision and priorities for the town centre will be developed through a number of initiatives to ensure continued marketing of our 'Rural Capital of Food' brand, comprehensive business support, improve the town's evening economy, develop inward investment opportunities, develop car parking schemes and enhance landscaping and the physical appearance of the town centre.

Farming and Agriculture

According to the report 'Agriculture in the United Kingdom' (2015), total Income from farming is estimated to have fallen between 2014 and 2015 by 29% (£1,526 million) in real terms, to £3,769 million. The 2015 value was driven by lower commodity prices and reduced direct payments resulting from the less favourable euro/sterling exchange rate. Gross Value Added (GVA) fell by £1,393 million, to £8,495 million, in real terms a 14% decrease. The total factor productivity is estimated to have fallen by 0.4% between 2014 and 2015. This follows high levels of production in 2014 including record yields for cereals. Compared to 2010 productivity has increased by 5.3%.

The report also highlighted that the Utilised Agricultural Area (UAA) decreased by 0.5% to 17.1 million hectares, covering 70% of land in the UK. Within the total croppable area of 6.1 million hectares, the total crop area decreased by 0.9% (43 thousand hectares), with a 33.5% (54 thousand hectares) increase in uncropped arable land and a 16.4% (229 thousand hectares) decrease in temporary grass.

The agricultural industry in Melton Borough has performed positively in recent years. According to Defra land use and livestock data (as at June 2014) the number of cattle increased by 1% within the Borough compared with a decline of 3% in the East Midlands and a similar decline in England as a whole, while the number of sheep increased by 7% (a similar increase to the East Midlands but higher than England as a whole, which showed an increase of only 5%).

Over the same period (2010-2013) there was also a very positive increase in the number of full and part time farmers in Melton (+3%) which contrasted with a static number in the East Midlands and a small increase of 1% in England as a whole. The number of farm managers and agricultural workers declined by -14% compared to an increase of 3% within the East Midlands and a small decrease of -1% in England. The changes are summarised in the table overleaf:

Number and Change in levels of livestock for Melton and Comparator Areas								
Livestock	Cattle and Carves		Sheep and Lambs		Pigs		Poultry	
	No*	% Change**	No*	% Change**	No*	% Change**	No*	% Change**
Melton	26.1	1%	56.3	7%	17.2	n/a	363.4	-18%
East Midlands	495.7	-3%	1,200	7%	377.2%	10%	23,421.4	2%
England	5,344.7	-3%	14,921.6	5%	4,065.09	13%	120,504.2	-4%

Source: Defra (Structure of the Agricultural Industry as at June 2014) * number (000s) ** Change over period 2010-2013

Number and Change in levels of labour for Melton and Comparator Areas								
Labour	Farmers		Managers		Workers		Casuals	
	No*	% Change**	No*	% Change**	No*	% Change**	No*	% Change**
Melton	679	3%	40	-4%	260	-14%	97	-2%
East Midlands	18,872	0%	1,392	-3%	8515	3%	4,600	9%
England	170,478	1%	10,585	-1%	74,152	-1%	39,203	5%

*Number as at 1st June 2014 ** Change over period 2010-2013

The redevelopment of Melton Mowbray's Livestock Market will play an integral part in supporting the local and regional farming and agricultural sector. The Livestock Market is located on the northern perimeter of the town centre, and remains an important part of the identity of Melton Mowbray as a market town and focus for the rural economy. It is one of the few remaining operational livestock markets in the East Midlands and is nationally significant in terms of livestock sales, ranking within the top ten markets in England. The site extends to approximately 7 ha and comprises a range of specialist livestock and other market accommodation, alongside a range of ancillary facilities.

The redevelopment comprises of two phases, the first of which aims to secure the long-term future of the livestock market as a key economic asset and a vital component in the rural economy. It will deliver new covered cattle pens and auction facilities and re-configuration the site to provide an enhanced division between livestock activities and visitors, resulting in improved flows across and into the site. Finally, Phase 1 aims to unlock the potential of the Opportunity Site through site clearance and rationalisation to enable the delivery of a Phase 2 project creating a hub for the rural economy and food and drink sectors. Phase 2 will provide facilities and services to catalyse the growth of small food and drink sector businesses and strengthen Melton Mowbray's brand as the 'Rural Capital of Food'.

Forecast Employment Sectors

The conclusion of the Employment Land Study (2015) forecasted change in jobs by employment sector 2011-2016:

Employment Sector	Jobs (2011)	%	Jobs (2036)	%
Agriculture, energy & water	860	4	850	3
Manufacturing	4,410	19	6,120	24
Construction	1,490	7	1,740	7
Distribution, hotels and restaurants	2,050	9	2,560	10
Transport & communication	1,540	7	1,840	7
Financial, real estate, professional and administrative activities	4,400	19	5,180	20
Public administration, education & health	4,290	19	3,950	15
Wholesale & retail	3,560	16	3,780	15
Total Jobs (all sectors)	22,620	100	26,020	100

Source: Melton Employment Land Study (2015). Note: Does not sum due to rounding.

The Melton Employment Land Study (2015) found that there is likely to be a 7.1%-7.9% increase in jobs in the Borough and an increase in the likely demands for employment land. This combined with an existing low unemployment rate puts pressure on employers looking for additional staff and may force some to halt plans for expansion or employ staff from out of the Borough.

KEY EVIDENCE:

- Office of National Statistics (2016)
- STEAM Report 2014-15
- *Town Centre Benchmarking Report (2015)*
- *Agriculture in the United Kingdom' (2015)*
- *Defra (Structure of the Agricultural Industry as at June 2014)*
- Employment Land Study (2015)

8. Economic Development Strategic Priorities

Melton Borough Council's Economic Development Strategy (2015-2020) has been developed from a robust evidence base, which has been used to identify the issues faced by Melton Borough. Local actions will tackle local issues, which are set within a wider strategic framework, the successful delivery of which will support the sustainable growth and development of Melton's local economy in line with supporting local strategies.

The strategy provides an overarching framework to improve the local economy, and whilst the council has a key role to lead on, and co-ordinate, this work, it is vital that the strategy has the support and commitment of all local partners.

As a result of the evidence gathered in support of this strategy, the following four Strategic Priorities have been identified:

1. **Promoting Innovation, Enterprise and Growth in Key Sectors:** To develop a strong competitive economy by encouraging emerging technologies and innovation
2. **Enhancing Aspirations, Skills and Economic Activity in the Borough:** To develop a work force to meet the needs of the local marketplace and raise ambition
3. **Improving the Vitality of the Town and surrounding Villages:** To create better places for local employment, shopping and entertainment
4. **Maximising Inward Investment Opportunities:** To work with other agencies to maximise resources and promote a competitive economy

8.1 Strategic Priority 1:

Promoting Innovation, Enterprise and Growth in Key Sectors

Innovation is a major driver of economic growth by increasing productivity, opening up new markets and creating new goods and services that can be used by the rest of the economy. In order to encourage a strong entrepreneurial culture in the Borough, enterprise activity needs to start early in schools and continue throughout the education system. Through more joined-up working between education providers and businesses, it will also be possible to identify emerging sectors of growth and to deliver local skill requirements to meet business demand.

Achieving growth in productivity is critical for achieving sustained economic growth. Productivity is the single most important determinant of living standards. On average, productivity (measured in terms of GVA per workforce job) is lower in rural areas than it is in urban areas. There is significant scope to harness recent economic trends to strengthen productivity levels in rural areas. Such productivity increases would boost growth and incomes in rural areas and raise productivity for the UK economy as a whole.

Whilst employment in high-tech and knowledge-based businesses and services in Melton Borough is significantly lower than the national average, there are local

opportunities available. Partnership working with local and regional schools, colleges and universities will enable knowledge-based entrepreneurs to develop their innovative ideas into thriving businesses, whilst local businesses can benefit from the skills and experience education institutions can provide.

In terms of key sectors, the Borough has developed into a growing manufacturing and service economy with an international reputation for local food products, such as Stilton Cheese and Melton Mowbray pork pies, contributing to the brand image of the 'Rural Capital of Food'.

Working with our partners in the tourism sectors, we will build on this strong image by developing sustained events such as the East Midlands Food and Drink festival, The British Pie Awards and others that will attract further investment and promote the town and borough as a flourishing tourist destination. The Tourism Blueprint, Purple Flag accreditation and the East Leicestershire LEADER Programme will also support the development of rural tourism.

However, we must also consider that historic trends may not be replicated going forward, other than manufacturing which is forecast to experience significant growth up to 2036. It is evident that new sectors are emerging, with employment in creative industries predicted to increase in the Borough. This is a diverse sector and is characterised by a high proportion of freelance workers and micro businesses. Potential growth may also be accelerated by drawing on the expertise in local universities and FE colleges. Employment in construction has also been increasing, whilst the Melton Employment Land Review (2015) indicated that the main areas of forecast employment growth are manufacturing, professional and other private services and information and communication.

Growth in a range of economic sectors is essential for the Borough's economic future. A more resilient and higher performing economy will need to provide a greater diversity of jobs in a broader range of industries.

Our Plan is to:

- Engage with 400 businesses annually to promote innovation and enterprise opportunities.
- Produce a package of measures aimed at growing innovative businesses.
- Provide a strong network of business support services, particularly targeting those that are self-employed in the Borough.
- Develop partnerships with Pera, BMC, JFC and MV16 and regional universities to advance knowledge transfer, innovation and emerging technologies.

By 2020 we will have succeeded in:

- Increasing the number of key priority sector businesses in the Borough.
- Increasing the proportion of knowledge-based and innovative businesses in the Borough.
- Decreasing the number of businesses failing in the first 3 years.
- Partnerships with our partners will have improved to ensure innovation and enterprise opportunities are maximised.
- Improving the number of businesses reporting an increase in business confidence.

8.2 Strategic Priority 2:

Enhancing Aspirations, Skills and Economic Activity in the Borough

Improving skills is a national priority for strengthening productivity performance given longstanding problems with the UK's skills base (HM Treasury, 2015). But employers in rural areas can face particular constraints in accessing the pool of skills they require. According to research conducted in 2013, businesses in rural areas are more likely than businesses in urban areas to have to outsource work, withdraw from markets and experience delays in developing new products and services as a result of skills shortages (UK Commission for Employment & Skills, 2013).

Businesses in rural areas are also less likely to provide vocational training, including NVQ's and apprenticeships, than businesses in urban areas (UK Commission for Employment & Skills, 2013). It is the government's intention to increase apprenticeships in rural areas, including by tripling apprenticeships in food and farming and by helping small tourism businesses to provide more, high quality apprenticeships. This is a positive step forward for local economies such as Melton Borough's, as it will help to address the skills gaps in some of our priority sectors.

The skills and abilities of our local workforce are vital to our aspirations of a thriving knowledge-based, high-value added economy. We need to ensure that young people in particular gain the necessary knowledge and competitiveness to drive forward innovation and enterprise. The local economy and businesses within it require well-qualified, enthusiastic employees with the right attitude, in order to compete and boost productivity. Educational providers need to focus on future skills requirements locally and nationally.

The Borough currently has very low levels of unemployment, but also high levels of low paid/low skills employment, especially within Melton Mowbray. This is attributed to the presence of a number of large manufacturers, particularly in food related businesses, and a reliance on agriculture.

Over recent years Melton Borough Council has been engaging with local employers, who have identified specific skills gaps within the local economy. As a consequence, we aim to assist in the development of opportunities for young people to gain experience and skills in these sectors to support local businesses and local growth. This will also involve targeting those people with no or very little work experience and qualifications, with the intention of improving life skills and increasing their employability prospects.

With valuable contributions from 'Me and My Learning' and working with our partners, we will encourage schools and colleges to promote innovation and enterprise early on in the education process and continue throughout the educational system. Closer links between local primary schools, Long Field Academy, Belvoir High School, John Ferneley College, Brooksby Melton College and local businesses will ensure that young people in the Borough leave the education system with a

broad range of qualifications and skills that are well-matched to future economic and social needs.

In addition to supporting aspirations and skills levels, the highly successful Wheels2Work Scheme supports unemployed individuals to access education or employment by providing scooters and bicycles so they can travel independently, especially those located in isolated and rural areas.

Our Plan is to:

- Support the wider economy by encouraging apprenticeships, lifelong learning, social enterprise and volunteering.
- Improve links between businesses and education providers to ensure that young people leave education with skills that the future economy needs, particularly those of innovation and enterprise.
- Encourage 100 employers to up-skill their workforce and promote talent management opportunities to develop ambition.
- Work with our partners to enhance career advice to young people to raise aspirations and ambition of enterprise and creativity.
- Work with our partners to enhance free money and debt advice and increase skills in money management.

By 2020 we will have succeeded in:

- The number of social enterprises, people in apprenticeships and work experience and volunteering opportunities in the Borough has increased.
- The proportion of young people supported to pursue a career in enterprise has increased.
- The proportion of 16-19 year olds not in education, employment or training (NEETS) has decreased.
- Local employers are reporting less skill shortages and are actively up-skilling their workforce and considering talent management.
- The percentage of working age population with NVQ level 4 or higher qualifications has improved.

8.3 Strategic Priority 3:

Improving the Vitality of the Town and surrounding Villages

Melton Mowbray Town Centre is the main destination for shopping and leisure within the Borough. It has a distinctive retail offer with a high proportion of independent retailers and small franchises which are enhanced by the weekly Livestock Market and the twice-weekly Farmers' Market. The town centre is much more than just a destination for shopping. It contains a rich and diverse number of uses which together give the town its own distinctiveness.

Balanced against the growing convenience of accessing services and shopping through the Internet, we must ensure we take full advantage of key assets that will enable the town centre to remain a destination that people continue to want to visit, enjoy and spend time and money. Leisure facilities, restaurants, entertainment and banks and other over the counter services also play a part in attracting people to the town centre and contribute to its viability and vitality. It is important that these uses are located in parts of the town centre which would not weaken the shopping function and experience.

Over the last 20 years, the role of the town centre as a destination to buy goods and services has been affected by factors such as the growth in online retail and services and the cost of travel. One effect has been that uses that provide for social gatherings, such as coffee shops and restaurants have increased, whilst shops have declined. This change in retail and the role of the town centre is occurring nationally. It is essential that our plan for Melton Mowbray Town Centre ensures it remains vibrant, diverse and healthy and performs effectively as the heart of the community.

We recognise that there is a significant difference with regards to users of the town during the day and the evening. Melton Mowbray has been awarded Purple Flag accreditation, which is the 'gold standard' for town centre at night. It aims to raise standards and improve the quality of our town between the hours of 17:00 and 06:00. It is an accreditation scheme based on a unique set of standards. We aim to ensure that people visiting Melton Mowbray feel safe and that they are in a town that is clean, attractive and accessible. A town that not only provides local pubs and clubs, but also a wide range of activities including arts and culture, leisure, food and dining, education and events.

Whilst Melton Mowbray will be the focus for economic growth, the contribution of a diversity of rural enterprises to the Borough's economy now and in the future cannot be underplayed. Outside the town, these operate in and around villages across the Borough. Employment growth in the rural areas will be supported where it contributes to the long-term sustainability of villages and is sympathetic to the rural character and attractiveness of the area. Increased homeworking and small business start-up is anticipated, particularly in light of improvements in broadband speeds.

The Melton Business Improvement District (BID) is committed to enhancing the vitality and vibrancy of Melton Mowbray's Town Centre, so that it continues to be a thriving and successful town. Over the last five years, the Melton BID has generated over £670,000 funding for the town centre. It has sought to enhance the vitality of the town centre, raising its profile as a tourist and shopping destination and reducing business costs through business schemes. Working with key partners, the BID has

successfully delivered a range of projects, which have included targeted marketing campaigns and events, business support initiatives and the promotion of Melton's heritage and visitor experience.

In October 2016, the BID was successfully renewed for a second five year term, from 2016-2021. Key strategies for the BID's next 5 year term will include marketing, promotion and events, improving the street scene, business support and vision and strategy. The Melton BID will raise £146,000 per annum over the next five years, generating £730,000 over the five year period. Additional income will also be sought through local enterprise funding, government grant funding, voluntary contributions and sponsorship opportunities.

Our Plan is to:

- Develop a Town Centre Masterplan and Town Centre Investment Management plan.
- Deliver the regeneration actions and objectives for Melton Mowbray and the surrounding villages.
- Improve the night-time economy.
- Support the Melton Mowbray Business Improvement District in delivering all of the Business Plan objectives.
- Support the development of the Superfast Leicestershire Broadband Project to ensure more local businesses are benefiting.
- Support the rural economy by working with rural businesses, including those operating from home, to understand their diverse business needs and to aid business growth.
- Encourage sustainable transport and logistical solutions for local communities and businesses.

By 2020 we will have succeeded in:

- The Town Centre Masterplan and work towards an Investment Management Plan will ensure a first class shopping experience with a unique cultural draw and visitor concept.
- A broader and safer offer of the night-time economy increases evening footfall and improves the vitality of the Town Centre.
- The objectives of the Melton Mowbray Business Improvement District have been achieved.
- An increased number of businesses reporting improvements in their broadband services.
- Engagement with businesses operating from home has improved.
- Rural economies are becoming stronger with more new and diverse rural businesses being established, with aspirations to grow.
- Businesses report less transport issues.

8.4 Strategic Priority 4: Maximising Inward Investment Opportunities

Through continued partnership working we stand the best chance of promoting the Borough as a first class business destination. We recognise the need to attract inward investors to the Borough by promoting the advantages and strengths of the area as a place to locate leading edge businesses and attract highly-skilled employees. There is a need to balance the supply of employment land and premises, as a prerequisite for the area to be able to maximise its economic performance. Critically, modern infrastructure, particularly road infrastructure, is vital for enabling rural businesses to supply goods to markets, including export markets, and for rural areas to attract workers and visitors.

Rural areas are characterised, to different degrees, by lower physical density and greater 'remoteness' from economic centres. Better connecting rural areas to information and markets, both product and labour markets, through high quality communications and transport infrastructure can reduce the significance of these characteristics. Improved connectivity can provide the means for people in rural areas to strengthen knowledge and skills. It can also enable businesses in rural areas to connect with centres of innovation and research, such as universities.

To enable businesses in the Borough to grow, increased labour supply must be provided in the locality. More jobs require an increase in the working age population, which will arise from planned new households. Moreover, in allocating 30ha of employment land, businesses have the opportunity to expand. These measures, combined with the delivery of strategic infrastructure such as the Melton Mowbray East Distributor Road, will pave the way for internal business growth and external investment coming into the town. Investing in key infrastructure to unlock and accelerate the development of new employment sites and future employment growth areas to provide high-quality business environments.

The Council has a good track record of securing external funds. The Melton Livestock Market secured LLEP funding for the rationalisation and redevelopment of the site. In partnership with the Leicestershire Rural Partnership, we secured funding through the LEADER Programme (2014-2020), as well as ESF funding to establish 'Me and My Learning' at Phoenix House. A Skills and Employment Project was awarded funds to target skills and employment issues in the Borough's priority neighbourhoods and in partnership with Pera Training we secured further ESF Capacity Building funding to promote up-skilling and apprenticeships locally.

As well as contributing to the wider economic goals, the Borough Council is committed to working with the private sector to deliver employment opportunities that meet the identified employment needs for current and future local residents and those who work in the Borough.

The Council's plan is to align employment land provision with the anticipated growth in jobs. The aim is to sustain existing viable employment sites and make new land available for investors to create new jobs in the Borough, and for existing businesses to expand. The Borough's entire network of employment premises and land is

essential to serve the needs of the existing economy, to help maintain a wide portfolio of employment sites, and to provide jobs, especially in the rural areas. Without it, there could be a negative effect on the local economy and the Council's aims for sustainable development.

This seeks to allow flexibility maximising the opportunities for and choice of employment that matches the available local employment and the future employee skills base. This will help to ensure that the Borough of Melton retains its economic competitiveness, meeting local economic needs and reducing the need for large scale out-commuting.

Our aim is to provide more innovative, strategic and joined up interventions to ensure Melton Borough is able to attract inward investment and sustain and develop its assets. The key to ensuring its success is for those responsible for its 'vibrancy and vitality' to work together to enhance our local and sub-regional role, as well as allowing villages to develop sustainably.

Our plan is to:

- Build on our identity as the 'Rural Capital of Food and Drink'.
- Maximise opportunities to attract inward investment and new funding by working more closely with our partners.
- Continue to develop excellent relationships with businesses, with particular focus on high growth and innovative companies.
- Continue to develop excellent relationships with developers and land owners to increase the supply of 'fit for purpose' employment land and premises.
- Attract new funding to the economy to stimulate growth and accelerate development.
- Consider investment opportunities that would directly stimulate regeneration
-

By 2020 we will have succeeded in:

- Continuing to establish and sustain nationally recognised events related to the food and drink sector.
- Engagement with high growth and innovative companies has improved, resulting in increased investment opportunities within the Borough.
- Receiving increased numbers of direct inward investment enquiries relating to the Borough.
- Increasing the amount of funding allocated to the local economy, by submitting more funding applications to accelerate development.
- New employment land and premises has been identified, with increased numbers of businesses starting up in the Borough.

It is clear that rural areas are full of enterprises, and that competition between enterprises is vital for productivity growth and for the rural economy to flourish. There are very specific issues and challenges within our local demographic that requires on-going effort both to address the profile, particularly the ageing demographic and the relatively low pay and qualification levels. In recognition of the ageing demographic, the need to focus on schools leavers is apparent, as this is the pool of future employees in the Borough. With this in mind, there is a real opportunity to build stronger relationships between Melton Borough Council, business support agencies, educational and training providers and businesses and a desire for proactivity has been expressed by all, which is encouraging.

Proactive partnership working will not only address local business needs, but will also support the development of workforce and employment opportunities in the area. Whilst some employers within the Borough have already engaged with local colleges and universities, there is clearly room for improvement in this area, especially targeting high growth, priority sectors. Melton Borough's key sectors have strong links to the Leicester and Leicestershire's priority sectors, particularly food and drink manufacture and tourism and hospitality. Whilst others currently have less of a presence in our local economy, we are working towards increasing the existence of these types of businesses locally. It is evident that we have real, tangible opportunities to use our key sectors to the best of our advantage to maximise our growth potential and develop those sectors that have the capacity to create a more diverse economy within our Borough.

With the economy changing, there is a need to recognise that the challenges will change at pace. It is imperative that we are aware of the future issues and challenges in good time, so that we can respond to the Borough's changing economic requirements. At the heart of this, it will be essential to conduct on-going feedback and consultation with rural businesses and communities to ensure we deliver a prosperous, enterprising and sustainable rural economy within Melton Borough.

KEY EVIDENCE:

- HM Treasury (2015)
- UK Commission for Employment & Skills (2013)

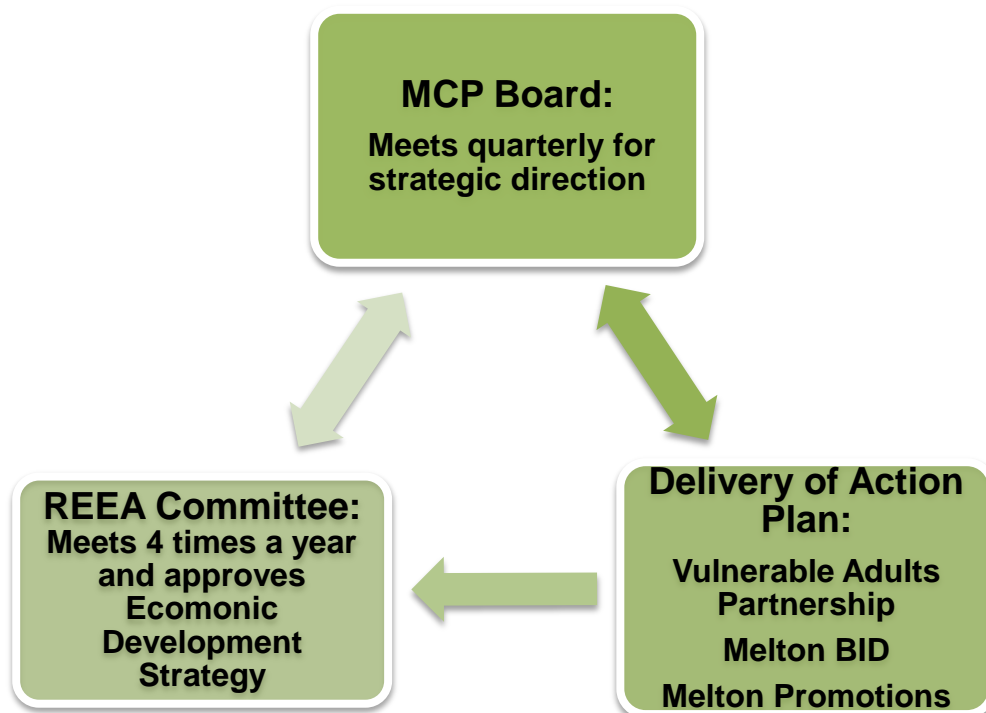
9. Monitoring and Evaluation

The Melton Community Partnership (MCP) will be leading on taking forward the Economic Development Strategy (2015-2020).

- The MCP will provide the strategic direction and leadership in promoting the local economic development strategy and address the 4 key strategic priorities.
- The Partnership will promote the delivery through an action plan that will be taken forward by a number of the delivery groups.

The MCP will be monitoring and reviewing the progress of the strategy at the quarterly meetings chaired by the Leader of the Council. The Action Plan for this strategy will be taken forward by our multi-agency partnership groups.

Economic Development Strategy Monitoring Arrangements:



The future Action Plan will be taken on by the three core delivery groups, and who will monitor and review the progress, reporting back to the MCP.

10. Contact Details

Economic Development Strategy (Strategic)	Harrinder Rai: Head of Communities & Neighbourhoods	hrai@melton.gov.uk 01664 502 439
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