

CABINET – 16th MARCH 2015

ENABLING GROWTH PLAN

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to ask the Cabinet to approve the Enabling Growth Plan which sets out economic interventions and investments, to the value of £107m, to support economic growth.

Recommendation

2. It is recommended that the Enabling Growth Plan as appended to this report is approved.

Reasons for Recommendation

3. To approve a Plan which sets out how the County Council will act and invest in support of its Strategic Plan 2014-18 and the Leicester and Leicestershire Strategic Economic Plan 2014-20.

Timetable for Decisions (including Scrutiny)

4. The Scrutiny Commission will consider the draft Enabling Growth Plan at its meeting on 4 March 2015 and its comments will be reported to the Cabinet.

Policy Framework and Previous Decisions

5. In November 2012, the Cabinet agreed Economic Growth Priorities for the Council and that £3.2m earmarked reserves be utilised to support these.
6. In May 2014, the Council agreed a Strategic Plan, setting out priorities and supporting actions and targets for 2014-18. This is a key part of the Council's Policy Framework and includes reference to the following economic priorities that form the basis of the Enabling Growth Plan:
 - a) Investment in Place:
 - (i) Building the Infrastructure for Growth
 - (ii) Strategic Transport Infrastructure
 - (iii) Sustainable Transport, Modal Shift, and Road Maintenance

- b) Investment in People - Employment and Skills Support
 - c) Investment in Business - Business Growth and Business Support.
7. Further details on these priorities are set out in paragraph 17 below and, in relation to transport priorities, in the report on the draft LTP3 Implementation Plan which is also being considered at this Cabinet meeting.

Resource Implications

8. All of the economic investments set out in the Plan have been made provision for in the Medium Term Financial Strategy (MTFS) Capital Programme, Revenue Budgets and Earmarked Reserves. A summary of the financial aspects of the Plan is set out in paragraph 25 of this report. The Director of Corporate Resources has been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

9. None. This report has been circulated to all Members through the Members News in Brief Service.

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PART B

Background

Economic Development

10. In June 2010 the government invited local authorities, the business community, universities and other partners to come forward with proposals for setting up Local Enterprise Partnerships (LEPs) reflecting local functional economic geographies. In September 2010, the Leicester and Leicestershire Enterprise Partnership (LLEP) was established.
11. Initially formed to lead economic development and regeneration across the City and County, the LLEP initially focused on developing an economic strategy for the area and some key project implementation, including development of the Enterprise Zone at the MIRA Technology Park, promoting and investing the Growing Places and Regional Growth Funds, and negotiating a City Deal (including investment at Loughborough University Science and Enterprise Parks).
12. More recently, in the context of Lord Heseltine's 2012 report 'No Stone Unturned: In Pursuit of Economic Growth', Local Enterprise Partnerships have been required to prepare Strategic Economic Plans and European Structural and Investment Fund Strategies, and negotiate Growth Deals to access the newly established Local Growth Fund.

Leicester and Leicestershire Strategic Economic Plan 2014-20

13. The LLEP's Strategic Economic Plan 2014-20 (SEP) approved by Government in 2014, sets out the economic and investment priorities for the sub-region. It sets out an ambition to 'create a vibrant, attractive and distinctive place with highly skilled people making Leicester and Leicestershire the destination of choice for successful businesses'. It states an intention to create 45,000 new jobs, lever £2.5 billion of private investment, and increase GVA (gross value added) by £4 billion, by 2020. The SEP will be updated in 2015 to take account of new evidence and studies commissioned by the LLEP.
14. The SEP is structured around three key themes; Investing in our Place, Investing in our People, and Investing in our Businesses. Within the Place section the SEP's Growth Areas and Transformational Priorities are identified; alongside two key Growth Programmes. These are shown below:

Growth Area/ Programme	Transformational Priority
GP1 – Market Towns and Rural Leicestershire	N/A
GP2 – Infrastructure, Workspace and Cultural Development	N/A
GA1 - Leicester Urban Area	TP1 - Leicester Launchpad
GA2 – East Midlands Enterprise	TP2 - East Midlands Gateway Strategic

Gateway	Rail Freight Interchange
GA3 – Coalville Growth Corridor	N/A
GA4 - Loughborough	TP3 - Loughborough University Science and Enterprise Parks
GA5 – South West Leicestershire.	TP4 - MIRA Technology Park Enterprise Zone

15. The People theme focuses on enhancing skills, addressing skills shortages, reducing unemployment and developing the knowledge economy. The Business theme focuses on business development, sector growth and innovation, with a flagship proposal to develop a Business Growth Hub.

16. The table below identifies how delivery of the three themes is supported by key funding streams being managed or overseen by the LLEP. (Note: This is not a comprehensive list of funds potentially available. It does not, for example, include pooled Business Rates, or retained Business Rates generated at the MIRA Technology Park Enterprise Zone).

STRATEGIC ECONOMIC PLAN			
	Growth Deal/ Local Growth Fund (£100m - 2015/21)	European Structural & Investment Funds (£111m - 2014/20)	Regional Growth Fund (£17.3m – by 2015) City Deal (£16m - 2014/18) Growing Places Fund (£13.4m – recyclable loans)
Investment in Place	<ul style="list-style-type: none"> Unlock key development opportunities and sites. Improve connectivity to help transport of people and goods. Faster broadband. <p style="text-align: center;">£88m</p>	<ul style="list-style-type: none"> Support infrastructure growth and development in rural towns and surrounding areas. Invest in a low carbon economy. <p style="text-align: center;">£18m</p>	<ul style="list-style-type: none"> Infrastructure to support Loughborough University Science and Enterprise Parks expansion. Loans to address site and infrastructure barriers to development. <p style="text-align: center;">£2m (City Deal) £13m (GPF)</p>
Investment in People	<ul style="list-style-type: none"> Capital investment in Further Education and other skills training provision. <p style="text-align: center;">£12m</p>	<ul style="list-style-type: none"> Provide skills development and employability support to drive growth. <p style="text-align: center;">£54m</p>	<ul style="list-style-type: none"> Employment schemes for under 25's and those 'furthest from the labour market'. Apprenticeships, traineeships and work placements to support people into jobs. <p style="text-align: center;">£4m (City Deal)</p>

Investment in Business		<ul style="list-style-type: none"> • Stimulate innovation and enhanced use of ICT. • Support business start-up and survival rates, including heritage promotion and tourism development. <p style="text-align: center;">£39m</p>	<ul style="list-style-type: none"> • Co-ordination of business support services. • Provide a range of innovative business support programmes. • Capital grants to SMEs and other businesses to support job creation. <p style="text-align: center;">£10m (City Deal) £17.3m (RGF)</p>
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The County Council's Strategic Plan 2014-18

17. The Council's Strategic Plan 2014-18 states that 'ensuring we have a thriving local economy underpinned by a good infrastructure that creates jobs and prosperity is one of our top priorities'. The Plan goes on to identify the Council's priorities for 'Enabling Economic Growth' and these largely reflect the priorities set out in the LLEP's Strategic Economic Plan. The priorities are grouped within three main themes; Place, Businesses and People, in line with the approach taken in the SEP:

- a) Place - focuses on capital investments to improve infrastructure and bring forward land and premises, and includes improvements to strategic transport and broadband.
- b) People - focuses on supporting people, including those furthest from the labour market, into sustainable employment, including through the provision of apprenticeships and training.
- c) Businesses - focuses on providing support and advice to businesses which will help them survive and prosper, and activities to stimulate innovation.

The Enabling Growth Plan

18. The Enabling Growth Plan, attached as the Appendix to this report, sets out in more detail the interventions and investments the Council will take to implement the priorities agreed in the Council's Strategic Plan and to support delivery of the SEP. The Enabling Growth Plan starts by stating that:

'The County Council will use its resources, assets, intelligence, market insight and influence to support and promote economic growth and sustainable employment in Leicestershire'

19. The Plan sets out how the Council will in particular:

- support the delivery of critical infrastructure development, including transport connectivity, reducing congestion, and enabling the development of major sites for housing and employment initiatives;

- maximise the opportunities for supporting commercial development and economic growth offered by the Council's property and assets portfolio;
- extend the availability of superfast broadband across the County;
- help people into employment and training, particularly those furthest from the labour market; and
- support provision of information, advice and guidance to local businesses.

20. A more detailed list of the priority activities for each of the Place, Businesses, and People themes can be seen on page 2 of the attached Plan.

21. The preparation of the Plan has been overseen by a corporate Enabling Growth Board which will also oversee its implementation.

22. The Plan will support delivery of other Council priorities, including the Transformation Programme. A prosperous local economy which provides well-paid employment and training opportunities for county residents will not only improve their quality of life and living standards but also help reduce the demand for Council and other public services associated with worklessness and low incomes. The Plan also pays particular attention to the economic opportunities and needs of rural areas; and to the longer term where decisions (for example about the location of future growth areas and employment land in the County) will be required to ensure long term economic prosperity.

Enabling Growth Plan Programmes and Projects, and Financial Implications

23. The main programmes, projects and activities proposed for implementation in the Plan are shown from page 6 in the attached document. These are structured as shown in the table at paragraph 25 below:

24. Within each of these sections the Plan sets out:

- what activities the Council will implement (We will...);
- what the Council is investing, or will invest, in (We will invest...); and
- what the Council will give further consideration to (We will explore...).

Included are activities underway as well as new ones planned. Council investments set out in the Plan have been committed as part of the MTFS Capital Programme, Revenue Budgets and Earmarked Reserves. The Plan also shows the funding being made available by the LLEP and other partners where known.

25. The County Council investment set out in the Plan totals £37.8m and this supports investment of at least £70m by other investors, including the LLEP, partner organisations and businesses. The investments are set out below by theme and priority interventions.

Theme	Priority Interventions	Investment 2015-20 (£k)		
		County Council	Other	Total
Place	Countywide/ Strategic Interventions	1,980	570	2,550
	Market Towns and Rural Leicestershire	13,200	23,520	36,720
	Leicester Urban Area	3,340	20,850	24,190
	East Midlands Enterprise Gateway	0	0	0
	Coalville Growth Corridor	8,740	9,620	18,360
	Loughborough	1,500	7,420	8,920
	South West Leicestershire	1,860	3,640	5,500
People	Strategic Activities	0	0	0
	Training and Employment	4,380	135	4,515
	Employability Skills and NEET	180	320	500
Business	Business Growth and Development	2,610	4,000	6,610
	Business Advice, Guidance and Regulation	0	0	0
Total		37,790	70,075	107,865

26. It is important to recognise that £37.8m is not the total value of the Council's spend which has a positive economic impact. It captures the cost of interventions specifically developed to support economic growth and delivery of the SEP, but does not include the value of other County Council expenditure, such as the value of services procurement from local businesses and suppliers (estimated to be worth £142m in 2013/14) and key investments such as in highways maintenance which bring economic benefits to the County. The value of partner investment in the local economy (shown as £70m in the 'other' column) is a conservative figure based on available information. This figure does not include the value of projects partners are investing in but which do not involve a County Council funding contribution.

27. The progression of some projects (such as those relating to transport infrastructure and workspace provision) remains subject to satisfactory business cases being prepared and agreed.

28. The Plan will be reviewed as required to take account of changes to the wider economic policy context and to inform Council input to Growth Deal and other opportunities to secure funding and powers to support the local economy. There will be a particular need later in 2015 to update the Plan when the SEP has been

reviewed and there has been approval of the European Structural and Investment Funds Strategy prepared by the LLEP.

Background Papers

No Stone Unturned: In Pursuit of Growth. Lord Heseltine. 2012

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/34648/12-1213-no-stone-untuned-in-pursuit-of-growth.pdf

LLEP Strategic Economic Plan 2014-20

http://www.llep.org.uk/index/downloads/filename/img_1396445531_1136.pdf/catid/22/filetitle/strategic-economic-plan-full-document.pdf

County Council Strategic Plan 2014/18

http://www.leics.gov.uk/leics_strategic_plan.pdf

Appendix

Enabling Growth Plan

Equality and Human Rights Implications

29. The Enabling Growth Plan sets out investments already committed by the County Council. The Plan seeks to address inequalities in the labour market by targeting some activities at supporting those furthest from the labour market and more generally by increasing the range of employment and training opportunities available to people currently out of work or entering the labour market.

Partnership Working

30. Effective partnership working is critical to the delivery of economic growth projects. The County Council is an active member of the Leicester and Leicestershire Enterprise Partnership, and its People, Place and Business Boards, which lead economic development investment across the sub-region and also works closely with partners through a range of other partnerships delivering economic growth, including the Leicestershire Rural Partnership and Superfast Leicestershire.