

## **SCRUTINY COMMISSION – 6 JUNE 2018**

### **JOINT REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF ENVIRONMENT AND TRANSPORT**

#### **LEICESTERSHIRE TOWNS**

##### **Purpose of the Report**

1. The purpose of this report is to advise the Scrutiny Commission on County Council activity which is supporting the development and economic prosperity of Leicestershire towns.

##### **Policy Framework**

2. In December 2017, the County Council approved its new Strategic Plan 2018-2022: *Working together for the benefit of everyone*. One of its five key outcomes is a '*Strong Economy*' which identifies the importance of *supporting Leicestershire to be an attractive place and where businesses are supported to flourish*.
3. In May 2018, Cabinet approved an updated one-year Enabling Growth Plan which will support departments to deliver against the '*Strong Economy*' outcome in the Strategic Plan. A more comprehensive update will be undertaken alongside the development of the Local Industrial Strategy later this year. The Enabling Growth Plan specifically highlights the following activity as a key priority: *Support the Leicestershire Rural Partnership to champion the importance of the rural economy and market towns and help facilitate initiatives where a need is identified*.

##### **Background**

##### **Market Towns Study 2016**

4. In November 2015 a Market Towns Study was commissioned in response to concerns raised by stakeholders that market towns were not sufficiently recognised and / or prioritised for their economic importance by the Leicester and Leicestershire Enterprise Partnership (LLEP) and other funding organisations. To help provide an evidence base to address this concern, the LLEP, the County Council and the seven district councils jointly commissioned a piece of work to investigate the role that Leicestershire's market towns play within the sub-regional economy.
5. The towns included in the study were chosen by each of the district councils and included:
  - Hinckley, Earl Shilton and Barwell

- Coalville and Ashby de la Zouch
  - Loughborough and Shepshed
  - Market Harborough and Lutterworth
  - Blaby
  - Wigston
  - Melton Mowbray
6. The appointed consultants undertook numerous focus groups with local businesses and key organisations, as well as reviewing existing documentation and data to assess Leicestershire market towns' economic value and identify priority projects to support future growth.
7. As a result of this work a Market Towns Steering Group has been established to oversee the development of county-wide projects. The Steering Group is chaired by the Chief Executive of Hinckley and Bosworth Borough Council who also chairs the LLEP Place Board. The Group has representation from all district councils and Business Improvement Districts (BIDs); the County Council provides officer support to help coordinate the work of the group. Currently reporting lines are to both the LLEP Place Board and Leicestershire Rural Partnership. Key findings of the study are summarised below.

#### Summary of key findings

8. The Market Towns Study identified that collectively the towns employ 25,000 people, mainly in the retail and hospitality sectors. The combined economic value of the town centres is around £1.1 billion. There are no exact equivalents for Leicester City Centre and Fosse Park, but their estimated Gross Value Added (GVA) is £168 million and £102 million respectively.
9. In addition, Leicestershire towns represent more than £2 billion of spending power (£760 million of convenience expenditure and £1,271 million of comparison expenditure). The extent to which this spending is retained within local economies for convenience shopping ranges from 9% (Earl Shilton & Barwell) to 90% (Market Harborough) and for comparison shopping from 3% (Blaby) to 45% (Loughborough).
10. Currently most of the towns have low premise vacancy rates and have avoided the national trend of an over-supply of vacant units; this trend is likely to increase as more retailers rationalise the number of outlets.

#### Summary of priority projects

11. The study identified four priority themes where it was considered advantageous to collaborate across districts and BIDs, including the joint commissioning of funding bids and joint facilitation of project delivery. The four main themes include:
- A. Market Towns Digital Project
  - B. Townscape Improvement Project
  - C. Business friendly town centres

## D. Market Town Visitor Economy Project

12. A summary progress update on each of these priority themes is provided below.

### A. Market Towns Digital Project

13. In May 2017, on behalf of the Steering Group, the County Council secured £90,000 from the LLEP Business Rate Pool to deliver a £322,000 Digital High Street Project. The balance of the funding came from the County Council (Economic Growth Reserves £80k), all three BIDs (£52k), Loughborough University (£5k) and all seven district councils (£95k).

14. The deliverables of this project are summarised below:

- a) **Installation of free Wi-Fi to the consumer in nine town centres**, including: Melton Mowbray; Loughborough Phase 2 (High Street, Baxter Gate and Biggin Street); Coalville; Ashby de la Zouch; Wigston; Market Bosworth; Earl Shilton; Barwell; and Blaby. Note: Market Harborough and Lutterworth decided not to participate in this element. *(Hinckley and Loughborough Phase 1 (Market Place, Market Street and Swan Street) were previously funded through a Better Places Grant from the County Council).*  
A key benefit of the free Wi-Fi is that town centres can utilise the database of registered users to target marketing campaigns.
- b) **Digital training with 300 town centre businesses** to support them to maintain a web-site, use social media to market their businesses and implement and maintain an on-line selling platform. The project will aim to get at least 100 businesses to have an on-line presence if they do not already.
- c) **A Digital High Street Index** has been produced by Loughborough University to assess the digital presence of businesses in each town. The index looks at whether town centre businesses have a web-site, utilise social media and whether they have an on-line selling platform. The index also looks at accessibility of the town centre by public transport, the number of parking spaces, average dwell time and the presence of key 'attractor' businesses; such as Marks and Spencer and Joules. A baseline was carried out in 2017 and the data is currently being validated; however it does indicate that the majority of small independent businesses are behind in their digital capabilities compared to national chains. Businesses using social media do it well, but they are the exception, not the norm. Data collection will be repeated in June 2018 and September 2018 in order to assess the impacts of improvements as a result of the support provided through the project.

15. Towns that have now installed Wi-Fi include Melton and Loughborough, others still in the procurement phase include: Coalville, Ashby, Wigston, Market

Bosworth, Earl Shilton and Barwell. All towns are now carrying out digital training with businesses.

#### B. Townscape Improvement Project

16. The study recognised the importance of public realm as a contributor to the prosperity of town centres; however public realm projects are notoriously difficult to fund, especially small but important measures such as new benches and signage. The group continues to explore options for addressing this issue.
17. A specific project being progressed by the County Council is the former Snibston Colliery site and country park renovation, which will see the site turned into a vibrant place to live and visit. Plans include: a new café extension to the Century Theatre; a heritage trail so people can learn more about the former colliery's historic pithead buildings; improvements to the country park, with picnic tables, outdoor play area and mountain bike trail; creating a car park and pedestrian walkway to Coalville Town Centre.

#### C. Business friendly town centres

18. To support business friendly town centres the study recommended further development of town centre markets, support packages for businesses and investigation of additional town centres becoming BID's. Individual towns are taking these actions forward, including the Loughborough BID which has just launched its business support package <http://loveloughborough.co.uk/launch-business-support-packs/>.
19. Businesses are also taking advantage of free training through the European funded 'Digital Growth' and 'Collaborate for Business Growth' programmes which provide digital and sector specific support. The County Council is a joint funder and delivery partner in both of these programmes led by East Midlands Chamber and the City Council respectively.
20. A key sites document highlighting potential development sites within each town centre is being produced in partnership with the Leicester and Leicestershire Place Marketing Organisation and will be used to create interest from potential investors.
21. Providing business friendly town centres encourages the private sector to undertake mixed use schemes, involving employment uses other than retail, including those targeted at specific business sectors e.g. creative industries. The recently completed cinema complex and family restaurants in Baxter Gate, Loughborough is a good example of a mixed used private sector led development.

#### D. Market Town Visitor Economy Project

22. There are currently five district tourism partnerships across Leicestershire which are led by district councils and bring together local tourism businesses to develop local tourism plans and encourage collaboration between local businesses.

23. The Leicester and Leicestershire Place Marketing Organisation has recently commissioned the development of a Place Marketing Strategy, Destination Management Plan and Business Tourism Strategy to provide a coherent narrative, ambition and offer for the sub-region.
24. The steering group members are collectively working on a joint event for 2019 “A Summer of Arts in Leicestershire” which will create art installations in each centre, subject to successful allocation of Arts Council funding.

### **Town Centre Management**

25. Leicestershire has three towns with a **Business Improvement District (BID)** Loughborough, Melton Mowbray and Hinckley. To establish a BID, local areas first define the boundary within the town centre and then businesses / properties within that area vote on whether they want a BID. A BID is successful if the majority of businesses vote in favour, by number and rateable value.
26. A BID is normally voted in by businesses for a five year term – Hinckley is about to go for its third term in November this year. Loughborough and Melton were voted in for their second term last year. Businesses pay an additional levy on their business rates which is then utilised to carry out projects within the BID business plan.
27. The County Councillor in each BID area sits on the BID Board and is supported by a County Council officer, who assists in finding any potential funding sources that are available to the BID to enable project delivery.
28. In November, Leicester City Council was successful in securing its BID. All four BIDs and the LLEP BIZ Gateway now meet to share best practice and improve communication to local businesses on business support and finance opportunities.
29. Towns without a BID often have a more informal Town Centre Partnership e.g. Earl Shilton, but it can be difficult to attract funding to deliver projects and, hence, there is a greater reliance on the public sector to provide support in these areas. All towns are represented on the Market Towns Sub-Group.

### **SME Workspace in Town Centres**

30. A priority intervention in the Enabling Growth Plan is to seek opportunities to secure investment which will enable the development and provision of high quality workspace for SMEs through the Council’s property portfolio. The Council currently own 14 office and industrial estates together with a technology centre in the following towns:- Ashby, Coalville, Earl Shilton, Hinckley, Loughborough and Market Harborough. These provide 142 workspaces which continue to be in high demand.

31. Future planned developments include Vulcan Way at Coalville, Leaders Farm at Lutterworth, Airfield Farm at Market Harborough and Loughborough University Science and Enterprise Park; totalling approx. 527,000 Sq. ft. from approx. £78m investment.

### **Highways Improvements**

32. Work is ongoing with district councils to identify, develop and deliver transport improvements required to support growth in **key market towns and strategic locations**.

33. In order to mitigate against the impact of existing congestion in some Market Towns and to unlock key sites where growth is proposed, the County Council's E&T Department is working on the following projects.

### **Market Harborough Transport Study**

34. In January 2017 the County Council consulted on proposals to improve the transport network in and around Market Harborough. The consultation included a range of proposals to help the town cope with increased traffic as it continues to grow. Potential improvements include junction and traffic signal improvements, considering the upgrade of Welland Park Road into the A4304, extending and enhancing walking and cycling facilities, localised public transport infrastructure improvement, lorry weight restrictions and a possible relief road.

35. Market Harborough is a growing town and it's clear there need to be highways improvements to help meet future local housing and employment needs. The final strategy, which was approved by the Cabinet in December 2017, is a key document sitting alongside the Local Plan to guide how developer funding might be secured, as well as support future bids for transport projects.

36. Highways are continuing to work with Harborough District Council to deliver transport measures to support the successful future growth of the town identified above and a bid made for £55,000 has been made to the LLEP Project Development Fund. This will enable initial assessment of potential transport measures, using a soon to be completed Microsimulation model for the town.

37. The outcome of the latest round of LLEP Project Development Fund bids is anticipated in June 2018. Subject to being successful with the bid for LLEP funding, this will enable work to take forward proposals for diverting the route of the A4304 through the town, to progress.

### **Melton Mowbray**

38. Given the number of homes and strong local employment context significant highways infrastructure is required. Officers are working with Melton Borough Council to develop a transport strategy for the town, a key element of which is the Melton Mowbray Distributor Road (MMDR).

39. The Department for Transport has recently awarded over £49m from its Local Large Majors Fund towards the delivery of the northern and eastern sections of the MMDR (total scheme cost around £63m). A report is due to be presented to the Cabinet in July for approval to undertake the next stages of work to enable delivery of these sections, including the submission of a planning application and the preparation of Statutory Orders. Subject to all necessary procedures being completed, it is currently planned that the northern and eastern sections of the MMDR would be completed in 2022.
40. An Expression of Interest (EoI) has been submitted to the Housing Infrastructure Fund (HIF), its focus being on the southern section of the MMDR. Government recently announced that the EoI has been successful. Whilst this is an important step forward, it is **not** an award of monies at this time; it is progression to a second stage of the HIF process which will involve working with the Ministry of Housing to 'co-develop' a business case for the scheme. At the time of writing, detailed guidance about the 'co-development' process is awaited.

### **Coalville Growth Strategy**

41. Coalville benefits from good connections to Leicester and further afield. With major new growth in both housing and employment land being planned, the future potential of Coalville requires further investment to deliver critical transport infrastructure.
42. To support planned housing growth for Coalville and Ashby the Environment and Transport Department is working to identify and secure funding for further key local transport improvements, including submission of a bid to the LLEP through the Project Development Fund. This will include development of a Microsimulation model for Coalville.
43. The A511 corridor which links the A42 – Ashby- Coalville- Bardon to the M1 will through the project have further junction improvements identified. These will build on the £9m major improvements already delivered at M1 Junction 22, A42 Junction 13 and the A511/Discovery Way and A511/Nottingham Road junctions, substantially funded by the National Productivity Investment Fund and Growth Deal monies.

### **Loughborough Town Centre**

44. Following completion of the Loughborough Inner Relief Road to enable growth and maintain/enhance traffic movement in the town, it is intended that further work will be undertaken to identify other transport requirements within the town. This work will support funding opportunities for key junction and connectivity improvements in order further to support the future growth of Loughborough.
45. A Microsimulation model is being developed for the town which together with ongoing modelling work will enable an understanding of transport issues in the town now and in the future.

### **Hinckley – Zone 4 Town Centre Improvements**

46. Hinckley has great potential given its strategic location as a gateway to the West Midlands, but is congested particularly along the A47 and the North/South corridors. Traffic conditions have improved following implementation of zones 1-3.
47. Without the phase 4 improvements the full benefits of earlier zones will not be achieved and remaining traffic issues will prevent attraction of staff to the Horiba MIRA Technology Park Enterprise Zone.
48. Proposals include £5 million improvements at the two key junctions of Rugby Road/Hawley Road and Brookside, together with parking and traffic management improvements. These works are due for completion in summer 2020.

### **Barwell & Earl Shilton SUE: Sustainable Urban Extension**

49. Highways will identify requirements and seek to secure funding for transport measures to support the delivery of the Barwell & Earl Shilton SUE and will continue to work with Hinckley & Bosworth and developers, in accordance with their timescales.

### **Lutterworth Growth Area**

50. The infrastructure required at Lutterworth and at the Southern Gateway site provides capacity for growth, unlocking 8,000+ new homes. This is one of the key growth areas identified in the Strategic Growth Plan in section four above and again a bid for Housing Infrastructure Funding has been made; this too has been accepted by Government to progress to the co-development stage. Additionally, a £5m Growth and Housing Fund bid is being pursued towards major improvements at M1 Junction 20.

### **Resource Implications**

51. There are no resource implications arising from this report.

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### **Background Papers**

Market Towns Study 2016: <https://www.llep.org.uk/wp-content/uploads/2016/08/Market-Towns-Study-August-2016.pdf>