

**CABINET – 22 JUNE 2021****LEICESTER AND LEICESTERSHIRE ECONOMIC GROWTH  
STRATEGY****REPORT OF THE CHIEF EXECUTIVE****PART A****Purpose of the report**

1. The purpose of this supplementary report is to advise the Cabinet of the development of a draft Economic Growth Strategy which has been prepared by Cambridge Econometrics on behalf of the Leicester and Leicestershire Enterprise Partnership (LLEP), ahead of a formal stakeholder consultation beginning on the 28<sup>th</sup> June.

**Recommendations.**

2. It is recommended that:-
  - a) The development of the Economic Growth Strategy for Leicester and Leicestershire be supported;
  - b) The Cabinet notes the initial comments made by officers, as set out in paragraph 23 of the report, for consideration of the Leicester and Leicestershire Enterprise Partnership in the development of the draft Strategy;
  - c) It be noted that the draft Economic Growth Strategy will be considered by the Scrutiny Commission and Cabinet in July.

**Reasons for Recommendations**

3. In the absence of a Strategic Economic Plan or Local Industrial Strategy for Leicester and Leicestershire, it is crucial the subregion establishes a clear vision for the economy, not least given the impact of the pandemic on businesses and individuals and that the agreed strategy properly reflects the unique challenges and opportunities that exist in the County.

### **Timetable for Decisions (including Scrutiny)**

4. It is intended that the draft Strategy will be considered by the LLEP Board on 24 June, followed by a period of consultation with stakeholders from 28 June to 6 August.
5. Arrangements will be made for the draft Strategy to be considered by the Scrutiny Commission and Cabinet in July.
6. It is anticipated that the final Strategy will be considered by the LLEP Board on 19 August and subject to approval, published on the 31st August.

### **Policy Framework and Previous Decisions**

7. The Council's Strategic Plan (agreed by County Council on 6th December 2017), supported by the Council's Enabling Growth Plan, outlines the Council's long-term vision for the people and place of Leicestershire and sets the Council's five key outcomes for 2018 to 2022, which include building a strong economy, supporting wellbeing and opportunity, developing greater communities and keeping people safe.
8. In June 2020 the Council's 'Covid-19 Recovery Strategy 2020-2021' was presented to Cabinet. Key objectives for economic recovery were defined including addressing the significant impact of Covid-19 on the labour market and re-skilling Leicestershire's residents to be able to compete in the changed local economy; including upscaling digital skills and tackling digital isolation, skills for a zero-carbon economy and supporting cohorts most impacted by the Covid-19 lockdown (e.g. those not in employment, education or training, young people and over 50s).
9. In October 2020 the Cabinet considered a report entitled 'Coronavirus (Covid-19) Impact and Response of the County Council – Recovery' regarding the effect on county employment levels and job vacancies and outlined the actions already being undertaken to mitigate economic damage including £750,000 of Business Recovery funding. The report recognised that further work would need to be undertaken to support the economy stating that options such as Kickstart, further rural rollout of Broadband and supporting the Council's commitment to a zero-carbon economy would all be explored.
10. On 5 February 2021 the Cabinet considered a report regarding the proposed economic recovery actions to be taken by the Council in response to the impact of Covid-19 restrictions on Leicestershire's businesses and workforce. It was agreed the County Council would support the Kickstart Programme and establish a 2 year Work+ project. The Cabinet also noted the Council's support to businesses via the Business Recovery Grant and Community Pub programme and continued support for the roll-out of the Broadband

Programme. The Cabinet agreed that the Council should work to deliver a green economic recovery.

### **Resource Implications**

11. There are no new financial implications to the County Council identified at this stage.

### **Circulation under the Local Issues Alert Procedure**

12. None.

### **Officers to Contact**

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## **PART B**

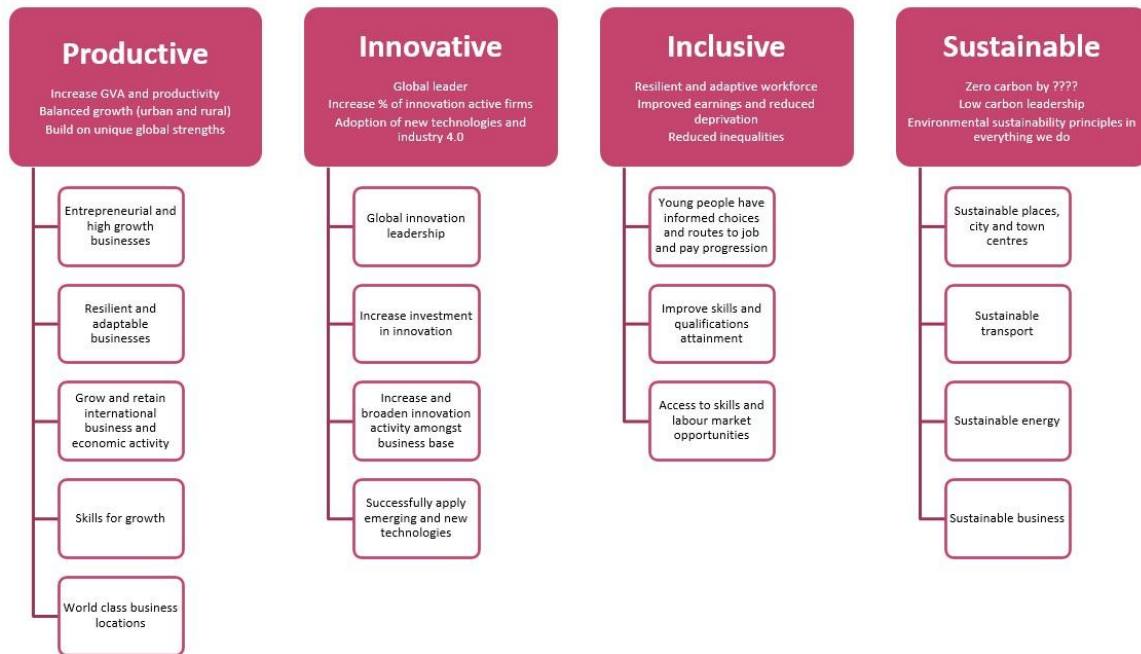
### **Key Intelligence to illustrate the impact of Covid-19**

13. The impact of the Covid-19 pandemic is unprecedented. Evidence collected reinforces the view that Leicestershire businesses have been severely impacted, with some sectors more impacted than others and with many individuals still to face the consequences of the ending of the furlough scheme.
14. Since March 2020, the claimant rate for Job Seekers Allowance in Leicestershire has increased from 1.6 percent to 3.9 percent of the working age population. This is compared to 5.2 percent in the LLEP area in April 2021, 7.7 percent in Leicester, 3.3 percent in Rutland, 5.5 in the East Midlands, and 6.5 percent in England.
15. On 31<sup>st</sup> March 2021 furloughed staff in England measured 13.9% of all workers, this is a slight fall from 15% in January. No Leicestershire districts are above that figure with the majority similar or below national levels. Leicester city is slightly above the England figure.
16. The City is showing a slower recovery with job postings lower at the end of 2020 than any time in 2019, although this is now on an upward trend. Districts have shown a strong recovery although they have also been impacted by the third national lockdown.
17. Data from wi-fi networks in 8 market town centres in Leicestershire has been analysed. Weekly footfall has started to rise since the first relaxing of lockdown in April and again in some areas since the 17 May easing.

### **Strategy Background and vision**

18. The Strategy has been in development since March 2021 and has been the focus of four LLEP Board workshops to date. It was agreed at the third workshop that the working title be changed from Economic Recovery Strategy to Economic Growth Strategy in line with the ambitious tone of the document which is covering the time period up to 2030.
19. The fourth LLEP Board workshop, held on 10 June, provided an opportunity for Board members to share views on the draft document ahead of the stakeholder consultation due to begin on 28<sup>th</sup> June. Comments shared at the workshop included those observations set out in paragraph 23 of this report.
20. The Strategy aims to reflect the substantial progress made over the last 10 years, in defining what the Leicester and Leicestershire Economy has achieved and how it continues to develop, especially in terms of science and knowledge-based businesses.

21. The mission statement produced for the strategy is as follows; *Using our local capabilities, innovations and skills – we seek to build a productive, innovative, inclusive and sustainable community at the cutting edge of science, technology and engineering by 2030.*
22. The framework of the strategy is around four key aims and corresponding priorities, beneath each aim. The aims reflect HMG policy priorities and funding opportunities coming through. These aims will then form a commissioning framework.



### Officer observations on the draft Economic Growth Strategy

23. The County Council has provided views on documentation presented to the LLEP Board workshops during the development of the Strategy. Following receipt of the first draft strategy document on 7 June 2021, officers have made a number of observations which are set out below:-
- Overall the Strategy provides positive positioning with the celebration of past successes and building upon them, whilst focusing on developing the knowledge-led sectors.
  - The case studies provide a good balance of activity taking place under each priority area and demonstrate despite the pandemic that we can deliver and maintain growth.
  - It recognises our location as key to providing the right conditions for growth.
  - This Strategy provides alignment with the principles and priorities outlined in the Leicester and Leicestershire Strategic Growth Plan.
  - The document needs to reflect more accurately the challenges and opportunities in Leicester and Leicestershire

- f) The section on the impact of the Covid 19 pandemic lacks data on the true impact of the pandemic.
- g) The presentation of the Strategy needs to be clearer in terms of its purpose and needs to articulate the next steps to deliver the Strategy, including an action plan, delivery partners and potential funding streams.
- h) The rural economic issues in the County are not adequately reflected
- i) There is no mention of the County Council's Climate Emergency declaration or that of other partners and the challenges to achieve these goals.
- j) The section on the future role of Town and City Centres is not explored fully and therefore does not reflect the challenges and opportunities unique to the County's towns.
- k) There needs to be a definition of Inward Investment and to identify key sectors for the sub-region. In addition, the Strategy could be more ambitious and target specific international markets for investment and exports and focus on building a pipeline of enquiries from dynamic businesses linked to high growth sectors/innovation.
- l) There is no mention of HS2 and the potential impact on the area.

### **Equality and Human Rights Implications**

24. There are no equality or human rights implications arising from the recommendations in this report.

### **Background Papers**

Report to the Cabinet – 23 June 2020 – Coronavirus Impact and Response of the County Council

<http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=135&MIId=5996&Ver=4>

Report to the Cabinet – 20 October 2020 – Coronavirus Impact and Response of the County Council – Recovery

<http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=135&MIId=5998&Ver=4>

Report to the Cabinet – 5 February 2021 – Supporting Economic Recovery in Leicestershire

<http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=135&MIId=6440&Ver=4>