



CABINET – 20 JULY 2021

**LEICESTER AND LEICESTERSHIRE ECONOMIC GROWTH
STRATEGY**

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is seek the Cabinet's view on the consultation draft of the Economic Growth Strategy prepared by Cambridge Econometrics on behalf of the Leicester and Leicestershire Enterprise Partnership (LLEP) and attached as the appendix to this report.
2. The Cabinet is recommended to request some amendments to the draft Strategy, to reflect the officer comments which are summarised in this report.

Recommendations.

3. It is recommended that:-
 - a) The comments of the Scrutiny Commission made at its meeting on 12 July be noted;
 - b) The Leicester and Leicestershire Enterprise Partnership be requested to make some further revisions to the draft Strategy to address
 - (i) the comments set out in paragraphs 27 to 30 of this report;
 - (ii) any issues arising from County Council departments (to be submitted to the LLEP by the end of July);
 - c) That subject to the revisions at b) above being made the Economic Growth Strategy for Leicester and Leicestershire be welcomed.

Reasons for Recommendations

4. 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.

5. At the Cabinet meeting on 22 June 2021 it was agreed that the LLEP be advised of officer observations on the pre-consultation draft and that these be included in the version issued for formal consultation. This report sets out where further amendments to the consultation draft are considered necessary.
6. County Council departments have recently received the draft Strategy for comment and have been asked to submit comments by the end of July.

Timetable for Decisions (including Scrutiny)

7. The draft Strategy will be considered by the Scrutiny Commission on 12 July and the Scrutiny Commission's comments will be reported to the Cabinet.
8. It is intended that the final draft Strategy will be considered by the LLEP Board on 19 August and subject to the Board's approval, published on the 31 August.

Policy Framework and Previous Decisions

9. The Council's Strategic Plan (agreed in 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.
10. 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 affected by the Covid-19 lockdown (for example, those not in employment, education or training, young people and the over-50s).
11. 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 outlining 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.
12. On 5 February 2021 the Cabinet agreed the County Council would support the Kickstart Programme and establish a 2 year Work+ project as part of its efforts to assist economic recovery in the County. It was also noted the Council was supporting 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.

13. On 22 June 2021, the Cabinet expressed its support for the development of the Strategy. It noted the officer comments on the pre-consultation draft for consideration of the LLEP, and that the draft Strategy would be considered at its next meeting.
14. The LLEP Board met on the 24 June and approved a revision to the draft Strategy for public consultation between 28 June 2021 and 30 July 2021.

Resource Implications

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

Circulation under the Local Issues Alert Procedure

16. None.

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PART B

Impact of Covid-19

17. 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 so than others and with many individuals still to face the consequences of the ending of the furlough scheme.
18. Since March 2020, the claimant rate for Job Seekers Allowance in Leicestershire has increased from 1.6% to 3.9% of the working age population. This is compared to 5.2% in the LLEP area in April 2021, 7.7% in Leicester, 3.3% in Rutland, 5.5% in the East Midlands, and 6.5% percent in England.
19. Leicester 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. Leicestershire districts have shown a strong recovery although they have also been affected by the third national lockdown.

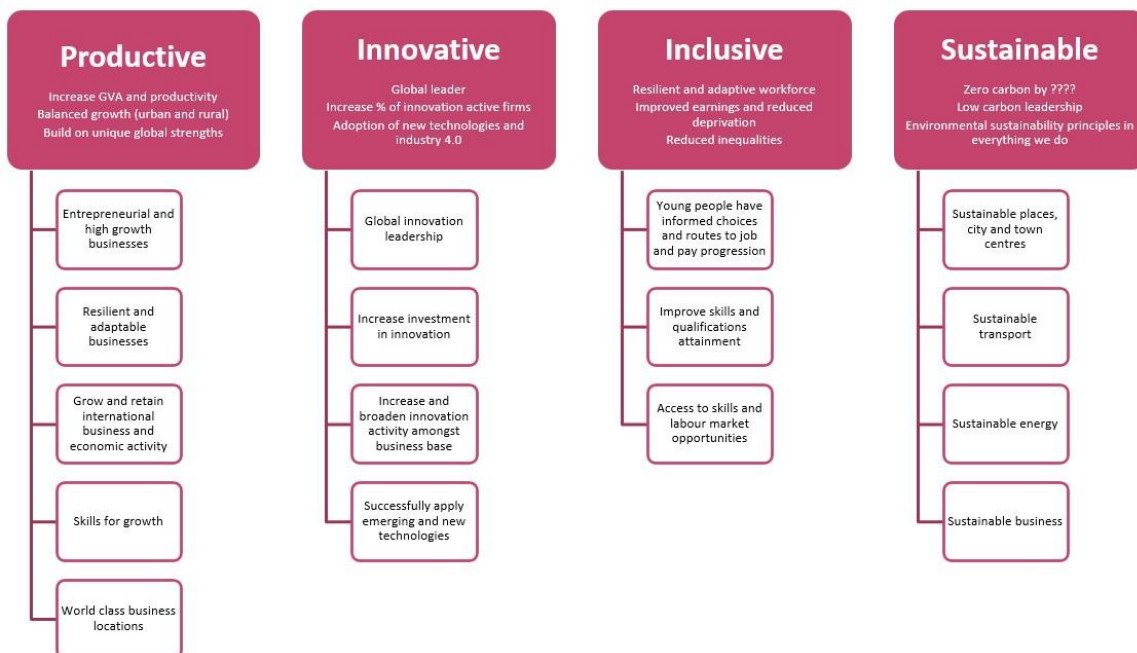
Economic Growth Strategy Development

20. The Strategy has been in development since March 2021 and has been the focus of four LLEP Board workshops to date.
21. The Economic Recovery Cell (ERC), chaired by the LLEP and part of the wider Leicestershire Resilience Forum's governance structure put in place to oversee the response to and recovery from, the pandemic, has also had responsibility for supporting the development of the strategy. The County Council is represented by the Head of the Growth Service on the ERC.
22. The LLEP Board workshops have provided an opportunity for Board members to share views on a pre-consultation draft ahead of the stakeholder consultation running between 28 June and 30 July 2021. The County Council has been represented by the Leader of the Council and the Cabinet Lead Member for Ways of Working and Recovery.
23. The officer observations noted by the Cabinet on 22 June have been shared with the LLEP, resulting in some amendments to the consultation draft. More details are given below.
24. The consultation draft Strategy (appended to this report) has been circulated to all relevant County Council departments for more detailed officer comments to be collated and returned by the end of July to the LLEP.
25. The development of the strategy, led by the LLEP is being undertaken with the backdrop of the ongoing national review of Local Enterprise Partnerships. The outcome of this national review is thought now to be due in the autumn. The impact on the LLEPs role more generally and specifically in relation to the delivery of this strategy, is unknown.

Strategy Vision

26. 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.
27. 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.*
28. The framework of the strategy is around four key aims and corresponding priorities, beneath each aim. The aims reflect the Government's policy priorities and funding opportunities coming through.

Strategy Framework



Officer Observations on the Draft Economic Growth Strategy

29. 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 document on 7 June, officers have made a number of observations, as set out in the Cabinet report on 22 June.
30. The Strategy recognises Leicestershire's location as key to providing the right conditions for growth and rightly celebrates past successes and builds upon these, focusing on developing the knowledge-led sectors. The case studies provide a good balance of activity taking place under each priority area and demonstrate that, despite the pandemic, the area can deliver and maintain growth.

31. The framework for the Strategy, set out above, reflecting the Government's wider ambitions for growth, is considered suitable.
32. Officers have conducted an initial review of the revised consultation draft and observations are set out below. Further, more detailed observations will be presented to LLEP officers and to the LLEP Board following the conclusion of an internal consultation involving all County Council departments. At present it is considered that -
 - a) The document needs to reflect more accurately the challenges and opportunities in the Leicester and Leicestershire economy as well as how these will be overcome.
 - b) The final document needs to be clearer on the approach to delivering the commitments set out in the Strategy including the development of an action plan, with partners' responsibilities and funding streams clearly identified.
 - c) Whilst the County Council's declaration of a Climate Emergency is mentioned there is a need to place more emphasis on the importance of this issue and the need to act now in order to achieve the tight timescales.
 - d) The Strategy needs to reflect the national policy context into which it fits – devolution White Paper, UK Shared Prosperity Fund and Levelling up Agenda for example.
 - e) References to rural issues within the document are limited and fail to acknowledge the wider role rural areas play in tourism and related sectors as well as the need to refer to physical and digital connectivity issues in rural areas.
 - f) There is also a need to acknowledge the fragility of the supply chain with Agriculture as highlighted in the pandemic as well as a need to increase technology and diversification within the sector.
 - g) The final Strategy needs to reflect the significance towns and market towns play in the rural economy of the County and the need to regenerate and re-purpose the centres as a result of the changes to the retail environment.
 - h) The draft Strategy now makes reference to HS2 but only from a transport perspective; it fails to recognise the wider economic impact of the line.
 - i) The draft Strategy now makes reference to the Leicester/Leicestershire Strategic Growth Plan to 2050, but greater emphasis needs to be placed on its role in supporting and defining inward investment opportunities for the County.

Equality and Human Rights Implications

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

Background Papers

Reports to the Cabinet on 23 June and 20 October 2020 regarding the Coronavirus Impact and Response of the County Council

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

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

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

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

Report to the Cabinet on 22 June 2021 - Leicester and Leicestershire Economic Growth Strategy

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6444&Ver=4>

Appendix

Consultation draft of the Economic Growth Strategy

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