

LEICESTERSHIRE RURAL FRAMEWORK 2022-2030

Vision

In 2030 rural Leicestershire will be made up of thriving, inclusive, digitally well connected and healthy communities and businesses, that are adapting to the challenges posed by climate change to become resilient and maximising the opportunities offered by a net zero carbon future.

Principles

- **Understand needs** - Develop a single voice for the rural businesses and residents of Leicestershire through shared intelligence and evidence to highlight issues that require intervention.
- **Shape policy** - Work collectively to influence national / local policy, and funding, including through joint responses to consultations where appropriate.
- **Support and facilitate** - Support the Leicester and Leicestershire Enterprise Partnership to effectively respond to the needs of the rural economy and help facilitate robust business cases for funding to implement solutions on an on-going basis.

Leicestershire Rural Partnership

The Leicestershire Rural Partnership (LRP) is an established and successful partnership which brings together public, private and voluntary stakeholders to improve services and support to rural communities and businesses. The work of the Partnership is shaped by the priorities in its Rural Development Framework, and its success is dependent on the input from a range of organisations that sit on the LRP Management Board.

Membership of the Board

Leicestershire County Council (chair), District Councils, Leicestershire and Rutland Association for Local Councils, Rural Community Council (Leicestershire and Rutland), Leicester and Leicestershire Enterprise Partnership, National Farmers Union, Federation of Small Businesses, East Midlands Chamber, National Forest Company and rural business champions. The Partnership also draws upon specialist expertise through the other groups and partnerships that it works with.

Working with the Leicester and Leicestershire Enterprise Partnership

In 2014 the LLEP and LRP agreed a statement of joint working outlining how the LRP could support the LLEP to maximise the potential of the rural economy.

The statement of joint working made reference to:

- Collating evidence and intelligence on the rural economy
- Rural proofing strategies and programmes
- Leading on rural specific projects and programmes
- Representing rural issues on the ESIF Committee
- Influencing national policy, responding to consultations and attending the Defra /LEP Rural Round table.

The LRP acting as an advisory group to the LLEP provides an opportunity for organisations such as the NFU, CLA, Rural Community Council, FSB and National Forest Company to receive updates on LLEP activity and actively influence the work of the LLEP. Activities carried out to date include;

- Commissioning of a Market Towns Study looking at the economic contribution of town centres and priority intervention to enhance this.
- Rural evidence base 2018
- Rural input to the LIS and ESIF Strategy and commissioning
- Delivery of LEADER and advisor on EAFRD
- Work with the LLEP to commission a Natural Capital Evidence Base to inform the Economic Recovery Strategy, which could potentially lead to the production of a Natural Capital Investment Plan.

While developing this Rural Framework, two major events have taken place; the EU Exit and the Covid-19 pandemic, the full impact of both are still unknown and are likely to continue for years to come. An Economic Recovery Cell was created with a number of partners in April 2020 and issues arising from LRP Management Board members were fed back in

through this mechanism. An Economic Recovery Action Plan was produced by the Cell to focus on an initial 12-18 month period of the pandemic.

In February 2021, the LLEP commissioned consultants to produce an Economic Growth Strategy, which will look longer term to 2030 which sits alongside the Economic Recovery Action Plan. This was published in December 2021 and is contained in Appendix one at the end of this document. Although there is no specific section on the Rural economy in the Economic Growth Strategy, there are many relevant priorities that can be applied to rural areas and we can use this framework to influence the delivery plans as they are developed.

Rural Economic Priorities

Following a workshop held in April 2019 with the LRP Management Board the following priorities were identified for inclusion in the Rural Framework:

- **Climate Change and the Environment**
- **Rural inclusion and skills including supporting those furthest from the labour market move closer to work.**
- **Support small and micro businesses in rural areas to expand, diversify and grow.**
- **Support sectors of significant importance to rural areas e.g. tourism, food and drink, professional and technical services and land-based businesses**
- **Improve physical and digital connectivity**
- **Shaping communities and places**

Climate Change and the Environment

Leicestershire County Council has declared a Climate Emergency to commit to carbon neutrality by 2030 for its own operations and net zero carbon in Leicestershire by 2045. The Environment Bill seeks to write environmental principles in UK law for the first- time following Brexit, but the Government has delayed the passing of the Bill due to the pressures of dealing with the corona virus pandemic, so it is not expected to become law until the autumn 2021. Many districts have also declared an emergency. The LRP needs to investigate further, how we can work to support our partners on this.

The growing importance of the Environment and Green recovery, represents an opportunity to attract new businesses to the county, that are focussed on green growth and we need to investigate how we can upskill or reskill people, into supporting the green sector. To make our economy more sustainable, we need to adapt the skills that can be acquired in further education, to meet the needs of our local employers. The Midlands Energy Hub has identified that the Green sector is worth £2.8 billion in 2019/20 to the Leicestershire economy and there are 1022 businesses and 21,437 people employed in the sector.

We need to work in partnership with our local landowners, including the County Council owned farms, to make sure we are utilising our natural assets to their full potential and to act as exemplar projects. The LRP are working with key partners on a Natural Capital Evidence Base, which will underpin future work. The LRP need to engage with work being carried out on the Strategic Growth Plan to assess the implications on rural areas.

The LRP needs to support partners including the NFU, in promoting any changes as to how funding is allocated for farmers, including through the Environmental Land Management Scheme that will be phased in from 2023. The LRP need to keep DEFRA aware of any issues, that arise as a result of implementation.

Action; The LRP need to keep abreast of policies in this area, including Leicestershire County Council Environment Strategy, in order that we can maximise any opportunities to influence priorities/ lead on any future funding streams that arise to promote green growth.

Rural inclusion and skills including supporting those furthest from the labour market move closer to work.

The Unemployment rate if based on the number of claimants of Universal Credit at August 2021, shows 12,535 people searching for work in Rural Leicestershire, 7001 people are claiming UC but wish to upskill, 10,088 are on UC but not planning to work.

Data on the number of young people aged 16-19 not in education, employment or training (NEET) is released each month by Prospects. Overall, in January 2021, there were a total of 327 young people classed as NEET in Leicestershire (2.4 percent of the 16-19 population). In urban Leicestershire, this figure was the same, compared with 2.1% percent in all rural areas.

A total of 590 people ages 16-64 were claiming Job Seekers Allowance in rural Leicestershire in January 2021, out of 2,389 people in the county as a whole (25 percent of the county total). At a ward level, the highest number of claimants could be found in Stanton and Flamville Ward (36), followed by Anstey Ward (31). The JSA claimant rate for rural wards were generally lower than the county rate; out of 56 rural wards, only 12 had a rate higher than the county average of 0.5 percent.

The wider claimant count which looks at the number of people aged 16+ claiming JSA, plus those who claim Universal Credit and are required to seek work and be available for work, shows higher figures. There were a total of 4,145 claimants in rural Leicestershire in January 2021, out of 16,770 claimants in the county as a whole (25 percent of the county total). At a ward level, the highest number of claimants could be found in Stanton and Flamville Ward (210), followed by Ibstock and Heather Ward (205).

The JSA claimant rate for rural wards were generally lower than the county rate; out of 56 rural wards, only 12 had a rate higher than the county average of 3.9 percent. The highest rates were found in Lutterworth Orchard Ward (5.4 percent), followed by Lutterworth Springs Ward (5.1 percent).

There are pockets of hidden deprivation and many barriers to people in rural areas accessing employment, including transport for those without a car, and the lack of co-ordination between local transport providers and shift patterns which often start too early or finish too late for bus times.. It is important that young people and unemployed people living in rural areas are able to access support in CV writing and job searching, together with training and work. What is equally important is upskilling the existing workforce to take advantage of the higher skilled, higher paid jobs in the technology sector and with increasing technology comes the ability to work from home, reducing the impact on the environment.

The loss of low skilled retail jobs as a result of a number of High street chains going into administration, will have an impact on young people in particular, as many start their careers, with a part-time job in retailing. The potential loss of jobs in the hospitality sector, will also have a huge impact. People need help in identifying what transferrable skills they have in order to apply for different jobs.

Please see the link to the unemployment dashboard

https://public.tableau.com/profile/r.i.team.leicestershire.county.council#!/vizhome/UnemploymentDashboard_4/JSA

The LRP through lobbying the LLEP, ensured that part of the ERDF funding was allocated specifically for rural areas. The Work.Live.Leicestershire (WiLL) partnership helped people who are unemployed or economically inactive and living in rural Leicestershire move into job search, training, or employment. The programme commenced on 2nd January 2019 and runs to 31st Dec 2023, having just had its funding extended.

The County Council has invested in a number of Recovery Schemes, including the national Kickstart programme. The County Council, in partnership with the City Council, are creating 6-month placements for 30 young people to gain experience of work and if at all possible, these will be extended to 12 months. Some District Councils including HBBC and HDC are also acting as intermediaries and have put forward cohorts of 30+ jobs on behalf of SME's within the District. Other Districts including MBC and NWLDC are working with East Midlands Chamber as intermediaries.

Work and Skills Leicestershire is an extension of the Work club concept, that currently operates from County Libraries and provides support for people seeking work in terms of writing a CV, completing applications, job searches and improving interview skills. The current model is restricted to applicants from certain cohorts because of the funding, whereas the new scheme will cover all applicants and will be delivered by our Adult Learning Service from Community Libraries, the majority of which are located in rural areas.

The Economic Recovery Action Plan has the following relevant key actions;

1. Deliver additional targeted support to those young people most at risk of becoming NEET.

2. Create a Leicester and Leicestershire Digital Skills Partnership made up of key partners, businesses and stakeholders in order to address digital skills deficiencies in the workplace and wider society.
3. Deliver an area wide apprenticeship strategy in partnership with businesses

The LLEP having sought evidence of Digital poverty as evidence prior have now set up the Digital Skills Partnership. Any evidence from a rural perspective will be fed in. The LRP needs to champion greater connection between employers and communities to encourage sustainability – greater numbers of people living and working in the same locality. The LLEP now have an outline draft Apprenticeship Strategy that will be shared with partners in due course.

What is unknown is the type and number of new jobs that will be required in the green sector and whether courses are available in our Further and Higher Education establishments to support this. The drive for further apprenticeships being pushed by the government needs to link more closely with schools. Loughborough College have announced that they are trialling a Degree in sustainable engineering.

In farming the Red Tractor Consultation is proposing a need to have a Certificate to Farm and have CPD and sprayer certificates. If this could be built into apprenticeships, future generations of farmers will be better prepared. Farmers also need to become more technical, working out their carbon capture calculations and these skills need to be learnt, preferably as part of further education courses.

Action- The LRP must keep a watching brief on any new funding streams that come forward, such as the UKSPF.

- **There may be other specific support we should be looking at for rural areas based on evidence as it arises.**
- **The LRP in support of its partners, needs to champion specific agricultural issues, regarding course content through the Skills Advisory Panel.**

Support small and micro businesses in rural areas to expand, diversify and grow.

There were a total of 12,340 businesses in rural Leicestershire in 2017, 36 percent of the total businesses in the county. Between 2017 and 2020, there was a decrease of 735 businesses in the county, a decrease of 1.1 percent, compared with a 3.6 percent decrease in urban areas and 2.8 increase in rural areas of Leicestershire. Overall, micro businesses (0-9 employees) in rural Leicestershire make up a slightly larger proportion of the total; 88.9 percent of the total compared with 85.6 percent in urban Leicestershire and there are higher than average numbers of homeworkers, especially in Harborough District. This presents a real opportunity for rural growth and job creation.

In 2016 there were almost 2,000 agricultural holdings in Leicester and Leicestershire. The highest number could be found in Harborough (603) followed by Melton (434). This translated into over 150,000 hectares of farmed land. In 2016, there were a total of just over 7,000 people working on commercial agricultural holdings and the largest number of workers could be found in Harborough (1,555) and Melton (1,079).

The LRP were instrumental in influencing the priorities of the EAFRD grant scheme at a local level, to include support for Tourism businesses, business development of SME's and Food processing. The LEADER grant scheme which operated in Harborough and Melton districts was applied for by the LRP and had the following priorities;

1. Support for increasing Farm productivity
2. Support for Micro and small enterprises including farm diversification
3. Support for rural tourism
4. Provision of rural services
5. Support for Culture and Heritage activities
6. Support for increasing forest productivity

With these funding sources now ended and future funding likely to be devolved through the UK Shared Prosperity Fund, it is vital that the LRP lobby and inform the LLEP or whoever the funding is devolved to, to include references to the shared priorities of the LRP.

Action- The LRP needs to carry out any initial preparation now, to develop a pipeline of potential projects, to ensure we are in the best position when the UKSPF is open for applications

- **It also needs to examine what the potential criteria for such a scheme would be, through identification of gaps and ensuring there is no duplication with schemes being run by partners such as the National Forest. Partners have already identified that increasing forest productivity is not relevant for all areas of the County.**

A number of thriving Business Hubs across the county, including the Innovation centre in Harborough and Grow on Space, together with the Atkins Building in Hinckley and Melton Cattle Market, provide support for rural businesses to access advice and share knowledge. Melton has a desire to develop a Food Enterprise Centre to support small and micro businesses in the food processing and manufacturing sectors.

Melton Borough Council are in the process of encouraging DEFRA to re-locate to Melton Mowbray which would put Leicestershire on the map should this be successful.

Lack of Digital Skills has also become apparent (see skills section above). If the example of the Digital high street is examined- as non-essential retail was forced to close during the pandemic, it became clear that there were a large number of independent retailers in our Towns and Rural centres, who could not sell on-line, or even advertise themselves by social media. Loughborough BID have introduced a town wide platform that enables retailers to upload their products to sell Shop.Loveloughborough.co.uk. Charnwood Borough Council have introduced a similar platform for the whole borough. Given the huge shift to on-line sales, this will enable smaller businesses to compete. The LRP will keep a watching brief on this to assess its success.

The impact of Covid on Leicestershire's Rural economy is highlighted in the Leicestershire Recovery Action Plan as follows;

1. The need to respond to an anticipated increase in demand for start-up support through the development and coordination of a cohesive local framework for start-up support. This will draw together existing offers including provision for the development of entrepreneurial skills among key groups, e.g. newly redundant, graduates, young people and women. The issue could be a lack of awareness of this type of support to the targeted groups. The Districts are currently working with the LLEP on a programme of support, utilising ARG- Additional Restrictions Grant funding.
2. Provision of support for the development of locally based supply chains, where possible to address instances where chains have been broken as a result of Covid-19 and to mitigate against the impact of EU transition (see Agriculture example above)
3. Utilising established channels, put further investment in place marketing, with outputs which play to the strengths of the area, mitigating against any residual negative image resulting from Covid-19 and connecting and communicating effectively to new markets and visitors alike.
4. Provide support to enable digital transformation in SMEs across a range of sectors.

Action –The LRP need to be aware of any rural business issues, in order to lobby and support.

Support sectors of significant importance to rural areas e.g. tourism, food and drink, professional and technical services and land-based businesses

The largest proportion of businesses located in rural areas are in the Professional, Scientific and Technical industry sector (14.7 percent), followed by construction (11.8 percent) and Agriculture, forestry and fishing (11.6 percent).

Micro businesses (0-9 employees) make up the vast majority of rural businesses. In comparison, the largest proportion of small businesses (10-49 employees) can be found in Accommodation and food services (16 percent) while a fifth (22.6 percent) of medium sized businesses (50-249 employees) can be found in Manufacturing. Transport and Storage make up 66.7 percent of large businesses (250+ employees) and 19.4 percent of medium businesses.

There are a number of larger employers in the county that support these key sectors and strengthen the local supply chain such as Samworth Brothers and Twycross Zoo. Rural areas of the County have attracted a large number of logistics businesses, for example at Magna Park in Lutterworth, Caterpillar at Desford and Pallex at Ellistown, due to their proximity

to the motorway network and their land requirements. This means there is a huge influx of employees at shift change times causing issues on rural roads.

Agriculture is still the main land use in the County, accounting for over 80% of the land area and employing over 7000 people in 2016, with the highest proportions in Melton and Harborough. As well as being a significant employment sector this provides a good opportunity for job creation through diversification activities (see 2. Above)

The LRP recognises the importance of sustainable land management and the associated long term environmental and economic benefits that this can bring. With central government's commitment to Clean growth, it is vital that the LRP champions this challenge, to ensure mitigation and where possible, ensures positive impacts on the environment. The LRP are lobbying DEFRA to try and seek clarity on the ELMS scheme as there is going to be a gap in support between EU subsidies ending and the ELMS coming on-stream.

The county has a growing offer to support the leisure and tourism sectors, including the National Forest, Bosworth Battlefield and its links to Richard III and Melton Mowbray Food (pork pies and stilton cheese). Key investment is being secured to enhance Charnwood Forest and the Grand Union Canal including Everards Meadows and links to these, need to be exploited, to enhance Leicestershire's tourism and inward investment offer and to deliver economic growth.

Travel, Tourism and hospitality sectors have been among the hardest hit by Covid-19 and the impact has been keenly felt across the area. A Tourism Recovery Framework has been developed by the Tourism Advisory Board. The LRP need to support the recovery framework, as many B&Bs, attractions and hotels, restaurants and pubs are based in rural areas. The Uncover the Story campaign has now developed campaigns based on various attractions and a video on Leicestershire's Market Towns to attract visitors back, by ensuring that they feel safe and welcome through enhanced communication and national marketing to attract visitors from a wider area. The impact of Covid-19 over the past 12 months has meant that people are staying more in the UK for holidays and they are looking for new areas of the country to explore.

Towns and Rural centres. Our Towns have struggled over the last 12 months, with 3 lockdowns and the need to maintain social distancing means the hospitality sector in particular, being affected. As at Feb 21, the vacancy rates within our towns remains below the national average and the small units are being filled as soon as they become empty. The towns all have at least one large unit, where a multiple retailer has gone into administration – eg Arcadia Group, Peacocks and Argos moving into Sainsburys stores. Our town centres are also suffering from a lack of footfall and the challenge is to entice people back, with the message that the town centre is safe. This is going to be a long-term issue with a wider regeneration of our town centres being required, to address the necessary shrinkage and re-purposing of the town centres. Melton are currently undertaking a Town centre Visioning exercise and the Lutterworth Town Centre Masterplan that had stalled with the pandemic has been approved.

On a positive note although town centre footfall is 50% of what it was pre-lockdown, footfall is increasing week on week, as people visit the town centres to access services. Village shops are reporting an increase in demand and utilisation as a result of the pandemic. In the business tracker survey produced by the LLEP 24% of the 200 businesses in the survey hadn't seen a decline in turnover and 27% expect to expand within the next 12 months..

Action; LRP to examine whether it can influence/lead on any future funding to support these sectors and LRP to support partners in any plans they may have to aid recovery

Improve physical and digital connectivity

Growth within the rural economy requires supporting infrastructure, including suitable premises and access to Superfast Broadband. Figures for Leicestershire as a whole, show that by the end of 2018, 97% of the county was able to receive Superfast Broadband (SFBB) of 30+mbps. This figure however, masks what is happening in rural areas, as it includes the City of Leicester where coverage is almost complete, whereas the two most rural areas of Leicestershire: Harborough and Melton Districts will only have 94 and 93% coverage respectively and 16,500 homes and businesses are still unable to access SFBB. Given that many rural businesses are technical in nature and high value, including architects, with large downloadable files and web- based businesses, reliable and good broadband speeds are critical. Some of the remaining 16,500 premises are part of contract 3 of the Superfast Leicestershire Programme, worth over £5 million, that is in the process of being delivered. Those premises currently not receiving SFBB, are mainly in rural areas. This issue has been highlighted during the pandemic with the increase in people working from home. A new project Gigabit fund has been established by the Government to tackle the hardest to reach properties. Leicestershire will join with Warwickshire to

ensure there is sufficient mass of premises to undertake a procurement which will commence in 2022 with the contract starting in 2023.

Mobile phone coverage is also an issue, with good signal outdoors, in rural areas of the county, across the four providers, although there are a number of not-spots. Indoor coverage is less reliable and proves challenging to businesses located in the more remote areas. This will become an issue to farmers as they need to be registered on the cloud, via their mobile phones, in order to submit information on their livestock, to cover animal welfare and traceability. The introduction of 5G trials in some urban areas seems a long way off as a solution for rural areas.

To extend the coverage and provide Gigabit capability connectivity in areas that are unlikely to benefit from commercial investment Building Digital UK (BDUK) which is part of the Department for Digital, Culture, Media and Sport (DCMS), is investing in Digital Hubs which operate by identifying public sector buildings and subsequently providing the necessary funding to upgrade these sites to access gigabit-capable connectivity. The benefit of this approach are:

- By providing a gigabit-capable connection to a public building it enhances its service to the public.
- The surrounding area may co-incidentally become increasingly viable for commercial intervention, stimulating the market to build more networks in these areas at reduced costs.

Alongside the Hub model approach, there would be additional benefits to residents and businesses being able to apply for Rural Government Vouchers to fund deployment of gigabit-capable connections in communities in the hardest to reach rural areas of the UK. Superfast Leicestershire are investigating a number of sites across the County.

Given the reductions in passenger transport services in some areas of the county, there are real issues for residents in rural areas, without access to a car. The LRP will work to support flexible transport solutions for rural areas, to enable people to access services in larger settlements and will encourage the business community to be involved and be innovative in creating solutions, for example car share schemes. It is apparent that bus services do not appear to correspond with travel to work patterns, especially at Logistics sites such as Magna Park.

See Skills section above for issues with Digital Skills

Shaping communities and places

At the end of May 2021 there were 114 adopted or designated Neighbourhood Plans in Leicestershire and 12 groups have been formed to take forward their plans. This still leaves 112 settlements without a plan. These plans are vital in assessing a community's aspirations for future housing growth. As the population in rural areas is projected to grow as highlighted in the Strategic Growth Plan, it is vital that a ready supply of affordable housing is provided to meet both the growing ageing demographic and for young people who may need the family support network, that may be located in rural areas, in order to assist with care of older relatives and to receive childcare help.

The Rural housing group which includes District Councils, Registered Providers and other rural housing specialists leads on delivery of needs assessments and works on identifying exception sites, which has led to delivery of a number of small-scale schemes, for example in Cosby. The group including the LRP, have commissioned consultants to provide the service for a further 12 months, concentrating on identification of new sites.

Both housing and planning are the remit of our District and Boroughs and the LRP needs to request regular updates on progress of sites, within the Strategic Growth Plan and within revised local plans as they move forward.

Our Towns and Rural centres provide vital access to services, for the rural hinterland. Many town centres are facing challenges, including closures of banks, building societies and post offices which can affect the least mobile groups of society. Many multiple retailers are rationalising the number of branches they currently own and this has led to an increase in the number of vacant units in some town centres. Town centres need to re-invent themselves as go to places for experiences, events and to access services and as such, should focus on event provision and engaging community groups to participate and host these events. The number of Rural Pubs is decreasing and the pandemic may accelerate this trend. These often provide a lifeline for residents in rural villages acting as Community Hubs and local shops.

A positive outcome of the pandemic has been the increased use of our local retailers. Many of our local shops are now stocking more local produce and instigating shop local campaigns and this in return is reducing food miles. Work is already underway through the local Food Plan to increase the provenance of food and to work on food seasonality and local procurement of local food, using the County Councils influence on procurement.

The LRP in more recent years has been focussed on economic priorities, however the pandemic has demonstrated the importance of voluntary groups in providing services in local communities. Insight data is highlighting the need to build confidence within our local communities. The LRP may not lead on these community initiatives, but if any collective influence is required, the LRP may be able to help. The LRP would like regular feedback from partners, especially the Rural Community Council and the Communities Team within the County Council, to ensure the LRP can add any necessary influence on issues as they arise.

The Voluntary / Charitable is a sector significantly impacted by Covid and likely to face limited opportunities going forward unless less focus is put on "Covid" related funding. To support recovery, there is a need to start funding and investing in good infrastructural support for the long term, rather than the next 6 months. It is small groups that have better connections at a grass roots level, with issues within communities and now need on-going support. A good example of this is the Good neighbour scheme.

Action; LRP to have regular agenda item on issues arising from Community/Voluntary sectors and assist partners as appropriate

Summary

The Rural Framework demonstrates a strong vision and a number of principles to be able to support Rural Leicestershire. As new strategies and funding streams evolve this may require the priorities to be changed/updated but this can be reflected in the Action Plan document set to follow the approval of the framework.

The action plan can also summarise the key projects that meet the priorities of the LRP and will be updated on a quarterly basis.

Appendix one

Leicester and Leicestershire Economic Growth Strategy

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

The Strategy is built around 4 main pillars as can be seen below with the main priorities of each listed underneath;

- 1.PRODUCTIVE -Grow GVA and productivity, continue to develop a leading science and technology-led economies**
- 2.INNOVATIVE - Global innovation leadership, increase innovation activities across the whole business base**
- 3.INCLUSIVE -Create a resilient, adaptive workforce where all residents have access to skills and career progression and are paid the living wage**
- 4.SUSTAINABLE -A leader in low carbon solutions, with sustainability principles built into everything we do.**

Working with partners, delivery plans will be developed and resources secured for the individual pillars and priorities within the Strategy.

Productive Priorities;

- 1. Entrepreneurial, resilient and high growth businesses** -Continuing to build an entrepreneurial region, further improving rates of enterprise start-up and scale-up, and helping businesses recover after the pandemic, including people based in rural areas.
- 2. Attract and grow international businesses, investment and visitors** -Support the contribution that international trade and investment makes to economic growth, productivity and the creation of high-skill and high value jobs; and renew our efforts to develop the visitor economy.
- 3. Employment and skills for growth**-Build relationships and joint initiatives to meet the employment and skills needs of employers and the future economy
- 4. World class business locations** -Continue to develop and provide the business sites and locations needed to become a world-class location for science, technology and professional services

The Leicestershire economy is dominated by SME's and a high proportion of these are based in rural areas and Market Towns. Key sectors of interest include Agriculture, Textiles, Creative and cultural, Construction, Tourism and the Visitor Economy and the Voluntary and non-profit sectors all of which have representation in rural areas. The Strategy states that it will provide ongoing support to business recovering from Covid-19, adapting to the new trading relationships with the EU, and reflecting the specific needs and issues affecting rural businesses and the agricultural economy. Businesses will also need support to address climate change, resource exploitation and biodiversity loss, and business support and advice will need to adapt and change to enable this.

There is a recognition that our Market towns and Rural centres represent an opportunity for businesses to re-locate to and may represent alternative uses for vacant retail space. The strategy highlights the need for reinventing and place shaping in the centres.

Innovative Priorities;

- 1. Global innovation leadership** Supporting our outstanding R&D strengths and innovation achievements
- 2. Increase and broaden innovation activity amongst businesses**- Increase innovation activity amongst the wider SME and business base
- 3. Successfully pioneer and apply emerging and new technologies**-Helping businesses to successfully pioneer and apply emerging and new technologies to become more competitive and resilient
- 4. Innovation for sustainability** -Innovation will need to be harnessed to help businesses survive and thrive as the economy transitions to sustainability and market regulations and customer expectations change.

There were two types of business during the pandemic – those with the digital systems that meant their business and workforce were already online and could be rapidly digitally enabled – and those with very little digital presence and capability. There has been a big difference in the performance of these two types of business.

In 2020, 25 per cent of Leicester and Leicestershire businesses provided the facility for customers to order and pay for goods or services on their website. 20 per cent of businesses with an internet presence increased the facility for customers

to do this during 2020. 45 per cent of Leicester and Leicestershire businesses have invested in digital technologies over the past 2 years, with an increase in 2020.

Businesses will need to innovate if they are to thrive in a future economy where customers prefer sustainable businesses and products, new regulations make current standard technologies and business practices unviable, and climate change introduces new risks and resource scarcity. Certain sectors, such as Food & drink can, and already have been affected – such as by the transition to more plant-based diets.

Inclusive Priorities

- 1. Informed choices and routes to job and skills progression** -Deliver services to prevent increases in youth unemployment, provide employer-led skills development, progression pathways and increase apprenticeships
- 2. Improve skills and qualifications attainment and employability of the workforce** -Reduce the flow of low skilled, poorly qualified individuals into adulthood, and address low qualifications and skills attainment in adults.
- 3. Improve access to work, labour market inclusion and wellbeing at work** -Improve access to work, labour market inclusion and wellbeing at work for all communities and residents.
- 4. Improve job quality, in-work progression and pay** -Improve the quality of jobs, in work progression and pay, and access to opportunity.

While many rural areas appear to lack the deprivation of urban areas, poorer access to public services due to greater distances and irregular public transport can place barriers to services in more remote areas. More expensive house prices in sought after rural areas also puts housing out of reach for many. The pandemic has laid bare the Digital skills divide.

Sustainable Priorities

- 1. Sustainable places, city and town centres** -Create adaptable and resilient town and city centres, rural areas and urban communities, delivering sustainable sites for housing and jobs in strategic locations that can be serviced by sustainable transport, and protect the environment and built heritage
- 2. Sustainable transport and connectivity** -Build and promote sustainable modes of transport, decarbonize road transport and improve broadband connectivity whilst also supporting healthier growth
- 3. Sustainable energy** -Increase renewable energy generation and implement smart energy networks
- 4. Sustainable business** -Support business decarbonization and sustainable business practices.

Although there is no specific section on the Rural economy in the Economic Growth Strategy, there are many relevant priorities that can be applied to rural areas;

While Leicester and Leicestershire hosts world-leading universities and has many well-qualified residents, its overall educational attainment lags behind the rest of the UK, and this is reflected in lower pay. By 2030, it is forecast that 42 per cent of jobs within Leicester and Leicestershire will require Level 4+ qualifications. Demand for Level 2 and Level 3 jobs are also both forecast to grow by around 5 per cent.

- A key challenge will therefore be to improve educational attainment and increase the number of higher-level qualifications and skills, in order to meet the increasing demand for higher-skilled workers within the area.
- Reflecting the strong role of SMEs in the Leicester and Leicestershire economy, we will achieve high rates of entrepreneurship and start-up and help businesses realise their growth ambitions, with high growth business support and advice.

The Leicester and Leicestershire economy is dominated by small businesses - with 89.8 per cent of businesses micro-sized (employing less than 0- 9 people). Building on Growth Hub support and expanding on successful initiatives such as the MIT REAP Programme, we can continue this substantial progress made in the last 10 years, as the size of the business base has increased with a record number of businesses established (+ 20% between 2014 and 2019), and start-up and survival rates have improved, all at a faster pace than the national average. Businesses will continue to be supported through the uncertain recovery period and the EU transition

- Within the existing Growth Hub, Create a local framework for start-up support to support self-employment and entrepreneurship - including support for key groups such as those newly unemployed, graduates, young people, women and rural residents.
- Provide for the next stages of grow-on and networking space and premises; integrate growth sector needs into skills pathways and careers guidance. Provide scale-up support to businesses.

- Provision of ongoing support to businesses on both Covid19 and Brexit, through the Business Gateway Growth Hub including financial readiness.
- Sector recovery and supply chain plans, together with effective targeting of support of industries affected by Covid19 and Brexit.
- Diagnostic and peer support networks and services for ongoing business resilience across the diverse range of sectors within the Leicester and Leicestershire economy.

Cultural, leisure and tourism industries generated £1.88bn for the local economy in 2019 but have been highly disrupted by the pandemic and social distancing measures. Tourism, hospitality and retail accounted for 58,000 (50 per cent of all) Covid-vulnerable jobs in Leicester and Leicestershire. Prior to the pandemic, there were plans in place to develop the visitor economy further by developing awareness of Leicester and Leicestershire as a destination. Now, support is needed for the sector's recovery as well as strengthening and differentiating it in the long-term.

- Build the visitor offer and branding around key USPs such as sports, culture, leisure and Heritage.
- Local skills needs will also be driven by the shortfall in overseas workers, caused by Covid-19 and the fall in EU workers coming to, and remaining in the locality and the wider UK. Sectors particularly vulnerable include Distribution, Hotels and restaurants, Textiles, Food and drink, Banking, Finance and insurance, Public administration, Education and Health and social care, and Agriculture.
- Reinventing and renewing town centres and place-shaping, and understanding and delivering how employment sites and premises play a role in this.
- Sector-focused accelerator programmes to improve connections and technology transfer between technology leaders and SMEs.
- Develop support to accelerate incremental innovation undertaken in the majority of SMEs.
- Develop skills and capabilities for innovation; provide risk/investment finance for innovation

There were two types of business during the pandemic – those with the digital systems that meant their business and workforce were already online and could be rapidly digitally enabled – and those with very little digital presence and capability. There has been a big difference in the performance of these two types of business.

In 2020, 25 per cent of Leicester and Leicestershire businesses provided the facility for customers to order and pay for goods or services on their website. 20 per cent of businesses with an internet presence increased the facility for customers to do this during 2020. 45 per cent of Leicester and Leicestershire businesses have invested in digital technologies over the past 2 years, with an increase in 2020.

- Provide support to enable digital transformation in SMEs across a range of sectors.
- Events, support materials and peer networks to demonstrate leading practice in digital business

Covid-19 has compounded and deepened the pockets of deprivation in Leicester and Leicestershire. Prior to the pandemic, around 24 per cent of neighbourhoods (LSOAs) in Leicester were among the 10 per cent most deprived nationally. While many rural areas appear to lack the deprivation of urban areas, poorer access to public services due to greater distances and irregular public transport can place barriers to services in more remote areas. More expensive house prices in sought after rural areas also puts housing out of reach for many. Low pay continues to be a concern in Leicester and Leicestershire. This priority aims to address the education and skills foundations of labour market exclusion and low pay.

- It seeks to improve educational attainment and help pupils catch up with learning lost during the pandemic; and continue to improve in-work and work-related training and skills.
- Improving adult education and skills are also an objective, as are core and soft skills, which helps to build employability and resilience.

What is demonstrated by the Economic Recovery Strategy is that the priorities in the LRP Framework, are the right ones and that they fit within the strategy. As a long term action plan emerges to deliver against these priorities the LRP needs to ensure that.

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