



Leicestershire
County Council



C

CABINET – 9TH MARCH 2010

**DRAFT LEICESTER & LEICESTERSHIRE ECONOMIC ASSESSMENT
AND ECONOMIC STRATEGY**

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of Report

1. The purpose of this report is to seek Cabinet approval of the draft Leicester and Leicestershire Economic Assessment and Leicester and Leicestershire Economic Strategy documents.

Recommendation

2. The Cabinet is RECOMMENDED:
 - (a) to note the process for developing the draft Economic Assessment and Economic Strategy and the timetable for consulting on these documents; and
 - (b) to approve the Economic Assessment and Economic Strategy documents.

Reason for Recommendation

3. The Economic Assessment and Economic Strategy are key to the effective delivery of the Multi Area Agreement. This report outlines the main elements of the Leicester and Leicestershire Economic Assessment and Economic Strategy, and confirms the process that was undertaken to prepare the assessment and strategy and the timetable for finalizing the documents.

Timetable for Decisions (including Scrutiny)

4. The draft Leicester & Leicestershire Strategy for Economic Growth 2010-2020 was launched for formal consultation alongside the Leicester & Leicestershire Economic Assessment for six weeks on 1st February 2010. The Economic Assessment and Strategy consultation documents have been made available on www.leicester.gov.uk/consultationstrategy4growth with links from the One Leicester and Leicestershire Together web sites.

5. Consultation responses are sought through a structured set of questions for both the Assessment and Strategy. The deadline for responses to the Leicester and Leicestershire Support Unit on both documents is Monday 15th March 2010.
6. The timetable for consulting and publishing the economic assessment and economic strategy is summarised below:

01/02/10 - 15/3/10	Formal consultation period
15/3/10- 19/3/10	Responses considered and strategy revised
25/3/10	Strategy signed off by Co-ordination Group
01/04/10	Strategy commissioned for publication
May 2010	Strategy Launch event

7. The Economic Assessment and Strategy will be considered by the Scrutiny Commission at its meeting on 3rd March 2010 and its comments will be reported at the Cabinet Meeting.

Policy Framework and Previous Decisions

8. These documents are not part of the Plan Framework but the Strategy, in particular, is a key document in terms of setting out the economic priorities for the sub-region - with an emphasis on increasing employment, improving skills and stimulating business growth. These priorities are also reflected in the County Sustainable Community Strategy, Local Area Agreement 2 and the Multi Area Agreement. The Assessment and Strategy will inform the mid-term review of the Sustainable Community Strategy which will be completed in Autumn 2010.

Resources Implications

None.

Circulation under the Local Issues Alert Procedure

None.

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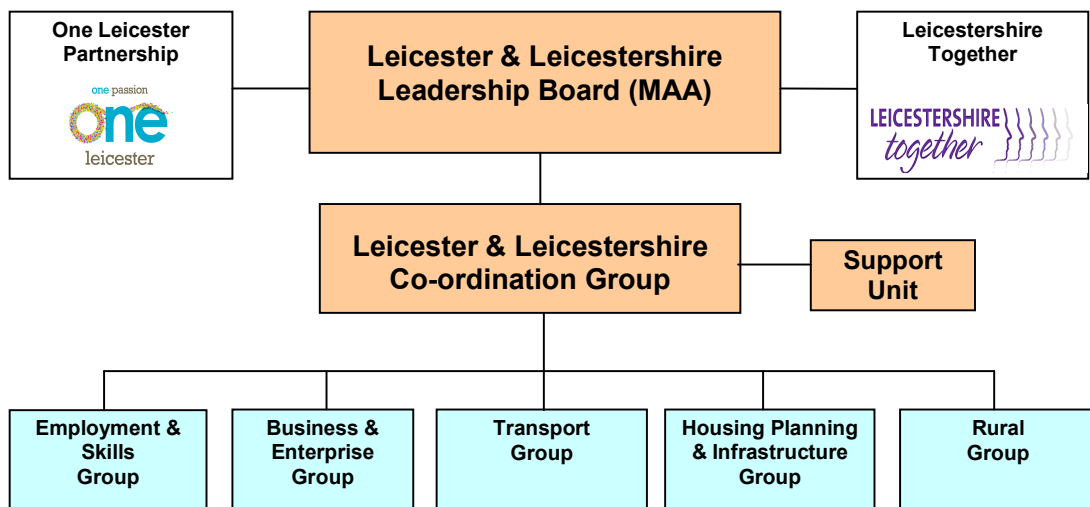
PART B

Background

9. The Leicester and Leicestershire sub-region functions as an integrated economic area because of its commuting, retail and transport patterns. Leicester City Council and Leicestershire County Council and their respective Local Strategic Partnerships (LSPs) have agreed to collaborate more closely to improve the sub-regional economy. Leicester and Leicestershire has become one of the few areas in the country that has signed a Multi-Area Agreement (MAA) with the Government.
10. County Council staff have been closely involved in the development of the Economic Assessment and Leicester & Leicestershire Strategy for Economic Growth 2010-2020, including through the governance structures outlined below.

Governance

11. A new joint governance structure has been established to drive forward economic development in the sub-region and oversee delivery of the Multi Area Agreement (MAA).



Leicester & Leicestershire Leadership Board

12. The role of the Leadership Board is to provide a strategic approach to the promotion and improvement of the economic, social and environmental well-being of the area and to facilitate joint working between partners to achieve that objective. The Board is the body where priorities for economic development and regeneration are considered and recommendations made to the member bodies to facilitate adoption by them of appropriate strategies. The Board is also responsible for making key investment decisions to achieve its economic priorities.

Leicester & Leicestershire Co-ordination Group

13. The role of the Co-ordination Group is to provide the executive function for the Leadership Board by influencing regional and national policy and strategy. It is responsible for overseeing the development and delivery of an overarching sub-regional strategy including the joint Economic Assessment and MAA. The Group is also responsible for the preparation, delivery and performance management of a Sub-Regional Investment Programme (SRIP).

Strategy & Performance Groups

14. The role of the Strategy and Performance Groups is to advise the Co-ordination Group and oversee the development and implementation of thematic strategies and delivery plans. The Groups are responsible for identifying priorities for investment and ensuring the effective co-ordination and delivery of projects.

Strategic Framework

15. The sub-regional partnership's strategic framework consists of four key processes; developing an economic assessment, preparing an economic strategy, preparing the commissioning plans and strategic commissioning.

- The Economic Assessment provides an evidence base which tells us what the current needs and opportunities are in the areas of business and enterprise, employment and skills, transport, housing, employment land and infrastructure;
- The Economic Strategy identifies where we want to get to in the future and outline the strategic priority outcomes we want to achieve;
- The commissioning plans will prioritise what actions will be undertaken to achieve the priority outcomes, who leads them and how we fund them;
- Strategic commissioning is the actual process of allocating resources and procuring services and activities to deliver the priority outcomes.

Economic Assessment and Strategy

16. The economic assessment has been completed and the draft executive summary is attached as **Appendix 1**. The Assessment includes the following chapters:

- Demography;
- Business and Enterprise;
- Employment and Skills;
- Economic Exclusion and Worklessness;
- Housing;
- Employment Land and Premises;
- Transport;

- Environment;
- Rural Issues;
- Summary SWOT;
- Conclusions.

17. The Economic Assessment has informed the preparation of a sub-regional Economic Strategy which covers the period between 2010 and 2020. The draft economic strategy is attached as **Appendix 2.** and covers employment and skills, business and enterprise, housing, planning and infrastructure, transport and the environment.

18. The Strategy includes a vision for the sub region which is as follows:

We Will:

- Provide enough jobs for people;
- Support people to develop their skills and businesses to provide high quality jobs;
- Ensure local people are job ready;
- Generate most of our jobs and wealth from our own resources;
- Provide the right space for companies to start and grow.

The Strategy also sets out the Partnership's strategic priorities as follows:

- A productive economy with high performing businesses
- A highly qualified, skilled and motivated workforce in high value jobs
- Improved opportunities for vulnerable people and communities
- A highly sustainable environment with excellent infrastructure

19. The Strategy also includes the performance framework, which identifies the evidence-based priority outcomes that the Partnership will seek to achieve, and sections on Commissioning, Resources and Current Commitments.

Strategic Commissioning Plans

20. The Economic Strategy will be supported by three year commissioning plans for each of the outcomes within the performance framework. The commissioning plans will identify the actions to achieve the partnership's strategic priority outcomes and will allocate resources and include the identification of different alternatives and spending priorities. The plans will include the management, financial, and administrative mechanisms arranged to deliver the priority outcomes. The plans will also include a cost-benefit analysis of the interventions to determine where investment will yield greatest returns. Evidence of effectiveness and cost-effectiveness will be applied comprehensively to compare diverse interventions in the sub-region's economy and will underpin the partnership's strategic commissioning process.

The County Council's Response to the Economic Assessment and Strategy

21. The Council has disseminated the draft Assessment and Strategy within the Authority and no substantive comments have emerged. The Policy and Partnerships Team will be co-ordinating a separate response on behalf of the Leicestershire Rural Partnership.

Equal Opportunities Implications

22. None – there is a specific strategic priority outcome around “improved opportunities for vulnerable people and communities”

List of Appendices

Appendix A – Draft Leicester and Leicestershire Economic Assessment Summary

Appendix B – Draft Leicester and Leicestershire Strategy for Economic Growth 2010 – 2020