



## **SCRUTINY COMMISSION - 26 FEBRUARY 2014**

### **STRATEGIC ECONOMIC PLAN**

#### **REPORT OF THE CHIEF EXECUTIVE**

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

1. The purpose of this report is to seek the Commission's views on the emerging Strategic Economic Plan (SEP) being prepared by the Leicester and Leicestershire Economic Partnership (the LLEP).

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

2. The Leicestershire Together Outcomes Framework, agreed by the Leicestershire Together Strategic Commissioning Board on 19<sup>th</sup> March 2012, identifies economic growth as one of four key priorities.
3. The Leicester and Leicestershire City Deal was considered by the Cabinet at its meeting on 15 October 2013 and approval was given for submission of a City Deal negotiation document.

##### **Background**

4. The Government's response to Lord Heseltine's review of local economic development confirmed its commitment to negotiating a Growth Deal with every Local Enterprise Partnership (LEP), building on the success of City Deals. Through Growth Deals, Local Enterprise Partnerships can seek freedoms, flexibilities and influence over resources from Government; and a share of the new Local Growth Fund (LGF) to target their identified growth priorities.
5. This Local Growth Fund has been set at over £2bn for the year 2015/16 with a commitment to at least maintain this level to 2020/21. In return for these flexibilities, the Government will expect evidence of real commitment from Local Enterprise Partnerships to the growth agenda, including the development of ambitious, multi-year Strategic Economic Plans (SEPs). They also expect the local authority members of LEPs to take up the challenge of putting economic development at the heart of all they do and work collaboratively across the LEP area.

##### **Strategic Economic Plan**

6. The Leicester and Leicestershire Enterprise Partnership (LLEP) is required by central government to submit a Strategic Economic Plan (SEP) by 31<sup>st</sup> March 2014. The draft SEP seeks to negotiate a Growth Deal with Government of £252m of LGF over the period 2015 to 2020 with a request for just over £51m in 2015/16 across

three themes of Place, Business and People.

7. The LLEP submitted its draft SEP to Government on 19<sup>th</sup> December 2013. The plan sets out the long- term economic vision for Leicester and Leicestershire and outlines the investment priorities over the period 2014 to 2020.
8. The priorities outlined in the draft SEP are to:
  - Enhance Leicestershire’s role as a major economic centre, with an innovative and industrious city at its core;
  - Unlock the Leicester Strategic Regeneration Area as a major place of transformation creating a thriving, dynamic leading UK City for work, living and cultural activity;
  - Attract over £2.5 bn private sector investment by 2020;
  - Generate 45,000 additional private sector jobs by 2020 (over and above OBR employment estimates);
  - Unleash the innovative potential of our Universities and deliver the Loughborough Science & Enterprise Parks;
  - Further develop the MIRA Enterprise Zone;
  - Develop the logistics and distribution sector to create agglomeration effects as far as East Midlands Airport and the Strategic Rail Freight Interchange development by Roxhill;
  - Reduce levels of unemployment by 50%;
  - Support 15,000 businesses to accelerate growth and stimulate over 1,000 start ups;
  - Develop a skilled workforce to meet current and future economic needs;
  - Increase the proportion of the working age population qualified to NVQ4 so that it is in line with national figures;
  - Increase our GVA from £19bn to £23bn by 2020.
9. The Cities Minister, Greg Clark, has provided formal feedback to LEPs on their draft SEPs and met with the LLEP on 6<sup>th</sup> February 2014. The Leader of the Council attended this meeting. Each Council has been invited to consider and support the draft Strategic Economic Plan. The LLEP Board in March will approve the final SEP and it will be submitted as a Final Plan on 31 March 2014, with the Award decision likely to be in July 2014 and funding available April 2015. The current version of the Strategic Economic Plan is available on the LLEP website:

<http://www.llep.org.uk/SEP> and will continue to be updated during the negotiations with Cabinet Office.

10. At its meeting on 5 March 2014 the Cabinet will receive a report on the SEP to which will be attached a Draft SEP Executive Summary and a revised list of Priority SEP projects. This will include a particular focus on projects which will be seeking Local Growth Fund resources for spend in 2015/16.
11. The Draft Executive Summary and the revised project list were still in preparation when the Commission agenda was circulated. The full Cabinet report, together with these appendices, will be circulated to Commission members on 24<sup>th</sup> February.
12. The Commission is asked to consider the Draft SEP proposals as set out in the Cabinet report and consider which comments, if any, it would like to submit for the consideration of the Cabinet at its meeting on 5 March.

### **Background Papers**

Draft Strategic Economic Plan, LLEP, December 2013

### **Circulation under local issues alert procedure**

None.

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### **Equal Opportunities Implications**

13. The SEP will seek to strengthen the local economy to improve the economic and social wellbeing of residents. It will particularly seek to improve the employment prospects of those currently out of work and this is likely to benefit groups who are disproportionately affected by unemployment and worklessness. The SEP will be subject to an Equalities and Human Rights Impact Assessment.

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