

ECONOMIC DEVELOPMENT

1. Statement on Outcomes

The Economic Development Block consists of five outcomes which focus on employment and skills, business support and the physical environment. There is a specific outcome that relates to supporting businesses to invest, start up and grow within the County. There are also outcomes aimed at improving the provision of employment land, improving town and village centres, increasing employment and training opportunities for specific groups of people and increasing the contribution that tourism makes to Leicestershire's economy.

The development of each of the five outcomes is at different stages. Stretch targets have been developed for the business support and increasing employment and learning outcomes. Existing delivery will continue for all outcomes - however the first year will be used to establish the baseline position and develop delivery arrangements for the outcomes that have not been identified as stretch targets. Whilst there has inevitably been a focus on developing the two stretch targets, considerable thought and activity is being put into all five outcomes and substantial benefits in terms of better joining up of delivery and funding is anticipated in relation to all of them.

More effective targeting of economic development activity will help to ensure a focused and joined-up approach which leads to sustainable economic growth. Leicestershire is unique in having three top quality universities and several leading FE colleges and there is an opportunity to capitalise on this asset and retain more graduates in the area by increasing the number of high value knowledge based jobs and fostering an environment in which new businesses can start and flourish. Social enterprise is also a growth sector which offers an alternative form of business that provides, as its priority, benefits to employees, consumers and the local community. The LAA will assist in delivering a support service for start-up businesses that is both accessible and tailored to their needs. The overall objective is to increase the number of businesses starting up and surviving within the County.

Sustainable economic growth will depend on the quality of employment land and premises that the County has to offer. A series of comprehensive studies assessing the availability of existing employment land and buildings covering type supply, quality and location are currently being prepared. There is a need for public sector intervention to ensure that there is an adequate supply of quality land and premises which will attract the key sectors identified above.

The County's town and village centres which include urban centres such as Loughborough, market and other town centres, and smaller rural centres are vital to Leicestershire's economic prosperity. Investment is required to ensure that these areas retain and enhance their economic vitality and vibrancy. The economic development block is leading cross-block discussions involving the stronger communities and cleaner/greener on the development of town and village centres with the identification of a priority list of centres being the first fruit of this collaboration.

In Leicestershire, there are 16,500 people in receipt of incapacity benefit and there is inadequate support for these people to help them move into employment. There is also a need to engage those adults who are economically inactive into the initial stages of learning and training to support their progression to employment or further training. Often those claiming benefit live in the most deprived areas in Leicestershire, the LAA aims to target these areas and improve the support available for people on benefit to enable their transition to sustainable employment.

2. Delivery Mechanisms

Increase the vitality and viability of town and rural centres

There are potential delivery roles for both the Leicestershire Rural Partnership (LRP), which has an established track in overseeing activity in market towns and rural centres, and district Local Strategic Partnerships (LSPs) that are well placed to bring together partners at local level in the context of their community strategies. Delivery mechanisms will vary between centres and will be developed as and when the priority centres for the LAA have been identified and confirmed. Following consultation, including with district LSPs, an initial list of 17 priority centres has been drawn up. This includes 17 of the larger centres across Leicestershire. Further work will be carried out to consider how best to address the issues facing smaller rural and village centres in the context of the LAA.

A Market Towns Programme has been submitted to emda via the LSEP which will continue work currently being delivered, for the next three years. Work will include a Living/Working over the shop / shop front improvement grant, Heritage Economic Regeneration Scheme (HERS), small scale environmental improvements and joint events between Leicestershire's towns, together with a major Public Realm Improvement Programme for urban centres across the County to be delivered in partnership with the District Councils.

It is anticipated that further detailed preparatory work for this outcome will continue in Spring 2006. Baseline information for the indicators will be collected by the end of June 2006, and a workshop will be held in April 2006 to engage and involve key partners across the County in how activity to support town and village centres can best be co-ordinated and supported, and to consider possible delivery models (one option might be a county-wide regeneration company) . This will draw in some of the key cross-cutting issues too, including transport, environment and culture all which are crucial to the vitality and viability of Leicestershire's towns and villages. As this outcome is developed it is likely that indicators and targets will be developed which are specific to each centre, taking account of their individual circumstances, strengths and weaknesses. In this context developing county wide indicators and targets may be difficult and/or of little benefit.

Increasing skills and the number of people in employment

We will work with those who are disengaged from the workforce and address the need to support people into employment. The combination of local economic aspirations and demographic realities require that we maximise the contribution of adults to the workforce and hence to the local economy. The outcome will also focus on improving skills throughout Leicestershire and concentrate efforts towards increasing the number of adults achieving NVQ level 2.

The volume of people claiming inactive benefits and the percentage of these customers that Jobcentre Plus can engage with is clearly disproportionate. The numbers claiming inactive benefits in Leicestershire far outweighs the numbers claiming active benefits such as Job Seekers Allowance; therefore we need to increase the contact rate with customers on inactive benefits. In particular we aim to increase the contact rate with Incapacity Benefit customers. A programme of supportive measures delivered by partner organisations with the relevant skills and experience is required to address the many barriers faced by customers. Customers require support to help them manage their condition, improve their physical fitness, cope with the uncertainty of their illness, improve their self-esteem and confidence. There are also issues relating to general employability, basic skills and transport.

We will, therefore, aim to improve the support available to people on incapacity benefits to enable their transition to sustainable employment. Those currently on benefits are being targeted by Jobcentre Plus as well as those out of the workforce for other reasons. The intention is to build on an existing strategic approach which places outreach workers in target communities across the County to contact hard to reach groups and support progression from first contact to entry into employment. Analysis of the priority areas across the County identified through the LAA together with the experience on the ground shows a good match with the locations of existing work but it also identifies further areas where there are target communities identified using Jobcentre Plus data.

This work is currently funded by a series of co-ordinated ESF projects. Some of the projects end during 2006 and will lead to the loss of parts of this service. Additional funding will, therefore, be required to continue existing work and develop outreach in the other priority areas to stabilize, maintain and extend the existing county wide team of community based learning workers and draw together local cross agency worker teams in each chosen area. Outreach work will be targeted in line with Jobcentre Plus analysis by postcode of their clients and with LAA priority areas identified from deprivation data. The face to face workers would engage with workless adults within communities. Where appropriate, clients could be progressed to Jobcentre Plus activity aimed at supporting those on inactive benefits back towards employment; others can be progressed to further training/learning and pre-employment activity and then towards employment.

This work will also support the stretch target identified to increase the numbers of businesses starting up in the county. Outreach workers will refer individuals to Business Link for further support in gaining self employment or creating social enterprises.

Improving the provision of employment land and Premises

The key partners will be the local authorities and possibly emda and the LSEP. Further assessment is needed of available delivery mechanisms including the use of local authority assets in the setting up of a joint venture to promote site and premises release which has wider community benefits.

Increase the number of businesses starting up, expanding and locating with in the County

Delivery mechanisms in Leicestershire to support enterprise development in key clusters are well established but need an improved focus around the priority sectors. The LAA can lead on the integration of strategies and the encouragement of collaboration between partners. An opportunity exists to build delivery mechanisms across the County that can respond to the needs of pre-starts, start-ups and established businesses. In attracting businesses a clear lead will need to be taken by Invest Leicestershire, the marketing agency charged with maximising the economic benefit to be gained from footloose investment.

Emda and the LSEP have identified a number of growth sectors for the East Midlands and the Sub-Region. It is hoped that businesses that provide high value employment can be established and nurtured through an effective business support service. The Universal Start-Up Offer (USO) is an emda initiative to establish a common framework for the promotion and provision of business start up activity across the region by April 2007. Regional co-ordination and consistency will give clarity and familiarity to customers and provide minimum standards. It will provide consistent, high quality, practical advice and support to increase business start-up rates and chances of long term success. It will be available to anyone wishing to develop and start a new business and those running a young enterprise that is less than 12 months old. The development of the offer itself is currently taking place and will be piloted in 2006/07. It is anticipated that the offer to the client will include information services, training modules, 12 months of mentoring and networking sessions, all free of charge. The pilot in Leicestershire will be delivered by Business Link Leicestershire and the LAA will support the project.

Increase the contribution of tourism

The further development of the district tourism partnerships – These are the means by which regional and sub-regional strategies and programmes can be matched and shaped by local tourism opportunities. Their development is a key priority for it is through these that outcomes and priorities can be satisfied.

Development and implementation of products to enhance the visitor experience - There needs to be effective financial and strategic support for this at sub-regional level. To date the County has been at the forefront of developing innovative products (e.g. open top tour buses) to enhance the visitor experience. Leicestershire now has the opportunity for gaining a competitive advantage over other UK destinations by developing further sustainable and quality-driven projects that enhance its tourism product, making it more attractive as a potential day visit and short break destination - the latter in particular is seen by emda as a key contributor to the visitor economy. We aim to utilise the Visitor Attraction Quality Assurance Service (VAQAS). It was

launched nationally in 2001 and is a consumer-focused quality assessment service for visitor attractions. It helps to identify the strengths of an attraction and highlights development areas, based on industry examples. Throughout England a wide range of attractions of all sizes, both large and small, have benefited from participation in the service.

Development and implementation of visitor services infrastructure - There needs to be continual financial and strategic support for this at sub-regional level. This plays an important role in the visitor journey - from making the enquiry, to experiencing the offer through to the potential repeat visit and recommendations. Championing quality and raising standards of delivery of visitor services will help to increase industry profitability by driving business into the destination, maximising sales through TIC services and web activity. It will also continually meet customer needs through a framework of integrated visitor services provision, including product information management, enquiry fulfilment, signage and orientation material, booking facilities and other related services. The use of ICT will be maximised to increase efficiency and cost effectiveness in information delivery, data capture and performance evaluation.

3. Reward Targets

The LAA Economic Strategy Group has identified the following outcomes as stretch and reward targets:

Business Support

The LAA will focus efforts on increasing the number of businesses starting up in the County. The stretch target is to assist 252 additional businesses to start within the County over the LAA period 2006-9.

Increasing Employment

The LAA will focus on increasing the number of people receiving incapacity benefit who move into employment. The stretch target is to assist a further 60 people moving from incapacity benefit into Permitted Work of less than 16 hours for 13 consecutive weeks or more, and a further 180 people into work of 16 hours per week or more for at least 13 consecutive weeks, beyond that expected without the LAA, over the period 2006-9.

4. Freedoms and Flexibilities Requested

That Jobcentre Plus in Leicestershire is exempt from the current treasury rule on Headcount relating to secondment from Jobcentre Plus into another organisation. Current rules require a secondee to still be counted on the Jobcentre Plus District Headcount even though the individual is working for another organisation. The freedom and flexibility measure sought is that secondees from Jobcentre Plus, who are supporting delivery of the LAA, are not counted on the District headcount.

LEICESTERSHIRE LAA THEME: ECONOMIC DEVELOPMENT

| Ref. No. | OUTCOMES | INDICATORS | TARGETS | | | Reward Stretch Target | Lead & Delivery partners | Cross Cutting Links. |
|-----------|--|--|---------|-----|-----|-----------------------|--|--|
| | | | YR1 | YR2 | YR3 | | | |
| ED | | | | | | | | |
| 1 | Increase the vitality and viability of town and rural centres | | | | | | To be considered at workshop in April 2006. Depending on the centre lead delivery partnerships likely to be Leicestershire Rural Partnership (Market Towns Programme) or district LSP. | Stronger, Cleaner and Greener, transport, culture, environment |
| 1a | Improve the quality of the public realm in Leicestershire's town and rural centres | 1.1 No of ground floor units not being used as a proportion of the total no of ground floor businesses | | | | | Within these partnerships there will be key roles for: Leicestershire County Council, district councils and Leicester Shire Economic Partnership. | |
| 1b | Provide a supportive business environment for town and rural centre enterprises | (Baseline to be established by end of June 2006) | | | | | | |
| 1c | Raise the profile of town and rural centres in Leicestershire amongst residents and visitors | 1.2 Percentage of users of centres who are satisfied with the centre as a place in which to work, shop and visit (Baseline to be established by end of June 2006) | | | | | | |

The two indicators are intended to collectively measure progress in delivering the overall outcome (including the three sub-outcomes).

An initial priority list of centres has been developed following consultation, including with all district LSPs. This list includes: Blaby (in Blaby district), Loughborough, Shepshed, Syston and Thurmaston (in Charnwood), Broughton Astley, Lutterworth and Market Harborough (in Harborough), Earl Shilton, Hinckley and Market Bosworth (in Hinckley and Bosworth), Melton Mowbray (in Melton), Ashby and Coalville (in North West Leicestershire), and Oadby, South Wigston and Wigston (in Oadby & Wigston).

| FUNDING STREAM | | 2006/07 | 2007/08 | 2008/09 | | | |
|--|---|----------------|----------------|----------------|--|--|--|
| Considerable sums are already being invested in Leicestershire town and village centres. Further investment is subject to bids for funding. A range of agencies are involved in delivering a wide variety of schemes and initiatives. The LAA provides an opportunity to better join up this expenditure across Leicestershire and within individual centre. Over 2006/7 discussions will take place regarding governance and delivery arrangements, and the pooling and aligning of funding. Greater clarity on funding should be available by end of September 2006. | | | | | | | |
| Leicester Shire Economic partnership (LSEP) | Align Funding for Market Towns Programme | 1,000,000 | 1,000,000 | 1,000,000 | | | |
| Leicestershire County Council | Align Funding for Market Towns Programme | 234,600 | 216,580 | 213,660 | | | |
| District Councils | Align | n/k | | | | | |
| Town/Parish Councils | Align | n/k | | | | | |
| Heritage Lottery Fund | Grant potential | n/k | | | | | |
| Sports Council | Grant Potential | n/k | | | | | |
| Arts Council | Grant Potential | n/k | | | | | |

| THEME: ECONOMIC DEVELOPMENT (continued) | | | | | | | | |
|---|---|---|----------|---|---|----------------------------------|--|----------------------|
| | OUTCOMES | INDICATORS | TARGETS | | | Reward Stretch Target | Lead & Delivery partners | Cross Cutting Links. |
| | | | YR1 | YR2 | YR3 | | | |
| | | | 2 | Increasing skills and the number of people in employment | | | | |
| 2a | Increase the number of people in receipt of an incapacity benefit who are helped into work in Leicestershire. | <p>(i) Number of people who have been claiming an incapacity benefit helped into Permitted Work* of less than 16 hours for 13 consecutive weeks or more</p> <p>(ii) Number of people in receipt of an incapacity benefit* who are helped by Leicestershire County Council into work of 16 hours per week or more for at least 13 consecutive weeks</p> <p>Baselines (i) 43 (2003-6) (ii) 78 (2003-6) Leicestershire County Council data</p> | | | <p>Without Reward 43</p> <p>With Reward 103</p> <p>Without Reward 78</p> <p>With Reward 258</p> | <p>(i) +60</p> <p>(ii) + 180</p> | LCC Leicestershire and Leicester City Learning Partnership JobCentre Plus LSC LSEP | |
| 2b | Improve the skills levels of adults in Leicestershire | <p>2.2 Increase in the number of adult NVQs</p> <p>(Baseline to be established by end of June 2006)</p> | | | | | | |

ASSUMPTIONS including freedoms, flexibilities

*Please refer to the Reward Target template supplement for detailed definitions and special conditions relating to the target.

| FUNDING STREAM | | £2006/07 | £2007/08 | £2008/09 | | | |
|--|---|-----------------|-----------------|-----------------|--|--|--|
| LSC | Align Support for Learning Partnership | Not Known | Not Known | Not Known | | | |
| Connexions(County total and also in CYP) | Align | 4,190,063 | | | | | |
| LSEP | Proposal to be produced (skills) Align | 273,799 | 374,754 | 383,037 | | | |
| ESF | Align | 550,000 | | | | | |
| NLDC | | Not known | Not known | Not known | | | |
| LCC | Align Adult Learning Service budget | Not known | Not known | Not known | | | |
| LABGI | LCC pooled | Not known | | | | | |
| Job Centre Plus | Align Core funding to support existing targets | Not known | Not known | Not known | | | |

| THEME: ECONOMIC DEVELOPMENT (continued) | | | | | | | | |
|---|--|---|--|-----------------|-----------------|-----------------------|--|----------------------|
| | OUTCOMES | INDICATORS | TARGETS | | | Reward Stretch Target | Lead & Delivery partners | Cross Cutting Links. |
| | | | YR1 | YR2 | YR3 | | | |
| 3 | Work towards improving the provision of quality employment land and premises across the County | | | | | | LSEP LCC District Councils Emda | |
| 3a | Bring about the release and/or development of employment land and premises to meet identified demand | 3.1 Land released for employment use (ha) (Baseline to be established by end of September 2006) | Complete employment land assessment on district basis and develop delivery mechanism | | | | | |
| | | 3.2 New build or refurbished space for employment use (sq. m.) (Baseline to be established by end of September 2006) | | | | | | |
| | FUNDING STREAM | | £2006/07 | £2007/08 | £2008/09 | | | |
| | LSEP | | n/k | | | | | |
| | LCC | | n/k | | | | | |
| | DISTRICT COUNCILS | | n/k | | | | | |

| THEME: ECONOMIC DEVELOPMENT (continued) | | | | | | | | |
|---|---|---|---|---|---|-----------------------|--|----------------------|
| | OUTCOMES | INDICATORS | TARGETS | | | Reward Stretch Target | Lead & Delivery partners | Cross Cutting Links. |
| | | | YR1 | YR2 | YR3 | | | |
| 4 | Increase the number of businesses starting up, expanding and locating within the County | | | | | | Business Link Leicestershire Promotions LSEP | Outcome 2 above. |
| 4a | Increase the number of businesses starting up within the County | 4.1 Number of business start-ups within Leicestershire (excluding the City and Rutland) that have been assisted and recorded by Business Link Leicestershire Baseline = 400 (emda 2006/7 target) | 400 without reward 480 with reward | 420 without reward 504 with reward | 440 without reward 528 with reward | 252 | | |
| 4b | Increase the number of businesses expanding within the County | 4.2 Number of businesses demonstrating growth after 12 months (Baseline to be established by end of June 2006) | | | | | | |
| 4c | Increase the number of businesses attracted to the County | 4.3 Number of businesses attracted to the County Number of jobs created | | | | | | |

| | | | | | | | | |
|--|---------------------------|---|-----------------|-----------------|-----------------|--|--|--|
| | | (Baseline to be established by end of June 2006) | | | | | | |
| | FUNDING STREAM | | £2006/07 | £2007/08 | £2008/09 | | | |
| | BUSINESS LINK | Align Core emda funding for City and County | 1,300,000 | | | | | |
| | LSEP | Align Inward Investment and Rural Business Support Programme | 705,000 | 766,100 | 827,493 | | | |
| | LCC | Align Contribution to Invest Leicestershire | 45,000 | 45,000 | 45,000 | | | |
| | LEICESTERSHIRE PROMOTIONS | Aligned | Not known | | | | | |

| THEME: ECONOMIC DEVELOPMENT (continued) | | | | | | | | |
|---|---|--|------------------------------|------------------------------|------------------------------|------------------------------|---|-----------------------------|
| | OUTCOMES | INDICATORS | TARGETS | | | Reward Stretch Target | Lead & Delivery partners | Cross Cutting Links. |
| | | | YR1 | YR2 | YR3 | | | |
| 5 | Increase the contribution of tourism to the local economy | | | | | | Leicestershire Promotions District Councils EMT LSEP | See outcome 1 above |
| 5a | Increase the volume of tourism business | 5.1 Number of tourism days 5.2 Tourism numbers | 23 Million 20 million | 24 Million 21 Million | 26 Million 22 Million | | | |
| 5b | Enhancement of the quality of the visitor experience Generation of enhanced profile for the County tourism product | 5.3 Number of quality accredited businesses in tourism (Baseline to be established by end of June 2006) | | | | | | |
| ASSUMPTIONS - including freedoms and flexibilities | | | | | | | | |
| FUNDING STREAM | | | | | | | | |
| | LCC | Align Contribution to Leicestershire Promotions | £337,430 | £345,866 | £354,512 | | | |
| | EMT | Align | n/k | | | | | |
| | LPL | Align | n/k | | | | | |
| | LSEP | Align | £100,000 | £102,500 | £105,062 | | | |
| | Arts Council | Potential Grant | n/k | | | | | |
| | Sport England | Potential Grant | n/k | | | | | |

