



**LLEP BOARD OF DIRECTORS**

**3.00pm, 17 FEBRUARY 2022**

**MS Teams Call**

**AGENDA**

| <b>TIME</b> |    | <b>ITEM</b>   | <b>REPORT</b> | <b>DECISION / INFORMATION</b> | <b>LEAD</b>         |
|-------------|----|---|---------------|-------------------------------|---------------------|
| 15:00       | 1. | Welcome and Apologies                                   |               |                               | Chair               |
|             | 2. | Declarations of Interest                                |               |                               | All                 |
| 15.05       | 3. | Minutes and actions LLEP Board Meeting 23 November 2021 | Paper A       | Decision                      | Chair               |
| 15.10       | 4. | Investment Panel Recommendations                        | Paper B       | Decision                      | Andy Reed           |
| 15.30       | 5. | Levelling Up White Paper / LEP Review                   | Paper C       | Discussion                    | Chair<br>Mandip Rai |
| 16.00       | 6. | Sub-Group Updates                                       | Verbal        | Information                   | All                 |
| 16.15       | 7. | AOB   |               |                               |                     |



# Paper A



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## LLEP Board of Directors

3pm, Tuesday, 23 November 2021

Face to Face

Organiser: Sharif Chowdhury

Chair: Kevin Harris (KH)

Directors: Emma Anderson (EA), Sonia Baigent (SB), Peter Bedford (PB), Chas Bishop (BP), Lorraine Boorman (LB), Anne-Marie Hunt (AH), Clare James (CJ), Dr Nik Kotecha OBE (NK), Ajmer Kaur Mahal (AKM), Anil Majithia (AM), Neil McGhee (NM), Cllr Jonathon Morgan (JM), Cllr Danny Myers (DM), Andy Reed OBE (AR)

In Attendance: Sharif Chowdhury (SC) Alison Greenhill (AG) Stewart Smith (SS) Sue Tilley (ST) Jo Dexter (JD)

Apologies: Nishan Canagarajah (NC), Verity Hancock (VH), Jaspal Singh Minhas (JSM), Mandip Rai (MR), Cllr Terry Richardson (TR), Colin Sharpe (CS)

Minutes Taken By: Sharif Chowdhury (SC)

CC To: All

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## MINUTES

|           |   |  |
|-----------|---|--|
| <b>1.</b> | <b><u>Welcome and Apologies</u></b>   |  |
| 1.1       | KH welcomed those present at the meeting.   |  |
| 1.2       | Apologies were received from MR, NC, VH and CS, TR and JM.                                  |  |
| <b>2.</b> | <b><u>Declarations of Interest</u></b>  |  |
| 2.1       | There were no Declarations of Interest.   |  |
| <b>3.</b> | <b><u>Minutes and Actions LLEP Board of Directors Meeting Held on 21 September 2021</u></b> |  |

| <u>Minute</u> |   | <u>Action</u> |
|---------------|---|---------------|
| 3.1           | The Minutes of the Meeting held on 21 September 2021 were agreed as a true and accurate record.   |               |
| 3.2           | The action points from the meeting were noted as completed.   |               |
| <b>4.</b>     | <b><u>Investment Panel – MIRA EZ Investment</u></b>   |               |
| 4.1           | AR provided feedback from the Investment Panel meeting on 18 <sup>th</sup> November 2021 where Andy MacDonald presented the case for funding the MIRA Low Carbon Innovation Hub and Phase One Infrastructure, and the opportunities that could be lost if the terms of the Forward Funding Agreement are not agreed between the LLEP and Hinckley and Bosworth Borough Council (HBBC).  |               |
| 4.2           | NK emphasised that the Panel scrutinised the risk assessment and case put forward by HBBC for an interest rate of 4% above the Public Works Loan Board rate, understanding the enormous benefits of the projects for the region.  |               |
| 4.3           | EA noted the challenges in receiving alternative funding for this project as HBBC were the only authority to prepared to provide the investment.  |               |
| 4.4           | <p>The Board:</p> <ul style="list-style-type: none"> <li>i. noted the negotiations of the Forward Funding Agreement (FFA) with HBBC regarding the two MTP EZ projects, Low Carbon Innovation Hub and Phase One Infrastructure;</li> <li>ii. AGREED the interest rate of 4% above the Public Works Loan Board rate being payable to HBBC on the forward funding recommended by the Investment Panel; and</li> <li>iii. AGREED to advance funding of £100k from the historic Enterprise Zone rates receipts currently held by the LLEP for the Phase One Infrastructure Project.</li> </ul> |               |
| <b>5.</b>     | <b><u>LLEP Governance – Net Zero Board</u></b>  |               |
| 5.1           | CB provided background on Zero Carbon where a group has been meeting monthly to consider local, regional, and national strengths, strategies and priorities and sought Board approval to establish a Zero Carbon Board and the draft Terms of Reference.  |               |
| 5.2           | <p>The Board agreed the recommendations and:</p> <ul style="list-style-type: none"> <li>i. Approved the Report; and</li> <li>ii. Endorsed the Zero Carbon Board Terms of Reference</li> </ul>   |               |

| <b>Minute</b> |   | <b>Action</b> |
|---------------|---|---------------|
| 5.3           | CB emphasised that the group intend to simplify programmes where possible, align with other LEP strategies and collaborate with other partners including the Midlands Engine to exploit opportunities.  |               |
| 5.4           | NM added that the group would aim to motivate Leicestershire businesses to act on Low Carbon initiatives by translating high-level objectives to increase their understanding of their role and responsibilities to help Leicestershire be successful in the Net Zero agenda.                       |               |
| 5.5           | NM highlighted plans with Zellar to match students with SMEs to support them for several weeks to identify carbon footprint numbers. The initiative allows students to gain experience and skills whilst educating businesses in Zero Carbon.   |               |
| 5.6           | NK noted the Terms of Reference outlined three Board Members for the Zero Carbon Board and opened a discussion on the potential addition to the already appointed Chas Bishop and Neil McGhee.  |               |
| 5.7           | DM recommended for the Deputy Mayor for Net Zero, Cllr Adam Clark to be on the Zero Carbon Board. A conversation followed regarding ensuring balance between public and private sector members. KH asked for any interested members to inform KH and MR.  |               |
| 5.8           | AM emphasised the importance that the Zero Carbon Board does not become a silo group which is independent of other LLEP sub-boards. AM encouraged board members to work on shared priorities when it comes to programme delivery and investment decisions.  | <b>All</b>    |
| 5.9           | NK agreed and highlighted examples of opportunities where the Innovation Board chair can collaborate with the Net Zero board. KH agreed with the comments and highlighted opportunities of working with wider local and regional partners on Zero Carbon shared objectives.                         |               |
| <b>6.</b>     | <b><u>LLEP Finance Report</u></b>   |               |
| 6.1           | AG updated the Board on the financial position where the forecast position is a deficit of £186k at the year-end, an improvement of £204k than previously reported. This would usually be a positive, however this is mostly due to the vacant posts impacted by the uncertainty of the LEP review. |               |
| 6.2           | The Board was informed of the risks surrounding core funding. The government has now confirmed that the £250k for the second half of the year will be provided to LEPs.   |               |

| <u>Minute</u> |   | <u>Action</u> |
|---------------|---|---------------|
| 6.3           | Board members thanked the LLEP team for their efforts during the period of uncertainty and remaining productive with the available resources.   |               |
| 6.4           | NM queried how the wellbeing of staff is being managed given the vacant positions and uncertainty of LEPs. KH informed the Board that staff are being conversed with regularly, but more can be done.   |               |
| 6.5           | AG noted that as the formal employer of LLEP staff, support is provided through the wellbeing access portal in the same way as all Leicester City Council staff.  |               |
| 6.6           | AG explained that the staff headcount has been streamlined due to the reduction of capacity required to manage programmes such as LGF. KH added this has been seen across other LEPs due to the uncertainty.  |               |
| 6.7           | AG provided insight on the position with office working, where a hybrid model is planned from early December. It was emphasised returns to office depend on individual managers and on each teams' dynamics.  |               |
| <b>7.</b>     | <b><u>LEP Review</u></b>  |               |
| 7.1           | KH referred to Paper E where Rt Hon Kwasi Kwarteng MP and Rt Hon Michael Gove MP have been invited to meet the LEP network chair. A date has not been agreed.   |               |
| 7.2           | KH added no further clarity has been provided on the future role of LEPs, JD shared a similar picture with no further information from BEIS.  |               |
| 7.3           | JM referred to a speech by the Rt Hon Michael Gove MP which suggested the Levelling Up White Paper will be completed in the next few weeks where if reported correctly, the current responsibilities of LEPs may be delivered through county deals in the future. |               |
| <b>8.</b>     | <b><u>Spending Review 27 October 2021</u></b>   |               |
| 8.1           | The Spending Review Paper F was noted as read from the 27 <sup>th</sup> of October 2021.  |               |
| <b>9.</b>     | <b><u>Sub-Group Updates</u></b>   |               |
| 9.1           | NM emphasised that the information on future skills needs developed by the LLEP should be shared with schools. LB agreed with this perspective as many businesses are coming forward with demands for skills which had not already been planned.                  |               |

| <u>Minute</u> |   | <u>Action</u> |
|---------------|---|---------------|
| 9.2           | SS informed the Board that the local skills report will be refreshed shortly, and the sector profiles information is readily available on the LLEP website for the 15 sectors.  |               |
| 9.3           | NK updated on the last Innovation Board where the government's Innovation Strategy was discussed and the range of growth and financial support for businesses. The UK's recent Hydrogen strategy was comprehensively discussed, detailing ambitions in the upcoming years.        |               |
| 9.4           | A company named Delaware have been tasked with supporting 100 SMEs to support them through their low carbon journey and there has been significant demand with over 67 businesses already signed up to the programme.   |               |
| 9.5           | The Innovation Board have been concerned with what Innovation means to businesses with partners sharing a thirty-second clip on their perspective on Innovation.  |               |
| 9.6           | The Innovation Board have created a "Dashboard" to measure outputs on five pillars in mind. The group have explored tools for businesses to use including an Innovation Checklist and Thesaurus with the aim of guiding businesses and encouraging ideas to improve efficiencies. |               |
| 9.7           | Innovation week 2021 was noted as a success, with the 2022 planning underway. The Innovation Board agreed for a young person to be represented on it, organised by the Enterprise Adviser Network to bring a younger perspective.   |               |
| 9.8           | ST provided an update on the Business Board including Rachel York's appointment as the Growth Hub Manager. Rachel has vast experience and knowledge of business support and a thorough understanding on the funding streams.  |               |
| <b>10.</b>    | <b><u>AOB</u></b>   |               |
| 10.1          | KH noted that any news received from the LEP network regarding the position of LEPs may prompt a meeting to discuss the situation with LEP Board members.   |               |
|               | The meeting closed at 16.03   |               |



# Paper B

## PAPER B

### NOT FOR PUBLICATION

By virtue of paragraph 3 as defined  
at Annex 7 of the Local Assurance Framework

### LLEP BOARD OF DIRECTORS

17 FEBRUARY 2022



### Decision Paper

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## INVESTMENT PANEL UPDATE AND RECOMMENDATIONS

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### 1. PURPOSE OF REPORT

1.1 The purpose of this report is to:

- i. inform the LLEP Board of the key outcomes of the meeting of the Investment Panel on 20 January 2022; and
- ii. seek Board approval of the recommendations of the Investment Panel.

### 2. RECOMMENDATION

2.1 The Investment Panel recommends the Board to:

- i. note the key outcomes of the meeting of the Investment Panel on 20 January 2022;
- ii. approve the interest rate of 3.5% above the Public Works Loan Board rate being sought by LCC on the EZ forward funding as recommended by the Investment Panel;
- iii. note the project change request for the Place Marketing Accelerator project, funded through the Growing Places Funding repurposed for Covid-19 recovery;
- iv. note the request for additional pre-construction funding for the MIRA Technology Park Enterprise Zone Phase One Infrastructure project;
- v. note the update on the progress of the Haywood Estates project funded through the Growing Places Fund.

### 3. INVESTMENT PANEL 20 JANUARY 2022

3.1 The LLEP Investment Panel meeting took place on 20 January 2022. The full agenda pack is attached as Appendix 1 and contains all the reports and supporting appendices

## **PAPER B**

### **NOT FOR PUBLICATION**

**By virtue of paragraph 3 as defined  
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including those relating to the Leicester Waterside Enterprise Zone Forward Funding Agreement interest rate request, the LCC risk assessment of this and the latest EZ Business Rates forecast for the site.

- 3.2 The draft minutes of the meeting are attached as Appendix 2 which include details of the discussions that took place and the agreement reached to form the recommendations to the Board in Section 2 of this report.

### **Summary of appendices**

1. Agenda Pack for the Investment Panel Meeting on 20 January 2022
2. Draft Minutes of the Investment Panel Meeting on 20 January 2022

### **For further information please contact:**

Mandip Rai  
Chief Executive  
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Email: [mandip.rai@llep.org.uk](mailto:mandip.rai@llep.org.uk)

## LLEP INVESTMENT PANEL

3pm 20 January 2022

### MS Teams Call

### AGENDA

| TIME  |    | ITEM  | REPORT  | DECISION / INFORMATION | LEAD           |
|-------|----|---|---------|------------------------|----------------|
| 15.00 | 1. | Welcome and Apologies   |         | Information            | Chair          |
| 15:05 | 2. | Declarations of Interest  |         | Information            | All            |
| 15.10 | 3. | Minutes of LLEP Investment Panel 18 <sup>th</sup> November 2021 | Paper A | Decision               | Chair          |
| 15.15 | 4. | Enterprise Zone – Waterside Site Investment                     | Paper B | Decision               | Cheryl Maguire |
| 15.30 | 5. | Place Marketing Update  | Verbal  | Information            | Mike Dalzell   |
| 15.45 | 6. | Project Change Request – Place Marketing Accelerator            | Paper C | Decision               | Cheryl Maguire |
| 16.00 | 7. | Enterprise Zone – MIRA Additional Advanced Funding Request      | Paper D | Decision               | Cheryl Maguire |
| 16.10 | 8. | Growing Places Fund<br>Haywood Estates Update                   | Verbal  | Information            | Andy Rose      |
| 16.25 | 9. | AOB   | Verbal  | Information            | All            |



**NB: In line with our Local Assurance Framework (LAF) these minutes are published as a draft record until formal ratification at the subsequent meeting.**



**LLEP Investment Panel**

**3pm, Thursday, 18 November 2021**

**MS Teams (Recorded)**

**Organiser: Sharif Chowdhury**

**Chair: Andy Reed OBE (AR)**

**Directors: Emma Anderson (EA), Dr Nik Kotecha, (NK) Ajmer Kaur Mahal (AKM), Cllr Terry Richardson (TR)**

**In attendance: Andy MacDonald (AM) Sharif Chowdhury (SC) Cheryl Maguire (CM) Mandip Rai (MR) Andy Rose (ARo) Colin Sharpe (CS) Sue Tilley (ST)**

**Apologies: Sonia Baigent (SB), Neil McGhee (NM)**

**Minutes Taken By: Sharif Chowdhury**

**CC To: All**

**MINUTES**

| ITEM      |  | ACTION |
|-----------|--|--------|
| <b>1.</b> | <b>Welcome and Apologies</b>   |        |
| 1.1       | AR welcomed those present to the meeting.  |        |
| 1.2       | Apologies were received from SB and NM.  |        |
| <b>2.</b> | <b>Declarations of Interest</b>  |        |
| 2.1       | There were no Declarations of Interest.  |        |
| <b>3.</b> | <b>Minutes of LLEP Investment Panel 22nd July 2021</b>   |        |
| 3.1       | The meeting held on the 22 <sup>nd</sup> of July was recorded as a true and accurate record.   |        |
| <b>4.</b> | <b>MIRA Enterprise Zone Investment</b>   |        |
| 4.1       | MR referred to Paper B which outlined the case for funding the MIRA Low Carbon Innovation Hub and Phase One Infrastructure.  |        |
| 4.2       | NK and EA referred to the Accountable Bodies' comments regarding the risk of paying an interest rate of 4% above the Public Works Loan Board (PWLb) to Hinckley and Bosworth Borough Council (HBBC) and queried whether there is any alternative source of funding for the projects. |        |

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|      |   |
|------|---|
| 4.3  | MR reiterated that HBBC were the only authority to come forward and confirmed there is no other available source of funding.  |
| 4.4  | AM presented to the panel the opportunities that could be lost if the terms of the Forward Funding Agreement are not agreed. AM highlighted the growing requirement for space at MA within the short-term, which is restricting companies to grow on site due to unavailability of facilities.  |
| 4.5  | AM highlighted the planned actions to utilise 25,000 square feet of space to enable growth and host collaborative projects in start-ups, low carbon, electric vehicles, and hydrogen.   |
| 4.6  | It was emphasised that the funding has a key role in creating further investment opportunities in future, as MIRA technology park has seen a huge increase in job creation and employment opportunities for businesses who now require expansions.  |
| 4.7  | It was highlighted that further delays in Forward Funding Agreements which impact on the cost of inflation and the timelines required by the engineering companies.   |
| 4.8  | Other opportunities which depend on the Forward Funding agreement includes the installation of an electrolyser to deliver a more cost effective and green hydrogen. MIRA have an existing partnership with Octopus, one of the largest renewable managers with a division of £3bn in assets in solar, wind and hydrogen. The partnership will put the EZ are the forefront of hydrogen R&D in the UK. |
| 4.9  | TR provided the view that the interest rate being 4% above the PWLB is not an unreasonable request given that the funding will be 80% of HBBC's budget, a substantial investment for the council which will impact on their borrowing powers.   |
| 4.10 | CS provided context to the context highlighted by the AB within the report that HBBC will receive a high interest rate to the detriment of the LLEP area.   |
| 4.11 | CS appreciated TR's comments on the level of risk invested into by HBBC, and that potential opportunities will be lost for all parties without a funding agreement.   |
| 4.12 | EA emphasised the unique set of circumstances regarding the investment and the specific issues which warrant the higher rate of interest above the PWLB.  |

**NB: In line with our Local Assurance Framework (LAF) these minutes are published as a draft record until formal ratification at the subsequent meeting.**

|  |   |  |
|--|---|--|
| 4.13   | <p>The Investment Panel AGREED with the recommended to:</p> <ul style="list-style-type: none"> <li>i. note the negotiations of the Forward Funding Agreement (FFA) with HBBC regarding the two MTP EZ projects, Low Carbon Innovation Hub and Phase One Infrastructure;</li> <li>ii. consider the interest rate of 4% above the Public Works Loan Board rate being sought by HBBC and agree to recommend to the LLEP Board an interest rate payable to HBBC on the forward funding; and</li> <li>iii. advance funding of £100k from the historic Enterprise Zone rates receipts currently held by the LLEP for the Phase One Infrastructure Project.</li> </ul>   |  |
| <p><b>5.</b></p> <p>5.1</p> <p>5.2</p> <p>5.3</p> <p>5.4</p> <p>5.5</p> <p>5.6</p> | <p><b>Historical EZ Rates - Project Change Request</b></p> <p>CM reported that the Historical EZ Rates project was approved earlier in the year but was not progressed due to delays in the business rate agreement sign-off, the advance Forward Funding Agreement for MIRA and other contracting issues with Hinckley.</p> <p>CM referred to Paper C which recommends approving the Project Change Request for the COVID-19 MIRA project funded through the historic business rates.</p> <p>The Investment Panel was informed of MIRA’s intention to repurpose the existing funding by reducing their Project Officer role requirement and instead offering an improved outdoor seating and wellbeing facilities including installation of open-air fitness assets.</p> <p>CM outlined the benefits this will bring including greater appeal to potential new companies to the MIRA site, attract and retain a high-skilled workforce and encourage existing employees to come back into a physical office environment.</p> <p>The Investment Panel were informed of further intended outputs relating to skills. The site aim to host a festival for 200 delegates with 5 events, and an employer workplace experience programme to encourage people into the new high skilled jobs being created.</p> <p>The Board AGREED to approve the Project Change Request for the COVID-19 MIRA project for the creation of outdoor seating and wellbeing areas, and installation of open-air fitness assets.</p> |  |
|  |   |  |

**NB: In line with our Local Assurance Framework (LAF) these minutes are published as a draft record until formal ratification at the subsequent meeting.**

|  |  |                   |
|--|--|-------------------|
| <p><b>6.</b></p> <p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p> <p>6.5</p> <p>6.6</p> | <p><b>Growing Places Fund – Haywood Estates Update</b></p> <p>ARo referred to Paper D on Haywoods Estates where the Investment Panel were recommended to consider two options relating to accrued interest outstanding and the loan interest rate. A third option is for Haywoods to go into administration.</p> <p>ARo informed the group the required financial information has been unattainable from Haywood Estates.</p> <p>It was noted that a pre-pandemic evaluation of the remaining plots has been commissioned, and the investigations are underway regarding the charges on the previous lands released.</p> <p>EA requested a full financial report of the actual project figures to assess against the projected amounts suggested by Haywoods to allow the LLEP to maximise recovery.</p> <p>The Board unanimously AGREED that the deadline cannot be extended for Haywood Estates at this point and will require a review of the financial report prior to making any further decisions.</p> <p>ARo has requested the implications of Haywoods going into administration and will report back the information provided by the first week of December for the change.</p> | <p><b>ARo</b></p> |
| <p><b>7.</b></p> <p>7.1</p>  | <p><b>AOB</b></p> <p>There was no other business.</p>  |                   |

**NOT FOR PUBLICATION**

**By virtue of paragraph 3 as defined at Annex 7 of the  
Local Assurance Framework**

**LLEP INVESTMENT PANEL**

**20 JANUARY 2022**

**Decision Report**

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**ENTERPRISE ZONES – LEICESTER WATERSIDE ENTERPRISE ZONE SITE INVESTMENT**

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**1. PURPOSE OF REPORT**

1.1 The purpose of this report is to:

- i. update the Investment Panel on the negotiations of the Forward Funding Agreement MOU (FFA MOU) with Leicester City Council (LCC) regarding three Leicester Waterside Enterprise Zone site projects: A50 - Vaughan Way to Five Ways, A6 - From Redhill to Blackbird Road and LCC Workspace Phase 3; and
- ii. seek the Investment Panel's agreement to recommend to the LLEP Board an interest rate payable to LCC on the forward funding.

**2. RECOMMENDATION**

2.1 The Investment Panel is recommended to:

- i. note the negotiations of the Forward Funding Agreement MOU (FFA MOU) with LCC regarding three Leicester Waterside Enterprise Zone site projects: A50 - Vaughan Way to Five Ways, A6 - From Redhill to Blackbird Road and LCC Workspace Phase 3; and
- ii. consider the interest rate of 3.5% above the Public Works Loan Board rate being sought by LCC and agree to recommend to the LLEP Board an interest rate payable to LCC on the forward funding.

### **3. BACKGROUND INFORMATION**

- 3.1 Leicester Waterside Enterprise Zone site is part of the multi-site Loughborough and Leicester Science and Innovation Enterprise Zone, which is one of two Enterprise Zones in the LLEP area. Leicester Waterside EZ covers two areas within Leicester City, one in Waterside and one at Pioneer Park, which have been operational since 1<sup>st</sup> April 2017.
- 3.2 National EZ policy allows for local retention of 100% of the business rates uplift generated at an EZ site, accrued over a baseline, over a 25-year period. The principles for the retention and investment of the retained business rates are set out in the EZ Business Rates Agreements between each of the EZ billing authorities (Leicester City Council, Charnwood Borough Council and Hinckley & Bosworth Borough Council), the LLEP and Leicester City Council as Accountable Body.
- 3.3 The business rates retention enables forward funding mechanisms such as prudential borrowing to be undertaken to allow investment into the EZ sites ahead of the rates being realised. This supports the advancement of site developments towards achieving the rapid jobs growth forecast in the implementation plans.
- 3.4 In December 2019, the Board approved in principle a programme of projects for the Loughborough and Leicester EZ. Four projects were approved for the Leicester Waterside EZ site. The three projects led by Leicester City Council (A50 - Vaughan Way to Five Ways, A6 - From Redhill to Blackbird Road, and LCC Workspace Phase 3) are under consideration for funding through this FFA MOU. The fourth project, Low Cost Access to Space (LOCAS) led by the University of Leicester, is not requesting funding from the EZ Business Rates at this time. The funding ask is therefore £11.5m.
- 3.5 The L&L EZ Business Rates MoU between the LLEP and the Billing Authority (LCC) was finalised in March 2021 and relates to all rates generated from 1<sup>st</sup> April 2020. The agreement stipulates that 85% of the rates (the total uplift minus the billing authority's retention of 15%) could be utilised to repay any forward funding by local authority partners for investing in EZ projects subject to a small reduction for the LLEP's own costs.

### **4. FORWARD FUNDING AGREEMENT**

- 4.1 As per the terms of the Business Rates Agreement (BRA), LCC must be given first option to enter into a Forward Funding Agreement (FFA) to invest in projects in advance of retained Business Rates being realised, although the LLEP and the AB are responsible for determining the terms on which it is sought. Following Board approval of the Leicester Waterside EZ projects LCC were approached regarding an FFA.
- 4.2 LCC have indicated in principle that they would enter into the FFA MOU to provide loan funding to enable the projects, however, final approval is dependent on its terms, in particular the interest rate, and is subject to formal agreement through LCC

governance processes The provision of funding by LCC will be through the prudential borrowing mechanism..

- 4.3 As a starting point for negotiations of FFA's, the Accountable Body and LLEP officers have informally used the PWLB rate, which is available to all authorities, with an additional 2.5% added as a standard margin representative of a fair reward for investment risk to provide an equitable playing field for all lending authorities. Negotiations on amendments to this margin have focused on the risks related to achieving the EZ business rates growth which will be used to repay the loan.
- 4.4 The funding loan repayments for this FFA MOU are underpinned by the forecast Leicester Waterside EZ business rates growth, as agreed by LCC and the LLEP. These are based on known business rates receipts already being received and forecast valuations of future buildings, which have varying degrees of certainty. The delivery of these buildings will, in the most part, be by third parties with little to no control by LCC which introduces an element of uncertainty in the achievement of the rates and increases the risk profile. Based on these perceived risks LCC are asking for an interest rate of PWLB+3.5%.
- 4.5 Modelling of the projected business rates generation is included as Appendix 2. These are based on the full future planned developments and highlight the funding available for investment per year. These projections forecast that the loan, including interest at PWLB+3.5%, will be repaid by 2036/37 when funding for further EZ projects or other LLEP priorities is expected to become available. The repayment schedule remains to be negotiated and is to some extent dependent on the amount of interest payable to LCC. This negotiation is not expected to present difficulties.
- 4.6 LCC has provided commentary and their risk assessment which is included as Appendix 1.

## **5. NEXT STEPS**

- 5.1 After consideration of this report, the next steps will be:
  - The LLEP Chief Executive to advise LCC regarding the interest rate to be offered
  - If this is acceptable to LCC, negotiation over further terms of the FFA MOU
  - LCC' to consider the proposed investment terms through its formal governance process
  - The LLEP Chief Executive and AB to agree the FFA MOU with LCC

## **6. COMMENTS OF THE ACCOUNTABLE BODY**

- 6.1 LCC has conducted a risk assessment, as referenced in the report, and included as an appendix. LCC is requesting a rate higher than the 2.5% above PWLB benchmark informally adopted by officers of the LLEP and LCC as Accountable Body, as being a standard margin representative of a fair reward for investment risk (to provide an

equitable playing field for all lending authorities). Therefore, the LCC proposal is brought to the Investment Panel (and subsequently the Board) for consideration.

Colin Sharpe, Deputy Director of Finance  
Emma Jackman, Head of Law (Commercial, Property and Planning)

**Summary of appendices:**

1. LCC Leicester Waterside Enterprise Zone Investment Risk Assessment
2. LCC Leicester Waterside EZ Business Rates Forecast Modelling

**For further information please contact:**

Mandip Rai  
LLEP Chief Executive  
Tel: 0116 4542911  
Email: [mandip.rai@llep.org.uk](mailto:mandip.rai@llep.org.uk)

Cheryl Maguire  
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## **Appendix One – Leicester City Council’s Views**

1. The Council is proposing to provide forward funding for the following schemes, all of which have been approved by the LLEP Board on 4/8/20:

|                                       |                  |
|---------------------------------------|------------------|
|                                       | <b><u>£m</u></b> |
| Pioneer Park                          | 3.5              |
| Highways improvements – A6 corridor   | 2.7              |
| Leicester North West A50 Improvements | <u>5.2</u>       |
| <b>Total</b>                          | <b>11.4</b>      |

2. At present, there is no proposal to fund the “Low Cost Access to Space” facility at the Space Park. This scheme has been approved in principle by the LLEP, but is not currently ready to proceed and may not now require forward funding.
3. Inevitably, entering into a forward funding agreement involves risk, i.e. that insufficient rates will be generated to repay the Council’s investment. Modelling of the forecast rates growth has been undertaken (see Appendix Two). The rates expected are based on a snapshot at a point in time, and anticipate a stream of new development at Waterside. The nature of some of this development is evolving. Some may require further investment to secure the growth, and a provision of £5m has therefore been included in the modelling.
4. The modelling suggests that these three schemes can be afforded. However, this conclusion is subject to risk:
  - (a) Rates growth is based on future development, which may not take place as currently expected (or indeed at all), although some is under construction now;
  - (b) The estimates assume that any additional Council investment required to create the rates growth can be contained within the £5m contingency. This may prove to be an underestimate (or conversely, may not be needed);
  - (c) Rates growth is based on estimates, both of the dates of development, and the likely rates assessment of each development which cannot be known until the development is complete and has been assessed by the Valuation Office Agency. It is also based on an assumption that rates will increase by 1% each year (annual increases are set by the Government) which is believed to be conservative;
  - (d) The estimated date at which the Council investment would be repaid is 2036/37 if the Board agrees to the interest rate we are seeking. Whilst some developments are controlled by the public sector, private sector development is also envisaged, including one scheme of significant

scale. Whilst the prospects for this development are encouraging, they are outside our control. If the significant development does not occur at all, our investment would not be fully repaid until 2040. Conversely, the existence of the zone may stimulate further development which we are as yet unaware of;

- (e) A significant amount of land at Waterside is owned by private owners and is not reflected in the LLEP's development plans. These owners may change or demolish their premises, convert them to domestic dwellings or apply for reliefs without the Council having any say in the matter beyond normal planning rules. Occupiers may also become insolvent leading to empty rates exemptions (which are time limited but could be extended by various means);
  - (f) The rules applying to enterprise zones cannot be amended without primary legislation, which provides some protection against future Government policy changes (paragraph 39(9) of Schedule 2 of the Local Government Finance Act, 1988). However, the rates payable on different types of property are considered more likely to be changed by the Government – there has been a degree of disquiet about business rates nationally for some time, and there must therefore be some degree of volatility surrounding estimates, particularly as we project further into the future. The rules on unoccupied properties and other reliefs and exemptions may also be changed by the Government. During the Covid pandemic, reliefs were given (and continue to be given) to businesses, which has reduced the rates growth achieved (although the City Council as a whole has been compensated). Conversely, it is expected that the Government will not wish to undermine decisions taken in pursuance of clear Government policy;
  - (g) It is possible that we will be asked to fund a further additional scheme at the Space Park, approved in principle by the LLEP, that is not currently ready to proceed.
4. To summarise, the rates forecasts are subject to significant volatility, being dependent on future development, estimates of new capital investment by the Council, and the actions of third parties. In recognition of this risk, the Council is seeking to charge interest of 3.5% in excess of the PWLB borrowing rate for local authorities on the amount it proposes to invest. At the time of writing, this would amount to 5.35%. This is for the following reasons:
- (a) The Accountable Body has informally used 2.5% as a standard "margin" above the PWLB rate which would represent fair reward for a project of average risk when considering forward funding agreements. The PWLB rate is used as the baseline because it is the rate at which all authorities can borrow – it is noted that not all authorities would need to borrow to provide forward funding, but this would be dictated by their overall treasury positions, not simply the addition of one project at the margin. Longer term investment, of course, would suggest that borrowing could be needed in the future if not needed now;

- (b) A project would be perceived as low risk if the rates to repay are already secured, and if the period of repayment was short reducing the risk of more general (societal, legislative or political) changes affecting the rates base. Thus, the Charnwood Campus scheme was considered low risk. The MIRA scheme was considered higher risk than the Charnwood scheme;
- (c) In this case, the forward funding agreement will exist for 15 years until expected repayment, and the rates which are secure (i.e. on properties which are already built or being built) will barely cover the investment (£11.2m). In other words, without further development there is nothing to cover any interest costs, or the £25,000 which is needed to cover the LLEP's administrative costs. In practice, the modelled figures assume a stream of new rates, some of which is outside our control. It should also be stated that no retained rates have so far been earned at Waterside, although the current position has been affected by the covid pandemic;
- (d) Additionally, in contrast to other forward funding agreements to date and as discussed above, the site is not in the control of a single owner which makes the Council's returns dependent to an extent on the actions of others. This is important because the Council's returns are based on total rates achieved at the zone (minus a pre-established baseline) – we do not simply add up rates on new developments, and actions by others which reduce rates yield therefore affect us.



| <b>Appendix Two</b>       |                  |                |               |                |                   |                |                 |               |                    |                           |                              |                                |
|---------------------------|------------------|----------------|---------------|----------------|-------------------|----------------|-----------------|---------------|--------------------|---------------------------|------------------------------|--------------------------------|
| <b>Modelling of Rates</b> |                  |                |               |                |                   |                |                 |               |                    |                           |                              |                                |
| Year                      | Already<br>there | Being<br>built | Firm<br>Plans | Prov.<br>Plans | Private<br>Sector | TOTAL<br>RATES | Baseline        | NET<br>GROWTH | GROWTH<br>INFLATED | LLEP<br>Retained<br>Rates | Less<br>sums for<br>LLEP use | Available<br>For<br>Investment |
|                           |                  |                |               |                |                   |                |                 |               | 1.0%               | 85.0%                     |                              | 100.0%                         |
|                           | {£000}           | {£000}         | {£000}        | {£000}         | {£000}            | {£000}         | {£000}          | {£000}        | {£000}             | {£000}                    | {£000}                       | {£000}                         |
| 2020/21                   |                  |                |               |                |                   |                |                 |               |                    |                           |                              |                                |
| 2021/22                   | 1,879            | 94             | 0             | 0              | 0                 | 1,973          | (2,499)         | 0             | 0                  | 0                         | 0                            | 0                              |
| 2022/23                   | 2,300            | 293            | 0             | 0              | 0                 | 2,593          | (2,499)         | 94            | 94                 | 80                        | (25)                         | 55                             |
| 2023/24                   | 2,688            | 433            | 158           | 0              | 0                 | 3,278          | (2,499)         | 779           | 787                | 669                       | (25)                         | 644                            |
| 2024/25                   | 2,688            | 433            | 260           | 0              | 0                 | 3,380          | (2,499)         | 881           | 899                | 764                       | (25)                         | 739                            |
| 2025/26                   | 2,688            | 433            | 374           | 0              | 380               | 3,874          | (2,499)         | 1,375         | 1,417              | 1,204                     | (65)                         | 1,139                          |
| 2026/27                   | 2,688            | 433            | 374           | 238            | 380               | 4,112          | (2,499)         | 1,613         | 1,678              | 1,427                     | (25)                         | 1,402                          |
| 2027/28                   | 2,688            | 433            | 374           | 238            | 380               | 4,112          | (2,499)         | 1,613         | 1,695              | 1,441                     | (25)                         | 1,416                          |
| 2028/29                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,476              | 2,105                     | (25)                         | 2,080                          |
| 2029/30                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,501              | 2,126                     | (25)                         | 2,101                          |
| 2030/31                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,526              | 2,147                     | (65)                         | 2,082                          |
| 2031/32                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,551              | 2,169                     | (25)                         | 2,144                          |
| 2032/33                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,577              | 2,190                     | (25)                         | 2,165                          |
| 2033/34                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,603              | 2,212                     | (25)                         | 2,187                          |
| 2034/35                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,629              | 2,234                     | (25)                         | 2,209                          |
| 2035/36                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,655              | 2,257                     | (25)                         | 2,232                          |
| 2036/37                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,682              | 2,279                     | (25)                         | 2,254                          |
| 2037/38                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,708              | 2,302                     | (25)                         | 2,277                          |
| 2038/39                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,735              | 2,325                     | (25)                         | 2,300                          |
| 2039/40                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,763              | 2,348                     | (25)                         | 2,323                          |
| 2040/41                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,790              | 2,372                     | (25)                         | 2,347                          |
| 2041/42                   | 2,688            | 433            | 374           | 238            | 1,100             | 4,832          | (2,499)         | 2,333         | 2,818              | 2,396                     | (25)                         | 2,371                          |
| <b>Total</b>              | <b>55,248</b>    | <b>8,614</b>   | <b>6,767</b>  | <b>3,800</b>   | <b>16,540</b>     | <b>90,969</b>  | <b>(52,479)</b> | <b>39,016</b> | <b>43,587</b>      | <b>37,049</b>             | <b>(580)</b>                 | <b>36,469</b>                  |



Decision Report

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**PROJECT CHANGE REQUEST – PLACE MARKETING ACCELERATOR PROJECT**

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**1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to seek approval from the Investment Panel on the Project Change Request (PCR) for the Place Marketing Accelerator project.

**2. RECOMMENDATION**

- 2.1 The Investment Panel is recommended to approve the PCR.

**3. BACKGROUND INFORMATION**

- 3.1 At meetings in August and October 2020, LLEP Board agreed that £1.6m of Growing Places Fund would be repurposed to provide support for local recovery from the economic effects of the pandemic. It was noted that further funding from this source could be made available dependant on the financial strategy for 2021/22 – 2022/23 being finalised and agreed by the LLEP Board in February 2021.
- 3.2 Business cases for focused interventions based on the key priorities from the Economic Recovery Plan were developed. The first tranche of projects was agreed by LLEP Board in December 2020 with further projects, including the Place Marketing Accelerator, approved in February 2021. An increase in the overall funding envelope by £85k to accommodate a request by the Place Marketing Accelerator project was also approved.
- 3.3 The Place Marketing Accelerator project will boost and accelerate the showcasing of Leicester and Leicestershire as a great place for visiting, investing, and living. The project will deliver new digital and video content, marketing/promotional activities and inward investment activity to improve the image of Leicester and Leicestershire, building on our unique strengths to grow key business sectors. A new Communications and Marketing officer post to support the activities would also be created.

**4. PROJECT CHANGE REQUEST**

- 4.1 Delivery of the project started in February 2021 following Board approval. Due to the ongoing challenges presented by COVID-19 key tourism campaigns have had to be extensively delayed and the associated outputs have therefore been undeliverable. In

addition, during this period the Place Marketing Organisation for Leicester and Leicestershire has suffered several staffing issues which has left them under-resourced and unable to deliver fully on some outputs. A request for changes to the project to accommodate these issues has been submitted and is attached as Appendix 1.

Project End Date

- 4.2 The timescales for several elements within the project have slipped and it is requested that the end date is pushed back from March 2022 to March 2023. Additional outputs are being provided for delivery within this new timeframe – noted in 4.4. This change will enable the best use of the marketing assets in the current climate to achieve their full outcome potential.

Match

- 4.3 The original match for the project was £20,000 through staff time provided by the PMO, and it is proposed that this is increased by £60,000. This will be achieved through the PMO funders providing for the Communications and Marketing officer post for 2021/22 and pushing the funding for that post from the LLEP into 2022/23, as well as covering the costs for Inward Investment PR activity. In addition, the City Council have proposed further match of £25,000 to provide additional outputs relating to sporting events/activities within the City. The proposal significantly increases the match provided for the project, as noted below, and increases the overall project budget to £290,000:

| Funding Source               | Original Project |            | PCR      |            |
|------------------------------|------------------|------------|----------|------------|
|                              | Amount           | Percentage | Amount   | Percentage |
| LLEP                         | £185,000         | 90.24%     | £185,000 | 63.79%     |
| Place Marketing Organisation | £20,000          | 9.76%      | £80,000  | 27.59%     |
| Leicester City Council       |                  |            | £25,000  | 8.62%      |

Outputs/Outcomes/Impacts

- 4.4

|  | Original Project  |            | PCR          |            |
|--|-------------------|------------|--------------|------------|
|  | No. Achieved      | End date   | No. Achieved | End date   |
| <b>Outputs</b>                           |                   |            |              |            |
| Digital and Video assets developed       | 35                | March 2022 | 40           | March 2023 |
| Direct job creation                      | 1                 | March 2022 | No Change    | March 2023 |
| Creation of Live Leicester micro-website | Additional Output | -          | 1            | March 2023 |

|  |                   |   |       |            |
|--|-------------------|---|-------|------------|
| Creation of county walking and driving trails                        | Additional Output | - | 6     | March 2023 |
| Creation of Fit-Cation microsite                                     | Additional Output | - | 1     | March 2023 |
| Visitors to Fit-Cation microsite homepage                            | Additional Output | - | 4,000 | March 2023 |
| Businesses engaged to deliver a Fit-Cation package                   | Additional Output | - | 20    | March 2023 |
| Fit-Cation activity packages developed                               | Additional Output | - | 5     | March 2023 |
| Creation of 'Taste the Place' microsite                              | Additional Output | - | 1     | March 2023 |
| Visitors to 'Taste the Place' microsite homepage                     | Additional Output | - | 4,000 | March 2023 |
| Businesses offering a package via 'Taste the Place' campaign         | Additional Output | - | 30    | March 2023 |
| Businesses engaged in Sport Tourism campaign                         | Additional Output | - | 6     | March 2023 |
| Identification of association prospects to target for MEET Leicester | Additional Output | - | 25    | March 2023 |
| New business events under the MEET campaign                          | Additional Output | - | 15    | March 2023 |
| New proposals for business   | Additional Output | - | 35    | March 2023 |

|   |                   |            |           |            |
|---|-------------------|------------|-----------|------------|
| events in Leicester   |                   |            |           |            |
| <b>Outcomes</b>   |                   |            |           |            |
| Place marketing – Visit website new users                         | 400,000           | March 2022 | 500,000   | March 2023 |
| Place Marketing - Invest website new users                        | 5,000             | March 2022 | No Change | March 2023 |
| Place Marketing Visit Leicester You Tube views                    | 1,000             | March 2022 | No Change | March 2023 |
| Increased Inward Investment enquiries                             | Additional Output | -          | 200       | March 2023 |
| Increase website visitors to MEET Leicester by 5%                 | Additional Output |            | 5%        | March 2023 |
| Increased Business Tourism enquiries                              | Additional Output | -          | 120       | March 2023 |
| Increased Facebook Engagements                                    | Additional Output | -          | 15,000pa  | March 2023 |
| Increased Twitter Engagements                                     | Additional Output | -          | 8,000pa   | March 2023 |
| Increased Instagram Followers                                     | Additional Output | -          | 10,000    | April 2023 |
| Gain and maintain Newsletter subscribers                          | Additional Output | -          | 8,000     | March 2023 |
| <b>Impacts</b>  |                   |            |           |            |
| Increasing the number of visitors to Leicester and Leicestershire | Increase by 5%    | March 2023 |           | March 2024 |
| Jobs unlocked   | Increase by 10%   | March 2023 |           | March 2024 |

**Summary of appendices:**

1. Project Change Request Application
2. Place Marketing Accelerator Project Business Case

**For further information please contact:**

Cheryl Maguire

Enterprise Zone Programme Coordinator

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## Project Change Request

When completing the application please ensure that responses are completed in full.

### Change Summary

|                                    |                         |
|------------------------------------|-------------------------|
| <b>Project Change Request Date</b> | <b>21 December 2021</b> |
| <b>Report Author</b>               | Mike Dalzell            |
| <b>Project Code</b>                |                         |
| <b>Project Name</b>                | Accelerator Project     |

Please confirm the key change(s) proposed to the project

|  |   |                 |
|--|---|-----------------|
| <b>Please confirm the key change(s) to the project, selecting all that apply</b> | The Financial profile (ie a variance)   | Choose an item. |
|  | The funding package (ie match funding)  | Choose an item. |
|  | The planned outputs/outcomes/impact of the project  | Choose an item. |
|  | Choose an item.   |                 |
| <b>Please summarise the change and the reason(s) for the changes</b>             | <p>Throughout 2021/22 the Place Marketing Team have been delivering the Accelerator Project using the allocated resource (£185k) and matched funding from the City and County. It was originally intended to complete in March 2022 but this now looks both unlikely and for some of the work packages is undesirable.</p> <p>The key changes to the delivery timescale have been dictated in part by COVID as key tourism campaigns were been extensively delayed. Also, the team have been significantly under-resourced having lost the Director in May 2021 and the Place Marketing Manager in July 2021 which impacted some work packages. It has also been recognised that the outcomes from some of the work supported e.g. the creation of new video collateral, will take some time be realised based on comms and PR campaigns that can only start once we have the the new assets.</p> |                 |

|   |  |
|---|--|
|   | <p>The key change proposals are, at no extra cost to the LLEP to</p> <ul style="list-style-type: none"> <li>i) Extend project to March 2023, with some activities and outputs delivered in financial year 22/23</li> <li>ii) Use additional partner match funding from city and county councils (min £60k) to support extension</li> <li>iii) Deliver additional outputs with resources not yet contractually committed (circa £14k as targets will be delivered for less cost than had been budgeted)</li> </ul> <p>It has been confirmed that £25k from remaining Leicester city Additional Restrictions Grant resource could be made available via the LLEP to this project. That would extend the scope of the project and be focused on specific marketing and promotional campaigns linked to sport, fitcation and the Commonwealth Games.</p> |
| Please detail any changes to the agreed nature, purpose or location of your project below |  |
| <b>Location of project</b>  | No change  |

| PROJECT OVERVIEW   |   |
|--|---|
| <p><b>Project Overview</b></p> <p>Please highlight any changes to the original overview in bold.</p> | <p>The project overview from the original business case is reproduced below in italics.</p> <p><i>The LLEP Covid-19 Economic Recovery Action Plan outlines the importance of "Place" in post pandemic recovery and promoting our sub-region as an attractive place to invest, visit, live and study. More specifically promoting "place" has been identified as key to the regeneration of the tourism sector, one of the hardest hit in the pandemic. The drive to retain existing businesses and attract investment in key economic growth sectors in 2021/22 will remain a key LLEP priority in a tightened and challenging market. Promotion of Leicester and Leicestershire as a top location to live will build on this key messaging and support our shared growth ambition by helping to attract the right talent pool.</i></p> <p><i>This project will deliver digital and video place marketing content that will be used in targeted marketing campaigns during 2021 that raise the positive profile and knowledge of Leicester and Leicestershire from a visitor, investor and live perspective, as well as reinforcing localised tourism and investment that retains people and business in the area.</i></p> <p><i>We will:-# Boost visitors by significantly enhancing the content and marketing reach of the new sub-regional tourism campaign, Uncover the Story, due to be launched in spring 2021. Raising the profile of Leicester and Leicestershire as a compelling tourist destination. <b>THIS CAMPAIGN WAS SLIGHTLY DELAYED BUT WAS SUCCESSFULLY LAUNCHED. THIS PROPOSAL ENABLES A FURTHER PROMOTIONAL CAMPAIGN TO START IN EARLY 2022</b></i></p> |

*# Attract business investment and job creation by raising the positive profile of the sub region's investment strengths and USPs in key growth sectors, including Aerospace and Space, Sport and Life Sciences (Med Tech/Rehabilitation) and Professional & Financial Services, together with raising the profile of the Food & Drink Manufacturing Zone and proposed Freeport, subject to confirmation in Spring 2021.*

*# Enhance the tourism and investment messaging – great things to experience, see and do and places for business and jobs - with other factors that influence the relocation decision, including housing, schooling and education, accessibility and feel of place.*

*Digital and video content will be developed that is capable of use by a wide range of stakeholders, from sub-regional and county to city and district level, to amplify the positive messaging about Leicester and Leicestershire and the fabulous place that we live, work, study and invest in.*

*In relation to the inward investment intervention, we have focused on our distinctive, positive economic characteristics and USPs that best help promote a positive impression of Leicester and Leicestershire as a place for business in a post Covid/Brexit environment. We are recognised by the Department for International Trade as a key UK area with specialisms in the sectors of Space and Life Sciences (Rehabilitation) where we have Space Park/Pioneer Park and our Life Sciences Opportunity Zone to better capitalise on, together with promoting our specialisms in Health and Sport. Professional and Financial Services continue to play an important economic role with strong quality jobs growth across the area; often providing accessible jobs for younger generations and graduates who are keen to start their career. This sector adds real value to town and city vibrancy as office-based workers will spend in our retail, restaurants and other leisure destinations. We need to balance the impact of increased remote working. Our Food and Drink Manufacturing Zone and the potential Freeport are two key distinctive "USPs" that can be better showcased during 2021 to attract investment in the growing Food and Drink Manufacturing, Advanced Manufacturing and Advanced Logistics industries, and supply chain businesses.*

*To inform and support development of this work, we will create an overarching and agreed identity and "destination" for Space Park and Pioneer Park, working alongside key stakeholders, that will inform approaches to marketing as a distinctive destination for high value added business investment. This need has been identified through the work of the Enterprise Zone steering group to help maximise benefits from the investment opportunities in a more cohesive way.*

*There is a similarity between visitor, investment and live target audiences in that we will be seeking to improve their knowledge, understanding and impressions of Leicester and Leicestershire. Positive digital and video content demonstrating the fantastic destinations to “Uncover” as part of the Tourism Growth Plan’s “Uncover The Story” campaign in say Melton for tourists to visit, may equally be valuable in helping attract a key growth sector business that is thinking about relocating and wanting a place that is somewhere that they can encourage senior management to consider relocating to. The digital and video content will be developed with these key audiences in mind.*

*The Place Marketing Team has been working very hard over the past year to boost its online presence and improve the communication channels to best showcase the area, working alongside key stakeholders including DIT, Visit Britain, Visit England, Midlands Engine, LLEP, County, City and Districts Council, Universities, the Tourism Advisory Board, Team Leicester and individual businesses.*

*Covid has impacted heavily on the way people do business, with even more reliance on the internet to assist with decision-making, whether that is places to visit for a weekend, and spend, or shortlisting potential investment locations for a business. This project will significantly boost the digital and video content that is currently available regarding Leicester and Leicestershire to better support that decision-making process. At present there is extremely limited recent video content readily available to use to support this work due to limited resources. The Visit Leicester and Invest in Leicester websites that showcase Leicester and Leicestershire from a place marketing perspective do not currently have any short video content to showcase the area. This project will develop and market digital and video assets, working alongside key business and industry leaders to convey the messaging – business to business.*

**All the above remain project objectives in this change request**

**Please detail and explain any proposed changes to the original project start and end dates.**

|                                    |                  |
|------------------------------------|------------------|
| <b>Original Project Start Date</b> | <b>1/4/2021</b>  |
| <b>Original Project End Date</b>   | <b>31/3/2022</b> |
| <b>Revised Project Start Date</b>  | <b>No change</b> |
| <b>Revised Project End Date</b>    | <b>31/3/2023</b> |

|                |   |
|----------------|---|
| <b>Support</b> | Some parts of the original project won't be delivered until new year 2022 (e.g. a suite of new inward investment video collateral and the PR support linked to it). It makes sense for these to be actually deployed and used over the next financial year to maximise impact. The same is true regarding promotional campaigns for key tourism campaigns as COVID disrupted plans substantially this year and other activity is scheduled for 2022/23. |
|----------------|---|

Please update the project milestones and activities if necessary.

| Project Milestones/Activities  |              |            |  |   |
|--|--------------|------------|--|---|
| Description  | Start Date   | End Date   | Press Release?                                       | Please provide details of the communication   |
| <b>KEY ACTIVITIES</b>  |              |            |  |   |
| <b>Inward Investment</b><br>PR campaign                                  | Feb 2022     | March 2023 | Yes  | Development of videos and imagery to attract business investment. <ul style="list-style-type: none"> <li>• Creation of marketing &amp; communications plan</li> <li>• Deploy new marketing collateral</li> <li>• Generate 200 new enquiries</li> <li>• Convert 20 enquiries in to investment decisions</li> <li>• The £20k budget will be retained but covered by partner funds (city and county councils) rather than LLEP funds.</li> </ul> |
| <b>Quality of Life</b><br>'Live' Leicester                               | April 2022   | March 2023 | Video, website development,                          | Initiation meeting to be held to set project parameters. £5k earmarked to develop additional substantial web pages and £10k for other digital collateral. Strategically aligned with Visit, Meet, Invest and Study, this will become an important work strand for the team. <ul style="list-style-type: none"> <li>• Creation of campaign and content</li> <li>• Creation of 'Live' Leicester microsite</li> </ul>                            |
| <b>Business Tourism</b><br>Develop Meet Leicester business tourism offer | April 2022   | March 2023 | Digital Collateral, commissioned research            | Create additional visual collateral to support new business tourism via Meet Leicester. Proposal also supports research to generate high potential leads. £7.5k <ul style="list-style-type: none"> <li>• Generate 120 enquiries</li> <li>• 35 Proposals</li> <li>• 15 events secured</li> </ul>   |
| <b>Leisure Tourism</b><br>Uncover the Story extension campaign           | January 2022 | April 2023 | Social media, development of trails on UTS site, New | An extension of the Uncover The Story paid social campaign (reallocating £10k of original budget) has been agreed already by project board. Starts late January through to March 2022 focusing on gaining   |

|   |            |               |                                      |  |
|---|------------|---------------|--------------------------------------|--|
|   |            |               | trail development                    | <p>Newsletter sign-ups and long-term business. This will include the development of new stories, videos and paid campaigns.</p> <p>The new trails and itineraries part of the campaign will launch and through 2022 there will be a focus on expanding and promoting the new city offers and a second tranche to create wider city/county offers working alongside county marketing teams and attractions.</p> <ul style="list-style-type: none"> <li>• Paid social campaign: Growth of audience on Facebook (push trails and itineraries)</li> <li>• Trails and Itineraries: Commission 6 county walking and driving trails</li> <li>• Minisite hits: 50,000 high value visitors</li> </ul> |
| <b>Leisure Tourism</b><br>Fitcation           | March 2022 | November 2022 | Microsite, short break packages      | <p>Fitcation – work to capitalise on sporting and outdoor connections. Capitalise on regional sporting interest given 2022 Commonwealth Games in Birmingham and sporting links with Loughborough.</p> <ul style="list-style-type: none"> <li>• Development of microsite on website</li> <li>• 20 businesses listed on Fitcation microsite</li> <li>• Development and promotion of 5 short break packages</li> </ul>  |
| <b>Leisure Tourism</b><br>Taste the place     | June 2022  | March 2023    | Visual identity, concept development | <p>Build on work with Uncover The Story and develop work with the County. New creative visuals required.</p> <ul style="list-style-type: none"> <li>• Develop a concept for campaign</li> <li>• Create visual identity</li> <li>• Recruit 30 businesses for campaign</li> </ul> <p>Complete procurement of content</p> <p><b>£17k in total to support Fitcation and Taste the Place</b></p>  |
| <b>Leisure Tourism (City)</b><br><b>EXTRA</b> | Feb 2022   | March 2023    |                                      | <p>£25k Leicester ‘ARG’ resource to be recycled via LLEP into this project to support a city-focused campaign around promotion of sporting events / activities e.g. LCFC and the Morningside arena partnership with Matchplay.</p> <ul style="list-style-type: none"> <li>• Develop a concept for campaign</li> <li>• Recruit minimum 6 businesses and develop campaign collateral</li> <li>• Paid social campaign</li> </ul>  |

| KEY MEASURES                            |            |            |       |   |
|---|------------|------------|-------|---|
| Key Performance Indicator<br>Website    | April 2022 | March 2023 | Stats | <ul style="list-style-type: none"> <li>Achieve 500,000 annual users on the Visit Leicester website</li> </ul>   |
| Key Performance Indicator<br>Social     | April 2022 | March 2023 | Stats | <ul style="list-style-type: none"> <li>Facebook Engagement (likes, shares, comments): 15,000 pa</li> <li>Twitter engagement (likes, RTs, comments): 8,000</li> <li>Instagram followers: 10,000 by April 2023</li> </ul> |
| Key Performance Indicator<br>Newsletter | April 2022 | March 2023 | Stats | Gain and maintain 8,000 subscribers   |

### STRATEGIC CASE

Detail any changes in the strategic external drivers for this investment, with particular reference to the aims of the LLEP Strategic Economic Plan and evidence base, relevant local authority spatial and economic plans and any relevant Government policies and programmes. These should align to the LLEP objectives and priorities detailed in the LLEP SEP document.

Please update the following sections from your original Business Case if necessary. HIGHLIGHT ANY CHANGES IN BOLD.

|                           |                  |
|---------------------------|------------------|
| <b>Project Objectives</b> | Remain as before |
| <b>Aim of the project</b> | Remain as before |

### ECONOMIC CASE

If the Output / Outcome profiles need to be changed please consider the following:

- Is the output still on track to be delivered within the original timeframe?
- If not, why? Update the **Forecast Date** and provide justification for slippage
- Has the output been achieved?
- If yes, update the **Actual Date** the output was achieved
- Has the **number of units** of outputs to be delivered increased / decreased?
- If yes, provide justification for change
- Are there any additional outputs / outcomes expected as a result of the change?
- If yes, please add

- **Have any additional risks / issues been identified that could / will impact realisation?**

## FINANCIAL CASE

Demonstrate the changes to the project costs and funding strategy. You will be expected to deliver the scheme within the cost profile when agreed. Confirmation will be required that any cost overruns will be met by the project sponsor.

### What is the total cost of the project (£'s)?

The project budget as approved constituted £185k of LLEP resource. In practice, delivery has drawn on other resources from the team which are covered by city and county council contributions. So the real value of the project is significantly more than £185k.

One key driver of the change request is that the cost of the additional staff member recruited to deliver this project will be covered by partner budgets in 2021/22 allowing the LLEP resource (£40k for that item) to be used in 2022/23 instead.

In addition, part of the original activity intended to be covered by LLEP resource (£20k for Inward Investment PR) will now be covered by partner funds. This enables additional activity in the tourism area. The investment activity will still be captured and reported as part of the project.

The additional cost of the project is therefore being met by extra partner funds rather than any additional LLEP resource – but note below.

There is an opportunity to recycle a figure of £25k unspent Additional Restrictions Grant via the LLEP to this project. If agreed, this would be earmarked specially for promotional work around sporting investment and opportunities e.g. the growing array of high-profile events at Morningside Arena for darts/snooker/boxing that are helping draw non-traditional audiences to the city and driving bed nights. It is felt it would be useful to capture this activity/outputs as part of the Accelerator project.

## Funding Requirements and Match Funding

**Approved Funding Amount**

£185k

**Additional Funding Requested**

|   |   |
|---|---|
| <b>What is the total Match Funding that will be provided? (£'s)</b> | £60k minimum. £40k for the salary costs that have been provided in 2021/22 and £20k for Inward Investment activities in 2022/23.<br><br>£25k - ARG funds will be made available to the LLEP so no net cost. This has been confirmed by Colin Sharpe |
| <b>Reason for request</b>   | Noted in text above   |

| <b>Sources of Funding (£'s)</b>  |   |                     |                                 |                   |
|--|---|---------------------|---------------------------------|-------------------|
| Please update the sources of funding and show the impact on the financial profile and cashflow |   |                     |                                 |                   |
| <b>Funding Source</b>  | <b>Description of Funding Source</b>  | <b>Amount (£'s)</b> | <b>Percentage of Budget (%)</b> | <b>Confirmed?</b> |
| Applicant's own funds (public)   | City and county council financial support to the place marketing team for staff costs<br><br>(nb original budget didn't include value of other staff resource applied to the project which is in fact considerable) | £60k                | 32%                             | Yes               |
| Leicester City Council   | ARG   | £25K                |                                 | Yes               |
| LLEP   | LLEP allocation   | £185k               |                                 | Yes               |

| <b>Financial Profile (£'s)</b>   |                                       |   |                       |
|--|---------------------------------------|---|-----------------------|
| For each Funding source identified below, please provide the amount of funding required for each Financial Year. |                                       |   |                       |
| <b>Period – select March as end of Financial Year</b>  | <b>Description</b>                    | <b>Planned amount (£'s) – Only include VAT if not recoverable</b> | <b>Funding Source</b> |
| Mar 2022   | Forecast outturn spend all activities | £85,985   | LLEP                  |
| Mar 2023   | Forecast outturn spend all activities | £99,015   | LLEP                  |
| Mar 2023   | Forecast outturn spend all activities | £25,000   | ARG / LLEP            |

|             |                                       |         |                          |
|-------------|---------------------------------------|---------|--------------------------|
| Mar<br>2023 | Forecast outturn spend all activities | £60,000 | City and county councils |
|-------------|---------------------------------------|---------|--------------------------|

| Project Cashflow (£'s)                               |                                  |                               |           |                   |  |
|--|----------------------------------|-------------------------------|-----------|-------------------|--|
| Period – select<br>March as end of<br>Financial Year | Projected<br>Cashflow<br>(£000s) | Actual<br>Cashflow<br>(£000s) | Reference | Funding<br>Source | Reason for<br>Deviation  |
| Mar<br>2022  | 185,000                          | 85,985                        |           | LLEP              | Project delay is why we are asking for the project to be extended            |
| Mar<br>2023  | 124,015                          |                               |           | LLEP/ARG          | Includes existing LLEP resource reprofiled of £99,015 and the extra £25k ARG |
| Mar<br>2023  | £60,000                          |                               |           | PMO funds         |  |
| <b>Choose an item.</b>                               |                                  |                               |           |                   |  |
| <b>Choose an item.</b>                               |                                  |                               |           |                   |  |

| COMMERCIAL AND MANAGEMENT CASE   |
|--|
| Demonstrate any changes to the deliverability and management structures for the project and risks associated with that delivery. If the request involves a fundamental change to the way the project is being delivered, please describe this in full. |

There are no additional risks that apply to the project as a consequence of this proposal. The main current risks are that the project can't be delivered within the original timeframe, which this proposal would effectively mitigate.

| DECLARATION |
|-------------|
|-------------|

To submit your Project Change Request to the LLEP for approval please select the 'Submit for Approval' option from the 'Project Change Request Actions' menu

Any personal data that you provide will be processed in accordance with current data protection laws. It will be used by Leicester and Leicestershire Enterprise Partnership Ltd and our partners to deliver and improve services and fulfil our contractual duties. We will not disclose any personal information to anyone else unless required or allowed to do so by law. Read more about how we use personal data in our Privacy Notice on our website <https://llep.org.uk/privacy-policy/>

By submitting this Project Change Request you are confirming that, to the best of your knowledge, the information included within this form is accurate.



## PROJECT PIPELINE BUSINESS CASE

| Basic Information   |  |
|---|--|
| Project Name  | Place Marketing Accelerator Project  |
| Promoting Organisation  | Place Marketing Team   |
| Legal Entity Status   | Local Authority  |
| Registration Number   |  |
| Primary Contact Name  | Mark Oakley  |
| Contact Phone Number  | 07849 079482   |
| E-mail Address  | <a href="mailto:Mark.oakley@leicester.gov.uk">Mark.oakley@leicester.gov.uk</a> |
| Location of Project(s)  | Leicester and Leicestershire   |
| Project Postcode<br>It is acknowledged that projects will span large distances and may not have one postcode. If this is the case please type the most relevant post code | LE1 1SB  |
| Local Authority Area  | All LLEP area  |
| Registered Legal Address  | City Hall, Leicester   |

| Project Overview                                      |  |
|---|--|
| Provide a short summary of the project (max 50 words) | To boost and accelerate showcasing of Leicester and Leicestershire as a great place for visiting, investing and living by developing digital and video content and pro-active marketing, that add value to the Place Marketing work that is already being done, to improve the image of Leicester and Leicestershire, building on our unique strengths to grow key business sectors. |

Provide a brief overview of the project (max 500 words)

The LLEP Covid-19 Economic Recovery Action Plan outlines the importance of “Place” in post pandemic recovery and promoting our sub-region as an attractive place to invest, visit, live and study. More specifically promoting “place” has been identified as key to the regeneration of the tourism sector, one of the hardest hit in the pandemic. The drive to retain existing businesses and attract investment in key economic growth sectors in 2021/22 will remain a key LLEP priority in a tightened and challenging market. Promotion of Leicester and Leicestershire as a top location to live will build on this key messaging and support our shared growth ambition by helping to attract the right talent pool.

This project will deliver digital and video place marketing content that will be used in targeted marketing campaigns during 2021 that raise the positive profile and knowledge of Leicester and Leicestershire from a visitor, investor and live perspective, as well as reinforcing localised tourism and investment that retains people and business in the area.

We will:-

# Boost visitors by significantly enhancing the content and marketing reach of the new sub-regional tourism campaign, Uncover the Story, due to be launched in spring 2021. Raising the profile of Leicester and Leicestershire as a compelling tourist destination.

# Attract business investment and job creation by raising the positive profile of the sub region’s investment strengths and USPs in key growth sectors, including Aerospace and Space, Sport and Life Sciences (Med Tech/Rehabilitation) and Professional & Financial Services, together with raising the profile of the Food & Drink Manufacturing Zone and proposed Freeport, subject to confirmation in Spring 2021.

# Enhance the tourism and investment messaging – great things to experience, see and do and places for business and jobs - with other factors that influence the relocation decision, including housing, schooling and education, accessibility and feel of place.

Digital and video content will be developed that is capable of use by a wide range of stakeholders, from sub-regional and county to city and district level, to amplify the positive messaging about Leicester and Leicestershire and the fabulous place that we live, work, study and invest in.

In relation to the inward investment intervention, we have focused on our distinctive, positive economic characteristics and USPs that best help promote a positive impression of Leicester and Leicestershire as a place for business in a post Covid/Brexit environment. We are recognised by the Department for International Trade as a key UK area with specialisms in the sectors of Space and Life Sciences (Rehabilitation) where we have Space Park/Pioneer Park and our Life Sciences Opportunity Zone to better capitalise on, together with promoting our specialisms in Health and Sport. Professional and Financial Services continue to play an important economic role with strong quality jobs growth across the area; often providing accessible

jobs for younger generations and graduates who are keen to start their career. This sector adds real value to town and city vibrancy as office-based workers will spend in our retail, restaurants and other leisure destinations. We need to balance the impact of increased remote working. Our Food and Drink Manufacturing Zone and the potential Freeport are two key distinctive “USPs” that can be better showcased during 2021 to attract investment in the growing Food and Drink Manufacturing, Advanced Manufacturing and Advanced Logistics industries, and supply chain businesses.

To inform and support development of this work, we will create an overarching and agreed identity and “destination” for Space Park and Pioneer Park, working alongside key stakeholders, that will inform approaches to marketing as a distinctive destination for high value added business investment. This need has been identified through the work of the Enterprise Zone steering group to help maximise benefits from the investment opportunities in a more cohesive way.

There is a similarity between visitor, investment and live target audiences in that we will be seeking to improve their knowledge, understanding and impressions of Leicester and Leicestershire. Positive digital and video content demonstrating the fantastic destinations to “Uncover” as part of the Tourism Growth Plan’s “Uncover The Story” campaign in say Melton for tourists to visit, may equally be valuable in helping attract a key growth sector business that is thinking about relocating and wanting a place that is somewhere that they can encourage senior management to consider relocating to. The digital and video content will be developed with these key audiences in mind.

The Place Marketing Team has been working very hard over the past year to boost its online presence and improve the communication channels to best showcase the area, working alongside key stakeholders including DIT, Visit Britain, Visit England, Midlands Engine, LLEP, County, City and Districts Council, Universities, the Tourism Advisory Board, Team Leicester and individual businesses.

Covid has impacted heavily on the way people do business, with even more reliance on the internet to assist with decision-making, whether that is places to visit for a weekend, and spend, or shortlisting potential investment locations for a business. This project will significantly boost the digital and video content that is currently available regarding Leicester and Leicestershire to better support that decision-making process. At present there is extremely limited recent video content readily available to use to support this work due to limited resources. The Visit Leicester and Invest in Leicester websites that showcase Leicester and Leicestershire from a place marketing perspective do not currently have any short video content to showcase the area. This project will develop and market digital and video assets, working alongside key business and industry leaders to convey the messaging – business to business.

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|   |   |
|---|---|
| Is this a new project?  | Yes   |
| If this is not a new project, please explain the need for funding   | N/A   |
| Funding Requested   | £185,000  |
| <b>Key dates</b><br>Earliest possible start date for the project work post approval, funding contract and procurement |   |
| Project Start Date  | February 2021   |
| Project End Date  | March 2022  |
| Provide a brief commentary to demonstrate that the project will be commenced by the stated date. (Max 100 words)      | <p>A Project Task and Finish Group has been established to oversee the project involving the LLEP, City, County and District Councils representative</p> <p>Preparatory work has already commenced regarding the development of both the Uncover The Story tourism product and Inward Investment sector/USP promotion.</p> <p>A draft tender brief has been developed, together with identification of qualified providers who specialise in the development of quality digital and video content and marketing.</p> <p>A consultancy tender brief has been drafted by Space Park/Pioneer Park Enterprise Zone steering group.</p> <p>A draft Job Description and Person Specification has been developed for a 1 year dedicated Communications and Marketing Officer as additional project capacity, to be managed by the Place Marketing Manager at Leicester City Council. This post may provide the opportunity for a secondment.</p> |

| <b>Project Milestones/Activities</b>  |                         |                                 |                     |
|---|-------------------------|---------------------------------|---------------------|
| <b>Please outline each of the key milestones/activities to deliver this project. Please note this project plan should start and end with the dates provided above. (Please add more boxes for each key milestone/activity).</b> |                         |                                 |                     |
| Description   | Start Date (Tasks only) | End Date (Tasks and Milestones) | Key Task/Milestone? |
| Tenders live  | Jan/Feb 2021            | Feb 2021                        | Key Task            |
| Appointment of contractors:-<br>* Digital and video content development and marketing<br>* Pioneer Park/Space Park branding development   |                         | Mar/April 2021                  | Milestone           |
| Appointment of Communications and Marketing Officer   | Mar/April 2021          | April 2021                      | Key Task            |
| Development of digital and video content  | March 2021              | August 2021                     | Key Task            |

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|  |                     |            |           |
|--|---------------------|------------|-----------|
| Marketing Campaign – Tourism launch, phased implementation of Story deliver        | March 2021          | March 2022 | Key Task  |
| Marketing Campaign – Investment – phased implementation of key sector/USP roll out | May 2021            | March 2022 | Key Task  |
| Marketing Campaign – Live – phased implementation                                  | November 2021       | March 2022 | Key Task  |
| Review on impact traction on website and social media – adjustment consideration   | Quarterly reporting |            | Milestone |
| Completion of contract   |                     | March 2022 |           |

**Strategic Case**

The objective is to provide detailed evidence to demonstrate that the project has a clear rationale, it will deliver economic growth benefits resulting from further investment, it is affordable with a clear funding strategy and delivery issues are understood.

**Problems, Barriers to Growth and Rationale for Intervention**

|  |   |
|--|---|
| <p>Explain the aim of the project. (Max 200 words)</p> | <p>The aim of the project is to raise the profile of Leicester and Leicestershire for tourism, inward investment and as a place to live, to boost our profile during the vital pandemic recovery period and to overcome possible negative impressions caused during the pandemic.</p> <p>The project’s focus will cover three overarching strands, where the development of digital assets and advertising campaigns will help inform, explain and promote our region’s profile:</p> <p># Boosting visitors by enhancing the impact of the new sub-regional tourism campaign, Uncover the Story, due to be launched in spring 2021. Raising the profile of Leicester and Leicestershire as a compelling tourist destination.</p> <p># Attracting business investment and job creation by raising the positive profile of the sub region’s investment strengths and USPs in key growth sectors, including Aerospace and Space, Sport and Life Sciences (Med Tech/Rehabilitation) and Professional &amp; Financial Services, together with raising the profile of the Food &amp; Drink Manufacturing Zone and proposed Freeport, subject to confirmation in Spring 2021.</p> <p># Enhance the tourism and investment messaging – great things to experience, see and do and places for business and jobs - with other factors that influence the relocation decision, including housing, schooling and education, accessibility (physical and financial) and lifestyle.</p> <p>By working with the Leicester and Leicestershire business community and key stakeholders we will develop compelling propositions to attract visitors and investors. “Uncover The Story” stories will be developed to excite and entice interest in visiting the destination as a quality experience. The Investment messaging will be developed to showcase our strengths by engaging with business leaders who are passionate about Leicester and Leicestershire, keen to promote the value of being located here as Ambassadors, and where possible with strong industry connections and Peer to Peer networks.</p> <p>The “Live” dynamic will build on this with evidenced data around quality of living environment – education, homes and place; and key lifestyle factors.</p> <p>This project is part of a package of measures delivered by the Place Marketing team that will further improve the impression of Leicester and Leicestershire to attract more visitors and investors. It will complement and enhance the existing Place Marketing budget that includes £7.5k in 2020/21 for initial development work of the Uncover The Story tourism campaign brand with limited promotion, work to showcase and further develop the inward investment offer.</p> <p>It is proposed that project spend will be allocated as approximately:-</p> <ul style="list-style-type: none"> <li>• Tourism, Uncover The Story - £50k</li> <li>• Inward Investment, including Space Park/Pioneer Park consultancy - £70k</li> </ul> |
|--|---|

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• Live - £25k</li> <li>• Additional staffing capacity, including on-costs - £40k</li> </ul> <p>It is noted that work delivered as part of the tourism and investment strands will be used to support the “live” element.</p>  |
| <p>Explain the underlying barriers to economic growth that the substantive project will address. (Max 200 words)</p> | <p>Awareness and knowledge of opportunity is vital to secure tourism, business growth and inward investment to support economic prosperity.</p> <p>Covid has impacted heavily on the way people do business, with even more reliance on the internet to assist with decision-making. By developing our digital and video assets and promoting them alongside key stakeholders we will enhance the impression of the area from a visitor and investor perspective.</p> <p>The Leicester &amp; Leicestershire Tourism Growth Plan 2020-2025 identified a widespread recognition that there is low awareness and knowledge of what makes our area distinctive and special and research demonstrated that, to external audiences, there is no consistent narrative about the area to suggest a strong sense of place. The “Uncover the Story” campaign brand was developed as a private/public partnership solution to control the destination messaging, establish an identity in a fiercely competitive marketplace and grow the area’s share of the visitor market.</p> <p>The impact of the Covid-19 pandemic is unprecedented giving rise to high levels of business and investment uncertainty. This, teamed with uncertainty around Brexit impact and global economic volatility, makes an environment where it is more challenging to secure new business investment. While the LLEP’s Economic Recovery Plan highlights the importance of addressing the most adversely affected parts of the economy it also stresses the importance of building on the strengths of the area to aid recovery. This project will develop and promote our economic strengths in sectors/USPs that will drive Leicester and Leicestershire’s productivity and help create new jobs by getting on the radar of business location decision makers. It will support existing and new businesses to grow by improving access to a skilled local talent pool.</p> |

|  |  |
|--|--|
| <p>Explain the impact of not addressing these barriers. (Max 200 words)</p>  | <p>See above.</p> <p>Competition in 2021 for both visitors and investors will be fierce as destinations continue to seek to recover their economies and grow back stronger, where able. The visitor economy has been hit hardest and without support to attract visitors there is a risk that the decay worsens as less people visit and spend and business viability issues do not improve in time.</p> <p>A major barrier to the successful place marketing of Leicester and Leicestershire is resources available. Successful Place Marketing, whether for tourism or inward investment purposes, is hugely dependent on excellent profile and the communication of compelling messages through great content. In addressing this fundamental aspect we will be able to enhance our planned activities to counteract the barriers we are currently facing and supporting economic recovery and growth longer term.</p>  |
| <p>Explain what will happen if this funding request is not approved (Max 200 words)</p>  | <p>If not approved, the visitor and investment product offer will continue to be developed by the Place Marketing team using limited staffing resources but slower and without the much-needed professional expertise for digital and video content development (which cannot be done in-house) and targeted advertising campaigns.</p> <p>The impact of the work of Leicester and Leicestershire’s Place Marketing team will be less cohesive and less effective. We will continue to maintain our existing websites, both visitor and investment, but not be in a position to significantly accelerate our visitor and investment profile and visibility quickly using digital and video format. Planned work to improve the Live profile will not be delivered due to budgets/capacity and this risk will increase over time as content becomes dated.</p> <p>We will continue to develop our social media reach through our planned organic (unpaid for) content but this is likely to be more locally focused and less targeted and effective without investment in paid-for digital advertising which allows for specific demographic and geo-targeting – for example visitors within 1 hrs drive or businesses in key growth sectors.</p> |
| <p><b>Rationale for public sector intervention:</b> You must demonstrate that the funding requested is the minimum required in support of the project and that you have exhausted all other private sector funding opportunities. <i>Please identify (tick) which apply and provide a brief explanation, max 100 words per item.</i></p> |  |
| <p>Will there be a material increase in the size of the project?</p>   | <p>No</p>  |
| <p>If yes, please provide a brief explanation (Max 100 words)</p>  |  |
| <p>Will there be a material increase in the scope of the project?</p>  | <p>No</p>  |
| <p>If yes, please provide a brief explanation (Max 100 words)</p>  |  |

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|   |    |
|---|----|
| Will there be a material increase in the total amount spent on the project?             | No |
| If yes, please provide a brief explanation (Max 100 words)                              |    |
| Will there be a material increase in the speed of completion of the project?            | No |
| If yes, please provide a brief explanation (Max 100 words)                              |    |
| Will the project happen outside the LLEP area as a result of NOT receiving the funding? | No |
| If yes, please provide a brief explanation (Max 100 words)                              |    |
| <b>Objectives of Project</b>  |    |

|   |   |
|---|---|
| <p>Describe the specific objective(s) of the project. (Max 200 words)</p> | <p>The project will promote and raise awareness of what is great, now and in the future, about Leicester and Leicestershire from a visitor, investor and live perspective.</p> <p>The impact will be measured using website and social media analytical tools that will allow an indepth analysis of the reach and engagement with our campaigns.</p> <p>Specifically, via our Invest and Visit websites we will provide data on traffic to key campaigns webpages, as well as engagement with specific business sector or tourism product areas. We will also provide data on the geographic location of web visitors, allowing us to report on the impact of area-specific campaigns on audiences.</p> <p>For the tourism intervention, the Uncover the Story campaign brand has already been established and an inventory of key stories covering City and County, developed. What is urgently needed are video and digital assets to extend awareness of the campaign across a range of digital platforms, including Trip Advisor and Visit Britain, and an effective campaign to promote widely to consumers to maximise impact of the visitor offer. Although primarily a campaign designed to support the growth of the visitor economy, the assets created can be used widely to showcase, and shape positive perceptions of our area by a range of stakeholders. These assets will also form the main driver of the online advertising campaigns. Effectiveness of the online campaigns will be tracked through our website analytics, as well as through established digital media advertising data.</p> <p>In relation to the inward investment intervention, we have focused on our distinctive, positive economic characteristics and USPs that best help promote a positive impression of Leicester and Leicestershire as a place for business in a post Covid/Brexit environment. We are recognised by the Department for International Trade as a key UK area with specialisms in the sectors of Space and Life Sciences (Rehabilitation) where we have Space Park/Pioneer Park and our Life Sciences Opportunity Zone to better capitalise on, together with promoting our specialisms in Health and Sport. Professional and Financial Services continue to play an important economic role with strong quality jobs growth across the area; often providing accessible jobs for younger generations and graduates who are keen to start their career. This sector adds real value to town and city vibrancy as office-based workers will spend in our retail, restaurants and other leisure destinations. We need to balance the impact of increased remote working. Our Food and Drink Manufacturing Zone and the potential Freeport are two key distinctive “USPs” that can be better showcased during 2021 to attract investment in the growing Food and Drink Manufacturing, Advanced Manufacturing and Advanced Logistics industries, and supply chain businesses.</p> <p>Where new digital and video content is developed by specific locations, for example MIRA or Segro Logistics Park, we will work with them to embrace and promote these within the Inward Investment website to best capture the opportunities within Leicester and Leicestershire, together with including them in the Strategic Sites map that is refreshed annually. We are aware of a proposal being developed to support MIRA’s marketing materials</p> |
|---|---|

|   |   |
|---|---|
|   | <p>and have an Inward Investment Manager, Pankaj Mistry, engaged in future discussions by way of the EZ Steering Group.</p> <p>To support the LLEP's planned recovery and economic growth we need to showcase our area as a great place to live so that our housing growth continues and people are attracted to live, work and enjoy Leicester and Leicestershire – providing the right talent to attract and support businesses to grow or invest.</p>  |
| <p><b>Strategic Fit with Local Priorities</b></p>   |   |
| <p>Will the intervention support policies in the Strategic Economic Plan, Sector Growth Plans or other Local Plans? (Max 100 words)</p> | <p>Yes, Tourism Growth Plan and LLEP Economic Recovery Action Plan. The intervention will help:</p> <ul style="list-style-type: none"> <li>-Create a strong and visible destination for the subregion</li> <li>-Improve productivity, helping maximise our assets and encouraging tourists and inward investment into our region</li> <li>-Support the development of our strategic tourism and inward investment products</li> </ul>   |
| <p>What is the main strategic priority that your project addresses? (please choose one)</p>   | <p>Business Growth</p>  |
| <p><b>Engagement and Consensus</b></p>  |   |
| <p>Outline support from key stakeholders for the proposed solution / your approach to seeking consensus. (Max 100 words)</p>            | <p>The Place Marketing Organisation (PMO) for Leicester and Leicestershire is submitting the application and the project has been considered and supported by the Strategic Management Group – consisting of Tom Purnell and Simon Lawrence from Leicestershire County Council and Mike Dalzell from Leicester City Council.</p> <p>A Project Task and Finish Group has been established to develop and oversee the project involving the LLEP, City, County and District Council's representative – consisting of Mandip Rai, Mike Dalzell, Tom Purnell, Simon Lawrence, Edd de Coverly and Mark Oakley and Susan Littlemore as project promoters.</p> |
| <p><b>The Previous Funding Applications</b></p>   |   |
| <p>Have you applied for any funding for this project previously?</p>  | <p>NO</p>   |
| <p>If yes, please provide a brief explanation (Max 100 words)</p>   |   |

|   |   |
|---|---|
| <p>How is your project State Aid compliant? Briefly explain why your project is State Aid compliant. (Max 200 words)<br/>We strongly advise you to seek independent legal advice with regards to the issues of State Aid in relation to this application.</p> | <p>The Place Marketing team is a function delivered by Leicester City Council, on behalf of Leicester and Leicestershire Councils, working alongside the LLEP.</p> <p>As a Council, we have a formal procurement strategy that guides our tender processes and follows 2015 Public Contract Regulation rules. All work conducted by the Team is compliant with State Aid.</p> |
|---|---|

**Economic Case**  
**Demonstrate that the project will best deliver existing and future needs, with clear outputs, outcomes and economic impacts.**

**Investigation of Options**

|  |  |
|--|--|
| <p>Demonstrate that a range of options has been considered. Why is this solution the best option? What are the impacts of doing nothing? (max 400 words)</p> | <p>A range of Place Marketing options have been considered to develop the proposed application. We are aware of the existing visitor destination and inward investment toolkit that is currently available to attract visitors and investors across Leicester and Leicestershire.</p> <p>Uncover The Story as a marketing campaign was identified through extensive research and partnership working to develop the most effective way of showcasing Leicester and Leicestershire’s visitor destination to stand out and compete with other destinations. This project will develop much needed digital and video content which is seen as the most cost-effective way of communicating with target audiences, as opposed to advertising in direct mail, local press and magazines which are used less and less by consumers, particularly with increasing working from home and internet usage.</p> <p>The targeting of inward investment digital and video content towards key identified sectors and USPs is considered the most effective way of driving productivity and jobs growth in a difficult and emerging economic market.</p> <p>We can build product alignment with the new Leicester and Leicestershire Inward Investment website and brochure, launched in November 2020, to showcase what we have, and have strengths in, in a more cohesive way than at present, building on sector proposition work to include business leader endorsements of place within the fields of aerospace and space, life sciences and med tech and professional and financial services. This will develop the approach adopted following the work of Hatch Regeneris/Adam Breeze to further attract inward investment for Leicester and Leicestershire around our key sectors and USPs.</p> <p>Increasingly business destinations such as Birmingham, Manchester, Leeds, Cambridge, Nottingham and Derby are using digital and video content to support and reinforce their key inward investment messaging. This work will place us on a more equal playing field strengthening our toolkit to attract investors, focusing on what our business leaders say about our place, rather than the professionals charged with selling it.</p> |
|--|--|

|   |  |
|---|--|
| <p>Demonstrate and evidence that the funding would represent value for money. (max 400 words)</p> | <p>Value for Money is a core principle within Leicester City Council's procurement strategy where officers adhere to the 2015 Public Contract Regulation rules.</p> <p>Firstly, in terms of our budget proposal we have undertaken cost comparison audits to ensure our cost estimates are rigorous.</p> <p>We have compared against recent Leicester City Council and BID Leicester procurement exercises across both video development and advertising campaigns (detailed information is listed in the Cost Estimation &amp; Price section). We will also be working closely with the City Council's marketing team on the procurement process and have already done preparatory work to facilitate this.</p> <p>Secondly, the range and breadth of our outputs will also deliver significant value for money</p> <ul style="list-style-type: none"> <li>• 35 video and digital assets to use across our digital channels at a time when marketing surveys* are showing that video content is outperforming plain image content on digital channels - 59% (video) to 29% (plain images);</li> <li>• 40% uplift in new users of our Visit website to 400,000;</li> <li>• 100% increase in new users of our Invest website to 5,000;</li> <li>• Relaunch of our Visit Leicester YouTube channel with target to deliver a &gt;300% uplift in the views with our promotional video content</li> </ul> |
|---|--|

|                                 |  |
|---------------------------------|--|
| <p>Is the project scalable?</p> | <p>Yes.</p> <p>Increasing the budget would increase the marketing activity capable of being delivered and its reach.</p> <p>Reducing the budget available would reduce the amount of advertising delivered. A significant reduction would reduce the ability to contract and develop quality digital and video assets therefore jeopardising the added value of the project.</p> |
|---------------------------------|--|

**Outputs, Outcomes and Impact**

**The funding recipient will be responsible for reporting against all outputs, outcomes and impacts detailed below.**

**Outputs and Outcomes: specific deliverables from the overall project**

Complete one column per output/outcome

|  |  |   |   |  |  |
|--|--|---|---|--|--|
| <p>Outputs &amp; Outcomes Category<br/>(Choose either: Jobs, housing, business assists, skills, land and commercial property, transport, other, Enterprise Zone)</p> | <p>Other</p>                                     | <p>Other</p>  | <p>Other</p>                              | <p>Other</p>   |  |
| <p>Outputs &amp; Outcomes Sub Category</p>   | <p>Place marketing – Visit website new users</p> | <p>Place Marketing - Investment website new users</p> | <p>Digital and video assets developed</p> | <p>Place Marketing Visit Leicester YouTube views</p> |  |

|   |   |   |                                |  |  |
|---|---|---|--------------------------------|--|--|
| Detailed description                                  | New users   | New users   | Number of assets               | Video views  |  |
| Baseline Value  | 270,524   | 2,484   | 1                              | 292/yr   |  |
| Output or Outcome?                                    | Outcome   | Outcome   | Output                         | Outcome  |  |
| How will the output / outcome be measured             | Google Analytics  | Google Analytics  | Asset in place                 | YouTube analytics  |  |
| Measurement Source                                    | Google Analytics  | Google Analytics  | Asset in place                 | YouTube analytics  |  |
| Who is responsible for measuring the benefit?         | Place Marketing Team  | Place Marketing Team  | Place Marketing Team           | Place Marketing Team                                     |  |
| Assumptions   | Place Marketing will drive website traffic                        | Place Marketing will drive website traffic                        | None                           | Place Marketing will drive YouTube reach                 |  |
| What are the risks or issues to realising the benefit | Social media and marketing does not attract visitors or investors | Social media and marketing does not attract visitors or investors | Unable to film due to lockdown | Social media and marketing do not drive users to YouTube |  |

**Measures**

For each of the Outputs / Outcomes identified please provide the forecast of when they will be delivered. For example, if the project outputs were 175 homes this might look like-  
 Period: March 2020, Units: Number, Target: 100  
 Period: March 2021, Units: Number, Target: 75

|        |                     |                      |                          |             |  |
|--------|---------------------|----------------------|--------------------------|-------------|--|
| Period | March 2022          | March 2022           | March 2022               | March 2022  |  |
| Units  | New Visit web users | New Invest web users | Digital and video assets | Video views |  |
| Target | 400,000             | 5,000                | 35                       | 1000        |  |

**Additional Benefits**

Please identify which, if any, of the following social value impacts apply to your project. Where you have identified a relevant wider impact, please provide a brief explanation (max 100 words)

|  |  |
|--|--|
| Employing locally and responsibly                          | Yes  |
| If yes, please provide a brief explanation (Max 100 words) | Recruitment advertisement (potential secondment opportunity)   |
| Sourcing locally   | Yes  |
| If yes, please provide a brief explanation (Max 100 words) | Will use locally-based creative agencies where possible within the procurement strategy as there is a significant talent pool across Leicestershire. |
| Supporting and engaging with local communities             | No   |
| If yes, please provide a brief explanation (Max 100 words) |  |

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|  |                                      |
|--|--------------------------------------|
| Improving environmental sustainability                     | No                                   |
| If yes, please provide a brief explanation (Max 100 words) |                                      |
| Doing business ethically                                   | As per council Procurement Strategy. |
| If yes, please provide a brief explanation (Max 100 words) |                                      |

| <b>Impacts</b><br>Please identify the impacts this project will have. Consider issues including unlocking sustainable economic growth, social inclusion, wellbeing and environmental sustainability. |  |   |  |
|--|--|---|--|
| Outcome (e.g. jobs unlocked, homes unlocked)   | Quantity (e.g. number of jobs, number of new homes)  | Baseline value                                      | Assessment (e.g. who will measure the outcome, when and how will it be measured) |
| Increasing the number of visitors to Leicester and Leicestershire  | Increase by 5%   | 34.93bn in 2019 to be adjusted to reflect Covid     | STEAM data collated annually by Place Marketing                                  |
| Jobs unlocked  | Increase by 10%  | 548 jobs in 2019/20 to be adjusted to reflect Covid | Inward Investment data collated quarterly by Place Marketing                     |
| Will particular groups of people be affected by the intervention? Will the impact be positive or negative? Please explain. (Max 100 words)   | Business owners and visitors/investors, as well as land owners, developers and agents, all positively as the project supports business growth and investment. People thinking about moving home. |   |  |
| How will the intervention impact on the natural and built environment? (Max 100 words)   | N/A  |   |  |

|                                  |
|----------------------------------|
| <b>Monitoring and Evaluation</b> |
|----------------------------------|

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|  |  |
|--|--|
| <p>How will you evaluate the success of the project?</p>                           | <p>The Project will be managed by the Place Marketing Manager and reported to the Place Marketing Strategic Management Group as quarterly reporting, which will include analysis of:-</p> <ul style="list-style-type: none"> <li>- Delivery of targeted assets and their deployment as part of the Place Marketing Team tourism and inward investment campaigns.</li> <li>- Tourism businesses and destinations using Uncover The Story in their individual marketing campaigns</li> <li>- Engagement levels with online campaigns</li> <li>- Business leads generated in the targeted sectors</li> </ul> <p>Success will be achievement of the blended factors above. It is anticipated that success may be longer term due to the nature of the interventions and this will be monitored as part of the day to day work of the Place Marketing team who monitor and report on visitor numbers and business enquiries/jobs created.</p> |
| <p>Are the costs of monitoring and evaluation included in your project budget?</p> | <p>No</p>  |

|   |                |
|---|----------------|
| <p><b>Financial Case</b><br/> <b>Demonstrate adequate consideration of costs and funding strategy. Please provide the annual cost profile for the life of the project. You will be expected to deliver the scheme within the cost profile when agreed. Confirmation will be required that any cost overruns will be met by the project sponsor.</b></p> |                |
| <p>What is the total cost of the project (£'s)?</p>   | <p>185,000</p> |
| <p>If this application is for Project Development Funding, what is the expected total cost of the substantive project (£'s)?</p>  | <p>No.</p>     |

|   |  |
|---|--|
| <p>Please explain how the costs have been estimated and price base.</p> | <p>The costs have been estimated based on:</p> <p><b>- a procurement exercise for the development and delivery of promotional videos, plus design development and delivery of accompanying digital assets. Estimate: £30,000</b></p> <p>Costing details are based on: 10 days filming; 10 days post-production; 3 days script &amp; asset copy production; 5 days design development; 5 days account management;</p> <p><i>(Note: I have checked these costings with City Marketing. We will be required to use their commissioning routes)</i></p> <p><b>-a procurement exercise for the set up and coordination of a multi-channel digital advertising campaign. Estimate: £55,000</b></p> <p>Costings are based on a spread of spend across google adwords 20%, Facebook &amp; Instagram ad campaigns 20%, digital radio/tv ad campaign 60%</p> <p><i>(Note: recent Leicester BID one-month digital advertising campaign cost £30,000 alone for a 25mile radius reach to promote their Shop Leicester campaign)</i></p> <p><b>-and a procurement exercise to develop and deliver media campaign support: Estimate: £40,000</b></p> <p>Costing are based on: development and delivery of launch campaign; development and delivery of spring / summer media campaign; targeting local, regional media synchronised across print, broadcast and online channels.</p> <p><i>(Note: Leicester City Christmas marketing agency campaign had £25,000 allocated to it for a very parred down set of activities due to covid)</i></p> <p><b>-Consultancy brief for Space Park/Pioneer Park Estimate: £20k</b> – to be market tested, but this is based on other contracting</p> <p><b>- Communications and Marketing Officer £40k</b> – Grade 7 post during 2021/22 – Salary Range £28,672-£31,346 (with on-costs - £39,502-£43,298).</p> |
| <p><b>Funding Requirements and Match Funding</b></p>                    |  |
| <p>What is the total funding requirement being requested (£'s)?</p>     | <p>185,000</p>   |
| <p>What assumptions is this figure based upon?</p>                      | <p>Contract values being achieved.</p>   |

|   |   |
|---|---|
| <p>What is the total match funding that will be provided (£'s)?</p> | <p>A dedicated management resource will be available as match funding throughout the project – involving the Place Marketing Manager and other members of the Place Marketing team as appropriate. Estimated staff match funding is expected to be in the region of £15-25k including oncosts during 2021/22.</p> <p>It is noted that due to the nature of the project, the delivery outputs will be fully integrated within the work of the Place Marketing Team and available to key stakeholders as part of the overall package of Place Marketing used to attract visitor and investors to Leicester and Leicestershire. Preparatory work around development of the Uncover The Story branding (£7.5k) has not been included as project match funding as this is already committed and spent prior to project approval.</p> |
|---|---|

**Sources of Funding (£'s)**  
 Please identify all the individual sources of funding for the life of the project. Sources of funding should add up to the Total Cost of the Project

| Funding Source         | Amount (£'s) | Percentage of Budget (%) | Confirmed  | Description  |
|------------------------|--------------|--------------------------|--|--------------|
| LLEP A                 | 185,000      | 90%                      | Application  |              |
| Leicester City Council | 20,000       | 10%                      | Existing staffing resource to manage and oversee project delivery. | Officer time |
|                        |              |                          |  |              |
|                        |              |                          |  |              |

**Financial Profile**  
 For each funding source identified, please provide the amount of funding required for each financial year.

|  |     |
|--|-----|
| Period - Select March as end of financial year           | N/A |
| Description ( If not applicable enter NA)                |     |
| Planned Amount £'s (Only include VAT if not recoverable) |     |
| Funding Source   |     |

**Business Rates Income Profile (£'s)** (To be completed for Enterprise Zone funding applications only)

|  |     |
|--|-----|
| Will business rates be generated as a direct result of this development? | N/A |
|--|-----|

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|              |  |
|--------------|--|
| Amount (£'s) |  |
| Year         |  |
| Comment      |  |

| <b>Loan Funding Repayment – To be completed by loan applicants ONLY</b> |     |
|---|-----|
| Payback Mechanism   | N/A |
| Amount  |     |
| Repayment Date  |     |
| What security will you offer against the loan                           |     |
| Please explain how you will manage the repayment schedule               |     |

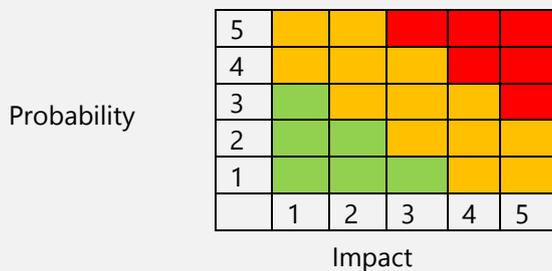
| <b>Commercial and Management Case</b>   |   |
|---|---|
| Partnerships for Delivery<br>Demonstrate that Project will be delivered by the stated completion date.  |   |
| Identify partners involved in the project and demonstrate shared commitment to delivery.                | Lead Partner is the Place Marketing Team, employed by Leicester City Council to deliver Place Marketing across Leicester and Leicestershire                 |
| Have you spoken with the Local Authority for where your project will take place regarding this project? | Yes – City and County involved.   |
| <b>Effective Governance</b>   |   |
| Briefly explain proposed governance structure, including reference to partners if appropriate.          | The Place Marketing Strategic Management Group for Leicester and Leicestershire will be responsible for delivery, monitoring and evaluation of the project. |
| How will the project be managed?  | The project will be managed by the Place Marketing Manager and overseen by the Director of Inward Investment and Place Marketing.                           |

| <b>Capacity and Risk Management</b>  |                |   |
|--|----------------|---|
| Briefly explain the most significant risks to the <b>overall delivery</b> of the project, including financial and commercial risks, and proposed mitigation (e.g. resource capacity, procurement issues, uncertainties on business cases, cost overruns. Identify proposed mitigation measures.) |                |   |
| Risk Identifier  | Risk name      | Description of risk including potential impact.   |
| 1  | Financial risk | There is a risk that the outsourced work is slowed or made more difficult due to the pandemic, for example, liaising with businesses to produce material. Regular project meetings will be held to effectively manage this financial risk and balance the scope of the project to reflect budget available – reducing risk of cost overrun. |

|   |                    |   |
|---|--------------------|---|
| 2 | Procurement issues | The Council has a good Procurement Policy in place which will be used to ensure smooth running of the contract. There is a risk that no business proposes a quote for the works however based on previous experience this is considered a low risk. It would however delay the project.   |
| 3 | Impact risk        | There is a risk that even with a high profile place marketing campaign that the economic impacts are not able to be delivered due to macro economic factors and need for post covid recovery. The outcomes of a significantly improved profiling for tourism and investment will be clearly demonstrated using digital analysis techniques. |

**Probability & Impact**

Please select the point on the matrix where the probability and impact converge to indicate the risk assessment.



| Risk Identifier       | Risk Assessment | Mitigating Action  | Risk Assessment post mitigation |
|-----------------------|-----------------|--|---------------------------------|
| 1. Financial Risk     | P2, I2          | Regular structured contract management                                       | P2, I1                          |
| 2. Procurement issues | P1, I1          | Regular structured contract management                                       | P1, I1                          |
| 3. Impact Risk        | P3, I3          | Regular monitoring of outcomes to shape effectiveness of marketing campaigns | P3, I1                          |

**Dependencies**

|   |                          |
|---|--------------------------|
| If this project is dependent on outputs from other projects, please provide further details | No. <input type="text"/> |
|---|--------------------------|

**Supporting Information**

|                           |                                   |
|---------------------------|-----------------------------------|
| Supporting Documents      | <input type="text" value="None"/> |
| File name                 | <input type="text"/>              |
| If 'other' please specify | <input type="text"/>              |
| Description               | <input type="text"/>              |

**Declaration**

March 2019

|  |   |
|--|---|
| I declare that to the best of my knowledge, the information included within this form is accurate.   |   |
| Name   | Mike Dalzell                                |
| Date   |   |
| Job title  | Director of Tourism, Culture and Investment |
| Organisation   | Leicester City Council                      |
| Are you authorised to submit this business case on behalf of the Promoting Organisation?   | Yes   |
| Whilst we will treat your application with the utmost confidentiality, please be aware that we will use this information to carry out an appraisal on your project. The LLEP is a partnership and the information you provide may be shared with relevant local and national partners and third party organisations.   |   |
| Any personal data that you provide will be processed in accordance with current data protection laws. It will be used by Leicester City Council and <a href="#">our partners</a> to deliver and improve services and fulfil our contractual duties. We will not disclose any personal information to anyone else unless required or allowed to do so by law. Read more about how we use personal data in our Privacy Notice on our website: <a href="http://www.leicester.gov.uk">www.leicester.gov.uk</a> |   |



**NOT FOR PUBLICATION**

**By virtue of paragraph 3 as defined at Annex 7 of the  
Local Assurance Framework**

**LLEP INVESTMENT PANEL**

**20 JANUARY 2022**

**Decision Report**

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**ENTERPRISE ZONES – MIRA ENTERPRISE ZONE ADVANCED FUNDING**

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**1. PURPOSE OF REPORT**

1.1 The purpose of this report is to:

- i. seek the Investment Panel's agreement to additional advance funding from the historic Enterprise Zone rates receipts currently held by the LLEP for the Phase One Infrastructure Project.

**2. RECOMMENDATION**

2.1 The Investment Panel is recommended to:

- i. agree to additional advance funding of a further £100k from the historic Enterprise Zone rates receipts currently held by the LLEP for the Phase One Infrastructure Project.

**3. BACKGROUND INFORMATION**

3.1 MIRA Technology Park (MTP) EZ is one of two Enterprise Zones in the LLEP area. MTP EZ is a single site located in Hinckley & Bosworth, which has been operational since 1<sup>st</sup> April 2013 and the extension since 1<sup>st</sup> April 2016.

3.2 National EZ policy allows for local retention of 100% of the business rates uplift generated at an EZ site, accrued over a baseline, over a 25-year period. The principles for the retention and investment of the retained business rates are set out in the EZ Business Rates Agreements between each of the EZ billing authorities (Leicester City Council, Charnwood Borough Council and Hinckley & Bosworth Borough Council), the LLEP and Leicester City Council as Accountable Body.

3.3 The business rates retention enables forward funding mechanisms such as prudential borrowing to be undertaken to allow investment into the EZ sites ahead of the rates

being realised. This supports the advancement of site developments towards achieving the rapid jobs growth forecast in the implementation plans.

- 3.4 In December 2019, the Board approved in principle a programme of projects for the Loughborough and Leicester EZ, and also reaffirmed its commitment to supporting the MTP EZ infrastructure programme which was originally submitted by MIRA and approved by the board in 2016/17.
- 3.5 Since this time the MTP EZ infrastructure programme has been phased into two parts, as noted below, with Phase One Infrastructure and a Low Carbon Innovation Hub (LCIH) project being brought forward. Both projects have previously been considered by the Panel and approved by the LLEP Board for investment totalling £8.75m for phase one and the low carbon hub.
- **Phase One Infrastructure** - new gatehouse, road infrastructure and utilities requiring an EZ rates investment of £6.25m.
  - **Low Carbon Innovation Hub** – infrastructure for hydrogen and EV capacity in support of the Innovation Hub development requiring an EZ rates investment of £2.5m.
- 3.6 The MTP EZ Business Rates Agreement between the LLEP and the Billing Authority (HBBC) was finalised in March 2021 and relates to all rates generated from 1<sup>st</sup> April 2020. The agreement stipulates that 85% of the rates (the total uplift minus the billing authority's retention of 15%) could be utilised to repay any forward funding by local authority partners for investing in EZ projects subject to a small reduction for the LLEP's own costs.
- 3.7 As part of the EZ Business Rates legal agreement negotiations it was agreed by the LLEP Board, that 50% of the rates collected between 2017 and 2020 should be ring-fenced for activities to aid Covid-19 recovery for businesses on and connected to the EZ through programmes of support. After deductions this resulted in £295,911 being allocated to fund a Covid-19 recovery project at MIRA.
- 3.8 The remaining 50% was to be held by the LLEP and used towards EZ projects at MIRA. This £295,911 was subsequently allocated to be used within the boundaries of the FFA for the Phase One Infrastructure and LCIH projects.

#### **4. PHASE ONE INFRASTRUCTURE ADVANCED FUNDING**

- 4.1 At the November 2021 meeting the Investment Panel agreed to advance £100k funding to MIRA for the Phase One Infrastructure project from the £295,911 EZ Business Rates held by the LLEP. The ongoing delays in the agreement of the FFA had meant that the project was at a critical point as to whether the opportunities presented by it would be captured or missed if pre-construction elements could not be progressed.

- 4.2 This funding has enabled the initial work on the detailed design and planning consents to be progressed during November and December and has kept the overall programme targets in a position to remain achievable. Work on demolition plans and preliminary designs for the Gatehouse, as well as site surveys and planning consultancy have been instructed which have kept the project on track.
- 4.3 Whilst positive progress has been made on the FFA since the last Investment Panel meeting, the agreement has still not completed. The detail of the financial elements of the agreement, such as the repayment schedule, has required final negotiation and the finalised wording of the guarantee between HBBC and MIRA has needed confirmation. Current indications are that both items are on track to be finalised shortly.
- 4.4 Due to the ongoing delay to maintain the current momentum of the project additional forward funding from the existing pot held by the LLEP has been requested. This further funding will enable the next elements required for the planning process, including ecological surveys and detailed design work, to be achieved in a timely manner.
- 4.5 It is therefore proposed that an additional £100k of the EZ business rates currently available to the LLEP is granted to HORIBA MIRA. This will result in £200k of the available £295,911 funds having been committed to the project.

**For further information please contact:**

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## LLEP BOARD OF DIRECTORS

17 February 2022

### Information Paper

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## LEVELLING UP WHITE PAPER / LEP REVIEW

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### 1. PURPOSE OF REPORT

- 1.1 To inform the Board of the recent publication of the Levelling Up White Paper and the implications for Local Enterprise Partnerships

### 2. RECOMMENDATION

- 2.1 The Board is recommended to note and discuss the report.

### 3. BACKGROUND INFORMATION

- 3.1 The long-awaited Levelling Up White Paper was published on 2<sup>nd</sup> February. The White Paper sets out a new devolution framework for England. In addition, it recognises the value of business-led LEPs and sets out a 12-point plan for reducing geographical inequalities across the country.
- 3.2 Since 2011 LEPs have brought together business and political leaders to drive economic growth across regional geographic areas. The White Paper acknowledges that "Institutions such as Local Enterprise Partnerships (LEPs) play an important role in bringing together stakeholders from local authorities and businesses"
- 3.3 The advent of LEPs was part of a wider shift towards empowering local communities, the White Paper takes devolution further with a shift towards County Deals.
- 3.4 Leicestershire was one of 9 counties invited to start negotiations about a County Deal. Within the devolution framework, LEP functions, including hosting strategic business voice would sit under a single institution or County Council with or without a directly elected mayor across a Functional Economic Area (FEA) or whole county area. However,

no firm timescales were given for the establishment of County Deals and the subsequent integration of LEPs

- 3.5 The White Paper is encouraging the integration of LEPs and their business boards into MCAs and County Deals, where these exist. Where a devolution deal does not yet exist, LEPs will continue to play their role in supporting local businesses and the local economy. The paper contains no details of future LEP funding. Further details on this transition, including interim funding will be provided in writing to LEPs within the next couple of weeks.

### **Summary of appendices**

Levelling Up WP LEP Summary FINAL

#### **For further information please contact:**

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Chief Executive

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The Levelling Up White Paper:  
Recognition of the role of LEPs  
4<sup>th</sup> February 2022

**The well trailed Levelling Up White Paper was published on 2<sup>nd</sup> February and confirmed that LEPs would continue to play a key role in supporting the levelling up agenda across England.**

While much more work is needed to flesh out the detail of what the LEP role will look like, it is clear that the government values many of the functions we highlighted through the LEP Review, from strategic planning and convening partners through to business support and skills initiatives. This provides a solid platform on which to begin the next phase of our engagement with officials.

**The White Paper confirmed:**

“Institutions such as Local Enterprise Partnerships (LEPs) play an **important role** in bringing together stakeholders from local authorities and businesses. According to the LEP Census, the majority of LEPs perceive that they have formed **strong working relationships** with local authorities and higher education providers (shown in Figure 1.61). However, some LEPs perceive that businesses do not play a full and active role. The capacity and capability of LEPs also differs significantly across different parts of the UK.

For the last decade, LEPs have acted as **important organisational means** of bringing together businesses and local leaders to drive economic growth across England. They have also been responsible for the delivery of a number of major funding streams. It is **important to retain** the key strengths of these local, business-oriented institutions in supporting private sector partnerships and economic clusters, while at the same time better integrating their services and business voice into the UK Government’s new devolution plans.

To that end, the UK Government is **encouraging the integration of LEPs** and their business boards into MCAs, the GLA and County Deals, where these exist. Where a devolution deal does not yet exist, LEPs will continue to play their vital role in supporting local businesses and the local economy. Where devolution deals cover part of a LEP, this will be looked at on a case-by-case basis. Further detail on this transition will be provided in writing to LEPs as soon as possible.

The UK Government recognises the **convening power** of these groups and is committed to working with stakeholders to strengthen and deepen partnership working to drive local growth. Initiatives such as the Western Gateway, an economic partnership of local authorities, city regions, LEPs and governments in the West of England have demonstrated the benefits that can be achieved through effective cross-border collaboration.

Looking ahead, and supporting these efforts, a number of new UK Government initiatives to support **private sector partnerships and clusters** are underway. For example, the Government is investing £100m to pilot three new **Innovation Accelerators** in West Midlands and Greater Manchester. These are intended to boost economic growth by investing in R&D strengths, attracting new private investment, boosting innovation diffusion, and maximising the economic impact of R&D institutions. Each Accelerator will develop a plan to grow their local innovation ecosystem, receiving bespoke support from the UK Government.”

Turning to the wider White Paper, the document sets out twelve “**clear and ambitious medium-term missions**” with timed target objectives through to 2030 – in the areas of:

- 1. Living Standards:** By 2030, pay, employment and productivity will have risen in every area of the UK, with each area containing a globally competitive city, and the gap between the top performing and other areas closing.
- 2. R&D:** By 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40%, and over the Spending Review period by at least one third. This additional government funding will seek to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
- 3. Transport Infrastructure:** By 2030, local public transport connectivity across the country will be closer to the standards of London, with improved services, simpler fares and integrated ticketing.
- 4. Digital Connectivity:** By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
- 5. Education:** By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
- 6. Skills:** By 2030, the number of people successfully completing high-quality skills training will have increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
- 7. Health:** By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years.
- 8. Wellbeing:** By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
- 9. Pride in Place:** By 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing.
- 10. Housing:** By 2030, renters will have a secure path to ownership with the number of first time buyers increasing in all areas; and the government’s ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.
- 11. Crime:** By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst affected areas.
- 12. Local Leadership:** By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified long-term funding settlement.

These missions will guide the UK’s approach to levelling up over the **next decade** and set the medium-term ambition of the government and are an anchor for the expectations and plans of the private sector and civil society. An initial suite of headline and supporting metrics for measuring and tracking progress against levelling up outcomes are set out in a **separate document** which is published with the White Paper.



The mission objectives will be governed by four parameters:

1. **Improved transparency about place-based spending:** The spatial pattern of UK Government spending and funding allocations is often unclear due to a lack of high quality, granular data. This means government policy is sometimes acting in a “place-blind” way.
2. **Hardwiring spatial considerations into decision-making and evaluation:** The spatial impact of policy, and the evaluation of those decisions locally, is often not hardwired into central government decisions and processes, sometimes leading to outcomes that are contrary to the objectives of levelling up.
3. **Improved coordination of central government policies at the local level:** Uncoordinated and siloed policy from the centre can complicate decision-making at the local level. This is particularly salient in the case of local growth funding, with multiple pots each with their own reporting requirements.
4. **Greater focus on local places:** The distance between the officials who design policy nationally and those who are affected by them locally, can mean policy is insufficiently place sensitive.

UK Government will create a **new regime to oversee its levelling up missions**, establishing a statutory duty to publish an annual report analysing progress and a **new external Levelling Up Advisory Council**.

The Government has also set up a new **Levelling Up Cabinet Committee** tasked with embedding levelling up across central government policy design and delivery. The committee will work directly with local leaders to improve the clarity, consistency and coordination of policy. It is chaired by the Secretary of State for Levelling Up, Housing and Communities and will:

- embed levelling up policies across government, ensuring these reflect the needs of places and people, and align with the missions;
- work directly with places, putting local ideas and innovations at the heart of government and supporting local leaders to tackle their local challenges;
- deliver measurable change, by monitoring progress on policies that contribute to delivering against the missions, including the policies in this paper and those developed subsequently; and
- drive forward the new framework for devolution, by empowering local leaders and communities and improving accountability mechanisms.

The government is pursuing a new approach to places through **Levelling Up Directors**. Levelling Up Directors will act as a single point of contact for local leaders and a first port of call for new and innovative local policy proposals. They will be based in the areas they have responsibility for and will bring together government policy and delivery, aligning decisions and funding to support local and national strategic objectives. The new Levelling Up Directors will also support the **development of clusters** across the UK, and they will work closely with the **Centre for Thriving Regions**, a proposal recently put forward by the CBI. These roles will have the following objectives:

- building local capacity and capability, especially where it is thin;
- improving the evidence base for local decision-makers, working with the ONS, and evaluating what works using data, statistics and analysis;
- catalysing local change and championing local ideas within government;
- bringing strategic coherence, coordination and flexibility to government intervention in places;
- forming a key bridge between local actors and central government; and
- acting as champions for their places.

The UK Government will set out a plan for **streamlining the funding landscape** this year which will include a commitment to help local stakeholders navigate funding opportunities and reducing the unnecessary proliferation of individual funding pots with varied delivery approaches.

The government will set out a **new devolution framework** for England. The **preferred model** of devolution is one with a directly-elected leader covering a well-defined economic geography with a clear and direct mandate, strong accountability and the convening power to make change happen. However, because this may not suit all areas, the framework sets out a **flexible, tiered approach**, allowing areas to deepen devolution at their own pace. Four principles will define it:

1. **Effective leadership:** Powers should be devolved to authorities which have the necessary structures and leadership for clear, strong local decision-making.
2. **Sensible geography:** new devolution deals will be based on geographies that are locally recognisable in terms of identity, place and community, as well as being sensible economic areas that join up where people live and work.
3. **Flexibility:** Devolution deals will be tailored to each area, with not every area necessarily having the same powers.
4. **Appropriate accountability:** Accountability measures for devolution deals will sit with the broader Local Government Accountability Framework.

Around 40% of the population of England are currently covered by a devolution deal. **Extending devolution in England** means:

- inviting Cornwall, Derbyshire and Derby, Devon, Plymouth and Torbay, Durham, Hull and East Yorkshire, Leicestershire, Norfolk, Nottinghamshire and Nottingham, and Suffolk to start formal negotiations to agree new County Deals, with the aim of agreeing a number of these deals by autumn 2022;
- taking forward negotiations to agree an MCA deal with York and North Yorkshire and an expanded MCA deal for the North East; and confirming that other areas, particularly those with broadly similar circumstances to North Yorkshire and York have the opportunity to consider their interest in an MCA devolution deal – for instance, the UK Government will work to secure a mayoral deal in Cumbria and similar areas.

**Deepening devolution** in England means that:

- the UK Government will open negotiations immediately on trailblazer deals with the West Midlands and Greater Manchester, which will act as the blueprint for other MCAs to follow;
- working with MCAs, initially as part of the trailblazer deals, to explore options to streamline the funding landscape for MCAs; and inviting other MCAs and the GLA to bid for sweeping further powers, through the new devolution framework.

**Simplifying devolution** in England means:

- setting out the UK Government's new devolution framework to provide greater clarity on the devolution offer across England; and
- seeking to legislate to establish a new form of combined authority model to be made up of upper-tier local authorities only (e.g. a county council and its associated unitary councils); providing a single, accountable institution across a functional economic area or whole county geography; district councils can be non-constituent members; and county councils will be expected to work closely with their district councils.

The government wants to encourage **private sector-led partnerships** across the UK, especially when these coincide with existing or potential new clusters of business activity. These initiatives should ideally seek to coordinate action not just across the private sector, but in partnership with local and central government, and local education and research institutions. Examples of these initiatives include the proposal being developed by local businesses for the Humber; and a WMCA led public-private sector partnership to realise the ambition of the West Midlands to become a “smart city” region.

The UK Government is establishing a **new independent body in England** focused on data, transparency and robust evidence. This will enhance the UK Government’s understanding of **place-based leadership**, quality of local service delivery and organisational efficacy. Before new devolution deals are agreed, a **new accountability framework** will be finalised that will apply to all devolved institutions in England.

The UK Government is keen to **strengthen the role of local stakeholders** in the broader employment landscape, using local insight and expertise to shape the UKSPF and future national employment provision. This increased partnership working will build on existing work to engage local stakeholders in the procurement and implementation of contracted employment programmes of appropriate scale. Work with local stakeholders to **shape the UKSPF** and with level 3 devolution deal areas to shape contracted employment programmes will help meet local and national priorities.

Reorganisation will remain a locally-led avenue available where there is broad local support, but will not be a requirement for a **devolution deal**. The UK Government intends to follow an **incremental approach**, using existing legislation to work with areas which are seeking to establish reformed local governance structures.

Government will support **private sector clusters**, existing and embryonic, providing an enabling environment within which innovation and business can flourish. That means ensuring the right sets of skills exist, the necessary digital and physical infrastructure is in place, adequate and appropriate financing has been secured, and an appropriate regulatory framework is operating. By providing these foundations locally, government can help to catalyse private sector innovation, job creation and growth.

The role played by government in securing these outcomes needs to be tailored to local circumstances and opportunities. There is a **spectrum of possible interventions** to achieve these objectives as follows:

- **Convening.** By convening and bringing together stakeholders, government can help design and deliver a local transformation plan. It is important to strengthen and deepen these partnerships over strategic geographies.
- **Influencing.** By signalling its support for initiatives, government can encourage private sector stakeholders to take forward investment and financing. For example, pan-regional partnerships provide an extended network of collaborators and a strong regional brand. The Northern Powerhouse and the Midlands Engine have provided an opportunity for partners to collaborate at scale and prioritise areas of common interest. Because these partnerships cover large populous regions, with distinct histories, strengths and challenges, they are an important partnership model for levelling up.
- **Informing.** By providing information, advice, and practical assistance, government can support business clusters.

- **Funding.** By using seed financing, government can de-risk private sector activity and crowd-in private finance. One example is the £5m provided to Northern Gritstone, a ground-breaking new investment company based in the north of England founded by the Universities of Leeds, Manchester and Sheffield. This aims to be one of the largest investors in academic spin-outs in the UK and is on track to raise £500m to support commercialisation of projects from northern universities.
- **Business environment.** By creating a streamlined, effective and stable regulatory environment which supports the private sector to invest over the longer term, government can catalyse private financial flows to local businesses and projects.

Over time, the UK Government, through the ONS and the Integrated Data Services Platform (IDSP) will expand its use of **new and administrative data** to improve the timeliness and granularity of **local data** made available to central government departments, including DLUHC local government finance functions.

The UK Government will introduce a **statutory obligation to report annually on progress** towards meeting the Levelling Up missions. The report will draw on the metrics set out in this White Paper and provide rigorous analysis and monitoring of progress in reducing regional disparities.

The government is creating a **Levelling Up Advisory Council**. The Council will be charged with providing independent expert advice on matters relating to the design and delivery of levelling up. Its analysis will be commissioned and published, at the discretion of the Levelling Up Cabinet Committee. The new Levelling Up Advisory Council will **launch an expert sub-committee** on regional adoption and diffusion infrastructure – exploring how to improve the uptake of productivity-enhancing technologies and management practices by businesses.

The Government also identifies four **high-level objectives for public policy**:

- boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging;
- spread opportunities and improve public services, especially in those places where they are weakest;
- restore a sense of community, local pride and belonging, especially in those places where they have been lost; and
- empower local leaders and communities, especially in those places lacking local agency.

Government will empower decision-makers in local areas by providing leaders and businesses with the tools they need. **A new framework** will extend, deepen and simplify local devolution in England. Ongoing support will be provided to existing City and Growth deal areas in Scotland, Wales and Northern Ireland, pan-regional partnerships like the Northern Powerhouse and Midlands Engine, and local private sector initiatives. The UK Government will support existing and embryonic private sector clusters of economic activity, which exist in all parts of the UK and are the wellspring of new innovation and job creation.

**Relevant policy initiatives include:**

A series of new **Research and Development (R&D)** investments will strengthen our science base across the country. The increase in public R&D investment to £20bn by 2024-25 and the target for total UK R&D investment to reach 2.4% of GDP by 2027 must see every region of the UK experience

an uplift in investment. The Department for Business, Energy and Industrial Strategy (BEIS) will aim to invest at least 55% of its total domestic R&D funding outside the Greater South East by 2024-25;

UK Government will target £100m of investment in three new **Innovation Accelerators**, private-public-academic partnerships which will aim to replicate the Stanford-Silicon Valley and MIT-Greater Boston models of clustering research excellence and its direct adoption by allied industries. These pilots will be centred on Greater Manchester, the West Midlands and Glasgow City-Region. These new clusters will be our Fourth Industrial Revolution Foundries, leveraging our global lead in scientific research.

They will empower local areas by bringing together national and local government, industry and R&D institutions in a **long-term partnership**. Each Accelerator will see local consortia developing a plan and identifying transformational projects to grow their innovation ecosystem. This may also include working with partners outside of the immediate geography as is necessary. They will receive bespoke support from the UK Government, led by BEIS in partnership with other departments and their regional teams. BEIS will work with the pilot places, and central government departments to design this support, so it aligns to the characteristics and needs of each individual pilot place.

The government will support all LTAs by publishing **new guidance on Local Transport Plans**, so that all LTAs can deliver updated plans by the end of this Parliament, with clear project pipelines and comprehensive strategies to improve local transport for people and reduce carbon emissions. The UK Government will also **explore regional centres of excellence** that can provide bespoke support to LTAs. Future funding will be dependent on the delivery of these plans and wider LTA performance.

The government will publish the **Wireless Infrastructure Strategy**. This will review how far the private sector will go to deliver wireless infrastructure – including 5G – across the country, and determine whether there are any market failures in places that need to be addressed.

The UK Government continues to work with local leaders to develop **Local Digital Skills Partnerships**. These collaborative partnerships are now operating in seven regions across England, with an eighth formally launching in Hull and East Yorkshire in early March. The UK Government will work with devolved administrations to consider how best to share the insights and evaluation of the programme to help build digital skills capability across the UK.

The government will roll out **employer-led Local Skills Improvement Plans (LSIPs)** across England, together with supporting funding, looking to prioritise areas with the most pressing skills needs. Employers, convened by employer representative bodies, will work with providers, MCAs where relevant, and other stakeholders to develop LSIPs, setting out the key changes needed in a place to make technical skills training more responsive to skills needs. The UK Government is also legislating to put these employer-led LSIPs on a statutory footing through the Skills and Post-16 Education Bill.

The government also intends to **reform funding and accountability for further education**. The quadrupling of places in England on **Skills Bootcamps**, announced at SR21, will ensure that acute national and local skill shortages can be addressed at speed. The UK Government will bring greater alignment to the delivery of employment and skills interventions in **new Pathfinder areas**. These will bring together local delivery partners from DWP and DfE, including Jobcentre Plus, careers services, local employers, education and training providers, and local government to respond to intelligence about local employers' skills needs,

The government has also announced nine new **Institutes of Technology** (IoT) across England, building on the 12 already established since 2019 and taking the total to 21. The lead organisations for the nine new IoTs and the wider areas they will cover are:

- a. Blackpool and The Fylde College (Lancashire LEP area);
- b. Cheshire College South and West (Cheshire and Warrington LEP area);
- c. Chichester College Group (Coast to Capital LEP area);
- d. DN Colleges Group (Sheffield City Region LEP area);
- e. Newcastle and Stafford Colleges Group (Stoke on Trent & Staffordshire LEP area);
- f. Solent University (Solent LEP area);
- g. South Essex College (South East LEP area);
- h. University of Derby (D2N2 and Leicestershire LEP areas); and
- i. University of Salford (Greater Manchester LEP area).

The government will proactively identify and engage with **20 places in England** that demonstrate strong local leadership and ambition and where the impact of existing investment can be maximised to catalyse economic transformation. The focus will be on places that will particularly benefit from **regeneration** – where regeneration will lead to increased local prosperity, improved social mobility and bolstered pride of place.

The government has set itself one core mission on **local devolution**. It will support wider place leadership throughout the UK through **private sector-led partnerships** and local growth funds.

**Integrated Rail Plan**, improving the rail network in the North and Midlands, and investing £24bn in our busiest roads and motorways, £5.7bn in City Region Sustainable Transport Settlements and £5bn for buses, cycling and walking networks.

Government will enhance **digital connectivity** through Project Gigabit and the Shared Rural Network so that by 2030, the UK Government and private sector will deliver nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.

The funding of courses and the **governance of colleges** will be overhauled in line with employers' needs. **Local Skills Improvement Plans**, together with supporting funding, will be set up across England to set out the key changes needed in a place to make technical skills training more responsive to skills needs. Nine new Institutes of Technology with strong employer links will be established in England, helping to boost higher technical skills in STEM subjects.

The Department for Work and Pensions (DWP) will provide £1.3bn over the SR21 period to provide employment support for disabled people and people with health conditions. This builds on the **National Disability Strategy**, Health and Disability Green Paper and Health is Everyone's Business consultation.

Government aims to have significantly increased the number of people to have successfully completed **high quality skills training** in every part of the UK, including 200,000 more people successfully completing high quality skills training annually in England, driven by 80,000 more people completing courses in the lowest skilled areas.

We will also **regenerate 20 of our towns and cities** by assembling and remediating brownfield land and working with the private sector to bring about transformational developments combining housing, retail and business in sustainable, walkable, beautiful new neighbourhoods. These new

developments amongst others will be supported by an Office for Place which will pioneer design and beauty, promoting better architectural aesthetics to ensure they enhance existing settlements, gladden the eye and lift the heart.

Government will publish a second **report on rural proofing** in England this spring. This report will set out how government departments are working to support levelling up in rural areas, through targeted approaches where needed, and how we are strengthening the rural economy, developing rural infrastructure, delivering rural services and managing the natural environment.

Government will deepen and **simplify devolution across England** so that by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution with a simplified, long-term funding settlement.

Introducing a **new model for counties with mayors or “governors”**. We will open negotiations on **trailblazer deeper devolution** deals with the West Midlands and Greater Manchester combined authorities. These deals will act as the blueprint for other mayoral combined authorities (MCAs) to follow, with bids for more powers welcome. We will likewise recast the geography of MCAs, where necessary, to ensure there is greater economic coherence. We will further invite nine areas to agree new County Deals and seek to agree further MCA deals, extending devolution to much more of England. **A new independent body** will be set up to drive this, empowering citizens, strengthening local leaders’ knowledge of their services, and increasing central government’s understanding of the sector.

The UK Government has put into law a **Net Zero** emissions target by 2050. This structural shift could have large and long-lasting effects on virtually every aspect of the economy, including jobs and skills, infrastructure and technology, and investment and innovation. The Net Zero transition could create huge opportunities for many of the UK’s left-behind places, but also poses risks for them which, if unmanaged, could be damaging.

Past policy initiatives have not been sufficient to arrest the rise in geographic disparities over the second half of the 20th century in the UK. HMG identifies five key shortcomings in policy:

1. longevity and policy sufficiency;
2. policy and delivery coordination;
3. local empowerment;
4. evidence, monitoring and evaluation; and
5. transparency and accountability.

Reserving geographic disparities will require a fundamental rewiring in the system of decision-making, locally and nationally, across the UK. Learning the lessons of past experience, the following five pillars should underpin this policy regime:

- a) medium-term missions;
- b) reshaping central government decision-making;
- c) empowering local decision-making;
- d) data, monitoring and evaluation; and
- e) transparency and accountability.

### Next Steps

The government will put in place a comprehensive process of **engagement and informal consultation** to inform levelling up delivery and future policy-making. Some of the key elements of this process include:

- a structured process of **visits, at ministerial level**, across the whole of the UK in the months following publication of the White Paper, to discuss how levelling up can be successfully achieved in that area and to gather feedback;
- an ongoing, long-term **commitment for further ministerial visits** across the whole of the UK, to update on progress on the policy programme and missions;
- setting up **local panels**, drawn from a wide range of stakeholders, to serve as a sounding board on levelling up delivery and implementation, working closely with the new Levelling Up Directors once established;
- **annual reports** summarising the key messages from these local panels, which will feed into the UK Government's Cabinet Committee on Levelling Up; and
- an **online space** where local ideas, proposals and initiatives around levelling up can be heard and co-ordinated, to spread knowledge and understanding of what has worked locally and to foster innovation and experimentation.

This document provides many opportunities for LEPs and given the fresh mandate we have now been given, the LEP Network will begin the next phase of discussions with officials on the role we can play in the Levelling Up agenda.

February 2022