

# MIDLANDS ENGINE LEP PROFILES

Leicester and Leicestershire LEP

October 2019



## Introduction

This document profiles the Leicester and Leicestershire Local Enterprise Partnership (LEP) area, providing insight and data across key areas of the economy, namely through the five foundations of productivity outlined in the government's industrial strategy: Ideas, People, Infrastructure, Business Environment and Places. Benchmarking is provided in the context of the Midlands Engine, allowing comparison between the Leicester and Leicestershire and other LEP areas within the region.

## Leicester and Leicestershire

Leicester and Leicestershire is the fifth biggest Midlands Engine LEP area in terms of the number of hectares (215,713) and the sixth biggest in terms of population size (with a population of over one million). The area is located in the heart of England and has a rich industrial heritage with many existing strengths that provide the foundations for future economic growth and productivity. The area has a population over one million people and it is largely rural with most of the population living in the urban areas of Leicester and the towns of Loughborough, Coalville, Hinckley, Lutterworth, Market Harborough, Melton Mowbray, Oadby and Wigston.

Leicester and Leicestershire is home to three world-class universities which supply over 17,000 graduates each year. Each institution has distinct research specialisms and expertise in sports science, space technologies, advanced engineering and creative industries.

Leicester and Leicestershire is uniquely placed in having two designed Enterprise Zones spread across four separate sites with distinct industrial specialisms. Each of these sites offers the potential to develop clusters around centres of excellence in key industries such as life sciences, space and digital industries, advanced engineering and automotive.



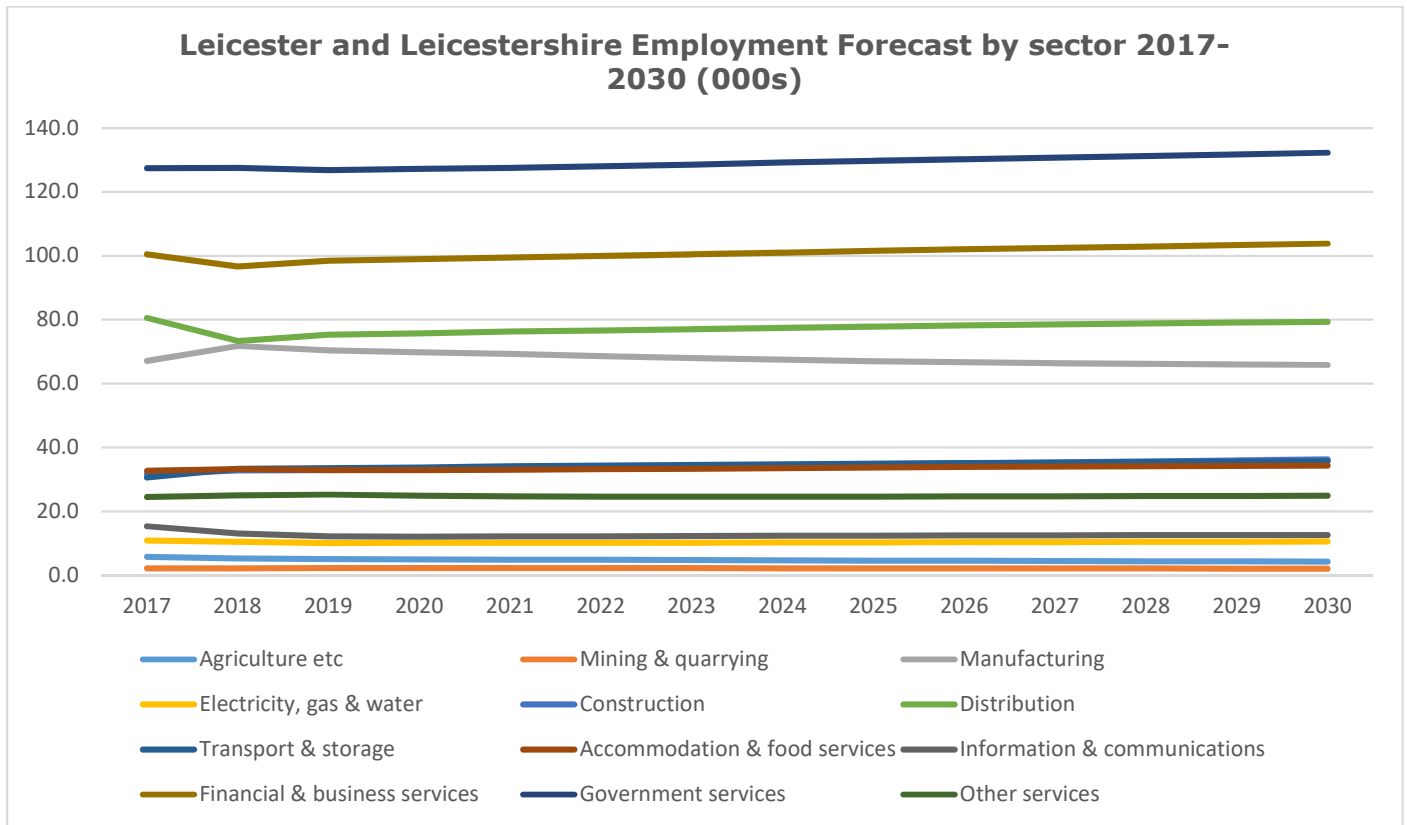
## Contents

This LEP profile collates insight within the five foundations of productivity: Ideas, People, Infrastructure, Business Environment and Places. A section is provided for each of these which can be navigated by the contents table below. A summary of key statistics is presented first, before the full foundation sections begin. Data relating to Leicester and Leicestershire is highlighted in blue in each graph. Infographics at the start of each section present key statistics in the area. The statistics are then contextualised in the graphs and text that follows.

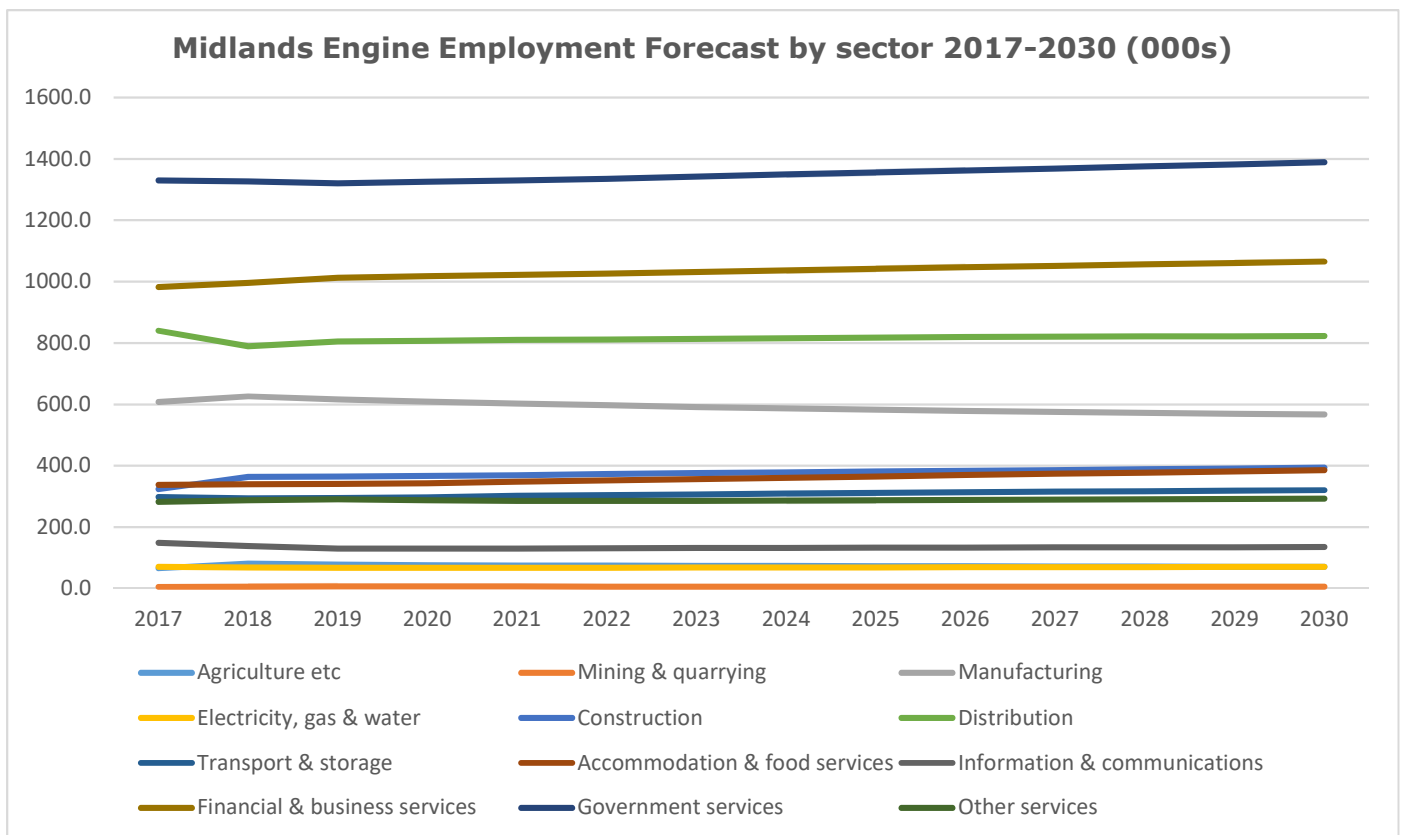
<b>Leicester and Leicestershire Key Statistics .....</b>	<b>3</b>
<b>Foundations of Productivity .....</b>	<b>4</b>
<b>Ideas.....</b>	<b>6</b>
<b>People .....</b>	<b>10</b>
<b>Infrastructure .....</b>	<b>15</b>
<b>Business Environment .....</b>	<b>20</b>
<b>Place .....</b>	<b>25</b>

## Leicester and Leicestershire Key Statistics

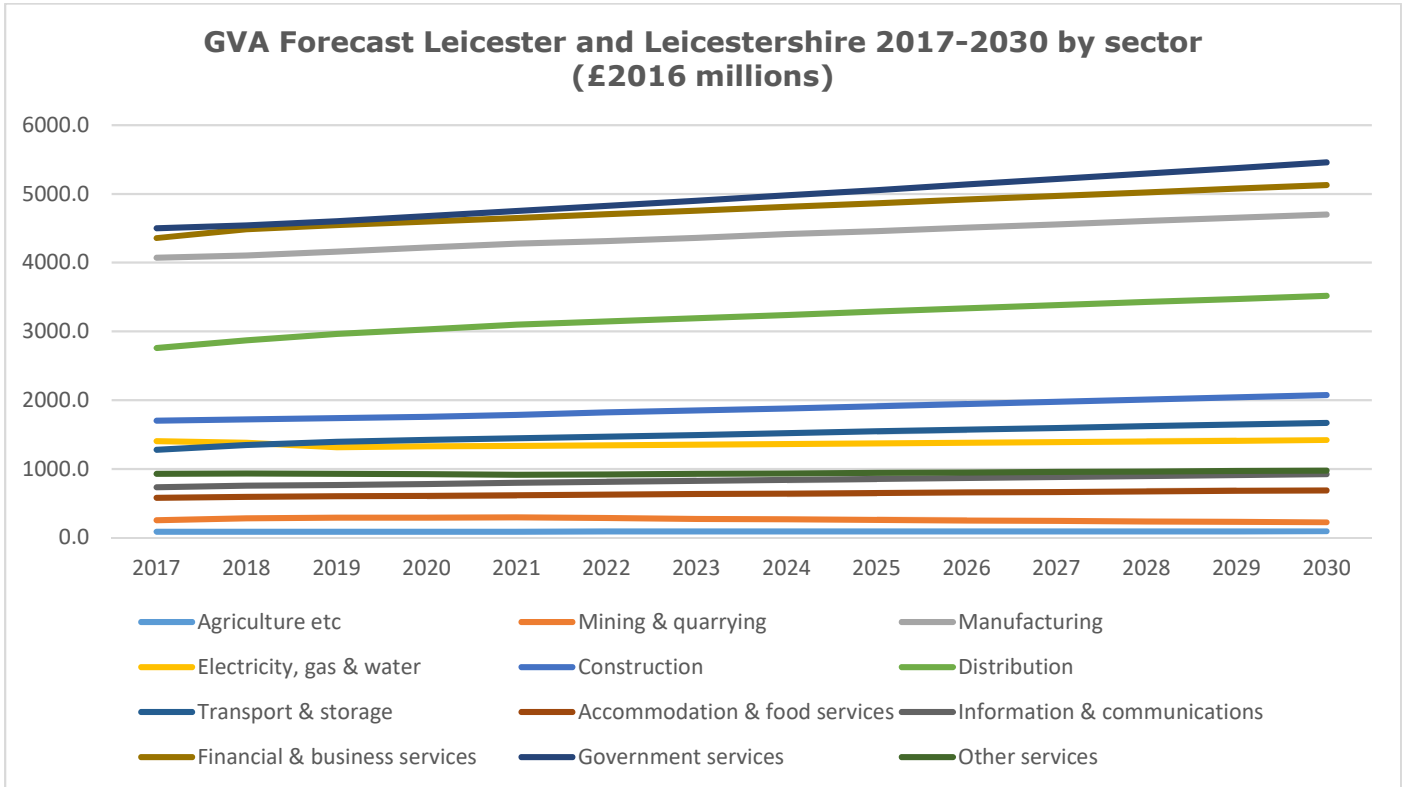




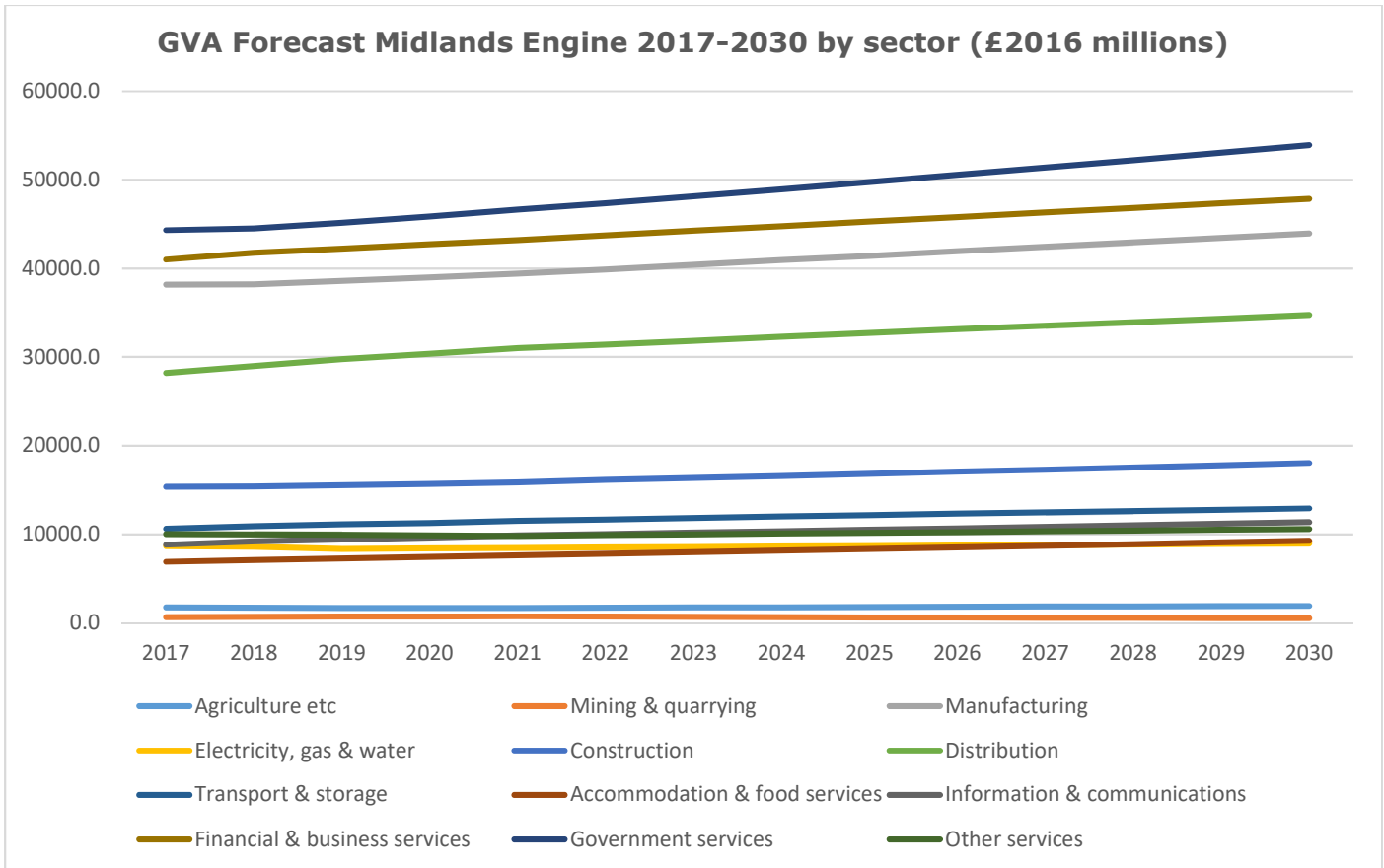
Source: Cambridge Econometrics (2019)



Source: Cambridge Econometrics (2019)



Source: Cambridge Econometrics (2019). Notes: Total GVA includes ownership of dwellings.



Source: Cambridge Econometrics (2019). Notes: Total GVA includes ownership of dwellings.



**IDEAS**



**3  
UNIVERSITIES**



**22,413,561€  
SECURED  
THROUGH  
HORIZON 2020**



**£321,286,284  
SECURED  
THROUGH  
RESEARCH  
COUNCILS/  
INNOVATE UK**



**£365/FTE  
BUSINESS  
ENTERPRISE  
SPENDING ON  
R&D**

The UK's Industrial Strategy stresses the importance of the UK being a global leader in science and research. Key policies include:

- a target to raise total R&D investment to 2.4% of GDP by 2027
- increasing the R&D tax credit rate to 12%
- the creation of the £725 million Industrial Strategy Challenge Fund.

As indicated in Figures 1-4 below, the Leicester and Leicester LEP area brings many strengths in terms of ideas to the Midlands Engine. It outperforms many LEP areas of a similar size in terms of Horizon 2020 and UKRI grant funding awarded. This is probably a function of the area having three strong universities with complementary strengths. Innovation is also promoted through the existence of two innovation-focused Enterprise Zones encompassing four sites as well as growing employment numbers in scientific and technical occupations. In terms of challenges, business enterprise spending on R&D in the area is only modest. This can be considered a function of the industrial structure of the area.

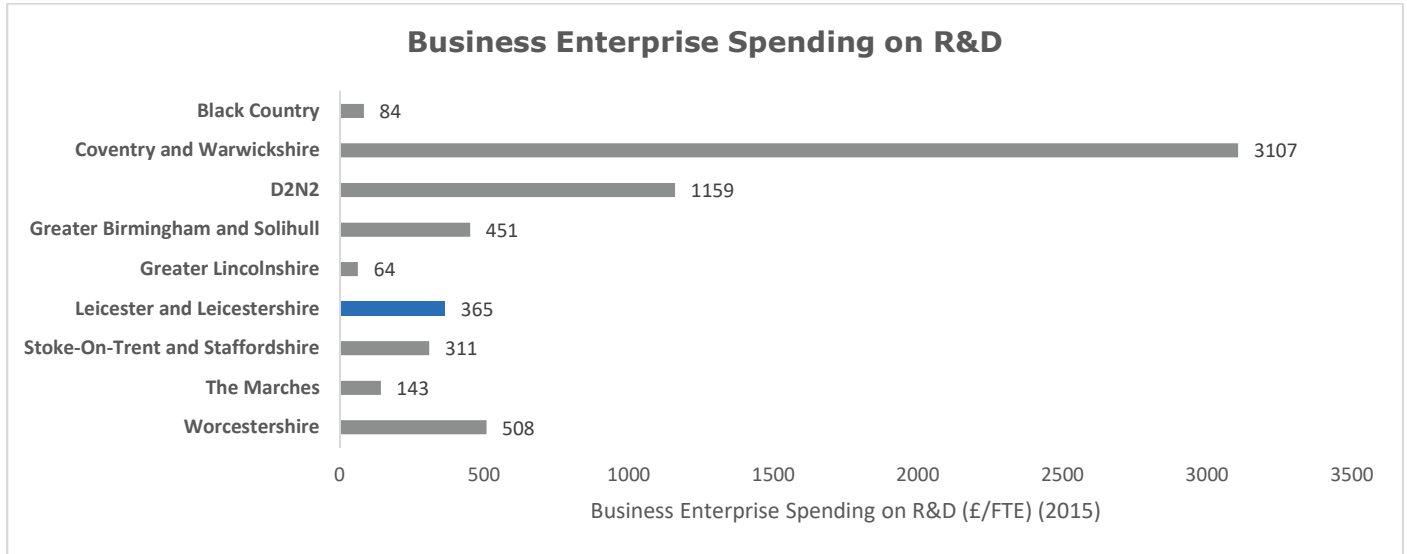


Figure 1 Source: BERD data analysis, Smart Specialisation Hub

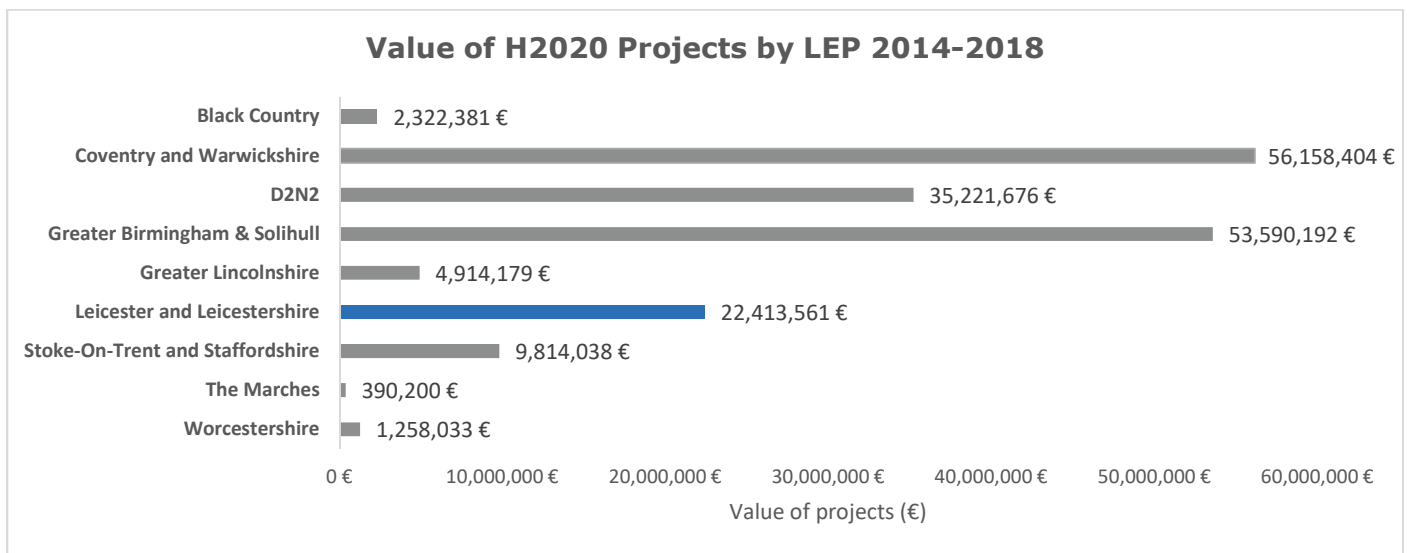


Figure 1 Source: EU Open Data Portal (2018)

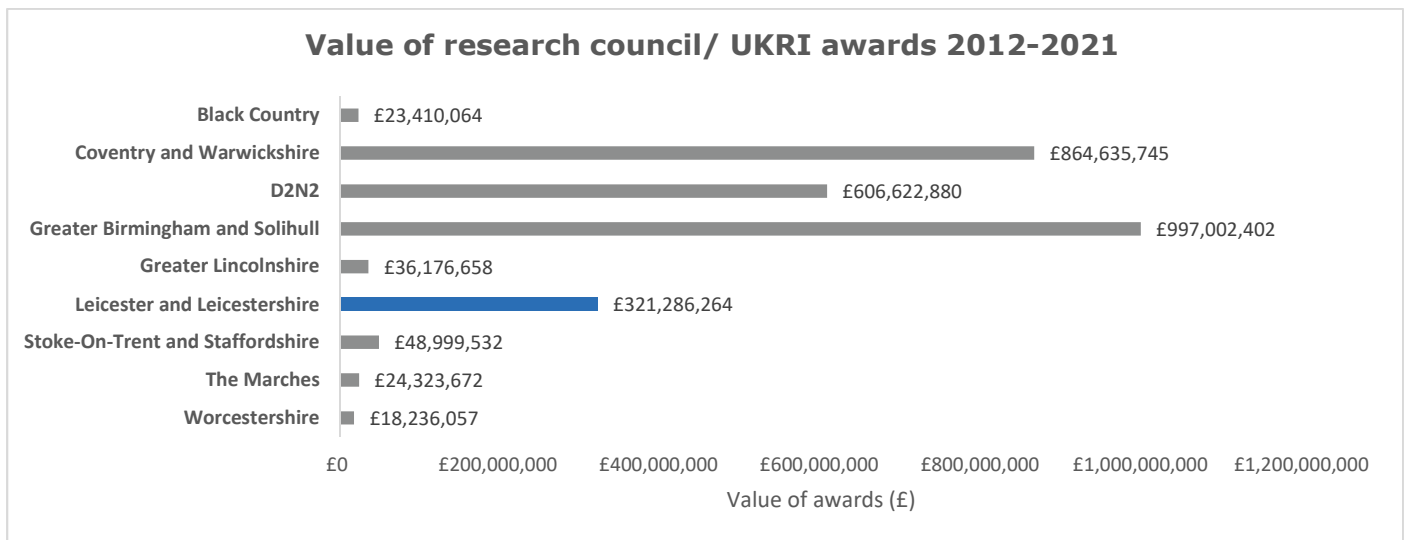


Figure 2 Source: UKRI (2019)



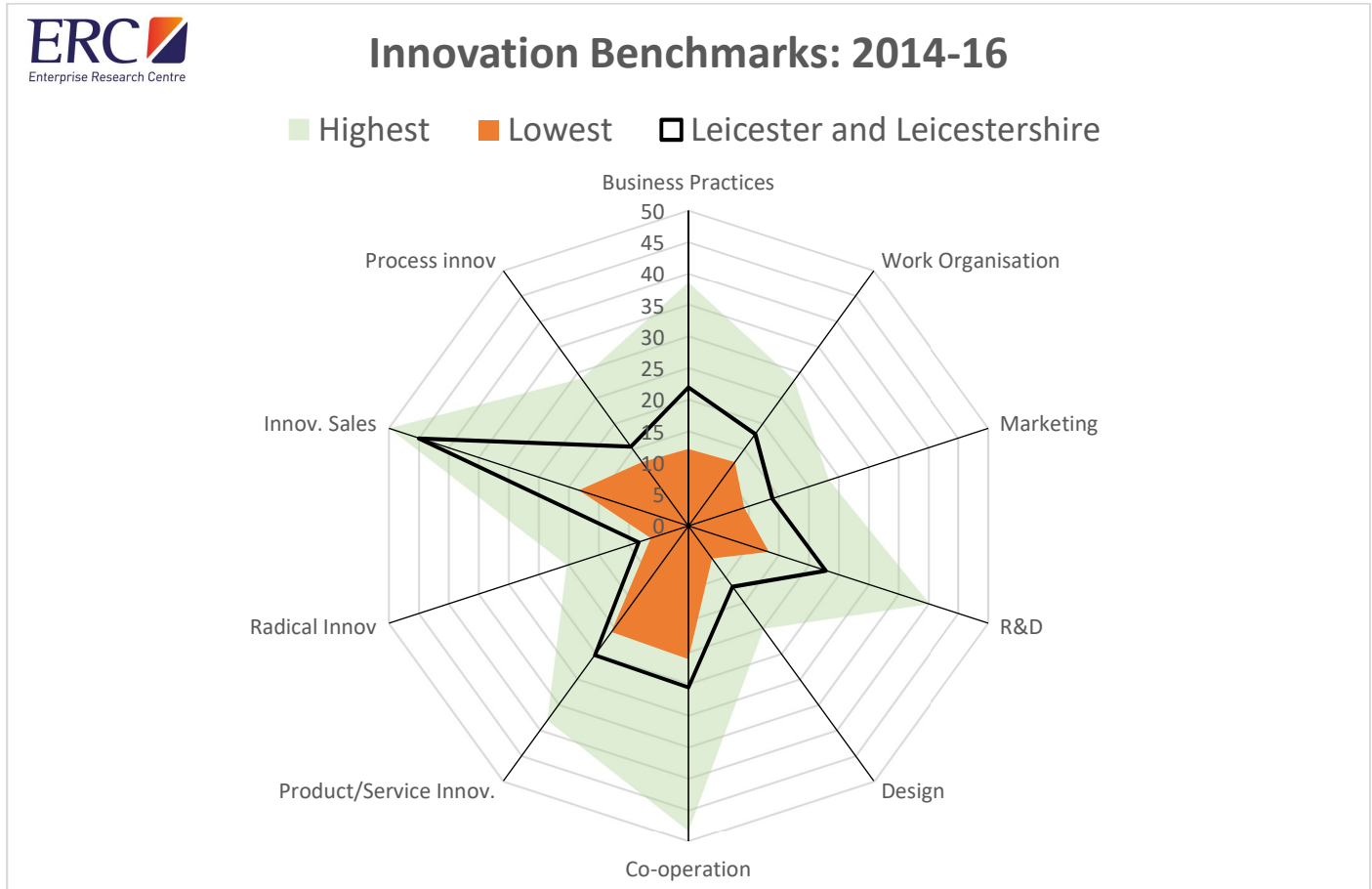


Figure 4 Source: Roper and Bonner (2019)

Charts are derived from the UK Innovation Survey. Details of derivation of data can be found in the [ERC Innovation Benchmarks Report](#). Charts relate to a series of 10 metrics which provide an indication of the proportion of firms in each area engaged in each type of innovation.

**Assets**

The Leicester and Leicestershire LEP has nationally and internationally recognised strengths in research into Space Science.

Three universities are located in the LEP area: Leicester University, Loughborough University & DeMontfort University.

In addition, the area benefits from a large number of business parks and related initiatives including:

- MIRA (Motor Industry Research Association) Technology Park Enterprise Zone which features significant concentration of motor industry linked research and technical expertise.
- Loughborough and Leicester Science and Innovation Enterprise Zone (three sites: Charnwood Campus, Leicester Waterside and Loughborough University Science and Enterprise Park (LUSEP)).

In July 2019, the University of Leicester received planning permission for the first phase of construction of a new purpose built Space Park in Leicester. The [£100 million Space Park Leicester](#) is designed be a world leading hub enabling space and space-enabled industries to flourish.

As shown in Figures 2 and 3, Leicester and Leicestershire LEP area outperforms many LEP areas of a similar size in terms of Horizon 2020 and UKRI grant funding awarded. The area received 22,413,561€ from the Horizon 2020 research programme in 2014-2018 and £321,286,264 from UKRI between 2012

and 2021. This is probably a function of the area having three strong universities with complementary strengths.

As indicated in Figure 4, Leicester and Leicestershire performs strongly in terms of sales of innovative products and services. It is the fourth ranked LEP nationally and the second ranked LEP within the Midlands Engine for the proportion of innovating firms' sales which are derived from innovative products or services.

### **Barriers and potential challenges**

Despite the positive performance of Leicester and Leicestershire in terms of Horizon 2020 and UKRI research grant funding awarded, business enterprise spending on R&D in the area is only modest compared to spending in other Midlands Engine LEP areas of a similar size. This can be considered a function of the industrial structure of the area.

The area has a lower proportion of the workforce with a degree or equivalent than the national average raising concerns about absorptive capacity (capability to use and apply new knowledge).

Figure 4 suggests that there is potential to improve collaboration for innovation between firms in Leicester and Leicestershire. Roper and Bonner rank the area 36<sup>th</sup> of 39 LEP areas for this measure (and 11<sup>th</sup> within the Midlands Engine LEP areas). Collaboration has been shown within research literature to be an important factor for innovation.

### **Opportunities**

Given Leicester and Leicestershire's strengths in manufacturing as well as the strong alignment between the research strengths of the area's three very complementary universities with the Industrial Strategy priorities, there is strong potential for business and research in the area to come together to successfully apply to the government's Industrial Strategy Challenge Fund.

The construction of the Space Park in Leicester provides opportunities to build on the areas existing national and international reputation for expertise in Space Science through working with key future sectors that use space data or technology, such as international communications, resource management, environmental monitoring and disaster relief.

#### **Case Study: Space Park Leicester**

Based near to the National Space Centre, Space Park Leicester is a partnership between the University of Leicester, Leicester City Council and the Leicester and Leicestershire Enterprise Partnership.

Once complete, the Space Park will provide a significant global hub for businesses, researchers, academia and innovation. It will enable collaboration between the University of Leicester and the private sector, creating high-quality, knowledge-based jobs, building the skills base and contributing to economic growth and the resilience of the economy.

The first phase of the project will deliver a 4,800m<sup>2</sup> facility for Earth Observation, business hosting and teaching, and will open in summer 2020. Additional phases will include:

- An industry-academic collaborative environment on next-generation space engineering and AI data labs.
- A Low-Cost Access to Space Manufacturing Facility for satellite constellations.

The Space Park will become home to the Leicester Institute for Space and Earth Observation, one of the University of Leicester's flagship research institutes, along with first-class teaching and laboratory

facilities. It will also be the base for a wide range of commercial partners, both large and small, which will provide exceptional business partnering and collaborative opportunities.

From developing satellite technologies to enabling the detailed analysis of space-enabled data, Space Park Leicester will help transform and launch sectors such as internal communications, resource management, environmental monitoring and disaster relief.

### Going Forward

To address the underutilisation of the significant research and development assets in the LLEP area, particularly the capabilities and expertise in the three universities, Leicester and Leicestershire Enterprise Partnership will develop effective networks to support the convergence of technologies across sectors and allow knowledge transfer between universities and local businesses, particularly SMEs.

This will be achieved through the delivery of flagship projects including:

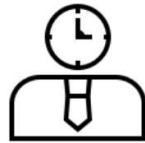
- Delivery of Space Park Leicester as the centre of excellence for earth observation and technology
- Development and expansion of autonomous and electric vehicle test facilities at the MIRA Technology Park and Bruntingthorpe Proving Ground
- Supporting the development of Sport Park Loughborough as the global centre of excellence in sport and science technology
- Development of the Charnwood Campus Life Sciences Opportunities Zone to create clusters linked to NHS data centre and sports science.
- Delivery of the Melton Mowbray Food and Drink Manufacturing Pilot

A robust underpinning infrastructure will be developed through the enhancement of the Leicester and Leicestershire Growth Hub to offer SMEs support to adopt new technology and processes, broker partnerships to connect innovative and ambitious businesses to Enterprise Zones, global opportunities and ecosystems and to drive local R&D growth in the area's breakthrough sectors and technologies.



Loughborough University Science and Enterprise Park (LUSEP), Loughborough

 **PEOPLE**



**474,000  
JOBS**



**73.5%  
EMPLOYMENT**



**5.0%  
UNEMPLOYMENT**



**27.2%  
RESIDENTS STAY  
FOR STUDY &  
EMPLOYMENT**



**34.5%  
NVQ4 AND  
ABOVE (16-64)**



**£26,451  
AVERAGE  
EARNINGS**

Within the UK’s Industrial Strategy, the People Foundation aims to generate good jobs and greater earning power for all. It focuses on improving skills levels, particularly in science, technology, engineering and maths; narrowing disparities between communities in skills and education and removing barriers faced by workers from underrepresented groups in the labour market.

Figures 4-9 illustrate the qualification level of residents of the Leicester and Leicestershire LEP area; the number of apprenticeships starts; the Gross Value-Added rate; graduate retention rates and employment and unemployment rates in the area. They emphasise how the area has a relatively young population, a relatively high employment rate and a large student population (of whom a relatively high proportion stay for work and study). The population is diverse and has relatively high average annual earnings compared to the other Midlands Engine LEP areas.

Key challenges relate to a lower than average proportion of the population qualified to degree level or equivalent and some indications of poor school attainment.



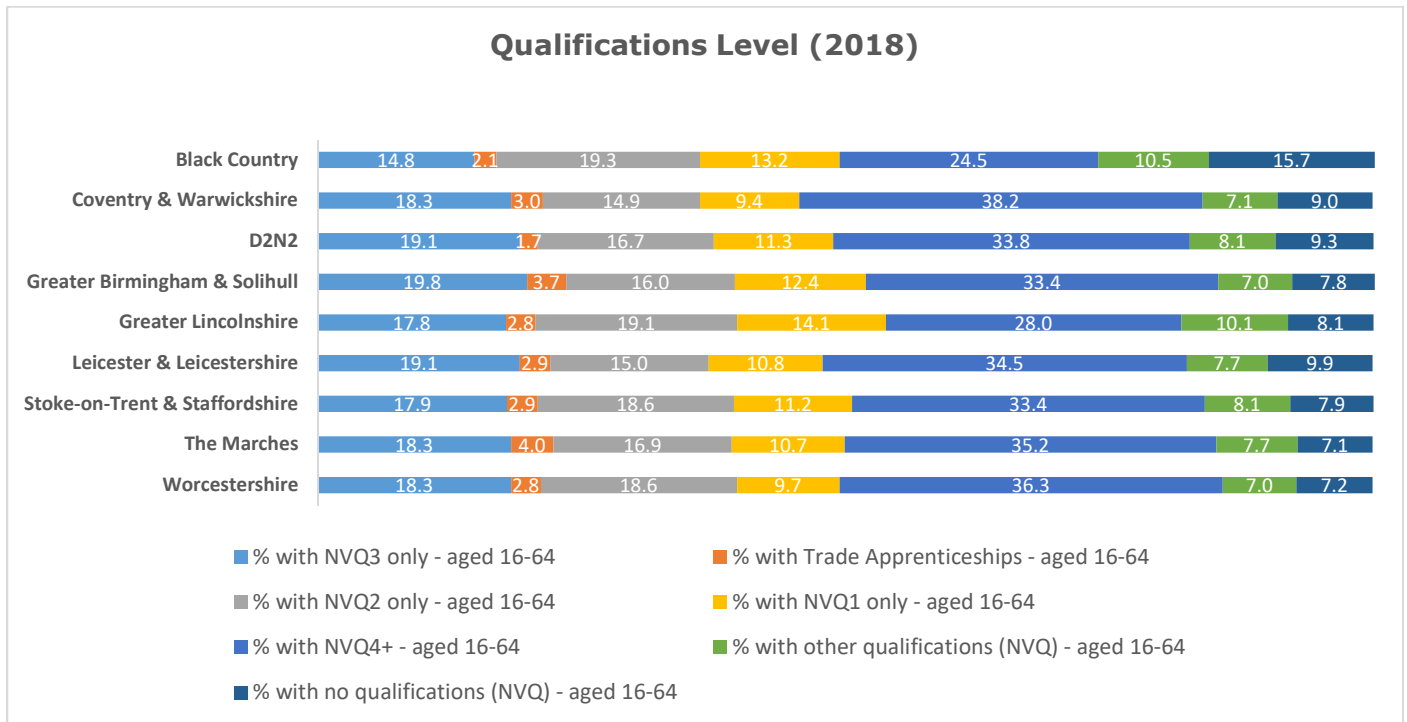


Figure 5 Source: ONS, Annual Population Survey (2019)

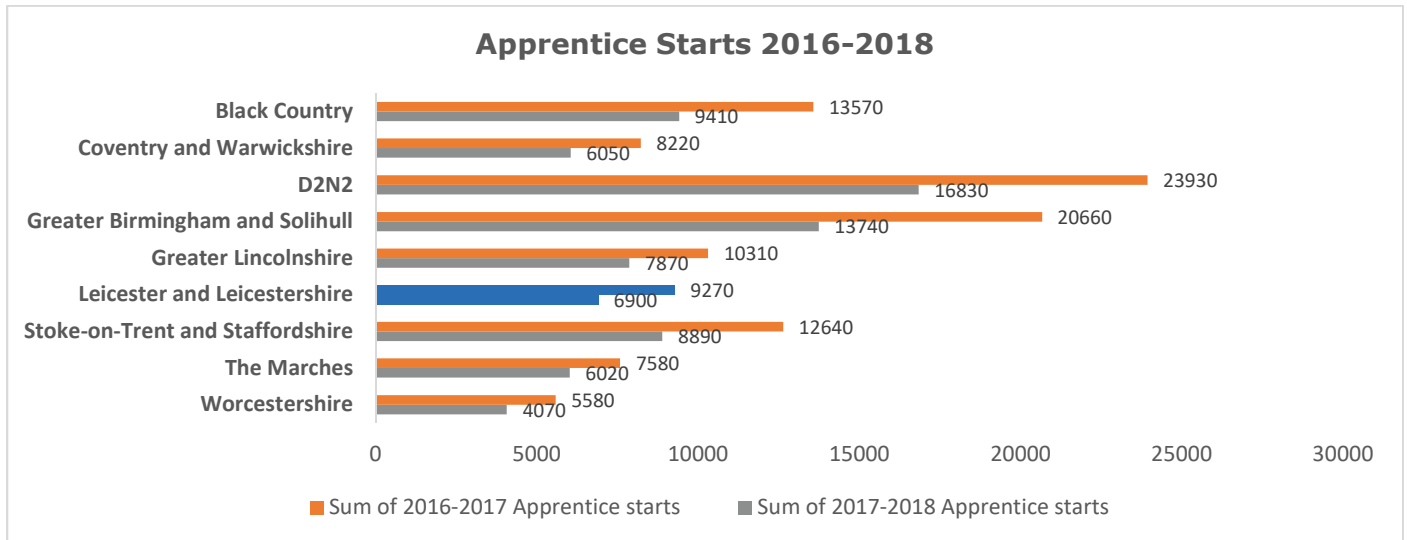


Figure 6 Source: Department for Education (2018)

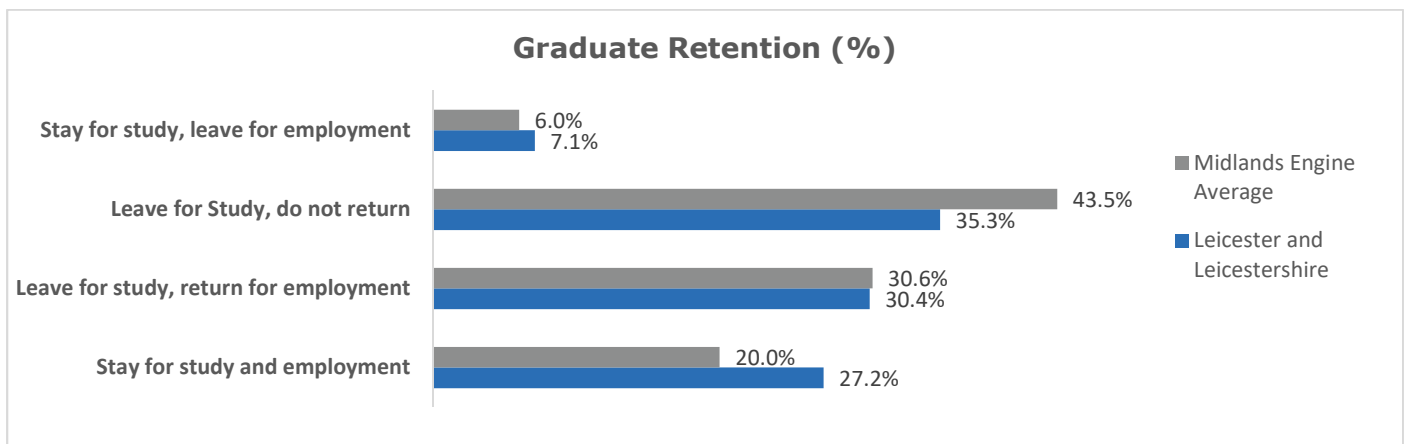


Figure 7 Source: Higher Education Statistics Agency, Destinations of Leavers from Higher Education (2018)

## Employment and Unemployment Rates

LEP	Employment Rate of Working Age Population (%)	Unemployment Rate of Working Age Population (%)
Black Country	68.7	6.1
Coventry and Warwickshire	77.0	3.3
D2N2	73.6	4.6
Greater Birmingham and Solihull	71.0	6.0
Greater Lincolnshire	74.5	5.3
<b>Leicester and Leicestershire</b>	<b>73.4</b>	<b>5.0</b>
Stoke-on-Trent and Staffordshire	76.4	4.0
The Marches	79.4	3.1
Worcestershire	79.4	3.3
<b>Midlands Engine (LEP)</b>	<b>73.9</b>	<b>4.8</b>

Figure 8 Source: ONS, Annual Population Survey (2019)

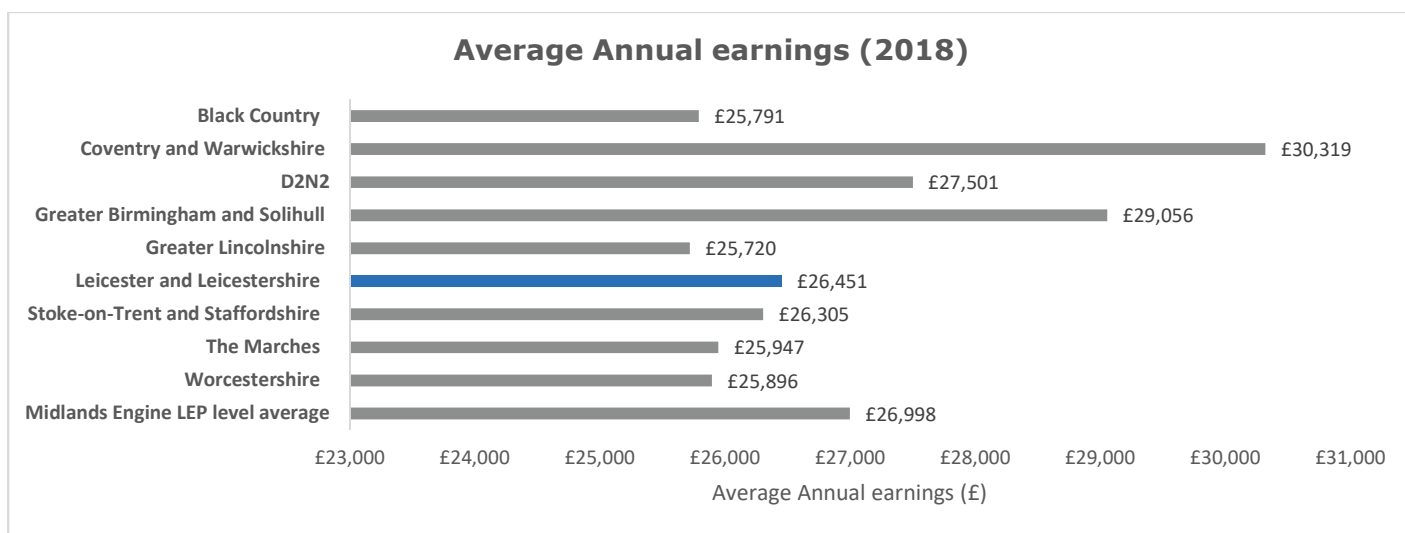


Figure 9 Source: Annual Survey of Hours and Earnings - Workplace Analysis (2018). N.B. data is provisional.

## Assets

Although, as described below, Leicester and Leicestershire faces challenges in relation to skills levels, the area is well placed in many senses to meet the aims of the Industrial Strategy.

The area boasts a young, diverse population with over 60,000+ Higher Education students offering opportunities in terms of the number of potential workers in the future as well as a growing market for manufactured goods. Leicester and Leicestershire has a relatively good graduate retention rate. At 27.2%, the proportion of young people who stay for study and employment is higher than the Midlands Engine average (20%). In addition, this is only the young people who stay in HE, it does not include the additional numbers who stay for FE.

In addition, workers in the area benefit from higher than average earnings in many comparable Midlands Engine LEP areas. Average annual earnings in the LEP in 2018 were £26,451. By contrast, average earnings were £26,305 in Stoke-on-Trent and Staffordshire, £25,791 in the Black Country and £25,896 in Worcestershire.

Young people are supported in preparing for the world of work through the Leicester and Leicestershire Careers Hub which supports 20 schools across the area. Each school benefits from a dedicated Careers Leader who is either part of or directly linked to the School's Senior Leadership Team. The Careers Leader is responsible for working with other senior leaders, Enterprise Coordinators and the Enterprise Adviser

to establish a vision for careers provision within the school that provides high aspirations for all learners and is designed to meet the Gatsby Benchmarks by the end of 2020.

### **Barriers and Challenges**

A lower proportion of the population is qualified to degree level or equivalent in Leicester and Leicestershire LEP than in some other Midlands Engine LEP areas. For example, whereas 38.2% of the population in Coventry and Warwickshire and 36.3% of the population in Worcestershire are educated to NVQ4+, this proportion falls to 34.5% in Leicester and Leicestershire.

There is also some evidence of poor school attainment. 10.8% of the population in Leicester and Leicestershire area have only a NVQ1 qualification. This is relatively high compared to the proportion in some other Midlands Engine LEPs such as Coventry and Warwickshire where 9.4% of residents have only an NVQ1 qualification, Worcestershire (9.7%) and the Marches (10.7%).

Also whilst average earnings are higher in Leicester and Leicestershire are higher than the Midlands Engine average, there is high migration out of the area to neighbouring LEPs (and to London from Market Harborough) and where the average pay levels are considerably higher, in particular Coventry and Warwickshire LEP.

### **Opportunities**

Given the young age in aggregate terms and the cultural diversity of Leicester and Leicestershire's population, the area has strong opportunities to generate good jobs and greater earning power for all. The area has particularly strong cultural and kinship ties to South Asia.

Opportunities also exist to improve the availability of specialist skills in the UK automotive industry thanks to the establishment of the MIRA Technology Institute of the MIRA Technology Park. Funded through a £9.5million grant from the Local Growth Funds and local partners, the Institute involves a partnership led by North Warwickshire and South Leicestershire College, along with HORIBA MIRA, Coventry University, Loughborough University and the University of Leicester. The centre will provide businesses as well as individuals working, or aspiring to work, in the automotive sector with specialist skills and qualifications, helping them to develop essential skills that are key to fuelling their career ambitions and their employer's business success. It will focus in particular on disruptive technologies, such as electrification and driverless cars.

### **Going Forward**

Leicester and Leicestershire LEP aims to harness the significant strengths of Further and Higher Education within the area to meet the skills needs of its high value-added sectors and shift the dynamic from a low skilled to a highly skilled workforce in the area.

This will be achieved through supporting the development of an integrated FE and HE employer-led skills system to upskill the workforce and provide clear local skills progression pathways. Tailored to the needs of high value industries from school through to higher education, the LLEP will enhance the role of the LLEP Enterprise Adviser Network and Careers Hub to ensure that young people aspire to engage with these offers. There will also be a focus on the improvement of management skills in SMEs, the development of increased levels of digital skills among residents and the workforce and utilising the area's health, sport and natural assets to promote healthy living.



MIRA Technology Park



 **INFRASTRUCTURE**



**433,660**

**30 MINUTES  
FROM EAST  
MIDLANDS**



**1 HOUR FROM  
BIRMINGHAM  
INTERNATIONAL  
AIRPORT**



**7.01  
HOUSE PRICE  
TO INCOME  
RATIO**



**37.7%  
SUPERFAST  
BROADBAND**

The Industrial Strategy recognises that having modern and accessible infrastructure throughout the UK is essential to future growth and prosperity. It stresses the importance of large scale, long-term investment in transport, housing and digital networks for long-term productivity, through increasing the earning power of Britain’s people, communities and businesses.

The strategy aims to improve access to full-fibre broadband, develop new 5G networks, improve the usage of 5G technologies, create a new high-speed rail network better connecting residents to jobs, regenerate stations and airports, upgrade the road network and improve individual’s lives through better quality housing and the promotion of clean, affordable energy.

Leicester and Leicestershire benefits from a central location in England. This is reflected in the strength of its logistics sector. The area features the country’s largest freight dedicated airport and a number of major logistics centres with potential for further development.

Nonetheless, East-West connectivity (particularly by rail) remains a challenge albeit there are now plans to re-establish a direct link to Coventry.

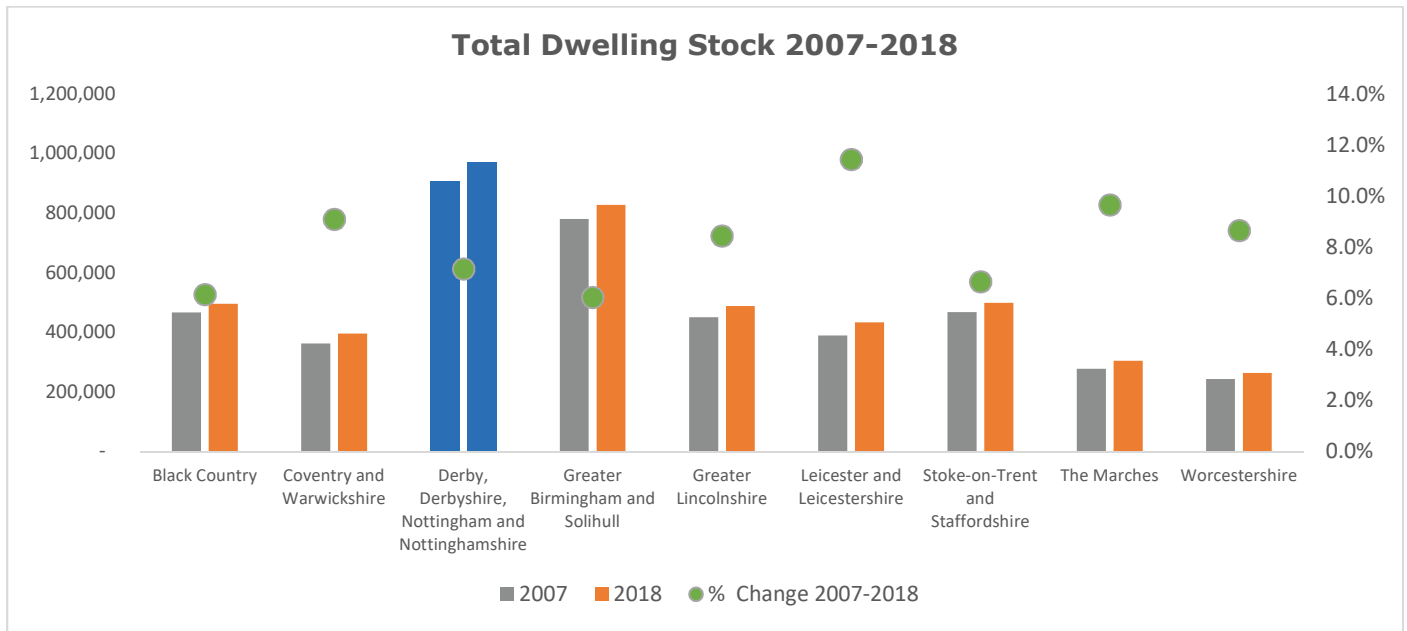


Figure 10 Source: Ministry of Housing, Communities & Local Government, Live Table 125 (2019)

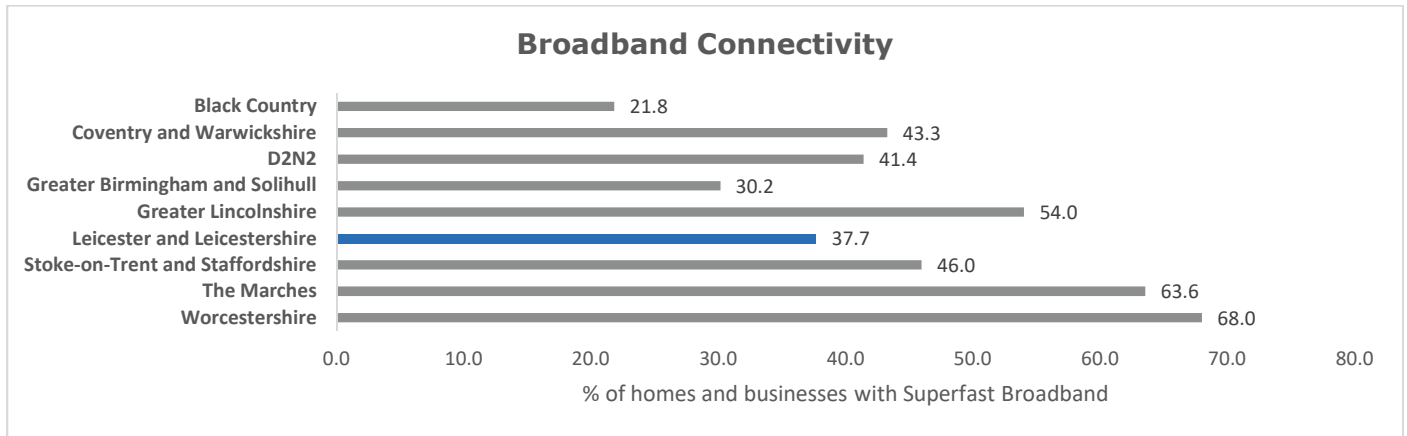


Figure 11 Source: OFCOM, Connected Nations (2018)

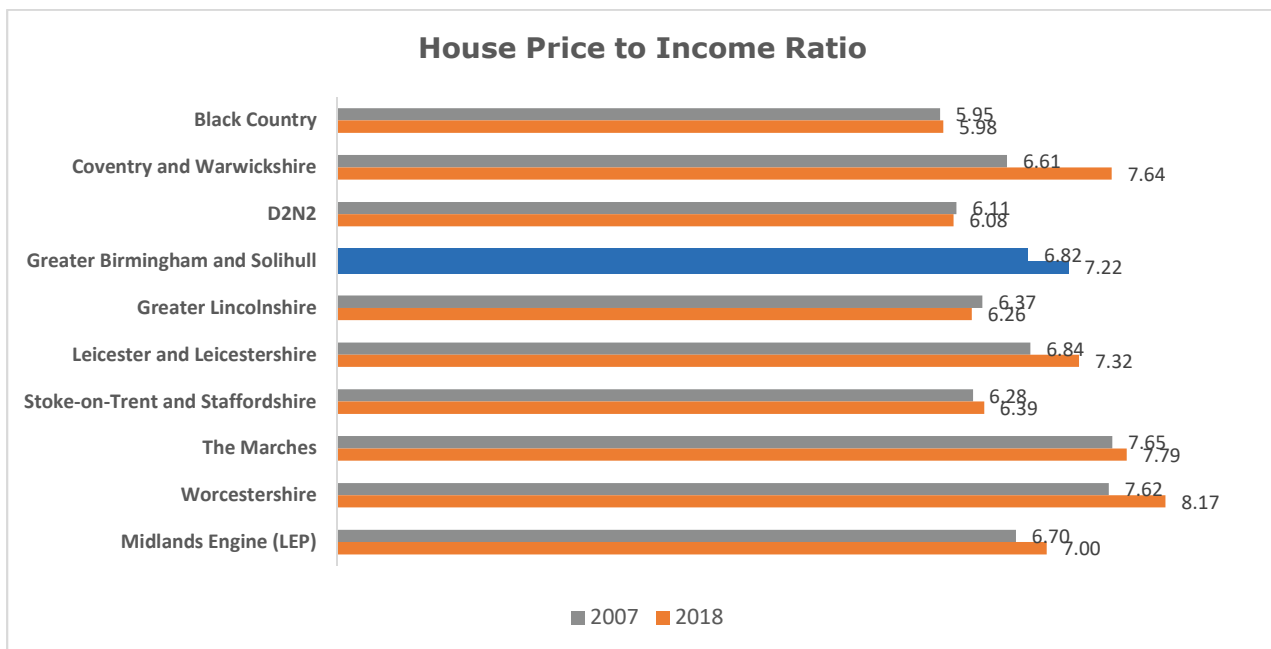


Figure 12 Source: ONS, House price to residence-based earnings ratio (2019)

### Assets

Located in the heart of England, the Leicester and Leicestershire LEP contributes strongly to infrastructure in the Midlands Engine. The area is centrally located, less than one hour from London. East Midlands Airport connects over million passengers with the world each year and provides over 6,000 jobs in the region. The AREA is also positioned at the heart of the nation's road network, well served by the M1, M6 and A14.

The Segro Logistics Park East Midlands Gateway is 700-acre development currently under construction next to the M1 and East Midlands Airport. The development will include a 50-acre Strategic Rail Freight Interchange with a new rail freight terminal that will be able to handle nearly 800 freight trains per day.

The size of the dwelling stock in Leicester and Leicestershire LEP area increased by 11.4% between 2007 and 2018 – the largest percentage increase in all of the Midlands Engine LEP areas over the period.

### Barriers and Challenges

Despite the excellent road links in Leicester and Leicestershire, East-West connectivity in the area remains a challenge, particularly by rail. The direct link to Coventry was severed by the West Coast Mainline Upgrade in 2004. In 2019 to Midlands Connect [announced plans](#) costing £100 - £120 million to restore direct trains on the line – reducing the journey time between the cities from 57 minutes to 38 minutes. However, the twice-hourly trains would not come into operation until 2026 to 2033.

Broadband connectivity in the LEP is indifferent with only 37.7% of homes and businesses in Leicester and Leicestershire having access to superfast broadband.

### Opportunities

The development of the Segro East Midlands Gateway Logistics Park provides opportunities to further drive growth in the logistics and distribution sector in the LEP. The inclusion of a new rail link together with strong road interchanges is particularly significant. The continued evolution of retail from high street shopping to internet retail means the LEP is well placed to drive economic growth.

The planned improvements to East-West rail connectivity are likely to improve access to employment, expanding the travel to work area of the area's population.

### Going Forward

Going forwards, challenges will be addressed through the delivery of the strategically important road and rail projects included in the Midlands Connect Strategy. Other key actions will include:

- Delivery of efficient and affordable public transport provision to improve connectivity between the city, towns and key employment and housing sites.
- Development of a network of transport infrastructure to promote cycling and walking and encourage modal shift in travel options.
- Delivery of facilities for electric vehicles and hydrogen fuel stations for cars, buses and HGVs
- Improvement and promotion of digital connectivity across urban and rural areas and establish 5G as an enabler of transformation in the logistics and space technologies sectors.
- Implement the recommendations of the Energy Infrastructure Strategy.





East Midlands Enterprise Gateway adjacent to East Midlands Airport is one of the largest logistics developments in the UK.



# BUSINESS ENVIRONMENT



**45,255  
BUSINESSES**



**5,620  
BUSINESS BIRTHS**



**-16%  
BUSINESS BIRTHS**



**8.6% OF JOBS IN  
BUSINESS  
ADMINISTRATION  
& SUPPORT  
SERVICES**



**8% OF JOBS IN  
PROFESSIONAL,  
SCIENTIFIC &  
TECHNICAL  
SECTOR**

The Business Environment Foundation of the Industrial Strategy aims to support the UK to be the best place to start and grow a business. The key challenge identified in the strategy is how to ensure all businesses adopt best practice from the UK's most productive businesses. It aims to address how, on average, managers in the UK are less proficient than managers are in other competitor countries. Overall, the strategy aims to drive productivity in all businesses regardless of size through increasing collaboration, improving skills levels and improving access to good and well-paid employment. Key policies include:

- The launch and rollout of partnerships between government and industry to increase sector productivity through Sector Deals in the life sciences, construction, artificial intelligence and automotive sectors.
- Over £20 billion in investment in innovative and high potential businesses including the establishment of the £2.5 billion Investment Fund.
- The commissioning of a review into what actions may be most effective in raising productivity among SMEs.

Leicester and Leicestershire has the largest economy in the East Midlands. Its business stock is growing and the area has higher than average manufacturing employment. This reflects the area's continuing strength as a manufacturing centre and is probably not unrelated to its strength in the transport and storage sector (logistics). Nonetheless, business birth rates are declining and the proportion of high growth business start-ups is modest. The LEP performs better in terms of performance amongst 'scaling survivors'.

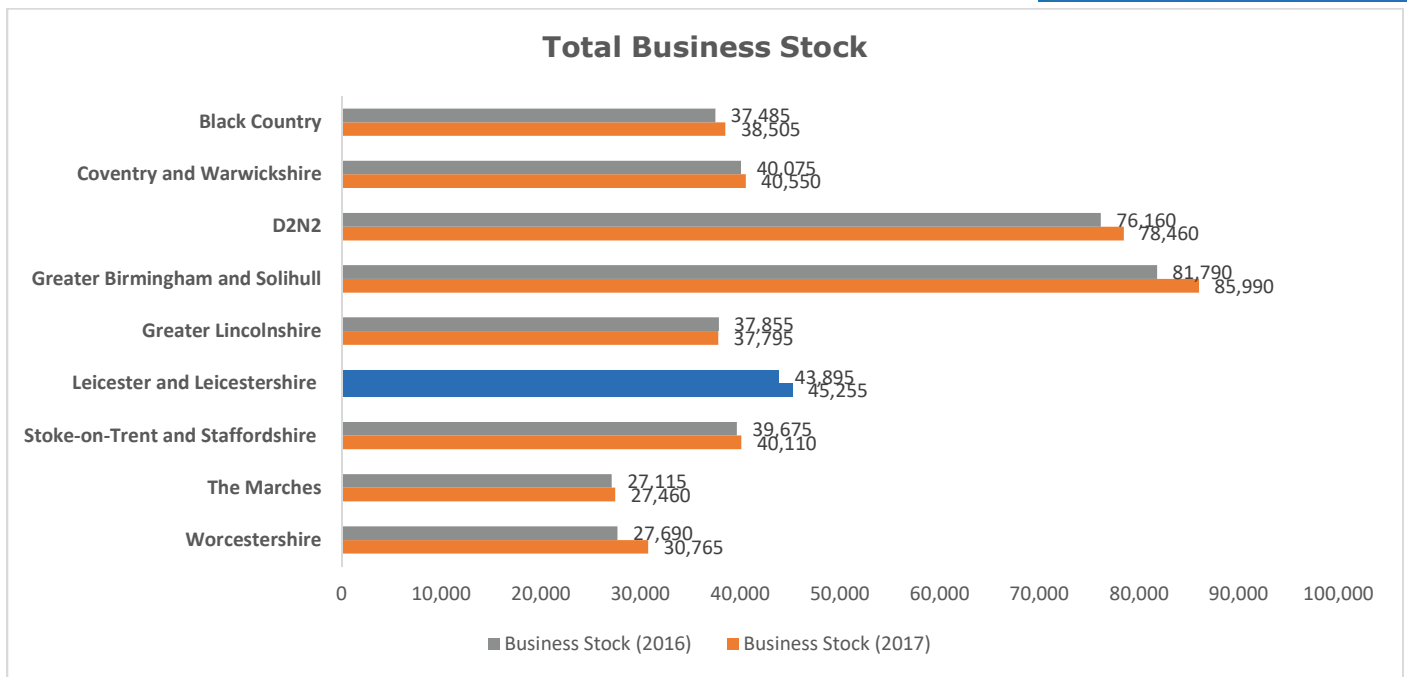


Figure 13 Source: ONS Business Demography (2018)

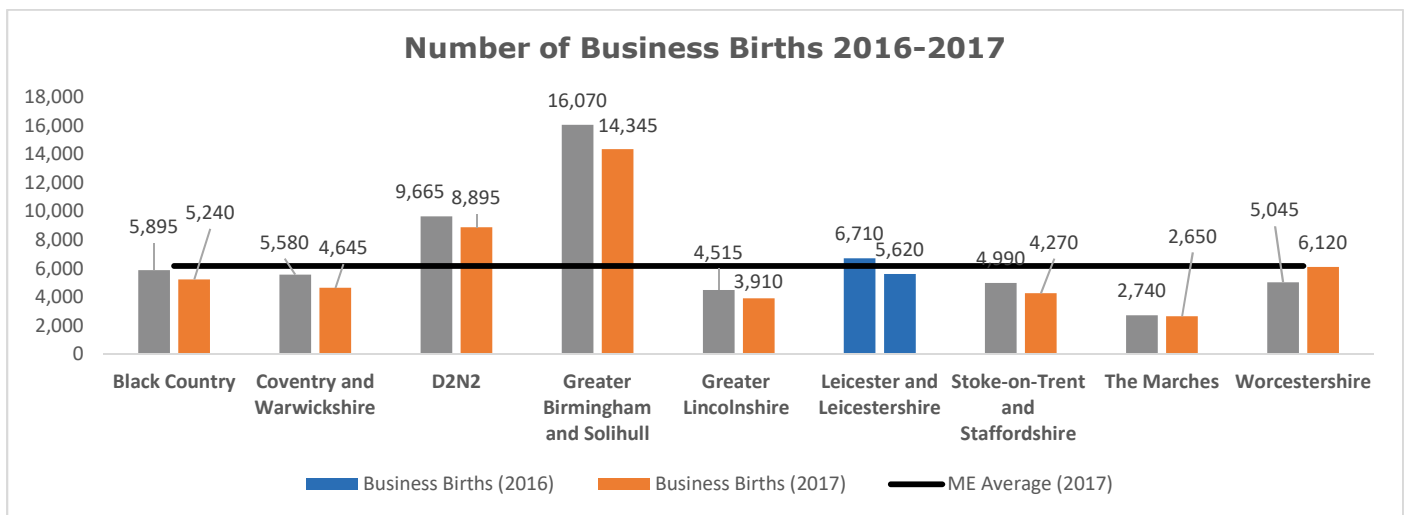


Figure 14 Source: ONS Business Demography (2018)

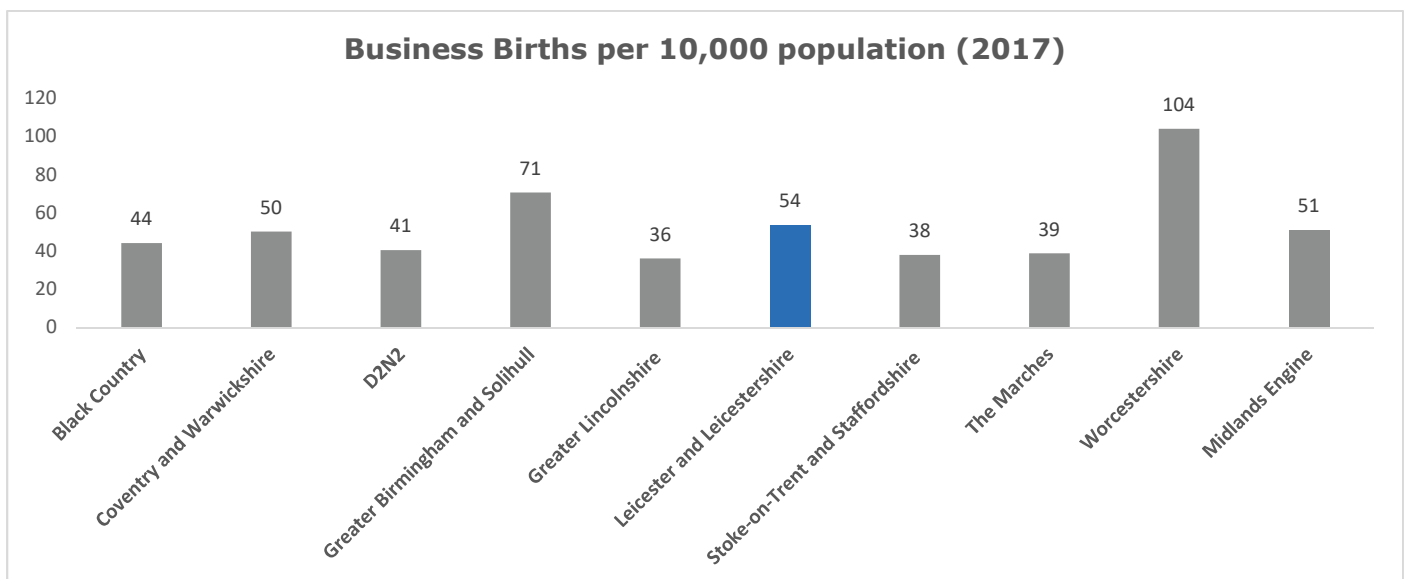


Figure 15 Source: ONS Business Demography (2018)

**Proportion of Start-ups Generating £1m+ Revenues after 3 Years in the UK (2017)**

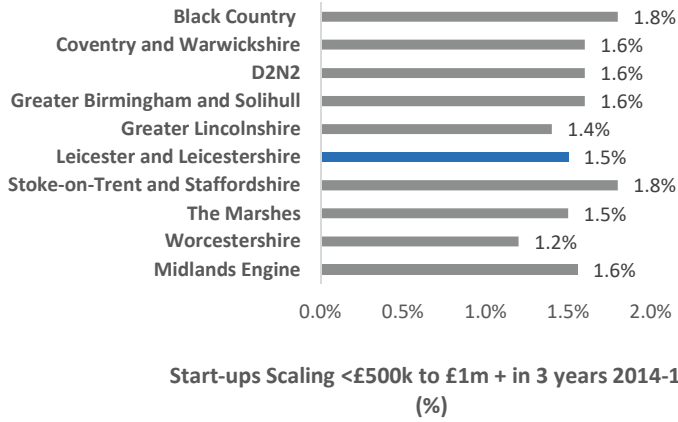


Figure 16 Source: Enterprise Research Centre UK Local Growth Dashboard (2018)

**Firms (born<2013) turnover £1-2m in 2014 and reaching £3m+ in 2017 in the UK**

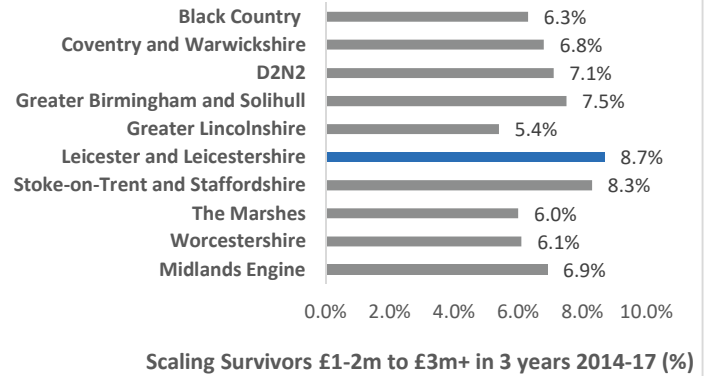


Figure 17 Source: Enterprise Research Centre UK Local Growth Dashboard (2018)

**Jobs by broad sector (%)**

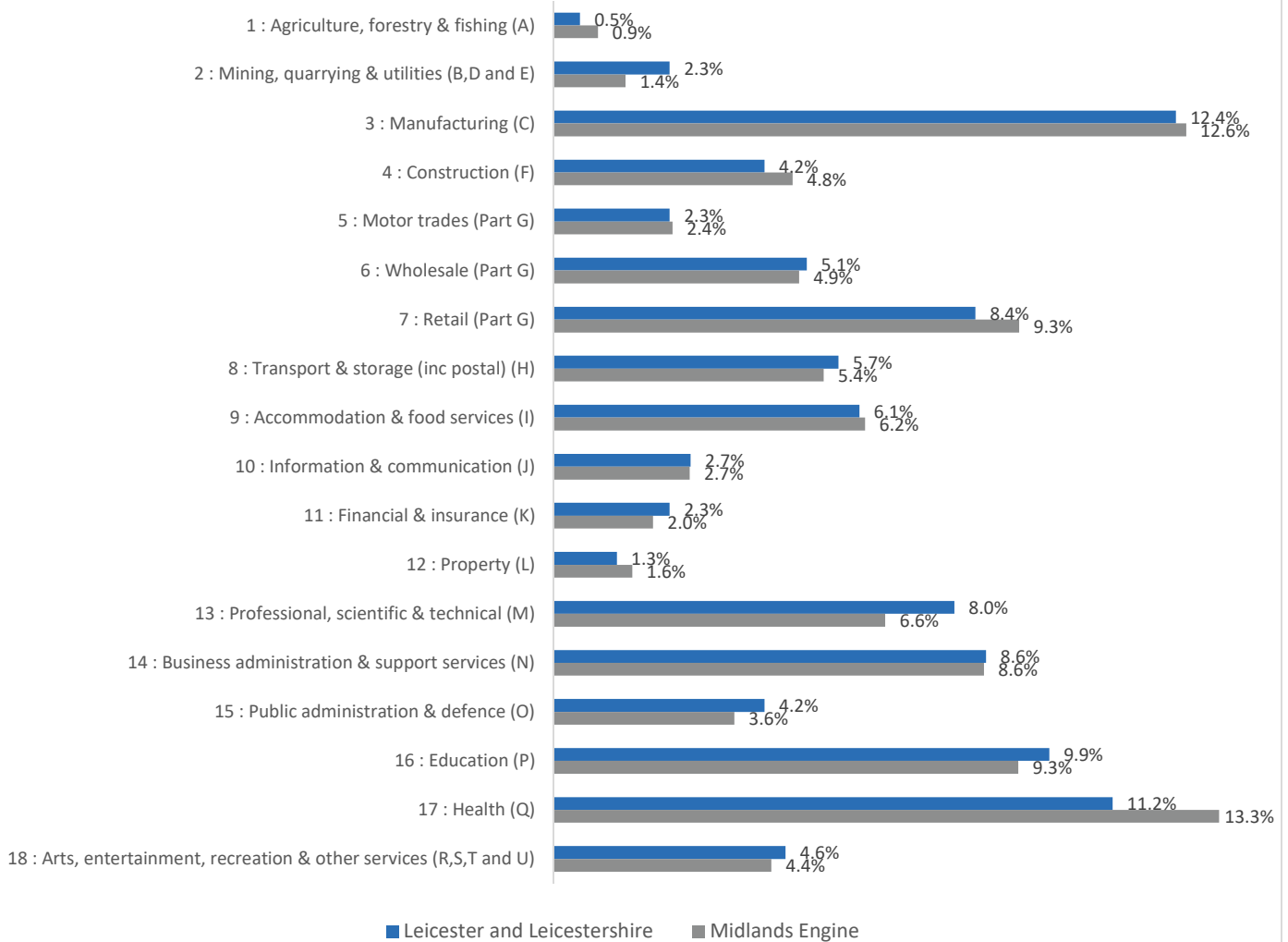


Figure 18 Source: Business Register and Employment Survey (2019)



### Assets

The Leicester and Leicestershire LEP area is home to a number of nationally and internationally significant companies (including the housebuilder Barratt Developments, food manufacturing giant Samworth Brothers, the fashion retailer Next, the home furnishing retailer Dunelm, the construction firm Caterpillar and Norton Motorcycles).

As shown in Figure 18, the area has particular strengths in manufacturing. The number of jobs in the manufacturing sector is above the Midlands Engine average (13.8% compared to 12.7%).

Within this, there are particular strengths in engineering related sectors and in the textiles sector. Importantly in terms of sustained future growth, Leicester and Leicestershire has a growing and diverse business and professional services sector. As emphasised in the Leicester and Leicestershire Local Industrial Strategy, the professional, scientific and technical sector was the strongest performing sector across Leicester and Leicestershire, between 2008 and 2018 growing by 4.7 per cent each year on average, increasing by £631m over this period.

Leicester and Leicestershire has a rising business population. Total business stock rose by 9,220 between 2012 and 2017. The performance of scale-up survivors is also the strongest of all the Midlands Engine LEPs. 8.7% of firms in the LEP born before 2013 and with a turnover of £1.2 million in 2014 had reached a turnover of £3 million+ in 2017. The Leicester and Leicestershire draft Local Industrial Strategy notes how between 2014 and 2018, business start-up and survival rates improved noticeably. The LIS also identifies information and communications and human health and social work as other high performing sectors which are forecast to continue to grow at rate of over two per cent per year up to 2030.

### Barriers and Challenges

Two key challenges in terms of the business environment in Leicester and Leicestershire LEP area are declining business birth rates and the relatively low proportion of high growth start-ups. The number of business births in the area declined from 6,710 in 2016 to 5,620 in 2017. Whilst all LEPs in the Midlands Engine apart from Worcestershire (and this must be caveated due to a be related to a management company in Bromsgrove registering large numbers of businesses at a single address, this error will be corrected in the next data from ONS) saw a decline in their number of business births, Leicester and Leicestershire had the second highest drop in percentage terms.

A further challenge identified in the Leicester and Leicestershire draft Local Industrial Strategy is a lack of high-quality office space in the city centre and commercial space across Leicester and Leicestershire.

### Opportunities

Key opportunities in future years in Leicester and Leicestershire stem from building on the area's existing synergistic strengths in manufacturing and logistics, as well as growing strengths in information and communication, and human and social work.

The existence of a Growth Hub in Leicester and Leicestershire also presents important opportunities for businesses to receive support to start-up and grow. The Hub provides expert support and advice, diagnostic services, networking opportunities and signposting for all local businesses regardless of their size or sector.



## Going Forward

To address the key challenges of too high a proportion of businesses in low value-added sectors with low productivity the LLEP will deliver an enhanced Growth Hub offer. This will provide support to firms to adopt IT and new technologies to improve their productivity, develop innovative business models and enable access to management development opportunities.

In addition, the LLEP will:

- Work with DIT to maximise investment and trade opportunities linked to the two Enterprise Zones.
- Work with British Business Bank and the Midlands Engine Investment Fund to help SMEs access finance to grow.
- Develop a freeport centred on East Midlands Airport to further maximise on location and sector strengths.
- Improve the supply of employment land and commercial premises.
- Increase targeted foreign direct investment in high value added sectors.
- Support businesses to move towards carbon neutrality, deliver business efficiencies and a move to the circular economy.



Charnwood Campus, Loughborough



**PLACE**



**79.7%**  
**URBAN  
POPULATION**



**24/38**  
**LEP AREAS IMD  
AVERAGE RANK**



**1.2 MILLION**  
**VISITOR TRIPS**



**3.0 MILLION**  
**VISITOR  
NIGHTS**

The Place Foundation within the Industrial Strategy aims to create prosperous communities across the UK, as competitive cities, towns and rural areas are crucial to shaping the UK's economic future. It acknowledges that whilst the UK has world-leading businesses across the UK, greater disparities in regional productivity exist than in other European countries, shaping people's pay, work opportunities and life chances.

Key policies introduced to support delivery of the Place Foundation include:

- The requirement for Local Enterprise Partnerships and Mayoral Combined Authorities to agree Local Industrial Strategies, which build on local strengths to deliver on economic opportunities.
- Establishing the Transforming Cities fund providing £1.7 billion to support intra-city transport projects driving productivity by improving connections within city-regions.
- The piloting of a £42 million Teacher Development Premium to test the benefits of a £1000 budget supporting the professional development of teachers working in areas that are struggling.

The Foundation connects to the other Foundations in terms of improved skills, better-connected infrastructure, strengthened cultural assets and identification of suitable land for housing growth across the country. Leicester and Leicestershire has a good 'functional economic geography' with a centrally located city surrounded by rural hinterland. This is reflected in travel to work data. Leicester is a city large enough to benefit from some agglomeration economies but small enough not to experience excessive congestion. Concentrations of relative deprivation can though be observed in Leicester and in North-West Leicestershire (Coalville).



**RURAL POPULATION**

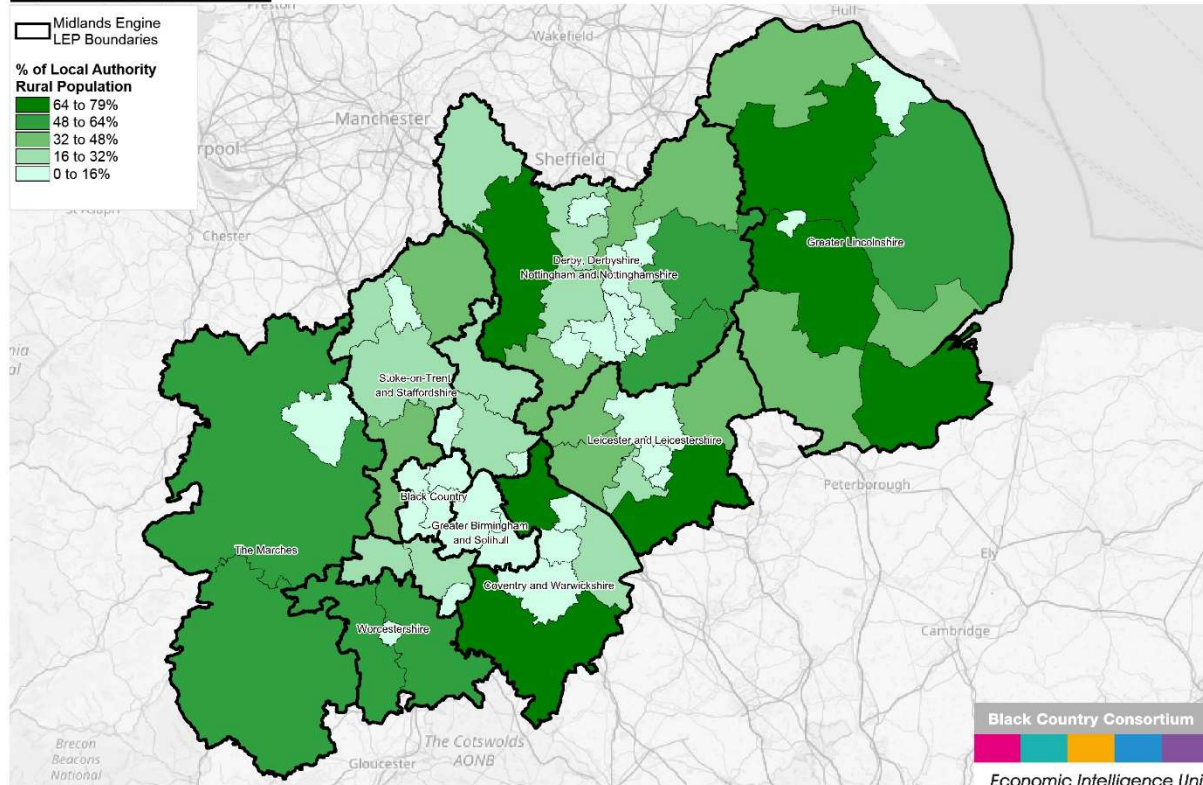


Figure 20  
Source:  
Huggins et al (2019)

**INDICES OF MULTIPLE DEPRIVATION**

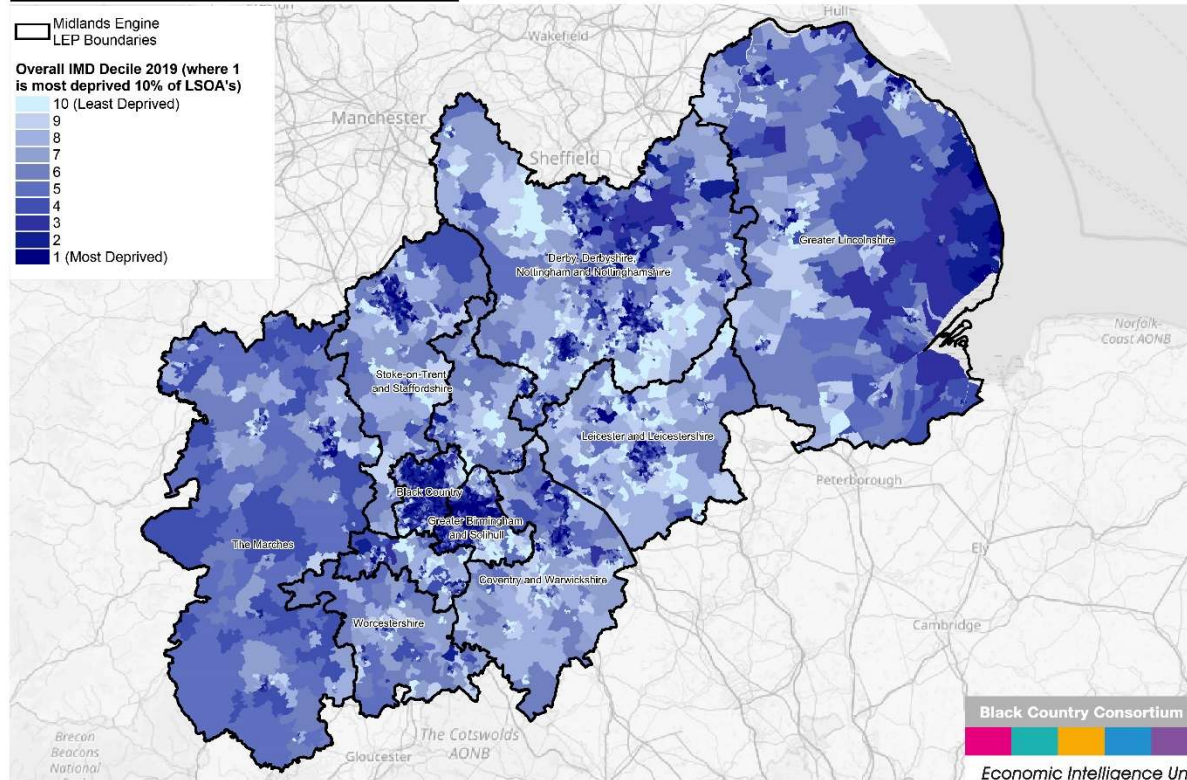


Figure 21  
Source:  
Gov.uk (2019)

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**UK COMPETITIVENESS INDEX**

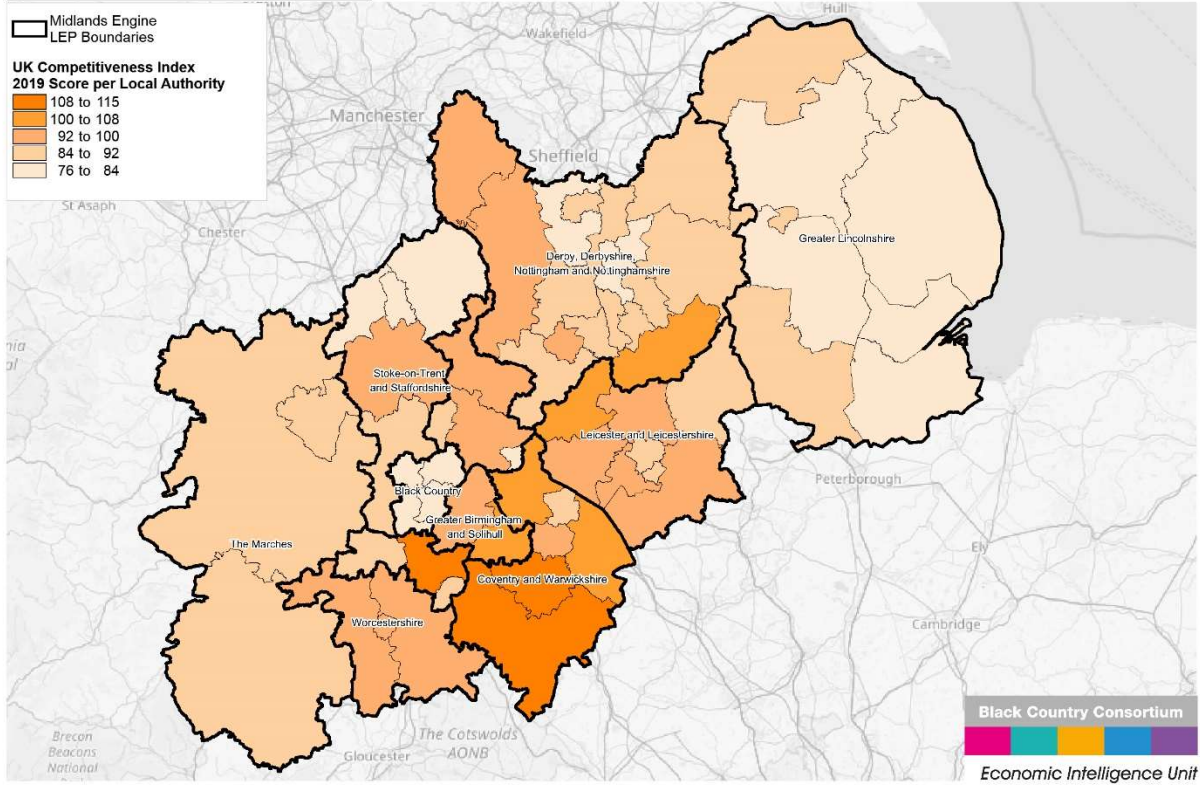


Figure 22  
Consumer Data Research Centre (2017)

The UKCI benchmarks the competitiveness of the UK's localities based on an integrated measure of competitiveness focusing on both the development and sustainability of businesses and the economic welfare of individuals.

**INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - PHYSICAL ENVIRONMENT**

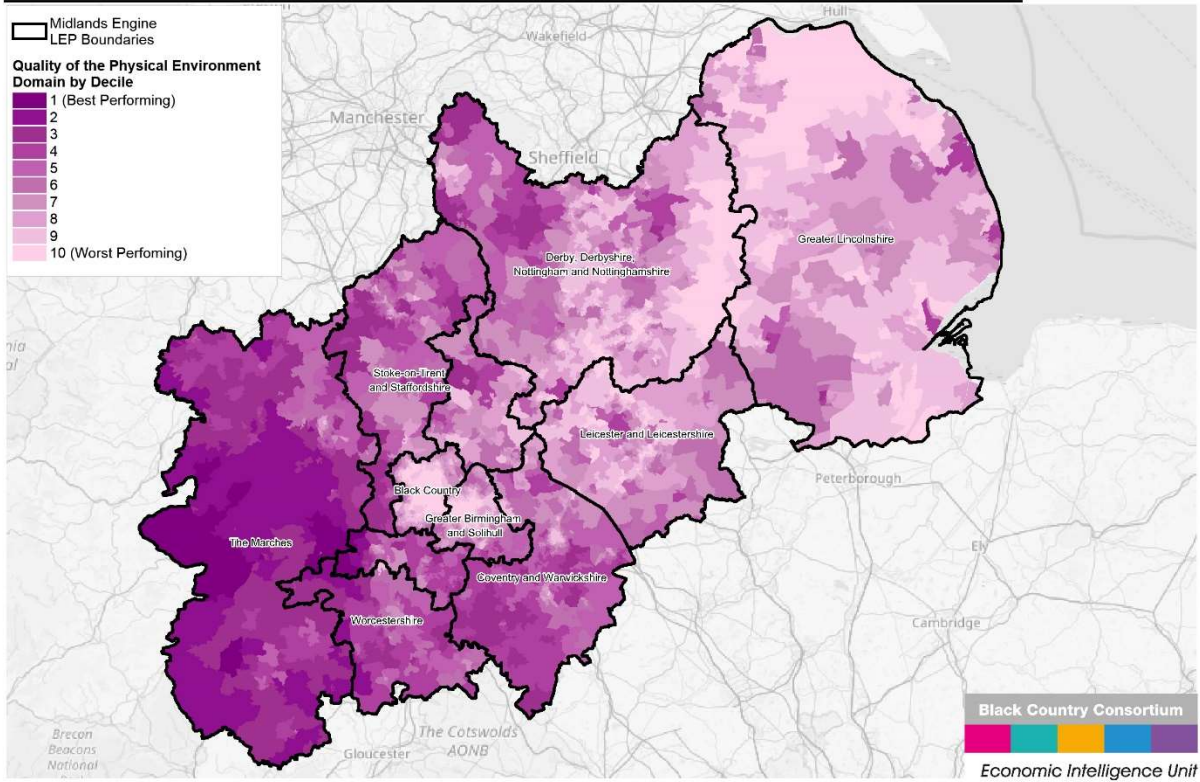
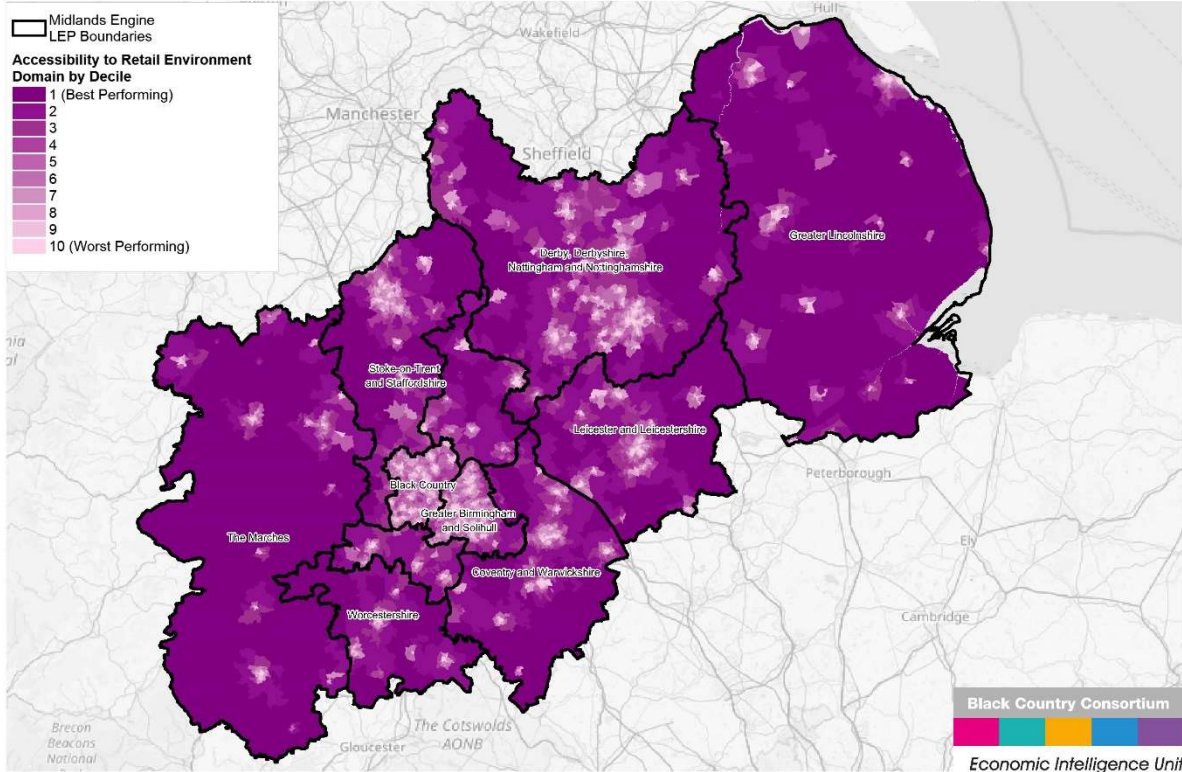


Figure 23  
Source: Gov.uk (2015)

The Index of 'Access to Health Assets and Hazards' measures how 'healthy' neighbourhoods are. The domain of physical environment relates to the presence of green space and three air pollutants.



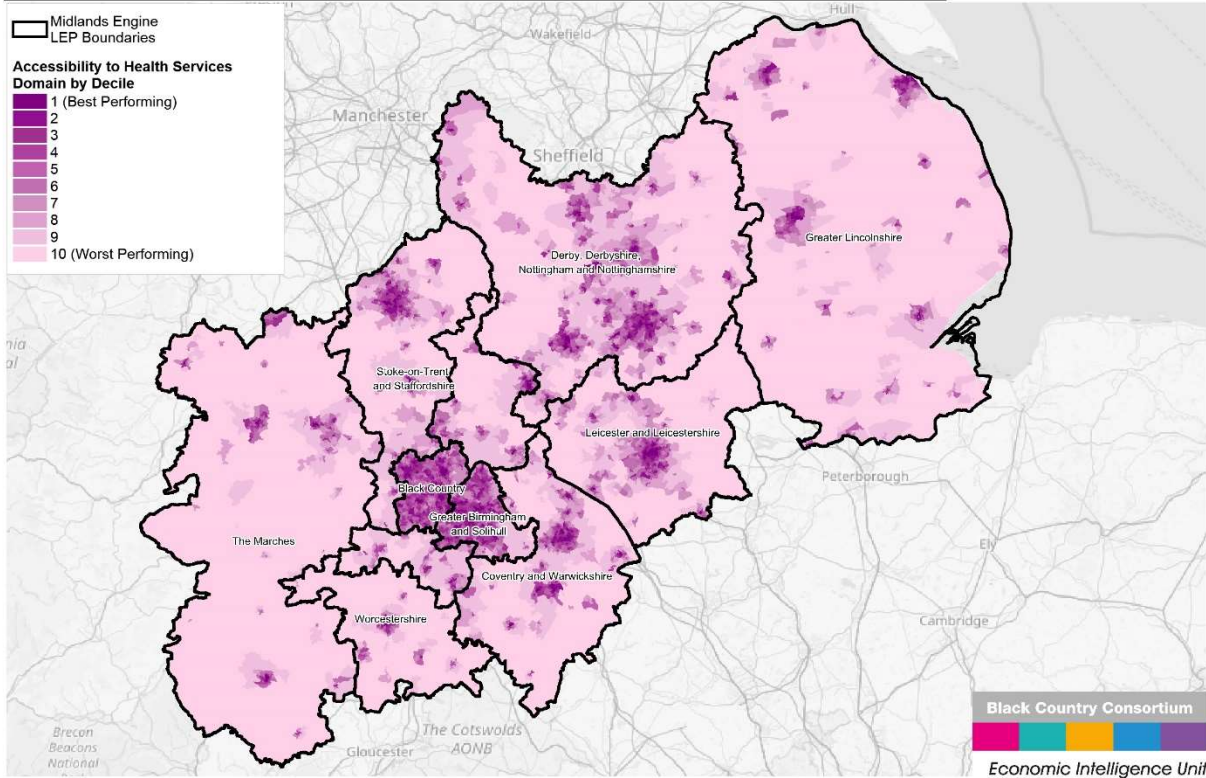
**INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - RETAIL ENVIRONMENT**



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The domain of accessibility for Retail Environment relates to specifically access to fast food outlets, pubs, off-licences, tobacconists and gambling outlets. A healthy area perspective better / more access would equate to worse score.

**INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - HEALTH SERVICES**



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Figure 25  
Source: Gov.uk k  
(2015)

The domain of Health services relates to access to GPs, hospitals, pharmacies, dentists and leisure services.

**INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS**

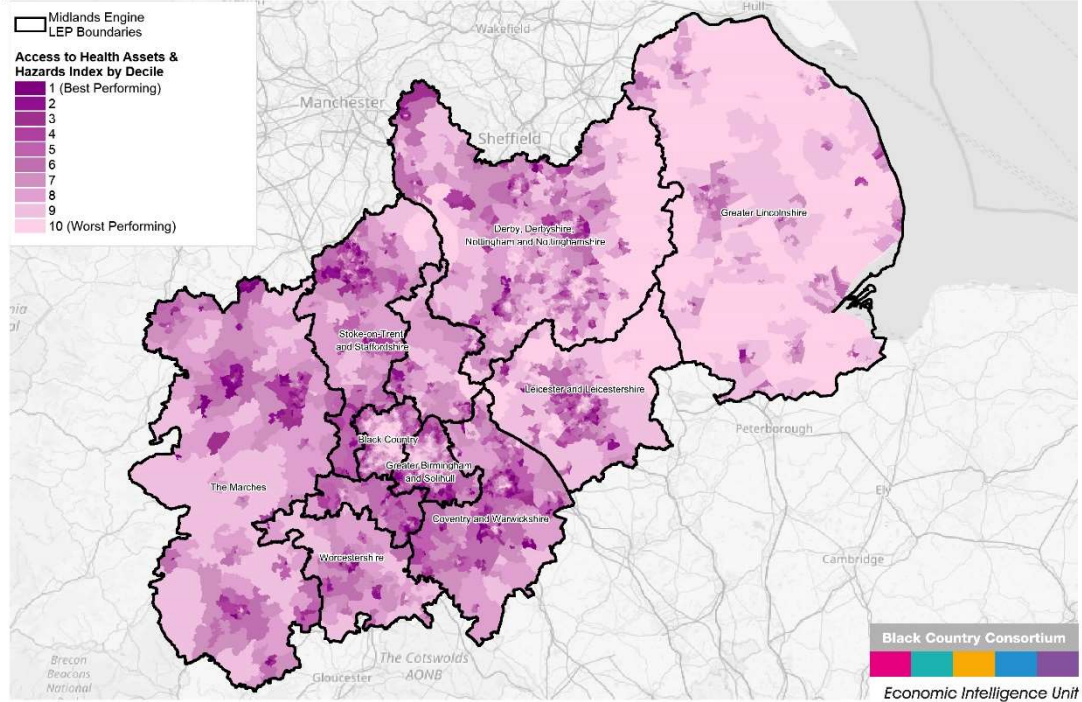


Figure 26  
Source: Gov.uk (2015)

This graph shows the overall multi-dimensional index score for each area in the Access to Health Assets and Hazards Index, combining the indicators under the three different domains of accessibility shown above: retail environment, health services and physical environment.

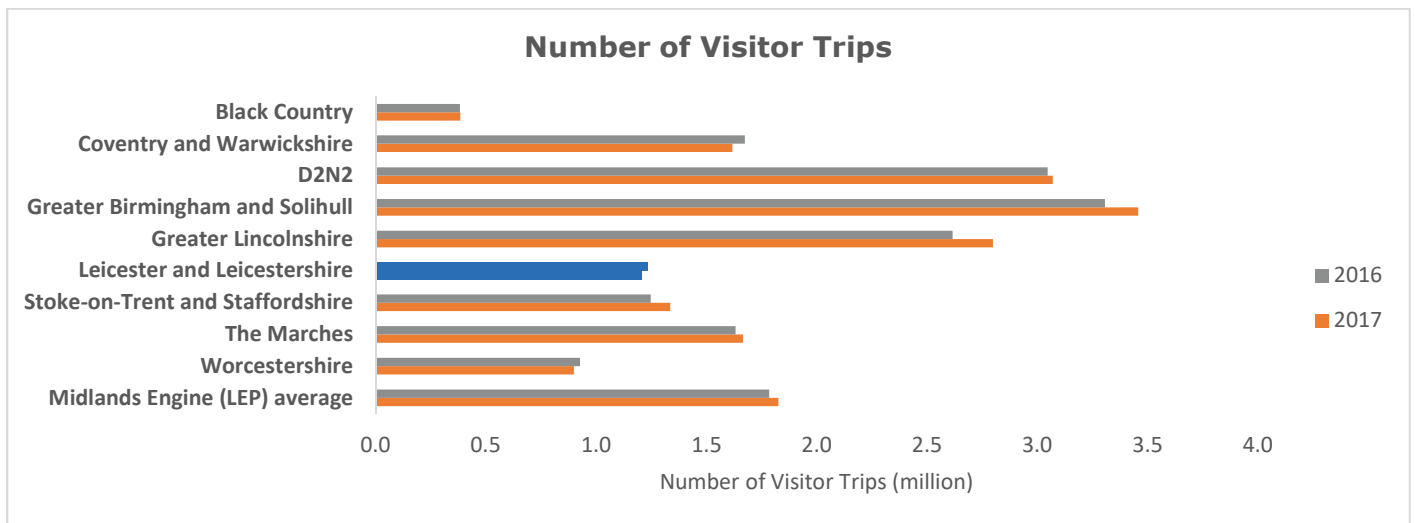


Figure 27 Source: Visit Britain: Great Britain Tourism Survey (2018)

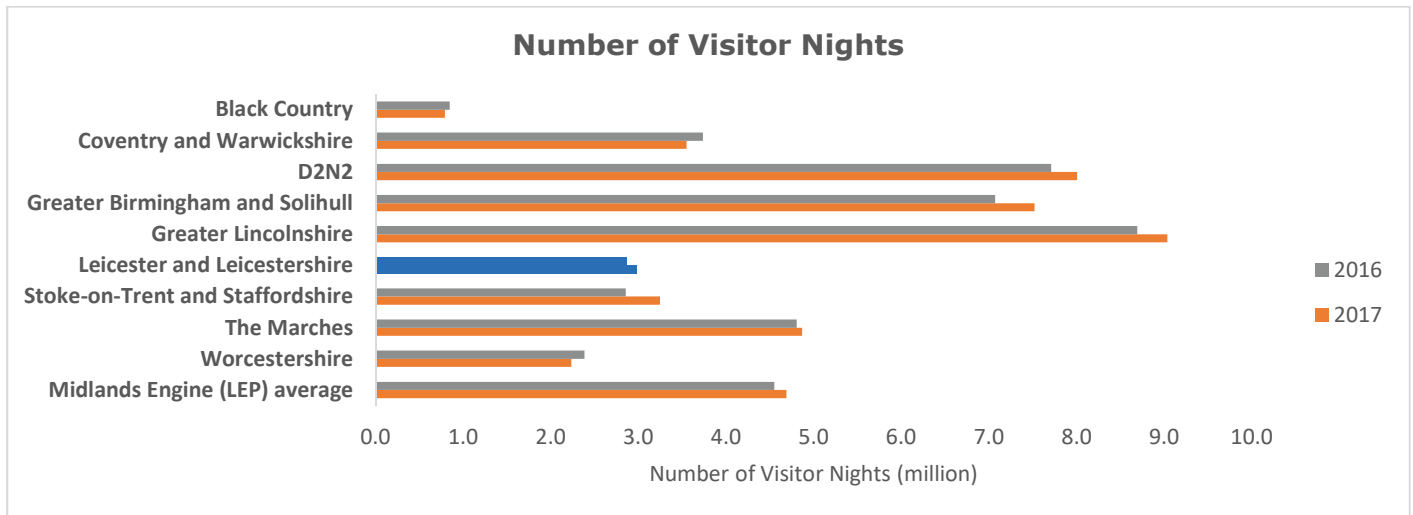


Figure 28 Source: Visit Britain: Great Britain Tourism Survey (2018)

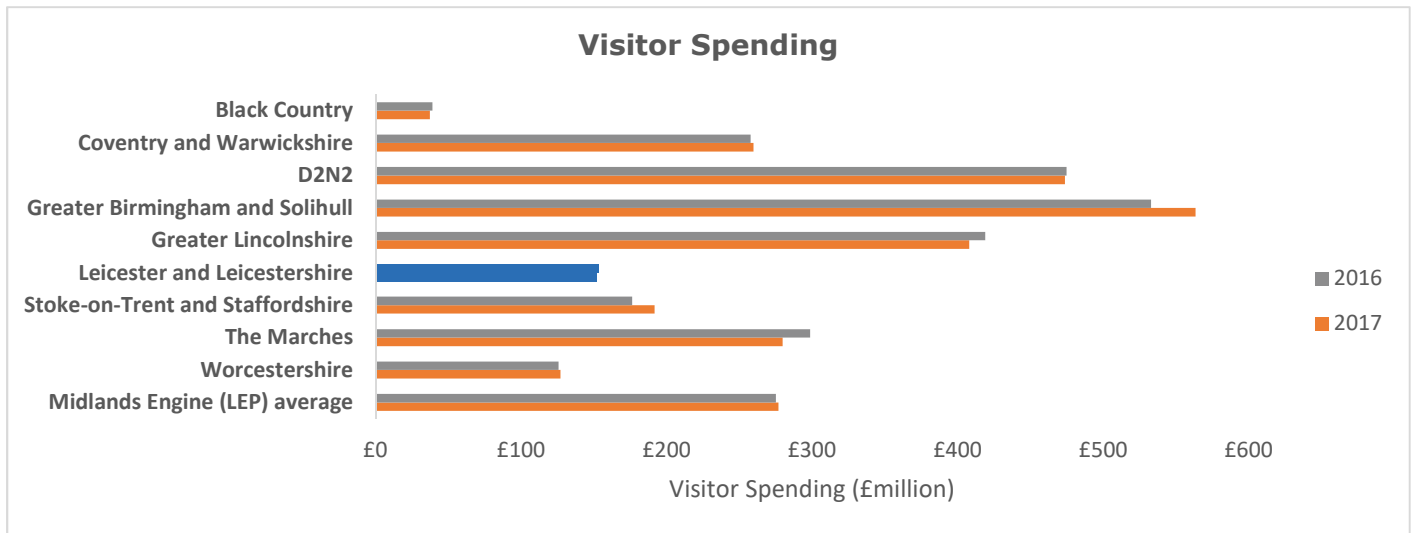


Figure 29 Source: Visit Britain: Great Britain Tourism Survey (2018)

**Number of dwellings started and completed 2018-2019**

	Dwellings started				Dwellings completed			
	Private Enterprise	Housing Associations	Local Authority	All	Private Enterprise	Housing Associations	Local Authority	All
Black Country	1,600	180	260	2,040	1,770	170	250	2,190
Coventry and Warwickshire	2,710	1,010	0	3,720	3,250	910	0	4,160
D2N2	4,920	620	30	5,570	5,040	710	70	5,810
Greater Birmingham and Solihull	4,000	790	90	4,880	3,410	910	20	4,340
Greater Lincolnshire	3,070	340	10	3,420	2,740	510	40	3,290
Leicester and Leicestershire	2,540	560	0	3,140	2,770	700	0	3,440
Stoke-on-Trent and Staffordshire	2,850	440	10	3,300	3,060	650	10	3,710
<b>The Marches</b>	<b>2,470</b>	<b>330</b>	<b>40</b>	<b>2,840</b>	<b>2,190</b>	<b>610</b>	<b>100</b>	<b>2,900</b>
Worcestershire	1,850	630	0	2,470	1,680	640	0	2,320

Figure 30 Source: Gov.uk (2019)

**Assets**

Whilst Leicester and Leicestershire has modest visitor numbers (see Figures 27 and 28) compared to larger LEPS, the area is home to some significant visitor attractions associated with King Richard III and the National Space Centre. The UK’s largest dedicated comedy festival also takes place in Leicester whilst the construction of the Market Food Hall, which has been voted Britain’s favourite market in two of the last five years, is important in attracting people to shop, live and work

Rural Leicestershire also includes some significant natural/heritage assets including the Charnwood Forest, Bradgate Park, Battle of Bosworth Visitor Centre and Foxton Locks.

Thriving market towns such as Market Harborough and Melton Mowbray are also located within the boundaries of the LEP area.

The LEP area is located in close proximity to Rutland Water that is located just outside the LEP boundary.

**Barriers and Challenges**

Important challenges include how to best to future proof the area’s market town centres. As shown in Figures 27 and 28 visitor numbers in the area are modest compared to the number attracted in other Midlands Engine LEP areas. The draft Leicester and Leicestershire Local Industrial Strategy identifies the importance of Leicestershire’s market towns developing their visitor economies by improving their cultural offer, events and attractions. The strategy also emphasises how converting existing retail stock into housing and supporting traditional independent retailers to adapt to on-line selling to increase their reach and customer base. It will be important in increasing the sustainability of the area’s high streets.

As shown in Figure 21, pockets of deprivation exist in Leicester and Leicestershire LEP area with significant differences apparent across the different local authorities in the area. The draft Local Industrial Strategy reveals how although deprivation appears to be concentrated in urban areas, barriers exist in rural parts of Leicester and Leicestershire due to limited public transport services and greater distances to public services. In turn, higher average house prices in rural areas create issues in terms of



affordability. Population growth across the area have contributed to limited housing supply and decreasing affordability across Leicester and Leicestershire. Furthermore, the presence of major transport infrastructure can present environmental challenges.

### Opportunities

Key opportunities to increase prosperity in Leicester and Leicestershire LEP relate to the area's central location with good proximity to employment centres across the Midlands and excellent rail links to London. Leicester is a centrally located service centre supporting a well-defined rural hinterland. It combines good accessibility with an attractive (rural) natural environment.

Coordinated strategic growth plans have been put in place to deliver opportunities for future growth in Leicester and Leicestershire. In 2018, the nine local authorities and the Local Enterprise Partnership prepared a Strategic Growth Plan identifying their aspirations for the development of new housing and infrastructure in the area up to 2050.

### Going Forward

Going forwards there is a recognition that there are a range of factors which will be taken into account in order to maximize the potential of Leicester and Leicestershire's location assets, whilst also addressing the challenges which are also present.

Areas of key focus will be:

- The enhancement of Leicester city centre to create a great place to live, work, study and visit.
- Supporting the regeneration and development of town centres to create attractive and productive places that people want to live, work, study and invest in
- Delivery of key programmes to improve employability, reduce deprivation and reduce economic exclusion
- Delivery of planned and sustainable housing growth
- Supporting the development of the cultural, leisure and tourism offer
- Improved understanding of the farming and agricultural economy, how it can be better supported and local supply chains strengthened.



Space Park Leicester is part of a major regeneration programme in the City's Waterside area.

## Leicester and Leicestershire LEP Unitary Local Authority and Districts:

Blaby
Charnwood
Harborough
Hinckley and Bosworth
Leicester
Melton
North West Leicestershire
Oadby and Wigston

## Prepared on behalf of the Midlands Engine by:



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